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Circular No. 130 /ICD- 29 /2010

14 July 2010

The Chairman / Managing Director
All Scheduled Commercial Banks /
All Scheduled (Primary) Urban Cooperative Banks
All RRBs/ADFCs/SCBs/SCARDBs
All other institutions eligible for NABARD refinance

Dear Sir

Central Sector Scheme on “Pig Development”

As you are aware, Pigs are generally reared by the poorest of the rural population. These animals have wide adaptability to suit different agro-climatic conditions and thus, its rearing can play an important role in improving socio-economic status of weaker sections. Pig farming as a commercial venture is yet to be adopted in the country. Those attracted by its potential face constraints like insufficient good quality stock, non-availability of balanced feed at economic prices and absence of organized markets. There are hardly any licensed pig slaughterhouses in the country and most of the slaughter in rural / urban areas is done in a clandestine manner.

2. Keeping this in view, it has been decided by Government of India to launch a Central sector scheme on “Pig Development” with a total outlay of Rs.73.55 crore during the remaining XI Five Year Plan period (2010-11 & 2011-12). The scheme aims at encouraging commercial pig rearing by farmers to improve performance of native breed through cross breeding. The scheme has following four components :

(i) Pig Breeding Farm : Under this component 25% of the outlay (33 1/3% in NE States including Sikkim and hilly areas) as back ended capital subsidy would be provided for rearing of 20 Sows and 4 Boars subject to a ceiling of Rs.1.50 lakh per unit(Rs.2.00 lakh in NE States including Sikkim and hilly areas) for which an indicative unit cost of Rs.6.00 lakh has been provided.

(ii) Pig rearing & fattening unit : Under this component 25% of the outlay (33 1/3% in NE States including Sikkim and hilly areas) as back ended capital subsidy would be provided for rearing of 3 Sows and 1 Boar subject to a ceiling of Rs.19000/- per unit(Rs.25,300/- in NE States including Sikkim and hilly areas) for which an indicative unit cost of Rs.0.76 lakh would be provided.

(iii) Retail Outlets : Under this component 25% of the outlay (33 1/3% in NE States including Sikkim and hilly areas) as back ended capital subsidy would be provided for establishment of a Retail outlet subject to a ceiling of Rs.2.50 lakh per unit (Rs.3.33 lakh in NE States including Sikkim and hilly areas). Loan can be sanctioned with an indicative unit cost of Rs.10.00 lakh per unit.

(iv) Facilities for live markets : Under this component 50% of the outlay as back ended capital subsidy would be provided for creating facilities for live markets subject to a ceiling of Rs.2.50 lakh per unit.

3. The Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture, Government of India, is the focal department for operating the scheme. NABARD will be administering the Capital Subsidy and monitoring the progress of the scheme besides providing refinance support to the eligible financing institutions for the term loan extended under the scheme. The extent and interest rate on refinance will be as per instructions issued by NABARD from time to time. The implementation of the scheme shall be monitored by the Central Monitoring Committee (CMC) on a half yearly basis at National level. The State Level Sanctioning and Monitoring Committee (SLSMC) already constituted for implementation of other Govt Sponsored Schemes of Animal Husbandry Sector will sanction Capital Subsidy for the projects and review the progress on a quarterly basis at the State level.

4. We request you to circulate the operational guidelines among your controlling offices/ branches and advise them to submit the proposals to the Regional Offices of NABARD so that the scheme is implemented expeditiously. NABARD will release Capital Subsidy subject to availability of funds from Gol. You may take steps for giving wide publicity to the scheme. The Animal Husbandry Department may also be approached for popularising the scheme and mobilising applications from prospective promoters. A copy of the operational guidelines of the scheme is enclosed. English and Hindi versions of the operational guidelines would be placed on the website of NABARD.

