

BUSINESS PLAN

INCOME GENERATING ACTIVITY –Pickle Making and Value Addition

by

Umang- Self Help Group



SHG/CIG Name	::	Umang
VFDS Name	::	Bharandi
Range	::	Koti
Division	::	Shimla

Prepared Under-



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

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1. Description of SHG/CIG

1	SHG/CIG Name	::	Umang SHG
2	VFDS	::	Bharandi
3	Range	::	Koti
4	Division	::	Shimla
5	Village	::	Bharandi
6	Block	::	Mashobra
7	District	::	Shimla
8	Total No. of Members in SHG	::	11
9	Date of formation	::	January 2023
10	Bank a/c No.	::	45110108372
11	Bank Details	::	H.P. State Co-operative Bank Koti
12	SHG/CIG Monthly Saving	::	100
13	Total saving	::	6400/-
14	Total inter-loaning	::	-
15	Cash Credit Limit	::	-
16	Repayment Status	::	-

2. Beneficiaries Detail:

Sr. No	Name	Father/Husband Name	Age	Category	Income Source	Address
1	Anita (President)	Ashok	34	Gen.	Agriculture	Vill. Bharandi P.O Koti
2	Sheela(Secretary)	Rajesh	35	SC.	Agriculture	Vill. Bharandi P.O Koti
3	Rama (Cashier)	Yashwant Singh	42	Gen.	Agriculture	Vill. Bharandi P.O Koti
4	Sita	Khayali Ram	41	Gen.	Agriculture	Vill. Bharandi P.O Koti
5	Anjana	Mehar Singh	45	Gen.	Agriculture	Vill. Bharandi P.O Koti
6	Rekha	Yashpal	31	Gen.	Agriculture	Vill. Bharandi P.O Koti
7	Seema	Jaipal	35	Gen.	Agriculture	Vill. Bharandi P.O Koti
8	Sita	Heera Singh	43	Gen.	Agriculture	Vill. Bharandi P.O Koti
9	Usha	Satpal	37	Gen.	Agriculture	Vill. Bharandi P.O Koti
10	AshaRana	Rajesh Rana	45	Gen.	Agriculture	Vill. Bharandi P.O Koti
11	Anu	Nek Ram	45	Gen.	Agriculture	Vill. Bharandi P.O Koti

3. Geographical details of the Village

1	Distance from the District HQ	::	35 km
2	Distance from Main Road	::	5 Km.
3	Name of local market & distance	::	Koti 5 km
4	Name of main market & distance	::	Dhali 20 Km, Shimla 35 km
5	Name of main cities & distance	::	Shimla 35 km
6	Name of main cities where product will be sold/ marketed	::	Dhali, Kufri, Shimla

4. 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 spices, 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.

5. Description of Product related to Income Generating Activity

1	Name of the Product	::	Pickle making
2	Method of product identification	::	This activity is being already done by some SHG ladies. Has been decided by group members
3	Consent of SHG/ CIG / cluster members	::	Yes

6. 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 spice and oil.
- Keep the mixture for some time and then pack it into jars and apply labels.

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 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.

7. Description of Production Planning

1.	Production Cycle for Pickle making (in days)	::	3 -7 days
2.	Manpower 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)	::	900 Kg
6.	Expected production per month (Kg)	::	900 kg

Requirement of raw material and expected production

Sr.no	Raw material	unit	Time	Quantity (approx)	Amount per kg (Rs)	Total amount	Expected production Monthly (Kg)
1	Vegetables and Fruits	Kg	Monthly	900	50	45000	900

8. Description of Marketing/ Sale

1	Potential market places	::	Koti, Kufriand Dhalli
2	Distance from the unit	::	5, 15 and 20 km respectively
3	Demand of the product in 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 retailer/wholeseller. 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 -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 Umang"

9. SWOT Analysis

❖ Strength–

- Activity is being already done by some SHG members
- 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/weekly consumption and consume 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
 -

10. 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.

11. Description of Economics:

A. CAPITAL COST				
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Mixer	2	8000	16,000
2	Solar Vegetable dehydrator	1	17000	17,000
3	Finished product storage almirah/racks		LS	8000
4	Iron Racks		LS	10000
5	Kitchen tools:- Vessel 1 No.(Capacity 20-25kg), Spice Jars 10 No., Ladle 3 No. Parat 3 No. Oil Funnel, 2 No. Tub 5 No. Knife 11 No, Pillar 2No. Steel Jug 2 No.		LS	15000
6	Hand Operated Jar Sealing Machine	1	15000	15000
7	Apron, cap, plastic hand gloves etc	11	LS	3500
8	Table	2	3000	6000
9	Small Stool	11	300	3300
10	Mesh Basket	5	200	1000
11	Weightmachine (0-500gm, 0-50 Kg.)	2	6500	6500
12	Small Drum(Capacity 50 kg- 5 No., 100 Kg-2 No)	7	800	5600
13	Apple coring Machine	1	2500	2500
14	Gas Stove	1	3000	3000
	Total Capital Cost (A) =			1,12,400

