



GOAT AND SHEEP FARMING

Introduction

In India approximately 71% of the total populations are non-vegetarian. Mutton is a well adopted among meat eaters, the goat and sheep meat is relished by people more than chicken or beef /pork (Consumed by a select section).

Goat and Sheep farming is an enterprise which has been practiced by a large group of population in rural areas of India. Goats are among the main meat-producing animals in India and have huge domestic demand across the country. Goat and Sheep rearing under intensive and semi-intensive system for commercial production has been gaining momentum. A number of commercial goat and sheep farms have been established in different regions of the country in the recent time.

Benefits of commercial goat and sheep farming are many as they are multi-purpose animals which can produce milk, meat, fiber, skin together. Goat and sheep Farming requires less space, less additional facilities & low management skills. Production costs like infrastructure, feeding and treatment are less. There is market facility for live animals & meat in the localities. Goats and Sheep can adapt themselves with almost all types of agro-climatic conditions.

Sheep with its multi-facet utility for wool, meat, milk, skins and manure, form an important component of rural economy particularly in the arid, semi-arid and mountainous areas of the country. It provides a dependable source of income to the shepherds through sale of wool and animals.

Market Potential & Northeast Scenario

Sheep and goats are important species of livestock for India. They contribute greatly to the agrarian economy, especially in areas where crop and dairy farming are not economical, and play an important role in the livelihood of a large proportion of small and marginal farmers and landless laborers.

The country is the largest exporter of Sheep & Goat meat to the world. The country has exported 8,695.97 MT of sheep & goat meat to the world for the worth of Rs. 447.58 Crores/ 60.04 USD Millions during the year 2021-22. Rearing of Goats and Sheeps can be a profitable business as there are various outputs from this business which can be put out for sale. We can make sales of Meat, Dairy, Fiber, Skins and Manure from this business.

India occupies first position in terms of goat and sheep population and milk production. The demand for mutton is increasing faster than the growth in goat and sheep population. They play a significant role in providing supplementary income and livelihood to millions of resource poor farmers and landless laborers of rural India.

Availability of Mutton is less than the demand. It requires smaller investments and is not as risky a business proposition as compared to Dairy. Sale of these animals is never a problem for the above-mentioned reasons.

The seven sisters Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim constitutes the North-Eastern (NE) region of India which occupies about eight per cent of total land area and 3.8 per cent of total population of the country. Livestock is an important component of mixed farming system due to preference of meat in their diets. The area is known as meat consuming zone of India.

According to Livestock Census 2003, NE region is home for 210.32 lakh livestock which accounts for 4.34 per cent of the total livestock in India. Assam being the largest state have maximum (66 %) of the total livestock resources of NE Regions and followed by Meghalaya (7 %) and Tripura (7 %).

Housing Management

Housing will be constructed on a raised platform (about 1 meter height from ground level). Pakka building by establishing concrete pillars will be constructed for durability. Elevated platform will be made of wooden material/ fiber slat. Side walls will be made up of concrete wall and wire mesh. Roof will be of asbestos sheets.

The model DPR for Goat and Sheep Farming is prepared based on the following assumption which may vary with capacity, location and sourcing of raw materials. An entrepreneur can use this model DPR and modify as per requirement and sustainability.

Cost of Project

Particulars	Amt (Lakhs)
Own Land	-
Construction of Farm land	20.52
Plant and machinery (Annexure-A)	0.65
Cost of Acquiring livestock	15.40
Misc. Fixed Assets	0.50
Cost of feeders, drinkers, etc	1.50
Cost of feeders, drinkers, etc	2.50
Cost of chain link mesh fencing	0.12
Water Tank 2000 Ltrs	0.12
Veterinary Cost @50 per animal	0.08
Transport Charge	2.07
Escalation & Contingencies	1.61
Preliminary & Pre-Operative Expenses	45.07
Sub-total (A)	2.45
Working Capital Margin @25% of Total WC Requirement	47.52
Total Project Cost	9.78
Total Working Capital Required (B)	20.52
MEANS OF FINANCE	
Total funds required (A+B)	54.85
<u>Loan component</u>	
Term loan	29.23
Working capital	7.34
TOTAL	36.57
Equity	18.28
TOTAL	54.85