5. Please acknowledge receipt.

Yours faithfully

Sd/-
(J G Menon)
Chief General Manager

Encl : Copy of the operational guidelines

GUIDELINES FOR CENTRAL SECTOR SCHEME ON PIG DEVELOPMENT

1. Background

Pigs are reared by the poorest of the rural population and they provide meat, dung and few byproducts like bristles, etc. These animals have wide adaptability to suit different agro-climatic conditions. Piggery can play an important role in improving socio-economic status of this section, if existing constraints in their economic rearing are removed. Pig farming as a commercial venture is yet to be adopted in the country. Those attracted by its potential face constraints like insufficient high quality stock, non-availability of balanced feed at economic prices and absence of organized markets. There are hardly any licensed pig slaughterhouses and most of slaughter in rural / urban areas is done in clandestine manner. The meat reaches consumers without passing through any organized market and if these constraints are removed, pig farming has the potential to yield significant economic and social gains.

2. Objectives of the Scheme

To encourage commercial pig rearing by farmers/ labourers to improve production performance of native breed through cross breeding by using selected animals of high performing breeds and by providing incentives in terms of **capital subsidy** for ensuring the viability of the pig breeding, rearing and related activities.

3. Implementation Period and Area of Operation

The scheme will be implemented during the remaining XI plan period (2010-11 & 2011-12) throughout the country. The high potential districts identified in 15 States are indicated in **Annexure-I**. However the proposals received from other than these districts/ States can also be considered for providing subsidy assistance under the scheme.

4. Eligibility

Producer companies, partnership firms, corporations, NGOs, SHGs, JLGs, cooperatives and individual entrepreneurs.

5. Subsidy

The ceiling on capital subsidy for different activities are given below.

S. No	Component	Unit size and indicative Unit Cost#	Pattern of Assistance
1	Pig breeding farms	20 F+ 4M (Unit Cost -Rs 6.00 lakh)	25% of the outlay (33 1/3 % in NE States including Sikkim and hilly areas*) as back ended subsidy subject to a ceiling of Rs 1.50 lakh (Rs 2.00 lakh in NE States including Sikkim and hilly areas*)
2	Pig rearing & fattening units	3F+1M (Unit Cost -Rs 0.76 lakh)	25% of the outlay (33 1/3 % in NE States including Sikkim and hilly areas*) as back ended subsidy subject to a ceiling of Rs 19000/- (Rs 25,300/- for NE States including Sikkim and hilly areas*)
3	Retail outlets	(Unit Cost -Rs 10.00 lakh)	25% of the outlay (33 1/3 % in NE States including Sikkim and hilly areas*) as back ended subsidy subject to a ceiling of Rs 2.50 lakh (Rs 3.33 lakh in NE States including Sikkim and hilly areas*)
4	Facilities for livemarkets	@ 2 per district	50% of the outlay as back ended subsidy subject to a ceiling of Rs 2.50 lakh

F : Female (Sows), M : Male (Boars), TFO: Total Financial Outlay

* where the project site is located at a height of more than 1000 meters above mean sea level

These are indicative costs . The subsidy will be calculated based on the indicative or actual cost, whichever is less. Banks are, however, free to sanction higher/lower TFO also based on the local conditions.

6. Funding pattern

- Beneficiary contribution (margin) - 10 % of the outlay (minimum). The cost of land not exceeding 10% of the project cost can form part of the entrepreneur's contribution.
- Back ended capital subsidy - as indicated at **SI No: 5**
- Effective Bank Loan - Balance portion

7. Linkage with credit

Assistance under the scheme would be purely credit linked and subject to sanction of the project by eligible financial institutions.

8. Eligible Financial Institutions

- Commercial Banks
- Regional Rural Banks
- State Cooperative Banks
- State Cooperative Agriculture and Rural Development Banks: and
- Such other institutions, which are eligible for refinance from **NABARD**.

NABARD would provide refinance assistance to these institutions considering their eligibility. The quantum and rate of interest on refinance will be as decided by NABARD from time to time.

