



Proposal for Goat Milk Retail Business & Goat Milk Sweets

ChangeMakers Seed Grant Opportunity
2021



Submitted by
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Submitted to
StartupXs



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30th December 2020

Hyderabad, India

To,

StartupXs

With reference to the **Change Makers Seed Grant Opportunity 2021** dated 1st October 2020, We, having examined the proposal documents and understood their contents, hereby submit our proposal for the open call.

We acknowledge that StartupXs will be relying on the information provided in the proposal and the documents accompanying such proposal. We certify that all information provided in the proposal are true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying such proposal are true copies of their respective originals.

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1. Key Snapshot

A Key Snapshot	
Name of the Project	Rekindle the pastoral economy by setting up a goat milk retail enterprise and goat milk sweets in Gujarat.
Key Geographical Areas	Chotila Taluk, Surendranagar, Gujarat, India
Total Capex Budget	INR 2,79,650 – 1 st Year INR 3,89,535 – 2 nd Year
Key Components	1. Retail of goat milk 2. Processing of goat milk sweets
Other Key Partners	1. Promoting Institution – Sahjeevan 2. Community Enterprise – Panchal Group

2. Project Background & Rationale

Pastoralism makes a significant contribution to the country's economy by providing employment, income opportunities, and supplying nutritional food to rural people. Pastoralists derive over 50% of household consumption from livestock products or their sale. In the Indian context, there are an estimated 34 million pastoral groups, and the migratory is spread across the Himalayan region, Western region, and the Deccan Plateau. However, besides comprising the larger percentage of the country's population and contributing between 8.5% to 20% of GDP across many countries, pastoral communities are highly under-valued, and such biased behaviour either at the government level or non-government level has aroused many challenges, socio-political and economic, for the pastoral communities. Surendranagar district is one such district in the western region of India where the pastoralists communities are on the verge to cease practicing pastoralism due to the following challenges:

- i. There are no defined standards for the procurement of goat milk which fetches less price to goat rearers. This undefined pricing structure fuels the adulteration of milk – the mixing of goat milk to cow milk.
- ii. There is a lack of storage and processing technology concerning goat milk and its value-added products. There are few but these are inefficient in comparison to the pastoral population.
- iii. Lack of Pastoral Products in the Market – The dairy market is flooded with varieties of cow and buffalo milk value-added products and they have a large customer base. But as of now significant exploration of goat milk by-products has been not done. This calls for product innovation.
- iv. Identity Creation – Due to undefined production processes and consistency, it is difficult to create an identity of the goat milk value-added products and thus it leads to an undefined pricing structure.

- v. The reason for the huge investment in the supply chain of cow and buffalo milk is the ready availability of the market for the derived products. Since market penetration of goat milk is not significant, it hinders the investment from existing players. Due to insufficient investment, the supply chain of camel and goat milk suffers leading to a shortage of procurement and processing infrastructure.

To design solutions for the aforementioned challenges and to be a beacon of hope for the pastoral communities of Surendranagar District, Sahjeevan, a Bhuj based organization, and Access Livelihoods Consulting India Limited (ALC India), a Hyderabad based incubation partner, premised the pastoral livelihood interventions around:

- a. Meeting technological bottlenecks such as the absence of bulk chillers;
- b. Mobilizing communities to deliver milk to these chillers
- c. building institutional mechanisms to ensure fair and transparent payments for pastoral produce; and
- d. working with mainstream dairies to market milk and milk-derived products.

12 community group enterprises were selected in Gujarat. Each group enterprise comprises 3 members. These groups had gone through several workshops explained in Section 5 of the proposal. As a result of the rigorous workshops, 2 community group enterprises reached the final stage. Now, these 2 enterprises are looking for early-stage seed funding. ALC India, an incubation partner, is mobilizing funds for these two groups.

