

Business Plan

On

Income Generation Activity

FOOD PROCESSING - Ginger Garlic Paste

For

Self Help Group -Vaishnavi



SHG/CIG name

Vaishnavi

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-

Vaishanvi SHG is existing from 2021 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 Jogindernagar. This SHG consists of 7 females and they collectively decided of preparing ginger garlic paste as there Income Generation Activity (IGA). These females already had the experience of growing garlic & ginger and now with the help of this project funding, training and assistance. They will be able to sell the ginger garlic paste as a product in market rather than selling raw ginger and garlic at lower price.

Ginger and garlic are commercial crops grown in India. They are cultivated in Kerala, Gujarat, Maharashtra, Orissa, Madhya Pradesh, Himachal Pradesh, Haryana and Uttar Pradesh. Garlic is mainly used in cooking and in medicinal preparations. India has been the largest producer of Garlic followed by China. Ginger and garlic are the two most important spices for cooking food. Ginger garlic paste is one of the essential ingredients used in Indian cuisine. Ginger & garlic paste is used for flavoring ketchups, sauces, curries, etc. Ginger and garlic paste adds a very pleasant aroma, flavor and a touch of heat to the food. Though ginger and garlic paste can be prepared at home, a ready-to-use ginger garlic paste saves a lot of time especially for employees and chefs. With increased earnings of population, the focus has shifted from affordable and cheap food to healthy and tasty food. Food delivery services have given the food industry a great transformation. Both, increased expenditure on food and food delivery services, have contributed to the growth in the Indian food industry that cannot survive without the ginger garlic paste. Given this scenario, it is quite imperative that there is a huge demand for ginger garlic paste at domestic and commercial level. This paste is getting immense popularity not only in the urban areas but also in small towns and rural areas.

2. Description of SHG/CIG

1.	SHG/CIG Name	Vaishanvi
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	7
9.	Date of formation	04-03-2021
10.	Bank a/c No.	40053584122
11.	Bank details	State bank of India
12.	SHG/CIG monthly savings	350
13.	Total saving	7719
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	Anju Devi	F	Rakesh Kumar	General	President	8988780021
2	Arpana Devi	F	Ravi Singh	General	Secretary	8544778089
3	Rumila Devi	F	Gopal Singh	General	Member	8278804175
4	Sita Devi	F	Manohar Lal	General	Member	8278800378
5	Kanta Devi	F	Mukesh Kumar	General	Member	-
6	Rumla Devi	F	Gyan Chand	General	Member	6005178214
7	Lata Devi	F	Sooraj Kumar	General	Member	8580940160

4. Geographical details of the Village

1	Distance from the District HQ	Mandi - 55 Km
2	Distance from Main Road	7 Km
3	Name of local market & distance	Galu - 7 Km
4	Name of main market & distance	Joginder Nagar - 13 Km
5	Name of main cities & distance	Joginder Nagar - 13 Km Padhar - 30 Km Mandi - 55 Km Sundernagar - 75 Km Baijnath - 30 Km Palampur - 46 Km
6	Name of main cities where product will be sold/ marketed	<ul style="list-style-type: none"> ✧ Padhar ✧ Joginder Nagar ✧ Palampur ✧ Baijnath

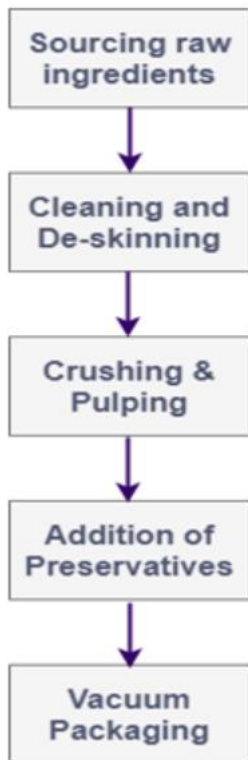
5. Executive Summary-

Ginger and garlic paste income generation activity has been selected by this Self Help Group. This IGA will be carried out by all ladies of this SHG. Starting a ginger and garlic paste business is easy as it only requires grinding ginger and garlic after cleaning. The manufacturing process of ginger garlic paste is simple and hence, this business can be taken up easily especially by women. Ginger and garlic are important commercial crops with versatile applications. Generally, people prepare the paste at home with the help of a mixer as and when required basis. However, nowadays people prefer to have more ready-to-cook items for managing the time more properly. Basically, the cooking paste segment is now catering to working professionals who are pressed for time and not just housewives. In addition, it is ready to use an item that is consumed in all households. Therefore, starting a ginger garlic processing business is a lucrative opportunity for Self Help Group to enhance their income.

6. Description of product related to Income Generating Activity-

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

7. Production Processes-



- ❖ **Procure raw materials-** The food product development must ensure that all the procured raw ingredients meet the desired quality parameters.

Main raw material required:

- Ginger
- Garlic
- Preservatives

- ❖ **Cleaning-** Ginger and garlic should be thoroughly washed.

- ❖ **De-Skinning -** The next step is to de-skin ginger and garlic using skin peeling machine.



