

BUSINESS PLAN
Income Generating Activity –Vermi-Compost
by
Ujjwal - Self Help Group,



SHG/CIG Name	Ujjwal
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

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	::	Ujjwal
VFDS	::	Dhagali
Range	::	Balson
Division	::	Theog
Village	::	Dhagali
Block	::	Ghodna
District	::	Shimla
Total No. of Members in SHG	::	12
Date of formation	::	30-01-2021
Bank a/c No.	::	2196000100054569
Bank Details	::	Punjab National Bank
SHG/CIG Monthly Saving	::	Rs 3000/- (Total combined contribution of all members)
Total saving		Rs 5000/- (Total contribution by all members)
Total inter-lending		
Cash Credit Limit		
Repayment Status		

2. Beneficiaries Detail:

Sl. No	Name	Father/ HusbName	Age	Categor y	Educatio n	Income Source	Address
1	Yashoda Tekta	Inder Singh	58	SC	+2	Agriculture	Village Dhagali, PO Balag, Teh. Theog, Dlsth. Shimla
2	Beena Tekta	Deepak Tekta	41	SC	10th	Agriculture	Village Dhagali, PO Balag, Teh. Theog, Dlsth. Shimla
3	Anu Tekta	Devender Tekta	37	SC	+2	Agriculture	Village Dhagali, PO Balag, Teh. Theog, Dlsth. Shimla
4	Nisha Tekta	Yogender Tekta	29	SC	10th	Agriculture	Village Dhagali, PO Balag, Teh. Theog, Dlsth. Shimla
5	Kamla	Keshav Ram	52	SC	NO	Agriculture	Village Dhagali, PO Balag, Teh. Theog, Dlsth. Shimla
6	Belo Devi	Dhuda Singh	56	SC	8TH	Agriculture	Village Dhagali, PO Balag, Teh. Theog, Dlsth. Shimla
7	Shanti Devi	Mast Ram	49	SC	NO	Agriculture	Village Dhagali, PO Balag, Teh. Theog, Dlsth. Shimla
8	Savitri	Layak Ram	53	SC	12TH	Agriculture	Village Dhagali, PO Balag, Teh. Theog, Dlsth. Shimla
9	Preetima	Ramkrishan	28	SC	12TH	Agriculture	Village Dhagali, PO Balag,

							Teh. Theog, Distt. Shimla
10	Kaushalya	Mahendra	48	SC	NO	Agriculture	Village Dhagali, PO Balag, Teh. Theog, Distt. Shimla
11	Meera	Het Ram	35	SC	NO	Agriculture	Village Dhagali, PO Balag, Teh. Theog, Distt. Shimla
12	Binta	Tarachand	28	SC	10TH	Agriculture	Village Dhagali, PO Balag, Teh. Theog, Distt. Shimla

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"		"Ujjwal 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 Pit and shed								
1	Construction as well as labour cost (Pit Size internal will be of 10ftX4ftX2ft)	Per member	12	6000	72000	0	0	0	0
2	Errction of cover shed	Per member	12	4000	48000				
	Sub-total (A.1)				120000	0	0	0	0
A.2	Machinery and equipment								
3	Tools, equipment, weighing scale etc.	Per member	12	2000	24000	0	0	0	0
	Sub-total (A.2)				24000	0	0	0	0
	Total Capital Costs (A.1+A.2)				144000	0	0	0	0
B	Recurring Costs								
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
C	Other charges								
9	Insurance	L/S			0	0	0	0	0
10	Interest on loan	Per annum		2 per cent	3000	3000	3000	3000	3000
	Total recurring costs				53000	49200	51510	53936	56482
	Total cost =(capital cost+recurring cost)				197000	49200	51510	53936	56482
D	Income from vermicomposting								
11	Sale of vermicompost	Tonnes	40	6000	240000	252000	264600	277830	291722
12	Sale of earthworm					7500	15000	15000	15000
13	Total revenue				240000	259500	279600	292830	306722
14	Net returns (total revenue-total (D-C) (240000-197000))				43000	210300	228090	238894	250240

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	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
Net benefits	43000	210300	228090	238894	250240	970524

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
	Total =	247000	158000	89000

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 	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal
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	parked in the SHG bank account. <ul style="list-style-type: none"> • Trainings/capacity building/ skill up-gradation cost. 	formalities.
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:


