

**PROJECT REPORT ON
DAIRY FARMING (BUFFALO)
YEAR- 2018-19**



SUBMITTED BY:

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SUBMITTED TO:

Allahbad bank
singodi

SUBMITTED UNDER

Agri Clinics & Agribusiness Centers Scheme Sponsored by:

Ministry of Agriculture, Government of India

National Institute of Agricultural Extension Management (MANAGE), Hyderabad

National Bank for Agriculture and Rural Development

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CHAPTER - I

HIGHLIGHTS OF THE PROJECT REPORT

PARTICULARS	ABOUT THE PROMOTERS
1. Name	Harshit Chourasiya
2. Address	AT+ Post= singodi teh=Amarwara ,Dist chhindwara PIN CODE 480223
3. Contact Number	9981842962
4. Date of Birth	28/07/1997
5. Educational Qualification	12th Agri
6. Project Location	AT=badegaon Post= singodi teh=Amarwara ,Dist chhindwara PIN CODE 480223
7. Constitution	Proprietorship Firm
8. Product	Milk and Manure
9. Experience	1Year
10. Project Name	chourasiya Dairy Farm
11. Adhar CARD No.	746534701084
12. Bank Name	Allahbad bank
13. Bank Branch	singodi
14. Account No.	59025413355

B. PROJECT PROFILE (FINANCIAL)

PARAMETERS	VALUES
1.Breed	Murra
2.Unit Size	15
3.Product	Milk, Mannure
4.Cost of the Project	1943630
5.Bank Loan	1457723
6.Margin Money	485908
7.Financial Indicators	
BCR at 15% DF	1.621
NPW 15% DF(Rs.)	2,016,653
IRR (%)	
DSCR	2.61
8.Interest Rate (% per annum)	12 12.5
9.Repayment years	5 5 Year

CHAPTER – II

PROJECT DESCRIPTION

Animal husbandry and agriculture are Supplementary Factor of each other because we get dug to animal and After that we make manure by dug, which important for our crops and filed gives us forage which is important for our animal. Animal husbandry and agriculture both are synergistically involved and are the important source of income and employment in rural areas. Among them, dairying provides security to farmers, especially when agriculture fails. Dairy farming is essential to millions of poor households across the country not only as a source of income but also as a major source of protein, supplementary nutrition, Introduction of improved technologies, availability of compounded feed are the fertilizer, fuel and a store of wealth. My Firm is located in village singodi .

Project Location:

Dairy farm is located in the Village singodi & District- Chhindwara(MP). It is 17 Km away from Chhindwara District It is 2KM from main road where market and transportation facility are easily available..

Feed & Fodder:

- (1) Feed is available in nearby market place.
- (2) Green fodder will be cultivated in own farms and dry fodder will also be processed in own farm
- (3) About 2/3 parts from dry +green roughages and 1/3 part of total dry matter need should be fulfilled with concentrate mixture.
- (4) If green fodder is in practice of feeding the animal, concentrate mixture should have 11-12 % protein. If there is no green fodder then at least 18% protein must be in the concentrate mixture.
- (5) Type of feed should be changed gradually otherwise it will provide adverse effect on the digestion system of the animal.
- (6) Dry and green fodder should be offered just after feeding the concentrate mixture.
- (7) Animal should be allowed to drink fresh and clean water twice a day.

(8) Animal should be offered clean, tasty, digestible, nutritious and cheap feed.

(9) 40 -50 gm Sodium chloride and 2% mineral mixture should be given/day/animal.

(10) Breeding bull should be provided 20-30% additional ration above to maintenance need.

(11) For growth, milk production and pregnancy, extra ration in the form of concentrate mixture should be offered.

(12) 1 kg concentrate mixture for production of each 3 kg milk in case of cattle and each 2 1/2 kg milk in Buffalo should be given per day.

(13) Above 6 months of pregnancy, 1 kg and 1 ½ kg concentrate mixture per day should be given to Buffalo and Buffalo, respectively.

