

PROJECT REPORT TO START (100 No.) NELLORE RAM LAMBS UNIT

Pre-requisites to start a Ram lamb unit

Unit size	:	100 Nellore ram lambs
Rearing System	:	Semi-intensive / Intensive
Cost of Nellore ram lamb (3 m. age):	:	Rs.1800/-
Duration of the batch	:	6 months
Housing	:	Covered area about 800 SFT, open area 2400 SFT and Store and office area 120 SFT (Floor space requirement: approx. 0.5 SFT per young stock in covered area)
Specifications of the shed	:	Oriented North-South length wise
Covered area of the shed:	:	800 SFT = Length 40' x Width 20' x Height 10' with 5' collapsible gate/shed, centrally located
Continuous feed manger in the covered area	:	Length 40' x Width 2' x Depth 18'' Made up of bricks & smooth finished with cement
Movable RCC feed troughs in the paddock	:	5 Nos. each (Length 10' x Paddock area width 18'' x Depth 18''). The feed trough should be located 6-9'' above the ground level
Water trough in the paddock	:	Length 10' x Width 4' x Depth 2' Made up of brick & smooth finished with cement at 2-3 locations
Flooring	:	(a) 9'' gravel in the covered area and also in the paddock area or alternatively (b) Cement flooring in the covered area and 9'' gravel in the paddock area
Cost of housing	:	Rs.200/- per SFT for construction of shed with thatched roofing (Rs.220/- per SFT, if Asbestos sheet used as roof material) and fencing around the open area with the chain link wire mesh
Water, electricity, chaff cutter & other equipment	:	Rs. 400/- per animal
Loan amount	:	75% of the capital investment
Fodder production	:	2 acres irrigated land Cultivation charges @ Rs 3000/- per acre
Daily fodder requirement:	:	3 - 4 kg /sheep
Cost of concentrate mixture	:	Rs.10/- per kg
Labour:	:	1 laborer required @ Rs. 3000/- per month
Veterinary aid and miscellaneous	:	Rs. 6,000/- per annum (entire unit)
Insurance	:	4% of cost of animal (or) Under Sheep Insurance Scheme of Govt. of AP Rs. 30/- per animal/annum
Mortality rate	:	5%
Manure production	:	0.5 kg/day/animal
Sale price live weight	:	Rs. 120/- per kg
Sale price of manure	:	Rs. 500/- per tonne
Interest on loan	:	9 % per annum
Miscellaneous charges	:	Rs. 6,000/- per annum (entire unit)

I. Capital expenditure/non-recurring expenditure (Rs.)

Cost of housing + Fencing	:	1,93,000
Cost of construction of stores and office	:	26400
Water, electricity, chaff cutter & other equipment	:	40,000
Total capital expenditure	:	2,59,400

II. Recurring expenditure (Rs.)

Cost of 100 Nellore ram lambs	:	1,80,000
Cost of fodder cultivation (2 acres X 3000/-)	:	6,000
Feed cost: Ram lambs:100 X 0.12 kg X 180 days = 2.16 tonnes @ Rs. 10,000/- per ton	:	21,600
Labour cost per 6 months	:	18,000
Insurance charges (SIS of Govt. of AP)	:	3,000
Veterinary aid	:	6,000
Miscellaneous charges	:	6,000
Total	:	2,40,600
Total Expenditure (Capital + Recurring)	:	5,00,000
Bank Loan amount	:	4,00,000
Margin money (25%)	:	1,00,000

III. Income (Rs.)

Sale of lambs for Mutton or breeding(95 x 28 kg x Rs.120/- kg)	:	3,19,200
Insurance amount for dead animals (5 Ram lambs)	:	9,000
Sale of manure (0.5 ton X 95 ram lambs X Rs.500/- per ton)	:	23,750
Miscellaneous- sale of seed, gunnies, skins etc.,	:	2,000
Gross Income (Rs.)	:	3,53,950

Gross profit per annum (Rs.): 3,53,950 – 2,43,600 = 1,10,350

If two batches are run in a year, Rs. 1,10,350/- x 2 batches = Rs. 2,20,700/- will be the gross profit per annum.

IV. Bank Loan Repayment Schedule (Rs.)

Item	I - Year	II - Year	III - Year	IV - Year	V - Year
Net profit per year	2,20,700	2,20,700	2,20,700	2,20,700	2,20,700
Repayment installment	80,000	80,000	80,000	80,000	80,000
Interest	36000	28,800	23,400	14,400	7,200
Installment and Interest	1,16,000	1,08,800	1,03,400	94,400	87,200
Net profit at the end of the year	1,04,700	1,11,900	1,17,300	1,26,300	1,33,500