

## Business Plan

On

### Income Generation Activity

## FOOD PROCESSING - TURMERIC POWDER

For

### Self Help Group - Pink Himalayan



SHG/CIG name

Pink Himalayan

VFDS name

Channag

Range

Joginder Nagar

Division

Joginder Nagar

### Prepared Under-

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



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## 1. Introduction-

Pink Himalayan SHG is existing from 2020 and also have been included under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Channag and range. This SHG consists of 10 females and they collectively decided of preparing turmeric powder as there Income Generation Activity (IGA). These females already had the experience of growing turmeric and now with the help of this project funding, training and assistance. They will be able to sell the turmeric powder as a product in market rather than selling raw turmeric at lower price.

Turmeric is one of the oldest cultivated crops which have been grown in India for several thousand years. Turmeric, the main spice powder in the Indian cuisine, is considered by many to be the most powerful herb on the planet at fighting and potentially reversing disease.

Turmeric is traditionally well known for its culinary and medicinal properties. It is one of the multi-use products having many valuable properties and uses. It is extensively used in food, textile, medicine and cosmetic industries.

## 2. Description of SHG/CIG

1.	SHG/CIG Name	Pink Himalayan
2.	VFDS	Channag
3.	Range	Joginder nagar
4.	Division	Joginder nagar
5.	Village	Channag
6.	Block	Drang
7.	District	Mandi
8.	Total no. of members in SHG	10
9.	Date of formation	01-08-2020
10.	Bank a/c No.	40021906614
11.	Bank details	State bank of India
12.	SHG/CIG monthly savings	1000
13.	Total saving	14,781
14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

### 3. Beneficiaries Detail

S.no.	Name	M /F	Father/ Husband name	Category	Designation	Contact no.
1	Lalita Devi	F	Anil kumar	General	President	8580429757
2	Ramna Devi	F	Vinod Kumar	General	Member	8580932260
3	Bandana Devi	F	Sushil kumar	General	Secretary	7018629682
4	Guddi Devi	F	Suresh Kumar	General	Member	7018759466
5	Nago Devi	F	Nater Singh	General	Member	7018759466
6	Sabero Devi	F	Deepak Raj	General	Member	7876811967
7	Lahuli Devi	F	Lachi Ram	General	Member	8219868775
8	Vimla devi	F	Chandermani	General	Member	8988882087
9	Bhatto Devi	F	Dagi Ram	General	Member	-
10	Subhadra Devi	F	Shambu Ram	General	Member	6230056620

#### 4. Geographical details of the Village

1	Distance from the District HQ	Mandi - 55 Km
2	Distance from Main Road	0.5 Km
3	Name of local market & distance	Galu - 3 Km
4	Name of main market & distance	Joginder Nagar - 10 Km
5	Name of main cities & distance	Joginder Nagar - 10 Km Padhar - 25 Km Mandi - 45 Km Sundernagar - 60 Km Bajjnath - 35 Km Palampur - 46 Km
6	Name of main cities where product will be sold/ marketed	✧ Padhar ✧ Joginder Nagar ✧ Palampur ✧ Bajjnath

#### 5. Executive Summary-

Food Processing (Turmeric Powder) income generation activity has been selected by this Self Help Group. This IGA will be carried out by all ladies of this SHG. Powder of turmeric will be made by this group initially. This business activity will be carried out yearly by group members. The process of making powder takes around 8-10 days. Production process includes process like cleaning, washing, drying, grading, grinding etc. Initially group will manufacture powder of raw turmeric but in future, group will manufacture other products which follow same process. Product will be sold directly by group or indirectly through retailers and whole sellers of near market initially.

