



Detailed Project Report

on

Commercial Dairy Farming – Bank Finance (8 Cows)

Under MKUY



Name of the Entrepreneur/Entity:

Address:



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1. Project Summary

1	Name of the Enterprise (as per the Illustrative List of Enterprises)	Commercial Dairy Farming (8 Cows)
2	Sector (as per the Illustrative List of Enterprises)	AH&VS
3	Project Capacity ¹	48 lit. Milk per day
4	Key components of the project	Dairy farming and milk selling
5	Project Address (Village/Ward, Gram Pranchayat/Municipality, Block, District)	
6	Products/Output from the project	Milk
7	Total Project Cost	Rs. 13,07,700
8	Fixed Capital Cost	Rs. 12,93,000
9	Working/Recurring capital	Rs. 14,700
10	Bank Finance/ Self Finance	Bank Loan
11	Bank Loan Amount	Rs. 6,56,790
12	Promoter Contribution (min 10% in case of bank loan)	Rs. 6,50,910
13	Assumed Rate of Interest	11%
14	Subsidy Eligibility (40%, 50%)	
15	Repayment Terms (Tenure, Moratorium, Frequency, Mode of Repayment: equal principal/equal instalment)	Equal Monthly Instalment
16	Key Financial Indicators: 1. Average Annual Net Profit 2. Debt Service Coverage Ratio (DSCR) 3. Internal Rate of Return 4. Break Even Point (BEP)/Year	Rs. 3,54,682
		2.96
		20.16%
		4 Year 0 Month
17	Estimated employment to be generated (nos.)	2

Note: The price quoted in the DPR is indicative. Final CIS will be calculated as per the Rate in MKUY guideline.

¹ Capacity can be in terms of area or quantity



2. Project Profile

2.1 Entrepreneur/Entity Profile

1	Name of the Entrepreneur/Entity	
2	Legal status (Individual/ Group/ FPO/ FPC/ Proprietorship/ Partnership firm/ Company/ Cooperative/ Federation/ Society/ Trust)	
3	Name of Representative ² in Ease of entity	
4	Gender (Male/ Female/ Third Gender/ Not Applicable)	
5	Date of Birth of Individual/Representative of Entity	
6	Date of Incorporation/Registration of Entity	
7	Category opted for (Women/ ST/ SC/ Differently Abled/ Third gender/ Agri & Allied Graduate)	
8	Educational Qualification of Individual/Representative of Entity	
9	Passport size photograph of the Individual/ Representative of entity	
10	Local Address for Correspondence of the Individual/ Representative of entity	
11	Registered Address of Entity	
12	Main Office/Branch Address of Entity	
13	Phone no. of Individual/Representative of Entity	
14	Email Id of Individual/Representative of Entity	
15	AADHAR No. of Individual/Representative	
16	PAN of Individual/Representative of Entity, if available	
17	Farmer Id of Individual, if available	
18	Details of other Partner/Director/ President/Secretary	
19	Registration No./ CIN of the Entity ³	
20	PAN/TAN of Entity	
21	GSTIN of Entity, if available	
22	Details of experience and exposure relevant to the proposed enterprise/project (family business, work experience, e-learning/certificate courses, trainings undertaken etc.)	

² Representative should be authorized by the board/governing body of the entity.

³ Registration document:

Groups (SHG/PG/): FPO: Proprietorship firm: Registration Certificate under Shops & Establishment Act, Partnership firm: Registration Certificate from IGR of state, Company (Pvt. Ltd., Public Ltd., LLP, OPC, FPC): Certification of Incorporation, Cooperative/ Federation: Certificate of Registration from Registrar of Cooperative Societies, Society/Trust: Darpan Unique Id



2.2. Project Consultant Details

DPR prepared by: APICOL

Please provide further details of the consultant:





2.3. Concept and Scope of the Project

Dairy farming from being a traditional family run business, today has grown hugely to an organized dairy industry with technological specializations in every part of the process. There has been tremendous growth in dairy farming sector in terms of technological advancement that help the modern dairy farms to manage thousands of dairy cows and buffaloes.