(14) At least 5 kg green fodder per day must be included in the feeding of milch animal otherwise milk production will be decreased. While feeding the animal, one should behave lovely.

Electricity:

Supply of electricity on my farm is available.

Labour:

Labor is available on my farm, who is honest and regular.

Veterinary Aid:

Veterinary hospital Insemination Center/Livestock AID center is available 2 km Away from my farm.

CHAPTER – III

MARKET POTENTIAL

Market is near from my farm it is about 1 km. Milk is one of the widely and extensively used items in Indian cuisine throughout country. India has the privilege to be the largest producer of liquid milk but still there is a gap between demand and supply

The country production of milk is one hundred and twelve million ton and there is increase of production of milk in the country at the rate of 3.5 million ton per year but it is not enough to meet the demand in the country of milk which is increasing at the rate of six million ton per year. So this is massive gap of demand and supply of milk.

With milk product exports forming around 5 per cent of India's total milk production, and domestic demand for dairy products remaining strong, there is the demand-supply gap. The demand for milk and value-added dairy products in the domestic market has been growing at over 6 to 8 per cent per annum because of increasing income, rising aspirations, and consequent growth in per capita milk consumption.

The demand for milk more than doubled on the religious occasion like Maha Shivratri and other festivals.

Milk can be sold to milk cooperative societies as well as entrepreneur can develop his network of consumers. Milk can be sold in the immediate market directly to customers, hotels, hospitals, sweet makers etc. Hotels and some general customers (can be around 30%) prefer pure Buffalo milk where as hospitals, sanitariums prefer Buffalo's milk. One can reach buy back agreement with either district milk union or with private milk marketing company.

Chapter- IV

EXTENSION ACTIVITIES

1. Starting a dairy farming business requires planning and preparation. Before starting a dairy farm the entrepreneurs/ farmers are generally advised to undergo training. They can contact Local Animal Husbandry Department staffs/Veterinary College/agriculture university etc. for the purpose. However availability of training facilities & resources are inadequate. Hence I will provide training on dairy farming to farmers both onsite and off-site.
2. During training program special thrust on fodder cultivation will be given as well as guidance regarding ingredients in a ration, herd health (medications and vaccinations used) & kind of records to be kept in the farm will be also given.
3. For the farmers of nearby locality, visits will be arranged on my farm & they will be educated on scientific lines regarding various aspects of cattle management, manufacture of milk products, co-operation management etc. It will help them to improve their knowledge and skill regarding scientific dairy practices so as to enable them to adopt the same.
4. Consultancy will be provided for setting up of units to manufacturing and marketing of indigenous milk products.
5. In order to motivate the dairy farmers to grow improved varieties of fodder and to educate them about cultural practices, I will arrange fodder demonstrations on farmers' field.
6. I will motivate and encourage dairy farmers to keep high-yielding crossbred animals.
7. I will take Initiatives to strengthen linkages between State Departments, Dairy Development agencies, NGO's and farmers.
8. For farmers who have decided to avail loan from bank for Dairy farming, assistance will be provided to prepare their bankable project report.
9. For the marketing milk & milk products, farmers will be provided necessary support & guidance.
10. Visits of dairy farmers will be arranged to dairy exhibitions with the prime objective of exposing them the technological innovations.
11. Nowadays internet has become important tool to get latest information. There are various websites available on dairy farm which provides useful content. This information will be shared to farmers.
12. Necessary assistance will be given to farmers for setting up model cattle sheds and dairy farm units.
13. I will organize field visits of dairy farmers to progressive farmers & research stations which will motivate them to adapt good husbandry practices.

