

TAMIL NADU RURAL TRANSFORMATION PROJECT

Category of Loan: Nano (INR upto 5 Lakhs)

Business Plan for establishing a Goat farm

Introduction

- ❖ *Mr.AAA is a resident of BB village in Virudhunagar district. He owns 3 acres of agricultural land.*
- ❖ *In addition to agriculture, he has been engaged in goat rearing activity for the past 10 years.*
- ❖ *He use to frequently attend the training program conducted by Department of Animal Husbandry and acquainted with new techniques of goat farming.*
- ❖ *M/s Roja Women SHG is functioning in the village for the past 5 years and Mr.AAA's spouse, Ms. RRR is a member in that SHG.*
- ❖ *The nearest bank branch is ABC Bank Limited. The family members of Mr.AAA and the SHG are maintaining account with the bank. The bank has assisted the SHG twice. On both the occasion, Ms.RRR was one among the beneficiary, took the loan and promptly repaid the loan instalments.*
- ❖ *The present request is to establish a 25+1 goat farm unit at a cost Rs.3.85 lakhs under TNRTP matching grant Programme*

About the Product

- ❖ *Goat is the only animal which is bred for multiple objectives, viz., meat, hide, milk, manure and hair.*
- ❖ *Due to versatile characteristics and utilisation, goat is often called 'poor man's cow' in India. Goat meat is usually low in fat and is commonly called chevon.*
- ❖ *Goat meat is preferred to mutton in India. Being the principal meat producing animal in India, goat meat is commonly preferred to other meat with better prices irrespective of caste and religion.*

Enterprise and Entrepreneur Profile

1. Profile of the Entrepreneur:

Name	Mr.AAA
Spouse Name	
Age	40
Education	12 th Standard
Aadhaar Card No	86XXXX111111
Address	
Phone No	+91 1111111111
Mobile NO	+91 1111111111
Email ID	goatgoat@gmail.com
Number of years of experience in business	10 years
Trainings attended (no. and hours)	Participated in the on campus training programme on goat farming conducted by Dept of Animal Husbandry
Spouse's occupation	Agriculture/Goat Rearing
If Special category	NA

2. Enterprise Profile:

Name of the Enterprise	M/S AAA GoatFarm
Legal Form of Enterprise	Individual
Registration Number	Nil
Registration Date	Nil
Registered with Whom	Nil
GST No (If available)	Not Applied
Udyam Registration number	Not Applied

3.Bank Linkage Details:

Whether the enterprise has separate bank account	Yes
If any bank credit availed	No
Name of the bank and Branch	ABC Bank Limited
Nature of the bank facility	NA
Limit Sanctioned	NA
Balance outstanding as on date	NA

4. Enterprise Nature:

Type of Enterprise	❖ Farm Sector- Agri. Allied activity
Product to be produced	❖ Production and marketing of goat
Service to be offered:	❖ Sale of goats
Present Demand	❖ Goat meat is the preferred meat of people of Tamilnadu and there is huge domestic demand for the product.
Current Supply	❖ The demand for goat meat (chevon) is met by local goat farmers and traders

5. Technical Feasibility:

a. Location - Brief on Location – Whether well connected to market by road etc.,	❖ The village is easily approachable and well connected by road
b. Land -Extent of Land	❖ 3.00 acres agricultural land with adequate water source
c. Building - Approved plan from local body, Sq.ft, whether sufficient for the proposed activity	Semi intensive system of Rearing ❖ The floor space per Buck-15 Sq.ft ❖ The floor space per Doe-10 Sq.f ❖ Young male or Female- 4 Sq.ft
d. Power - Whether required power connection is available	❖ SEB power supply is available.
e. Water -Whether adequate water is available.	❖ Adequate water supply is ensured through bore well and an open well.
f. Approval - Pollution control Board/GST/FSSAI approvals or any other approval is required. Present Status	NA
g. Materials Needed Quantity / Cost / Availability / Delivery Time to be discussed. Raw materials Equipment Technology	<u>Raw-materials</u> ❖ Adult healthy breeds (Kanniadu, Kodiadu, Salem Black and Sirohi Breeds) within 2 years of age can be purchased from farms in Sattur, Sivakasi, Vilathikulam, Sankarankoil Ettiyapuram, Nagalapuram, Ottapidaram

