



Islamic Republic of Iran
North Khorasan Organization of Economic Affairs and Finance



Packing Herbal Infusions Maneh & Samalghan Industrial Park

Center of Investment Services of North Khorasan

2021 April

Summary Of Technical-Economical Pre-Feasibility Study

The Name: Packing Herbal Infusions

Sector: Agricultural

Subsector: Alterant Industries

ISIC Code: 7495412399

The Owner Of:

Organization Of Economic Affairs And Finance (North Khorasan)



The ADDRESS:

Iran, North Khorasan, Maneh & Samalghan

Table Of Contents

1	Abstract.....	4
1.1	Project Profile.....	4
2	Project Location.....	6
2.1	Province: North Khorasan.....	6
2.2	The County: Maneh and Samalghan.....	6
2.3	The Project: The Aluminum Sheets and Foils	7
2.4	Access To The Infrastructures	7
3	Technical Specifications Of Plan.....	8
3.1	Product	8
3.2	Project's Requirements	9
3.3	Space And Infrastructure Required.....	9
3.3.1	Equipment and Machinery	10
3.3.2	Raw Material and Intermediate Components.....	11
3.3.3	Management and Human Resources	11
4	Market Study and Competition.....	12
4.1	The Cost Estimate	12
5	Duration of Project Operation.....	13
6	Incentives, Features and Advantages of Project	14

1 Abstract

1.1 Project Profile

Table 1: Summary Sheet

Project Introduction			
Project Title	Packing Herbal Infusions		
Sector	Agricultural		
Sub Sector	Alterant Industries		
Location	Iran, North Khorasan, Maneh & Samalghan		
The County	Maneh & Samalghan		
Products / Services	Packing Herbal Infusions		
Annual Nominal Capacity	500	Ton	
The Raw Material	Herbal Tea, Packaging Equipment		
Employment	14	Person	
Land Area	3,360	m^2	
Floor Area	880	m^2	
Energy and Water Consumption	Water Consumption	20,000	m^3 in year
	Electricity Consumption	240	KW
	Gas Consumption	1,000,000	m^3 in year
Fixed Capital	59,502	Million Rial	
Working Capital (The First Year)	38,829	Million Rial	
Payback Period	3.73	Year	
Net Present Value (NPV)	79,909	Million Rial	
Internal Rate Of Return (IRR)	43	%	
Modified Internal Rate of Return (MIRR)	27	%	
Break Even Point	36	%	
The Exchange Rate (Dolar)	240,000	Rial	
Description	In This Project, All The Materials Related To The Study Of The Packing Herbal Infusions Market Especially Domestic And Foreign Supply And Demand, Are Examined.		

Table 2: Legal Authorizations

Licensure Status	
Descriptions	Issuance Status
Principal Agreement (Establishment Licensure)	☒
Land Allocation	☒
Environmental Inquiry	☒
Possibility Of Water Supply	☒
Possibility Of Electricity Supply	☒
Possibility Of Electricity Supply	☒
Possibility Of Gas Supply	☒

Table 3: Total Investment

Descriptions	Local Currency Required			Foreign Currency Required (Million Euro)	Total (Million Euro)
	(Million Rial)	Rate	Equivalent In (Million Euro)		
Fixed Capital	59,502	240,000	0.247	0	0.247
Working Capital	38,829		0.161	0	0.161
Total Investment	98,331	240,000	0.409	0	0.409

- Value of Foreign Equipment / Machinery: 0 Million Euro
- Value of Local Equipment / Machinery: 0.0167 Million Euro
- Net Present Value (NPV): 0.332 Million Euro In 15 Years
- Internal Rate of Return (IRR): 43%
- Payback Period: 3.73 Years

Table 4: General Information

Company Profile	
Project Type	Establishment <input checked="" type="checkbox"/>
Company Name	North Khorasan Organization of Agriculture Jihad
Contact Person (Name and Position)	Mr Rezvan Nikbakht
Email	et.1383@yahoo.com
Mobile	+989379094738
Tel	+9858-32257990
Website	http://portal.nkj.ir
Address	North Khorasan Province, Bojnurd, Chehelodometri Kamarbandi Blvd, North Khorasan Organization of Agriculture Jihad
Company's Legal Structure	Government <input checked="" type="checkbox"/>

