

BUSINESS PLAN

Income Generating Activity –Vermi-Compost by Jagriti- Self Help Group



SHG/CIG Name	Jagriti
VFDS Name	Dhagali
Range	Balson
Division	Theog

Prepared Under



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

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Background

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 has direct environmental and economic benefits as it contributes to the sustainable agriculture production and income of farmers significantly.

The Jagriti Self Help Group of Village Forest Development Society Dhagali of Balson range under Theog Forest Division has consented to go for vermicomposting as a business activity under HP JICA forestry project, owing to its recognition as vegetable growing area. There is a huge demand of manure especially vermicompost that the farmers at present are procuring from lower areas of Shimla district paying huge amount as a freight for its transportation.

1. Description of SHG/CIG

SHG/CIG Name	::	Jagruti
VFDS	::	Dhagali
Range	::	Balson
Division	::	Theog
Village	::	Dhagali
Block	::	Ghodna
District	::	Shimla
Total No. of Members in SHG	::	11
Date of formation	::	31-03-2021
Bank a/c No.	::	2196000100054718
Bank Details	::	Punjab national bank
SHG/CIG Monthly Saving	::	Rs 2100/- (Total combined contribution of each Member)
Total saving	::	Rs 5000/- (Total combined contribution of each Member)
Total inter-lending		
Cash Credit Limit		
Repayment Status		

2. Beneficiaries Detail:

Sl. No	Name	Father/ HusbName	Age	Qualification	Category	Income Source	Address
1	Sunita Hetta	Gyan Singh	43	10 th	General	Agriculture	Village Dhagali PO Balag
2	Champa Tekta	Prakash Chand	45	10 th	SC	Agriculture	Village Dhagali PO Balag
3	Sarasvati Sharma	Prem Lal	50	10 th	General	Agriculture	Village Dhagali PO Balag
4	Meena Tekta	Om prakash	31	10 th	SC	Agriculture	Village Dhagali PO Balag
5	Rekha Tekta	Layak Ram	32	12 th	SC	Agriculture	Village Dhagali PO Balag
6	Babita Tekta	Roshan Lal	33	8 th	SC	Agriculture	Village Dhagali PO Balag
7	Satya Tekta	Budhi Ram	49	5 th	SC	Agriculture	Village Dhagali PO Balag
8	Uma Hetta	Prakash Chand	50	10 th	General	Agriculture	Village Dhagali PO Balag
9	Sharda	Mohan Lal	46	5 th	SC	Agriculture	Village Dhagali PO Balag
10	Meera Gader	Jagdish	44	10 th	General	Agriculture	Village Dhagali PO Balag
11	Tripta Gader	Surender	43	10 th	General	Agriculture	Village Dhagali PO Balag

3. Geographical details of the Village

3.1	Distance from the District HQ	::	45km
3.2	Distance from Main Road	::	03km
3.3	Name of local market & distance	::	Balag (3km), Sainj (7km)
3.4	Name of main market & distance		Balag (3km)
3.5	Name of main cities & distance		Theog (33km), Gumma (32km), Matiana (26km)
3.6	Name of main cities where product will be sold/ marketed	::	Theog (33km)

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.)	::	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	::	1800 Kg per cycle
6.6	Expected production per cycle (Kg) per member	::	900 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"		"Jagruti vermicompost"

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

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 work-shed								
1	Hardware items, construction of pit (Size will be of 10ftX4ftX2ft)	Per member	11	6000	66000	0	0	0	0
2	Construction of cover shed	Per member	11	4000	44000				
	Sub-total (A.1)				110000	0	0	0	0
A.2	Machinery and equipment								
2	Tools, equipment etc.	Per member	11	2000	22000	0	0	0	0
	Sub-total (A.2)				22000	0	0	0	0
	Total Capital Costs (A.1+A.2)				132000	0	0	0	0
B	Recurring Costs								
*3	Lease of land for setting up unit	Per annum	11	0	0	0	0	0	0
4	Other miscellaneous expenses	Per annum	11	0	0	0	0	0	0

5	Seed earthworm	Per Kg	11	500	5500	0	0	0	0
*6	Cost of procurement of Slurry/dung/waste	Tonnes	0	0	0	0	0	0	0
*7	Labour Cost	Per tonne	0	0	0	0	0	0	0
8	Packing materials	No.	110	50	5500	6000	7000	7500	8000
9	Other handling charges	Per tonne	50	100	5000	6000	6500	7000	7500
C	Other charges								
10	Insurance	L/S			0	0	0	0	0
11	Interest on loan	Per annum		0	0	0	0	0	0
	Total recurring costs				16000	12000	13500	14500	15500
	Total cost = Capital + recurring				148000	12000	13500	14500	15500
D	Income from vermicomposting								
12	Sale of vermicompost	Tonnes	33	6000	198000 (6000)	214500 (6500)	231000 (7000)	247500 (7500)	264000 (8000)
13	Sale of earthworm					5000	10000	10000	10000
14	Total revenue				198000	219500	241000	257500	274000
15	Net returns (D-C)				50000	207500	227500	243000	258500

