

PROJECT REPORT ON LAYER POULTRY

C O N T E N T S

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CHAPTER - I**HIGHLIGHTS OF THE PROJECT REPORT****A. ABOUT THE PROMOTER**

PARTICULARS	ABOUT THE PROMOTER
1. Name	: Shahvar Khan
2. Address	: Village Jasoi Dist-Muzaffarnagar
3. Contact number	: 9411032786
4. Date of birth	: 07-05-1981
5. Educational qualification	: M.Sc (Ag.)
6. Project location	: Jasoi
7. Professional Experience	: 1 Year
8. Constitution	: Proprietorship

B. PROJECT PROFILE (FINANCIAL)

PARAMETERS		VALUES
1. Proposed strain		High producing strains of birds available in the market
2. Unit size		5,000
3. Product		Eggs, Mannure etc
4. Cost of the project		2,234,346
5. Bank loan		1,675,760
6. Margin money		558,586
7. Financial Indicators		
	BCR at 15% DF	1.46:1
	NPW 15% DF(Rs.)	2,724,086
	IRR (%)	61.03
	DSCR	3.0
8. Interest Rate (% per annum)		12
9. Repayment period		5 years

CHAPTER - II

PROJECT DESCRIPTION

1.INTRODUCTION

Poultry industry is the fastest growing sector in Indian agriculture. Egg being an excellent source of proteins is fast becoming a favorite among urban Indians. India, today is the fourth largest egg producer in the world. The layer segment in India is all set to grow and is currently estimated at Rs. 10,000 crores (INR 100 billion). According to the Ministry of Agriculture, India's egg production is estimated at 47.3 billion eggs per annum. Today, with more and more 'eggitarians' on the rise, egg consumption is growing at 8% - 10% annually.

It is an important source of subsidiary income to small/marginal farmers and agricultural laborers. The manure from birds provides a good source of organic matter for improving soil fertility and crop yields. Since agriculture is mostly seasonal, there is a possibility of finding employment throughout the year for many persons through poultry farming. With the adequate infrastructural facilities especially for egg production has become increasingly popular in and around . The present demand in the area is more. It is increasing day by day & the present strength of the flock in the area is not in a position to meet the growing demand. include increased adoption of integrated farming system, contact farming, awareness of people about diet and health, cost effectiveness of poultry meat compared to other meat, its low fat content, superior protein quality and change of life style of the people are also responsible for spectacular development of Poultry Sector.

2.OBJECTIVE

To meet the growing demand of eggs, I intended to establish a layer poultry farm.

3.LOCATION

The proposed unit will be located on a piece of land which is almost leveled & is well connected to approach road. Electricity is an essential component for poultry farming as it is required for brooding of chicks and pumps used for water supply as well as lighting of the area. It is available near the farm site. In the absence of assured of water supply, a tube well/ hand pump is proposed on the farm. Underground water is adequately available & is of good quality.

4.HOUSING

Provision has been made for the construction of a brooder-cum-grower house measuring at a rate of 1 sq feet in a case of layer. Besides it, the farm will have a small store room, office & servants quarters. Construction of house will be pukka with asbestos roofing. Provision has also been made for the construction of built in laying nests. The installation of a tube well & laying of pipeline is also to be done.

5.EQUIPMENT

Standard equipments are available from various equipment manufacturers located in the nearby city.

6.CHICKS

One day old commercial hybrid chicks are available from the hatcheries. In order to cover transportation, hatchery is supplying 3 percent extra chicks. Chicks will be vaccinated against Rd & Marek's at source. Chicks will be purchased in lots at regular intervals.

7.FEEDS

Company will provides feeds require to birds on contract basis.

8.MEDICINE & VETERINARY AID

The person who will be looking after the day-to-day management of the farm is conversant with the use of medicines. In cases of need, the sick birds will be taken to the disease investigation laboratory located in town. For various operations like vaccination, debeaking etc. a poultry specialist visits the area at regular intervals.

CHAPTER - III

MARKET POTENTIAL

India is the third-largest egg producer after China and USA. The overall global demand for eggs is growing, more in India. With rapidly changing lifestyles, affluent culture, and a conscious need for general wellness, Indian consumers are now opting for a more protein-rich diet. The changing trends are definitely a boon for the layer sector in India.

