

4 CHUTNEY UNIT



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1. INTRODUCTION

Chutneys hold a significant place in the culinary landscape of Uttarakhand, providing a burst of taste to local cuisine. Originating from the indigenous communities of the Himalayan region, these vibrant and flavorful condiments have become an integral part of the culinary heritage for generations. The Pahadi people in Uttarakhand particularly cherish chutneys, often including them in their traditional thali. Passed down through the ages, these chutneys preserve the authentic flavors of the region. The demand for both fresh and packaged chutneys is on the rise, especially among visitors and tourists. This growing demand presents a lucrative business opportunity for entrepreneurs looking to tap into the culinary treasures of Uttarakhand.

2. PRODUCT & ITS APPLICATION

The primary product is a range of chutneys, each featuring a unique blend of local herbs, spices, and ingredients. The local cuisine boasts unique offerings such as Bhang Ki Chutney, made from ground hemp seeds, and Kafuli Chutney, Gahat Chutney, Jakhia Chutney, showcase the region's reliance on indigenous ingredients. The inclusion of Aadu Ki Chutney, utilizing the succulent local peaches, Rai Ki Chutney with its pungent mustard seeds, and Jangora Chutney featuring wild mushrooms, further underscores the diversity of Uttarakhand's chutney offerings. These chutneys are versatile, serving as accompaniments to various dishes, enhancing flavors, adding a distinctive touch to meals.

3. DESIRED QUALIFICATION FOR PROMOTER

A successful promoter in the chutney business should ideally possess:

- Knowledge of local culinary traditions and flavors.
- Understanding of food safety and hygiene standards.
- Marketing and business management skills.
- Creativity in developing and experimenting with new chutney recipes.
- Ability to establish and maintain local and regional partnerships.

4. BUSINESS OUTLOOK AND TRENDS

There is a rising interest in regional and authentic cuisines, aligning with the diverse and flavorful chutneys rooted in Uttarakhand's culinary heritage. The growing tourism industry further amplifies the demand for local products, providing an excellent opportunity for entrepreneurs to tap into a broader market. Additionally, as consumers increasingly prioritize healthy and natural food options, the use of locally sourced and traditional ingredients in chutneys aligns with these preferences. Online marketing and sales strategies can also be leveraged to reach a wider audience, contributing to the overall positive outlook for the chutney business. Moreover, the promotion of local businesses by the Indian government significantly enhances the market outlook for Uttarakhand chutneys. As consumers increasingly seek to support local economies and preserve cultural traditions, the chutney business stands to benefit from this positive trend.

5. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

The Chutneys and Relishes market in India has shown impressive growth, with a positive compound annual growth rate (CAGR) of 10.68% from 2015 to 2020. In 2020, the market reached a sales value of INR 42,258.10 Million, reflecting a notable increase of 10.11% compared to 2019. This upward trajectory in the broader market underscores the favorable conditions for the chutney business in Uttarakhand. However, marketing issues include competition from existing local producers, necessitating strategic branding and differentiation. Maintaining consistent quality and taste across batches is crucial to meet consumer expectations. Nevertheless, a well-executed marketing strategy, highlighting the uniqueness of traditional chutneys and their role in supporting local businesses, can overcome these challenges and establish a strong market presence.

6. RAW MATERIAL REQUIREMENTS

The raw material requirements for chutney production include locally sourced herbs, spices, fruits, and traditional ingredients unique to Uttara hand. Hemp seeds, tamarind, garlic, indigenous fruits like plums and apricots, and regional lentils such as Gahat (horse gram) contribute to the authentic flavors. Establishing partnerships with local farmers and suppliers ensures the freshness and quality of the raw materials, contributing to the unique selling proposition of the chutney products.

7. MANUFACTURING PROCESS

• **Bhang Ki Chutney**

Process: Bhang seeds are ground to form a base, combined with green chilies, garlic, and salt. The mixture is skillfully blended to achieve a nutty flavor. This traditional chutney is often paired with local bread or served as a side dish with rice-based meals.

