

# Silo Enterprises

## EXECUTIVE SUMMARY

Afghanistan has three state owned silo enterprises which are (1) Central Silo, (2) Pul-e-Khumri Silo, and (3) Balkh Silo. In the past, these three facilities had production capacity of up to 665 MTs of flour per day. However, nowadays these three facilities are not fully operational and most of their revenues are not coming from their basic operations. The machineries and bakeries at each silo have worn out and are completely out of date. Instead, silos generate their revenues by renting their properties and machineries to the private sector at AFN1,000 – 2,500 per sqm per month.

The total storage capacity of all three silos are 152,500 MTs, (1) Kabul Silo (72,500 MTs), (2) Pul-e-khumri Silo (40,000 MTs), and (3) Balkh Silo (40,000 MTs). This is enough to supply the army's annual wheat demand of 61,000 MTs. As of July 2015, the amount of wheat held at silos were 24,461 MTs: (1) Kabul Silo (7,647 MTs), (2) Pul-e-khumri Silo (16,050 MTs), and (3) Balkh Silo (764 MTs).

Central Silo consists of the facility in Kabul - as well as sub units in Kandahar and Herat. Central silo's initial capacity of 30,000 MTs of wheat was increased to 50,000 MTs in 1345. The facility can now hold 72,500 MTs - due to help from the WFP, which spent \$8.5M on a new warehouse for the silo (this added 22,500 MTs capacity). The silo had two grinders that can each produce 200 MTs of flour every 24 hours. It also has a bakery section, which previously had a capacity of producing 110 MTs of bread each day. The bakery was operating actively until 1371, but now it has only capacity of 12,000 kg of bread per day.

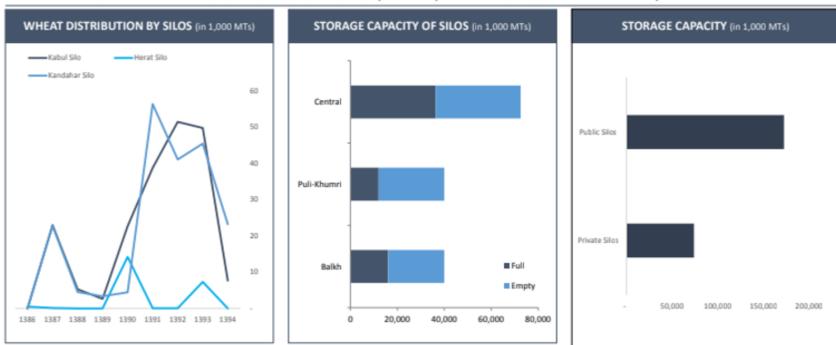
Pul-e-Khumri Silo consists of one storage facility capable of storing 40,000 MTs of wheat. The Pul-e-Khumri Silo was established in 1337 in Baghlan province and started its operations in 1341. The facility currently holds only 16,050 MTs of wheat and generates revenue by renting out its facilities. This facility has a grinder with capacity of 70 MT of flour.

Balkh Silo consists of one storage facility capable of storing 40,000 MTs of wheat. Balkh Silo was established in 1357 and started its operations in 1361. The facility currently holds 764 MTs of wheat, and generates revenue by renting out its facilities. It has a grinder with a daily capacity of 60 MTs of flour and 25 MTs of bread every 24 hours.

