



**Income Generation Activity
Medicinal Plant Propagation Business Plan
2021**



VFDS Name	:	Veh
FTU/Range	:	Kangoo
DMU/Division	:	Suket
FCCU/Circle	:	Mandi

**Sponsored by
PIHPFEM&L**

**Prepared by:-
DMU Suket, FTU Kangoo & VFDS Veh**

Table of Contents

Sr. No	Particulars	Page
1	Introduction	1-2
2	Executive summary	2-5
3	Geographical detail of the Village	5
4	Description of product related to Income Generating Activity.	6
5	Production Processes.	6
6	Description of Production Planning	7
7	Sale and marketing	7-8
8	Description of Management among the Members	8
9	SWOT Analysis	8
10	Description of Potential risks and measures to mitigate them.	8-9
11	Description of Economics of the Project	9-11
12	Summary of Economics	12
13	Benefit cost Analysis	12-13
14	Fund Requirement	13
15	Computation of break-even Point	13
16	Fund flow	14
17	Sources of fund	14
18	Trainings/capacity building/skill up-gradation	14
19	Bank Loan Repayment	15
20	Remarks	16
21	Annexure	17

1. Introduction

Medicinal plants are a great gift to mankind due to their therapeutic uses. *Emblica officinalis* (also known as Ambla, Ambla or Indian gooseberry), belonging to the family Euphorbiaceae, is a deciduous tree with feathery, light green foliage attaining average height of 5.5 m and girth of 70 cm. This plant is native to India and occurs from subtropical to sub-temperate areas of Himachal Pradesh at an elevation of (700-1600) m. Besides being an important ingredient of 'triphala' (an Ayurvedic preparation), it is the principle constituent ingredient of *Chyavanprash*, an important ayurvedic health promoting tonic. It is considered to be a potent rejuvenator and immuno-modulator effective in stalling degenerative processes/senescence and promoting longevity, enhancing digestion, treating constipation, reducing fever and cough, alleviating asthma, strengthening the heart, stimulating hair growth, enlivening the body, enhancing intellect and suppressing cancerous cells.

Terminalia chebula, belonging to the family Combretaceae, is a deciduous tree attaining a height of (15-24) m with clear bole and girth of 1.5 to 2.4 m. It is frequently found in tropical and sub-tropical zones, mostly in hilly tracks. In Himachal Pradesh, the species is confined to sub-tropical zone (400m -900m). Being an important ingredient of 'triphala', an Ayurvedic formulation, it is used in the treatment of constipation, colic pain, kidney dysfunctions, eye diseases and sore throat.

Sapindus mukorossi (commonly known as soap nut or reetha) is a large sized deciduous tree belonging to the family Sapindaceae. It may grow up to a height of (12-20) m with a girth of about (3-5) m in nearly 70 years. The plant is indigenous to India and China and prefers tropical and sub-tropical regions of the Indian Continent. It has widely grown in the upper reaches of Indo Genetic plains, Shivaliks and sub-Himalayan tracts at an elevation of (200-1500) m. This plant is quite common in Shivaliks and the outer Himalayas of Himachal Pradesh. According to Ayurveda, Reetha is a perfect medicine for the treatment of skin and psychiatric disorders. In addition to that, it is used as a hair cleanser traditionally. Due to this, it is used in making formulations which are used as hair care products for maintaining hair shiny, lustrous and healthy.

While traversing through district Mandi, the natural zone of occurrence of the above mentioned species have been found at the aforementioned altitudinal ranges. Therefore, it is felt that if the propagation of these species is initially undertaken in district Mandi, the same may easily be developed into a model site and replicated to other appropriate areas subsequently.

Scheme: The scheme includes identification of areas in the above altitudinal zone of Mandi District as per availability, suitable soil and water source. CIGs of interested families will be formed to take up its propagation in the adjoining fenced forest plantation areas of VFDS. In order to compare and monitor the progress more efficiently, the propagation will also be undertaken on private land. Once the

cultivation or propagation is initiated, a shed will be set up on private land or room will be hired for storage and working on cleaning and packaging of the obtained material for marketing. Marketing will be carried out by the marketing committee set up at Cluster level of VFDS and under the aegis of Manager (Marketing) from PMU.

Activities: The suitable area has been ear-marked at ND-324 Dratak Forest, Village Veh, Kangoo Forest Range of Suket FD (Distt. Mandi) under the batch-II enlisted and raised VFDS. Depending on the soil moisture and season, the irrigation in pit areas is required and the plants may need to be irrigated at least once a week in summers.

