

## Modernization of sausage manufacture and a refrigerator of JSC «Krichev meat plant»

<b>A. Project Opportunity Description:</b>	
A1. Project Name:	
Modernization of sausage manufacture and a refrigerator of JSC «Krichev meat plant»	
a. Short name:	
Modernization of sausage manufacture and a refrigerator of JSC «Krichev meat plant»	
b. Full name:	
Modernization of sausage manufacture and a refrigerator of JSC «Krichev meat plant»	
c. Summary description:	
The main purpose of given project is to increase production of competitive meat products.	
A2. Progress Status:	
The investment offer with technical and economic calculations.	
A3. Organizations involved and their roles:	
1) Joint Stock Company «Krichev meat plant»: 1, Komsomolskaya Ave., 213500, Mogilev region, Krichev, Republic of Belarus. Kotlyarova N.M., Director, tel.: (+375-2241) 54-380, fax: (+375-2241) 55-285, e-mail: <a href="mailto:krichrik@rambler.ru">krichrik@rambler.ru</a> ; 2) Mogilev Region Executive Committee: 71, Pervomaiskaya Str., Mogilev, 212030, Republic of Belarus. Fedotova Tatiyana, tel.: (+375-222) 32-67-27.	
A4. Project Description:	
The project provides for modernization of sausage production. The purpose of modernization is to replace obsolete equipment to manufacture competitive products. With the purpose of improvement of the quality of forcemeat it is necessary to obtain meat cutter, with the purpose of decreasing expenses of production of sausages – heat chambers. In order to provide required quality and to low expenses for storage of meat – modernize a refrigerator by replacement of ammoniac refrigerators machineries by freon ones. Modernization of manufacture will allow to renew assortment not less than 30% a year. The enterprise has opportunities of realization of the project: all necessary constructions, communications, source of raw materials and qualified personnel.	
A4a. Project cost (mln USD):	
1.0	
A5. Background / history / overall programme / related or similar projects:	
Krichevsky meat plant was set into operation in 1974. In 2001 Krichevsky meat plant was reorganized in Joint-stock Company «Krichev meat plant»: 99,3% is a share of the state, 0,7% is a share of personnel and others. Basic activity - purchasing and processing of cattle and production of sausage products: more than 300 names. Productive capacity of meat production is 60 tons a day, of sausage production – 10 tons a day. Productivity of frost cameras – 60 tons a day. All products conform to national standards. The area of plant is 15 hectares. A branch of railway line led to the meat-plant is 7 km long.	
A6. Environmental impact summary:	
The project implementation will produce no negative environmental impact.	
A7. Possible obstacles/ problems/ risk assessment:	
One of the basic negative factors is limit of the market. For realization of the project it is planned to do an additional marketing research in order to find new markets for the company's products.	
A8. Term of realization / term of recoupment (years):	
1 / 4	
A9. Project's branch:	
Food industry	
<b>B. Capital Cost Items (additional requirements for project):</b>	
B1. Project physical components	B2. Capital cost (mln USD)
The technical equipment for modernization of sausage production (cutter (made in Germany), press for sausages production (made in Russia), heat	0.9

chambers (made in Germany) including building and assembly jobs:		
Modernization of a refrigerator (freon installation) (made in Germany):		0.1
Total:		1.0
<b>C. Capital Resources Available from Sponsors/ Proposers:</b>		
C1. Resources 'in kind', grants, investments, equity / ownership, etc.		C2. Amount (mln USD)
<b>D. Required Financial Assistance:</b>		
D1. Financing gaps, type of financial assistance required:		
Creation of joint venture, share holding.		
D2. Sources of finance	D3. Type of investment	D4. Amount (mln USD)
Foreign investment funds:	Direct foreign / portfolio investments:	1.0
D5. Financial/ International Institution Name:		
<b>E. Demand (users) and revenues:</b>		
E1. Type of users/ markets, volumes, pricing, revenues, quantifiable benefits/ savings:		
Products are sold primary in the home market. The prices for sausage products in comparison with prices for similar products of competitors in Mogilev region are practically at the same level. It is planned to expand market for company's products over delivery of goods to The Russian Federation (30% of total ready delivery) and to consumers in the home market.		
E2. Revenues (Sales)		E3. Amount (mln USD)
Sales proceeds:		2.621
<b>F. Operating and Maintenance Costs:</b>		
F1. Cost components, strategies for cost recovery, operating organisations, subsidies, etc.:		
Cost for modernization.		
F2. Cost Item	F3. Amount (mln USD)	
Raw-material:	1.459	
Energy:	0.288	
Wages and deductions:	0.157	
Other expenses:	0.068	
Deductions in the budget:	0.4	
Total:	2.372	
<b>G. Net Income Value:</b>		
G1. Net Income Value	G2. Amount (mln USD)	
Net income:	0.249	
<b>H. Project information source:</b>		
H1. This form was completed by:		
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H2. Organisation (address):		
JSC «Krichev meat plant»: 1, Komsomolskaya Ave., 213500, Mogilev region, Krichev, Republic of Belarus.		
H3. Tel/Fax/E-mail:		
Tel.: (+375-2241) 54-380, fax: (+375-2241) 55-285, e-mail: <a href="mailto:krichrik@rambler.ru">krichrik@rambler.ru</a>		
H4. Date:		
March, 2007		
H5. Supreme Organization:		
Mogilev Region Executive Committee		