

PROJECT REPORT

JAM & JELLY

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Jam & Jelly

The objective of the pre-feasibility is primarily to facilitate potential entrepreneurs' in project identification for investment and in order to serve this objective; the document covers various aspects of the project concept development, startup, marketing, and finance and business management

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

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JAM & JELLY

Introduction

Many varieties of fruit preserves are made globally, including sweet fruit preserves, such as those made from strawberry or apricot, and savoury preserves, such as those made from tomatoes or squash. The ingredients used and how they are prepared determine the type of preserves; jams, jellies, and marmalades are all examples of different styles of fruit preserves that vary based upon the fruit used. In English, the word, in plural form, "preserves" is used to describe all types of jams and jellies.

Jam typically contains both the juice and flesh of a fruit or vegetable, although one cookbook defines it as a cooked and jelled puree. 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 (or vegetable) juice—thus differing from jam by excluding the fruit's flesh—and is set by using its naturally occurring pectin, whereas outside North America jelly more often refers to a gelatin-based dessert, though the term is also used to refer to clear jams such as blackcurrant and apple. In the United Kingdom, redcurrant jelly is a condiment often served with lamb, game meat including venison, turkey and goose in a festive or Sunday roast. It is a clear jam, set with pectin from the fruit, and is made in the same way, by adding the redcurrants to sugar, boiling, and straining.

Formulation

Pectin is essential to the formation of Jam & jelly because it acts as a gelling agent, meaning when the pectin chains combine, they create a network that results in a gel. The strength and effectiveness of the side chains and the bonds they form depend on the pH of the pectin.

Characteristics of Jam & Jelly

1. Jam and fruit preserves are made from fresh, frozen, concentrated, or previously canned fruit that is cooked with sugar (and added pectin, if required), until enough water has evaporated and it gels. The total soluble solids (TSS) should be > 65%.
2. Jellies are gelatinous, clear, and made from fruit juice and sugar, texture is firm, and it holds its shape. The TSS should be > 65%.
3. Marmalade is made from citrus fruit—sliced or diced, suspended in clear jelly.
4. Lower In fat.

Description of Jam & Jelly Machine

Following machines are required for Jam & Jelly manufacturing unit.

1. Pulper Machine
2. Slicing Machine
3. Juice Extractor
4. Steam Jacketed Kettle
5. Mixer/Grinder
6. Bottle Washing and Filling Machine
7. Baby Boiler
8. Cap Sealing Machine
9. Stirrers, SS Utensils, Burner, Weighing Scales, Hand Gloves

These Machines are used to produce jam & jelly from the raw material. With the help of this machine the work of mixing, extruding & packaging completes in a very short span.

Jam & jelly Market Analysis

The global jam, jelly, and preserves market is projected to register a CAGR of 3.6%, during the forecast period (2019-2024).

- Jams, jellies, and preserves are experiencing an increasing demand, all over the world. In regions, like Europe and North America, these products are consumed on a daily basis, by consumers of all age groups. Jams, jellies and preserves have become a part of their daily meals.
- The rising health issues, such as obesity, diabetes, and others, and the availability of other kinds of spreads in the market are the major restraints.
- As a result, consumers are demanding for jams, jellies, and preserves that are fortified, contain low fat, low sugar, and possess other health-promoting properties.
- 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, jellies, and preserves.

Jam & Jelly Manufacturing Process

Jam & jelly is created by boiling fruit, fruit pulp or canned fruit with water to and adding a sweetening ingredient. In Canada, jam must contain at least 45% of the named fruit and 66% water soluble solids. Jam may contain small amounts of pectin, pectinous preparation or acid ingredients if there is a deficiency in natural pectin. In Canada, Jam may also contain a class II preservative, a pH adjusting agent, an antifoaming agent and cannot contain any apple or rhubarb.

Machinery & Equipment's required:

Description	Value
Main Machinery price	700000
GST @ 18%	1,26,000
Total Cost	8,26,000

* Machine Value is exclusive of other transportation cost.

Furniture & Fixture Requirement:

Cost of office furniture (Table, chairs, workstation): Rs. 1,00,000.

Raw Material Requirement

The major consumables you require are fruits, sugar, pectin, additives, preservatives, food colours etc.

