

PROJECT REPORT

Poultry Broiler Farming 2018-19



SUBMITTED BY:

Azeem Shekh
Village Chandni Chowk Badalpar Seoni MP, (MP) 480661

SUBMITTED TO:

Branch Manager
State Bank of India
Branch Barapathar Dist. Seoni

SUBMITTED UNDER

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Contents

CHAPTER NO.	PARTICULARS	PAGE NO.
I	HIGHLIGHTS OF THE PROJECT REPORT	
A	ABOUT THE PROMOTER	1
B	PROJECT PROFILE	2
II	PROJECT DESCRIPTION	3
III	MARKET POTENTIAL	5
IV	EXTENTION ACTIVITIES	7
V	ECONOMICS OF THE PROJECT	
A	BASIS AND PRESUMPTIONS	8
B	COST OF THE PROJECT	9
C	MEANS OF FINANCE	9
D	WORKING CAPITAL REQUIREMENT	10
E	FLOCK CHART	10
F	PROJECT PROFITABILITY	10
G	INCOME EXPENDITURE STATEMENT	11
H	FINANCIAL ANALYSIS	11
I	CASH FLOW	12
J	BALANCE SHEET	12
K	TERM LOAN REPAYMENT	13

CHAPTER I

1. HIGHLIGHTS OF THE PROJECT REPORT

SN	PARTICULARS	ABOUT THE PROMOTERS
1	Name	Azeem Shekh
2	Project Name	
3	Address	Chandni Chowk Badalpar Seoni MP
4	Project Location	Chandni Chowk Badalpar Seoni MP
5	Contact Number	9977421437
6	Email ID	azeemsshekh77@gmail.com
7	Date of Birth	22/12/1998
8	Educational Qualification	12 ag
9	Constitution	Single
10	Adhar CARD No.	279341222355
11	Experience	1 year
12	Bank Name	State Bank Of India
13	Bank Branch	Barapathar
14	Bank Account No.	
15	Family Background	Agriculture

B. PROJECT PROFILE (FINANCIAL)

PARAMETERS	VALUES
1.Project	Poultry Broiler Farming
2.Unit Size (No of birds)	5375
3.Product	Meat, Manure
4.Cost of the Project	1501118 Lakhs
5.Bank Loan	1125838 Lakhs
6.Margin Money	375279 Lakhs
7.Financial Indicators	
BCR at 15% DF	1.266
NPW 15% DF(Rs.)	2,495,300
IRR (%)	113%
DSCR	1.85
8.Interest Rate (% per annum)	12.5
9.Repayment Period	5 Year

Chapter II

Project Description

BACKGROUND

Indian Poultry Industry is one of the fastest growing segments of the agricultural sector today in India. Production of agricultural crops has been rising at a rate of 1.5 to 2% per annum while the production of eggs and broilers has been rising at a rate of 8 to 10% per annum. Today India is world's fifth largest egg producer and the eighteenth largest producer of broilers. Driving this kind of expansion the contributing factors are growth in per capita income, a growing urban population and falling poultry prices.

The Indian Poultry Industry has undergone a paradigm shift in structure and operation. A very significant feature of India's poultry industry is its transformation from a mere backyard activity into a major commercial activity in just about four decades which seems to be really fast. The kind of transformation has involved sizeable investments in breeding, hatching, rearing and processing. Indian farmers have moved from rearing nondescript birds to today's rearing hybrids such as Hyaline, Shaver, and Babcock which ensure faster growth, good livability, excellent feed conversion and high profits to the rearers.

The Indian Poultry Industry has grown largely due to the initiative of private enterprises, minimal government intervention, and very considerable indigenous poultry genetics capabilities, and support from the complementary veterinary health, poultry feed, poultry equipment, and poultry processing sectors. India is one of the few countries in the world that has put into place a sustained Specific Pathogen Free (SPF) egg production project.

Indian Poultry developments another aspect is that it has significant variation in the industry across regions. As for the egg production in India by the states during 1998-99: the four southern states Andhra Pradesh, Karnataka, Kerala and Tamil Nadu account for about 45 % of the India's egg production, with a per capita consumption of 57 eggs and 0.5 kg of broiler meat. The eastern and central regions of India account for about 20% of egg production, with a per capita consumption of 18 eggs and 0.13 kg of broiler meat. While the northern and western regions of India record much higher figures than the eastern and central regions with respect to per capita availability of eggs and broiler meat.

