

BUSINESS PLAN

**Income Generating Activity –Vermi-Compost
by
Gyan Jyoti - Self Help Group**



SHG/CIG Name	Gyan Jyoti
VFDS Name	Kashna
Range	Balsan
Division	Theog

Prepared Under



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

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Background

Agriculture and horticulture plays a vital role in the rural economy of Himachal Pradesh. Most of our population is dependent on income from these sectors for their survival. Over the past decades, there has been considerable planned thrust on diversification of farming to fruit farming, vegetable farming and floriculture which helped improve food and farm incomes of farming households. It resulted in success stories of viable farming by small hill farmers on their marginal farmlands, until recent times when farmers, have started experiencing new problems, decline in organic matter of the farmlands, increasing pest incidence of ever new kinds, increasing cost of cultivation, climate change based impacts on agriculture etc. To address these problems, concerted efforts have been made by various Govt. and various agencies from time to time. Organic farming has emerged as most preferred option to address some of these issues. Vermicomposting is an important ingredient of organic farming.

Vermicomposting has been unanimously chosen by members of Gyan Jyoti Self Help Group of Kashna of Batch-I, Balson range of Theog Forest Division as a business activity under JICA Forestry project after many deliberations and consensus made thereof. With the support of FTU, DMU and PMU, present business plan has been made for above self help group.

1. Description of SHG/CIG

SHG/CIG Name	::	Gyan Jyoti
VFDS	::	Kashna
Range	::	Balson
Division	::	Theog
Village	::	Kashna
Block	::	Ghodna
District	::	Shimla
Total No. of Members in SHG	::	11
Date of formation	::	05-06-2021
Bank a/c No.	::	2196000100054666
Bank Details	::	Punjab National Bank
SHG/CIG Monthly Saving	::	Rs 1100/- (Total combined contribution of each Member)
Total saving		Rs 4400/- (Total combined contribution of each Member)
Total inter-lending		
Cash Credit Limit		
Repayment Status		

2. Beneficiaries Detail:

Sr. No	Name	Father/Husband Name	Age	Qualification	Category	Income Source	Address
1	Anita Chauhan	Ranjeet Singh	41	10 th	General	Agriculture	Village Kashna, PO Mundu, Theog, Shimla Distt.
2	Rekha Devi	Virender	30	12 th	General	Agriculture	Village Kashna, PO Mundu, Theog, Shimla Distt.
3	Geeta Devi	Gyan Singh	41	8 th	General	Agriculture	Village Kashna, PO Mundu, Theog, Shimla Distt.
4	Reena Devi	Mahender	38	10 th	General	Agriculture	Village Kashna, PO Mundu, Theog, Shimla Distt.
5	Kiran	Jagdish Chand	36	10 th	General	Agriculture	Village Kashna, PO Mundu, Theog, Shimla Distt.
6	Krishna Devi	Dhani Ram	60	5 th	General	Agriculture	Village Kashna, PO Mundu, Theog, Shimla Distt.
7	Kanta Devi	Siri Ram	63	5 th	General	Agriculture	Village Kashna, PO Mundu, Theog, Shimla Distt.
8	Leela Devi	Beli Ram	61	5 th	General	Agriculture	Village Kashna, PO Mundu, Theog, Shimla Distt.
9	Babli Devi	Bhoop Singh	38	8 th	General	Agriculture	Village Kashna, PO Mundu, Theog, Shimla Distt.
10	Babli (Kamlesh)	Ramanand	38	12 th	General	Agriculture	Village Kashna, PO Mundu, Theog, Shimla Distt.
11	Sunila Devi	Prem Singh	47	5 th	General	Agriculture	Village Kashna, PO Mundu, Theog, Shimla Distt.

3. Geographical details of the Village

3.1	Distance from the District HQ	::	80km
3.2	Distance from Main Road	::	1km
3.3	Name of local market & distance	::	Balag (8km), Kuthar (3km)
3.4	Name of main market & distance		Balag (8km)
3.5	Name of main cities & distance		Theog (45km)
3.6	Name of main cities where product will be sold/ marketed	::	Theog

