

BUSINESS PLAN

INCOME GENERATING ACTIVITY-VERMICOMPOST

by

Khaad Shakti -Self Help Group



SHG/CIG Name	::	KHAAD SHAKTI
VFDS Name	::	Bhalyana/Jarashi
Range	::	Theog
Division	::	Theog

Prepared under-



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

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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	::	Khaad Shakti
VFDS	::	Bhalyana/Jarashi
Range	::	Theog
Division	::	Theog
Village	::	Bhalyana
Block	::	Theog
District	::	Shimla
Total No. of Members in SHG	::	12 females
Date of formation	::	27-03-2023
Bank a/c No.	::	1038000100082243
Bank Details	::	PNB, Sainj
SHG/CIG Monthly Saving	::	100/- per month per member
Total saving	::	Rs 6000/-
Total inter-loaning		---
Cash Credit Limit		---
Repayment Status		---

2. Beneficiaries Detail:

Sr. No.	Name (Phone number)	Father/Husb Name	Age	Education	Category	Income Source	Address
1	Leela Devi (President) 98169-10282	Roshan Lal	58	8 th	SC	Agriculture	Bhalyana
2	Poonam (Secretary) 98161-74976	Sandeep	34	M.A.	GEN	Agriculture	Bhalyana
3	Meena Devi (Treasurer) 82787-16702	Munish	26	12 th	SC	Agriculture	Bhalyana
4	Usha	Rajinder	38	10 th	GEN	Agriculture	Jarashi
5	Veena Devi	BudhiRam	44	8 th	SC	Agriculture	Bhalyana
6	Usha-2	D/O Anant Ram	37	8 th	SC	Agriculture	Bhalyana
7	Shakuntla	D/O Sanya	46	12 th	SC	Agriculture	Bhalyana
8	Kaushalya	Sohan lal	56	5 th	GEN	Agriculture	Bhalyana
9	Bimla	Pania ram	63	Un-educated	SC	Agriculture	Bhalyana
10	Durgo Devi	Heera Singh	60	Un-educated	GEN	Agriculture	Bhalyana
11	Shakuntla-2	Devi Singh	53	5 th	GEN	Agriculture	Bhalyana
12	Subhadra	Surat Ram	69	Un-educated	GEN	Agriculture	Bhalyana

3. Geographical details of the Village

1	Distance from the District HQ	::	50Km
2	Distance from Main Road	::	100m
3	Name of local market & distance	::	Sainj (2Km)
4	Name of main market & distance	::	Theog(20km)
5	Name of main cities & distance	::	
6	Name of main cities where product will be sold/ marketed	::	Theog(20km) Shimla(50Km)

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, Gumma, Kotkhai
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"		“ ”

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	12	6000	72000	0	0	0	0
2	Errrection of cover shed	Per member	12	4000	48000				
	Sub-total (A.1)				120000	0	0	0	0
A.2	Machinery and equipment								
3	Tools, equipment, weighing scale etc.	Per member	12	2000	24000	0	0	0	0
	Sub-total (A.2)				24000	0	0	0	0
	Total Capital Costs (A.1+A.2)				144000	0	0	0	0
B	Recurring Costs								
4	Lease of land for setting up unit	Per annum	12	0	0	0	0	0	0
5	Seed earthworm	Per Kg	12	500	6000	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				53000	49200	51510	53936	56482
	Total cost =(capital cost+recurring cost)				197000	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	144000	0	0	0	0
Recurring cost	53000	49200	51510	53936	56482
Total cost	197000	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 earthworm 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	144000	108000	36000
2	Total Recurring Cost	53,000	0	53,000
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	Total =	247000	113000	89000

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 	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities.
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	<p>account.</p> <ul style="list-style-type: none"> • Training/capacity building/ skill up-gradation cost. 	
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.	Leela Devi	 A portrait of a woman with her eyes closed, wearing a white high-collared jacket and a dark patterned headscarf.
2.	Poonam	 A portrait of a woman wearing a colorful floral headscarf, a pink nose ring, and a black top with a pink collar.
3.	Meena Devi	 A portrait of a woman with her hair pulled back, wearing a dark top, looking slightly to the right.

4.	Usha	
5.	Veena Devi	
6.	Usha-2	

7.	Shakuntla	 A portrait of a woman with dark hair, a bindi on her forehead, and a nose ring. She is wearing a light-colored shawl with a pink border.
8.	Kushalya	 A portrait of a woman wearing glasses, a colorful patterned headscarf, and a bindi. She is wearing a white top and a necklace.
9.	Bimla	 A portrait of a woman wearing a yellow headscarf, a bindi, and a purple top with a grey vest. She is standing in front of a window with a blue frame.

