BUSINESS PLAN

INCOME GENERATING ACTIVITY – Backyard Poultry

By

Naagni Mata-Self Help Group

SHG/CIG Name	::	NAAGNI MATA POULTRY FARM
VFDS Name	::	Falotha
Range	::	Dharamshala
Division	::	Dharamshala

Prepared under:

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

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1. Introduction

Himachal Pradesh is a State in the Northern part of the India and is situated in the western Himalayas. It is characterized by an extreme landscape featuring several peaks and extensive river system. Himachal Pradesh is known as "Land of God "and is also known for its scenic beauty. Himachal Pradesh is rich in flora and fauna.

Himachal Pradesh has 12 districts and Kangra is one of the 12 administrative districts of the State. The Kangra district is divided into Thirty-Five administrative sub division. The total geographical area of the district Kangra is 5,739 Sqr.KM and the population is 1423794 as per 2011 census.

The district has number of valleys varying from an altitude of 733 mt to. The District of Kangra Extends from Jalandhar Doab far into the southern ranges of Himalaya it is a town at the confluence of Baner River and Majhi River and Beas is an important river here.

Poultry industry is the fastest growing sector in Indian Agriculture. Egg being an excellent source of proteins is fast becoming a favorite among urban Indies the fourth largest egg producer in the world. The layer segment in India is all set to grow and is currently estimated at Rs. 10,000 crores (INR 100 billion). According to the Ministry of Agriculture, India's egg production is estimated at 47.3 billion eggs per annum. Today, with more and more 'eggetarians' on the rise, egg consumption is growing at 8% - 10% annually. It is an important source of subsidiary income to small/marginal farmers and agricultural laborer's. The manure from birds provides a good source of

Organic matter for improving soil fertility and crop yields. Since agriculture is mostly seasonal, there is a possibility of fine dining employment throughout the year for many persons through poultry farming. With the adequate infrastructural facilities especially for egg production has become increasingly popular in and around. The present demand in the area is more. It is increasing day by day & the present strength of the flock in the area is not in a position to meet the growing demand. Include increased adoption of integrated farming system, contact farming, awareness of people about diet and health, cost effectiveness of poultry meat compared to other meat, its Low-fat content, superior protein quality and change of life style of the people are also responsible for spectacular development of Poultry Sector.

The main Objectives of the Poultry Farming is: -

i) To meet the growing demand of eggs.

ii) To raise the income of poor farmers of Kangra.

The men in the VFDS Falotha have decided Poultry as their IGA activity by the groups of 12 male members. They have decided Poultry Farming and some of the SHG are already in activity to meet the need of their family members. Now the members have chosen this activity as IGA so that they can earn extra money to meet their expenses and rise some saving also for the difficult times. A group of 12 men of different age groups came together to form a SHG under JICA project and decided to draft a business plan which can help them to take this IGA in collective manner and raise their additional income. The proposed unit will be located on a piece of land for which the Gram Panchayat Salihar have given and passed resolution/NOC to start this activity. The site is almost leveled & is well connected to approach road. Electricity is an essential component for poultry farming as it is required for brooding of chicks and pumps used for water supply as well as lighting of the area. It is available near the farm site. In the absence of assured of water supply, a tube

well/ hand pump is proposed on the farm. Underground water is adequately available & is of good quality.

For Housing, provision has been made for the construction of a brooder-cum-grower house measuring at a rate of 1 sq. feet in a case of layer. Besides it, the farm will have a small store room, office & servants' quarters. Construction of house will be pukka with as besots roofing. Provision has also been made for the construction of built in laying nests. The installation of a tube well & laying of pipeline is also to be done.

One day old commercial hybrid chicks will be transported from the nearby hatcheries and chicks will be vaccinated against Marek's disease (MD) at source. Chicks will be purchased in lots at regular intervals.

The Feed for the chicks will be bought from the nearest market where feed is available or will be made available directly through the feed company if possible. Similarly, the Medicine & Veterinary Aid facilities will be made available from the nearby Veterinary Department.

