



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



SHG/Name : Jagtamba SHG
VFDSName : Goverta
FTU/Range : Baldwara
DMU/Division : Suket
FCCU/Circle : Mandi

Sponsored by
PIHPFEM&L

Prepared by:-
DMU Suket, FTU Baldwara & Jagtamba SHG

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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 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 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 sloppy 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 Goverta VFDS two SHGs have been formed for implementing livelihood Improvement activities. One of these is, “Jagtamba” concerned with Dairy farming. 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, Kiran Mala, FTU Co-ordinator Baldwara Range of Suket Forest Division, Mr. Jeevan Lal Forest Guard Goverta Beat and Hem Raj of Goverta block prepared the business plan under the constant supervision and guidance of V. P.Pathania, Rtd. DFO.

2. Executive summary

Goverta VFDS: -

Goverta VFDS is part of Goverta revenue Muhal and the VFDS is constituted at Gram Panchayat Patrighat. It is located in Baldwara Block of Mandi district in Himachal Pradesh and lies between 31°34’51”N latitude- 76°50’23” E longitudes. The Goverta VFDS falls under Goverta Beat of Goverta Block under Baldwara Forest Range under Suket Forest Division (DMU).

No. of Households	90
BPL families	15=16.66%
Total population	370
Total Cattle	341

3. Description of SHG

The informal Jagtamba SHG group was formed in March 2021 under Goverta VFDS to provide Livelihoods Improvement Support by up gradating skill and capacities. The group consists of poor and marginal farmers.

Jagtamba SHG group is women group (Twelve 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 12 members in this group and their monthly contribution is Rs 25/- 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.	Vidya Devi w/o Sh. Dila Ram	President	General	50	BA	88940 40382
2.	Poonam Devi w/o Sh. Anil Sharma	Member Secretary	General	30	BA	98059 13017
3.	Satya Devi w/o Sh. Durga Dass	Member	General	44	10 th	98053 37230
4.	Dharma Devi w/o Sh. Chit Ram	Member	General	53	5 th	98163 51482
5.	Leela Devi w/o Sh. Nagender Sharma	Member	General	57	5 th	98168 83067
6.	Moma Devi w/o Sh. Gambhir	Member	General	65	-	86298 16466
7.	Yashodha Devi w/o Sh. Dhan Dev	Member	General	65	5 th	98056 94812
8.	Gurdei w/o Sh. Tilak Raj	Member	General	32	8 th	88944 64808
9.	Rukmani Devi w/o Sh. Dina Nath	Member	General	61	5 th	86288 94870
10.	Sunita Devi w/o Sh. Chander Mani	Member	General	45	10 th	88942 80951
11.	Pinki Devi w/o Sh. Pitambar	Member	General	57	5 th	88940 34759
12.	Pushpa Devi w/o Sh. Rajender Kumar	Member	General	56	8 th	98165 48646



Group photo of members of Jagtamba SHG of Goverta VFDS

Photograph of Self Help Group members



Vidya Devi President



**Poonam Devi Member
Secretary**



Satya Devi Member



Dharma Devi Member



Leela Devi Member



Moma Devi Member



Yashodha Devi Member



Gurdei Member



Rukmani Devi Member



Sunita Devi Member



Pinki Devi Member



Pushpa Devi Member

Jagtamba Self Help Group Goverta

2.1.	Name of SHG	::	Jagtamba
2.2	SHG/CIG MIS Code No	::	-
2.3	VFDS	::	Goverta
2.4	Range	::	Baldwara
2.5	Division	::	Suket
2.6	Village	::	Goverta
2.7	Block	::	Baldwara
2.8	District	::	Mandi
2.9	Total no of members in SHG	::	12
2.10	Date of formation	::	March 2021
2.11	Bank Name and details	::	Gramin Bank Dhalwan
2.12	Bank A/C No.	::	87521300040952
2.13	SHG/monthly saving	::	Rs. 300/-Month
2.14	Total Saving	::	15500/-
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, 40 kms, 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 Veterinary 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 up to 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., 40 Km, 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 require 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 paneer	24kg	250/kg	6000	180000
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.	Monthly contribution till date	15500		15500
4.	Trainings/capacity building/ skill up-gradation	60000	60000	-
	Total	330300	100700	229600

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.• Trainings/capacity building/skill up-gradation cost.	Procurement of machineries/equipment 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 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. Remarks:

The forth coming vision of the Group is to enhance their income by value addition in the form of other Dairy items 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 actively Opted by the group (Mashroom Culltivation/ Seera Badi/ Achar Chatni Making activity/ Diary / Vermi compost/ Handi cfaft/ cutting Tailoring/ Goartry as meat purpose) as per the Guidelines of JICA Forestry Project for the improvement of HP Ecosystems Management and livelihood and coordination with the VFDS.

Sr. NO.	Name	Designation	Category	Signature
1.	Vidya Devi w/o Sh. Dila Ram	President	Gen	Vidya Devi
2.	Poonam Devi W/O Sh. Anil Sharma	Member Secretary	Gen	Poonam Sharma
3.	Satya Devi w/o Sh. Durga Dass	Member	Gen	Satya Devi
4.	Dharma Devi w/o sh. Chint Ram Sharma	Member	Gen	Chint Ram
5.	Leela Devi w/o Sh. Nagender Sharma	Member	Gen	Leela Devi
6.	Mona Devi w/o Sh. Gambhir	Member	Gen	Mona Devi
7.	Yashodh Devi w/o Sh. Dhan Dev	Member	Gen	Yashodh Devi
8.	Gurdei w/o Sh. Tilk Raj	Member	Gen	Gurdei
9.	Rukmani Devi w/o Sh. Deena Nath	Member	Gen	Rukmani
10.	Sunita Devi W/o Sh. Chandermani	Member	Gen	Sunita Devi
11.	Pinki Devi W/o Pitamber	Member	Gen	Pinki Devi
12.	Pushpa Devi w/o Sh. Rajder Kumar	Member	Gen	Pushpa Devi

Pranab Kumar
Signature of Secretary

Vidya Paul
President
Secretary
Jagtamba S.H.G. W.
Vill. Gobharta, P.O. Sarkidhar
Teh. Baldwara, Mandi (H.P.)

Pranab Kumar
Signature of Pardhan
Pardhan
Treasurer
Goverta Vill. Forest Dev. Society
H P Jica Forestry Project
Panchyat Patrighat

Champa Devi
Signature of VFDS Secretary

Pranab Kumar
signature of VFDS Pardhan

Pranab Kumar
Signature of F.gd.

Pranab Kumar
Signature of Block officer
Deputy Forest Ranger/
Block Forest Officer,
Forest Block, Sunder

Pranab Kumar
Signature of RFO
Range Forest Officer,
Baldwara Range,
BALDWARA (H. P.)

Pranab Kumar
Approved by DMU
Divisional Forest Officer
Buket Forest Division
Sunder Nagar (HP)