



NATIONAL INVESTMENTS AUTHORITY  
UNDER THE PRESIDENT  
OF THE KYRGYZ REPUBLIC



Organization for Security and  
Co-operation in Europe  
Programme Office in Bishkek

# BLACKCURRANT CULTIVATING AND PROCESSING PROJECT

IE SULAIMANOV



# KYRGYZSTAN



### **Project initiator:**

IE Sulaimanov

### **Brief Project Description:**

The project aims at planting black currant plantations and its further processing in Chon-Tash village of Tyup district of Issyk-Kul region. The project involves several stages: planting and cultivating 30 ha of organic black currant, plant construction for mechanical currant processing, freezers installation for flash freezing, building a greenhouse for seedling production, construction of commercial potato storage facilities.

### **Project Initiator Description:**

The project is initiated by Askarbek Sulaimanov - an experienced individual entrepreneur in the sphere of agriculture.

10 hectares of black currant have been already planted in Chon-Tash village, Tyup district, Issyk-Kul region. Also, the project promoter has taken another 30 ha on a long-term lease in the same area for further planting and cultivating black currant.

### **CEO: Askarbek Sulaimanov**

- More than 30 years of executive experience
- Experience in the public sector
- Agribusiness expert at JICA
- Directing 10 companies in the agricultural sector

### **Project cost - \$1,113,000**

- Existing plantation, 10 ha - \$79,000
- Seedlings - \$152,000
- Fertilizer - \$20,000
- Drip irrigation system - \$60,000
- Construction of a machine shop - \$250,000
- Freezing rooms - \$350,000
- Construction of a greenhouse - \$52,000
- Potato storage facilities - \$150 000

### **Investment required - \$1,034,000**

### **Payback period - 1.95 years**

# PROJECT DESCRIPTION

The project aims at planting black currant plantations and its further processing in Chon-Tash village of Tyup district of Issyk-Kul region.

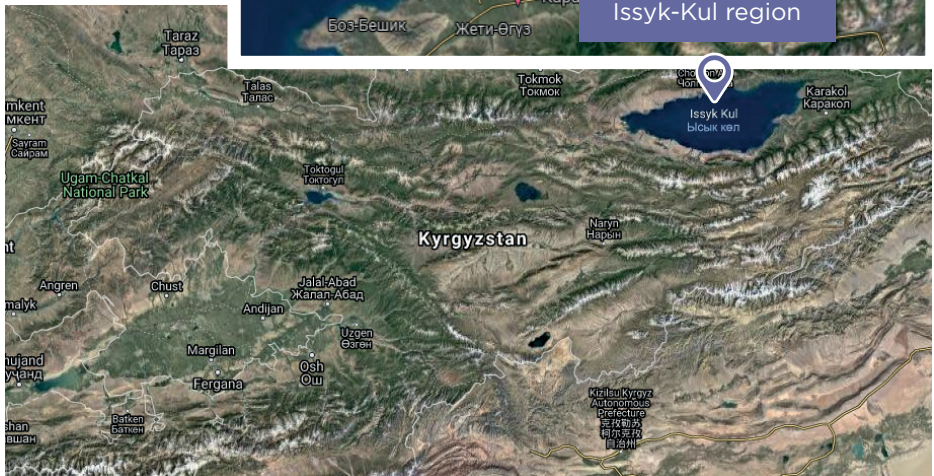
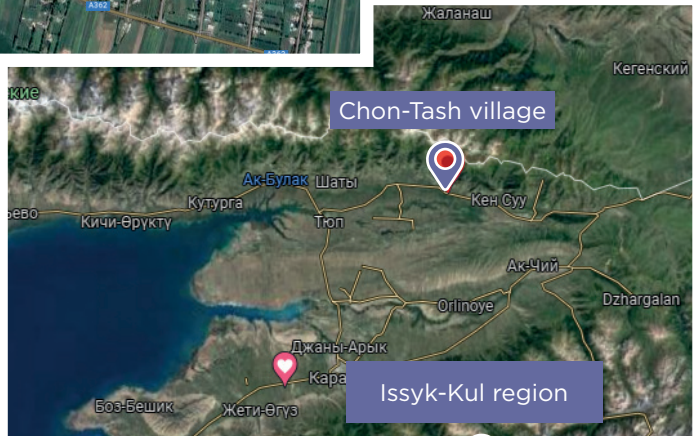
## The project involves several stages:

