

Report On  
Management of Activities at Modhumoti Rice Mill

By

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An internship report submitted to the Finance Department in partial fulfillment of the  
requirements for the degree of  
MBA

Finance Department  
Brac University  
March 2020

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## **Declaration**

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

### **Student's Full Name & Signature:**

**Rabin Saha**  
**18164016**

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**Student Full Name**  
Student ID

### **Supervisor's Full Name & Signature:**

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**Supervisor Full Name**  
Designation, Department  
Institution

## **Letter of Transmittal**

Mr. Riyashad Ahmed  
Assistant Professor  
Finance Department  
Brac Business School  
BRAC University  
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir / Madam,

With due respect I am very pleased to enclose herewith the internship report on “**Management of Activities at Modhumoti Rice Mill**”. Without your guidance and help this learning experience would not have been way it has been. I have tried my best to prepare a good report with providing all of my effort and to cover all aspects regarding the matter.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

**Rabin Saha**

---

Rabin Saha  
18164016  
BRAC Business School  
BRAC University  
Date: April 13, 2020

## **Acknowledgement**

At first, I would like to express my gratitude to almighty god for enabling me the strength and opportunity to complete the report in the schedule time successfully. I am taking this privilege to deliver my gratefulness to each and every people who are involved with me in every phase of our lives.

I am grateful to my parents without whom I cannot be here. They were beside me in every single situation and are still with me. Without the support of my parents, I could not be able to achieve my objectives and goals.

Then I am deeply grateful to my supervisor Mr. Riyashad Ahmed, Associate Professor, Finance Department, BRAC Business School, BRAC University for his stimulating inspiration, kind guidance, valuable suggestions and sagacious advice during my internship period. His suggestions & guidance have made the report a good manner.

## **Executive Summary**

An organizational study was undergone at Modhumoti Rice Mill, as a part of the academic program for the period of three months. Modhumoti Rice Mill constituted in 2009. Its main objective is to carry out the activity of hulling paddy to obtain Rice, Broken Rice, Rice Bran, and Husk, etc. A detailed study was undertaken to understand the overall functions of the organization and individual functional departments such as Purchasing, Production and Selling and Distribution. The Products to be obtained through paddy from the Rice Milling plant are Rice, Broken rice, Husk, and Bran. And the industry produces different qualities of rice. The first chapter deals with the Introduction, Objectives, Scope, Need, Research methodology, and the Limitations of the study. The second chapter deals with the introduction of the industry in Bangladesh. Chapter three covers the Role of Modhumoti Rice Mills. The Fourth Chapter Covers the Selling and Distribution role of Modhumoti rice Mill.

## **Objective of the Study:**

The prime purpose of this study is the partial fulfillment of the academic requirements of internship program of M.B.A. Another important purpose of the study is to understand the Overall activities of a automated rice mills functioning as well as their rice processing technique. Based on the specific objective the complementary objectives are highlighted as follows:

- To Know Management of Activities at Modhumoti Rice Mill
- To Know The Whole Operation Process of Modhumoti Rice Mills
- To Know the Role of Rice Millers as paddy Purchaser and Paddy Processing.
- To Know the Processing and Milling Activities
- To Know the cost of processing, distribution activities of Modhumoti Rice Mill.

## **Methodology of The Study:**

Methodology is the outline of the report, from topic selection to final report preparation. My study is consists by two parts mainly. First part is the Common aspect and the second one has an insight view of our mills. In Common Aspect part I discussing about the role of every rice millers in paddy purchasing and processing. Moreover, most of the data have been derived from personal experience. At the same time, an informal discussion was held with some of the seniors from my rice mills. I have collected various secondary data for fulfilling the report.

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## **Chapter 1: Introduction**

Rice is one of the staple food all over the world, no matter of location or economic condition of a country. Every developed and developing countries have like to produce rice as their own and consume. Bangladesh is the fourth largest consumer of rice in the world, and Bangladesh Consumes around 35,200 Metric tons in total consumption. The per capita rice consumption stood at 196.6 kilograms in FY2016 and 196.3 kilograms in FY2017 (The University of Arkansas,2017). Rice is the most important cereal and staple food that provide more than 70 percent of the total calorie intake in Bangladesh (Zaman, Mishima, Hisano, & Gergely, 2001). Over the next few years, the population of Bangladesh will be growing by two million every year and may increase by another 30 million over the next 20 years. Thus, Bangladesh will require about 27.26 million tons of rice for the year 2020. During this time, the total rice area will also shrink to 10.28 million hectares. Rice yield therefore, needs to be increased from the present 2.74 to 3.74 t/ha.