10.	Durgo Devi	
11.	Shakuntla-2	
12.	Subhadra	

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, Khaad Shakti..... 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	Leela Devi 9816930282	Rashan Lal	58	8th	SC	Agriculture	Bhalyana	Leela
Secretary 2	Toonam 9856174476	Sandeep	34	MA(Pol.Sc.)	Gen	Agriculture	Bhalyana	Sandeep
Treasurer 3	Meena Devi 927811702	Manish Kumar	26	12th	SC	Agriculture	Bhalyana	Meena
4	Usha 9520634501	Rajinder	38	10th	Gen	Agriculture	Jarashi	Usha
5	Veena Devi	Budhi Ram	44	8th	SC	Agriculture	Bhalyana	Veena
6	Usha-2	S/O Arant Ram	37	8th	SC	Agriculture	Bhalyana	Usha
7	Shakuntla	D/O Samya	46	12th	SC	Agriculture	Bhalyana	Shakuntla
8	Kushalya	Sohan Lal	56	5th	Gen	Agriculture	Bhalyana	Kushalya
9	Bimla	Pania Ram	63	Uneducated	SC	Agriculture	Bhalyana	Bimla
10	Durga Devi	Heera Singh	60	Uneducated	Gen	Agriculture	Bhalyana	Durga Devi
11	Shakuntla-2	Devi Singh	53	5th	Gen	Agriculture	Bhalyana	Shakuntla
12	Sukhadra	Surat Ram	59	Uneducated	Gen	Agriculture	Bhalyana	Sukhadra
13								
14								
15								
16								
17								
18								
19								
20								

Left hand side
(Signature)

Business Plan Approval by VFDS

Khaad Shakti 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. has been submitted by this group on Dated..... and the Business Plan has been approved by VFDS. Bhalyema/Jarashi

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

Thank You

✓
प्रधान Lalo
खाद शक्ति स्वयं सहायता समूह
भल्याणा/जराशी ग्राम पंच सैन्य
तह. टियोग जिला शिमला (हि.प्र.)

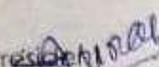
सचिव
Group President
Signature of Group Secretary
प्रधान Schakti
खाद शक्ति स्वयं सहायता समूह
भल्याणा/जराशी ग्राम पंच सैन्य
तह. टियोग जिला शिमला (हि.प्र.)

Resolution-cum-Group-Consensus Form

It is decided in the General House Meeting of the group Khadd Shakti
Held on 3/7/2023 at Bhalyama Village.....that our group will undertake the
Vermicomposting as Livelihood Income Generation Activity under the Project for
Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods
(JICA Assisted)

✓ Leela
प्रधान सचिव
Signature of Group President
खाद शक्ति स्वयं सहायता समूह
भल्याणा/जरासी ग्राम पो. सेन्च
तह. ठियोग जिला शिमला (हि.प्र.)

Devi
प्रधान सचिव
Signature of Group Secretary
भल्याणा/जरासी ग्राम पो. सेन्च
तह. ठियोग जिला शिमला (हि.प्र.)

<p>1. Bhatiyana/Jarashi VFDS</p> <p>President  Bhatiyana VFDS Jarashi Teh. Theog, Dist. Shimla (H.P.)</p>	<p>2. Khead Shakti SHG</p> <p>✓ प्रधान Leelo सचिव President खाद शक्ति स्वयं सहायता समूह भल्याणा/जराशी ग्राम पंच सीन्ज तह. ठियोग जिला शिमला (हि.प्र.)</p>
<p>3. Bhatiyana/Jarashi VFDS</p> <p>Secretary  Bhatiyana VFDS Jarashi Teh. Theog, Dist. Shimla (H.P.)</p>	<p>4. Khead Shakti SHG</p> <p> प्रधान सचिव Secretary खाद शक्ति स्वयं सहायता समूह भल्याणा/जराशी ग्राम पंच सीन्ज तह. ठियोग जिला शिमला (हि.प्र.)</p>

Submitted to DMU through FTU

Name and Signature of the officer

 (YOGINDER BHAKTA)

<p>प्रप्रधान <i>Rchochi</i> ✓ खाद शक्ति स्वयं सहायता समूह मल्यापारा जखखरी: माम, ४०, सेकज तह: ठियोग जिला शिमला (हि.प्र.)</p> <p>Signature of SHG Secretary</p>	<p>✓ प्रधान <i>lebo</i> सचिव खाद शक्ति स्वयं सहायता समूह मल्यापारा जखखरी: माम, ४०, सेकज तह: ठियोग जिला शिमला (हि.प्र.)</p> <p>Signature</p>
<p><i>Phukun</i> Secretary Signature of VED Secretary Teh. Theog, Dist. Shimla (H.P.)</p>	<p><i>Elurel</i> President Signature of VED President Teh. Theog, Dist. Shimla (H.P.)</p>
<p><i>Sharma</i> Signature of Forest Guard</p>	<p><i>byat</i> Treasurer Signature of VED Treasurer Teh. Theog, Dist. Shimla (H.P.)</p>
<p><i>g</i> Signature of District Officer Theog Forest Range Theog</p>	

(Signature)
 Divisional Management Office
 Theog, Forest Division, Theog