

PROJECT REPORT

PROJECT DETAILS

BUSINESS NAME : SIGNATURE KING INTERNATIONAL

**FARM ADDRESS : SALAIYUR NALLROD
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**HEAD OFFICE : AKKAR ARCADE
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PRODUCT : DONKEY MILK

COST OF PROJECT : 25 CR

INSTALLING

PROJECT DURATION : 6 MONTHS – 1 YEAR

RAW MATERIALS : CATTLEFEED AND GRASS

YEARLY TURNOVER : 200- 400 CRORE





INTRODUCTION

An enterprise with much scope in the current Indian market that has not been ventured yet is Donkey farming. It is a well established practice in countries like Italy, France, and Russia. Donkey population in the world is about 41 million and china stands first with a population of 11 million. India has approximately population of 0.44 million, most of which are used for draught purpose. The complete potential of donkey farming is not exploited in terms of their use as a milk animal. There is an increase in demand for the donkey's milk in the local market as well as the national level in the recent years. In relative to other livestock farming, establishment and maintenance of donkey farming is considerably less expensive. Besides the conventional use of milk for consumption, donkey's milk is used in other industries, in preparation of cosmetics and also has medicinal value.

The use of donkey milk in cosmetics and skincare products has gained tremendous popularity in recent years due to its natural rejuvenating and anti-aging properties. This project aims to set up a donkey farm for the production of high-quality donkey milk, which will be used to create premium beauty products such as soaps, creams, and lotions. The business will cater to a niche market of luxury skincare consumers who are increasingly looking for natural, effective, and luxurious ingredients.

COMPOSITION OF DONKEY MILK

Donkey milk, along with mare's milk, is the closest to breast milk, with notably low lipid ratios and high lactose ratios. Donkey milk is similar to mare milk and human breast milk in that it is relatively poor in protein and fat but rich in lactose. The casein to whey protein ratio is intermediate between human breast milk and cow milk. Gross composition of milk differs by the mother's lactation stage, with ash and protein content showing a declining trend, but pH, percentage of whey protein, and amino acid content remaining the same. Donkey's milk has enzymes (lysozyme and lactoferrin) which are powerful antimicrobial agents and these are practically absent in the milk of cows, ewes and goats. It is rich in vitamins (A, B1, B2, B6, C, D, E), minerals (calcium, magnesium, phosphorus, iron, zinc), trace elements and essential fatty acids (omega 3 and 6). It contains a lot of retinol (vitamin A) which has a very significant wrinkle fighting and tightening effect. Retinol also helps to accelerate healing and collagen production. The skin regenerates more easily and thus eliminates impurities. Donkey's milk moisturizes and is recommended for early skin aging.

USES OF DONKEY'S MILK:

Donkey milk is considered to be the closest to woman's milk. It is very nourishing because it contains more lactose and less fat than cow's milk. More recently, studies have shown that that donkey's milk could serve as an alternative to cow's milk for children allergic to bovine proteins. It is generally believed that donkey milk effaces wrinkles in the face, renders

the skin more delicate, and preserves its whiteness. Donkey milk is still used today in the manufacture of soaps and moisturizers. Donkey milk was also formerly used in medicine. Its healing virtues have been known since ancient times, when doctors would recommend it to cure diverse affections. In the South Indian state of Tamil Nadu, a popular folk belief states that donkey milk can aid infants' immune systems and voice develop.

FACTS ABOUT DONKEY AND DONKEYS MILK:

- Donkeys vary considerably in size, depending on breed and management. The weight ranges from 80 to 480 kg (180 to 1,060 lb).
- Donkeys are considered a seasonal one, but the latitude in which the animal is domesticated can greatly influence the reproduction. A jennet is normally pregnant for about 12 months, though the gestation period varies from 11 to 14 months,
 - Although jennets come into heat within 9 or 10 days of giving birth, their fertility remains low and it is usual to wait one or two further estrous cycles before rebreeding. Because of this and the longer gestation period, donkey breeders do not expect to obtain a foal every year, as horse breeders often do, but may plan for three foals in four years.

Milking

The production of donkey's milk is extremely complicated, making it a rare product. As with all mammals, lactation is triggered by the birth of a child. The animal has only two teats and no reservoir, and therefore should be milked three times a day, in order to get between 1.5 and 2 liters of milk. And milking can be done only for four to five months, since all the milk is left for the foal for the first two months. By comparison, a donkey gives an average of 180 liters, year-round. Milking is done manually, and the foal needs to be present, otherwise the jenny will not give milk.

