



## Income Generation Activity Business Plan Aloe Vera Cultivation 2021



<b>SHG/Name</b>	:	Laxmi SHG
<b>VFDSName</b>	:	Ropari
<b>FTU/Range</b>	:	Suket
<b>DMU/Division</b>	:	Suket
<b>FCCU/Circle</b>	:	Mandi

Sponsored by  
PIHPFEM&L

Prepared by:-  
DMU Suket, FTU Suket & SHG Laxmi



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## **1. Introduction**

Himachal Pradesh is majestic, almost mythic terrain and famous for its beauty and serenity, its rich culture and religious heritage. The state has diverse ecosystem, rivers and valleys, and has a population of 7.5 million and covers 55,673 sq. km ranging from foothills of Shivalik to the mid hills (300 - 6816 mts above MSL), high hills and cold dry zones of the upper Himalayas. It is spread across valleys with many perennial rivers flowing through them. Almost 90% of the state's population lives in rural areas. Agriculture, horticulture, hydropower and tourism are important constituents of the state's economy. The state has 12 districts and Mandi is 2<sup>nd</sup> district in population wise having 14.58%.

The district lies in central Himachal and is famous for its tourist stations and Himalayan Treks connecting the trails with far remote regions between the adjacent districts of Kullu Shimla, Bilaspur, Solan, Hamirpur and Kangra districts which are bordered at North-North East, East, West and South of Mandi respectively. The District is also a home to some of the Ancient settlements, Traditional Handloom and Apple Cultivation Fields & Beas and Setluj River are the life line and main drain.

The largest valley in the district is called the Balh Valley, though other valleys such as Karsog and Hatli valleys are also known for the production of food grains. Which is also known as the Valley of the Gods. There is also a town called Mandi which is situated on the banks of the Beas River in the northern part of the Balh valley, where people are hard working.

Forests and Forest eco systems are the storehouse of rich biodiversity and play a vital role in



preserving the fragile sloppy lands and were primary sources of livelihood for rural population. The rural peoples are directly dependent on the forest resources for their livelihoods and socio-economic development. The Harsh reality is this that these resources are constantly depleting due to over exploitation, such as Fodder, fuel, NTFP extraction Grazing, Fires, and droughts etc.

Under Ropri VFDS two SHGs have been formed for implementing livelihood Improvement activities. One of these is, “Laxmi” concerned with Aloe Vera cultivation. Group members belong to a weaker section of society and have less land holdings. To raise their socio-economic conditions, they decided to cultivate Aloe Vera. A technical input for preparing Business plan was provided by Dr. Pankaj Sood, Principle Scientist & Head Dr. Kavita Sharma & DS Yadav, KVK Mandi at Sunder Nagar. Team consisting of Sh. Vijay Kumar SMS, o/o DMU Sunder Nagar, Mr. Jagarnath, Forest Guard, Jarol Beat prepared the business plan under the constant supervision and guidance of V. P. Pathania, Rtd. DFO.

## **2. Executive summary**

### **Ropari VFDS: -**

Ropari VFDS falls under Development Block Sunder Nagar, Jarol Beat of Suket Range in Sunder Nagar Forest Division.

### **Important features of VFDS: -**

The area is famous for Ganesh Temple situated at Ropri on NH-21. The area is known for its Mango and Lichi fruits which has a special demand during the season.

No. of Households	81
BPL families	10=12.34%
Total population	332
Total Cattle	214

## **3. Description of SHG**

The informal Laxmi SHG group was formed in July 2020 under Ropari VFDS to provide Livelihoods Improvement Support by upgrading skill and capacities. The group consists of poor and marginal farmers.

Laxmi SHG group is purely a women group consist of marginal and financial weaker section of the society having less land resources. Though all Group member grow seasonal vegetable etc. but as the land holding of these members is very small and irrigation facility are less and the production level has reached near saturation, so in order to meet out their financial requirements’ they decided to go ahead with Aloe vera cultivation which can



preserving the fragile sloppy lands and were primary sources of livelihood for rural population. The rural peoples are directly dependent on the forest resources for their livelihoods and socio-economic development. The Harsh reality is this that these resources are constantly depleting due to over exploitation, such as Fodder, fuel, NTFP extraction Grazing, Fires, and droughts etc.