2. Description of SHG/CIG

2.1	SHG/CIG Name	::	NAAGNI MATA POULTRY FARM
2.2	VFDS Name	::	FALOTHA
.3	Range	::	DHARAMSHALA
3.4	Division	::	DHARMASHALA
3.5	Village	::	FALOTHA
3.6	Block	::	KARERI
3.7	District	::	KANGRA
3.8	Total No. of Members in SHG	::	11–FEMALE
3.9	Date of formation	::	13-12-2022
3.10	Bank a/c No.	::	Himachal Pradesh Gramin Bank
3.11	Bank Details	::	4478001700019270
3.12	SHG/CIG Monthly Saving	::	50-(meeting held to be every4thday of month)
3.13	Total saving	::	6000
3.14	Total inter-loaning	::	-
3.15	Cash Credit Limit	::	-
3.16	Repayment Status	::	-

Beneficiaries Detail:

Sr. No	Name	Designation	Mobile Number
1.	Santosh Devi	Pradhan	8894035562
2.	Anu Bala	Secretary	7807550389
3	Asha Devi	Cashier	8894279829
4	Kailasho Devi	Member	8351823791
5	Ruko Devi	Member	9805113336
6	Seema Devi	Member	9459366276
7	Vaysa Devi	Member	62304486460
8	Santosh Kumari	Member	97360835536
9	Pinki Devi	Member	8894484394
10	Arti Devi	Member	9736016964
11	Kalpna Devi	Member	97368744494

Geographically Details of the Village Falotha

4.1	Distance from the District HQ	::	38 Km
4.2	Distance from the Range Office	::	20 Km
4.3	Distance from Main Road	::	10 km
4.4	Name of local market & distance	::	Charri- 10 Km, Shahpur – 20 km, Dharamshala-20 Km
4.5	Name of main market & distance	::	Shahpur -20 km, Kangra -30, Dharamshala -30km, Charri- 10 Km

4.6	Name of main cities & distance	::	Shahpur -20 km, Kangra -30, Dharamshala -30km, Charri- 10 Km

4.7	Name of places/locations where product will be sold/marketed		Shahpur -20 km, Kangra -30, Dharamshala -30km, Charri- 10 Km

4. Description of product related to income generating activity

1	Name of the Product		Naagni Mata Poultry Farm & Vermicomposting
2	Method of product identification		This activity has been decided by SHG members. Further, one of the members of the SHG is already is doing this activity. There is heavy demand in the local market which will enhance the additional income.
3	Consent of SHG/ CIG / cluster members		Yes

5. Description of Production Planning:

Initially, through the project of poultry farming, the guidance from animal husbandry department located at Kangra will be sought and also from the private hatcheries located at Palampur & Kangra. After training each chicken coops and trays etc. 75% subsidy will be given by capital expenditure of the project as per guideline of the Project. The group has decided that initially the Chicks will be reared and when they grow up, it will be reared in open and natural environment. Therefore, after 18 weeks when the Chickens attain a weight of up to 2 kg and after 6 months, the chickens grow up to lay eggs. There is a huge demand for chicken meat and eggs in the local market. Marketing them will be no problem for all the members of group.

By dividing the work collectively, they will do it in the local market, after that, from the eggs of the broiler chicken& Desi chickens will also be marketed.

Planning for Production

First round:

Working day **:** 365 days

Persons working **:11** persons (1 hour out of 2 hours per day, one hour in the morning & in the evening)

Source of chicken and raw material: Palampur Poultry Farm for chicken and Other similar Farms situated at Kangra & Dharamshala.

Source of other resources: Local Hatcheries at palampur & Kangra

Material required **:** 770 pieces

Estimated production **:** 11x35 = 385number of chickens will be ready For chicken mass!

385 X 25 = 9625eggs per month

Total egg production in cycle **:** 9625x 6 = 57750

6.1	Time taken	::	As above
6.2	Number of members involved	::	11 Male
6.3	Source of raw materials	::	Palampur, Kangra,Chandigarh,veterinary
6.4	Source of other resources	::	& Local Hatcheries at Kangra, Jawalamukhi
6.5	Production cycle (in days) 30 days per day after 4-5 hour/day work.	::	35x 11 = 385 385 X 25 = 9225eggs per month
6.6	Workers Required Per Cycle (Nos.)	::	**Total- 11member**

6. Raw Material Requirement and Estimated Production

1. Description ofMarketing/Sale:

7.1	Potential market places/locations	::	Villages & Market- Charri, Shahpur &, Rait, Kangra, Dharamshala

7.2	Demand	::	Throughout year and high demand at the time of festive and marriage Occasions.
7.3	Process of identification of market	::	Group members will contact Nearby villagers/households/Restaurants & Hotels.
7.4	Marketing Strategy	::	Villages covered - Falotha, Charri &, Shahpur and Rait
7.5	Brand of the Product	::	Falotha Poultry

2. Details of management among group members:

- Rules will be made for management.
- The group members will distribute the tasks by mutual consent.
- The allocation will be done on the basis of efficiency and capacity of the work.
- The distribution of profit will also be done on the basis of quality of work and skill and hard work.
- 04 members having experience in marketing will do marketing in turn.
- Pradhan and Secretary will continue to evaluate and observe the management at the same time.