Every Rice Processing Mill Follows three stages of rice processing these are parboiling, drying, and milling. This Process can be followed by commercial based or non-commercial based. Non-commercial based maybe home-based production.it is for family consumption. Whereas Commercial based production is for Commercial mill Production where large production is conducted. There are two types of commercial mills available in Bangladesh. One is Modern or automated rice mills Another is husking or traditional rice mill. In automatic rice mill all the activities including drying done by machinal ways. Whereas traditional mills follow the old concept on the milling process.

## **Chapter 2: Role of Rice Miller**

The Role of Rice Millers Consist of four parts starting form paddy purchasing to distribution channel. It is post production of rice along with after production of rice. So role of a rice millers is crucial for any rice milling industry. I divided the role of rice millers as four parts these are given below,

### **2.1 Rice Millers as Paddy Purchaser**

Paddy Purchasing and Choosing the best paddy becomes one of the vital works for a rice miller.

Choosing the best paddy is a hard task for any new comer rice millers. Rice Millers can buy paddy in two different ways one is direct another is through their agents from the markets.

In my case I always buy paddy from agent. This agent-based channel called aratdar, they are the local based paddy supplier. they get commission for every sale they make. in one sense they are the middleman between millers and producer.

The whole paddy purchasing process done via couple of ways, first aratdar get money in advance from the millers than aratdar make liaison with the millers about paddy pricing, because in what price and quantity will set by millers in every case, there are little freedom for aratdar in that case.

in every hat day aratdar observing the price of the paddy and keep updated the millers about the market price. after than millers decide the rate and quantity of the paddy. After receiving the direction and ordered from millers aratdar collect the paddy in that rate and packaging the paddy at 80kg-85kg in bag and supply it at the mill gate.

The packaging cost to delivering cost al are bear the millers so aratdar have little risk in that case. they get fixed commission for every successful deal. But Aratdar Must ensure one thing that is every bag must contain 80kg-85kg paddy otherwise millers will not be satisfied. This may cost aratdar in future transaction. But Aratdar will not get extra benefit for surplus amount

of paddy he sends to us. They only get the fixed amount of money that he asks for every deal he complete.

For Completing the whole process takes around 5-7 days. In every 5-7 days we get paddy from our supplier at different price. the price is different because of two reason, one reason is the quality of the paddy another reasons the availability of the paddy. if the season is recently beginning than the price is lower at some point also if the season is on the closing time than the price is higher than the beginning time. Most of time we collect paddy at the beginning of the time and try to store it for the whole season.

we call a successful deal when we get quality paddy from our aratdar and price is comparatively lower than other millers. if aratdar fail to provide the quality paddy over the few transactions than we shift to another aratdar in that area or others area. For Maintaining the quality of the rice at lower cost we sometime have to switch the aratdar. But it's rare because aratdar always good to us.

## **2.2 Rice Millers as Paddy Processing**

Here is another integral part of for rice processing industry. Here we follow some international practice for processing the paddy to make rough paddy for human consumption. Among them most integral part is soaking, parboiling and drying.

Paddy soaking and parboiling are varying from rice types. For Boiled Rice, Paddy Is streamed first in a cylindrical bin then it soaked around 24 hours or less in a cemented tank. After than paddy is streamed again, after streaming paddy is dried in sun more than 1 or 2 days depending upon the heat of sun. For Others common type of rice, the whole process is same, first paddy is streamed in a streamed machine called boiler, then its soaked in a cemented machine for 24

or 12 hours depending on the moisture. after than paddy is streamed again in a boiler machine. after Streaming the paddy is lying on chatals for sun drying.

