

Guideline on
Establishment of Mini Poultry Feed Mill
during the year 2023-24

Project cost: - Rs. 160.00 Lakh

(Period 2023-24)

Directorate of Animal Husbandry & Veterinary Services,
Odisha, Cuttack

Establishment of Mini Poultry Feed Mill Under State plan during the year 2023-24

BACKGROUND

Odisha ranks 11th in Chicken meat production in the country with a total production of 109.74 TMT per annum. There are about 15000 broiler farms with capacity ranging from one thousand to one lakh, making the state self-sufficient in broiler meat production. The demand for taking up broiler farming as a viable income generating activity is becoming popular due to quick returns and shorter generation cycle. Currently, under the state plan scheme establishment of broiler units with 500 and 1000 bird capacity are being taken up throughout the state both on individual and SHG mode. The demand for quality poultry feed is huge at the local level as the cost of feed contributes 75 to 80% of total production cost. Hence, to minimize the production cost, to provide balanced complete feed and to make the poultry units economic, establishment of feed mills are ultimate options.

A Mini Poultry feed mill is a small manufacturing plant having production facility to prepare starters mash, grower mash, finisher mash, layer mash and to supply food products for chicken, geese, ducks and some of the domestic birds. It includes all the feed manufacturing processes or combination of processes used to produce and improve the quality of feed. The processing is usually divided into following steps: receiving and cleaning of raw materials, crushing of raw materials, batching, mixing, pelleting and packaging. The diameter of the final feed pellets can be 2 to 8 mm. After processing the feed become more digestible, palatable and helpful to increase the productivity of birds.

1. AIM:


This scheme aims to support establishment of 100 nos. of mini poultry feed mill.

2. OBJECTIVES:

- To establish portable mini poultry feed mills of capacity 50 Kg per hour at individual level.
- To address the problem of getting quality poultry feed at a cheaper price in rural level for establishing small poultry units.
- To provide income generating opportunity in rural area.
- To encourage farmers and unemployed youth of rural areas in to income generation through establishment of mini poultry feed mill units.

3. TARGET BENEFICIARIES:

Under the scheme, 100 individual beneficiaries will be covered.



4. SUBSIDY OUTLAY

Unit cost: Rs 2.80 Lakh

Subsidy	Rs in Lakhs per unit	1 st installment subsidy (40% of the eligible amount)	2 nd installment subsidy (60% of the eligible subsidy)
		After construction of building	After installation of plant and machinery in the poultry feed mill unit
Subsidy to farmers @40% of the unit cost	Rs 1.12	Rs 44,800	Rs 67,200

5. SELECTION PROCESS OF FARMER

- Individual beneficiary will be eligible to avail support under the scheme. **While availing subsidy, beneficiary family will be considered instead of individual member of family. One beneficiary family should not be provided with multiple benefits under one particular scheme. A family will not be eligible for subsidy under the same scheme if any of its members has got subsidy during last three years.** However, if any member of one family gets the benefit as a member of WSHG, then other family members can avail any other scheme, as in a Group activity the profit for each of the group members may not be high.
- The individual beneficiary belonging to General category, SC, ST, Women, Transgender and Differently Able (min 40% disability) category will be provided with 40% back ended subsidy of the unit cost i.e of Rs 1.12 lakh per unit.
- The certificate of identity as transgender persons issued by District Magistrate as per "The Transgender Persons (Protection of Rights) Act, 2019" will be accepted for Transgender category.
- For differently able persons the certificate of disability issued by certifying authority / competent authority indicating 40% or more disability as per "The Rights of Persons with Disability Acts, 2016" will be accepted.
- The back ended subsidy will be released back ended in two phases through DBT mode to the individual beneficiary bank account as mentioned in the **Subsidy Outlay: 4.**
- In order to encourage better take off for Mini Poultry Feed Mill, the beneficiaries of bigger poultry units can also avail this scheme as an integrated unit.

