



Moghan Agro-industrial &  
Animal Husbandry Co.



Iranian Privatization Organization (IPO)  
Marketing & SOEs Divesting Office

## Moghan Agro-industrial and Animal Husbandry Company (Public Joint stock)



*Base Value for 100% Shares:* US\$ 721,114,286

*(Exchange Rate:* 35,000 IRR)

*Assessment Date:* February 2017

*Assessment Method:* Net Assets Market Value

*Transferring Method:* Tender

### Part I: General Information

Moghan fertilized plain in an area over 350 thousand hectares is located at west of Caspian Sea and in the northeast part of Iran. Soil of the plain is suitable for cultivation of most of agricultural activities. Lands of Moghan Agro-industrial and Animal Husbandry Company with the area of 63,590 hectares (according to ownership document) are located at this plain. But because of several transferring, only 28,000 hectares of lands are in use of the company. In 1975, the company has been registered at Garmi Companies Registration Office and its main centre is located at Moghan Parsabad. During 2003, this productive unit with the most consumer beet in the country, was the second producer of sugar and in 2004, has obtained the first rank of production.

Industrial activities of the company are as follows: **Agricultural activities** (including wheat, barley, kinds of corn, sugar beet, and alfalfa), **Animal Husbandry activities:** (with capacity of more than 13,000 heads of livestock and including subsidiary of milk station, fatten calf, animal feed factory and reserve unit), **Gardening activities** (including 60 kinds of fruits), **Sugar & Dairy factory** and other affiliated industries. The area of allocated lands to cultivating activities is about 20 thousand hectares and gardening activities is about 3,200 hectares.

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## **Part II: Main Information**

**Parent Company:** Agri-Park Company

**Capital:** \$ 90,914,286

**Shareholders:** Agri- Park Co. (100%)

**Chief executive officer:** Mr. Mohammadi

**Establishment Date:** December 1975

**Registration place/date:** Garmsi/1975

**Total Assets (evaluated):** \$ 817,800,000 (Land & building: \$ 449,542,857)

**Total Liabilities (evaluated):** \$ 33,000,000 (Trade/non trade payables: \$ 21,371,429)

**Net profit (loss):** \$ 1,457,143

**Retained earnings (loss):** \$ 11,600,000

**Location:** Pars Abad, Ardebil Province

**Number of Staffs in 2015-2016:** 1,912 (official: 94- permanent daily paid: 315- temporary daily paid: 186- services companies: 1,317)

**Field of Activity:** Performing agricultural and livestock operations and making agricultural and livestock industries and products.

## **Part III: Financial Information**

### **3-1-Main Items of Assets in US\$**

**(Exchange Rate: 35,000 IRR)**

<b>Title</b>	<b>Book value (March 2016)</b>	<b>Evaluated by Independent Expert (February 2017)</b>
Land (3-1-1)	61,028,571	449,542,857
Buildings	5,228,571	
Intangible assets	57,143	111,428,571
Long-term investment	2,857,143	70,142,857
Bearer biological assets	11,485,714	43,600,000
Roads and landscaping	1,285,714	40,857,143
Machineries	4,342,857	33,228,571
Inventories	17,685,714	30,285,714
Other assets	29,000,000	38,714,286
<b>Total assets</b>	<b>132,971,429</b>	<b>817,800,000</b>

### 3-1-1- Characteristics of Lands of the company:

- By approval of divesture board, with regard to the request of Agricultural Jihad Co. and Agri Park Co. about transferring some parts of Moghan lands, the base value of the company has been assessed after deduction of lands value and totally about 4.767 hectares lands of the company to the value of IRR 2.348 billion has been deducted from total base value of the company.
- In 2002, the ownership document of 63,590 hectares lands has been issued to Moghan Agro-industrial and Animal Husbandry Company. During next years, 18,064 hectares land has been transferred to Pars Melli Ag Indust & Livestock Company as non-cash investment. Also a vast area of lands due to different reasons has been occupied and or transferred by natural or juridical persons. Finally total area of lands in use of the company according to ownership document is 27,676 hectares and according to evaluation report is 27,948 hectares.
- Total area of land according to the evaluation report is 71,688 hectares.
- The ownership document of sugar factory, livestock feed and seed processing and the land of 3,000 heads of live stocks is pledged for banking loan of Agricultural bank of Parsabad.

