

PROJECT REPORT ON HONEY BEES KEEPING

C O N T E N T S

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CHAPTER - I**HIGHLIGHTS OF THE PROJECT REPORT****A. ABOUT THE PROMOTER**

PARTICULARS	ABOUT THE PROMOTER
1. Name	: Avdhesh Kumar
2. Address	: Village-Bhauja Nagla post-Har Harpur Block-Nawabganj, Dist-Bareilly U.P.
3. Contact number	: 9458245865
4. Date of birth	: 24
5. Educational qualification	: Intermediate Agriculture
6. Project location	: Bhauja
7. Professional Experience	: 2
8. Constitution	: Proprietorship

B. PROJECT PROFILE (FINANCIAL)

PARAMETERS	VALUES
1. Unit size (colonies)	800
2. Product	Honey, Wax
3. Cost of the project	507,300
4. Bank loan	380,475
5. Margin money	126,825
6. Financial Indicators	
BCR at 15% DF	2.35:1
NPW 15% DF(Rs.)	1,006,211
IRR (%)	78.13
Average DSCR	4.2
7. Interest rate (% per annum)	12
8. Repayment period	5 years

CHAPTER - II

PROJECT DESCRIPTION

Introduction

The Indian agriculture needs to be diversified so as to generate more income to farmers. Considering this aspect Khadi and Village Industries Board is promoting Bee-Keeping industry from years together in the country. Honey and Bees are known to the mankind since times immemorial. Honey is a nutritious fluid collected by Honey Bees which is good for human health. Honey is used by mankind since very ancient period as food , medicine etc. Bee-Keeping industry also plays important role in increase in yield of crop through pollination. This industry plays important role to create employment opportunities among the rural mass. The Government is implementing various programmes so as to promote this industry at large extent.

Manufacturing Process:-

The preparation of good quality honey starts at bee yard. Bee-keeping activity should ideally located where there are minimum movements of human-beings with very little noise. Forest area is, therefore, suited with many flowering plants naturally grown. Movable wooden frames with boxes are placed at such locations and these boxes are spread with honey spice to attract more and more honey-bees. These bees leave fresh honey sucked from flowers in the cells of honey-comb provided in the boxes to eat bee feed. When these cells are full of honey, they are hermetically sealed by capping with wax and then honey is extracted from these cells. Freshly extracted honey is warm and easy to bottle. Honey should be stored in dry places as it readily absorbs moisture.

CHAPTER - III

MARKET POTENTIAL

Bee's Honey is natural , un refined food consumed as much in fresh or canned state. Honey has substantial medicinal properties and is used in India since long. Procurement of natural or pure honey is becoming difficult due to urbanization and de-forestation. Simultaneously, its demand is steadily increasing as ayurvedic medicines are becoming more and more popular. Honey is used extensively in making ayurvedic medicines. Many health conscious people consume it regularly. Natural honey is always in demand round the year. It is also used in making certain health food preparations.

Therefore, the government is also encouraging this activity and many government agencies extends many incentives as well as marketing support.

CHAPTER - IV

EXTENSION ACTIVITIES

1. Before starting Honey bee-keeping project, the entrepreneurs/ farmers are generally advised to undergo training. They can contact local Horticulture Department staffs/ Horticulture College/ Agriculture University etc. for the purpose. However availability of training facilities & resources are inadequate. Hence I will provide training on Honey bee-keeping to farmers both onsite and off-site. During training program special thrust on scientific production technology & marketing will be given.
2. For the farmers of nearby locality, visits will be arranged on my Honey bee-keeping & they will be educated on scientific lines regarding various aspects of Honey bee-keeping . It will help them to improve their knowledge and skill regarding scientific practices so as to enable them to adopt the same.
3. Capability among Honey bee-keeping growers and processors will be build to produce quality product.
4. Initiatives will be taken to strengthen linkages between State Departments, Horticulture Development agencies, NGO's and farmers.
5. For farmers who have decided to avail loan from bank for Honey bee-keeping project, assistance will be provided to prepare their bankable project report.
6. For the marketing of Honey, farmers will be provided necessary support & guidance.
7. Visits of farmers will be arranged to exhibitions with the prime objective of exposing them the technological innovations.
8. Nowadays internet has become important tool to get latest information. There are various websites available on Honey bee-keeping which provides useful content. This information will be shared to farmers.
9. Necessary assistance will be given to farmers for setting up model Honey bee-keeping unit .
10. Field visits of Honey producer farmers will be arranged to progressive farmers & research stations which will motivate them to adapt good scientific practices.

CHAPTER - V

SWOT ANALYSIS

Strengths:

- Its principal product honey is already popular hence market for shall take care.
- Processing of honey is not very difficult which can be done even at cottage scale with simple equipment's.
- It does not require labour
- It brings cohesion and cooperation among the villagers.
- It increases the crop yield due to population.
- Bee boxes can easily to prepared at village level with a little training and providing standard specification.

Opportunities:

- Honey market can be expanded if organized properly.
- Scope for extraction of royal jelly shall increase potentiality since it has demand for preparation of pharmaceutical preparations.
- Bees wax can be utilized for manufacture of utility and fancy items.
- Bee venom if extracted can be used for various medicinal preparations.
- Various value added items and recipes can be prepared out of honey.
- Beekeeping can bring green revolution due to cross pollination.
- Stinges of dead bees can be used for medicinal preparations.
- Honey as regular food shall ensure better national health hence shall decrease expenditure on health budget.
- Propolis if collected can be used as medicine.
- There is very good export potential for good quality and original honey obtained from Bee's comb.

