



Agricultural City

Business plan



Name: Gardenia Agricultural Project Sulaimani

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Executive Summary

Gardenia Agricultural City provides a quality choice for agricultural companies that want to expand into the Kurdistan region of Iraq market. Gardenia Agri-City is located on 111 Hectare on the 100 meter road near Tanjaro/ Sulaimani. The total budget for the project is valued at \$256,162,000 which includes roads, water storage, production area, showroom area, office facilities, warehouse area and a research and development campus. Our aim for Gardenia Agri-project 2020 is to build a hub for innovative Dutch and Iraqi companies in the agriculture sector. Gardenia Centre Company started on 12th of April 2014 with just a small flower shop but has expanded at an exponential rate. Gardenia Centre is currently the largest wholesaler, nursery and landscaper in the KRI. Gardenia Centre is the first in Sulaimani province to offer a wide range of plants, trees, and flowers on a large scale directly to customers in addition to the exclusive service and designs. Our strategy includes an experience staff, affordable prices, a great location, and excellent customer service. This has all been achieved with the partnership with Hummeltuintotaal, a Dutch company specialized in the landscape sector in Noordhorn, Netherlands. The key to success has been the opportunity to gain new expertise from a well-established landscape company that has more than 15 years of experience. It has allowed Gardenia to benefit from access to greater resources, specialized staff and technology. Gardenia Agri-City focuses on linking Dutch and Iraq companies in the agricultural sector to benefit from similar partnership agreements.

Start-up Summary

Gardenia Centre is currently located on a 57,500 m² land on the Arbat – Highway, Sulaimani, Kurdistan region of Iraq. The location at which Gardenia wants to expand is a 111 Hectare land just 12km from the current location.. The total budget for the project is \$256 million to build all the infrastructure as shown in the design plan. The first step is to build all the roads which will take 304,510 m² of space at a cost of \$18,937,000. Gardenia Agri-project is next to the Tanjaro river which will be used to irrigate the production area. The water will be stored at the water storage area of 5,885 m³ at a cost of \$1,5 million. Gardenia Centre is currently producing 600,000 plants every year at a selling price value of \$2.3 million. The first project will be to build a 10,000 m² greenhouse according to Dutch standards to expand the current production capacity. The outdoor production area will be on 25 Hectare at a cost of \$7,575,000. The budget for the indoor production area and garden center on 141,000 m² is \$35 million. The indoor/outdoor showrooms which will become the hub for Dutch and Kurdish/Iraq companies will be on 20,8 Hectare at a cost of approximately \$42 million.

Market Analysis

The KRG is primitive in gathering data to quantify key indicators of economic growth that are available for most countries. For example, there are no monthly data that cover GDP, CPI, Money Supply, PPI, CCI, Employment, real-estate and industrial production. Therefore, most of the information is based on observations of the market, interview with key decision makers, and from the MNP, MNF and the Chamber of Commerce in Sulaimani.

Gardenia Centre imported \$1.2 million in 2017 worth of plants and related landscape products. Most of these plants were imported from the Netherlands, Italy and Turkey. In 2016, Gardenia centre started the production of outdoor plants and trees on a 15,000 m² land next to the garden center. Gardenia is currently producing 600,000 pots every year at a value of \$2.4 million. Around 30,000 Thuja aurea nana are imported from the neighbouring countries every year at a value of \$150,000. In 2016, Gardenia planted 2000 thuja aurea nana's on a 2500m² land at a cost of \$3,000. Today, the current selling value is \$40,000 and every year the value of the thuja will increase due to the increase in size. Gardenia is planning to produce 30,000 thuja area nana's every year to supply the total local market. The key to success was the partnership with a Dutch company that is an expert in the field. This is just a small example on how farmers and companies in the agricultural sector can benefit from access to information, expertise and specialized staff from the Netherlands.