### Area of Lands

(unit: hectares)

Title	Description	Area	Total
Lands not in use of the company	Areas used by channels & drainage lands & natural streams	2,570	7,664
	Lands transferred to redemption staffs & tender sales	2,272	
	Lands occupied by Guards Corps	830	
	Lands transferred to Nomads	750	
	Lands transferred to Research Centre of Agricultural Jihad	607	
	Others	635	
Lands in use of the company	Agricultural lands	19,990	27,676
	Gardening lands	3,278	
	Non-cultivating lands	1,814	
	Areas used by drainage lands & channels & roads	1,546	
	Factories, installations, administrative & residential places	764	
	Materials production mines	284	
Owens lands	--	10,186	28,250
Pars lands	--	18,064	
<b>Total</b>	--	<b>63,590</b>	<b>63,590</b>

### 3-2-Main Items of Liabilities and Owner's Equity in US\$

Title		Book value (March 2016)	Evaluated by Independent Expert (February 2017)
Liabilities	Trade/non-trade payables (3-2-1)	21,085,714	21,371,429
	Short-term loans (3-2-2)	5,142,857	5,142,857
	Provision for employees termination benefits	3,457,143	3,457,143
	Long-term loans (3-2-2)	457,143	457,143
	Other liabilities	1,685,714	2,571,429
<b>Total liabilities</b>		<b>31,828,571</b>	<b>33,000,000</b>
Owner's equity	Capital	90,914,286	90,914,286
	Legal reserve	171,429	171,429
	Retained earnings(loss)	8,171,429	11,614,286
	Revaluation difference	1,885,714	685,557,143
<b>Total owner's equity</b>		<b>101,142,857</b>	<b>788,257,143</b>

#### 3-2-1- Trade/non-trade payables in US\$

Title	Book value (March 2016)	Evaluated by Independent Expert (February 2017)
Trade notes payable	1,314,286	1,314,286
Trade accounts payable	10,857,143	10,857,143
Non-trade accounts payable	8,914,286	9,200,000
<b>Total</b>	<b>21,085,714</b>	<b>21,371,429</b>

#### 3-2-2- Loans in US\$

Bank	Type of contract	Date of contract	Used amount	Commission interest rate	Current	Long-term	Type of collateral
Melli	Installment	2013	1,542,857	12%	685,714	--	Shares of Moghan Co. in Pars Co.
Melli	Installment	2013	285,714	13%	142,857	--	
Agricultural	Installment	2014	1,228,571	18%	742,857	--	Buildings & machineries
Agricultural	Foreign finance	2015	3,428,571	21%	3,571,429	457,143	
<b>Total</b>	--	--	<b>6,485,714</b>	--	<b>5,142,857</b>	<b>457,143</b>	--

### 3-3-Main Items of Income Statement in US\$

Title	March 2016	March 2015
Fair value of agricultural & animal husbandry products (3-3-1)	47,542,857	34,314,286
Net increasing fair value of consumable biological assets	2,771,429	1,771,429
Net sales & services (3-3-2)	51,228,571	48,057,143
Cost of goods sold & services	(55,171,429)	(45,828,571)
Production expenses	(37,600,000)	(32,742,857)
<b>Gross profit(loss)</b>	<b>8,771,429</b>	<b>5,571,429</b>
Sales, administrative and general expenses	(5,142,857)	(3,057,143)
Net other revenues and operating expenses	(3,228,571)	(2,485,714)
<b>Operating profit (loss)</b>	<b>400,000</b>	<b>28,571</b>
Financial expenses	(400,000)	(314,286)
Net other revenues and non-operating expenses	1,457,143	1,257,143
<b>Net profit (loss)</b>	<b>1,457,143</b>	<b>971,429</b>

#### 3-3-1- Fair Value of Agricultural & Animal Husbandry Products:

Product	2016		2015	
	Quantity (ton)	Amount (US\$)	Quantity (ton)	Amount (US\$)
Wheat (edible)	31,711	10,514,286	18,805	5,685,714
Canola	6,427	4,028,571	3,982	2,171,429
Alfalfa	20,354	3,342,857	16,447	1,885,714
Corn Seeds	1,157	2,142,857	1,690	1,628,571
Wheat seeds	3,837	1,600,000	2,948	1,085,714
Others	68,191	5,628,571	63,330	4,028,571
<b>Total of agricultural</b>	<b>131,677</b>	<b>27,257,143</b>	<b>107,202</b>	<b>16,485,714</b>
<b>Total of gardening</b>	<b>5,604</b>	<b>3,285,714</b>	<b>13,054</b>	<b>3,571,429</b>
Milk (kg)	44,412	16,685,714	42,660	14,085,714
Other	--	314,286	--	171,429
<b>Total of animal husbandry</b>	<b>--</b>	<b>17,000,000</b>	<b>--</b>	<b>14,257,143</b>
<b>Total</b>	<b>--</b>	<b>47,542,857</b>	<b>--</b>	<b>34,314,286</b>

### 3-3-2- Net sales & services in US\$:

Title	2016	2015
Sales of agricultural products & bearer biological assets (3-3-2-1)	21,228,571	20,685,714
Commission services income of seeds processing factory	85,714	85,714
Others sales & industries (3-3-2-2)	30,028,571	27,371,429
Return sales (cream & butter)	(114,286)	(85,714)
<b>Total</b>	<b>51,228,571</b>	<b>48,057,143</b>