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enhance their income. There are 20 members in this group and their monthly contribution is Rs 100 /- per month. The detail of Group members is as under:-

**Detail of SHG Members along with Photos**

Sr. No.	Name	Name of Father/Husband	Designation	Category	Age	Qualification	Cont. No.
1.	Smt. Somlata Devi	Sh. Khem Chand	Pradhan	General	47	8	10184 07512
2	Smt. Girja Devi	Sh. Sanjay Kumar	Secretary	General	36	10	98053 56421
3	Smt. Kamla Devi	Sh. Roshan Lal	Member	General	45	5	89881 54023
4	Smt. Lata Devi	Sh. Desh Raj	Member	General	37	+12	94180 90823
5	Smt. Daya Devi	Sh. Tibhalu Ram	Member	General	40	10	89889 90880
6	Smt. Meera Devi	Sh. Hari Singh	Member	SC	33	10	78768 36932
7	Smt. Roshani	Sh. Roop Lal	Member	SC	40	8	97362 69675
8	Smt. Promila	Sh. Khem Raj	Member	SC	27	+2	85806 16387
9	Smt. Nirmla	Sh. Shiv Ram	Member	SC	28	8	78765 21036
10	Smt. Indra Devi	Sh. Hem Chand	Member	General	54	5	86298 79741
11	Smt. Nisha Devi	Sh. Dinesh Kumar	Member	General	29	+12	98168 94019
12	Smt. Rama Devi	Sh. Desh Raj	Member	General	31	10	98058 50630
13	Smt. Champa Devi	Sh. Shunku Ram	Member	SC	48	5	94180 57321
14	Smt. Rattani Devi	Sh. Hans Raj	Member	SC	42	5	98021 60172
15	Smt. Bharu Devi	Sh. Godaver Ram	Member	SC	60	0	88944 32891
16	Smt. Roshani Devi	Sh. Nag Raj	Member	SC	50	0	86289 60711
17	Smt. Hima Devi	Sh. Hem Raj	Member	SC	38	5	98021 60172
18	Smt. Kaushlya Devi	Sh. Shyam Lal	Member	General	43	+2	85806 64027
19	Smt. Satya Devi	Sh. Khazana Ram	Member	SC	49	0	98577 79358
20	Smt. Chinta Devi	Sh. Jeet Ram	Member	SC	30	8	85808 09976



### Laxmi Self Help Group Ropari

2.1.	Name of SHG	::	Laxmi
2.2	SHG/CIG MIS CodeNo	::	-
2.3	VFDS	::	Ropari
2.4	Range	::	Suket
2.5	Division	::	Suket
2.6	Village	::	Ropari
2.7	Block	::	Sunder Nagar
2.8	District	::	Mandi
2.9	Total no of members in SHG	::	20
2.10	Date of formation	::	July 2020
2.11	Bank Name and details	::	PNB Jarol IFSC Code PUNB0203200
2.12	Bank A/C No.	::	
2.13	SHG/monthly saving	::	Rs.100 /-Month
2.14	Total Saving	::	12000/-
2.15	Total inter-loaning	::	Yes
2.16	Cash Credit limit	::	-
2.17	Repayment status		Quarterly Bases

#### 4. Geographical detail of the Village

3.1	Distant from District HQ	:	30 km
3.2	Distant from Main Road	:	0 Km
3.3	Name of Local Market and distant	:	Sunder nagar, 6 kms, Mandi 30 kms app.
3.4	Name of main Cities and distant	:	Sunder nagar, 6 kms, Mandi 30 kms app.
3.5	Name of the main cities where Products will be sold/ marketed	:	Sunder nagar, Jarol
3.6	Status of backward and forward linkages	:	Backward linkages Training, (KVK) (Horticulture dept.) and Forward linkages



			Markets exits suppliers etc.
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## 5. Description of product related to Income Generating Activity.

4.1	Name of the Product	::	The Group will be involved in production of aloe vera in their private land along the bunds and refractory portion of their land holdings.
4.2	Method of Product Identification	::	Though the entire Group member grows seasonal vegetable crops. As their land holding is 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 group member that Mushroom cultivation 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 aloe vera either raw or in gel form.
4.3	Consent of SHG /CIG/ Cluster	::	Consent is attached as an Annexure.

## 6. Production Processes.

The training of Aloe vera cultivation has been arranged by JICA project at KVK Sunder nagar. The full cost of training with spot demonstration is born by the JICA Project.

The Group decided initially to start with Aloe Vera Production; As soon as the planting of Aloe Vera is completed by the group during monsoon season and the coming months of are more suitable for growth of Aloe Vera plants. Each group member will plant plants of Aloe Vera as per the list attached will be supplied free of cost and got planted in their land by the group member.

The group member will plant this Aloe Vera plants themselves and care and maintenance in the first year to beat up the failure. The production of raw material in the shape of leaves is available after the completion of two years hence the business plan is proposed for production from second year onward to 5<sup>th</sup> year.



The Group members will work seasonally when they are free from their agriculture farming activities and full time at the time of planting in the beginning.

