



B U S I N E S S P L A N · I N D I A

Agri-Input Dealership

Seeds, fertilisers & crop-protection retail with agronomy advice — a trusted farmer partner

AGRI-TECH

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out an **Agri-Input Dealership** in India — a retail & distribution business supplying farmers with seeds, fertilisers, crop-protection (pesticides/insecticides), micronutrients, and allied inputs, along with agronomy advice. Operating as an authorised dealer of input companies, it earns retail/distribution margins on inputs plus incentives, and builds a trusted, advisory-led relationship with the farming community in its catchment.

Agriculture supports nearly half of India's population, and every crop cycle requires seeds, nutrients and protection — making agri-input retail a large, recurring, essential business. Farmers rely on their local dealer for products, credit and advice. A well-run, licensed dealership with the right brands, agronomy knowledge and farmer trust earns steady seasonal revenue with strong repeat custom.

The promoter — an agri-graduate / rural entrepreneur — seeks total funding of **₹20 lakh** (₹6 lakh promoter + ₹14 lakh term/working-capital finance, eligible under PMMY-Mudra / CGTMSE), targeting **₹1.1 crore** revenue in Year 1 and **₹2.2 crore** by Year 3. *(Input retail is a working-capital-heavy, moderate-margin, volume business.)*

2. Business Description, Vision & Legal Structure

Concept: A trusted one-stop agri-input store providing quality seeds, fertilisers and crop protection with sound agronomy advice — helping farmers get better yields.

Vision: To be the most trusted agri-input and advisory partner for farmers in the catchment.

Mission: Supply genuine, effective inputs with honest advice and fair terms — improving farm productivity and farmer trust.

Legal structure options

- **Proprietorship / LLP** — LLP recommended as the business and outlets grow.
- **Private Limited** — for scaling into multiple outlets/distribution.

Regulatory anchor: agri-input retail is a **licensed** business — seed licence, fertiliser (FCO) licence, and pesticide/insecticide licence are mandatory, often needing an agri qualification/certificate. GST, genuine-product handling (anti-spurious), and safe storage/handling of agrochemicals apply. Trust, agronomy advice, brand tie-ups and working-capital/credit management drive the business.

3. Promoter & Ownership

Led by a promoter with agri, agronomy or rural-business experience (and the qualification needed for licences). Delivery uses counter sales staff, an agronomy advisor, and a delivery/field person, with company dealer tie-ups. Year-one ownership rests with the promoter; ownership and profit-sharing are editable inputs.

4. Market Analysis — India

India's agri-input market is vast and essential — seeds, fertilisers and crop protection are needed every season across millions of farms. Demand is recurring and seasonal (kharif/rabi), driven by cropped area, cropping intensity, and yield-improvement needs. Farmers value local availability, genuine products, credit and advice. The market is fragmented and relationship-driven, favouring trusted local dealers.

Demand drivers

- **Recurring seasonal** input needs (every crop cycle).
- **Yield-improvement** & input intensification.
- **Genuine-product & advice** demand.
- **Local availability & credit** reliance.
- **New products** (hybrids, biologicals, micronutrients).

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Agri-input demand in India	Very large
SAM	Farmers in the dealership's catchment	Substantial
SOM (Yr 1-3)	Active farmer customers	700 → 1,800

Target segments

- Small & marginal farmers.
- Medium & large farmers.
- FPOs & farmer groups.
- Nearby retailers (sub-dealing).

5. Competition & Competitive Advantage

Landscape: other input dealers, cooperative societies, company outlets, and online agri-input platforms. The firm competes on genuine products, agronomy advice, availability, credit terms and farmer trust.

