

ESTABLISHMENT

OF

MILK PRODUCTS
PROCESSING UNIT

**(DAHI, GHEE, PANEER, BURFI, KULFI
AND ICE CREAM)**

**Approximate cost economics for processing of 500 litres milk for
production of
(Dahi, Ghee, Paneer and Burfi)**

SN	Description	Quantity	Cost (Rs.)
Major Capital Investment			
1	Khoa Making Machine (200 lt.)	1	1,00,000
2	Cream Separator	1	30,000
3	Bulk Milk Cooler (500 lt.)	1	60,000
4	Deep Freezer	2	80,000
5	Incubator	1	45,000
6	Paneer Press	2	30,000
7	Packaging Machine (For Kulad etc.)	1	15,000
8	Sealing Machine	1	5,000
9	Curd Vat	1	25,000
10	Miscellaneous (Utensils)		60,000
11	Generator (7.5 KW)	1	50,000
12	Working Capital		1,00,000
	Total		6,00,000

Other Monthly Expenditure

	Operating labour and supervision			
1	Skilled Labour	12000/month	Three	48,000
Power and utility				
1	Power	8,000/month		8,000
2	LPG	1250	50	62,500
Maintenance/Laboratory charges				
		1000/month		1,000
Cleaning material (detergent)				
		80/kg.	10	800
Building Rent				
		Rs. 10000/ month		10000
Marketing (transportation and Packaging)				
		Rs. 15000/ month		15000
	Total (Rs.)			1,45,300

Cost of products manufactured from 500 lt. of milk (7.5% Fat)

Milk (Total 500lt.)	Dahi (3% Fat)	Paneer (6%)	Burfi (6%)	Ghee	Total Sale/ Day (Rs.)	Total Sale/ mth* (Rs.)
100 lt. milk for Dahi (3% Fat)	100 kg			4 kg		
100 lt. for Paneer (6% Fat)		16 kg		1 kg		
300 lt. for Burfi (6% Fat)			75 kg	4 kg		
Rate/ kg (Rs.)	50	300	325	550		
Total Amount (Rs.)	5000	4800	24375	4950	39,125	9,78,125

* No of working days-25

Profit margin per month

Cost per month	Rs.
Procurement of raw milk (500 lt./day)* 500x25 (days)xRs. 45/lit.	5,62,500
Monthly expenditure*	1,45,300
Total expenditure	7,07,800
Sale of products	9,78,125
Margin per month	2,70,325
Margin per day (Rs. 2,70,325÷25)	10,813

Thus it can be concluded that if dairy farmers sell value added dairy products (such as Dahi, Paneer, Ghee, Burfi) manufactured from 500 lt. of raw buffalo milk, they can earn a profit Rs. 10,813/ day.

*Rate of milk has been taken as Rs. 45/litre procured from open market.

* In case milk is produced by self, (farm gate price, Rs 30/litre), profit margin will increase substantially.

**Approximate cost economics for processing of 500 litres milk for
production of
(Dahi, Ghee, Paneer, Ice-cream and Burfi)**

SN	Description	Quantity	Cost (Rs.)
Major Capital Investment			
1	Khoa Making Machine (200 lt.)	1	1,00,000
2	Mini ice cream plant	1	2,50,000
3	Cream Separator	1	30,000
4	Bulk Milk Cooler (500 lt.)	1	60,000
5	Deep Freezer	2	80,000
6	Incubator	1	45,000
7	Paneer Press	2	30,000
8	Packaging Machine (For Kulad etc.)	1	15,000
9	Sealing Machine	1	5,000
10	Curd Vat	1	25,000
11	Miscellaneous (Utensils)		60,000
12	Generator (7.5 KW)	1	50,000
13	Working Capital		1,00,000
	Total		8,50,000

Other Monthly Expenditure

	Operating labour and supervision			
1	Skilled Labour	12000/month	Three	48,000
Power and utility				
1	Power	9,000/month		9,000
2	LPG	1250	50	62,500
Maintenance/Laboratory charges				
		1000/month		1,000
Cleaning material (detergent)				
		80/kg.	10	800
Building Rent				
		Rs. 15000/ month		15000
Marketing (transportation and Packaging)				
		Rs. 15000/ month		15000
	Total (Rs.)			1,51,300

Cost of products manufactured from 500 lt. of milk (7.5% Fat)