The scope of dairy farming in Odisha is considerable due to the state's agrarian economy, growing population, and increasing demand for dairy products. Dairy farming has the potential to significantly contribute to rural livelihoods, nutritional security, and overall economic development in Odisha. Dairy farming involves the rearing of dairy animals, primarily cows and buffaloes, to produce milk and its by-products. India has a diverse and vibrant dairy sector that plays a crucial role in providing livelihoods to millions of rural households and contributing to the country's economy.

Scope of Dairy farming in Odisha

1. Rural Livelihood Generation

Dairy farming can play a vital role in generating livelihoods for rural households in Odisha. The state has a substantial rural population, and dairy farming offers an opportunity for small and marginal farmers to diversify their income sources and improve their economic conditions.

2. Nutritional Security

Dairy products are rich sources of essential nutrients like protein, calcium, and vitamins. Promoting dairy farming in Odisha can contribute to improving the nutritional intake of its residents, especially women and children.

3. Employment Opportunities

Dairy farming can create direct and indirect employment opportunities. From animal care and milking to transportation and milk processing, there are various stages of the dairy value chain that require a workforce.

4. Economic Contribution

The dairy sector can contribute to Odisha's economy by providing a steady income source for farmers, reducing rural-urban migration, and enhancing the overall GDP of the state.

5. Poverty Alleviation

Dairy farming has the potential to uplift marginalized communities by offering them a means of income generation. It can help in reducing poverty and improving the standard of living for many families.

6. Value Addition and Processing

Besides raw milk production, dairy farming also provides opportunities for value addition through milk processing. Value-added dairy products, such as flavored milk, yogurt, and



cheese, have a higher market value. Dairy farmers can capitalize on these opportunities by processing raw milk into various products.

7. Women Empowerment

Women in Odisha, like in many parts of India, are actively involved in dairy-related activities. Promoting dairy farming can empower women by offering them income-generating opportunities and increasing their decision-making roles.

8. Sustainable Agriculture

Dairy farming can be integrated into existing farming systems, contributing to sustainable agricultural practices. Manure from dairy animals can be used as organic fertilizer, enhancing soil health and crop yields.

Market Potential

Urbanization leads to changes in dietary habits, with an increased demand for processed and value-added dairy products. Urban areas provide a ready market for dairy products, including fresh milk, yogurt, cheese, and more. Dairy products are an essential source of nutrition, especially proteins and calcium. As awareness about health and nutrition increases, the demand for dairy products is likely to rise.

Export Potential: With proper quality control and adherence to international standards, dairy products from Odisha could have export potential, contributing to the state's economic growth.

Dairy Cooperatives and Organizations: Dairy cooperatives and organizations play a crucial role in organizing farmers, ensuring fair prices, and facilitating market linkages.

3. Techno-commercial Assumptions

Sl. No.	Parameter	Value	Unit
1	Increase in selling price of milk	5	%
2	Increase in price of electricity, medicine, veterinary aid and feed	2	%
3	Collection from Debtors (First Year)	10	Days
4	Collection from Debtors	10	Days
5	Payable to Creditors	15	Days
6	Drawing By Promoter	30	%
7	Increase in Staff Salary	5	%
8	Rate of Interest on TL	11	%
9	Rate of Interest on WC	9	%
10	Loan Repayment (in year)	7	Years
11	Raw Material in Stock (on sales)	15	Days
12	Finished Goods in stock (on sales)	0	Days
13	Promoter's Contribution (Term Loan)	50	%
14	Promoter's Contribution (Working Capital)	30	%
15	Working Capital Requirement	15	Days
17	Working Capital Utilisation	100	%



