

**BUSINESS PLAN**  
**Income Generating Activity –Vermi-Compost**  
**by**  
**Bhawani - Self Help Group**



SHG/CIG Name	Bhawani
VFDS Name	Lower Mundu
Range	Balson
Division	Theog

**Prepared Under**



**Project for Improvement of Himachal Pradesh Forest  
Ecosystems Management & Livelihoods (JICA Assisted)**

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## Background

Vermicomposting has been gaining a strong foothold in the country due to simple production techniques, ecological, economic and human health benefits associated with it. A significant number of vermicomposting units have been set up by entrepreneurs, under government support/ with the technical guidance of Non-Governmental Organizations (NGOs), particularly in the southern and central parts of the country.

Vermicomposting has direct environmental and economic benefits as it contributes to the sustainable agriculture production and income of farmers significantly. There are a number of NGOs, Community Based Organizations (CBOs), Self-Help Groups (SHGs), Trusts etc. which are making concerted efforts to promote vermicomposting technology due to its established economic and environmental advantages.

### **Vermicomposting**

Production of compost through rearing/using earth worms is called the vermicomposting technology. Under this technology, earthworms eat biomass and excrete it in a digested form which is known as vermicomposting or vermicompost. It is one of the simplest and cost effective methods for the production of composting for both the small and large scale farmers. Vermicompost production unit can be set up in any land which is not under any economic use but shady and free from water stagnation. The site should also be nearer to a water resource

Vermicomposting, rightly called “gold from garbage” is the major input in organic agriculture production. Owing to simple technology, many farmers are engaged in vermicomposting production as it invigorates soil health, soil productivity reduces the cost of cultivation.

There is a gradual increase in demand for vermicompost due to the high level of nutrient contents.

## 1. Description of SHG/CIG

SHG/CIG Name	::	Bhawani SHG
VFDS	::	Lower Mundu
Range	::	Balson
Division	::	Theog
Village	::	Lower Mundu
Block	::	Ghodna
District	::	Shimla
Total No. of Members in SHG	::	12
Date of formation	::	13-06-2021
Bank a/c No.	::	2196000100054602
Bank Details	::	Punjab National Bank
SHG/CIG Monthly Saving	::	Rs 1400/- (Total combined contribution of all members)
Total saving	::	Rs 6000/- (Total combined contribution of all members)
Total inter-lending		
Cash Credit Limit		
Repayment Status		

## 2. Beneficiaries Detail:

Sr.No.	Name	Father/Husb and Name	Age	Education	Category	Income Source	Address
1	Uma Devi	Devender Chauhan	38	10 <sup>th</sup>	General	Agriculture	Village Bhed, PO Mundu, Teh. Theog
2	Bhimlata	Manohar lal	39	+2	General	Agriculture	Village Dhadna, PO Mundu
3	Sunita Sharma	Maya Ram	45	+2	General	Agriculture	Village Lower Mundu, PO Mundu
4	Beenta Devi	Baliram	49	8 <sup>th</sup>	General	Agriculture	Vill.Tikri, PO Mundu
5	Promila Devi	Anil Gader	34	8 <sup>th</sup>	General	Agriculture	Vill. Dhadna
6	Davinta Devi	Chaman Lal	28	MA	General	Agriculture	Dhadna
7	Anita Devi	Atma Ram	46	5 <sup>th</sup>	General	Agriculture	Dhadna
8	Kamla Devi	Baliram	51	5 <sup>th</sup>	General	Agriculture	Dhadna
9	Veena Devi	Nandlal	44	+2	General	Agriculture	Tikri
10	Lata Devi	Mohar Singh	39	+2	General	Agriculture	Bhed
11	Kalpna Devi	Rakesh Chauhan	29	+2	General	Agriculture	Bhed
12	Indra Devi	Shyama Devi (Mother)	33	10 <sup>th</sup>	General	Agriculture	Dharna

## 3. Geographical details of the Village

3.1	Distance from the District HQ	::	75km
3.2	Distance from Main Road	::	05km
3.3	Name of local market & distance	::	Mundu, Balag (4km)
3.4	Name of main market & distance		Theog 40km

