

BREAD PLANT

1. INTRODUCTION

Bread is one of the oldest prepared foods. Evidence is from 30,000 years ago in Europe. Bread is the staple food of the Middle East, North Africa, Europe, and in European-derived cultures such as those in the Americas, Australia, and Southern Africa, in contrast to East Asia where rice is the staple. Bread is usually made from wheat-flour dough that is cultured with yeast, allowed to rise, and finally baked in an oven.

2. PRODUCTS AND ITS APPLICATION:

Bakery products generally consumed as supplement foods (or breakfast food) in between the meal times. Bread and other bakery products are now consumed in almost in every Indian home and hotel. Bread also used to prepare sandwiches, bread toast, bread rolls, breadcrumbs etc. A huge consumption of bakery products because of mainly two reasons, firstly, they are ready-to-eat or convenience food to eat anywhere at any time and secondly, they can satisfy appetite

Capacity & Product-Mix

| SRN | Product | Unit | Qty. |
|-----|------------------------|------|-----------|
| 1 | 200g Bread Loaves/ day | Nbs | 10,000.00 |
| 2 | 400g Bread Loaves/ Day | Nbs | 10,000.00 |
| 3 | 800g Bread Loaves/ Day | Nbs | 2,500.00 |
| 4 | Buns, Pav, Pizza Base | Nbs | 2,500.00 |
| | Total | Nbs | 25,000.00 |

3. DESIRED QUALIFICATION FOR PROMOTER:

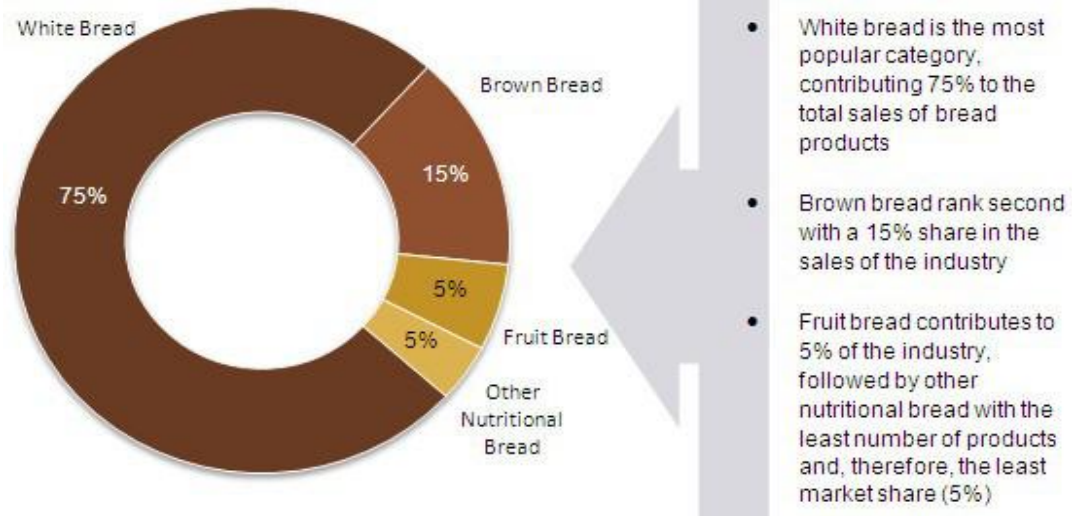
The promoter must be well versed with manufacturing process and market strategy for breads in that specific area where the plant to be set-up as being the shelf life of the product is just of 72 hours. The distribution network is very much important for this category of the product-group.

4. INDUSTRY OUTLOOK/TREND

Bread is a convenient food mainly consumed in urban areas. Moreover, many breakfast and snacks are prepared using bread. In India this trend is growing day by day and hence consumption is growing. It is estimated that bread consumption will increase at the rate of 10%.