Sl. No.	Parameter	Value	Unit
18	Cost of land development (LS)	20000	Rs.
19	Cost of fencing (LS)	40000	Rs.
20	Cost of shed construction/sq. ft.	450	Rs.
21	Cost of office cum storeroom construction / sq. ft. (RCC structure)	650	Rs.
22	Borewell / Tube well with pump, pipeline, overhead tank and fitments	110000	Rs.
23	Cost per cow including transportation	65000	Rs.
24	Cost of culled animals/Culled animal	10000	Rs.
25	Cost of electrification (as % of civil cost)	3	%
26	Cost of equipment / Animal	1000	Rs.
27	Cost of Milking Machine, Chaff cutter & other Misc.	40000	Rs.
28	Cost of Concentrate feed per animal per day during lactation period	135	Rs
29	Cost of Concentrate feed per animal per day during dry period	54	Rs
30	Cost of medicine and veterinary aid/ animal/year	2000	Rs.
31	Quantity of conc. Feed/Bag in Kg	50	Kg
32	Cost of dry fodder per animal per day during lactation period	25	Rs
33	Cost of dry fodder per animal per day during dry period	25	Rs
34	Cost of green fodder/kg	Own grown	
35	Cost of fodder cultivation/ Acre	12000	Rs.
36	Fodder Cultivation	1	Acre
37	No of animals	8	No
38	No of animals/batch	4	No
39	Quantity of conc. Feed/Bag in Kg	50	Kg
40	Average milk yield (lit. /day)	12	Ltr
41	Floor space (sq. ft/adult animal)	60	Sq.Ft
42	Floor space (sq. ft/calf)	20	Sq.Ft
43	Office cum Storeroom	200	Sq.Ft
44	Insurance premium/annum	7.50	%
45	Selling price of milk	36	Rs./lit
46	Sale price of gunny Bag	5	Rs./bag
47	Sale price of Manure/Tonne	Used in fodder cultivation	
48	Lactation days for first batch	300	Days
49	Lactation days for second batch	180	Days
50	Dry days	65	Days



FEEDING SCHEDULE					
		Lactation		Dry	
Type of Feed	Rate/Kg (Rs.)	Quantity	Cost/day	Quantity	Cost/day
Conc. feed/animal/day	27	5	135	2	54
Green fodder/animal/day	0	30	Own grown	20	Own grown
Dry fodder/animal/day	5	5	25	5	25
Total			160		79

LACTATION CHART/ANIMAL					
Year	1 st Batch		2 nd Batch		
	Lactation Days	Dry Days	Lactation Days	Dry Days	
1 st Year	300	65	180	0	
2 nd Year	300	65	300	65	
3 rd Year	300	65	300	65	
4 th Year	300	65	300	65	
5 th Year	300	65	300	65	
6 th Year	300	65	300	65	
7 th Year	300	65	300	65	

TOTAL CONCENTRATE FEED CONSUMED (Kgs)					
Year	Lactation	Dry	Total	No of gunny bags	
1 st Year	9600	520	10120	202	
2 nd Year	12000	1040	13040	260.8	
3 rd Year	12000	1040	13040	260.8	
4 th Year	12000	1040	13040	260.8	
5 th Year	12000	1040	13040	260.8	
6 th Year	12000	1040	13040	260.8	
7 th Year	12000	1040	13040	260.8	

1. Financial Details

4.1. Project Fixed Capital

Sl. No.	Particulars	Unit	Qty.	Cost per unit (Rs)	Total (Rs)
A Land					
1	Land Development	LS			20,000
2	Fencing (Barbed wire/Green Fencing)	LS			40,000
Sub Total					60,000
B Civil Construction					
1	Animal Shed	Sq. ft.	480	450	2,16,000
2	Calf Shed	Sq. ft.	160	450	72,000
3	Store cum office room	Sq. ft.	300	650	1,95,000
Sub Total					4,83,000
C Water Supply					
1	Borewell / Tube well with pump, pipeline, overhead tank and fitments				1,10,000
D Electrification					
1	Installation and Fitting (3% of civil cost)	LS			15,000