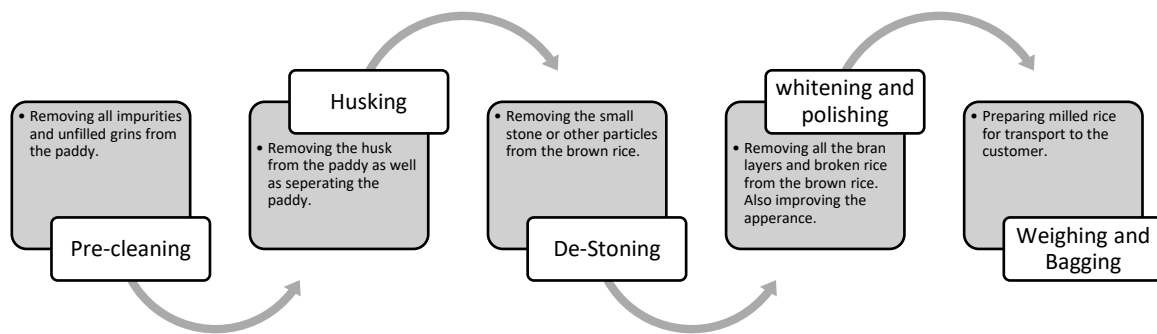
Sun drying is one of the lengthiest process for rice processing. Because its takes 3/2 days to complete. Because sun drying reducing the moisture of the paddy and make paddy for milling. For get better quality of the rice everyone must drying at least 3/2 days. But it depends on the heat of sun. If the heat of sun is well enough then it takes only the 2 days. during summer season it takes only the 2 days. Because the heat of the sun is normally higher than another season.

Basically, paddy is dried on the large cemented yards commonly known as chatals. Chatals Capability is needed for every miller. Because in big chatals any millers can dried more than 15000kg of paddy in one plot. So, the productivity is increasing at the same time. But in case of small capability chatals it's not possible.

### **2.3 Rice Millers as Milling Sector**

There are two types of milling procedure one is automatic another is husky. Husky Milling is kinds of Manual. That's Means each and every step conducted manually. But In automatic milling all works conducted by machine. our rice mills follow the automatic milling procedure. in the automatic milling there are few steps for paddy processing. First stage of milling process is pre- cleaning, in this stage machine remove all the impurities and unfilled grains from the paddy. Next stage is husking stage. in this stage husking is separated from the paddy. But this step done two or three times for separate the husking from the paddy. These are husk aspiration and paddy separator. The Next stage after the husk is de-stoning. Its one of the important parts of milling process. because its separating stone form the brown rice. in the time of sun drying paddy mixed with small stone from the chatals. so in the milling procedure we have to remove

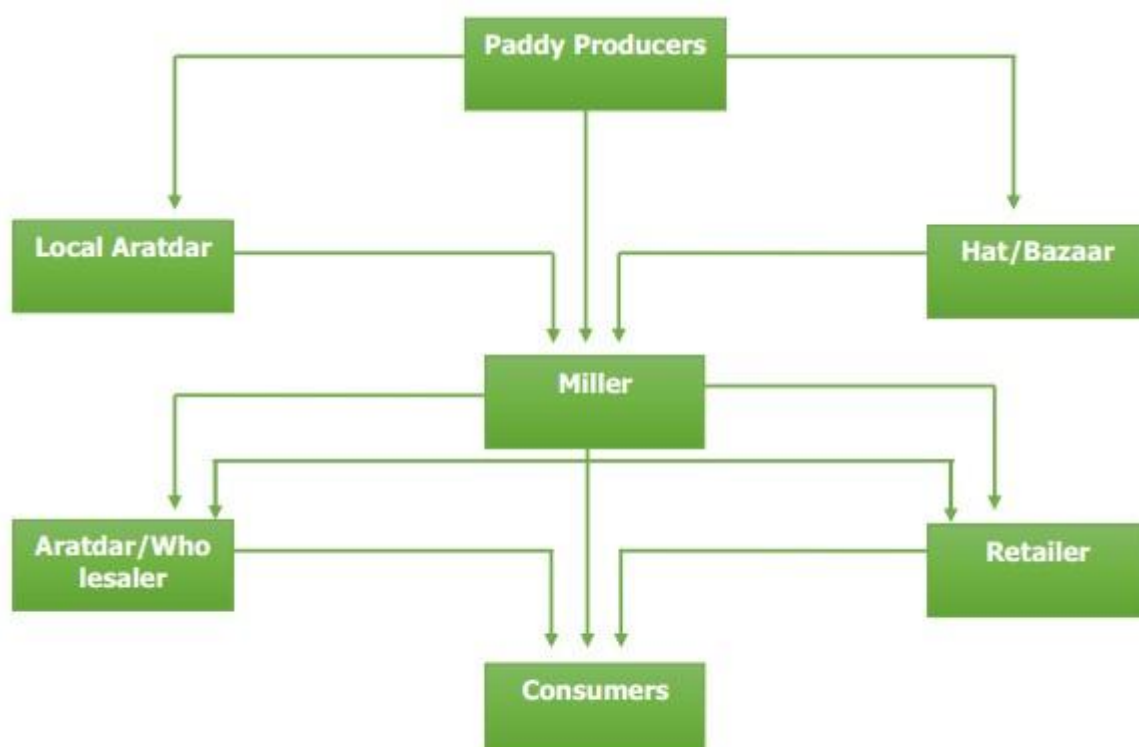
the stone from the paddy. After Destoning there comes whitening and polishing stage. in this stage removing all the bran and broken rice from the brown rice and improving the appearance of milled rice. in the last stage of milling procedure is weighing and bagging stage. Here we do it manually by labor. Labor is instructed by us each and every time of weighing and bagging.



