A Project Report on Custom hiring Centre

Introduction:

Agricultural mechanization helps in increasing production, productivity and profitability in agriculture in achieving timeliness in farm operations, bringing precision in the metering and placement of input reducing available input losses increasing utilization qualitative and quantities damages.

The importance of the Agra service centre has been recognized and is being implemented successfully in Orissa. Due to reduction in the size of the holdings. It is difficult for farmers hold the machinery on their own . As a result, the benefits of mechanization have been enjoyed by only a sector of the farmers, Who have large farm holdings. This problem can be solved by establishing an Agro service centre as they will be and when it is needed.

Also a large number of farmers suffer due to lack of service and repair and maintenance facilities for their machinery, there is a need to have such facility attached to the Agro service Center to bring the service nearer to the farmers . The ideally an Agro service Center should have all facilities to meet the critical need of the farmers and at the same time become a self reliant and viable proposition.

Primary Objectives of the Project:

- To undertake the business of letting big farm machinery for farming at village level.
- To take available service centre of sophisticated and costly farm implements (repairing facility)
- To help farmers in improving their hectare production of agriculture produces .
- To undertake regular visit, demonstration programmed, advice and inquiry about upliftment of rural economic by spreading value added centre work.

Secondary Objectives

- Resource centre for awareness on various development related issues.
- Facilitator for creation of SHGs and farmers' clubs
- Moderator for smooth functioning of SHGs and farmers' clubs
- Information generation at grass root level for developing farmers' and area profile
- Arranging interaction between technical experts, local artisans and farmers.
- Backward and forward linkages in value chain
- Facilitation in bank and insurance related activities
- Market and product related information dissemination through use of Information Communication Technology (ICT)
- Contract production, agriculture and farm diversification
- Resources and activity planning with the help of customized software
- Crop specific consultancy and query Redressal
- Facilitation for various government schemes and programmes

Location of the project

The unit is planned to set up at beneficiary village. The beneficiary village is well connected with pucca road and is well electrified. All civic amenities are available at the proposed site.

ACABC Consultancy Model

For effective implementation of this project and carry out project activities appropriately and for regular facilitation / monitoring, the following human resource team has been identified-

Ministry of Agriculture & Farmers welfare Govt. of India, New Delhi
National Institute of Agricultural Extension Management (MANAGE) Hyderabad
Centre for Agriculture and Rural Development, NOIDA, Uttar Pradesh
Department of Agriculture, Lucknow, Uttar Pradesh
Department of Agriculture at District
Agri-Clinic and Agribusiness Centre
Farmer

Income parameters of the project:

The project shall be operationalized in Meerut District. A Rotavator is a very useful tool that for a homeowner is **used** in the garden or an allotment, and also in fields by farmland owners. The purpose of a Rotavator is to break up the soil so that planting (either of crops or plants, mostly seeds) can take place. The shortage of labor has created the scope for tractor and Rotavator on rent basis. The farmers used to take this machinery on rent @ Rs. 650/hour.

A **disc harrow** is a farm implement that is used to till the soil where crops are to be planted. It is also used to chop up unwanted weeds or crop remainders. It consists of many carbon steel and sometimes the longer-lasting boron discs, which have many varying concavities and disc blade sizes and spacing (the choices of the latter being determined by the final result required in a given soil type) and which are arranged into two sections

A **cultivator** is any of several types of farm implement used for secondary tillage. One sense of the name refers to frames with **teeth** (also called **shanks**) that pierce the soil as they are dragged through it linearly. Another sense refers to machines that use rotary motion of disks or teeth to accomplish a similar result. The **rotary tiller** is a principal example

A **sprayer** is a device used to spray a liquid, where sprayers are commonly used for projection of water, weed killers, crop performance materials, pest maintenance chemicals, as well as manufacturing and production line ingredients. In agriculture, a sprayer is a piece of equipment that is used to apply herbicides, pesticides, and fertilizers on agricultural crops.

potato planter: 2 / 3 / 4 Row potato planter is produced with hydraulic lifting lever and universal three point linkage system. Sowing row space can be adjusted to sow 12 different positions by changing the transmission gears. And also this machine has a special belt with bucket that enables to sow singly. The spaces between rows are whether stable or can be adjusted from 62 to 75 cm.

Potato harvesters are machines that harvest potatoes. They work by lifting the potatoes from the bed using a share. Soil and crop are transferred onto a series of webs where the loose soil is sieved out. The potatoes are moved towards the back of the harvester on to a separation unit and then (on manned machines) to a picking table where people pick out the stones, clods, and haulms by hand. The potatoes then go on to a side elevator and into a trailer or a potato box.

Rotary Mulcher It shreds the crop residues/grass into small pieces and spread equally on the field. It is highly compatible to shred vineyards & orchard pruned materials, grass, bushes, crop residues like sugarcane trash, banana, coconut leaves, paddy straw, maize stalk as thick as 2-3 cm in diameter. It can Shred entire cotton plant after harvesting.
Bio mulch serves dual proposes, Benefits of mulching and improve overall organic structure and soil fertility after decomposition

TOTAL COST OF PROJECT		
S. No	**Particulars**	**Amount (Rs)**
1	Machinery	665000.00
2	Working capital	35000.00
TOTAL COST		**700000.00**

Cost of land is not taken into account

COST OF MACHINERY		
S. No.	**Machinery**	**Cost (Rs)**
1	Tractor (Kubota 24 HP)	525000.00
2	Rotavator	60000.00
3	Reaper	80000.00
TOTAL		**665,000.00**