Chapter –V

SWOT ANALYSIS

Strengths:

- Buffalo is India's milking machine, accounting for more than half of the country's milk production.
- Urbanization, burgeoning population, raise in per capita income and change in food habits which leads to increased consumption of milk.
- Whitening property of Buffalo milk makes it more suitable for manufacture of some dairy products and its acceptance as fluid milk is high.
- Provide regular income to the farmer.
- Provide employment to rural population mainly women.
- Dairy farming helps directly in increasing crop production by making available draught power, manure and cash income on day- today basis.
- Additional income improves the quality of life in rural areas.
- Favorable Government policies for development of livestock sector.

Opportunities:

- Cost of milk production in India is low.
- Scope exists for higher milk yield through better use of crop residues and other feeds Upgrading cattle.
- Improving availability of animal health care facilities Improving availability of animal health care facilities.
- Better returns because of increased awareness in consumers about quality.
- Good scope exists for value-added products like desserts, puddings, custards, sauces, mousse, stirred yogurt, nectars and sherbets.
- Latest packaging technology can help retain nutritive value of packaged products and extend their shelf-life.

Weakness

- Feed availability to cattle throughout the year is not adequate.
- Frequent disease outbreaks.
- Lower productivity of Animals.
- Labour shortage and high wage rate in dairy farming.
- Limited investment or delay in the availability of funds in setting up or expansion of milk procurement.
- Poor infrastructure in many areas for transporting rurally-produced milk to major processing centers.

Threats

- Natural calamities like floods, drought, diseases that can affect feed to cattle/cattle population.
- Seasonal fluctuations in milk production.
- Dwindling fodder resources

CHAPTER-VI
ECONOMICS OF THE PROJECT

ECONOMICS OF THE PROJECT		
A. BASIS & PRESUMPTIONS		
PARTICULARS	UNIT	QUANTITY
I. Techno-economic parameters		
Rate of Interest	%	12.5
Own Contribution (Margin Money)	%	25%
Floor space (sqft) per adult animal	SqFt	60
Floor Space (sqft) per calf	SqFt	20
Inter-Calving period(Lactation days 300+ Dry days 100)	Days	400
Freshly calved animals in 1st and 2nd lactation are purchased in two batches at an interval of 5 to 6 months	-	-
Concentrate feed requirement	Qnt./day/Animal	4
Green fodder requirement	Qnt./day/Animal	20
Dry fodder requirement	Qnt./day/Animal	3
Space require for labour quarter, store room	Sqft	300
No. of semiskilled labour required	Nos.	1
No. Animal	Nos.	15
Repayment Period	Year	5
II. Expenditure norms		
Site Deveopment	Rs./sqft	2
Cost of Buffalo including transportation	Rs./animal	70000
Cost of concstruction of shed	per sq.ft	250
Cost of concentrate feed	Rs./Kg	20
Cost of green fodder	Rs./Kg.	5
Cost of dry fodder	Rs/kg.	3
Rate of construction of labour quarter, store room	per sq.ft	300
Cost of chaff cutter (power operated)	Rs.	10000
Cost of electric motor	Rs.	10000
Cost of semiskilled labour	Rs./Annum	60000
Cost of Veterinary aids	Rs/animal/annum	10000
Cost of elctricity and water	Rs/animal/anuuum	10000
Insurance	% of purchase cost	5
II. Income norms		
Milk yield per Buffalo	Liters/Day	8
Selling price of milk	Rs./Liter	40
Production of manure	Tonn/Year/Buffalo	4
Cost of manure	Rs./Tonn	1500