## 7. Description of Production Planning:

6.1	Production Cycle 1 <sup>st</sup> ( 2 yr)	::	<p>In Mandi district Aloe Vera can be grown from July to September. On Planting the propagules in the area, aloe vera takes at least 2 years to give their 1<sup>st</sup> two leaves from each planted propagules are available. There after two to three leaves each year.</p> <p>Are available as a production, in addition to this from 3<sup>rd</sup> year the propagules are also available from each plant to restock the additional area can be taken .In total 2 yrs. are required to take the 1<sup>st</sup> two lower leaves of crop. The production cycle of 4 crops (each with 2-3 leaves) will be 5 years. As per detail below:-</p> <p>1<sup>st</sup> produce in the form of leaves (2 year)</p> <p>2<sup>nd</sup> produce in the form of leaves (1year)</p> <p>3<sup>rd</sup> produce in the form of leaves (1year)</p> <p>4<sup>th</sup> produce in the form of leaves (1year)</p>
6.2	Manpower required (No)	::	Initially whole group will work together to carry, digging of pits or trenches and planting of propagules in the area selected for plantation in their private land this will be done as to the suitability of the group member.
6.3	Source of raw material	::	Horticulture Department, Palampur and Solan district of Himachal Pradesh. Generally, to be procured through tender.
6.4	Source of other Resources.	::	-do-
6.5	(i)Quantity required for planting	::	Aloe Vera propagules 50,000 No
6.6	Expected production in 1 <sup>st</sup> 2 years	::	The average production of Aloe Vera from 50,000 plant is around 25 tones and juice will be extracted by pilling machine is 50% of raw material which comes out to be 12.5 tones

## 8. Description of Marketing /Sale

7.1	Potential Market Places	::	Jarol, Mandi, Sunder nagar.
7.2	Distance from unit	::	Jarol 2 kms Sunder nagar 6 kms and Mandi 30 kms
7.3	Demand of the Product in Market		Aloe vera gel is in demand with cosmetic factories.
7.4	Process of Identification of Market	::	The market for Aloe Vera selling is well established in the form of factories running at Chambi and Baddi, Himachal Pradesh
7.5	Impact of seasonality on Market.	::	Since the product is of medicinal and cosmetic values and hence there is no impact of season.
7.6	Potential buyers of the Product.	::	Potential Market Buyers are Ayurvedic and cosmetic factories and local buyer for face packs etc.
7.7	Potential consumers in the area.	::	All the cosmetic factories in and around Himachal Pradesh.
7.8	Marketing mechanism of the Product.	::	This is a seasonal and one time a year when the leaves will be harvested to the convenience of the group members or demand if any. The juice/ gel is extracted and supplied as and when demand is there.
7.9	Marketing strategy of the Product.	::	Initially group will contact the cosmetic manufacturer. Face pack, juice manufacturing units and Ayurveda of Sunder nagar town and around. Thereafter on increase of production, the retail sellers will also be contacted to sell their product on net rate or commission basis.
7.10	Product Branding.	::	"Aleo Vera Gel".
7.11.	Product Slogan	::	" <i>Aleo Vera Gel lagao Khubsurat ho Jao</i> ".

## 9. Description of Management among the Members

All Members will take training and divide themselves for daily work operations, Marketing, Linkages with department and with VFDS.



## 10. SWOT Analyses

SI.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, since the members are farmer hence to they are conversant with the cultivation activities The 1 <sup>st</sup> crop growing cycles is long i .e. 2 yrs, production will be available is after an interval of one year after 1 <sup>st</sup> cycle. Aloe Vera propagules will be supplied for the 1 <sup>st</sup> instance thereafter the propagules are available with group itself. For SHG Financial support Trainings and exposures will be organized by JICA Forestry Project.
2.	Weakness	::	New self- help Group, lack of experience in Aloe Vera gel production
3.	Opportunity	::	Demand is high and return is high.
4.	Threats	::	Internal Conflict in Group, lack of Transparency, and lack high Risk bearing capacity

## 11. Description of Potential risks and measures to mitigate them

SI.no	Potential risks	:	Measures to mitigate them.
1.	1. At times  Lack of knowledge of plantation technique can increase the mortality of the Crop. 2. Market saturation	:  : :	Be well conversant with the planting techniques i/c adding of manure  To do Value addition or Aloe Vera gel for making Other products etc. in the later Years of production.
2.	Internal Conflict in Group, Transparency	: :	Conflicts to be dealt within the initial stage, to eradicate the cause. Equal exposure to all Group members, equal benefit sharing needed Give Respect, and honour to every member.
3.	Market		Market is always fluctuating; Demand and supply are always at variance. So members to keep on searching new markets and buyers
4.	Production	: :	Production will be increased slowly as per the market Demand and member's experience.