3. Customers

The primary customers of our center will mostly be local people, Restaurants& Hotels around village Falotha,Charri and Shahpur, but later on this business can be scaled up by catering to nearby small townships.

4. Target of thecentre

The center primarily aims at to provide high quality and Fresh Eggs and Chickens to the residents of Balehra village in particular and all other residents of nearby villages.

This center will ensure to become the most renowned Poultry Farm with quality work in its area of operation in coming years.

5. SWOTAnalysis

❖ Strength

- Poultry has the potential to meet the protein requirements of a nation where malnutrition is rampant-since both eggs/broilers area good source of protein.
- Helps to augment the income of the rural masses. Thus improve the socio-economic status of rural population.
- Poultry is one of the most efficient converters of plant products/waste into edible food that can in some measure tackle the problem of malnutrition especially in a country like India.
- Unlike other meat (beef, pork) which have religious taboos-chicken is widely accepted in India and is cheaper than goat meat.
- Poultry litter has high manure value and can be used in agriculture activities.
- It has tremendous potential to create non–farm employment and check migration from rural to urban areas.
- Generates relatively quick returns with low investment requirements.

❖ Weakness

- Poultry farming is labor intensive.
- A peculiar feature of the poultry industry is that it is highly fragmented
- Poor transport, infrastructure and lack of cold chain facilities currently limit the feasibility of handling significant volumes of chilled or frozen products.
- Low growing charges coupled with the cost of making investments in infrastructure such as sheds, feeders, breeders, heating and cooling systems result in a low income for farmers.
- The stringent mortality norms (only a 5% mortality is permitted in most integration contracts-else the farmer gets penalized and is offered a lower rate) leaves the farmers in a vulnerable position and with no avenue to voice their grievances.

❖ Opportunity

- Present per capita unlike other meat (beef, pork) which have religious taboos-chicken is widely accepted in India and is cheaper than goat meat. Consumption in India is increasing day by day, therefore there is large scope for poultry farming.
- Besides this, India has also great potential to exploit the international market.
- The increasing awareness of the need for balanced nutrition has led to changes in the eating habits with vegetarians accepting eggs as a part of their diet compared to all other

Threats/Risks

- Natural calamities
- If adequate health precautions are not taken infectious/contagious diseases can be spread. The recent avian flu has spread a wave of panic across the globe. The other aspects that have dragged the poultry industry are the recent SARS and Ebola and also the older diseases like tuberculosis is and malaria.
- Shortage in major feed ingredient i.e., maize, which constitutes more than 50 percent of feed rations. Therefore, even as mall increase in costs can wipe out the profits.

6. Description of potential challenges and measures to mitigate them:

Sr.no	Description of Risks	::	Measures for Risk Mitigation
6.1	It might be possible that there can be short demand in the market which will affect the sale and income.	::	For Marketing purpose additional market should be explored.
6.2	Due to decline in quality of production the sales may go down.	::	In order to maintain the quality of product, the SHG members have to follow strict guidelines.

7. Machinery, tools and otherEquipment's

A. BASICS AND PREASUMPTIONS

Sr.No.	Particulars	Unit	Quantity
I.	**Techno-economic parameters**		
1	No. of birds	No.	770
2	Batches per year	No.	2
3	Batch size	Nos.	360
4	Birds considered for laying	Nos.	360
5	Birds considered for culling	Nos.	360
6	Brooding cum growing period in weeks		20
7	Laying period in weeks		52
8	Type of housing		Deep Litter
9	Space required per bird in brooder cum grower house	Sq.ft.	1
10	Floor space per bird in layer shed (Cage system)	Sq.ft.	0.8
11	Repayment period	year	5
12	Rate of interest for bank loan	%	12
II. Expenditure norms			

