

BUSINESS PLAN

INCOME GENERATING ACTIVITY–VERMICOMPOST

by

Lakshya -Self Help Group



SHG/CIG Name	::	LAKSHYA
VFDS Name	::	Thana
Range	::	Kotkhai
Division	::	Theog

Prepared under-



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

Table of Contents

Sl. No.	Particulars	Page/s
1	Description of SHG/CIG	
2	Beneficiaries Detail	
3	Geographical details of the Village	
4	Executive Summary	
5	Description of product related to Income Generating Activity	
6	Production Processes	
7	Production Planning	
8	Sale & Marketing	
9	SWOT Analysis	
10	Description of Management among members	
11	Description of Economics	
12	Analysis of Income and Expenditure	
13	Fund Requirement	
14	Sources of Fund	
15	Trainings/capacity building/ skill up gradation	
16	Computation of break-even Point	
17	Other sources of income	
18	Bank Loan Repayment	
19	Monitoring Method	
20	Remarks	

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

Production of compost through rearing/using earth worms is called the vermicomposting technology. Under this technology, earthworms eat biomass and excrete it in a digested form which is known as vermicomposting or vermicompost. 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.

1. Description of SHG/CIG

SHG/CIG Name	::	Lakshya SHG
VFDS	::	Thana
Range	::	Kotkhai
Division	::	Theog
Village	::	Thana
Block	::	Gohach
District	::	Shimla
Total No. of Members in SHG	::	10
Date of formation	::	13-07-2021
Bank a/c No.	::	41910104447
Bank Details	::	HP state co-operative bank, Khaltu Nalla
SHG/CIG Monthly Saving	::	100/-
Total saving	::	12300
Total inter-loaning		---
Cash Credit Limit		---
Repayment Status		---

2. Beneficiaries Detail:

Sr. No.	Name	Father/Husb and Name	Age	Education	Category	Income Source	Address
1	Krishan Lal	Dhani Ram	42	10 th	General	Agriculture	Vill.Thana, P.O Rawalakiar, Kotkhai
2	Sanjeev	Mohan Lal	42	12 th	General	Agriculture	Vill.Thana, P.O Rawalakiar, Kotkhai
3	ShurveerKalta	Dharam Pal Kalta	42	Graduate	General	Agriculture	Vill.Thana, P.O Rawalakiar, Kotkhai
4	Dhruv	Jai Krishan Thanal	30	12 th	General	Agriculture	Vill.Thana, P.O Rawalakiar, Kotkhai
5	Nitin	Pardeep	27	12 th	General	Agriculture	Vill.Thana, P.O Rawalakiar, Kotkhai
6	Vikas	Devi Ram	42	10 th	General	Agriculture	Vill.Thana, P.O Rawalakiar, Kotkhai
7	Amit	Madan Lal	37	12 th	General	Agriculture	Vill.Thana, P.O Rawalakiar, Kotkhai
8	Prince	Gian Verma	29	Bcom LLB	General	Agriculture	Vill.Thana, P.O Rawalakiar, Kotkhai
9	Sparsh	Suresh Verma	26	Graduate	General	Agriculture	Vill.Thana, P.O Rawalakiar, Kotkhai
10	Aryan	Anil Verma	22	12 th	General	Agriculture	Vill.Thana, P.O Rawalakiar, Kotkhai

3. Geographical details of the Village

3.1	Distance from the District HQ	::	85 Km
3.2	Distance from Main Road	::	8 Km (Khaltu Nalla)
3.3	Name of local market & distance	::	8 Km (Khaltu Nalla)
3.4	Name of main market & distance		18 Km (Gumma) 25 Km (Kotkhai)
3.5	Name of main cities & distance		45 Km (Theog)
3.6	Name of main cities where product will be sold/ marketed	::	Gumma, Theog, Kotkhai

4. Description of Product related to Income Generating Activity

4.1	Name of the Product	::	Vermicomposting
4.2	Method of product	::	This activity is being already done by some SHG members

	identification		and 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 vermi-compost 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

6.1	Production Cycle (in days)	::	90 days (three cycles in a year)
6.2	Manpower required per cycle (No.)	::	1
6.3	Source of raw materials	::	From household and own farms

6.4	Source of other resources	::	Open market
6.5	Raw material - quantity required per cycle (Kg) per member	::	6tonnes per cycle
6.6	Expected production per cycle (Kg) per member	::	3tonnes (@50%) per cycle