## 2.4 Rice Millers as Distribution Channel

Distribution channel helps the millers to transfer the finished goods to the customer. its transfer the ownership of the goods. There have some intermediaries operate in the market to transfer the good from Framers to ultimate Finished Goods Customer.

Marketing channels for rice mills are shown in Figure 2. In total there are four groups participate in channels for rice producers, aratdar / bazaars, factories, wholesalers / retailers. A paddy producer sells his paddy at the nearest market or hat. Then local Aratdar bought paddy from the market or hats. Sometimes local Aratdar also buys paddy from the manufacturer and sells them to the factory. Rice mills can also buy rice fields directly from the producer. Then the factory processes the rice, sell it to wholesalers or retailers after it is processed and sometimes directly to the end user. Retailers buy and sell rice from wholesalers or directly at mill for end users.



Source: ECRL primary survey (April 2017)

## Chapter 3: Cost of Processing and Selling Rice

Cost of Processing of rice consists of different costing sector for processing the rice. Some are directly related to the production of rice and some are indirectly related to the production. Here both are discussed for calculating the cost of processing of rice. In the selling of rice there are some common cost that may bear the rice millers such as Aratdar commission, Packing Expense and other things also.

### 3.1 Cost of Processing

#### Raw materials:

Under the raw materials we compute the last 4-month paddy purchasing cost. Paddy is one of the raw materials in my business. Last 4-month cost is given below.

Purchase of Paddy  
Period: 15/8/19 – 30/12/19

Date	Sacks (a)	Kg (a*70)	Price (per kg)	Total amount
17/8/2019	50	3500	16.5	57750
18/8/2019	35	2450	16.37	40106.5
20/8/2019	25	1750	16.25	28437.5
21/8/2019	20	1400	16.50	23100
26/8/2019	93	6510	16.50	107415
29/8/2019	75	5250	16.20	85050
01/9/2019	62	4340	16.80	72912
05/9/2019	45	3150	16.30	51345
09/09/2019	22	1540	17.10	26334
15/09/2019	35	2450	16.50	40425
21/09/2019	42	2940	17.00	49980
25/09/2019	56	3920	18.20	71344

03/10/2019	44	3080	17.50	53900
10/10/2019	20	1400	16.50	23100
18/10/2019	15	1050	17.00	17850
26/10/2019	55	3850	17.20	66220
30/10/2019	15	1050	17.25	18112.5
05/10/2019	70	4900	17.60	86240
19/11/2019	45	3150	17.20	54180
27/11/2019	65	4550	16.50	75075
29/11/2019	75	5250	17.80	93450
02/11/2019	20	1400	18.20	25480
07/12/2019	15	1050	18.00	18900
11/12/2019	35	2450	16.50	40425
17/12/2019	42	2940	16.20	47628
26/12/2019	19	1330	16.00	21280
<b>Total</b>	<b>1095</b>	<b>76,650</b>		<b>12,96,040</b>

*Table 1: Purchase of Paddy*



### Direct wages:

In the direct labor section, we put only the labor who directly related to the production. Fireman and the machine man are the direct labor of our production. Fireman responsibility is the boiler section whereas machine man responsibility is the operating the machine of our mills. There are 1 fireman works in my business. I assign 2 man in the machine operation. Their Monthly payment are given below.