2 Project Location

2.1 Province: North Khorasan

2.2 The County: Maneh and Samalghan

Maneh and Samalqan County is a county in North Khorasan Province in Iran. The capital of the county is Ashkhaneh. The county has three districts: Central District, Maneh District, and Samalqan District. The county has four cities: Ashkhaneh, Pish Qaleh, Shahrabad-e Khavar and Qazi.

This project will be construct in part 075 with coordinates (489261,4160322) in Maneh & Samalghan industrial park. Proposed location of project is shown in Figure 1.

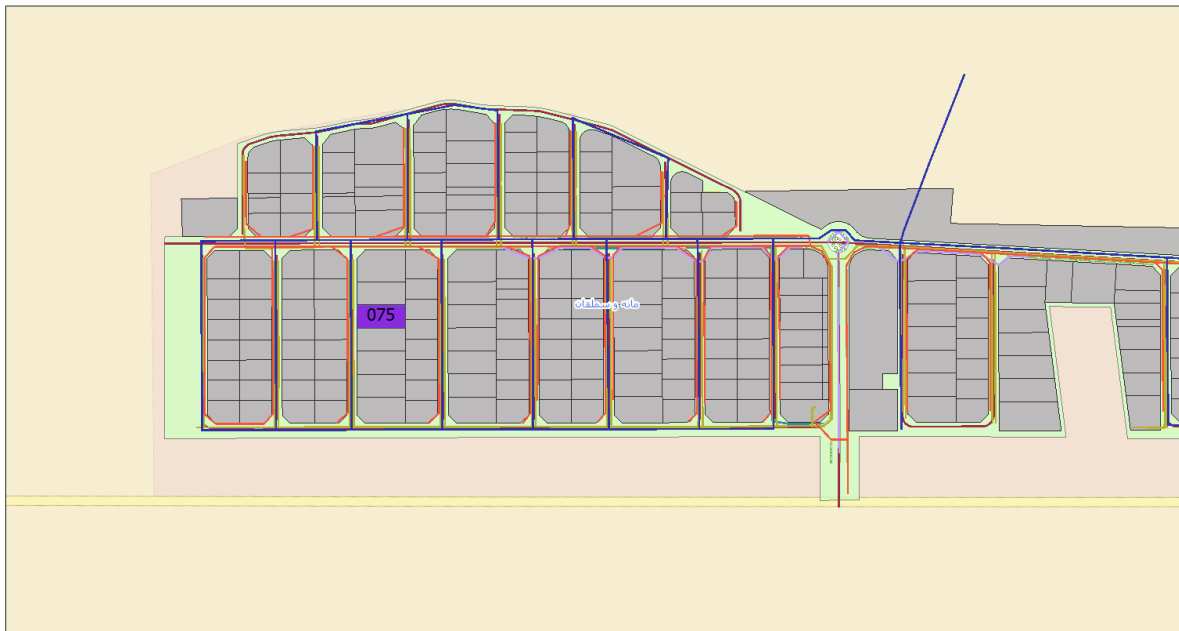


Figure 1: Location of Proposed Land in Maneh and Samalghan Industrial Park

2.3 The Project: The Aluminum Sheets and Foils

2.4 Access To The Infrastructures

Table 5: Access to Infrastructures

No.	Needed Infrastructures	Distance To The Project	The Supply Infrastructures
1	Water	0	Is Provided
2	Electricity	0	Is Provided
3	Gas	0	Is Provided
4	Telecommunications	0	Is Provided
5	High Way	<1 Km	Is Provided
6	Sub Way	0	Is Provided
7	Airport	51	Is Provided
8	Amirabad Port (Behshahr)	384	Is Provided
9	Bandar Abbas Port	1,536	Is Provided
10	Rail Way Station Of Joveyn	210	Is Provided
11	Rail Way Station Of Jajarm	122	Is Provided