Means of Finance		
S. No.	**Particulars**	**Amount (Rs)**
1	Margin Money	210,000.00
2	Loan	490,000.00
3	**TOTAL COST OF THE PROJECT**	**700,000.00**
4	**Loan Amount**	**490000.0**
5	Rate of Interest	12%
6	Repayment in number of years	5 years
7	**Subsidy 36% of Total Financial Outlay**	**252,000.00**

Term loan requirement, repayments and interest details						
S. No	**Particulars**	**Year**			**Amount in Rs.**	
		1 Year	**2Year**	**3 Year**	**4 Year**	**5 Year**
1	Term loan	490,000.00	0.00	0.00	0.00	0.00
2	Loan Repayment	54444.44444	108888.889	108888.889	108888.89	108888.89
3	Outstanding term loan	435,555.56	326,666.67	217,777.78	108,888.89	0.00
4	Interest on term loan	58800.00	52266.67	39200.00	26133.33	13066.67

Estimated Salaries and Wages								
S. No.	Manpower	Amount Salary/ month	Nos.	Salary				Amount in (Rs)
				1 Year	2Year	3 Year	4 Year	5 Year
1	Skilled driver for operation of machinery	7000	1	84000	92400	101640	111804	122984
2	Unskilled labour	5000	1	60000	66000	72600	79860	87846
TOTAL				144000	158400	174240	191664	210830

OPERATIONAL EXPENSES

S. No	Particulars	Amount in (Rs)				
		1 Year	2Year	3 Year	4 Year	5 Year
1	Administrative & Marketing Expenses	3000	3300	3630	3993	4392
2	Salaries and Wages	144000	158400	174240	191664	210830
5	Maintenance and repairs @ 5% of machinery	94500	103950	114345	125780	138357
TOTAL		241500	265650	292215	321437	353580

10% rise in operational expenses is taken into account from 2nd year on wards

Working Capital Requirements and Interest Details

S. No	Particulars	Amount in (Rs)				
		1 Year	2Year	3 Year	4 Year	5 Year
1	Operational Expenses	241500	265650	292215	321437	353580
2	Working Capital Requirements for three months	60375	66413	73054	80359	88395
3	Margin money for working capital	15094	16603	18263	20090	22099
4	Working capital loan	45281	49809	54790	60269	66296
5	Interest on working capital @ 12%	5434	5977	6575	7232	7956

Calculation of Depreciation							
S. No	Particulars	Head				Amount in Rs.	
			1 Year	2Year	3 Year	4 Year	5 Year
1	Machineries	Depreciation (13.91%)	1650000	1420485	1222896	1052790.8	906347.57
		Depreciation	229515	197589	170105	146443	126072.95
		Written down value	1420485	1222896	1052791	906347.57	780274.62
2	Shed	Depreciation (10%)	35000	31500	28350	25515	22963.5
		Depreciation	3500	3150	2835	2552	2296
		Written down value	31500	28350	25515	22963.5	20667.15
Total Depreciation			**233015**	**200739**	**172940**	**148995**	**128369**

Expected Income for Custom Hiring Equipments and Machineries				
S. No	Machinery	Rent	Annual Usuage	Annual Income (Rs)
1	Rotavator	Rs.650/ha	1024 ha	665600
2	Reaper	Rs.700/hour	550 hours	1320000
TOTAL				**1985600**

Profitability						
S. No	Particulars				Amount in Rs.	
		1 Year	2Year	3 Year	4 Year	5 Year
1	Gross Income	1985600	2184160	2402576	2642833.6	2907117
2	Operational Expenses	241500	265650	292215	321437	353580
3	Interest on Working Capital	5434	5977	6575	7232	7956
4	Interest on Term Loan	58800	52267	39200	26133	13067
5	Depreciation	233015	200739	172940	148995	128369
6	**Profit**	**1446851**	**1659527**	**1891646**	**2139037**	**2404145**

Calculation of IRR & BCR						
S. No	**Particulars**				**Amount in Rs.**	
		1 Year	**2Year**	**3 Year**	**4 Year**	**5 Year**
A	**Sources of Funds**					
1	Equity	210,000.00				
2	Term loan	490,000.00				
3	PBDIT	1446851	1659527	1891646	2139037	2404145
4	Bank borrowings for working capital	45281	16603	54790	60269	66296
Total		**2192133**	**1676130**	**1946437**	**2199306**	**2470442**
B	**Application of Funds**					
1	Fixed Assets	2190000				
2	Contingencies	37800				
3	Working Capital Requirement	60375	66413	73054	80359	88395
4	Interest-Term loan	58800	52267	39200	26133	13067
5	Term loan repayment	54444.4444	108888.889	108888.889	108888.889	108888.8889
6	Interest-Working Capital	5434	5977	6575	7232	7956
Total		**2406853**	**233545**	**227717**	**222614**	**218306**
	Opening in hand/bank	0	-214721	1227864	2946583	4923276
	Cash Flow (A-B)	-214721	1442585	1718719	1976692	2252135
	Closing in hand/bank	-214721	1227864	2946583	4923276	7175411
C.	**Calculation of IRR**					
	Inflow	1446851	1659527	1891646	2139037	2404145
	Outflow	2346478	167133	154664	142255	129911
	Net	**-899627**	**1492394**	**1736983**	**1996782**	**2274234**
	IRR	**177%**				
	BCR	**3.24482241**				