Organic agriculture is an ecological production management system that promotes and enhances biodiversity, biological cycles and soil biological activity. It is based on minimum use of off-farm inputs that maintain ecological harmony. Organic food handlers, processors and retailers adhere to standards that maintain the integrity of organic agriculture products. The goal of organic agriculture is to optimize the health and productivity of interdependent communities of soil, light, plants, animals and people.

1. Name of the Product : Organic Food

2. Project Cost :
   (a) Capital Expenditure

   Land : Own

   Building Shed 1000 Sq.ft. : Rs. 200000.00

   Equipment : Rs. 250000.00
   (Grader with winnower, cleaner, weighing balance, packing M/c etc.)

   Total Capital Expenditure : Rs. 450000.00

   (b) Working Capital : Rs. 410000.00

   TOTAL PROJECT COST : Rs. 860000.00

3. Estimated Annual Production of Organic Food : (Value in 1000)

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars</th>
<th>Capacity</th>
<th>Rate</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Organic grains</td>
<td>2000.00 Quintal</td>
<td>2054</td>
<td>4100.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>2000.00</td>
<td>2054</td>
<td>4100.00</td>
</tr>
</tbody>
</table>

4. Raw Material : Rs. 3000000.00

5. Labels and Packing Material : Rs. 250000.00

6. Wages (Skilled & Unskilled) : Rs. 100000.00

7. Salaries : Rs. 72000.00
8. Administrative Expenses: Rs. 250000.00
9. Overheads: Rs. 300000.00
10. Miscellaneous Expenses: Rs. 20000.00
11. Depreciation: Rs. 35000.00
12. Insurance: Rs. 4500.00

13. Interest (As per the PLR)
   (a) Capital Expenditure Loan: Rs. 58500.00
   (b) Working Capital Loan: Rs. 53300.00

   Total Interest: Rs. 111800.00

14. Working Capital Requirement
   Fixed Cost: Rs. 405000.00
   Variable Cost: Rs. 3703300.00
   Requirement of Working Capital per Cycle: Rs. 410830.00

15. Estimated Cost Analysis

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Particulars</th>
<th>Capacity Utilization (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1.</td>
<td>Fixed Cost</td>
<td>405.00</td>
</tr>
<tr>
<td>2.</td>
<td>Variable Cost</td>
<td>3703.00</td>
</tr>
<tr>
<td>3.</td>
<td>Cost of Production</td>
<td>4108.00</td>
</tr>
<tr>
<td>4.</td>
<td>Projected Sales</td>
<td>4500.00</td>
</tr>
<tr>
<td>5.</td>
<td>Gross Surplus</td>
<td>392.00</td>
</tr>
<tr>
<td>6.</td>
<td>Expected Net Surplus</td>
<td>357.00</td>
</tr>
</tbody>
</table>

Note:

1. All figures mentioned above are only indicative and may vary from place to place.

2. If the investment on Building is replaced by Rental Premises-
   (a) Total Cost of Project will be reduced.
   (b) Profitability will be increased.
   (c) Interest on Capital Expenditure will be reduced.