

PROPOSED INTRODUCTION OF A NEW FORM OF SPRUCE FOR LANDSCAPING

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novum picea

Fastigiata Uralica

NEW DECORATIVE FORM OF THE SIBERIAN SPRUCE

Fastigiata Uralica – an absolutely new form of the Siberian spruce (or fir tree) suitable for landscape design and city greening. The tree is characterized by a pyramidal crown of weeping form with spiral branching.

Its appearance is similar to cypress.

NEW PRODUCT:

**Siberian Spruce Fastigiata Uralica,
Sverdlosk Region , Russia**



ANALOGY:



Срапан
Typ

An alley of cypress in Tuscany, Italy

CONTRAST WITH PRODUCTS CURRENTLY AVAILABLE

Basic problem: because of the lack of suitable native forms for landscaping, trees are imported from Germany, Poland, the Netherland and even hot-climate Italy. Trees grown in such mild climates die in Russian frosts.

Relevance of the new product: it has an external appearance similar to cypress.

Siberian spruce Fastigiata Uralica – locally grown and fully and uniquely adapted to the Russian climate.



Екатеринбург

DEMAND FOR DECORATIVE PLANTS

The Russian market of the decorative plant material is estimated at RUB 15 billion (с. EUR 200 million)



**CUPRESSUS
MACROCARPA**
Растение в горшке, кипарис

1 699.—

Архитектурный номер: 100.124.83

Украсьте дом растениями в подходящих для вашего интерьера кашпо. [Посмотреть](#)

Размер
24 см

Наличие в ближайшем магазине ИКЕА

В магазинах ИКЕА Жинво, Белая Дача и Теплый Стан при покупке [товаров из кухонного ассортимента](#), а также диванов и матрасов — услуга выдачи и доставки отличается от аналогичной услуги в остальных магазинах ИКЕА. [Подробная информация в Центре поддержки клиентов](#) или по ссылке.

- 48 % of the market is in Moscow and Moscow Region.
- 21 % is in and around St Petersburg.
- In the regions demand is growing for elite housing projects

Major suppliers:

Netherlands - plant of general demand.

Germany - large-sized plants.

Poland - coniferous plants in containers.

MARKET FOR PLANTING MATERIAL

The share of domestic planting material is no more than 30%



Рассада.ру

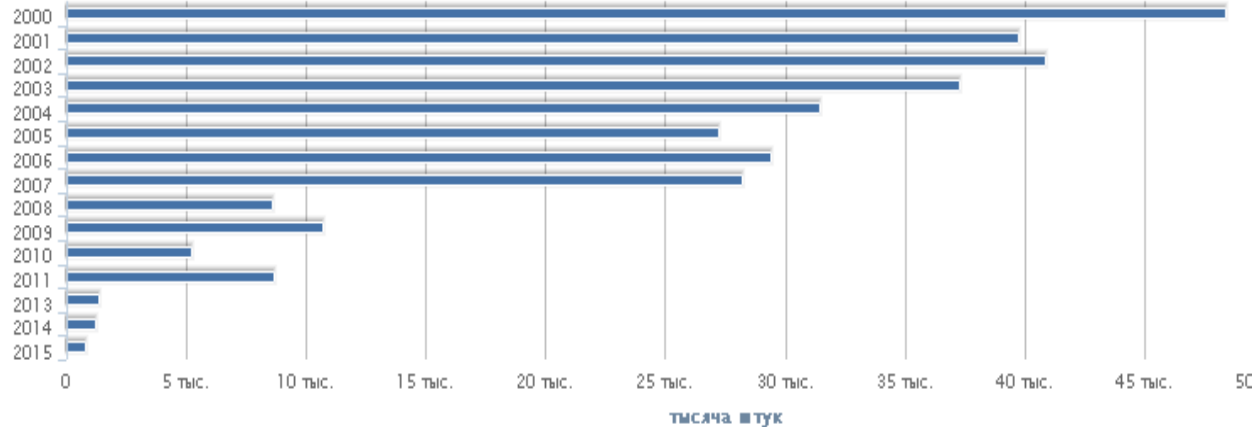


ДОЛИ РЫНКА ПОСАДОЧНОГО
МАТЕРИАЛА ПО ПОТРЕБИТЕЛЯМ, %

Источник: ВГЛТ



PLANTING SEEDLINGS IN NURSERIES
CENTRAL FEDERAL DISTRICT (ROSSTAT, 2000-2015)



ADVANTAGES

- Siberian spruce is hardier than European species, and is undemanding on soil fertility.
- The compact narrow-pyramidal crown shape *Fastigiata Uralica* is ideal for the urban environment.
- This tree creates a flavour of the Mediterranean landscape in the northern regions of Russia, but without using cypress
- The discoverers are using their own breeding techniques, including using micro-propagation