E Plant & Machinery					
Sl. No.	Particulars	Unit/ Specification	Qty.	Unit Price (Rs)	Total (Rs)
1	Equipment (Feeder/Drinker etc.)	Nos	8	1,000	8,000
2	Cost of Milking Machine, Chaff cutter & other Misc.	Nos	1	40,000	40,000
	Total				48,000
F Livestock					
1	Cow including transportation	Nos	8	65,000	5,20,000
	Total				5,20,000
G Miscellaneous Expenditure					
1	Insurance premium				39,000
2	Fodder cultivation				12,000
3	DPR cost				3,086
4	Other miscellaneous exp.				2,914
	Total Miscellaneous Expenditure				57,000



4.2. Project Variable Expenses

Details of Recurring Expenditure										
A	Details of raw material									
Sl. No.	Items	Unit	Rate (Rs)	1	2	3	4	5	6	7
1	Cost of feeding during lactation	Rs	160	3,07,200	3,91,680	3,99,514	4,07,504	4,15,654	4,23,967	4,32,446
2	Cost of feeding during dry period	Rs	79	20,540	41902	42740	43594	44466	45356	46263
3	Cost of medicine and veterinary aid	Rs.	2000	16,000	16,320	16,646	16,979	17,319	17,665	18,019
	Total			3,43,740	4,49,902	4,58,900	4,68,078	4,77,439	4,86,988	4,96,728

2. Details of salary and other benefits					
Sl. No.	Type of workers	No. of Worker	Salary Per Month/head (Rs)	Total Salary per annum (Rs)	
1	Unskilled	2	7,000	1,68,000	
	Grand Total	2	7,000		1,68,000

4.3. Details of Sales

Sl. No.	Type of products	Unit	Rate/Unit (Rs)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
1	Sale of milk	Rs	36	8,29,440	10,88,640	11,43,072	12,00,226	12,60,237	13,23,249	13,89,411
2	Sale of gunny bags	Rs	5	1,012	1,369	1,438	1,510	1,585	1,664	1,747
3	Sale of culled animals	Rs	10000	-	-	-	-	-	51,051	-
	Total			8,30,452	10,90,009	11,44,510	12,01,735	12,61,822	13,75,964	13,91,159



4.4. Project Balance Sheet

Liabilities	I	II	III	IV	V	VI	VII
Opening Capital	-	7,40,537	7,06,050	7,09,514	7,45,803	8,06,113	9,16,279
Add: Introduced	6,50,910						
Add: Profit	1,28,627	2,68,512	3,08,464	3,56,289	4,06,310	5,04,167	5,10,406
Less: Drawing	39,000	3,03,000	3,05,000	3,20,000	3,46,000	3,94,000	4,29,000
Closing Capital	7,40,537	7,06,050	7,09,514	7,45,803	8,06,113	9,16,279	9,97,686
Term Loan from Bank	5,81,570	5,09,127	4,28,301	3,38,121	2,37,506	1,25,248	-
Current Liabilities							
Cash Credit from Bank	10,290	10,290	10,290	10,290	10,290	10,290	10,290
Sundry Creditors	17,187	22,495	22,945	23,404	23,872	24,349	24,836
Expenses Payable	20,200	21,300	22,300	23,400	24,500	25,700	27,000
Current Provisions	-	974	3,077	5,594	8,227	16,667	18,227
Total Current Liabilities	47,677	55,059	58,612	62,688	66,889	77,006	80,353
Total Liabilities	13,69,785	12,70,236	11,96,426	11,46,612	11,10,508	11,18,534	10,78,039
Assets							
Fixed Assets	12,93,000	12,93,000	12,93,000	12,93,000	12,93,000	12,93,000	12,93,000
Less Depreciation	68,750	1,30,153	1,85,013	2,34,046	2,77,886	3,17,095	3,52,174
Net Fixed Assets	12,24,250	11,62,848	11,07,987	10,58,954	10,15,114	9,75,905	9,40,826
Current Assets							
Sundry Debtors	27,700	36,400	38,200	40,100	42,100	45,900	46,400
Inventories	21,100	27,600	28,100	28,700	29,300	29,900	30,500
Cash and Bank Balance	5,600	7,300	7,700	8,100	8,500	9,200	9,300
Other Current Assets	91,135	36,088	14,440	10,758	15,494	57,629	51,012
Total Current Assets	1,45,535	1,07,388	88,440	87,658	95,394	1,42,629	1,37,212
Total Assets	13,69,785	12,70,236	11,96,426	11,46,612	11,10,508	11,18,534	10,78,039