Today, India's per capita egg consumption is at 41 eggs per annum. Over the last couple of years, the per capita consumption of eggs has increased at an aggregate of 4% with a majority consumption recorded in the urban areas. Efforts to promote egg consumption are in place by layer farming community in India to achieve 180 eggs per annum in the coming years. Keeping this target in mind, the requirement for production is estimated at 18,000 crores (180 billion) eggs, while the current rate is capable of achieving only 46.2 billion eggs. This provides for a huge opportunity to tap into. With rapid urbanization, and increasing demand from the present 250 million economically strong, consumer market base, the future is only bright for the layer sector in India.

Affluent lifestyles and rapid development in the retail and food service industries is expected to fuel the growth as targeted by The National Committee on Human Nutrition in India. Adding to this is the health conscious Indian shifting from a carbohydrate to a protein-rich diet.

In addition, the Indian consumers' preference is increasing for clean, safe, hygienic nutritious and properly packed, labeled and presentable food products including eggs. Introduction of modern state of-the-art technology in processing, packaging, labeling, preservation of eggs is required to improve 'quality' for domestic and export markets. With economic liberalization and free trade under WTO, the domestic products have to maintain 'quality' to face the stiff competition from imported foreign poultry food products. Also, the demand for branded or specialty eggs is fast growing at an estimated rate of 40 – 50% per annum. Branded or specialty eggs offer innovative products to the consumer. These range from eggs that are low in cholesterol, to those fortified with vitamins, protein, iron and other everyday essential nutrients. This category is growing steadily in large cities with a huge potential consumer base.

CHAPTER - IV

EXTENSION ACTIVITIES

1. Starting a Poultry farming business requires planning and preparation. Before starting a Poultry 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 Poultry farming to farmers both onsite and off-site. During training program special thrust feed management & birds health (medications and vaccinations used) & kind of records to be kept in the farm will be also given. 2. For the farmers of nearby locality, visits will be arranged on my poultry farm & they will be educated on scientific lines regarding various aspects of poultry farm management. It will help them to improve their knowledge and skill regarding scientific Poultry farming practices so as to enable them to adopt the same. 3. Consultancy will be provided for setting up of model units of poultry farm. 4. I will take Initiatives to strengthen linkages between State Departments, Poultry Development agencies, NGO's and farmers. 5. For farmers who have decided to avail loan from bank for Poultry farming, assistance will be provided to prepare their bankable project report. 6. For the marketing of poultry birds, farmers will be provided necessary support & guidance. 7. Visits of Poultry farmers will be arranged to Poultry exhibitions with the prime objective of exposing them the technological innovations. 8. Nowadays internet has become important tool to get latest information. There are various websites available on Poultry farm which provides useful content. This information will be shared to farmers. 9. I will organize field visits of Poultry farmers to progressive farmers & research stations which will motivate them to adapt good poultry farm practices.

CHAPTER - V

SWOT ANALYSIS

Strengths:

- Poultry has the potential to meet the protein requirements of a nation where malnutrition is rampant- since both eggs/broilers are a good source of protein.
- Helps to augment the income of the rural masses. Thus improve the socio-economic status of rural population.
- Poultry is one of the most efficient converters of plant products / waste into edible food that can in some measure tackle the problem of malnutrition especially in a country like India.
- Unlike other meat (beef, pork) which have religious taboos-chicken is widely accepted in India and is cheaper than goat meat.
- Poultry litter has high manure value and can be used in agriculture activities.
- It has tremendous potential to create non – farm employment and check migration from rural to urban areas.
- Generates relatively quick returns with low investment requirements.