PRODUCTION STEPS

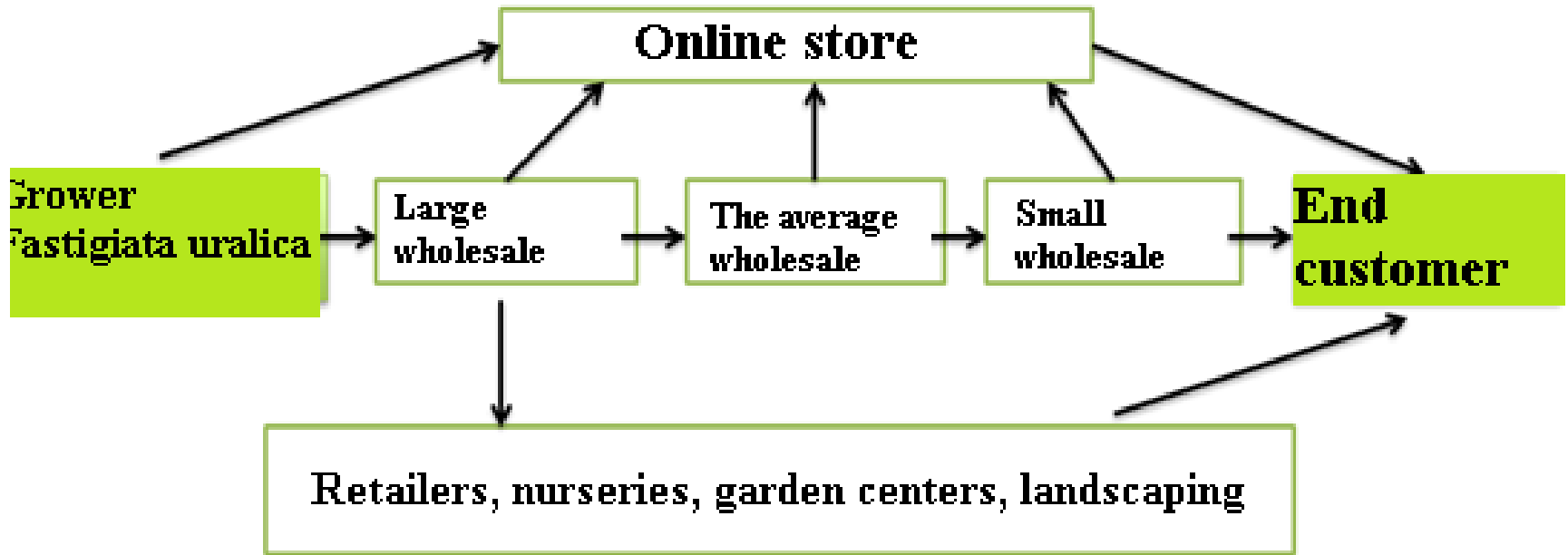
1. Propagation by cuttings taken from the parent trees
Fastigiata Uralica.
2. Cuttings and cloning in the laboratory to allows all rooting plants keep the form of the parent tree.
3. The cultivation in a greenhouse with a closed root system over three years up to a height of 15-20 cm.
4. Growth to a height of 1-1.5 m in open ground on the plantation.
5. Transfer into pots to allows all year round wholesale sales and retail through retail chains and garden centers.



MARKET SEGMENTATION

B2C End users	B2B Specialised firms
Gardeners --collectors	Garden centres, wholesale and retail trade networks
Landscape designers, landscapers enterprise	Nurseries for ornamental plants, forestry and gardening firms

MARKET STRUCTURE



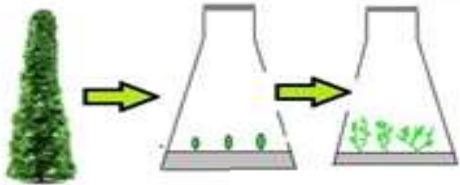
ТЕКУЩИЕ ПОКАЗАТЕЛИ ПРОЕКТА



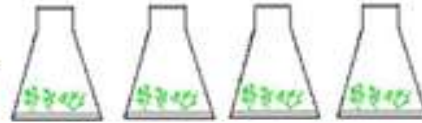
1. Equipment for the plant cloning (USFEU costs RUB 2.2 million.), In need of repair lab (RUB 0.6 mln.).
2. 40 hectares land in the Chelyabinsk region, purchased six tractors and attachments, constructed utility rooms, storage, 3 years training fields for growing large trees. (Cost of RUB 6.0 mln.)
3. 0.8 hectares land, hangar 750 m² of greenhouse area, area for hardening, rooting section and growth to 1-3 year plants (RUB 2.4 mln. Rub.)
4. 500 plants of *Fastigiata Uralica* were rooted and grown for aged 1 to 3 years. The area is producing 2 million Scots pine seedlings (crop 2015, 2016), and 100 thousand blue spruce seedlings (sown in 2016).

PRODUCTION STAGES

Introduction to culture In vitro

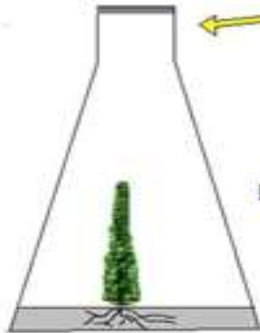


Micro cuttings of plants



Obtaining the required number of plants

Adaptation to soil conditions



The formation of roots



INVESTMENT

Non-recurring costs; total RUB 14 million (c. EUR 200,000)

Reconstruction of 750 m2 greenhouses and engineering networks, RUB 4.5 million

Equipment to transplant large trees, RUB 3 million

Preparation of the bedding soil, RUB 1.5 million

automatic irrigation ventilation of the greenhouse RUB 1.5 million

Office building and refurbishment of cloning laboratory RUB 3.5 million

Annual costs: RUB 12 million (c. EUR 170,000)

1. Soils, fertilizers, planting pots and cassettes, RUB 1.5 million
2. Personnel costs, RUB 3.6 million
3. Cloning of operations RUB 2 million
4. Cultivation of large-sized plants RUB 5 million



RETURN ON INVESTMENT

- A positive return will begin after three years
- The next four years will cover the investment
- Thereafter the enterprise will reach a highly profitable cruising speed