



**Income Generation Activity
Business Plan Dairy Farming
2021**



SHG/Name : Mahunag SHG
VFDSName : Khalanu Sarnota
FTU/Range : Sarkaghat
DMU/Division : Suket
FCCU/Circle : Mandi

Sponsored by
PIHPFEM&L

Prepared by:-
DMU Suket, FTU Sarkaghat & Mahunag SHG

Table of Contents

Sr. No	Particulars	Page
1	Introduction	3-4
2	Executive summary	4
3	Description of SHG	4-6
4	Geographical detail of the Village	7
5	Description of product related to Income Generating Activity.	8
6	Production Processes.	8
7	Market potential to start paneer making business	9
8	Reasons to start paneer making business	9
9	Equipment requirement for homemade paneer	9
10	Description of Product related to Income Generating Activity	10
11	Description of Production Planning	10
12	Requirement of raw material and expected production	10
13	Description of Marketing/ Sale	10-11
14	SWOT Analysis	11
15	Description of Management among members	11
16	Financial forecast/projections	11-13
17	Fund flow	13
18	Sources of fund	13-14
19	Trainings/capacity building/skill up-gradation	14
20	Bank Loan Repayment	14
21	Monitoring Method	14
22	Loan Repayment Schedule on (10%Interest)	15
23	Remarks.	15



1. Introduction

Himachal Pradesh is majestic, almost mythic terrain and famous for its beauty and serenity, its rich culture and religious heritage. The state has diverse ecosystem, rivers and valleys, and has a population of 7.5 million and covers 55,673 sq. km ranging from foothills of Shivalik to the mid hills (300 - 6816 mts above MSL), high hills and cold dry zones of the upper Himalayas. It is spread across valleys with many perennial rivers flowing through them. Almost 90% of the state's population lives in rural areas. Agriculture, horticulture, hydropower and tourism are important constituents of the state's economy. The state has 12 districts and Mandi is 2nd district in population wise having 14.58%.

The district lies in central Himachal and is famous for its tourist stations and Himalayan Treks connecting the trails with far remote regions between the adjacent districts of Kullu Shimla, Bilaspur, Solan, Hamirpur and Kangra districts which are bordered at North-North East, East, West and South of Mandi respectively. The District is also a home to some of the Ancient settlements, Traditional Handloom and Apple Cultivation Fields & Beas and Setluj River are the life line and main drain.

The largest valley in the district is called the Balh Valley, though other valleys such as Karsog and Hatli valleys are also known for the production of food grains, which is also known as the Valley of the Gods. There is also a town called Mandi which is situated on the banks of the Beas River in the northern part of the Balh valley, where people are hard working.

Forests and Forest eco systems are the storehouse of rich biodiversity and play a vital role in preserving the fragile slopy lands and were primary sources of livelihood for rural population. The rural peoples are directly dependent on the forest resources for their livelihoods and socio-economic development. The Harsh reality is this that these resources are constantly depleting due to over exploitation, such as Fodder, fuel, NTFP extraction

Grazing, Fires, and droughts etc.

Under Khalanu Sarnota VFDS two SHGs have been formed for implementing livelihood Improvement activities. One of these is, “Mahunag” concerned with Mushroom Cultivation. Group members belong to a weaker section of society and have less land holdings. To raise their socio-economic conditions, they decided to produce dairy products. Technical inputs for preparing Business plan were provided by Dr. Pankaj Sood, Principle Scientist & Head Dr. Kavita Sharma & DS Yadav, KVK Mandi at Sunder Nagar. Team consisting of Sh. Vijay Kumar SMS, o/o DMU Sunder Nagar, Monika, FTU Co-ordinator sarkaghat Range of Suket Forest Division, Mr. Vijay Kumar Forest Guard Kaldoo Beat and Ramesh Chand of Durgapur block prepared the business plan under the constant supervision and guidance of V. P.Pathania, Rtd. DFO.

2. Executive summary

Khalanu Sarnota VFDS: -

Khalanu Sarnota VFDS falls under development block Gopalpur, Kaldoo Beat of Sarkaghat Range in Sunder Nagar Forest Division.

Important features of VFDS: -

“Naina Mata” famous local deity of the area is located above this VFDS area. People from far off area visit this religious site around the year especially during Navratra to get the blessings of Mata.

No. of Households	126
BPL families	16=12.69%
Total population	404
Total Cattle	83

3. Description of SHG

The informal Mahunag SHG group was formed in October 2020 under Khalanu Sarnota VFDS to provide Livelihoods Improvement Support by up gradating skill and capacities. The group consists of poor and marginal farmers.

