BUSINESS PLAN · INDIA

Agri Cold-Storage & Warehousing

Temperature-controlled storage that cuts post-harvest loss & enables better price realisation — NHB/PMKSY-supported

AGRI-TECH

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1. Executive Summary

This plan sets out an **Agri Cold-Storage & Warehousing** business in India — a temperature-controlled and ambient storage facility that preserves perishable and non-perishable farm produce (potatoes, onions, fruits, vegetables, spices, grains) between harvest and sale, reducing post-harvest loss and enabling farmers & traders to sell when prices are favourable. It earns rental/storage charges (per bag/tonne/month), plus handling, grading and pledge-finance-linkage income.

India loses a large share of its perishable produce post-harvest for want of cold-chain and storage, and demand for reliable, well-located cold storage & warehousing far exceeds supply — strongly backed by government (NHB/PMKSY cold-chain subsidies, AIF, NABARD warehouse finance). A well-located facility with high occupancy, reliable operations and finance-linkage earns steady rental income with strong scheme support.

The promoter — an agri-infrastructure entrepreneur / FPO — seeks total funding of **₹2.5 crore** for a ~5,000-tonne facility (₹75 lakh promoter + ₹1.75 crore, with **NHB/PMKSY cold-chain subsidy (~35–50%)** and NABARD/AIF finance), targeting **₹60 lakh** revenue in Year 1 and **₹1.1 crore** by Year 3. *(Capital-intensive, high-subsidy, occupancy-driven infrastructure model.)*

2. Business Description, Vision & Legal Structure

Concept: A reliable cold-storage & warehousing facility that lets farmers and traders store produce safely, cut losses, and sell at better prices.

Vision: To be a trusted, high-occupancy cold-chain & storage hub in the region.

Mission: Preserve produce quality, reduce post-harvest loss, and enable better price realisation — through reliable, well-run storage and finance linkage.

Legal structure options

- **LLP / Private Limited** — Pvt Ltd recommended for the capex, scheme & finance profile.
- **FPO / Cooperative** — for farmer-owned storage with strong scheme support.

> **Regulatory anchor:** the model is anchored by **NHB/PMKSY Integrated Cold-Chain & AIF subsidies (~35–50%)**, NABARD warehouse-infrastructure finance, and WDRA warehouse registration (enabling negotiable warehouse receipts & pledge finance). Occupancy, power reliability & cost, produce-handling quality, and finance-linkage determine profitability; capex & power are the main challenges.

3. Promoter & Ownership

Led by a promoter with agri-infrastructure, cold-chain or business experience (FPOs ideal). Delivery uses a facility manager, technical/refrigeration staff, handling labour, and a WDRA/finance-linkage coordinator. Year-one ownership rests with the promoter/entity; ownership and profit-sharing are editable inputs.

4. Market Analysis — India

India's cold-chain and storage capacity is well short of need, causing heavy post-harvest loss of perishables. Rising horticulture output, price-volatility management, WDRA-enabled pledge finance, and strong scheme support drive demand for cold storage & warehousing. Demand is regional and crop-linked (e.g. potato/onion belts), favouring well-located facilities with reliable operations.

Demand drivers

- **High post-harvest loss** & storage gap.
- **Rising horticulture** output.
- **Price-timing** & better realisation.
- **Pledge finance** (WDRA receipts).
- **Strong cold-chain scheme** support.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Cold-storage/warehousing demand in India	Very large (deficit)
SAM	Storage demand in the facility's catchment	Substantial
SOM (Yr 1–3)	Occupancy (avg)	60% → 90% of 5,000 T

Target segments

- Farmers (own produce storage).
- Traders & aggregators.
- FPOs & cooperatives.
- Processors & exporters.

5. Competition & Competitive Advantage

Landscape: other cold stores/warehouses, private & cooperative facilities, and the persistent capacity deficit. The firm competes on location, reliability, capacity, handling quality, finance-linkage and price.

The firm's edge

- **Prime location** in a produce belt.
- **Reliable power & refrigeration.**
- **Quality handling & low shrinkage.**
- **WDRA pledge-finance** linkage.
- **Subsidy-enabled** competitive rates.

