Detailed Project Report

HONEY PROCESSEING UNIT




By

2023

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1. OVERVIEW OF THE JLG MEMBERS

Name of the JLG:

Number of the members.

Name of Gram Panchayat/Taluk: Name of the District:

Account details of JLG:

Details of JLG members with Hierarchy;

1.

2.

3.

4.

5.

6.

KYC:

Aadhar/PAN/Photo:

Processed honey is honey that has been filtered, pasteurized, and modified to achieve a more uniform texture and appearance. This processing may involve adding heat, water, or other ingredients to the honey, but it can also result in a loss of some beneficial nutrients and enzymes found in raw, unprocessed honey. While processed honey may have a longer shelf life and be more visually appealing, consumers who prioritize the natural health benefits of honey may prefer to seek out raw, unprocessed varieties instead.

2. OBJECTIVES OF SVSY

Under Yuva Niti 2022, the new Swami Vivekananda Yuva Shakti Yojana is proposed on the following grounds to achieve holistic development of 2.1 crore youth of the state and to bring about constructive social change by the youth in keeping with the India@2047 vision of the Hon'ble Prime Minister.

The current scenario of the state on various parameters is as follows:

i. **Political Representation:** Out of total 1,01,308 members in rural local bodies, 12,411 (12.25 per cent) youths and 360 youths (5.36 per cent) out of 6713 municipal councillors are political representatives.
ii. **Education:** Out of a total of 2.1 crore youth, 21.55 lakh (10.37 per cent) students are in high school, 11.75 lakh (5.65 per cent), 6.45 lakh (3.10 per cent) in general degree colleges, 1.51 lakh (2.72 per cent), 1.11 lakh in polytechnics. (0.53 per cent), 0.74 lakh (0.36 per cent) The total number of students studying in medical

courses is 43.12 lakh, which is per cent of the total youth. 21 percent will be. Remaining 157.88 lakh youth have below 10th standard education.

iii. **Employment:** According to the National Skill Development Corporation report, out of the total 2.1 crore youth in the state, 82 lakh (41 per cent) youth are in the labour force. As the remaining 119 lakh youth (59 per cent) are not in the professional labour force, they need to be given skill training to make them self-reliant.

iv. **Skill Development:** Out of the total 82 lakh youth in the workforce, 16 lakh youth (20 per cent) have received skill vocational training. The remaining 66 lakh (80 percent) youth need to be given skill development training. Out of this, only one lakh youth are being trained by the NLRM department every year. Therefore 65 lakh untrained rural youth need skill training. To achieve this every school needs to provide vocational education from class 6 onwards.

v. **Internship:** According to the 6th Economic Census, there are a total of 28.80 lakh enterprises in the state, out of which 78,022 enterprises employ more than 8 people. About 30 lakh youths can be trained in skills by undertaking the internship program for a period of three months in local industries related to agriculture and agri-based/MSME/self-employment/service sector.

vi. **Migration Control:** Rural people have migrated from various districts to urban areas for job opportunities, of which 40 lakh (20 percent) youth are in Bangalore city. Therefore, there is a need to provide more employment opportunities at the village level.

vii. **Consolidation of programs for rural employment:** In total there are 27,395 revenue villages in the state and it is proposed to form Swami Vivekananda Self Help Groups, one in each village, on the model of Women's Self-Help Groups to provide self-employment to the unorganized workers in these. There are about 15 to 20 youth in each group, and 5.50 lakh youth in 27,395 self-help groups have received Rs. 1.5 lakh to provide margin money estimated at Rs. 410 crores will be required.

viii. **Bank Linked Schemes:** Coordination and inclusion of Yuva Shakti schemes with schemes linked to 25 banks. There are 35000 shelves of projects under the Mudra loan scheme, and steps will be taken to select the financial activities of the self-help societies based on these models.

ix. **Training:** Skill development training will be imparted to the youth under the National Entrepreneurship Mission under the 18 programs being implemented by various departments under this scheme. Training for agriculture and other activities will be provided through the Rural Development Self Employment Training Institute (RUDSETI).

