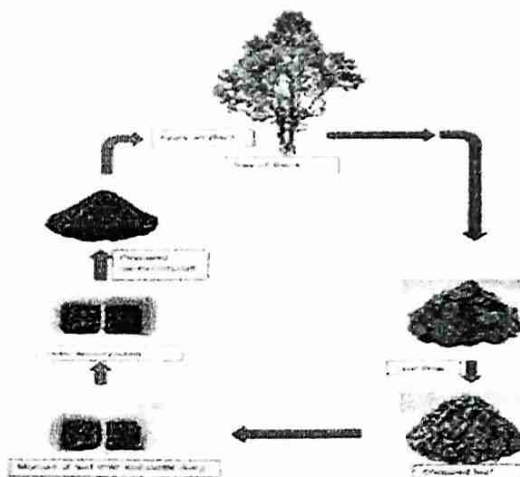


BUISNESS PLAN

INCOME GENERATING ACTIVITY-Vermi-composting *before Knitting*

By
Self Help Group Chillana



SHG/CIG Name	::	SHG CHILLANA
VFDS Name	::	NAO
Range	::	THROACH
Division	::	CHOPAL

Prepared under:



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

Table of Contents

Background	3
1. Description of SHG/CIG	4
2. Beneficiaries Detail	4
3. Geographical details of the Village	5
4. Description of Product related to Income Generating Activity-----	5
5. Description of Production Processes	5
6. Description of Production Planning	6
7. Description of Marketing/ Sale	6
8. SWOT Analysis	7
9. Description of Management among Members	7
10. Cost analysis	8-9
11. Gist of Economic Analysis	10
12. Fund requirement	10
13. Sources of fund	10
14. Bank loan repayment	11
15. Trainings/ Capacity Building/ Skill Up-gradation-----	11
16. Monitoring Mechanism	11
17. Group Members Photo -----	12
18. Business Plan Approval.....	13

Background

Vermi-composting has been gaining popularity, mainly due to shift towards organic farming. There are ecological, economic and human health benefits associated with it. The use of vermin-compost in place of chemical fertilizers results into better soil health, balanced ratio of various minerals and good fertility and best quality crop production. Vermi-Composting has direct environmental and economic benefits by contributing to the sustainable agriculture and horticulture production and income of farmers significantly .

Vermicomposting

Vermi -composting, rightly called **Gold from Garbage** is the measure input in organic farming. Vermi -composting is a process in which the earthworms convert the organic waste into manure rich in high nutritional content. Earthworms are commonly found living in soil, feeding on biomass and excreting it in a digested form. Earthworms feed on the organic waste materials and give out excreta in the form of “vermicasts” that are rich in nitrates and minerals such as phosphorus, magnesium, calcium and potassium. These vermicasts are used as fertilizers and they improve the soil quality. There is great demand for vermi-compost due to the high level of nutrient content .

Materials required

1. Water
2. Cow dung
3. Thatched roof
4. Soil or sand
5. Earthworms
6. Gunny bags
7. Organic biomass
8. Plastic or cemented tank
9. Dry straw and leaves collected from the fields
10. Biodegradable wastes collected from fields and kitchen

1. Description of SHG/CIG

SHG/CIG name	SHG Chillana
VFDS	Nao
Range	Throach
Division	Chopal
District	Shimla
Total no. of members in SHG	09
Date of formation	13.03.2006
Bank account no.	11860110030417
Bank details	UCO BANK NERWA
SGH/CIG monthly saving	100 /-
Total saving	25,000/-
Total inter-loaning	-
Cash credit limit	-
Repayment status	-
Interest rate	-

2. Beneficiaries Detail:

Sr.no.	Name	Father/ Husband Name	Age	Income source	Address	Contact No
1.	Mastu Devi (President)	W/o Kali Ram	64	Agriculture	Chillana	9805251784
2.	Diksha (vice-President)	W/o Lucky	28	Agriculture	Chillana	7018455278
3.	Satya Devi (secretary)	W/o Surat Ram	53	Agriculture	Chillana	9805251781
4.	Renu Devi (treasurer)	W/o Bindar Singh	63	Agriculture	Chillana	6230638215
5.	Sundra Devi (Member)	W/o Layak Ram	54	Agriculture	Chillana	9816172962
6.	Priyanka Devi	W/o Lucky Ram	32	Agriculture	Dochi	
7.	Seema Devi	w/o Lachi Ram		Agriculture	Dochi	8091703133
8.	Kanchna Devi	w/o Parma Ram		Agriculture	Dochi	9805952328

Sunita Devi	w/o Sohanlal		Agriculture	Chillana	8278770449
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3. Geographical Details of The Village

3.1	Distance from the District HQ	::	136 Km
3.2	Distance from main Road	::	2 Km
3.3	Name of local market & distance	::	Nerwa 12 km.
3.4	Name of main market & distance	::	Nerwa 12 km
3.5	Name of main cities & distance	::	Shimla 136 km
3.6	Name of main places where product will be sold/ marketed	::	Nerwa, Chopal and adjoining villages

4. Description of Product related to Income Generating Activity

4.1	Name of the Product	::	Vermi-compost
4.2	Method of product identification	::	The activity was shortlisted and finalized, keeping in view the great demand of Vermicompost, the area being an apple belt.
4.3	Consent of SHG/CIG/cluster members	::	Yes, the activity was collectively decided by the group.