Labor Designation	Number of Labor	Monthly Payment (per Labor)	Total (Tk.)	Total of 4 Months
Fireman	1	4000	4000	16000
Machine Man	2	6000	12000	48000
				<b><u>64000</u></b>

Table 2: Direct Wages

### Factory Overhead:

Under the factory overhead we are going to compute the indirect wages, repair and maintenance cost as well as Electricity bills. In case of Indirect wages there are few workers who work for the processing of rice. Their wages go to indirect wages section. also, in the repair and maintenance section is for the cost we pay to maintain our machine work efficiently and effectively. We also assign the electricity bill in the factory overhead because it relates to our production indirectly. Without electricity is quite impossible for produce rice.

Particulars	Total Amount
Indirect wages <sup>(1)</sup>	<b>1,20,000</b>
Repair & Maintenance <sup>(2)</sup>	<b>20000</b>
Electricity <sup>(3)</sup>	<b>1,20,000</b>
<b>Total Factory Overhead</b>	<b><u>2,60,000</u></b>

Table 3: Total Factory Overhead

### **Indirect Wages:**

In the particulars of indirect wages, there have been two type of labor. They are the **Chatal Man** and the Holler man. Chatal Man Responsibility is the drying the paddy after the boiling section. So when the paddy is laid down the Chatal than the chatals man works start. Basically, most of the chatals man are female worker. They have been paid by daily basis. They got payment 25tk per day. In Modhumoti rice mills there have been 8 chatals man work on daily basis. Also, in supplementary they get 15kg of rice per week. So, the total wages of Chatal Man are,

Monthly Wages Per Man,

$25*30=750$ tk per Month,

Also, he/she get 15kg of rice. the cost of rice per kg is 25tk in general. so, the total paid on behalf of rice is,

$15*25=375$ tk Per Week. So, Per Month Will Be  $375*4= 1500$ tk

Total Payment =  $750+1500 = 2250$ tk

8 Man Total Payment

$2250*8 = 18000$ tk Per Month

Our Season Ends in Every 4 Month. So, 4 Months Total Wages for Chatal Man are,

$18000*4 = 72000$ tk

Secondly The “**Hollar man**”. They Work in the bagging section. there main responsibility is to work in the packaging and the warehouse section. There Payment System is weekly basis. Per Week they get 250tk. Also in supplementary they get 20kg of rice in every week. in Modhumoti rice mills there have 4 hollar man. So the total payment of hollar man are,

Monthly Wages per month,

$$4 \times 250 = 1000 \text{tk Per Month.}$$

for 20kg of rice they get

$$20 \times 25 = 500 \text{tk per week, so per month will be } 500 \times 4 = 2000 \text{tk}$$

$$\text{Total payment} = 1000 + 2000 = 3000 \text{tk Per Month}$$

4 Man Total Payment

$$3000 \times 4 = 12000 \text{tk Per month}$$

Our Season Ends in Every 4 Month. So, 4 Months Total Wages for Hollar Man are,

$$12000 \times 4 = 48000 \text{tk}$$

$$\text{Total Indirect Wages} = 72000 + 48000 = 120000 \text{tk Per season.}$$

#### 1. Repair and Maintenance

In repair and maintenance section we consume around 60000tk per year. Most of the cost goes for maintain the machine and other things also. So, in repair maintenance cost will be,

$$\text{Madhumoti Rice Mill consume } 60,000 \text{tk per year so 4-month consumption was } 60,000 / 12 * 4 = 20,000$$

#### 2. Electricity Bills:

we Also compute electricity bills in the factory overhead section. In Every month we pay around 30000tk on average. so electricity bills for 4 month will be

$$30000 \times 4 = 120000 \text{tk}$$

### 3.2 Cost of Selling and Distribution:

In Selling and Distribution section we are going to talk about the ways of selling procedure and distribution procedure of our rice processing. For Selling the final product we contract with aratdar we are ready to sale our product as a commission-based way. There are few chances of selling rice to the retail person in direct so we have to contract with aratdar for selling our final goods. Also, For distribution our rice we choose river as a medium of transport. Because it is cost effective as well as time saving.