1	Cost of construction of brooder cum grower shed	Rs. /sq.ft	125
2	Cost of construction of Layer shed	Rs. /sq.ft	140
3	Cost of construction of store room	Rs. /sq.ft	250
4	Cost of cages for layers	Rs. /bird	90
5	Feeders, waters and dressing equipment	Rs.	20
6	Cost of day-old Chicks	Rs. /bird	40
7	Feed requirement during laying-52 weeks laying	Rs. /bird	21
8	Feed requirement during growers-20 weeks	Rs. /bird	6
9	Chick/grower mash	Rs. /kg	14
10	Cost of layer mash	Rs. /kg	12
11	Medicine, vaccine, labor & misc. charges	Rs. /bird	8
12	Insurance	Rs. /bird	1
III. Income norms			
1	Number of eggs produced per bird	Eggs per cycle	120
2	Selling price of egg	Rs. /egg	10
3	Selling price of culled birds	Rs. /bird	700
4	Income from manure & gunny bags	Rs. /bird	44

A.	**CAPITAL COST**			
Sr. No.	**Particulars of Machinery.**	**Quantity**	**Rate per unit**	**Total Amount**
1.	Cost of housing (1 sq. ft/bird) (60*9=540 Sq. ft)	770	250	192500
2.	Cost of Kuroiler Chicks (Day old)	770	35	26950
3.	Brooder cum grower equipment	770	40	30800
4.	Laying house	770	75	57750
5.	Water supply system	LS	LS	12000
	Total			**320000**

B.	Recurring cost

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)
1	Grower feed for first two batches	Qtl.	11	2600	28600
2	Chick feed from 1 to 4 weeks	Qtl.	4	3000	12000
3	Layer feed from 20 to 52 weeks	Qtl.	20	2700	54000
.4	Egg Packing/Tray	Number	2400	5	12000
5	Medicine , vaccine, labor and miscellaneous charges	Rs./bird	500	10	5000
6	Carriage/ Transportation	LS	LS	LS	15000
7	Insurance	%	500	1	500
	Total				**127100**

7. Total production and sale amount in month

Since it is an additional activity in the SHG apart from their routine household work the outcome will be proportionate to the working hours of each member. It is always better initially to keep the production on conservative side which can always be scaled up with passage of time and work experience.

8. TOTAL PRODUCTION AMOUNT AND SALE AMOUN IN 1 CYCLE

C)	Total Sale			
Sr.no	Particular	Quantity	Rate (Rs.)	Amount (Rs.)
1	Eggs	57750	10	577500
2	Meat/Chicken	385	700	269500
	Total (C)			847000

Particulars	Total Amount (Rs.)	Project contribution (75%)	SHG contribution (25%)
Total capital cost	320000	240000	80000
Recurring cost	**127100**	**-**	**127100**
Total	**447100**	**240000**	**207100**

However, an amount of **Rupees 240000** is the project support therefore for calculation purpose this amount can safely be deducted from the expenditure column and the net income can be re-cast again. Moreover, the members of SHG will be doing the job collectively therefore their wages have not been taken into account. The net income at the end of the month is re-cast as under:

CAPITAL COST		
PARTICULARS	**AMOUNT**	**SHG CONTRIBUTION**
CAPITAL COST	320000	207100
RECURRING EXPENDITURE		
i) 10% depreciation on capital cost annually	20775	
ii) other expenditure on material cost etc.	129700	
Total	150475	
Total cost	**150475+207100=357575**	
Total sale in 1st cycle	**847000**	
Net profit	**489425**	

9. Sharing of the profit

The members of SHG have mutually agreed with consent voice that in the 1st cycle Rs. 26311 will be paid to each member as income and the remaining profit of Rs.200000 will be kept as emergency reserve in their bank account to meet up the future contingency, if any.

10.Fund flow in the .group:

Particulars	Total Amount (Rs.)	Project contribution (75%)	SHG contribution (25%)
Total capital cost	320000	240000	80000
Recurring cost	**127100**	**-**	**127100**
Training	**50000**	**50000**	
Total	**497100**	**290000**	**207100**

Note-

- **Capital Cost -** 75% of the total capital cost will be borne by the Project
- **Recurring Cost –**The entire cost will be borne by the SHG/CIG.
- **Trainings/capacity building/skill up-gradation–**Total cost to be borne by the Project

8. Sources of funds and procurement:

Project support;	• 75% of capital cost will be utilized for purchase of product. • Upto Rs. 1 lakh will be parked in the SHG bank account as a revolving fund. • Trainings/capacity building/ skill up-gradation cost.	Procurement of machines will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	• 25 % of capital cost to be borne by SHG. • Recurring cost to be borne by SHG	

9. 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:

- Teamwork
- Quality control
- Packaging and Marketing
- Financial Management

10. Loan Repayment Schedule-

If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is no 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.

