



## Business Plan

On

### Income Generation Activity

## FOOD PROCESSING – PICKLE MAKING

For

### Self Help Group – Jai Jalpa



SHG/CIG name

Jai Jalpa

VFDS name

Fihad

Range

Kamlah

Division

Joginder Nagar

Prepared Under-

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

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## 1. Introduction-

Fruits and vegetables preserved in common salt, vinegar, oil or citrus fruit juices are called pickles. Pickles are usually made from a mixture of vegetables and fruit. They are eaten as a savoury, spicy accompaniment to a meal. Pickles are made by immersing the fruits or vegetables in the brine or vinegar solution and stored for a period of time during which the ingredients goes through the pickling process and acquire the desired taste. Pickles are usually sweet or sour in taste and are often spicy. They acquire the taste of the key ingredient which is the vegetable or fruit of which the pickle is made. Mango, lime, carrot, bitter gourd, beans, chillies, garlic, ginger, brinjal and onion are mainly processed for pickles. The most lucrative aspect of the pickle making business is that it can be started as per the financial capacity of the group and later on at any given time when the financial portfolio of the SHG improves the business can be scaled up to any level. Once the product is liked by customers the business will flourish like anything.

After discussing about the market potential and different aspects very carefully before getting into this IGA ( Income Generation Activity). The Jai Jalpa SHG group has collectively decided of pickle making as their Income Generation Activity(IGA). Jai Jalpa SHG was formed on 31-01-2022 under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Fihad. This SHG consists of 17 females. These females already had the experience of making pickles and now with the help of this project funding, training and assistance. They will be able to manufacture pickles at a large scale and will become self independent and generate income. The SHG has therefore crafted a detailed business plan according to its investment capacity, marketing & promotional strategy and the detailed action plan will be discussed hereunder:

## 2. Description of SHG/CIG

1.	SHG/CIG Name	Jai Jalpa
2.	VFDS	Fihad
3.	Range	Kamlah
4.	Division	Joginder Nagar
5.	Village	Fihad
6.	Block	Dharampur
7.	District	Mandi
8.	Total no. of members in SHG	17
9.	Date of formation	31-01-2022
10.	Bank a/c No.	33410104724
11.	Bank details	Himachal State Co-operative Bank Longani
12.	SHG/CIG monthly savings	1700 (100 per person)
13.	Total saving	3400
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	Anita Thakur	F	Nathu Ram	General	Pradhan	8629083659
2	Kiran	F	Rakesh Kumar	General	Secretary	9015228923
3	Nilam Thakur	F	Vipan Kumar	General	Member	8219861904
4	Tanu Thakur	F	Ajay Kumar	General	Member	8894994029
5	Soma Devi	F	Sunil Kumar	General	Member	6230580289
6	Reena Devi	F	Prithi Kumar	General	Member	8580589898
7	Sapna Devi	F	Sanjay Kumar	General	Member	9805052302
8	Mamta Devi	F	Ajay Kumar	General	Member	9805272372
9	Shanta Devi	F	Niku Ram	General	Member	8219287681
10	Lata Devi	F	Pal Kumar	General	Member	9418722713
11	Kala Devi	F	Gulab Singh	General	Member	7876491290
12	Ranjana Devi	F	Jagdish Singh	General	Member	7807820229
13	Anju Devi	F	Vijay Kumar	General	Member	8580726952
14	Poonam Devi	F	Ravi Kumar	General	Member	7876521788
15	Reena Devi	F	Nek Ram	General	Member	9459092810
16	Kavita Devi	F	Rajender Kumar	General	Member	8219923056
17	Sunita Devi	F	Ashwani Kumar	General	Member	9805051395

#### 4. Geographical details of the Village

1	Distance from the District HQ	115 Km
2	Distance from Main Road	2 Km
3	Name of local market & distance	Dharampur - 10 Km
4	Name of main market & distance	Sarkhaghat - 30 Km
5	Name of main cities & distance	Dharampur - 10 Km Sarkhaghat - 30 Km Mandi - 115 Km
6	Name of main cities where product will be sold/ marketed	Dharampur & Sarkhaghat

#### 5. Market Potential-

The market of pickles is on the ever increasing side both in domestic and export market. The popular variety of pickles are mango pickle, lime pickle, mix vegetable, red chilies pickle etc. Ginger, garlic mushrooms pickles have also gained popularity in the recent years. Pickles are one of the earliest commercial product appeared in the market a product of fruits and vegetable preservation. A large number of brands of pickles are available in the market still there exist good scale for new brands and of palatability.