Labour Requirement:

2 Manpower are required for the Jam & Jelly unit.

Includes:

1 skilled labour

1 unskilled Labour

Land & Building required:

Land required 650-700 Square Feet (approx.)

Approximate rent for the same is 13000 per Month.

Jam & Jelly License & Registration**For Proprietorship**

- Obtain the GST registration.
- Fire/ Pollution Registration as required.
- Choice of a Brand Name of the product and secure the name with Trademark if required.

Implementation Schedule

S.N.	Activity	Time Required (In Months)
1	Registration, selection of site, statutory, Licensing	1 Month

2	Order to Machine, Raw material & recruitment	1 Month
3	Training & market survey	1 Month
4	Commissioning & commercial production	1 Month
5	Arrangement of Finance	1 month
	Total time Required (some activities shall run simultaneously)	2-3 months (approx.)

PROJECT AT A GLANCE

- 1** Name of the Entrepreneur **Xx**
Constitution (legal Status)
- 2** : : Xx
- 3** Father's/Spouse's Name **Xx**
- 4** Unit Address :
- Taluk/Block: **XX**
District : **XX**
Pin:
E-Mail : **XX**
Mobile **XX**
- 5** Product and By Product : Jam & Jelly
Name of the project / business
- 6** activity proposed :
- 7** Cost of Project : **Rs.** 9.26
- 8** **Means of Finance**
- Term Loan **Rs.** 8.33 Lacs
25% of 9.26 Lacs
- KVIC Margin Money **Rs.** (2.315 Lacs)
- Own Capital **Rs.** 1.70 Lacs
- 9** Debt Service Coverage Ratio :
- 10** Pay Back Period : 5 years
- 11** Project Implementation Period : 6 months
- 12** Employment :
- 13** Power Requirement : 7 KW connection
- 14** Major Raw materials : fruits, sugar
- Estimated Annual Sales Turnover 66 Lacs (at 50% capacity)
- 15** :
- 16** Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	
Building & Civil Work	-
Plant & Machinery	8.26
Furniture & Fixtures	1.00
Pre-operative Expenses	
Contingencies	

MEANS OF FINANCE

Working Capital Requirement	7.78
Total	17.04

Particulars	Amount
Own Contribution	1.70
Bank Finance	8.33

working capital
from bank 7.00

Total	17.04
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KVIC Margin 25% of 9.26 Lacs
Monery (2.315 Lacs)

FINANCIAL ASSISTANCE REQUIRED

Term Loan of Rs. 8.33 Lacs and Working Capital limit of Rs. 7.00 Lacs

COST OF PROJECT

PARTICULARS	AMOUNT	AMOUNT	AMOUNT
		10.00%	90.00%
Building Civil Work			
Plant & Machinery	8.26	0.83	7.43
Furniture & Fixtures and Other Assets	1.00	0.10	0.90
Working capital	7.78	0.78	7.00
Total	17.04	1.80	15.33

MEANS OF FINANCE

PARTICULARS	AMOUNT
Own Contribution	1.70
Bank Loan	8.33
Working capital Limit	7.00
Total	17.04

COMPUTATION OF PRODUCTION OF JAM & JELLY**Items to be Manufactured**

Jam & Jelly

machine capacity per day 50 KG per hour

machine capacity per annum 96000KG

Production of Jam & jelly

Production	Capacity	KG
1st year	50%	48,000
2nd year	55%	52,800
3rd year	60%	57,600
4th year	65%	62,400
5th year	70%	67,200

Raw Material Cost

Year	Capacity Utilisation	KG	Amount (Rs. in lacs)
1st year	50%	100.00	48.00
2nd year	55%	103.00	54.38
3rd year	60%	105.00	60.48
4th year	65%	107.00	66.77
5th year	70%	110.00	73.92

Packaging Charges			
Raw Material	KG	Rate perKG	Amount (Rs. in lacs)
1st year	48,000	6.00	2.88
2nd year	52,800	6.50	3.43
3rd year	57,600	7.00	4.03
4th year	62,400	7.50	4.68
5th year	67,200	8.00	5.38

<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	4,000	4,400	4,800	5,200
Production	48,000	52,800	57,600	62,400	67,200
Less : Closing Stock	4,000	4,400	4,800	5,200	5,600
Net Sale	44,000	52,400	57,200	62,000	66,800
sale price per KG	150.00	152.00	153.00	155.00	157.00
Sales (in Lacs)	66.00	79.65	87.52	96.10	104.88