	<ul style="list-style-type: none"> ❖ Arrangements have been made to cultivate leguminous, non-leguminous and tree fodder crop in one acre ❖ <u>Leguminous</u>- Hedge Lucerne, Desmanthus, Cow pea and Stylo. ❖ <u>Non-leguminous</u>--Sorghum/Cumbu-Nappier/CO-3/CO-4 Grass, ❖ Tree crop -Subabul, Sesbania, Glyricidia ❖ Veterinary Centre in the village is extending animal health care services ❖ The raw materials (Gram Peel, Cotton seed peel, Soyabean peel, Blackgram peel, Tapioca flour, Tamarind seed flour, Neem oil cake, Karuvel/Seemakkaruvel nettrukkal) for preparing concentrate feed is locally available ❖ Equipment's (feeder, water dispenser etc.)can be purchased from the nearby town ❖ Technology: The applicant has attended the training program conducted by Dept of Animal Husbandry and capable of adopting new technology
h. Cost of capital assets.	As per Annexure A.
i. Cost of working capital for one operating cycle	❖ The working capital requirement is arrived at Rs.0.42 lakh as per Annexure C.
OR	
25% of projected annual sales turnover if necessary	
j. Skills Requirements: skilled labour available / Not available If not available: whether people can be trained? If so, training period and training facility?	The promoter is well experienced in the line of activity for more than 10 years. Agricultural labourers with adequate experience in goat farming are easily available

Production Process:	
Production Plan/cycle (operating cycle may be one-day / week / month or one year as per the activity selected):	The operating cycle is assumed at one crop season as detailed in Annexure C .

6. Commercial Feasibility:

<p>a. Marketing strategy</p> <p>b. Pricing & Discounts</p> <p>c. Market promotion strategies:</p> <p>d. Physical and digital connectivity:</p>	<ul style="list-style-type: none"> ❖ Majority of the goats produced by the goat farmers were sold to the local village traders followed by retail butchers. ❖ Besides goats were also sold to hotels, restaurants, Mutton stall keepers and Meat exporters ❖ The weekly Saturday goat market held at Ettayapuram (at 55 KM Distance) is famous among goat and sheep farmers and among traders in southern districts. ❖ Wholesale and retail trades were carried out in the market and traders from neighbouring districts flock the market for buying goats and sheep. ❖ The weekly Shandies at Kariapatti, Thonukal, Rajapalayam and Veeracholan are the best places for marketing agricultural produces and livestock ❖ Yet another place of marketing of agricultural produce and livestock is Kanniseripudur, where the shandy will be held once in a year for a period of 15 days during May & June ❖ Online selling of livestock by registering through https://www.livestockmarket.com/
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7.Environment Assessment:

Category of the enterprise proposed: *White/Green / Orange / Red*

To be entered as per the requirement – **WHITE**

Environment Issue identified	Environment Guidelines or mitigation measures Integrated (Please tick)	Greening Measures identified	Support needed	
		<i>(for green, orange and red categories)</i>	<i>Implement the mitigation measures</i>	<i>Implement the greening measures</i>
Exploitation of local resources (water and energy)	<ul style="list-style-type: none"> • Water • Wood • Electricity 	<i>To ensure adequate measures for Proper disposal of Smoke and waste water</i>	NA	NA
Waste generation and disposal	<ul style="list-style-type: none"> • Dust/air pollutants • Disposal of waste water 	<i>To ensure adequate measures for Proper disposal of Smoke and waste water</i>	NA	NA
Worker and Community safety	<ul style="list-style-type: none"> • Safety measures / gadgets 	<i>Fire extinguishers to be fixed in sensitive places in the unit. Full fire protection dresses and gloves for workers</i>	NA	NA

Whether the activity proposed is in the negative list: No.

8. Financial Viability

Cost of the project and Means of the project:

a. Cost of the Project:	(Rs in lakhs)
<i>i. Fixed capital-Cost of all the equipment's /machinery /construction(excluding land cost) As per Annexure-A</i>	3.43
<i>ii. Working capital (As per scale of Finance fixed by SLTC As per Annexure- C</i>	0.42
<i>iii. Pre-operative expenses</i>	**From Own Source
<i>Total cost of the project (i + ii + iii)</i>	3.85
b. Means of the project:	
<i>Loan from financial Institution / Bank (90%):</i>	3.47
<i>Margin money -Borrower's contribution (10%):</i>	0.38
<i>Total means of the project (i + ii)</i>	3.85
<i>c. Matching grant from the project**</i>	1.16
<i>** The preliminary expenses viz: transportation cost of animals, servicing of Interest during holiday period and other miscellaneous expenses will be met by the borrower from his own source. Hence not included in the project cost. The borrower has sufficient source to meet the preliminary expenses.</i>	
<i>Whether the entrepreneur has the sufficient means to bring in the margin money and has enough buffer to manage any cost escalations</i>	Yes

