

Project Profile: Aloe Vera Gel



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Introduction

Aloevera Gel is one of the products prepared from aloe itself. Aloevera gel has very good medicine for external use for sun burning and pain killer. It has various medicinal values, which makes very good commercial value. It has required to proper plantation as demand increases day by day. Aloevera gel and aloevera produces has tremendous demand in the herbal base products area. There are many herbal base companies are trying best to explore the market available on the base of aloe and try to best utilization of and powder as well as indigenous market. Any new entrepreneur may launch in this product will be successful. It is necessary to start cultivation by using tissue culture base product.

Aloe Vera is widely used for its healing and restorative properties. It belongs to the liliacea family and has thick green leaves which contain gel and latex. The gel consists primarily of water and the rest includes various vitamins, amino acids, enzymes, hormones, minerals and sugars, most of which are found in the human body. Aloe leaves secrete a clear gel that when broken off from the rest of the plant that can be applied topically to heal wounds and soothe skin.

Aloe Vera Gel is one of the products prepared from aloe vera itself. Aloe vera Gel has very good medicine for external use for sun burning and pain killer. It has various medicinal values which makes very good commercial value. Aloe Vera gel is widely used in the food industry, cosmetic and toiletries industry, and the pharmaceutical industry. Aloe vera gel is a most important product can produce from aloe vera leaves. The item has the both consumer and industrial demand.

The gel, which is a colourless and transparent liquid, consists mainly of water. The rest contains several amino acids, enzymes, vitamins, hormones, minerals and sugars; most of which are found in the human body. The demand of Aloe Vera gel in the consumer market is driven by its healing and restorative properties, due to which it finds applications in several industries. Apart from this, the other factors contributing to the market growth include scientific research on the health benefits of Aloe Vera based products, rising disposable incomes, supplier innovations.

Market Potential

Aloe vera originates from the Liliaceae family and has thick green leaves which contain gel and latex. The gel contains mainly water and also includes various vitamins, amino acids, enzymes minerals, hormones, etc. mostly which are essential for the human body. Aloe Vera gel is extensively in demand by the cosmetic industry, toiletries industry, food industry, and the pharmaceutical industry for its therapeutic properties. In the global market, the aloe vera gel has abundant demand that has been increased to 11% comparatively since past some years. Its demand in the international market accounts for 465 million and is snowballing progressively. The market is exponentially growing because the Aloevera gel is highly required for various industries like health care, cosmetics, and food. Aspects such as the growing attitude of consumers for a fitness-based lifestyle, and the need for aloe vera extract as an essential ingredient in the food, pharmaceutical, and cosmetics sectors have powered the market to rise across the world.

Aloe Vera Gel and Aloe vera powder has tremendous demand in the herbal base products area. As there is lot of use of aloe vera and aloe vera Gel in the field of cosmetics, medicines. It has large used since from ancient time. There are many herbal base companies are trying best to explore the market available on the base of aloe and try to best utilization of available aloe. There is good export market of aloe vera Gel and as well as indigenous demand. The aloe vera based product market in Asia Pacific will grow considerably in the forecast period due to the huge demand and the presence of a large number of manufacturers. Increasing awareness and health concern among the consumers is the key driving factor for aloe vera based product in Asia Pacific. Various innovative products, is driving the aloe vera market in Asia Pacific. Demand for aloe vera product in food industry is expected to grow with a fastest rate in the forecast period. Wide ranges of applications such as packaged drinking water, low-calorie fruit juice are creating new opportunity.

Desired Qualification for Promoter

The promoter should ideally be having formal qualifications in the field of Ayurveda (Bachelor or Diploma). A formal qualification in Cosmeceuticals may also do. Further he / she should have experience of working in a unit manufacturing Herbal products.

Marketing Strategy

One may plan to sell the aloe vera gel in nearby markets or you can also sell that in the medical shops. One could apply some B2B websites and B2C websites online and advertise your product. The person can also sell the items in supermarkets, small shops in shopping malls, etc. Promotion of the item through social media will lead to a huge number of customers and like this one can endorse and support the business. Even though there are numerous aloe vera gel manufacturers in India, but the requirement is there as people always tend to try new products for the vast medicinal advantages they offer. So, one must not panic about the market.

List of Machinery

Following machinery is required for the production of Aloevera gel.