9. Promotional Assistance: To support and encourage these activities by organizing SHGs/ JLGs/ Farmers Clubs/ Cooperatives, providing training to farmers/ butchers & shop owners, giving publicity and campaign, mapping of resources and reviving of Govt. Farms the following promotional programmes are proposed under the scheme. Funds will be routed through NABARD after approval by State Level Sanctioning & Monitoring Committee (SLSMC) :

S. No	Component	Unit Rate (Rs. lakh)	Funding Pattern	Eligible Organisations/ Agencies
1	Organisation of SHGs/JLGs Farmers Clubs/ Cooperatives	0.20	100% Grant	NGOs through NABARD
2	Training of Farmers / Butchers & Shop Owners	0.01 / 0.02	100% Grant	NGOs through NABARD
3	Resource Mapping	0.75	100% Grant	By NABARD
4	Publicity & Campaign of Scheme	150	100% Grant	By NABARD
5	Revival of Government Farms (20 Sows + 4 Boars)	3	50% Grant*	SIA, KVK, State Governments

* 50% from Central Government and remaining from concerned State Government.

KVK : Krishi Vikas Kendra; NGO : Non Government Organization; SHG : Self Help Group; JLG: Joint Liability Group; SIA : State Implementing Agency

10. Sanction by banks

The entrepreneurs/ eligible organizations shall apply to the banks for sanction of the project. The bank shall appraise the project as per their norms and if found eligible, sanction the total outlay excluding the margin as the bank loan. The loan amount is then disbursed in suitable instalments depending on the progress of the unit. After the disbursement of first installment of the loan the bank shall apply to the concerned Regional Office of NABARD for sanction and release of subsidy in the format given in **Annexure II**.

11. State Level Sanctioning & Monitoring Committee (SLSMC)

11.1. State Level Sanctioning & Monitoring Committee (SLSMC) will be Chaired by the Secretary, State Animal Husbandry Department with representatives from Department of Animal Husbandry, Dairying and Fisheries (DADF), GoI, lead bank of the state, State Dept of Local Administration, NGO in this field, an expert in the related field, and O-I-C of NABARD as members. The SLSMC will be constituted by the State Government concerned. Only one SLSMC will look after all the schemes relating to Animal Husbandry Department. OIC of NABARD Regional Office will be convener of the SLSMC. Initially NABARD shall convene the meeting as and when the projects are received for sanction and later at quarterly intervals to review the progress of the scheme. Banks that have submitted projects for sanction may be invited as special invitees.

11.2. As the number of projects that would be submitted is expected to be more in due course, the SLSMC may delegate the sanctioning powers in respect of these units to the Project Sanctioning Committees (PSC) of NABARD Regional Offices. On quarterly basis the PSC will put up the sanctioned projects to SLSMC for ratification.

12. Release of subsidy

12.1. After sanction of the subsidy by the SLSMC, the Regional Office of NABARD shall release the subsidy amount after confirming the availability of funds from NABARD Head Office. The subsidy shall be released on first come first serve basis subject to availability of funds.

12.2. After crediting the subsidy in the subsidy reserve fund account of the borrower, a Utilization Certificate in the prescribed format (**Annexure III**) shall be submitted by the participating bank to NABARD to the effect that the amount of subsidy received by them has been fully utilized and adjusted in the books of account within the overall guidelines of the scheme.

13. Repayment

13.1. Repayment period will depend on the nature of activity and will vary between 5 to 6 years. including grace period of one(1) year

13.2. The repayment schedules will be drawn on the total amount of the loan (including subsidy) in such a way that the subsidy amount is adjusted after liquidation of net bank loan (excluding subsidy).

14. Rate of Interest

Rate of interest on term loan shall be as per RBI guidelines and declared policy of the bank in this regard. The bank may charge interest on the entire loan amount till the subsidy is received and from the date of receipt of subsidy by the implementing branch, interest has to be charged only on the effective bank loan portion i.e. outlay excluding the margin and subsidy.

15. Security

The security for availing the loan will be as per guidelines issued by RBI from time to time.

16. Time limit for Completion of the project.

16.1. Time limit for completion of the project would be as envisaged under the project, subject to maximum of 12 months period from the date of disbursement of the first instalment of loan which may be extended by a further period of 3 months, if reasons for delay are considered justified by the financial institution concerned.

