



Income Generation Activity Business Plan Aloe Vera Cultivation 2021



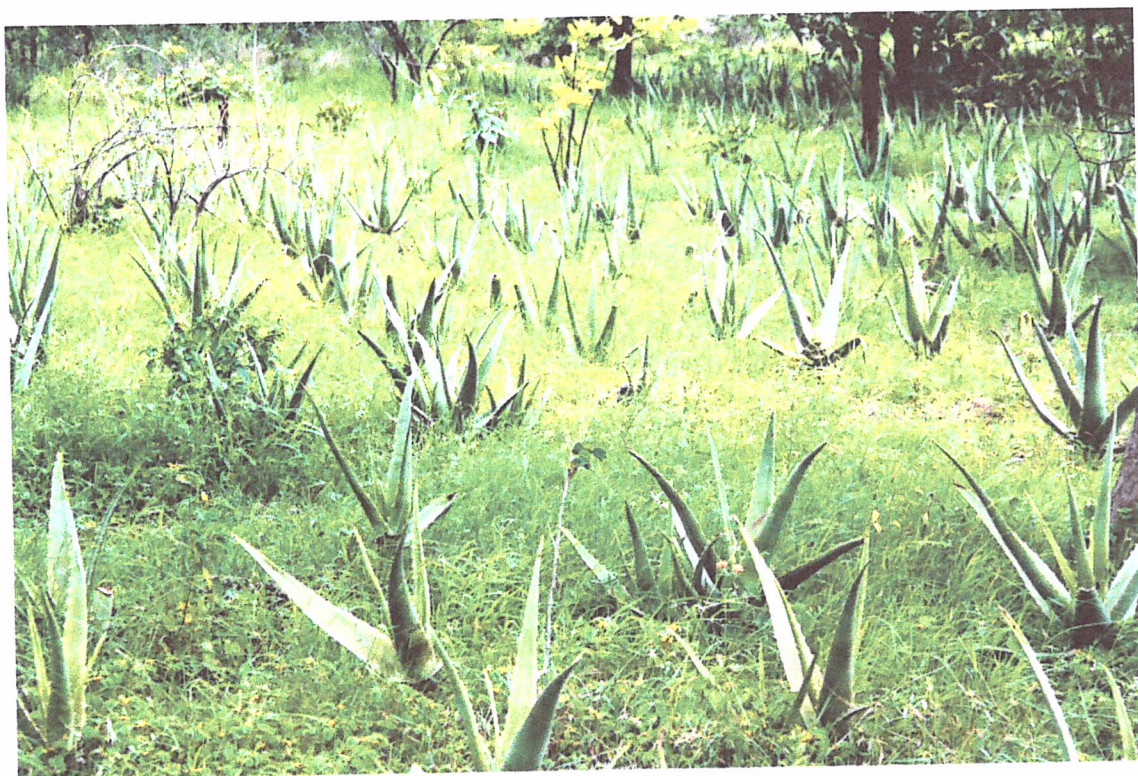
SHG/Name	:	Saksham SHG
VFDS Name	:	Chamukha
FTU/Range	:	Suket
DMU/Division	:	Suket
FCCU/Circle	:	Mandi

Sponsored by
PIHPFEM&L

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

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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 2nd 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 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 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 Chamukha VFDS two SHGs have been formed for implementing livelihood Improvement activities. One of these is, “Saksham” 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

Chamukha VFDS: -

Chamukha 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 Madhan Mango orchard raised by the Maharaja Sunder Nagar. The area is known for its Mango and Lichi fruits which has a special demand during the season.

No. of Households	91
BPL families	14=15.39%
Total population	371
Total Cattle	99

3. Description of SHG

The informal Saksham SHG group was formed in January 2021 under Chamukha VFDS to provide Livelihoods Improvement Support by upgrading skill and capacities. The group consists of poor and marginal farmers.

