RAW MILK AND MILK PRODUCTS MORKO, PALE

Project title	Optimization and development of raw milk production and milk products
Sector	Production and food processing
Location	Pale Municipality, RS, Bosnia and Herzegovina
Location description	All facilities are located next to the regional road Sarajevo – Sokolac – Belgrade with access points, at family estate in Mokro village, municipality of Pale.
Company description	Private enterprise exists since 1984 when current company was registered under different name than now (as PP "HRAST") and was mainly dealing with transportation services in forestry business. Current number of full time employed workers in company is 5 workers (previously 14).
Project status	In progress Few studies completed on previous proposals submitted.
Project description	Company is in process of seeking strategic partner that would explore more markets for heathy products made within this dairy and/or expand and adjust production to specific market demands, or in other extreme situation finding buyer that would have capacity to continue and further develop on basis what have been done so far, i.e. selling company with all assists and business as now. Company is open for agreements on mutual satisfaction, either through finding investors or strategic partners that might be interested in cooperative arrangements within existing/explored capacities. Having more than enough knowledge with capacities operational and in addition given natural pre-conditions for cattle breading and health production, company is having intention to do whatever is needed to create sustainability of production organized. With capacities as those are now, it is very difficult to keep step with big giants in this branch and to keep price range that will ensure financial feasibility of production organized and positive turnover that as main basement combined with enthusiasm motivates private enterprise. Total available premises registered as company property are including 0.2 ha of land, approximately 350 m^2 structures total divided is:

	1. Building No I that includes packing facility (15 x 10 m), milk processing facility with lab (100 m^2), administrative offices with necessary infrastructure (40 m^2) 2. Storage space 110 m^2 plus cooler for storage of milk products (14 m^2) 3. Parking space with easy loading and offloading access points (800 m^2) 4. Within complex exist also fully constructed and equipped accommodation facilities (two apartments 20 m^2 each), initially assigned for accommodating of technologist and/or other needed personnel whose presence and supervision is required through whole production process. 5. Building No II includes heating facility that provides entire complex with heating and accommodating pools with water for cooling (6x4 m). On upper floor capacity for cheese production and cream cheese facility (fat cream cheeses) total squarage of 96 m^2 with staff room for tea/coffee for workers, as well as toilets (total squarage 24 m^2). Complete farm with capacity for accommodating 33 milking cows. Entire automatized feeding and watering systems installed, ventilation and hay storage capacity, latrines and waste water extraction, and in separate room lacto freeze with milking machines. Company was deploying 60 – 120 subcontractors that regularly deliver raw milk to collection points in wider Sarajevo – Romanija region that are covered by collecting vehicles of Dramon d.o.o. Entire production process is having closed all circles from raw milk ransoming, lab testing and collection through production and packing to distribution to sales partners. Raw milk is collected with two inox cistern 1000 and 2000 lit capacity that were traveling daily to routed and defined locations in summer time, while in winter time every second day.	
Estimated total investment cost	485 000 EUR for sale	
Inputs provided by local partner	**Value**	**Description**
	620 000 EUR	Pool for cold water for cooling raw milk in production, with pipe/pump system from natural water source, dairy buildings I and II, Yogurt facility, cheese facility, transportation vehicles (truck with inox tank and delivery vehicle), storage facility for products (100 m^2 with cooler), farm with all necessary facilities (lacto freeze, feeding/watering line, food/hay storage, drainage system, etc.) for cow farming (capacity 30), additional land available 0.25 ha for additional explorations, etc.
Inputs required from foreign partner	**Value**	**Description**
	300 000 – 485 000 EUR	Depending on level of engagement and strategic partner preferential involvement.
Form of cooperation with foreign partner	Joint venture Sale and other forms of cooperation in agreement with investor.	
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.	