



Moghan Agro-industrial &  
Animal Husbandry Co.



Iranian Privatization Organization (IPO)  
Marketing & SOEs Divesting Office

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



*Base Value for 100% Shares:* US\$ 918,715,963

*(Exchange Rate:* 29,563 IRR)

*Assessment Date:* February 2015

*Assessment Method:* Net Assets Market Value

*Transferring Method:* Tender

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 an 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 Garmsi 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. Total number of staffs in 2014 was 887 that 94 of them were permanent employees. Large area of fertilized lands represents the potential for increasing performance, efficiency, production and employment.

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## **Part II: Main Information**

**Parent Company:** Agri-Park Company **Capital:** US\$ 107,634,543

**Shareholders:** Agri- Park Co. (100%) **Chief executive officer:** Mr. Mohammadi

**Establishment Date:** December 197 **Registration Location:** Garmi Township

**Total Assets (evaluated):** US\$ 816,290,634 (Land: US\$ 388,221,764)

**Total Liabilities (evaluated):** US\$ 23,001,725 (Trade accounts & notes payable: US\$ 8,591,821)

**Net profit (loss):** US\$ 778,000

**Retained earnings (loss):** US\$ (744,173)

**Location:** Pars Abad, Ardebil Province

**Number of Staffs in 2014:** 887

**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: 29,563 IRR)

<b>Title</b>	<b>Book value (March 2014)</b>	<b>Evaluated by Independent Expert (February 2015)</b>
Land (3-1-1)	72,286,304	388,221,764
Rights of Water/electricity, gas and telephone	947,130	231,505,598
Buildings & installations	11,737,645	57,605,791
Bearer biological assets	10,621,385	50,400,839
Roads and landscaping	1,657,477	36,227,717
Other assets	34,942,327	52,328,925
<b>Total assets</b>	<b>132,192,267</b>	<b>816,290,634</b>

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

- Total area of lands that are in use of the company is currently about 27,884 hectares.
- The value evaluated by independent expert of cultivating lands of the company equals to US\$ 336,569,360 and the value evaluated by independent expert of non-cultivating lands has been estimated to US\$ 51,652,403.
- 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.

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*Land Information under authority of the company**(unit: hectares)*

<b>Title</b>	<b>Area</b>
Agricultural lands	20,177
Gardening lands	3,278
Others	4,429
<b>Total</b>	<b>27,884</b>

*3-2-Main Items of Liabilities and Capital in US\$*

<b>Title</b>	<b>Book value (March 2014)</b>	<b>Evaluated by Independent Expert (February 2015)</b>
Other accounts & notes payable (3-2-2)	8,591,821	8,591,821
Trade accounts & notes payable(3-2-1)	4,904,780	4,904,780
Provision for employees termination benefits	4,092,954	4,092,954
Short-term loans (3-2-3)	1,928,086	1,928,086
Long-term loans (3-2-3)	1,589,825	1,589,825
Other liabilities	1,894,260	1,894,260
<b>Total liabilities</b>	<b>23,001,725</b>	<b>23,001,725</b>
<b>Capital</b>	<b>107,634,543</b>	<b>107,634,543</b>
<b>Legal reserve</b>	<b>33,826</b>	<b>33,826</b>
<b>Revaluation difference reserve</b>	<b>2,266,346</b>	<b>2,266,346</b>
<b>Retained earnings(loss)</b>	<b>(744,173)</b>	<b>(744,173)</b>
<b>Profit(loss) from 20 March 2014 to 19 February 2015</b>	<b>0</b>	<b>125,427,054</b>
<b>Revaluation difference</b>	<b>0</b>	<b>684,098,366</b>
<b>Owner's equity</b>	<b>109,190,542</b>	<b>918,715,963</b>

3-2-1) The main debt of trade accounts and notes payable is due to the price of water farming, debts to Gas Co., buying fertilizer, pesticide, seeds and etc.

3-2-2) The main debt of other accounts and notes payable is due to insurance payable, employees' termination benefits, deposits received from contractors and etc.

3-2-3) Loans include loan received from Agricultural Bank, branch of Parsabad Moghan with the amount of 1,674,390 US\$ and loan received from Bank Melli of Iran with the amount of 1,863,816 US\$.

