

BUSINESS PLAN

INCOME GENERATING ACTIVITY –Food Processing (Turmeric Powder)

by

Muskan- Self Help Group



SHG/CIG Name	::	Muskan
VFDS Name	::	Moolkoti
Range	::	Mashobra
Division	::	Shimla

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	3
2	Beneficiaries Detail	4
3	Geographical details of the Village	4
4	Executive Summary	4
5	Description of product related to Income Generating Activity	4
6	Production Processes	5
7	Production Planning	5
8	Sale & Marketing	5-6
9	SWOT Analysis	6
10	Description of Management among members	6
11	Description of Economics	7-8
12	Analysis of Income and Expenditure	8
13	Fund Requirement	8
14	Sources of Fund	9
15	Trainings/capacity building/ skill up gradation	9
16	Computation of break-even Point	9
17	Bank Loan Repayment	9
18	Monitoring Method	10
19	Group members photo	11
20	Annexures	12-14

1. Description of SHG/CIG

1	SHG/CIG Name	::	Muskan SHG
2	VFDS	::	Moolkoti
3	Range	::	Mashobra
4	Division	::	Shimla
5	Village	::	Moolkoti
6	Block	::	Mashobra
7	District	::	Shimla
8	Total No. of Members in SHG	::	7 females
9	Date of formation	::	18/04/2023
10	Bank a/c No.	::	7558375328, IFSC: IDIB000M063
11	Bank Details	::	Indian Bank Mashobra
12	SHG/CIG Monthly Saving	::	100/-
13	Total saving	::	3500/-
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	Smt. Praveen	Sh. Virender Kumar	36	SC	Agriculture	Vill. Moolkoti
2	Smt. Mamta	Sh. Ami Chand	39	SC	Agriculture	Vill. Moolkoti
3	Smt. Sita Devi	Sh. Karam Singh	53	SC	Agriculture	Vill. Moolkoti
4	Smt. Satya Devi	Sh. Vasant Singh	65	SC	Agriculture	Vill. Moolkoti
5	Smt. Tara Devi	Sh. Dhyan Singh	59	SC	Agriculture	Vill. Moolkoti
6	Smt. Babli Devi	Sh. Rattan Lal	47	SC	Agriculture	Vill. Moolkoti
7	Smt. Lata Devi	Sh. Naresh Kumar	44	SC	Agriculture	Vill. Moolkoti

3. Geographical details of the Village

1	Distance from the District HQ	::	30 km
2	Distance from Main Road	::	10 km
3	Name of local market & distance	::	Mashobra 10 km
4	Name of main market & distance	::	Mashobra 10 km
5	Name of main cities & distance	::	Mashobra 10km, Shimla 30 km
6	Name of main cities where product will be sold/ marketed	::	Mashobra, Shimla.

4. Executive Summary

Food Processing (Turmeric Powder) income generation activity has been selected by this Self Help Group. This IGA will be carried out by all ladies of this SHG. Powder of turmeric will be made by this group initially. This business activity will be carried out yearly by group members. The process of making powder takes around 8-10 days. Production process includes processes like cleaning, washing, drying, grading, grinding etc. Initially group will manufacture powder of raw turmeric but in future, group will manufacture other products which follow same process. Product will be sold directly by group or indirectly through retailers and wholesalers of near market initially.

5. Description of Product related to Income Generating Activity

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

6. Description of Production Processes

The crop becomes ready for harvest in 7-9 months. The process of manufacturing involves cleaning, drying, pulverizing, sieving, and packaging. The manufacturing process is very well established and does not involve technicalities.

First of all, cleaning of the unground spices is done manually to remove impurities like mud and stones and then washed with water. After drying them in sunlight, they are graded and grounded with the help of grinding machine to convert them into powder form.

The storage and proper distribution are important in getting long-term success in this business.