#### 6. Executive Summary-

Food Processing (Pickle making) income generation activity has been selected by this Self Help Group. This IGA will be carried out by all ladies of this SHG. This business activity will be carried out yearly by group members. The process of making pickle takes around 3-7 days. Production process includes process like washing, slicing of vegetables, adding brine, desalting, adding species, oil, preservatives and finally packing. Initially group will manufacture one type of pickle but in future, group will manufacture other pickle products increasing the varieties of pickle which follow same process. Product will be sold directly by group or indirectly through retailers and whole sellers of near market initially.

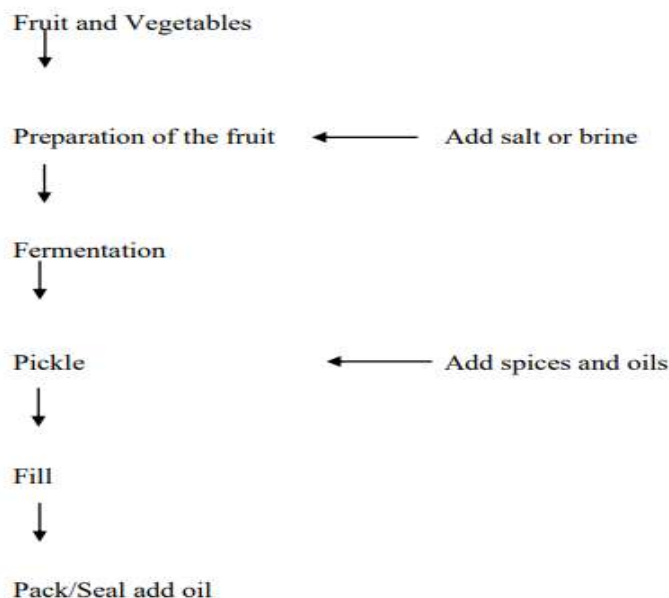
## 7. Description of product related to Income Generating Activity-

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

## 8. Description of Production Processes-

- Take vegetables, clean them with water, peel them.
- Cut them into specific size.
- Cooking/ boiling of vegetables, if required.
- Then, add spices and oils.
- Keep the mixture for some time and then pack it into jars and apply labels.

### Flow Sheet for the Preparation of Pickles



## 9. Pickle making business compliance -

Pickle is a food item therefore different regulations of the state government need to be followed. Since IGA is being taken up initially on small scale therefore these legal issues will be addressed locally by the SHG members by obtaining a food handling license from the local authorities. The business is being operated from home therefore the tax regulations for self employed groups will be taken care as per the rules.

## 10. Production Planning -

1	Production Cycle for pickle making (in days)	3-7days
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 kg
6	Expected production per month(Kg)	1000 Kg

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	Vegetables and fruits	Kg	Monthly	700	50	35,000	1000

## 11. Description of Sale & Marketing -

1	Potential market places	Dharampur & Sarkhaghat
2	Distance from the unit	10 Km & 30 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 retailers or whole sellers. 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"	"A product of SHG"



## 12. 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.
  - ❖ There are opportunities of expansion with production at a larger scale.
  - ❖ Daily consumption. And consumption by all buyers in all seasons.
- ❖ Threats/Risks–
  - ❖ Effect of temperature, moisture at time of manufacturing and packaging particularly in winter and rainy season.
  - ❖ Sudden increase in price of raw material.
  - ❖ Competitive market.

## 13. 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.

## 14. Description of Economics -

A. Capital Cost				
S. No.	Particulars	Quantity	Unit Price	Amount (Rs)
1	Grinder machine	1	18,000	18,000
2	Mixer	2	4,000	8,000
3	Vegetable dehydrator	1	40,000	40,000
4	Finished product racks/ almirah	1	8,000	8,000
5	Iron Racks		LS	10,000
6	Kitchen tools		LS	18,000
7	Hand operated jar sealing machine	1	15,000	20,000

8	Apron, gloves, caps etc		LS	2,000
<b>Total Capital Cost (A) =Rs 1,24,000</b>				

B. Recurring Cost					
S. No.	Particulars	Unit	Quantity	Unit Price	Total Amount (Rs)
1	Raw material	Month	700 kg	50	35,000
2	Raw material masala	Month	300 kg	150	45,000
3	Packaging material	Month	LS	8,000	8,000
4	Transportation	Month	1	1,000	1,000
5	Other(Stationary, electricity bill etc)	Month	1	2,000	2,000
<b>Total Recurring Cost (B) = 91,000</b>					

Note – The group members will do the work themselves and therefore labour cost has not been included and the members will manage between them the working schedule to be followed.