Mahunag SHG group is women group (Sixteen female) consist of marginal and financial weaker section of the society having less land resources. Though all Group member grow seasonal vegetable etc. but as the land holding of these members is very small and irrigation facility are less and the production level has reached near saturation, so in order to meet out their financial requirements’ they decided to go ahead with Dairy products which can

enhance their income. There are 16 members in this group and their monthly contribution is Rs 50/- per month. The detail of Group members is as under:-

Detail of SHG Members along with Photos

Sr. No.	Name	Designation	Category	Age	Qualification	Cont. No.
1.	Rajo Devi w/o Sh. Ramesh Chand	President	General	45	10th	78070 11719
2.	Sunita Devi w/o Sh. Viri Singh	Member Secretary	General	40	12th	91051 07387
3.	Anita Devi w/o Sh. Bhupender Singh	Member	General	38	MA	78077 10224
4.	Sunita Devi w/o Sh. Kour Chand	Member	General	41	10th	98168 58175
5.	Vimla Devi w/o Sh. Jagdish Chand	Member	General	47	10th	98946 27997
6.	Nirmla Devi w/o Sh. Prakash Chand	Member	General	55	8th	91408 43686
7.	Chadra Devi w/o Sh. Yespal	Member	General	55	8th	-
8.	Indri Devi w/o Sh. Kashmir Singh	Member	General	40	12 th	98171 20493
9.	Sarita Devi w/o Sh. Rampal	Member	General	33	12 th	82689 40006
10.	Premi Devi w/o Sh. Ramnath	Member	General	56	5 th	93186 89744
11.	Dei Thakur w/o Sh. Ramesh Chand	Member	General	54	10 th	96256 01855
12.	Rajni Devi w/o Sh. Manohar Lal	Member	General	38	10 th	9625050371
13.	Sunita Devi w/o Sh. Gopal Singh	Member	General	42	10 th	--
14.	Maya Devi w/o Sh. Kewal Krishan	Member	General	55	8 th	-
15.	Urmila Devi w/o Sh. Ram Lal	Member	General	42	10 th	85808 99605
16.	Sunita Devi w/o Sh. Vinod Kumar	Member	General	35	BA	86298 15665

Photograph of Self Help Group members



Rajo Devi President



Sunita Devi Member
Secretary



Anita Devi Member



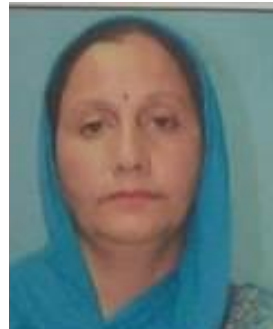
Urmila Devi Member



Indri Devi Member



Sarita Devi Member



Sarita Devi Member



Kamla Devi Member



Chandra Devi Member



Dei Thakur Member



Nanki Devi Member



Vimla Devi



Sunita Devi Member



Maya Devi Member

Mahunag Self Help Group Khalanu Sarnota

2.1.	Name of SHG	::	Mahunag
2.2	SHG/CIG MIS CodeNo	::	-
2.3	VFDS	::	Khalanu Sarnota
2.4	Range	::	Sarkaghat
2.5	Division	::	Suket
2.6	Village	::	Khalanu Sarnota
2.7	Block	::	Gopalpur
2.8	District	::	Mandi
2.9	Total no of members in SHG	::	16
2.10	Date of formation	::	October 2020
2.11	Bank Name and details	::	
2.12	Bank A/C No.	::	
2.13	SHG/monthly saving	::	Rs.800/-Month
2.14	Total Saving	::	6000/-
2.15	Total inter-loaning	::	Yes
2.16	Cash Credit limit	::	
2.17	Repayment status		Quarterly Bases

4. Geographical detail of the Village

4.1	Distant from District HQ	:	40 km
4.2	Distant from Main Road	:	0 Km (But from link road 100 to 200 mts)
		:	approximately
4.3	Name of Local Market and distant	:	Rewalsar, 16 kms, Mandi 40 kms app.
4.4	Name of main Cities and distant	:	Sunder nagar, 40kms, Mandi 40 kms app.
		:	
4.5	Name of the main cities where Products will be sold/ marketed	:	Rewalsar Sundernagar, Mandi
4.6	Status of backward and forward linkages	:	Backward linkages Training, (KVK) local milk available and the Vaternary and agriculture Deptt. and forward linkages Markets exits suppliers etc.