## 12. Description of Economics of the Project

### 1<sup>st</sup> Cycle

No.	Activities	Units	Quantity	Norms	Cost
1	Constitution of CIG from VFDS	1			
<b>A.</b>	<b>PROJECT COST</b>				
	<b>Capital cost</b>				
<b>A.1</b>	Planting material cost	50,000	1 Hac.	4.45	<b>222500</b>
<b>A.2</b>	Agricultural Implements	LS		LS	<b>7,000</b>
<b>A.3</b>	Peeling machine	1			<b>2,00,000</b>
<b>A.4</b>	Bottling unit	1			<b>50,000</b>
	<b>Total (A.1+A.2+A.3+A.4)</b>				<b>479500</b>

<b>B.</b>	<b>RECURRING COST of First Cycle (2 Years)</b>	
<b>B.1</b>	Cost of Rented Room 1 Hall (for processing of Aloe Vera product as well as office) @ Rs. 1000/ Month. (24 months)	24,000
<b>B.2</b>	Formalin	600
<b>B.3</b>	Labour wages/Site clearance, digging of holes and planting of 50000 No.@ Rs. 05/propagule	2,50,000
<b>B.4</b>	First year maintenance 10% of the total plants planted 5000 No.@ Rs. 05/propagule	25,000
<b>B.5</b>	Manure cost/ NPK (Recommended for commercial cultivation )	20000
<b>B.6</b>	Carriage of manure	5000
<b>B.7</b>	Carriage of plants by manual labour 10 man days @300	3000
<b>B.8</b>	Transportation	1000
<b>B.9</b>	Packaging of material 10 man days @300	3000
<b>B.10</b>	Electricity and water usage charges @ Rs1000 per month	24000
<b>B.11</b>	Miscellaneous expenditure (stationery, Bill book, receipt etc.)	1500
<b>B.12</b>	Packaging (packaging material etc.)	75000
	<b>Recurring Cost of one cycle=B.1+B.2+B.3+B.4+B.5+B.6+B.7+B.8+B.9+B.10+B.11</b>	<b>432100</b>
	<b>Total Project cost (A+B)= 479500+ 432100= 911600</b>	<b>911600</b>

### Benefit Analysis First Cycle:-

Sr. No	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	<b>Depreciation 10% on Capital Cost</b>	Years	2	10%	<b>51400</b>
B	Recurring Cost for 2 Years				



1.	Cost of Rented Room 1 Hall (for processing of Aloe vera product as well as office) @ Rs. 1000/ Month. (24 months)				24,000
2.	Formalin				600
3.	Labour wages/Site clearance, digging of holes and planting of 50000 No.@ Rs 05/propagule				2,50,000
4.	First year maintenance 10% of the total plants planted 2000 no.				25000
5.	Manure cost/ NPK (Recommended for commercial cultivation )				20000
6.	Packaging (packaging material etc.)	No	12500	6	75000
7.	Carriage of manure				5000
8.	Carriage of plants by manual labour 10 man days @300				3000
9.	Transportation				1000
10.	Packaging of material and collection of leaves from plantation area 10 man days @300				3000
11.	Electricity and water usage charges @ Rs1000 per month				24000
12.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)				1500
	<b>Total B</b>				<b>432100</b>
	<b>Total (A+B)</b>				<b>483500</b>
13.	Total Production in Kg.	Gel 12500 kg			
14.	Sale of Production in Kg.	Gel 12500 kg @ Rs 50			625000
		<b>Total</b>			<b>625000</b>
15.	Total Benefit	<b>625000-(51400+432100)</b>			141500
16.	<b>Gross profit</b>	<b>Total Profit + Labour wages+ Room Rent</b> <b>141500+24000+281000=446500</b>			<b>446500</b>

### Cost Benefit Analysis Second Cycle (3<sup>rd</sup> Year)

Sr. no	Particular	Unit	Quantity/no	Rate	Amountin (Rs)
A	<b>Depreciation 10%on Capital Cost</b>	Year	1	10%	<b>25700</b>
B	Recurring Cost for 1 Year				
1.	Cost of Rented room 1 Hall (Aloe vera gel) @ Rs1000/Month. (12 months)	Month	12	1000	12,000
2.	Formalin containing 250 in each Bottle.	No	2 bottle	300	600
3.	Labour wages 60 days=(@ Rs 300/day) =Rs 18000	Days	60	300	18000
4.	Packaging (packaging material etc.)	No	12500	6	75000
5.	Transportation Charges	-	-	-	5000
6.	Electricity and water usage charges @Rs 1000 per month	Month	12	1000	12000
7.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	-	1500
8.	<b>Total B</b>				<b>124100</b>
	<b>Total (A+B)</b>				<b>149800</b>
9.	Total Production in Kg.	Gel 12500 kg			
10.	Sale of Production in Kg.	Gel 12500 kg @ Rs 50			625000
		<b>Total</b>			<b>625000</b>
11.	Total Benefit	<b>625000-(25700+124100)</b>			<b>475200</b>
12.	<b>Gross profit</b>	<b>Total Profit + Labour wages+ Room Rent</b> <b>475200+(18000+12000) =505200</b>			<b>505200</b>

