

CATTLE & POULTRY FEEDS

1 INTRODUCTION

Compound cattle feed is an important constituent of ration, considering the fact that dairy animals in India have limited access to cultivated green fodder and grasses. Most of the macro and micro nutrients to meet animals' requirement are provided by compound feed, especially on crop residue based diets. It is possible to formulate balanced rations for growing and lactating animals only if the feed used conforms to the laid down specifications, for energy, protein, minerals, vitamins etc. The feed shall be free from harmful constituents, metallic pieces and adulterants. The feed shall also be free from fungal growth and insect infestation and from fermented Musty or rancid or any other objectionable odor.

2 PRODUCTS AND ITS APPLICATION:

Properly composited balance cattle feed having like taste of animals of nearby of project site will provide nutritive diet to milch animals and would definitely help in increasing the present animal productivity. Increase in the milk productivity ensures the gain of more income and self-sufficiency which is the key object or application of producing cattle feed.

Plant Capacity & Product Mix:

Generally, cattle and poultry feed plants need to be higher capacities say 100 tons to 500 tons per day but here is considered for 20 tons/day for MSME entrepreneur as being this is a viable capacity for small scale production. The plant must be versatile to produce cattle and poultry feeds both as markets are potential for both these segments.

3 DESIRED QUALIFICATION FOR PROMOTER:

The entrepreneur must well aware of type of feed, nutrition and taste required for cattle of area where the product to be marketed as well of procurement of right quality of raw materials, processing equipments for producing feed of right consistency and marketing strategy in view of prevailing such available feeds in that specific region.

4 INDUSTRY OUTLOOK/TREND

The cattle & poultry feed industry are growing rapidly with rise in demand for milk and poultry products. Now India is largest producer of milk and huge exporter of poultry products. This has increased the demand for cattle and poultry feed. Moreover all the raw materials required are available sufficiently within the country. The outlook for this industry is very bright as government is giving importance to this sub sector as it can increase farmers income and generate employment.

5 MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

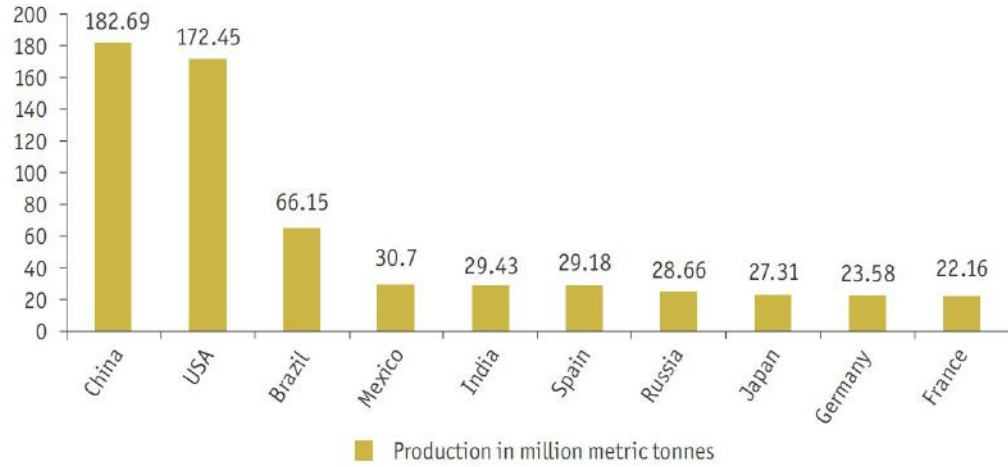
The world's population is projected to grow from about 7 billion in 2012 to 9.6 billion people by 2050. More than half of this growth is expected in Sub-Saharan Africa (SSA); China and India. In addition to population growth, per capita meat and milk consumption is also growing—especially in China and India—and is projected to remain high in the European Union, North America, Brazil, and Russia. These trends will lead to higher requirement of processed dairy, aqua and poultry products; in turn leading to a trigger for higher feed requirement. The animal feed is produced in more than 130 countries globally.

India has emerged as one of the largest and fastest growing compound feed markets in the world. The feed industry is growing at a CAGR of 8%, with poultry, cattle and aqua feed sectors emerging as major growth drivers. According to estimates by leading industry sources, the demand of animal protein and dairy products in India will increase the compound feed consumption volumes to 28 million tons by 2017/18.