VFDS Veh has consented to cultivate medicinal plants by raising plantation of grafted plants comprising of Harad, Ambla and Reetha to enhance their income. To raise their socio-economic conditions, they decided to cultivate Medicinal Plants. A technical input for preparing Business plan was provided by Dr. Kamal Sharma, Dean COHF Neri. Team consisting of Dr. Akhilesh Thakur, Manager Enterprise Development o/o CPD JICA, Sh. Vijay Kumar SMS, o/o DMU Sunder Nagar, Mr. Jitender Kumar, Forest Guard, Jyor Beat prepared the business plan under the constant supervision and guidance of V. P. Pathania, Rtd. DFO.

2. Executive summary

Veh VFDS: -

Veh VFDS is part of Veh revenue Mohal and the VFDS is constituted of ward III of Gram Panchayat Salwana. It is located in Dehar block of Mandi district in Himachal Pradesh and lies between 31.4628132°N latitude- 76.8402296°E longitudes. The Veh VFDS falls under Jyor beat of Dehar forest block of Kangoo Range in Suket forest Divisional Management Unit (DMU)

Important features of VFDS: -

The area is famous for Mango orchard. The mangos are known for its quality. The area is located in sliding zone so namely as Veh.

No. of Households	112
BPL families	20=17.86%
Total population	364
Total Cattle	372

Veh VFDS

Name of VFDS	::	Veh
Range	::	Kangoo
Division	::	Suket
Village	::	Veh
Block	::	Sunder Nagar
District	::	Mandi
Total no of members in VFDS	::	162
Date of formation	::	February 2021
Bank Name and details	::	PNB Jarol IFSC Code PUNB0203200
Bank A/C No. FEMP	::	2032000100111199
CD & LI Account		2032000100112064
Total inter-loaning	::	Yes
Repayment status		Quarterly Bases

Geographical detail of the Village

3.1	Distant from District HQ	:	16 km
3.2	Distant from Main Road	:	6 Km (But from link road 100 to 200 mts) approximately
3.3	Name of Local Market and distant	:	Sunder nagar, 16kms, Mandi 40 kms app.
3.4	Name of main Cities and distant	:	Sunder nagar, 16kms, Mandi 40 kms app.
3.5	Name of the main cities where Products will be sold/ marketed	:	Sundernagar, Jarol

Description of product related to Income Generating Activity.

4.1	Name of the Product	::	The Group will be involved in propagation of Harad, Reetha and Ambla in Govt Land (ND 324 Dratak)
4.2	Method of Product Identification	::	Though the entire Group member grows seasonal vegetable crops. As their land holding is very small, has reached in saturation point of production, so they are not able to meet out their financial requirements' therefore it has been decided by the VFDS member for propagation of Harad, Reetha and Ambla in Govt Land (ND 324 Dratak) which will enhance their income. Further they usually go to sell their vegetable crops in Sunder nagar Market. Market linkages are already in place. They do not have to spend extra time and money for marketing Harad, Reetha and Ambla raw material.
4.3	Consent of VFDS Executive	::	Consent is attached as an Annexure.

Production Processes

The plantation will be carried out in DPF Dratak over an area of 10 hac with Harad, Ambla and Reetha of a grafted origin. The cost of planting material will be borne by the project. The plantation will be looked after by the VFDS for the first five years for which no support by the Project. Moreover watering facility to the plants in the dry season during the first year will be supported by the project to tune of Rupees one lac. The planting of these grafted plants are to be done in the same area which is proposed for planting under PFM Mode. Hence, the soil conservation works proposed under Scheme amounting to Rs. 123750/- are available. The SMC proposed in module are for the purpose of calculation of cost benefit ratio.

Description of Production Planning:

Production Cycle (5 years):

The grafted plants of above mentioned spp. start bearing fruits of commercial value after a span of five years. Hence, all the operations such as protection of plantation will be sole responsibility of the VFDS as no usufruct sharing between FD and VFDS of the product.

Manpower required (Number):

Initially whole VFDS will work together to Plant the grafted stock, for which total support will be offered by the project. Later on all the members will decide the division of labour among themselves.

Source of raw material:

College of Horticulture and Forestry, Neri Distt. Hamirpur Himachal Pradesh

Source of other Resources: -do-

Quantity required:

Harad =700

Ambla=300

Reetha=300

Expected production:

Harad =175 Qtl

Ambla= 75 Qtl

Reetha= 30 Qtl

Total = 280 Qtl

Description of Marketing /Sale

Potential Market Places	::	Jarol, Mandi, Sundernagar.
Distance from unit	::	Jarol 6 kms Sundernagar 16 kms and Mandi 40 kms
Demand of the Product in Market		Harad, Ambla and Reetha are always in demand throughout the year.
Process of Identification of Market	::	The market for Herbal products is well established in Sundernagar as well as Mandi town.
Impact of seasonality on Market.	::	Harad, Ambla and Reetha are all weather Nuts and can be stored in all weather conditions.

