SWADHA · DAIRY BUSINESS PLAN

Milk Collection & Home Delivery Business

A plan for a 500 litres/day unit: collect from village farmers, test, chill, pack and deliver to prepaid homes every morning.

At a glance	500 L/day unit
Money to start (equipment + working capital)	Rs 18-20 lakh
Plus: 1 collection vehicle, 6 two-wheelers, 4,000 sq ft space	market rate / local rent
Price paid to farmers	Rs 39-42 per litre
Selling price to homes	Rs 60-65 per litre
Gross margin	Rs 18-26 per litre
Gross margin per month at Rs 22/L	Rs 3,30,000
Time Swadha units take to reach 500 L/day	about 6 months

Figures are Swadha's indicative numbers from swadhaagri.com/franchise and its units so far. Final costs depend on your city; get an itemised quote before you invest. Gross margin is before staff, fuel, packaging, rent and Swadha's share.

1. How the business works

You run the milk route of one town: you buy milk from farmers in nearby villages every morning and evening, check it, keep it cold, and deliver it to homes that have paid in advance. Swadha gives the brand, the app, the testing method and the training; you run the unit and decide your local price.

The daily cycle

Step	What happens
1. Collection	Your vehicle picks up milk from village collection points. Each farmer's milk is weighed and recorded.
2. Testing	Every lot is tested for fat, SNF, added water and density before it is accepted. Farmers are paid on quality.
3. Chilling	Milk goes straight into the bulk milk cooler and is held at about 4 °C.
4. Packing	Milk is packed in bottles or pouches the same day.
5. Delivery	Six delivery riders reach prepaid homes early morning. Customers see each day's test report in the app.
6. Payment	Customers prepay; farmers are paid on a fixed cycle. You buy only what has been ordered.

Extra income

Surplus milk is turned into paneer, ghee, dahi and khoya. These sell at a higher margin than fresh milk and can be sold beyond your delivery area.

2. What you need to start

Item	Indicative cost
Equipment: bulk milk cooler, packing, milk testing, power backup	~Rs 15 lakh
Working capital: about 2 weeks of farmer payments	~Rs 3 lakh
1 collection vehicle + 6 two-wheelers	market rate
Space: 4,000 sq ft, rented or owned	local rent
Total to start (excluding vehicles and space)	**Rs 18-20 lakh**

> Short on capital? See section 6 for loans, and ask Swadha about partner banks.

3. Earnings

Worked at a purchase price of Rs 40 and a selling price of Rs 62 per litre (gross margin Rs 22/L), 30 days a month. Swadha's cities so far: purchase Rs 39-42, selling Rs 60-65.

Milk sold per day	Monthly sales	Monthly milk purchase	Monthly gross margin
200 L	Rs 3.72 lakh	Rs 2.40 lakh	Rs 1.32 lakh
500 L	Rs 9.30 lakh	Rs 6 lakh	Rs 3.30 lakh
1000 L	Rs 18.60 lakh	Rs 12 lakh	Rs 6.60 lakh

Margin per litre at different prices

Price paid to farmer	Sell at Rs 60	Sell at Rs 62	Sell at Rs 65
Rs 39	Rs 21	Rs 23	Rs 26
Rs 40	Rs 20	Rs 22	Rs 25
Rs 42	Rs 18	Rs 20	Rs 23

4. Monthly running costs (worksheet)

Fill in your local costs to get your net profit. Swadha shares the full cost sheet from its own units on the first call.

Cost	Your figure (per month)
Staff: collection, testing, packing	Rs _____
Delivery riders (6)	Rs _____
Fuel: collection vehicle and two-wheelers	Rs _____
Electricity and power backup	Rs _____
Bottles / pouches and packing material	Rs _____
Rent for 4,000 sq ft	Rs _____
Repairs and maintenance	Rs _____
Swadha's share of sales (agreed in writing)	Rs _____
Loan EMI, if any	Rs _____
Total running costs	**Rs** _____

> Net profit per month = gross margin (section 3) minus total running costs. At 500 L/day the gross margin is Rs 3,30,000 a month at Rs 22/L.

5. Licences and registrations

- FSSAI: required for every milk business. Small units register; larger milk handling needs a State licence. Check the slab for your daily volume at foscos.fssai.gov.in before you start.

- GST registration once turnover crosses the limit, or earlier for B2B buyers. Fresh milk and milk products carry different GST rates; confirm them with your accountant.
- Shop and establishment / trade licence from your municipality or panchayat.
- Pollution board consent may apply to processing (paneer, ghee) depending on your state and size.
- Weights and measures: verified weighing scale at collection points.

> Rules and slabs change. Confirm every licence on the official portal or with a local consultant before you invest.

6. Funding options

Common routes for a milk collection and delivery unit. Eligibility, limits and subsidy differ by scheme and state; read the current terms on each official site.

Scheme	What to know
Mudra loan (PMMY)	Collateral-free business loans through banks for small enterprises. Apply at your bank branch or udyamimitra.in.
PMEGP	Credit-linked subsidy for new micro-enterprises, applied online through KVIC (kviconline.gov.in).
NABARD / AHIDF	Support for dairy processing and infrastructure, including chilling. Check nabard.org and dahd.gov.in.
Bank dairy loans	SBI and other banks run dairy and agri-business loans; a project report like this plan helps your application.
State schemes	Jharkhand, Bihar and other states run their own animal husbandry and dairy schemes; ask your district animal husbandry office.

7. First six months

When	Milestone
Month 0	Agreement with Swadha, space, equipment, FSSAI, vehicles, training.
Month 1	First village collection points and the first prepaid customers.
Months 2-3	More villages and routes; paneer and dahi from surplus milk.
Months 4-6	Swadha units have averaged 500 L/day by about month 6.

Risks and how the model handles them

Risk	How it is handled
Slow demand at first	Customers prepay, so you buy only what is ordered: no unsold stock, no bad debt.
Adulteration	Every lot is tested at collection; customers see the report.

Risk	How it is handled
Milk spoiling	Milk is chilled immediately; surplus goes into paneer, ghee and dahi.
Farmer supply	Fair, quality-based pricing paid on time keeps farmers with you.

Start a Swadha unit in your town

Apply at swadhaagri.com/franchise · Call or WhatsApp +91 88823 62920
No franchise fee. Swadha earns a small share of your sales, agreed in writing on the first call.