6. Modalities of implementation for individual farmers

- The beneficiary belonging to General category, SC, ST, Women, Transgender and Differently Able (min 40% disability) category will be provided with 40% back ended subsidy of the unit cost i.e of Rs 1.12 lakh per unit and the remaining funds will be arranged by beneficiary either through bank loan or own sources.
- Each individual farmers will apply online in the Go-Sugam portal i.e <https://sugam.odisha.gov.in> as prescribed to the respective Block Veterinary Officer (BVO) or may contact with AVAS/VAS/BVO of respective block for assistance to apply.
- The selection of beneficiary shall be made in a transparent manner by the BLIT/CDVOs. Identification of beneficiaries must be made with Aadhar linking at the time of submission of application.
- The BVO shall compile the Block wise applications and thereafter undertake a joint verification in transparent manner of the proposed feed mill unit. The Block Level Inspection Team shall comprise of the following members.
 - a. BVO/AVAS/VAS
 - b. Concerned Livestock Inspector/ VT/SVAS
- The block level inspection team will take geo tagged photographs (minimum 4 photos) from all angles of the site at the time of initial inspection. The team has to ensure that the proposal is a new project.
- On recommendation by the Block Level Inspection Team, as per **Annexure- I**, the respective BVO shall forward the applications for establishment of feed mill unit to the CDVOs.
- **On receipt of e-applications by the CDVO, a District Level Committee comprising of Chief Development Officer-cum-Executive Officer, Zilla Parisad, CDVO, ADVO (LP), District Project Coordinator, Mission Shakti, District Project Manager, OLM and Project Administrator, ITDA (Concerned area) under the Chairmanship of the Collector & District Magistrate shall approve the final list of beneficiaries of the District.**
- After approval of the list, Go ahead letter to the eligible individual will be issued by the concerned CDVO in the format enclosed at **Annexure-II**.
- The L.Is/ PraniMitras/ Gomitras will be tied up for providing handholding

- After issue of go-ahead letter, the individual beneficiary will construct the feed mill building and other infrastructure.
- Thereafter, the block level Inspection Team will inspect the completed building within 2 weeks period from the date of intimation by the beneficiary as in **Annexure- III**. They will take a geo-tagged photograph of the constructed feed mill building.
- The BVO will submit the completion report of the construction of building for establishment of feed mill enclosing the Geo tagged photograph and recommend to the concerned CDVO in **Annexure- IV**, for release of 1st installment of eligible subsidy.
- Thereafter, the beneficiary will procure plant & machinery from reputed source and install then.
- After completion of installation of plants and machinery, the individual will intimate local AVAS/BVO in the format enclosed at **Annexure-III**. The original GST bills for the machinery and equipment shall be submitted by the beneficiary to the BVO for claiming the subsidy.
- Thereafter, the block level Inspection Team will inspect the feed mill unit. They will take a geo-tagged photograph of the unit with installation of the plant and machinery and the BVO will recommend to the concerned CDVO in **Annexure- IV** for release of 2nd installment i.e. 60% of the eligible subsidy.
- The CDVO concerned will submit a monthly report on the implementation of the scheme to the Directorate of AH &VS, Odisha through the online Go-SUGAM portal.
- The list of beneficiaries' details will be uploaded by the CDVO in the Go-SUGAM portal.
- **The Director AH&VS can revise the district wise targets as per the demand and progress of implementation.**
- The district wise indicative target of beneficiaries to be covered is shown in **Annexure-V**.
- Administrative Cost will be given to CDVOs to meet the expenditure incurred towards monitoring & supervision of the scheme.
- The selected beneficiary to start the work at least within 2 months of issue of Go ahead letter. In case of failure to do so, a formal notice must be served to initiate the work within 15 days failing of which the go ahead issued will be canceled and issued to an eligible beneficiary either new / in the waiting list approved by the D.I.C.

- The applications of eligible and willing farmers who have already applied for establishing units under similar scheme in Go- Sugam for the year 2022-23 and are under wait list shall be considered for the financial year 2023-24 on priority. For the applications (for the year 2022-23) the concerned block and district officers are to verify the documents properly, obtain his/ her consent for placing in the DLC for approval and issue of Go- ahead letter.
- The targets shouldn't be a constraint for any district. The district official can enhance it up to 25% of their allocated target taking into account the potential & requirement of the district. The letter bearing No. 2620 dated 24.02.2023 issued from F&ARD Department may be referred for this purpose. The district officials are free to reallocate block targets according to the demand in different blocks.

8. SCHEME OUTLAY

The unit cost of one portable feed mill unit is Rs 2.80 lakh. The total expenditure for establishing 100 feed mill units under state plan with subsidy and administrative cost during the year 2023-24 is **Rs. 160.0 Lakh.**

Year	Particulars	Unit Cost (Rs. in lakh)	No. of Units	Subsidy in lakh @ 40% per unit cost for General, SC, ST, Women, Transgender and Differently Able (min 40% disability) category (i.e Rs. 1.12 lakh)	Administrative cost in lakh	Total funds from State plan in lakh
2023-24	Feed Unit with 50kg capacity	2.80	100	159.6	0.4	160.0

9. Training of Individual farmer

- Training will be organized at Block Head Quarter level or any other convenient place after final approval of the list.
- The feed mill unit will be managed by the beneficiary.
- Each selected individual beneficiary shall be trained on recommended management and production of feed.