Potential buyers of the Product	::	Potential Market Buyers are Pharmacies and local Pansari etc.
Potential consumers in the area.	::	All Health-conscious citizens /Households and Pharmas
Marketing mechanism of the Product.	::	Annual supply at the time of ripe of crop.
Marketing strategy of the Product.	::	Initially group will contact Pharmas around Sunder nagar and other Distt. The Jadi Buti Cell will also help in locating market for the product or for value addition.

Description of Management among the Members

All Members will take part in plantation and divide themselves for daily works after one year for the protection of the plantation.

SWOT Analysis

Sl.no	Detail/Items	:	Description
1.	Strength	::	All Group members are like minded, well adapted to local and social environment. Production cost is less, Produce is of high quality and Demand, growing cycles are long, and production will be once in a year. Grafted plants are made available with College of Horticulture and Forestry, Neri Distt. Hamirpur Himachal Pradesh For VFDS Financial support, Trainings and exposures will be organized by JICA Forestry Project (Jadi Buti Cell).
2.	Weakness	::	New VFDS, lack of experience in propagation of Medicinal Plants.
3.	Opportunity	::	Demand is high and return is low at initial stage.
4.	Threats	::	Internal Conflict in Group, lack of Transparency, and lack high Risk bearing capacity

Description of Potential risks and measures to mitigate them

Potential risks	:	Measures to mitigate them.
At times Fungal infection can destroy the crop	:	Time to time inspection of the plantation and in case of infection if any observed early spray of fungicide advised
Market saturation	:	The material can be stored during down markets of the products.

Internal Conflict in Group, Transparency	:	Conflicts to be dealt within the initial stage, to eradicate the cause. Equal exposure to all VFDS members, equal benefit sharing needed Give Respect, and honour to every member.
Market	:	Market is always fluctuating; Demand and supply are always at variance. So members to keep on searching new markets and buyers.
Production	:	Production will be increased slowly as per the market Demand and members' experience.

Description of Economics of the Project

No.	Activities	Units	Quantity	Norms	Cost
1	Constitution of CIG from VFDS	1	1		
A.	PROJECT COST				
	Capital cost				
A.1	Planting material cost	Harad 700	10 Hac.	70	49000
		Ambla 300		50	15000
		Reetha 300		50	15000
		Total 1300			79000
A.2	Agricultural Implements	LS	LS	LS	7000
A.3	Digging of pits (90x90x90) cm size	%	700	145.35	101745
A.4	Filling of pits (90x90x90) cm size	%	700	12.38	8666
A.5	Digging of pits (60x60x60) cm size	%	600	40.66	24396
A.6	Filling of pits (60x60x60) cm size	%	600	8.25	4950
A.7	Planting of plants in P-bags	%	1300	5.08	6604
A.8	Potassium acrylate	LS		LS	7000
	Total (A.1+A.2+A.3+A.4+A.5+A.6+A.7+A.8)				239361

B.	RECURRING COST of First Five years (5 Years)	
B.1	Cost of Rented Room 1 Hall (for Harad, Amla and Reetha as well as office) @ Rs. 1000/ Month. (60 months)	60,000
B.2	Electricity and water usage charges @ Rs1000 per month	60000
B.3	Collection and Carriage of material 150 man days @300	45000
B.4	Cleaning & Packing cost	21,000
B.5	Packaging material cost	13500
B.6	Cost of labels	1,000
B.7	Transportation	6000
B.8	Sale & Auction	1,000
B.9	Miscellaneous expenditure (stationery, Bill book, receipt etc.)	1500
B.10	General Overheads/Other Charges	50,000
	Total	2,59,000
	Recurring Cost of First Five years =B.1+B.2+B.3+B.4+B.5+B.6+B.7+B.8+B.9+B.10	2,59,000
	Total Project cost (A+B)= 239361+ 2,59,000= 498361	498361

