

**PRACTICAL PROFITABLE DAIRY UNIT TO BEGIN WITH
(3 Cows and 2 Buffaloes)**

ASSUMPTIONS

1. Cows:

- Production level: 3000 lits. Per lactation
- Cost : Rs.15,000/ each
- Period between successive calving : 14 months
- Pure milk sold @ Rs.10 per lit (minimal cost)

2. Buffaloes:

- Production Level: 2400 lit.
- Cost : Rs.20,000/ each
- Period between successive calving : 16 months
- Pure milk sold at Rs.14 per lit

3. **Feed Cost:** Dry fodder @ Rs.1.50 per Kg , Green fodder @ 0.70 per Kg , Concentrate @ Rs.8.00 per Kg
4. **Feeding:** Dry fodder @ 5 Kg / day; Green Fodder @ 20 Kg /day; Concentrate @2 Kg /day (Maintenance ration, needs to be adjusted with production, general thumb rule for Cow: Milk production / 3 Buffalo: Milk production / 2.5); Mineral Mix @ 30 gms per day (Rs.50 per Kg.)
5. **Insurance:** Crossbred cow @ Rs.800 per animal per year; Buffaloes @ Rs.600 per animal per year.
6. **Depreciation:** @ 20% year for animals ; 10% per year for Equipment ; 20% per year for building
7. **Veterinary Care:** @ Rs.200 per animal per year.
8. **Labor (Mostly family) :** @ Rs.5000/ year for 5 animals
9. **Interest:** @ 15%
10. **Cost of Construction:** @ Rs.70 per sq. ft; Cow shed and Store cost Rs.5000 per animal.

A) CAPITAL INVESTMENT

	CROSS BRED COWS 3 numbers	BUFFALOES 2 numbers
Cost of Animals	Rs.45,000	Rs.40,000
Buildings	Rs.15,000	Rs.10,000
Equipment	Rs.3,000	Rs.2,000
TOTAL	Rs.63,000	Rs.52,000
CAPITAL INVESTMENT GRAND TOTAL: Rs.1, 15,000/		

B) FIXED EXPENSES

	CROSS BRED COWS 3 numbers	BUFFALOES 2 numbers
Interest on Capital @15%	Rs.9,450/	Rs.7,800/
Depreciation of Livestock @20% per year	Rs.9,000/	Rs.8,000/
Depreciation on Building @10% per year	Rs.1,500/	Rs.1,000/
Depreciation on equipment @ 10% per year	Rs.300/	Rs.200/
Insurance	Rs.2,400	Rs.1,200/
TOTAL	Rs.22,650/	Rs.17,300/
TOTAL FIXED GRAND TOTAL: Rs.39, 950/		

C) RECURRING EXPENSES

	CROSS BRED COWS 3 numbers	BUFFALOES 2 numbers
Green fodder @20kg /day Cost 0.70 / kg	Rs.15,330/	Rs.10,220/
Dry fodder @ 5kg/day Cost1.50/kg	Rs.8,212.50	Rs.5,475/
Cost of Concentrate (Maintenance feeding) Cost Rs.8 per Kg	Rs.17,520/	Rs.11,680/
Labor	Rs.3,000/	Rs.2,000/
Veterinary care @Rs.200per animal /year	Rs.600/	Rs.400/
Misc. Expenses Rs.500/animal	Rs.1,500/	Rs.1,000/
TOTAL RECURRING	Rs.46,162.50/	Rs.30,775/
TOTAL RECURRING GRAND TOTAL = Rs.76,937.50/		

TOTAL EXPENSES (B + C): Rs.1,16,887.50

D) INCOME

1. Sale of Milk :

	CROSS BRED COWS	BUFFALOES
Total Milk Produced	9000 Lits.	4800 Lits.
Fed to calves	300 Lits.	265 Lits
Total Milk Sold	8700 Lits	4535 Lits
Milk Sold as Pure Milk	@ 60% (5220 Lits) Rs.52,200	@30% (1360 Lits.) Rs.19,040
Milk Sold as Mixed Milk @ Rs.12 / lit	@40% (3480 Lits)	@ 70% (3175 Lits)
	Total: 6655 Lit. Amount : Rs.79,860/	
TOTAL INCOME FROM MILK	Rs. (52,200 + 19,040 + 79,860) = Rs. 1,51,100/	

2. Sale of Calves

	CROSS BRED COWS	BUFFALOES
Calves available for sale	2 Female + 1 male	1 Male + 1 Female
Amount	Rs.900/ (@Rs.300/ calve)	Rs.600/ (@Rs.200 for male Rs.400 for female)
TOTAL INCOME FROM SALE OF CALVES	Rs.1,300/ (Rupees Thirteen hundred only)	

3. Sale of Manure @ Rs.500/ animal / year

CROSS BRED COWS	BUFFALOES
Rs.1,500	Rs.1,000
TOTAL INCOME FROM SALE OF MANURE : Rs.2,500/ (Rupees two thousand five hundred only)	

TOTAL INCOME Rs.(1,51,100 +1,300 + 2,500) = Rs.1, 54, 900
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PROFIT

NET INCOME – TOTAL EXPENSES (Fixed + Recurring)

Rs.38, 012.50 (Rupees thirty eight thousand twelve and fifty paisa)

Profit per animal: /year Rs.7, 602.40/

Profit per animal /month: Rs. 633.50/