PROJECT REPORT ON

POULTRY FARMING (LAYER)

SUBMITTED BY

Promoter Name:
xxxxxxxxxxxxxxxxxxxx

Project Location:
xxxxxxxxxxxxxxxxxxxxx

Prepared by

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CHAPTER - I

ABOUT THE PROMOTER

1. Name : xxxxxxxxxxxxxxx
2. Address : xxxxxxxxxxxxxx
3. Contact number : xxxxxxxxxxxxxxxx
4. Date of birth : xxxxxxxxxxxxxxx
5. Educational qualification :xxxxxxxxxx
6. Project location : xxxxxxxxxxxxxx
7. Experience : xxxxxxxxxxxxxxx

CHAPTER – II

PROJECT DESCRIPTION

1. INTRODUCTION

Poultry industry is the fastest growing sector in Indian agriculture. Egg being an excellent source of proteins is fast becoming a favorite among urban Indians. India, today is the fourth largest egg producer in the world. The layer segment in India is all set to grow and is currently estimated at Rs. 10,000 crores (INR 100 billion). According to the Ministry of Agriculture, India's egg production is estimated at 47.3 billion eggs per annum. Today, with more and more 'eggitarians' on the rise, egg consumption is growing at 8% - 10% annually.

It 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 findining employment throughout the year for many persons through poultry farming. With the adequate infrastructural facilities especially for egg 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. include increased adoption of integrated farming system, contact farming, awareness of people about diet and health, cost effectiveness of poultry meat compared to other meat, its low fat content, superior protein quality and change of life style of the people are also responsible for spectacular development of Poultry Sector.

2. OBJECTIVE

To meet the growing demand of eggs, I intended to establish a layer poultry farm.

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 an essential component for poultry farming as it is required for brooding of chicks and pumps used for water supply as well as lighting of the area. It 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 layer. Besides it, the farm will have a small store room, office & servants quarters. Construction of house will be pucka 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

Reputed companies will provides feeds require to birds.

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 overall global demand for eggs is growing, more in India. With rapidly changing lifestyles, affluent culture, and a conscious need for general wellness, Indian consumers are now opting for a more protein-rich diet. The changing trends are definitely a boon for the layer sector in India.

Today, India's per capita egg consumption is at 41 eggs per annum. Over the last couple of years, the per capita consumption of eggs has increased at an aggregate of 4% with a majority consumption recorded in the urban areas. Efforts to promote egg consumption are in place by layer farming community in India to achieve 180 eggs per annum in the coming years. Keeping this target in mind, the requirement for production is estimated at 18,000 crores (180 billion) eggs, while the current rate is capable of achieving only 46.2 billion eggs. This provides for a huge opportunity to tap into. With rapid urbanization, and increasing demand from the present 250 million economically strong, the future is only bright for the layer sector in India.

Affluent lifestyles and rapid development in the retail and food service industries is expected to fuel the growth as targeted by The National Committee on Human Nutrition in India. Adding to this is the health conscious Indian shifting from a carbohydrate to a protein-rich diet.

In addition, the Indian consumers' preference is increasing for clean, safe, hygienic nutritious and properly packed, labeled and presentable food products including eggs. Introduction of modern state of-the-art technology in processing, packaging, labeling, preservation of eggs is required to improve "quality" for domestic and export markets. With economic liberalization and free trade under WTO, the domestic products have to maintain "quality" to face the stiff competition from imported foreign poultry food products. Also, the demand for branded or specialty eggs is fast growing at an estimated rate of 40 – 50% per annum. Branded or specialty eggs offer innovative products to the consumer. These range from eggs that are low in cholesterol, to those fortified with vitamins, protein, iron and other everyday essential nutrients. This category is growing steadily in large cities with a huge potential consumer base.

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. Generates relatively quick returns with low investment requirements
7. Favorable Government policy measures.
8. Poultry is the least cost alternative next to fish only & produces more of animal protein from the same amount of feed as compared to milch cow, sheep, Goat & Pig.
9. Poultry farming require less area with high and quick return than any other animal husbandry and agriculture activities.
10. According to nutritional Advisory committee of India, at least half an egg should be made available to an average individual which workout to be 180 eggs/ annum.

