

PROJECT PROFILE – SUMMARY SHEET

<i>Project Introduction</i>	
1. Project title: Production of jam and marmalade	
2. Sector : Production of food products and a variety drinks (15) and subgroup of fruit and vegetables production and preservation of corruption (1513).	
3. Products/Services: Production of jam and marmalade	
4. Location: Free zone <input type="checkbox"/> Economic special zone <input type="checkbox"/> Industrial Estate <input checked="" type="checkbox"/> Main Land <input type="checkbox"/>	
5. Project description:	
<p>The main goal of this plan is production of jam and marmalade. Entrepreneurship and employment is one of the other goals of this project which in one production line, more than 30 people are working. Due to high consumption of agricultural products in this factory, agricultural sector is flourished which prevents agricultural products from corruption and causes revival of farmland and recruiting staff in this sector.</p>	
6. Annual capacity: 1750 ton per year.	

<i>Project Status</i>	
7. Local / internal raw material access: 100% (they are produced in our country totally)	
8. Sale:	
Anticipated internal market: 100%	Anticipated export market: 0%
9. Construction Period (from beginning of activity to commercial activity): 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, 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, equipment and technology concluded? Yes No

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Financial Structure

11. Finance

Description	Local Currency Required			Required Foreign Currency (Thousand Dollar)	Total in Thousand Dollar
	Million Rials	Rate	Equivalent in Thousand Dollar		
Fix Capital	97770	87000 Rials for each Dollar	1124	0	1124
Working Capital	7809		90	0	90
Total Investment	105580		1214	0	1214

- Value of local equipment/machinery: 485 thousand dollars
- Value of foreign equipment/machinery: thousand dollars
- Value of foreign technology: thousand dollars
- Value of local technology: Million dollars
- Net Present Value (NPV): 1275950,48 Million Rials for 10 Year, discount rate: 20%
- Internal Rate of Return (IRR): 44,13
- Payback Period (PP): 50,25%

General Information

12. Project Type: Establishment Expansion and completion

13. Company Profile:

- Name (legal /natural persons):
- Current activity of company:
- Address:

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-Tel: Fax:
 -E-mail: Web site:
 -Legal structure of company: private sector public sector other

Plan name: Production of jam and marmalade

Product introduction

From a long time ago, providing jam and marmalade was a common method of preservation of fruit products. The distinction between these products is the size of fruit used in providing them. Jam is the product that is attained of entire and full fruit or some pieces of fruit during the process of cooking with adding some water and sugar to it. Marmalade is the product like jam which is attained of smashed fruit or fruit pulp and maybe there is suspended citrus peel in it.

In spite of these apparent differences, the basis of providing these two products is the same and actually includes formation of pectin gel.

Introduction of product applications

This unit is producer of a variety of jam which its final product is used in families' basket, manufactured goods of this unit are materials that are used for breakfast, the importance of eating breakfast is so obvious for everybody. Provided marmalade has industrial application, too.

Proposed places for plan

According to benefits of establishment in industrial estates and areas, industrial estates of Lorestan province are suggested for conducting the project.

Raw ,auxiliary,Consuming materials

No	Raw materials	Unit	Consumption rate per year	Spoilage	Sum of raw and consuming materials	Unit price	Annual cost (m/r)
1	fruit	kilogram	692580	13852	706431	50,000	35321,555
2	sugar	kilogram	865724	17314	883039	30,000	26491,166
3	glucose	kilogram	173145	3463	176608	29,000	5121,625
4	pectin	kilogram	9276	186	9461	1,200000	11353,357
5	citric acid	kilogram	9276	186	9461	55,000	520,362
6	250- gram jar	number	2460000	49200	2509200	2,500	6273,000

No	Raw materials	Unit	Consumption rate per year	Spoilage	Sum of raw and consuming materials	Unit price	Annual cost (m/r)
7	1-kilogram jar	number	200000	4000	204000	40,000	816,000

No	Raw materials	Unit	Consumption rate per year	Spoilage	Sum of raw and consuming materials	Unit price	Annual cost (m/r)
8	1400-gram jar	number	182149	3643	185792	4,500	836,064
9	11.5 - kilogram gallon	number	59129	1183	60312	60,000	3618,695
10	plastic and metal lid	number	2721278	54426	2775704	2,000	5551,407
11	cellophane	kilogram	2800	56	2856	170000	485,520
12	wire cut	number	1134000	22680	1156680	3,500	4048,380
13	250-gram label	number	2460000	49200	2509200	400	1003,680
14	1-kilogram label	number	200000	4000	204000	800	163,200
15	1400-gram label	number	182149	3643	185792	800	148,634
16	11,5 kilogram gallon label	number	59129	1183	60312	2,000	120,623
Total							101873,268

