



Ministry of Investment,  
industry and trade  
of the Republic of Uzbekistan

# **Investment proposal: Establishing of agro potato cluster**

# Establishing of agro potato cluster

## Economic impact:

- Reduces potato import volume by up to 20% nationwide.
- Ensures stable year-round domestic supply at controlled prices.
- Creates integrated supply chains connecting farmers to consumers.
- Strengthens food security and rural agro-processing capacity.

## Social impact:

- Generates 450 direct and 1 300 indirect jobs.
- Raises rural incomes through contract farming.
- Promotes skill development and technical training in agriculture.
- Enhances regional food stability and affordability.

## Location of the project



Kashkadarya region	
Size	28 570 km <sup>2</sup>
Population	3,7 million



## Project description:

- 1. Comprehensive agro-industrial cluster:** A \$75 million integrated potato production, processing, and storage complex located on 2 500 hectares of fertile land in Kashkadarya region.
- 2. High annual output:** The cluster produces 80 000 tons of potatoes annually, of which 20 000 tons are processed into chips, flakes, and frozen fries, while 60 000 tons are stored and sold through cold-chain and retail networks.
- 3. Import substitution objective:** Aims to significantly reduce Uzbekistan's dependency on imported potatoes and processed potato products by ensuring domestic supply stability and quality.

## Economic indicators:

-  **Financing:** 75 mln USD
-  **Area:** 2 500 hectares
-  **Revenue:** \$46 mln (*1 st year*)
-  **PP:** 5 years
-  **NPV:** ~ \$38,2 mln
-  **IRR:** ~17,4 %

## Production indicators:

-  **Fresh potatoes (*stored & sold*):** 60 000 tons/year
-  **Processed potatoes (*fries, chips, starch*):** 20 000 tons/year
-  **Total annual output:** 80 000 tons/year

# Potato products processing chain & product yield

## Key production stages

### 1. Land preparation & cultivation

- Preparation of 2 500 hectares of irrigated land using precision levelling and soil enrichment.
- Planting of certified high-yield potato seeds using mechanized seeding equipment.

### 2. Crop management & harvesting

- Application of drip irrigation, fertilizers, and pest management through smart agriculture systems.
- Fully mechanized harvesting ensuring high efficiency and minimal crop loss.

### 3. Post-harvest handling & cold storage

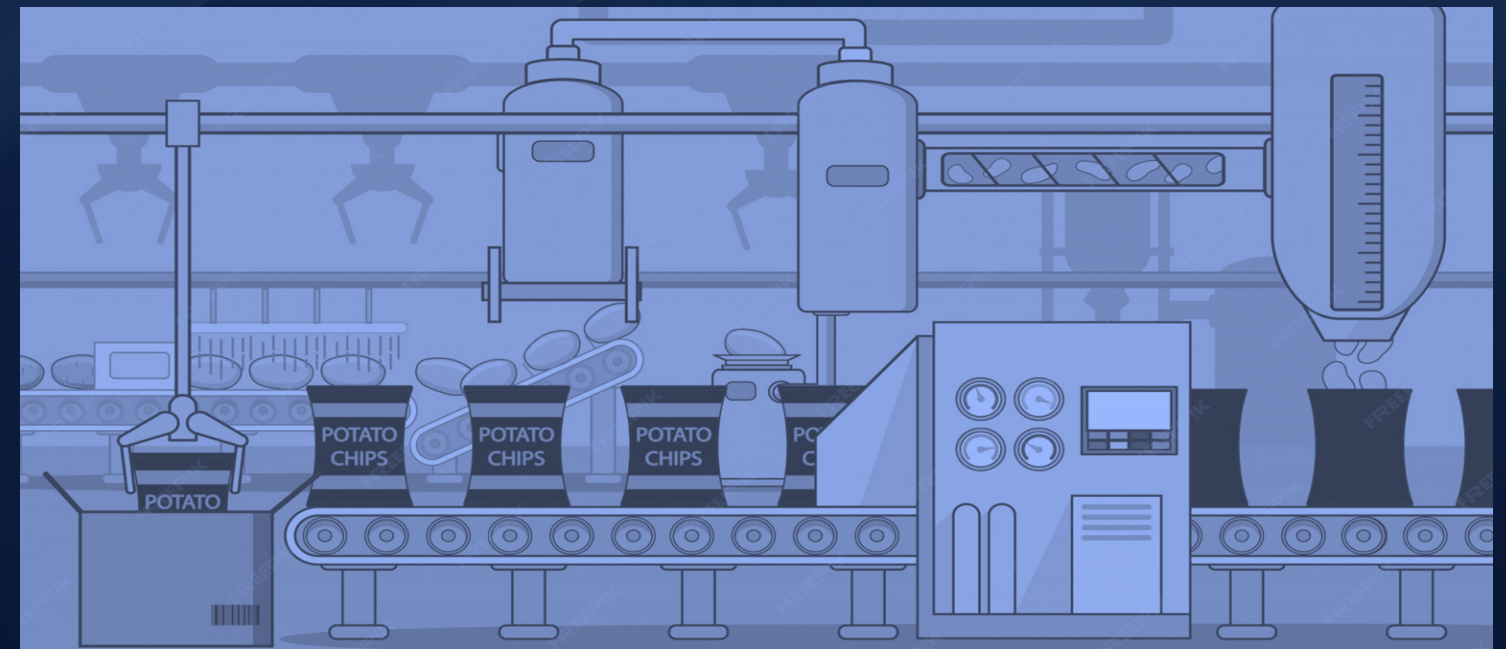
- Cleaning, grading, and sorting of harvested potatoes for quality consistency.
- Long-term cold storage of 60 000 tons in modern controlled-atmosphere warehouses for domestic supply.