3.5	Name of main cities & distance		Chaila (22km)
3.6	Name of main cities where product will be sold/ marketed	::	Shimla, Theog, Chaila, Balag, Deha (Balson)

#### 4. Description of Product related to Income Generating Activity

4.1	Name of the Product	::	Vermicomposting
4.2	Method of product identification	::	This activity is being already done by some SHG members and has been collectively decided by group members
4.3	Consent of SHG/ CIG / cluster members	::	Yes

#### 5. Description of Production Processes

Step		Description
Step-1	::	Processing involving collection of wastes, shredding, mechanical separation of the metal, glass and ceramics and storage of organic wastes.
Step-2	::	Pre digestion of organic waste for twenty days by heaping the material along with cattle dung slurry. This process partially digests the material and fit for earthworm consumption. Cattle dung and biogas slurry may be used after drying. Wet dung should not be used for vermi-compost production.
Step-3	::	Preparation of earthworm bed. A concrete base is required to put the waste for vermi-compost preparation. Loose soil will allow the worms to go into soil and also while watering, all the dissolvable nutrients go into the soil along with water.
Step-4	::	Collection of earthworm after vermi-compost collection. Sieving the composted material to separate fully composted material. The partially composted material will be again put into vermi-compost bed.
Step-5	::	Storing the vermi-compost in proper place to maintain moisture and allow the beneficial

Step	Description
	microorganisms to grow.

## 6. Description of Production Planning

6.1	Production Cycle (in days)	::	90 days (three cycles in a year)
6.2	Manpower required per cycle (No.)	::	1
6.3	Source of raw materials	::	From household and own farms
6.4	Source of other resources	::	Open market
6.5	Raw material - quantity required per cycle (Kg) per member	::	6tonnes per cycle
6.6	Expected production per cycle (Kg) per member	::	3tonnes (@50%) per cycle

## 7. Description of Marketing/ Sale

7.1	Potential market places	::	HP Forest Deptt.
7.2	Distance from the unit	::	Local market Use on own farm
7.3	Demand of the product in market place/s	::	HO Forest deptt is procuring huge vermi-compost for their nursery
7.4	Process of identification of market	::	PMU will facilitate the tie up of procurement of vermi-compost produced by SHG by HP Forest deptt.
7.5	Marketing Strategy of the product		SHG members will also explore the additional marketing options around their villages for better sale price in future.
7.6	Product branding		At CIG/SHG level product will be marketed by branding of respective CIG/SHG. Later this IGA may require branding at cluster

			level
7.7	Product "slogan"		"Nature Friendly"

## 8. SWOT Analysis

### ❖ Strength

- ➔ Activity is being already done by some SHG members
- ➔ Each of the SHG members are having cattle varying from 2 to 8 in each household
- ➔ Families of SHG members are cultivating high value crops & vegetables which offers adequate availability of raw materials i.e. farm organic wastes throughout the year.
- ➔ Raw material easily available at their farms
- ➔ Manufacturing process is simple
- ➔ Proper packing and easy to transport
- ➔ Other family members will also cooperate with beneficiaries
- ➔ Product self-life is long

### ❖ Weakness

- ➔ Effect of temperature, humidity, moisture on manufacturing process/product.
- ➔ Lack of technical know-how

### ❖ Opportunity

- ➔ Increasing demand of vermi-compost on account of awareness among farmers about organic and natural farming
- ➔ Application of vermi-compost on their own field will go a long way in improving and enhancing the soil health and production of quality farm produce which will offer better price.
- ➔ Best utilization of organic waste including household left outs of kitchens
- ➔ Potential for marketing tie up with HP Forest

### ❖ Threats/Risks

- ➔ Possibility of break of production cycle due to extreme weather
- ➔ Competitive market
- ➔ Level of commitment among beneficiaries towards participation in training/ capacity building & skill up-gradation

