

BUSINESS PLAN

INCOME GENERATING ACTIVITY –VERMICOMPOST BY SAMRIDHI---- SELF HELP GROUP RUHIL-MALOG



Management & Livelihoods (JICA Assisted)

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Background

Vermicomposting has been gaining a strong foothold in the country due to simple production techniques, ecological, economic and human health benefits associated with it. A significant number of vermicomposting units have been set up by entrepreneurs, under government support/ with the technical guidance of Non-Governmental Organizations (NGOs), particularly in the southern and central parts of the country.

Vermicomposting has direct environmental and economic benefits as it contributes to the sustainable agriculture production and income of farmers significantly. There are a number of NGOs, Community Based Organizations (CBOs), Self-Help Groups (SHGs), Trusts etc. which are making concerted efforts to promote vermicomposting technology due to its established economic and environmental advantages.

Vermicomposting

Vermicomposting is the scientific process of making compost, by using earthworms. They are mostly found living in soil, feeding on biomass and excreting it in a digested form. Vermicompost is a type of organic fertilizer. It is derived by composting organic waste by using several species of earthworms. This method of producing vermicompost is called Vermicomposting. Production of compost through rearing/using earth worms is called the vermicomposting technology. 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, rightly called “gold from garbage” is the major input in organic agriculture production. Owing to simple technology, many farmers are engaged in vermicomposting production as it invigorates soil health, soil productivity reduces the cost of cultivation.

There is a gradual increase in demand for vermicompost due to the high level of nutrient contents. Secondly, larger population is now shifting towards natural and organic products.

1. Description of SHG/CIG

SHG/CIG Name	::	Samridhi
VFDS	::	Perna VFDS Ruhil- Malog

Range	::	Saraswati Nagar
Division	::	Rohru
Village	::	Ruhil
Block	::	Jubbal
District	::	Shimla
Total No. of Members in SHG	::	20
Date of formation	::	August, 2020
Bank A/c No.	::	13810110031230
Bank Details	::	UCO Bank Anti
SHG/CIG Monthly Saving	::	100/-
Total saving		10050/-
Total inter-loaning		-----
Cash Credit Limit		-----
Repayment Status		-----

2. Beneficiaries Detail:

Sl. No	Name	Father/ HusbName	Age	Category	Income Source	Address
1	Dinesh Kumar	Lt. Shamsheer Singh	48	Gen.	Agriculture	Sarli
2	Prashant Kanwar	Sh. Harish Kumar	44	Gen.	Agriculture	Sarli
3	Manoj Sopta	Lt. Gian Singh	36	Gen.	Agriculture	Ruhil
4	Narender Bhandari	Lt. Dil Bahadur	46	Gen.	Agriculture	Ruhil
5	Sunil Sopta	Sh. Sher Singh	37	Gen.	Agriculture	Ruhil
6	Rajat Pezta	Lt. Bishan Singh	23	Gen.	Agriculture	Malog
7	Deepak Pirta	Sh. Jagdish Pirta	31	Gen.	Agriculture	Malog
8	Mukesh Chauhan	Sh. Jai Lal	41	Gen.	Agriculture	Sarli
9	Sunil Pezta	Lt. Udhham Singh	35	Gen.	Agriculture	Malog
10	Anil Kumar	Sh. Bhagat Ram	29	SC	Agriculture	Malog
11	Adarsh Kumar	Lt. Jaswant Singh	60	Gen.	Agriculture	Ruhil
12	Rajneesh Singh	Lt. Jaswant Singh	57	Gen.	Agriculture	Ruhil
13	Pratap Singh	Lt. Misru mal	59	Gen.	Agriculture	Ruhil
14	Virender Singh	Lt. Gian Singh	43	Gen.	Agriculture	Ruhil
15	Birban Singh	Lt. Raje Singh	56	Gen.	Agriculture	Ruhil
16	Ravinder Justa	Sh. Sant Ram	27	SC	Agriculture	Malog
17	Manjeet Justa	Lt. Jodh Ram	29	SC	Agriculture	Malog
18	Jagmohan Lal	Sh. Shade Lal	48	Gen.	Agriculture	Malog
19	Ramesh Kumar	Lt. Sidia	41	SC	Agriculture	Malog
20	Sanjay Jhobta	Sh. G.S Jhobta	47	Gen.	Agriculture	Sarli

3. Geographical details of the Village

3.1	Distance from the District HQ	::	110 Km
3.2	Distance from Main Road	::	0200 Meters
3.3	Name of local market & distance	::	Anti/Saraswati-nagar--14 Kmtrs
3.4	Name of main market & distance		Rohru, 34 Km

7

3.5	Name of main cities & distance		Rohru, 34 Km
3.6	Name of main cities where product will be sold/ marketed	::	HP Forest Deptt. & Rohru and Jubbal

4. Description of Product related to Income Generating Activity

4.1	Name of the Product	::	Vermicomposting
4.2	Method of product identification	::	The group is interested to do this activity. Being apple belt, there is a huge demand of vermicomposting. The activity has been collectively decided by group members
4.3	Consent of SHG/ CIG / cluster members	::	Yes

5. Description of Production Processes

Step		Description
Step-1	::	Processing involving collection of wastes, shredding, mechanical separation of the metal, glass and ceramics and storage of organic wastes.
Step-2	::	Pre digestion of organic waste for twenty days by heaping the material along with cattle dung slurry. This process partially digests the material and fit for earthworm consumption. Cattle dung and biogas slurry may be used after drying. Wet dung should not be used for vermicompost production.
Step-3	::	Preparation of earthworm bed. A concrete base is required to put the waste for vermi-compost preparation. Loose soil will allow the worms to go into soil and also while watering; all the dissolvable nutrients go into the soil along with water.
Step-4	::	Collection of earthworm after vermi-compost collection. Sieving the composted material to separate fully composted material. The partially composted material will be again put into vermi-compost bed.
Step-5	::	Storing the vermi-compost in proper place to maintain moisture and allow the beneficial microorganisms to grow.

