

FARM MODEL OF DAIRY UNIT OF 10 BUFFALOES

Owner:-

Address: - (Village), (Mandal),
(Dist)

Name of the Bank: -

TECHNO-FINANCIAL ASSUMPTIONS

Components:-

Type Of Animal	Buffaloes
No of animals	10
Cost of animal(including transportation and insurance) (Rs/-)	35,000
Average milk yield (liters/day)	8
Selling price of milk/lit (Rs/-)	21
Sale of manure/animal/year (Rs/-)	500
Culled value/ animal at the end of fifth lactation (Rs/-)	10,000
Veterinary aid /animal/year	500
Rate of interest (%)	12
Residual value of shed and equipment to be taken(yes/no)	N0
Repayment period(years)	3
% Of net surplus towards repayment	80

Feeding Schedule:-

	Lactation Period		Dry Period &	
	Quantity(Kg)	Cost	Quantity(Kg)	Cost
i. Concentrate Feed (Rs.10/Kg)				
For milk (1 kg/3 litre)	4	40	0	0
For Maintenance+preg.	1	10	1.5	15
ii. Green Fodder	20	0	20	0
iii. Dry Fodder(Rs.3/Kg)	5	15	5	15

Particulars	Cost (Rs.)
A. Capital Cost	
Cost of Crossbred Cows including transport cost & Insurance cost (10animals; Rs. 35,000 each)	3,50,000
Shed for adult animals (40 sq.ft/animal; Rs. 80/sq.ft)	48,000
Equipment cost	20,000
Cost for fodder cultivation(for 1 acre)	15,000
B. Working capital	
Cost of Feeding first animal for one month	12,000
Total	4,45,000

- Based on the Norms the funding for dairy unit was as follows

Total Project Cost	4,45,000
Margin Money (Borrower/company)	75,000
Bank Loan	3,70,000

- Based on an inter-calving period of 400 days (250 lact.days + 150 dry days), the lactation chart for the animal farm is given below.

Year	I Batch		II Batch		Total	
	Lactation days	Dry days	Lactation days	Dry days	Lactation days	Dry days
I	1250	575	900	0	2150	575
II	1400	425	1075	750	2475	1175
III	1325	500	1075	750	2400	1250
IV	1075	750	1075	750	2150	1500
V	1075	750	1325	500	2400	1250

Projected Profitability:-

Particulars	I year	II year	III year	IV year	V year
Income:					
By sale of Milk	3,61,200	4,15,800	4,03,200	3,61,200	4,03,200
By sale of Manure	3,750	5,000	5,000	5,000	5,000
Total	3,64,950	4,20,800	4,08,200	3,66,200	4,08,200
Expenditure:					
concentrated feed	1,01,250	1,35,500	1,32,500	1,22,500	1,32,500
Dry Fodder	40,875	54,750	54,750	54,750	54,750
On Veterinary Aid	3,750	5,000	5,000	5,000	5,000
Total	1,45,875	1,95,250	1,92,250	1,82,250	1,92,250
Net Income	2,19,075	2,25,550	2,15,950	1,83,950	2,15,950

Financial Analysis:-

Particulars	I year	II year	III year	IV year	V year
Cost:					
Capital Cost	4,45,000				
Recurring cost	1,45,875	1,95,250	1,92,250	1,82,250	1,92,250
Total Cost	5,90,875	1,95,250	1,92,250	1,82,250	1,92,250
Benefits	3,64,950	4,20,800	4,08,200	3,66,200	4,08,200
Residual value					1,00,000
Total Benefit	3,64,950	4,20,800	4,08,200	3,66,200	5,08,200
Net Benefit	-2,25,925	2,25,550	2,15,950	1,83,950	3,15,950
Discount Factor at 15 %	0.87	0.76	0.66	0.57	0.50
BCR	1.41: 1				
NPV	3,78,339				
IRR	>50% (91.70 %)				

Repayment Period:-

Year	Loan Outstanding	Interest (12%)	Net Profit	Repayment of Principal	Total Repayment	Net Surplus
1	3,70,000	44,400	2,19,075	1,19,906	1,64,306	54,769
2	2,50,094	30,011	2,25,550	1,39,151	1,69,163	56,388
3	1,10,943	13,313	2,15,950	1,10,943	1,24,256	91,694
4	0	0	1,83,950	0	0	1,83,950
5	0	0	3,15,950	0	0	3,15,950