Saksham 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

enhance their income. There are 16 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. Anjna Kumari	Sh. Manoj Kumar	Pradhan	SC	28	12 th	82196 52772
2	Smt. Kusumlata	Sh. Jeet Ram	Secretary	SC	30	12 th	82193 50301
3	Smt. Deepa	Sh. Sunil	Treasurer	SC	20	10 th	98179 57964
4	Smt. Bimla Devi	Sh. Sukh Ram	Member	SC	58	8 th	98160 04710
5	Smt. Tara Devi	Sh. Roshan	Member	General	47	5 th	98055 55196
6	Smt. Bimla Devi	Sh. Sihnu Ram	Member	General	52	7 th	98053 52859
7	Smt. Banto Devi	Sh. Khajana Ram	Member	SC	55	-	98050 48446
8	Smt. Sheela Devi	Sh. Mast Ram	Member	SC	48	8 th	98173 49958
9	Smt. Shanta Devi	Sh. Pawan Kumar	Member	SC	28	12 th	70186 74803
10	Smt. Roshani Devi	Sh. Sukh Ram	Member	SC	58	8 th	78071 90496
11	Smt. Reema Devi	Sh. Ram Raj	Member	SC	45	5 th	82193 67357
12	Smt. Jamna Devi	Sh. Prem	Member	SC	46	5 th	-
13	Smt. Judhya Devi	Sh. Lekh Ram	Member	SC	40	8 th	98827 11295
14	Smt. Sano	Sh. Naresh	Member	SC	27	12 th	98825 94587
15	Smt. Nanaki	Sh. Mani Ram	Member	SC	41	10 th	78075 88417
16	Smt. Premi Devi	Sh. Sundar Ram	Member	SC	51	5 th	98823 20346



Anjna Kumari(President)



Kusumlata (Secretary)



Deepa (Treasurer)



Bimla Devi (Member)



Tara Devi (Member)



Bimla Devi (Member)



Banto Devi (Member)



Sheela Devi (Member)



Shanta Devi (Member)



Roshani Devi (Member)



Reema Devi (Member)



Jamna Devi (Member)



Judhya Devi (Member)



Sano (Member)



Nanaki (Member)



Premi Devi (Member)

Saksham Self Help Group Chamukha

2.1.	Name of SHG	::	Saksham
2.2	SHG/CIG MIS CodeNo	::	-
2.3	VFDS	::	Chamukha
2.4	Range	::	Suket
2.5	Division	::	Suket
2.6	Village	::	Chamukha
2.7	Block	::	Sunder Nagar
2.8	District	::	Mandi
2.9	Total no of members in SHG	::	16
2.10	Date of formation	::	January 2021
2.11	Bank Name and details	::	HP State cooperative Bank Sunder Nagar IFSC CODE HPSC0000325
2.12	Bank A/C No.	::	32510120750
2.13	SHG/monthly saving	::	Rs.100 /-Month
2.14	Total Saving	::	5500/-
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.

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 5th 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 st (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 1st 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 3rd 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 1st 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>1st produce in the form of leaves (2 year)</p> <p>2nd produce in the form of leaves (1year)</p> <p>3rd produce in the form of leaves (1year)</p> <p>4th 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 20,000 No
6.6	Expected production in 1 st 2 years	::	The average production of Aloe vera from 20,000 plant is around 10 tones and juice will be extracted by pilling machine is 50% of raw material which comes out to be 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 st crop growing cycles is long i .e. 2 yrs, production will be available is after an interval of one year after 1 st cycle. Aloe Vera propagules will be supplied for the 1 st 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

1st Cycle

No.	Activities	Units	Quantity	Norms	Cost
1	Constitution of CIG from VFDS	1			
A.	PROJECT COST				
	Capital cost				
A.1	Planting material cost	20,000	0.5 Hac.	4.45	89000
A.2	Agricultural Implements	LS		LS	7,000
A.3	Peeling machine	1			2,00,000
A.4	Bottling unit	1			50,000
	Total (A.1+A.2+A.3+A.4)				346000

B.	RECURRING COST of First Cycle (2 Years)	
B.1	Cost of Rented Room 1 Hall (for processing of Aloe Vera product as well as office) @ Rs. 1000/ Month. (24 months)	24,000
B.2	Formalin	600
B.3	Labour wages/Site clearance, digging of holes and planting of 20000 No.@ Rs. 05/propagule	100000
B.4	First year maintenance 10% of the total plants planted 2000 No.@ Rs. 05/propagule	10000
B.5	Manure cost/ NPK (Recommended for commercial cultivation)	10000
B.6	Carriage of manure	2500
B.7	Carriage of plants by manual labour 5 man days @300	1500
B.8	Transportation	1000
B.9	Packaging of material 5 man days @300	1500
B.10	Electricity and water usage charges @ Rs1000 per month	24000
B.11	Miscellaneous expenditure (stationery, Bill book, receipt etc.)	1500
B.12	Packaging (packaging material etc.)	30000
	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	206600
	Total Project cost (A+B)= 346000+ 206600= 552600	552600