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages Per Month	No of Employees	Total Salary
Skilled	12000	1	12000
Unskilled	10000	2	20000
Total Salary Per Month			32000
Total Annual Labour Charges	(in Lacs)		3.84

BREAK UP OF STAFF Charges			
Particulars	Wages Per Month	No of Employees	Total Salary
Accountant	12000	1	12000
Helper	7000	1	7000
Total Salary Per Month			19000
Total Annual Labour Charges	(in Lacs)		2.28

Utility Charges at 100% capacity (per month)		
Particulars	value	Description
Power connection required	5	KWH
consumption per day	40	units
Consumption per month	800	units
Rate per Unit	7	Rs.
power Bill per month	5600	Rs.

PROJECTED PROFITABILITY STATEMENT					
	-	-	-		
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	50%	55%	60%	65%	70%
<u>SALES</u>					
Gross Sale					
Jam & Jelly	66.00	79.65	87.52	96.10	104.88
Total	66.00	79.65	87.52	96.10	104.88
<u>COST OF SALES</u>					
Raw Mateiral Consumed	48.00	54.38	60.48	66.77	73.92
Elecricity Expenses	0.67	0.74	0.81	0.89	0.98
Depriciation	1.34	1.14	0.98	0.83	0.71
Consumables	1.98	2.39	2.63	2.40	2.10
Repair & maintenace	1.32	1.75	1.93	2.11	2.31
other direct expenses	1.78	2.15	2.36	2.59	2.83
Bottle charges	2.88	3.43	4.03	4.68	5.38
Cost of Production	57.97	65.99	73.22	80.29	88.23
Add: Opening Stock /WIP	-	4.83	5.50	6.10	6.69
Less: Closing Stock /WIP	4.83	5.50	6.10	6.69	7.35
Cost of Sales	53.14	65.32	72.61	79.70	87.57
GROSS PROFIT	12.86	14.33	14.90	16.40	17.31
salary to staff	2.28	2.51	2.76	3.03	3.34
Interest on Term Loan	0.83	0.78	0.63	0.49	0.07
Interest on working Capital	0.77	0.77	0.77	0.77	0.77
Rent	3.60	3.96	4.36	4.79	5.27

Selling & adm Exp	1.98	3.19	2.63	2.88	3.15
TOTAL	9.46	11.20	11.14	11.97	12.60
NET PROFIT	3.40	3.12	3.76	4.44	4.71
Taxation					
PROFIT (After Tax)	3.40	3.12	3.76	4.44	4.71

PROJECTED BALANCE SHEET

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		4.11	5.73	7.69	10.13
<i>Add:- Own Capital</i>	1.70				
Add:- Retained Profit	3.40	3.12	3.76	4.44	4.71
Less:- Drawings	1.00	1.50	1.80	2.00	2.20
Closing Blance	4.11	5.73	7.69	10.13	12.64
Subsidy Reserve	2.32	2.32	2.32	-	-
Term Loan	7.67	6.35	5.03	1.39	0.18
Working Capital Limit	7.00	7.00	7.00	7.00	7.00
Sundry Creditors	2.40	2.54	3.02	3.34	3.70
Provisions & Other Liab	0.30	0.40	0.55	0.66	0.83
TOTAL :	23.80	24.34	25.62	22.52	24.34
<u>Assets</u>					
Fixed Assets (Gross)	9.26	9.26	9.26	9.26	9.26
Gross Dep.	1.34	2.48	3.46	4.29	5.00
Net Fixed Assets	7.92	6.78	5.80	4.97	4.26
FD of Subsidy	2.32	2.32	2.32		
Current Assets					
Sundry Debtors	2.75	3.32	4.38	4.00	5.24
Stock in Hand	8.83	10.03	11.14	12.25	13.51
Cash and Bank	1.98	1.89	1.98	1.29	1.26
TOTAL :	23.80	24.34	25.62	22.52	24.27