### 4. Processing & packaging

- Processing of 20 000 tons of potatoes into chips, flakes, frozen fries, and starch using automated production lines.
- Hygienic and export-standard packaging with full traceability and labeling systems.

## Product yield breakdown

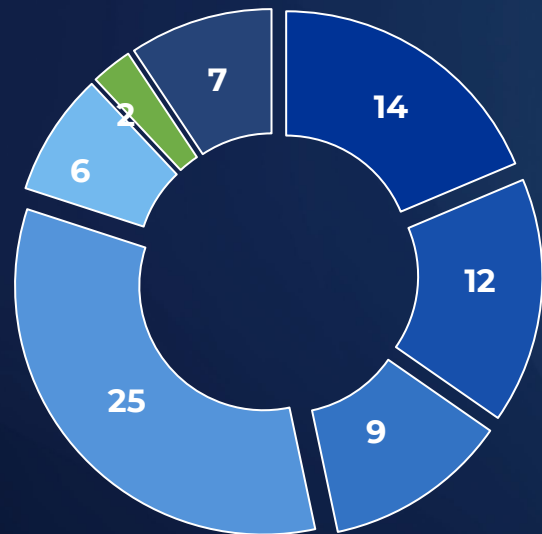
	Products	Volume (tons)	Share(%)	Price (USD/tons)	Example products
1	Fresh potatoes (stored & sold)	60 000	75%	450	Table potatoes (local market)
2	Processed potatoes	20 000	25%	950	Fries, chips, starch
	<b>Total</b>	<b>80 000 tons</b>	<b>100%</b>		



## Project expenses

### Initial Investment (CAPEX) (mln dollar)

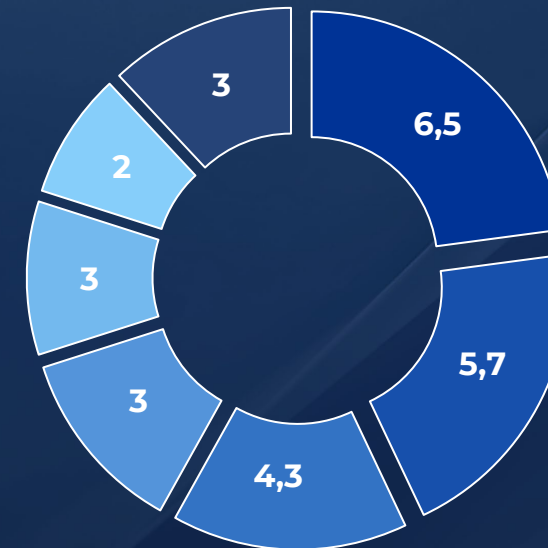
Total CAPEX: **\$75 mln**



- Land preparation & irrigation systems
- Farm machinery & equipment
- Cold storage & logistics
- Processing & packaging plant
- Buildings & utilities
- Laboratory & quality control
- Working capital & contingencies

### Operating Costs (OPEX) (mln dollar)

Total OPEX: **\$28,4 mln**



- Seeds & fertilizers
- Labor & social costs
- Energy & utilities
- Packaging & logistics
- Cold storage maintenance
- Processing operations
- Administration, taxes & insurance

This financial overview outlines a comprehensive cost structure and strong profitability of the proposed potato products manufacturing project. The breakdown includes both initial capital investment (CAPEX) and annual operating costs (OPEX), alongside projected revenue and profit estimates.

