



هيئة تشجيع الاستثمار الفلسطينية  
Palestinian Investment Promotion Agency



مؤتمر فلسطين للاستثمار  
Palestine Investment Conference



# INSPIRING BUSINESS



# Agribusiness Sector

# Fruit and Vegetable Farm

Project Number:	<b>PIC-2010-IO-052</b>
Project Name:	<b>Fruit and Vegetable Farm</b>
Sponsor Company / Individual:	<b>Mr. Haitham Shurab</b>
Contact Details:	<b>Mr. Haitham Shurab</b> <b>Tel: +970-8-2864119</b> <b>Mobile: +970-59-9408908</b>
Total Cost of the Project:	<b>US\$ 500,000</b>
Investment by Current Owners:	<b>US\$ 288,000</b>
Required Investment:	<b>US\$ 212,000</b>

## Project Description:

This project will provide the market a yearlong production to help meet local market need for various products such as cherry tomatoes, strawberries, citrus, medical herbs and flowers.

The main inputs for the project are seeds and seedlings and the project will use drip water irrigation system in addition to utilization of mechanical equipment for farming.

Fifty dunums will be planted with vegetables producing 225 tons of vegetables yearly. Additionally, 35 dunums will be planted with fruits and citrus trees that would start producing in the 4th year yielding an estimated 60 tons yearly. The surplus of production will be used to produce juice pulp and concentrate.

The envisioned project will strive to acquire the highest of industry standards, including the Global Gap to facilitate growing first grade products suitable for the local, regional and global markets.

Revenues are estimated at USD 290,000 in the first year with an expected cash flow in the third year generating a yearly profit of 80,000 USD.

## Project Development Time Table:

Company Registration	<b>3rd Quarter 2010</b>
Equipment Purchase	<b>4st Quarter 2010</b>
Starting Operations	<b>1st Quarter 2011</b>

## **Current Owners' Profile:**

Mr. Haitham Shurab is a young Palestinian businessman who is a partner in a successful medicine and medical supplies company. He comes from a family with a long heritage in farming with proven success in growing, packaging and exporting Gazan citrus.

Mr. Shurab, with other family members who are partnering together for this project own large areas of fertile pieces of land in Gaza.

## **Industry Highlights:**

A leading sector of the Palestine economy is the Palestine Agriculture. The Palestine Agriculture symbolizes a major constituent of the GDP of the economy. The agricultural sector in Palestine gives the possibility of employment to a large number of people of Palestine.

Agriculture in Palestine is the chief earner of the overseas exchange and provides the essential needs of the most of the local population. Agriculture in Palestine is separated into rain-fed and irrigated cultivation.

The Palestinian agriculture zone shares the joint distinctiveness of both concentrated irrigated farming as well as the widespread rain-fed farming which is prevailing in the highlands of the West Bank. The rain-fed farming forms the primary cultivated area of the total cultivated Palestinian land.

The cultivation of fruit trees is the key segment of production of plant in Palestine. The main fruit trees of Palestine are grapevines, olive trees, citrus, figs, almonds. In the West Bank of Palestine the grapevines form the second among the major fruit crops. In Palestine more than 30 different vegetable crops have been planted.

The type of agriculture that takes place in Palestine is yearly and cyclic agricultures such as grains and vegetables. In the Gaza Plain, Marj Ben Amer and some of the inner plains grain plantation was grown.

Statistically:

- In 2008, the total area of cultivated land in Palestine was about 1,513 km<sup>2</sup>; representing 25.1% of the total area in Palestine, while the percentage in the West Bank was 24.8%, and 30.1% in the Gaza Strip.
- The total area of cultivated land cultivated permanent crops reached about 1,172 km<sup>2</sup>, and 340.8 km<sup>2</sup> planted with temporary crops.
- The total area of irrigated planted land was 69.6 km<sup>2</sup>, while the area of rain-fed either planted land reached 1,343.4 km<sup>2</sup>.
- The productivity of irrigated farmlands in Palestine reached 6,743.2 tons / km<sup>2</sup> as the productivity of rain-fed cultivated land reached 196.5 tons/km<sup>2</sup>.
- Fruit trees form the major bulk of area cultivated reaching 63.2%, while the area planted with vegetables reached 10.1%, and field crops cultivated area was 26.7%.
- Labor force in the agricultural sector was estimated at about 16.1% of the total labor force in Palestine, with a total number of 130,000 workers.
- The value of total exports was US\$ 10.9 million, with the exports of tomatoes reaching about 27% of all exports, representing the highest export of all vegetables.

## SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Land ownership</li> <li>• Prior family success in farming and exporting quality agriculture products</li> </ul>	<ul style="list-style-type: none"> <li>• Limited financial resources</li> </ul>
External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Future access to West Bank and export markets</li> </ul>	<ul style="list-style-type: none"> <li>• Current political and security conditions in Gaza</li> <li>• Inability to bring in equipment</li> <li>• Natural conditions affecting agricultural production</li> </ul>

## Financial Projections in US\$

Indicators	2010	2011	2012	2013	2014
<b>Income statement Accounts</b>					
Revenues	0	290,000	295,000	310,000	325,500
Expenses	15,155	85,474	112,476	124,470	130,600
Gross Profit	(5,600)	249,200	237,880	245,000	257,250
Depreciation	3,567	15,120	26,700	26,700	26,700
Net Income	(18,722)	189,406	155,824	158,830	168,200
<b>Cash Flow Accounts</b>					
Operating Cash Flow	(46,355)	151,693	134,441	134,920	141,764
Investing Cash Flow	(187,000)	(100,000)	(100,000)	0	0
Financing Cash Flow	500,000	0	(80,000)	(80,000)	(80,000)
<b>Balance Sheet Accounts</b>					
Total Assets	482,078	671,484	747,308	826,178	914,420
Total Liabilities	800	800	800	840	882
Total Equity	481,278	670,684	746,508	825,338	913,538
<b>Profitability Indicators</b>					
Return on Assets	(3.88%)	28.21%	20.85%	19.22%	18.39%
Return on Equity	(3.89%)	28.24%	20.87%	19.24%	18.41%

P.O.Box 1984, Ramallah, Palestine  
Phone: +970 2 2988791/2, Fax: +970 2 2988793

E-mail: [info@pipa.gov.ps](mailto:info@pipa.gov.ps)  
Website: [www.pipa.gov.ps](http://www.pipa.gov.ps)