

Sample Project Report On
Goat Farming



SUBMITTED BY

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SUBMITTED UNDER

NABARD SCHEME FOR ANIMAL HUSBANDRY

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CHAPTER – I

ABOUT THE PROMOTER

1. Name : PKC AGRO
2. Address : ATAURANGABAD
3. Contact Number : 9921571234
4. Date of Birth : 15/06/1992
5. Educational Qualification : AGRO
6. Project Location : AURANGABAD
7. Constitution : Proprietorship
8. Experience : AVAILED TRAINING AT PANDURANG KRUSHI



CHAPTER – II

PROJECT DESCRIPTION

Introduction

Goat is a multi functional animal and plays a significant role in the economy and nutrition of landless, small and marginal farmers in the country. Goat rearing is an enterprise which has been practiced by a large section of population in rural area. Goats can efficiently survive on available shrubs and trees in adverse harsh environment in low fertility lands where no other crops can be grown. In pastoral and agricultural subsistence societies in India, goat is kept as a source of additional income and as an insurance against disaster. Goats are among the main meat-producing animals in India, whose meat is one of the choicest meats and has huge domestic demand. The emerging favorable market conditions and easy accessibility to improved goat technologies are also catching the attention of entrepreneurs. Due to its good economic prospects, goat rearing under intensive and semi-intensive system for commercial production has been gaining momentum. A number of commercial goat farms have been established in different regions of the country.

Production Technology

Project Location:

Goat farm is located in the area where assured market round the year is available. It is easily accessible to the main road.

Housing:

Low cost housing will be constructed in such a way in a raised platform (about 1 meter height from ground level) by using bamboo/wooden poles or 'pakka' building by establishing concrete pillars. Floor and side walls will be made of wooden material. Roof will be thatched with coconut leaves, grass or asbestos sheets. . Average floor space per kid is 0.75 to 1 sq. meter. Floor should have at least 1 cm space between bamboos/wooden planks to allow passage of dung and urine down to the ground.

Feed & Fodder cultivation:

Fertile land with assured irrigation facilities is available so that fodder crops could be successfully raised and abundant good quality green fodders will be made available for animal feeding throughout the year.

Water:

Good quality fresh water for animal drinking and for the cleaning, washing etc. is available

Labour:

Honest, economic and regular supplies of labours are available.

Veterinary Aid:

Veterinary aid/breeding centers facilities is availability near the goat farm.

CHAPTER – III

MARKET POTENTIAL

In India goat meat is preferred by all. Indians' love for goat meat has led to the commodity's price increasing at 20% per annum. The demand for goat meat is increasing faster than the growth in goat population.

The goat meat is a high protein diet with high nutritional value. The goat meats are widely used in various hotels and restaurants. It is also used at special occasions like parties and marriages.

Direct marketing of animals is highly profitable. Involvement of middleman can reduce the price of animals. There is also scope for exporting Frozen Goat Meat.

There is always good opportunity for goat owners during Bakri Id festival. There is a mad rush of customers looking for goats during this festive period, which they would sacrifice on Bakri Id day. The prices goat goes high varying between Rs 3,000 and Rs 40,000 per goat.

As the demand far exceeds supply, goat meat prices have been increasing steadily. This increased price has created a need and opportunity for a large scale organized and scientific method of goat rearing in controlled conditions (Stall-Fed method).



CHAPTER – IV

SWOT ANALYSIS

Strengths:

- Low labour requirement.
- Goat is a multi functional animal and plays a significant role in the economy and nutrition of landless, small and marginal farmers in the country
- Goats can efficiently survive on available shrubs and trees in adverse harsh environment in low fertility lands where no other crop can be grown.
- The initial investment needed for Goat farming is low.
- No religious taboo against goat slaughter and meat consumption prevalent in the country.
- Goat milk is easy to digest
- Goat creates employment to the rural poor besides effectively utilizing unpaid family labor.
- Goats are strong creatures that are able to resist various diseases
- Since goats are relatively small in size, the facilities and amenities to support them are also minimal
- Goats generally love being with humans and they are extremely docile.
- They have a high fertility rate achieving maturity with just 5 to 6 months. The probability of producing twins is high.
- Risk associated with drought is less in commercial goat farming compared to other livestock breeds.
- Goats are good instruments to enhance the health of the grazing land and minimize encroachment of bushes.
- Goat meat is a great appeal to the public because of the health benefits it provides to its consumers. It is extremely low in fat, cholesterol and calories. This is good for people who have low energy diet scheme.