****Matching Grant is @30% of the total cost of the project (excluding pre-operative expenses, land cost, lease). As Matching Grant will be kept in a "Subsidy Reserve Fund" account of the bank as a back-ended grant, it is not shown under the Means of the project. The matching grant to be adjusted as below:**

	(Rs in Lakhs)
<i>Loan initially disbursed by the Bank</i>	- 3.47
<i>Less 30% matching grant</i>	- 1.16

Balance principal amount to be repaid by Borrower - 2.31

Upon completion of minimum period of 18 months and upon repayment of principal amount of Rs.2.31 lakhs and the interest portion, the matching grant of Rs.1.16 lakhs can be adjusted to the loan account of the borrower and the loan account can be closed.

Income & Expenses of the Enterprise

Income generation starts from II Year onwards

Particulars	Amount in INR
a. Sales	261000
b. Cost of Production	96022
i. Cost of Raw Material	39322
ii. Direct Wages	50400
iii. Cost of utilities(Water, Power , Fuel, Repair)	6300
c. Gross Profit(a-b)	164978
d. Admin & Selling Exp	10350
e. Operating Profit before Depreciation, Interest, Tax & Amortization (c-d)	154628
f. Depreciation	14650
g. Interest on Term Loan	25410
h. Taxes	0
i. Profit After Tax {e-(f+g+h)}	114568
J. Cash Surplus (. Profit After Tax+ Depreciation)-Withdrawal	129618
k. Income from household members by way wages	145000
l. Total Income (j+k)	274218
m. Household Expenses	60000
n.Net Disposable income(l-m)	214618
o.50% of Net Disposable income	107109
Repayment (Principal Rs.69400, Interest Rs.25410)	94810

50% of net disposable income covers the loan instalment and interest.

Recommendation:

The proposal is viable and complies with the guidelines of Matching Grant Programme. We may recommend the proposal to the concerned Bank.

PROFITABILITY PROJECTIONS

Amount in Rs

SL.NO	PARTICULARS	YEAR					
		I	II	III	IV	V	VI
	No.of bucks for sale - Nos (Refer Herd Chart)	0	13	25	15	25	15
1	Sale value of Bucks at the age of 11 months @ Rs 9000/Buck	0	117000	225000	135000	225000	135000
	No.of Does for sale - Nos (Refer Herd Chart)	0	7	20	10	20	10
2	Sale value of Does at the age of 11 Months Rs.7500 /Doe	0	52500	150000	75000	150000	75000
	No of Culled animals for sale (Refer Herd Chart)	0	5	5	5	5	5
3	Sale value of culled does @ Rs 12000 (30 kg Body wt @ Rs.400 per Kg).	0	60000	66000	72600	79860	87846
4	Sale of Manure @ Rs.6000 per Tonne @ 5 tonne per annum	30000	31500	33075	34729	36465	38288
	Total Benefit (1+2+3+4) =A	30000	261000	474075	317329	491325	336134
	Cost of Production						
5	Cost of Cultuivation of Fodder (One Acre)	10000	10500	11025	11576	12155	12763
6	Cost of Concentrate feed (Adults)	15300	15300	15300	15300	15300	15300
7	Cost of Concentrate feed (Kids)	4896	8772	15096	9792	15096	9792
8	Cost of Veterinary care @ Rs.100 per adult & Rs.50 per Kid	3800	4750	6300	5000	6300	5000
9	Cost of Labour @ Rs.4000 Per month	48000	50400	52920	55566	58344	61262
	Insurance	5000	6900	10000	7400	10000	7400
	Adult (25+1)	26	26	26	26	26	26
	Kids	24	43	74	48	74	48
10	Cost of Insurance @ Rs.100 per animal	5000	6900	10000	7400	10000	7400
11	Electricity & Water charges @ Rs.500 per Month	6000	6300	6615	6946	7293	7658
12	Miscellaneous expenditure - Cost of rope, Chain, transportation and other overheads @ Rs.50 per animal	2500	3450	5000	3700	5000	3700
13	Total cost (5+6+7+8+9+11)=B	87996	96022	107256	104180	114488	111774
14	Gross Profit (A-B)C	-57996	164978	366819	213149	376837	224360
15	Admin& selling expenses (10+12).....D	7500	10350	15000	11100	15000	11100
16	Operating profit before depreciation. Interest ,Tax (C-D) E	-65496	154628	351819	202049	361837	213260
17	Depreciation @ 10% (F)	0	14650	14650	14650	14650	14650
18	Interest on loan (G)	0	25410	18412	10778	1472	0
19	Taxes (H)	0	0	0	0	0	0
20	Profit after tax(E-(F+G+H))	-65496	114568	318757	176621	345715	198610
21	Cash Surplus= Profit after tax+ Depreciation-Withdrwal (I)	-65496	129218	333407	191271	360365	213260
22	Repayment of Loan principal amount	0	69400	69400	69400	22800	0
23	Income from household members by way agriculture(J)	125000	145000	155000	165000	175000	185000
24	Total Income (I+J) =K	59504	274218	488407	356271	535365	398260
25	Household Expenses (L)	50000	60000	72000	85000	100000	110000
26	Net Disposable income (K-L)	9504	214218	416407	271271	435365	288260
27	50% of Net Disposable income	4752	107109	208204	135635	217682	144130
28	Repayment (Principal+interest)	0	94810	87812	80178	24272	0