11. 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.

Vermicomposting

Background

Vermicompostig 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.

Vermicompostig 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.

Vermi composting

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 vermi compostig 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. Vermi compost 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

Vermicompostig, 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.

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.)	::	11
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. Local market Use on own farm
7.2	Distance from the unit	::	
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"		"Organic Farming"

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 offer 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.)

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 including shed (Size will be of 10ftX4ftX2ft)	Per member	10	7000	70000	0	0	0	0
2	Erection of cover shed with iron angel	Per member	10	5000	50000				
	Sub-total (A.1)				**120000**	**0**	**0**	**0**	**0**
A.2	**Machinery and equipment**								
3	Tools, equipment, weighing scale etc.	Per member	10	3000	30000	0	0	0	0
	Sub-total (A.2)				**30000**	**0**	**0**	**0**	**0**
	Total Capital Costs (A.1+A.2)				**150000**	**0**	**0**	**0**	**0**
B	**Recurring Costs**								
4	Seed earthworm	Per Kg	10	550	5500	0	0	0	0
5	Cost of procurement of Slurry/dung/waste	Ton	60	1000	60000	63000	66150	69457	72930
6	Labour Cost	Per ton	30	800	24000	25200	26460	27783	29172
7	Packing materials	No.	10000	3	30000	31500	33075	34730	26465
8	Other handling charges	Per ton	30	165	4950	5197	5456	5728	6015
C	**Other charges**								
9	Insurance	L/S			0	0	0	0	0
10	Interest on loan	Per annum		2 per cent	2000	2000	2000	2000	2000
	Total recurring costs				**126450**	**126897**	**133141**	**139698**	**136582**
	Total cost - Capital and recurring				**276450**	**126897**	**133141**	**139698**	**136582**
D	**Income from vermi composting**								
11	**Sale of Vermicompost**	Tones	30	**8000**	**240000**	**252000**	**264600**	**277830**	**291721**
12	**Sale of earthworm**					**20000**	**40000**	**40000**	**40000**
13	**Total revenue**				**240000**	**272000**	**304600**	**317830**	**331721**
14	Net returns (C-D)				**113550**	**145103**	**171459**	**178132**	**195139**

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.

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	
Capital cost	**150000**	**0**	**0**	**0**	**0**	
Recurring cost	**126450**	126897	133141	139698	136582	**662768**
Total cost	**276450**	126897	133141	139698	136582	**812768**
Total benefits	**240000**	272000	304600	317830	331721	**1466151**
Net benefits	-36450	145103	171459	178132	195139	653383
Net present worth of cost @15 per cent	**812768**					
Net present worth of benefits @15 per cent	**1466151**					
Benefit Cost Ratio	**1.80**					

Economic Analysis

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. 4.2 per Kg
- Sale of vermi-compost (conservative side) is Rs. 8 per Kg
- Net profit will be Rs. 3.8 per Kg
- It is proposed that each member will produce 3 tons of vermi-compost every year resulting in production of 30 tones vermi-compost by all 10 members of SHG in one year.
- Cost of earthworm has been kept at Rs. 550.00 per kg
- During th 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	150000	112500	37500
2	Total Recurring Cost	126450	0	126450
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	Total =	326450	162500	163950

- **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;	• 75% of capital cost will be utilized for construction of pit (Size will be of 20ftX4ftX2ft) • Upto Rs 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.
SHG contribution	• 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.