7. Description of Production Planning

1.	Production Cycle for Turmeric powder (in days)	::	8-10 days
2.	Manpower required per cycle (No.)	::	All ladies
3.	Source of raw materials	::	Local market/ Main market (Mashobra)
4.	Source of other resources	::	Local market/ Main market (Mashobra)
5.	Quantity required per month (Kg)	::	1000
8.	Expected production per month (Kg)	::	1000

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	Raw Turmeric	Kg	Monthly	1000	40	40000	1000

8. Description of Marketing/ Sale

1	Potential market places	::	Mashobra and Shimla
2	Distance from the unit	::	10 and 30 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/wholesaler. 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 SHG"

9. 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

❖ 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

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	Grinder Machine	1	30000	30000
2	Storage tank	LS	10000	5000
3	Weighing machine	1	2000	2000
4	Kitchen tools		LS	2670
5	Finished product storage almirah/racks		LS	4000
6	Hand Operated Packing Machine	1-2	5000	5000
7	Apron, cap, plastic hand gloves etc		LS	1000
Total Capital Cost (A) =				49670

B. RECURRING COST					
Sr.no	Particulars	Unit	Quantity	Price	Total Amount (Rs)
1	Raw material	Month	1000	40	40000
2	Room Rent	Month	1	1000	1000
3	Packaging material	Month	LS	2000	1000
4	Transportation	Month	1	1000	1000
5	Other (stationary, electricity, water bill, machine repair)	month	1	2000	2000
Recurring Cost					45000

Note – As raw turmeric will be produced by group members and labour work will be done by members themselves, therefore, these costs will be reduced from total recurring cost.

C Cost of Production (monthly)		
Sr. No	Particulars	Amount (Rs)
1	Total recurring cost	45000
2	10% depreciation annually on capital cost	413
	Total	45413

D Selling Price calculation			
Sr.No	Particulars	Unit	Amount (Rs)
1	Cost of Production	Kg	60
2	Current market price	Kg	150-200
3	Expected Selling Price	Rs	150

12. Analysis of Income and Expenditure (per Month):

Sr.No	Particulars	Amount (Rs)
1	10% depreciation on capital cost	413
2	Total Recurring Cost	45000
3	Total Production (Kg)	1000
4	Selling Price (per Kg)	150
5	Income generation (150*1000)	150000
6	Net profit (150000-45000)	105000
7	Gross profit = Net Profit + cost of raw material + Labour cost	1,45,000
8	Distribution of net profit	<ul style="list-style-type: none"> ☐ Profit will be distributed equally among members monthly/yearly basis. ☐ Profit will be utilized to meet recurring cost. ☐ Profit will be used for further investment in IGA

13. Fund requirement:

Sr.No	Particulars	Total Amount (Rs)	Project Contribution	SHG Contribution
1	Total capital cost	49,670	37,250	12,420
2	Recurring Cost	45,000	0	45,000
3	Trainings/capacity building/ skill up-gradation	50,000	50,000	0
	Total	1,44,670	87,250	57,420

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 Project

14. Sources of fund:

Project support	<ul style="list-style-type: none">• 75% of capital cost will be provided by project• Upto Rs 1 lakh will be parked in the SHG bank account.• Trainings/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 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

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

= 49670/(150-60)

= 552 Kg

In this process breakeven will be achieved after selling 552 kg Powder.

17. 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

18. 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

19. Group members Photo-



Resolution-cum-Group Consensus Form

It is decided in the General House Meeting of the group... Muskam SHG... held on... 26/07/23... at... Mool Koti... that our group will undertake... Haldi making... as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA assisted).

Nisha

Signature of Group President
निषा
मुस्काम स्वयं सहायता समूह
मूल कोटी

Braveen

Signature of Group Secretary
ब्रवीन
मुस्काम स्वयं सहायता समूह
मूल कोटी

Business Plan approved by VFDS

.....*Muskan*.....SHG group will undertake.....*Haldi 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 ₹...*1,44,670*.../- has been submitted by this group
on dated...*26/07/23*...and this Business Plan has been approved by
VFDS...*Moolkoti*.....

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

Vanita
Signature of VFDS President
~~Secretary~~ *Pradhan*
Village Forest Development Society
Moolkoti

Damini
Secretary
Village Forest Development Society
Moolkoti
Signature of VFDS Secretary

Submitted to DMU through FTU

Hob
Name & Signature of FTU Officer
Range Officer
Mashobra Forest Range
Mashobra, Shimla-7

[Handwritten Signature]
Name & Signature of FTU Coordinator

[Handwritten Signature]

Name & Signature of DMU Officer

DFO-cum-DMU OFFICER
JICA FORESTRY Project
SHIMLA