Agroservice Centre - Farm Machinery and Primary Processing

Objectives:

- To provide custom hire services facilities to farmers.
- To improve timeliness in agricultural operations.
- To improve production and productivity of Indian Agriculture.
- To improve post harvest processing facilities and profitability of farmers.
- To provide a regular source of income to agriculture graduates.

2. Location and Area of Operation:

The project may be located in rural areas having sizable number of farmers/area under farm land where cereals, pulses, oilseeds, spices and condiments, etc., are cultivated. The area of operation could be all the villages under a taluka or the villages adjacent to a bigger Panchayat head quarters.

3. Project Components:

Tractor, trailer and implements, Power Tiller, Pumpset with accessories, Power thresher, Winnower, Self Propelled Reaper, Sprayers, Tools for repairing of machines, Primary Procecessing Unit like flaking machine, dal mill, etc., Workshop Shed.

4. Project Cost: Rs.

A. Capital cost:

i. Tractor, Mould Board Plough, Trailer, Cultivator, Cage wheel, 3,55,500
ii. Disc wheel, Seed Drill and accessories 3,55,500
iii. Power tiller 1,00,000
iv. Pumpset with accessories 20,000
v. Power thresher and winnower 16,000
vi. Self propelled reaper and Sprayers 68,500
vii. Primary processing machine like dalmill etc. 50,000
viii. Tools for repairing 10,000
ix. Insurance @ 2% of cost of machinery) 12,400
x. Shed for machinery 75,000

Total 7,07,400

Say Rs 7.08 lakhs
B. Recurring Cost:

Recurring cost may vary from Rs. 2.12 lakh (75% utilisation) to Rs. 2.62 lakh (100% utilisation)

5. Margin Money (15%) : 1.06 lakh

6. Bank Loan : 6.02 lakh

7. Rate of Interest : 14% p.a.

8. Repayment period : 10 years including 1 year's grace

9. Income

Amount in Rupees
Sr.No. Item Income @ 75% capacity Income @ 100% capacity utilisation during I year utilisation thereafter

1. Tractor 135,000 180,000
2. Power tiller 46,875 62,500
3. Pumpset 26,250 35,000
4. Power thresher 3,375 4,500
5. Winnower 1,688 2,250
6. Reaper 30,000 40,000
7. Sprayers 3,825 5,100
8. Repairing of machinery 54,000 72,000
9. Processing machinery 37,500 50,000

Total Income 338,513 451,350

10. Economics of the Project:

NPW 2.96 Lakhs
BCR 1.16 : 1
IRR 30%
11. Other Information:

The project may include almost all the basic equipment necessary for crop production, right from tillage up to transportation of the produce to farmer's house / market place depending on the agro climatic conditions and demand of individual centre.

Note:

- Combination of power source and implements may vary as per the potential.
- Margin of 15% is assumed, but the financing bank may make changes at its discretion on case by case basis.
- The Rate of Interest is taken at 14%. However, the same will be as per the 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.