

Organization of a meat cluster for the production of lamb in West Kazakhstan oblast

Agro-Industrial Complex

Description of the project:

Organization of a full-cycle meat cluster for the production of lamb in West Kazakhstan oblast.

Reproducer with a capacity of 44,000 heads of one-time keeping, a feedlot with a capacity of 20,000 heads of one-time keeping, purchase of a meat processing plant with a slaughter capacity of 1,400 carcasses per day are planned to be built according to the project

Location:

West Kazakhstan Oblast, Syrym district, Sholakankatyn district, Toganas village

Initiator:

KazMeat Industry LLP - the main activity is the breeding of sheep and goats.

Output and capacity:

Mutton – 18,480 tons. It is expected that mutton will be sold to meat-processing plants of the country and will be exported to the CIS countries, the Middle East and China.

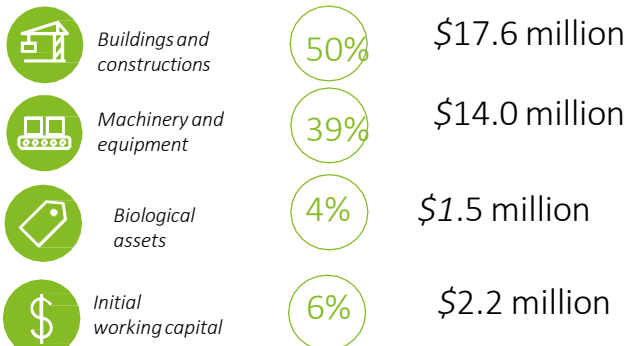
Production process:

- Maintenance of small cattle. The farm has chosen a mixed system of keeping small cattle: a combination of pasture and stall keeping.
- Slaughter, sorting, and preparation of meat products for sale (cooling and storage).

Investment attractiveness of the Project

Indicator	Results
Investment amount, US\$ thous.	35,557
Project NPV, US\$ thous.	211,648
MIRR, %	23.97%
EBITDA yield, %	47.7%
Payback period, years	8.2
Discounted payback period, years	8.9

Investment structure



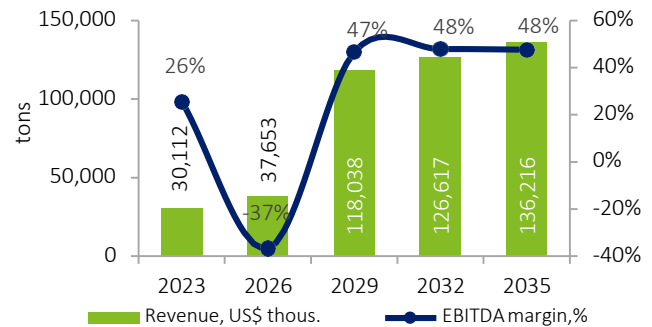
Prerequisites for implementation of the Project

Growing global demand for lamb. According to forecasts by the OECD and the UN FAO, there will be an increase in the global level of consumption of mutton. The average annual growth rate in 2020-2024 will be 2.39%.

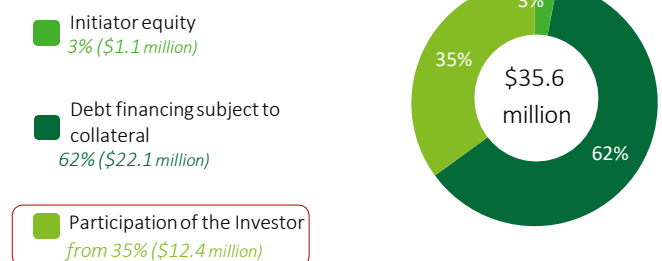
Price differential with neighboring countries. The average price of mutton in the regions of the RF bordering with the RK is 37% higher than the average Kazakhstan prices. The average price in the PRC market (9.82 USD / kg) exceeds the average price of mutton in the RK by more than 2 times. The average import price of mutton in the Middle East is 54% higher than the domestic market's average price.

Development of export to foreign countries. The export volumes of mutton from Kazakhstan have been growing rapidly in recent years (3 times since 2017) due to beginning of large supplies to Iran, China and Russia. Favorable location. The climatic conditions of the region are favorable for sheep breeding. The selected plot for the farm is sown meadows with access to river water.

Project Profitability



Financing structure



The proposed financing structure is indicative, the final financing and Project participation structures will be determined based on the results of negotiations with the Investor.