WEAKNESS:

1. Poultry farming is labor intensive
2. Price fluctuation.
3. Highly capital intensive.

OPPORTUNITY:

1. Present per capita egg consumption in India is increasing day by day, therefore there is large scope for poultry farming.
2. 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

THREATS:

1. Natural calamities
2. If adequate health precautions are not taken infectious/ contagious diseases like avian flu can be spread. 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	Propsed strain	High producing strains of birds availabe in the market
2	Unit Size (birds)	5,500
3	Product	eggs, mannure
4	Cost of the project	44,79,818
5	Bank loan	42,55,827
6	Margin money	2,23,991
7	Financial Indicators	
	BCR at 15% DF	1.38 :1
	NPW at 15% DF Rs.	27,18,058
	I R R %	55
	Average DSCR	1.9
8	Interest Rate (% per annum)	12
9	Repayment	5 years including one year moratorium period

B. BASIS & PRESUMPTIONS

Sr. No.	Particular	Unit	Quantity
I.	**Techno-economic parameters**		
	Number of birds	Nos.	5,500
	Batches per year	Nos.	2
	Batch size		2750
	Birds considered for laying		2750
	Birds considered for culling		2475
	Brooding cum growing period (weeks)		20
	Laying period (weeks)		52
	Type of housing		Battery Cage System
	Space require per birds in brooder cum	sq.ft.	1
	Floor space per bird in layer shed (cage	sq.ft.	0.8
	Repayment period	Years	5
	Rate of interst for bank loan	(%)	12
II.	**Expenditure norms**		
	Cost of construction of brooder cum grower	Rs./sq.ft.	125
	Cost of construction of Layer shed	Rs./sq.ft.	320
	Cost of construction of store room	Rs./sq.ft.	250
	Cost of cages for layers	Rs. / bird	50
	Feeders, waterers and dressing equipment	Rs. per chicks	55
	Cost of day old Chicks	Rs./bird	40
	Feed requirement during laying - 52 weeks	kg./bird	21
	Feed requirement during growers - 20 weeks	kg./bird	6
	Chick/grower mash	Rs./kg	14
	Cost of layer mash	Rs./kg	12
	Medicine, Vaccine, labour & misc charges	Rs./bird	8
	Insurance	Rs./bird	1.0
	Rent for Land	Rs.	5,000
II.	**Income norms**		
	Number of eggs produced per bird	Eggs per cycle	300
	Selling price of egg	Rs./egg	4.0
	Selling price of culled birds	Rs./bird	80
	Income from manure & gunny bags	Rs./birds	40

C. TOTAL COST OF PROJECT

Sr. No.	Particular	Unit	Unit rate	Quantity	Amount in Rs.
I.	**Capital Cost**				
a.	**Land & Site development**				
	Land				On Rent
	Site development	Ls			3,00,000
					3,00,000
b.	**Cost of Buildings**				
	Construction of brooder cum grower shed (deep litter)	Sq.ft.	125	2,750	3,43,750
	Construction of layer sheds	Sq.ft.	320	4400	1408000
	Store room	Sq.ft.	250	100	25,000
					17,76,750
c.	**Equipments & Machineries**				
	Brooder cum grower equipment	Rs. per	55	5,500	3,02,500
	Laying house (cage)	No.	50	9,000	4,50,000
	Water supply system (Bore well, Electric motor pump set - 1 HP, water tank and pipeline)	Ls			2,00,000
	Diesel Generator	Ls			3,00,000
	Transformer and pole	Ls			1,20,000
					13,72,500
d.	**Contengencies**	%	5		1,72,463
				TOTAL- A	**36,21,713**
II.	**Recurring Expenditure**				
	Cost of day old Chicks	Rs./bird	40	5,500	2,20,000
	Grower feed for first two bacthes				4,62,000
	Layer Feed @ 25% of first batch				1,26,606
	C. TOTAL COST OF PROJECT				
	Medicine, Vaccine, labour & misc	Rs./bird	8	5,500	44,000
	Insurance	Rs./bird	1	5,500	5,500
				TOTAL- B	**8,58,106**
		GRAND TOTAL (A+B)			**44,79,818**

D. MEANS OF FINANCE

Sr. No.	Particular	Unit	Quantity	Amount in Rs.
1	Term loan	%	95	42,55,827
2	Own contribution	%	5	2,23,991
			TOTAL	**44,79,818**

