



**THE PRODUCTION OF ORGANIC FOOD BASED ON FRUIT AND VEGETABLES
NOVO GORAZDE**

Project title	The production of organic food based on fruit and vegetables in Novo Gorazde
Sector	Agriculture sector, Food industry
Location	Municipality of Novo Gorazde
Location description	The economic facility of the former Gradina distribution center is located in the center of the village of Kopaci, municipality of Novo Gorazde in the eastern part of the Republic of Srpska, BiH, Belgrade (Serbia) – Dubrovnik (Croatia) highway. The facility is connected with quality roads that lead towards large consumer centers in BiH (Sarajevo, Mostar,...) also with cities on the route Beograd Dubrovnik, the Adriatic Sea and large consumer and especially tourist places of Serbia, Croatia and Montenegro.
Project background	The municipality of Novo Gorazde through the model of public-private partnership for starting the production - food processing based on fruit and vegetables or some other adequate production activity invests the Gradina facility as the owner with its associated infrastructure. The area of the Gradina facility is 6.200 m ² , and its associated land is 6.000 m ² . Infrastructure: electric energy, utility connections, road signs and infrastructure, highway M20 which connects Belgrade (Serbia) and Dubrovnik (Croatia). “The production of organic food based on fruit and vegetables” project is defined by The Local Sustainable Development Strategy of the municipality of Novo Gorazde that is in priority: economic development, strategic aim: creating a favorable business environment for easier and faster development of the economy and entrepreneurship in the program: the creation of favorable conditions for attracting domestic and foreign investors.
Project status	Business idea – the project documentation will be made according to the needs of the potential investors.



Project description	<p>This project proposes the production of organic food based on fruit and vegetables in the economic facility – the Gradina Distribution Center owned by the municipality of Novo Gorazde.</p> <p>There is a cold storage within the facility that is owned by the HIP-EKS Company from Novi Grad. Cold storage has the capacity of 2000t of storage space with a tunnel for freezing fruit and vegetables, which gives the possibility of organizing the production and processing of fruit and vegetables.</p> <p>The region of the municipality of Novo Gorazde and the upper part of the Drina River is preserved from polluters and that is a good base for growing organic fruit and vegetables. Watercourses used for irrigation are free of industrial pollutants, the Drina River itself is a good base for developing water supply systems of agricultural crops. In this kind of environment and using the seedlings that are indigenous, the costs of the production of organic food are minimized.</p> <p>Beside the possibility of industrial food production, this facility might be used for other purpose such as wholesale trade which was its primary purpose until 2007. Also, it might be used as a storage space.</p> <p>The upper part of the Drina River is a region with a good raw material base for the production cycle of food production based on fruit and vegetables. There is a cool storage near by the facility with the capacity of 2.000t and tunnel for freezing the fruit and vegetables. Also, the Drina River flows along the facility.</p> <p>There is a well-developed energy infrastructure (electric energy, coal), water supply and other utility needs.</p> <p>In the foregoing environment, there is not any serious capacities for food production. A relatively low investment in building (adaption) will have a favorable effect on reducing the fixed costs, and through them it will affect the cost of the finished product.</p>	
Estimated total investment cost	<p>The estimated value of the project of organizing food production is about 1.500.000 EUR</p> <p>The book value of the Gradina facility is about 500.000 EUR</p>	
Inputs provided by local partner	Value	Description
	500.000 EUR	<ul style="list-style-type: none"> - Land plot of 6 000 m² owned by your company - Production plant of 6 200 m² - All equipment and tools for production - Municipality's incentives for new employees
Inputs required from foreign partner	Value	Description
	500.000 - 1.500.000 EUR	<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	Technical
	Public-private partnership Facility purchase	- Access to markets and distribution channels,
Supporting information available	<p>For additional information about this project, please contact FIPA either by e-mail: fipa@fipa.gov.ba or phone number: +387 33 278 080.</p>	