The firm's edge

- **Genuine products & brand tie-ups.**
- **Agronomy advice** (advisory-led selling).
- **Local availability & range.**
- **Fair credit & relationships.**
- **Farmer trust & repeat custom.**

6. Products & Pricing

Category	Model	Indicative margin
Seeds (hybrid/certified)	Retail margin + incentives	8-20%
Fertilisers (subsidised & non)	Retail margin	4-8%
Crop protection (agrochemicals)	Retail margin + schemes	12-25%
Micronutrients & biologicals	Retail margin	15-30%
Tools & allied	Retail margin	Variable

Fertilisers are high-volume/low-margin; seeds and crop protection carry better margins; micronutrients/biologicals are highest. Company incentives & season schemes add income. Advisory-led selling improves mix and loyalty.

7. Go-to-Market — Marketing & Sales

- **Farmer relationships & advice** — the core channel.
- **Village meetings & demos** (with company field teams).
- **Season campaigns** & new-product launches.
- **Credit & loyalty** for repeat custom.
- **FPO & group** supply.

Sales approach

Build farmer trust with genuine products & advice → serve full-season needs → extend fair credit & loyalty → grow catchment & FPO supply. Advisory relationships and repeat seasonal demand drive the business.

8. Operations Plan

- **Location:** a store in a rural/semi-urban market hub with storage & farmer access.
- **Process:** stock planning (season) → procurement from companies/distributors → counter sales & advice → credit & collections → replenishment.
- **Storage:** safe, compliant storage of seeds, fertilisers & agrochemicals; inventory management.
- **Compliance:** seed/fertiliser/pesticide licences; genuine-product handling; safe agrochemical handling.
- **Capacity:** counter + field staff serve the catchment; scale by adding staff/outlets & sub-dealers.

Season workflow

Stage	Activity	Metric
Plan	Season stock	Assortment
Procure	Company/distributor	Terms
Sell	Counter + advice	Sales/margin
Credit	Farmer credit	Recovery
Replenish	Restock	Turns

9. Regulatory, Licences & Compliance (India)

- **Seed licence** (Seeds Act/Order), **fertiliser licence** (FCO), and **pesticide/insecticide licence** (Insecticides Act) — mandatory, often needing agri qualification.
- **Genuine-product & safety:** anti-spurious handling; safe storage & disposal of agrochemicals; correct labelling/advice.
- **Business & tax:** proprietorship/LLP or Pvt Ltd; PAN/TAN; GST; Udyam (MSME); Shops & Establishments.
- **Fertiliser subsidy (DBT):** POS/e-fertiliser compliance where applicable.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Owner	1	1	1
Counter sales	2	3	4
Agronomy advisor	1	1	2
Field & delivery	1	2	3
Accounts & admin	1	1	2
Total	6	8	12

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-2	Licences, store, company tie-ups, first season stock
Launch	Month 2-4	First season sales; farmer base building
Traction	Month 4-9	Repeat seasons; break-even nears
Scale	Year 2	Wider catchment; more brands; FPO supply
Growth	Year 3	~1,800 farmers; sub-dealers/second outlet

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. Input retail is working-capital-heavy with moderate blended margins.

12.1 Project cost & means of finance

Capital requirement	₹
Store setup & storage	4,00,000
Furniture, IT & vehicle	3,00,000
Licences, deposits & branding	2,00,000
Opening inventory (season stock)	9,00,000
Working-capital buffer	2,00,000
Total project cost	20,00,000
Promoter contribution	6,00,000
Term/WC loan (Mudra / CGTMSE)	14,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Seeds & crop-protection sales	60,00,000	95,00,000	1,25,00,000
Fertiliser & micronutrient sales	50,00,000	75,00,000	95,00,000
Total revenue	1,10,00,000	1,70,00,000	2,20,00,000
Cost of goods sold	96,00,000	1,47,00,000	1,89,00,000
Salaries & wages	6,00,000	8,40,000	12,00,000
Rent, utilities & overheads	2,40,000	3,00,000	3,80,000
Logistics, marketing & misc	1,80,000	2,60,000	3,40,000
Interest on loan	1,40,000	1,10,000	70,000
Total expenses	1,07,60,000	1,62,10,000	2,08,90,000
Net profit (before tax)	2,40,000	7,90,000	11,10,000
Net margin	2.2%	4.6%	5.0%