5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

- The bread industry in India, valued at INR 33bn (~USD 0.53 bn) in FY 2015(E), grew at a CAGR of ~9% over the last three years. **Value Notes** estimates that the industry will be worth approximately INR 53bn (~USD 0.86bn) by FY 2020, growing at a CAGR of ~10%
- Demand for brown and fruit breads is estimated to increase further due to an increasing urban consumer base and a rise in health awareness about nutritional food/
- The bread industry in India, valued at INR 33bn (~USD 0.53 bn) in FY 2015(E), grew at a CAGR of ~9% over the last three years. **Value Notes** estimates that the industry will be worth approximately INR 53bn (~USD 0.86bn) by FY 2020, growing at a CAGR of ~10%
- Demand for brown and fruit breads is estimated to increase further due to an increasing urban consumer base and a rise in health awareness about nutritional food
- The per capita consumption of bread in India is only around 1.5 kg to 1.75 kg in various zones. The consumption pattern in four zones is: Northern States: 27%; Southern States: 32%; Western States: 23% and of Eastern States: 18 %



6. RAW MATERIAL REQUIREMENTS:

| Sr. No. | Raw Material | TPA |
|---------|--------------|-----------------|
| 1 | Maida | 1,734.10 |
| 2 | Yeast | 52.02 |
| 3 | Salt | 34.68 |
| 4 | Sugar | 104.05 |
| 5 | Fat | 34.68 |
| 6 | Water | 1,040.46 |
| | Total | 3,000.00 |

7. MANUFACTURING PROCESS:

Proper mixing of all ingredients in right proportion as per formula, followed by dividing the dough into required portion and then intermediate proofing is necessary. Thus prepared dough is then subject to molding, panning and followed by final proofing. Properly proofed or fermented dough loaves then baked at required temperature and time period. The baked loaves are then subject de-panning, followed by cooling, slicing and packing or wrapping.

8. MANPOWER REQUIREMENT:

| Manpower Requirements | Persons |
|-----------------------|---------|
| Technical Staff | 11 |

| | |
|-----------------|----|
| Adm. Staff | 8 |
| Marketing Staff | 15 |
| Labour | 60 |
| Total | 94 |

9. IMPLEMENTATION SCHEDULE:

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

10. COST OF PROJECT:

COST OF PROJECT

| No | Costing Heads | Qty. | Rate/Unit | Rest. Lakh |
|----|------------------------------|-------|-----------|---------------|
| 1 | Land in Sq. M. + Expenses | 2,000 | 1,000.00 | 20.00 |
| 2 | Building | 1,500 | 9,000.00 | 135.00 |
| 3 | Plant & Machinery | | | 142.00 |
| | Total Cost of Project | | | 297.00 |

11. MEANS OF FINANCE:

MEANS OF FINANCE

| Sr. No. | Means Heads | Rest. Lakhs |
|---------|-------------------------------|---------------|
| 1 | Promoters Capital | 74.25 |
| 2 | Term Loan | 172.75 |
| 3 | MFPI Subsidy | 50.00 |
| | Total Means of Finance | 297.00 |

12. WORKING CAPITAL CALCULATION:

| Particulars | Total Amount | Stock Period Days | Value of Stock Period | Promoter Margin | Promoter Share | Bank Borrowings |
|------------------|-----------------|-------------------|-----------------------|-----------------|----------------|-----------------|
| Raw Material | 461.62 | 15 | 23.08 | 0.60 | 13.85 | 9.23 |
| Packing Material | 60.00 | 30 | 6.00 | 0.75 | 4.50 | 1.50 |
| Work in Process | 808.31 | 3 | 8.08 | 0.40 | 3.23 | 4.85 |
| FP Stock | 990.00 | 15 | 49.50 | 0.40 | 19.80 | 29.70 |
| Bills Receivable | 990.00 | 15 | 49.50 | 0.40 | 19.80 | 29.70 |
| Working Expense | 25.00 | 30 | 2.50 | 1.00 | 2.50 | 0.00 |
| Total: | 3,334.93 | | 138.66 | | 63.68 | 74.98 |

