

FACULTY OF AGRICULTURE

DEPARTMENT OF AGRICULTURAL ECONOMICS

GECOVAC01 - FORMULATION OF BANKABLE AGRICULTURAL PROJECT

Learning Objectives

LO1: To know about the agricultural project preparation and analysis.

LO2: To gain knowledge on project investment and drafting of the project proposal.

Course Outcomes

At the end of the course, students will be able to

CO 1: understand the criteria for selection of agricultural projects.

CO 2: gain knowledge on project preparation and analysis.

CO 3: understand the operational and investment analysis of agricultural projects.

CO 4: imbibe knowledge on drafting of project of project proposal.

Unit-I : Agricultural projects – Introduction

Project - definition - agricultural projects - project preparation and analysis - criteria for selection of agricultural projects - Innovation, business incubation. Entrepreneurship development programmes - Government schemes and incentives - Government policy.

Unit-II : Project Identification

Project Identification - entrepreneurs' area of interest - background, land, building, water, investment. Sources of projects - resources - own and institutional. Enterprise - project cost, break even point, infrastructure, machinery, power, water, manpower requirement.

Unit-III : Project Appraisal

Project appraisal - meaning and scope - types of project appraisal - technical, commercial, financial, economic and management appraisal - methodological issues in financial and economic evaluation of projects - measuring intangible costs and benefits - social cost and benefits analysis - choice among mutually exclusive projects.

Unit-IV : Project Investment and Operational Analyses

Cash flow analysis and discounting procedures - use of decision criteria NPV, BCR, Pay back period and IRR in decision making. Network techniques - PERT, CPM and crash programme methods - SWOT techniques. Analyzing risk in agricultural projects - Sensitivity analysis - Decision tree analysis - Environment Impact Assessment (EIA).

Unit-V : Drafting of Project Proposal

Procedures for preparation of project proposal on crop, dairy, poultry, forestry, fisheries enterprises and agro industries - data requirements and their format. Preparation of case studies - Review of awarded projects of major banks - Current streams of thought.

Reference Books

1. Chandra, Prasanna, 1995. *Projects: Preparation, Appraisal, Budgeting and Implementation*, Tata Mc - Graw Hill Publications, New Delhi.
2. Gopal Krishan, P. and K.Nagarajan, 2005. *Project Management*, New Age Publishing, New Delhi.
3. Goel, B.B., 1989. *Project Management*, Deep and Deep Publications, New Delhi.
4. Gittinger, Price J., 1982. *Economic Analysis of Agricultural Projects*, The John Hopkins University Press, London.
5. Ramamoorthy, V.E., 2005. *Textbook of Project Management*, Macmillan, New Delhi.