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

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capital cost	132000	0	0	0	0
Recurring cost	16000	12000	13500	14500	15500
Total cost	148000	12000	13500	14500	15500
Total revenue	198000	219500	241000	257500	274000
Net profit	50000	207500	227500	243000	258500

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	132000	99000	33000
2	Total Recurring Cost	16000	0	16000
3	Trainings/ capacity building/skill up-gradation	25000	25000	
	Total =	173000	124000	49000

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 account. • Trainings/capacity building/ 	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities.
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	skill up-gradation cost.	
SHG contribution	<ul style="list-style-type: none"> • 25% of capital cost to be borne by SHG, this include cost of shed/construction of shed. • 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 –

Sl. No	Name	Photo
1.	Sunita Hetta	 A portrait of a woman with a bindi, wearing a black vest over a patterned top and a dark headscarf.
2.	Champa Tekta	 A portrait of a woman with a bindi, wearing a green top and a black necklace.
3.	Sarasvati Sharma	 A portrait of a woman with a bindi, wearing a white top and a light-colored headscarf.
4.	Meena Tekta	 A portrait of a woman with a bindi, wearing a red necklace and a dark top.

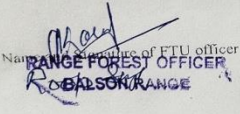
5.	Rekha Tekta	
6.	Babita Tekta	
7.	Satya Tekta	
8.	Uma Hetta	 <p>UMA DEVI W/O PRAKASH CHAND JAGRITI GROUP</p> <p>POCO SHOT ON POCO M2</p>

9.	Sharda	
10.	Meera Gader	
11.	Tripta Gader	

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

1. <u>Dhanam Das</u> VFDS President..... President..... VFDS Dhagali	2. <u>Prabhu</u> SHG President..... प्रधान अध्यक्ष अध्यक्ष अध्यक्ष
3. VFDS Secretary..... Member Secretary..... Member Secretary..... VFDS Dhagali	4. <u>Chandra D</u> SHG Secretary..... सचिव सचिव सचिव

Submitted to DMU through FTU


 Name of FTU officer
RANGE FOREST OFFICER
R. BALSONRANGE

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:

Sl. No	Name	Father/HusbName	Age	Qualification	Category	Income Source	Signature
1	Sunita Hetta	Gyan Singh	43	10 th	General	Agriculture	Sunita Devi
2	Champa Tekta	Prakash Chand	45	10 th	SC	Agriculture	Champa Devi
3	Sarasvati Sharma	Prem Lal	50	10 th	General	Agriculture	Saraswati
4	Meena Tekta	Om prakash	31	10 th	SC	Agriculture	मीना
5	Rekha Tekta	Layak Ram	32	12 th	SC	Agriculture	Rekha
6	Babita Tekta	Roshan Lal	33	8 th	SC	Agriculture	बबीता
7	Satya Tekta	Budhi Ram	49	5 th	SC	Agriculture	सत्या
8	Uma Hetta	Prakash Chand	50	10 th	General	Agriculture	Uma
9	Sharda	Mohan Lal	46	5 th	SC	Agriculture	शारदा
10	Meera Gader	Jagdish	44	10 th	General	Agriculture	मीरा
11	Tripta Gader	Surender	43	10 th	General	Agriculture	त्रिपता

Resolution-cum-Group-Consensus Form

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

Held on 07/DEC/2021 at Community hall 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).

प्रधान
जागृति स्वयं सहायता समूह धमाली
ग्राम, धमाली, तह. टियोग (हि.प्र.)
Signature of Group President

सचिव
जागृति स्वयं सहायता समूह धमाली
ग्राम, धमाली, तह. टियोग (हि.प्र.)
Signature of Group Secretary

Business Plan Approval by VFDS

Jagrati 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.) 173000/- has been submitted by this group on dated 7/12/2021 and the Business plan has been approved by VFDS Dhagali

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

Thank you

प्रधान
Sunita
सचिव
जाग्रति स्वयं सहायता समूह धगाली
ग्राम पंच. धगाली, तह. डियोग (हि.प्र.)
Signature of Group President

प्रधान
जाग्रति स्वयं सहायता समूह धगाली
ग्राम पंच. धगाली, तह. डियोग (हि.प्र.)
Signature of Group Secretary

Signature of SHG Secretary

Champa Devi
Village Panchayat, Dhagali

Signature of SHG President
Village Panchayat, Dhagali

[Handwritten Signature]
Signature of VFDS Secretary

Member Secretary.....
VFDS Dhagali

[Handwritten Signature]
Signature of VFDS President
President.....
VFDS Dhagali

[Handwritten Signature]
Signature of Forest Guard

[Handwritten Signature]
Signature of Block Officer

Treasurer.....
VFDS Dhagali

[Handwritten Signature]
Signature of RFO
RANGE FOREST OFFICER
BALSON

[Handwritten Signature]
Approved by DMU