• **Kafuli Chutney**

Process: Fresh spinach (kafuli) is blended with mustard oil, green chilies, and turmeric to create a nutritious and mildly spiced chutney. The ingredients are carefully combined to preserve the distinctive flavors of this traditional green leafy vegetable, enhancing rice dishes.

• **Gahat (Kulath) Chutney**

Process: Gahat, the locally grown horse gram, is processed with garlic, red chilies, and mustard oil to produce a hearty and protein-rich chutney. This flavorful accompaniment, often paired with rice or roti, undergoes meticulous preparation to maintain its traditional taste.

• **Jakhia Chutney**

Process: Jakhia, a unique fermented soybean product in Uttarakhand, is blended with green chilies, garlic, and mustard oil. The resulting chutney boasts a robust umami flavor, showcasing the intricate fermentation process that has made it a staple in local households.

• **Aadu Ki Chutney (Peach Chutney)**

Process: Local peaches are combined with honey, cinnamon, and black salt to create a sweet and tangy chutney. This delightful accompaniment to snacks and desserts undergoes careful preparation to preserve the natural flavors of the juicy peaches.

- **Rai Ki Chutney**

Process: Rai, or mustard seeds, are blended with garlic, green chilies, and curd to produce a pungent and tangy chutney. The meticulous combination of ingredients results in a zesty kick, making it an ideal pairing for traditional flatbreads and local dishes.

- **Jangora Chutney**

Process: Jangora, a wild mushroom variety, is combined with onions, tomatoes, and coriander to create a unique and flavorsome chutney. The earthy and meaty taste of Jangora mushrooms is preserved through careful blending and preparation.

- **Thechwani Chutney**

Process: Thechwani paste, made from radish, potatoes, and spices, is mixed with yogurt and green chilies to create a chutney variation that complements the spicy and rustic flavors of the traditional Thechwani dish. This process ensures harmony with the main dish's distinct flavors.

8. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Professional Expert	2	12	0.2	4.8
3	Kitchen Helper	2	12	0.12	2.88
	Total				7.68

9. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1.5
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
6	Total time required (some activities shall run concurrently)	3

10. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Land	-
2	Building (Rented)	-
3	Plant & Machinery	2.67
4	Equipment and Furniture Exp.	2.60
5	Misc. Fixed Asset	0.02
6	Preoperative & Preliminary Exp.	0.15
7	Working Capital	0.76
	Total Project Cost	6.20

11. MEANS OF FINANCE

Bank-term loans are assumed @ 60 %

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	2.48
2	Bank Finance	3.72
	Total	6.20

12. LIST OF MACHINERY REQUIRED

A. Machinery

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Food Processor	2	0.25	0.50
2	Mixing Utensils	-	0.50	0.50
3	Cooking Vessels	-	0.50	0.50
4	Filling Machines	2	0.30	0.60
5	Labelling Machine		0.15	0.30
6	Sealing Machine		0.15	0.15
Total Amount				2.55
Tax, Transportation, Insurance etc.				0.12
Electrification Exp.				0.10
Grand Total Amount				2.67

B. Furniture & Equipment

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Tools & Equipment (Weighing Scale, Testing Equipment, Storage Container, Kitchen ware & tools, etc.)	-	0.60	0.60
2	Furniture & Set-up (sinks, worktables, exhaust fan, kitchen, etc.)	-	1.00	1.00
3	Storage racks and shelves	-	0.50	0.50
4	Computer	1	0.50	0.50
	Total Rs.			2.60

The availability of machines and equipment from local manufacturers is a promising advantage for the entrepreneur. It is essential to carefully choose the right mix of products and suitable machinery and tooling to facilitate modern and flexible production. Here are some of the suppliers of machinery an entrepreneur can consider:

1. Empire Bakery Machines

Opp. Gurudwara Somasar Sahib Vill Tibba,
Sahnewal, Ludhiana-141120,
Punjab, India