WEAKNESS:

- Large-scale, organized goat farming has not yet become a successful venture in the country.
- High mortality rate of goat kids

OPPORTUNITY:

- High and ready market of goat meat
- Confirmed ever increasing Market price.

THREATS:

- The goat population is increasing & according to the government census, declining grazing land poses a big challenge to the industry.

CHAPTER- V
ECONOMICS OF THE PROJECT

A. Project Profile (Financial)

Sr. No.	Paramaters	Value
1	Breed	Osmanabadi
2	Unit Size	
	Doe	50
	Buck	10
3	Product	Kids, Mannur etc .
4	Cost of the project (Rs.)	1,000,000
5	Bank loan (Rs.)	800,000
6	Margin money (Rs.)	200,000
7	Financial Indicators	
	BCR at 15% DF	1.34 :1
	N P W at 15% DF (Rs.)	610,978
	I R R %	29.43
	Average DSCR	2.8
8	Interest Rate (% per annum)	0.0
9	Repayment Period	6 years including one year grace period



B. BASIS & PRESUMPTIONS

Sr. No.	Particular	Unit	Quantity
I. Techno-economic parameters			
	Breed of Goat		Osmanabadi
	System of rearing		Semi intensive
	No. of Does		50
	No. of Bucks		10
	Age at Maturity	Months	10 to 12
	Kidding interval	Months	8
	No of kidding	per year	1.5
	Kidding percentage	%	80
	Average litter size (average of single, twinning, Triplet, quadruplet)		2
	Sex ratio		1.1
	Mortality(%) Kids	%	20
	Saleable age of kids	months	11
	Payback period		6 years including moratorium for the 1st year
II. Expenditure norms			
	Space requirement per head for Buck	sq ft.	15
	Space requirement per head for doe	sq ft.	15
	Space requirement per head for kid	sq ft.	4
	Cost of construction of sheds for buck, doe & kid	Rs. Per sq. f	120
	Cost of one Doe (Female)	Rs.	9,000
	Cost of one Buck (Male)	Rs.	10,000
	No of unskilled labour	Nos.	1
	Cost of one unskilled labour per annum	Rs.	72,000
	Cost of Chaff of cutter- 1 nos.	Rs.	10,000
	Requirement of concentrate feed per adult animal per month	Kg.	10.5
	Requirement of concentrate feed per kid per month	Kg.	4.5
	Rate of concentrate per kg	Rs.	11
	Misc, expenditure i.e. vaccine medicine and veterinary aid per animal per year	Rs.	100
	Electricity and Water supply per month	Rs.	1,000
	Rate of interest for bank loan	(%)	12
	Own contribution in project cost	(%)	25
III. Income norms			
	Sale price of Buck/(11month)	Rs.	6,000
	Sale price of Doe/(11month)	Rs.	5,500