### Cost Benefit Analysis Third Cycle (4<sup>th</sup> Year)

Sr. No	Particular	Unit	Quantity/no	Rate	Amountin (Rs)
A	<b>Depreciation10%on Capital Cost</b>	Year	1	10%	<b>25700</b>
B	Recurring Cost for 1 Year				
1.	Cost of Rented room 1 Hall (Aloe Vera gel) @ Rs1000/Month. (12 months)	Month	12	1000	12,000
2.	Formalin containing 250 in each Bottle.	No	2 bottle	300	600
3.	Labour wages 60 days=(@ Rs 300/day) =Rs 18000	Days	60	300	18000



4.	Packaging (packaging material etc.)	No	12500	6	75000
5.	Transportation Charges	-	-	-	5000
6.	Electricity and water usage charges @Rs 1000 per month	Month	12	1000	12000
7.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	-	1500
	<b>Total</b>				<b>124100</b>
8.	Total Production in Kg.	Gel 12500 kg			
9.	Sale of Production in Kg.	Gel 12500 kg @ Rs 50			
10.		<b>Total</b>			
11.	Total Benefit	<b>625000-(25700+124100)</b>			
12.	<b>Gross profit</b>	<b>Total Profit + Labour wages+ Room Rent</b>			
		<b>475200+(18000+12000) =505200</b>			

#### Cost Benefit Analysis Fourth Cycle (5<sup>th</sup> Year)

Sr. no	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	<b>Depreciation 10% on Capital Cost</b>	Year	1	10%	<b>25700</b>
B	Recurring Cost for 1 Year				
1.	Cost of Rented room 1 Hall (Aloe Vera gel) @ Rs1000/Month. (12 months)	Month	12	1000	12,000
2.	Formalin containing 250 in each Bottle.	No	2 bottle	300	600
3.	Labour wages 60 days=(@ Rs 300/day) =Rs 18000	Days	60	300	18000
4.	Packaging (packaging material etc.)	No	12500	6	75000
5.	Transportation Charges	-	-	-	5000
6.	Electricity and water usage charges @Rs 1000 per month	Month	12	1000	12000
7.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	-	1500
	<b>Total</b>				<b>124100</b>
8.	Total Production in Kg.	Gel 12500 kg			
9.	Sale of Production in Kg.	Gel 12500 kg @ Rs 50			
10.		<b>Total</b>			
11.	Total Benefit	<b>625000-(25700+124100)</b>			

12.	Gross profit	Total Profit + Labour wages+ Room Rent 475200+(18000+12000) =505200	505200
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<b>C.</b>	<b>INCOME</b>	
<b>C.1</b>	<b>Direct income</b>	
	(i) First Cycle (First two Years) Aloe vera	141500
	(ii) Second Cycle (3 <sup>rd</sup> Year) Aloe vera	475200
	(iii) Third Cycle (4 <sup>th</sup> Year) Aloe vera	475200
	(iv) Fourth Cycle (5 <sup>th</sup> Year) Aloe vera	475200
	<b>Total Direct Income</b>	<b>1567100</b>
<b>C.2</b>	<b>Indirect Income</b>	
	<b>Labour wages</b>	
	(i) First Cycle	281000
	(ii) Second Cycle	18000
	(iii) Third Cycle	18000
	(iv) Fourth Cycle	18000
	<b>Total</b>	<b>335000</b>
	<b>RoomRent</b>	
	(i) First Cycle	24000
	(ii) Second Cycle	12000
	(iii) Third Cycle	12000
	(iv) Fourth Cycle	12000
	<b>Total</b>	<b>60000</b>
	<b>Total Indirect Income</b>	<b>395000</b>
	<b>Gross Income</b>	<b>1962100</b>



### 13. Summary of Economics

#### (a) Cost of Production in Four Circle

Sr. No.	Particular	Amount in Rs.
1	<b>Total Recurring Cost</b>	
	(i) <b>First Cycle (First Two Years)</b>	
	Aloe vera	432100
	(ii) <b>Second Cycle (3<sup>rd</sup> Year)</b>	
	Aloe vera	124100
	(iii) <b>Third Cycle (4<sup>th</sup> Year)</b>	
	Aloe vera	124100
	(iv) <b>Fourth Cycle (5<sup>th</sup> Year)</b>	
	Aloe vera	124100
	<b>Total</b>	<b>804400</b>
2	10% Depreciation values on Capital Cost (5 Years).	128500
	<b>Total</b>	<b>932900</b>