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	1.70				
Net Profit	3.40	3.12	3.76	4.44	4.71
Depreciation & Exp. W/off	1.34	1.14	0.98	0.83	0.71
Increase in Cash Credit	7.00	-	-	-	-
Increase In Term Loan	8.33	-	-	-	-
Increase in Creditors	2.40	0.14	0.49	0.31	0.36
Increase in Provisions & Oth lib	0.30	0.10	0.15	0.11	0.17
increase in subsidy	2.32				
TOTAL :	26.80	4.51	5.37	5.69	5.94
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	9.26				
Increase in Stock	8.83	1.20	1.11	1.11	1.26
Increase in Debtors	2.75	0.57	1.06	0.37	1.24
Repayment of Term Loan	0.66	1.32	1.32	3.64	1.28
Increase in FD	2.32	-	-	-	
Drawings	1.00	1.50	1.80	2.00	2.20
Taxation	-	-	-	-	-
TOTAL :	24.82	4.59	5.29	6.38	5.98
Opening Cash & Bank Balance	-	1.98	1.89	1.98	1.29
Add : Surplus	1.98	0.08	0.09	0.69	0.03
Closing Cash & Bank Balance	1.98	1.89	1.98	1.29	1.26

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
	4.83	5.50	6.10	6.69	7.35
<u>Raw Material</u>					
	4.00	4.53	5.04	5.56	6.16
Closing Stock	8.83	10.03	11.14	12.25	13.51

COMPUTATION OF WORKING CAPITAL REQUIREMENT

TRADITIONAL METHOD					
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	8.83				
Less : Creditors	2.40				
Paid stock	6.43	10%	0.64	90%	5.79
Sundry Debtors	2.75	10%	0.28	90%	2.48
	9.18		0.92		8.26
WORKING CAPITAL LIMIT DEMAND (from Bank)					
				7.00	

2nd Method		
PARTICULARS	1st year	2nd year
Total Current Assets	13.56	15.24
Other Current Liabilities	2.70	2.94
Working Capital Gap	10.86	12.31
Min Working Capital		
25% of WCG	2.71	3.08
Actual NWC	3.86	5.31
item III - IV	8.14	9.23
item III - V	7.00	7.00
MPBF (Lower of VI & VII)	7.00	7.00

3rd Method		
PARTICULARS	1st year	2nd year
Total Current Assets	13.56	15.24
Other Current Liabilities	2.70	2.94
Working Capital Gap	10.86	12.31
Min Working Capital		
25% of Current Assets	3.39	3.81
Actual NWC	3.86	5.31
item III - IV	7.47	8.50
item III - V	7.00	7.00
MPBF (Lower of VI & VII)	7.00	7.00

COMPUTATION OF DEPRECIATION

Description	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	8.26	1.00	9.26
Total	8.26	1.00	9.26
Less : Depreciation	1.24	0.10	1.34
WDV at end of Year	7.02	0.90	7.92
Additions During The Year	-	-	-
Total	7.02	0.90	7.92
Less : Depreciation	1.05	0.09	1.14
WDV at end of Year	5.97	0.81	6.78
Additions During The Year	-	-	-
Total	5.97	0.81	6.78
Less : Depreciation	0.90	0.08	0.98
WDV at end of Year	5.07	0.73	5.80
Additions During The Year	-	-	-
Total	5.07	0.73	5.80
Less : Depreciation	0.76	0.07	0.83
WDV at end of Year	4.31	0.66	4.97
Additions During The Year	-	-	-
Total	4.31	0.66	4.97
Less : Depreciation	0.65	0.07	0.71
WDV at end of Year	3.67	0.59	4.26
s	-	-	-

Total	3.67	0.59	4.26
Less : Depreciation	0.55	0.06	0.61
WDV at end of Year	3.12	0.53	3.65
Less : Depreciation	0.47	0.05	0.52
WDV at end of Year	2.65	0.48	3.13
Less : Depreciation	0.40	0.05	0.45
WDV at end of Year	2.25	0.43	2.68

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	4.74	4.27	4.74	5.27	5.42
Interest on Term Loan	0.83	0.78	0.63	0.49	0.07
Total	5.57	5.04	5.37	5.76	5.50
<u>REPAYMENT</u>					
Instalment of Term Loan	0.66	1.32	1.32	3.64	1.28
Interest on Term Loan	0.83	0.78	0.63	0.49	0.07
Total	1.49	2.10	1.95	4.13	1.35
DEBT SERVICE COVERAGE RATIO	3.75	2.41	2.75	1.39	4.06
AVERAGE D.S.C.R.	2.87				