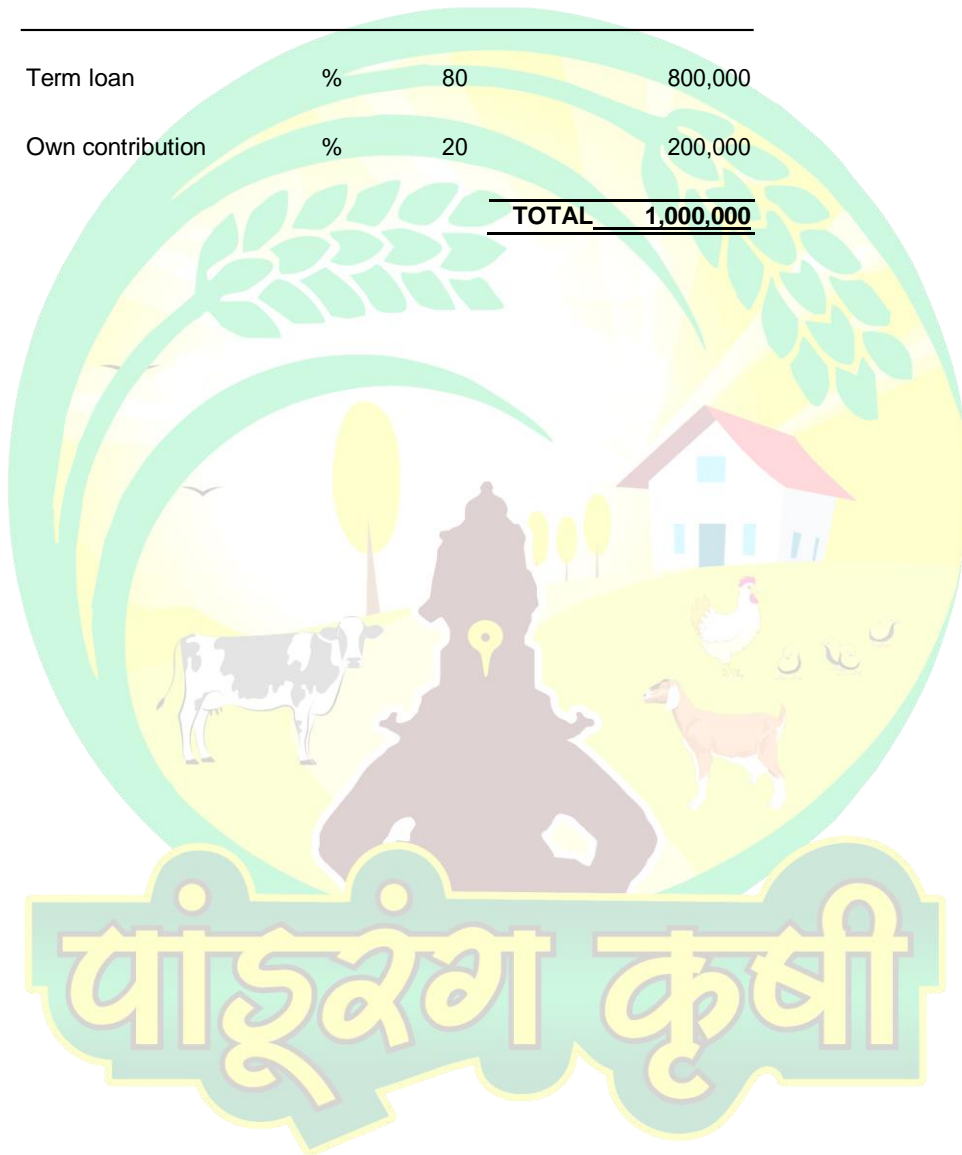
C. TOTAL COST OF PROJECT

Sr. No.	Particular	Unit	Unit rate	Quantity	Amount in Rs.
I.	Capital Cost				
1	Land				Own
2	Site development	Ls			50,000
3	Cost of Does	Nos.	9,000	50	450,000
4	Cost of Bucks	Nos.	10,000	5	50,000
5	Shed for Does	Sq.ft..	120	750	90,000
6	Shed for Bucks	Sq.ft..	120	75	9,000
7	Shed for Kids	Sq.ft..	120	750	90,000
8	Equipments for feeding- ghamele & other	Nos.	100	55	5,500
9	Chaff cutter	Nos.	10,000	1	10,000
11	Rope, Chains	Ls			4,500
12	Water storage and distribution	Ls.			6,838
13	Contengencies	%	5		38,292
					804,130
II.	Working Capital (for one year)				
1	Fodder cultivation	acre/ season	10,000	1	10,000
2	Concentrate feeds	kg/year	11	900	9,900
3	Cost of concentrate feed for kids	kg/year	11	270	2,970
4	Wages for labour	One year	72,000	1	72,000
5	Insurance	%	5		25,000
6	Misc, expenditure i.e. vaccine medicine and veterinary aid	per animal per year	100	60	6,000
7	Electricity and Water supply	per animal per year	1,000	60	60,000
8	Transport charges	Ls.			10,000
					195,870
	TOTAL				1,000,000



D. MEANS OF FINANCE

Particular	Unit	Quantity	Amount in Rs.
Term loan	%	80	800,000
Own contribution	%	20	200,000
TOTAL			1,000,000