#### (b) Abstract of Production Cost

Sr.No	Details	Amount (Rs)
1	Recurring cost	804400
2	10% depreciation value on capital cost	128500
	<b>Total</b>	<b>932900</b>

#### (c) Assessment of sale value

Sr.No	Details	Unit	Amount(Rs)
1	Recurring cost (804400/50000)	Kg	16.08
2	Profit Fixed 211%	Kg	33.92
	<b>Total</b>		<b>50</b>
3.	<b>Market Price</b>	<b>Kg</b>	<b>50</b>

### 14. Benefit Cost Analysis (5 Years)

Sr.No	Particulars	Amount(Rs)
1	10% depreciation on capital cost (a)	128500
2	<b>Recurring cost (b)</b>	
2.1	Room Rent	60000
2.2	Labour	335000
2.3	Formalin	2400
2.4	Packaging (packaging material etc.)	300000

2.5	Transportation Charges	20000
2.6	Electricity and water usage	60000
2.7	Miscellaneous expenditure (stationery, Bill book, Receipt etc.)	6000
2.8	Manure cost	20000
2.9	Transportation	1000
	<b>Total</b>	<b>932900</b>
3	Total Production of Aloe vera gel	50000 Kg
4	Sale value of Aloe vera gel	2500000
	<b>Total</b>	<b>2500000</b>
5	Total Profit = Sale value-(Capital cost + Recurring cost) =2500000-(128500+804400)	1567100
7	Gross Profit= Total profit + Labour wages + Room rent =1567100+335000+60000	1962100

### 15. Resources of Funds and Fund Requirement

Sr. No	Detail of Resources	Amount in Rs.
1	Project share on Capital cost of 479500 (100%) + (planting of propagules on private land) 275000 (50%)	479500 + 137500 <b>614000</b>
2.	Monthly contribution till date	12000
	<b>Total</b>	<b>626000</b>

● Rs. one lac will be provided to self help Group as a revolving fund to take the loan from bank.

- 100% of Capital cost (479500) will be borne by Project (Jadi Buti Cell)
- 50% of planting of propagules on private land (275000) will be borne by Project

### 16. Computation of Break – even Point

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

$$=479500/50 -16.08$$

$$=479500/33.92=14136 \text{ Kg}$$

After sales of 14136 kg of Aloe vera Gel breakeven point can be achieved after two years



### 17. Remarks:

The forth coming vision of the Group is to enhance their income by way of taking up of additional activity of Achar Chatani and mango Papad and other form of Pickles, are proposed by the group as the first two years are the idle period during this period the above activity is proposed and business is Annexed below.

## BUSINESS PLAN

### INCOME GENERATING ACTIVITY – Pickle, Mango Papad Making and Value Addition

by

Laxmi - Self Help Group

#### 1. Executive Summary

Pickle making income generation activity has been selected by Laxmi Self Help Group. This IGA will be carried out by all ladies of this SHG. Pickle of Mango, Ambla etc. and powder of mango/Ambla will be made by this group initially. This activity is being already done by some ladies of this group. This business activity will be carried out seasonally by group members. The process of making Pickle takes around 3-7 days. Production process includes process like cleaning, washing, grinding, mixing, drying etc. Initially group will manufacture Pickle of mango and Ambla. Product will be sold directly by group or indirectly through retailers and whole sellers of near market initially.

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

1	Name of the Product	:	Pickle and Papad Making
2	Method of product identification	:	This activity is being already done by some SHG ladies and has been decided by group members
3	Consent of SHG/ CIG / cluster members	:	Yes

### 3. Description of Production Processes

- Group will make Pickle and Papad of mango, Ambla etc. This business activity will be carried out seasonally by group members.
- The process of making pickle takes around 3-7 days.
- Production process includes process like cleaning, washing, grinding, mixing, drying etc.
- Initially group will manufacture 100 kg Pickle per month during the season for the local fruit available in the locality and will also make other products which follow same production process.

### 4. Description of Production Planning

1	Production Cycle for Mango Pickle (in days)	:	3 days
	Production Cycle for Ambla Pickle (in days)	:	7 days
2	Manpower required per cycle (No.)	:	As required
3	Source of raw materials	:	Local material
4	Source of other resources	:	Local market/ Main market
5	Quantity required per cycle for Mango Pickle (Kg)	:	For 50 Kg mango pickle require 40 kg mango and 10 Kg masala
	Quantity required per cycle for Ambla (Kg)	:	For 50 Kg Ambla pickle require 35 kg Ambla and 15 Kg masala
6	Expected production per cycle (Kg)	:	50 kg each

#### Requirement of raw material and expected production

Sr.no	Raw material	unit	Time	Quantity (approx)	Amount per kg (Rs)	Total amount	Expected production Monthly (Kg)
1	Mango	Kg	Monthly	100	20	2000	125
2	Masala	Kg	Monthly	25	150	3750	
1	Ambla	Kg	Monthly	100	30	3000	125
2	Masala	Kg	Monthly	25	150	3750	

