

Are you planning to set up a Feedmill



Everyday we receive phone calls from some people who want to start a feedmill. Many of them do not know detail about a feedmill or its operation. We try our best to reply them. It is better to discuss clearly with any consultant or someone who has expertise in feedmill. There are many things that need to be considered before you make an order. Here we are giving some basic information. It is just for your idea only. It is possible to start a small feedmill plant but you must ensure the economics of the project. If investment is not viable, better not to do.

Land requirement:

There is no specific formula of land requirement to set up a feed mill. It depends on various aspects like capacity of the feed plant, type of feed plant, warehouse storage capacity, farm-based residential facility, approximate daily inward and outward trucks or other transport, other necessary infrastructures, future expansion planning, etc. However, it is better to decide land requirement which is good enough for all structures, truck scales, inward and outbound transportation parking and movement, etc. A land from 2.0 acres to 5.0 acres is an idea. Less than this can be used if there is available parking or truck waiting area outside of the premise. If more, there is no problem, the extra land can be used for landscaping to make a nice working environment.

Capacity of a feedmill:

It also depends on your planning. You should have a market survey and based on that you can decide the capacity or type of feed mill. There are different types of feed mill plants such as poultry pellet feed, layer course feed, cattle feed supplement, sinking fish feed, floating fish feed, shrimp feed, TPR feed (cattle feed), etc.

Based on your survey and feed type, you should decide the capacity of the feed mill. Please look at 15-20 years and decide your capacity or future expansion possibility. If you do not do that, may be in future expansion will not be possible or would be hard to do that.

Capacity of a feedmill should be considered hourly basis. You can start from 2-3 MT/h, 3-4 MT/h, 5-7 MT/h, 10-12 MT/h, 20-22 MT/h, 30-32 MT/h or more.

You may have a single line production or double lines even three lines production. You can also combine two different technologies together like sinking fish feed and floating fish feed. Or, Poultry pellet feed and course feed (known as Mash feed). Even you can go for both poultry and fish feed line. However, it is not suggested that you make poultry or fish or cattle feed in a sale line which may cause cross-contaminations. But, in our observation most of the plants are initially started in that way and when they have a good market, at that time they separate all items in different plants.

Investment:

Investment depends on many items related to your decision, such as land, technology, construction quality, machinery quality, management, etc. However, the approximate investment will be as follows:

Land cost: Depends on your land and location. Imported machinery, local machinery, civil works and other cost will be approximately as follows:

Poultry Feedmill: 30,000,000.00 will be with minimum capacity and maximum investment depends on capacity
Sinking Fish Feedmill: 30,000,000.00 will be with minimum capacity and maximum investment depends on capacity
Floating fish Feedmill: 70,000,000.00 will be with minimum capacity and maximum investment depends on capacity

The above cost includes the following:

1. Generator set for power back up
2. Sub-Station and Electrification
3. Inner electrification: fan, lighting, cables
4. Etc.

NOTES: Please note, if the feedmill is too small, it is not commercially viable. In our observation less than 5-6 tph poultry feed mill or sinking fish feed mill is not a profitable investment. Same with floating fish feed mill. Less than 3.0 tph is not any more viable. Therefore, the above idea price will be much more if you consider minimum viable size. But the above prices are ok to let you know minimum investment. You have to exercise and survey which capacity will suit for your company. Based on that, you can decide your plant capacity.

Risk factor:

If feed quality is good, marketing is strong, service to farmers is state of art, good cooperation with farmers, dealers, in that investment will be profitable and pay back is good. But, if feed quality differs based on raw materials cost, weak marketing or less service to farmers, then better not to proceed in to feed business.

Suggestion:

Please consider all aspects, research your market, look next 15-20 years and take your decision. Also please discuss with your consultant, and move forward.