5. Description of product related to Income Generating Activity.

5.1	Name of the Product	::	The Group will be involved in production of milk and milk products such Khoya, Paneer etc. as per the market demand
5.2	Method of Product Identification	::	Though the entire Group member grows seasonal vegetable and traditional crops. As their land holding is small, has reached in saturation point of production, so they are not able to meet out their financial requirements' therefore it has been decided by the group member that dairy and dairy product unit is to be started with the assistance of JICA project which will enhance their income. Further they usually go to sell their vegetable traditional crop and milk crops in locality. Market linkages are already in place. They do not have to spend extra time and money for marketing Dairy products
5.3	Consent of SHG /CIG/ Cluster	::	Consent is attached as an Annexure.

6. Description of production process

Initially the members of paneer making SHG agreed to start the business with 120 kg of pure milk. The 40-liter milk will be heated to a temperature of 80-90⁰c in heavy based milk pots with 50lt capacity of each pot by continuous stirring. When the milk will attain the temperature of approximately 90⁰C add 0.2% citric acid (i.e. 80gm of citric acid) and keep on stirring upto 5-6 minutes and put off the flame and allow it to cool down. Add the product into the muslin cloth and squeeze off the additional water and press the paneer by putting additional weight over it/ by using paneer press and keep the resultant material in the muslin cloth inside the cold water. The same process will be repeated with the remaining 80 lt of milk in the other two milk pots.

As per the standard average around 24kg of paneer will be produced from 120lts of milk daily which can be marketed as per the targeted markets to fetch reasonably better price. On an average if the price of paneer is Rs. 250 per kg, the SHG will have net sale of Rs 6000/-daily and if the milk is procured at a rate of Rs 40/kg amount of 120kg of milk is worked at Rs. 4800 per day and thereby Rs 1200 will be gross profit daily.

7. Market potential to start paneer making business

Paneer is a natural dairy item that is healthy, rich in nutrients, and in great demand. There is increasing demand in the present day and likelihood of the demand being more in near future. The business is profitable and needs less capital, inexpensive ingredients and basic machinery. Quality paneer demands quality control, proper equipment and standardized protocols.

8. Reasons to start paneer making business

- Natural dairy product
- Huge demand
- The business is money-spinning
- Less capital needed
- Inexpensive constituents
- The SHG members are conversant with the activity at individual level

9. Equipment requirement for homemade paneer

The following equipment's will be procured initially to start the production of homemade paneer

1. Boiler vessel 100lt capacity
2. Stirring rod
3. Commercial gas cylinder with connection
4. Gas bhatti (Chullah)
5. Digital weighing machine
6. Measuring device (1lt, 2lt, 5lt)
7. Refrigerator (200ltr)
8. Kitchen tools and other miscellaneous articles
9. Poly sealing table top
10. Heat sealer
11. Apron, cap, plastic hand gloves etc.
12. Chairs table etc.
13. Paneer pressing machine

10. Description of Product related to Income Generating Activity

1	Name of the Product	::	Paneer making
2	Method of product identification	::	This product is being already made by some SHG members
3	Consent of SHG/ CIG / cluster members	::	Yes

11. Description of Production Planning

1	Production Cycle (in days)	::	1 day
2	Manpower required per cycle (No.)	::	all members
3	Source of raw materials	::	Locally available
4	Source of other resources	::	S nagar., 40Km, Mandi, 40km
5	Quantity required per cycle (Kg)	::	120 lt milk (initially)
6	Expected production per cycle (Kg)	::	24 Kg (initially)

12. Requirement of raw material and expected production

Sr. No.	Raw material	unit	Time	Quantity	Amount per kg (Rs)	Total amount	Expected Paneer production (Kg)	Rs. Per Kg	Total amount
1	Cow milk	Kg	Per Day	120lt	40	4800	24	250	6000

13. Description of Marketing/ Sale

1	Potential market places	::	S nagar., 16Km, Mandi, 40km
2	Distance from the unit	::	
3	Demand of the product in market place/s	::	Daily demand
4	Process of identification of market	::	Group members, according to their production potential and demand in market, will select/list retailer/wholesaler. Initially product will be sold in near markets.
5	Marketing Strategy of the product		SHG members will directly sell their product through village shops and from manufacturing place/shop. Also by retailer, wholesaler of near markets. Initially product will be sold in 1 Kg packaging.

6	Product branding		At CIG/SHG level product will be marketed by branding CIG/SHG. Later this IGA may required branding at cluster level
7	Product “slogan”		“A Product of Purity and Supremacy”

14. SWOT Analysis

❖ Strength –

- Activity is being already done by some SHG members
- Raw material easily available
- Manufacturing process is simple
- Proper packing and easy to transport
- Product shelf life is long

❖ Weakness –

- Effect of temperature, humidity, moisture on manufacturing process/product.