ANNEXURE – A
Cost of the Capital Assets

Capital	Nos	Price per unit (Rs)	Total Cost (Rs)
1. Cost of Buck (weighing 30 Kg)	1	9000	9000
2. Cost of Doe (weighing 25 kg)	25	7500	187500
3 Cost of construction of Shed	700 Sq. ft	150	112500
4. Equipment Cost – Feeder/Water pots	6	300	2000
5 Cost of chaff cutter	1	20000	20000
6. Animal Weighing scale	1	12000	12000
		Total	343000

ANNEXURE – B

Basis & Presumptions

- ❖ Economic size of the unit- 25 Does and 1 Buck
- ❖ System of Rearing: Semi intensive
- ❖ Cost of One Buck @Rs.300 per Kg (Weighing 30 Kg) = Rs.9000
- ❖ Cost of One Doe @ Rs.300 per Kg (Weighing 25 Kg)=Rs.7500
- ❖ Feed Consumption per day per animal- Adult-9 Kg per Month, Kids-3 Kg per Month
- ❖ No. of days of feeding per cycle-120 days
- ❖ Cost of Feed (Concentrate feed) Rs.17/Kg
- ❖ Cost of cultivation of green fodder - Rs.10000(per season)
- ❖ Insurance premium @ 3% on the cost of the animal
- ❖ Veterinary aid/animal/ year Rs.100 animal & Rs.560 per Kid.
- ❖ Saleable age of Kids: 11 Months
- ❖ Sale price of goats @ Rs.7500
- ❖ Sale price of culled Does (Rs./Doe) @ Rs.12000
- ❖ Income from manure/animal/year (Rs.)5 tonnes per annum @ Rs.6000 per Tonne
- ❖ Conception rate (90%)
- ❖ Kidding percentage- I Year-140% , II Year-160%
- ❖ Inter Kidding period (8 months)
- ❖ Mortality in kids 15%
- ❖ Culling 20% per annum
- ❖ Repayment period (1+5 years)

Herd Chart

Herd Chart - a unit size of 25F + 1M																
Year	Opening Stock				No. of Kids Born		Mortality in Kids		No. of Kids Sold		Culling in Adults	Transfer of Kids to adults	Closing Stock			
	Adults		Kids										Adults		Kids	
	M	F	M	F	M	F	M	F	M	F	F		M	F	M	F
I	1	25	0	0	15	15	3	3	0	0	0	0	1	25	12	12
II	1	25	12	12	15	15	3	3	13	7	5	5	1	25	11	12
III	1	25	11	12	33	33	5	5	25	20	5	5	1	25	14	15
IV	1	25	14	15	15	15	3	3	15	10	5	5	1	25	11	12
V	1	25	11	12	33	33	5	5	25	20	5	5	1	25	14	15
VI	1	25	14	15	15	15	3	3	15	10	5	5	1	25	11	12

Feeding Schedule

Type of Feed	Adult			Kids		
	Quantity (Kg)/Month	Cost Per Kg (B)	Feed cost/ Month (A x B)	Quantity (Kg)/Month (A)	Cost Per Kg (B)	Feed cost/ Month (A x B)
Concentrate Feed	9	17	153	3	17	51
Total	9	20	153	3	17	51

