FLAX CULTIVATION

Project overview:
Flax cultivation on the agricultural lands of the Smolensk region with an area not less than 5000 ha.

Location:
Agricultural land plots in the territory of the Smolensk region. Priority districts: Roslavlsky, Pochinkovsky, Yartsevsky, Gagarinsky and Vyazemsky.

Project execution time
2 years

The main project tasks:
- flax cultivation and subsequent realization of flax crop in the territory of the Smolensk region;
- increase in cultivated areas and flax crop index for entry into the markets of the Central Russia.

Current situation:
Cultivated area of fiber flax is >5 thousand hectares in the region, it is the 1st place in the Central Federal District. Volume of production of flax fiber is 4.5 thousand tons from which about 80-85% are production of monofibre – 3.5 thousand tons, other part is long (number 9, 10, 11, 12, insignificant part of 14) - 0.1 thousand tons and short fiber (numbers 2, 3, 4) – 0.9 thousand tons.
Advantages:

- Climatic conditions of the Smolensk region are favorable for cultivation of fiber flax.

- Reserve fund of lands for agriculture of the Smolensk region is more than 720 thousand hectares.

- The Smolensk flax cluster has been created, it is united producers of flax raw materials and also processors and producers of finished goods.

- The average flax crop is 8.9 hundreds kilograms per hectare in the region and it is the best rate in Russia.

State support:

- Subsidies for rendering support for production of fiber flax of 11 300 rubles on a hectare;
- On compensation of a part of costs of acquisition of agricultural machinery and (or) the equipment for production and (or) primary processing of fiber flax (from 25-40% depending on a type of the equipment);
- Acquisition of the machinery and equipment of domestic production at a discount of 15%, including on the terms of leasing;
- Compensation of a part of costs of acquisition of elite seeds up to 20% for 1 ton of the cost of seeds;
- Possibility of receiving subsidized and investment loans in credit institutions at the rate from 1% to 5%;
- Repayment of sites of agricultural lands makes 15-20% of the cadastral value;
- Support of investment projects by Administration of the region by the Single Window Principle.

27.3 mln sales revenue of flax fiber in 2016
13.5% profitability

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