B. TOTAL COST OF PROJECT

PARTICULARS	UNIT	UNIT RATE	QUANTITY	AMOUNT
I. Capital Cost				
1. Building & Animal				
Land				OWN
Site Development	sqft	2.00	2000	4,000
Purchase of Buffalo including transportation	Nos	70000	15	1,050,000
Shelter Shed for adult animal	sqft	250.00	1500	375,000
Shed for adult calves	sqft	250.00	500	125,000
Store Room labour quarter	sqft	300.00	300	90,000
			Sub-Total-A	1,644,000
2. Machinery & Equipments				
Chopper machine	Nos.	10000	1	10,000
Electronic motor	Nos.	10000	1	10,000
Weighing Machine	1	10000	1	10,000
Other Equipments & Utensils	Ls.	20000	Ls.	20,000
			Sub-Total-B	50,000
3. Misc. Fixed Assets				
Office furniture (tables, chairs, recks)	Ls.	10,000	-	10,000
Office electrification	Ls.	10,000	-	10,000
Name board/ Wall Painting	Ls.	5,000	-	5,000
			Sub-Total-C	25,000
			Total (A+B+C)	1,719,000
4. Contingency @ 5%	-	-	-	85,950
			Total Capital Cost-D	1,804,950
5. Preliminary & Pre-operative Expenses				
Market Survey & Project Report Preparation	Ls.	10000	-	10,000
Publicity & Travelling Expenses	Ls.	10000	-	10,000
			Sub-Total-E	20,000
TOTAL CAPITAL COST				1,824,950
II. Working Capital				
100 % of First Year Requirement				118,680
Total Project Cost				1,943,630

C. MEANS OF FINANCE			
Particulars	Unit	Unit Rate	Amount Rs.
Term Loan	%	75%	1457723
Own Contribution	%	25%	485908
Total			1943630

D. Working Capital Requirements								
Particulars	Unit	Unit Rate	Qty.	I Year	II Years	III Year	IV Year	V Year
Cost of Consumables								
Cost of Concentrate feed for 26 Animal	Kg	20	-	360000	360000	360000	360000	360000
Cost of fodder Cultivatiion(3 Season in a year)	Acre	15000	2	30000	30000	30000	30000	30000
Insurance for the first batch animal (First Year 8 Animal and 1 Animal second year onward)	Nos	1500	8	12000	12000	12000	12000	12000
Stationary & Others	/mnt	100	12	720	840	960	1080	1200
Cost of Utilities								
Electricity & telephone		1500	12	10800	12600	14400	16200	18000
Travels & POL expenses	/mnt	2000	12	14400	16800	19200	21600	24000
Cost of Manpower								
Semiskilled Workers	/mnt	6000	12	43200	50400	57600	64800	72000
Overhead Expenses								
Marketing Expenses	/mnt	500	12	3600	4200	4800	5400	6000
Total Working Capital Cost				474720	486840	498960	511080	523200

E. PROJECT PROFITABILITY

E.(1)Lactation Chart					
PARTICULARS	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR
Lactation Days					
First Batch (8 Animal)	2250	2250	2250	2250	2250
Second Batch (7 Animal)	2250	2250	2250	2250	2250
Total-Lactation Days	4500	4500	4500	4500	4500
Dry Days					
First Batch (8Animal)	750	750	750	750	750
Second Batch (7 Animal)	750	750	750	750	750
Total-Dry Days	1500	1500	1500	1500	1500

E(2) FEEDING SCHEDULE

Feeding Stuff	Cost/Kg. Rs.	Feeding Schedule per day				Total Quantity Kg.
		Lactation Period		Dry Period		
		Quantity Kg.	Amount Rs.	Quantity Kg.	Amount Rs.	
1. Concentrate Feed	20	4.00	80.00	0.00	0.00	4.00
2. Green Fodder	5	20.00	100.00	20.00	100.00	40.00
3. Dry Fodder	3	3.00	9.00	3.00	9.00	6.00
		27.00	189.00	23.00	109.00	50.00

Feeding schedule for 20 Animal Concentrated Feed	Cost/Kg. Rs.	Lactation Period		Dry Period		Total Quantity Kg.
		Quantity Kg.	Amount Rs.	Quantity Kg.	Amount Rs.	
		I Year	20	18000	360000	
II Year	20	18000	360000	0	0	18000
III Year	20	18000	360000	0	0	18000
IV Year	20	18000	360000	0	0	18000
V Year	20	18000	360000	0	0	18000
Grand Total		90000	1800000	0	0	90000