Green Fodder for Adult

Cost of Cultivation per acre per season	Rs.10000
Non leguminous (Grass) fodder/day	3 to 3.5
Leguminous fodder/day	2
Tree fodder/day	1.5

Kids	Doe's milk (ml)	Concentrate Feed	Green fodder/day
1-3 days	Colostrum 300 ml, 3 Feedings	-	-
4-14 days	350 ml, 3 feedings	-	-
15-30 days	350 ml, 3 feedings	A Little	A Little
31-60 days	400 ml, 2 feedings	100-150 gms	Free choice
61-91 days	200 ml, 2 feedings	200-250 gms	Free choice

Feed Cost

Year	Opening Stock				No. of Kids Born		Mortality in Kids		No. of Kids Sold		Culling in Adults	Transfer of Kids to adults	Closing Stock				No. of kids requiring feed @0.1kg per kid	Qty of feed required per feeding cycle (120 days) in Kgs	Cost of feed @ Rs.17 per Kg	Qty of Feed for Adult@ 0.3 kg per adult per feeding cycle(120 days)	Cost of feed @ Rs.17 per Kg
	Adults		Kids										Adults		Kids						
	M	F	M	F	M	F	M	F	M	F	F	M	F	M	F						
I	1	25	0	0	15	15	3	3	0	0	0	0	1	25	12	12	24	288	4896	900	15300
II	1	25	12	12	15	15	3	3	13	7	5	5	1	25	11	12	43	516	8772	900	15300
III	1	25	11	12	33	33	5	5	25	20	5	5	1	25	14	15	74	888	15096	900	15300
IV	1	25	14	15	15	15	3	3	15	10	5	5	1	25	11	12	48	576	9792	900	15300
V	1	25	11	12	33	33	5	5	25	20	5	5	1	25	14	15	74	888	15096	900	15300
VI	1	25	14	15	15	15	3	3	15	10	5	5	1	25	11	12	48	576	9792	900	15300

ANNEXURE –C

Working Capital Requirement

S.No.	Particulars	Amount (Rs.)
1	Unit size	25+1
2	Unit cost	150000
3	System of rearing	Semi Intensive
4	Fodder cost - Cost of cultivation of 1 acre fodder crop	10000
5	Feed cost	
	Bucks	300
	Does	7500
c.	Kids	5200
6	Medicines/Veterinary charges@ Rs.100 per Adult	2500
7	Insurance (3%)	4500
8	Misc. (water/electricity charges)	4500
9	Labour wages	7500
	Total Working Capital	42000

Assumption: Farmer is selling goats/young one once in two months and fund required for two months is considered

ANNEXURE D

Loan Amount – Rs.347000/

Interest Rate - 11%

Repayment period – 72 months including 12 months holiday period

Date	Particulars	Debit	Credit	Balance	Net Loan	Interest on Net Loan	Interest Per annum	Principal repayment
01.10.2021	To loan	347000		347000	231000			
1	By repayment			347000	231000	2118		
2				347000	231000	2118		
3				347000	231000	2118		
4				347000	231000	2118		
5				347000	231000	2118		
6				347000	231000	2118		
7				347000	231000	2118		
8				347000	231000	2118		
9				347000	231000	2118		
10				347000	231000	2118		
11				347000	231000	2118		
12				347000	231000	2118		
13			69400	277600	161600	2118	25410	69400
14				277600	161600	1481		
15				277600	161600	1481		
16				277600	161600	1481		
17				277600	161600	1481		
18				277600	161600	1481		
19				277600	161600	1481		
20				277600	161600	1481		
21				277600	161600	1481		
22				277600	161600	1481		
23				277600	161600	1481		
24				277600	161600	1481		
25			69400	208200	92200	1481	18412	69400
26				208200	92200	845		
27				208200	92200	845		
28				208200	92200	845		
29				208200	92200	845		
30				208200	92200	845		
31				208200	92200	845		
32				208200	92200	845		
33				208200	92200	845		
34				208200	92200	845		
35				208200	92200	845		
36				208200	92200	845		

37			69400	138800	22800	845	10778	69400
38				138800	22800	209		
39				138800	22800	209		
40				138800	22800	209		
41			22800	116000	0		1472	22800
42	<i>By Matching Grant 30%</i>		116000	0			56072	231000