3 Technical Specifications Of Plan

3.1 Product

Table 6: Project Specifications Based on ISIC Code

The Product	ISIC Code	Customs Tariff	Environmental Category
Preserving of Herbal Infusions	7495412399	Service	1

In this project, all the materials related to the study of the packing herbal infusions market especially domestic and foreign supply and demand, are examined. This product is also sold under other names such as herbal tea bags or herbal teas. Natural herbal teas have been used by iranians since ancient times and have always been considered due to their medicinal and healing properties. Some of these teas such as chamomile, green tea, black tea, thyme, borage, and rosemary have been very successful in the market, although the variety of these teas is very high and a wider range can be found with much less volume in the market sold. Low sales products are not the subject of this study. In north khorasan province, plants such as thyme, chamomile, borage are found in abundance.

The first aspect is the abundance of primary resources due to the mountainous nature of the factory area. Production of suitable herbal teas naturally or by planting by farmers is at a good level, but most of these plants are transported to neighboring provinces in bulk. The second aspect is related to manpower. Although unemployment rates in north khorasan province are relatively favorable, the presence of a large number of skilled workers can be a very valuable opportunity to set up a factory for the production of herbal teas. Taking advantage of this opportunity to prevent the migration of the province's labor force at this time is very necessary. The third aspect is related to exports. North khorasan province is geographically close to afghanistan and pakistan. This short distance has a great impact on reducing transportation costs, and on the other hand afghanistan, pakistan, turkmenistan, armenia and turkey are familiar enough with herbal teas and this valuable product can be easily provided to them.

3.2 Project's Requirements

Studies show that demand is on the rise until 2025, so that from 2020 to 2023, about 6,000 tons can be added to the country's production. Now, if we assume that factories with physical progress (above 75%) will produce, the shortage of demand in the country will be about 5,000 tons. It should be noted that the capacity of the factory is 500 tons, so it can be claimed that the factory can be established without the concern of selling the product. It should be noted that we do not have any factory with this title in north khorasan province and 460 tons of licenses have been obtained, which is at the stage of zero development. Meanwhile, the volume of medicinal plants that are produced in the province is over 2,000 tons, of which at least 50% is capable of producing tea, so there is no problem in supplying the raw material.

3.3 Space And Infrastructure Required

Table 7: Land Purchase Costs (Million Rial)

Specifications	Area (m^2)	Price Per m^2	Cost		
			Paid Cost	Needed Fund	Total
A Piece Of Land In Maneh & Samalghan	3,360	0.6	0	0	2,016

Table 8: Site Preparation And Development Costs (Million Rial)

Description	Working Capacity	Unit	Unit Price	Paid Cost	Needed Fund	Total
Excavation	3,130	m^3	0.3	0	0	939
Wall Construction & Door	200	m^2	9	0	0	1,800
Street Construction (5% of the amount of Land)	168	m^2	7	0	0	1,176
Green Space & Lighting (1% of the amount of Land)	33.6	No	8	0	0	268.8
Total				0	0	4,184

Table 9: Civil Works, Structures And Buildings Costs (Million Rial)

Description	Area (m ²)	Unit Price	Paid Cost	Needed Fund	Total
Production Hall	600	25	0	0	15,000
Raw Material & Product Warehouse	200	30	0	0	6,000
Office Building	50	45	0	0	2,250
Welfare & Guardroom	30	45	0	0	1,350
Total			0	0	24,600

Table 10: Infrastructures

No	Description	Unit	Annual Consumption	Unit Cost (Rial)	Total (Million Rial)
1	Water Consumption	m ³	20,000	7,000	140
2	Electricity Consumption	Kwh	1,200,000	1,100	1,320
3	Gas Consumption	m ³	1,000,000	1,200	1,200
4	Other	Litr			796
Total					3,556

3.3.1 Equipment and Machinery

Table 11: Plant Machinery and Equipment Costs(Million Rial)

