

INVESTMENT PROJECT #265

Installation of an agroindustrial facility for duck farming and slaughter for meat

Sector

AGRIBUSINESS

Subsector

OTHER AGRIBUSINESS

Brief description of the business opportunity

This project, called "Argenduck", aims to install an agroindustrial facility for duck farming and slaughter for meat consumption. The project will be developed in Marcos Juarez (province of Cordoba). We will offer an antibiotic-free production that will be targeted to the Asian and Arabian countries, the main duck meat consumers worldwide. The project involves the infrastructure required to develop this activity regardless of Argentina's energetic infrastructure, as we will generate biogas (from duck byproducts) and use wind and solar energy. The investment opportunity lies in meeting the increasing demand for duck meat at a global level by making the most of Argentina's advantages as an important grain, cereal and pasture producer. Payback is estimated at 2-5 years from start-up.

Brief description of the product/service

The end product is antibiotic-free, lean duck meat with Halal certification (certification required to sell food products in Muslim countries). The product will be advertised and exported in the following presentations: whole duck with or without giblets, breasts, legs, cut-up and stuffed drumsticks packaged in cartons and ready for export from the start of production. A second stage involves stuffed product production forming a joint venture with an existing company that can contribute its production know-how.

Brief description of the target market(s) of the product/service

The main target markets are China, Qatar, EU, Germany, Canada and Japan. The duck meat consumption rate in each of these markets (except for Canada and Japan) is higher than Brazil's current annual production (7,700 tons/year). Brazil is one of the largest producers in Latin America. Globally speaking, Russia is the only country that is about to start a similar development with a view to meeting the increasing demand for duck meat in that market.

Brief description of the advantages of the company or cooperative to carry out the investment project

The project's main advantages lie in the fact that the costs of production and raw materials are lower than in competing countries. The project owners represent an additional advantage, as they have built an extensive contact network of suppliers and potential customers. The team is made up of 3 people, two of them with 25 years' experience in international trade relations, and the other with 10 years of experience in the food business.

Brief description of the context of the investment opportunity

The opportunity context is highly favorable: Argentina is an important producer of grains, cereals and pastures, which are key to duck farming. This project will be located in the province of Cordoba, 135 Km. from the port of Rosario, the port that the finished product will be exported from. Additionally, the province of Cordoba provides encouraging tax benefits and exemptions, providing positive financial advantages.

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More information about the investment project

City/Area: MARCOS JUAREZ, Córdoba, Argentina

Total amount of the Investment Project: US\$ 3,000,000.00

Percentage of the investment contributed by the Company or cooperative submitting the project: 25% - 50%

Minimum amount required from investor: US\$ 1,950,000.00

Payback period: 2-5 years

Purpose of the Investment: New productive unit, Development of new products/services, Breaking into new markets in Argentina, Breaking into new foreign markets

Destination of the Investment: Machinery and Equipment, Vehicles and Transport Equipment, Land and Buildings, R&D and innovation activities, Sales and Marketing, Working Capital

Investment Project's stage of development: Business plan

Brief description of the main stages of the project:

Year	Amount	Destination
1	2,000,000.00	Machinery, slaughter and feedstuff plant, equipment (incubators) and galvanized steel sheds
2	1,000,000.00	Extension of the productive infrastructure
3		
4		
Difference		
Total	3,000,000.00	

Type of public incentives available for the Investment Project: Tax breaks, Subsidised credits, Direct subsidy, Technical assistance, Financial facilities, Investment reimbursement

Type of investor required: Strategic investor

Preferred investment mode: Equity

Information about the Company/Cooperative submitting the Investment Project

Length of time in business: < 5 years

Annual sales of the Company/Cooperative (in US\$ millions): < 2

Percentage of annual sales derived from exports: 1-10%

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Number of employees: < 50

If you're interested in learning more about this project, send an email to bapip@mrecic.gov.ar