

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

Poultry Feed Business Unit

PROJECT REPORT

OF

POULTRY FEED BUSINESS

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Poultry Feed Business.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

PROJECT AT GLANCE

1 Name of Proprietor/Director	XXXXXXXXXX
2 Firm Name	XXXXXXXXXX
3 Registered Address	XXXXXXXXXX
4 Nature of Activity	XXXXXXXXXX
5 Category of Applicant	XXXXXXXXXX
6 Location of Unit	XXXXXXXXXX
7 Cost of Project	22.58 Rs. In Lakhs
8 Means of Finance	
i) Own Contribution	2.26 Rs. In Lakhs
ii) Term Loan	17.33 Rs. In Lakhs
iii) Working Capital	3.00 Rs. In Lakhs
9 Debt Service Coverage Ratio	2.20
10 Break Even Point	0.36
11 Power Requirement	15 KW
12 Employment	7 Persons
13	Grinded maize, Wheat offal, Maize offal etc.
14 Details of Cost of Project & Means of Finance	

Cost of Project

Particulars	Amount in Lacs
Land	Owned/Rented
Building & Civil Work	Owned/Rented
Plant & Machinery	17.00
Furniture & Fixture	1.00
Other Misc Assets	1.25
Working Capital Requirement	3.33
Total	22.58

Means of Finance

Particulars	Amount in Lacs
Own Contribution 10%	2.26
Term Loan 90%	17.33
Working capital Loan	3.00
Total	22.58

1. INTRODUCTION



Poultry farming is the fastest-growing livestock sector in India. Poultry feed is the feedstock that is used for feeding the poultry for improving growth rate, obtaining high quality, and reduced mortality rate. The poultry feedstock is of different types depending on the finished product that is eggs or meat. Nowadays, the use of Poultry feedstock is found in almost every poultry farm, due to its cost-effectiveness and desirable results. As farming became more specialized, many farms kept flocks too large to be fed in this way, and nutritionally complete poultry feed were developed. Modern feeds for poultry consists largely of grain, protein supplements such as soybean oil meal, mineral supplements, and vitamin supplements. The quantity of feed, and the nutritional requirements of the feed, depend on the weight and age of the poultry, their rate of growth, their rate of egg production, the weather (cold or wet weather causes higher energy expenditure), and the amount of nutrition the poultry obtain from foraging. The feed must remain clean and dry contaminated feed can infect poultry.

2. MARKET POTENTIAL:

The market of poultry feed is a part of the vast animal feed market and it makes a major part of it as poultry is invariably consumed all over the world. By 2023, the global poultry feed industry is forecast to account for USD 157,715.1 million, from 2019 to 2023 CAGR of 6.9 percent is expected. The Indian poultry feed industry, dependent on the sound growth of poultry has a great untapped potential, with southern part of India holding the maximum share of poultry production and consumption. Poultry feedstock is almost used in every poultry farm owing to its cost effective and desired results. However, with the advent of globalization and rise in the standard of living of consumers, companies are expanding in the emerging markets of the world with improved products and wide range of options for each animal group. Poultry meat is the highest among others such as pork, beef and fish meat. Therefore, vast opportunity lies in the poultry feed segment.

3. PRODUCT DESCRIPTION

3.1-RAW MATERIAL

Major raw materials are as follows:

Grinded maize, Wheat offal, Maize offal, Groundnut cake meal, soybean meal, Fish meal, Soybean cake, Bone meal, L-lysine, Table salt Vitamin premix etc.

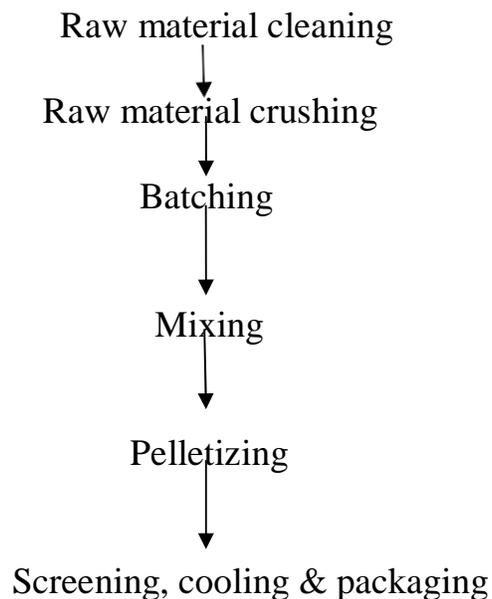
Gunny bags, plastics bag etc. required for packaging of feed material.

3.2-MANUFACTURING PROCESS

- The different feed ingredients are taken in a batch mixer from the raw material storage godown in accordance with feed formulation.
- After mixing all raw materials is ground to a uniform particle size of 1 mm. The ground material is further mixed.
- The material used in feed formulation in similar quantities such as vitamins, minerals, urea, calcite powder, common salt, etc. are mixed in ribbon mixture using proper diluents and storage in one of the storage bin
- Ground material and molasses are mixed simultaneously in a twin-screw type mixture. Usually, molasses are added at the rate of 10% in the poultry feed.
- Molassed feed is mixed with the dry steam before pelleting.

