

PROJECT REPORT ON  
**POULTRY FARMING (Broiler)**



**SUBMITTED BY**

**Promoter Name:**  
XXXXXXXXXXXXXXXXXXXX

**Project Location:**  
XXXXXXXXXXXXXXXXXXXX

**Prepared by**

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**CHAPTER – I**  
**ABOUT THE PROMOTER**

1. Name : xxxxxxxxxxxxxxxxxxxx
2. Address : xxxxxxxxxxxxxxxxxxxx
3. Educational Qualification: xxxxxxxxxxxxxxxxxxxx
4. Project Location :xxxxxxxxxxxxxxxxxxxx
5. PAN No :xxxxxxxxxxxxxxxxxxxx
6. Adhar No :xxxxxxxxxxxxxxxxxxxx
7. DOB :xxxxxxxxxxxxxxxxxxxx
8. Experience :xxxxxxxxxxxxxxxxxxxx

## **CHAPTER – II**

### **PROJECT DESCRIPTION**

#### **1. INTRODUCTION**

Poultry farming 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 broiler 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. Besides the traders come from nearby towns/cities at regular intervals to lift the produce. To take care of the health hazards, adequate veterinary aid facilities are available in the nearby town through the State Animal Husbandry Dept. dispensary.

#### **2. OBJECTIVE**

To meet the growing demand of broilers, I intended to establish a broiler farm initially with broilers which will be reared on deep litter system/ cages. All inputs require for rearing of birds are provided by contract farming company. After rearing all birds are marketed to the company on contract basis.

#### **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 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 broiler. 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**

The domestic broiler meat demand is growing at the rate of 15-18% on back of factors like rising purchasing power, changing food habits and increasing urbanization. The growth is supported by implementation of large scale contract poultry farming by integrated players. Overall domestic poultry market size is estimated at Rs. 47,000 crore with broiler meat. Globally India ranks fourth in broiler meat production with annual production of 2.9 million ton (MT).

Contract farming is billed to be a veritable instrument to address many of the traditional ills affecting the agriculture sector and the farmers. Under the contract growing agreement birds are marked to the company on the basis of growing charges. Thus, the farmer assumes the production related risks and the price risk is transferred to the company. In India contract farming has considerable potential where small marginal farmers can no longer be competitive without access to modern technologies and support. Contract farming can fill this gap by providing the farmers with quality inputs, technical guidance, management skills, credit as well as knowledge of new improved technology. Pricing arrangement can significantly reduce the risk and uncertainty of market place.

## **CHAPTER – IV**

### **SWOT ANALYSIS**

#### **STRENGTHS:**

1. 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
2. Helps to augment the income of the rural masses. Thus improve the socio-economic status of rural population.
3. 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.
4. Unlike other meat (beef, pork) which have religious taboos-chicken is widely accepted in India and is cheaper than goat meat
5. Poultry litter has high manure value and can be used in agriculture activities
6. It has tremendous potential to create non – farm employment and check migration from rural to urban areas.
7. Generates relatively quick returns with low investment requirements

#### **WEAKNESS:**

1. Poultry farming is labor intensive
2. A peculiar feature of the poultry industry is that it is highly fragmented
3. Poor transport, infrastructure and lack of cold chain facilities currently limit the feasibility of handling significant volumes of chilled or frozen products.
4. 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.
5. 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

#### **OPPORTUNITY:**

1. Present per capita meat consumption in India is increasing day by day, therefore there is large scope for poultry farming.
2. Besides this, India has also great potential to exploit the international market.
3. 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

#### **THREATS:**

1. Natural calamities
2. 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.
3. 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- V**

**ECONOMICS OF THE PROJECT**

**A. PROJECT PROFILE (Financial)**

Sr. No. PARAMETERS	VALUE
1 Type of Birds	Poultry (broiler)
2 Unit Size	5,000
3 Product	Birds
4 Cost of the project	12,50,000
5 Bank loan (75%)	9,37,500
6 Own Contribution (25%)	3,12,500
7 Financial Indicators	
BCR at 15% DF	2.88 :1
NPW at 15% DF Rs.	22,20,334
I R R %	72
Average DSCR	3.8
8 Interest Rate (% per annum)	12.0
9 Repayment	7 years



## B. BASIS & PRESUMPTIONS

Sr. No.	Particular	Unit	Quantity
<b>I. Techno-economic parameters</b>			
	Number of birds		5,000
	Mortality of birds	%	6
	Batch size	Poultry Farm Limit	5,000
	Type of housing		Deep Litter
	Batch interval	Days	52 (45 rearing +7 cleaning )
	Rearing period	Days	45
	Cleaning period	Days	7
	Repayment period	Years	7
	Space require per birds	sq.ft.	1.5
	Rate of interst for bank loan	( %)	12.0
<b>II. Expenditure norms</b>			
	Cost of construction of broiler shed including feed store	Rs./sq.ft.	200
	Feeders, waterers and dressing equipment	Rs. per chicks	15
	Cost of labour	Rs./kg	10,500.0
<b>III. Income norms</b>			
	No of batches in first year	Nos.	5
	No of batches per year from 2 to 7 year	Nos.	6
	Average wt. of bird at the time of sale	Kg.	2.5
	Selling price of birds	Rs. Per kg.	10.0