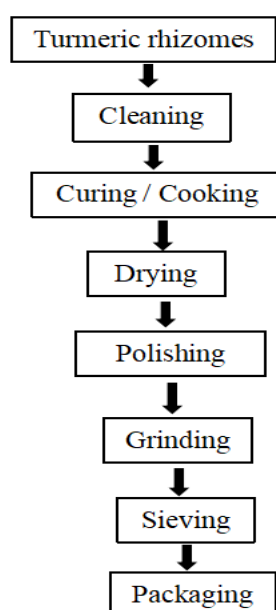
## 6. Description of product related to Income Generating Activity-

1	Name of the Product	Turmeric Powder
2	Method of product identification	Has been decided by group members
3	Consent of SHG/ CIG / cluster members	Yes

## 7. Production Processes-

### ❖ Harvesting-

- ❖ Depending upon the variety, the crop becomes ready for harvest in 7-9 months. Early varieties mature in 7-8 months, medium varieties in 8-9 months and late varieties after 9 months.
- ❖ On maturity, the leaves turn dry and are light brown to yellowish in colour.
- ❖ The land is plough and the rhizomes are gathered by hand picking or the clumps are carefully lifted with a spade.
- ❖ The harvested rhizomes are cleared of mud and other extraneous matter adhering to them.
- ❖ Fingers are separated from mother rhizomes. Mother rhizomes are usually kept as seed material.



## ❖ Processing-

### ❖ Sweating

After digging the turmeric from the ground, the leaves were separated from the plant and the roots were carefully wash off to remove all the impurities. Leaf scales and long roots are trim off and the rhizomes and branches are separate and cover in leaves and then remain for a day for sweating.

### ❖ Curing

To get the dry form of turmeric, it is being cure. After washing it off, the rhizomes were boiled in water and dry under the sun. The boiling process lasts from 45-60 min until the rhizomes turn soft. Boiling usually stop when comes out and white fumes appear giving out a typical odor. The stage where boiling is stopped highly influence the color and aroma of the final product.

### ❖ Drying

After curing the turmeric the next step is drying. By using the drying floor or bamboo mats 5-7 cm thick layer of turmeric spread under the sun for drying. It takes 10-15 days for drying properly. At the night the turmeric is cover with a material which provides aeration.

### ❖ Polishing

After drying it has a rough dull outer surface with scales and root bites. By polishing the appearance will be improve and for this basically manual and mechanical rubbing technique were use.

### ❖ Coloring

The color of turmeric matters a lot. As the price was decided according to the color of the product.

### ❖ Grinding

The polished turmeric fingers are subjected to grinding. Grinding is one of the most common operations used to prepare turmeric powder for consumption and resale. The main aim of particular spice grinding is to obtain smaller particle sizes, with good product quality in terms of flavour and color. There are different ambient grinding mills

and methods available for this process; such as hammer mill, attrition mill and pin mill. In India, traditionally, plate mills and hammer mills are used for turmeric grinding.

✧ Sieving

Ground spices are size sorted through screens, and the larger particles can be further ground. The screens usually used are 60 - 80 mesh size.

✧ Packaging & Storing

Turmeric is packed in air-tight paper bags inner coated with polyethylene. Also, to maintain the quality of the product, it is stored in dry storage and away from the light. So that turmeric doesn't lose the proper amount of moisture it has.

### 8. Production Planning -

1.	Production Cycle for turmeric powder (in days)	8-10days
2.	Man power required per cycle(No.)	All ladies
3.	Source of raw materials	Local market/Main market
4.	Source of other resources	Local market / Main market
5.	Quantity required per month(Kg)	1,000
8.	Expected production per month(Kg)	1,000

#### Requirement of raw material and expected production

Sr.no	Raw material	Unit	Time	Quantity( approx)	Amount per Kg(Rs)	Total amount	Expected production Per month(Kg)
1	Raw Turmeric	Kg	Monthly	1000	50	50,000	1000



## 9. Sale &Marketing -

1	Potential market places	Mandi, Joginder Nagar, Palampur, Baijnath
2	Distance from the unit	Joginder Nagar - 13 Km Padhar - 30 Km Mandi - 55 Km Sundernagar - 75 Km Baijnath - 30 Km Palampur - 46 Km
3	Demand of the production 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 of retailer or whole seller. 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 5 and 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”	“Pink Himalayan organic haldi”

## 10. SWOT Analysis-

- ❖ Strength–
  - ❖ Raw material easily available.
  - ❖ Manufacturing process is simple.
  - ❖ Proper packing and easy to transport.
  - ❖ Product shelf life is long.