16.2. If the project is not completed within the stipulated period, benefit of subsidy shall not be available and advance subsidy placed with the participating bank, if any, will have to be refunded forthwith to NABARD

17. Adjustment of subsidy

17.1. The capital subsidy will be back ended with minimum **3 Years lock-in period**.

17.2. The capital subsidy should be refunded one year after the account becoming NPA and remaining NPA as on that date.

17.3. The capital subsidy will be adjusted against the last installments of repayment of bank loan.

17.4. The capital subsidy admissible under the scheme will be kept in the “Subsidy Reserve Fund Account (Borrower-wise) in the books of the financing bank. No interest will be paid on this amount by the bank. In view of this, for the purposes of charging interest on the loan component, the subsidy amount should be excluded. The balance lying to the credit of the “ Subsidy Reserve Fund Account” will not form part of Demand and Time Liabilities for calculation of CRR and SLR.

18. Monitoring

18.1. Central Monitoring Committee (CMC) at National level Chaired by Joint Secretary, DADF, Gol with members from DADF, Planning Commission, Secretaries of Department of AH from three States (on rotation basis), three banks (on rotation basis), M/O Rural Development, Environment and Forest, Micro, Small & Medium Enterprises D/o Commerce & Industry (Leather Division), and NABARD will review the implementation of the scheme at half yearly intervals.

18.2. The SLSMC will review the progress on quarterly basis.

18.3. The participating banks should conduct periodic inspections of the units and give a feedback to the SLSMC at regular intervals.

19. Other Conditions

- The participating banks should adhere to the norms of appraising the projects regarding technical feasibility and commercial/financial viability.

- Financing bank should ensure that regulations /laws of Govt, Corporation/ Municipality/ Local Self Government are complied with wherever necessary.
- The participating banks should ensure insurance of the assets created under the project.
- A signboard displaying **“Assisted by Department of Animal Husbandry Dairying and Fisheries, Ministry of Agriculture, Government of India through NABARD”** will be exhibited at the unit.
- Pre and post completion inspection of the project shall be undertaken by the participating bank to verify physical and financial progress as and when required.
- DADF reserves the right to modify, add and delete any terms / conditions without assigning any reason and its interpretation of various terms will be final.
- DADF reserves the right to recall any amount given under the scheme without assigning any reason thereof.
- Any other pre and post inspection would be undertaken by DADF representative to find out the physical and financial progress as and when required.
- Other operational instructions issued by DADF / NABARD from time to time will be strictly followed.

20. Farm Models: Indicative Farm Models for Pig rearing units are furnished in Annexure - IV and V.

ANNEXURE I**State-wise identified high potential districts for Pig rearing activities**

S.No.	State	High Potential Districts *
1	Andhra Pradesh	Guntur, Nalgonda, W Godawari
2	Arunachal Pradesh	Lohit, Lower Subansiri, West Siang
3	Assam	Berpeta, Bongaigaon, Cachar, Darrang, Dhamaji, Dubri, Goalpara, Golaghat
4	Bihar	Gaya
5	Chattisgarh	Dantawada, Jogdalpur
6	Jharkhand	Dumka, Ranchi
7	Kerala	Pattanamthitta
8	Manipur	Bhinupur, Chendel, Churachundpur, Imphal East, Imphal West
9	Meghalaya	E Goro hills, E Khasihills, Ri Bhoi, S Garo hills
10	Mizoram	Aizwal, Champai, Kolasib, Lunglei
11	Nagaland	Dimapur, Kiphire, Kohima, Longleng, Mokokchung
12	Odisha	Kendrapara
13	Tripura	Dhalai, North, South and West Tripura
14	Uttar Pradesh	Basti, Muzzafarnagar, Pilibit
15	West Bengal	Bankura, Burdwan, Darjeeling, Midnapore (W)
	Total	50

* Proposals received from other than these districts/ States can also be considered for providing subsidy assistance under the scheme.

