

Citric Fruit and Jam Trading

Unit



Citric Fruit and Jam Trading Unit

1. Introduction

The proposed project aims to establish a citric fruit and jam trading unit in Uttarakhand, leveraging the abundant local production of citrus fruits like malta, oranges, lemons, and galgal. The unit will primarily focus on aggregating, grading, packaging, and marketing fresh citric fruits sourced directly from farmers, and procuring processed jams from small-scale producers and selling them under a unified brand. The goal is to provide market linkages for local farmers while supplying high-quality, chemical-free fruits and jams to urban markets.

Uttarakhand's hilly regions have a long tradition of citrus cultivation, but due to lack of organized marketing, farmers often sell at low farm-gate prices to middlemen. This project seeks to create a structured supply chain by linking local producer groups and farmer collectives with regional and national buyers. The trading unit will serve as an intermediary and value-adding platform without having to invest in large-scale production infrastructure.

This model will also contribute to reducing post-harvest losses, which are high in perishable fruit segments, and provide year-round income opportunities for rural communities. The unit will function as a market aggregator and trader, creating better price realization, promoting local produce, and stimulating entrepreneurship in the horticulture sector.

2. Industry Overview

India is the fourth largest producer of citrus fruits in the world, with oranges, sweet lime, lemons, and kinnows dominating production. Domestic demand is increasing due to rising health consciousness and consumption of vitamin-rich fruits. Jam and fruit preserves also have a growing market, driven by changing breakfast habits, urbanization, and rising disposable incomes. Packaged jams have become a staple in retail outlets across India.

In Uttarakhand, citrus fruits are mainly grown in Pauri, Tehri, Almora, Bageshwar, and Chamoli districts. However, most of the produce is sold ungraded and without branding, resulting in low returns. Jam-making units are present in small numbers but lack scale and market reach. This creates a market gap where a trading unit can act as a bridge between production clusters and large buyers.

The Indian fruit trading and jam market is estimated to grow at a CAGR of 8-10 percent. With increasing awareness about natural, organic, and chemical-free food, demand for Himalayan fruits and jams is rising in metropolitan cities. This industry trend supports the establishment of a specialized trading unit.



3. Products and Application

The unit will handle fresh citric fruits including malta, oranges, galgal, lemons, and limes. It will also trade processed products such as fruit jams, marmalades, and preserves made from these fruits. The products will be sourced from local farmer groups and rural processing units that follow organic or natural farming practices.

Applications include direct consumption of fruits, use in juice shops, hotels, and restaurants, as well as retail sales through supermarkets and organic food stores. Jams and preserves will be targeted towards urban consumers, schools, bakeries, and institutional buyers like hotels and canteens.

Customized gift packs and festive hampers combining fresh fruits and artisanal jams can be created for seasonal sales. This will add value and help differentiate the brand in a competitive market.

4. Desired Qualification

The enterprise can be promoted by individuals with experience or educational background in agriculture, horticulture, agribusiness management, food technology, or general commerce. While formal technical degrees are not mandatory, familiarity with post-harvest handling and agri-marketing will be beneficial.

Entrepreneurs should have basic knowledge of cold chain logistics, packaging, quality standards, and FSSAI regulations for food products. Understanding how to build farmer networks and establish supply agreements will be crucial.

Strong marketing and negotiation skills are essential as the business revolves around sourcing and selling. The promoter must be able to handle procurement planning, stock management, and retail distribution efficiently.

5. Business Outlook and Trend

The business outlook for citric fruit and jam trading is very positive. Rising demand for natural fruit-based products and consumers' shift towards healthy diets support long-term growth. Government schemes promoting horticulture and food processing also create a favourable ecosystem.

Emerging trends include online ordering of farm-fresh fruits, demand for organic certified produce, and premium artisanal jams. Urban consumers are willing to pay a premium for branded, hygienically packed Himalayan fruits and preserves.

