



BUSINESS PLAN · INDIA

Agri-Processing / Food-Processing Unit

Grading, milling & packing of farm produce into market-ready products — PMFME-supported value addition

AGRI-TECH

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

August 2026

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 / Food-Processing Unit** in India — a facility that receives raw farm produce (grains, pulses, spices, oilseeds, fruits or vegetables) and grades, cleans, mills/processes, and packs it into value-added, market-ready products. Whether a dal mill, flour/rice mill, spice-grinding unit, or fruit/vegetable processing line, it earns a processing & value-addition margin between raw-produce cost and the sale price of graded, branded, packed output.

India is the world's largest producer of many crops yet processes only a small fraction of its produce, driving huge post-harvest loss and a policy push for food processing. Demand for clean, graded, packaged staples and value-added foods is strong and rising with urbanisation, retail and exports. A well-run processing unit with reliable sourcing, quality and packaging earns steady margins and benefits from strong government scheme support.

The promoter — an agri-entrepreneur — seeks total funding of **₹40 lakh** (₹12 lakh promoter + ₹28 lakh term loan, with **PMFME** credit-linked subsidy and CGTMSE cover as applicable), targeting **₹1.6 crore** revenue in Year 1 and **₹3.2 crore** by Year 3. (*Processing is a volume, thin-margin business; scheme subsidy and capacity utilisation drive returns.*)

2. Business Description, Vision & Legal Structure

Concept: A processing unit that converts raw farm produce into clean, graded, packed, market-ready products — capturing value addition and reducing post-harvest loss.

Vision: To be a reliable, quality-focused food-processing brand serving retail, institutional and export buyers.

Mission: Source well, process to quality & safety standards, and pack & brand for markets — at efficient cost and scale.

Legal structure options

- **Proprietorship / LLP** — LLP recommended as capacity & buyers grow.
- **Private Limited** — for scaling, exports and scheme/investor funding.

Regulatory anchor: food processing requires **FSSAI licence**, food-safety (hygiene/HACCP) standards, GST, and pollution/factory compliances. It benefits from strong scheme support — **PMFME** (credit-linked subsidy for micro food-processing), **PMKSY/AIF**, and state incentives. Sourcing reliability, quality/food-safety, capacity utilisation and packaging/branding determine profitability.

3. Promoter & Ownership

Led by a promoter with agri-business, processing or trading experience. Delivery uses a plant operator/supervisor, machine operators, QC, packing & loading staff, and a sourcing network (farmers/FPOs/mandis). Year-one ownership rests with the promoter; ownership and profit-sharing are editable inputs.

4. Market Analysis — India

India's food-processing market is large and under-penetrated — most produce is sold raw, with high post-harvest loss. Urbanisation, organised retail, packaged-food demand, institutional buyers and exports drive growth. Government prioritises food processing (PMFME, PMKSY, AIF). Demand for clean, graded, branded staples and value-added foods is rising across price points.

Demand drivers

- **Low processing penetration** = white space.
- **Urbanisation & packaged-food** demand.
- **Organised retail & institutional** buyers.
- **Exports** of processed agri products.
- **Strong scheme & policy** support.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Food-processing demand in India	Very large
SAM	Reachable buyers in the unit's product & region	Substantial
SOM (Yr 1-3)	Tonnes processed & sold / year	Capacity-linked

Target segments

- Retail & wholesale (staples/brands).
- Institutional (HORECA, canteens, mid-day-meal).
- Distributors & modern trade.
- Exporters / export markets.

5. Competition & Competitive Advantage

Landscape: established brands, local mills/processors, and unorganised players. The firm competes on quality, consistency, cost, packaging/branding, and buyer relationships.

The firm's edge

- **Reliable sourcing** (farmers/FPOs) & quality.
- **Food-safety & consistency.**
- **Efficient processing & cost.**
- **Packaging & branding.**
- **Scheme-supported** capex advantage.

6. Products & Pricing

Product/output	Model	Margin basis
Graded & packed staples	Per kg/pack	Processing + brand margin
Milled products (dal/flour/rice)	Per kg	Milling margin + by-products
Ground spices / value-added	Per pack	Higher value-add
Bulk / institutional supply	Per tonne	Volume margin
By-products (bran, husk)	Per kg	Additional income

Margin = sale value of processed/packed output – (raw produce + processing + packaging). By-products add income; branding & value-added lines lift margin. Capacity utilisation is the key driver of unit cost.

7. Go-to-Market — Marketing & Sales

- **Distributor & wholesale** networks; modern trade.
- **Institutional & HORECA** supply contracts.
- **Own brand & local retail**; D2C where feasible.
- **Export buyers** & aggregators.
- **Quality & certifications** as differentiators.

Sales approach

Secure buyers & contracts → run at high capacity utilisation with consistent quality → build brand & institutional relationships → add value-added lines & exports. Utilisation, quality and buyer stickiness drive economics.

8. Operations Plan

- **Location:** a unit near produce-sourcing/mandi with power, water & logistics.
- **Process:** procurement & intake → cleaning/grading → milling/processing → QC → packing & labelling → dispatch.
- **Plant:** cleaning/grading, milling/processing machines, packing line, storage, weighbridge.
- **Quality & safety:** FSSAI, hygiene/HACCP, QC lab/testing, traceability.
- **Capacity:** shift-based; scale by adding shifts/lines and buyers.