7. Description of Marketing/ Sale

7.1	Potential market places	::	Gumma, Kotkhai
7.2	Distance from the unit	::	28-35kms
7.3	Demand of the product in market place/s	::	HP Forest deptt is procuring huge vermi-compost for their nursery
7.4	Process of identification of market	::	PMU will facilitate the tie up of procurement of vermi-compost produced by SHG by HP Forest deptt.
7.5	Marketing Strategy of the product		SHG members will also explore the additional marketing options around their villages for better sale price in future.
7.6	Product branding		At CIG/SHG level product will be marketed by branding of respective CIG/SHG. Later this IGA may require branding at cluster level
7.7	Product "slogan"		"Nature Friendly"

8. SWOT Analysis

❖ Strength

- Activity is being already done by some SHG members
- 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

S. No	Particulars	Units	Quantity / Nos.	Cost (Rs.)	Year 1	Year 2	Year 3	Year 4	Year 5
A.	Capital Cost								
A.1	Construction of Pit and shed								
1	Construction as well as labour cost (Pit Size internal will be of 10ftX4ftX2ft)	Per member	10	6000	60000	0	0	0	0
2	Errection of cover shed	Per member	10	4000	40000				
	Sub-total (A.1)				100000	0	0	0	0
A.2	Machinery and equipment								
3	Tools, equipment, weighing scale etc.	Per member	10	2000	20000	0	0	0	0
	Sub-total (A.2)				20000	0	0	0	0
	Total Capital Costs (A.1+A.2)				120000	0	0	0	0
B	Recurring Costs								
4	Lease of land for setting up unit	Per annum	12	0	0	0	0	0	0
5	Seed earthworm	Per Kg	10	500	5000	0	0	0	0
6	Cost of procurement of Slurry/dung/waste	Tonnes	0	0	0	0	0	0	
7	Packing materials	No.	200	50	10000	10500	11025	11576	12155

8	Other handling charges	Per tonne	40	150	6000	6300	6615	6946	7293
C	Other charges								
9	Insurance	L/S			0	0	0	0	0
10	Interest on loan	Per annum		2 per cent	3000	3000	3000	3000	3000
	Total recurring costs				53000	49200	51510	53936	56482
	Total cost =(capital cost+recurring cost)				180000	49200	51510	53936	56482
D	Income from vermicomposting								
11	Sale of vermicompost	Tonnes	40	6000	240000	252000	264600	277830	291722
12	Sale of earthworm					7500	15000	15000	15000

Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capital cost	120000	0	0	0	0
Recurring cost	53000	49200	51510	53936	56482
Total cost	173000	49200	51510	53936	56482

Distribution of net profit –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 years onwards, there will be surplus earthwork 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	120000	60000	60000
2	Total Recurring Cost	53,000	0	53,000
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	Total =	223000	110000	113000

Note-

- **Capital Cost** - 50% 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"> • 50% of capital cost will be utilized for construction of pit (Size will be of 10ft X 4ft X 2ft) • Upto Rs 1 lakh will be parked in the SHG bank 	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities.
------------------	---	---

	<p>account.</p> <ul style="list-style-type: none"> • Training/capacity building/ skill up-gradation cost. 	
SHG contribution	<ul style="list-style-type: none"> • 50% 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 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.

15. 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:




- ➔ 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 –

Sr.No.	Name	Photo
1	Krishan Lal	
2	Sanjeev	
3	Shurveer	

4	Dhruv	 A portrait of a man with a beard and mustache, wearing a green zip-up hoodie with a white Nike logo on the left chest. The background is a plain wall with a door.
5	Nitin	 A portrait of a man with a beard and mustache, wearing a grey zip-up hoodie with a white abibo logo on the left chest. The background is a plain wall with a door.
6	Vikas	 A portrait of a man wearing a grey and white zip-up hoodie and a grey cap. The hoodie has a small red and white logo on the left chest. The background is a plain wall with a door.

7	Amit	 A portrait of a man with a beard and a brown cap, wearing a brown jacket over a grey shirt. The background is a plain wall. A small watermark at the bottom left of the photo reads "Shot on OnePlus" and "Powered by Triple Camera".
8	Prince	 A portrait of a man wearing a yellow jacket and a colorful cap, standing outdoors in front of trees with autumn foliage. A white car is partially visible in the background.
9	Sparsh	 A portrait of a man wearing a white shawl over a dark jacket, standing indoors with pink and white striped curtains in the background.

10	Aryan	 A portrait of a young man with dark, styled hair and a beard, wearing a dark denim shirt. He is standing outdoors on a paved area with a metal railing and some buildings in the background.
----	-------	---

Prepared by : SHG members in consultation with DMU Theog, FTU Kotkhai Forest Range and JICA staff.

Annexure

We the member of group hereby consented to actively participate in the IG Activity opted by the group.... Lakshya..... as per the guideline of JICA Project For Improvement of HP Forest Ecosystems management and Livelihood and coordination with the VFDS.