x. **Formation of State Level Committee:** It is proposed to constitute a committee under the chairmanship of the Minister of Youth Empowerment and Sports at the State level for implementation and monitoring of the programme. RDPR, Commerce and Industry, Labour, Skill Development and Bank representatives will be members of this committee.

xi. **District Level Committee:** It is proposed to constitute a District Level Committee under the Chairmanship of the Chief Executive Officer of the Zilla Panchayat for

the implementation and supervision of the program at the district level. The members of this committee are the officers of Rural Development and Panchayat Raj, Commerce and Industry, Labour, Skill Development Departments and District Lead Bank Managers.

xii. **Village level stewardship:** The village level stewardship of this program will be handled by Rural Development and Panchayat Raj Departments and Youth Empowerment and Sports Departments.

3. ABOUT VKF

VKF is a Think Tank of Community Change Champions who are from various walks of Social Spaces with diverse backgrounds and specialists from their domains.

VKF is a platform that enables as a think tank to evolve an aggregation of the social impact service providers and entrepreneurs for bringing about a transformational movement of social Change that is measurable on the lines of the Strategic Sustainable Development Goals (SSDG) of United Nation (UN).

VKF's is primarily focused on the development of Karnataka state in collaboration and co-creation initiatives.

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VKF's strong focus is on enhancing the rural mass entrepreneurship development clubbed with rural livelihood options. In this direction, VKF team is

working with the rural livelihood SHGs members and handholding them to elevate themselves to newer socio-economic status and uplifting the whole geography of the cluster by setting up of CFCs.

VKF's experience spans across conceptualizing cluster mapping, conducting baseline surveys, awareness creation, trust building activities, capacity building, design thinking activities etc., to enhance capabilities of the artisans and livelihood SHGs in the clusters.

VKF also indulges in facilitating Common Facility Centres, Preparation of DPR, Govt. liaising, market linkage activities, brand awareness, branding initiatives, value addition of the products produced by clusters etc. In this, regards we have collaborated and working with MSME, ESTC, IDEMI, Tribes India, NRLM and WCD to support rural masses in terms upgrading their livelihood opportunities.

4. NAME OF PRODUCT AND TECHNOLOGY

Processed Honey Unit

Honey that has undergone treatment and modification to alter its flavour, texture, and appearance is referred to as processed honey. In order to get rid of contaminants and give the honey a smoother, more uniform texture, the process usually entails filtering and pasteurising the honey. The qualities of the honey may also be changed through this procedure by adding heat, water, or other components.

The processing of honey involves the use of several technologies, including honey extractors, settling tanks, filters, and bottling machines. Honey extractors are used to remove the honey from the honeycomb frames by centrifugal force. The extracted honey is then poured into settling tanks to allow any remaining impurities, such as wax and dead bees, to rise to the surface. After settling, the honey is filtered through a series of progressively finer filters to remove any remaining impurities. Finally, the honey is bottled using machines that fill and seal the containers, ensuring that the honey remains fresh and uncontaminated. The use of these technologies allows for efficient and hygienic honey processing, ensuring that the end product is of high quality and safe for consumption.

5. DELIVERABLES AND MARKET OF THE PRODUCT

Honey Processing Unit

Processed honey is honey that has been treated and modified to change its appearance, texture, and taste. The process typically involves filtering and pasteurizing the honey to remove impurities and make it smoother and more uniform in texture. This process may also involve adding heat, water, or other ingredients to the honey to alter its properties.

While processed honey may have a longer shelf life and be more visually appealing, it may also lack some of the beneficial nutrients and enzymes that are naturally present in raw, unprocessed honey. Some studies have also suggested that the processing of honey may diminish its antioxidant and

antibacterial properties, making it less effective at fighting infections and supporting immune health.