- Steam acts as a conditioner to the feed and it helped to killing some pathogens.
- The temperature of steam feed is in the range of 75 to 80 degrees centigrade.
- Now, the steamed feed is converted to pellets by pressing it through a cylindrical die and press roller.
- Usually, 2 mm die used for is used for the production of pelleted feed for poultry.
- Pelleted feat thus produce is passed through pellet cooler before packaging in HDPR or gunny bags.

Process Flow:



4. PROJECT COMPONENTS

4.1-Plant & Machinery

Machine
Name
Batch mixer
Grinder
Screw Conveyor
Pellet Making Machine
Weighing & Packing Machine
Material handling and other Equipments

PROJECTED PROFITABILITY STATEMENT						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
Capacity Utilisation %	45%	50%	55%	60%	65%	
SALES						
Gross Sale						
Poultry Feed	57.71	71.64	83.77	96.80	110.72	
Total	57.71	71.64	83.77	96.80	110.72	
COST OF SALES						
Raw Material Consumed	32.40	38.25	44.55	51.30	58.50	
Electricity Expenses	1.30	1.51	1.66	1.81	1.97	
Depreciation	2.84	2.42	2.06	1.68	1.49	
Wages & labour	7.68	8.83	9.72	10.20	10.71	
Repair & maintenance	0.58	1.07	1.68	2.90	3.32	
Packaging & Consumables	1.15	1.79	2.68	3.10	3.88	
Cost of Production	45.94	53.88	62.34	71.00	79.87	
Add: Opening Stock	-	2.30	2.69	3.12	3.55	
Less: Closing Stock	2.30	2.69	3.12	3.55	3.99	
Cost of Sales	43.65	53.48	61.92	70.57	79.42	
GROSS PROFIT	14.06	18.16	21.85	26.23	31.30	
	24.37%	25.35%	26.08%	27.10%	28.27%	
Salary to Staff	4.20	4.83	5.55	6.39	7.35	
Interest on Term Loan	1.70	1.50	1.08	0.65	0.23	
Interest on working capital	0.33	0.33	0.33	0.33	0.33	
Rent	2.40	2.76	3.17	3.65	4.20	
Selling & Administrative Exp.	2.31	3.80	4.86	6.00	7.20	
TOTAL	10.94	13.22	14.99	17.02	19.30	
NET PROFIT	3.12	4.94	6.85	9.21	12.00	
Taxation	0.03	0.12	0.31	0.63	1.15	
PROFIT (After Tax)	3.09	4.82	6.54	8.58	10.85	
NET PROFIT RATIO	5.36%	6.73%	7.81%	8.86%	9.80%	

PROJECTED BALANCE SHEET					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening balance		2.85	4.67	7.22	10.29
Add:- Own Capital	2.26				
Add:- Retained Profit	3.09	4.82	6.54	8.58	10.85
Less:- Drawings	2.50	3.00	4.00	5.50	7.50
Closing Balance	<u>2.85</u>	<u>4.67</u>	<u>7.22</u>	<u>10.29</u>	<u>13.64</u>
Term Loan	15.40	11.55	7.70	3.85	-
Working Capital Limit	3.00	3.00	3.00	3.00	3.00
Sundry Creditors	1.08	1.28	1.49	1.71	1.95
Provisions & Other Liability	2.00	2.40	2.76	3.17	3.65
TOTAL :	24.33	22.90	22.16	22.03	22.24
<u>Assets</u>					
Fixed Assets (Gross)					
Gross Dep.	2.84	5.25	7.31	8.99	10.49
Net Fixed Assets	16.41	14.00	11.94	10.26	8.76
Current Assets					
Sundry Debtors	1.92	2.39	2.79	3.23	3.69
Stock in Hand	3.38	3.97	4.60	5.26	5.94
Cash and Bank	2.62	2.54	2.83	3.28	3.85
TOTAL :	24.33	22.90	22.16	22.03	22.24

PROJECTED CASH FLOW STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	2.26				
Net Profit	3.12	4.94	6.85	9.21	12.00
Depreciation & Exp. W/off	2.84	2.42	2.06	1.68	1.49
Increase in Cash Credit	3.00	-	-	-	-
Increase In Term Loan	17.33	-	-	-	-
Increase in Creditors	1.08	0.20	0.21	0.23	0.24
Increase in Provisions & Oth labilities	2.00	0.40	0.36	0.41	0.48
	-				
TOTAL :	31.62	7.96	9.48	11.53	14.21
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	19.25				
Increase in Stock	3.38	0.59	0.63	0.66	0.68
Increase in Debtors	1.92	0.46	0.40	0.43	0.46
Repayment of Term Loan	1.93	3.85	3.85	3.85	3.85
Increase in Loans & Advances	-	-	-	-	-
Drawings	2.50	3.00	4.00	5.50	7.50
Taxation	0.03	0.12	0.31	0.63	1.15
TOTAL :	29.01	8.03	9.20	11.07	13.65
Opening Cash & Bank Balance	-	2.62	2.54	2.83	3.28
Add : Surplus	2.62	-0.07	0.29	0.45	0.56
Closing Cash & Bank Balance	2.62	2.54	2.83	3.28	3.85