3. Organisational Introduction

Established in 2005, ALC India, an AIM-NITI Aayog recognized Established Incubation Center (EIC), incubates enterprises owned and managed by the marginalized women to enable equitable and lasting livelihood opportunities for them. To support women in an integrated manner and provide an enterprising ecosystem for them, the founders started other entities, thus, the Access Livelihoods Group was born. AL Group

1. Incubates enterprises (producer companies) that the women own
2. Develops skills (technical, managerial, and entrepreneurial)
3. Raises finance for livelihoods initiatives
4. Provides partner services to a range of stakeholders so that they can also undertake similar work

ALC India is proposing the intervention plan of one of these two groups i.e. Panchal Group for the ChangeMakers Seed Grant Challenge Opportunity 2021. The registration process of the group as a partnership firm is in the process. The partners of this group are:

- Ganeshbhai Bhimsingh Vershibhai
- Khambhala Mehulbhai Devayabhai
- Tramta Hareshbhai Hirabhai

4. The Proposed Intervention

Idea

The Business enterprise is ideated around goat milk and its value-added products. For the 1st year, chilled raw goat milk will be sold directly to consumers. Besides selling chilled raw goat milk, the idea is to manufacture goat milk-based sweets from the second year onwards. The aim is to set a community-driven enterprise working with 200 goat rearers in goat milk and its value-added products to create a distinct identity of goat milk and the Maldhari communities by 2025.

Location

The operational area is the Chotila Taluk of Surendranagar district. Six (6) villages have been focused on this project. The total to and fro distance covered in one time will be around 190kms.



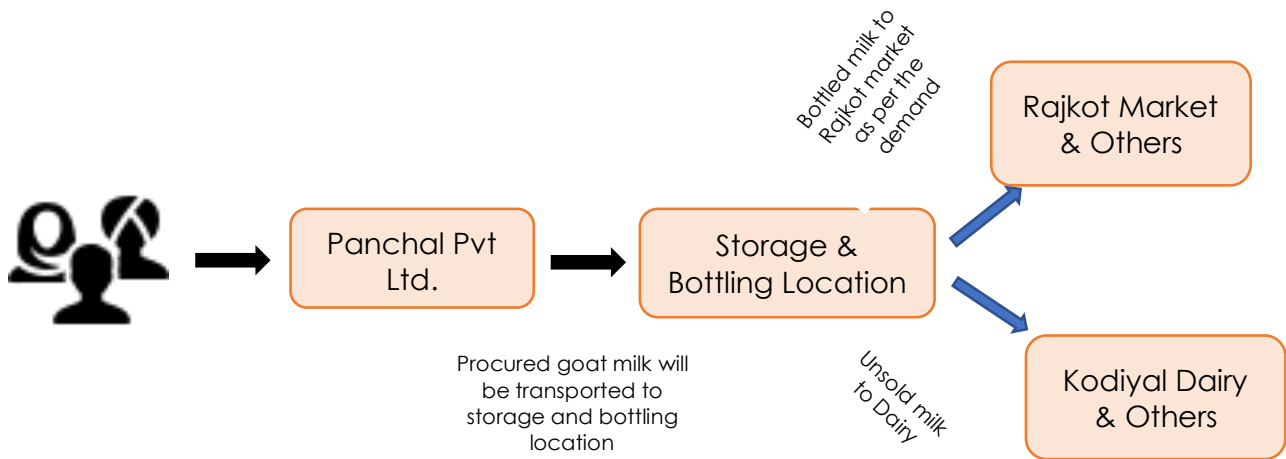
Target Beneficiaries

Producers – The targeted beneficiaries under this project are pastoral communities i.e., Maldhari, Rabari, etc. A total of 47 Maldharies will be engaged who will be the continuous source for procuring goat milk. The project aims to provide approx. INR 35/litre to each Maldhari.

Consumers – Goat milk have several health benefits. Goat milk and its value-added products are beneficial for people who are lactose intolerant, newborn babies, a person suffering from a blood pressure problem, etc. It is an excellent substitute for cow milk and contains a higher amount of calcium and phosphorus.