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 1	To prepare compost, either a plastic or a concrete tank/pit can be used. The size of the tank/pit depends upon the availability of raw materials, however as a standard, the sizing is being kept 10ftX4ftX2ft.
Step-2	Collect the biomass and place it under the sun for about 8-12 days. Now chop it to the required size using the cutter.
Step-3	Prepare a cow dung slurry and sprinkle it on the heap for quick decomposition.
Step-4	Add a layer (2 – 3 inch) of cement concrete at the bottom of the tank/pit.
Step-5	Now prepare fine bedding by adding partially decomposed cow dung, dried leaves and other biodegradable wastes collected from fields and kitchen. Distribute them evenly on the concrete layer.
Step-6	Continue adding both the chopped bio-waste and partially decomposed cow

	dung layer-wise into the tank/pit up to a depth of 0.5-1.0 ft.
Step-7	After adding all the bio-wastes, release the earthworm species over the mixture and cover the compost mixture with dry straw or gunny bags.
Step-8	Sprinkle water on a regular basis to maintain the moisture content of the compost.
Step-9	Cover the tank/pit with a thatch roof to prevent the entry of ants, lizards, mouse, snakes, etc. and protect the compost from rainwater and direct sunshine.
Step-10	Have a frequent check to avoid the compost from overheating. Maintain proper moisture and temperature.

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.)	::	11
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) by group	::	6000 Kg per cycle
6.6	Expected production per cycle (Kg) by group	::	3000 Kg per cycle

7. Description of Marketing/ Sale

7.1	Potential market places	::	HPFD, Local market, Own Farmland
7.2	Distance from the unit	::	Initially about 1-2 km
7.3	Demand of the product in market place/s	::	HPFD nurseries, Horticulturists, Vegetable Producers in vicinity
7.4	Process of identification of market	::	JICA project PMU, DMU and FTU will facilitate to sell the produce to

			HPFD nurseries and also cater to the demand of local population
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"		" Gyan Jyoti Special"

8. SWOT Analysis

❖ Strength

- ➔ SHG heard about this activity from fellow farmers and media.
- ➔ 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 shelf-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 HPFD and nearby villagers

❖ Threats/Risks

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

9. Description of Management among Members

- ➔ **Production** – Collectively
- ➔ **Quality assurance** – Collectively
- ➔ **Cleaning & packaging** – Collectively
- ➔ **Marketing** – Collectively
- ➔ **Monitoring of the unit** - Collectively

10. Description of Economics

(Amount in actual Rs.)

S. No	Particulars	Units	Quantity / Nos.	Cost (Rs.)	Year 1	Year 2	Year 3	Year 4	Year 5
A.	Capital Cost								
A.1	Construction of Pit and shed								
1	Pit and Shed (iron angle and sheets) Construction as well as labour cost (Internal Pit Size will be of 13.5ftX10ftX2ft)	pit and shed	1	90000	90000	0	0	0	0
	Sub-total (A.1)				90000	0	0	0	0
A.2	Machinery and equipment								
2	Tools, equipment, weighing scale etc.		LS		15000	0	0	0	0
	Sub-total (A.2)				15000	0	0	0	0
	Total Capital Costs (A.1+A.2)				105000	0	0	0	0
B	Recurring Costs								
3	Seed earthworm	Per Kg	10	300	3000	0	0	0	0
4	Cost of procurement of cow dung	per toone	18	900	16200	17010	17861	18754	19691
5	Labour Cost	Per tonne	9	700	6300	6615	6946	7293	7658
6	Packing materials		LS		4000	4200	4410	4631	4862

7	Other handling charges	Per tonne	9	150	1350	1418	1488	1563	1641
C	Other charges								
8	Insurance	L/S			0	0	0	0	0
9	Interest on loan	Per annum		2 per cent	3000	3000	3000	3000	3000
	Total recurring costs				33850	32243	33705	35240	36852
	Total cost =(capital cost+recurring cost)				138850	32243	33705	35240	36852
D	Income from vermicomposting								
10	Sale of vermicompost	Tonnes	6	6000	36000	37800	39690	41675	43758
11	Sale of earthworm					3000	6000	6000	6000
12	Total revenue				36000	40800	45690	47674.5	49758.2
13	Net returns (total revenue-total (D-C) (240000-306500))				-102850	8557	11985	12434.5	12906.2

Note – As labour work will be done by SHG members themselves and Slurry/dung/waste already available at their place and these materials will be not procured by them, therefore, recurring cost (Labour Cost, Cost of procurement of Slurry/dung/waste) can be deducted from total recurring cost.