ANNEXURE II

**CLAIM FORM FROM THE CONTROLLING OFFICE OF THE BANK FOR RELEASE OF
CAPITAL SUBSIDY IN RESPECT OF SCHEME FOR PIGGERY DEVELOPMENT**
(To be submitted to the concerned Regional Office of NABARD)

NAME OF THE BANK :

DATE:

TOTAL AMOUNT OF CURRENT CLAIM :

DETAILS OF CURRENT CLAIM :

Particulars	[Rs]
Name and address of the Entrepreneur (Pl indicate district also)	
Location of the Project (indicate the district and whether it is a hilly area)	
Whether SC/ST/Women	
Bank/Branch address (indicate district also) with BSR code	
Loan A/c No.	
Date of sanction	
Purpose of Loan	
Unit size	
Total Financial Outlay	
Margin	
Bank Loan	
Repayment prescribed	
Rate of Interest	
Date of release of 1st installment of loan	
Capital Subsidy claimed	
Any other information relevant to the project	

1. We undertake having complied with all the instructions contained in NABARD circular No. _____ dated _____ regarding operational guidelines of the scheme while sanctioning above proposals.
2. We request you to release an amount of Rs. _____ (Rupees _____) as Capital Subsidy in respect of the above entrepreneurs.

Place :

Date :

Seal and signature of the
Branch Manager(financing bank)

Authorised signatory
Controlling Office of the bank

(For the use of NABARD RO,)

The above claim is scrutinised. HO is requested to confirm the release of Advance subsidy amount of Rs. (Rupees only) to be released to _____ (Name of the Bank).

(Signature)
AGM/DGM
(NABARD, RO)

(For the use of ICD, NABARD HO)

Release of Subsidy - Confirmation

RETURN FAX MESSAGE

Date

FROM : CGM, ICD, NABARD, HO, MUMBAI

FOR: CGM/GM/OIC, REGIONAL OFFICE NABARD

SCHEME FOR PIGGERY DEVELOPMENT

Release of subsidy - confirmation

The claim No. is admitted. Since sufficient funds are available with NABARD, under the scheme, the above proposal of releasing advance subsidy amount of Rs..... (Rupees only) is confirmed for release.

AGM
ICD, NABARD-HO, MUMBAI
Date :

Annexure III

Format for Utilization Certificate - Capital Subsidy

(FOR THE USE OF FINANCING BANK TO BE SUBMITTED TO THE REGIONAL OFFICE OF NABARD)

SCHEME FOR PIGGERY DEVELOPMENT

- 1 Name, address of the beneficiary and location of the project
- 2 Name of the financing bank :
- 3 Name & address of the financing branch:
- 4 Date of sanction of loan by bank :
- 5 Date of field monitoring of the unit by the bank
- 6 Date of completion of the unit :

7	(i) Total financial outlay		Rs.	
	(ii) Margin Money		Rs.	
	(iii) Bank loan		Rs.	
	(iv) Subsidy received from NABARD	Date of receipt	Amount (Rs.)	Date of credit to the "Subsidy Reserve Fund A/C" of the Borrower

- 8 Brief description of facilities created.

- 9 Rate of interest charged by the financial bank : % p.a.

10	The bank has / has not availed refinance from NABARD
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- 11 This is to certify that the full amount of capital subsidy received in respect of the above project has been fully utilized (by way of crediting to the "Subsidy Reserve Fund Account - borrower - wise) and adjusted in the books of account under the sanctioned terms and conditions of the project within the overall guidelines of the scheme.

Place :

Date :

(_____)
Seal & Signature of the
Branch Manager (Financing bank)

Annexure IV

Economics of Piggery (3 Sows + 1 Boar)

A. Summary

1	Unit Size	:	3 sows + 1 boar
2	Type of animal	:	Improved breed
3	Unit Cost (Rs.)	:	76000
4	Margin Money (Rs.)	:	7600
5	Bank Loan (Rs.)	:	49400
6	Capital Subsidy (Rs.)	:	19000
7	Repayment period (years)	:	6 years including first year grace period
8	Interest rate (% p.a.)	:	12
9	NPW @ 15% DF (Rs.)	:	83542
10	BCR @ 15% DF	:	1.49:1
11	IRR (%)	:	>50

