

From:- DMU Officer-cum-DFO,
Rampur Forest Division

To: - FCCU Officer-cum-CCF,
Rampur Forest Circle, HP

Subject: **Revise of Business plan.**
Memo:-

Enclosed Please find herewith the following Revised Business Plan in respect of Batch-I Range (Sarahan Range) of this division duly approved/ Sanctioned by the undersigned for favour or further necessary action at your end please.


| Sr. No. | Name of Range/Block | Name of VFDS | Name of SHG | IGA | Previous Total outlay the plan | Current Total outlay of the plan |
|---------|---------------------|---------------|-------------|---------------|--------------------------------|----------------------------------|
| 1 | 2 | 3 | 4 | 5 | | 6 |
| 1 | Sarahan Range | Labana-Sadana | Laxmi Mata | Vermi-Compost | 6,10,000/- | 2,26,500/- |

Encl:- As above

DMU Officer JICA Project-cum -
Divisional Forest Officer,
Rampur Bsr. H. P.

Endst. No. 8520-21 / Dated Rampur, the 24-3-23 /

1. Copy forwarded to Addl. PCCF & CPD, PIHPFEM&L, Potter's Hill, Summer Hill, Shimla-5 for information and necessary action please.
2. Copy forwarded to RFO Sarahan for information and necessary action please.


DMU Officer JICA Project-cum -
Divisional Forest Officer,
Rampur Bsr. H. P.

HK

BUSINESS PLAN

INCOME GENERATING ACTIVITY –Vermi-compost

by

Laxmi Mata - Self Help Group



| | | |
|--------------|----|--------------|
| SHG/CIG Name | :: | Laxmi Mata |
| VFDS Name | :: | LabanaSadana |
| Range | :: | Sarahan |
| Division | :: | Rampur |

Prepared under:



Project for Improvement of Himachal Pradesh Forest Ecosystems
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 vermin composting 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 vermin composting technology due to its established economic and environmental advantages.

Vermicomposting

Production of compost through rearing/using earth worms is called the vermin composting technology. Under this technology, earthworms eat biomass and excrete it in a digested form which is known as vermicomposting or vermin compost. 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 vermin composting production as it invigorates soil health, soil productivity thereby reduces the cost of cultivation.

There is a gradual increase in demand for vermin compost due to the high level of nutrient contents.

1. Description of SHG/CIG

| | | |
|-----------------------------|----|-----------------------------------|
| SHG/CIG Name | :: | Laxmi Mata |
| VFDS | :: | LabanaSadana |
| Range | :: | Sarahan |
| Division | :: | Rampur |
| Village | :: | Molgi |
| Block | :: | Rampur |
| District | :: | Shimla |
| Total No. of Members in SHG | :: | 13 |
| Date of formation | :: | November 2020 |
| Bank a/c No. | :: | 41310107381 |
| Bank Details | :: | HP State Co-Operative Bank, Jeori |
| SHG/CIG Monthly Saving | :: | Rs.100 per Member |
| Total saving | | 1,15,363/- |
| Total inter-loaning | | |
| Cash Credit Limit | | |
| Repayment Status | | |

2. Beneficiaries Detail:

| Sl. No | Name Smt. / Kumari | Father/ HusbName Sh. | Age | Category | Income Source | Address |
|--------|--------------------|----------------------|-----|----------|---------------|--------------------------------|
| 1 | MangalDass | Shadu Ram | 45 | SC | Agriculture | Village Molgi PO Labanas adana |
| 2 | Poonamdev i | Shishu pal | 29 | Gen | Agriculture | Village Molgi PO Labanas adana |
| 3 | Sundridevi | DurgaNand | 58 | Gen | Agriculture | Village Molgi PO Labanas adana |
| 4 | Rekha Devi | Mangal Doss | 36 | Gen. | Agriculture | Village Molgi PO Labanas adana |
| 5 | Sharda Devi | Ramesh Chand | 38 | Gen. | Agriculture | Village Molgi PO Labanas adana |
| 6 | Usha Devi | BalBhadur | 36 | Gen. | Agriculture | Village Molgi PO Labanas adana |
| 7 | Bala Devi | Shiv Singh | 40 | Gen. | Agriculture | Village Molgi PO Labanas adana |
| 8 | Leela Devi | Krishan Lal | 56 | Gen. | Agriculture | Village Molgi PO Labanas adana |
| 9 | MeenaKumari | Shauj Ram | 41 | Gen. | Agriculture | Village Molgi PO Labanas adana |
| 10 | Ipana Devi | BalDev | 35 | Gen. | Agriculture | Village Molgi PO Labanas adana |
| 11 | Anil Kumar | Saran Dass | 24 | SC | Agriculture | Village Molgi PO Labanas adana |