C. Cost of production		
S. No.	Particulars	Amount
1	Total recurring cost	91,000
2	10% depreciation annually on capital cost (1,24,000)	12400
<b>Total = 1,03,400</b>		

D. Selling price calculation			
S. No.	Particulars	Unit	Amount
1	Cost of production	Kg	120
2	Current market price	Kg	150-300
3	Expected selling price	Rs	200

E. Average income monthly by way of sale of /pickle				
S. No.	Particulars	Quantity	Cost (Rs.)	Amount
1	Sale of pickles	1000 Kg	200 per Kg	2,00,000

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

Cost benefit analysis ( monthly)		
S. No.	Particulars	Amount
1	Total recurring cost	91,000
2	Total sale amount	2,00,000
3	Net profit ( 2,00,000-91,000)	1,09,000
4	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>

### 16. Fund requirement -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	1,24,000	93,000	31,000
2	Total Recurring Cost	91,000	-	91,000
3	Training/capacity building/skill up-gradation.	50,000	50,000	-
Total		2,65,000	1,43,000	1,22,000

Note:

- i) Capital cost- 75% capital cost will be borne by the project and 25% by the SHG.
- ii) Recurring cost- to be borne by the SHG.
- iii) Training and capacity building/ skill up gradation to be borne by the project.

### 17. Sources of Fund -

Project support	<ul style="list-style-type: none"> <li>✧ 75% of capital cost will be provided by project if members belong to other than general category. If the members belong to general then 50% capital cost is will be borne 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</li> </ul>	Procurement of machines/equipment will be done by respective DMU/FCCU after following all codal formalities.
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	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.	
SHG Contribution	<ul style="list-style-type: none"> <li>✧ 50% or 25% of capital cost to be borne by SHG for general category and other categories respectively.</li> <li>✧ The group consist of all women and members belongs to low income group and they can contribute 25% and project has to bear remaining 75%.</li> <li>✧ Recurring cost to be borne by SHG.</li> </ul>	

### 18. 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

### 19. Computation of break-even point -

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

= 1,24,000/(200-120)

=1550 Kg

In this process break-even will be achieved after selling 1550 kg of pickles.

### 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.
- ✧ 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 has to pay the installments of the Principal amount on regular basis.

## 21. Monitoring Method-

- ❖ Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if needed 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 needed 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

## 22. Remarks

The group consists of all women members which belong to low income group and they can contribute 25% and project has to bear remaining 75%.

**23. Group member Photo:**



Anita Thakur

Kirna

Soma Devi

Reena Devi



Sapna Devi

Mamta Devi

Shanta Devi

Lata Devi



Kala Devi

Rajna Devi

Anju Devi

Punam Devi



Reena Devi

Sunita Devi

Kabita Devi

Neelam Thakur



Tanu Thakur

24. Group photo



## 25. Resolution-cum-Group-consensus Form:

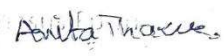
### Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Jai Jalpa held on 02-07-2022 at Fihad that our group will undertake the pickle making as Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted).

Signature Of group President

Signature Of group secretary

  
प्रधान  
समूह विकास समिति फिहद  
ग्राम पंचायत सरी  
तहसील, धर्मपुर, जिला मण्डी (हि.प्र.)

  
सचिव  
जय  
गांव फिहद  
जिला मण्डी, हिमाचल प्रदेश



Business Plan Approval by VFDS and DMU.

Jai Jalpa Group will undertake the pickle making 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. 2,65,000 has been submitted by the group on 02-07-2022 and the Business Plan has been approved by VFDS Fihad.

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

Thank You. Anita Thakur  
प्रधान

Rishu  
सचिव

Signature Of group President

Signature Of group secretary

[Signature]  
सचिव  
ग्राम वन विकास समिति  
ग्राम पंचायत/सरी  
तहसील, धर्मपुर, जिला मण्डी (हि.प्र.)

सचिव

Signature of President VFDS

Thank You.

Approved

[Signature]  
DMU cum DFO Joginder Nagar

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

Approved

DMU cum DFO Joginder Nagar