B. Investment Cost

Sr.No	Item	Specifications	Physical Unit	Unit Cost (Rs./U)	Total Cost (Rs.)
1 A	Boar Pen	70 sqft	70 sqft	70 sqft	4900.00
B	Sow Pens	60 sqft/sow	180 sqft	70	12600.00
C	Fattener Shed	12.5 sqft/fattener	250 sqft	70	17500.00
2	Equipment	--	--	LS	1000.00
3	Cost of Animals				
A	Sow	Improved	3	2500	7500.00
B	Boar	Improved	1	3000	3000.00
4	Feed				
A	Adults	3 kg/day/boar	4927 kg		
		3.5 kg/day/boar			
		Conc.Feed-30%	1477 kg	6	8862.00
		Waste-70%	3450 kg	1	3450.00
B	Fatteners (20)	1.75 kg/day/fattener	6300 kg		
		Conc.Feed-30%	1890 kg	6	11340.00
		Waste-70%	4410 kg	1	4410.00
5	Insurance	5% of value of animals	4	--	525.00
6	Labour	Family	--	--	--
7	Cost of Medicines	--	4 Adults	50 per Fattener	700.00
		--	--	25 per Fattener	
8	Misc. Expenses	--	--	--	213.00
	Total				76000.00

C. Techno-Economic Parameters

1	Space requirement for shed (sqft)	:	
	Boar	:	70
	Sow	:	60
	Fattener 3-8 months	:	12.5
	Cost of shed (Rs./sqft)	:	70
2	Farrowing details		
	Farrowing interval (month)	:	8
	No. of piglets per sow	:	9
	Mortality among piglet (%)	:	20
	Mortality among fatteners (%)	:	10
	Weaning period (days)	:	60
3	Feed requirement : Kg/day		
	Boar	:	3
	Sow	:	3.5
	Fattener (Average)	:	1.75
	Ratio of concentrateto total feed	:	30%
	Cost of Conc. feed (Rs./kg)	:	6
	Cost of waste (Rs./kg)	:	1
4	Cost of animals at purchase		
	Sow ~7 months age (Rs.)	:	2500
	Boar ~7 months age (Rs.)	:	3000
5	Insurance (%)	:	5
6	Labour	:	family labour
7	Cost of medicine, vaccine, etc.	:	Rs. 50/adult & Rs. 25/fattener
8	Sale price of 8 months old fattener	:	Rs. 2000/fattener
9	Salvage value of animals	:	Adults - Rs. 2500/animal Piglets - Rs. 500 / animal
10	Depreciation (%)	:	
	Civil structures	:	5%
	Equipments	:	10%

D. Head Projection

Particulars	Years																			
	1		2				3				4				5					
	A		F		A		F		A		F		A		F		A		F	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Opening Stock	1	3	-	-	1	3	10	10	1	3	10	10	1	3	10	10	1	3	10	10
No. of weaners at birth	-	-	14	13	-	-	28	26	-	-	14	13	-	-	28	26	-	-	14	13
Mortality - weaning period	-	-	3	2	-	-	6	4	-	-	3	2	-	-	6	4	-	-	3	2
Fattening period	-	-	1	1	-	-	2	2	-	-	1	1	-	-	2	2	-	-	1	1
Sales	-	-	-	-	-	-	20	20	-	-	10	10	-	-	20	20	-	-	10	10
Closing balance	1	3	10	10	1	3	10	10	1	3	10	10	1	3	10	10	1	3	10	10
NO. of fattening months	-	-	40	40	-	-	80	80	-	-	100	100	-	-	80	80	-	-	100	100

A - Adult
F - Fattener

E. Cash Flow Statement

(Rupees)

Sl.No.	Particulars	I	II	III	IV	V	VI
I Cost							
1	Capital cost	46500					
2	Recurring cost						
a	Conc. feed adult fattener	8862 *	8862	8862	8862	8862	8862
b	Waste/Garbage	7560 *	11340** (15120)	18900	15120	18900	18900
	Adult	3450 *	3450	3450	3450	3450	3450
	Fattener	2940 *	4410**(5880)	7350	5880	7350	5880
c	Vet. care	600 *	1100**(1200)	700	1200	700	1200
d	Insurance	525 *	525	525	525	525	525
e	Misc. expenses	213 *	426	213	426	213	213
	Total Cost	70650	30113(35463)	40000	35463	40000	25463
II Benefits							
a	Sale of fattener		100000	50000	100000	50000	100000
b	Salable value of closing stock						20000
c	Residual value of shed/equipment						26000
	Total Benefit		100000	50000	100000	50000	146000
	Net Benefit (Total Cost- Total Bene	-70650	64537	10000	64537	10000	110537
	DF @ 15%	0.87	0.756	0.658	0.572	0.497	0.432
	PW @ 15%	-61465	37714	0	45760	33796	
	NPW @ 15%	83542					
	BCR @ 15%	1.49 : 1					
	IRR	61%					