Benefit Analysis First Cycle:-

Sr. No	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	Depreciation 10% on Capital Cost	Years	2	10%	51400
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 20000 No.@ Rs 05/propagule				100000
4.	First year maintenance 10% of the total plants planted 2000 no.				10000
5.	Manure cost/ NPK (Recommended for commercial cultivation)				10000
6.	Packaging (packaging material etc.)	No	5000	6	30000
7.	Carriage of manure				2500
8.	Carriage of plants by manual labour 5 man days @300				1500
9.	Transportation				1000
10.	Packaging of material and collection of leaves from plantation area 05 man days @300				1500
11.	Electricity and water usage charges @ Rs1000 per month				24000
12.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)				1500
	Total B				206600
	Total (A+B)				258000
13.	Total Production in Kg.	Gel 5000 kg			
14.	Sale of Production in Kg.	Gel 5000 kg @ Rs 50			250000
		Total			250000
15.	Total Benefit	250000-(51400+206600)			-8000
16.	Gross profit	Total Profit + Labour wages+ Room Rent -8000+24000+113000=129000			129000

Cost Benefit Analysis Second Cycle (3rd Year)

Sr. no	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	Depreciation 10% on Capital Cost	Year	1	10%	25700
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	5000	6	30000
5.	Transportation Charges	-	-	-	1000
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.	Total B				75100
	Total (A+B)				100800
9.	Total Production in Kg.	Gel 5000 kg			
10.	Sale of Production in Kg.	Gel 5000 kg @ Rs 50			250000
		Total			250000
11.	Total Benefit	250000-(25700+75100)			149200
12.	Gross profit	Total Profit + Labour wages+ Room Rent 149200+(18000+12000) =179200			179200

Cost Benefit Analysis Third Cycle (4th Year)

Sr. No	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	Depreciation 10% on Capital Cost	Year	1	10%	25700
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	5000	6	30000
5.	Transportation Charges	-	-	-	1000
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
	Total				75100
8.	Total Production in Kg.	Gel 5000 kg			
9.	Sale of Production in Kg.	Gel 5000 kg @ Rs 50			
10.		Total			
11.	Total Benefit	250000-(25700+75100)			
12.	Gross profit	Total Profit + Labour wages+ Room Rent 149200+(18000+12000) =179200			

Cost Benefit Analysis Fourth Cycle (5th Year)

Sr. no	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	Depreciation 10% on Capital Cost	Year	1	10%	25700
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	5000	6	30000
5.	Transportation Charges	-	-	-	1000
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
	Total				75100
8.	Total Production in Kg.	Gel 5000 kg			
9.	Sale of Production in Kg.	Gel 5000 kg @ Rs 50			
10.		Total			
11.	Total Benefit	250000-(25700+75100)			
12.	Gross profit	Total Profit + Labour wages+ Room Rent 179200			

		149200+(18000+12000) =179200	
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C.	INCOME	
C.1	Direct income	
	(i) First Cycle (First two Years) Aloe vera	-8000
	(ii) Second Cycle (3 rd Year) Aloe vera	149200
	(iii) Third Cycle (4 th Year) Aloe vera	149200
	(iv) Fourth Cycle (5 th Year) Aloe vera	149200
	Total Direct Income	439600
C.2	Indirect Income	
	Labour wages	
	(i) First Cycle	113000
	(ii) Second Cycle	18000
	(iii) Third Cycle	18000
	(iv) Fourth Cycle	18000
	Total	167000
	Room Rent	
	(i) First Cycle	24000
	(ii) Second Cycle	12000
	(iii) Third Cycle	12000
	(iv) Fourth Cycle	12000
	Total	60000
	Total Indirect Income	227000
	Gross Income	666600

13. Summary of Economics

(a) Cost of Production in Four Circle

Sr. No.	Particular	Amount in Rs.
1	Total Recurring Cost	
(i)	First Cycle (First Two Years)	
	Aloe vera	206600
(ii)	Second Cycle (3rd Year)	
	Aloe vera	75100
(iii)	Third Cycle (4th Year)	
	Aloe vera	75100
(iv)	Fourth Cycle (5th Year)	
	Aloe vera	75100
	Total	431900
2	10% Depreciation values on Capital Cost (5 Years).	128500
	Total	560400

(b) Abstract of Production Cost

Sr.No	Details	Amount (Rs)
1	Recurring cost	431900
2	10% depreciation value on capital cost	128500
	Total	560400

(c) Assessment of sale value

Sr.No	Details	Unit	Amount(Rs)
1	Recurring cost (431900/20000)	Kg	21.59
2	Profit Fixed 57%	Kg	28.41
	Total		50
3.	Market Price	Kg	50

