



Model bankable project on goat farming

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Financial assistance for Goat farming

Loan from banks with refinance facility from NABARD is available for starting goat farming. For obtaining bank loan, the farmers should apply to the nearest branch of a Commercial, Co-operative or Regional Rural Bank in their area in the prescribed application form which is available in the branches of financing bank. The Technical

officer attached to or the Manager of the bank can help /give guidance to the farmers in preparing the project report to obtain bank loan. For goatery projects with very large outlays, detailed reports will have to be prepared. For high value projects, the borrowers can utilise the services of NABARD Consultancy Services (NABCONS) who are having wide experience in preparation of Detailed Project Reports.

Scheme Formulation

A scheme can be prepared by a beneficiary after consulting local technical persons of State Animal Husbandry Department, DRDA, Sheep-Goat Co-operative society / union /federation and commercial farmers. If possible, the beneficiary may visit progressive goat farmers and government / agricultural /Veterinary university goat farms in the vicinity and discuss the profitability of goat farming. A good practical training and experience in goat farming will be highly desirable. The sheep-goat co-operative societies established in the villages as a result of efforts by the Animal Husbandry/ Live stock Development Department of State Government / Goat Development Board would provide all supporting facilities, particularly marketing of live animals and processed meat.

Scheme Area / Preparation of Land/Civil Works

Any area having sufficient irrigation or reasonable grazing facilities is suitable for goat rearing activity. Generally one acre irrigated land can accommodate 25 goats under intensive system. While selecting the site, a compact area near to veterinary dispensary, disease diagnosis facility, technical supervision, power and water arrangements, marketing arrangements, grazing land etc. should be taken into consideration. The shed should be constructed on a elevated land. Direction of shed should preferably East-West. Outside the shed there should be a provision for open land for exercise. For big farm, there should be a provision for quarantine shed for keeping newly bought goat or sick animals.

Land development such as clearance of bushes, shrubs and leveling, live hedge fencing of land for rearing fodder crop, social fencing etc. may be taken into consideration.

Preparation of Floor

For hot-humid climate, slatted floor raised about one meter above the ground provide good ventilation, easy cleaning and collection of dung and urine. There

should be a distance of little less than 1/2 " between the planks or platform. Bottom part of the pit can be pucca for easy collection of dung and urine. Wet floor encourage skin infection, deep litter system of floor increase chances of diseases like TB, para tuberculosis and brucellosis. Concrete floors are hard for standing and sitting more over prone to mastitis and pneumonia. The height of the roof at centre in 'A' shaped roof should be about 12-14 ft.. Construction of shed having slatted floor by using local material like bamboo is ideal and cheap. Under intensive and semi-intensive system of goat production, sub-division of groups viz., dry does, lactating does, pregnant goat, buck etc. is important. Use of locally available materials and the unskilled and semi-skilled manpower available with goat keepers is an effective means to keep the cost of construction low.

Fodder arrangement / feeding

Under intensive / semi-intensive system of goat rearing, arrangement of fodder is a must. Cost of cultivation of perennial and annual fodder crops (both leguminous and non-leguminous) is included. Types of fodder to be grown varies agro climatically. Hence farmers should grow the fodder under guidance of district agencies.

Adult dry goat on browse normally get enough nutrients from range however, seasonal variations in nutrient availability and subsequent fluctuation of body weight gain is possible. Supplementary feeding either through green fodder or concentrate mixture may be provided depending upon environment and system of rearing. Goat relish leguminous fodder (viz. Lobia, Berseem, Leucern). Therefore, non-leguminous fodder can be fed with leguminous fodder in 1:1 ratio and balance diet for stall-fed goat normally contain concentrate, dry fodder and green fodder in 1:1:1 ratio. It is advisable to use cheap ingredients like agro-forests by product, organic waste etc. while formulating concentrate mixture. Various composition of concentrate mixtures are given below :

Item	Part
Bajra (Millets)	40.0
Deoiled Ground Nut cake	25.0
Rice Bran	20.0

Rice Bran	20.0
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Dal Chuni	13.0
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Mineral Mixture	1.5
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Salt	0.5
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Total	100.0
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Item	Part
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Gram	15.0
------	------

Maize	37.0
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GNC	25.0
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Wheatgram	20.0
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Mineral Mixture	2.5
-----------------	-----

Common Salt	0.5
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Total	100.0
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Note : In NE States feed ingredients are not readily available therefore Bajra can be replaced by Maize, Barley grain, Wheat bran, damaged wheat gain, and deoiled GNC can be replaced by deoiled Mustard Cake

can be replaced by deonised mustard cake.