### 5. Description of Marketing/ Sale

1	Potential market places	Harabag, Jarol, Sunder Nagar 0.5 Km, 2 Km, 6 Km
2	Distance from the unit	
3	Demand of the product in market place/s	Daily demand



4	Process of identification of market	Group members, will contact local Hoteliers for their demand every month and demand in market, will select/list retailer/wholesaler. Initially product will be sold in near markets.
5	Marketing Strategy of the product	SHG members will directly sell their product through village shops and from manufacturing place/shop. Also by retailer, wholesaler of near markets. Initially product will be sold in 0.5 -1 Kg packaging.
6	Product branding	At CIG/SHG level product will be marketed by branding CIG/SHG. Later this IGA may required branding at cluster level
7	Product "slogan"	"Jarol Mango's Pickle and Chatni"

## 6. SWOT Analysis

### ❖ Strength –

- Activity is being already done by some SHG members
- Raw material easily available
- Manufacturing process is simple
- Proper packing and easy to transport
- Product shelf life is long
- Homemade, lower cost

### ❖ Weakness –

- Effect of temperature, humidity, moisture on manufacturing process/product.
- Highly labor intensive work.
- Compete with other old and well known products

### ❖ Opportunity –

- There are good opportunities of profits as product cost is lower than other same categories products
- High demand in – Shops – Fast food stalls – Retailers – Wholesalers – Canteen – Restaurants – Chefs and cooks – Housewives
- There are opportunities of expansion with production at a larger scale.
- Daily/weekly consumption and consume by all buyers in all seasons

### ❖ Threats/Risks –

- Effect of temperature, moisture at time of manufacturing and packaging particularly in winter and rainy season.
- Suddenly increase in price of raw material
- Competitive market

## 7. Description of Management among members

By mutual consent SHG group members will decide their role and responsibility to carry out the work. Work will be divided among members according to their mental and physical capabilities. (labour Division)

- Some group members will involve in Pre-Production process (i.e - Collection of raw material etc. )
- Some group members will involve in Production process.
- Some group members will involve in Packaging and Marketing.

**Description of Economics:**

<b>A. CAPITAL COST</b>				
<b>Sr. No</b>	<b>Particulars</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Total Amount (Rs.)</b>
1	Grinder Machine (1-2 HP)	1	18000	18,000
2	Mixer	2	4000	8,000
3	Vegetable dehydrator	1	40000	40,000
4	weighing machine	1	2000	2,000
5	Kitchen tools		LS	8000
6	Finished product storage almirah/racks		LS	8000
7	Hand Operated Jar Sealing Machine	1	15000	15000
8	Apron, cap, plastic hand gloves etc	5	LS	1000
<b>Total Capital Cost (A) =</b>				<b>1,00,000</b>

<b>B. RECURRING COST</b>					
<b>Sr.no</b>	<b>Particulars</b>	<b>Unit</b>	<b>Quantity</b>	<b>Price</b>	<b>Total Amount (Rs)</b>
1	Mango	Kg/month	100	20	2000
2	Raw material (masala)	Kg/month	50	150	7500
3	Ambla	Kg/month	100	30	3000
4	Packaging material	Month	LS	5000	5000
5	Transportation	Month	1	1000	1000
6	Other (stationary, electricity, water bill, machine repair )	Month	1	1000	1000
7	Labour cost two hour/day for three days for two qtl of Achar Production of five women each day for 30 hrs. becomes 04 Man days @ 300/-	Days	04	300	1200
<b>Recurring Cost</b>					<b>20700</b>

<b>C Cost of Production (Monthly)</b>		
<b>Sr. No</b>	<b>Particulars</b>	<b>Amount (Rs)</b>
1	Total recurring cost	20700
2	10% depreciation annually on capital cost	10000
	<b>Total</b>	<b>30700</b>

<b>D Selling Price calculation for Mango Pickle(per cycle)</b>			
<b>Sr. No</b>	<b>Particulars</b>	<b>Unit</b>	<b>Amount (Rs)</b>
1	Cost of Production	Kg	82.8
2	current market price	Kg	250-300
3	Expected Selling Price	Rs	200



E	Selling Price calculation for Ambla Pickle (per cycle)		
Sr. No	Particulars	Unit	Amount (Rs)
1	Cost of Production	Kg	143
2	current market price	Kg	200-300
3	Expected Selling Price	Rs	240

