

BUSINESS PLAN

**Income Generating Activity –Vermi-Compost
by
Radha Krishan Mandir - Self Help Group.**



SHG/CIG Name	Radha Krishan Mandir
VFDS Name	Kashna
Range	Balson
Division	Theog

Prepared Under



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

Table of Contents

Sl. No.	Particulars	Page/s
1	Background	3
2	Description of SHG/CIG	4
3	Beneficiaries Detail	5
4	Geographical details of the Village	5
5	Description of product related to Income Generating Activity	5
6	Production Processes	6
7	Production Planning	6
8	Sale & Marketing	7
9	SWOT Analysis	7
10	Description of Management among members	8
11	Description of Economics	9
12	Inference of Economic Analysis	12
13	Fund Requirement	12
14	Sources of Fund	12
15	Bank Loan Repayment	13
16	Trainings/capacity Building / Skill up-gradation	13
17	Monitoring Method	13
18	Group Member Photos	14

Vermicomposting

In Himachal Pradesh, farmers have marginal landholdings and traditionally practising organic way of farming. Cowdung collected from stalled cattle is being used in farms. Over the last few decades, the cropping pattern and practices have changed from subsistence crop production to cash crop production. This has resulted in huge demand for manure. Vermicomposting can play a vital role in increasing the environment / health friendly crop production and can be a good income generating activity for the forest dependent communities in the state.

Radha Krishna mandir Self Help Group of Kashna Village Forest Development Society (VFDS), after having various meetings, unanimously passed a resolution to adopt Vermicomposting as their income generating business activity. The group approached the ward facilitators, who intimated the FTU and DMU. and this business plan came into existence.

Why Vermicomposting preferred as business plan by SHG?

1. There is a gradual increase in demand for vermicompost due to the high level of nutrient contents.
2. There exist about 97 jersey/desi cows, 20 bullocks and 16 sheeps and goats in Kashna area. Most of this "**Pashudhan**" are fed during autumn and rainy season.

The process:

Vermicomposting is the process of converting the organic waste in to highly nutritious manure by earthworms. Earthworms feed on the organic waste materials and excreta in the form of **Vermicasts** that are rich in nitrates and minerals. These vermicasts are used as fertilizers.

Materials required

1. Water
2. Cow dung
3. Thatched roof
4. Soil or sand
5. Earthworms
6. Gunny bags
7. Organic biomass
8. Plastic or cemented tank

9. Dry straw and leaves collected from the fields
10. Biodegradable wastes collected from fields and kitchen

Before venturing into vermicompost making, farmers training of making vermicompost by an expert is required for which possibilities are being explored in agriculture department by the DMU.

1. Description of SHG/CIG

SHG/CIG Name	::	RadhaKrishanMandir Joy
VFDS	::	Kashna
Range	::	Balson
Division	::	Theog
Village	::	Kashna
Block	::	Ghodna
District	::	Shimla
Total No. of Members in SHG	::	12
Date of formation	::	03-06-2021
Bank a/c No.	::	2196000100054628
Bank Details	::	Punjab National Bank
SHG/CIG Monthly Saving	::	Rs 1200/- (Total combined contribution of all members)
Total saving		Rs 4800/- (Total combined contribution of all members)
Total inter-loaning		
Cash Credit Limit		
Repayment Status		

2. Beneficiaries Detail:

Sl. No	Name	Father/ Husband Name	Age	Qualification	Category	Income Source	Address
1	Subhadra	Kewal Ram	44	BA	General	Agriculture	Dhartoo
2	Meera	Narayan Singh	41	10 th	General	Agriculture	Joy
3	Sarla	Santosh	47	10 th	General	Agriculture	Joy
4	Asha	Atma Ram	48	8 th	General	Agriculture	Joy
5	Bimla	Hari Ram Bhandari	52	5 th	General	Agriculture	Joy
6	Shanti	Sawa Ram	36	8 th	General	Agriculture	Joy
7	Reena	Atma Ram	35	10 th	General	Agriculture	Joy
8	Pushpa	Mohan Lal	35	12 th	General	Agriculture	Dhartoo
9	Reena	JiaLal	39	10 th	General	Agriculture	Dhartoo
10	Sanju	Manjeet	26	12 th	General	Agriculture	Joy
11	Sarojini	Ranjeet	34	10 th	General	Agriculture	Joy
12	Binta	Parkash	36	10 th	General	Agriculture	Joy