Requirements of a Good Project

The project should include the following information on technical, financial and managerial aspects in detail based on type of unit and capacity.

Technical

- Nearness of the selected area to veterinary centres, meat market and the financing bank's branch
- Availability of good quality animals in nearby livestock markets. (Under semi intensive system, Bengal goat, Barbari, Beatal, Jamnapari etc. are suitable, Breeds available in their native tracts are most suitable for farming)
- Source of training facilities.
- Availability of grazing field/lands.
- Availability of green/dry fodder, concentrate feed, medicines etc.
- Availability of veterinary aid and marketing facilities near the scheme area.

Financial

1. Unit Cost - The average cost of goat unit.
2. Input cost for feed and fodder, veterinary aid, insurance, etc.
3. Output costs i.e. sale price of live animals etc.
4. Income-expenditure statement and annual gross surplus.
5. Cash flow analysis.
6. Repayment schedule i.e. repayment of principal loan amount and interest.

Appraisal of the project

The project so formulated considering the above mentioned aspects may be submitted to the nearest branch of the bank for availing credit facility for establishment of the goat farm. The bank will then examine the project for its technical feasibility, financial viability and bankability.

Sanction of Bank Loan and its Disbursement

After ensuring technical feasibility and economic viability, the scheme will be sanctioned by the bank. The loan is disbursed in stages against creation of specific assets such as construction of sheds, purchase of equipment and animals. The end use of the loan is verified and continuous follow-up is done by the bank.

Lending Terms - General

Outlay

Outlay of the project depends on the local conditions, unit size and the investment components included in the project. Prevailing market prices / cost may be considered to arrive at the outlay.

Margin Money

Margin depends on the category of the borrowers and may range from 10% to 25%.

Interest Rate

Banks are free to decide the interest rates within overall RBI guidelines. However, for working out financial viability and bankability of model project, the rate of interest is assumed at 13.00% p.a.

Security

Security will be as per RBI / NABARD guidelines issued from time to time.

Repayment of loan

The loan repayment is determined, on the basis of gross surplus generated in the project. Usually the repayment period of loan for goat farming is 5 to 7 years. In this model scheme the repayment schedule is drawn for 6 years with 1 year moratorium period.

Insurance

The animals and other assets (shed, equipment) may be insured.

Training

For training entrepreneur may contact CIRG, ICAR Mahndoom, Mathura (UP) – 281122. Phone No. +915652763380, Fax. No. -2763246, Help line No. 05652763320

Project Preparation

Preparation of Project entrepreneur may contact CEO, Nabcons, Rajendra Place, New Delhi.

Financial projections of Goat Farming

A model financial projection for goat farming with a unit size of 10F+1M goat is given below. This is indicative only and the applicable input and output costs and the parameters observed at the field level may be incorporated. While making financial projections, Bengal goat has been taken into consideration. Black Bengal is one of the world famous breed available in the eastern India. The core of the breeding tract is West Bengal and the neighbouring Bangladesh. Among three major coat colour varieties, viz., black, brown and white, prevalence of black is highest. However relative ratio of different coat colours is variable over the breeding tract. Hair coat is thin and shiny. They are short legged with deep body. Ear is short and erect. Horn is present in both sexes but relatively smaller in females. Among different qualitative traits, prolificacy, chevon and skin quality are of highest order. Its legs are short, but the body is deep. Bucks weigh 14.0-15.3 kg and does 8.4-13.5 kg each. The does kid thrice in two year with average kidding size 1.6. The milk yield is, however poor. The breed is highly adapted to low input system possibly by virtue of its small body size and relatively low rate of nutrient utilization.

