

BUSINESS PLAN

INCOME GENERATING ACTIVITY–VERMICOMPOSTING

by

HARIT KRANTI -Self Help Group



SHG/CIG Name	::	HARIT KRANTI
VFDS Name	::	Khagna-II
Range	::	Theog
Division	::	Theog

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	4
2	Beneficiaries Detail	5
3	Geographical details of the Village	5
4	Executive Summary	6
5	Description of product related to Income Generating Activity	6
6	ProductionProcesses	7
7	Production Planning	7
8	Sale &Marketing	8
9	SWOT Analysis	8
10	Description of Management among members	9
11	Description of Economics	12
12	Analysis of Income and Expenditure	12
13	Fund Requirement	13
14	Sources of Fund	13
15	Trainings/capacity building/ skill up gradation	13
16	Monitoring mechanism	14

Background

Vermicomposting 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 vermicomposting 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.

Vermicomposting 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 vermicomposting technology due to its established economic and environmental advantages.

Vermicomposting

Production of compost through rearing/using earth worms is called the vermicomposting technology. Under this technology, earthworms eat biomass and excrete it in a digested form which is known as vermicomposting or vermicompost. It is one of the simplest and cost effective methods for the production of composting for both the small and large scale farmers. Vermicompost 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

Vermicomposting, rightly called “gold from garbage” is the major input in organic agriculture production. Owing to simple technology, many farmers are engaged in vermicomposting production as it invigorates soil health, soil productivity reduces the cost of cultivation.

There is a gradual increase in demand for vermicompost due to the high level of nutrient contents.

1. Description of SHG/CIG

SHG/CIG Name	::	HARIT KRANTI
VFDS	::	Khagna-II
Range	::	Theog
Division	::	Theog
Village	::	Satal/Kadoti
Block	::	Cheog
District	::	Shimla
Total No. of Members in SHG	::	08 females
Date of formation	::	28/4/2023
Bank a/c No.	::	AWAITED FROM BANK SIDE
Bank Details	::	SBI-Dharech
SHG/CIG Monthly Saving	::	Rs 100/- per month per member
Total saving	::	Rs 3200/-
Total inter-loaning		---
Cash Credit Limit		---
Repayment Status		---

2. Beneficiaries Detail:

Sr. No.	Name (Phone number)	Father Name	Age	Education	Category	Income Source	Address
1	Reena (President) 94597-52342	Babloo	36	10 TH	SC	Agriculture	Padaar
2	Vinta (Secretary) 90154-96960	Pradeep	26	12 TH	Gen	Agriculture	Kadoti
3	Rekha (Treasurer) (7876424874)	Prataap Singh	34	10th	Gen	Agriculture	Kadoti
4	Sumna Devi 94597-46355	Bhagat Ram	54	5 TH	Gen	Agriculture	Kadoti
5	Champa Devi 94182-59522	Jagat Ram	57	5 TH	Gen	Agriculture	Saatal
6	Rukmi 86269-95079	Hari nand	38	10 TH	Gen	Agriculture	Saatal
7	Sumitra 89882-82251	Chet ram	63	5 TH	Gen	Agriculture	Saatal
8	Roshni 86278-90466	Keshav ram	40	UN-EDUCATED	SC	Agriculture	Saatal

3. Geographical details of the Village

3.1	Distance from the District HQ	::	53Km
3.2	Distance from Main Road	::	3Km
3.3	Name of local market & distance	::	Dharech (15 Km)
3.4	Name of main market & distance		Theog (35Km)
3.5	Name of main cities & distance		Theog (35Km)
3.6	Name of main cities where product will be sold/ marketed	::	Theog

4. Description of Product related to Income Generating Activity

4.1	Name of the Product	::	Vermicomposting
4.2	Method of product identification	::	This activity is being explained by JICA team from time to time
4.3	Consent of SHG/ CIG / cluster members	::	Yes

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.)	::	1
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	::	6tonnes per cycle
6.6	Expected production per cycle (Kg) per member	::	3tonnes (@50%) per cycle

7. Description of Marketing/ Sale

7.1	Potential market places	::	Theog, Fagu, Cheog
7.2	Distance from the unit	::	35kms to 65kms
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 SHG level product will be marketed by branding of respective SHG. Later this IGA may require branding at cluster level
7.7	Product "slogan"		"JAN JAN HARIT KRANTI"

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 5 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.
- ➔ Hard working group.