Milk (Total 500lt.)	Dahi (3% Fat)	Paneer (6% fat)	Burfi (6% fat)	Ice-cream (10% fat)	Ghee	Total Sale/ Day (Rs.)	Total Sale/ mth* (Rs.)
100 lt. milk for Dahi (3% Fat)	100 kg				3.5 kg		
90 lt. for Paneer (6% Fat)		15 kg			0.5 kg		
10 lt. for ice cream				18kg			
300 lt. for Burfi (6% Fat)			75 kg		3.2 kg		
Rate/ kg (Rs.)	50	300	325	160	550		
Total Amount (Rs.)	5000	4500	24375	2880	3960	40,715	10,17,875

* No of working days-25

Profit margin per month

Cost per month	Rs.
Procurement of raw milk (500 lt./day)* 500x25 (days)xRs. 45/lit.	5,62,500
Monthly expenditure*	1,51,300
Total expenditure	7,13,800
Sale of products	10,17,875
Margin per month	3,04,075
Margin per day (Rs. 3,04,075÷25)	12,163/-

Thus it can be concluded that if dairy farmers sell value added dairy products (such as Dahi, Paneer, Ghee, Burfi and Ice-cream) manufactured from 500 lt. of raw buffalo milk, they can earn a profit Rs. 12,163/ day.

*Rate of milk has been taken as Rs. 45/litre procured from open market.

* In case milk is produced by self, (farm gate price, Rs 30/litre), profit margin will increase substantially.

**Approximate cost economics for processing of 500 litres milk for
production of
(Dahi, Ghee, Paneer, Kulfi and Burfi)**

SN	Description	Quantity	Cost (Rs.)
Major Capital Investment			
1	Khoa Making Machine (200 lt.)	1	1,00,000
2	Kulfi making machine	1	60,000
3	Cream Separator	1	30,000
4	Bulk Milk Cooler (500 lt.)	1	60,000
5	Deep Freezer	2	80,000
6	Incubator	1	45,000
7	Paneer Press	2	30,000
8	Packaging Machine (For Kulad etc.)	1	15,000
9	Sealing Machine	1	5,000
10	Curd Vat	1	25,000
11	Miscellaneous (Utensils)		60,000
12	Generator (7.5 KW)	1	50,000
13	Working Capital		1,00,000
	Total		6,60,000

Other Monthly Expenditure

	Operating labour and supervision			
1	Skilled Labour	12000/month	Three	48,000
Power and utility				
1	Power	8000/month		8000
2	LPG	1250	50	62,500
	Maintenance/Laboratory charges	1000/month		1,000
	Cleaning material (detergent)	80/kg.	10	800
	Building Rent	Rs. 10000/ month		10000
	Marketing (transportation and Packaging)	Rs. 15000/ month		15000
	Total (Rs.)			1,45,300

Cost of products manufactured from 500 lt. of milk (6% Fat)

Milk (Total 500lt.)	Dahi (3% Fat)	Paneer (6% fat)	Burfi (6% fat)	Kulfi (10% fat)	Ghee	Total Sale/ Day (Rs.)	Total Sale/ mth* (Rs.)
100 lt. milk for Dahi (3% Fat)	100 kg				3.8 kg		
90 lt. for Paneer (6% Fat)		15 kg			0.5 kg		
10 lt. for Kulfi				6 kg			
300 lt. for Burfi (6% Fat)			75 kg		4 kg		
Rate/ kg (Rs.)	50	300	325	250	550		
Total Amount (Rs.)	5000	4500	24375	1500	4565	39,940	9,98,500

* No of working days-25

Profit margin per month

Cost per month	Rs.
Procurement of raw milk (500 lt./day)* 500x25 (days)xRs. 45/lit.	5,62,500
Monthly expenditure*	1,45,300
Total expenditure	7,07,800
Sale of products	9,98,500
Margin per month	2,90,700
Margin per day (Rs. 2,90,700÷25)	11,628

Thus it can be concluded that if dairy farmers sell value added dairy products (such as Dahi, Paneer, Ghee, Burfi and kulfi) manufactured from 500 lt. of raw buffalo milk, they can earn a profit Rs. 11,628/ day.

*Rate of milk has been taken as Rs. 45/litre procured from open market.

* In case milk is produced by self, (farm gate price, Rs 30/litre), profit margin will increase substantially.