

Project Sponsor information

Company Name	Al-Bawader For Agriculture Development Company
Is the company registered?	Yes
Year of Establishment	2014
Owner	
Name	Sameer Hasan Husain Yaseen
Email Address	info@albawader.ps
Gender	Male
Telephone	0599233690
Focal Contact Point	
Name	Sameer Al-Juneidy
Job title	executive manager
Email Address	albawader@yahoo.com
Telephone	0599233690
Does the Company have External Auditor? if Yes, please specify.	no

Project Information

Title of the Project	Establishing an Agricultural Plastic Products Factory
Location	Nablus
Status of the Project	Not started
Estimated Starting Date	2021-06-01
Starting Date	
Status of the Project	
If the project is selected for funding, how long would take you to kick-off the project and begin operations?	6 months – 1 year
Is this a new project investment?	Yes, a new project Investment
What is the business sector?	Agriculture
What is the estimated total value of the whole Investment (Debt + Equity)?	More than USD 3,000,000
Have you secured the equity investment?	Yes

What is the amount?	1200000
Have you secured debt financing for the project?	No
What is the amount?	
Source of Debt Financing	
What is the amount needed?	4000000
Have you applied for loan?	Yes
Loan Source	bank
How much is the financial gap of the total investment of the project?	10% - 20%
What type of financial support is requested?	Operational expenditures (Working Capital)
Have you done a feasibility study for the project?	Yes
Feasibility study	IRR
Do you have a financial model, including cash flow analysis?	Yes
Have you secured the required licenses, permits and agreements from relevant authorities?	No
specify	
Do you have a financial and admin software? if yes, please specify.	yes, we use Shamel accounting program for insert all information, make a monthly report
Do you have a written manual for financials, administration and procurement system?	Yes

Project Description

Describe the project	
	<p>Business Description Farming in Palestine is the largest sector of the economy. According to the Centre for Economic Policy Research (CEPR), agriculture employs 13.4 percent of the population formally, though informally it employs about 90 percent of those who work. In Gaza, agriculture offers life-saving job opportunities in a region rife with unemployment. And in the West Bank, where farming has been a way of life since ancient times, agriculture makes up an integral part of cultural identity. It also offers opportunities for stable employment and sustainability. (Anera, 2020) Plastic products related to agriculture are of vital important in this business. These products help solving the challenges of farmers and optimizing their growing. Among the most important products are greenhouse cover films and solarization films (thermal shaders). Currently, there are no</p>

1. Product, market, and market opportunity.

producers of such products in Palestine, and all of demand is covered by the Israeli manufacturers. Objectives: The objectives of the project are as follows: • Meeting the local market's need for greenhouse plastic sheets • Reducing coverage costs for farmers • Encouraging investment in the agricultural sector • Providing the required product with high quality and reasonable price instead of importing it • Contributing to the renaissance of the agricultural and industrial sectors. • Contributing to reducing the unemployment problem by providing more job opportunities directly and indirectly. Main Products: The two main products that will be manufactured are: 1) Greenhouse cover films: Thermic greenhouse cover films are plastic films that block infrared radiation to reduce the risk of frost when the greenhouse is not heated and to reduce the energy consumption when a heating system is used. The thickness for these films is 40 micrometers, and every donum needs around 156 kg for being covered. 2) Thermal Shaders: Used for killing the viruses and bacteria after the land being prepared. This Every donum needs to be covered with around 36 kilograms of thermal shaders. Keys to Success: There are several keys to success in this project, which could be listed below: 1) There are just two dominant suppliers of the products in Palestine, which are two Israeli suppliers: Gineger and A.A. Politive. 2) The demand for the two main products is increasing. 3) The national importance of having such a project, especially for employing tens of graduates and workers. 4) The high experience for top management in the field of business. 5) There is a good potential for expansion to other markets (Such as the Israeli and Jordanian markets). Market Study: Industry Analysis: Description and Outlook The latest agricultural census published by the Ministry of Agriculture and PCBS in 2010 estimated that the total area of agricultural land was 1,207,061 dunum (91.6% or 1,694,554 in the West Bank, and 8.4% in Gaza Strip). The agricultural census of 2008 estimated that the area of agricultural land was 1,854,000 dunum (91.4% in the West Bank, and 8.4% in Gaza Strip). But, the land-use analysis of satellite images – conducted by ARIJ in 2010 – indicated that the area of agricultural land in the West Bank was 2,150,800 dunum. This variation in estimates is due to the use of effective agricultural land to build the agricultural census of 2010, i.e. agricultural land whose area exceeds 1 dunum for rainfed agriculture and 0.5 dunum for irrigated agriculture. Furthermore, the agricultural sector is an important driver in the Palestinian economy since it creates job opportunities in the local Palestinian market. One of the drivers of the Palestinian agricultural is greenhouses. Greenhouses are concerned in building designed for the protection of tender or out-of-season plants against excessive cold or heat industry, and this industry is one of the drivers of the agricultural sector in Palestine, as it provides jobs opportunities and increases the export income since it covers more than 30,000 donums of the agricultural lands. Farming inside greenhouses occupies a special importance in the Palestinian agriculture sector, as it is a source of income for many Palestinian families (since the greenhouses cover more than 60% of the vegetable yields for example), and greenhouses cover about 30 thousand dunums of agricultural area in Palestine, and the metal structure and plastic sheets are the most important elements for creating a greenhouse resistant to atmospheric changes (Strong winds, snow accumulation) in terms of design and construction, as most of the greenhouses are exposed to many risks as a result of atmospheric changes that lead to heavy losses in the structure of the greenhouse, especially in the plastic covers. Market Needs: Starting from the importance of greenhouses to the Palestinian agriculture sector and the economy, and due to the full dependence of the local market on importing plastic sheets (due to the lack of a local factory for the production of these covers in Palestine, despite the large volume of demand for this product), the idea of establishing a factory for the manufacture of plastic covers for greenhouses came. So, projects owners decided to establish a local factory that will produce these products through Importing modern machines for the production of plastic sheets according to international standards. These production lines will yield a high production capacity and high quality in a way that increases the plastic cover's ability to bear more of the agricultural risks so reduce losses of the farmers. Market Segmentation: The target market will be segmented based on geographic criteria (areas where greenhouses industry would be feasible) as follows: • Local Market: as mentioned above, more than 30 thousand donums are preserved as greenhouses areas as follows: o West Bank greenhouses: Mainly Tulkarm and Jenin (largest greenhouses areas in WB) then Qalqilya and Jericho and then other governorates. o Gaza Strip greenhouses • Potential neighbor markets: Jordan and Israel greenhouses. • Other Potential Markets Marketing Strategies: Any developed marketing strategies and action plans should consider the following aspects: • Maintain a high market share in the local market (not less than 70-80% in the first 3 years) • Penetration of potential markets linked with specific time periods. • Maintain sales increase yearly or quarterly. • Show products quality and competitive advantages.