Benefit Analysis (First Five years):-

Sr. No	Particular	Unit	Quantity/no	Rate	Amount (Rs)
A	Depreciation 10% on Capital Cost	Years	5	10%	3500
B	Recurring Cost for 5 Years				
1.	Cost of Rented Room 1 Hall (for Harad, Amla and Reetha as well as office) @ Rs. 1000/ Month. (60 months)	Years	5	12000	60,000
2.	Electricity and water usage charges @ Rs1000 per month	Years	5	12000	60000
3.	Collection and Carriage of material 150 man days @300	No.	150	300	45000
4.	Cleaning & Packing cost	Man Days	70	300	21000
5.	Packaging material cost		280	30	8400
6.	Cost of labels		1	1000	1000
7.	Transportation	Qtl	280	L/S	6000
8.	Sale & Auction		L/S	L/S	1000
9.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	L/S	1500
10.	General Overheads/Other Charges		L/S	L/S	50000
	Total B				253900

	Total (A+B)			257400
13.	Total Production in Kg.	Harad 17500 kg Amla 7500 kg Reetha 3000 kg		
14.	Sale of Production in Kg.	Harad 17500 kg @ Rs 20 =350000 Amla 7500 kg @ Rs 20 =150000 Reetha 3000 kg @ Rs 60 =180000		680000
		Total		680000
15.	Total Benefit	680000-(239361+ 2,59,000)		181639
16.	Gross profit	Total Profit + Labour wages+ Room Rent 181639+212361+60000=454000		454000

C.	INCOME		
C.1	Direct income		
	(i) First Cycle Hrad, Amla and Reetha (First five Years)		181639
	Total Direct Income		181639
C.2	Indirect Income		
	Labour wages		
	(i) First Cycle		212361
		Total	212361
	Room Rent		
	(i) First Cycle		60000
		Total	60000
	Total Indirect Income		454000
	Gross Income		454000

Summary of Economics

(a) Cost of Production in First Five Years

Sr. No.	Particular	Amount in Rs.
1	Total Recurring Cost (i) First Cycle (First Five Years) Harad, Amla and Reetha	2,53,900
	Total	2,53,900
2	10% Depreciation values on Capital Cost (5 Years).	3500
	Total	257400

(b) Abstract of Production Cost

Sr.No	Details	Amount (Rs)
1	Recurring cost	2,53,900
2	10% depreciation value on capital cost	3500
	Total	257400

(c) Assessment of sale value

Sr. No	Details	Unit	Amount(Rs)
1	Recurring cost (257400/28000)	Kg	9.19
2	Profit Fixed 69%	Kg	20.81
	Total		30
3.	Market Price	Kg	29

Benefit Cost Analysis (5 Years)

Sr. No	Particulars	Amount(Rs)
1	10% depreciation on capital cost (a)	3500
2	Recurring cost (b)	
2.1	Room Rent	60000
2.2	Labour	212361
2.4	Packaging (packaging material etc.)	13500
2.5	Transportation Charges	6000
2.6	Electricity and water usage	60000
2.7	Miscellaneous expenditure (stationery, Bill book,	1500

	Receipt etc.)	
2.8	General Overheads/Other Charges	50,000
	Total	403361
3	Total Production of Harad, Amla and Reetha	28000 Kg
4	Sale value of Harad, Amla and Reetha	812000
	Total	812000
5	Total Profit = Sale value-(Capital cost + Recurring cost) =812000-(239361+259000)	313639
7	Gross Profit= Total profit + Labour wages + Room rent =313639+212361+60000	586000

Resources of Funds and Fund Requirement

Sr. No	Detail of Resources	Amount in Rs.
1	Project share on Capital cost of 239361 (100%)	239361
	Total	239361

- 100% of Capital cost (239361) will be borne by Project (Jadi Buti Cell)

Computation of Break – even Point

Break-even Point=Capital Cost/Sale/kg.-Recurring Cost/Kg.

$$=239361/30 -9.19$$

$$=239361/20.81=11502.21 \text{ Kg}$$

After sales of 11502.21 kg of Harad, Ambla and Reetha breakeven point can be achieved after Five Years and Eight Months including five years of non- production period of plantation.

Fund flow

Sr.No.	Particulars	Total Amount (Rs)	Project support	SHG Contribution
1	Total capital cost	239361	239361	-
2	Total Recurring Cost	2,59,000	-	2,59,000
3.	Trainings/capacity building/ skill up-gradation	60000	60000	-
	Total	558361	299361	259000

Note-

- The VFDS will be provided as one time support for the capital cost amounting to rupees 239361.
- The recurring Cost will be borne by the VFDS members.
- Trainings/capacity building/skill up-gradation expenditure will be borne by the project.

