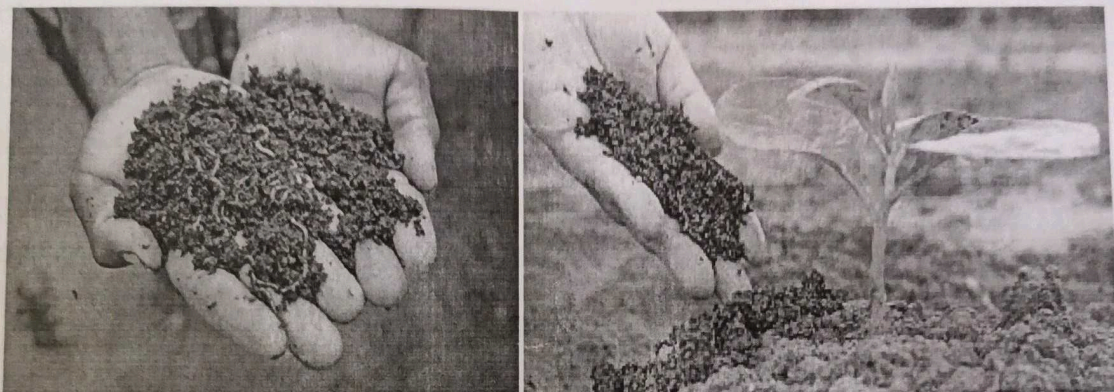


BUSINESS PLAN

INCOME GENERATING ACTIVITY – Vermicomposting

by

Jai Luxmi Narayan - Self Help Group



SHG/CIG Name	::	Jai Luxmi Narayan
VFDS Name	::	Kinnu
Range	::	Sarahan
Division	::	Rampur

Prepared under:



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

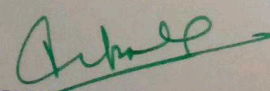

DMU Officer-cum-DCF,
Rampur Forest Division, H.P.

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Background

Vermi-composting has been gaining a strong foothold in the country due to ecological economic and human health benefits associated with it. The use of vermin-compost in place of chemical fertilizers results into better soil health balanced ratio of various minerals and good fertility and best quality crop production. The organic farming which has taken the front seat in the present day lifestyle is mainly possible by using vermicompost in production of all the organic food-chain.

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 has direct environmental and economic benefits as it contributes to the sustainable agriculture production and income of farmers significantly. The **Jai Luxmi Narayan Self Help** Group of Village Forest Development Society **Kinnu of Sarahan** range under **Rampur 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.

2. Description of SHG/CIG

2.1	SHG/CIG Name	::	Jai Luxmi Narayan
2.2	VFDS	::	Kinnu
2.3	Range	::	Sarahan
2.4	Division	::	Rampur
2.5	Village	::	Kinnu
2.6	Block	::	Rampur
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	16 (Male-7, Female-9)
2.9	Date of formation	::	March 2021
2.10	Bank a/c No.	::	
2.11	Bank Details	::	H.P. State Cooperative Bank, Sarahan
2.12	SHG/CIG Monthly Saving	::	100
2.13	Total saving		
2.14	Total inter-loaning		-
2.15	Cash Credit Limit		--
2.16	Repayment Status		--

3. Beneficiaries Detail:

Sr. No	Name (Sh/Smt.)	Father/Husband Name (Sh.)	Age	Category	Income Source	Address
1	Shishu Pal	Briju Ram	45	General	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
2	Sumitra Devi	Des Raj	40	SC	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
3	Hem Lata	Sunil Kumar	34	General	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
4	Krishna Devi	Balbir Singh	35	General	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
5	Kalam Singh	Tula Ram	38	SC	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
6	Meera Devi	Jagdish Kumar	38	SC	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
7	Rattan Dass	Bheti Ram	50	SC	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
8	SewaDassi	Brestu Ram	45	SC	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
9	Jiwanu Ram	Twarku Ram	40	SC	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)

10	Thakur Mani	Daleep Kumar	42	General	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
11	Raj Pal Barogi	Jai Singh Barogi	35	General	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
12	SnehLata Mehta	Raj Bir Mehta	38	General	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
13	Ban Dassi	Roop Singh Khachi	55	General	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
14	Purshottam Thakur	Dhadu Ram	45	General	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
15	Vidya Devi	MangalSain	40	General	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
16	Shrikantkhachi	Prem Chand	40	General	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)

5. Description of t...

4. Geographical Details of The Village

4.1	Distance from the District HQ	::	180 Km
4.2	Distance from Main Road	::	4 Km
4.3	Name of local market & distance	::	Sarahan 12 Km
4.4	Name of main market & distance	::	Rampur- 50 Km
4.5	Name of main cities & distance	::	
4.6	Name of places/locations where product will be sold/ marketed	::	Villages covered - Kinnu

P.O.
Tehsil
Distt.