Detailed Cost Element (Annexure-A)

SL	Particulars	Qty.	Amt (Lakhs)
1	Grass Chaff Cutter	2	0.60
2	Shed Cleaning Equipment	LS	0.05
3	Water Pump	1	0.20
	Total		0.65

Livestock

SL	Particulars	Qty.	Amt (Lakhs)
1	Does	100	6.50
2	Buck	20	1.50
3	Ewe	100	6.00
4	Ram	20	1.40
	Total		15.40

Flock Production Chart

SL. No.	Particulars	I Year	II Year	III Year	IV Year	V Year
1	Nos. of kidding/lambing per year	4	4	4	4	4
2	Nos. of kids/lambs born 150 male 150 female	800	800	800	800	800
4	Nos. of kids/lamb died 20%	160	160	160	160	160
6	Nos. of male kids/lamb available for sale	-	320	320	320	320
7	Nos of female kid/lamb available for breeding		320	320	320	320

Contingencies and Escalations

Contingencies and Escalations has been assumed at 5% at cost of project.

Preliminary Expenses

Particulars	Amt (Lakhs)
Common expenses incurred for all	
Incorporation Expenses	0.15
Project Report Preparation and Consultation	0.35
Feasibility and Engineer's/Architect's Report and Plans	0.51
Legal Charges	0.10
Other recurring expenses up to start of commercial production	0.30
Interest Cost for period before commercial operation	0.20
Total	1.61

Salary

Designation	Quantity	Amt (Lakhs)
Daily Worker	3	3.60
Total	3	3.60

Profitability Statement

Particulars	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5
A. INCOME					
No. of Sheeps per year	120	120	120	120	120
No. of Goats per year	120	120	120	120	120
Sales of Sheep Wool	3.12	3.12	3.12	3.12	3.12
Sales of Meat	0.00	16.80	16.80	16.80	16.80
Sales of Manure	36.00	36.00	36.00	36.00	36.00
Annual Sales	39.12	55.92	55.92	55.92	55.92
Total Income/Annum	39.12	55.92	55.92	55.92	55.92
B. OPERATING EXPENSES					
Raw materials	2.48	2.60	2.73	2.87	3.01
Salary	3.60	3.78	3.97	4.17	4.38
Repair & Maintenance	0.83	0.87	0.91	0.96	1.01
Power & utilities	0.95	1.00	1.05	1.11	1.16
Depreciation	0.94	0.94	0.94	0.76	0.76
Total Operating Expenses	8.80	9.19	9.61	9.87	10.32
Operating Profit (A-B)	30.32	46.73	46.31	46.05	45.60
C.FINANCIAL EXPENSES					
Interest on term loan	2.52	1.97	1.41	0.86	0.30
Interest on working capital loan	0.77	1.10	1.10	1.10	1.10
D. Other Expenses					
Administrative & general Expenses	0.78	1.12	1.12	1.12	1.12
Total Expenses	4.08	4.19	3.63	3.08	2.52
Profit before Tax	26.24	42.54	42.68	42.98	43.08
Provision for Tax	6.56	10.63	10.67	10.74	10.77
Profit after Tax (PAT)	19.68	31.90	32.01	32.23	32.31
Dividend declared	-	-	-	-	-
Retained profit	19.68	31.90	32.01	32.23	32.31