Indian feed industry is presently growing at a CAGR of 8 percent. Poultry, aqua and dairy industry occupies the major share in overall feed demand. While the potential feed requirements is huge and stands at around 96 million tones, only 20.3 million tones was produced during 2012-13. There is a huge scope for the growth in the sector, with industry becoming more organized. With this growth rate India will soon become the largest feed market in the coming years. The feed

industry requirements that are met with the compound feed are only 11 percent for cattle, 14 percent for aqua feed and 55 percent for poultry feed.

India is the world fifth ranking country to produce and supply cattle feed with an annual production of 29.43 Million tons as shown in the following table.



6 RAW MATERIAL REQUIREMENTS:

Sr. No.	INGREDIENTS	Qty/yr. MT
1	Maize	720.00
2	Groundnuts Spilt	780.00
3	Rapseed	360.00
4	Deoiled CS Cake	480.00
5	Deoiled Rice Bran	2,160.00
6	Polished Rice Fine	480.00
7	Pre-Mix	420.00
8	Molasses	600.00
	Total	6,000.00

7 MANUFACTURING PROCESS:

All major raw materials receiving at plant must be weighed on Weigh Bridge and store them at their pre-allotted ware houses or silos (specifically molasses to

store in silos). It is necessary to verify quality of each raw material before allowing them for inventory. The minor raw materials like salt, urea, mineral mix or vitamin mix are in small quantities and need to pre-mix for adding into batch. All raw materials in raw forms need to weigh for batch making in a batching plant based on load cells. The weighed ingredients are pulverized and then mixed into mixer thoroughly. This mixture is then taken to molasses mixer where pre-heated molasses is added into required proportion. Thus made mix is then conditioned and pelletized into a pellet mill of required sizes of pellets followed by bagging, labelling and dispatching.

8 MANPOWER REQUIREMENT:

Sr. No.	CATEGORIES	Nos.
1	Technical Staff	7
2	Administrative Staff	4
3	Marketing Staff	4
4	Labour	30
	Total	45

9 IMPLEMENTATION SCHEDULE:

Project Stages	MONTHS									
	1	2	3	4	5	6	7	8	9	10
Purchase of Land	Yellow	Yellow	Yellow							
Completion of Building			Green	Green	Green	Green				
Ordering of Machinery	Grey	Grey								
Delivery of Machinery			Orange	Orange	Orange	Orange				
Term/Wkg Loan Sanction		Blue	Blue	Blue						
Installation of Machinery					Green	Green				
Commissioning of Plant							Red			
RM/Inputs Procurement						Yellow				
Manpower Appointments						Blue				
Commercial Production								Green		

10 COST OF PROJECT:

Sr. No.	Costing Heads	Qty	Rate/Unit	Rs. Lakh
1	Land in Sq. M. + Expenses	2,000.00	1,000.00	20.00
2	Building, Sq. M. MS Structure	1,000.00	7,000.00	70.00

3	Plant & Machinery			200.01
4	Contingency			5.00
5	Total Cost of Project			295.01

11 MEANS OF FINANCE:

Sr. No	Means Heads	Rs. Lakhs
1	Promoters Capital	73.75
2	Term Loan	188.51
3	Cash	32.75
4	Unsecured Deposits	-
	Total Means of Finance	295.01

12 WORKING CAPITAL CALCULATION:

Particulars	Total Amount	Stock Period Days	Value of Stock Period	Promoter Margin	Promoter Share	Bank Borrowings
Raw Material	1,209.60	15	60.48	0.50	30.24	30.24
Packing Material	36.00	30	3.60	0.40	1.44	2.16
Work in Process	1,559.59	3	15.60	0.40	6.24	9.36
FP Stock	1,740.00	15	87.00	0.40	34.80	52.20
Bills Receivable	1,740.00	15	87.00	0.40	34.80	52.20
Working Expense	12.00	30	1.20	1.00	1.20	0.00
Total:	6,297.19			0.00	108.72	146.16

13 LIST OF MACHINERY REQUIRED:

Sr. No	Equipment	Qty
1	Intake conveyors	2
2	Intake elevators	2
3	Distribution conveyors	10