6. Description of Production Planning

- ⊃ 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
- ⊃ Level of commitment among beneficiaries towards participation in training/ capacity building & skill up-gradation

9. 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
- ➔ **Monitoring of the unit** – Collectively

10. Description of Economics

(Amount in actual Rs.)

S. No	Particulars	Units	Quantity/ Nos.	Cost (Rs.)	Year 1	Year 2	Year 3	Year 4	Year 5

recurring cost (Labour Cost, Cost of procurement of Slurry/dung/waste) can be deducted from total recurring cost.

Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	
Capital cost	240000	0	0	0	0	
Recurring cost	168100	165855	173998	182548	191525	
Total cost	408100	165855	173998	182548	191525	1122026
Total benefits	324000	350200	377210	395071	413824	1860305
Net benefits	-84100	184345	203212	212523	222999	738279
Net present worth of cost @15 per cent	1122025					
Net present worth of benefits @15 per cent	1860305					
Benefit Cost Ratio	1.66					

Distribution of net profite – As per share in production.

11. Inferences of Economic Analysis

- Pit size for each member has been planned at 10X4X2 ft for one pit.
- Cost of production of vermi-compost comes to Rs. 3.2 per Kg
- Sale of vermi-compost (conservative side) is Rs. 6 per Kg
- Net profit will be Rs. 2.8 per Kg
- It is proposed that each member will produce 2.7 tonnes of vermi-compost every year resulting in production of 40 tonnes vermi-compost by all 15 members of SHG in one year.
- Cost of earthworm has been kept at Rs. 500.00 per kg
- During the second year onwards, there will be surplus earthworm for sale (as it will multiply during the process of production of vermi-compost)
- The vermi-compost making is a profitable IGA and can be taken up by the SHG members.

12. Fund requirement:

Sl. No.	Particulars	Total Amount (Rs)	Project support	SHG contribution
1	Total capital cost	240000	1,80,000	60,000
2	Total Recurring Cost	168100	0	168100
3	Trainings/ capacity building/skill up-gradation	60000	60000	0
	Total =	468100	240000	228100

Note-

- **Capital Cost** - 75% 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

13. Sources of fund:

Project support;	<ul style="list-style-type: none"> • 75% of capital cost will be utilized for construction of pit and shed (Size will be of 10ftX4ftX2ft) • Upto Rs 1 lakh will be parked in the SHG bank account. • 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"> • 25% of capital cost to be borne by SHG, this include cost of shed/construction of shed. • Recurring cost to be borne by SHG 	

14. 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 no 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.

15. 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

16. 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 –



Business Plan Approval by VFDS

Samoidhi..... group will undertake the..... Vermi Composting as

Livelihood Income Generation Activity under the Project for Improvement of
Uttarakhand Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted)

In this regard Business Plan of amount (Rs)..... 4,68,100-00 has been
submitted by this group on dated 3-06-2021 and this business plan has been
approved by Prerna VFDS. Ruhil-Malag

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

Thank you

Prerna
President

Prerna Vill. Forest
Development Society
Vill. Ruhil-Malag G.P. Nandpur

Signature of VFDS Pradhan

R. S. Rawat
Prerna Vill. Forest
Development Society
Vill. Ruhil-Malag G.P. Nandpur

Signature of VFDS Secretary

Resolution-cum-Group Consensus Form

It is decided in the General House meeting of the group.....Samstahi.....held on 26-8-2020 atMalag.....that our group will undertake the.....Vermi Composting as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted).

President [Signature]
Prerna Vill. Forest
Development Society
Vill, Ruhil. Malog G.P. Nandpur

Signature of Group Pradhan

[Signature]
~~Secretary~~
Prerna Vill. Forest
Development Society
Signature of Group Secretary

Name & Signature of Authorized Signatories

<p>1 <i>Virender Saptar</i> (President) VFDS Ruhil Malog Development Society Vill. Ruhil Malog G.P. Nandpur</p>	<p>2 <i>Dinesh Karnwar</i> (President) "Samridhi" Ruhil Malog G.P. Nandpur</p>
<p>3 <i>B.S. Rawal</i> (Secretary) VFDS Ruhil Malog Secretary Prerna Vill. Forest Development Society Vill. Ruhil Malog G.P. Nandpur</p>	<p>4 <i>Prashant Karnwar</i> (Secretary) "Samridhi" SHG Ruhil Malog G.P. Nandpur</p>

Submitted to DMU through FTU

[Signature]
Range Forest Officer
Saraswati Nagar
'Sawra'

[Signature]
Name & Signature of FTU Co-coordinator
F. T. U. Coordi
F.T.U./Range S. Nagar
D. M. U. Rohru

Approved

[Signature]
Divisional Forest Officer
Rohru Forest Division Rohru

Name & Signature of DMU Officer