6. Services & Pricing

Service	Model	Indicative rate
Cold storage rental	Per bag/tonne/month or season	₹80–150/bag/season
Ambient warehousing	Per tonne/month	Per tonne
Handling & loading	Per bag/tonne	Handling fee
Grading & sorting	Per tonne	Value-add
Pledge-finance facilitation	Commission/fee	Add-on

> Storage rental (occupancy × rate) is the core; handling, grading & finance-linkage add income. Occupancy against fixed capex & power cost is the decisive economic lever; WDRA finance-linkage boosts occupancy & farmer value.

7. Go-to-Market — Marketing & Sales

- **Farmer & trader** outreach in the catchment.
- **FPO & cooperative** tie-ups for volume.
- **Bank/NBFC pledge-finance** partnerships.
- **Season pre-booking** for occupancy.
- **Reliability & low-shrinkage** reputation.

Sales approach

Fill capacity via farmer/trader/FPO relationships & pledge finance → run reliably at high occupancy → add grading & value-add → build repeat seasonal custom. Occupancy and reliability drive returns; finance-linkage deepens stickiness.

8. Operations Plan

- **Location:** a ~5,000-tonne facility in a produce belt with power & road access.
- **Process:** intake & grading → storage (temperature/humidity control) → monitoring & maintenance → finance-linkage (WDRA receipt) → dispatch & billing.
- **Plant:** refrigeration/insulation, gensets/power backup, handling equipment, monitoring & controls.
- **Quality:** temperature/humidity control, low shrinkage, pest & safety management, WDRA compliance.
- **Capacity:** occupancy across seasons; scale by adding chambers/capacity & value-add.

Storage workflow

Stage	Activity	Metric
Intake	Grade & store	Occupancy
Store	Temp/humidity	Shrinkage
Monitor	Maintain	Uptime
Finance	WDRA receipt	Linkage
Dispatch	Bill & release	Realisation

9. Regulatory, Licences & Compliance (India)

- **Scheme & finance:** NHB/PMKSY cold-chain & AIF subsidy; NABARD warehouse-infrastructure finance; **WDRA registration** for negotiable warehouse receipts.
- **Facility:** factory/trade licence, electrical & safety, pollution consent, fire NOC, cold-chain standards.
- **Business & tax:** LLP/Pvt Ltd/FPO; PAN/TAN; GST (storage/warehousing GST treatment); Udyam (MSME).
- **Food safety:** FSSAI where handling food; hygiene & produce-safety norms.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Manager	1	1	1
Facility & technical (refrigeration)	2	3	4
Handling & labour	4	6	8
Finance-linkage & admin	2	2	3
Total	**9**	**12**	**16**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–6	Land, construction, refrigeration, NHB/PMKSY sanction, WDRA
Launch	Month 6–8	First season intake; finance-linkage live
Traction	Month 8–14	Occupancy ramp; break-even nears
Scale	Year 2	Higher occupancy; grading & value-add
Growth	Year 3	~90% occupancy; expanded services

12. Financial Plan (Illustrative — 5,000-tonne facility)

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. Capital-intensive; subsidy & occupancy drive viability.

12.1 Project cost & means of finance

Capital requirement	₹
Land & civil / building	80,00,000
Refrigeration, insulation & controls	1,10,00,000
Power backup (gensets) & electricals	30,00,000
Handling equipment & setup	15,00,000
Pre-operative & working-capital buffer	15,00,000
Total project cost	**2,50,00,000**
Promoter contribution	75,00,000
NHB/PMKSY subsidy + NABARD/AIF loan	1,75,00,000

Note: NHB/PMKSY cold-chain subsidy (~35–50% of eligible cost) can fund a large share of capex, materially improving returns; the split is indicative and depends on the sanctioned subsidy.