Feeding schedule for 16 Animal Green Fodder	Cost/Kg. Rs.	Lactation Period		Dry Period		Total Quantity Kg.
		Quantity Kg.	Amount Rs.	Quantity Kg.	Amount Rs.	
		I Year	5	90000	450000	
II Year	5	90000	450000	30000	150000	120000
III Year	5	90000	450000	30000	150000	120000
IV Year	5	90000	450000	30000	150000	120000
V Year	5	90000	450000	30000	150000	120000
Grand Total		450000	2250000	150000	750000	600000

Feeding schedule for 16 Animal Dry Fodder	Cost/Kg. Rs.	Lactation Period		Dry Period		Total Quantity Kg.
		Quantity Kg.	Amount Rs.	Quantity Kg.	Amount Rs.	
		I Year	3	13500	40500	
II Year	3	13500	40500	4500	13500	18000
III Year	3	13500	40500	4500	13500	18000
IV Year	3	13500	40500	4500	13500	18000
V Year	3	13500	40500	4500	13500	18000
Grand Total		67500	202500	22500	67500	90000

Feeding Stuff	Cost/Kg. Rs.	Lactation Period		Dry Period		Total Quantity Kg.
		Quantity Kg.	Amount Rs.	Quantity Kg.	Amount Rs.	
1. Concentrate Feed	20.0	90000	1800000	0	0	90000
2. Green Fodder	5.0	450000	2250000	150000	750000	600000
3. Dry Fodder	3.0	67500	202500	22500	67500	90000
		607500	4252500	172500	817500	780000

Feeding schedule for 16 Animal	Cost/ Kg.	Lactation Period		Dry Period		Total	
		Quantity Kg.	Amount Rs.	Quantity Kg.	Amount Rs.	Quantity Kg.	Amount Rs.
Dry Fodder	Rs.						
I Year	5	18720	93600	2535	12675	21255	106275
II Year	5	16380	81900	12090	60450	28470	142350
III Year	5	16380	81900	9750	48750	26130	130650
IV Year	5	16380	81900	12090	60450	28470	142350
V Year	5	16380	81900	9750	48750	26130	130650
Grand Total		84240	421200	46215	231075	130455	652275

Feeding Stuff	Cost/K g.	Lactation Period		Dry Period		Total	
		Quantity Kg.	Amount Rs.	Quantity Kg.	Amount Rs.	Quantity Kg.	Amount Rs.
1. Concentrate Feed	20.0	98280	1965600	0	0	98280	1965600
2. Green Fodder	2.5	561600	1404000	308100	770250	869700	2174250
3. Dry Fodder	5.0	84240	421200	46215	231075	130455	652275
		744120	3790800	354315	1001325	1098435	4792125

E(3). Projected Profitability

I. Projection of Income

Particulars	I Year	II Years	III Year	IV Year	V Year
Sale of Milk (@ 8 Ltr per Animal and Rs. 40.00 per)	1440000	1440000	1440000	1440000	1440000
Sale of Manure	90000	90000	90000	90000	90000
Total	1530000	1530000	1530000	1530000	1530000
Sundry Debtors (Credit Period allow 30Days)	45900	45900	45900	45900	45900
Collecton From Customers	1484100	1484100	1484100	1484100	1484100

F. Income Expenditure Statement					
Particulars	I Year	II Years	III Year	IV Year	V Year
Income	1530000	1530000	1530000	1530000	1530000
Operational Cost	474720	486840	498960	511080	523200
Surplus Income	1055280	1043160	1031040	1018920	1006800
Less interest on term loan	182215	145772	109329	72886	36443
Depreciation for Misc. fixed assests@15%	99750	84788	72069	61259	52070
Amortization of priliminary preoperative expenses	4000	4000	4000	4000	4000
Profit before Tax	769315	808600.3	845641.4	880774.9	914286.8
Tax @ 0%	0	0	0	0	0
Profit after Tax	769315	808600	845641	880775	914287
Net Income Available(7+4)	1055280	1043160	1031040	1018920	1006800