Donkey's milk is very white and more fluid than cow's milk, as it contains very little fat. But it is sweet.

Marketing:

Some of the potential markets for donkey milk are:

1. Local market
2. Pharmaceutical companies
3. Cosmetic companies
4. Cheese industries
5. Exporting the milk
6. Cheese making industries.

Price of the milk depends on the local demand and the companies to which the milk is supplied. There is no standardization of the donkeys milk to fix the price. In south Indian states , donkey's milk is sold at Rs 7500 to 15000/liter.

OBJECTIVES

The primary objectives of this project, which is focused solely on the production and sale of donkey milk, are as follows:

To Produce High-Quality Donkey Milk

A core objective of this project is to produce high-quality donkey milk consistently, ensuring it meets the rigorous standards required for both premium markets and specialized uses. Donkey milk is renowned for its nutritional and therapeutic properties, and the project aims to set itself apart by providing the highest quality product. Key activities for achieving this objective include:

- **Animal Welfare:** Ensuring the donkeys are well-cared for by providing clean living environments, proper veterinary care, and

balanced diets. Maintaining the health of the donkeys is essential for optimizing milk production and quality.

- **Milk Yield Optimization:** Each donkey is expected to produce 1.5 liters of milk per day for a period of 180 days annually. To achieve this, the project will implement best practices in animal husbandry, including stress reduction, proper feeding, and regular health check-ups.
- **Sustainability Practices:** The farm will adopt sustainable practices such as using organic feed, managing waste efficiently, and reducing the carbon footprint, ensuring that the production of donkey milk is environmentally responsible while maintaining high standards of quality.
- **Milk Quality Control:** Stringent quality control measures will be in place during the milking, storage, and transportation processes to ensure that the donkey milk is free from contaminants and meets the required quality standards for sale to manufacturers or direct consumers.

To Meet the Growing Demand for Donkey Milk

As the demand for natural and premium products increases, the project aims to capture a significant share of the growing market for donkey milk. This objective focuses on ensuring that the farm can meet both the domestic and international demand for donkey milk, particularly for uses in the health, wellness, and beauty sectors. Specific steps to achieve this objective include:

- **Scalable Production:** The farm will begin with 1000 donkeys, and the production capacity will be scalable based on market demand. Over time, the farm can expand the herd size or introduce more efficient milking systems to increase output.
- **Market Expansion:** The target market for donkey milk includes:

- Cosmetic and Beauty Product Manufacturers: Many luxury skincare brands and cosmetics companies use donkey milk for its rejuvenating, anti-aging, and moisturizing properties.
- Health and Wellness Products: Some wellness sectors also require high-quality donkey milk for dietary supplements and other health-related products.
- Direct Sales to Consumers: The farm will explore opportunities to sell donkey milk directly to consumers through online platforms, farmers' markets, or specialized stores that cater to premium or niche products.
- Long-Term Supply Agreements: The project will work on securing long-term contracts with manufacturers and distributors who require a steady supply of high-quality donkey milk. These agreements will ensure consistent revenue and growth for the farm.

To Create Employment Opportunities

Another key objective is to generate employment in the local community by offering jobs and skill development in the agricultural and farming sectors. By creating job opportunities, the farm will have a positive impact on the local economy and foster a strong relationship with the community. The key components of this objective are:

- Local Employment: The farm will create 40 direct jobs in the local area. This includes:
 - Waged Employees: These workers will be responsible for the day-to-day care of the donkeys, including feeding, milking, and general farm maintenance.
 - Salaried Employees: These employees will manage operations such as accounting, logistics, quality control, and the sale of donkey milk. Additionally, a small team will handle marketing and customer relations.
- Skill Development: Employees will receive training in animal care, milking procedures, and farm management, enhancing the skill set of the local workforce. Ongoing training will ensure that employees

remain up to date with best practices and emerging trends in the agricultural sector.

- **Community Impact:** By providing stable employment, the project will contribute to the overall economic development of the local community. The farm will also support local businesses, such as feed suppliers and veterinary services, which will further enhance its positive impact on the region.

