

BUSINESS PLAN

INCOME GENERATING ACTIVITY -Pine needle handicrafts
by
Radhe Krishan - Self Help Group Rangol (Balyendri)



SHG/CIG Name	::	Radhe Krishan
VFDS Name	::	Rangol
Range	::	Taradevi
Division	::	Shimla

Prepared under:



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

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Background

The Himalayan mountains attract people from all over the world. Thousands of people come every year to visit and spend time in some of the small hill stations located in the large area of Himalayas. One sees a large area of monoculture pine trees when one enters into the Himalayas. They are long, perfect, and often described as beautiful. But this beauty has been costing forest a lot. As the pine needles are highly inflammable and are the leading causes of forest fires. A majority of the fires were reported from the pine forests since during summer, the trees shed pine needles that are highly inflammable due to the rich content of turpentine oil.

However, these needles which lead to major cause of forest fire in summer season can become the source of income for rural people and also reduce chance of forest fire. This initiative could give women economic empowerment on the one hand, and get their active involvement to work towards protecting and conserving forests. The pine needles can be used to make beautiful and attractive handicraft items such as coasters, table mats, baskets, vases, trays, boxes and other ornamental creations. Although the process of creating these objects is simple, it requires quite some manual skills to weave, coil and braid these pine needles to make each piece a work of artistry.

1. Description of SHG/CIG

SHG/CIG Name	::	Radhe Krishan SHG Rangol (Balyendri)
VFDS	::	Rangol
Range	::	Taradevi
Division	::	Shimla
Village	::	Balyendri
Block	::	Tuto
District	::	Shimla
Total No. of Members in SHG	::	11
Date of formation	::	20/08/2019
Bank a/c No.	::	14100110059722
Bank Details	::	UCO Bank Dhani
SHG/CIG Monthly Saving	::	100/-
Total saving		33000/-
Total inter-lending		20000/-
Cash Credit Limit		-
Repayment Status		Good

2. Beneficiaries Detail:

Sl. No	Name	Father/ HusbName	Age	Category	Income Source	Address
1	Smt. Sapna	Sh. Harish Kumar	29	Gen.	Agriculture	Vill. Balendri, P.O. Kohbag Teh & Distt. Shimla
2	Smt. Kanta	Sh. Ramesh Kumar	37	Gen.	Agriculture	Vill. Balendri, P.O. Kohbag Teh & Distt. Shimla
3	Smt. Meena	Sh. Het Ram	33	Gen.	Agriculture	Vill. Balendri, P.O. Kohbag Teh & Distt. Shimla
4	Smt. Uma Devi	Sh. Parkash Chand	24	S.C.	Agriculture	Vill. Balendri, P.O. Kohbag Teh & Distt. Shimla
5	Smt. Mamta Devi	Sh. Mahinder Singh	35	Gen.	Agriculture	Vill. Balendri, P.O. Kohbag Teh & Distt. Shimla
6	Smt. Manju	Sh. Dhani Ram	35	Gen.	Agriculture	Vill. Balendri, P.O. Kohbag Teh & Distt. Shimla
7	Smt. Krishna	Sh. Hem Shankar	37	Gen.	Agriculture	Vill. Balendri, P.O. Kohbag Teh & Distt. Shimla
8	Smt. Meena Devi	Sh. Rajender Kumar	48	Gen.	Agriculture	Vill. Balendri, P.O. Kohbag Teh & Distt. Shimla
9	Smt. Beena	Sh. Kamaldeep	34	Gen.	Agriculture	Vill. Balendri, P.O. Kohbag Teh & Distt. Shimla
10	Smt. Reeta Devi	Late. Sh. Sukh Ram	44	Gen.	Agriculture	Vill. Balendri, P.O. Kohbag Teh & Distt. Shimla
11	Smt. Urmila	Late. Sh. Manohar	43	Gen.	Agriculture	Vill. Balendri, P.O. Kohbag Teh & Distt. Shimla

3. Geographical details of the Village

3.1	Distance from the District HQ	::	32Km
3.2	Distance from Main Road	::	9mtr
3.3	Name of local market & distance	::	Ghanchatti, 14Km, Dhami 12 Km.
3.4	Name of main market & distance		Shimla, 32Km
3.5	Name of main cities & distance		Shimla, 32Km
3.6	Name of main cities where product will be sold/ marketed	::	Shimla

4. Description of Product related to Income Generating Activity

4.1	Name of the Product	::	Pine Needle Handicrafts
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	::	Collecting the pine needles —The cooperative works together, with their children, to search the hills around their village for the ideal pine needles—long and unbroken. The women often plan ahead, collecting pine needles during Guatemala's dry season in order to make baskets year-round.
Step-2	::	Preparing the needles —When the women return from a day of gathering pines, they clean the needles and boil them in Glycerin diluted water after that they dry them inside. They store these dried pines so that they can produce product all year long.

Step		Description
Step-3	::	Weaving baskets and other products —The women start the weaving process with a group of 5-10 pine needles to create a strong base. Wrapping a thread tightly around the pine needles secures them in place. The women continue to wrap the group of pine needles in a circle or oval, using the thread to create the shape and also to add to the aesthetic of the product. The women continue this process to create a variety of designs and often use hundreds of pine needles to create the final product.
Step-4	::	Finished baskets —After days of hard work the women produce a variety of different products and home furnishing products.