BRIEF INTRODUCTION

The organized sector of Indian Poultry Industry is contributing nearly 70% of the total output and the rest 30% in the unorganized sector. Broiler industry is well dominated by the southern states in our country with nearly 60-70% total output coming from these states. The layer industry once again is represented more in southern states specially, Andhra Pradesh, Tamil Nadu and Maharashtra producing nearly 70% of the country's egg production. India's 75% of egg produce is consumed by the population of 25% living in urban and semi-urban areas. Presently about 800 hatcheries are operating in India today.

Today India is the world's fifth largest egg producer and the eighteenth largest producer of broilers and its per capita consumption of such products is poor 37 eggs and 1 kg of poultry meat per capita per annum. The growth of the Poultry Industry in India is marked by an increase in the size of the poultry farm. In past years broiler farms had produced on average a few hundred birds (200-500 chicks) per cycle. Small units are probably finding themselves at problem because of high feed and transport costs, expensive vaccines, and veterinary care services and the nonavailability of credit. Some small units are reported to be shifting from layer to broiler production because output in broiler units can be realized in six weeks. India is the fifth largest producer of egg and ninth largest producer of poultry meat. India

was well positioned as 17th in the world poultry production. The Indian poultry production is considered to be the cheapest in the world. The main factors of rising production in country are:

- The nation is a market with Investment friendly ambience.
- Indian Poultry Industry is booming and emerging as the world's 2nd largest market.
- The growth rate is growing at the phenomenal rate of 12 to 15% every year.
- Poultry Industry in India is constantly on the rise due to the use of modern techniques and changing from live bird to fresh chilled and frozen product market.
- A new path began with the integrated poultry operations throughout the country.

There is an overwhelming response from all segments concerned and related with poultry. There is a 100% increase in space compared to earlier years. In a continual endeavor and efforts to create a strong platform for Poultry India is experimenting with new trends in poultry rearing techniques and innovations for processed chicken meat, medicines, feed additives, health products, equipments, managements & other technical services.

POULTRY BROILER FARMING:

Poultry meat is an important source of high quality proteins, minerals and vitamins to balance the human diet. Specially developed varieties of chicken (broilers) are now available with the traits of quick growth and high feed conversion efficiency. Depending on the farm size, broiler farming can be a main source of family income or can provide subsidiary income and gainful employment to farmers throughout the year. Poultry manure is of high fertilizer value which can be used for increasing yield of all crops.

The advantages of broiler farming are :

- a) Initial investment is lower than layer farming
- b) Rearing period is 5-6 weeks only
- c) More number of flocks can be taken in the same shed
- d) Broilers have high feed conversion efficiency i.e. the amount of feed required for unit body weight gain is lower in comparison to other livestock
- e) Faster return from the investment
- f) Demand for poultry meat is more compared to sheep/goat meat

Chapter III Market Potential

MARKET POTENTIAL AND SCOPE OF BROILER PRODUCTION:

India has made tremendous progress in broiler production during the last three decades and the broiler population in the country during 2011-12 stood at 2300 million. Today India is the fifth largest producer of broiler meat in the world with an annual production of 2.47 million MT. Despite this achievement, the per capita availability of poultry meat in India is only 2.96 kg which is way below the ICMR recommendation of 11 kg meat per capita per annum.

The growth of the poultry sector is mainly attributed to the interventions of the corporate sector with an enabling policy environment provided by the Government of India / State Governments from time to time. The activity provides huge employment opportunities for the rural poor either under Backyard poultry production system or under small scale commercial broiler farming units. Over 5 million people are engaged in the poultry sector either directly or indirectly.

Owing to the considerable growth in broiler industry, high quality chicks, equipment, vaccines and medicines, technically and professionally competent guidance are available to the farmers. The management practices have improved and disease and mortality incidences are reduced to a great extent. Many institutions are providing training to entrepreneurs. Increasing assistance from the Central/ State governments and poultry corporations is being given to create infrastructure facilities so that new entrepreneurs are attracted to take up this business. Broiler farming has been given considerable importance in the national policy and has a good scope for further development in the years to come.