* Capitalised

** Other than capitalised

@ Figures in parenthesis include the capitalised amount

F. Repayment Schedule

Capital Subsidy : Rs.19,000/-

Bank Loan : Rs. 49,400/-

Interest : 12 %p.a.

(Rupees)

Year	Gross Surplus	Loan outstanding	Interest @ 12% p.a.	Repayment of principal	Total outgoings	Net Surplus
		Bank loan		Bank loan		
1	-	49400	5928	0	5928	-5928
2	69887	49400	5928	15000	20928	48959
3	10000	34400	4128	0	4128	5872
4	64537	34400	4128	17000	21128	43409
5	10000	17400	2088	0	2088	7912
6	64537	17400	2088	17400	19488	45049

Annexure - V

Economics of Piggery Breeding Farm (20 + 4)

A.	Summary	
1	Unit Size	20 Sow + 4 Boar
2	Type of Animal	Improved breed
3	Unit cost (Rs.)	6,00,000
4	Margin Money- minimum 10% (R)	60,000
5	Capital Subsidy @ 25% of UC	1,50,000
6	Bank Loan - balance portion (Rs.)	3,90,000
7	Repayment period (Years)	5 years including 1 year grace period
8	Interest rate (% p.a.)	12%
9	NPW @ 15% DF (Rs.)	2,85,890
10	BCR @ 15% DF	1.24: 1
11	IRR (%)	41%

Bank Loan (Rs.)	3,90,000
Capital Subsidy @ 25% of UC	1,50,000

B.	Investment cost				
S. No.	Item	Specifications	Physical Unit	Unit Cost (Rs./Unit)	Total Cost (Rs.)
1	Pig Sty				
A	Boar Pens	70 sqft/noes	280 sqft	80	22400
B	Sow Pens	20 sqft/sow for 15 sows	300 sqft	80	24000
C	Farrowing Shed	100 sqft/sow for 7 sows	700 sqft	90	63000
D	Gorwers Shed	10 sqft/grower	810 sqft	80	64800
2	Equipment			LS	20000
3	Water Supply, Biosecurity, etc.				50000
4	Cost of Animals				
A	Sow	Improved	20	2500	50000
B	Boar	Improved	4	3500	14000
5	Feed				
A	Adult	3/kg/day/boar	4230 kg		
		3.5/kg/day/sow	25000 kg		
		40% conc. feed	11808 kg	7	82656
		60% waste	17712 kg	1	17712
B	Growers	1.75 kg/flattener	51030 kg		
		30% conc. feed	15309 kg	7	107163
		70% waste	35721 kg	1	35721
6	Insurance	5% of value of animals	24		3200
7	Labour	2 persons till 3 after	6 6	100	30000
8	Cost of Medicines		Adult Piglets & Grow	50/adult 25/fattener	1200 4050
9	Misc. Expenses				10098
	Total Investment Cost				600000