The details of the members is as under:

S.No.	Name (Phone number)	Father/Husband Name	Age	Education	Category	Income Source	Address	Sign
1	Krishan Lal	Dhani Raw	42	10th	General	Agriculture	Vill. Thana	
2	Sanjeev	Mohan Lal	42	12th	General	Agriculture	Vill. Thana	
3	Shivam	Dharam Pal	42	Graduate	General	Agriculture	Vill. Thana	
4	Dhruv	Jai Krishan	30	12th	General	Agriculture	Vill. Thana	
5	Nitin	Randeep	27	12th	General	Agriculture	Vill. Thana	
6	Vikas	Dew Raw	42	10th	General	Agriculture	Vill. Thana	
7	Anil	Madan Lal	37	12th	General	Agriculture	Vill. Thana	
8	Hince	Gyan Verma	29	Bcom UB	General	Agriculture	Vill. Thana	
9	Spash	Ramesh Verma	26	Graduate	General	Agriculture	Vill. Thana	
10	Aryan	Anil Verma	22	12th	General	Agriculture	Vill. Thana	
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								

Business Plan Approval by VFDS

Lakshya..... Group will undertake the..... Vizumi Cornfest.....

As Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted) In this regard Business Plan of amount Rs. 223000 has been submitted by this group on Dated 25/2/23 and the Business Plan has been approved by VFDS Tha...

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

Thank You

दीपिका
प्रधान
सदस्य
ग्राम पंचायत समिति
धौली डो
सदर कार्यालय जिला शिमला

Sangeet
सचिव
ग्राम पंचायत समिति
धौली डो
सदर कार्यालय जिला शिमला

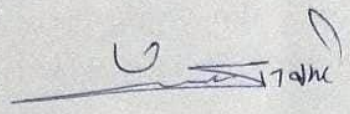
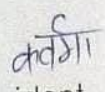
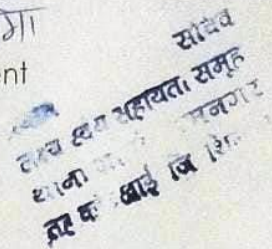
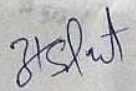
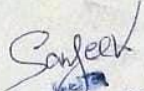
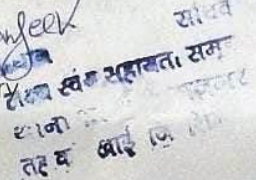
Resolution-cum -Group-Consensus Form

It is decided in the General House Meeting of the group ... Lakshya

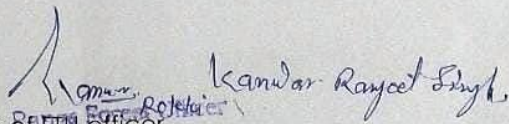
Held on Thana at Thana Village that our group will undertake the
Varnisat as Livelihood Income Generation Activity under the Project for
Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods
(JICA Assisted)

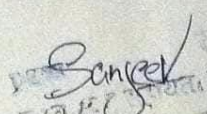
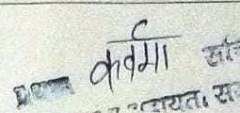
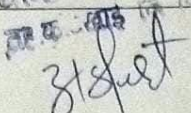
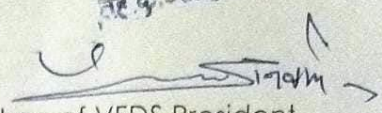
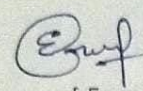
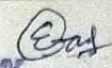
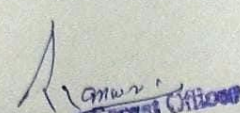
वर्मा
Signature of Group President
सचिव
संस्था के अध्यक्ष
संस्था के अध्यक्ष
संस्था के अध्यक्ष

Sanjay
Signature of Group Secretary
सचिव
संस्था के सचिव
संस्था के सचिव
संस्था के सचिव

<p>1..... VFDS</p> <p></p> <p>President</p>	<p>2.....SHG</p> <p></p> <p>President</p> <p></p>
<p>3.....VFDS</p> <p>Secretary</p> <p></p>	<p>4.....SHG</p> <p></p> <p>Secretary</p> <p></p>

Submitted to DMU through FTU

Name and Signature of PFC officer

 Forest Range Kotishai

 Signature of SHG Secretary	 Signature of SHG President
 Signature of VFDS Secretary	 Signature of VFDS President
 Signature of Forest Guard	 Signature of Block Officer
Signature of RFO  Range Officer Forest Range Kotkised	


 Approved by DMU