

Business Plan

On

Income Generation Activity

FOOD PROCESSING – PICKLE MAKING

For

Self Help Group – Radha



SHG/CIG name

Radha

VFDS name

Trind Mahadev

Range

Jaisinghpur

Division

Palampur

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, chilies, 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 Radha SHG group has collectively decided of pickle making as their Income Generation Activity(IGA). Radha SHG is formed under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Trind Mahadev. This SHG consists of 18 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	Radha
2.	VFDS	Trind Mahadev
3.	Range	Jasinghpur
4.	Division	Palampur
5.	Village	Basun Bhaglad
6.	Block	Lambagaon
7.	District	Kangra
8.	Total no. of members in SHG	18
9.	Date of formation	20.09.2022
10.	Bank a/c No.	50075019365
11.	Bank details	KCC Bank Wahe – da – Patt IFSC Code KACE0000084
12.	SHG/CIG monthly savings	50 per members
13.	Total saving	3600
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	Neelam Kumari	F	Ajit Singh	General	Pardhan	96823-08813
2	Aruna Kumari	F	Vinod Rana	General	Secretary	98166-54084
3	Vishali Devi	F	Jatinder Kumar	OBC	Member	85805-15361
4	Jyoti Devi	F	Rakesh kumar	OBC	Member	82787-31617
5	Kumari Indu	F	Ashok Kumar	OBC	Member	85806-38994
6	Santosh Kumari	F	Sanjay Kumar	OBC	Member	98166-65489
7	Anupama	F	Sunny Kumar	OBC	Member	78761-25988
8	Kusumlata	F	Prem Kumar	OBC	Member	86288-32964
9	Reena Devi	F	Gulshan kumar	OBC	Member	78072-37027
10	Sudershna Devi	F	Hosiar Singh	OBC	Member	98820-57799
11	Binta Devi	F	Suresh Singh	OBC	Member	88949-95583
12	Surestha Devi	F	Milap Chand	OBC	Member	98053-51176
13	Reeta kumari	F	Dilbag	General	Member	78764-24137
14	Bindu Devi	F	Ashok Kumar	OBC	Member	73038-72757
15	Saroj Kumari	F	Jagdish Chand	OBC	Member	98058-28730
16	Sunita Kumari	F	Vipan Kumar	OBC	Member	98052-70093
17	Satya Devi	F	Mast Ram	OBC	Member	98052-73139
18	Sakina Devi	F	Dina Nath	General	Member	81269-64733

4. Geographical details of the Village

1	Distance from the District HQ	85 km
2	Distance from Main Road	50 Mtr
3	Name of local market & distance	Jaisinghpur and 20 Km
4	Name of main market & distance	Jaisinghpur and 20 Km
5	Name of main cities & distance	✧ Palampur and 30Km
6	Name of main cities where product will be sold/ marketed	✧ Palampur and 30Km

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-

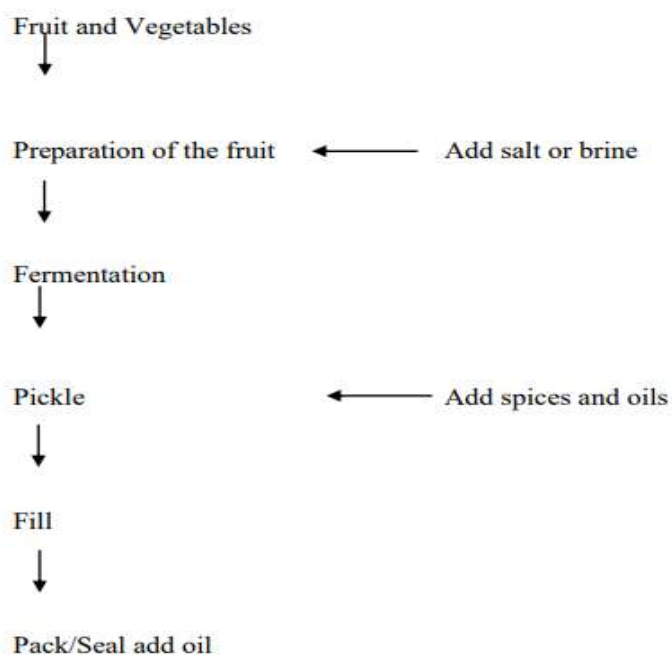
Food Processing (Pickle making) income generation activity has been selected by this Self Help Group. This IGA will be carried out by all ladies of this SHG. This business activity will be carried out yearly by group members. The process of making pickle takes around 3-7 days. Production process includes process like washing, slicing of vegetables, adding brine, desalting, adding species, oil and add preservative 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-

Flow Sheet for the Preparation of Pickles



9. Pickle making business compliance -

Pickle is a food item therefore different regulation of the state government need to be followed. Since IGA is being taken up initially on small scale therefore these legal issues will be address 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)	1400 kg
6	Expected production per month (Kg)	1400 Kg

Requirement of raw material and expected production.