- ❖ **Crushing and pulping** - Use crushing machine to crush the de-skinned ginger and garlic. The crushed material is then put into pulping machine to obtain a paste of uniform consistency. Add required quantity of turmeric, salt, water and remaining powder ingredients.
- ❖ **Adding preservatives**- Transfer the material into a stainless steel vessel and add preservative to it. This is done to enhance the shelf life of the finished product.
- ❖ **Packaging**- The product is vacuum packed into pouches or other suitable packaging product. The paste is a semi-solid product. Hence, one would require a leak proof packaging. The ginger garlic paste can be vacuum packed in can, plastic container, re-usable pouches and bottle.

8. Production Planning -

1.	Production Cycle for ginger garlic paste(in days)	1 -2 days
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)	1000
8.	Expected production per month(Kg)	1000

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	<ul style="list-style-type: none"> ✧ Mandi - 86Km ✧ Joginder Nagar - 30 Km ✧ Palampur - 41 Km ✧ Baijnath - 25 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 200g and 500g 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”	“organic ginger garlic paste ”

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.
- ❖ 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.
- ❖ 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.

- ❖ 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.

12. Description of Economics -

A. Capital Cost				
S. No.	Particulars	Quantity	Unit Price	Amount (Rs)
1	Wet Mill Grinder - Gravy Machine	1	35,000	35,000
2	Stainless steel Storage tank	1	10,000	10,000
3	Weighing machine	1	8,000	8,000
4	Kitchen tools		LS	7,000
5	Finished product storage almirah/racks	2	5,000	10,000
6	Hand Operated Packing Machine	2	10,000	10,000
7	Apron, cap, plastic hand gloves etc		LS	5000
8	Seeds of ginger and garlic	70 Kg	100	7,000
Total Capital Cost (A) =			92,000	

Note – As raw garlic and ginger 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)
C. Cost of production					
S. No.	Particulars	Unit	Quantity	Price	Amount
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	7,000	7,000
Total Recurring Cost (B) =			63,200		

1	Total recurring cost	63,200
2	10% depreciation annually on capital cost	9,200
Total = 71,700		

D. Selling price calculation			
S. No.	Particulars	Unit	Amount (Rs)
1	Cost of production	Kg	80
2	Current market price	Kg	150-240
3	Expected selling price	Kg	140

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

S. No.	Particulars	Amount
1	10% depreciation annually on capital cost	8,500
2	Total Recurring Cost	63,200
3	Total Production (Kg)	1000
4	Selling Price (per Kg)	140
5	Income generation (140* 1000)	1,40,000
6	Net profit (Income generation - recurring cost)	76,800
7	Gross profit = Net Profit + cost of raw material + Labour cost.	1,33,800
8	Distribution of net profit	<p>✧ Profit will be distributed equally among members monthly/yearly basis. Profit will be utilized to meet recurring cost. Profit will be used for further investment in IGA</p>

14. Fund Requirement -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	92,000	69,000	23,000
2	Total Recurring Cost	63,200	0	63,200
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
Total		2,05,200	1,19,000	86,200

15. Sources of Fund -

Project support	<ul style="list-style-type: none"> ✧ 75% of capital cost will be provided by project. ✧ Up to Rs 1 lakhs will be parked in the SHG bank account. ✧ Training/capacity building/ skill up-gradation cost. ✧ 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. 	Procurement of machines/equipment will be done by respective DMU/FCCU after following all codal formalities.
SHG Contribution	<ul style="list-style-type: none"> ✧ 25% of capital cost to be borne by SHG. ✧ But members belongs to low income group and they can contribute 25% and project has to bear remaining 75%. ✧ Recurring cost to be borne by SHG 	

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))

= 92,000/ (140-80)

= 1,533

In this process break-even will be achieved after selling 1533 kg of paste.

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

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

Group Member Individual Photos:



Anju Devi



Sita Devi



Arpana Devi



Lata Devi



Ramleela Devi



Kanta Devi



Rumana Devi

Group Photo:



Resolution-cum-Group-consensus Form

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

Sobhraj
Signature Of group President

प्रधान सचिव
वैष्णवी स्वयं सहायता समूह
छाणग, डा. गुम्मा तह. जो. नगर
जिला मण्डी (हि.प्र.)

Arjun
Signature of President VFDS

प्रधान सचिव
वैष्णवी स्वयं सहायता समूह
छाणग, डा. गुम्मा तह. जो. नगर
जिला मण्डी (हि.प्र.)

Signature Of group secretary

Arjun
प्रधान सचिव
वैष्णवी स्वयं सहायता समूह
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जिला मण्डी (हि.प्र.)

Business Plan Approval by VFDS and DMU.

Vaishnavi Group will undertake the ginger garlic paste 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. 2,05,200 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.

प्रधान
वैष्णवी स्वयं सहायता समूह
डा. गुम्मा तह. जो. नगर
जि. मंडी (हि.)

Thank You.

S. S. Sani
Signature Of group President

Signature Of group secretary

Abna
समूह वन विकास समिति छाणग
डा. गुम्मा तह. जो. नगर
जि. मंडी (हि.)
Signature of President VFDS

प्रधान Amu Dahi सचिव
वैष्णवी स्वयं सहायता समूह
छाणग, डा. गुम्मा तह. जो. नगर
जिला मण्डी (हि.प्र.)

Approved

DMU cum DFO Joginder Nagar

D.M.U.-Cum-
Divisional Forest Officer
Joginder Nagar

