

# BUSINESS PLAN

## INCOME GENERATING ACTIVITY –Pine needle handicrafts

By

**KORGAN DEVTA - Self Help Group**



<b>SHG/CIG Name</b>	::	<b>Korgan Devta</b>
<b>VFDS Name</b>	::	<b>Kanda</b>
<b>Range</b>	::	<b>Mashobra</b>
<b>Division</b>	::	<b>Shimla</b>

Prepared under:



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

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## Background

The Himalayan Mountains attract people from all over the world. Thousands of people come every year to visit and spend time in some of the small hill stations located in the large area of Himalayas. One sees a large area of monoculture pine trees when one enters into the Himalayas. They are long, perfect, and often described as beautiful. But this beauty has been costing forest a lot. As the pine needles are highly inflammable and are the leading causes of forest fires. Majority of fires are known to be reported from the pine forests as during summer the trees shed pine needles which are highly inflammable.

However, these needles which lead to major cause of forest fire in summer season can become the source of income for rural people and also reduce chance of forest fire. This initiative could give women economic empowerment on the one hand, and get their active involvement to work towards protecting and conserving forests. The pine needles can be used to make beautiful and attractive handicraft items such as coasters, table mats, baskets, vases, trays, boxes and other ornamental creations. Although the process of creating these objects is simple, it requires manual skills to weave, coil and braid these pine needles to make each piece a work of artistry.

## 1. Description of SHG/CIG

SHG/CIG Name	::	Korgan Devta
VFDS	::	Kanda
Range	::	Mashobra
Division	::	Shimla
Village	::	Kanda
Block	::	Mashobra
District	::	Shimla
Total No. of Members in SHG	::	8
Date of formation	::	03/07/2023
Bank a/c No.	::	14050110061640
Bank Details	::	UCO Bank Gumma
SHG/CIG Monthly Saving	::	100/-
Total saving	::	3200/-
Total inter-loaning	::	-
Cash Credit Limit	::	-
Repayment Status	::	-

## 2. Beneficiaries Detail:

Sr. No	Name	Father/ Husband Name	Age	Category	Income Source	Address
1	Nirmala Devi	Sh. Deep Ram	31	SC	Agriculture	Vill. Kui
2	Komal Sharma	Sh. Harish Sharma	27	General	Agriculture	Vill. Kanda
3	Renu	Sh. Dharmender Sen	30	General	Agriculture	Vill. Kanda
4	Sunita	Sh. Geeta Ram Sharma	46	General	Agriculture	Vill. Kanda
5	Poonam	Sh. Kapil Thakur	30	General	Agriculture	Vill. Kanda
6	Samriti	Sh. Karan Sharma	25	General	Agriculture	Vill. Kanda
7	Radha	Sh. Mushu Ram	43	SC	Agriculture	Vill. Kui
8	Rekha Thakur	Sh. Harish Kumar	28	General	Agriculture	Vill. Kanda

## 3. SC Geographical details of the Village

3.1	Distance from the District HQ	::	65 Km
3.2	Distance from Main Road	::	10 km
3.3	Name of local market & distance	::	Basantpur 10 km, Sunni 15km
3.4	Name of main market & distance		Mashobra 45 km
3.5	Name of main cities & distance		Shimla, 65 Km
3.6	Name of main cities where product will be sold/ marketed	::	Sunni, Mashobra, Shimla

## 4. Description of Product related to Income Generating Activity

4.1	Name of the Product	::	Pine Needle Handicrafts
4.2	Method of product identification	::	This activity has been collectively decided by the group members.
4.3	Consent of SHG/ CIG / cluster members	::	Yes