## 9. Description of Management among Members

- ➔ **Production** – It will be taken care of by individual members including procurement of raw materials
- ➔ **Quality assurance** – Collectively
- ➔ **Cleaning & packaging** – Collectively
- ➔ **Marketing** – Collectively
- ➔ **Monitoring of the unit** - Collectively





## 10. Description of Economics

S. No	Particulars	Units	Quantity / Nos.	Cost (Rs.)	Year 1	Year 2	Year 3	Year 4	Year 5
<b>A.</b>	<b>Capital Cost</b>								
<b>A.1</b>	<b>Construction of Pit and shed</b>								
1	Construction as well as labour cost (Pit Size internal will be of 10ftX4ftX2ft )	Per member	12	6000	72000	0	0	0	0
2	Errrection of cover shed	Per member	12	4000	48000				
	<b>Sub-total (A.1)</b>				<b>120000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>A.2</b>	<b>Machinery and equipment</b>								
3	Tools, equipment, weighing scale etc.	Per member	12	2000	24000	0	0	0	0
	<b>Sub-total (A.2)</b>				<b>24000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Capital Costs (A.1+A.2)</b>				<b>144000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B</b>	<b>Recurring Costs</b>								
4	Lease of land for setting up unit	Per annum	12	0	0	0	0	0	0
5	Seed earthworm	Per Kg	12	500	6000	0	0	0	0
6	Cost of procurement of Slurry/dung/waste	Tonnes	0	0	0	0	0	0	
	Labour Cost	Per tonne	40	700	28000	29400	30870	32414	34034

7	Packing materials	No.	200	50	10000	10500	11025	11576	12155
8	Other handling charges	Per tonne	40	150	6000	6300	6615	6946	7293
<b>C</b>	<b>Other charges</b>								
9	Insurance	L/S			0	0	0	0	0
10	Interest on loan	Per annum		2 per cent	3000	3000	3000	3000	3000
	<b>Total recurring costs</b>				<b>53000</b>	<b>49200</b>	<b>51510</b>	<b>53936</b>	<b>56482</b>
	<b>Total cost =(capital cost+recurring cost)</b>				<b>197000</b>	<b>49200</b>	<b>51510</b>	<b>53936</b>	<b>56482</b>
<b>D</b>	<b>Income from vermicomposting</b>								
11	Sale of vermicompost	Tonnes	40	6000	240000	252000	264600	277830	291722
12	Sale of earthworm					7500	15000	15000	15000
13	<b>Total revenue</b>				<b>240000</b>	<b>259500</b>	<b>279600</b>	<b>292830</b>	<b>306722</b>
14	<b>Net returns (total revenue-total (D-C) (240000-197000))</b>				<b>43000</b>	<b>210300</b>	<b>228090</b>	<b>238894</b>	<b>250240</b>

## Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	
Capital cost	144000	0	0	0	0	
Recurring cost	53000	49200	51510	53936	56482	
Total cost	197000	49200	51510	53936	56482	408128
Total benefits	240000	259500	279600	292830	306722	1378652
<b>Net benefits</b>	<b>43000</b>	<b>210300</b>	<b>228090</b>	<b>238894</b>	<b>250240</b>	<b>970524</b>

**Distribution of net profite** – As per share in production.

## 11. Inferences of Economic Analysis

- ➔ Pit size for each member has been planned at 10X4X2 ft for one pit.
- ➔ Cost of production of vermi-compost comes to Rs. 3.2 per Kg
- ➔ Sale of vermi-compost (conservative side) is Rs. 6 per Kg
- ➔ Net profit will be Rs. 2.8 per Kg
- ➔ It is proposed that each member will produce 2.7 tonnes of vermi-compost every year resulting in production of 40 tonnes vermi-compost by all 15 members of SHG in one year.
- ➔ Cost of earthworm has been kept at Rs. 500.00 per kg
- ➔ During the second years onwards, there will be surplus earthworm for sale (as it will multiply during the process of production of vermi-compost)
- ➔ The vermi-compost making is a profitable IGA and can be taken up by the SHG members.

