

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Backyard Poultry

By

Shiv Shakti-Self Help Group



SHG/CIG Name	:: SHIV SHAKTI POULTRY FARM
VFDS Name	:: Manoh
Range	:: Shahpur
Division	:: Dharamshala

Prepared under:



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

Table of Contents

Sl. No.	Particulars	Page/s
1	Executive Summary	3-5
2	Description of Common Interest Group	6-7
3	Geographical location of the village	8
4.	Description of the product related to the income generating activity	9
5	Production process	9-10
6	Production planning	10
7	Marketing	10
8	Management of the enterprise among group members	10-11
9	SWOT Analysis	12
10	Possible risks and ways to reduce them	12-13
11	Description of the economy of the business plan	13
12	Summary of the economy	13-15
13	Estimate	16
14	Benefit Cost Analysis (for one cycle)	16-17
15	Need Money	18
	(a) Group of financial necessity	18
	(b) Group of financial Resources	18
16	Calculating the Break Even Point	19
17	Installment plan for loan repayment	20-23
18	Approval letter	24-25

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, contract 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 Manoh 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	::	SHIV SHAKTI POULTRY FARM
2.2	VFDS Name	::	MANOH
3	Range	::	SHAHPUR
3.4	Division	::	DHARMASHALA
3.5	Village	::	MANOH
3.6	Block	::	REHLU
3.7	District	::	KANGRA
3.8	Total No. of Members in SHG	::	12–MALE
3.9	Date of formation	::	13-12-2022
3.10	Bank a/c No.	::	Himachal Pradesh Gramin Bank
3.11	Bank Details	::	98171300000551
3.12	SHG/CIG Monthly Saving	::	50-(meeting held to be every 9 th day of month)
3.13	Total saving	::	5000
3.14	Total inter-loaning	::	-
3.15	Cash Credit Limit	::	-
3.16	Repayment Status	::	-

Beneficiaries Detail:

फोटो के साथ स्वयं सहायता समूह सदस्यों का विवरण

क्र स	नाम	पद	वर्ग	उम्र	शैक्षणिक योग्यता	मोबाइल नंबर
1.	वृन्दा कुमार पुत्र श्री आशुमान	प्रधान	अनुसूचित जाति	30	10th	8586671940
2.	शक्ति कुमार पुत्र श्री चरणजीत सिंह	उपप्रधान	-Do-	29	10th	8219874173
3.	विजय कुमार पुत्र श्री बरसा लाल	सचिव	-Do-	28	+2	7807123994
4.	कन्हैया लाल पुत्र श्री मितरन राम	कोषाध्यक्ष	-Do-	39	10th	7876852819
5.	शिव कुमार पुत्र वसु लाल	सदस्य	-Do-	32	B.A	8263808298
6.	राजेश कुमार पुत्र श्री आशुमान	सदस्य	-Do-	28	5th	8278874357
7.	रवि कुमार पुत्र श्री चरणजीत सिंह	सदस्य	-Do-	30	+2	7876635957
8.	गुरपूर कुमार पुत्र श्री जय सिंह	सदस्य	-Do-	38	+2	8219599334
9.	मनियु सिंह पुत्र श्री किशोर लाल	सदस्य	-Do-	33	10th	8219525814
10.	आम प्रकाश पुत्र श्री परशु राम	-Do-	-Do-	28	+2	9853398780
11.	कुरदीप सिंह पुत्र श्री लाल सिंह	-Do-	-Do-	35	B.A	8352002002
12.	राजय कुमार पुत्र श्री मितरन राम	सदस्य	-Do-	30	+2	981616124
13.						
14.						
15.						
16.						