❖ Homemade, lower cost.

❖ Weakness–

- ❖ Effect of temperature, humidity, moisture on manufacturing process/product.
- ❖ Highly labor intensive work.
- ❖ Compete with other old and well known products.

❖ Opportunity–

- ❖ There are good opportunities of profits as product cost is lower than other same categories products.
- ❖ High demand in shops, fast food stalls, retailers, wholesalers, canteen, restaurants, chefs and cooks, housewives, by beauty brands for making beauty products and also by pharmaceutical companies.
- ❖ There are opportunities of expansion with production at a larger scale.
- ❖ Daily consumption.

❖ 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.

## **11. Description of management among members-**

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

- ❖ All group members will involve in Pre-production process (i.e. - procuring of raw material etc).
- ❖ All group members will involve in production process.
- ❖ All group members will involve in packaging and marketing.

## 12. Description of Economics -

A. Capital Cost				
S. No.	Particulars	Quantity	Unit Price	Amount (Rs)
1	Haldi seeds	100 Kg	100	10,000
2	Grinder Machine	1	35,000	35,000
3	Storage tank	1	10,000	10,000
4	Weighing machine	1	8,000	8,000
5	Kitchen tools		LS	10,000
6	Finished product storage almirah/racks	2	5,000	10,000
7	Hand Operated Packing Machine	2	10,000	10,000
8	Apron, cap, plastic hand gloves etc		LS	5000
<b>Total Capital Cost (A) =</b>			<b>98,000</b>	

Note – As raw turmeric will be produced by group members and labour work will be done by members themselves, therefore, these costs will be reduced from total recurring cost.

B. Recurring Cost					
S. No.	Particulars	Unit	Quantity	Price	Total Amount (Rs)
1	Raw material	Month	1000	50	50,000
2	Room rent	Month	1	1000	1000
3	Packaging material	Month	LS	2000	2000
4	Transportation	Month	1	1200	1200
5	Other (stationary, electricity, water bill, machine repair )	Month	1	2000	2000
6	Labour cost	Month	1	10,000	10,000
<b>Total Recurring Cost (B) =</b>			<b>66,200</b>		

C. Cost of production		
S. No.	Particulars	Amount
1	Total recurring cost	66,200
2	10% depreciation annually on capital cost	9800
<b>Total = 76,662</b>		

D. Selling price calculation			
S. No.	Particulars	Unit	Amount
1	Cost of production	Kg	80
2	Current market price	Kg	250-300
3	Expected selling price	Rs	200

### 13. Analysis of Income and Expenditure ( per month) -

S. No.	Particulars	Amount
1	10% depreciation annually on capital cost	9800
2	Total Recurring Cost	66,200
3	Total Production (Kg)	1000
4	Selling Price (per Kg)	200
5	Income generation	2,00,000
6	Net profit ( Income generation - Recurring cost)	1,33,800
7	Gross profit = Net Profit + cost of raw material + Labour cost.	=1,33,800 + 50,000+10,000 =193,800
8	Distribution of net profit	<ul style="list-style-type: none"> <li>❖ Profit will be distributed equally among members monthly/yearly basis.</li> <li>❖ Profit will be utilized to meet recurring cost.</li> <li>❖ Profit will be used for further investment in IGA</li> </ul>

#### 14. Fund Requirement -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	98,000	73,500	24,500
2	Total Recurring Cost	66,200	0	66,200
3	Training/capacity building/skill up-gradation.	70,000	70,000	0
Total		2,34,200	1,43,500	90,700