Project Assumptions: This model DPR for Honey Processing Unit is basically on certain assumptions that may vary with capacity, location, raw materials availability etc. An entrepreneur can use this model DPR format and modify as per requirement and suitability. The assumptions made in preparation of this particular DPR are given in Table. Therefore, land and civil infrastructures are assumed as already available with the entrepreneur.

Table: Detailed Project Assumptions

Parameter	Value	
Assumed Capacity of the Honey processing unit:	50 Kg/day	
Utilization of capacity:	Year 1	60%
	Year 2	60%
	Year 3	60%
	Year 4	60%
	Year 5	60%
Working days per year:	300 days	
Working hours per day:	6 – 8 hours	
Average price of raw material:	Rs. 250/ kg	
Average sale price of product	Rs. 500/ kg	

Machineries



Honey Processing unit
Capacity: 200 Liters/hr
Material: Stainless steel
Devansh Engineering Ulsoor, Bengaluru, Karnataka

Market Output:

VKF will hand hold them to facilitating better packing and market linkage.

Market Linkage	
❖ Restaurants	❖ Supermarkets and Departmental Stores
❖ Hotels	❖ E-commerce
❖ Grocery Stores	❖ Quick Commerce

6. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:

- 2 persons will be used to procurement of raw materials
- 4 persons for production
- 3 persons for the logistics & sales
- 1 person on training and monitoring process

7. SOFT INTERVENTION

The following are the soft interventions to be arranged:

- Awareness on financial inclusion will help in getting the assistance from Government and other sources
- Export promotional orientation for the JLG members.
- Awareness/ training programme on product quality, handling practices.
- Capacity Building activity
- Trust Building activities
- Programmes on technical skill enhancement to unit owners.
- Programmes on Business and entrepreneurship skill enhancement to unit owners
- Mass entrepreneurship development program in the JLG eco system.

8. ESTIMATED COST OF THE PROJECT AND THE IMPLEMENTATION SCHEDULE

The proposed cost of the project is as follows:

Sl. No.	Details	Cost in Rs.	Percentage
1	Bank Loan	2,25,000	90%
2	JLG contribution	22,500	10%
3	**Total**	**2,47,500**	**100%**

Sl. No.	Details	Cost in Rs.
1	Machine Cost	1,80,000
2	Furniture	20,000
3	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	47,500
	TOTAL	**2,47,500**

The proposed project implementation schedule is as follows:

Sl. No.	Project Component	Schedule
1	Shed for the project on rental basis	Identified
2	Electricity and Water facility Installation	Present
3	Arrival of Machinery	Within 25 days of Order
4	Erection of Machinery	Within 5 days of arrival
5	Commissioning	Within 2-4 days of erection
6	Commercial Usage	Within 10 days from approval

9. LAND/SHED STATUS:

The JLG has already identified the shed required for the project within the project area.

10. SWOT ANALYSIS OF THE PROJECT

I. Strength

- Honey is a highly demanded product, and its consumption has been increasing globally.
- Honey is considered a natural and healthy alternative to processed sugars, which makes it a highly desirable product.
- Honey production and processing have high-profit margins due to the low cost of raw materials and high demand for the final product.
- Honey can be differentiated based on flavour, colour, and other factors, which provides opportunities for niche markets and premium pricing.

II. Weakness

- Honey production is seasonal, and the quantity and quality of honey may vary from season to season.
- Honey processing units are dependent on beekeepers for the supply of honey. Any issues with beekeepers could affect the availability of raw materials.
- Setting up a honey processing unit requires a significant initial investment in equipment, infrastructure, and skilled labour.
- Honey processing units need to comply with food safety and quality standards, which can be a challenge for small-scale producers.

III. Opportunities

- Honey processing units can diversify their product range by producing other bee-related products such as beeswax candles, royal jelly, and bee pollen.
- Honey processing units can tap into the global market by exporting their products to countries with high demand.
- Honey processing units can vertically integrate by producing their own honey or by setting up their own beekeeping operations.
- Honey processing units can differentiate themselves by producing organic and sustainable honey, which has high demand in certain markets.

