

SUCCESSFUL FOOD ENTREPRENEUR – SMT. PREMA BALAPPANAVAR

1) Background :

Smt. Prema aged 36 years from Kurthkoti village in Gadag taluk hails from an agricultural family. Her husband owns 6 acres of dry land which is the main source of livelihood. They have four children. Elder daughter is married and younger daughters and son are studying. Agricultural income was not stable (Rs. 25000 to Rs. 40000 per year) and not sufficient enough to meet the family expenditure. During 2005-06 Smt. Prema joined “Mankamma Devi” Self Help Group organized by KVK. She attended training programme organized by KVK on capacity building on value added products from agricultural enterprise and entrepreneurship development programmes. After attending trainings, Smt. Prema was keen to start the enterprise of vermicelli, chilli products and crisp roti preparation. KVK facilitated her to purchase vermicelli machine and roti machine with the financial support from her Self Help Group. Periodical guidance on production of vermicelli, chilli powder, food products, methi chilli & roti preparation along with labeling, packing and marketing was given by KVK.



Initially the vermicelli enterprise was established during 2006-07 and later chilli value addition, roti enterprise and other food products were added during 2010-11.

KVK made publicity of her products through its network of SHGs, KVK's Marketing Outlet and Wednesday Bazaar initiated by KVK at Hulkoti village in Gadag district. Through these efforts, marketing channels were developed for her products.

2) Time line of entrepreneurship development of entrepreneur

2005-06 : Joined Mankamma Self Help Group organized by KVK

- Learnt thrift and credit activities
- Developed awareness on income generating programmes
- Developed contacts with the KVK and Bank

2006-07 : Attended training programme at KVK on preparation of value added products

- Learnt preparation of vermicelli from wheat
- Learnt entrepreneurship skills through interactions with successful

entrepreneurs on feasibility of enterprises during exposure visits organized by KVK

- Established vermicelli enterprise
- Purchased vermicelli machine

2010-11 : Attended training on food processing at KVK

- Learnt chilli powder production, preparation of methi, crisp roti, chutneys millet products and other various food products
- Established roti enterprise and other food processing enterprises
- Purchased roti machine and other equipments

2011-12 :

- Added production of chilli powder, millet based vermicelli products and other food products

3) Technical Components in the enterprise

(a) **Raw materials :** Smt. Prema makes use of her farm grains as raw materials viz; jowar, chilli for preparation of crisp roti, chilli powder and methi chilli respectively. Grains of ragi, rice and rawa (wheat suji) are purchased from market for preparation of ragi, rice and wheat vermicelli.

(b) Process (Methodology)

Vermicelli production : For preparation of wheat vermicelli, fine wheat suji (Churotirava) is procured from the market. The dough is prepared by mixing suji, water and 5 gm of salt per kg of suji. The dough is prepared in such a way that it should be consistent. The dough is put into the vermicelli machine. The machine produces vermicelli threads. The threads are trimmed to length of 22-25 inches and is put on a bamboo stick for drying. It is dried for 1 day in sun. After this, bundles of vermicelli each weighting 200-250 gms are made and then packed in carton box.



Ragi, Rice and foxtail millet vermicelli are prepared by mixing 50 percent of wheat suji with 50 percent of ragi rice or foxtail millet flour. Remaining procedure is same as that of preparation of wheat, vermicelli

Jowar Crisp roti production (From machine)

For every kg of jowar, 50 gms of rice is mixed during milling. The dough is prepared by having enough strength and stickiness. A lump of dough weighting 50-60gms is placed on a plastic sheet smeared with cooking oil. Another plastic sheet is covered on the dough. This is put in to the roti machine and is pressed through the leg operated pedal. The roller presses the dough in to round shape roti. Then the rotis are baked on hot tawa and kept near Chula to make it crisp.



Chutneys: Oilseed crops such as groundnut, linseed & pulse crop bengalgram etc. are roasted and mixed with chilli powder to prepare various types of chutneys.

Sweets: By mixing roasted & coarsely powdered groundnut, sesame seeds & other crop grains with jiggery, many types of sweets are prepared.

(c) Man power involvement:

For preparation of vermicelli production, family members are involved. As the enterprise is seasonal in nature (March to May), the children of Smt. Prema assist her in the production of vermicelli during holidays. About 2-3 man power is required per day. Every day she prepares about 100 Kg of vermicelli.

Usually, labours (2-3 nos) are employed for roti & other product preparation and labours are paid Rs. 100 per day.

(d) Package and handling:

Wheat vermicelli bundles of each weighing 200-250 gm are packed in carton boxes. Each carton box contains 5 Kg of vermicelli. Depending on the demand from customer, vermicelli bundels from carton boxed are taken and sold.

Rotis are very crisp and thin. Hence rotis are packed in carton boxes to avoid breakage. Depending on the supply order 200-500 rotis are packed in carton boxes.

