

PROJECT PROFILE
ON
JAMS & JELLY
MAKING UNIT

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INTRODUCTION

India has diverse agro-climatic conditions, varied soil types, and abundant rainfall. With all the factors the country has potential for growth of high-value horticulture produce. Fruits are an important source of energy for human being but they are perishable in nature. However, there are methods for preparation of numerous value-added products that have larger shelf life.

Understanding of Product

Jam and jelly are different products with different characteristics and production process. Both jams and jelly are different product but they have some similarity. Both these products are made with fruit and fruit components. The uniqueness of the product is given in the table below:

Jams	Jelly
Jams typically contain both juice and flesh of a fruit. The term jam refers to a product made of whole fruit cut into pieces or crushed, then heated with water and sugar to activate its pectin before being put into containers.	Jelly refers exclusively to a clear or translucent fruit spread made from sweetened fruit juice. Thus, differing from jam by excluding the fruit's flesh and is set by using its naturally occurring pectin.

PRODUCTS AND ITS APPLICATION

Jam and jelly are important food products as they enhance the palatability of food due to its taste and flavor. In addition, since they are prepared from fruits, they supplement the food with vitamins and minerals. Hence, these products have very good market potential.

Most of the households, restaurants, eateries, clubs, hostels etc. consume jam and jelly regularly. Also, these are the major selling products in many outlets like grocery shops, departmental stores etc. With such use the demand for jam and jelly is growing year after year.

INDUSTRY OUTLOOK/TREND

As per the industry reports, the jam and jelly market are projected to register a CAGR of 3.6% during the year 2019-2024. Although the COVID-19 pandemic has disturbed the way the supply chain operated with jam and jelly. However, on the positive side, the household increased the consumption of home-prepared food.

Post COVID-19 pandemic there has been an increasing demand of food spreads without any inclusion of artificial additives, owing to the adverse health effects. Hence the manufacturers are inclined towards using

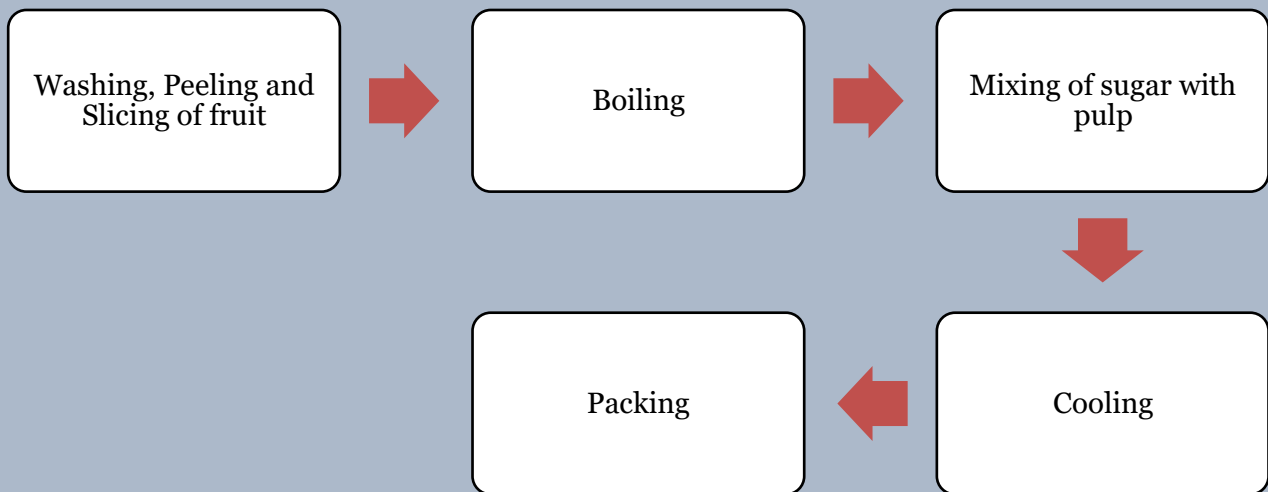
natural flavouring agents, preservatives and sweeteners as they are the key ingredients used in sweet spread to extend the shelf life of the product.

Owing to the increasing demand for clean-label ingredients, there is an increase in the usage of natural and organic ingredients, in the preparation of jams and jellies.

MANUFACTURING PROCESS

The manufacturing of jams and jellies starts with:

Jam & Jelly is manufactured by boiling fruit, fruit pulp or canned fruit with water and adding a sweetening ingredient. The process is given below:



RAW MATERIAL REQUIREMENTS (Monthly)

Sl. No.	Particulars	Quantity (Kg)	Value (Rs.)
1	Fruit, Sugar Pectin, Additives, Preservatives, Food Colour etc.	8,500	4,50,000
2	Packaging material (Plastic Jars, Pouches, Labels, cardboard boxes and adhesive tapes)	Lumpsum	25,000
	Total		4,75,000

MANPOWER REQUIREMENT (per month)

Type	Number	Cost (Rs.)
Accountant	1	15,000
Salesman	1	10,000

Helper	1	6,000
Peon/Watchman	1	5,000
Skilled Worker	1	12,000
Unskilled Worker	1	8,000
Total	6	56,000
Annual Salary		6,72,000