	Products	Volume (tons/year)	Price (USD/tons)	Revenue(USD million)
1	Fresh potatoes (stored & sold)	60 000	450	27
2	Processed potatoes	20 000	950	19
	<b>Total</b>	<b>80 000 tons</b>		<b>46 mln USD</b>

**Annual EBITDA:**  
= \$46 mln - \$28,4 mln =  
**\$17,6 mln**

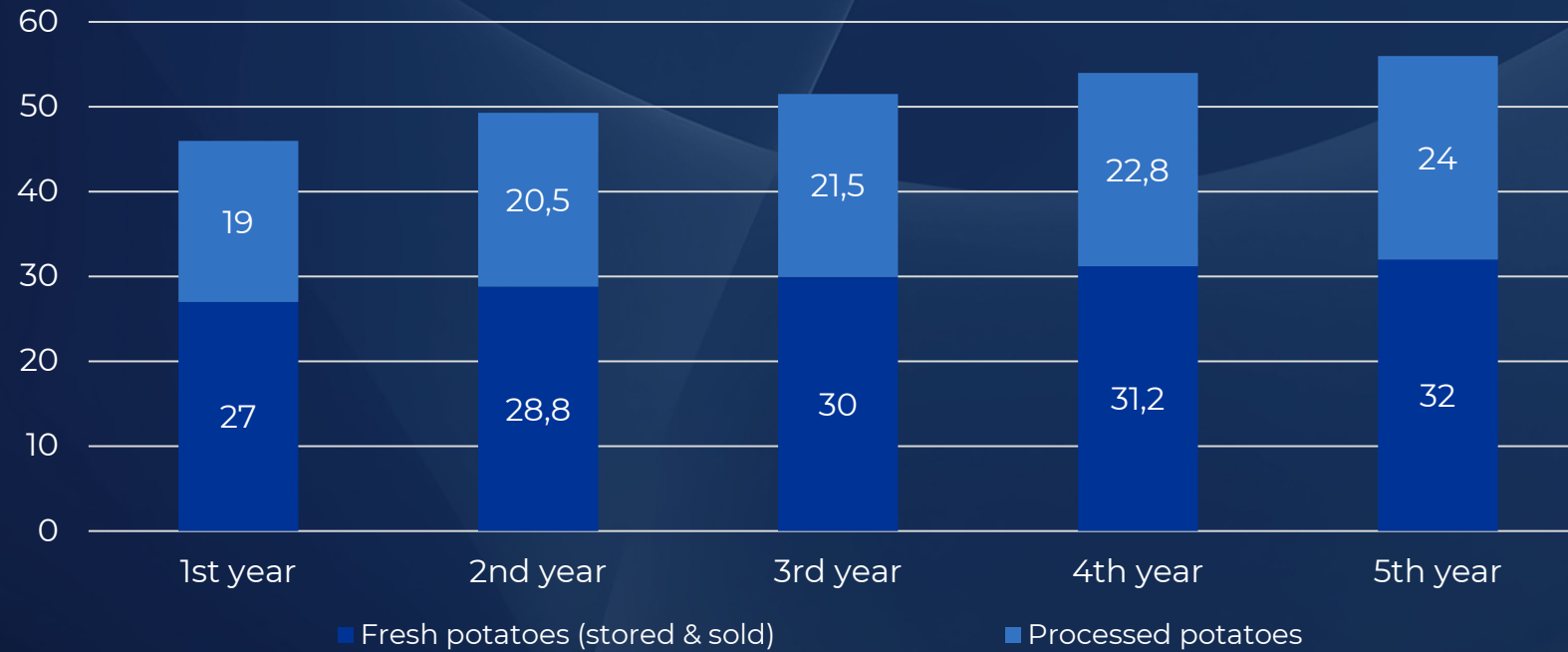
The project's strong profitability forecast is underpinned by efficient operations and high market demand, positioning it as a highly attractive investment.



