

AGRI INPUTS SALES

1. INTRODUCTION

Agriculture stands as a cornerstone of Uttarakhand's economic landscape, contributing significantly to the state's Gross State Domestic Product. With over 70% of the population relying on agriculture as their primary livelihood, the sector plays a pivotal role in shaping the socio-economic development of Uttarakhand. Uttarakhand's agricultural panorama is marked by the cultivation of major crops such as rice, wheat, sugarcane, maize, soybean, pulses, oilseeds, and a myriad of fruits and vegetables. In the context of this rich agricultural backdrop, agri-input stores in Uttarakhand play a pivotal role in supporting farmers by providing essential resources tailored to the region's distinct farming needs.

2. SERVICE & ITS APPLICATION

The agri-input store provides a comprehensive array of products tailored to the specific needs of the region. This includes locally adapted seeds, organic fertilizers suitable for hilly terrain, pest control solutions for crops grown at different altitudes, and specialized tools catering to the challenges of farming in diverse landscapes. These services are instrumental in sustaining and improving agricultural practices in Uttarakhand.

3. DESIRED QUALIFICATION FOR PROMOTER

The promoter should possess a deep understanding of the state's diverse agro-climatic conditions. Knowledge of traditional farming methods, awareness of local crop varieties, and familiarity with the challenges unique to Uttarakhand's agriculture are essential. Additionally, effective communication skills and the ability to build relationships within the local farming community are crucial for success.

4. BUSINESS OUTLOOK AND TRENDS

The agricultural sector in Uttarakhand is characterized by small-scale farming, and the agri-input store business is expected to witness growth due to a rising emphasis on sustainable and organic farming practices. Trends such as terrace farming, agro-tourism, and the promotion of indigenous crops present enormous opportunities for innovative products and services in Uttarakhand. Besides, Uttarakhand has witnessed a growing inclination towards sustainable and organic farming. Consumers and farmers alike are increasingly valuing environmentally friendly and chemical-free agricultural inputs. Agri-input stores must align with this trend by offering a curated selection of organic fertilizers, bio-pesticides, and seeds adapted to organic farming methods.

5. KEY BUSINESS ELEMENTS

- **Market Research:** The promoter must undertake thorough market research to understand the industry, target audience, competition, and market trends. This insight is crucial for making informed decisions.
- **Network Building:** The promoter must build and leverage a strong professional network. Relationships with industry experts, suppliers, customers, and mentors can provide valuable support and insights.
- **Customer-Centric Approach:** The promoter must prioritize a customer-centric approach, focusing on understanding and meeting customer needs. Excellent customer service and responsiveness contribute to customer loyalty.

6. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

The diverse agro-climatic zones allow for a wide range of crops, presenting a substantial market for agri-input stores. However, marketing in this context faces challenges such as seasonal fluctuations and weather dependencies. With the growing importance of agri-input stores, the market has become competitive. Effective marketing should focus on product differentiation, emphasizing unique offerings and personalized services. Successful marketing strategies include being culturally sensitive, addressing the digital divide, and emphasizing both online and traditional outreach methods to effectively reach the diverse farming community in Uttarakhand.

7. SUPPLY OF RAW MATERIAL

Ensuring a steady supply chain of raw materials is essential for an agri-input store. Building strong relationships with suppliers who understand the specific requirements of hill farming and having contingency plans for unpredictable weather patterns are critical components of a resilient supply chain.

8. BUSINESS MODEL

The store layout should be designed to accommodate the unique needs of Uttarakhand's farmers. Considering the limited space in hilly regions, an efficient and compact layout that allows easy navigation and showcases locally relevant products can contribute to a positive shopping experience.

9. BUSINESS PROCESS

- Procurement: The first step is sourcing high-quality seeds, fertilizers, pesticides, and agricultural tools from reliable suppliers and manufacturers.
- Quality Control: The next step is to implement rigorous quality control measures to ensure that all products meet specified standards and are suitable for local farming conditions.
- Inventory Management: The following step is efficient inventory management to monitor stock levels, track product expiry dates, and avoid shortages or overstock situations.
- Customer Interaction: An important step is engaging with customers to understand their specific needs, provide expert advice on product selection, and offer guidance on optimal usage.
- Sales Process: The last step is facilitating a seamless sales process; including product showcasing, order processing, and transaction completion, ensuring a positive customer experience.