2. National Packaging Solution

W 6, Sector 11, Noida,
Gautam Budh Nagar-201301,
Uttar Pradesh, India

3. Dev Enterprise

Career House, G.M.S. Road,
Behind Hotel Kamla Palace,
Dehradun-248001,
Uttarakhand, India

13. SALES REALISATION

Sr. No	Product	Sales Realisation in Lakhs
1	Different Chutneys (Bhang Ki Chutney, Kafuli Chutney, Gahat (Kulath) Chutney, Jakhia Chutney, Aadu Ki Chutney (Peach Chutney), Thechwani Chutney, Rai Ki Chutney & Jangora Chutney) <i>Annual Total Production of Chutneys – 12,000 kgs i.e 30-35kgs per day.</i>	43.20
	Total	43.20

14. PROFITABILITY CALCULATIONS

The basis of profitability calculation:

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realisation	43.20
B.	Cost of production	
i)	Raw materials	23.76
ii)	Utilities	1.00
iii)	Manpower Cost (Salaries/wages)	7.68
iv)	Administrative expenses	0.28
v)	Packaging Cost	0.12
vi)	Material Lost Cost	0.12
vii)	Selling & distribution expenses	0.90
viii)	Repairs & maintenance	0.00
ix)	Rent	0.40

x)	Interest	0.42
xi)	Misc. expenses	0.00
	Total (B)	34.67
	Gross profit/loss (A – B)	8.53
	Less: Depreciation	0.65
C.	PBIT	7.88
D.	Income-tax	-
E.	Net profit/loss	7.88
F.	Repayment (Annual)	0.35
G.	Retained surplus (E-F)	7.53

The production capacity of the unit is estimated at 90%.

15. BREAKEVEN ANALYSIS

(Rs. in lakhs)

Fixed cost	
Land & Building Rent	0.40
Depriciation	0.65
Interest	0.42
Manpower	2.30
Total Fixed cost	3.77
Variable cost	
Raw materials	23.76
Utilities	1.00
ManPower	5.38
Administrative expenses	0.28
Selling & distribution expenses	0.90
Total Variable cost	31.32
Contribution margin	20%
Break-Even Point in Value	18.83

16. STATUTORY/GOVERNMENT APPROVALS

The Food Safety and Standards Authority of India (FSSAI) is the regulatory body responsible for ensuring food safety and standards in India. It is established under the Food Safety and Standards Act, of 2006, and governs all matters related to food, storage, distribution, sales, and import. Any entity operating a food business has to abide by the food safety rules and regulations and fulfill the legal requirements. Non-compliance with FSSAI regulations can lead to penalties, fines, and even closure of the business.

Besides an FBO license, a food processing unit has to secure and register a business under MSME. It also has to secure various types of licenses such as:

1. Trade License: This license is important for any food-related business. The local municipal authority gives it.
2. GST Registration: Registration under the GST is mandatory for any business with a certain turnover and is involved in the sales of goods including food products.
3. Other legal approvals include meeting with labeling compliance, local permits, and state-specific licenses if any.

17. TRAINING CENTERS AND COURSES

There are few specialized Institutes that provide degree certification in Food Technology, The most famous and authenticate Institutions are as follows:

1. FCI Institute of Management
11, Subash Road, Opposite Police HQ,
Dehradun, Uttarakhand, India
2. Food Industry Capacity & Skill Initiative (FICSI)
1, 3rd floor, Shriram Bharatiya Kala Kendra,
Copernicus Marg, Mandi House-110001,
Delhi, India
3. National Institute of Food Technology Entrepreneurship and Management
97, Niftem Rd, HSIIDC, Industrial Estate,
Kundli, Sonipat-131028,
Haryana, India

Swayam portal (link: <https://swayam.gov.in/>) can also be accessed for enhanced learning on business commerce, accounting, production, marketing, and areas of entrepreneurship.

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.