13. LIST OF MACHINERY REQUIRED:

| Sr. No. | Machines | Qty. |
|---------|---------------------------------------|-------|
| 1 | Rotary Rack Oven (Bakery Oven) | 2 |
| 2 | Multi Trolley Bakery Oven | 1 |
| 3 | Bakery Proofer | 1 |
| 4 | Multi Trolley Proofer | 2 |
| 5 | Spiral Mixer | 2 |
| 6 | High Speed Bread Slicer | 2 |
| 7 | Planetary Mixer | 2 |
| 8 | Rounder | 2 |
| 9 | Dough Divider | 2 |
| 10 | Bread making machines | 2 |
| 11 | Moulder | 2 |
| 12 | Packing Machines | 2 |
| Sr. No. | Machines | Qty. |
| 13 | Gas Station & Pipeline | 1 Lot |
| 14 | Workshop Equipments | 1 Lot |
| 15 | Lab Equipments | 1 Lot |
| 16 | Fire Fighting Equipments | 1 Lot |
| 17 | Material Handling Equipments | 1 Lot |
| 18 | Effluent Treatment Plant | 1 Lot |
| 19 | Electrification, Transformer, DG etc. | 1 Lot |
| 20 | Miscellaneous Equipments | 1 Lot |

- Shankar Engineering Corporation
18, Rabindra Sarani,
Poddar Court,
Gate No. 2 3rd Floor,
Room No. 335,
Kolkata - 700001,
West Bengal
- A.g. Industries
H-240, Sector 2,
DSIDC Industrial Area,
Bawana Industrial Area Sector 2,
New Delhi - 110039

14. PROFITABILITY CALCULATIONS:

| Sr. No. | Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|----------|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| A | Gross Sales | 693 | 792 | 891 | 891 | 891 |
| | Less: | | | | | |
| 1 | Raw Materials, Rest. 1/lit | 323.134 | 369.296 | 415.458 | 415.458 | 415.458 |
| 2 | Packing Material | 42 | 48 | 54 | 54 | 54 |
| 3 | Fuel | 9.03 | 10.32 | 11.61 | 11.61 | 11.61 |
| 4 | Power | 35.28 | 28.224 | 45.36 | 45.36 | 45.36 |
| 5 | Manpower | 122.0076 | 137.6496 | 153.2916 | 153.2916 | 153.2916 |
| 6 | Sundry Expenses | 17.5 | 20 | 22.5 | 22.5 | 22.5 |
| 7 | Interest on Term Loan | 14.511 | 16.584 | 18.657 | 18.657 | 18.657 |
| 8 | Interest on WC Loan | 7.868 | 8.992 | 10.116 | 10.116 | 10.116 |
| 9 | Repairs & Maintenance | 7 | 8 | 9 | 9 | 9 |
| B | Production Cost | 578.3306 | 647.0656 | 739.9926 | 739.9926 | 739.9926 |
| C | Gross Profit (A-B): | 114.6694 | 144.9344 | 151.0074 | 151.0074 | 151.0074 |
| | Taxes @ 30% | 34.40082 | 43.48032 | 45.30222 | 45.30222 | 45.30222 |
| | Net Profit | 80.26858 | 101.4541 | 105.7052 | 105.7052 | 105.7052 |

The proposed unit will have the production capacity of 25,000 loaf per day. 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 bread is taken at the rate of Rs.13 per loaf for proposed project.

15. BREAKEVEN ANALYSIS:

| Break Even Point | |
|-------------------------------|-------|
| Annual Fixed Cost x100/ | 45.86 |
| Annual Fixed Cost + Profit | |

16. STATUTORY/ GOVERNMENT APPROVALS

There is statutory requirement of FSSAI license for setting up of food processing industry. Moreover, 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

Flour mill may be established when full capacity of bread making is utilized. In case of forward integration, more varieties of bread such as fruit bread, milk bread, whole wheat bread etc. may be introduced at appropriate time.

18. TRAINING CENTERS/COURSES

For food processing industry training and short term courses are available at Indian Institute of Food Processing Technology, Thanjavur, Tamil Nadu and Central Food Technological Institute, Mysore, Karnataka and Institute of Baking & Cake Art, Bangalore.

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