❖ **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

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 (Pit Size internal will be of 10ftX4ftX2.5ft)	Per member	8	6000	48000	0	0	0	0
2	Errrection of cover shed	Per member	8	4000	32000				
	Sub-total (A.1)				80000	0	0	0	0
A.2	Machinery and equipment								
3	Tools, equipment, weighing scale etc.	Per member	8	2000	16000	0	0	0	0
	Sub-total (A.2)				16000	0	0	0	0
	Total Capital Costs (A.1+A.2)				96000	0	0	0	0
B	Recurring Costs								
4	Lease of land for setting up unit	Per annum	8	0	0	0	0	0	0
5	Seed earthworm	Per Kg	8	500	4000	0	0	0	0
6	Cost of procurement of Slurry/dung/waste	Tonnes	0	0	0	0	0	0	
7	Labour cost	Per tonne	40	700	28000	29400	30870	32414	34034

7	Packing materials	No.	200	50	10000	10500	11025	11576	12155
8	Other handling charges	Per tonne	40	150	6000	6300	6615	6946	7293
C	Other charges								
9	Insurance	L/S			0	0	0	0	0
10	Interest on loan	Per annum		2 per cent	3000	3000	3000	3000	3000
	Total recurring costs				51000	49200	51510	53936	56482
	Total cost =(capital cost+recurring cost)				147000	49200	51510	53936	56482
D	Income from vermicomposting								
11	Sale of vermicompost	Tonnes	40	6000	240000	252000	264600	277830	291722
12	Sale of earthworm					7500	15000	15000	15000
13	Total revenue				240000	259500	279600	292830	306722
14	Net returns (total revenue-total (D-C) (240000-197000))				43000	210300	228090	238894	250240

Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capital cost	96000	0	0	0	0
Recurring cost	51000	49200	51510	53936	56482
Total cost	147000	49200	51510	53936	56482
Total benefits	240000	259500	279600	292830	306722
Net benefits	43000	210300	228090	238894	250240

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. 3.2 per Kg
- ➔ Sale of vermi-compost (conservative side) is Rs. 6 per Kg
- ➔ Net profit will be Rs. 2.8 per Kg
- ➔ It is proposed that each member will produce 2.7 tonnes of vermi-compost every year resulting in production of 40 tonnes vermi-compost by all 15 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 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	96000	72000	24000
2	Total Recurring Cost	51,000	0	51,000
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	Total =	197000	122000	75000

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

13. Sources of fund:

Project support;	<ul style="list-style-type: none"> • 75% of capital cost will be utilized for construction of pit (Size will be of 10ft X 4ft X 2ft) • Upto Rs 1 lakh will be parked in the SHG bank account. • Training/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	<ul style="list-style-type: none"> • 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. Training/Capacity Building/Skill Up-gradation

Training/capacity building/ skill up-gradation cost will be borne by project.

Following are some training/capacity building/ skill up-gradation proposed/needed:

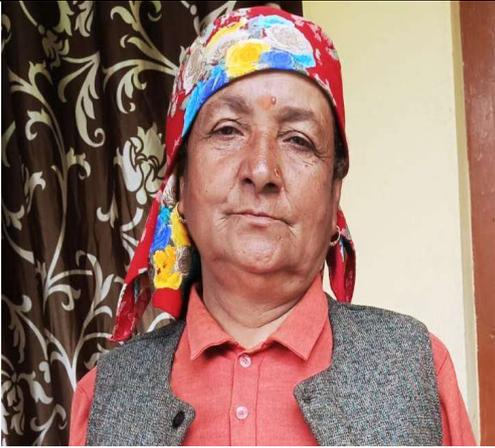
- ➔ Project Orientation Group Formation/ Reorganization
- ➔ Group Concept and Management
- ➔ Introduction to IGA (General)
- ➔ Marketing and Business Plan Development
- ➔ Bank Credit Linkages & Enterprise Development
- ➔ Exposure Visit of SHGs/ CIGs – Within the State& Outside State

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.

Group members Photos –

Sr.No.	Name	Photo
1	REENA	 A portrait of a woman with dark hair, wearing an orange shawl over a black top. The photo is framed in white and has a watermark 'itel P40 4G' at the bottom left.
2	VINTA	 A portrait of a woman wearing a red and white patterned headscarf, a blue top, and a brown vest. She is standing outdoors in a green, hilly area.
3	REKHA	 A portrait of a woman with dark hair, wearing a blue and white patterned top. The background is a pink wall.

4	SUMITRA	 A portrait of an elderly woman with a colorful, patterned headscarf. She is wearing a red collared shirt under a grey vest. The background is a brown curtain with a white floral pattern.
5	CHAMPA DEVI	 A portrait of an elderly woman wearing a red headscarf and a red top with a dark vest. She is standing outdoors in front of some trees.
6	SUMNA DEVI	 A portrait of an elderly woman wearing a colorful, patterned headscarf and a blue patterned vest. The background is a brown curtain with a white floral pattern.
7	ROSHNI	 A portrait of an elderly woman wearing a red headscarf and a patterned vest. She is standing outdoors with a clear sky in the background.