Weakness

- Details about honey of various floras are not available.
- Beekeeping as we find today is heavily subsidized. We have to see whether it can run without subsidy or not since subsidies may not be available for ever.
- Beekeepers are not organized. Hence they are subject to exploitation by middle man.
- Although it can be trained easily for taming the bees and collecting honey, but it is not easy to train all beekeepers on bee diseases. For prevention or cure bee doctors are not available everywhere, hence epidemic can destroy entire bee population very fast

Threats

- Taking advantage of popularity of honey adulterated honey has taken bulk of market share which threatens honey marketing.
- Indiscriminate spraying of pesticides has not only killed bees but also made honey harmful.
- Graining of honey of certain floras has made even pure honey unpopular since consumers are not aware of its background.
- Marketing honey by some monopoly houses recently has exploited beekeepers

CHAPTER - VI
ECONOMICS OF THE PROJECT

A. BASIS & PRESUMPTIONS

PARTICULARS	UNIT	QUANTITY
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I. Techno-economic parameters

It is assumed that beekeeping is started in August to September to get maximum return.

II. Expenditure norms

1. Cost of one colony	Rs.	100
2. No of colonies	Nos.	800
3. Requirement of sugar per colony	Kg.	2
4. Rate of sugar	Rs	20
5. Cost of one hive	Rs.	400
6. Cost of one Nucleus box	Rs.	300
7. Managing kits	Lumpsum	3,000
8. Handling kits	Lumpsum	2,000

III. Revenue Parameters

1. Honey yield per colony	Kg.	4
2. Rate of honey per kg.	Rs.	150
3. Yield of bee wax	Kg. per colony	0.1
4. Rate of bee wax per kg.	Rs.	200

B. TOTAL COST OF PROJECT

PARTICULARS	UNIT	UNIT RATE in Rs.	QUANTITY	AMOUNT in Rs.
I. Capital Costs				
1. Cost of hives (Newton's Bee hive of teak wood)	/hive	400	800	320,000
2. Nucleus boxes	Nos.	400	160	64,000
3. Managing kits(Hive stand; queen cage; queen excluder; queen protector; feeding bottle; queen gates-one with each box)	Lumsum			300
4. Handling kits (honey extractor, smoker and other appliances like bee veil, gloves; hive tool hammer; nail puller; swarm bag; frame gripper one per beekeeper)	Lumsum			<u>3,000</u>
			Total Capital Cost	387,300
II. Working Capital (1st cycle requirement)				120,000
TOTAL COST OF PROJECT				507,300

C. MEANS OF FINANCE

PARTICULARS	UNIT	UNIT RATE	AMOUNT Rs.
1. Term loan	%	75	380,475
2. Own contribution	%	25	<u>126,825</u>
		TOTAL	507,300
3. Subsidy entitlement @36% from NABARD under AC & ABC Scheme			182,628

D. PROJECTED PROFITABILITY*(Value in Rs.)*

PARTICULARS	UNIT	UNIT RATE	QUANTITY	IYEAR	IIYEAR	IIIYEAR	IVYEAR	VYEAR	
I. Income									
a. Honey	Kg.	150	3,200	480,000	480,000	480,000	480,000	480,000	
b. Bees wax	Kg.	200	80	16,000	16,000	16,000	16,000	16,000	
Interest on subsidy @ 6%				10,958	10,958	10,958	10,958	-	
Subsidy				-	-	-	-	182,628	
			TOTAL(A)	506,958	506,958	506,958	506,958	678,628	
II. Expenditure									
a. Cost of raw materials									
Sugar during death period	Kg.	20	1,600	32,000	32,000	32,000	32,000	32,000	
Colonies	Nos.	100	800	80,000	80,000	80,000	80,000	80,000	
b. Cost of Manpower									
Labour charges	Mandays	100	50	5,000	5,500	6,050	6,655	7,321	
c. Overhead Expenses									
Marketing expenses	Lumpsum			2,000	2,000	2,000	2,000	2,000	
Transportation	Lumpsum			1,000	1,000	1,000	1,000	1,000	
			TOTAL(B)	120,000	120,500	121,050	121,655	122,321	
III. Net Income				TOTAL(A-B)	376,000	386,458	385,908	385,303	556,307

F. FINANCIAL ANALYSIS*(Value in Rs.)*

PARTICULARS	I YEAR	II YEAR	III YEAR	IV YEAR	V YEAR	TOTAL
Capital costs	387,300					
Recurring costs	120,000	120,500	121,050	121,655	122,321	
TOTAL COST	507,300	120,500	121,050	121,655	122,321	
Benefit	496,000	496,000	496,000	496,000	496,000	
Depreciated value of building, fencing, borewell etc @10%					165,958	
TOTAL BENEFIT	165,958	496,000	496,000	496,000	661,958	
NET BENEFIT	-11,300	375,500	374,950	374,345	539,637	
Discounting factor @15%	0.87	0.76	0.66	0.57	0.5	
NPV cost at 15% DF	441,351	91,580	79,893	69,343	61,161	743,328
NPV benefits at 15% DF	431,520	376,960	327,360	282,720	330,979	1,749,539
NPW at 15% DF	1006211					
BCR at 15% DF	2.35:1					
IRR%	78.13					

G. TERM LOAN REPAYMENT

Rate of interest - % per annum : 12

Opening balance of term loan : 380,475

(Value in Rs.)

Year	Loan Outstanding	Net Income	Principal	Interest	Total Repayment	Net Surplus	DSCR
1	380,475	376,000	76,095	45,657	121,752	254,248	3.1
2	304,380	386,458	76,095	36,526	112,621	273,837	3.4
3	228,285	385,908	76,095	27,394	103,489	282,419	3.7
4	152,190	385,303	76,095	18,263	94,358	290,945	4.1
5	76,095	556,307	76,095	9,131	85,226	471,081	6.5
						Average DSCR	4.2