C.	Tecbno-Economic Parameters	
1	Space requirement for shed (sft)	
A	Boar	70 sqft for Rs.80
B	Sow	20 sqft for Rs.80
	Farrowing pens	100 sqft for Rs.90
C	Growers 3-8 months	10.0 sqft @ 80/sqft
2	Farrowing details	
A	Farrowing Interval (months)	7
B	No. of piglets per sow	9
C	Mortality among piglets (%)	10%
D	Weaning period (days)	60
3	Feed requirement : kg/day	
A	Boar	3
B	Sow	3.5
C	Grower (Average)	1.75
D	Ratio of concentrate to total feed	40% of breeding stock
		30% of grower
E	Cost conc. feed (Rs./kg)	7
F	Cost of waste (Rs./kg)	1
4	Cost of animals at purchase	
A	Sow - 7 months age (Rs.)	2500
B	Boar - 7 months age (Rs.)	3500
5	Insurance (% of value)	5
6	Labour	2 persons for 1st 6 months
		3 persons after 6 months
7	Cost of medicine, vaccine etc.	Rs.50/adult
		Rs.25/fattener
8	Sale price of 2 months old piglet for rearing	1000
	Sale of breeders	50%
9	Sale price of 8 months old pigs for breeding	3000
	Sale of breeding pigs	100%
10	Salvage Adult	Rs.2000 per animal
	Value Piglets	Rs.500 per animal
11	Depreciation (%)	
A	Civil Structures	5%
B	Equipment	10%

D. Herd Projection

#	Particulars	Year-wise Herd Strength (20 + 4 Pig Breeding Farm)																			
		First				Second				Third				Fourth				Fifth			
		A		Y		A		Y		A		Y		A		Y		A		Y	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
1	Opening Stock	4	20	0	0	4	20	41	41	4	20	82	82	4	20	41	41	4	20	41	41
2	No. of Weaners at Birth	0	0	90	90	0	0	180	180	0	0	90	90	0	0	180	180	0	0	180	180
3	Mortality	0	0	9	9	0	0	18	18	0	0	9	9	0	0	18	18	0	0	18	18
4	Balance No. of piglets	0	0	81	81	0	0	162	162	0	0	81	81	0	0	162	162	0	0	162	162
5	No. of piglets sold	0	0	40	40	0	0	40	40	0	0	81	81	0	0	81	81	0	0	81	81
6	bred and sold	0	0	0	0	0	0	81	81	0	0	41	41	0	0	81	81	0	0	81	81
7	Closing Balance	0	0	41	41	0	0	82	82	0	0	41	41	0	0	41	41	0	0	41	41

A = Adults, Y = Young Stock, M = Males, F = Females

E. CASH FLOW STATEMENT (20+4 Unit)

S. No.	Particulars	Years				
		First	Second	Third	Fourth	Fifth
1	2	3	4	5	6	7
A	Costs					
1	Capital Cost	600000				
2	Recurring Costs					
a.	Concentrate Feed					
	Adult Cap	82656	82656	82656	82656	82656
	Fattener Cap	89303	89303	89303	89303	89303
b.	Waste/Garbage					
	Adult Cap	17712	17712	17712	17712	17712
	Fattener Cap	32744	32744	32744	32744	32744
c.	Veterinary Care					
	Adult Cap	1200	1200	1200	1200	1200
	Fattener Cap	4050	4050	4050	4050	4050
d.	Insurance	Cap	3200	3200	3200	3200
e.	Miscellaneous Expenses	Cap	36000	36000	36000	36000
	Total Cost	600000	266865	266865	266865	266865
B	Benefits					
	Sale of Weaners	80000	80000	162000	162000	162000
	Sale of Adult pigs	0	486000	246000	486000	486000
	Sale of Manure etc.	2000	4000	4000	4000	4000
	Salvage Sale					
	Total Benefits	82000	570000	412000	652000	652000
	Net Benefits	-518000	303135	145135	385135	385135
	(Total Benefits - Total Cost)					

DF @ 15% 15.00%

NPW @ 15% 285890

BCR @ 15% 1.24:1

IRR 41%

F. Repayment Schedule

Capital Subsidy Rs.1,50,000/-
 Bank Loan Rs.3,90,000/-
 Interest 12% per annum
 Repayment Period 5 years including first year grace period

Year	Loan Outstanding	Gross Surplus	Interest	Repayment of	Total Outgoings	Net Surplus
	Bank Loan		@ 12% p.a.	Bank Loan		
1	390000	82000	46800	0	46800	35200
2	390000	303135	46800	100000	146800	156335
3	290000	145135	34800	50000	84800	60335
4	240000	385135	28800	120000	148800	236335
5	120000	385135	14400	120000	134400	250735