10. SAMPLE FEED FORMULA AND COSTING:

Ingredients	% of inclusion	Price/kg	Cost of ingredients for preparing 1 Kg Feed in Rs.
Maize	65	18	11.70
Soya DOC	22	55	12.10
Mustard doc	10	25	2.50
Vitamin premix	3	200	6.00

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Power and packaging in gunny bag/kg			1.00
Total	100		33.30
Sale price			36.00

Feed requirement for one Broiler unit of 1000 bird capacity

Sl. No.	Particulars	Value
1	Daily average consumption per bird in Kg	0.1
2	Total consumption of feed in 35 days per bird in Kg	3.5
3	Feed requirement per batch in kgs	3500
4	No. of batches per Year	5
5	Total requirement of Feed per annum in Kgs	17500
6	No of units to be tagged to one plant	4
7	Requirement of Feed for 4 broiler farms in Kgs	70000

One feed plant will be tied up with 4 broiler units (1000 capacity) set up by Individual beneficiary in the nearby area and the total requirement has been estimated at 70 metric ton per annum.

11. MONITORING AND SUPERVISION

- Regular supervision of the progress of the scheme will be done by the Directorate of AH & VS. The scheme will be reviewed by the Directorate of AH & VS on a fortnightly basis.
- Proper documentation will be done by taking geo tagged photographs of each feed mill unit along with individual beneficiary.
- Regular monitoring will be done by the SDVO Concern along with ADVO LP under the direct supervision of the CDVO.
- All data with regard to the scheme should be entered online on the Go-SUGAM portal at Block and district level.
- The monthly progress report will be submitted by CDVO every month in the online Go-Sugam portal.
- For effective implementation of the scheme the following monitoring mechanism has been suggested. The officers concerned will verify the mentioned percentage of schemes under their respective jurisdiction.
 - BVO - 20% of the block target
 - Concerned SDVO - 20 % of sub divisional target
 - ADVO (LP) – 10 % of district target
 - CDVO- 5 % of district target
 - Concerned Scheme Officer of Directorate- 0.5% of State target
 - Concerned Additional Director - 0.5% of State target

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12. TIME FRAME

The project will be implemented during the year 2023-24.

Items	Quarter	2023-24											
		Apr il	Ma y	Jun e	Jul y	Au g	Sep t	Oc t	No v	De c	Ja n	Fe b	Ma r
Submission of the application by beneficiary													
Initial field verification & feasibility report by BLIT													
Issue of Go-ahead Letter to the beneficiary by CDVO													
Shed construction, bird induction and Intimation by Individual Beneficiary													
Asset verification by BLIT													
Grounding of units/Release of subsidy													

13. TOTAL FINANCIAL OUT-LAY FOR PROPOSED FEED UNIT WITH PELLETISER

COMPONENT	UNIT	UNIT COST	AMOUNT (in Rs.)
CAPITAL COST			
Building for Feed plant in Sq. Ft	150	300	45000
Store cum godown in Sq. Ft	100	300	30000
Machinery (Mixer with 2 HP motor, Pelletiser with 3 HP motor)			130000
Weighing and stitching machine			10000
Electric fittings and power connection			20000
		SUB-TOTAL	235000
RECURRING COST			
Working Capital for purchase of ingredients for one week			45000
TOTAL PROJECT COST			2,80,000.00

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14. ECONOMICS OF MINI FEED PLANT:

14.1 Annual Sales Revenue

Particulars	Value
Feed plant capacity Kg per hour	50
Daily running hour	6
Daily utilisation capacity of Feed plant	75%
Daily production of feed in kg	225
Weekly operation in days	6
No. of weeks per Year	52
Total days operational	312
Annual Feed Production in kg	70200
Sale price of Feed per Kg	36
Sale Proceeds from Poultry Feed in Rs	25,27,200

14.2 Annual Cost of Production

Raw material cost per 1kg of feed in Rs.	32.3
Packing & other overhead cost in Rs.	1
Maintenance of plant @ 2% of cost of production in Rs.	0.7
Recurring Cost per Kg of Feed	34.0
Annual Expenditure in Rs.	23,86,800
Annual Revenue in Rs.	25,27,200
Benefit per Year in Rs.	140400
	11700
Benefit per month in Rs.	



**Initial Field Verification Report by Block
Level Inspection Team**

We do hereby certify that the following individual proposed sites for establishment of Mini Poultry Feed Mill units have been visited by us and found that the land records mentioned by the individuals in their application form are correct.

Sl.	Name of the beneficiary	Address of the proposed Mini Poultry Feed units	Bank finance/ Self finance

LI/ VT/SAVS

VAS/ AVAS/BVO



OFFICE OF THE CHIEF DISTRICT VETERINARY OFFICER,

[FARM_DISTRICT]

GO-AHEAD LETTER

Letter No.: _____ valid up to : _____

Date:[CURRENT_DATE]

Smt./Sri [FARMER_NAME], Category [FARMER_CATEGORY], SO/DO/WO [FARMER_FATHER] is allowed to setup a **Mini Poultry Feed Mill under State Plan, 2023-24** in Plot No. Khata No..... with an area of..... (ha.) in Village: [FARM_VILLAGE], GP: [FARM_GP], Block:[FARM_BLOCK], Dist: [FARM_DISTRICT] which was verified/inspected by the Block level Inspection Team on dated [INSPECTION_DATE] and recommended your application.

