



MILK PROCESSING PLANT PRNJAVOR

Project title	The construction of a milk processing plant in the Municipality of Prnjavor
Sector	Agriculture sector, Dairy
Location	Prnjavor Municipality
Location description	When choosing the location, the investor was guided by the conclusions of the Feasibility Study from 2020, which took into account 5 municipalities in the Krajina region, where the largest number of our members are located. After the selection of the municipality, the selection of the construction site itself was preceded by communication with the representatives of the Municipality of Prnjavor, and the investor's position that the location must provide good access, visibility and representativeness. Based on these initial facts, it was decided to build the facility in the "Vijaka" Business Zone. The plot of interest has an area of 18,536 m2. This location is located about 1,000 meters from the main road Klasnica - Derventa, next to an asphalted local road, 3.5 meters wide with the possibility of an extension of another 4.0 meters. The location is 3.5 km from the exit to the "9 January" highway, which further leads to Sarajevo and Belgrade, that is, Banja Luka and Zagreb.
Company description/ Project background	<p>The founders of this company Nasa Mljekara doo (September 5, 2022) are members of the Dairy farmer's association of the Republic of Srpska. Ownership in the company is held by all members of the Association, i.e. 433 members who paid membership fees on July 22, 2022), which was determined through the investment of the Association. Additionally, 16 members of the Association invested their own funds in the amount of 3,000 to 17,000 BAM, with shares from 2.25 to 12.77%. Totally, this amounts 133,100.00 BAM.</p> <p>In addition to the mentioned investment, the municipality of Prnjavor will make the area available for the construction of a dairy. On the day August 4, 2023. The city department of the administration of geodetic property matters, registered Nasa Mljekara doo in the Property List of this location.</p> <p>The Dairy farmers association of the Republic of Srpska was registered in December 1996 by the Basic Court in Banja Luka. The association has over 440 permanent members. Our members are located mainly in the area from Bijeljina to Novi Grad,</p>



	<p>along the Sava river along the border with EU. The number of heads in our herds ranges from 2 to 300 heads. In 2022. we produced 45,000,000 liters of milk, or about 1/5 of milk in Bosnia and Herzegovina (BiH). We are members of ICAR, and the first breeding organization in the country registered in line with the EU standards.</p>
Project status	<p>In the process of preparing of main building project The conceptual design is finished</p>
Project description	<p>It is a Greenfield investment, that is, the construction of a completely new milk processing plant in the Municipality of Prnjavor in the business zone of Vijaka. The planned processing should initially be approximately 5,000 liters of cow's milk, and up to 25,000 l of milk/day in accordance with market needs and market requirements. The plan is to ensure a gradual increase in production, so that within a 4-year period the level of 25,000 l/day of raw milk processing is reached.</p> <p>Long-term plans are to reach a processing level of 100,000 liters of milk per day, with the fact that the facility will need to be further expanded.</p> <p>A conceptual project has already been prepared¹ which defined that the future building will consist of two floors with a total area of 3788,1 m². And that ground floor, and the basement.</p> <p>The ground floor is rectangular in shape and has a total area of 2343,6 m². Consists of:</p> <ul style="list-style-type: none"> ● Administrative + production area gross area 1466,4 m², ● Manipulative space bellow canopy 340,4 m², ● Energy block - ground floor 536,8 m² and ● Doorman office 28 m². <p>The majority of the space is occupied by the production facility with a clear height of 3.8m. The production facility is equipped with automated equipment for handling raw and processed milk. Rooms in the administrative part as well as the part of offices directly related to production do not necessarily have a clear height of 3.8m.</p> <p>The basement consists of two parts, namely:</p> <ul style="list-style-type: none"> ● Production area 1221 m² i ● Energy block - basement 195,5 m². <p>Production and processing of cheese (hard program), storage and distribution are planned in the basement. Access to the basement for workers is via a staircase located directly next to the sanitary barrier on the ground floor. The characteristic of this floor is that it is partially buried - technologist's advice (in order to save energy for cooling the space).</p>



	<p>The base will be a metal structure, and the walls and partitions inside the building will be made of panels. This principle is being considered, considering faster construction and easier implementation of possible changes for the needs of future expansions. In addition to the main facility, it is necessary to build a technical-energy block facility. The plan is to use pellets and/or gas as an energy source in the operation of the plant.</p> <p>In the plant that is the object of the investment, the goal is to provide the maximum possible environmentally responsible operation. In this regard, the conditions for harmless waste water management will be provided. The plant will use the best available techniques in the sector of milk processing and waste water management in accordance with the current legal regulations and the implementing Decision of the Commission (European) no. 2019/2031, and domestic legal acts that legally resolve these issues.</p>	
Estimated total investment cost	Type of investment	Price in BAM
	Creation of project documentation	50.000,00
	Construction costs (1020 KM per m2)	3.863.862,00
	Equipment (milk processing, packaging, transport, heating system)	1.700.000,00
	Training of workers (10 persons) = 4,500.00/person	45.000,00
	Current assets	3.000.000,00
	Promotion	50.000,00
	In total:	8.708.862,00
Inputs provided by local partner	Value	Description
	373,475 € 2,300,000 €	Our funds and Scheduled loan
Inputs required from foreign partner	Value	Description
	1,845,000 €	Partners
Form of cooperation with foreign partner	Financial	Technical
	Joint venture or share in the capital	
Supporting information available	For additional information about this land plot, please contact FIPA either by e-mail: fipa@fipa.gov.ba or phone number: +387 33 278 080.	