1. Planting black currant seedlings on a 30-ha plot, which will require 160,000 seedlings. A drip irrigation system is planned to be installed for high yields and efficient use of water resources. 10 hectares of black currant have already been planted in 2019 by the project initiator. It was carried out in such a way to be harvested with agricultural machinery and treated mechanically against weeds.
2. Construction of a mechanical shop with an area of 868 m<sup>2</sup> for managing the small-fruit crops. The mechanical shop is designed for machinery to be used for treatment of currant plantations to protect against weeds. Due to the fact that cultivation will follow organic standards, the berries cannot be treated with herbicides to control for weeds. Therefore, the plantations will be treated mechanically.
3. Installation of freezing rooms for flash freezing. After harvesting and processing the black currant should be frozen and exported to the UAE and Japan. The planned size of freezing rooms is 400 m<sup>3</sup>.
4. Construction of a greenhouse to grow black currant seedlings. The seedlings to be further sold in Kyrgyzstan. The estimated area of the greenhouse is 325 m<sup>2</sup>.
5. Construction of commercial potato storage facilities. Since large amounts of potatoes are grown in Tyup and Ak-Suu districts of Issyk-Kul region, there is a demand for storage services. It is planned to build a storage facility with a capacity to store 2,000 tons of potatoes.





# GEOGRAPHIC LOCATION



# PROJECT INITIATOR

The project is initiated by Askarbek Sulaimanov - an experienced individual entrepreneur in the sphere of agriculture.

10 hectares of black currant have been already planted in Chon-Tash village, Tyup district, Issyk-Kul region. Also, the project initiator has taken another 30 ha on a long-term lease in the same area for further planting and cultivating black currant.

At the moment, project initiator is waiting for the land plot of 0.67 hectares from Chon-Tash to be allocated by aiyl okmotu for the construction of a mechanical workshop, greenhouse, and storage facility.

In addition, IE Sulaimanov is the director of the Boris seed-production farm, importing super elite and elite class potato seeds from Germany. The Boris SPF is also engaged in production of potato seeds reproduction. The farm has exclusive rights to sell potato seeds of EUROPLANT Pflanzenzucht GmbH in the Kyrgyz Republic



# MANAGEMENT TEAM



**ASKARBЕК SULAIMANOV**  
Founder/Director

- ✓ Qualified as a civil engineer in the field of water supply and sanitation
- ✓ More than 30 years of executive experience
- ✓ Experience in the public sector
- ✓ Agribusiness expert at JICA
- ✓ Directing 10 companies in the agricultural sector
- ✓ Successfully implemented consulting projects to improve sales from 6 farms to Narodny retail chain

# SUSTAINABLE COMPETITIVE ADVANTAGES

- ✓ **Vast experience in agriculture sector.** The project initiator, Askarbek Sulaimanov, has more than 35 years of experience in various sectors of agriculture. Askarbek Sulaimanov has acted as an agribusiness expert in JICA projects, participated in EBRD trainings, and supplied planting material to Kumtor Gold Company.
- ✓ **Modern technology for black currant cultivation.** 10 hectares of currant were planted in accordance with organic standards in 2019, based on the principle of mechanized cultivation and harvest. The same method will be used on 30-ha plot. Also, a drip irrigation system planned to be installed to increase the yields.
- ✓ **Export of finished products.** The project initiator underwent an internship in «marketing of agricultural products» in Japan. During the internship, he studied the blackcurrant market, for which there is great demand in Japan. The volume of blackcurrant harvest on 40 hectares could potentially reach 400 tons per year. These volumes are sufficient for permanent year-round export to Japan or the UAE, where black currant is also a popular commodity.
- ✓ **Organic production.** Organic fertilizers will be used for cultivation. The project is expected to obtain certification for organic production from the European auditors. Having a certificate confirming the organic production will provide additional export advantages.