6. Description of Production Planning

6.1	Production (in days)	::	All around year
6.2	Manpower	::	Women do the weaving daily when they free from their daily routine activities.
6.3	Source of raw materials	::	From Forest
6.4	Source of other resources	::	Open market
6.5	Raw material - quantity required (Kg) per member	::	1800 Kg. /per year

7. Description of Marketing / Sale

7.1	Potential market places	::	Shimla Local market
7.2	Demand of the product in market place/s	::	Huge demand at Shimla Market
7.3	Process of identification of market	::	SHG members identified the shopkeeper and exhibition in local and Shimla Market.

7.4	Marketing Strategy of the product	SHG members will also explore the additional marketing options around their villages for better sale price in future.
7.5	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
7.6	Product "slogan"	"Nature Friendly"

B. SWOT Analysis

❖ Strength

- ⊖ Activity is being already done by some SHG members
- ⊖ Raw material is easily available in forest.
- ⊖ 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.
- ⊖ Time consuming process.

❖ Opportunity

- ⊖ Increasing interest towards handicraft products
- ⊖ Tourist place market Shimla is easily approachable
- ⊖ Best utilization of free time after daily routine activities.

❖ Threats/Risks

- ⊖ Possibility of break of production due moisture in rainy season.
- ⊖ 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

(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								
1	Poly woven Fabric bag	Nos.	11	500	5500	0	0	0	0
2	Dari (10x12)	Nos.	1	2000	2000	0	0	0	0
3	Drill Machine	Nos.	1	3000	3000	0	0	0	0
4	Scissors	Nos.	11	200	2200	0	0	0	0
5	Inch tape	Nos.	11	30	330	0	0	0	0
6	Plastic Sheet (10x12)	Nos.	6	1500	9000	0	0	0	0
7	Iron racks	Nos.	6	3000	18000	0	0	0	0
	Sub-Total				40,030				
B	Recurring Costs								
1	Needles	Nos.	55	5	275	210	221	232	243
2	Thread	Nos.	660	20	13200	10080	10584	11113	11669
3	Wooden Pieces	Nos.	660	100	66000	50400	52920	55566	58344
4	Labor Cost	Per piece	660	300	198000	151200	158760	166698	175033
5	Packing materials	Nos.	660	10	6600	5040	5292	5557	5834
6	Other handling charges(Transportation)	Nos.	660	10	6600	5040	5292	5557	5834
	Total recurring costs				290675	305208	320468	336491	353315
	Total cost = Capital and recurring				330705	305208	320468	336491	353315
	Sale	Nos.	660	600	396000	415800	436590	458419	481340
	Net returns (C-B)				65295	110592	116122	121928	128025

Note- As labour work will be done by SHG members themselves and pine needle already available in forest and these materials will be not procured by them, therefore, recurring cost (Labour Cost, Cost of procurement of raw material) can be deducted from total recurring cost.

Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	
Capital cost	40,030					
Recurring cost	290675	305208	320468	336491	353315	
Total cost	330705	305208	320468	336491	353315	
Total revenue	396000	415800	436590	458419	481340	
Net benefits	65295	110592	116122	121928	128025	

Distribution of net profit – As per share in production.

11. Inferences of Economic Analysis

- The pine needles can be used to make beautiful and attractive handicraft items such as coasters, table mats, baskets, vases, trays, boxes and other ornamental creations.
- As the demand of chapatti box is 90% so here the chapatti box is taken for calculation purpose.
- It is proposed that each member will produce 60 plus different items every year resulting in production of 660 plus items by all 11 members of SHG in one year.
- Cost of production for chapatti box is Rs.440.00 (per unit)
- The pine needle handicraft 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	40030	30023	10007
2	Total Recurring Cost	290675	---	290675
3	Trainings/ capacity building/skill up-gradation	50000	50000	---
	Total =	3,80,705	80023	300682

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 borne by the project. • UptoRs 1 lakh will be parked in the SHG bank account. • Trainings/capacity building/skill up-gradation cost. 	Procurement materials will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none"> • 25% of capital cost to be 	

Group members Photos -



Resolution-cum-Group Consensus Form

It is decided in the General House meeting of the group Radhe Krishna held on 08.10.11 at Balgarodi that our group will undertake the Handicrafts Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted).

[Signature]
सचिव
"रधे कृष्ण" ग्राम समिति अध्यक्ष
Signature of Group Pradhan

[Signature]
"रधे कृष्ण" ग्राम समिति सचिव
Signature of Group Secretary

ग्रामीण वन विकास समिति (V.F.D.S.) रंगोल

ग्राम पंचायत माधली जेजई, डाकघर बौहबाग, तहसील व जिला शिवला (हि०प्र०)

दूरभाष न०:- ९६३५१-०६५१५ (प्रधान), ७०१८५-५७९६४ (सचिव)

क्रमांक १.....

दिनांक ०८-१२-२१

Business Plan Approval by VFDS

Radhe Krishna group will undertake the ~~Project~~ as Livelihod income Generation Activity under the Project for improvement of Himachal Pradesh Forest Ecosystems Management and Livelihoods (JICA Assisted).

On this regard Business plan of amount (RS) 3,80,705/- has been submitted.

by this group on dated 08-12-2021

and this business plan has been approved by Rangol VFDS.

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

Thank you

[Signature]
Signature of VFDS Pradhan

[Signature]
Signature of VFDS Secretary

Submitted to DMU through FTU

Vikram
Name & Signature of FTU Officer

Pratibha Sharma
Name & Signature of FTU Coordinator

Approved



DFO-cum-DMU OFFICER
JICA FORESTRY Project
SHIMLA

Name & Signature of DMU Officer