Uttarakhand's reputation as a clean, pesticide-free region adds to the brand appeal. Linking rural produce with high-value urban markets will ensure steady growth prospects for the trading unit.



6. Market Potential and Market Issues

The potential market includes supermarkets, fruit wholesalers, hotels, restaurants, bakeries, and online grocery platforms across Uttarakhand, Delhi NCR, and other north Indian cities. Gifting segments, institutional buyers, and wellness resorts are also emerging customers.

However, market issues include high perishability of fruits, seasonal availability, price fluctuations, and the need for cold storage logistics. Establishing reliable supply chains and ensuring consistent quality will be challenging in the initial phase.

Building long-term contracts with farmer groups and cold logistics partners, and diversifying into jams that have longer shelf life will help mitigate these issues and stabilize revenues.

7. Raw Material and Infrastructure

Raw materials will include fresh citrus fruits sourced directly from farmer groups and FPOs, and jams from rural food processing units and self-help groups. Packaging materials like crates, corrugated boxes, glass jars, and labels will also be required.

The unit will need a warehouse with sorting and grading space, cold storage chambers, packing area, and office space. It should be located near fruit production belts for easy procurement. Facilities should have power backup, clean water, and transport access.

A refrigerated van or tie-up with cold chain transporters will be necessary for timely delivery of fruits and jams to markets while maintaining freshness.

8. Operational Flow and Flow Chart

The operations will start with procurement of fruits from farmers and jams from rural units. Fruits will be sorted, graded, and packed in appropriate packaging. Quality checks will be done to ensure freshness and hygiene standards.

Packed fruits and jams will then be stored in cold rooms until dispatch. Orders will be received from retail chains, wholesalers, and online customers, and deliveries will be made through owned or third-party logistics.

Inventory, sales, and payments will be tracked through a digital management system to ensure transparency and efficiency.

Flow Chart:

Farmer Procurement → Sorting and Grading → Packing → Cold Storage → Order Booking → Dispatch → Retail/Institutional Sales



9. Target Beneficiaries

The unit will benefit local citrus farmers by offering better price realization and assured market linkage. It will support rural women-led jam making units by providing them a platform to sell their products at fair prices.

Consumers will benefit by getting access to authentic, chemical-free Himalayan fruits and jams. The venture will also create jobs for local youth in logistics, warehouse operations, and marketing.

The state economy will gain from enhanced horticulture value chains, increased tax revenues, and reduced wastage of perishable produce.

10. Suitable Locations

Suitable locations include citrus growing belts like Pauri, Tehri, Almora, and Bageshwar, as well as logistics hubs like Dehradun, Rudrapur, and Haldwani. Setting up near production clusters will reduce procurement costs and post-harvest losses.

Dehradun and Haldwani offer better access to cold storage, transport facilities, and large consumer markets, making them ideal for the central warehouse. Satellite collection centres can be set up in hill districts.

These locations also provide access to skilled manpower and support from horticulture and MSME departments for infrastructure development.

11. Manpower Requirement

Initially, about 20 people will be required including a procurement manager, warehouse supervisor, cold storage operators, packers, delivery staff, quality inspectors, and sales executives. Unskilled workers can be hired locally and trained on the job.

Periodic training on fruit handling, food safety, packaging, and digital inventory systems will be conducted to maintain quality and efficiency. Women workers can be engaged in sorting, packing, and labeling activities.

As operations scale up, a dedicated marketing and e-commerce team can be added to expand market outreach.



12. Implementation Schedule

Activity	Timeline (Months)
DPR preparation and registration	0–2
Site selection and warehouse setup	2–4
Cold storage installation	3–5
Staff recruitment and training	4–5
Farmer tie-ups and procurement planning	4–6
Trial operations and testing	6–7
Commercial trading launch	7–8

13. Estimated Project Cost

Cost Head	Amount (INR)
Warehouse setup and cold rooms	15,00,000
Vehicles and material handling	6,00,000
Initial fruit and jam inventory	5,00,000
Packaging and labeling infrastructure	2,00,000
Salaries and training (first year)	8,00,000
Branding and marketing	3,00,000
Working capital buffer	4,00,000
Total Estimated Cost	43,00,000



14. Means of Finance

The project can be financed through 25% promoter equity, 60% term loan from banks, and 15% subsidy support from schemes like PM Formalization of Micro Food Enterprises (PMFME) or state horticulture mission. Working capital can be availed through cash credit.