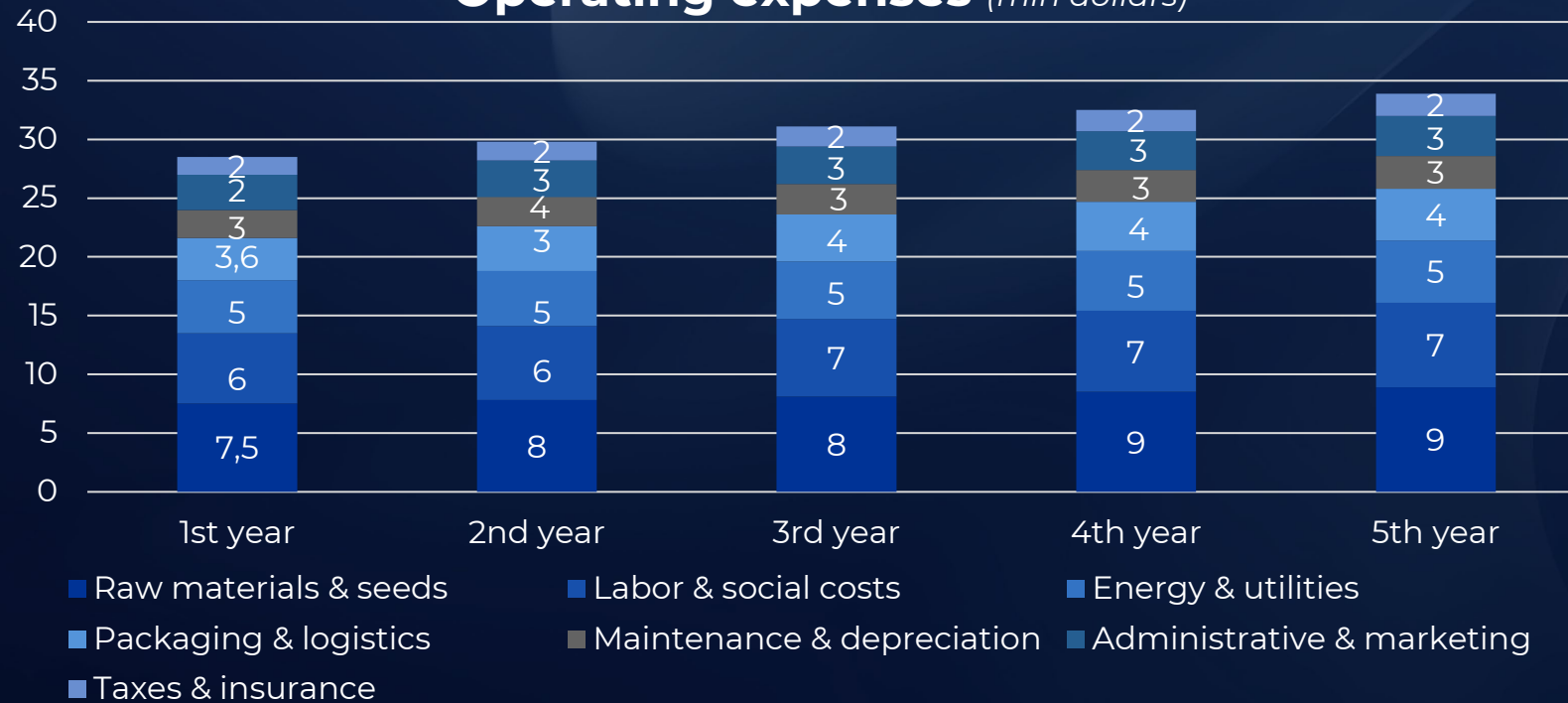
# Financial indicators

(5-year projection)

## Revenues (mln dollars)



## Operating expenses (mln dollars)



**Breakeven:** Achieved in year 5

**Total 5-year revenues: \$256,8M**

**EBITDA growth: ~25% CAGR, reaching \$17,8 M by Year 5.**

**NPV (10% discount rate):**

NPV= **\$38,2 mln** (Highly favorable!)

**IRR** (Internal rate of return): ≈ **17,4%**

**Payback period (PP):**

= **5 years**

**Profitability index (PI):**

= (NPV+CAPEX)/CAPEX = (\$38,2+\$75)/\$75  
= 1,5