S.no	Raw material	Unit	Time	Quantity(approx)	Amount per Kg(Rs)	Total amount	Expected production Per month(Kg)
1	Vegetables and fruits	Kg	Monthly	1000	50	50,000	1400

11. Description of Sale & Marketing -

1	Potential market places	Jaisinghpur, Shivnagar
2	Distance from the unit	Jaisinghpur - 20 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 1/2 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"	"Radha Pickle 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.
 - ❖ Suddenly 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	3	4,000	12,000
3	Vegetable dehydrator	1	40,000	40,000
4	Finished product racks/ almirah	2	8,000	16,000
5	Iron Racks		LS	9,000
6	Kitchen tools		LS	20,000
7	Hand operated jar sealing machine	1	15,000	15,000
8	Apron, gloves, caps etc		LS	9,000
Total Capital Cost (A) =				139,000

B. Recurring Cost					
S. No.	Particulars	Duration	Quantity in Kg	Unit Price/Kg	Total Amount (Rs)
1	Raw material (kg)	Month	1000	50	50,000
2	Raw material masala (kg)	Month	400	150	60,000
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	1,000	1,000
Total Recurring Cost (B) =					120,000

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.

Cost of production:

C. Cost of production		
S. No.	Particulars	Amount
1	Total recurring cost	120,000
2	10% depreciation annually on capital cost	13,900
Total = 133,900		

D. Selling price calculation			
S. No.	Particulars	Unit	Amount
1	Cost of production	Kg	120
2	Current market price	Kg	150-250
3	Expected selling price	Rs	200

E. Average income monthly by way of sale of /pickle				
S. No.	Particulars	Quantity	Cost	Amount
1	Sale of pickles	1400 Kg	200 per Kg	280000

15. Cost Benefit Analysis (Monthly)

Cost benefit analysis (monthly)		
S. No.	Particulars	Amount
1	Total recurring cost	120,000
2	Total sale amount	2,80,000
3	Net profit (Sale amount - Recurring cost)	1,60,000
4	Distribution of net profit	² Profit will be distributed equally among members monthly/yearly basis. ² Profit will be utilized to meet recurring cost. ² Profit will be used for further investment in IGA

16. Fund flow arrangement in SHG -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	139,000	104,250	34,750
2	Total Recurring Cost	120,000	0	120,000
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
Total		309,000	154,250	154,750

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"> ✧ 75% of capital cost will be provided by project if members belong to SC/ST/Poor women. If the members belong to general then 50% capital cost is will be borne 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"> ✧ 50% or 25% of capital cost to be borne by SHG for general category and other categories respectively. ✧ Recurring cost to be borne by SHG. 	

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))

= 1,39,000/(200-120)

= 1738 Kg

In this process break-even will be achieved after selling 1738 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

This group will make seasonal vegetables pickle depending upon the availability of raw material and response from the market.

23. Group member's Individual photos



Neelam Kumari



Vishali Devi



Jyoti Devi



Kumari Indu



Santosh kumari



Anupama



Kusham Lata



Rina devi



Sudharshna Devi



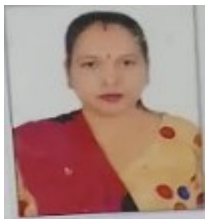
Binta Devi



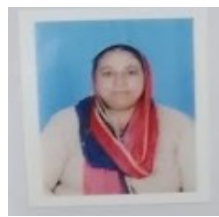
Surestha Devi



Rita Kumari



Bindu Devi



Saroj Kumari



Aruna Kumari



Sunita Kumari



Satya Devi



Sakina Devi

24. Group photos:



25. Resolution-cum Group consensus form

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Radha held on 14-12-2022 at Paplah that our group will undertake the Rickle making as Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted).

Rana

Signature Of group President

राधा स्वयं सहायता समूह भगलाल बसूं
ग्राम पंचायत पपलाह, तह. जयसिंहपुर
वि. ख. लम्बागांव, जिला कांगड़ा (हि.प्र.)

Ana K...

Signature Of group secretary

पंचायत.....
राधा स्वयं सहायता समूह भगलाल बसूं
ग्राम पंचायत पपलाह, तह. जयसिंहपुर
वि. ख. लम्बागांव, जिला कांगड़ा (हि.प्र.)

Lalita Devi

Signature of President VFDS

राधा स्वयं सहायता समूह
ग्राम पंचायत पपलाह
तह. जयसिंहपुर
जिला कांगड़ा

26. Business approval by VFDS and DMU

Business Plan Approval by VFDS and DMU.

Radha 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. 309000 has been submitted by the group on 14-12-2022 and the Business Plan has been approved by VFDS Trind Mahadev

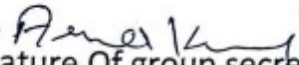
Business Plan is submitted to DMU through FTU for further action please.

Thank You.



Signature Of group President.....

राधा स्वयं सहायता समूह भगवतल वरुं
ग्राम पंचायत पपलाह, तह. जयसिंहपुर
वि. ख. लम्बागांव, जिला कंगड़ा (हि.प्र.)



Signature Of group secretary


प्रधान..... सदस्य.....
राधा स्वयं सहायता समूह भगवतल वरुं
ग्राम पंचायत पपलाह, तह. जयसिंहपुर
वि. ख. लम्बागांव, जिला कंगड़ा (हि.प्र.)

प्रधान Lalita Devi

Signature of President VFDS

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ग्राम पंचायत पपलाह
तह. जयसिंहपुर
जिला कंगड़ा

Approved


DMU cum DFO PALAMPUR
Palampur (H.P.)