### 3-3-2-1- Sales of Agricultural Products & Bearer Biological Assets:

	Product	2016		2015	
		Quantity (ton)	Amount (US\$)	Quantity (ton)	Amount (US\$)
Agricultural	Wheat (edible)	30,603	10,142,857	17,983	5,428,571
	Canola	5,881	3,685,714	3,942	2,142,857
	Others	--	1,085,714	--	6,314,286
	<b>Total of agricultural sales</b>	--	<b>14,914,286</b>	--	<b>13,885,714</b>
Gardening	<b>Total of gardening sales</b>	--	<b>3,285,714</b>	--	<b>3,542,857</b>
Animal husbandry	Calf (head)	1,895	2,571,429	2,531	3,228,571
	Others	--	457,143	--	28,571
	<b>Total of bear biological assets sales</b>	--	<b>3,028,571</b>	--	<b>3,257,143</b>
<b>Total</b>		--	<b>21,228,571</b>	--	<b>20,685,714</b>

### 3-3-2-2- Other Sales & Industries:

	Product	2016		2015	
		Quantity (ton)	Amount (US\$)	Quantity (ton)	Amount (US\$)
Dairy Factory	Milk powder	3,403	8,771,429	2,883	8,657,143
	Cream	3,073	4,600,000	2,030	4,228,571
	Milk (pocket)	3,725,617	1,228,571	2,861,714	714,286
	Others	--	1,828,571	--	1,085,714
	<b>Total of dairy factory</b>	--	<b>16,428,571</b>	--	<b>14,685,714</b>
Sugar Cube Factory	White sugar	20,846	13,485,714	21,190	12,571,429
	Others	--	114,286	--	114,286
	<b>Total of sugar cube factory</b>	--	<b>13,600,000</b>	--	<b>12,685,714</b>
<b>Total</b>		--	<b>30,028,571</b>	--	<b>27,371,429</b>

## Part IV: Other Information

### 4-1- Financial Ratios:

Title	2015	2014
Gross margin	17%	15%
Net profit (loss) margin	3%	3%

### 4-2- Available Affiliated Industries of the Company:

- **Sugar Cube Factory:** With nominal production capacity of 5,000 tons sugar beet per day.
- **Dairy Factory:** With nominal production capacity of 180 tons milk per day.
- **Live stock Feed Factory:** With annual production capacity of 140 thousand tons.
- **Seeds Processing Factory (within an hour):** corn seeds: 5 ton, wheat seeds: 10 ton, oil and barley seeds: 7 ton, sugar beet seeds: 2 ton and seeds winnowing: 10 ton
- **Granola Fertilizer Production Factory:** With participation of private sector.
- **Plastic Injection Workshop:** Production of plastic boxes with annual production capacity of 1 million boxes.
- **Juice Fruit Production Factory:** including 2 concentrate apple production lines with the capacity of 3 tons per an hour, fruit pulp production with nominal production capacity of 2/5 tons per an hour and fruit juice packing line with the nominal production capacity of 9,300 pockets (each pocket 200 gram) in an hour.
- **Ammoniac Chilling Rooms:** with the capacity of 5,000 tons for keeping fruits and other products of the company.

### 4-3- Main Customers of the Company in US\$:

Customers	Production	2016	2015
		(amount)	(amount)
Mr. Nasiri	Sugar	13,485,714	12,485,714
Grain & Trading Services Co.	Edible wheat & sugar refining	10,028,571	5,342,857
Mr. Koolak	Powdered milk & butter	8,485,714	6,885,714
Parabad Oil Seeds Co.	Canola	3,685,714	0
Mr. Raeeni Poor	Fruit on trees	3,000,000	0
Shirin Asal Co.	Powdered milk	3,000,000	2,314,286
Green Jihad Co.	Corn seeds	0	5,457,143
Others	--	9,542,857	15,571,429
<b>Total</b>	<b>--</b>	<b>51,228,571</b>	<b>48,057,143</b>

#### 4-4- Main Suppliers of Raw Materials in US\$:

Type of Material	Suppliers	2016	2015
Beet	Farmers of Moghan & west Azerbaijan	12,885,714	7,142,857
Livestock feed	Ardebil Livestock Affairs Logistic Inc, Ardebil Union Animal Breeding, Mr. Jafarloo, Mr. Mohammadian, Mr. Mahtab, Mr. Poor abas & Mr. Kan'ani	10,285,714	6,942,857
Fertilizer	Agricultural support services co., Mr. Noor Azar, Ardebil Rural Cooperation Union, Zist Fan Avar Sabz, Zanzan Chemical Processing Co., Pars Siamand Co., Moghan Kesht Afarinan	2,085,714	2,714,286
Others	--	3,342,857	5,400,000
<b>Total</b>	--	<b>28,600,000</b>	<b>22,200,000</b>