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Storage rental income	48,00,000	72,00,000	88,00,000
Handling, grading & finance-linkage	12,00,000	18,00,000	22,00,000
Total revenue	**60,00,000**	**90,00,000**	**1,10,00,000**
Power & fuel	18,00,000	24,00,000	28,00,000
Salaries & labour	12,00,000	16,00,000	21,00,000
Maintenance & consumables	6,00,000	8,00,000	10,00,000
Insurance, overheads & admin	5,00,000	6,50,000	8,00,000
Interest on loan	11,00,000	9,00,000	6,50,000
Total expenses	**52,00,000**	**63,50,000**	**73,50,000**
Net profit (before tax)	**8,00,000**	**26,50,000**	**36,50,000**
Net margin	13.3%	29.4%	33.2%

12.3 Unit economics & break-even

- **Per tonne:** seasonal rental vs. power + handling + fixed cost/tonne; margin widens sharply above break-even occupancy.
- **Occupancy & power cost** are the biggest levers; low shrinkage protects reputation & repeat custom.
- **Break-even occupancy:** ~55–60%; reached around month 10–14; subsidy sharply improves viability.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	15,00,000	10,50,000	9,80,000	11,10,000
Collections	6,00,000	18,00,000	22,00,000	14,00,000
Operating outflows	7,75,000	15,95,000	17,95,000	11,95,000
Loan EMI	2,75,000	2,75,000	2,75,000	2,75,000
Closing balance	**10,50,000**	**9,80,000**	**11,10,000**	**10,40,000**

> Storage income is seasonal (loading season fills capacity; rental accrues over the storage period). Season pre-booking, finance-linkage and multi-crop use smooth occupancy; the buffer covers the ramp & loan service.

12.5 Key Performance Indicators to Monitor

- **Occupancy:** average % of capacity; season fill rate.
- **Cost:** power cost per tonne; uptime %; shrinkage %.
- **Revenue:** realisation per tonne; ancillary & finance-linkage income.
- **Finance:** WDRA receipts issued; pledge-finance volume.

13. Funding Requirement & Bankability

Total ask: **₹1.75 crore (subsidy + loan)** against ₹75 lakh promoter contribution — anchored by **NHB/PMKSY cold-chain subsidy (~35–50%)** with NABARD/AIF term finance. The subsidy sharply improves viability; Year-2 net profit ~₹26.5 lakh against debt service gives a comfortable DSCR — bankable as a scheme-backed infrastructure asset with clear demand and WDRA finance-linkage.

13.1 Funding utilisation

Use of funds	₹	% of total
Refrigeration, insulation & controls	1,10,00,000	44%
Land & civil / building	80,00,000	32%
Power backup & electricals	30,00,000	12%
Pre-operative & WC buffer	15,00,000	6%
Handling equipment & setup	15,00,000	6%
Total	**2,50,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Low occupancy	Season pre-booking; FPO/trader tie-ups; finance-linkage; multi-crop
Power cost / outages	Efficient refrigeration; gensets; solar; tariff management
Produce shrinkage/quality	Temperature/humidity control; handling SOPs; insurance
High capex / subsidy delay	Scheme documentation; bridge finance; phased build
Price/demand seasonality	Multi-commodity storage; ambient + cold mix

15. SWOT Analysis

Strengths High subsidy support; capacity deficit (demand); steady rental income; finance-linkage.	**Weaknesses** Capital & power intensive; occupancy-dependent; seasonal; location-critical.
Opportunities Cold-chain deficit; WDRA pledge finance; horticulture growth; value-add & exports.	**Threats** Power-cost inflation; competition; produce-price cycles; occupancy gaps.

16. Recommended AiSevak Tools for This Business

This cold-storage business would use AiSevak's Agri-Tech vertical tools in delivery:

- **Facility ops:** occupancy/inventory, temperature-monitoring, billing and WDRA-receipt tools.

- **Schemes & finance:** NHB/PMKSY/AIF-application, NABARD-finance and pledge-linkage tools (with Finance vertical).
- **Practice:** Business Plan, per-tonne costing and occupancy/break-even tools to model the facility.

17. Key Assumptions & Notes

- ~5,000-tonne facility; NHB/PMKSY cold-chain subsidy (~35–50%) assumed — sharply improves viability.
- Occupancy ramps ~60%→90%; break-even occupancy ~55–60%; power is the largest operating cost.
- Loan interest ~10% p.a., 7–9 year tenure; WDRA registration enables pledge finance; GST applies.
- Occupancy, power efficiency, low shrinkage and subsidy/finance-linkage are decisive; figures exclude GST.

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