| | | | | | | |
|----|---------------|--------------|----|------|-------------|--------------------------------|
| 12 | SharvanKumari | Naseeb Singh | 33 | Gen. | Agriculture | Village Molgi PO Labanas adana |
| 13 | Lakshmi Devi | Durga Singh | 37 | Gen. | Agriculture | Village Molgi PO Labanas adana |

3. Geographical details of the Village

| | | | |
|-----|--|----|--------------------------------|
| 3.1 | Distance from the District HQ | :: | 173 Km |
| 3.2 | Distance from Main Road | :: | 18Km |
| 3.3 | Name of local market & distance | :: | Jeori,18Km |
| 3.4 | Name of main market & distance | | Rampur,43Km |
| 3.5 | Name of main cities & distance | | Rampur, 43 Km |
| 3.6 | Name of main cities where product will be sold/ marketed | :: | HP Forest Deptt. &Jeori,Rampur |

4. Description of Product related to Income Generating Activity

| | | | |
|-----|---------------------------------------|----|---|
| 4.1 | Name of the Product | :: | Vermicomposting |
| 4.2 | Method of product identification | :: | This 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 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 | :: | 1800 Kg per cycle |
| 6.6 | Expected production per cycle (Kg) per member | :: | 900 Kg per cycle |

7. Description of Marketing/ Sale

| | | | |
|-----|---|----|---|
| 7.1 | Potential market places | :: | HP Forest Deptt. |
| 7.2 | Distance from the unit | :: | Local market Use on own farm |
| 7.3 | Demand of the product in market place/s | :: | HO 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

(Amount in actual Rs.)

| Sl. No | Particulars | Units | Quantity / Nos. | Cost (Rs.) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|------------|---|------------|-----------------|------------|----------------|----------|----------|----------|----------|
| A. | Capital Cost | | | | | | | | |
| A.1 | Construction of work-shed | | | | | | | | |
| 1 | Hardware items, construction of pit (Size will be of 10ftX4ftX2ft) | Per member | 13 | 6000 | 78,000 | 0 | 0 | 0 | 0 |
| 2 | Construction of cover shed | Per member | 13 | 4000 | 52,000 | | | | |
| | Sub-total (A.1) | | | | 130,000 | 0 | 0 | 0 | 0 |
| A.2 | Machinery and equipment | | | | | | | | |
| 2 | Tools, equipment | Per | 13 | 2000 | 26000 | 0 | 0 | 0 | 0 |

| | | | | | | | | | |
|----------|--|-----------|-----|-----|---------------|----------|----------|----------|----------|
| | etc. | member | | | | | | | |
| | Sub-total (A.2) | | | | 26000 | 0 | 0 | 0 | 0 |
| | Total Capital Costs (A.1+A.2) | | | | 156000 | 0 | 0 | 0 | 0 |
| B | Recurring Costs | | | | | | | | |
| 3* | Lease of land for setting up unit | Per annum | 13 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | Other miscellaneous expenses | Per annum | 13 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Seed earthworm | Per Kg | 13 | 500 | 6500 | 0 | 0 | 0 | 0 |
| 6* | Cost of procurement of Slurry/dung/waste | Tonnes | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7* | Labour Cost | Per tonne | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | Packing materials | No. | 130 | 50 | 6500 | 7000 | 7500 | 8000 | 8000 |
| 9 | Other handling charges | Per tonne | 50 | 150 | 7500 | 8000 | 8500 | 9000 | 9500 |