Sources of fund

Project support	<ul style="list-style-type: none">• 100 % of capital cost will be utilized for purchase of plants including planting and equipment's as detailed above.• Trainings/capacity building/ skill up-gradation cost.	Procurement of plants including planting and machineries/equipment will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none">• Recurring cost to be borne by SHG	

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:

- Cost effective procurement of raw material
- Quality control
- Packaging and Marketing
- Financial Management

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.

Monitoring Method –

At the initial stage baseline survey and yearly survey will be conducted of the beneficiaries.

Some key indicators for the monitoring are as:

- Size of the group
- Fund management
- Investment
- Income generation
- Production level
- Quality of product
- Quantity sold
- Market reach

Remarks:

The forth coming vision of the Group is to enhance their income by value addition in the form of manufacturing by products from the raw material.

Total Cost of Project

Capital cost = 239361

Recurring cost = 259000

Total cost for the propagation of medicinal plants = 498361


Annexure

We the member VFDS here by consented to actively participate in the IGA activity opted by the VFDS (Propagation of Medicinal Plants) as per the guideline of JICA project For Improvement of H P Ecosystems management and livelihood and coordination with the VFDS.

The detail of members is as under

Sr. No.	Name	Male/ Female	Designation	Signature
1.	Sh. Surender Kumar S/o Sh. Sant Ram, Village Veh, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No. 88949-32458	Male	President	<i>Surender Kumar</i>
2.	Smt. Rekha Devi W/o Sh. Raj Kumar, Village Veh, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No.98164-34642	Female	Vice President	<i>रेखा देवी</i>
3.	Smt. Monika Devi W/o Sh. Monu, Village Veh, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No. 88949-49021	Female	Joint Secretary	<i>Monika Devi</i>
4.	Smt. Neelam Devi w/o Sh. Dinesh Kumar, Village Veh, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No.78077-02364	Female	Member Secretary	<i>Neelam Devi</i>
5.	Smt. Ravinder Kumar s/o Sh. Sada Ram, Village Sangaswin, P.O. Barthi, Teh. Jhanduta, Distt. Bilaspur, Himachal Pradesh (Dy. Ranger) (B.O. Kangoo) Mob No.94185-01936	Male	Treasurer	<i>Ravinder Kumar</i>
6.	Sh. Ambru s/o Sh. Krishan Village Veh, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No. 89885-98501	Male	Member	<i>अमर - राय</i>
7.	Smt. Jaiwanti Devi w/o Sh. Ravi	Female	Member	<i>Jaiwanti Devi</i>

	Kumar, Village Veh, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No.78075-88606			
8.	Smt. Anita Devi w/o Sh. Roshan Lal, Village Veh, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No. 98168-81805	Female	Member	Anita Devi
9.	Smt. Chinta Devi, w/o Sh. Babu Ram, Village Pukhar, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No.98821-10923	Female	Member	चिंता
10.	Sh. Ranvir Singh s/o Sh. Sohan Lal, Village Fagala, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No. 98160-57276	Male	Member	Ranvir Singh
11.	Smt. Leela Devi w/o Sh. Dhanu Ram, Village Veh, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No.96257-67740	Male	Member	लीला देवी
12.	Sh. Ramesh Chand s/o Sh. Kala Ram, Village Veh, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No.98165-69493	Male	Member	Ramesh
13.	Smt. Vaishali w/o Sh. Sharwan Thakur, Village Veh, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No.85805-17578	Female	Member	Vaishali
14.	Smt. Meena Devi w/o Sh. Daya Ram, Village Veh, P.O. Salwana, Tehsil	Female	Member	मीना देवी

	Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No.98052-23931			
15.	Smt. Naina Devi w/o Sh. Ishu Ram, Village Fagla, P.O. Salwana, Tehsil Sunder Nagar, Distt. Mandi, Himachal Pradesh Mob No. 94185-43528	Female	Member	नैना देवी
16.	Sh. Jitender Kumar s/o Sh. Rajesh Kumar, Village Nalani, P.O. Maloh, Teh. Sunder Nagar, Distt. Mandi, Himachal Pradesh I/C Incharge Jyor Beat(Forest Gaurd) Mob No. 82193-47015	Male	Member	

Monika Devi
Signature of VFDS Secretary

Guren Singh Kangra
Signature of VFDS Pradhan
विकास समिति, बह
मण्डला, तह० सुन्दरनगर,


Signature of Fgd


Signature of Block Officer


Range Forest Officer,
Kangoo Forest Range,
Sundernagar (H.P.)
Signature of RFO

Recommend DMU


Divisional Forest Officer
Suket Forest Division
Sundernagar (H.P.) - 175018

Approved