5. Description of Production Process

Step 1	To prepare compost, either a plastic or a concrete tank/pit can be used. The size of the tank/pit depends upon the availability of raw materials, however as a standard, the sizing is being kept 10ftX4ftX2ft.
Step-2	Collect the biomass and place it under the sun for about 8-12 days. Now chop it to the required size using the cutter.
Step-3	Prepare a cow dung slurry and sprinkle it on the heap for quick decomposition.
Step-4	Add a layer (2 – 3 inch) of cement concrete at the bottom of the tank/pit.
Step-5	Now prepare fine bedding by adding partially decomposed cow dung, dried leaves and other biodegradable wastes collected from fields and kitchen. Distribute them evenly on the concrete layer.
Step-6	Continue adding both the chopped bio-waste and partially decomposed cow dung layer-wise into the tank/pit up to a depth of 0.5-1.0 ft.

Step-7	After adding all the bio-wastes, release the earthworm species over the mixture and cover the compost mixture with dry straw or gunny bags.
Step-8	Sprinkle water on a regular basis to maintain the moisture content of the compost.
Step-9	Cover the tank/pit with a thatch roof to prevent the entry of ants, lizards, mouse, snakes, etc. and protect the compost from rainwater and direct sunshine.
Step-10	Have a frequent check to avoid the compost from overheating. Maintain proper moisture and temperature.
Step-11	Collection of earthworms after Verm compost collection. Sieving of the composted material to separate fully composted ready material. The partially material will be again put into Vermi-compost bed.
Step-12	Storage of vermi compost in proper place to maintain moisture and allow the beneficial microorganism 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.)	::	1
6.3	Source of raw materials	::	From household and own farms
6.4	Source of other material	::	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	::	900Kg 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	::	To be supplied to different locations
7.3	Demand of the product in market place/s	::	HP Forest Deptt. is procuring huge vermi-compost for their nursery. Huge demand in locality for orchard use, area being an apple belt.
7.4	Process of identification of market	::	PMU will facilitate the tie up of procurement of vermi-compost produced by SHG with HP Forest Deptt.
7.5	Marketing Strategy of the	::	SHG members will also explore the

	product		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"	::	"Let's go organic"

8. SWOT Analysis

❖ Strength

- ☞ Each of the SHG members are having cattle varying from 2 to 4 in each household
- ☞ Families of SHG members are cultivating high value crops & vegetables which offers 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 shelf-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** - Collective

10. Cost analysis

(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 work-shed								
1	Hardware items, construction of pit (Size will be of 10ftX4ftX2ft)	Per member	9	6000	54000	0	0	0	0
2	Construction of cover shed	Per member	9	4000	36000				
	Sub-total (A.1)				90000	0	0	0	0
A. 2	Machinery and equipment								
2	Tools, equipment etc.	Per member	09	2000	18000	0	0	0	0
	Sub-total (A.2)				18000	0	0	0	0
	Total Capital Costs (A.1+A.2)				108000	0	0	0	0
B	Recurring Costs								
3	Seed earthworm	Per Kg	09	500	4500	0	0	0	0
4	Cost of procurement of Slurry/dung/waste	Tonnes	42	800	33600	35280	37044	33896	40841
5*	Labour Cost	Per tonne	21	700	14700	15435	16206	17016	17866
6	Packing materials	No.	182	40	7280	7644	8026	8427	8849
7	Other handling charges	Per tonne	21	150	3150	3307	3472	3646	3828

C	Other charges								
8	Insurance	L/S		0	0	0	0	0	0
9	Interest on loan	Per annum		0	0	0	0	0	0
	Total recurring costs				63230	61666	64748	67985	71384
	Total cost = Capital + recurring				171230	61666	64748	67985	71384
D	Income from vermicomposting								
12	Sale of vermicompost	Tonnes	21	6400	134400	147840	162624	178886	196775
13	Sale of earthworm					3500	7000	7000	7000
14	Total revenue				134400	151340	169624	185886	203775
15	Net returns (D-C)				- 36830	89674	104876	117901	132391

Note –

Activity on own land

All operations to be done by the members themselves

No extra labour cost, since all member will do the work themselves.