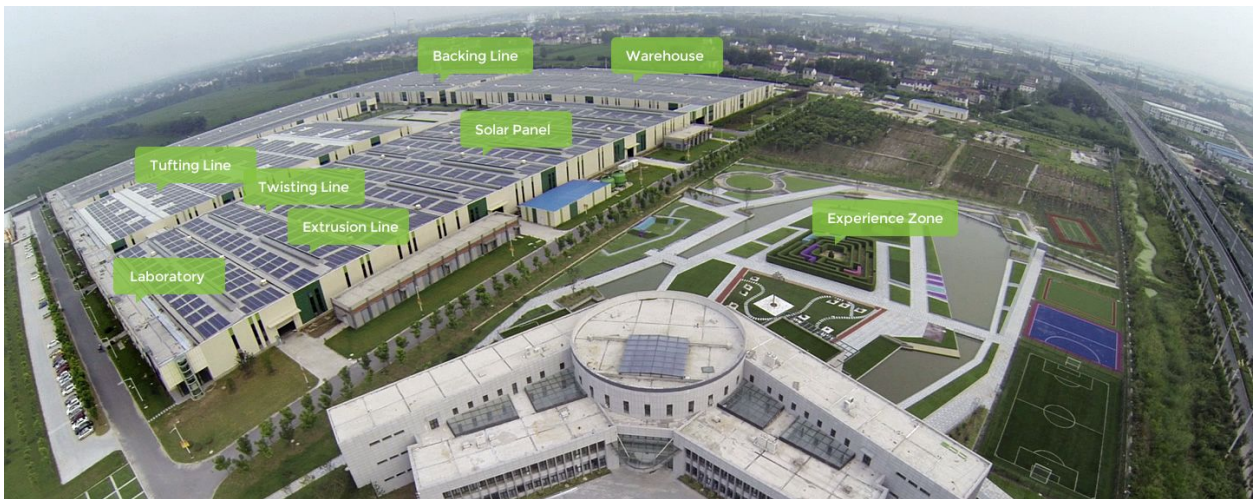
Gardenia Centre Company

For further details: (Gardenia Profile)