B. RECURRING COST					
Sr.no	Particulars	Unit	Quantity	Price	Total Amount (Rs)
1	Raw material	Kg/month	700	50	35,000
2	Raw material (masala)	Kg/month	235	120	28,200
3	Packaging material	Month	LS	16000	16000
4	Transportation	Month	1	2000	2000
5	Other (stationary, electricity, water bill, machine repair)	Month	1	2000	2000
	Recurring Cost				83,200

Note – As labour work will be done by SHG members themselves, therefore, labour cost will be zero.

C Cost of Production (Monthly)		
Sr. No	Particulars	Amount (Rs)
1	Total recurring cost	83,200

2	10% depreciation annually on capital cost	11240
	Total	94,440

D Selling Price calculation			
Sr.No	Particulars	Unit	Amount (Rs)
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				
Sr.No	Particulars	Qty	Rate	Amount (Rs)
1	Sale of Pickles	900Kg	200	180,000.00

12. Analysis of Income and Expenditure (Monthly):

Sr.No	Particulars	Amount (Rs)
1	Total Recurring Cost	83,200
2	Total Production per month of Pickle (Kg)	900
3	Total Sale Amount (900*200)	180000
4	Net profit	96,800
5	Distribution of net profit	<input type="checkbox"/> Profit will be distributed equally among members monthly/yearly basis. <input type="checkbox"/> Profit will be utilized to meet recurring cost. <input type="checkbox"/> Profit will be used for further investment in IGA

13. Fundrequirement:

Sr.No	Particulars	Total Amount (Rs)	Project Contribution	SHG Contribution
1	Total capital cost	1,12,400	84,300	28,100
2	Total Recurring Cost	83,200	0	83,200
3	Trainings/capacity building/ skill up-gradation	50,000	50,000	0
	Total	2,45,600	134,300	1,11,300

Note-

- **Capital Cost** - 75% of capital cost to be covered under the Project and 25% by the SHG themselves
- **Recurring Cost** - To be borne by the SHG/CIG.
- **Trainings/capacity building/ skill up-gradation** - To be borne by the

14. Sources of fund:

Project support	<ul style="list-style-type: none"> • 75% of capital cost will be provided by project • UptoRs1 lakh will be parked in the SHG bank account. • Trainings/capacity building/ skill up-gradation cost. • In case SHG takes loan from bank 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 machineries/equipment 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 • Recurring cost to be borne by SHG 	

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:

- Cost effective procurement of raw material
- Quality control
- Packaging and Marketing
- Financial Management

16. Computation of break-even Point

$$= \text{Capital Expenditure} / (\text{selling price (per kg)} - \text{cost of production (per kg)})$$

$$= 112400 / (200 - 120)$$

$$= 1405 \text{Kg}$$

In this process breakeven will be achieved after selling 1405kg achaar.

17. Other sources of income:

Income from grinding Mango, Amla, Daal, wheat, maize etc of villagers/local people.

18. 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 have to pay the installments of the Principal amount on regular basis

19. Monitoring Method –

- 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.

Some key indicators for the monitoring are as:

- Size of the group
- Fund management
- Investment
- Income generation
- Quality of product

Group members Photos-



Resolution-cum-Group Consensus Form

It is decided in the General House meeting of the group.....Umang.....held on 18-05-23 at Bhazardi that our group will undertake the.....Pickle Making..... as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted).

Anita
 'उमंग' स्वयं सहायता समूह
 गाँव भराण्डी
 प्रधान
 Signature of Group Pradhan

Shweta
 'उमंग' स्वयं सहायता समूह
 गाँव भराण्डी
 सचिव
 Signature of Group Secretary

Business Plan Approval by VFDS

.....Umang..... group will undertake the.....Pickle Making..... 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).....2,45,600/-.....has been
submitted by this group on dated.....18-05-23.....and this business plan has been
approved byBharandi.....VFDS.

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

Thank you


Signature of VFDS Pradhan
Village Forest Development Society
Bharandi


President/Secretary
Signature of VFDS Secretary
Bharandi

Submitted to DMU through FTU


Name & Signature of FTU Officer
RANGE OFFICER
KOTI FOREST RANGE


Name & Signature of FTU Coordinator

Approved


Name & Signature of DMU Officer
DFO-cum-DMU OFFICER
JICA FORESTRY Project
SHIMLA