<p>2.Social and environmental positive impacts of the project.</p>	<p>Environmental Analysis (Porter Five Forces) • Competitive rivalry: This project faces intense competition from A. A Politive and Gineger. Both manufacturers play a huge role in the local market and other international markets as they produce the same products (especially the 5-layers sheets) with relatively same quality. • Bargaining power of suppliers: A diverse supplier base limits supplier bargaining power. This project raw material is produced by dozens of manufacturers based in multiple countries (Saudi Arabia, China, Qatar, ...). This provides an advantage to the project by diminishing suppliers' leverage. • Bargaining power of customers: project potential customers include greenhouses owners in Palestine and neighbor markets. Customers (farmers) from the local market, hold a certain degree of bargaining leverage, as they could substitute the project products with those of competitors to gain higher margins. The bargaining power of customers is lower as the factory is considered the first producer of the needed products in the local market with the price advantage over competitors. • Threat of new entrants: Large capital investment costs are required for establishing the factory, which limits the entry of newer players in the greenhouses supplies market. However, existing investors in the agriculture industry could enter the competition in the future. • Threat of substitute products: The demand for greenhouses supplies (mainly sheets) is expected to continue to grow (greenhouses areas are expected to grow so customer base is also expected to grow). Therefore, this force does not threaten the project in the foreseeable future. Moreover, the type of products to be manufactured is considered to be high quality products and will save costs on the long term for the farmer. Environmental: ● Despite the stable weather conditions and climate change aspects, there might be some losses in the greenhouses if a natural disaster happened. ● Production planning based on weather and climate changes. Social: ● This kind of projects creates job vacancies and reduces unemployability rate which reached 25% in the first quarter in 2020. ● The lack of a local manufactures makes farmers more supportive to establishing a local factory which makes it hard for to change with generational shifts.</p>
<p>3. Why do you think this is a financially feasible project?</p>	<p>This project aims at establishing a factory for producing the main agricultural plastic products, greenhouse film covers and thermal shaders. Project's Key Indicators Location: Der Sharaf Industrial Zone, Nablus Pay Back Period (PBP)- Years 4.4 First Amount of Investment (USD) 9,482,741 Return on Investment (ROI) 36% First Year Net Profit after Tax (USD) 1,330,539 Net Present Value (NPV) 12,845,032 Maximum annual Net Profit (USD) 5,390,215 Internal Rate of Return (IRR) 25% Assumptions: The following assumptions were made for studying the feasibility of the project: • Project starting date: 1/6/2021 • USD:ILS rate: 1 : 3.40 • EUR:USD rate: 1 : 1.21 • Number of working days per year: 312 • Project Area in squared meters: 5,000 • Maximum production Capacity (Kg/Hour): 900 Pricing: Competitive prices for the two main products were set in the study, so that to have a price-leading competitive advantage. The price is 10.5 ILS (3.1 USD) per Kg (for both Greenhouse Cover Films and Thermal Shaders). Expected Demand and Demand Growth Expected demand quantities were calculated based on the demand for each Donum. Each Donum needs 156 Kgs of plastic films, and each thermal shader needs 36 Kgs of plastic. Currently, based on the published statistics and market studies, there is a total of 30,000 donums of lands covered by plastic films. It is assumed to cover 50% of the market by the first year, by an annual growth of 5% annually, to reach 75% from the sixth year.</p>
<p>How many new “direct jobs” are expected from the new investment?</p>	<p>(30-50]</p>
<p>From the above, how many jobs are for Women?</p>	<p>Less than 20%</p>

Please, explain what the challenges and obstacles that are preventing you from proceeding with this investment including how COVID 19 pandemic affected your proposed investment.

Corona pandemic affected on economic situation due to continuous closures, but there is a noticeable increase in demand for establishment of greenhouses and encouragement of agriculture. Strengths: • High quality products • Using modern technologies in the production process • Experienced top management • Increasing the market share locally to reach high levels. • Targeting neighbor markets with lower cost and high-quality products. • Use the high-quality specifications of products and the cash flow prediction to persuade investors and funders. • Study the Israeli policies to overcome any unexpected restrictions. Opportunities: • The only greenhouses plastic producer in Palestine. • Competitive Price • High costs of imported plastic sheeting • Potential Markets (Jordan, Israel) • Search for funding or investors to reduce the load on the project owners and to sustain business continuity. • Organize some training sessions locally or internationally for the potential employees on the use of the chosen technology. Threats: • Funding and Sustainability • Israeli policies regarding competition with Israeli producers • Raw Material (importing risks) Weaknesses: • High Capital Investment • Non-Experienced staff in the field