IV. Threats

- The honey market is highly competitive, and honey processing units may face competition from other producers, both local and international.
- Climate change may affect the production of honey by affecting bee populations and floral resources.
- The price of honey can be volatile and may fluctuate due to changes in supply and demand or other external factors.
- Honey is often counterfeited, and this can affect the reputation and sales of genuine honey producers.

11. YOUTH EMPOWERMENT IMPACT OF THE PROJECT ON ECOSYSTEM

We have surplus youths in the state, graduate, undergraduate etc. supporting them to create self-employment will motivate to become entrepreneurs, they will live independent life**.**

Entrepreneurship will greatly impact the lifestyle of the youths, if businesses work along with their involvement of all the members towards creating awareness and promoting positive impacts on others.

Ecosystem Support from Project

- **Promoting pollinator health:** Honeybees and other pollinators are critical to the health and biodiversity of ecosystems. Honey processing businesses can support beekeepers and promote the health of pollinators by providing a market for their products and advocating for pollinator-friendly practices.
- **Encouraging sustainable agriculture**: Honeybees rely on healthy ecosystems and diverse plant communities for their survival. Honey processing businesses can promote sustainable agriculture practices that support biodiversity and reduce the use of harmful pesticides and chemicals.

- **Supporting local economies:** Many honey processing businesses source their honey from local beekeepers, which can help support small-scale agriculture and local economies.
- **Waste reduction**: Honey processing businesses can reduce waste by using all parts of the hive, including beeswax, propolis, and pollen. These byproducts can be used to make candles, cosmetics, and other products.