14. Benefit Cost Analysis (5 Years)

Sr.No	Particulars	Amount(Rs)
1	10% depreciation on capital cost (a)	128500
2	Recurring cost (b)	
2.1	Room Rent	60000
2.2	Labour	167000
2.3	Formalin	2400
2.4	Packaging (packaging material etc.)	120000

2.5	Transportation Charges	4000
2.6	Electricity and water usage	60000
2.7	Miscellaneous expenditure (stationery, Bill book, Receipt etc.)	6000
2.8	Manure cost	10000
	Total	557900
3	Total Production of Aloe vera gel	20000 Kg
4	Sale value of Aloe vera gel	1000000
	Total	1000000
5	Total Profit = Sale value-(Capital cost + Recurring cost) =1000000-(128500+431900)	439600
7	Gross Profit= Total profit + Labour wages + Room rent =439600+167000+60000	666600

15. Resources of Funds and Fund Requirement

Sr. No	Detail of Resources	Amount in Rs.
1	Project share on Capital cost of 346000 (100%) + (planting of propagules on private land) 113000 (50%)	346000 + 56500 402500
2.	Monthly contribution till date	5500
	Total	408000

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

● 100% of Capital cost (346000) will be borne by Project (Jadi Buti Cell)

16. Computation of Break – even Point

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

$$=346000/50 -21.59$$

$$=346000/28.41=12179 \text{ Kg}$$

After sales of 12179 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

Saksham - Self Help Group

1. Executive Summary

Pickle making income generation activity has been selected by Saksham 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
2	Distance from the unit	0.5 Km, 2 Km, 6 Km
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/wholeseller. 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”	“Chamukha 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:

A. CAPITAL COST				
Sr. No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
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
Total Capital Cost (A) =				1,00,000

B. RECURRING COST					
Sr.no	Particulars	Unit	Quantity	Price	Total Amount (Rs)
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
Recurring Cost					20700

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

D Selling Price calculation for Mango Pickle(per cycle)			
Sr. No	Particulars	Unit	Amount (Rs)
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
	Total	170700	100000	70700

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">• 50% of capital cost will be utilized for purchase of machineries and equipment's• Upto Rs 1 lakh will be parked in the SHG bank account.• Trainings/capacity building/ skill up-gradation cost.	Procurement of machineries/equipment will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none">• 50% of capital cost to be borne by SHG, this include cost of materials/tools other than machineries.• Recurring cost to be borne by SHG	

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 achaar.

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= 346000/-

Recurring Cost = 206600/-

Total for Aloe vera cultivation =552600/-

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

Capital Cost= 100000/-

Recurring Cost = 20700/-

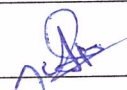
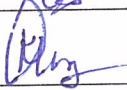
Total for Pickle, Mango Papad Making and Value Addition Project=120700/-

Grand Total of Business Plan is Rs. 673300 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. Anjna Kumari	Sh. Manoj Kumar	Pradhan	
2	Smt. Kusumlata	Sh. Jeet Ram	Secretary	
3	Smt. Deepa	Sh. Sunil	Treasurer	Deepa
4	Smt. Bimla Devi	Sh. Sukh Ram	Member	Bimla Devi
5	Smt. Tara Devi	Sh. Roshan	Member	तारा
6	Smt. Bimla Devi	Sh. Sihnu Ram	Member	बिमला देवी
7	Smt. Banto Devi	Sh. Khajana Ram	Member	कां कती
8	Smt. Sheela Devi	Sh. Mast Ram	Member	शीला देवी
9	Smt. Shanta Devi	Sh. Pawan Kumar	Member	Shanta Devi
10	Smt. Roshani Devi	Sh. Sukh Ram	Member	रोशनी देवी
11	Smt. Reema Devi	Sh. Ram Raj	Member	रीमा देवी
12	Smt. Jamna Devi	Sh. Prem	Member	जमना देवी
13	Smt. Judhya Devi	Sh. Lekh Ram	Member	Judhya Devi
14	Smt. Sano	Sh. Naresh	Member	Sano
15	Smt. Nanaki	Sh. Mani Ram	Member	नानकी देवी
16	Smt. Premi Devi	Sh. Sundar Ram	Member	प्रेमी देवी

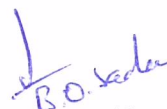

Signature of Secretary


Signature of Pradhan

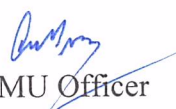

Signature of VFDS Secretary


Signature of VFDS Pradhan


Signature of Fgd
D/c Forest beat


Signature of Block Officer


Signature of RFO


Signature of DMU Officer

Divisional Forest Officer
Suket Forest Division
Sunder Nagar (HP)

Approved by FCCU