Chilli powder, methi chillies and other products are packed in standup pouches weighing 100, 200, 500 and 1000 grams.

(e) Cost benefit ratio

Name of the product	Unit	Gross cost (Rs.)	Gross returns (Rs.)	Net Profit (Rs.)	Cost benefit ratio (Rs.)
Wheat vermicelli	100 kg	2400	4000	1250	1.60
Foxtail millet / Ragi vermicelli	100 kg	2100	5000	2900	2.38
Jowar crisp roti	1000 nos	1250	3000	1750	2.40
Chilli powder	100 kg	6000	15000	9000	2.50
Methi chilli	25 kg	3000	6250	3250	2.08
Other food products					
Groundnut chutney	100 kg	12000	20000	8000	1.66
Linseed chutney	100 kg	12000	18000	6000	1.50
Groundnut Holige (sweet)	1000 nos.	3500	6000	2500	1.71
Sesame Holige (sweet)	1000 nos.	4200	6500	2300	1.55

4) Status of entrepreneur before and after the enterprise

Before starting the enterprise, Smt. Prema was confined to household activities and had no income. Family income from agriculture was not enough. Getting education to the children was difficult. After the establishment of vermicelli, roti and chilli based enterprise, Smt. Prema started earning the income. Every year she earns net profit of



Rs.55000 from vermicelli enterprise and Rs.70000 from roti enterprise and Rs.51000 from chilli powder and methichilli enterprise. She earns Rs.22000 per annum from sale of groundnut and sesame chutney and Rs.7300 from sale of groundnut and Sesamum sweets. She has repaid loan of Rs.50000 taken for purchase of vermicelli and roti machines.

She has invested her income for her children's education. She got her elder daughter married off and other children are studying in College and High School. Children help in her enterprise during holidays. She has been recognized in the Self Help Group and in the village as a hardworking entrepreneur. Out of her earnings, she saves Rs.100 per day for the future. There has been a sea change in the standard of living of her family.

Before the start of the enterprise, she hesitated to talk with the people. Now she learnt the art of communication which has helped her to develop her enterprise.

5) Present working condition of enterprise

The raw materials required for the enterprise are mainly grown in her farm. She makes use of jowar, chilli and foxtail millet as raw materials for the enterprise. Wheat suji is purchased from market for preparation of wheat vermicelli. As the enterprise is run by machine and family members are involved, there is no problem of labours. All the products are sold in Kurthakoti and surrounding villages. The operation and maintenance of machines is carried out by all the family members. There is a lot of demand for her products during festivals and important ceremonies / occasions.

Smt. Prema is known for taste and quality products of vermicelli, roti, chilli powder and methichilli. As she uses local grains as raw material, consumers prefer to place order and buy the products. As the vermicelli and roti are the traditional food of North Karnataka and the process of preparation is very tedious, there is increased demand for vermicelli and roti.

6) Economics of Enterprise:

The success of any enterprise depends on the net profit gained by the entrepreneur. Eversince the establishment of vermicelli and roti enterprise, Smt. Prema has been getting regular income. She gets net profit of Rs.1250 from the sale of 100 Kg of wheat vermicelli, Rs.2900 from sale of 100 Kg of foxtail/ragi vermicelli.

A net profit of Rs.1750 is earned from the sale of 100 crisp roties.

From sale of 100 Kg chilli powder, she gets net profit of Rs.9000 and from sale of 25 Kg methi chilli, she earns Rs.3250 as net profit.

Sale of 100 Kg of groundnut and sesamum chutney fetches net income of Rs.6000-8000.

From sweet items prepared from groundnut and sesamum a net income of Rs.2300 to 2500 is realized for every 1000 pieces of sweets.

The details of the annual production of enterprise and the income realized during 2012-13 are given below.

Name of the product	Total production/annum	Cost of production (Rs.)	Gross return (Rs.)	Net profit (Rs.)
Wheat vermicelli	3500 Kg	87500	140000	52500
Foxtail / Ragi vermicelli	100 Kg	2100	5000	2900
Jowar crisp roti	40000 Nos.	50000	120000	70000
Chilli powder	500 Kg	30000	75000	45000
Methi chilli	50Kg	6000	12500	6250
Groundnut chutney	200 Kg	24000	40000	16000
Linseed chutney	100 Kg	12000	18000	6000
Groundnut Holige (Sweet)	2000 Nos.	7000	12000	5000
Sesamum Holige (Sweet)	1000 Nos.	4200	6500	2300
	Total	222800	429000	205950

7) Horizontal spread of enterprise

Under the guidance of Smt.Prema, 3 vermicelli enterprise have been established in Kurthakoti and neighbouring villages. About 6 women have started the roti enterprise in Kurthakoti and neighbouring villages with the support from Smt.Prema.