



**CULTIVATION OF SHIITAKE AND CHAMPIGNONS IN AN UNDERGROUND FACILITY
NOVO GORAZDE**

Project title	Project Soca – Cultivation of Shiitake and Champignons in an underground facility
Sector	Agriculture sector
Location	Municipality of Novo Gorazde
Location description	The facility Soca is placed on a favourable location in the municipality Novo Gorazde in the eastern part of the Republic of Srpska, that is, Bosnia and Herzegovina on the highway Belgrade (Serbia) – Dubrovnik (Croatia). The facility is connected to quality roads that lead to big shopping centers in BiH (Sarajevo, Mostar...), then with the cities on the relation Belgrade – Dubrovnik, that is, the Adriatic sea, and then with big shopping and especially tourist places in Serbia, Croatia and Montenegro.
Project background	<p>The municipality Novo Gorazde through public-private partnership model for starting the production of champignons and shiitake or for some other adequate production activity, assigns the facility Soca as the owner with the supporting infrastructure. In addition to the facility, the municipality assigns a complete elaboration with technical and technological specifications and a developed plan for financing.</p> <p>The facility Soca is an underground facility with two storeys with the overall area of 12.000 m², out of which 10.000 m² represents the industrial part, and 2.000 m² is a space for offices, restaurant, ambulance and workshop. The facility is organised into 8 blocks which are mutually connected by horizontal communications. The blocks are tunnels which are 8m wide and 4 - 9.5m high. The facility has all the necessary infrastructure (electricity, drinking water supply and industrial water supply - connection to utility infrastructure, road infrastructure with connections to the main roads).</p>
Project status	Project Soca is a business idea. The elaboration for starting growing champignons and shiitake has been done for these purposes. The elaboration includes a complete analysis of the market, technical and technological analysis and financial analysis with the estimated values of the gain.



Project description	<p>Project Soca – cultivation of shiitake and champignons in an underground facility is based on finding the possibilities for starting the facility Soca for economic purposes. The elaboration on the possibilities for the production of champignons and shiitake has been done for the facility. In addition to that, there is a well-developed energy infrastructure (electricity, coal), water supply system and other utility services.</p> <p>The facility is equipped with heating system, cooling system and ventilation for supplying a room with fresh air and blowing out dirty air. Moreover, there is a complete electro installation, for illumination as well as for electric motor drive. In addition to that, the facility offers a possibility for other economic activities. The upper part of the river Drina is a region that has a good source of raw for the production of mushrooms. In the vicinity of the facility Soca there is a cold storage with the capacity of 2000t, which ensures the storage of mushrooms at a controlled temperature.</p> <p>Within the said region, there is no serious capacities for the production of champignons, nor for the cultivation of shiitake.</p> <p>Relatively low investments into the construction facilities (adaptation) will have a positive impact on the reduction of the fixed costs, and along with that on the price of the finished products.</p> <p>Deficit of champignons, especially shiitake on the market of BiH and in the countries in the region: Serbia, Montenegro, Croatia, Slovenia, Romania, Bulgaria, Macedonia, Greece and Albania.</p>	
Estimated total investment cost	<p>The value of the project for the production of champignons and shiitake is about 3.100.000 EUR</p> <p>The financial value of the project includes: design of the compost bin for champignons and shiitake, design of the facility Soca, design of the growing rooms for champignons and shiitake, thermo-technical installations, equipment needed for production cycles and primary processing, permits and acceptance, design and other costs.</p>	
Inputs provided by local partner	Value	Description <ul style="list-style-type: none"> - Production plant of 12 000m² - All equipment and tools for production - Municipality's incentives for new employees
Inputs required from foreign partner	Value 1.000.000 - 3.000.000 EUR	Description <ul style="list-style-type: none"> - Purchasing of production plant - Providing of all equipment and tools for production
Form of cooperation with foreign partner	Financial Public-private partnership or concession according to the legislation in force.	Technical - Access to markets and distribution channels,
Supporting information available	For additional information about this project, please contact FIPA either by e-mail: fipa@fipa.gov.ba or phone number: +387 33 278 080.	