CALCULATION OF D.S.C.R

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	5.93	7.24	8.60	10.26	12.34
Interest on Term Loan	1.70	1.50	1.08	0.65	0.23
Total	7.63	8.74	9.68	10.91	12.57
<u>REPAYMENT</u>					
Instalment of Term Loan	1.93	3.85	3.85	3.85	3.85
Interest on Term Loan	1.70	1.50	1.08	0.65	0.23
Total	3.63	5.35	4.93	4.50	4.08
DEBT SERVICE COVERAGE RATIO	2.10	1.63	1.96	2.42	3.08
AVERAGE D.S.C.R.					2.20

REPAYMENT SCHEDULE OF TERM LOAN

Interest 11.00%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	17.33	17.33	-	-	17.33
	2nd month	17.33	-	17.33	0.16	-	17.33
	3rd month	17.33	-	17.33	0.16	-	17.33
	4th month	17.33	-	17.33	0.16	-	17.33
	5th month	17.33	-	17.33	0.16	-	17.33
	6th month	17.33	-	17.33	0.16	-	17.33
	7th month	17.33	-	17.33	0.16	0.32	17.00
	8th month	17.00	-	17.00	0.16	0.32	16.68
	9th month	16.68	-	16.68	0.15	0.32	16.36
	10th month	16.36	-	16.36	0.15	0.32	16.04
	11th month	16.04	-	16.04	0.15	0.32	15.72
	12th month	15.72	-	15.72	0.14	0.32	15.40
					1.70	1.93	
2nd	Opening Balance						
	1st month	15.40	-	15.40	0.14	0.32	15.08
	2nd month	15.08	-	15.08	0.14	0.32	14.76
	3rd month	14.76	-	14.76	0.14	0.32	14.44
	4th month	14.44	-	14.44	0.13	0.32	14.12
	5th month	14.12	-	14.12	0.13	0.32	13.80
	6th month	13.80	-	13.80	0.13	0.32	13.48
	7th month	13.48	-	13.48	0.12	0.32	13.15
	8th month	13.15	-	13.15	0.12	0.32	12.83
	9th month	12.83	-	12.83	0.12	0.32	12.51
	10th month	12.51	-	12.51	0.11	0.32	12.19
	11th month	12.19	-	12.19	0.11	0.32	11.87
	12th month	11.87	-	11.87	0.11	0.32	11.55
					1.50	3.85	
3rd	Opening Balance						
	1st month	11.55	-	11.55	0.11	0.32	11.23
	2nd month	11.23	-	11.23	0.10	0.32	10.91
	3rd month	10.91	-	10.91	0.10	0.32	10.59
	4th month	10.59	-	10.59	0.10	0.32	10.27
	5th month	10.27	-	10.27	0.09	0.32	9.95
	6th month	9.95	-	9.95	0.09	0.32	9.63
	7th month	9.63	-	9.63	0.09	0.32	9.30
	8th month	9.30	-	9.30	0.09	0.32	8.98
	9th month	8.98	-	8.98	0.08	0.32	8.66
	10th month	8.66	-	8.66	0.08	0.32	8.34
	11th month	8.34	-	8.34	0.08	0.32	8.02
	12th month	8.02	-	8.02	0.07	0.32	7.70
					1.08	3.85	

4th	Opening Balance						
	1st month	7.70	-	7.70	0.07	0.32	7.38
	2nd month	7.38	-	7.38	0.07	0.32	7.06
	3rd month	7.06	-	7.06	0.06	0.32	6.74
	4th month	6.74	-	6.74	0.06	0.32	6.42
	5th month	6.42	-	6.42	0.06	0.32	6.10
	6th month	6.10	-	6.10	0.06	0.32	5.78
	7th month	5.78	-	5.78	0.05	0.32	5.45
	8th month	5.45	-	5.45	0.05	0.32	5.13
	9th month	5.13	-	5.13	0.05	0.32	4.81
	10th month	4.81	-	4.81	0.04	0.32	4.49
	11th month	4.49	-	4.49	0.04	0.32	4.17
	12th month	4.17	-	4.17	0.04	0.32	3.85
					0.65	3.85	
5th	Opening Balance						
	1st month	3.85	-	3.85	0.04	0.32	3.53
	2nd month	3.53	-	3.53	0.03	0.32	3.21
	3rd month	3.21	-	3.21	0.03	0.32	2.89
	4th month	2.89	-	2.89	0.03	0.32	2.57
	5th month	2.57	-	2.57	0.02	0.32	2.25
	6th month	2.25	-	2.25	0.02	0.32	1.93
	7th month	1.93	-	1.93	0.02	0.32	1.60
	8th month	1.60	-	1.60	0.01	0.32	1.28
	9th month	1.28	-	1.28	0.01	0.32	0.96
	10th month	0.96	-	0.96	0.01	0.32	0.64
	11th month	0.64	-	0.64	0.01	0.32	0.32
	12th month	0.32	-	0.32	0.00	0.32	-
					0.23	3.85	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

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