Breakeven Point

Break Even Point (BEP)						
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
A.	Net Sales	39.12	55.92	55.92	55.92	55.92
B.	Variable Cost					
	Raw Material	2.48	2.60	2.73	2.87	3.01
	Power and utility	0.95	1.00	1.05	1.11	1.16
	Total Variable Cost	3.43	3.61	3.79	3.98	4.17
C.	Contribution (A-B)	35.69	52.31	52.13	51.94	51.75
D.	Fixed and Semi-Fixed					
	Salary	3.60	3.78	3.97	4.17	4.38
	Repair & Maintenance	0.83	0.87	0.91	0.96	1.01
	Depreciation	0.77	1.10	1.10	1.10	1.10
	Interest on term Loan	2.52	1.97	1.41	0.86	0.30
	Interest on working capital loan	0.94	0.94	0.94	0.76	0.76
	Total Fixed Cost	8.66	8.66	8.33	7.85	7.55
E.	Breakeven Point	24%	17%	16%	15%	15%
F.	Cash BEP	22%	15%	14%	14%	13%

Debt-Service Coverage Ratio

SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
i	Profit	19.68	31.90	32.01	32.23	32.31
ii	Depreciation	0.94	0.94	0.94	0.76	0.76
iii	Interest	2.52	1.97	1.41	0.86	0.30
A	Total (i + ii +iii)	23.14	34.81	34.36	33.85	33.37
i	Interest	2.52	1.97	1.41	0.86	0.30
ii	Principal repayment	5.85	5.85	5.85	5.85	5.85
B	Total (i +ii)	8.37	7.81	7.26	6.70	6.15
	DSCR (A /B)	2.77	4.45	4.73	5.05	5.43

Interest on Term Loan and Principal Repayment

Refer Annexure I.

Address of Vendors

	Address and Contact Number
B Kay Machine Works	Civil Aerodrome Post, Coimbatore, Tamil Nadu Phone : 08048965514
Nisarg Pump and Spares	Garkheda, Aurangabad, Maharashtra Phone : 08047632082

ANNEXURE- I

Year	April	May	June	July	August	September	October	November	December	January	February	March	Annually
I													
Principal													
Opening	29.23	28.75	28.26	27.77	27.28	26.80	26.31	25.82	25.34	24.85	24.36	23.87	
Repaid	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	5.85
Closing	28.75	28.26	27.77	27.28	26.80	26.31	25.82	25.34	24.85	24.36	23.87	23.39	
Interest	0.23	0.23	0.22	0.22	0.22	0.21	0.21	0.20	0.20	0.20	0.19	0.19	2.52
II													
Principal													
Opening	23.39	22.90	22.41	21.93	21.44	20.95	20.46	19.98	19.49	19.00	18.51	18.03	
Repaid	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	5.85
Closing	22.90	22.41	21.93	21.44	20.95	20.46	19.98	19.49	19.00	18.51	18.03	17.54	
Interest	0.19	0.18	0.18	0.17	0.17	0.17	0.16	0.16	0.15	0.15	0.15	0.14	1.97
III													
Principal													
Opening	17.54	17.05	16.57	16.08	15.59	15.10	14.62	14.13	13.64	13.16	12.67	12.18	
Repaid	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	5.85
Closing	17.05	16.57	16.08	15.59	15.10	14.62	14.13	13.64	13.16	12.67	12.18	11.69	
Interest	0.14	0.14	0.13	0.13	0.12	0.12	0.12	0.11	0.11	0.10	0.10	0.10	1.41
IV													
Principal													
Opening	11.69	11.21	10.72	10.23	9.74	9.26	8.77	8.28	7.80	7.31	6.82	6.33	
Repaid	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	5.85
Closing	11.21	10.72	10.23	9.74	9.26	8.77	8.28	7.80	7.31	6.82	6.33	5.85	
Interest	0.09	0.09	0.08	0.08	0.08	0.07	0.07	0.07	0.06	0.06	0.05	0.05	0.86
V													
Principal													
Opening	5.85	5.36	4.87	4.39	3.90	3.41	2.92	2.44	1.95	1.46	0.97	0.49	
Repaid	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	5.85
Closing	5.36	4.87	4.39	3.90	3.41	2.92	2.44	1.95	1.46	0.97	0.49	0.00	
Interest	0.05	0.04	0.04	0.03	0.03	0.03	0.02	0.02	0.02	0.01	0.01	0.00	0.30