12.3 Unit economics & break-even

- **Blended margin:** ~12–14% gross, weighted by fertiliser (low) vs. seeds/CP/micronutrients (higher); incentives add income.
- **Inventory turns** and credit recovery drive returns in this WC-heavy model.
- **Break-even:** reached around month 6–9 across the first full season cycle.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	2,00,000	1,60,000	1,90,000	2,45,000
Collections	22,00,000	30,00,000	32,00,000	26,00,000
Purchases & operating outflows	22,05,000	29,35,000	31,10,000	25,30,000
Loan EMI	35,000	35,000	35,000	35,000
Closing balance	1,60,000	1,90,000	2,45,000	2,80,000

Sales are seasonal (kharif/rabi peaks); inventory is bought ahead of season and farmer credit ties up cash. Disciplined credit recovery and inventory turns are essential; the buffer bridges seasonal gaps.

12.5 Key Performance Indicators to Monitor

- **Sales:** revenue by category; farmer count; season throughput.
- **Margin:** blended gross margin; incentive income; product mix.
- **Working capital:** inventory turns; credit outstanding & recovery days.
- **Loyalty:** repeat farmers; advisory conversions.

13. Funding Requirement & Bankability

Total ask: **₹14 lakh term/working-capital finance** against ₹6 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**; a cash-credit/working-capital limit suits the seasonal inventory cycle. Year-1 net profit ~₹2.4 lakh against annual debt service of ~₹1.4 lakh gives a **DSCR near 1.7**, strengthening with scale — bankable, with WC finance recommended for season stocking.

13.1 Funding utilisation

Use of funds	₹	% of total
Opening inventory (season stock)	9,00,000	45%
Store setup & storage	4,00,000	20%
Furniture, IT & vehicle	3,00,000	15%
Working-capital buffer	2,00,000	10%
Licences, deposits & branding	2,00,000	10%
Total	20,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Farmer-credit default	Disciplined credit limits; recovery process; loyalty over lending
Season/monsoon dependence	Diversified crops/products; conservative stocking; buffer
Inventory obsolescence/expiry	Season planning; turns discipline; company returns
Spurious-product/liability	Genuine-brand sourcing; documentation; compliance
Price/subsidy changes	Track policy; balanced mix; company support

15. SWOT Analysis

Strengths Essential recurring demand; advisory-led loyalty; local trust; multiple categories.	Weaknesses Working-capital & credit-heavy; seasonal; moderate margins; monsoon-linked.
Opportunities Micronutrients/biologicals; FPO supply; multi-outlet; advisory services.	Threats Online agri-input platforms; credit defaults; monsoon failure; policy/subsidy shifts.

16. Recommended AiSevak Tools for This Business

This agri-input dealership would use AiSevak's Agri-Tech vertical tools in delivery:

- **Retail ops:** inventory/season-planning, billing, farmer-CRM and credit-tracking tools.

- **Compliance & advice:** licence-tracker, agronomy-advisory and GST tools (with Finance & Legal verticals).
- **Practice:** Business Plan, margin/mix and Break-even tools to model the dealership.

17. Key Assumptions & Notes

- Multi-category input retail; blended gross margin ~12–14% plus company incentives.
- ~700 farmers in Year 1 growing to ~1,800 by Year 3; seasonal (kharif/rabi) revenue pattern.
- Loan interest ~11% p.a.; WC/cash-credit limit assumed for season stocking; GST applies.
- Licences (seed/fertiliser/pesticide), genuine products, advice and credit discipline are foundational; figures exclude GST.

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Every tool referenced in this plan is available on aisevak.in. Open the [Agri-Tech toolkit](https://aisevak.in/verticals/agritech) to browse and use them all at <https://aisevak.in/verticals/agritech> — or go straight to any specific tool at <https://aisevak.in/service/<tool-name>>. No signup needed to explore; each tool guides you step by step.

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