DETAILED PROJECT REPORT ON

GERBERA UNDER GREENHOUSE

SUBMITTED BY:

Promoter Name:
xxxxxxxxxxxxxxx

Project Location:
xxxxxxxxxxxxxxxx

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C O N T E N T S

CHAPTER - I

ABOUT THE PROMOTER

PARTICULARS	ABOUT THE PROMOTER

1. Name : xxxxxxxxxxxxxx

2. Address : xxxxxxxxxxxxxx

3. Contact Number : xxxxxxxxxxxxxxx

4. Date Of Birth : xxxxxxxxxxxxxx

5. Educational Qualification : xxxxxxxxx

6. Project Location :xxxxxxxxxxxxxxx

7. Constitution : xxxxxxxxxxxxxx

8. Experience : xxxxxxxxxxxxxx

CHAPTER – II

PROJECT DESCRIPTION

Introduction

The cultivation of flowers for export under polyhouses started as a prospective agribusiness in early 90's. However because of its intensive capital investment it had remained the forte of big farmers and corporate. However, realizing the growing demand for flowers in the domestic market and lucrative features of the business, the small and marginal farmers too ventured into establishment of small units of polyhouses. Such units are being financed by the banking sector thereby enabling the small landholders in starting up small units of polyhouses, which has been proved a viable and profitable farming activity. Floriculture industry is growing every year at a galloping speed and the sector has now created enough opportunities for economic growth for India.

Gerberas are an important commercial flower crop grown throughout the world in a wide range of climatic conditions. The Gerberas are perennial herbaceous plants, which produce flowers of high ornamental value. They are mainly used as cut flowers. The great variety in colour, perfumes, size and shape of flowers make them specially attractive. Gerberas have maximum vase life of 8-12 days. This project proposes the construction of cultivation facilities specialized for Gerberas.

Production Technology

The success of projects will mainly depend on the adoption of innovative technology for both production and post harvest management. Salient features of the Production Technology that will be followed are outlined below.

Project Location:

It is possible to produce the gerbera in polyhouse commercially in almost all locations of the country . However, the availability of good quality water, labour and infrastructures facilities such as electricity, road and communication are the factors taken in to account for selection of location.

Unit Size:

The economic size of project will produce sizeable quantity of flowers necessary for regular supply to domestic market .

Varieties:

There are hundreds of varieties of gerbera taken in the greenhouse. Following are some of the important varieties

- Red –Sangria,Savana,Diablow
- Pink-Pink Elegance
- Yellow- Thalassa, Cabana
- White-Dalma

- Orange- Ornella
- Bi-colour- Piton, Ellemy, Jaska

Polyhouse Shed:

The structural material, which will be used for polyhouse, is of G. I. pipes. The polythene film will be U.V. stabilized of 250-micron thickness. The polyfilm has to be replaced after 3 to 5 year. To reduce light intensity during summer, the shade net of 50% will be used and Lime will be painted on the polyfilm. The four way foggers will be used for maintaining required humidity in the polyhouse.

Bed preparation:

Carnation will be grown in raised bed of soil. Carnation thrives best in well drained soil with soil reaction from neutral to slightly alkaline. To create favorable growing conditions, a good quantity of organic manure along with basal dose of NPK fertilizer will be applied & mixed into soil. For bed preparation red soil (40%), FYM (30%), sand (15%), rice husk (15%) has to be well mixed. The desired size of beds is 25x1x0.75 m. For sterilization of beds, fumigation could be done by formalin.

Irrigation system:

For storage of water, water tank of size 15x10x10 ft. will be constructed. Fertigation will be given through drip irrigation system. For reducing temperature in the polyhouse, four way foggers could be used. The desired pressure for irrigation system could be given by electric motor of 1.5 H.P.

Planting material:

The saplings will be purchased from reputed company. The selection of varieties is done on basis of market demand.

Harvest and post harvest management:

Gerbera are harvested at stage of fully open flowers. Harvesting should be done in the early morning and/or in the late afternoon. Immediately after harvesting flowers should be placed in a bucket of clean water inside the green house and transported to the packing house.

After harvest, the flowers should be graded to different classes according to their stem length, flowers size and qualities. Packing comprises three stages: bunching, wrapping and packing. The number of stems per bunch should be10. Cardboard boxes are used for packing.