Abstract of Cost/ Benefit

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capital cost	108000	0	0	0	0
Recurring cost	63230	61666	64748	67985	71384
Total cost	146230	61666	64748	67985	71384
Total revenue	134400	151340	169624	185886	203775
Net profit	-36830	89674	104876	117901	132391

11. Gist of Economic Analysis

- Pit size for each member has been planned at 10X4X2 ft for one pit.
- Cost of production of vermi-compost has been estimated at Rs. 3.6 per Kg
- Sale of vermi-compost (conservative side) is proposed at Rs. 6 per Kg
- Net profit is estimated to be Rs. $6 - 3.6 = 2.4$ per Kg
- It is proposed that each member will produce 3.3 tonnes of vermi-compost every year resulting in production of 46.2 tonnes vermi-compost by all 14 members of SHG in one year.
- Cost of earthworm has been kept at Rs. 500.00 per kg
- During the second years onwards, there will be surplus earthworms for sale (as it will multiply during the process of production of vermi-compost)
- The vermi-compost making is a profitable IGA and therefore has been taken up by the SHG members.

12. Fund requirement:

Sl. No.	Particulars	Total Amount (Rs)	Project support	SHG contribution
1	Total capital cost	108000	81000	27000
2	Total Recurring Cost	63230	0	63230
3	Trainings/ capacity building/skill up-gradation	25000	25000	
	Total =	196230	106000	90230

Note-

- **Capital Cost** - 50% 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;	<ul style="list-style-type: none"> • 50% of capital cost will be utilized for construction of pit (Size will be of 10ftX4ftX2ft) • Rs 1 lakh as revolving fund will be parked in the SHG bank account (should be utilized for taking bank loan in case of taking loan from bank) or as a revolving 	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities.
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	fund.	
	<ul style="list-style-type: none"> • Trainings/capacity building/skill up-gradation cost. 	
SHG contribution	<ul style="list-style-type: none"> • 50% 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-gradationproposed/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 SHG – 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.

Group members Photos -



शशि देवी
शुक्ला



अमिता देवी
शुक्ला



विष्णु देवी



सुन्दरी देवी



पिशा देवी



विष्णु देवी



शशि देवी



अमिता देवी



विष्णु देवी

Prepared by: Narender Kumar FTU Co-Ordinator

The Business plan of Self Help Group Vermicompost.....SHG Chitama.....for the IGA
of Vermicompost was presented before the general house of VFDS....Nao..... for approval
After long discussion and thoughtful deliberations by the different members, the business plan was
approved for adoption in the SHG and further implementation by the members of the SHG

Dated:- 14/08/23

Place:- Nao

President SHG
सचिव
पलाना,
थारोली,
जिला शिमला

U.S. Mah B.O.
Nao
Treasurer
Block Forest Officer
Tharoch Range

President VFDS
ग्रामीण वन विकास समिति
नाओ, तै० नेरवा,
जिला शिमला, हि० प्र०

Ranger Forest Officer
Tharoch Forest Range
Tharoch


DMU-CUM Divisional Forest Officer
Chopal Forest Division, Chopal

ग्राम वन विकास समिति नाओ

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आज दिनांक 30/3/2023 को ग्राम वन विकास समिति नाओ की आम सभा आयोजित की गई जिसमें परियोजना के अन्तर्गत चल रहे कार्य की समीक्षा की गई। इस ग्राम विकास वन समिति नाओ का स्वयं सहायता समूह चिलाना को गठन किया गया है इस समूह ने बुनाई मशीन की आय सृजन गतिविधि का चयन किया था। और इसकी व्यवसाय योजना भी तैयार की गई थी व सक्षम अधिकारी से अनुमोदित भी है। आज की बैठक में स्वयं सहायता समूह के सदस्यों ने इच्छा जाहिर की है कि उन्हें बुनाई की जगह केंचुआ खाद बनाने अनुमति प्रदान की जाए क्योंकि समूह पर्याप्त करता है कि मशीन बुनाई की गतिविधि सतत रूप से आय सृजन के लिए भी ज्यादा लाभकारी प्रतीत नहीं हो रही है।

अतः अब केंचुआ खाद बनाने की व्यवसाय योजना तैयार की गई है। जिसमें समूह के सभी सदस्यों की सहमति है। ग्राम वन विकास समिति नाओ व स्वयं सहायता समूह चिलाना, वन मंडल अधिकारी चौपाल से इस नई व्यवसायी योजना के अनुमोदन हेतु सिफारिश करते हैं।



प्रधान
ग्रामीण वन विकास समिति
नाओ, तै0 नेरवा,
जिला शिमला, हि0 प्र0

Treasurer
Block Forest Officer
Lalpur Block
Tharoch Range

अस्तु देवी

प्रधान
स्वयं सहायता समूह चिलाना,
ग्राम पं0 पुजारली,
तै0 नेरवा, जिला शिमला