## OVERVIEW TO SILO ENTERPRISES

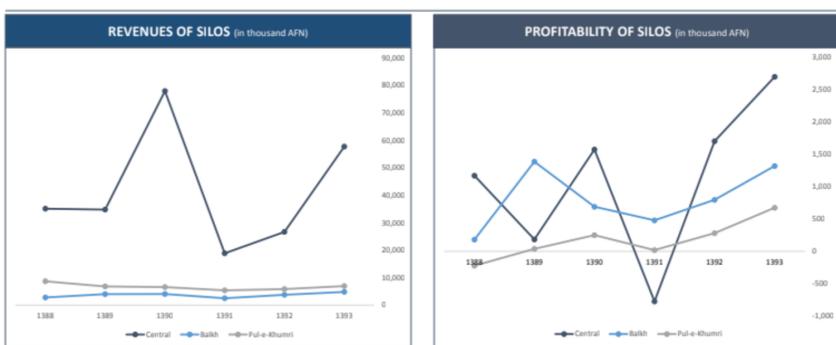
CENTRAL SILO	PUL-E-KHUMRI SILO	BALKH SILO
<p><b>Central Silo</b> was established in 1956 by USSR in a surface of 96 Jeribs land, whereas its facilities built in an area of 70,000m<sup>2</sup> (35 Jeribs). Currently central silo stores 72,500 MTs of wheat, produces 16,000 MT flour and bakes 5,000 MT bread annually with its current capacity. Furthermore, the central silo manages Kandahar and Herat silos.</p> <p>Kandahar Silo has 327.14 Jeribs of land in Tering Farm Area of Kandahar province. This land has been given to agriculture university of MoHE. Its mills and storages have been damaged by a bomb strike. Currently this Silo is not operational and does not have employees. Herat Silo has a storage capacity of 20 MT but it does not operate. MAIL manages its properties; its mills and storages need serious rehabilitation.</p>	<p><b>Pul e-Khumri Silo</b> was established in 1337 in Baghlan province. It takes place in 94,798m<sup>2</sup> (47 Jerib) including residential buildings, silo components and administrative offices.</p> <p>This Tasadee has an elevator with a capacity of 40,000 MT wheat process and can produce 60 MT flour in 24 hours. From 1373 till now, the factory has stopped its productions. The factory needs changes in the structure of its machineries to produce different variety of flour.</p>	<p><b>Balkh Silo</b> was established in 1357 in (50 Jeribs) land that includes silo components and residential houses of its staff. This silo has an elevator with a capacity of 40,000 MT of wheat. Also have a grinder and a tuner with 60 MTs of flour production capacity in 24 hours.</p> <p>The grinder is active, but due to its low quality, it cannot compete in the market. As well its bakery factory has a capacity of 25 MT in 24 hours. Lack of periodic investments has resulted into unsatisfactory operation of the enterprise.</p>

## THE THREE SILOS HAVE ANNUAL STORAGE CAPACITY OF 152,500 MTS, WHILE PRODUCTION WAS ONLY 16,500 MTS



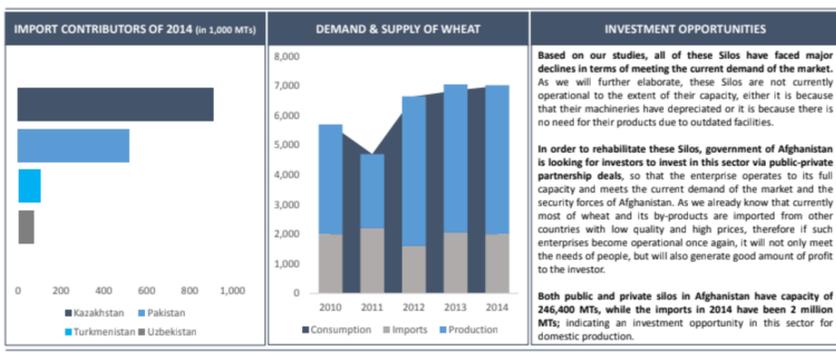
Over the past years, Silos have distributed wheat to family of martyrs and low grade governmental employees. Based on above graph, Pul-e-Khumri Silo and Balkh Silo, each have capacity of 40,000MTs of wheat. While Central Silo has capacity of 72,500MT of wheat. Silos are engaged in three main activities including (1) wheat storage, (2) wheat processing, and (3) flour production to supply bread to governmental entities. There are five Silos in Afghanistan (1) Central Silo, (2) Balkh Silo, (3) Pul e Khumri Silo, (4) Herat Silo, and (5) Kandahar Silo. Herat & Kandahar Silos are considered as secondary units which are directly controlled by central Silo.

## THE THREE SILOS GENERATED REVENUES OF AFN69.4 MILLION, WHILE PROFITS WERE AFN4.7 MILLION IN FY1393



The major revenue and net profit contributor has been the Central Silo. Over the past years, the central silo has generated the most among the others, for instance, in FY1393 central silo generated AFN57.7 million revenues, Pul-e-khumri Silo generated AFN4.8 million, and Balkh Silo generated AFN6.9 million of revenues.

## INVESTMENT OPPORTUNITIES



## INVESTMENT PROPOSAL SUBMISSION PROCESS

Description	
Required information	<ul style="list-style-type: none"> <li>Detailed business plan</li> <li>Company profile</li> <li>List of past projects</li> <li>Historical &amp; forecasted financials</li> </ul>
Proposals' submission Email	<a href="mailto:afgproposals@gmail.com">afgproposals@gmail.com</a>
Contact number	
Proposal Submission Process	There are three entities through which investors can submit their business proposals including: (1) Office of Senior Economic Advisor to H.E. the President, (2) PPP office of MoF, and (3) High Economic Council. Once one of these three relevant authorities receive a business proposal, they will do their evaluation and will send their feedback to HEC. Upon HEC authorization, the proposal will be put on the agenda for approval.