IMPLEMENTATION SCHEDULE

Particulars	Units	Details
Land and Building/Unit Shed on rent	700 Sq.Ft. Acre	20,000
Plant & Machinery		
Pulper Machine	INR	7,00,000
Slicing Machine		
Juice Extractor		
Steam Jacketed Kettle		
Mixer Grinder		
Bottle Washing & Filling Machine		
Baby Boiler		
Cap Sealing Machine		
Stirrers, SS Utensils, Burner< weighing Scale, Hand Gloves		
Installation Charges		
Total		7,90,000

OTHER EXPENSES: (PER MONTH)

Sl. No	Particulars	Cost (Rs.)
1	Electricity	10,000
2	Advertising & Traveling	25,000
3	Conveyance	10,000
4	Misc. Fixed assets (Furniture, etc.)	1,00,000
5	Contingencies, Communication & Stationery	20,000
	Total	1,65,000

WORKING CAPITAL (per month)

Sl. No	Particulars	Cost (Rs.)
1	Raw Material	4,75,000
2	Salaries & Wages	56,000
3	Other expenses	1,65,000
	Total	6,96,000

TOTAL CAPITAL INVESTMENT

Sl. No	Particulars	Cost (Rs.)
1	Working Capital	6,96,000
2	Machinery	7,70,000
	Total	14,66,000

COST OF PRODUCTION

Sl. No	Particulars	Cost (Rs.)
1	Total recurring cost per annum	83,52,000
2	Depreciation on machinery & equipment (10%)	77,000
3	Interest (10%)	8,35,200
	Total	92,64,200

IMPLEMENTATION SCHEDULE

Project Stages	Months					
	1	2	3	4	5	6
Rent Agreement						
Ordering of Machinery						
Delivery of Machinery						
Term/Working Loan Sanction						
Installation of Machinery						
Commissioning of Plant						
RM/Inputs Procurement						
Manpower Appointments						
Commercial Production						

COST OF THE PROJECT

Sr. No	Costing Heads	Cost (in INR)
1	Land+ Building Expenses	2,40,000
3	Plant & Machinery	7,70,000
4	Contingency	1,00,000
	Total Cost of Project	11,10,000

SALES PROCEEDS (PER ANNUM)

Sl. No	Particulars	Quantity (Kg)	Cost/Unit (Rs)	Value (Rs.)
1	Jam & Jelly (Packed & Bottled)	52000	270	1,40,40,000
	Total			1,40,40,000

PROFITABILITY (BEFORE INCOME TAX)

Sl. No	Particulars	Profit
1	Annual Gross Profit (INR) = Annual Sales – Annual Recurring Cost	47,75,800
2	% of profit on sales	34.02%
3	Break-even point analysis	
A.	Net sales (in Rs. lakh)	129.6
B.	Variable cost	
B1	Raw Materials	83.52
B2	Other expenses	1.65
B3	Interest on Working Capital Loan	8.35
	Total variable cost	93.52
C.	Contribution (A-B)	36.08
D.	Fixed & Semi-fixed Costs	
D1	Salary	6.72
D2	Repair & maintenance	1
D3	Interest on Term Loan	8.35
D4	Depreciation	0.7
	Total fixed cost	16.77
E.	BREAK EVEN POINT	53.1

Break-even point

$$\frac{\text{Annual Fixed Cost} \times 100}{\text{Annual Sales} - \text{Annual Variable Cost}} = \%$$

PROFITABILITY CALCULATIONS

Sr. No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
	Gross Sales (Lakh)	140.4	154.4	169.9	169.9	169.9
A	Less: (Lakh)					
1.	Recurring Cost	83.52	91.872	101.06	101.06	101.06
2.	Depreciation	0.7	0.77	0.85	0.85	0.85
3.	Interest	8.35	9.19	10.10	10.10	10.10
B	Production cost	92.64	101.90	112.09	112.09	112.09
C	Gross Profit	47.76	52.54	57.79	57.79	57.79
	Taxes @ 30%	14.33	15.76	17.34	17.34	17.34
	Net Profit	33.43	36.78	40.45	40.45	40.45

References

- IIFPT Reports on Jams & Jelly Making
- Report on Jams & Jelly Making by Institute for Industrial development
- NABARD Report on Jams & Jelly Making
- Video Link - https://youtu.be/inZDRao_1N8

MANUFACTURES/ SUPPLIERS OF MACHINERY

- Balaji Enterprises, Address-Shade No. 3, Near Zeal College, Narhe, Pune - 411041, Maharashtra, India, Phone no- 094050 23804
- Tipco Engineering Works, Address-Plot No. K-80 Gali No. 9 Near Khad Factory, Sameypur, New Delhi - 110042, Delhi, India, Tel: +91-11-27834104, Mob:+91 9811118113, +91 9811116356, E-mail: mail@tipcoengineering.com
- A.M Enterprises, 200/3, Kumar Mohalla, Ward No. 3, Ambala-134003, Haryana, India

STATUTORY/ GOVERNMENT APPROVALS

There is statutory requirement of FSSAI license for setting up of food processing industry. Moreover, MSME & GST registration, IEC Code for Export of end products and local authority clearance may be required for Shops and Establishment, for Fire and Safety requirement and registration for ESI, PF and Labour laws may be required if applicable. Entrepreneur may contact State Pollution Control Board wherever it is applicable.

DISCLAIMER:

This is an indicative illustration of project profile; the above calculation can vary with the locations. Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further, the same have been given by way of information only and do not carry any recommendation.

DISCLAIMER:

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