In the selling and distribution section we are going to put aratdar commission, Packaging Expense, Indirect Wages, Ghat Charge as well as Transportation Cost. These Cost all are related to the selling and distribution section of rice processing. To send the rice to the final customer a mill owner bears this cost. these Cost details are given below

<b>Particulars</b>	<b>Total (Tk.)</b>
Aratder commission <sup>(1)</sup>	<b>19540</b>
Packing expense <sup>(2)</sup>	<b>12000</b>
Indirect wages <sup>(3)</sup>	<b>3908</b>
Ghat charge <sup>(4)</sup>	<b>488.50</b>
Transportation cost <sup>(5)</sup>	<b>3908</b>
<b>Total Selling and Distribution Overhead</b>	<b><u>39844.50</u></b>

*Table 4: Cost of Selling and Distribution*

### **1. Aratder Commission:**

Aratder is one of the vital parts for selling the final rice among the customer. Aratder is the middleman between mill owner and retail as well as customer. Aratder get commission for every sell he made. Basically, commission is based on per sacks. the Minimum value of Commission is 20tk. That's means if a aratder makes 500 sacks of rice then he made around 10,000tk. But Here aratder can't decide in what price the rice will be sell. Mill Owner have the right to set the price. Aratdar works is to promote the rice among the retailer about price and quality of the rice. For Every Aratder have a warehouse where rice is kept. Aratder Sell this Rice as their own way of choice.

In this Season We Produce around 1022 Sacks of rice. But Rice is Not for Sell. After Given to the labor and others area, we send around 977 Sacks of rice to the aratder. For Selling this 977 sacks of rice aratder get 20tk per sacks. so total commission will be.

$$977*20 = 19540Tk$$

### **2. Packing Expense**

For Packing or bagging the rice we need sacks. So, we have to buy or made the sacks by ourselves. But considering the economics of scale we decide to buy sacks form the sacks seller. For every sack we pay 12 tk. Depending on the quality. But if we consider to make sacks by ourselves then its cost around 15tk per sacks after paying the labor and raw material. So, its goof for us to buy sacks form the sacks seller. We also consider the availability because sacks are easily available among the sack's seller.

For Sending the rice to the aratder we need around 1000 sacks in general. so the total cost of sacks is

$$1000*12 = 12000tk$$

### **3. Indirect Wages:**

For sending the rice to the aratdar warehouse we have to pay some wages to the labor. For carrying the rice they get 4tk each sacks. these charge bear by mill owner not by aratdar. Aratdar Responsibility is to selling the rice. So Every Mill Owner Have to Pay the bill to the labor for carrying and storing the sacks in the aratdar warehouse.

We send Around 977 Sacks of rice, so Total cost will be

$$977*4 = 3908 \text{ Tk}$$

### **4. Ghat Charge:**

Another Indirect cost is Ghat Charge. Basically, this is the charge for using the river port. In Bangla is called Ghat. So, Every time we use the port for transport our rice sacks we have to pay the port charge. its mandatory for every mill owner who choose river for transportation.

We also use river transportation for our distribution channel. Because its cost effective as well as quicker than any other means of transportation.

Ghat Charge Around 0.50tk per sacks. So Total Cost will be

$$977*0.50 = 488.5 \text{ TK}$$

### **5. Transportation Cost:**

We use Boat for transport our rice to the aratdar warehouse. Boat owner charge 4 tk every sack he carries. so total transportation cost will be,

$$977*4 = 3908 \text{ tk}$$

## Chapter 4: Cost and Profitability Analysis

In the cost and profitability analysis, i show the profitability of Modhumoti Rice Mills and the Cost Sheet analysis.

### *Information about the Entrepreneur*

<b>Name of the Entrepreneur:</b>	<i>Rabin Saha</i>
<b>Address:</b>	<i>4 no, Islampur Cross Road , Khulna</i>
<b>Date of birth:</b>	<i>18/10/1994</i>
<b>Age:</b>	<i>25</i>
<b>Birth place:</b>	<i>Tangail</i>
<b>Marital status:</b>	<i>UNMarried</i>
<b>Contact Number:</b>	<i>01777630210</i>

### *Information about the Business*

Name of the Business	M/S Madhumoti Rice Mill
Type of the Business	Sole Proprietorship
Address	4 No, Islampur Cross Road, khulna
Year of establishment	2007
Number of Items produced	One
Name of the Items produced	“Rice”
Period of Production	15/8/2019 – 30/12/2019