Geographically Details of the Village Manoh

4.1	Distance from the District HQ	::	32 Km
4.2	Distance from the Range Office	::	8 Km
4.3	Distance from Main Road	::	8 km
4.4	Name of local market & distance	::	Shahpur – 8km
4.5	Name of main market & distance	::	Shahpur -8 km, Kangra -30, Dharamshala -32km
4.6	Name of main cities & distance	::	Shahpur -8 km, Kangra -30, Dharamshala -32km

4.7	Name of places/locations where product will be sold/marketed		Shahpur -8 km, Kangra -30, Dharamshala -32km
-----	--	--	---

4. Description of product related to income generating activity

1	Name of the Product	Shiv Shakti Poultry Farm
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 : 12 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 : 960 pieces

Estimated production : $12 \times 40 = 480$ number of chickens will be ready For chicken mass!

$480 \times 25 = 12000$ eggs per month

Total egg production in cycle : $12000 \times 6 = 72000$

6.1	Time taken	::	As above
6.2	Number of members involved	::	12 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.	::	$40 \times 12 = 480$ $480 \times 25 = 12000$ eggs per month
6.6	Workers Required Per Cycle (Nos.)	::	Total- 12 member

6. Raw Material Requirement and Estimated Production

1. Description of Marketing/Sale:

7.1	Potential places/locations	market	::	Villages & Market- Rehlu, 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 - Manoh, Rehlu &, Shahpur and Boru sarna
7.5	Brand of the Product	::	Manoh 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 Manoh and Shahpur, but later on this business can be scaled up by catering to nearby small townships.

4. **Target of the centre**

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. SWOT Analysis

❖ Strength

- Poultry has the potential to meet the protein requirements of a nation where malnutrition is rampant-since both eggs/broilers are a good source of protein.
- Helps to augment the income of the rural masses. Thus improve the socioeconomic 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 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 and malaria.
- Shortage in major feed ingredient i.e., maize, which constitutes more than 50 percent of feed rations. Therefore, even a small 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 other Equipment's

A. BASICS AND PREASUMPTIONS

Sr.No.	Particulars	Unit	Quantity
I. Techno-economic parameters			
1	No. of birds	No.	980
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)	960	250	240000
2.	Cost of Kuroiler Chicks (Day old)	960	35	33600
3.	Brooder cum grower equipment	960	40	38400
4.	Laying house	960	75	72000
5.	Water supply system	LS	LS	12000
	Total			396000

B.**Recurring cost**

Sr. No.	Particulars	Unit	Quantity	Rate per unit (Rs.)	Amount (Rs.)
1	Grower feed for first two batches	Qtl.	12	2600	31200
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				129700

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 AMOUNT IN 1 CYCLE

C)				
Total Sale				
Sr.no	Particular	Quantity	Rate (Rs.)	Amount (Rs.)
1	Eggs	72000	10	720000
2	Meat/Chicken	480	700	336000
	Total (C)			1056000

Particulars	Total Amount (Rs.)	Project contribution (50%)	SHG contribution (50%)
Total capital cost	396000	198000	198000
Recurring cost	129700	-	129700
Total	525700	198000	327700

However, an amount of **Rupees 150000** 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	396000	327700
RECURRING EXPENDITURE		
i) 10% depreciation on capital cost annually	20775	
ii) other expenditure on material cost etc.	129700	
Total	150475	
Total cost	150475+327700=478175	
Total sale in 1st cycle	1056000	
Net profit	577825	

9. Sharing of the profit

The members of SHG have mutually agreed with consent voice that in the 1st cycle Rs. 31485 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 (50%)	SHG contribution (50%)
Total capital cost	396000	198000	1980000
Recurring cost	129700	-	129700
Training	50000	50000	
Total	575700	248000	327700

Note-

- **Capital Cost** - 50% 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;	<ul style="list-style-type: none">• 50% 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	<ul style="list-style-type: none">• 50 % 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.