REPAYMENT SCHEDULE OF TERM LOAN

Interest 11.00%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	8.33	8.33	-	-	8.33
	2nd month	8.33	-	8.33	0.08	-	8.33
	3rd month	8.33	-	8.33	0.08	-	8.33
	4th month	8.33	-	8.33	0.08	-	8.33
	5th month	8.33	-	8.33	0.08	-	8.33
	6th month	8.33	-	8.33	0.08	-	8.33
	7th month	8.33	-	8.33	0.08	0.110	8.22
	8th month	8.22	-	8.22	0.08	0.110	8.11
	9th month	8.11	-	8.11	0.07	0.110	8.00
	10th month	8.00	-	8.00	0.07	0.110	7.89
	11th month	7.89	-	7.89	0.07	0.110	7.78
	12th month	7.78	-	7.78	0.07	0.110	7.67
					0.83	0.660	
2nd	Opening Balance						
	1st month	7.67	-	7.67	0.07	0.110	7.56
	2nd month	7.56	-	7.56	0.07	0.110	7.45
	3rd month	7.45	-	7.45	0.07	0.110	7.34
	4th month	7.34	-	7.34	0.07	0.110	7.23
	5th month	7.23	-	7.23	0.07	0.110	7.12
	6th month	7.12	-	7.12	0.07	0.110	7.01
	7th month	7.01	-	7.01	0.06	0.110	6.90
	8th month	6.90	-	6.90	0.06	0.110	6.79
	9th month	6.79	-	6.79	0.06	0.110	6.68
	10th month	6.68	-	6.68	0.06	0.110	6.57
	11th month	6.57	-	6.57	0.06	0.110	6.46
	12th month	6.46	-	6.46	0.06	0.110	6.35

				0.78	1.320	
3rd	Opening Balance					
	1st month	6.35	-	6.35	0.06	6.24
	2nd month	6.24	-	6.24	0.06	6.13
	3rd month	6.13	-	6.13	0.06	6.02
	4th month	6.02	-	6.02	0.06	5.91
	5th month	5.91	-	5.91	0.05	5.80
	6th month	5.80	-	5.80	0.05	5.69
	7th month	5.69	-	5.69	0.05	5.58
	8th month	5.58	-	5.58	0.05	5.47
	9th month	5.47	-	5.47	0.05	5.36
	10th month	5.36	-	5.36	0.05	5.25
	11th month	5.25	-	5.25	0.05	5.14
	12th month	5.14	-	5.14	0.05	5.03
				0.63	1.320	
4th	Opening Balance					
	1st month	5.03	-	5.03	0.05	4.92
	2nd month	4.92	-	4.92	0.05	4.81
	3rd month	4.81	-	4.81	0.04	4.70
	4th month	4.70	-	4.70	0.04	4.59
	5th month	4.59	-	4.59	0.04	4.48
	6th month	4.48	-	4.48	0.04	4.37
	7th month	4.37	-	4.37	0.04	4.26
	8th month	4.26	-	4.26	0.04	4.15
	9th month	4.15	-	4.15	0.04	4.04
	10th month	4.04	-	4.04	0.04	3.93
	11th month	3.93	-	3.93	0.04	3.82
	12th month(Subsidy adjusted)	3.82	-	3.82	0.04	1.39
				0.49	3.640	
5th	Opening Balance					
	1st month	1.39	-	1.39	0.01	1.28

2nd month	1.28	-	1.28	0.01	0.110	1.17
3rd month	1.17	-	1.17	0.01	0.110	1.06
4th month	1.06	-	1.06	0.01	0.110	0.95
5th month	0.95	-	0.95	0.01	0.110	0.84
6th month	0.84	-	0.84	0.01	0.110	0.73
7th month	0.73	-	0.73	0.01	0.110	0.62
8th month	0.62	-	0.62	0.01	0.110	0.51
9th month	0.51	-	0.51	0.00	0.110	0.40
10th month	0.40	-	0.40	0.00	0.110	0.29
11th month	0.29	-	0.29	0.00	0.110	0.18
12th month	0.18	-	0.18	0.00	0.180	-
				0.07	1.28	

DOOR TO DOOR	60 MONTHS
MORATORIUM PERIOD	6 MONTHS
REPAYMENT PERIOD	54 MONTHS

DISCLAIMER

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