AGARWOOD PLANTATION PROJECT
ESTIMATED COST FOR 1 BIGHA LAND:

STEP 1 - TREES PLANTATION

- *500 trees with 5ft by 5ft spacing*
- *Trees height 3ft to 4 ft*
- *Cost of per tree approx Rs. 100 /- per tree*
- *Total project cost for 500 trees*

Trees Value 500*100 (A)	= Rs. 50,000.00
Labour cost	= on actual
Water drip system cost	= on actual

Note: Trees growing medicine cost will be extra if required.

After 10 yrs

STEP II - TRESS INOCULATION

with 1 to 2 ft girth requires 2 litres of inoculum i.e. 1000 litres for 500 trees @ Rs2000 per litre.

*1000 litres * Rs. 2000/-*	= Rs. 20,000,00/-
Inoculation Charge	= Rs. 1,00,000/-
Other Tools & Equipment	= Rs. 50,000/-

Therefore, an overall estimated cost (B) = Rs. 21,50,000/- approx would be required for the overall project of 500trees.

Note : This amount is only a rough & current estimation. The original amount can vary as per the trees size and age whichcan only be estimated through a proper customized quotation at the time of inoculation.

Return on Investment (ROI) after 14 yrs :

The total yield of agarwood chips per tree is found to be 0.75 kg to 2.5 kg kilograms approx. Thus taking a average 1.5kgper tree. 500 trees will give a yield of around 750 kg of agarwood chips.

As per the market standards, the prices of inoculated agarwood chips depending on the duration of inoculation period.The 1st phase (24 months) harvest sells at Rs. 20,000 to Rs. 30,000 per Kg

The 2nd phase (36 months) harvest sells at Rs. 40,000 to Rs. 60,000 per Kg The 3rd phase

(48 months) harvest sells at Rs. 50,000 to Rs. 80,000 per Kg **Based on these rates ,**

if an harvest is done on 2nd phase then the selling price of 750 kg of agarwood chips will be

*(C) 750 Kg * Rs. 50000*	*= Rs. 3,75,000,00/- (Rs Three Crore Seventry Five Lac only)*
Chips Processing Charges for 1 Kg	*= Rs. 10000/-*
Chips processing charges for 750 Kg (D)	**= 750 * 10000 = Rs. 75,000,00/- (Seventy Five Lac Only)Total Return**
on Investment	**= C-A-B-D**
	= 3,75,000,00 - 50,000 - 21,50,000-75,000,00
	= 2,78,00,000/- (Rupees Two Crore Seventy Eight Lac Only)

Note: The budget given above for the overall project is only an estimation based on the current rates. The actualfigures/amounts could vary to an extent due to various factors.

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