- Cooling van to acquire the aloe leaves from the cultivated site
- Aloe leaf washing unit and extractor
- Aloe vera peeling machine
- Aloe vera gel making device
- Filling machine
- Testing machinery
- Weighing Scale
- DG installation as back up for uninterrupted power supply

Manufacturing Process

After the raw material is acquired at the factory, it is important to wash and disinfect the plants. There are two common methods of processing. First, the processing of the complete leaf along with the shell that comprises loin (stage-1- whole leaf method), and next is the separation of the leaf from the gel before processing (stage-2- separation method).

During the separation step, the bottom of the leaf is cut off and the leaves will be allowed to “bleed”. This will permit the aloin to expel out of the leaves. This portion of the plant is famous for its bitter taste and its laxative property. For a good grade gel, the aloin should be separated from the final gel.

After you collect the gel from the plants, it will be filtered first. Next, pasteurize, homogenize, and stabilize the gel. The last step must be to concentrate the gel. The complete procedure will be done in 48 hours to obtain the final Aloe extract. However, there is a high probability of losing the quality during the process in many ways. It is significant to obtain a quality gel which is not possible many times because of the poor quality of leaves and or might be due to slow processing.

Now, the concentrated aloe vera gel can be packed for selling to market or the companies need it as raw material to manufacture products.

Manpower Requirements

For the production, following category of manpower will be required for day to day activities.

Sr. No.	Particulars	No.	Salary	Total
1	Manager cum Manufacturing Chemist	1	20,000	20,000
2	Analytical Chemist	1	18,000	18,000
3	Sales representative	1	17,000	17,000
4	Clerk cum Accountant	1	16,000	16,000

5	Skilled Worker	1	12,000	12,000
6	Unskilled Worker	2	10,000	20,000
Total		7		103,000

Implementation Schedule

The project can be commissioned within six months of tying up of finance. There is no complicated machinery and equipment required and space required is also small. Therefore, implementation time is six months.

Cost of Project

The cost of project as per market rate of factory building, machinery, and miscellaneous items, preliminary and pre-operative expenses works out as under:

Sr. No.	Particulars	Amount
1	Land(rent)	40,000
2	Machinery	8,00,000
3	Miscellaneous	60,000
4	Raw Material	2,00,000
Total		11,00,000

Means of Finance

Based on the present norms of bank, means of finance is worked out as under:

Sr. No.	Particulars	Amount
1	Promoter's contribution	3,63,000
2	Bank Finance	8,40,000
Total		12,03,000

Break-Even Analysis

Sr. No.	Particulars	Details
1	Fixed Investment (A)	1100000
2	Loan	840000
3	Interest Rate @7.5% on Loan (B)	63000
4	Capital Investment	363000
5	Depreciation @10% on Capital investment (C)	36300
6	Total Fixed cost (D = A+B+C)	1199300
7	Variable Cost (E)	10000
8	Manpower cost (F)	103000
9	Total Variable cost (G = E+F)	113000
10	Number of Units Sold/Month (H)	2500
11	Average Variable cost (I = G/H)	45.20
12	Selling price per unit (J)	250
13	Contribution margin (K = J-I)	204.80
14	Beak Even Point in Units (D/K)	5856

Assumptions

- Interest rate is assumed at the rate of 7.5% p.a.
- Depreciation on capital investment i.e. machinery would be 10% p.a.
- Unit can produce 3000 packets of aloe vera gel of 500gm p.m. at full capacity then it would be at breakeven when they will sell 5656 units of aloe vera gel of 500gm.
- Variable cost comprises of the raw material price p.m. and electricity and other administrative/utility expenses.

Statutory / Government Approvals

Generally quality of Herbal products is fully dependent on the quality of raw materials and process of manufacture. The products are to be manufactured as per Indian system of medicines of Ministry of Health. Provisions of Drugs & Cosmetics Act apply. Schedule “T” is to be followed as per Food & Drugs Administration norms. MSME & GST registration, IEC Code for Export of end products and local authority clearance may be required for Shops and Establishment, for Fire and Safety requirement and registration for ESI, PF and Labour laws may be required if applicable. Also Approval from Pollution Control Board.

Backward and Forward Integration

There is no backward integration as the promoter is already manufacturing the product and as a forward integration the promoter can think of expanding his retail outlets and taking his business online.

Training Centers

For Herbal & allied industry training and short term courses may be availed from the Institutions of Ayurvedic Research & Education in respective states. Also EDP centers.

Udyamimitra portal (link : www.udyamimitra.in) can also be accessed for handholding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship development programs help to run businesses successfully and are available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.