With the rise of middle class and increased urbanization, a major population prefer to go for nonvegetarian. Today about 3 million farmers and 15 million agrarian farmers are employed in the poultry industry that are usually growing poultry ingredients for feed and contribute about Rs 26,000 crore to the national income.

EMPLOYMENT OPPORTUNITIES

Three decades ago in India, when egg and broiler production was 10 billion and 30 million, respectively, the total employment numbers in the poultry sector was not much encouraging. As income and employment in the crop sector started decreasing, the non-crop sector, which includes dairy and poultry, underwent a significant shift. Due to the demand for poultry increasing and production reaching 37 billion eggs and 1 billion broilers, the Poultry Industry today employs around 1.6 million people. At least 80% of employment in Indian Poultry Industry generates directly by the farmers, while 20 % is engaged in feed, pharmaceuticals, equipment and other services according to the requirement. Additionally, there might be similar number of people roughly 1.6 million who are engaged in marketing and other channels servicing the poultry sector.

LATEST DEVELOPMENTS

- The National Institute of Nutrition has strongly recommended 180 eggs and 11 kg of meat per capita consumption for our nation.
- At present, Per capita availability for meat is 1.6 kg. Per capita availability for egg is 1.8 kg or 42 eggs. Average consumption for eggs in major cities is 170 eggs.

- Average consumption for eggs in smaller cities is 40 eggs. Average consumption of developed rural areas is 20 eggs.
- Average consumption of undeveloped rural areas is only 5 eggs. While 20% of Indian population is vegetarian.
- The average per capita of Poultry meat consumption was estimated to increase from 0.69 to 1.28 kilograms, during the 2000-2004.
- Analysts' studies reveal that the total egg consumption is estimated to increase from 34 billion in 2000 and to 106 billion in 2020, while poultry meat consumption has been predicted to increase from 687 million kilograms to 1,674 million kilograms.
- The market research report "Vision for Indian Poultry Industry: Current Scenario and Future Prospects" predicts & analysis a relatively strong growth for the egg and poultry meat industry, in both the urban and rural areas for the next two decades. It has been observed that egg consumption has grown at a much faster pace, than the consumption of poultry meat. With the continual rise in income the numbers are estimated to nearly triple by 2020.
- India is the fifth largest producer of eggs and ninth largest producer of poultry meat in the world and produced over 34 billion eggs and about 600,000 tons of poultry meat in 2004.
- Several efforts in poultry science and technology have led to the development of genetically superior breeds capable of higher production, even under adverse climatic conditions that offer opportunities for overseas entrepreneurs to expand export and import of poultry products on a large scale.

Chapter IV
EXTENSION ACTIVITIES

- I. Farmers of nearby village will get exposure and learn production of poultry.
- II. Free advisory service ranging from showing to poultry production.
- III. Tools of information technology will be used to provide latest information to farmers.
- IV. Farmers will be promoted utilize government information technology networks like kisan call centres.
- V. Interface meets between government agencies, agric business companies and farmers will be arranged

- Vii. Farmers meetings will be organised on regular basis to extension of poultry technology and information to the farmers.

Chapter V
Economics of the project

ECONOMICS OF THE PROJECT		
A. BASIS & PRESUMPTIONS		
PARTICULARS	UNIT	QUANTITY
I. Techno-economic parameters		
Rate of Interest	%	12
Own Contribution (Margin Money)	%	25%
Number of birds	Nos.	5375
Batch strength	Nos.	5375
Floor space per bird	sq.feet/bird	1
Feed room requirement	sq.feet/bird	0.1
Feed requirement	Kg/Bird	3
Birds purchased	Per Batch	5643.75
Live weight of bird	Kg/Bird	1.2
Rearing period	Weeks	6
Cleaning period of shed	Weeks	2
Loan Repayment Period	Years	3
Percentage of Working capital required as loan	%	40
II. Expenditure norms		
Birds considered for recurring expenditure		5482.5
Birds considered for selling		5375
Cost of construction of shed	Rs./sq feet	50
Cost of construction of Feed Room	Rs./sq feet	150
Cost of equipment	Rs. per bird	20
Cost of day old chick	Rs. per bird	15
Cost of feed	Rs./kg	15
Medicines, vaccines, labour and misc. charges	Rs. per bird	10
Insurance per bird	Rs. per bird	0.5
Insurance of sheds and equipment	Rs. per Rs.1,000/-	10
II. Income norms		
Sale price (Rs. per kg) 70	Rs./Kg	80
Value of manure per bird sold	Rs./Bird	0.5
Sale price of gunny bags	Rs./Bag	15