E. PROJECTION OF PERFORMANCE & PROFITABILITY

I. Flock chart

Years	I year	II year	III year	IV year	V year
No. of batches purchased	2	2	2	2	2
No. of brooder cum grower weeks	40	40	34	34	34
No. of layer weeks	38	38	38	38	38
No. of batches culled	0	2	2	2	3

E. PROJECTION OF PERFORMANCE & PROFITABILITY (Contd.)

II. Projected Profitability

Sr. No.	Particular	Unit	Unit rate in Rs.	I year	II year	III year	IV year	V year
A.	**Income**							
I.	Sale of eggs							
	Production of Eggs	Nos.		6,02,756	6,02,756	6,02,756	6,02,756	6,02,756
	Rate per egg	Rs.		4.00	4.00	4.00	4.00	4.00
	Total sale of eggs	Rs.		24,11,024	24,11,024	24,11,024	24,11,024	24,11,024
II.	Sale of culled Birds							
	Culled birds	kg.		0	4,950	4,950	4,950	7,425
	Rate of culled bird	Rs./kg		0	80	80	80	80
	Total sale of culled birds	Rs.		0	3,96,000	3,96,000	3,96,000	5,94,000
III.	Sale of manures & gunny bags	Rs.		2,20,000	2,20,000	2,20,000	2,20,000	2,20,000
		TOTAL (A)		**26,31,024**	**30,27,024**	**30,27,024**	**30,27,024**	**32,25,024**
B.	**Expenditure**							
	Cost of day old Chicks	Rs./bird	40	2,20,000	2,20,000	2,20,000	2,20,000	2,20,000
	Cost of feed- Growing stage	Rs./kg	14	4,62,000	4,62,000	3,92,700	3,92,700	3,92,700
	Cost of feed- Laying Stage	Rs./kg	12	5,06,423	5,06,423	5,06,423	5,06,423	5,06,423
	Medicine, Vaccine, labour & misc charges	Rs./bird	8	44,000	44,000	44,000	44,000	44,000
	Insurance	Rs./bird	1	5,500	5,500	5,500	5,500	5,500
	Rent for Land	Rs		5,000	5,000	5,000	5,000	5,000
		TOTAL (B)		**12,42,923**	**12,42,923**	**11,73,623**	**11,73,623**	**11,73,623**
C.	**Net Income**	**TOTAL (A-B)**		**13,88,101**	**17,84,101**	**18,53,401**	**18,53,401**	**20,51,401**

F. Financial Analysis

Particulars		I year	II year	III year	IV year	V year
Capital Costs		36,21,713				
Recurring cost		12,42,923	12,42,923	11,73,623	11,73,623	11,73,623
Total Cost		**48,64,636**	**12,42,923**	**11,73,623**	**11,73,623**	**11,73,623**
Benefit		26,31,024	30,27,024	30,27,024	30,27,024	32,25,024
Depreciated value of buildings etc. @ 10%						10,40,287
Depreciated value of equipments @ 15%						5,88,116
Total Benefit		**26,31,024**	**30,27,024**	**30,27,024**	**30,27,024**	**48,53,427**
Net Benefit		**-22,33,612**	**17,84,101**	**18,53,401**	**18,53,401**	**36,79,804**
Discounting Factor@ 15%		0.87	0.76	0.66	0.57	0.50
NPV cost at 15% DF		42,32,233	9,44,622	7,74,591	6,68,965	5,86,812
NPV benefits at 15% DF		22,88,991	23,00,538	19,97,836	17,25,404	16,12,512
NPW at 15% DF	**27,18,058**					
BCR at 15% DF	**1.38 :1**					
IRR %	**54.94**					

G. Term Loan Repayment

Rate of interst - % per annum **:** 12.0

Opening balance of term loan **:** 36,21,713

Year	Loan Outstanding	Gross Surplus	Principal	Interest	Total Repayment	Net Surplus	DSCR
1	36,21,713	13,88,101	7,24,343	4,34,606	11,58,948	2,29,153	1.2
2	28,97,370	17,84,101	7,24,343	3,47,684	10,72,027	7,12,074	1.7
3	21,73,028	18,53,401	7,24,343	2,60,763	9,85,106	8,68,295	1.9
4	14,48,685	18,53,401	7,24,343	1,73,842	8,98,185	9,55,216	2.1
5	7,24,343	20,51,401	7,24,343	86,921	8,11,264	12,40,137	2.5
						Avg. DSCR	**1.9**