E. PROJECTION OF PERFORMANCE & PROFITABILITY

I. Flock Production Chart

Particular	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
No. of kidding/year	1.5	1.5	1.5	1.5	1.5	1.5
No. of kids born male	75	75	75	75	75	75
No. of kids born female	75	75	75	75	75	75
No of kids died male 20%	15	15	15	15	15	15
No of kids died female 20%	15	15	15	15	15	15
No. of male kids available for sale	Kids produced in first year will be sold in second year & so on		60	60	60	60
No. of female kids available for sale	-	60	60	60	60	60

II. Projected Profitability

Sr. No.	Particular	Unit	Unit rate in Rs.	Quantity	I year	II year	III year	IV year	V year	VI year
I. Income										
	From sale of male goats	buck	6,000	60	-	360,000	360,000	360,000	360,000	360,000
	From sale of female goats	doe	5,500	60	-	330,000	330,000	330,000	330,000	330,000
	Mannure	tonne	5,000	10	50,000	50,000	50,000	50,000	50,000	50,000
	TOTAL (A)				50,000	740,000	740,000	740,000	740,000	740,000
II. Expenditure										
	Concentrate feeds	Rs./kg	11	6,300	69,300	76,230	76,230	76,230	76,230	76,230
	Concentrate feeds for kids	Rs./kg	11	3,240	35,640	39,204	39,204	39,204	39,204	39,204
	Fodder cultivation	acre/ year	30,000	1	30,000	30,000	30,000	33,000	33,000	33,000
	Unskilled workers	Nos.	60,000	1	60,000	66,000	66,000	66,000	66,000	66,000
	Misc, expenditure i.e. vaccine medicine and veterinary aid	animal	100	170	17,000	17,000	17,000	17,000	17,000	17,000
	Insurance of animals	%	5		25,000	25,000	25,000	25,000	25,000	25,000
	Electricity and Water supply	per month	1,000		12,000	12,000	12,000	12,000	12,000	12,000
	Repairs & Maintenance	per month	1,000		12,000	12,000	12,000	12,000	12,000	12,000
	Transport charges	Ls.	-		10,000	11,000	12,100	13,310	14,641	16,105
	TOTAL (B)				270,940	288,434	289,534	293,744	295,075	296,539

III. Net Income

TOTAL (A-B)

-220,940

451,566

450,466

446,256

444,925

443,461



E. Financial Analysis

Particulars	I year	II year	III year	IV year	V year	VI year
Capital Costs	804,130					
Recurring cost	270,940	288,434	289,534	293,744	295,075	296,539
Total Cost	1,075,070	288,434	289,534	293,744	295,075	296,539
Benefit	50,000	740,000	740,000	740,000	740,000	740,000
Depreciated value of buildings, fencing, borewell etc. @ 10%						110,660
Depreciated value of equipments @ 15%						8,570
Closing stock value (adults & kids)						333,735
Total Benefit	50,000	740,000	740,000	740,000	740,000	1,192,965
Net Benefit	-1,025,070	451,566	450,466	446,256	444,925	896,425
Discounting Factor@ 15%	0.87	0.76	0.66	0.57	0.50	0.43
NPV cost at 15% DF	935,311	219,210	191,092	167,434	147,538	127,512
NPV benefits at 15% DF	43,500	562,400	488,400	421,800	370,000	512,975
NPW at 15% DF	610,978					
BCR at 15% DF	1.34	:1				
IRR %	29.43					



G. Term Loan Repayment

Rate of interest - % per annum : 0
Opening balance of term loan : 800,000

Year	Loan Outstanding	Gross Surplus	Principal	Interest	Total Repayment	Net Surplus	DSCR
1	800,000	-	-	0	-	-	-
2	800,000	451,566	160,000	0	160,000	291,566	2.8
3	640,000	450,466	160,000	0	160,000	290,466	2.8
4	480,000	446,256	160,000	0	160,000	286,256	2.8
5	320,000	444,925	160,000	0	160,000	284,925	2.8
6	160,000	443,461	160,000	0	160,000	283,461	2.8
Avg DSCR							2.8