B. COST OF THE PROJECT				
PARTICULARS	UNIT	UNIT RATE	QUANTITY	AMOUNT
I. Capital Cost				
1. Building & Sheds				
Land				OWN
Construction of shed including electrification	sqft	50.00	5643.75	282,188
Construction of Feed Room	sqft	150	537.5	80,625
Cost of Equipments	sqft	20.00	5643.75	112,875
			Sub-Total-1	475,688
2. Misc. Fixed Assets				
Office furniture (tables, chairs etc.)	Ls.	20,000	-	15,000
Office electrification	Ls.	10,000	-	10,000
Name board/ Wall Painting	Ls.	10,000	-	10,000
			Sub-Total-2	35,000
			Total (1+2)	510,688
3. Contingency @ 5%				
	-	-	-	25,534
			Total Capital Cost	536,222
4. Preliminary & Pre-operative Expenses				
Market Survey & Project Report Preparation	Ls.	10000	-	10,000
Publicity & Travelling Expenses	Ls.	10000	-	10,000
			Sub-Total	20,000
TOTAL CAPITAL COST				556,222
II. Working Capital				
40% of First Year Requirement				944,896
Total Project Cost				1,501,118

C. MEANS OF FINANCE			
Particulars	Unit	Unit Rate	Amount Rs.
Term Loan	%	75%	1125838
Own Contribution	%	25%	375279
Total			1501118

D. Working Capital Requirements								
Particulars	Unit	Unit Rate	Qty.	I Year	II Years	III Year	IV Year	V Year
Nos of Batches Per Year				6	7	7	7	7
Cost of day old chicks	Nos	15	5644	507938	592594	592594	592594	592594
Cost of Feed (Feed Require @ 3. Kg per Bird)	Rs/Kg	15	5483	1480275	1726988	1726988	1726988	1726988
Medicines, labour, miscellaneous charges	Rs/Bird	10	5483	328950	383775	383775	383775	383775
Insurance of birds (For all Batches)	Rs/Bird	0.5	-	16931.3	19753.1	19753.1	19753.1	19753.1
Insurance of sheds and equipment	-	-	-	4756.88	4756.88	4756.88	4756.88	4756.88
Other Expenses 1% of total working capital	-	-	-	23389	27279	27279	27279	27279
Total Working Capital Cost				2362239	2755145	2755145	2755145	2755145

E. FLOCK CHART					
YEAR	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR
NO OF BATCHES	5	5	5	5	5
REARING WEEKS	40	42	42	42	42
BATCHES SOLD	6	7	7	7	7

F. Projected Profitability						
I. Projection of Income						
Particulars	I Year	II Years	III Year	IV Year	V Year	
Sale of Birds	3096000	3612000	3612000	3612000	3612000	
Sale of Manure	16125	18812.5	18812.5	18812.5	18812.5	
Sale of Gunny Bags	29606	34540	34540	34540	34540	
Total	3141731	3665352	3665352	3665352	3665352	
Sundry Debtors (Credit Period allow 30Days)	0	0	0	0	0	
Collection From Customers	3141731	3665352	3665352	3665352	3665352	

G. Income Expenditure Statement						
SN	Particulars	I Year	II Years	III Year	IV Year	V Year
1	Income	3141731	3665352	3665352	3665352	3665352
2	Operational Cost	2362239	2755145	2755145	2755145	2755145
3	Surplus Income	779491.4	910207.3	910207.3	910207.3	910207.3
4.1	Less interest on term loan	135101	108080	81060	54040	27020
4.2	Depreciation for Misc. fixed assests@15%	76,603	65113	55346	47044	39987
4.3	Amortization of preliminary preoperative expenses	6666.667	6666.667	6666.667	6666.667	6666.667
5	Profit before Tax	561121	730347.6	767134.6	802456.5	836533.2
6	Income Tax	263336	314104	325140	335737	345960
7	Education Cess @ 2% of Income Tax	5267	6282	6503	6715	6919
8	Secondary and Higher Education Cess @ 1%	2633	3141	3251	3357	3460
9	Profit after Tax	289885	406820	432240	456647	480194
10	Net Income Available(9+4)	508255	586680	575313	564398	553869