Farmer producer companies and SHGs can be onboarded as equity partners to reduce upfront capital burden. Venture funds focusing on agri-value chains can also be approached.

Maintaining transparent accounts and obtaining necessary licenses like FSSAI and GST registration will help secure bank finance.

15. Revenue Streams

Revenue will come from the sale of fresh citrus fruits to wholesale and retail buyers, and the sale of jams and preserves to supermarkets, online stores, and institutions. Seasonal gift packs will add to revenues.

Commission-based trading on behalf of farmer groups can be an additional revenue source. Value-added services like packaging, grading, and cold storage rental can also generate income.

Online sales through a dedicated e-commerce platform or partnerships with existing platforms will further enhance revenues.

16. Profitability Streams

Profitability will come from efficient procurement at lower farmgate prices, reducing wastage losses through cold storage, and commanding premium prices in urban markets. Branded packaging and quality assurance will support price premiums.

Offering gift packs and seasonal products at higher margins will boost profits. Expanding the customer base to institutional buyers will increase volumes and reduce per-unit costs.

Digital sales channels will help reduce dependence on intermediaries and improve net margins.



17. Break-even Analysis

Parameter	Estimate
Total project cost	43,00,000
Average monthly sales	6,00,000
Average monthly expenses	3,50,000
Monthly net surplus	2,50,000
Break-even period	18–20 months

18. Marketing Strategies

Marketing will focus on building a brand around clean, chemical-free Himalayan citrus and jams. Direct tie-ups with organic food stores, supermarkets, hotels, and cafes will be pursued.

Participation in food exhibitions, farmers markets, and trade fairs will build visibility. Attractive packaging highlighting the origin, farmer story, and natural quality will be used.

Digital marketing through social media, influencer tie-ups, and e-commerce platforms will be used to target urban consumers and diaspora customers.



19. Machinery Required and Vendors

Machinery/Equipment	Quantity	Purpose	Suggested Vendors (Uttarakhand)
Fruit sorting and grading tables	4	Sorting and quality grading	Dehradun industrial suppliers
Cold storage chamber	2	Preservation of fruits	Rudrapur refrigeration firms
Weighing and packing machines	3	Accurate packing	Haridwar packaging equipment dealers
Labeling machine	2	Labelling jars and fruit boxes	Selaqui packaging suppliers
Crates, pallets, and material handling tools	Multiple	Internal handling and storage	Haldwani agri-equipment suppliers
Delivery vehicle (refrigerated van)	1	Distribution of fruits and jams	Pantnagar vehicle body builders

20. Environmental Benefits

The venture will reduce food wastage by creating efficient supply chains for perishable fruits, thereby lowering greenhouse gas emissions from rotting produce. It will promote organic and natural farming by offering premium prices to such farmers.

Using reusable crates and recyclable packaging materials will minimize plastic waste. Cold storage will reduce post-harvest losses and thus conserve the resources used in production.

Promoting local sourcing reduces transport-related carbon emissions, contributing to a low-carbon food system.

21. Future Opportunities

Future opportunities include expanding the product portfolio to include processed citrus-based products like juices, squashes, and candied peels. Exporting Himalayan jams to niche international markets can generate high-value returns.



Building a strong e-commerce brand and launching subscription boxes of seasonal fruits and artisanal jams can create recurring revenues. Franchise-based retail outlets can be established in major cities.

In the long run, the unit can evolve into a Himalayan fruit trading and processing hub, supporting multiple farmers, women's groups, and small enterprises across the state.

Disclaimer

Only a few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not imply any recommendation.