To Achieve Sustainable Profitability

Achieving sustainable profitability is a fundamental objective, ensuring that the farm remains financially viable in the long term and continues to grow. The key factors in achieving profitability will include:

- **Optimizing Milk Production:** Ensuring efficient production methods that maximize milk yield while minimizing waste. This will involve careful management of feed, animal health, and milking schedules to achieve the target of 1.5 liters of milk per donkey per day.
- **Cost Control:** The project will focus on controlling operational costs, particularly feed, employee wages, veterinary care, and facility maintenance. Efficient management of resources will ensure a favorable profit margin.
- **Strategic Sales and Pricing:** The price of donkey milk can vary depending on demand and quality, ranging from ₹7,500 to ₹15,000 per liter. The farm will focus on selling to high-end markets that value the premium nature of the product, ensuring competitive pricing that reflects the quality of the milk while maximizing profitability.
- **Revenue Generation:** In addition to direct sales of donkey milk, the farm will explore opportunities for:
 - **Bulk Supply Contracts:** Building relationships with manufacturers that require large quantities of milk.
 - **Long-Term Supply Agreements:** Negotiating long-term agreements with beauty and wellness product companies to secure a steady revenue stream.

- Scalable Growth: As demand for donkey milk grows, the farm will be able to scale up production by increasing the herd size, optimizing feed production, and upgrading milking and storage facilities. The goal is to balance growth with profitability, ensuring that the farm remains financially sound and sustainable.
- Financial Sustainability: The farm will reinvest profits into expanding operations, improving technology (such as milking systems and storage facilities), and increasing herd size as market demand increases. The long-term goal is to establish the farm as the leading supplier of high-quality donkey milk for both domestic and international markets.

PROJECT SCOPE AND PLANNING

Donkey Herd and Milking Operations

Donkey Cost

- Cost per Donkey: ₹1,90,000
- Total Cost for 1,000 Donkeys: ₹19,00,00,000

Daily Feed Cost

- Feed Cost per Donkey per Day: ₹50
- Total Daily Feed Cost: ₹50,000
- Annual Feed Cost (180 days): ₹90,00,000

Operational Plan

Donkey Care and Milking

Milk Production

- Milk Production per Donkey per Day: 1.5 liters
- Total Milk Production per Day (1,000 Donkeys): 1,500 liters
- Total Annual Milk Production (180 days): $1,500 \times 180 = 270,000$ liters

This total reflects the milk available for beauty product manufacturing.

Production of Beauty Products

The available milk for the product line remains 270,000 liters based on the 180-day milking period.

Expected Milk Pricing

The revenue from donkey milk will vary based on the market price per liter:

- Low-End Price (₹7,500 per liter):
Revenue = 270,000 liters × ₹7,500 = ₹2,02,50,00,000
- High-End Price (₹15,000 per liter):
Revenue = 270,000 liters × ₹15,000 = ₹4,05,00,00,000

Financial Projections

Initial Investment

Initial Investment Breakdown

- Land Cost: ₹40,00,000
- Fencing Cost: ₹10,00,000
- Cost of Donkeys (1,000 Donkeys): ₹19,00,00,000
- Total Initial Investment: ₹19,50,00,000

Annual Operational Costs

Annual operational costs remain the same, covering feed, employee wages, and general maintenance.

Annual Operational Costs Breakdown:

- Feed Costs (180 Days): ₹90,00,000
- Employee Wages: ₹36,50,000

- Employee Salaries: ₹36,00,000
- Other Expenses : ₹ 5,00,000
- Total Annual Operational Costs: ₹1,67,50,000

Projected Revenue

Based on milk availability for 180 days, revenue remains the same as calculated:

- Low-End Price (₹7,500 per liter): ₹202,50,00,000
- High-End Price (₹15,000 per liter): ₹405,00,00,000

Profitability Analysis

At Low-End Price (₹7,500/liter):

- Annual Revenue: ₹202,50,00,000
- Annual Profit: ₹202,50,00,000 - ₹1,67,50,000 = ₹ 200,82,50,000

At High-End Price (₹15,000/liter):

- Annual Revenue: ₹405,00,00,000
- Annual Profit: ₹405,00,00,000 - ₹1,67,50,000 = ₹403,32,50,000

Return on Investment (ROI)

At Low-End Price (₹7,500/liter):

- $ROI = (\text{₹}200,82,50,000 / \text{₹}19,50,00,000) \times 100 \approx 1029\%$

At High-End Price (₹15,000/liter):

- $ROI = (\text{₹}403,32,50,000 / \text{₹}19,50,00,000) \times 100 \approx 2068\%$

Risk Assessment and Mitigation

1. **Animal Health Risks:** Veterinary care to prevent disease.
2. **Market Risks:** Targeted marketing and product diversification to reduce dependency on milk price fluctuations.
3. **Regulatory Compliance:** Regular audits to ensure adherence to health and safety standards.

