

Establishment of winery enterprise

Project name	Establishment of a winery
Project summary	Construction of a winery to produce 1.6 mln. conditional bottles by using existing vineyards and potential areas (356.3 hectares)
Demand for raw materials	131 hectares of mature vineyard in the village of Yukhari Veysalli
Cost of production	~ 4 AZN
Necessary infrastructure	<p>The production of 1,000 conditional bottles of wine requires the following:</p> <p>Electrical power: 25 kW/h Water: 5 m³ Natural gas: 113 m³</p>
Logistics	<p>The village of Yukhari Veysalli is only 30-35 km away from the villages of Shekher and Tug. Situated around the village of Yukhari Veysalli, the vineyards are only 7-9 km away from the town of Khojavand and 20 km away from the town of Fuzuli. The shortest distance to the nearest settlements: 25-30 km (5 Zobujug villages of Fuzuli district, Alkhanli, etc.).</p> <p>The villages of Bala Soltanli, Padar, and Khandak are located 15-18 km from Gubadli. The shortest distance to the nearest settlements: 65-70 km. (The city of Goradiz and adjacent villages in the Fuzuli district)</p>
Project advantages	<ol style="list-style-type: none"> 1. Availability of a mature vineyard; 2. Ample opportunities offered by agro-ecotourism; 3. The land's suitability for sowing, including the availability of prospective vacant land parcels, allows for the expansion of garden plots; 4. The restoration of the "Aghdam wine" brand and the existence of export opportunities to the Russian market.

Market:	<p>Import 2020: Wine from natural grapes totaled 2.9 mln. USD Export 2020: The product amounted to 4.0 mln. USD. The government implements incentive measures to increase exports. Compared to 2016, exports increased by 1.1 times.</p>
Project value	<p>~ 19.6 - 21.3 mln. AZN Establishment of a winery: ~ 16 mln. AZN Planting vineyards (356.3 ha): ~ 3.6 - 5.3 mln. AZN</p>
Proposed project location	<p>Fuzuli district</p>
State support	<ol style="list-style-type: none"> 1. Negotiations are underway to obtain an organic certificate for the vineyards (Ecocert Organic Standard (EOS)); 2. Preferential loan; 3. Investment promotion certificate; 4. Providing subsidies to vineyards.
Note	<p>The Khojavand, Fuzuli, and Gubadli districts include 225.5 hectares of vineyards and 225 hectares of prospective areas. 100 hectares of traditional vineyards have undergone mine clearance procedures. The Yukhari Veysalli village of Fuzuli district includes 88.5 ha, Tug and Shekher villages of Khojavand district contain 58.2 ha, and Gubadli district's villages of Bala Soltanli and Khandak comprise 78.3 ha of potential plots.</p> <p>Work is underway to ensure the provision of an organic certificate (Ecocert Organic Standard (EOS)) to vineyards located in the village of Yukhari Veysalli, Fuzuli district. In 2020, the country produced 2032 thousand decaliters of vodka, 26.8 thousand decaliters of brandy (cognac), 332.3 thousand decaliters of grape wine, 5476.3 thousand decaliters of beer, and 26112.9 thousand decaliters of soft drinks.</p>

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