Peatmoss and potgrond production



Fertilizers



Agricultural machinery



Office and facilities



Water storage



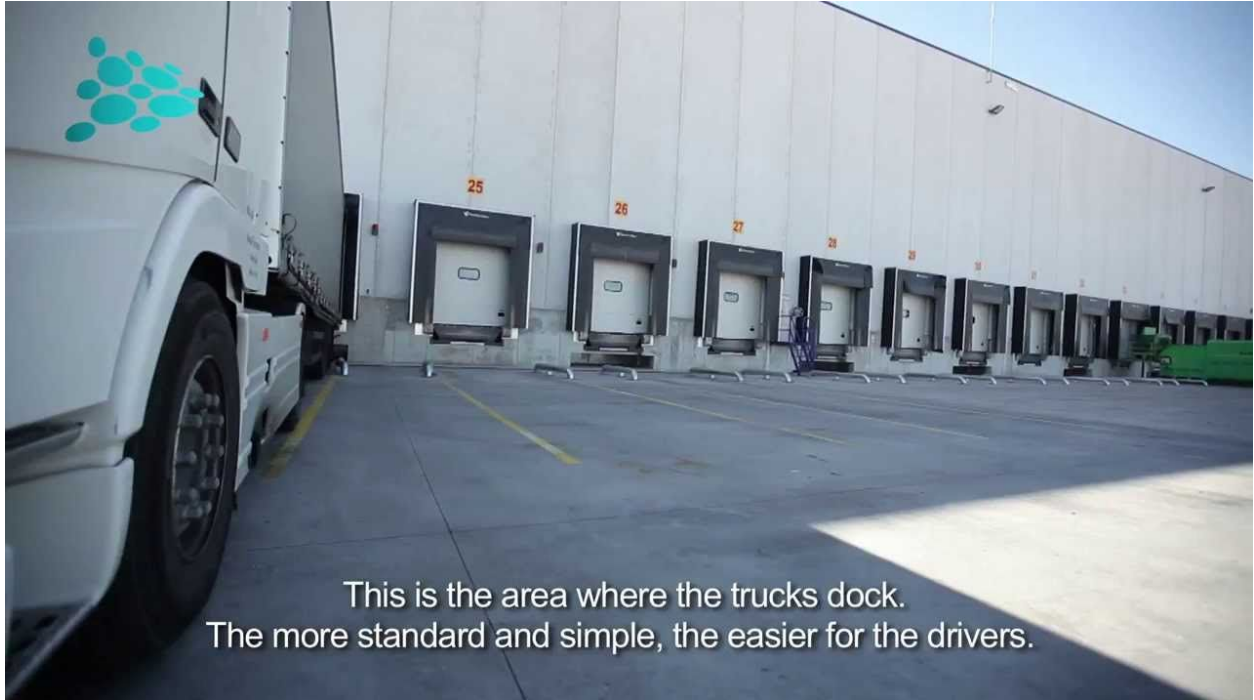
Warehouses



Product packing



Logistics



This is the area where the trucks dock.
The more standard and simple, the easier for the drivers.

Research and Development Campus

- **Hotel**
- **Restaurant**
- **Showgarden**



Market Analysis Summary

Kurdistan region of Iraq prior to the financial crisis of 2014 (See Sustainability Challenges faced by Enterprises and the KRG during the economic crisis of 2014)

The current economic and political crisis in the Kurdistan region has affected the private and public sector directly since 2014. The government has promised to stabilize the political tensions and strengthen the economy. As of August 2018, there is more movement in the market and the economy is heading to the right direction. During every economic crisis, companies will strive to become more efficient. Some lose and go bankrupt and some become better and stay in the market. The government has also reformed most of its existing rules and regulations to promote SME's. The KR-I government has made the agricultural sector a top-priority to promote other forms of income to be less dependent on oil. The Netherlands has also listed Iraq as a focus country to help and promote local production. The Netherlands is a leader in the agricultural sector and this has proven to help local companies in the KR-I. Gardenia Centre started in April 2014, after two months ISIS attacked Mosul and the war against ISIS began that lasted for more than three years. With the fall of ISIS at the end of 2017, the problems between the KRG and Baghdad started. Gardenia used to sell to 115 small garden shops in the KRG. Now only 15 remain that are able to stay in the market.

Objectives

1 – Promote, facilitate and link Dutch and Kurdish/Iraq companies in the Agricultural sector to boost production capacities and benefit from bilateral skills and expertise.

2 – Reduce the import of trees and shrubs by 30% within the first two years.

3 - Reduce overall imports of agricultural products by 20% within the first two years.

4 - Generate annual income of \$600 million.

5 – Hire more than 3000 workers in the agricultural sector

6 – Research and Development institute for 1000 students.

Geographic

- Our geographic market will be primarily Sulaimani Governorate as well as Iraq.
- Total market is around 16 million people.

SWOT Analysis

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none">● High Volume● Strong purchasing power● Low fixed costs● Location	<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none">● Increasing demand● Moderate entry costs●
<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none">● High level of maintenance● Skilled labor	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none">● Weather conditions● Political instability● Economic instability

Our strengths lie with the high volume due to our distribution capacities within Iraq. Gardenia Agri-project has a high bargaining power and in turn buys in with lower prices compared to competitors. The location is on the 100 meter road which is an excellent location in term of water supply, easy access, visibility and size.

List of companies

Gardenia Centre Company

Hummel tuintotaal Bv.

Barenbrug Bv.

Heboplant Bv.

Holland Business Center

Optigrun

Van der Arends Bv.

Feldborg bv.

Veenbaas Bv.

Solvika Peatmoss

Gala Company

Lantana Company

Saman Drip

Jwana Company

Qazaz Company

Slemani Garden Company

Ahmed Garden Company