8	RUKMANI	
---	---------	--

Prepared by : SHG members in consultation with DMU Theog, FTU Theog Forest Range and JICA staff.

Annexure

We the member of group hereby consented to actively participate in the IG Activity opted by the group Harit Kranti SMG, as per the guideline of JICA Project For Improvement of HP Forest Ecosystems management and Livelihood and coordination with the VFDS.

The details of the members is as under:

	S.No.	Name (Phone number)	Father/Husband Name	Age	Education	Category	Income Source	Address	Sign
President	1	Reema Devi	Gabli	35	10 th	S-C	Agriculture	Satal	
Secretary	2	VINITA 91541150	PRADIP KUMAR	36	+2	General	Agriculture	Kadoti	Vineta
Treasurer	3	Kelka 7974-24574	LI. Bhat Singh	34	10 th	General	Agriculture	Kadoti	Kelka
	4	Champa Devi 9112-59522	Jagat Ram	57	Uneducated	General	Agriculture	Satal	
	5	RUKMANI 86257-9579	Hari Nand	38	10 th	General	Agriculture	Satal	Rukmani
	6	Sumitra 9153-1232	Jagat Ram	73	Uneducated	General	Agriculture	Satal	Sumitra
	7	SUMINA	LI. Bhajal Ram	54	Uneducated	General	Agriculture	Kadoti	Sumina
	8	Rachana 7807711992	Kelka	39	Uneducated	S-C	Agriculture	Satal	Rachana
	9								

Business Plan Approval by VFDS

Hant Krant Group will undertake the Vermicomposting.....

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 amount Rs. 1,17,000. has been submitted by this group on Dated 25/3/2023 and the Business Plan has been approved by VFDS ..Khagana - II

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

Thank You

✓ Rema Devi
प्रधान
सचिव
सहित्वात्मिक स्वयं सहायता समूह
खगना-II ग्राम पंचायत सतोग
तह. डियोग जिला शिमला (हि.प्र.)

Vineta
प्रधान
सचिव
सहित्वात्मिक स्वयं सहायता समूह
खगना-II ग्राम पंचायत सतोग
तह. डियोग जिला शिमला (हि.प्र.)

Resolution-cum-Group-Consensus Form

It is decided in the General House Meeting of the group Hart Kranti

Held on 22/6/2023 at Sathal Village that our group will undertake the Verni-Confestry as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted)

Taran

प्रधान
हरित क्रांति स्वयं सहायता समूह
खण्ड-11 ग्राम पंचायत सतोग
तह. टिबोय जिला शिमला (हि.प्र.)
Signature of Group President

राधिय

Vinda

प्रधान
हरित क्रांति स्वयं सहायता समूह
खण्ड-11 ग्राम पंचायत सतोग
तह. टिबोय जिला शिमला (हि.प्र.)
Signature of Group Secretary

<p>1. <u>Khagna-II</u>..... VFDS</p> <p>President</p> <p><u>President</u> VFDS Khagna - II</p>	<p>2. <u>Harit Kranti</u>.....SHG</p> <p>President</p> <p><u>Pranav</u> प्रधान हरित क्रांति स्वयं सहायता समूह खगना-II ग्राम पंचायत सतोग तह. डियोग जिला शिमला (हि.प्र.)</p>
<p>3. <u>Khagna-II</u>.....VFDS</p> <p>Secretary</p> <p><u>Member Secretary</u> VFDS Khagna - II</p>	<p>4. <u>Harit</u>.....SHG <u>Harit Kranti</u></p> <p>Secretary</p> <p><u>Pranav</u> प्रधान हरित क्रांति स्वयं सहायता समूह खगना-II ग्राम पंचायत सतोग तह. डियोग जिला शिमला (हि.प्र.)</p>

Submitted to DMU through FTU

[Signature]
Name and Signature of FTU officer

<p>प्रधान हरित क्रांति स्वयं सहायता समूह खगना - II</p> <p>सचिव</p> <p>Signature of SHG Secretary</p>	<p>प्रधान हरित क्रांति स्वयं सहायता समूह खगना - II</p> <p>सचिव</p> <p>Signature of SHG President</p>
<p>Member Secretary... VFDS Khagna - II</p> <p>Signature of VFDS Secretary</p>	<p>President... VFDS Khagna - II</p> <p>Signature of VFDS President</p>
<p>Signature of Forest Guard</p>	<p>Signature of Block Officer VFDS Khagna - II</p>
<p>Signature of CEO</p>	

Approved
Approved by DMU

D.F.O.
Theog