CHAPTER – III

MARKET POTENTIAL

Marketing of Gerbera flowers is the crucial factor for the success of the project. Gerbera is decade old flower for Indian farmers and the farmers are getting good price in the domestic market. The big regulated flower markets are at New Delhi, Banglore, Indore, Badoda, Colcatta, Ahmedabad, Lacknow, Hydrabad, Vijayvada etc. In these markets there is good sales potentiality for Gerbera throughout the year.

Cut Flowers that are widely used for attractively decorating various places in different occasions. The demand of flowers increases during Christmas, New year day, Valentine day, which are during winter season. Cut flowers are demand by corporate houses, hotels and restaurants. Weddings, birthday parties, seminars, and other such social gathering events are incomplete without floral decorations.

The small flower stalls on the roadside are playing significant roles in the floriculture revolution. The entrepreneurs may have tie-up with hotels and florist's shops in the cities. However as Gerbera is very fragile & perishable in nature, its packaging & transport play important role in its marketing. Steady supply, quality & grading are also associated with successful marketing of the cut flowers.

Emerging newer market concept like online sale, specialized florist outlet, floriculture trade show in coming years expected to see newer dimension in terms of more distant consumer demand & product proposition.

As the demands of Gerbera flowers are splendid in future, it is one of the imperative fields to endeavor.

CHAPTER – IV

SWOT ANALYSIS

Strengths:

- Domestic market for cut flowers, especially for different varieties and colors in Gerbers, is growing. Currently floral decoration is the growing social trend. Many are ready to invest on exterior decorations and interior decorations using fresh cut flowers.
- The Governments have identified floriculture as a sunrise sector and are providing strong support through various policies and schemes.
- Provides employment for a large Indian population including women, living in rural territories.

WEAKNESS:

- High capital investment
- Demand fluctuate according to different seasons
- Unavailability of skilled manpower
- Incidence of pest and diseases many a times becomes unmanageable.
- Poor marketing linkage and poor market infrastructure.
- Non-availability of adequate quality planting material.
- Poor post-harvest management infrastructure. Due to the perishable nature of the products it's important to have enough transportation and good logistics facilities.
- Negligence to research relating to technical factors

OPPORTUNITY:

- There is tremendous demand for flowers due to the growing popularity of western life style
- Access to metropolises like Kolkata, Chennai, Mumbai and Delhi etc. and other big cities enhances the possibilities for tapping market of these states.
- Growing consumer base with higher income is expected to add demand in new market
- The demand for flower decorations is increasing rapidly due to lavish arrangement during
  social, political, entertainment & sport event.
- Availability of new and unique varieties

THREATS:

- Uncertainty in weather conditions and frequent occurrence of natural calamities like cyclone and drought.
- Uncertainty about market stability
- Exploitation by middlemen in the market chain.
- High incidence of pest and diseases.

V. ECONOMICS OF THE PROJECT

A. PROJECT PROFILE (Financial)

Sr. No.	PARAMETERS	VALUE
1	Unit Size in sq.m.	4,000
2	Product	Cut Flowers
3	Cost of the project	39,66,000
4	Bank loan	29,74,500
5	Margin money	9,91,500
6	Financial Indicators	
	BCR at 15% DF	2.11 :1
	NPW at 15% DF Rs.	93,90,795
	I R R %	92
7	Average DSCR	4.4
8	Interest Rate (% per annum)	12
9	Repayment	5 years

B. BASIS & PRESUMPTIONS

Sr. No.	Particular	Unit	Quantity
I.	**Techno-economic parameters**		
	Mortality	**%**	5
	Plant density	plants per sq.m.	6.5
	Total no of plants	Nos.	26000
	Replanting will be done on 4th year		
	Payback period		5 years
II.	**Expenditure norms**		
	Cost of seedling	Rs./ seedling	15
	Fertilizer per annum	sq ft.	50
	Pesticides per annum	sq ft.	50
	No of semiskilled workers	Nos.	4
	Cost of one semiskilled worker per annum	Rs.	60,000
II.	**Income norms**		
	Sale price of Cut Flower	Rs./ Flower	3.5
	Yield per plant per annum	Flowers	50

C. TOTAL COST OF PROJECT

Sr. No.	Particular	Unit	Unit Rate in Rs.	Quantity	Amount in Rs.
I.	**Construction of of Polyhouse including drip irrigation & foggers**	Sq.m.	844	4,000	33,76,000
II.	**Initial Planting cost**				
	Bed material & preparation	Rs./sq.m.	20	4,000	80,000
	Planting material	Rs.	15	26,000	3,90,000
	Fertilizers & mannures	Rs./sq.m.	15	4,000	60,000
	Manpower & supervision	Rs./sq.m.	15	4,000	60,000
					5,90,000
			TOTAL		**39,66,000**

