

PROJECT PROFILE – SUMMARY SHEET

Project Introduction

1. Project title: **Walnut processing and packing**

2. Sector: **Manufacture of food products and beverages (15)**

Sub sector: **Manufacture of other food products n.e.c (1549)**

3. Products/Services: **packed walnut**

4. Location: Free zone Economic special zone Industrial Estate Main Land

5. Project description:

The main goal of this plan is to establish the factory of walnut processing in Selseleh and Delfan cities in Lorestan province.

6. Annual capacity: **1000t as input of production line:**

- **High quality walnut: 315t**
- **Fesenjani walnut: 135t**
- **Wooden cover: 550t**

Project Status

7. Local / internal raw material access: 100 %

8. Sale:

Anticipated internal market: 100%

Anticipated export market: 0%

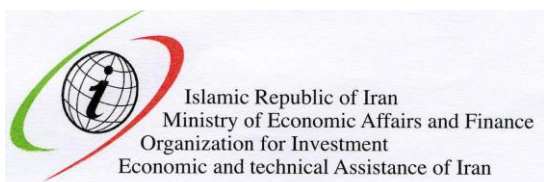
9. Construction Period : 24 months

Schedule

Beginning of activity:
In-site beginning of activity:
End of project:
Commercial activity beginning:

10. Project Status:

- Feasibility study available? Yes No
- Required land provided? Yes No
- Legal permissions (establishment license, foreign currency quota, environment, etc) taken? Yes No
- Partnership agreement concluded with local/foreign investor? Yes No
- Financing agreement concluded? Yes No
- Agreement with local / foreign contractor(s) concluded? Yes No
- Infrastructural utilities (electricity, water supply, telecommunication, fuel, road, etc) procured? Yes No
- List of know-how, machinery, equipment, as well as seller / builder companies defined? Yes No
- Purchase agreement for machinery, equipments and technology concluded? Yes No



Financial Structure

11. Finance

Description	Local Currency Required			Foreign Currency Required Million Dollar	Total Million Dollar
	Million Rials	Rate	Equivalent in Million Dollar		
Fix Capital	11530	32500 Rials for each Dollar	355	0	355
Working Capital	12507		385	0	385
Total Investment	24037		740	0	740

- Value of foreign equipment/machinery: 89.7 million dollars
- Value of local equipment/machinery: million dollar
- Value of foreign technology: million dollar
- Value of local technology: million dollar
- Net Present Value (NPV): 14626.71 Million Rials for 10 Year, discount rate: 20%
- Internal Rate of Return (IRR): 39.70%
- Payback Period (PP): 50%

General Information

12. Project Type: Establishment Expansion and completion

13. Company Profile:

- Name (legal /natural persons):
- Company Name:
- Address:

-Tel:	Fax:
-E-mail:	Web site:
-Sector: private sector <input type="checkbox"/> public sector <input type="checkbox"/> other <input type="checkbox"/>	

<i>Please attach follow documents if available</i>
<ul style="list-style-type: none">- Pre-feasibility study <input checked="" type="checkbox"/>- Feasibility study <input type="checkbox"/>- Legal permissions (establishment license, foreign currency quota, environment, etc) <input type="checkbox"/>

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سازمان برنامه و بودجه کشور

سازمان مدیریت و برنامه ریزی استان لریستان

Plan

Walnut processing and packing

Product's introduction

The main goal of this plan is to establish the factory of walnut processing in Selseleh and Delfan cities in Lorestan province. The ISIC code of this product is 1549512374 (8-digit code is 15492150) of food products and types of drinks (15) and subgroup of types of food products which are not classified elsewhere (1549).

The walnut is imported and exported based on sub-chapter of tariff 0802 of Iranian custom regulations entitled as other hard-skin, fresh or dry and even skinned fruits based on sub-tariff 08023200.

The conditions under which this is permitted to be imported obtained from trade ministry and mines and industries ministry are to pay 75% import fees in 2016 (custom fee:4% and trading fee:71%).

Product's introduction

The main goal of establishing this unit is to process the walnut with green skin and packing the healthy walnut. However, based on the diversity of products, there are technological limitations in processing all inlet walnuts properly and the final products of this unit is divided into high quality walnut and the Fesenjani walnut. In addition, the wooden separated cover of the walnut is sold and is considered as a byproduct.

Plan proposed places

Based on advantages of being placed in industrial parks and zones, the Lorestan industrial park is proposed for implementing the plan. In addition, since the walnut production center in Lorestan is Selseleh, therefore the industrial park in Selseleh is selected for this plan.