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	::	Vermicompost
4.2	Why Vermicomposting identified?	::	Due to changing cropping patterns, there is an increased demand for manure in the area. SHG members had

			collectively decided to go for producing Vermicompost to meet the new situation.
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.)	::	One
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	::	900Kg 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"		"Prakritik Uphaar"

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	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				
	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	113000	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) • UptoRs 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.

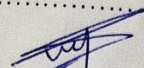
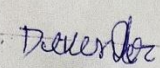
Group members Photos –

Sl. No	Name	Photo
1	Subhadra	
2	Meera	
3	Sarla	
4	Asha	

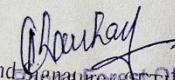
5	Bimla	
6	Shanti	
7	Reena Verma	
8	Pushpa	

9	Reena		
10	Sanju		
11	Sarojini		
12	Binta		

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. Subkdv SHG President प्रधान सचिव स्वयं सहायता समूह राधा कृष्ण मन्दिर जोये
3. VFDS Secretary  Member Secretary VFDS Kashna	4. SHG Secretary मीरा देवी प्रधान सचिव स्वयं सहायता समूह राधा कृष्ण मन्दिर जोये

Submitted to DMU through FTU


 Name and Signature of FTU 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:

Sl. No	Name	Father/ Husband Name	Age	Qualificati on	Category	Income Source	Signature
1	Subhadra	Kewal Ram	44	BA	General	Agriculture	Subhadra
2	Meera	Narayan Singh	41	10 th	General	Agriculture	मीरा देवी
3	Sarla	Santosh	47	10 th	General	Agriculture	सुरला
4	Asha	Atma Ram	48	8 th	General	Agriculture	आशा देवी
5	Bimla	Hari Bhandari Ram	52	5 th	General	Agriculture	बिमला
6	Shanti	Sawa Ram	36	8 th	General	Agriculture	शान्ति
7	Reena	Atma Ram	35	10 th	General	Agriculture	Reena
8	Pushpa	Mohan Lal	35	12 th	General	Agriculture	
9	Reena	JiaLal	39	10 th	General	Agriculture	रीना
10	Sanju	Manjeet	26	12 th	General	Agriculture	
11	Sarojini	Ranjeet	34	10 th	General	Agriculture	Sanju
12	Binta	Parkash	36	10 th	General	Agriculture	सरोजनी
					General	Agriculture	Binta

Resolution-cum-Group-Consensus Form

It is decided in the General House Meeting of the Group Radha Krishan Mandir Joe

Held on 7/12/2021 at Radha Krishan Mandir 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).

Subhdra

प्रधान सचिव

स्वयं सहायता समूह

राधा कृष्ण मन्दिर जोये

Signature of Group President

मीरा देवी

प्रधान सचिव

स्वयं सहायता समूह

Signature of Group Secretary

राधा कृष्ण मन्दिर जोये

Business Plan Approval by VFDS

Radha Krishna Mandir group will undertake the Vermincomposting
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.

Subhdra

प्रधान सचिव
स्वयं सहायता समूह
राधा कृष्ण मन्दिर जोये

Signature of Group President

मीरा देवा
प्रधान सचिव
स्वयं सहायता समूह
राधा कृष्ण मन्दिर जोये
Group Secretary

Signature of SHG Secretary
राधा कृष्ण मन्दिर जोड़े

Signature of VFDS Secretary

Signature of Forest Guard

Signature of RFO
Range Forest Officer
Balson, Theog Division

Approved by DMU

Subkhora

प्रधान सचिव
स्वयं सहायता समूह
राधा कृष्ण मन्दिर जोड़े
Signature of SHG President

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

Signature of Block Officer
Treasurer.....
VFDS Kashna