#### 8. Analysis of Income and Expenditure (Monthly):

Sr. No	Particulars	Amount (Rs)
1	10% depreciation annually on capital cost	10000
2	Total Recurring Cost	9850
	Total Production per month mango Pickle ( Kg)	125
3	Selling Price (per Kg)	200
4	Income generation (200*125)	25000
5	Total Production per month Ambla pickle( Kg)	125
6	Selling Price (per Kg)	240
7	Income generation (240*125)	30000
8	Net profit	34300 on monthly basis-
9	Distribution of net profit	Profit will be distributed equally among members monthly/yearly basis. Profit will be utilized to meet recurring cost. Profit will be used for further investment in IGA

#### 9. Fund requirement:

Sr. No	Particulars	Total Amount (Rs)	Project Contribution	SHG Contribution
1	Total capital cost	100000	50000	50000
2	Total Recurring Cost	20700	0	20700
3	Trainings/capacity building/ skill up-gradation	50,000	50,000	0
	<b>Total</b>	<b>170700</b>	<b>100000</b>	<b>70700</b>

#### 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

## 10. Sources of fund:

Project support	<ul style="list-style-type: none"><li>• 50% of capital cost will be utilized for purchase of machineries and equipment's</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 of machineries/equipment will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none"><li>• 50% of capital cost to be borne by SHG, this include cost of materials/tools other than machineries.</li><li>• Recurring cost to be borne by SHG</li></ul>	

## 11. 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

## 12. Computation of break-even Point

= Capital Expenditure/selling price (per kg)-cost of production (per kg)

= 100000/ (200-82.80)

= 854 Kg

In this process breakeven will be achieved after selling 854 kg Achar achar.

## 13. Other sources of income:

Income from grinding Mango, Awala, Daal, wheat, maize etc of villagers/local people.

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. Monitoring Method –

- 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.

Some key indicators for the monitoring are as:

- Size of the group
- Fund management
- Investment
- Income generation
- Quality of product

**Total Cost of the Project is**

Capital Cost= 479500/-

Recurring Cost = 804400/-

**Total for Aloe vera Plantation =1283900/-**

**Cost of Pickle, Mango Papad Making and Value Addition Project is**

Capital Cost= 100000/-

Recurring Cost = 20700/-

**Total for Pickle, Mango Papad Making and Value Addition Project=120700/-**

**Grand Total of Business Plan is Rs. 1404600 only**

### Annexure

We the member group here by consented to actively participate in the IGA activity Opted by the group (*Aloe Vera* cultivation activity) as per the guideline of JICA project For Improvement of HP Ecosystems management and livelihood and coordination with the VFDS. The detail of members is as under

Sr. No.	Name	Name of Father/Husband	Designation	Signature
1.	Smt. Somlata Devi	Sh. Khem Chand	Pradhan	Som Lata
2	Smt. Kmla Devi	Sh. Roshan Lal	Secretary	कमला देवी
3	Smt. Girja Devi	Sh. Sanjay Kumar	Member	Girja Devi
4	Smt. Lata Devi	Sh. Desh Raj	Member	Lata Devi
5	Smt. Daya Devi	Sh. Tibhalu Ram	Member	Daya Devi
6	Smt. Meera Devi	Sh. Hari Singh	Member	Meera Devi
7	Smt. Roshani	Sh. Roop Lal	Member	रोशनी देवी
8	Smt. Promila	Sh. Khem Raj	Member	Promila Devi
9	Smt. Nirmla	Sh. Shiv Ram	Member	निर्मला देवी
10	Smt. Indra Devi	Sh. Hem Chand	Member	इन्द्रा देवी
11	Smt. Nisha Devi	Sh. Dinesh Kumar	Member	Nisha
12	Smt. Rama Devi	Sh. Desh Raj	Member	रमा देवी
13	Smt. Champa Devi	Sh. Shunku Ram	Member	चम्पा देवी
14	Smt. Rattani Devi	Sh. Hans Raj	Member	रतनी देवी
15	Smt. Bharu Devi	Sh. Godaver Ram	Member	भारु देवी
16	Smt. Roshani Devi	Sh. Nag Raj	Member	
17	Smt. Hima Devi	Sh. Hem Raj	Member	Hima
18	Smt. Kaushlya Devi	Sh. Shyam Lal	Member	कौशल्या देवी
19	Smt. Satya Devi	Sh. Khazana Ram	Member	Satya
20	Smt. Chinta Devi	Sh. Jeet Ram	Member	चिन्ता देवी



Gurda Devi

Signature of secretary

Somlata

Signature of Pradhan

Babita

Signature of VFDS Secretary



Signature of VFDS Pradhan

President,  
VFDS ROPARI

Inlath

Signature of Fgd



Signature of Block Officer



Signature of RFO

Range Forest Officer,  
Suket Forest Range,  
Sunder Nagar [H.P.]

Signature of DMU Officer



Divisional Forest Officer  
Suket Forest Division  
Sunder Nagar (H.P.)-174401

Approved by