5. Description of Product related to Income Generating Activity

1	Name of the Product	Vermicompost
2	Method of product identification	This activity has been decided by SHG members.
3	Consent of SHG/ CIG / cluster members	Yes

6. Description of Production Process

Step	Description
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.

7. Description of Production Planning

7.1	Production Cycle (in days)	::	90 days (three cycles in a year)
7.2	Manpower required per cycle (No.)	::	1
7.3	Source of raw materials	::	From household and own farms
7.4	Source of other resources	::	Open market
7.5	Raw material - quantity required per cycle (Kg) per member	::	1800 Kg per cycle
7.6	Expected production per cycle (Kg) per member	::	900Kg per cycle

Description of Marketing/ Sale

8.1	Potential market places	::	HP Forest Deptt. Local market Use on own farm
8.2	Distance from the unit	::	
8.3	Demand of the product in market place/s	::	HP Forest Deptt. is procuring huge vermi-compost for their nursery
8.4	Process of identification of market	::	PMU will facilitate the tie up of procurement of vermi-compost produced by SHG with HP Forest Deptt.
8.5	Marketing Strategy of the product	::	SHG members will also explore the additional marketing options around their villages for better sale price in future.
8.6	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
8.7	Product "slogan"	::	"Nature Friendly"

9. SWOT Analysis

❖ Strength

- ☉ Activity is being already done by some SHG members
- ☉ 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 self-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 HP Forest
- ❖ **Threats/Risks**
 - ⊖ Possibility of break of production cycle due to extreme weather
 - ⊖ Competitive market

10. 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

11. Cost analysis

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	16	6000	96000	0	0	0	0
2	Construction of cover shed	Per member	16	4000	64000				
	Sub-total (A.1)				160000	0	0	0	0
A.2	Machinery and equipment								
2	Tools, equipment etc.	Per member	16	2000	32000	0	0	0	0
	Sub-total (A.2)				32000	0	0	0	0
	Total Capital Costs (A.1+A.2)				192000	0	0	0	0
B	Recurring Costs								
3*	Lease of land for setting up unit	Per annum	16	0	0	0	0	0	0
4	Other miscellaneous expenses	Per annum	16	0	0	0	0	0	0
5	Seed earthworm	Per Kg	16	500	8000	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.	160	50	8000	8500	9000	9500	10000
9	Other handling charges	Per tonne	50	150	7500	8000	8500	9000	9500
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				23500	16500	17500	18500	19500

	Total cost = Capital + recurring				215500	16500	17500	18500	19500
D	Income from vermicomposting								
12	Sale of vermicompost	Tonnes	43	6000	258000 (6000)	281500 (6500)	305000 (7000)	328500 (7500)	352000 (8000)
13	Sale of earthworm					5000	10000	10000	10000
14	Total revenue				258000	286500	315000	338500	362000
15	Net returns (D-C)				42500	270000	297500	320000	342500

Note -

*3. On own land

*6 all operation will be done by the members themselves

*7 no extra labour cost, since all member will do the work themselves

() rates per tonne given in the parenthesis

Economic analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capital cost	192000	0	0	0	0
Recurring cost	23500	16500	17500	18500	19500
Total cost	215500	16500	17500	18500	19500
Total revenue	258000	286500	315000	338500	362000
Net profit	42500	270000	297500	320000	342500

12. Inferences of Economic Analysis

- ☉ Pit size for each member has been planned at 10X4X2 ft for one pit.
- ☉ Cost of production of vermi-compost has been estimated at Rs. 3.2 per Kg
- ☉ Sale of vermi-compost (conservative side) is proposed at Rs. 6 per Kg
- ☉ Net profit is estimated to be Rs. 6-3.2 = 2.8 per Kg
- ☉ It is proposed that each member will produce 2.7 tonnes of vermi-compost every year resulting in production of 43.2 tonnes vermi-compost by all 16 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 earthworms for sale (as it will multiply during the process of production of vermi-compost)
- ☉ The vermi-compost making is a profitable IGA and therefore has been taken up by the SHG members.
- ☉ Level of commitment among beneficiaries towards participation in training/ capacity building & skill up-gradation