Opportunities:

- Present per capita Unlike other meat (beef, pork) which have religious taboos-chicken is widely accepted in India and is cheaper than goat meat. Consumption in India is increasing day by day, therefore there is large scope for poultry farming.
- Besides this, India has also great potential to exploit the international market.
- The increasing awareness of the need for balanced nutrition has led to changes in the eating habits with vegetarians accepting eggs as a part of their diet compared to all other

Weakness

- Poultry farming is labor intensive.
- A peculiar feature of the poultry industry is that it is highly fragmented
- Poor transport, infrastructure and lack of cold chain facilities currently limit the feasibility of handling significant volumes of chilled or frozen products.
- Low growing charges coupled with the cost of making investments in the infrastructure such as sheds, feeders, breeders, heating and cooling systems result in a low income for farmers.
- The stringent mortality norms (only a 5% mortality is permitted in most integration contracts-else the farmer gets penalized and is offered a lower rate) leaves the farmers in a vulnerable position and with no avenue to voice their grievances.

Threats

- Natural calamities
- If adequate health precautions are not taken infectious/ contagious diseases can be spread. The recent avian flu has spread a wave of panic across the globe. The other aspects that have dragged the poultry industry are the recent SARS and Ebola and also the older diseases like tuberculosis and malaria.
- Shortage in major feed ingredient i.e., maize, which constitutes more than 50 percent of feed rations. Therefore, even a small increase in costs can wipe out the profits.

CHAPTER - VI
ECONOMIC OF THE PROJECTS

A.BASICS AND PREASUMPTIONS

PARTICULARS	UNIT	QUANTITY
I. Techno-economic parameters		
1. Number of birds	Nos.	5,000
2. Batches per year	Nos.	2
3. Batch size		2,500
4. Birds considered for laying		2,500
5. Birds considered for culling		2,250
6. Brooding cum growing period (weeks)		20
7. Laying period (weeks)		52
8. Type of housing		Deep Litter
9. Space require per birds in brooder cum grower house	Sq.ft.	1
10. Floor space per bird in layer shed (cage system)	Sq.ft.	0.8
11. Repayment period	Years	5
12. Rate of interest for bank loan	%	12
II. Expenditure norms		
1. Cost of construction of brooder cum grower shed	Rs./sq.ft	125
2. Cost of construction of Layer shed	per sq.ft	140
3. Cost of construction of store room	Rs./sq.ft.	250
4. Cost of cages for layers	Rs./birds	90
5. Feeders, waterers and dressing equipment	Rs./Chicks	20
6. Cost of day old Chicks	Rs./bird	40
7. Feed requirement during laying-52 weeks laying	Rs./bird	21
8. Feed requirement during growers-20 weeks	Rs./bird	6
9. Chick/grower mash	Rs./kg.	14
10. Cost of layer mash	Rs./kg.	12
11. Medicine, vaccine, labour & misc charges	Rs./bird	8
12. Insurance	Rs./bird	1
III. Income norms		
1. Number of eggs produced per bird	Eggs per cycle	300
2. Selling price of egg	Rs./egg	3
3. Selling price of culled birds	Rs./bird	70
4. Income from manure & gunny bags	Rs./bird	22

B. TOTAL COST OF PROJECT

PARTICULARS	UNIT	UNIT RATE	QUANTITY	AMOUNT
		in Rs.		in Rs.
I. Capital Cost				
Land				Own
Site development	Ls.			50,000
Construction of brooder cum grower shed (deep litter)	Sq.ft.	125	2,500	312,500
Construction of layer sheds (under cage system)	Sq.ft.	140	4,000	560,000
Store room	Sq.ft.	250	100	25,000
Brooder cum grower equipment	Rs./chicks	20	2,500	50,000
Laying house (cage)	Nos.	90	3,750	337,500
Water supply system (Bore well, Electric motor pump set - 1 HP, water tank and pipeline)	Ls			50,000
Contengencies	%	5		<u>69,250</u>
			TOTAL (A)	1,454,250
II. Recurring Expenditure				
Cost of day old Chicks	Rs./bird	40	5,000	200,000
Grower feed for first two bacthes				420,000
Layer feed @ 25% of first batch				115,096
Medicine, vaccine, labour & misc charges	Rs./bird	8	5,000	40,000
Insurance	%	1	5,000	<u>5000</u>
			TOTAL (B)	780,096
TOTAL COST OF PROJECT			TOTAL (A+B)	2,234,346

C. MEANS OF FINANCE

PARTICULARS	UNIT	UNIT RATE	AMOUNT Rs.
1. Term loan	%	75	1,675,760
2. Own contribution	%	25	<u>558,586</u>
		TOTAL	2,234,346
3. Subsidy entitlement @36% from NABARD under AC & ABC Scheme			804,365

D. PROJECTED PROFITABILITY**1. Flock chart**

Years	I Year	II Year	III Year	IV Year	V Year
Nos. of batches purchased	2	2	2	2	2
Nos. of brooder cum grower weeks	40	40	34	34	34
Nos. of layer weeks	38	72	72	72	72
Nos. of batches culled	0	2	2	1	3

2. PROJECTED PROFITABILITY

(Value in Rs.)

