PROJECT REPORT FOR ESTABLISHMENT OF A DAIRY UNIT OF SIX CB MILCH COWS UNDER MKUY SCHEME (3+3) FOR SHG

PREPARED BY ARD DEPARTMENT, BOUDH

ADDRESS OF THE SHG	**Name**	
	Village/City	
	Post Office	
	District	
FINANCER		
TOTAL PROJECT COST	**Rs 5,00,000.00(Rupees Five lakh)only**	

SUPPORTED BY

DISTRICT ADMINISTRATION, BOUDH

DAIRYING

Introduction

The advances in Animal Husbandry sector in general and dairying in particular has greatly helped in improving the economic status of rural population of our state. Availability of CB dairy animals has made dairying a remunerative business. Crop and dairy producing enterprise combination among various livestock is best suited for most of the areas of our state. Milk production through high yielding dairy animals has led to increase in income of the farmers. Moreover it has effectively helped as a tool for employment generation among the unemployed individuals and rendered food and financial security for the society. Dairying is in top with regard to profit for the persons depending on it. Basing on these facts this **COMMERCIAL DAIRY FARMING under MKUY** has been implemented by APICOL, Govt. of Orissa. Both ARD dept.and OMFED will take care of the holistic development and year round support.

The project prepared herewith for six dairy animals is to generate an assured source of income and some kind of economic sustainability for the SHG. The location of the enterprise is suitable for dairying as the area is rich in biomass, irrigation and moreover comes under the milk-route. However the following conditions must be taken care for future prosperity.

Conditions

- While establishing the farm, the optimum locational and structural biosecurity of it should be taken into consideration.
- Cross-bred cows (Preferably CB Jersey) with capacity of around 10 ltrs a day per cow are to be selected.
- The age of the cows should not be more than 4-5 years i.e. in 2^{nd} or 3^{rd} lactation must be selected.
- Preferably there should be female calves of around one month age at feet with the cows.
- The second batch cows may be brought after 6month of first batch cows.
- At least 0.5 acres of land is to be covered under fodder both seasonal and perennial type with green fencing.
- Optimum care must be taken for management, feeding, breeding and health care under supervision of a Veterinary doctor regularly.
- The entrepreneur must be careful for marketing of milk, milk-products, maintenance of biosecurity of the farm and regular repayment to the financer for obtaining the subsidy.

Scope

- The farm can be expanded in future by adding the young females to the stock.
- Surplus milk can be converted to different dairy byproducts like cheese, khoa, paneer, curd etc.
- Biogas plants can be raised to meet the energy requirement.
- Female & male calves from the elite mothers can be reared for breeding purpose in coordination with the A.H. Deptt.
- The fodder plots can be used as nursery plots for supply of roots and slips to the interested farmers, group members and other agencies.
- It can be a model for others to encourage them for dairying.

PROJECT FOR ESTABLISHMENT OF A DAIRY UNIT OF SIX CB MILCH COWS UNDER MKUY

A. Fixed cost	Amount in Rupees
1. Construction of Cattle Shed:	
Rs. 99,200.00	
(Space required for each cow is 40sq.ft. & for each calf is 20sq.ft. Thus total space for six cows and six calves is around 360sq.ft. The construction cost of the said shed having asbestos roof with thatched covering along with rough cemented floor having manger and gutter @ Rs. 220.00/sq.ft. and Office-cum-godown of 80sq.ft. @Rs.250.00/sq.ft.)	
2. Cost of dairy equipment @ Rs.2000.00/cow (iron chain, bucket, milk canes, weighing scale etc.)	12,000.00
3. Construction of one dug-well with 1HPpump set, electrification and over head tank	1,00,000.00
4. Cost of six CB cows with capacity of 10 ltr. of milk a day @ Rs. 4,000.00/ litre of milk i.e. Rs.40,000.00/cow	2,40,000.00
5. Transportation charges for six cows	6,000.00
Total Fixed Cost	**4,57,200.00**
B. Recurring cost	
1.Cost of conc. feed for 3 dairy cows in first phase @ 6kg./day@ Rs.27.00/kg.of feed for one month	14,580.00
2. Insurance coverage @ 5 % of cost of animal	12,000.00
3.Veterinary aid for six cows @ Rs.750.00 per cow	4,500.00
4. Cost of fodder cultivation (0.5 acres/six cows)	6,500.00
5. Miscellaneous expenditure	5,000.00
Total recurring cost	**41,680.00**

TOTAL PROJECT COST : Rs. 4,57,200.00 + Rs. 42,580.00 = Rs 4,99,780.00 ~Approx. Rs.5 lakh (Rupees five lakh) only

LOAN SCHEDULE

- Margin money i.e. 10% of project cost — Rs. 50,000.00
- Bank Loan — Rs. 4,50,000.00
- Interest Rate — 12.25% per annum
- Repayment period — 5 years with 6 months as grace period
- Repayment amount per annum — Rs 44,280.00 plus interest

(Bank Loan amount minus Subsidy divided by 5)

{Subsidy of 50 % (SHG) i.e. Rs.2, 28, 600.00 will be sent to the Bank after commissioning of the project & subsequent approval by DLSC. Then this amount will be adjusted against Term Loan at the end of the first year}

SUGAM, Government of Odisha (https://sugam.odisha.gov.in/website/home)

YEARLY LACTATION CHART

Year	No. of cows	Lactation days per cow	Integrated lactation days	Total lactation days	Dry days per cow	Integrated dry days	Total dry days
First	3(1st batch)	300	480	480×3=1440	65	65	65×3=195
	3(2nd batch)	180					
Second	3(1st batch)	300	600	600×3=1800	65	130	130×3=390
	3(2nd batch)	300			65		

From third year onward, the lactation and dry period are expected to be same as in second year.

ECONOMICS

A. Expenditure / Repayment Schedule:

Year	Cost of conc. feed				Insurance @ 5% of total cow cost in Rs.	Medicine cost in Rs.	Repayment amount in Rs.	Interest @ 12.25% per annum in Rs.	Total amount in Rs.
	During lactation period @ Rs.162.00/day/cow		During dry period @ Rs.50.00/day/cow						
	Total lactation days	Total Cost in Rs.	Total dry days	Total cost in Rs.					
1st	1440	2,33,280	195	9,750	12,000	4,500	44,280	27,122	3,30,932
2nd	1800	2,91,600	390	19,500	12,000	4,500	44,280	21,697	3,93,577
3rd	1800	2,91,600	390	19,500	12,000	4,500	44,280	16,273	3,88,153
4th	1800	2,91,600	390	19,500	12,000	4,500	44,280	10,849	3,82,729
5th	1800	2,91,600	390	19,500	12,000	4,500	44,280	5,424	3,77,304

B. **Income Schedule:**

Year	Total lactation days	Milk yield @ 10 litres /day	Sale proceeds of milk @ Rs.30.00/litre	Sale proceeds of progenies (at least one per cow)	Sale proceeds of manure & gunny bags	Total Annual income in Rs.	Net Annual income in Rs.
1st	1440	14,400	4,32,000	-	7,500	4,39,500	1,08,569
2nd	1800	18,000	5,40,000	30,000	7,500	5,67,500	1,73,923
3rd	1800	18,000	5,40,000	30,000	7,500	5,67,500	1,79,347
4th	1800	18,000	5,40,000	30,000	7,500	5,67,500	1,84,771
5th	1800	18,000	5,40,000	30,000	7,500	5,67,500	1,90,196

CERTIFICATE

Certified that this project is taken to be technically feasible and economically viable keeping in view that all the conditions are maintained optimally.

Signature of Veterinarian with seal