The Total Cost of the Project

Poultry-

Capital Cost-320000/-

Recurring Cost-127100/-

Total Cost of Vermi composting – 447100/-

Vermicomposting-

Capital Cost-150000/-

Recurring Cost-126450/-

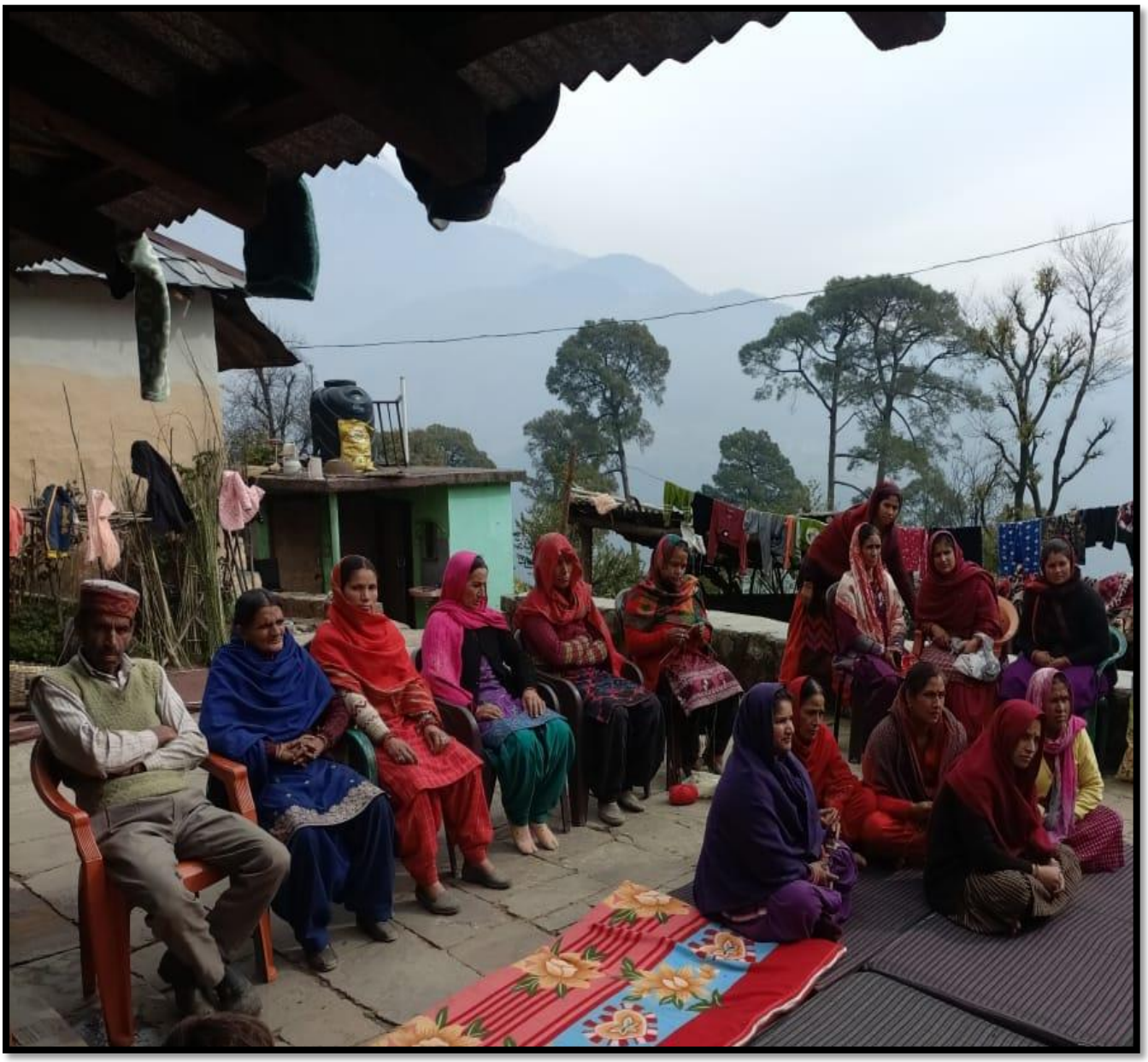
Total Cost of Vermi composting – 276450/-

Total Cost of Business Plan- 723550/-

Sr. No	Business plan	Capital Cost	Recurring Cost	Project Contribution	Beneficiary Contribution	Total Cost
1	Poultry	320000	127100	240000	207100	447100
2	Vermicomposting	150000	126450	112500	163950	276450/-
	Total	**470000/-**	**253550/-**	**352500/-**	**371050/-**	**723550/-**

12. Remarks

Group members Photos-



नागनी माता (Approval letter) (Falotha)

Signature of VFDA Chairman

Signature of VFDA Secretary

Signature of SHG Pradhan

Signature of SHG Secretary

Signature of Forest Guard

Signature of RO

Signature of RO

Range forest officer
Dharamshala range
Dharamshala forest division

Divisional Forest Officer
Forest Division
Dharamshala

Approved by DMU