*Table 5: Information of Entrepreneur*

## *Cost Sheet analysis of MADHUMOTI RICE MILL*

<b>M/S Madhumoti Rice Mill</b>														
<b>Cost Sheet</b>														
Period: 15/8/2019 to 30/12/2019														
Particulars	Total amount	Per KG Cost												
Raw materials consumed: Direct material	12,96,040	25.36												
Add: Direct Labour	64,000	1.25												
<b>Prime cost</b>	<b>13,60,040</b>	<b>26.61</b>												
Add: Factory Overhead:														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Total Amount</th> </tr> </thead> <tbody> <tr> <td>Indirect wages</td> <td style="text-align: right;">1,20,000</td> </tr> <tr> <td>Repair &amp; Maintenance</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>Electricity</td> <td style="text-align: right;">1,20,000</td> </tr> </tbody> </table>	Particulars	Total Amount	Indirect wages	1,20,000	Repair & Maintenance	20,000	Electricity	1,20,000	<b>2,60,000</b>	<b>5.08</b>				
Particulars	Total Amount													
Indirect wages	1,20,000													
Repair & Maintenance	20,000													
Electricity	1,20,000													
Add: Selling and Distribution Overhead:														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Total (Tk.)</th> </tr> </thead> <tbody> <tr> <td>Arotder Commision</td> <td style="text-align: right;">19540</td> </tr> <tr> <td>Packing Expense</td> <td style="text-align: right;">12000</td> </tr> <tr> <td>Indirect wages</td> <td style="text-align: right;">3908</td> </tr> <tr> <td>Ghat Charge</td> <td style="text-align: right;">488.5</td> </tr> <tr> <td>Transportation Cost</td> <td style="text-align: right;">3908</td> </tr> </tbody> </table>	Particulars	Total (Tk.)	Arotder Commision	19540	Packing Expense	12000	Indirect wages	3908	Ghat Charge	488.5	Transportation Cost	3908	<b>39844.5</b>	<b>31.69</b>
Particulars	Total (Tk.)													
Arotder Commision	19540													
Packing Expense	12000													
Indirect wages	3908													
Ghat Charge	488.5													
Transportation Cost	3908													



		<b>0.77</b>
<b>Cost of Sale</b>	<b>16,59,884.5</b>	<b>32.48</b>
<b>Sales (per kg 42tk)</b>	<b>21,46,200</b>	<b>42.00</b>
<b>Profit (Loss)*</b>	<b>4,86,315.5</b>	<b>9.51</b>

*Table 6: Cost Sheet Analysis*

If we consider the cost sheet of modhumoti rice mills then we found that the raw material cost is twelve lakhs ninety-six thousand and forty tk only. The per kg cost measure by total number of rice produce divide with total amount paid. in this season modhumoti rice mills produce 51,100kg of rice among the 76,650kg of paddy. So the output rate is 66.66% which is better. That's means output rate is considerable position for our rice mills. so our per kg cost of raw material cost is twenty five taka thirty six paisa.

And Direct labor cost is sixty-four thousand takas. After adding these with direct material we get prime cost of our rice mills. the prime cost is thirteen lakhs sixty thousand forty taka only and the per kg cost compute by prime cost divided by total number of rice's produce so per kg cost becomes twenty-six-taka sixty-one paisa.

After Prime cost we are adding factory overhead and selling & distribution cost to compute our cost of sale. our total factory overhead cost is two lakh sixty thousand taka. in the section of factory overhead we put indirect wages, repair and maintenance as well as electricity bill. the per kg cost of factory overhead compute by factory overhead divided by total number of rice produce. so, the per kg cost will be five-taka eight paisa only.

Our selling and distribution cost is thirty nine thousand eight hundred forty four taka only. in the section of selling and distribution we put aratdar commission, packing expense, indirect wages ghat chage and transportation cost.

After adding our all cost with our prime cost we get out total cost of sale. M/s Modhumoti Rice mills total cost of sale is sixteen lakh twenty two thousands nine hundred ninety two taka only, and the per kg cost is thirty one tk seventy five paisa. That's means we have to sale per kg of rice more than 31.75 tk. Otherwise we face loss in our business.

But after ending of the season we are manage to sale all our rice at the rate of 42tk/kg. That's means we get around 9.51 tk profit per kg of rice. So total profit of our business is more than four lakhs.

## **Conclusion**

Rice Processing industry in our Country is becoming flourish in recent couple of years. In Each and every rice industry follows some basic instruction for processing the rice such as parboiling and husking. The fully automated rice mills even include whitening the rice after processing. Our rice mills also use basic function for processing the rice and supply to the end user. For Processing the rice, we depend on weather and labor of our mills. at the end I can say our profit margin is not sufficient enough for as an rice millers. Furthermore, I did not measure the efficiency of our rice mills such as our computation method, production efficiency as well as our labor efficiency. If i consider all then I can find the breakeven point make the best out of it from our business.

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