G. FINANCIAL ANALYSIS							
SN	Particulars	I Year	II Years	III Year	IV Year	V Year	TOTAL
1	Capital Cost	1,824,950					
2	Recurring Cost	474720	486840	498960	511080	523200	
	Total Cost	2,299,670	486,840	498,960	511,080	523,200	
3	Benefits	1530000	1530000	1530000	1530000	1530000	
4	Depreciated value of misc. fixed assets@ 15%					273743	
5	TOTAL BENEFIT	1530000	1530000	1530000	1530000	1803742.5	
6	NET BENEFIT	-769,670	1,043,160	1,031,040	1,018,920	1,280,543	
	Discounting Factor @ 15%	0.87	0.76	0.66	0.57	0.50	
	NPV Cost @15% DF	1999713	368121	328074	292212	260123	3248243
	NPV Benefits @ 15%DF	1330435	1156900	1006000	874782	896779	5264896
	NPW @15%DF	2016653					
	BCR @15% DF	1.620844					

H. CASH FLOW STATEMENT					
SN	Particulars	I Year	II Years	III Year	IV Year
A.	CASH INFLOW				
	Profit	769315	808600	845641	880775
	Term Loan	1457723	0	0	0
	Own Contribution	485908	0	0	0
	Depriciation	99750	84788	72069	61259
	Amortization expense	4000	4000	4000	4000
	Tax	0	0	0	0
	Interest on Bank Loan	182215	145772	109329	72886
	TOTAL (A)	2998910	1043160	1031040	1018920
B.	CASH OUTFLOW				
	Capital Cost	1,824,950			
	Interest on Bank Loan	182215	145772	109329	72886
	Income Tax	0	0	0	0
	Term Loan Repayments	291545	291545	291545	291545
	increasr in debtor	45900	0	0	0
	Total (B)	2,344,610	437,317	400,874	364,431
C.	SUMMARY				
	Opening Cash'& Bank Balance	0	654,300	1,260,143	1,890,310
	Add: Surplus/ Deficit	654,300	605,843	630,166	654,489
	Closing Cash & Bank Balance	654,300	1,260,143	1,890,310	2,544,799

I. BALANCE SHEET						
SN	Particulars	I Year	II Years	III Year	IV Year	V Year
A.	Assets					
1	Fixed Assets	565,250	480,463	408,393	347,134	295,064
	Livestock	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
2	Current Assets					
	Cash and Bank Balance	654,300	1,260,143	1,890,310	2,544,799	3,223,612
	Sundry Debtors	45900	45900	45900	45900	45900
	Preliminary & Preoperative Expenses	16,000	12,000	8,000	4,000	0
	Deposit for Building	4,000	4,000	4,000	4,000	4,000
	Contingency	85,950	85,950	85,950	85,950	85,950
	TOTAL(A)	2,421,400	2,938,456	3,492,553	4,081,783	4,704,526
B.	LIABILITIES					
1	Capital Balance	0	1255222	2063822	2909464	3790239
	Addtions	485908				
	Net Profit for the Year	769315	808600	845641	880775	914287
	Closing Balance	1255222	2063822	2909464	3790239	4704526
2	Secured Loans	1166178	874634	583089	291545	0
	TOTAL(B)	2,421,400	2,938,456	3,492,553	4,081,783	4,704,526

**J. TERM LOAN
REPAYMENTS**

Rate of Interest - % per annum 12.5
Opening Balance of Term Loan 1457723

YEAR	Loan Outstanding	Gross Surplus	Principal	Interest	Total Repayment	Net Surplus	DSCR
I	1457723	1055280	291545	182215	473760	581520	2.23
II	1166178	1043160	291545	145772	437317	605843	2.39
III	874634	1031040	291545	109329	400874	630166	2.57
IV	583089	1018920	291545	72886	364431	654489	2.80
V	291545	1006800	291545	36443	327988	678812	3.07
Average DSCR						=	2.61