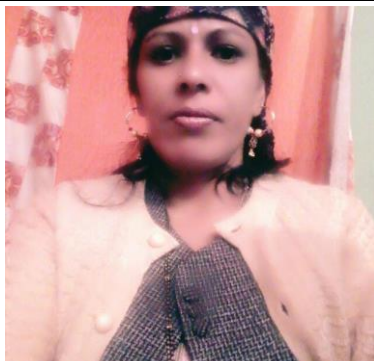

- ➔ Project Orientation Group Formation/ Reorganization
- ➔ Group Concept and Management
- ➔ Introduction to IGA (General)
- ➔ Marketing and Business Plan Development
- ➔ Bank Credit Linkages & Enterprise Development
- ➔ Exposure Visit of SHGs/ CIGs – Within the State& Outside State





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	Photos
1	Yashoda Tekta	 A woman with dark hair, wearing a red patterned shirt and a black vest, standing in front of a wooden door.
2	Beena Tekta	 A woman with dark hair, wearing a light-colored jacket over a dark top, standing in front of a red curtain.
3	Anu Tekta	 A woman with long dark hair, wearing a yellow and red patterned sari, standing in front of a blue floral background.

4	Nisha Tekta	
5	Kamla	
6	Belo Devi	
7	Shanti Devi	

8	Savitri	
9	Preetima	
10	Kaushalya	
11	Meera	

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

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 Managenent and Livelihood and coordination with the VFDS.

The details of the members is as under:

Sl. No	Name	Father/ HusbName	Age	Categor y	Educatio n	Income Source	Signature
1	Yashoda Tekta	Inder Singh	58	SC	+2	Agriculture	Yashoda
2	Beena Tekta	Deepak Tekta	41	SC	10th	Agriculture	Beena
3	Anu Tekta	Devender Tekta	37	SC	+2	Agriculture	Anu
4	Nisha Tekta	Yogender Tekta	29	SC	10th	Agriculture	Nisha
5	Kamla	Keshav Ram	52	SC	NO	Agriculture	Kamla
6	Belo Devi	Dhuda Singh	56	SC	8TH	Agriculture	Belo Devi
7	Shanti Devi	Mast Ram	49	SC	NO	Agriculture	Shanti
8	Savitri	Layak Ram	53	SC	12TH	Agriculture	Savitri
9	Preetima	Ramkrishan	28	SC	12TH	Agriculture	Preetima
10	Kaushalya	Mahendra	48	SC	NO	Agriculture	Kaushalya
11	Meera	Hef Ram	35	SC	NO	Agriculture	Meera
12	Binta	Tarachand	28	SC	10TH	Agriculture	Binta

1. <u>Dharam Day</u>VFDS President President..... VFDS Dhagali	2. <u>प्रधान</u>SHG President ग्राम पं. धगाली, तह. विभाग (हि.म.)
3.VFDS Secretary Member Secretary..... VFDS Dhagali	4. <u>सचिव</u>SHG Secretary ग्राम पं. धगाली, तह. विभाग (हि.म.)

Submitted to DMU through FTU

Prady
Name and Signature of Range Officer
RANGE FOREST OFFICER
BALSON RANGE

Resolution-cum-Group-Consensus Form

It is decided in the General House Meeting of the Group..... Ujjwal.....
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
सचिव
उज्जवल स्वयं सहायता समूह धौला
गाम, तह. डियोग (हि.प्र.)
Signature of Group President

प्रधान
सचिव
उज्जवल स्वयं सहायता समूह धौला
गाम, तह. डियोग (हि.प्र.)
Signature of Group Secretary

Business Plan Approval by VFDS

Ujjwal 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 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
उज्जवल स्वयं सहायता समूह धगाली
Signature of Group President

सचिव
उज्जवल स्वयं सहायता समूह धगाली
Signature of Group Secretary

सचिव
धगाली
Signature of SHG Secretary

सचिव
उज्जवल स्वयं सहायता समूह धगाली
Signature of SHG President

Member Secretary.....
Signature of VFDS Secretary
VFDS Dhagali

Signature of VFDS President
President.....
VFDS Dhagali

Signature of Forest Guard

Signature of Block Officer
Treasurer.....
VFDS Dhagali

Signature of RFO
RANGE FOREST OFFICER
BALSON RANGE

Approved by DMU