Business Model

At the initial stage i.e., for almost 1 year, the proposed model is to procure goat milk from Maldharies and deliver the demanded quantity of bottled raw chilled milk to the segmented customers. For the initial stage, the target market will be Rajkot. In the later phase, more such markets would be explored. The excess of the collected milk will be provided to Kodyar Dairy or maybe other such dairy plants. After 1 year, besides selling bottled raw chilled milk, the enterprise will also initiate the production of other value-added products like khoya, penda, and pasteurized raw milk.



During the lean time, the total collection comprising of morning and evening will be 350 litres per day and during normal days, the total collection will be around 500 litres per day.

Financials & Budget

Sl. No.	Details	Year 1	Year 2	Year 3	Total
Per Day Production Numbers					
1	Total Milk Procured	375	450	540	
2	Total Milk sold to Retail Customers	150	300	300	
3	Total Milk Sold to Khodiyar Dairy	225			
4	Total Milk for Sweets production		150	240	
5	Total Sweets produced (Kg)		45	72	
Capital Expenditure					
1	Deep Fridge (Blue Star)	40,000			40,000
2	Other Equipment	1,32,650	17,535		1,50,185
3	Technology Expenses	57,000			57,000
4	Legal process (Registration, Licenses)	50,000			50,000
5	Equipment for Sweets/Penda Manufacture		3,72,000		3,72,000
6	TOTAL	2,79,650	3,89,535		6,69,185
Operational Expenditure					
1	Milk Collection Cost (Vehicle)	24,62,400	25,85,520	27,14,796	77,62,716
2	Rent for Shop/Space - 300 sq ft	60,000	1,89,000	1,98,450	4,47,450

3	Milk (to Pastoral Farmers)	37,46,250	47,20,275	59,47,547	1,44,14,072
4	Labour Charges & Material - Milk	4,06,200	4,26,510	4,47,836	12,80,546
5	Sweet Manufacture - Packing and Labour		5,22,450	6,02,033	11,24,483
6	Marketing & Distribution		8,89,088	12,95,217	21,84,305
7	Interest on Working Capital	75,000	75,000	75,000	2,25,000
8	Depreciation	40,065	77,265	77,265	1,94,595
9	TOTAL	67,89,915	94,85,108	1,13,58,143	2,76,33,165
Revenue					
1	Revenue from Retail Sales	32,40,000	68,04,000	71,44,200	1,71,88,200
2	Revenue from Khodiyar Dairy	42,52,500			42,52,500
3	Revenue from Sweets (250 g packs)	-	38,27,250	64,29,780	1,02,57,030
4	TOTAL	74,92,500	1,06,31,250	1,35,73,980	3,16,97,730
5	MARGIN	7,02,585	11,46,143	22,15,838	40,64,565

Impact of the Project

The proposed project will have the following impact:

- a. Economic – This project will support the livelihood of 47 community members and will be a continuous source of income for them. This will ensure a fair price to goat rearers.
- b. Social – This will uplift the social status of goat rearers. Besides, a distinct identity of goat milk will be created.
- c. Product Innovation – Several goat milk value-added products like goat milk penda, khoya, pasteurized raw milk, etc. will be innovated.

5. Incubation Support Till Date

Before reaching the enterprise ideation stage, these three individuals have gone through some workshops which were organized by ALC India, the incubator partner, under the project 'Collaborative Development of Pastoral Communities using Entrepreneurship as Key Intervention'. These are:

- Vision Building & Goal Setting – The focus was on to know the community & understand the pastoral products and enterprises. Community members had to go through various exercises where they were familiarized with the goal and vision of being a pastoral entrepreneur.



- Product Recipe – It was a pastoral product recipe cum exposure workshop where they were exposed to various goat milk products like ice-cream and goat milk cheese. They also visited Amul and were involved in the promotional marketing of products innovated during the piloting stage.



- Business Planning Workshop – The focus was to assist the entrepreneurs in developing the business plan as per the ideated enterprise idea.



- Pitching Workshop – To mobilize the required funds for the proposed ideas, they were also prepared to pitch the ideas before funding agencies.