13. Fund requirement:

Sl. No.	Particulars	Total Amount (Rs)	Project support	SHG contribution
1	Total capital cost	192000	96000	96000
2	Total Recurring Cost	23500	0	23500
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	Total =	265500	146000	119500

- **Capital Cost** - 50% 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

14. Sources of fund:

Project support;	<ul style="list-style-type: none"> • 50% of capital cost will be utilized for construction of pit (Size will be of 10ftX4ftX2ft) • Rs 1 lakh as revolving fund will be parked in the SHG bank account (should be utilized for taking bank loan in case of taking loan from bank) or as a revolving fund. • Trainings/capacity building/ skill up-gradation cost. 	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none"> • 50% of capital cost to be borne by SHG, this include cost of shed/construction of shed. • Recurring cost to be borne by SHG 	

15. 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.

16. 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

17. 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 -



Shri Kant Khachi (M)

Vidya Devi, (M)

Sumitra Devi (VP)



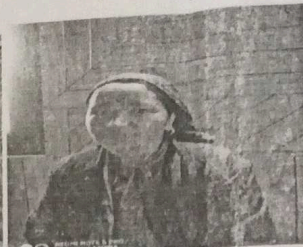
Puroshotam Thakur (M)

SnehLata (M)

Raj Pal (M)



Bann Dasi (M)



Thakur Mani (M)



Jivnu Ram (M)



Shishu Pal (P)



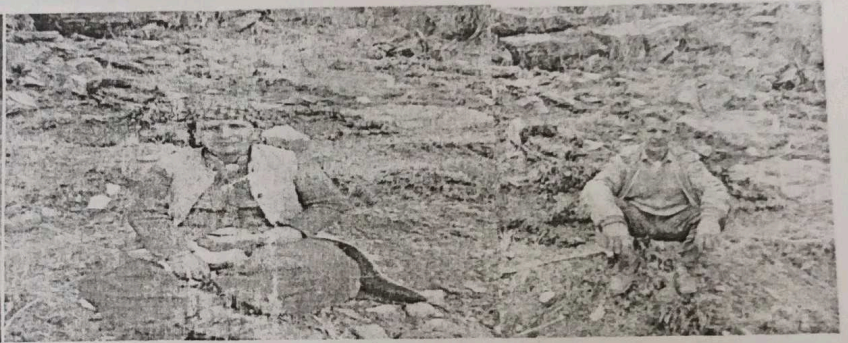
Meera Devi (M)



Kalam Singh (M)

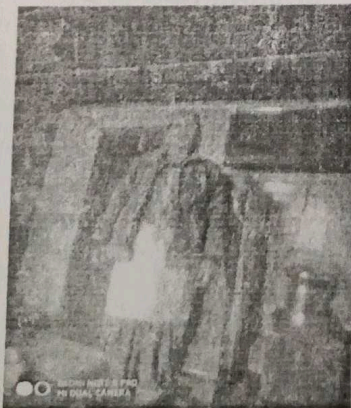


Hemlata (Sec.)



Seva Dasi (M)

Rattan Das (M)



Krishna Devi (Treasurer)

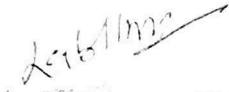

Business Plan Approval by VFDS & DMU

JAI LUXMI NARAYAN.....Self Help Group will undertake the VERMICOMPOSTING


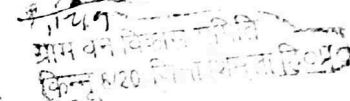
As Livelihood generation Activity under the Project for improvement of Himachal Pradesh forest ecosystems & Management & livelihood (JICA Assisted). In this regard Business Plan of Amount (Rs.).....has been submitted by this group on datedand this business plan has been approved by KLN.N.C.C. VFDS.

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

Thank you.

Signature of VFDS Pradhan

Signature of VFDS Secretary

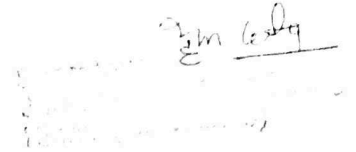
Resolution-cum-Group Consensus Form

It is decided in the Genera House meeting of the Self Help Group JAI LUXMI NARAYAN held on March, 2022 at FRH, NIGLI.....that our Self Help Group will undertake the VERMICOMPOSTING.....as Livelihood Income Generation under the Project for improvement of Himachal Pradesh.

Forest Ecosystem Management & Livelihoods. (JICA Assited).



Signature of Group Pradhan.



Signature of Group Secretary