H. FINANCIAL ANALYSIS							
SN	Particulars	I Year	II Years	III Year	IV Year	V Year	TOTAL
1	Capital Cost	556,222					556,222
2	Recurring Cost	2362239	2755145	2755145	2755145	2755145	13382819
	Total Cost	2,918,461	2,755,145	2,755,145	2,755,145	2,755,145	13,939,041
3	Benefits	3141731	3665352	3665352	3665352.25	3665352.25	17,803,140
4	Depreciated value of misc. fixed assets@ 15%					83433	
5	TOTAL BENEFIT	3141730.5	3665352	3665352.3	3665352.25	3748786	
6	NET BENEFIT	223,269	910,207	910,207	910,207	993,641	
	Discounting Factor @ 15%	0.87	0.76	0.66	0.57	0.50	
	NPV Cost @15% DF	2537792	2083285	1811553	1575263	1369794	9377687
	NPV Benefits @ 15%DF	2731940	2771533	2410029	2095677	1863809	11872987
	NPW @15%DF	2495300					
	BCR @15% DF	1.266089067					
	IRR	113%					

I. CASH FLOW STATEMET						
SN	Particulars	I Year	II Years	III Year	IV Year	V Year
A.	CASH INFLOW					
	Profit	508255	586680	575313	564398	553869
	Term Loan	1125838	0	0	0	0
	Own Contribution	375279	0	0	0	0
	Depriciation	76603	65113	55346	47044	39987
	Amortization expense	6667	6667	6667	6667	6667
	Tax	271236	323527	334895	345809	356339
	Interest on Bank Loan	135101	108080	81060	54040	27020
	TOTAL (A)	2498979	1090067	1053280	1017958	983881
B.	CASH OUTFLOW					
	Capital Cost	556,222				
	Interest on Bank Loan	135101	108080	81060	54040	27020
	Income Tax & Cess	271236	323527	334895	345809	356339
	Term Loan Repayments	225168	225168	225168	225168	225168
	Increase in debtor	0	0	0	0	0
	Total (B)	1,187,726	656,775	641,123	625,017	608,527
C.	SUMMARY					
	Opening Cash'& Bank Balance	0	1,311,253	1,744,544	2,156,702	2,549,643
	Add: Surplus/ Deficit	1,311,253	433,292	412,158	392,941	375,355
	Closing Cash & Bank Balance	1,311,253	1,744,544	2,156,702	2,549,643	2,924,998

J. BALANCE SHEET						
SN	Particulars	I Year	II Years	III Year	IV Year	V Year
A.	Assets					
1	Fixed Assets	434,084	368,972	313,626	266,582	226,595
2	Current Assets					
	Cash and Bank Balance	1,311,253	1,744,544	2,156,702	2,549,643	2,924,998
	Sundry Debtors	0	0	0	0	0
	Preliminary & Preoperative Expenses	13,333	6,667	0	-6,667	-13,333
	Deposit for Building	0	0	0	0	0
	Contingency	25,534	25,534	25,534	25,534	25,534
	TOTAL(A)	<u>1,784,205</u>	<u>2,145,717</u>	<u>2,495,862</u>	<u>2,835,093</u>	<u>3,163,794</u>
B.	LIABILITIES					
1	Capital Balance	0	883534	1470214	2045527	2609925
	Additions	375279				
	Net Profit for the Year	508255	586680	575313	564398	553869
	Closing Balance	883534	1470214	2045527	2609925	3163794
2	Secured Loans	900671	675503	450335	225168	0
	TOTAL(B)	<u>1,784,205</u>	<u>2,145,717</u>	<u>2,495,862</u>	<u>2,835,093</u>	<u>3,163,794</u>

K. TERM LOAN REPAYMENTS							
	Rate of Interest - % per annum			12			
	Opening Balance of Term Loan			1125838			
YEAR	Loan Outstanding	Gross Surplus	Principal	Interest	Total Repayment	Net Surplus	DSCR
I	1125838	508255	225168	135101	360268	147987	1.41
II	900671	586680	225168	108080	333248	253432	1.76
III	675503	575313	225168	81060	306228	269085	1.88
IV	450335	564398	225168	54040	279208	285190	2.02
V	225168	553869	225168	27020	252188	301681	2.20
					Average DSCR	=	1.85