Project Cost

Particulars	Cost (Rs.)
A. Capital Cost	
Cost of Does (10 animals; Rs.2000 each)	20000
Cost of Buck	3500
Night shelter for Buck, Doe and followers Adults (Buck-20 sq.ft; Doe-10 sq.ft) (Rs.80/sq.ft)	9600

Transportation Charges @Rs.100/animal	1100
a. Equipment including water facility (feeder, water dispenser etc.) @Rs.100/animal	1100
b. Fodder cultivation@1/2 acre	3000
c. Supplementary concentrate feed @300g/animal/day; (Parent stock) - Rs.18/kg for 12 months	21384
Veterinary aid including vaccination@Rs.100/animal/year for 11 animals	1100
Insurance cost for the adults (5% cost of adults)	1175
Misc. expenditure (lumpsum)	1000
Total Financial Outlay	62959
Say	63000
Margin Money (10 %)	6300
Bank Loan	56700

Techno-economic parameters

Particulars		Assumption
N.of animals	-Does	10
	-Buck	1
Purchase price of buck (Rs.)		3500
Purchase price of Does (Rs/animal)		2000
Feed consumption per day (Kg/animal)		
	- Adults	0.30
	-Kids	0.1

No. of days of feeding per cycle	120
Cost of Feed (Rs./kg)	18
Insurance premium per animal per year (% of the cost of animal)	5
Veterinary Aid per animal per year (Rs.)	100
Sale price of male kids (Rs./kid) (@7- 8 months of age)	3500
Sale price of female kids (Rs./kid)	3000
Sale price of culled Does (Rs./Doe)	2500
Income from manure/animal/year (Rs.)	25
Conception rate (%)	90
Kidding percentage	
	-I year 140
	-II Year 160
Inter Kidding period (months)	8
Mortality in kids (%)	15
Culling %	20
Rate of interest(%)	13
Net income towards repayment (%)	60
Repayment period (Years)	1+5

Heard Chart

Year	Opening Stock	No.of Kids born	Mortality in Kids	No.of Kids sold	Culling in Adults	Transfer of	Closing
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	Adults		Kids										Kids to	Adults	
	M	F	M	F	M	F	M	F	M	F	F			M	F
I	1	10	0	0	6	6	1	1	0	0	0	0		1	10
II	1	10	5	5	6	6	1	1	5	3	2	2		1	10
III	1	10	5	5	13	13	2	2	10	8	2	2		1	10
IV	1	10	6	6	6	6	1	1	6	4	2	2		1	10
V	1	10	5	5	13	13	2	2	10	8	2	2		1	10
VI	1	10	6	6	6	6	1	1	6	4	2	2		1	10

Income Expenditure analysis

Particulars		I Year	II Year	III Year	IV Year	V Year	VI Year
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Income:

By sale of Male kids		0	17500	35000	21000	35000	21000
By sale of Female kids		0	9000	24000	12000	24000	12000
By sale of culled Does		0	5000	5000	5000	5000	5000
By sale of manure		275	275	275	275	275	275
Total		275	31775	64275	38275	64275	38275

Expenditure

On Concentrate feed - Adults	Cap.	7128	7128	7128	7128	7128
Kids	Cap.	2592	5832	3240	5832	3240

On insurance	Cap.	1175	1175	1175	1175	1175
On Veterinary Aid	Cap.	330	330	330	330	330
Total	0	11225	14465	11873	14465	11873
Net Profit	275	20550	49810	26402	49810	26402

Financial Analysis

	Particulars	I Year	II Year	III Year	IV Year	V Year
Cost:						
Capital Cost	63000					
Recurring cost	0	11225	14465	11873	14465	
Total cost	63000	11225	14465	11873	14465	
Benefit:						
Benefits	275	31775	64275	38275	64275	
Residual Value*						
Total Benefits	275	31775	64275	38275	64275	
Net Benefits	-62725	20550	49810	26402	49810	
Discount Factor	0.884956	0.783147	0.693050	0.613319	0.542760	
BCR	1.55	: 1				
NPV	45915					

IRR 44.54

Year	Loan Outstanding	Interest	Net Profit	Repayment of Principal	Payment of Interest	Net Surplus
1	56700	7371	275	0	7371	-7096
2	56700	7371	20550	11340	7371	1839
3	45360	5897	49810	11340	5897	32573
4	34020	4423	26402	11340	4423	10639
5	22680	2948	49810	11340	2948	35522
6	11340	1474	26402	11340	1451	13611

Source: [NABARD](#)

Source: <https://data.vikaspedia.in/short/lc?k=2Htn5sUXLJYFmgHo6wFb9A>