### C. TOTAL COST OF PROJECT

Sr. No.	Particular	Unit	Unit rate	Quantity	Amount in Rs.
<b>I. Capital Cost</b>					
	Land ( Own)				-
	Broiler sheds including feed store	Sq.ft.	200	2,500	5,00,000.00
	Feeders, waterers and dressing equipment	Rs. per chicks	20	5,000	1,00,000.00
	Feed Machine	Ls			1,50,000.00
	Water storage and distribution	Ls			1,00,000.00
				<b>TOTAL- A</b>	<b>8,50,000.00</b>
<b>II. Working Capital (requirement of first batch)</b>					
	Chicks will be supplied by contract farming company				-
	Feed will be supplied by contract farming company				-
	Medicine, Vaccine & insurance will be taken care by contract farming				-
	Feed requirement	Rs./bird	65	5,000	3,25,000
	Medicine, Vaccine, labour & misc charges	Rs./bird	8	5,000	40,000
	Insurance		0.50	5,000	2,500
	Electricity, Water & Misc.	Rs./bird	1,000	12	12,000
	Cost of manpower	Ls			10,500
	Cost of Husk	Rs./bird			10,000.00
				<b>TOTAL- B</b>	<b>4,00,000</b>
				<b>GRAND TOTAL (A+B)</b>	<b>12,50,000</b>

**D. MEANS OF FINANCE**

<b>Sr. No.</b>	<b>Particular</b>	<b>Unit</b>	<b>Quantity</b>	<b>Amount in Rs.</b>
1	Term loan	%	75	9,37,500
2	Own contribution	%	25	3,12,500
<b>TOTAL</b>				<b>12,50,000</b>



## F. Financial Analysis

Particulars	I year	II year	III year	IV year	V year	VI year	VII year
Capital Costs	8,50,000						
Recurring cost	3,94,500	29,500	29,500	29,500	29,500	29,500	29,500
<b>Total Cost</b>	<b>12,44,500</b>	<b>29,500</b>	<b>29,500</b>	<b>29,500</b>	<b>29,500</b>	<b>29,500</b>	<b>29,500</b>
Benefit	6,75,000	8,10,000	8,10,000	8,10,000	8,10,000	8,10,000	8,10,000
Depreciated value of buildings, borewell etc. @ 10%							2,92,750
Depreciated value of equipments @ 15%							1,07,125
<b>Total Benefit</b>	<b>6,75,000</b>	<b>8,10,000</b>	<b>8,10,000</b>	<b>8,10,000</b>	<b>8,10,000</b>	<b>8,10,000</b>	<b>12,09,875</b>
<b>Net Benefit</b>	<b>-5,69,500</b>	<b>7,80,500</b>	<b>7,80,500</b>	<b>7,80,500</b>	<b>7,80,500</b>	<b>7,80,500</b>	<b>11,80,375</b>
Discounting Factor@ 15%	0.87	0.76	0.66	0.57	0.50	0.43	0.37
NPV cost at 15% DF	10,82,715	22,420	19,470	16,815	14,750	12,685	10,915
NPV benefits at 15% DF	5,87,250	6,15,600	5,34,600	4,61,700	4,05,000	3,48,300	4,47,654
		<b>22,20,334</b>					
NPW at 15% DF							
BCR at 15% DF		<b>2.88</b>					
IRR %		<b>72.37</b>					

### G. Term Loan Repayment

Rate of interest - % per annum : 12.0  
 Opening balance of term loan : 9,37,500

Year	Loan Outstanding	Gross Surplus	Principal	Interest	Total Repayment	Net Surplus	DSCR
1	9,37,500	2,80,500	133929	112500	246429	34,071	1.1
2	8,03,571	7,80,500	133929	96429	230357	5,50,143	3.4
3	6,69,643	7,80,500	133929	80357	214286	5,66,214	3.6
4	5,35,714	7,80,500	133929	64286	198214	5,82,286	3.9
5	4,01,786	7,80,500	133929	48214	182143	5,98,357	4.3
6	2,67,857	7,80,500	133929	32143	166071	6,14,429	4.7
7	1,33,929	7,80,500	133929	16071	150000	6,30,500	5.2
						<b>Avg. DSCR</b>	<b>3.8</b>