D. MEANS OF FINANCE

Sr. No.	Particular	Unit	Quantity	Amount in Rs.
1	Term loan	%	75	29,74,500
2	Own contribution	%	25	9,91,500
			TOTAL	**39,66,000**
3	Subsidy entitlement Consideration of cost for subsidy			
	For Polyhouse			33,76,000
	For Initial Planting Cost			5,90,000
				39,66,000
	Subsidy Entitlement	%	75	**29,74,500**

E. PROJECTION OF PERFORMANCE & PROFITABILITY

Sr.No.	Particular	Unit	Unit rate in Rs.	Quantity	I year	II year	III year	IV year	V year
	Income								
	Sale of Cut Flowers	Kg	3.5	13,00,000	45,50,000	45,50,000	45,50,000	45,50,000	45,50,000
	Subsidy				29,74,500	0	0	0	0
				Total (A)	**75,24,500**	**45,50,000**	**45,50,000**	**45,50,000**	**45,50,000**
	Expenditure								
a.	Cost of Raw Materials								
	Fertilisers	per sq.m.	50	4,000	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000
	Pesticides & fungicides	per sq.m.	50	4,000	2,00,000	2,00,000	2,00,000	2,00,000	2,00,000
b.	Cost of Consumbles								
	Packaging material	per kg	0.50	13,00,000	6,50,000	6,50,000	6,50,000	6,50,000	6,50,000
c.	Cost of Utilities								
	Electricity, Water	per sq.m.	25	4,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
d.	Cost of Manpower								
	Semiskilled workers	per annum	60,000	4	2,40,000	2,40,000	2,40,000	2,40,000	2,40,000
e.	Overhead Expenses								
	Transportation	per month	1000	12	12,000	12,000	12,000	12,000	12,000
	Marketing expenses 1% of sales				45,500	45,500	45,500	45,500	45,500
	Replanting and bed preparation				0	0	0	3,00,000	0
				Total (B)	**14,47,500**	**14,47,500**	**14,47,500**	**17,47,500**	**14,47,500**
	Net Income			**Total (A-B)**	**60,77,000**	**31,02,500**	**31,02,500**	**28,02,500**	**31,02,500**

F. FINANCIAL ANALYSIS

Particulars		I year	II year	III year	IV year	V year
Capital Costs		39,66,000				
Recurring cost		14,47,500	14,47,500	14,47,500	17,47,500	14,47,500
Total Cost		**54,13,500**	**14,47,500**	**14,47,500**	**17,47,500**	**14,47,500**
Benefit		75,24,500	45,50,000	45,50,000	45,50,000	45,50,000
Depreciation @15%						16,99,431
Total Benefit		**75,24,500**	**45,50,000**	**45,50,000**	**45,50,000**	**62,49,431**
Net Benefit		**21,11,000**	**31,02,500**	**31,02,500**	**28,02,500**	**48,01,931**
Discounting Factor@ 15%		0.87	0.76	0.66	0.57	0.50
NPV cost at 15% DF		47,09,745	11,00,100	9,55,350	9,96,075	7,23,750
NPV benefits at 15% DF		65,46,315	34,58,000	30,03,000	25,93,500	22,75,000
NPW at 15% DF	**93,90,795**					
BCR at 15% DF	**2.11**	**:1**				
IRR %	**91.79**					

G. Term Loan Repayment

Rate of interst - % per annum **:** 12

Opening balance of term loan **:** 29,74,500

Year	Loan Outstanding	Gross Surplus	Principal	Interest	Total Repayment	Net Surplus	DSCR
1	29,74,500	60,77,000	5,94,900	3,56,940	9,51,840	51,25,160	6.4
2	23,79,600	31,02,500	5,94,900	2,85,552	8,80,452	22,22,048	3.5
3	17,84,700	31,02,500	5,94,900	2,14,164	8,09,064	22,93,436	3.8
4	11,89,800	28,02,500	5,94,900	1,42,776	7,37,676	20,64,824	3.8
5	5,94,900	31,02,500	5,94,900	71,388	6,66,288	24,36,212	4.7
						Avg. DSCR	**4.4**