4.5. Calculation of Depreciation

Rates of Depreciation		10%	15%	Total depreciation for the year
Year	1	59,300	9,450	68,750
	2	53,370	8,033	61,403
	3	48,033	6,828	54,861
	4	43,230	5,803	49,033
	5	38,907	4,933	43,840
	6	35,016	4,193	39,209
	7	31,514	3,564	35,079

4.6. Projected P&L

Description	Year ending March 31st						
	I	II	III	IV	V	VI	VII
Capacity Utilisation	100	100	100	100	100	100	100
Revenue							
Sales	8,30,452	10,90,009	11,44,510	12,01,735	12,61,822	13,75,964	13,91,159
Opening Stock of Finished Goods	-	-	-	-	-	-	-
Closing Stock of Finished Goods	-	-	-	-	-	-	-
Total Income (A)	8,30,452	10,90,009	11,44,510	12,01,735	12,61,822	13,75,964	13,91,159
Expenditure							
Opening stock of Raw Material	-	21,100	27,600	28,100	28,700	29,300	29,900
Purchase (Net) of Material	3,43,740	4,49,902	4,58,900	4,68,078	4,77,439	4,86,988	4,96,728
Closing Stock of Raw material	21,100	27,600	28,100	28,700	29,300	29,900	30,500
Raw Material Consumption	3,22,640	4,43,402	4,58,400	4,67,478	4,76,839	4,86,388	4,96,128
Repair and Maintenance (@1% of Cost)	4,050	4,050	4,050	4,050	4,050	4,050	4,050
Electricity expense	8,400	8,600	8,800	9,000	9,200	9,400	9,600
Insurance cost	57,000	59,900	62,900	66,100	69,500	73,000	76,700
Administrative salaries and wages	1,68,000	1,76,400	1,85,300	1,94,600	2,04,400	2,14,700	2,25,500
Other Misc. Expenses [@1% of sales]	4,152	5,450	5,723	6,009	6,309	6,880	6,956
Total Cost	5,64,242	6,97,802	7,25,172	7,47,236	7,70,298	7,94,418	8,18,934
Profit Before Depreciation, Interest and Tax	2,66,210	3,92,208	4,19,337	4,54,499	4,91,524	5,81,546	5,72,225



Description	Year ending March 31st						
	I	II	III	IV	V	VI	VII
Capacity Utilisation	100	100	100	100	100	100	100
Depreciation	68,750	61,403	54,861	49,033	43,840	39,209	35,079
Profit Before Interest and Tax	1,97,460	3,30,805	3,64,477	4,05,466	4,47,684	5,42,337	5,37,147
Interest on Term Loan	67,906	60,393	52,010	42,656	32,221	20,578	7,588
Interest on Working Capital Loan	926	926	926	926	926	926	926
Total Interest Paid	68,832	61,319	52,936	43,582	33,147	21,504	8,514
Profit Before Tax	1,28,627	2,69,486	3,11,541	3,61,883	4,14,537	5,20,833	5,28,633
Income Tax	-	974	3,077	5,594	8,227	16,667	18,227
Profit after Tax	1,28,627	2,68,512	3,08,464	3,56,289	4,06,310	5,04,167	5,10,406