## 12. Fund requirement:

Sl. No.	Particulars	Total Amount (Rs)	Project support	SHG contribution
1	Total capital cost	144000	108000	36000
2	Total Recurring Cost	53,000	0	53,000
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	<b>Total =</b>	<b>247000</b>	<b>158000</b>	<b>89000</b>

### Note-

- **Capital Cost** - 75% of capital cost to be covered under the Project
- **Recurring Cost** - To be borne by the SHG/CIG.
- **Trainings/capacity building/ skill up-gradation** - To be borne by the Project

## 13. Sources of fund:

Project support;	<ul style="list-style-type: none"> <li>• 75% of capital cost will be utilized for construction of pit (Size will be of 10ftX4ftX2ft )</li> <li>• Upto Rs 1 lakh will be parked in the SHG bank</li> </ul>	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities.
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	<p>account.</p> <ul style="list-style-type: none"> <li>• Trainings/capacity building/ skill up-gradation cost.</li> </ul>	
SHG contribution	<ul style="list-style-type: none"> <li>• 25% of capital cost to be borne by SHG, this include cost of shed/construction of shed.</li> <li>• Recurring cost to be borne by SHG</li> </ul>	

#### 14. Bank loan repayment

If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is not repayment schedule; however, the monthly saving and repayment receipt from members should be routed through CCL.

- In CCL, the principal loan outstanding of the SHG must be fully paid to the banks once a year. The interest amount should be paid on a monthly basis.
- In term loans, the repayment must be made as per the repayment schedule in the banks.

#### 15. Trainings/Capacity Building/Skill Up-gradation

Trainings/capacity building/ skill up-gradation cost will be borne by project.

Following are some trainings/capacity building/ skill up-gradation proposed/needed:



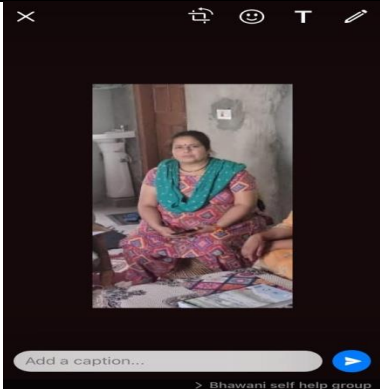
- ➔ Project Orientation Group Formation/ Reorganization
- ➔ Group Concept and Management
- ➔ Introduction to IGA (General)
- ➔ Marketing and Business Plan Development
- ➔ Bank Credit Linkages & Enterprise Development
- ➔ Exposure Visit of SHGs/ CIGs – Within the State& Outside State






#### 16. Monitoring Mechanism

- ➔ Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if need be to ensure operation of the unit as per projection.

- SHG should also review the progress and performance of the IGA of each member and suggest corrective action if need be to ensure operation of the unit as per projection.

### Group members Photos –

Sr.No.	Name	Photo
1	Uma Devi	
2	Bhimlata	
3	Sunita Sharma	

4	Beenta Devi	
5	Promila Devi	
6	Davinta Devi	
7	Anita Devi	
8	Kamla Devi	



9	Veena Devi		
10	Lata Devi		
11	Kalpana Devi		
12	Indra Devi		

**Prepared by:** SHG members in consultation with DMU Theog, FTU Balson Forest Range and JICA staff.

प्रधान *Beek* सचिव  
भवानी स्वयं सहायता समूह लोअर मुण्डू  
ग्राम पंचायत मुण्डू, तह. डियोग (हि.प्र.)  
Signature of SHG Secretary

प्रधान *[Signature]* सचिव  
भवानी स्वयं सहायता समूह लोअर मुण्डू  
ग्राम पंचायत मुण्डू, तह. डियोग (हि.प्र.)  
Signature of SHG President

*AR Sag*  
Member Secretary.....  
VFDS Lower Kundu  
Signature of VFDS Secretary

*[Signature]*  
President.....  
VFDS Lower Mundu  
Signature of VFDS President

*[Signature]*  
Signature of Forest Guard

*[Signature]*  
Signature of Block Officer  
VFDS Lower Mundu

*[Signature]*  
Signature of RFO Officer  
Range Forest Division  
Balson, Theog Division


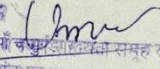

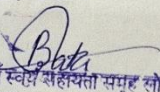
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Approved by DMU

### Annexure

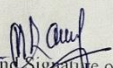
We the member of group hereby consented to actively participate in the IGA activity Opted by the group (Vermicomposting) as per the guideline of JICA Project For Improvement of HP Forest Ecosystems Management and Livelihood and coordination with the VFDS.