12. Remarks

Group members Photos-



List of Rules of the House of Interest

1. Group work: Balehra Poultry Farm;
2. Address of the group: V.P.O Manoh Tehsil- Shahpur District- Kangra Himachal Pradesh.
3. Total members of the group: 12
4. Date of First Group Meeting: 13.12.2022
5. Interest will be Rs.2 for every Rs.50 in the group.
6. Monthly meeting of the group will be held on 9^h of every month.
7. All the members of the group will deposit the amount saved every month in the group.
8. All the members will have to attend the meeting of the Self - Help Group.
9. Self - help group account will be opened in
10. In order to be present in the group meeting, permission will have to be taken by telling the principal and secretary the proper work.
11. In the group who does not deposit the amount of savings or remains absent from the group for 3 meetings, then that person will be removed from the group.
12. The person who remains present in the group without giving reasons ,then the next meeting will be held in the house of that person whose expenses will have to be paid by that person himself, if there are two members, then the expenses will have to be paid together.
13. The head and the secretary of the Self Help Group will be elected by consensus.
14. Principal and Secretary can do transactions with the bank, this post will be valid for one year.
15. The head, secretary or member will not do any work against the group and will always use the amount of the group.


16. If the member wants to leave the group due to any reason, if this person has taken the loan, then the group has to be returned, only then he is able to leave the group other wise not
17. The purpose of the loan, the time of repayment of the amount, the instalment of the loan and the rate of interest will be decided in the meeting.
18. In case of emergency, the principal and the secretary should have at least Rs1000.
19. The register of SHGs should be read and written in front of all the members.
20. Large borrowers will have to give a week's advance notice.
21. Loans should be available to all the members in times of need.
22. If the member wants to leave the group without any reason, then the deposits of that member will be divided in the group.
23. The group will have to submit its monthly report every month to the office of the Field Technical Unit (Shahpur Range Dharamshala Division).


Shiv Shakti

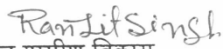
अनुलग्नक


हम सब समूह सदस्य ने आईजीए गतिविधि में सक्रिय रूप से भाग लेने के लिए सहमति दी है एचपी पारिस्थितिकी तंत्र प्रबंधन और आजीविका में सुधार और वीएफडीएस के साथ समन्वय के लिए जेआईसीए परियोजना के दिशानिर्देश के अनुसार समूह (मुर्गा पालन) द्वारा चुना गया। सदस्यों का विवरण इस प्रकार है

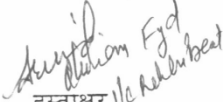
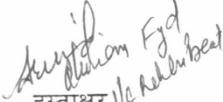
क्र स	नाम	पद	वर्ग	उम्र	हस्ताक्षर
1.	विनाय कुमार	प्रेषक	अनुसूचित	30	V Kumar
2.	रमिन्द्र कुमार	उपप्रेषक	-Do-	29	Raminder Kumar
3.	विजय कुमार	सहायक	-Do-	28	Vijay Kumar
4.	कन्हैया लाल	सदस्य	-Do-	39	कन्हैया लाल
5.	शिव कुमार	-Do-	-Do-	32	Shiv Kumar
6.	राजेश कुमार	-Do-	-Do-	28	राजेश
7.	रविकुमार	-Do-	-Do-	30	Ravi Kumar
8.	सुरिंदर कुमार	-Do-	-Do-	38	सुरिंदर कुमार
9.	महेंद्र कुमार	-Do-	-Do-	33	महेंद्र कुमार
10.	ओम पार्थ	-Do-	-Do-	28	Om Parth
11.	कुलदीप सिंह	-Do-	-Do-	35	Kuldeep Singh
12.	संजय कुमार	-Do-	-Do-	30	संजय कुमार
13.					
14.					
15.					
16.					



हस्ताक्षर 
सचिव स्वयं सहायता समूह


हस्ताक्षर 
प्रधान स्वयं सहायता समूह

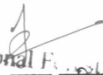
हस्ताक्षर 
सचिव, वन ग्रामीण विकास
समिति

हस्ताक्षर 
प्रधान, वन ग्रामीण विकास
समिति


हस्ताक्षर 
वन रक्षक


हस्ताक्षर 
वन खण्ड अधिकारी

हस्ताक्षर 
Range Officer
Shahpur, Dist. Kangra
(H.P.)


Divisional Forest Officer
Dharamshala Forest Division,
Dharamshala