Private Artificial Insemination Centre

Objectives:

- To arrange delivery of vastly improved artificial insemination service at the farmers' door step.
- To bring progressively all breedable females among cattle and buffalo under organized breeding through AI within a period of 10 years.
- To undertake breed improvement programme for indigenous cattle and buffalo breeds so as to improve their genetic qualities as well as their availability.
- To provide quality breed inputs in breeding tract of important indigenous breeds so as to prevent the breeds from deterioration and extinction.

2. Location and Area of Operation:

The clinic is to be established in those areas where livestock owners demand for quality services for payments such as milk shed areas, irrigated tracts etc. The area of operation may be 8 - 10 villages having 5000 to 6000 cattle units. The department of animal husbandry may assist the potential entrepreneur.

3. Project Components:

   i. Infrastructure : Building (own or rented), Refrigerator, Telephone, Furniture, Motor cycle.
   ii. Equipment : Castrator, A I Kit, Cryocans (big and small)
   iii. Inputs : Medicines, vaccines
   iv. Others : Vehicle

4. Project Cost:

   **Sr. Particulars Model I with Moped Model II with Motor**

<table>
<thead>
<tr>
<th>No.</th>
<th>Cycle</th>
<th>Model I</th>
<th>Model II with Motor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Building Rented/owned</td>
<td>Rs. 56,000</td>
<td>Rs. 91,000</td>
</tr>
<tr>
<td>2.</td>
<td>Equipments - Cryocan - Big</td>
<td>Rs. 26,000</td>
<td>Rs. 26,000</td>
</tr>
<tr>
<td></td>
<td>and Rs. 26,000/-** Small</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>(1 each) and AI kit</td>
<td></td>
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<tr>
<td>3.</td>
<td>Castrator Rs. 3,000</td>
<td>Rs. 3,000</td>
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<tr>
<td>4.</td>
<td>Vehicle Rs. 20,000</td>
<td>Rs. 12,000</td>
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<tr>
<td>5.</td>
<td>Miscellaneous cost</td>
<td>Rs. 7,000</td>
<td>Rs. 12,000</td>
</tr>
</tbody>
</table>

**Total cost Rs. 56,000 Rs. 91,000**
** Equipments - Cryocans (Big/Small) and AI kit to be supplied by the State Government as grant assistance and where it is not provided by the Government, the same may be considered for loan assistance.

5. **Margin Money (10%)**: Rs. 5,600 --- Rs. 9,100

6. **Bank loan**: Rs. 50,400 --- Rs. 81,900

7. **Rate of Interest**: 13.5% p.a.

8. **Repayment period**: 7 Years including grace period of one year

9. **Income**:
   
   Year
   (Amount in Rupees)
   
   Particulars I II III
   
   Artificial Insemination 37500 5 6250 75000
   Castration/dehorning 600 900 1200
   Vaccination 9000 13500 18000
   Total 47100 70650 94200

10. **Economics of the Project**:

    Particulars Model I Model II
    
    1. NPW @ 15% D.F. Rs. 29346 Rs. 90027
    2. BC Ratio @ 15% D.F. 1.28 : 1 1.39 : 1
    3. IRR > 50% > 50%
    4. Average DSCR 2.71 3.65 The viability of the scheme as also the income levels can be further improved by providing loan assistance for a dairy unit/calf rearing activity

11. **Other Information**:

    The veterinarians in private clinics will function in the same manner as veterinarians working in Government Veterinary Hospitals/Dispensaries. The veterinarians may procure necessary vaccines, frozen semen and liquid Nitrogen regularly from the state government on cost basis as per the indent submitted by him or may procure from any private suppliers. The veterinarians may fix charges for the services rendered or the state government may fix a ceiling on charge for each service.
Note:

- Margin of 10% is assumed, but the actual margin will be as per the discretion of the banks.
- Interest rate of 13.5% is assumed, however, it may vary as per banks’ discretion.
- Similarly, the other economic / financial parameters such as the repayment period, DSCR, IRR, etc., may also vary depending upon the margin, interest rate, etc., taken into account by the bank.