Economic Analysis

S. No	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	
1	Capital cost	105000	0	0	0	0	
2	Recurring cost	33850	32243	33705	35240	36852	
3	Total cost	138850	32243	33705	35240	36852	276889
4	Total benefits	36000	40800	45690	47675	49758	219923

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	180000	135000	45000
2	Total Recurring Cost	33850	0	33850
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	Total =	356500	185000	78850

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"> • 75% of capital cost will be utilized for construction of pit (Size will be of 10ftX4ftX2ft) • Upto Rs 1 lakh will be parked in the SHG bank 	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"> • Trainings/capacity building/ skill up-gradation cost. 	
SHG contribution	<ul style="list-style-type: none"> • 25% of capital cost to be borne by SHG. • Recurring cost to be borne by SHG 	

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

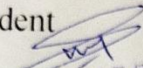
Group members Photos –

Sr.No	Name	Photo
1	Anita Chauhan	
2	Rekha Devi	
3	Geeta Devi	
4	Reena Devi	

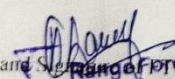
5	Kiran	
6	Krishna Devi	
7	Kanta Devi	

8	Leela Devi	
9	Babli Devi	
10	Babli (Kamlesh)	
11	Sunila Devi	

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

1. VFDS President  President V.F.D.S. Kashna	2. ... <i>Manika</i> ... SHG President प्रधान सचिव ज्ञान ज्योति स्वयं सहायता समूह काशना ग्रा.पं. मुण्डू टिक्कर सह.विद्येय वि. शिमला हि.प्र.
3. ... <i>Dellende</i> ... VFDS Secretary Member Secretary VFDS Kashna	4. ... <i>Rekha Devi</i> ... SHG Secretary सचिव प्रधान ज्ञान ज्योति स्वयं सहायता समूह काशना ग्रा.पं. मुण्डू टिक्कर सह.विद्येय वि. शिमला हि.प्र.

Submitted to DMU through FTU


 Name and Signature of Range Officer
 Balson, Theog Division

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/Husband Name	Age	Qualification	Category	Income Source	Signature
1	Anita Chauhan	Ranjeet Singh	41	10 th	General	Agriculture	Anita Chauhan
2	Rekha Devi	Virender	30	12 th	General	Agriculture	Rekha Devi
3	Geeta Devi	Gyan Singh	41	8 th	General	Agriculture	गीता देवी
4	Reena Devi	Mahender	38	10 th	General	Agriculture	Reena Devi
5	Kiran	Jagdish Chand	36	10 th	General	Agriculture	Kiran
6	Krishna Devi	Dhani Ram	60	5 th	General	Agriculture	कृष्णा देवी
7	Kanta Devi	Siri Ram	63	5 th	General	Agriculture	कान्ता
8	Leela Devi	Beli Ram	61	5 th	General	Agriculture	लीला देवी
9	Babli Devi	Bhoop Singh	38	8 th	General	Agriculture	बबली देवी
10	Babli (Kamlesh)	Ramanand	38	12 th	General	Agriculture	Babli
11	Sunila Devi	Prem Singh	47	5 th	General	Agriculture	सुनीला

Resolution-cum-Group-Consensus Form

It is decided in the General House Meeting of the Group... Ayan Jyoti
Held on 7/12/2021 at that our group will
undertake the Vegetable composting as Livelihood Income Generation Activity under the
Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA
Assisted).

प्रधान सचिव
ज्ञान ज्योति स्वयं सहायता समूह
काराना ग्रा.पं. मुण्डू टिक्कर
तह.टियोग जि. शिमला हि.प्र.
Ataulan
Signature of Group President

Rekha Devi
Signature of Group Secretary

प्रधान सचिव
ज्ञान ज्योति स्वयं सहायता समूह
काराना ग्रा.पं. मुण्डू टिक्कर
तह.टियोग जि. शिमला हि.प्र.

Business Plan Approval by VFDS

Gyan jyoti

group will undertake the

Vermin composting

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) 356500/- has been submitted by this group on dated 7/12/2021 and the Business plan has been approved by VFDS Kashna.

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

Thank you.

प्रधान सचिव
ज्ञान ज्योति स्वयं सहायता समूह
काशना प्रा.पं. मुण्डू टिक्कर
बह.उद्योग जि. शिमला हि.प्र.
Ashuwan
Signature of Group President

Rekha Devi
Signature of Group Secretary
प्रधान सचिव
ज्ञान ज्योति स्वयं सहायता समूह
काशना प्रा.पं. मुण्डू टिक्कर
बह.उद्योग जि. शिमला हि.प्र.

प्रधान सचिव
Rella Devi
कारणा ग्रा.पं. मुण्डू टिक्कर
बहुरियोग जि. शिमला हि.प्र.

प्रधान सचिव
ज्ञान ज्योति स्वयं सहायता समूह
कारणा ग्रा.पं. मुण्डू टिक्कर
बहुरियोग जि. शिमला हि.प्र.
Signature of SHG President

Signature of VFDS Secretary
Daxender
VFDS Kashna

Signature of SHG President
President V.F.D.S.
Kashna
Signature of VFDS President

Signature of Forest Guard

Signature of Block Officer
VFDS Kashna

Signature of RFO
Rajou
Balson, Theog Division

Approved by DMU