Sales plan and target markets

Description	Unit	Capacity (ton)	Nominal capacity (kilogram)	Practical capacity (kilogram)	Unit price (rial)	Annual sale (m/r)
sour cherry marmalade	ton	160	160,000	144,000	145,000,000	23,200
apricot	ton	160	160,000	144,000	130,000,000	20,800

Description	Unit	Capacity (ton)	Nominal capacity (kilogram)	Practical capacity (kilogram)	Unit price (rial)	Annual sale (m/r)
marmalade						
orange marmalade	ton	160	160,000	144,000	120,000,000	19,200
fig marmalade	ton	160	160,000	144,000	130,000,000	20,800
strawberry marmalade	ton	160	160,000	144,000	120,000,000	19,200
flower marmalade	ton	50	50,000	45,000	95,000,000	4,750
apple marmalade	ton	50	50,000	45,000	110,000,000	5,500
apple and carrot marmalade	ton	50	50,000	45,000	110,000,000	5,500
carrot marmalade	ton	50	50,000	45,000	95,000,000	4,750
carrot jam	ton	250	250,000	225,000	110,000,000	27,500
flower jam	ton	120	120,000	108,000	110,000,000	13,200
citron jam	ton	120	120,000	108,000	130,000,000	15,600
quince jam	ton	120	120,000	108,000	145,000,000	17,400
strawberry jam	ton	70	70,000	63,000	120,000,000	8,400
sour cherry jam	ton	70	70,000	63,000	150,000,000	10,500
Total		1,750	1,750,000	1,575,000	-	216,300

Annual nominal and practical capacities

Annual production capacity of one 8-hour shift in a day and 300 hours in a year is 1750 ton jam and marmalade. Practical capacity of this plan, regarding the unpredicted factors of stop working and also repair and maintenance, is considered 1575 ton with 90% efficiency of nominal capacity.

Production method and desired technology

1. Preparing the fruit

This stage includes different activities such as sorting, washing, peeling, pitting, cutting, chopping, frenching and so on that in regard to kind of product is conducted mechanically or manually in different ways.

2. Providing the syrup

Although we can add sugar directly into a cooking pot containing fruit or vegetables, it's better to dissolve sugar in boiling water in another pot and after sieving the syrup by cloth sieves, add it to another pot and after stopping cooking the products, add the rest of sugar and convey this product to final brix.

3. Cooking the product

In addition to removing excess water, boiling process entails some other impacts that we can mention some of them such as inversion of part of sucrose, developing specific aroma, cooking the product and changing the structure of fruit or vegetables and destruction of yeast and mold.

The plan investment costs

The fixed plan investment costs is estimated to be 97,770,35 million Rials and the working capital is estimated to be 7,809,20 million Rials.

Table 1. The plan investment costs

Description	Total (million rials)	percentage
Land	4,200	4%
Landscaping	2,081	2%
Building	26,120	25%
Machinery and equipment	42,184	40%
Installations	8,768	8%
Laboratory equipment and supplies	2,034	2%
Vehicles	4,100	4%
Workshop equipment	91	0%
Service and administrative equipment	903	1%
Unexpected and miscellaneous	4,524	4%
Total fixed assets	95,005,09	90%
Pre-exploitation costs	2,765,26	3%
Total fixed investment costs	97,770,35	93%
Working capital	7,809,20	7%
Other assets	0	0%
Total plan investment costs	105,579,56	100%

The plan production costs

The annual production costs are estimated to be 148231,98 million Rials.

Table 2. Production costs

No	Description	Cost (million rials)	cost in practical capacity (million rials)
1	Raw, auxiliary and packing materials	101,873	91,686
2	Production salary and wage	8,266	8,018
3	Water, electricity, fuel and communication	8,385	7,714
4	Insurance	172	172
5	Repair and maintenance	4,251	3,911
6	Marketing and ads	10,815	9,950
7	Production unpredicted and miscellaneous	6,147	5,656
8	Depreciation	8,322	8,322
Total		148231,98	135428,81

Economic indices

Table 3. Economic indices

Description	Value-measurement scale
NPV (net present value)	127950,48 million rials
IRR(internal rate of return)	44.13%
PBP (period of return of capital)	1,99 years

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