Regulatory and Legal Considerations

The project must comply with food safety and animal welfare laws, including:

- **Licensing:** Certification for donkey milk and cosmetic production.
- **Standards:** Adherence to domestic and international health guidelines.

Sustainability and Ethical Considerations

- **Environmental Impact:** Implement eco-friendly practices in feed and waste management.
- **Animal Welfare:** Ensuring ethical treatment, spacious housing, and proper grazing areas.

Timeline and Milestones

1. **Land Acquisition:** Month 1
2. **Facility Setup and Fencing:** Months 2-4
3. **Donkey Procurement:** Month 5
4. **Production Facility Setup:** Months 6-7
5. **First Milking and Product Manufacturing:** Month 8
6. **First Sales Launch:** Month 9

CONCLUSION AND RECOMMENDATION

The donkey milk production project represents a promising and unique business opportunity, given the growing global demand for high-quality, natural products with potential health and cosmetic benefits. From the analysis conducted throughout this report, it is clear that donkey milk—long revered for its nutritional, medicinal, and cosmetic properties—holds significant market potential, especially in niche segments such as organic skincare, lactose-free dairy products, and specialty health foods.

Key findings from the project scope and planning reveal that with careful strategic planning, efficient management, and the adoption of sustainable practices, this venture could become a profitable and impactful business. The production process, while demanding in terms of initial investment and operational complexities, can be streamlined through proper facility design, herd management, and adherence to quality standards. Furthermore, the ability to scale operations based on market demand makes donkey milk production adaptable and resilient to changes in consumer preferences and economic conditions.

Market Demand and Opportunity

The demand for donkey milk is expected to increase, driven by rising consumer awareness about health, wellness, and the benefits of natural products. Its established reputation in the cosmetic industry, combined with increasing use in food products and pharmaceuticals, offers a multi-faceted market. International interest, particularly in Europe, Asia, and the Middle East, further strengthens the market outlook.

Project Viability

The financial feasibility of this project, based on careful cost estimation and revenue projection, is promising. While the initial setup may involve significant capital expenditure, including infrastructure, animal acquisition, and certification, the break-even analysis suggests that

profitability can be achieved within a reasonable timeline, assuming steady market penetration and consistent production output.

Risk Management

The main risks associated with donkey milk production—such as animal health, market volatility, and regulatory compliance—can be mitigated through proactive management strategies. These include investing in high-quality veterinary care, diversifying product offerings, and ensuring compliance with local and international regulations. A robust risk management plan will enable the project to adapt to unforeseen challenges without compromising quality or operational efficiency.

Sustainability and Ethical Considerations

This project can align with growing consumer demand for ethically sourced and sustainably produced goods. By implementing responsible animal welfare practices, including providing humane living conditions and ensuring the health and well-being of the donkeys, the project can build a positive brand image and appeal to socially conscious consumers. Additionally, integrating eco-friendly production methods and minimizing environmental impact will further strengthen the project's long-term viability.

Recommendations

1. **Initial Market Research and Product Diversification:** Conduct thorough market research to refine product offerings, identifying the most lucrative niches within both local and international markets. Expanding into related sectors such as cosmetics or dietary supplements could enhance profitability.
2. **Investment in Technology and Innovation:** Leverage innovative technologies for milking, animal care, and facility management to enhance productivity, improve hygiene standards, and reduce costs. Automation in milking and processing could significantly streamline operations.

- 3. Scalability and Expansion:** Plan for scalability by creating modular systems for herd management and milk production that can grow in response to demand. Initially focusing on the domestic market could be followed by gradual expansion into international markets as the brand and production capacity grow.

Final Thoughts

Overall, the donkey milk production project holds great potential for success, provided that it is executed with meticulous planning and attention to detail. With a well-structured approach to production, financial management, and marketing, this venture can tap into a growing and lucrative market for natural, premium-quality products. By focusing on quality, sustainability, and ethical practices, this project could not only yield significant financial returns but also contribute positively to both the agricultural sector and consumer health. With careful implementation of the strategies outlined, this project stands poised to become a valuable player in the global milk and wellness industry.

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