4	Batching Silos, 100 kg capacity	10
5	Bottom hoppers for silos	10
6	Discharge conveyors	1
7	Weighing hopper	1
8	Batch conveyor	1
9	Batch elevator	1
10	Batching controller	1
11	Connecting & gravity pipes	2
12	Air compressor	10
Sr. No	Equipment	Qty
13	Aspiration units	2
14	Hopper for grinding mill	1
15	Grinding mill	1
16	Powder conveyor	1
17	Hopper for batch mixer	1
18	Batch mixer	1
19	Bucket elevator	1
20	Feed conveyor	1
21	Mixed feed storage bin	1
22	Screw feeder, pellet mill	1
23	Molasses mixer	1
24	Conditioner	1
25	Molasses Day Tank Unit	1
26	Pellet Mill Unit	1
27	Pellet cooler	1
28	Pellet conveyor & elevator	1
29	Pellet sieve machine	1
30	Crumbler for Poultry Feed	1
31	Bin for bagging machine	1
32	Bagging machine	1
33	Stitching machine	1
34	Slat conveyor	1
35	Connecting & gravity pipes Boiler & Furnace oil	1
36	tank/pump	1
37	Electricals DG set & change over	1
38	panel	1
39	Transformer with VCB	1
40	Weigh bridge	1
41	Mineral Plant Essential spares (make a	1
42	list)	1
43	Supporting structure	1

44	Miscellaneous	1
45	Erection & commissioning	1

- Servotech India Limited
501, Triveni Krupa,
Carter Road No.3,
Opp. Ambaji Mata Temple,
Borivali East,
Mumbai - 400066
Maharashtra
- Trumatic Engineers
91/18, G.I.D.C. Estate - Phase - 1,
Near Bank Of India,
Vatva,
Ahmedabad,
Gujarat 382445

14 PROFITABILITY CALCULATIONS:

Sr. No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
A	Gross Sales	1218	1392	1566	1566	1566
	Less:					
1	Raw Materials	846.72	967.68	1088.6 4	1088.6 4	1088.64
2	Packing Material	25.2	28.8	32.4	32.4	32.4
3	Fuel	50.4	57.6	64.8	64.8	64.8
4	Power	23.52	26.88	30.24	30.24	30.24
5	Manpower	47.977 8	54.128 8	60.279 8	60.279 8	60.2798
6	Depreciation	44.45	50.8	57.15	57.15	57.15
7	Sundry Expenses	8.4	9.6	10.8	10.8	10.8
8	Interest on Term Loan	15.834	18.096	20.358	20.358	20.358
9	Interest on WC Loan	15.225	17.4	19.575	19.575	19.575
9	Repairs & Maintenance	8.4	9.6	10.8	10.8	10.8
10	Marketing Expenses	10.5	12	13.5	13.5	13.5
B	Production Cost	1096.6	1252.5	1408.5	1408.5	1408.54

		27	85	43	43	3
C	Gross Profit (A-B):	121.37	139.41	157.45	157.45	157.457
		32	52	72	72	2
	Taxes @ 30%	36.411	41.824	47.237	47.237	47.2371
		96	56	16	16	6
	Net Profit	84.961	97.590			
		24	64	110.22	110.22	110.22

The proposed unit will have the production capacity of 20 MT per day of cattle & poultry feeds. The unit cost of power is taken at Rs. 8. The depreciation on building is taken at the rate of 5% whereas for plant and machinery it is at 10%.

The average sales price of feed is taken at the rate of Rs.29, 000 per MT for proposed project.

15 BREAKEVEN ANALYSIS:

Break Even Point	
Annual Fixed Cost x100/	56
Annual Fixed Cost + Profit	.83

16 STATUTORY/ GOVERNMENT APPROVALS

There is statutory requirement of MSME & GST registration, IEC Code for Export of end products and local authority clearance may be required for Shops and Establishment, for Fire and Safety requirement and registration for ESI, PF and Labour laws may be required if applicable. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

17 BACKWARD AND FORWARD INTEGRATION

Backward integration is possible by doing own formulations of mineral mixtures required for poultry and cattle feed. Similarly forward integration may be done by establishing dairy farm or poultry unit.

18 TRAINING CENTERS/COURSES

The technology, knowledge and training are provided by turnkey supplier of plant and machinery for cattle and poultry feed.

Udyamimitra portal (link : www.udyamimitra.in) can also be accessed for handholding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship program helps to run business successfully is also available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

Disclaimer:

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.

Source:- Udyami Mitra/Sidbi