10. MANPOWER REQUIREMENT

Sr. No.	Particulars	No.	No of the month in the year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Store Manager	1	12	0.35	4.2
3	Semi-skilled helper	4	12	0.20	9.6
	Total				13.80

11. IMPLEMENTATION SCHEDULE

Sr. No.	Particulars	No.	No of the month in the year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Store Manager	1	12	0.35	4.2
3	Semi-skilled helper	4	12	0.20	9.6
	Total				13.80

12. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Pre-operative and preliminary Exp.	0.10
2	Equipment and Furniture Exp.	8.00
3	Working Capital	10.24
	Total Project Cost	18.34

13. MEANS OF FINANCE

Bank-term loans are assumed @ 60 %

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	7.34
2	Bank Finance	11.00
	Total	18.34

14. FURNITURE AND FIXTURES

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Weighing Scale	2	0.10	0.20
2	Hand carts for moving heavy bags of fertilizers	2	0.25	0.50
3	Computer and printer	1	0.70	0.70
4	Shelves	10	0.15	1.50
5	Storage Cabinets and Drawers	10	0.50	5.00
6	Display Tables/Stands	2	0.15	0.30
	Total.			8.00

Furniture and fixtures must be bought from dealers and suppliers in Uttarakhand. The entrepreneur can avail required tools after thorough research and analysis. Below is the tentative list of suppliers in India. Besides these, online platforms such as India Mart can also be explored for ordering machinery online.

1. Narang Traders
4183, Pahari Dhiraj Gali, Ahiran,
Sadar Bazaar, Syndicate Bank Pahari Dhiraj,
Delhi-110006,
New Delhi, India
2. Swastik Office Solutions
F-30, Street no.-1,
Chand Bagh, Shahdara,
Delhi - 110094,
North East Delhi, India
3. M/S.Sony Office Solutions
Shop No.2, Ground Floor,
Hasan Premji House,
Janmbhoomi Marg, Fort,
Mumbai - 400001,
Maharashtra, India

15. FURNITURE AND FIXTURES

Sr. No	Product	Sales in Percentage
1	Seeds	25.0%
2	Fertilizers	25.0%
3	Pesticides and Herbicides	15.0%
4	Agricultural Tools and Equipment	10.0%
5	Crop Protection Products	15.0%
6	Organic Farming Inputs	10.0%
	Total	100.00%

16. PROFITABILITY CALCULATIONS

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realization	40.50
B.	Cost of production	
i)	Raw materials	11.25
ii)	Utilities	0.60
iii)	Manpower Cost (Salaries/wages)	13.80
iv)	Administrative expenses	0.28
v)	Packaging Cost	0.06
vi)	Material Lost Cost	0.06
vii)	Selling & distribution expenses	0.66
viii)	Rent	0.60
ix)	Interest	1.23
	Total (B)	28.53
	Gross profit/loss (A – B)	11.97
	Less: Depreciation	1.23

C.	PBIT	10.74
D.	Income-tax	2.15
E.	Net profit/loss	8.59
F.	Repayment (Annual)	1.61
G.	Retained surplus (E-F)	6.99

17. BREAKEVEN ANALYSIS

(Rs. in lakhs)

Fixed cost	
Land & Building Rent	0.60
Depreciation	1.23
Interest	1.23
Manpower	4.14
Total Fixed cost	7.20
Variable cost	
Raw materials	11.25
Utilities	0.60
Manpower	9.66
Administrative expenses	0.28
Selling & distribution expenses	0.66
Total Variable cost	22.45
Contribution margin	20%
Break-Even Point in Value	35.98

18. STATUTORY/GOVERNMENT APPROVALS

Setting up an agri-inputs business in Uttarakhand would require several statutory and government approvals to ensure compliance with regulations.

1. Business Registration: Business registration has to be made with the appropriate local authorities within the Local Municipal Corporation or Panchayat.
2. Trade License: Trade license is required to operate a retail business.
3. GST Registration: Goods and Services Tax (GST) registration is a must for taxation purposes.

19. TRAINING CENTERS AND COURSES

Training centers that offer professional training and certification in entrepreneurship and business management are as follows:

1. National Institute for Entrepreneurship and Small Business Development (NIESBUD)
Regional Centre, Dehradun
NSTI Campus, Green Park, Dehradun-248001,
Uttarakhand, India

2. Indian Institute of Entrepreneurship (IIE)
NH-37 Bypass, Near Game Village,
Lalmati Guwahati- 781029,
Assam, India
3. Institute of Entrepreneurship Development (IEDUP)
A - 1 & 2, Industrial Area, Sarojini Nagar,
Kanpur Road, Lucknow-226008,
Uttar Pradesh, India

Disclaimer

Only 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 carry any recommendation.