❖ Opportunity –

- Location of markets
- Daily/weekly consumption and consume by all buyers in all seasons

❖ Threats/Risks –

- Effect of temperature, moisture at time of manufacturing and packaging particularly in winter and rainy season.
- Suddenly increase in price of raw material
- Competitive market

15. Description of Management among members

By mutual consent SHG group members will decide their roles and responsibilities to carry out the work. Work will be divided among members according to their mental and physical capabilities.

- Some group members will involve in Pre-Production process (i.e. procuring of raw material etc.)
- Some group members will involve in Production process.
- Some group members will involve in Packaging and Marketing.

16. Financial forecast/projections

The final rather foremost step to start up the business is to make a financial plan to determine the cost to run the business and it should also cover the business profit initially the SHG is going to earn in nutshell a cost benefit analysis is required to be projected.

A. CAPITAL COST				
Sr.No.	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Boiler vessel 100lt capacity	3	5000	15000
2	Stirring rod	3	300	900

3	Commercial gas cylinder with connection	2	4000	8000
4	Gas bhatti (Chullah)	3	1500	4500
5	Digital weighing machine	1	10,000	10000
6	Measuring device (1lt, 2lt, 5lt)	3	L/S	1000
7	Refrigerator (200ltr)	1	22000	22000
8	Kitchen tools and other miscellaneous articles	L/S	L/S	4000
9	Poly sealing table top Heat sealer	1	2000	2000
10	Apron, cap, plastic hand gloves etc.	12	L/S	6000
11	Chairs table etc.		L/S	5000
12	Paneer Pressing machine	1	L/s	3000
	Total Capital Cost (A)			81400

B. RECURRING COST				
Sr. No.	Particulars	Quantity	Price	Total Amount (Rs)
1	Raw milk	120 ltr daily	40 ltr	144000
2	Citric acid	6ltr	150/ltr	900
3	Room rent	Per month	500	500
4	Packaging material	monthly	3000	3000
5	Labour	2 persons daily	275/person	16500
6	Transportation	monthly	Rs 100 per day	3000
7	Miscellaneous expenditure (i.e. stationary, electricity bill, water bill, etc.)	monthly	1000	1000
8	Gas	One cylinder per month	2000/cylinder	2000
9	Muslin cloth	Monthly	L/S	1500
10	Soap & detergent/vim scrubber, brooms, wiper, etc.	monthly	L/S	1000
	Total Recurring cost (B)			173400

C. Cost of Production (Monthly)					
Sr.No.	Particulars	Amount (Rs)			
1	Total Recurring Cost	173400			
2	10% depreciation annually on capital cost	678			
	Total cost of production	174078			
D. Total income monthly					
Sr.No.	Particulars	Daily	Expected rate per kg	Total sale daily	Monthly sale
1	Total production of	24k	250/kg	6000	180000

	paneer	g		
Cost Benefit Analysis				
Sr.No.	Particulars			Amount (Rs)
1	Depreciation @ 10% on capital cost			678
2	Total Recurring Cost per month			173400
3	Total expenditure			174078
4	Total production (monthly)			720 kg
5	Rate expected per kg			250/kg
6	Total sale amount			180000
	Net income (monthly)= 180000-174078			5922
7	Profit sharing			The profit sharing will be collectively agreed between the members; however a chunk of profit will be kept as reserve for future contingency.

Note: The amount of labour (16500) which has been added to recurring cost is practically the income of the members of SHG because the labour input will be within the members of SHG.

17. Fund flow

Sr.No.	Particulars	Total Amount (Rs)	Project support	SHG Contribution
1	Total capital cost	81400	40700 (50%)	40700
2	Total Recurring Cost	173400	-	173400
3	Trainings/capacity building/ skill up-gradation	60000	60000	-
	Total	314800	100700	214100

Note-

- The SHG consists of all members and 50% capital cost will be contributed by the project.
- The recurring Cost will be borne by the SHG/CIG members.
- Trainings/capacity building/ skill up-gradation expenditure will be borne by the project.

18. Sources of fund

Project support	<ul style="list-style-type: none"> • 50 % of capital cost will be utilized for purchase of machineries including equipments as detailed at serial no. 8 above. • Upto Rs 1 lakh will be parked in the SHG bank account. 	Procurement of machineries/equipment will be done by respective DMU/FCCU after following all codal formalities.
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	<ul style="list-style-type: none"> • Trainings/capacity building/skill up-gradation cost. 	
SHG contribution	<ul style="list-style-type: none"> • 50 % of capital cost to be borne by SHG, this include cost of materials/tools other than machineries. • Recurring cost to be borne by SHG 	

19. 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:

- Cost effective procurement of raw material
- Quality control
- Packaging and Marketing
- Financial Management

20. 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.