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

Title	March 2014	March 2013
Fair value of agricultural products	42,282,583	26,790,245
Net increasing of fair value of Consumable biological assets	2,773,737	2,536,955
Net sales & services (3-3-1)	41,504,583	24,151,811
Cost of goods sold & services	(43,534,147)	(24,185,637)
Production expenses	(33,656,936)	(23,813,551)
<b>Gross profit(loss)</b>	<b>9,369,820</b>	<b>5,479,823</b>
Sales, administrative and general expenses	(3,111,998)	(1,928,086)
Provision for employees termination benefits	0	(1,826,608)
Net other revenues and operating expenses	(5,851,909)	(439,739)
<b>Operating profit (loss)</b>	<b>405,913</b>	<b>1,285,391</b>
Net other revenues and non-operating expenses	744,173	676,521
Financial expenses	(372,087)	(270,609)
<b>Net profit (loss)</b>	<b>778,000</b>	<b>1,691,303</b>

#### 3-3-1-Net sales and Services in US\$

Product	2014		2013	
	Quantity	Amount (US\$)	Quantity	Amount (US\$)
Wheat	27,302	7,475,561	16,007	2,875,216
Corn Seeds	1,948	3,619,389	2,330	2,638,433
Canola	8,085	5,209,214	5,376	1,826,608
Fruits on tree	15,200	2,976,694	12,586	2,198,694
Live Calf and Veal	1,582	2,029,564	1,828	1,758,955
Sugar	6,123	3,450,259	3,902	1,657,477
Powdered Milk	3,108	8,084,430	2,255	5,987,214
Cream	3,041	6,223,996	2,315	3,010,520
Other products	-	2,131,042	-	2,029,564
<b>Total</b>	-	<b>41,200,149</b>	-	<b>23,982,681</b>
Returned	-	(33,826)	-	(67,652)
<b>Net Sales</b>	-	<b>41,166,323</b>	-	<b>23,915,029</b>
Services	-	338,261	-	236,782

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<b>Total</b>		<b>41,504,583</b>		<b>24,151,811</b>
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### **Part IV: Other Information**

#### **4-1-The Area under Cultivation and the Productive Value of Agricultural, Industrial and Live stock Productions**

Row	Production	2014		2013		2012	
		Area (hectares)	Production (tons)	Area (hectares)	Production (tons)	Area (hectares)	Production (tons)
1	Feed wheat	5,966	27,326	4,797	16,002	4,943	21,489
2	Feed barley	2,065	4,378	1,965	2,593	2,181	5,390
3	Wet grain corn	1,484	8,790	868	10,594	1,445	8,489
4	Unprocessed seed corn	1,463	2,351	1,424	3,763	276	657
5	Silo corn	1,775	50,535	1,419	57,361	1,151	29,752
6	Hay	1,952	20,574	--	19,029	1,688	17,028
7	Canola	3,889	8,177	3,611	5,457	3,290	9,644
8	Processed seed wheat	655	2,668	1,751	3,576	4,090	1,741
9	Processed seed barley	98	353	267	740	330	572
10	Processed seed corn	1,463	2,351	1,424	2,746	276	461
11	Dried grain corn	1,484	6,929	1,419	8,528	1,445	7,006
12	Any kinds of fruits	1,657	15,374	1,934	12,586	1,892	17,056
13	Any kinds of block (number)	--	49,957	--	40,571	--	19,350
14	Any kinds of sand (m <sup>3</sup> )	--	54,875	--	86,400	--	52,241
15	Concentrates	--	96,773	--	85,457	--	88,713
16	Sugar	--	6,112	--	3,451	--	10,681
17	Powdered milk	--	3,055	--	2,668	--	3,070
18	Butter	--	39	--	199	--	214
19	Cream	--	3,042	--	2,301	--	2,763
20	Pocket milk (pocket)	--	2,360,506	--	1,211,032	--	1,209,257
21	Pocket butter milk	--	2,166,739	--	1,530,995	--	1,833,348
22	Raw milk	--	38,887	--	36,241	--	40,656
23	Manure	--	35,900	--	30,136	--	16,470

#### **4-2- Available affiliated Industries at 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.

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- **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- Agricultural Activities:**

- **The Area under Cultivation:** 20,177 hectares
- **Productions:** Wheat, barley, corn, sugar beet, canola, cotton and hay
- **Annual Productions:** about 220,000 ton
- **Irrigation Methods:**
  - o Rainy Irrigation: about 3,000 hectares
  - o Rainy Irrigation (classic): about 400 hectares
  - o Gravity Irrigation (traditional): about 14,600 hectares
  - o Non-irrigated land: about 2,100 hectares
- Remarkable point is that 72 percent of cultivating lands are being irrigated by traditional method and only 17 percent of them use rainy irrigation.

#### **4-4-Gardening Activities:**

- **Total Area of Fruit Gardens:** 3,278 hectares
- **Gardening Productions:** any kinds of fruits including peach, nectarine, plum, sour cherry, cherry, apricot, greengage, tree almond, apple, olive and hazelnut
- **Average Annual Productions:** More than 17,000 ton

#### **4-5- Animal Husbandry Activities:**

**Total Available Live stock:** 13,000 Heads including

- **Generating Cow:** about 5,500 heads
- **Heifer:** about 2,600 heads
- **Female Calf:** about 2,500 heads
- **Fatten Male Calf:** about 2,900 heads

**Average Annual Productions:**

- **Raw Milk:** 41,000 ton
- **Red Meat:** 1,600 ton

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- **Pregnant heifer:** 2,200 Heads

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