4.7. Projected Cash Flow

Period Ending	I	II	III	IV	V	VI	VII
Cash & Bank Balance at Beginning	-	5,600	7,300	7,700	8,100	8,500	9,200
Cash Inflow during the Period	14,38,535	3,92,343	3,88,526	4,13,079	4,54,350	5,53,493	5,55,448
Cash Outflow during the Period	14,32,935	3,90,643	3,88,126	4,12,679	4,53,950	5,52,793	5,55,348
Closing Cash & Bank Balance	5,600	7,300	7,700	8,100	8,500	9,200	9,300

4.8. Projected Loan Repayment

Year	Interest	EMI	Principal
1	67,906	1,32,836	64,930
2	60,393	1,32,836	72,443
3	52,010	1,32,836	80,826
4	42,656	1,32,836	90,179
5	32,221	1,32,836	1,00,615
6	20,578	1,32,836	1,12,258
7	7,588	1,32,836	1,25,248
Total	2,83,351	9,29,851	6,46,500



4.9. Calculation of DSCR, IRR and BEP

Calculation of DSCR							
Year	I	II	III	IV	V	VI	VII
Net Sales	8,30,452	10,90,009	11,44,510	12,01,735	12,61,822	13,75,964	13,91,159
Net Profit	1,28,627	2,68,512	3,08,464	3,56,289	4,06,310	5,04,167	5,10,406
Interest Paid	68,832	61,319	52,936	43,582	33,147	21,504	8,514
Cash Accruals (a)	1,97,460	3,29,831	3,61,400	3,99,872	4,39,457	5,25,671	5,18,920
Principal	64,930	72,443	80,826	90,179	1,00,615	1,12,258	1,25,248
Interest	68,832	61,319	52,936	43,582	33,147	21,504	8,514
Total (b)	1,33,762						
DSCR	1.48	2.47	2.70	2.99	3.29	3.93	3.88
Average DSCR	2.96						

Calculation of Internal Rate of Return (IRR)							
Sl. No.	Year	PAT	Depreciation	Cash Accrual			
	Cash outflow at beginning				-13,07,700		
1	31-03-2023	1,28,627	68,750	68,750	1,97,377		
2	31-03-2024	2,68,512	61,403	61,403	3,29,915		
3	31-03-2025	3,08,464	54,861	54,861	3,63,325		
4	31-03-2026	3,56,289	49,033	49,033	4,05,322		
5	31-03-2027	4,06,310	43,840	43,840	4,50,150		
6	31-03-2028	5,04,167	39,209	39,209	5,43,376		
7	31-03-2029	5,10,406	35,079	35,079	5,45,485		
IRR			20.16%				
Payback Period			4 Years 0 Months				

Calculation of Break-Even Point (BEP)							
Sales	8,30,452	10,90,009	11,44,510	12,01,735	12,61,822	13,75,964	13,91,159
Variable Cost	3,26,792	4,48,852	4,64,122	4,73,486	4,83,148	4,93,268	5,03,084
Contribution	5,03,660	6,41,158	6,80,387	7,28,249	7,78,674	8,82,696	8,88,075
Fixed Cost	3,75,032	3,71,671	3,68,846	3,66,366	3,64,137	3,61,863	3,59,442
BEP Sales	6,18,366	6,31,865	6,20,452	6,04,566	5,90,075	5,64,079	5,63,062
Average BEP sales	5,98,924						



4.10. Summary of Project Cost

Sl. No.	Name of Assets	Amount
1	Land Development and Fencing	60,000
2	Civil Construction	4,83,000
3	Irrigation/Water Supply	1,10,000
4	Electrification	15,000
5	Plant & Machinery	48,000
6	Livestock	5,20,000
7	Fodder Cultivation	12,000
8	Insurance	39,000
9	DPR Cost	3,087
10	Other miscellaneous exp.	2,913
	Total Fixed Cost	12,93,000
	Recurring	14,700
	Cost of Project	13,07,700