21. Monitoring Method –

At the initial stage baseline survey and yearly survey will be conducted of the beneficiaries.

Some key indicators for the monitoring are as:

- Size of the group
- Fund management
- Investment
- Income generation
- Production level
- Quality of product
- Quantity sold
- Market reach

22. Loan Repayment Schedule on (10%Interest)

S.no	Month	Loan Return			Cumulative Loan Return	Loan Remains		
		Principal Amount	Interest	Total		Principal Amount	Interest	Total
	Month-1	0	0	0	0	57000	475	57475
2	Month-2	0	0	0	0	57475	479	57954
3	Month-3	0	0		0	57954	483	58437
4	Month-4	18563	1437	20000	20000	38437	320	38757
5	Month-5	0	0	0	0	38757	322	39057
6	Month-6	0	0	0	0	39057	326	39383
7	Month-7	19032	968	20000	20000	19405	162	19567
8	Month-8	0	0	0	0	19567	163	19730
9	Month-9	0	0	0	0	19730	164	19894
10	Month-10	19405	489	19894	19894	0	0	0
11	Total	57000	2894	59894	59894		2894	

23. Remarks:

The forth coming vision of the Group is to enhance their income by value addition in the form of Pickles, readymade soups, dried mushrooms etc.

Total Cost of the Project is

Capital Cost= 81400/-

Recurring Cost = 173400/-

Total for Plan Dairy Farming =254800/-

Annexure

We the member group here by consented to actively participate in the IGA activity Opted in the group (Dairy Farming activity) as per the guideline of JICA project For Improvement of HP Ecosystem management and livelihood and coordination with the VFDS.

The detail of members is as under

Sr. No.	Name	Designation	Category	Signature
1.	Rajo Devi w/o Sh. Ramesh Chand	President	Gen	RajodEvi
2.	Sunita Devi w/o Sh. Viri Singh	Member Secretary		Sunita Devi
3.	Anita Devi w/o Sh. Bhupender Singh	Member		ADSD
4.	Chanchla w/o Sh. Santosh	Member		
5.	Sunita Devi w/o Sh. Kour Chand	Member		Sunita Devi
6.	Vimla Devi w/o Sh. Jagdish Chand	Member		
7.	Nirmla Devi w/o Sh. Prakash Chand	Member		निर्मला देवी
8.	Satya Devi w/o Sh. Suresh Kumar	Member		
9.	Chadra Devi w/o Sh. Yespal	Member		च-हा
10.	Indri Devi w/o Sh. Kashmir Singh	Member		इन्द्री देवी
11.	Nanaki Devi w/o Sh. Manohar Lal	Member		नानकी देवी
12.	Sarita Devi w/o Sh. Rampal	Member		Sarita kumari
13.	Premi Devi w/o Sh. Ramnath	Member		प्रेमी देवी
14.	Kamla Devi w/o Sh. Jagdish Chand Rajni Devi w/o Manohar Lal	Member		Rajani Devi
15.	Dei Thakur w/o Sh. Ramesh Chand	Member		Devi

16.	Kamla Devi w/o Sh. Sant Ram	Member		कमला
17.	Atti Devi w/o Sh. Desh Raj	Member		
18.	Sunita Devi w/o Sh. Gopal Singh	Member		सुनिता
19.	Maya Devi w/o Sh. Kewal Krishan	Member		माया देवी
20.	Urmila Devi w/o Sh. Ram Lal	Member		उर्मिला देवी

Sunita devi w/o
Vinod

-do-

Sunita Devi

Saraba Devi
Signature of secretary

Rajod Devi
Signature of Pradhan

Prakash
प्रधान
सचिव
ग्रामीण वन विकास समिति
खलसू सरनोटा पं०जमणी
त०सरकाघाट जिला मण्डी
Signature of VFDS Secretary

Prakash
प्रधान सचिव
ग्रामीण वन विकास समिति
खलसू सरनोटा पं०जमणी
त०सरकाघाट जिला मण्डी
Signature of VFDS Pradhan

Wjofa
Signature of Fgd

Per cul PR
Signature of Block Officer

Om
Signature of RFO

Approved by DMU

Om
Divisional Forest Officer
Suket F Division
Sunder Nagar (HP)