| | | | | | | | | | |
|----------|---|-----------|----|-------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| C | Other charges | | | | | | | | |
| 10 | Insurance | L/S | | | 0 | 0 | 0 | 0 | 0 |
| 11 | Interest on loan | Per annum | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total recurring costs | | | | 20500 | 15000 | 16000 | 17000 | 18000 |
| | Total cost = Capital + recurring | | | | 176500 | 15000 | 16000 | 17000 | 18000 |
| D | Income from vermicomposting | | | | | | | | |
| 12 | Sale of vermicompost | Tonnes | 35 | 6000 | 210000 (6000) | 230500 (6500) | 251000 (7000) | 271500 (7500) | 292000 (8000) |
| 13 | Sale of earthworm | | | | | 5000 | 10000 | 10000 | 10000 |
| 14 | Total revenue | | | | 210000 | 235500 | 261000 | 281500 | 302000 |
| 15 | Net returns (D-C) | | | | 33500 | 220500 | 245000 | 264500 | 284000 |

Note – As labour work will be done by SHG members themselves and Slurry/dung/waste already available at their place and these materials will be not procured by them, therefore, 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 | 156000 | 0 | 0 | 0 | 0 |
| Recurring cost | 20500 | 15000 | 16000 | 17000 | 18000 |
| Total cost | 176500 | 15000 | 16000 | 17000 | 18000 |
| Total revenue | 210000 | 235500 | 261000 | 281500 | 302000 |
| Net profit | 33500 | 220500 | 245000 | 264500 | 284000 |

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 2.7tonnes of vermi-compost every year resulting in production of 35tonnesvermi-compost by all 13 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 | 156000 | 117000 | 39,000 |
| 2 | Total Recurring Cost | 20500 | 0 | 20500 |
| 3 | Trainings/ capacity building/skill up-gradation | 50000 | 50000 | 0 |
| | Total = | 226500 | 167000 | 59500 |

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 (Size will be of 10ftX4ftX2ft) • UptoRs 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. |
|------------------|--|---|

| | | |
|----------------|--|--|
| G 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 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. Trainings/Capacity Building/Skill Up-gradation

Trainings/capacity building/ skill up-gradation cost will be borne by project.

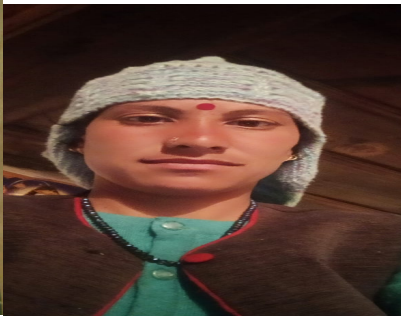
Following are some trainings/capacity building/ skill up-gradation proposed/needed:

- ➔ 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 -



Smt. Meena Kumari (Member)

Smt. Ipana Devi (Member)

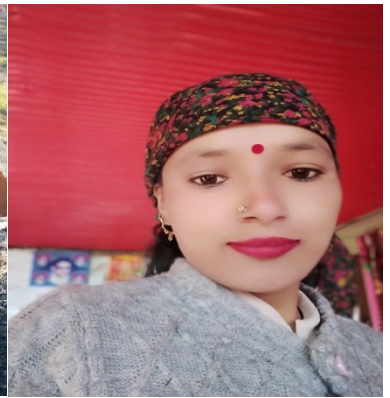
Smt. Sharda Devi (Member)



Smt. Bala Devi (Member)

Smt. Rekha Devi (Member)

Smt. Laxmi Devi (Member)



Smt. Shrawan Kumari (Member)

Smt. Usha Devi (Member)

Smt. Poonam Devi (M)



Smt. Leela Devi (Member) Sh. MangalDass(President) Smt. Sundri Devi(M)



Sh. Anil Kumar (Secretary)