



Aras Free Trade-Industrial Zone Organization

## **Technical and Economic Feasibility Form Production Projects (Industrial - Agricultural)**

1. Project: Establishing a 350-head veal calf rearing unit.

2. Project Presentation: Establishing a 350-head veal production unit for veal meat production.

3. Description of the Project:

a. Necessity of the Project:

Considering the importance of protein supply for the mental and physical health of individuals in society, as well as the employment opportunities provided by this industry, attracting investment and implementing livestock projects are of great importance.

b. Mainland Privileges (Raw Material – Market):

- 1- Feasibility of suitable livestock breeding and management based on the climatic conditions of Arvand Free Zone.
- 2- Availability of adequate forage and feed for livestock rearing.
- 3- Suitable market demand and sales for veal meat.

c. Market Potentials:

The presence of suitable conditions for livestock breeding and inputs, including livestock feed, is one of the advantages of livestock farming in Arvand. Given the significant demand for red meat consumption, there is a substantial potential, especially in the domestic market.

d. Added Value:

The production of high-value animal protein, particularly veal meat, with the use of cost-effective resources for livestock feeding, can create significant value-added.

#### **4. Market Feasibility; Economic – Financial:**

a. Annual Demand for the Product (Domestic – Countries of the Region – World Demand):

There is an annual demand for the produced product in Iran, regional countries, and globally.

b. Raw Materials Provision Potential (Domestic – Countries of the Region):

The required raw materials for livestock rearing and veal production can primarily be sourced domestically, and if necessary, investors can also source raw materials from abroad.

c. Local and Regional Markets:

In addition to the domestic market, there is potential for the market in the countries surrounding the Persian Gulf and the CIS region, considering the presence of industrial slaughterhouses in the Arvand Free Zone.

#### **5. FS Components:**

a. Fixed Capital: 650,000,000,000 rials

Working Capital: 350,000,000,000 rials

b: PBP:4 years

c: IRR: 30

d: Land Area: 10,000 square meters

Built-up Area: 6,000 square meters

e: Direct Employment:

25 individuals

## 6. Technical Specs:

### a. Table of Raw Materials and Estimated Consumption:

- 1- Livestock feed, including 600 tons of corn silage, 200 tons of alfalfa, 300 tons of fattening concentrate
- 2- 350 head of veal calves
- 3- Veterinary drugs and equipment

### b. Table of Products and Estimated Production:

350-head veal production

### c. Table of Machinery and Production Line Equipment

- 1- Mill and mixer
- 2- Tractor for livestock farming operations
- 3- Veterinary equipment

### d. Schematic Diagram of the Production Process:

Purchase of purebred veal calves for fattening

Feeding with fattening ration

Reaching slaughter weight

Sending to the slaughterhouse

### e: Table of Energy and Labor Costs

Cost: 24500 million rials	
Energy:	8220 million rials
Work force:	28,000 million rials

## 7. Risks of the Project:

a. Existing Risks in case of Losing Potential Market:  
Insignificant

b. Risk of Rising Raw Material Price:

In the event of an increase in the exchange rate, the cost of imported raw materials also increases, which affects the total cost of the product.

c. Retention Risk:  
Insignificant

d. Risk of Currency Fluctuations and Inflation:

Financial provision based on the national currency, alignment of liabilities or assets based on the unit currency, presentation of financial reports and statements in currency (without conversion), participation in derivative market contracts, conducting offset transactions, entering into purchase and sale contracts in the national currency.