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: 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'
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
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 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.)

<table>
<thead>
<tr>
<th>Item</th>
<th>I - Year</th>
<th>II - Year</th>
<th>III - Year</th>
<th>IV - Year</th>
<th>V - Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit per year</td>
<td>2,20,700</td>
<td>2,20,700</td>
<td>2,20,700</td>
<td>2,20,700</td>
<td>2,20,700</td>
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<tr>
<td>Repayment installment</td>
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<tr>
<td>Interest</td>
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<td>28,800</td>
<td>23,400</td>
<td>14,400</td>
<td>7,200</td>
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<tr>
<td>Installment and Interest</td>
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<td>1,08,800</td>
<td>1,03,400</td>
<td>94,400</td>
<td>87,200</td>
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<tr>
<td>Net profit at the end of the year</td>
<td>1,04,700</td>
<td>1,11,900</td>
<td>1,17,300</td>
<td>1,26,300</td>
<td>1,33,500</td>
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</tbody>
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