PARTICULARS	UNIT	UNIT RATE	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR
I. INCOME							
a.Sale of eggs							
Production of eggs	Nos.		414,960	786,240	786,240	786,240	786,240
Rate of egg	Rs./egg		3	3	3	3	3
Total sale of eggs	Rs.		1,244,880	2,358,720	2,358,720	2,358,720	2,358,720
b.Sale of culled Birds							
Culled birds	Kg.		0	4,500	4,500	2,250	6,750
Rate of culled Birds	Rs./Kg.		0	70	70	70	70
Total sale of culled Birds	Rs.		0	315,000	315,000	157,500	472,500
c.Sale of manures & gunny bags	Rs./bird	22	110,000	110,000	110,000	110,000	110,000
c. Interest on subsidy @ 6%			48,262	48,262	48,262	48,262	-
d. Subsidy			-	-	-	-	804,365
		TOTAL(A)	1,403,142	2,831,982	2,831,982	2,674,482	3,745,585
II. EXPENDITURE							
Cost of day old Chicks	Rs./bird	40	200,000	200,000	200,000	200,000	200,000
Cost of feed- Growing stage	Rs./kg	14	420,000	420,000	357,000	357,000	357,000
Cost of feed- Laying Stage	Rs./kg	12	460,385	872,308	872,308	872,308	872,308
Medicine, vaccine, labour & misc charges	Rs./bird	8	40,000	40,000	40,000	40,000	40,000
Insurance	Rs./bird	1	5,000	5,000	5,000	5,000	5,000
		TOTAL(B)	1,125,385	1,537,308	1,474,308	1,474,308	1,474,308
III. NET INCOME		TOTAL(A+B)	277,757	1,294,674	1,357,674	1,200,174	2,271,277

E. FINANCIAL ANALYSIS

(Value in Rs.)

PARTICULARS	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR
Capital costs	1,454,250				
Recurring costs	1,125,385	1,537,308	1,474,308	1,474,308	1,474,308
TOTAL COST	2,579,635	1,537,308	1,474,308	1,474,308	1,474,308
Benefit	1,403,142	2,831,982	2,831,982	2,674,482	3,745,585
Depreciated value of buildings @10%					525,486
Depreciated value of equipments @15%					187,469
TOTAL BENEFIT	1,403,142	2,831,982	2,831,982	2,674,482	4,458,540
NET BENEFIT	-1,176,493	1,357,674	1,357,674	1,200,174	2,984,232
Discounting factor @15%	0.87	0.76	0.66	0.57	0.5
NPV cost at 15% DF	2,244,282	1,120,474	973,043	840,356	737,154
NPV benefits at 15% DF	1,220,734	2,152,306	1,869,108	1,524,455	1,872,793
NPW at 15% DF	2,724,086				
BCR at 15% DF	1.46:1				
IRR%	61.03				

F. TERM LOAN REPAYMENT

Rate of interest - % per annum : 12

Opening balance of term loan : 1,675,760

(Value in Rs.)

Year	Loan Outstanding	Net Income	Principal	Interest	Total Repayment	Net Surplus	DSCR
1	1,675,760	277,757	335,152	201,091	536,243	-258,486	0.5
2	1,340,608	1,294,674	335,152	160,873	496,025	798,649	2.6
3	1,005,456	1,357,674	335,152	120,655	455,807	901,867	3.0
4	670,304	1,200,174	335,152	80,436	415,588	784,586	2.9
5	335,152	2,271,277	335,152	40,218	375,370	1,895,907	6.1
						Average DSCR	3.0