Processing workflow

Stage	Activity	Metric
Source	Procure produce	Cost/quality
Grade	Clean & sort	Recovery %
Process	Mill/process	Utilisation
Pack	Weigh & label	Yield
Dispatch	Sell & deliver	Realisation

9. Regulatory, Licences & Compliance (India)

- **FSSAI licence** & food-safety standards (hygiene, HACCP where applicable); labelling & packaging norms.
- **Factory & environment:** factory/trade licence, pollution-control consent, weights-&-measures, fire & safety.
- **Business & tax:** proprietorship/LLP or Pvt Ltd; PAN/TAN; GST; Udyam (MSME) registration for schemes.
- **Scheme access:** PMFME/PMKSY/AIF eligibility & documentation; export codes (IEC/APEDA) if exporting.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
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Promoter / Manager	1	1	1
Plant supervisor & QC	2	3	4
Machine operators	4	7	10
Packing & loading	4	7	10
Sales, procurement & admin	2	4	5
Total	13	22	30

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-3	Land/shed, machinery, FSSAI, PMFME sanction, sourcing
Launch	Month 3-5	Trial runs; first buyers & dispatch
Traction	Month 5-10	Utilisation ramp; break-even nears
Scale	Year 2	Add shifts/lines; branding & institutional
Growth	Year 3	High utilisation; value-added & exports

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. Processing is high-throughput, thin-margin; raw material is the dominant cost.

12.1 Project cost & means of finance

Capital requirement	₹
Land/shed & civil	10,00,000
Plant & machinery (grading/milling/packing)	18,00,000
Electrical, storage & utilities	4,00,000
FSSAI, branding & pre-operative	2,00,000
Working-capital buffer (raw material)	6,00,000
Total project cost	40,00,000
Promoter contribution	12,00,000
Term loan (PMFME credit-linked / CGTMSE)	28,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Processed/packed product sales	1,45,00,000	2,30,00,000	2,90,00,000

By-products & institutional	15,00,000	25,00,000	30,00,000
Total revenue	1,60,00,000	2,55,00,000	3,20,00,000
Raw material (produce)	1,20,00,000	1,88,00,000	2,32,00,000
Power, packaging & consumables	14,00,000	22,00,000	28,00,000
Salaries & wages	12,00,000	19,00,000	26,00,000
Overheads, logistics & marketing	6,00,000	10,00,000	13,00,000
Interest on term loan	2,80,000	2,20,000	1,40,000
Total expenses	1,54,80,000	2,41,20,000	3,00,40,000
Net profit (before tax)	5,20,000	13,80,000	19,60,000
Net margin	3.3%	5.4%	6.1%

12.3 Unit economics & break-even

- **Per tonne:** processed-output value – raw + processing cost; by-products & branding lift realisation.
- **Capacity utilisation** is the biggest lever — fixed costs spread over volume.
- **Break-even:** reached around month 7–9 as utilisation ramps; raw-material working capital is the key discipline.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	6,00,000	3,80,000	4,30,000	5,40,000
Collections	28,00,000	38,00,000	46,00,000	48,00,000
Operating outflows	29,50,000	36,80,000	44,20,000	46,20,000
Loan EMI	70,000	70,000	70,000	70,000
Closing balance	3,80,000	4,30,000	5,40,000	6,50,000

Raw-material purchase (often seasonal/upfront) drives working-capital needs; the buffer and buyer collections manage the cycle. Utilisation ramp determines the path to break-even.

12.5 Key Performance Indicators to Monitor

- **Output:** capacity utilisation %; tonnes processed; recovery/yield %.
- **Cost:** raw-material cost; power & packaging per tonne.
- **Sales:** realisation per tonne; branded vs. bulk mix.
- **Working capital:** inventory & receivable days.

13. Funding Requirement & Bankability

Total ask: **₹28 lakh term loan** against ₹12 lakh promoter contribution — eligible for the **PMFME credit-linked subsidy** (up to 35% capital subsidy, ceiling applicable) and coverable under **CGTMSE**. Year-1 net profit ~₹5.2 lakh against annual debt service of ~₹2.8 lakh gives a **DSCR near 1.9**, strengthening with utilisation — bankable, with the subsidy improving returns and a working-capital limit recommended.

13.1 Funding utilisation

Use of funds	₹	% of total
Plant & machinery	18,00,000	45%
Land/shed & civil	10,00,000	25%
Working-capital buffer (raw material)	6,00,000	15%
Electrical, storage & utilities	4,00,000	10%
FSSAI, branding & pre-operative	2,00,000	5%
Total	40,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Raw-material price/availability	FPO/farmer tie-ups; seasonal procurement; storage; hedging
Low capacity utilisation	Secure buyers/contracts; institutional supply; branding
Thin margins	By-products; value-added lines; cost & power efficiency
Quality / food-safety	FSSAI/HACCP; QC lab; traceability
Working-capital strain	WC limit; disciplined collections; inventory control

15. SWOT Analysis

Strengths Large under-served market; scheme-subsidised capex; by-product income; scalable.	Weaknesses Thin margins; raw-material & utilisation dependent; working-capital heavy.
Opportunities Branding & value-added; institutional & export; PMFME/AIF support; FPO sourcing.	Threats Price volatility; established brands; power/input inflation; food-safety lapses.

16. Recommended AiSevak Tools for This Business

This processing unit would use AiSevak's Agri-Tech vertical tools in delivery:

- **Plant ops:** procurement, production/yield-tracking, packing and dispatch tools.
- **Compliance & schemes:** FSSAI, PMFME/AIF-application and GST tools (with Finance & Legal verticals).
- **Practice:** Business Plan, per-tonne costing and Break-even tools to model utilisation.

17. Key Assumptions & Notes

- Illustrative multi-product processing unit; raw material dominates cost; by-products add income.
- Capacity utilisation ramps to high levels by Year 3; branded & value-added mix lifts margin.

- Term-loan interest ~10% p.a., 5-7 year tenure; PMFME subsidy assumed applicable; GST applies.
- Sourcing reliability, utilisation, quality/food-safety and working-capital discipline are decisive; figures exclude GST.

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No signup needed to explore; each tool guides you step by step.

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