## 5. Description of Production Processes

Step		Description
Step-1	::	<b>Collecting the pine needles</b> —The cooperative works together, with their children, to search the hills around their village for the ideal pine needles—long and unbroken. The women often plan ahead, collecting pine needles during dry season in order to make baskets year-round.
Step-2	::	<b>Preparing the needles</b> —When the women return from a gathering pine-needles, they clean the needles and boil them in Glycerin diluted water and after that they dry them inside. They store these dried pines so that they can make products all year long.
Step-3	::	<b>Weaving baskets and other products</b> —The women start the weaving process with 5-10 pine needles to create a strong base. Wrapping a thread tightly around the pine needles secures them in place. The women continue to wrap the pine needles in a circle or oval, using the thread to create the shape and also to add to the aesthetics of the product. The women continue this process to create a variety of designs and often use hundreds of pine needles to create the final product.
Step-4	::	<b>Finished baskets</b> —After days of hard work the women produce a variety of different products.

## 6. Description of Production Planning

6.1	Production (in days)	::	All around year
6.2	Manpower	::	Women do the weaving daily when they are free from their daily routine activities.
6.3	Source of raw materials	::	From Forest
6.4	Source of other resources	::	Open market
6.5	Raw material - quantity required (Kg) per member	::	1800 Kg. /per year

## 7. Description of Marketing / Sale

7.1	Potential market places	::	Mashobra, Shimla Local market (Basantpur, Sunni)
7.2	Demand of the product in market place/s	::	Huge demand in tourist places in Shimla
7.3	Process of identification of market	::	SHG members identified the shopkeepers and exhibitions/Fairs in local and Shimla Market.
7.4	Marketing Strategy of the product		SHG members will also explore the additional marketing options around their villages for better sale price in future.
7.5	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
7.6	Product "slogan"		"Nature Friendly"

## 8. SWOT Analysis

### ❖ Strength

- ➔ Raw material is easily available in forest.
- ➔ Manufacturing process is simple
- ➔ Easy to transport
- ➔ Long shelf-life

### ❖ Weakness

- ➔ Effect of temperature, humidity, moisture on manufacturing process/product.
- ➔ Time consuming process.

### ❖ Opportunity

- ➔ Increasing interest towards handicraft products.
- ➔ Tourists visit Mashobra and Shimla very often.
- ➔ Best utilization of free time after daily routine activities.
- ➔ Financial support, trainings and exposure will be organized by JICA HP Forestry Project.

### ❖ Threats/Risks

- Possibility of break in production due moisture in rainy season and climate change.
- Competitive market
- Internal conflict in group, lack of transparency, lack of high risk bearing capacity.
- 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



## 11. 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
<b>A.</b>	<b>Capital Cost</b>								
1	Poly woven Fabric bag	Nos.	8	500	4000	0	0	0	0
2	Dari (10x12)	Nos.	1	2000	2000	0	0	0	0
3	Drill Machine	Nos.	1	3000	3000	0	0	0	0
4	Scissors	Nos.	8	200	1600	0	0	0	0
5	Inch tape	Nos.	8	30	240	0	0	0	0
6	Plastic Sheet (10x12)	Nos.	4	1500	6000	0	0	0	0
7	Iron racks	Nos.	4	3000	12000	0	0	0	0
	<b>Sub-Total</b>				<b>28,840</b>				
<b>B</b>	<b>Recurring Costs</b>								
1	Needles	Nos.	40	5	200	210	221	232	243
2	Thread	Nos.	480	20	9600	10080	10584	11113	11669
3	Wooden Pieces	Nos.	480	100	48000	50400	52920	55566	58344
4	Labor Cost	Per piece	480	300	144000	151200	158760	166698	175033
5	Packing materials	Nos.	480	10	4800	5040	5292	5557	5834
6	Other handling charges(Transportation)	Nos.	480	10	4800	5040	5292	5557	5834
	<b>Total recurring costs</b>				<b>211400</b>	<b>221970</b>	<b>233069</b>	<b>244722</b>	<b>256958</b>
	<b>Total cost = Capital and recurring</b>				<b>240240</b>	<b>221970</b>	<b>233069</b>	<b>244722</b>	<b>256958</b>
	<b>Sale</b>	Nos.	480	600	<b>288000</b>	<b>302400</b>	<b>317520</b>	<b>333396</b>	<b>350066</b>
	<b>Net returns (C-B)</b>				<b>47760</b>	<b>80430</b>	<b>84452</b>	<b>88674</b>	<b>93108</b>

**Note**– As labour work will be done by SHG members themselves and pine needles are already available in forest and these materials will be not procured by them, therefore, recurring cost (Labour Cost, Cost of procurement of raw material) can be deducted from total recurring cost.

### Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capital cost	<b>28,840</b>				
Recurring cost	211400	221970	233069	244722	256958
Total cost	240240	221970	233069	244722	256958
Total revenue	288000	302400	317520	333396	350066
<b>Net benefits</b>	<b>47760</b>	<b>80430</b>	<b>84451</b>	<b>88674</b>	<b>93108</b>

**Distribution of net profit** – As per share in production.

## 12. Inferences of Economic Analysis

- ➔ The pine needles can be used to make beautiful and attractive handicraft items such as coasters, table mats, baskets, vases, trays, boxes and other ornamental creations.
- ➔ As the demand of chapatti box is 90% so here the chapatti box is taken for calculation purpose.
- ➔ It is proposed that each member will produce 60 plus different items every year resulting in production of 480 plus items by all 08 members of SHG in one year.
- ➔ Cost of production for chapatti box is Rs.440.00 (per unit)
- ➔ The pine needle handicraft making is a profitable IGA and can be taken up by the SHG members.

## 13. Fund requirement:

Sl. No.	Particulars	Total Amount (Rs)	Project support	SHG contribution
1	Total capital cost	<b>28,840</b>	21630	7,210
2	Total Recurring Cost	211400	---	211400
3	Trainings/ capacity building/skill up-gradation	50000	50000	----
	<b>Total =</b>	<b>2,90,240</b>	<b>71630</b>	<b>218610</b>

### 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

## 14. Sources of fund:

Project support;	<ul style="list-style-type: none"> <li>• 75% of capital cost will be borne by the project.</li> <li>• Upto Rs 1 lakh will be parked in the SHG bank account.</li> <li>• Trainings/capacity building/skill up-gradation cost.</li> </ul>	Procurement materials will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none"> <li>• 25% of capital cost to be</li> </ul>	

	<p>borne by SHG, this include cost of shed/construction of shed.</p> <ul style="list-style-type: none"> <li>• Recurring cost to be borne by SHG</li> </ul>	
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## 15. 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 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.

## 16. 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

## 17. 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 Photo –



**Resolution-cum-Group Consensus Form**

It is decided in the General House Meeting of the group.....*Kargan Devta*.....held on *23/10/2022* at *Kanda*.....that our group will undertake *line-needle handicrafts* as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA assisted).

*Piswaley*  
प्रधान/सचिव  
जय कुरुगम देवता  
Signature of Group Pradhan  
गांव कांडला, तह. च जिला सिवालिका

*Prab*  
प्रधान/सचिव  
जय कुरुगम देवता  
Signature of Group Secretary  
गांव कांडला, तह. च जिला सिवालिका

**Business Plan approved by VFDS**

.....*Koagan Devta*.....SHG group will undertake.....*Pine-needle handicrafts*.....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 ₹.2,90,240/- has been submitted by this group on dated *23/10/2023* and this Business Plan has been approved by VFDS.....*Kanda*.....

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

*Kanda*  
President  
Village Forest Development Society  
Signature of VFDS President

*Kanda*  
Secretary  
Village Forest Development Society  
Signature of VFDS Secretary

Submitted to DMU through FTU

*Hib*  
Name & Signature of FTU Officer  
Range For Officer  
Mashobra Forest Range  
Mashobra, Shimla-7

*[Signature]*  
Name & Signature of FTU Coordinator

*[Signature]*  
Name & Signature of DMU Officer

DFO-cum-DMU OFFICER  
JICA FORESTRY Project  
SHIMLA