Description	Unit Cost	Costs Required				Total
		Local Costs	Costs Of Currency		Cost To Complete	
			Rate	(M€)		
Receiving Tank	10	10	240,000	0	0	10
Cleaning Table	150	150		0.0006	0	150
Dryer	600	600		0.0025	0	600
Sorting	550	550		0.0022	0	550
Mill	900	900		0.0037	0	900
Packing Herbal Infusions	950	950		0.0039	0	950
Sheathing Machine	300	300		0.0012	0	300

Description	Unit Cost	Costs Required			Total	
		Local Costs	Costs Of Currency			Cost To Complete
			Rate	(M€)		
Printer	85	85		0.0003	0	85
Sharing Pack	480	480		0.002	0	480
Total Cost of Machinery		4,025	240,000	0.0167	0	4,025

- The Exchange Rate Is: 1 € = 240,000 Rial

3.3.2 Raw Material and Intermediate Components

Table 12: Raw Material and Intermediate Components (Million Rial)

Description	Unit	Total Consumption Of The Raw Material	Price Per Unit Of Raw Material	Annual Cost Of Providing Material
Herbal Infusions	Ton	550	380	209,000
Raw Material	Ton	22	445	9,800
Total				218,800

3.3.3 Management and Human Resources

Table 13: Salary of Administrative Staff (Million Rial)

No.	Position	Number Of Shifts	Personnel Per Shift (No.)	Total Staff (People)	Monthly Salary (Per Person)	Annual Salary
1	Manpower (In Administrative Sector)	-	-	4	900	3,600
2	Manpower (In Production Sector)	-	-	10	702	7,020
Total				14		10,620

4 Market Study and Competition

4.1 The Cost Estimate

Table 14: Total Investment (Million Rial)

No.	Subject	Cost
1	Fixed Capital	59,502
2	Working Capital	38,829
Total Investment		98,331

Table 15: Fixed Capital (Million Rial)

Subject	Paid Cost	Cost Required				Total Cost
		Local Cost	Foreign Exchange Cost		Needed Fund	
			Rate	(€)		
Land Purchase	0	2,016	240,000	0.0084	0	0.0084
Landscaping	0	4,184		0.0174	0	0.0174
Building	0	24,600		0.1025	0	0.1025
Equipment & Machinery	0	4,025		0.0168	0	0.0167
Laboratory & Workshop Supplies & Equipment	0	498		0.0021	0	0.0020
Facilities	0	8,100		0.0338	0	0.0337
Transportation	0	0		0.0000	0	0
Office & Services Equipment	0	560		0.0023	0	0.0023
Pre-Operation Costs	0	10,110		0.0421	0	0.0421
Unforeseen (10% of the above Items)	0	2,016		0.0084	0	0.0084
Total	0	56,109	240,000	0.2338	0	56,109

Table 16: Working Capital (Million Rial)

Subject	Day	Total
Packaging Material (2 Months Raw Materials and Packaging)	60	36,467
Salary (2 Months Salary)	60	1,770
Imprest Fund (15 Days of Water, Electricity, Fuel and Repair Costs)	15	593
Total		38,829

Table 17: Fixed And Variable Costs

No.	Production Cost	Fixed Cost		Variable Cost	
		%	Cost	%	Cost
1	Raw Material	0	0	100	218,800
2	Energy & Utility	20	711	80	2,845
3	Repair & Maintenance	20	330	80	1,322
4	Production Salary	70	7,434	30	3,186
5	Depreciation	100	4,573	0	0
Total Production Costs			13,049		226,152

5 Duration of Project Operation

Table 18: Action Plan And Implementaion Schedule

Description	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Land Purchase																								
Constructing Buildings																								
Execution Of Facilities																								
Order, Purchase Of Machinery																								
Landscaping																								
Machinery Strat-Up & Trial Production																								

6 Incentives, Features and Advantages of Project

North Khorasan Province is a province located in northeastern Iran. Bojnord is the capital of the province. This province contains many historical and natural attractions, such as mineral water springs, small lakes, recreational areas, caves and protected regions, and various hiking areas. Advantages of the agriculture of this province involves favorable and diverse climatic conditions and other parameters affecting growth.