

## GEEP Project – New Flour Mill and Grain Storage in Poti

In the past, Georgia has been a net grain exporter but at present it needs to import grains until that sector of agriculture recovers. The grain storage elevator (silos) and flour mill in the Poti port area, which was built in 1940 were purchased by the company in early 2011.

One of the biggest grain importers to Georgia (with 35% share of grain import market) now plans to mill imported grains in its own mill and either export or sell the flour in Georgia. At present the unloading and transport of grain from the port is inefficient and this is where the major savings can be found.

The project includes

- Demolition of old flour mill and installation of a new one
- Rehabilitation of unloading/loading equipment - new conveyer belt gallery
- Rehabilitation of the second bucket elevator
- Procurement of a newer locomotive as a back up transport method.

GEEP team assessed proposed project components and identified those installations, which could be eligible for the credit line criteria.

Description	Investment USD	Energy Savings kWh/y	IRR %	NPV USD
New Flour Mill	1,000,000	2,894,000	15.6	370,000
Gallery Belt	130,000	672,000	73.0	590,000
Locomotive	160,000	170,000	16.7	72,000



### The Company

Main activities	Grain and oilseeds trading and milling
Region	Poti, Georgia

### Project Goal and Main Investments

Project goals	<ul style="list-style-type: none"> <li>• To install new energy efficient flour mill</li> <li>• To improve grain transportation methods</li> </ul>
Main investments	<ul style="list-style-type: none"> <li>• Installation of new flour mill</li> <li>• New conveyer belt gallery</li> <li>• Rehabilitation of the second bucket elevator</li> <li>• Procurement of a newer locomotive</li> </ul>
Investment size	Approximately \$ 1.160.000 or 1.130.000 (two alternative methods were investigated)

### Expected Results

Operational results	<ul style="list-style-type: none"> <li>▪ Reduced electrical consumption</li> <li>▪ Reduced diesel consumption</li> </ul>
Investment profitability	<ul style="list-style-type: none"> <li>▪ Annual saving of around USD 303,800</li> <li>▪ Payback period of 5.0 years</li> <li>▪ Over 35.1% IRR on the investment</li> </ul>

For more information on how your company can receive financing for energy efficiency projects, visit [www.energocredit.ge](http://www.energocredit.ge), or call +995 32 224962.

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