Based on the recommendation Go-ahead is issued in your favour. You are entitled to receive a back ended subsidy up to a maximum of 40 % of the total project cost.

The subsidy amount shall be released to your Aadhar linked bank account through DBT mode in two phases after due asset verification of the inspection team. The subsidy amount will be released in 2 Phases as below:

- 1st Phase: Rs. 44,800.00 (40%) of the eligible subsidy just after construction of building.
- 2nd Phase: Rs. 67,200.00 (60%) of the eligible subsidy after installation of plant and machinery in the poultry feed mill unit.

You are requested to complete the construction of feed mill as per the specifications and installation of plant and machinery in the poultry feed mill unit under the supervision & guidance of the local AVAS/VAS/BVO within 6 months on issue of this Go Ahead Letter.

After completion of each phase you will intimate the local VAS/ AVAS/ BVO about completion with a request for asset verification on intimation in the prescribed format.

CDVO (District)



Annexure-III

Format for Intimation by Individual

To

The Block Veterinary Officer,

Sub: - Completion of Construction of building/ Installation of Plant and Machinery
in my mini poultry feed mill unit.

Sir/ Madam

As per the Go-Ahead letter received by me letter no. -----/ dt -----
, I have completed necessary infrastructure i.e construction of building/
installation of plant and machinery on dated -----

Therefore, I request you to visit my farm for asset verification.

Yours faithfully,

(Name in Full)

Signature of the applicant

Mobile No. -

Address -



**Asset verification report by Block Level Inspection Team for release of
Subsidy**

1. Name of the beneficiary with address:
2. Name of the scheme:
3. Year of implementation:
4. Name of the Block:
5. Type/ Area of the building:
6. Construction of building as per specification: Yes/ No
7. Source of Procurement of Plant and Machinery with date: Attach the receipt (with original GST bill)
8. Feed plant started production of broiler feed from: Date-
9. Quantity of pelleted feed in stock on date of verification:
10. Eligible amount of assistance:

Certified that the above particulars were collected at the doorstep/ project site of the individual beneficiary during verification by the team. A geo-tagged photograph of the unit along with the building/ plant and machinery has been taken and enclosed for reference. The back ended subsidy may be released.

Signature of the beneficiary

**Signature of the Block
Level Inspection Team**



Annexure-V

Category wise District physical target " Establishment of Mini Poultry feed mill" during the year 2023-24							
Sl. No.	Name of District	No. of Blocks	Total No. of GP in the District	Physical target for 2023-24	SC	ST	GENERAL
1	Angul	8	225	2	0	0	2
2	Balangir	14	317	3	1	0	2
3	Balasore	12	356	3	1	0	2
4	Bargarh	12	253	2	1	1	0
5	Boudh	3	69	4	1	1	2
6	Bhadrak	7	218	2	0	0	2
7	Cuttack	14	373	1	1	0	0
8	Deogarh	3	70	1	0	1	0
9	Dhenkanal	8	212	6	1	1	4
10	Gajapati	7	149	4	0	2	2
11	Ganjam	22	503	4	1	1	2
12	Jagatsinghpur	8	198	5	1	0	4
13	Jajpur	10	311	2	0	0	2
14	Jharsuguda	5	78	2	0	1	1
15	Kalahandi	13	310	2	0	0	2
16	Kandhamal	12	171	3	1	0	2
17	Kendrapada	9	249	2	0	0	2
18	Keonjhar	13	297	8	2	2	4
19	Khordha	10	190	2	0	0	2
20	Koraput	14	240	4	1	1	2
21	Malkangiri	7	111	3	1	2	0
22	Mayurbhanj	26	404	6	0	4	2
23	Nabarangapur	10	189	4	1	1	2
24	Nayagarh	8	194	3	0	0	3
25	Nuapada	5	131	3	0	1	2
26	Puri	11	268	2	0	0	2
27	Rayagada	11	182	9	1	2	6
28	Sambalpur	9	138	3	1	0	2
29	Subernapur	6	109	2	1	1	0
30	Sundargarh	17	279	3	0	1	2
Total		314	6794	100	17	23	60

NB:

- The target can be interchangeable among the reserved category.
- In case of non availability of beneficiary in reserved category, then the target can be interchangeable with the General category.
- Beneficiaries will be selected on first cum first serve basis.