

How To Start Tomato Sauce Business In India? | Best Business In India in 2022



Tomato Sauce on Pasta

Tomato Sauce Business In India and Its Increasing Demand.

Talking about **Tomato Sauces**, everyone including, a 2-year-old is well aware of it. We all enjoy eating our favorite foods like Pizzas, Fries, and even Parathas with Tomato Ketchup. Therefore, I can say that we Indians can make Tomato Sauce match with any kind of food that is available to us. Seeing this high demand, we can say that the need for a Tomato Sauce production plant is quite high in our region. Not only in our region but it is needed all over the globe and talking specifically about this business, it can be a life-changing opportunity for some people if you target the local market

initially where tomato sauce is used regularly.

Types of businesses related to Tomato Sauce Business Plan

We read about the ever-increasing demand for tomato ketchup. So there are various business ideas which we can think of. Which includes:

- Manufacturing Red Tomato Sauce
- Producing different types of Tomato Sauces like Chilly Tomato Sauce, Garlic Tomato Sauce, etc.
- Making Tomato Puree, etc
- Buying and Selling of premade Tomato Sauces

Here we are going to plan a type of business where eventually we buy all the necessary raw materials and then we undergo tomato processing and we get the final product as Tomato Sauce.

The competitors in Tomato sauce business in India:

In Business in India, you must learn about the competitors before starting a business and in this case, we have some of the very big names like **Kissan**, **Maggi**, **Patanjali**, etc that are ruling the market with their amazing tomato sauce recipe.

We don't have to get worried after seeing these big names that are already there in the Tomato Sauce business in India. Our business model targets local businesses like restaurants, hotels, hawkers, general stores, etc. We must be more specific about these businesses because tomato ketchup is a thing which they require daily and If the quality of the sauce which we are going to manufacture is good and also is chemical-free, then there will be no issues in selling our products to these

potential customers.

Raw Materials Required In Sauce Manufacturing Business.

The raw materials which are required in the production of tomato sauces are:

- Good quality Tomatoes
- Artificial Sweetners or Sugar
- Water and some preservatives
- Spices like Onion powder, Garlic Powder, Salt, etc.
- Chillies and other necessary things if making some special flavoured Tomato Sauce Recipe.
- Plastic or Glass bottles for packaging

Planning Required For Tomato Ketchup Manufacturing.

Basic Planning:

If you want to start this Tomato Sauce business in India, you have to make various plans upon the things like area required for the plant to the number of workers either they be skilled or unskilled. Let us break down all of this for you.

Area And Place Requirements for Tomato Sauce Production Business.

Area requirements can vary from person to person. We will provide a basic idea about the requirements which generally people keep in mind before starting sauce production.

Area Required: Most people set their plants in the range of 600 sq feet to **8000 sq feet**. This number is totally dependant on us whether we want a compact production plant with or

without machinery or we want a place that is big enough to fit 20 elephants. We can get many rented places for setting up the plant but we need to take care of the local government guidelines. Make sure to consult any government official to make your plan solid. The rent for these places can vary upon the area but as a bottom line, we can suggest keeping **10000-20000 Rupees** a month for this purpose.

Basic Cost of a Tomato Ketchup / Sauce Manufacturing Plant.

Monetary Requirements: For this business plan our investment can vary from **2 Lakhs to 10 Lakhs Rupees**. It is highly dependant upon the area, machinery, workers, electricity, water raw materials, etc.

Machine Prices: Generally machines can be bought through online markets and even from offline markets. There are many types of machines available in the current market which are required to perform a list of functions like:

- Pulping of Tomatoes
- Grinding of Tomatoes, etc.

We can choose from a lot of different machines but for a start, we can get it with a potential investment of about **40 – 50 Thousand Rupees**.

Paying Workers: We can hire workers depending upon their skills. Like for using machines, we need skilled workers who can handle the machine properly and for that, we have to pay them higher than the normal standards. Though getting help from unskilled workers can be cheap at the start but our machines can get damaged if not used properly.

Paying Bills: Any production plant's basic need is water and electricity. Many times we have to take special permission from the government for using that electricity and water for

commercial purposes and the charges might differ from the normal. So we have to figure out about that before we start setting our production plant.

Loan Options provided by the Government for Tomato Ketchup Business.

In my opinion generally, in these types of business projects, the government has many kinds of **Yojanas** by which we can get subsidies. These subsidies help a lot in this kind of business. The Government does provide us with loan and subsidy options up to **5 to 6 Lakhs Rupees**. This amount can vary on various things so make sure to give it a check if you are interested and it is mandatory to have about **2 to 3 Lakhs Rupees** as your own investment apart from the loan amount.

As the government also wants to help these small business ideas therefore they provide feedings up to 75 %.

To apply for these loans we can apply through **Pradhan Mantri Mudra Yojana** to our nearest Government Bank. Some documents are required for the application which is as follows:

- Aadhar Card
- Pan Card
- Praman Patra
- Banking Details

Things To Keep In Mind For Tomato Sauce Production Business Plan.

We have to take various licenses from the Government if we want to enter into this business and some of the licenses are discussed below:

- Certificate from **Food Safety and Standards Authority of India (FSSAI)**

- Registering our business at **Micro, Small, and Medium Enterprises (MSME)**
- **NOC** by the **Pollution Board**
- **GST** Registration, etc

Risks and Problems That We Might Face In Tomato Sauce Business Plan.

Every business has its pros and cons and for this tomato sauce business in India, there are some risks too. Coming towards the risks directly we might face these:

- Power outages can cause problems in our production and that may lead in getting the raw material wasted.
- We have to clear the stocks asap as this is something that has to get consumed within a fixed time.
- Keeping the Tomatoes in the cold storage might get expensive for us.
- There can be some times when there can be a shortage of tomatoes and during that time it might become difficult for us to keep our production going.

Profits in Tomato Sauce Production Industry:

By doing Tomato Sauce business in India regularly, the total cost can be around 20 to 25 Lakh Rupees. If the annual sale of this business is Rs 28.80 to 30 lakh Rupees. In this way, the total profit in this business is can be about 4.5 lakhs annually. This means we can save up to 40 thousand rupees and if the business starts running well and then within 2 years the entire cost of the business can be absorbed eventually.