Raw, auxiliary and consuming materials

Based on following reasons, the input of the lines of this factory in first phase are walnuts with wooden cover (rather than walnut with green skin).



- Separation of walnut green skin by gardeners
- The walnut with green cover is only available during the harvesting season. This is evident that if the needs of a year are met in this particular period, not only there would be high costs of establishment of standard refrigerators for keeping them, but also there would be large amount of working capital due to sales of entire crops.

Accordingly, the raw materials in this unit are for processing and packing the walnut based on the following table.

Table1. raw materials used in processing and packing walnut

Annual costs (million rials)	Unit price (rials)	Sum of raw and consumin g materials	Consumption/yea r	Scal e	Raw, auxiliary and consumin g materials	No.
160,000	160,000,000	1,000	1,000	t	Walnut with wooden cover	1
750	300	2,500,000	2,500,000	No.	Package	2
500	200	2,500,000	2,500,000	No.	Packing label	3
200	20,000	10,000	10,000	No.	Carton	4
161450						Total

Sales plan and target market

The factory sales prices and production annual capacity are as follow.

Table2. sales price, 6/2017

Price (Rial)/No.	Description
450,000,000	High quality packed walnut
300,000,000	Packed Fesenjani walnut
1,500,000	Walnut wooden cover

Table3. Annual sales

Annual sales (million rials)	Unit price (rials)	Capacity (t)	Description	No.
141,750	450,000,000	315	High quality packed walnut	1



40,500	300,000,000	135	Packed Fesenjani walnut	2
825	1,500,000	550	Walnut wooden cover	3
183,075		1,000	Total	

Nominal and practical capacities

The nominal capacity for annual production capacity in 1 working shifts each with 8 hours working daily during 300 days per year is 1000 cartons. Since the nominal capacity of production is for ideal situations, considering the unpredictable factors such as work stop and repair and maintenance, the efficiency of this unit is 90% which is set to be 900 cartons annually.

Based on the input capacity of walnut into the production line, the nominal capacity of production for each product would be as:

- High quality walnut: 315T
- Fesenjani walnut: 135T
- Wooden cover: 550T

Production procedure and technology used

This unit includes 2 separated sections whose performance would be explained as follow:

1. In this section, 4 walnut skinning devices are provided with capacity of each equal to 125 kg/h. The devices are semi-automatic and the walnut inlet with cover into it is by the workers in manual process.
2. The processed walnut obtained in first section is separated and packs.
 - The processed walnut entry to packing line
 - Separation of impurities

Summary of pre-feasibility studying of walnut processing and packing

- Classifying and separation of walnuts
- Elimination of dust and cleaning
- Scaling
- Final packing

This is necessary to note that capacity of these devices is 1000 kg/h.

The plan investment costs

The fixed plan investment cost is estimated as 11.530 million Rials and the working capital is lower than 12.507 million Rials.

The plan investment costs

%	Total (million rials)	Required		Description
		Total required (million rials)	Rial (million rials)	
4%	1,050	1,050	1,050	Land
2%	585	585	585	Landscaping
18%	4,395	4,395	4,395	Building
12%	2,915	2,915	2,915	Machineries
1%	306	306	306	Installations
0%	10	10	10	Laboratory equipment
0%	0	0	0	Vehicles
0%	87	87	87	Service and administrative equipment
1%	292	292	292	Mechanical equipment
2%	482	482	482	Unexpected and miscellaneous
42%	10,121.60	10,121.60	10,121.60	Total fixed assets
6%	1,408.33	1,408.33	1,408.33	Pre-exploitation costs
48%	11,530	11,530	11,529.93	Fixed investment costs
52%	12,507.04	12,507.04	12,507.04	Working capital
0%	0	0	0	Other assets
100%	24,036.98	24,036.98	24,036.98	Total plan investment costs

The plan production costs



Summary of pre-feasibility studying of walnut processing and packing

The annual production costs are estimated to be 173 billion Rials.

Table5. Production costs

Cost in practical capacity (million rials)	Costs (million rials)	Description	No.
145305	161450	Consumer materials and packing	1
3070.24	3165.2	Production salary and wage	2
54.54	59.28	Water, electricity, fuel and communication	3
17.84	17.84	Insurance	4
262.84	285.69	Repair and maintenance	5
1684.29	1830.75	Marketing and ads	6
4553.39	4949.34	Production unpredicted and miscellaneous	7
849.13	849.13	Depreciation	8
155797.28	172607.24		Total

Economic indices

Table6. Economic indices

Value-measurement scale	Description
14626 million Rials	NPV
39.7%	IRR
2.56 years	PBP