

**Commissioner of Industries  
Hyderabad  
Andhra Pradesh**

**Coconut Cream and Powder**

**I. Introduction**

Coconut cream is a white smooth textured product with creamy consistency. India is the second largest producer of coconuts in the World. The world production of coconuts was 49 billions nuts in the year 1994. Philippines is the largest producer with a share of 23.2% of the total production. India has a registered a production of 15,000 million nuts in the year 1995.

Currently only coconut oil is produced for commercial trade and coconut oil is the least value added item. The value addition through product diversification is most essential to sustain coconut industry. Another attractive feature for this activity is the availability of coconuts round the year.

Coconut cream is used as culinary in stews, curries, preparation of deserts like pajamas; for novel uses in the milk shakes/cool drinks, ice candies, fruit salads etc.

**In Andhra Pradesh** with 90,000 hectares and producing 1231.4 million nuts respectively. The important coconut growing districts in the State are East Godavari, West Godavari, Srikakulam, Chittoor, Visakapatnam and Vizianagaram.

**II. Market Status and Scope**

Processed coconut cream/milk and the by-products are convenience products intended for domestic market, to some extent export to Gulf and West Asian Countries. The products are used in the manufacture of biscuits, sweets, savouries and food preparations. The products manufactured under hygienic conditions shall be acceptable in 350 million strong middle income population of the country as it is a ready to use product without any time delay. Presently there is no unit in the state and therefore there is a good market potential for this product in the state.

**III. Installed Capacity**

The proposed project shall have an annual installed capacity of 1800 tonnes of coconut cream and 360 tonnes of coconut powder respectively. The plant shall run round the clock. 300 working days per annum.

**IV. Project Cost**

	(Rs. Lakhs)
Land	10.00
Buildings & Civil Works	14.00
Plant & Machinery	103.50
Other Fixed Assets	20.00
Technical Knowhow	5.00
Pre-l. & Pre-op. Expenses	17.05
Margin Money for W.C.	19.37
Deposits, Rent etc.	1.00
Contingencies	11.55

Total :	201.47
Means of Finance:	
Promoter's Equity	83.10
Term Loan	118.37
Total:	201.47

#### V. Cost of Production and Profitability (3rd year of operation)

Cost of	(Rs. in Lakhs)
1. Raw Materials	201.60
2. Consumables	---
3. Utilities	12.02
4. Salary & Wages - product	11.82
5. Packing Materials	201.60
6. Repairs & Maintenance	2.29
7. Depreciation	6.58
8. Telephone & Posts	6.55
9. Selling Expenses	32.76
10. Admn. Salaries	2.72
11. Admn. Overheads	29.48
12. Pop Expn. Written Off	1.71
13. Interest on Term Loans	14.37
14. Interest on Working Capital Loan	13.71
Total:	537.22
Net Sales - Sale Price	Rs. 40000 per ton for cream
	Rs. 622.44 Lakhs
	Rs. 60000 per ton for powder
Profit before Tax	Rs. 85.22 Lakhs
Debt Service Coverage Ratio (DSCR) ..	2.08
Break Even Point: % at Installed Capacity ..	36.75
Cumulative Cash Surplus at the end of 5th year ..	Rs. 257.10 Lakhs

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[catalogs.indiamart.com/manufacturers/food-processing-equipment.html](http://catalogs.indiamart.com/manufacturers/food-processing-equipment.html)