12. THE END PRODUCTS PRODUCED FROM THE MACHINE

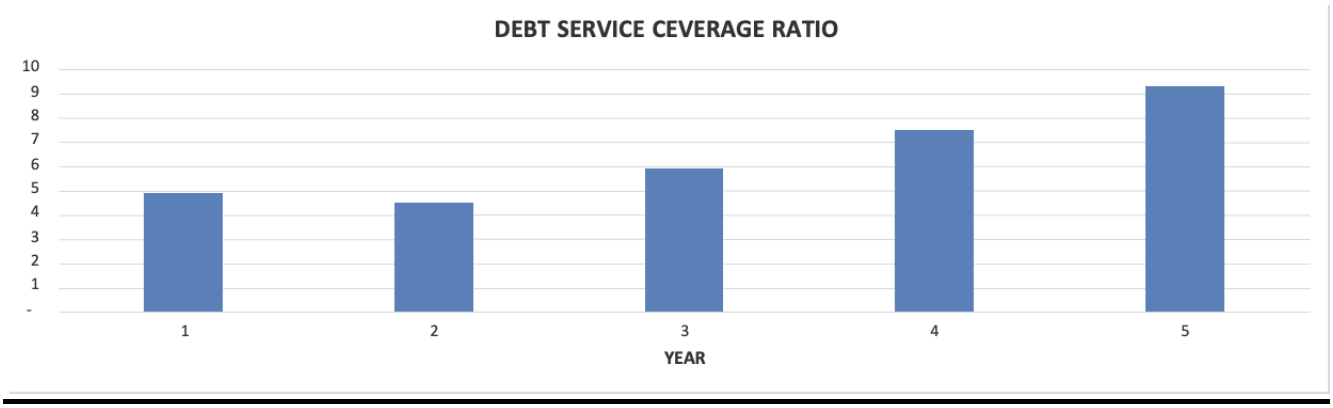
13. FINANCIALS

CASH FLOW STATEMENT

Particulars \ Year	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE FROM SALE OF HONEY PROCESSING					
No. of working days in a Year	300	300	300	300	300
Less : Days for off Season	100	100	100	100	100
No. of Machine Running days in a Year	200	200	200	200	200
Capacity of the machine in kgs per day	50	50	50	50	50
Production in KGs	60%	60%	60%	60%	60%
Utilisation of the Capacity (%)	70%	75%	80%	85%	90%
Production during the year (in KGs)	4,200	4,500	4,800	5,100	5,400
Rate per KG	500	550	605	666	732
Gross Revenue earned per annum - A	**21,00,000**	**24,75,000**	**29,04,000**	**33,94,050**	**39,53,070**
COST OF RAW MATERIALS					
Consumption of Raw Materials	4,200	4,500	4,800	5,100	5,400
rate per kg	250	275	303	333	366
Total Cost of Raw Material per annum - B	**10,50,000**	**12,37,500**	**14,52,000**	**16,97,025**	**19,76,535**
EXPENDITURE					
Salaries and Wages	5,76,000	6,62,400	7,61,760	8,76,024	10,07,428
Electricity Charges	36,000	39,600	43,560	47,916	52,708
Other Manufacturing Expenses	24,000	26,400	29,040	31,944	35,138
Transportation and Travelling	30,000	33,000	36,300	39,930	43,923
Rent	96,000	1,05,600	1,16,160	1,27,776	1,40,554
Packaging and Promotion Expenses	60,000	66,000	72,600	79,860	87,846
Miscellaneous Expensess	24,000	26,400	29,040	31,944	35,138
Total Expenditure - C	**8,46,000**	**9,59,400**	**10,88,460**	**12,35,394**	**14,02,735**
Net Profit before Interest /Cash Flow (A-B-C)	**2,04,000**	**2,78,100**	**3,63,540**	**4,61,631**	**5,73,800**

PROJECTED TERM LOAN DSCR STATEMENT

	Year 1	Year 2	Year 3	Year 4	Year 5
	Projected	**Projected**	**Projected**	**Projected**	**Projected**
Profit available to service the debt	**2,04,000**	**2,78,100**	**3,63,540**	**4,61,631**	**5,73,800**
Loan Repayment	20,536	44,105	48,482	53,294	58,583
Interest on Term Loan	20,972	17,536	13,159	8,347	3,058
Debt to be Served	**41,508**	**61,641**	**61,641**	**61,641**	**61,641**
Debt Service Coverage Ratio	5	5	6	7	9
AVERAGE DSCR	**6**				



BREAKEVEN ANALYSIS
Investment Value Including Margin Rs. 250000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	2,04,000	2,78,100	3,63,540	4,61,631	5,73,800
Less : Interest on Loan	20,972	17,536	13,159	8,347	3,058
Less : Estimated Drawings/Personal Expenses	1,02,000	1,39,050	1,81,770	2,30,816	2,86,900
Net Cash Flow	**81,028**	**1,21,514**	**1,68,611**	**2,22,468**	**2,83,842**
Cumulative Cash Flow	**81,028**	**2,02,541**	**3,71,152**	**5,93,620**	**8,77,462**
Break Even Investment (in years)	**2 Year and 3.4 Months**				

DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	5,344	-	2,25,000	5,344	
	2	5,344	-	2,25,000	5,344	
	3	15,410	10,146	2,14,854	5,264	
	4	15,410	10,389	2,04,464	5,021	20,972
2	1	15,410	10,638	1,93,826	4,772	
	2	15,410	10,893	1,82,933	4,518	
	3	15,410	11,154	1,71,780	4,257	
	4	15,410	11,421	1,60,359	3,990	17,536
3	1	15,410	11,694	1,48,665	3,716	
	2	15,410	11,974	1,36,692	3,437	
	3	15,410	12,260	1,24,431	3,150	
	4	15,410	12,554	1,11,877	2,856	13,159
4	1	15,410	12,854	99,023	2,556	
	2	15,410	13,162	85,860	2,248	
	3	15,410	13,477	72,383	1,933	
	4	15,410	13,800	58,583	1,610	8,347
5	1	15,410	14,130	44,453	1,280	
	2	15,410	14,469	29,984	942	
	3	15,410	14,815	15,170	595	
	4	15,410	15,170	0	241	3,058
Total		**2,88,074**	**2,25,000**		**63,074**	**63,074**

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