# HISTORICAL PROJECT PRODUCTION AND FINANCIAL PERFORMANCE INDICATORS

Historical performance indicators	2017	2018	2019	2020	2021
Potatoes sales, tons	220	520	20	60	882
Sales, USD	277 933	747 792	13 000	58 981	1 064 827

The 10-hectare currant plantation planted in 2019, has not yet begun to produce a crop. The first harvest is expected in 2022.

At the moment, the project initiator profits from potato storage and sale.





# FORECAST PROJECT PRODUCTION AND FINANCIAL INDICATORS

Harvested currant, tons	2022	2023	2024	2025	2026	2027	2028
Harvested currant, tons	20	30	110	160	250	310	400

Financial projections, USD	2022	2023	2024	2025	2026	2027	2028
Sales	200 000	300 000	1 100 000	1 600 000	2 500 000	3 100 000	4 000 000
EBITDA	40 000	66 000	275 000	448 000	750 000	930 000	1 200 000

- ✓ RR 27.46%
- ✓ Payback period 1.95 years, Discounted payback period 2.97 years

## FUNDING SOURCES AND USE OF FUNDS

Funding sources	Amount, USD
Financial investor	1 034 000
Project initiator	79 000

Use of funds	Amount, USD
Plantation, 10 ha	79 000
Seedlings	152 000
Fertilizer	20 000
Drip irrigation system + well	60 000
Construction of a mechanical workshop	250 000
Freezing rooms	350 000
Greenhouse construction	52 000
Warehouse for potatoes	150 000

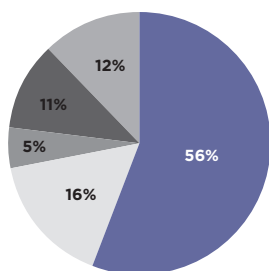
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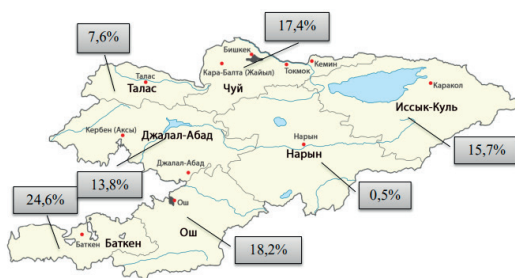
# BRIEF OVERVIEW OF THE FRUIT AND BERRY MARKET IN KYRGYZSTAN

Batken, Osh and Chui regions account for more than 60% of fruit and berry crop areas in Kyrgyz Republic. The main share of total area allocated to fruit and berry crops is accounted for apple and apricot.

## THE STRUCTURE OF PERENNIAL OF FRUIT AND BERRY CROP AREAS IN THE KYRGYZ REPUBLIC



- Apples
- Apricots
- Pear
- Peaches and nectarines
- Other



- ✓ Currant cultivation in the Kyrgyz Republic takes no more than 4% of the cultivated area and no more than 6% of the gross yield of all berry crops in Kyrgyzstan.

Currant key indicators	2015	2016	2017	2018	2019
Total area, ha	30	36	37	38	38
Gross yield, kg	3 333,3	3 027,8	3 216,2	3 078,9	3 131,6
Crop productivity, kg/ha	111	84	87	81	82

According to the UN Food and Agriculture Organization (FAO), only 3.1 tons of currant were harvested in 2019, which is very low for Kyrgyzstan. Import and export volumes are very low, not exceeding 1 ton.

According to the expert estimates of the Eurasian Economic Commission and FAO, fruit production (including berry crops) within the Eurasian Economic Union could reach at least USD1 billion.

Additionally, the project initiator was trained in Japan and studied the market and demand for black currant in this country. All blackcurrant export to Japan should be in the form of frozen product.

# INVESTMENT PROPOSAL

<b>LEGAL MECHANISM</b>	✓ LLC
<b>FUNDING TYPE</b>	✓ Direct investment in capital
<b>AMOUNT</b>	✓ USD 1,034,000
<b>TERM</b>	✓ 7-10 years
<b>NUMBER OF TRANCHES</b>	✓ Tranche No. 1 - for seedlings purchase ✓ Tranche No. 2 - for construction and equipment prepayment ✓ Tranche No. 3 - for payment completion for equipment
<b>COLLATERAL</b>	✓ Fixed assets