#### 15. Sources of Fund -

Project support	<ul style="list-style-type: none"> <li>✧ 75% of capital cost will be provided by project.</li> <li>✧ Up to Rs 1 lakhs will be parked in the SHG bank account.</li> <li>✧ Training/capacity building/ skill up-gradation cost.</li> <li>✧ The subsidy of 5% interest rate will be deposited directly to the Bank/Financial Institution by DMU and this facility will be only for three years. SHG have to pay the installments of the Principal amount on regular basis.</li> </ul>	Procurement of machines/equipment will be done by respective DMU/FCCU after following all codal formalities.
SHG Contribution	<ul style="list-style-type: none"> <li>✧ 25% of capital cost to be borne by SHG.</li> <li>✧ <b>But members belongs to low income group and they can contribute 25% and project has to bear remaining 75%.</b></li> <li>✧ Recurring cost to be borne by SHG</li> </ul>	

## **16. Training/capacity building/skill up-gradation -**

Training/capacity building/ skill up-gradation cost will be borne by project.

Following are some training/capacity building/ skill up-gradation proposed/needed:

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

## **17. Computation of break-even point -**

= Capital Expenditure/(selling price (per kg)-cost of production (per kg))

=98,000/ (200-80)

=817 Kg

In this process break-even will be achieved after selling 817 kg powder. Cost effective procurement of raw material

## **18. 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.
- ✧ Project support - The subsidy of 5% interest rate will be deposited directly to the Bank/Financial Institution by DMU and this facility will be only for three years. SHG/CIG have to pay the installments of the Principal amount on regular basis.

## 19. Monitoring Method-

- ❖ 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.

Some key indicators for the monitoring are as:

- ❖ Size of the group
- ❖ Fund management
- ❖ Investment
- ❖ Income generation
- ❖ Quality of product

## 20. Remarks

Members belongs to low income group and they can contribute 25% and project has to bear remaining 75%

**Group Members Photo:**



**Ramna Devi**



**Lahuli Devi**



**Guddi Devi**



**Subhadra Devi**



**Savera Devi**



**Lalita Devi**



**Vandana Devi**



**Rumla Devi**



**Naga Devi**



**Bhato Devi**



**Group Photo:**



Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Pink Himalayan held on 01-06-2022 at Channag that our group will undertake the turmeric powder as Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem Management and Livelihood (JICA assisted).

प्रधान  
छा. नं. 1, डा. गुम्मा, तह. जो. नगर  
जिला मण्डी (हि.प्र.)  
Kalita Devi

Signature Of group President

प्रधान  
पिंक हिमालय स्वयं सहायता समूह  
छाणन, डा. गुम्मा, तह. जो. नगर

Signature Of group secretary

सचिव  
आम जन विकास समीति छाणन  
रुन वसुधवत रोपा पधर  
छा. जो. नगर, जिला मण्डी (हि.प्र.)

Signature of President VFDS

Business Plan Approval by VFDS and DMU.

Pink Himalayan Group will undertake the turmeric powder as Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted). In this regard business Plan of Amount Rs. 2,34,200 has been submitted by the group on 01-06-2022 and the Business Plan has been approved by VFDS Channag.

Business Plan is submitted to DMU through FTU for further action please.

Rajita Devi  
प्रि. वन्य स्व. समूह।  
छाणंग, डा. गुप्ता, तह. जे. नगर  
जिला मुंडा (हि. प्र.)

Rajita Devi  
Signature Of group President

Thank You.

Bardona Devi  
प्रधान सचिव  
पिंक हिमालय स्व. महायता समूह।  
छाणंग, डा. गुप्ता, तह. जे. नगर  
जिला मुंडा (हि. प्र.)

Signature Of group secretary

Asim  
सचिव  
कृषि वन्य विकास समिति छाणंग,  
याज पंचायत रोपा पधर  
Signature of President VFDS

Approved

[Signature]  
DMU cum DFO Joginder Nagar  
D.M.U.-Cum-  
Divisional Forest Officer  
Joginder Nagar