The details of the members is as under:

Sr.No.	Name	Father/Husb and Name	Age	Education	Category	Income Source	Signature
1	Uma Devi	Devender Chauhan	38	10 <sup>th</sup>	General	Agriculture	<i>Uma Devi</i>
2	Bhimlata	Manohar lal	39	+2	General	Agriculture	<i>Bhimlata</i>
3	Sunita Sharma	Maya Ram	45	+2	General	Agriculture	<i>Sunita</i>
4	Beenta Devi	Baliram	49	8 <sup>th</sup>	General	Agriculture	<i>बीनता देवी</i>
5	Promila Devi	Anil Gader	34	8 <sup>th</sup>	General	Agriculture	<i>Promiladevi</i>
6	Davinta Devi	Chaman Lal	28	MA	General	Agriculture	<i>Davinta</i>
7	Anita Devi	Atma Ram	46	5 <sup>th</sup>	General	Agriculture	<i>अनीता देवी</i>
8	Kamla Devi	Baliram	51	5 <sup>th</sup>	General	Agriculture	<i>कमला देवी</i>
9	Veena Devi	Nandlal	44	+2	General	Agriculture	<i>Veena Devi</i>
10	Lata Devi	Mohar Singh	39	+2	General	Agriculture	<i>Lata Devi</i>
11	Kalpana Devi	Rakesh Chauhan	29	+2	General	Agriculture	<i>Kalpana Devi</i>
12	Indra Devi	Shyama Devi (Mother)	33	10 <sup>th</sup>	General	Agriculture	<i>Indra Devi</i>

1. <u>Kanishan. dutt</u> ..... VFDS President  President <b>VFDS Lower Mundu</b>	2. <u>UMA... Dexi</u> ..... SHG President  President ...समूह लोक सभा... ...संस्था...
3. <u>Atma Lam</u> ..... VFDS Secretary  Member <b>VFDS Low</b>	4. <u>Bhimlata</u> ..... SHG Secretary  Secretary ...समूह लोक सभा... ...संस्था...

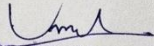
Submitted to DMU through FTU


  
 Name and Signature of FTU officer  
 Range Forest  
 Balson, Theog Div.

## Resolution-cum-Group-Consensus Form

It is decided in the General House Meeting of the Group..... Bhawani .....

Held on 3/12/2021 at Panchayat Bhawan, .....that our group will undertake the Vermicomposting ..... as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted).

 सचिव  
भवानी स्वयं सहायता समूह लोअर मुण्डू  
ग्राम पंचायत मुण्डू, तह. तियोग (हि.प्र.)  
Signature of Group President

 सचिव  
भवानी स्वयं सहायता समूह लोअर मुण्डू  
ग्राम पंचायत मुण्डू, तह. तियोग (हि.प्र.)  
Signature of Group Secretary

## Business Plan Approval by VFDS

Bhawani group will undertake the Vermicomposting

As Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted). In this regard Business Plan of amount (Rs) 247000/- has been submitted by this group on dated 3/12/2021 and the Business plan has been approved by VFDS L. Mundu

Business Plan with SHG resolution is being submitted to DMU through FTU for further action, please.

Thank you.

प्रधान Umm सचिव  
भवानी स्वयं सहायता समूह लोअर मुण्डू,  
ग्राम पंचायत मुण्डू, तह. ठियोग (हि.प्र.)  
Signature of Group President

प्रधान Bata सचिव  
भवानी स्वयं सहायता समूह लोअर मुण्डू,  
ग्राम पंचायत मुण्डू, तह. ठियोग (हि.प्र.)  
Signature of Group Secretary