

## **Model Detailed Project Report (DPR) for Cattle Feed Plant**

### **1.0: Context and rationale for the feed plant in the desired area of operation:**

The entrepreneur may describe the demand situation, supply situation, need gap, and any other relevant details such as animal profile, types of commercial feed and supplements available in the area, existing demand for compound feed, prevailing supply chain mechanism etc.

### **2.0: Project Objectives:**

This section details the core objectives for setting up of the feed plant. Indicative objectives are mentioned below:

- To make available quality compound feed for various categories of animals in order to improve the productivity of animals.
- Improve profitability from dairy farming owing to increased productivity of animals.
- Offer ready source of nutrients to animals even during drought season.
- To provide employment to local youth.

### **3.0: SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) of the entrepreneur along with plans for exploitation of Strengths and opportunities as well as mitigation of risks and weaknesses.**

This may broadly cover the following aspects:

*3.1: Product related:*

*3.2: Price related:*

*3.3: Procurement related*

*3.4: Extension / Marketing related:*

### **4.0: Project Details:**

*4.1: Proposed project location:* The Implementing Agency/ Entrepreneur needs to specify the exact location of the proposed feed plant, land area available for setting up of the plant, road connectivity, water resources, availability of electricity, topography, hydrology and climate data etc.

*4.2: Installed production capacity of the proposed feed plant:* Indicative manufacturing capacity of the plant is 150 Metric Tons Per Day (MTPD). However multiples of the same can be proposed based upon the demand and the strategic plans of the entrepreneur.

*4.3: Details of plant and machinery:*

*4.3.1: Planned Raw material storage capacity:*

a) Capacity per godown and number of godowns / storage silos planned.

b) Plan for 'Day Bins', if any and capacity of the same.

*4.3.2: Finished Goods storage capacity:*

*4.3.3: Land requirement:*

*4.3.4: Manpower requirement:*

*4.3.5: Details of products to be manufactured by the CFP, branding and positioning strategies vis-a-vis other major players in the area.*

#### **5.0: Project viability**

Estimates of capital expenditure, revenue expenditure, operational cost, gross margin, net margin etc. may be mentioned. Also other financial parameters such as Break-even period etc may be mentioned.

An indicative format for the same is provided in Annexure I.

Annexure II provides an overview of the estimated Capital Expenditure, Revenue Expenditure and Income for a typical Cattle Feed Plant of 150 Metric Tons per Day.

**Annexure I**

Particulars	Unit	Figure	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Capacity of the Plant (MTD)							
Annual CF Production (MTY)	BIS Type I feed						
	BIS Type II feed						
	<b>Total</b>						
<b>Total Production</b>							
<b>Sales</b>							
Average CF Sales (MTY)	BIS Type I feed						
	BIS Type II feed						
	<b>Total</b>						
Total							
<b>Operating Revenue (Rs. In Lakh):</b>							
Power	Rs/MT						
BIS Type II feed	Rs/MT						
<b>Total Operating Income</b>							
Raw Material - BIS Type I feed	Rs/MT						
Raw Material - BIS Type II feed	Rs/MT						
<b>Total Raw Material Cost</b>							
<b>Gross Margin</b>							
<b>Variable Costs :</b>							
<b>Processing Cost -</b>							
Cost of Power (electricity)	Rs/MT						
Cost of Fuel	Rs/MT						
Packing Cost	Rs/MT						
Repairs & Maintenance	Rs/MT						
Freight	Rs/MT						
Material Handling	Rs/MT						
Labour & Overheads - Variable	Rs/MT						
Distribution Channel Commission - CF	Rs/MT						
Other Variable Cost	Rs/MT						
<b>Total Variable Costs</b>							
<b>Contribution</b>							
<b>Per KG contribution</b>							
<b>Fixed Costs -</b>							
Salaries							
Salaries of outsourced manpower							
General & Admin exp							
<b>Total Fixed Cost</b>							
<b>EBITDA</b>							

Particulars	Unit	Figure	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
<b>Financing Cost</b>							
Interest on New Investments							
Interest on working capital							
<b>Depreciation</b>							
Depreciation on New							
<b>Profit Before Tax</b>							
<b>Tax</b>							
<b>Profit After Tax (PAT)</b>							
<b>VIABILITY Analysis:</b>							
PAT + INT on term loan							
Cash Profit (PAT + Dep)							
PAT + Dep + INT on term loan							
Total Investment							
<b>Return on Investment</b>	<b>ROI</b>						
<b>IRR</b>							

**Annexure II:**

<b>Cattle Feed Plant (150 MT per day)</b>		
<b>Sl. No.</b>	<b>Particulars</b>	<b>Amount (Rs. Lakhs)</b>
<b>A</b>	<b>Capital Expenditure</b>	
1	Plant and Machinery	1670.14
2	Civil Works and miscellaneous	2337.62
	<b>Total</b>	<b>4007.76</b>
<b>B</b>	<b>Revenue Expenditure</b>	
1	For a 150 MTPD plant @ 80% capacity utilization	20.40
<b>C</b>	<b>Gross margin</b>	<b>3.60</b>