

Business Plan

On

Income Generation Activity

FOOD PROCESSING – PICKLE MAKING

For

Self Help Group – Tal Mata



SHG/CIG name

Tal Mata

VFDS name

Lingru Naag

Range

Shahpur

Division

Dharamshala

Prepared Under-

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



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1. Introduction-

Fruits and vegetables preserved in common salt, vinegar, oil or citrus fruit juices are called pickles. Pickles are usually made from a mixture of vegetables and fruit. They are eaten as a savoury, spicy accompaniment to a meal. Pickles are made by immersing the fruits or vegetables in the brine or vinegar solution and stored for a period of time during which the ingredients goes through the pickling process and acquire the desired taste. Pickles are usually sweet or sour in taste and are often spicy. They acquire the taste of the key ingredient which is the vegetable or fruit of which the pickle is made. Mango, lime, carrot, bitter gourd, beans, chilies, garlic, ginger, brinjal and onion are mainly processed for pickles.

The most lucrative aspect of the pickle making business is that it can be started as per the financial capacity of the group and later on at any given time when the financial portfolio of the SHG improves the business can be scaled up to any level. Once the product is liked by customers the business will flourish like anything.

After discussing about the market potential and different aspects very carefully before getting into this IGA (Income Generation Activity). The Tal Mata SHG group has collectively decided of pickle making as their Income Generation Activity (IGA). Tal Mata SHG is formed under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Lingru Naag. This SHG consists of 14 females. These females already had the experience of making pickles and now with the help of this project funding, training and assistance. They will be able to manufacture pickles at a large scale and will become self independent and generate income. The SHG has therefore crafted a detailed business plan according to its investment capacity, marketing & promotional strategy and the detailed action plan will be discussed hereunder:

2. Description of SHG/CIG

1.	SHG/CIG Name	Tal Mata
2.	VFDS	Lingru Naag
3.	Range	Shahpur
4.	Division	Dharamshala
5.	Village	Kanol
6.	Block	Rirakmar
7.	District	Kangra
8.	Total no. of members in SHG	14
9.	Date of formation	21/08/2023
10.	Bank a/c No.	1998000102157951
11.	Bank details	PNB Bank
12.	SHG/CIG monthly savings	50 per members
13.	Total saving	5000/-
14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

3. Beneficiaries Detail

Tel marks

फोटो के साथ स्वयं सहायता समूह सदस्यों का विवरण

क्र स	नाम	पद	वर्ग	उम्र	शैक्षणिक योग्यता	मोबाइल नंबर
1.	शीला देवी	प्रधान	SC	31	+2	8588881861
2.	सुमना देवी	उप प्रधान	SC	36	+2	8219084676
3.	श्रीकृष्णा देवी	सैम्टरी	SC	24	5th	9817562757
4.	पुजा देवी	अप सैम्टरी	SC	23	+2	7876086626
5.	दुर्जला देवी	सोप मध्य	SC	44	0	9817788328
6.	तृप्ता देवी	सदस्य	SC	33	+2	9816427054
7.	कामडो देवी	सदस्य	SC	58	0	7876649998
8.	सरोज देवी	सदस्य	SC	22	9th	6230632076
9.	वीना देवी	सदस्य	SC	35	0	98820/6367
10.	रजनी देवी	सदस्य	SC	41	0	8219186422
11.	बिल्लो देवी	सदस्य	SC	40	0	6230695154
12.	सवरना देवी	सदस्य	SC	33	0	7018421728
13.	पिंकी देवी	सदस्य	SC	43	0	9816941797
14.	वीना देवी	सदस्य	SC	48	0	9805229939
15.						
16.						

4. Geographical details of the Village

1	Distance from the District HQ	::	55 km
2	Distance from Main Road	::	22 km
3	Name of local market	::	Shahpur 22 Km
4	Name of main market	::	Shahpur 22 Km, Dharamshala 46 Km
5	Name of main cities & distance	::	Shahpur 22 Km, Dharamshala 46 Km
6	Name of main cities where product will be sold/ marketed	::	Shahpur, Dharamshala, Gaggal, Kangra

5. Market Potential-

The market of pickles is on the ever increasing side both in domestic and export market. The popular variety of pickles are mango pickle, lime pickle, mix vegetable, red chilies pickle etc. Ginger, garlic mushrooms pickles have also gained popularity in the recent years. Pickles are one of the earliest commercial product appeared in the market a product of fruits and vegetable preservation. A large number of brands of pickles are available in the market still there exist good scale for new brands and of palatability.

6. Executive Summary-

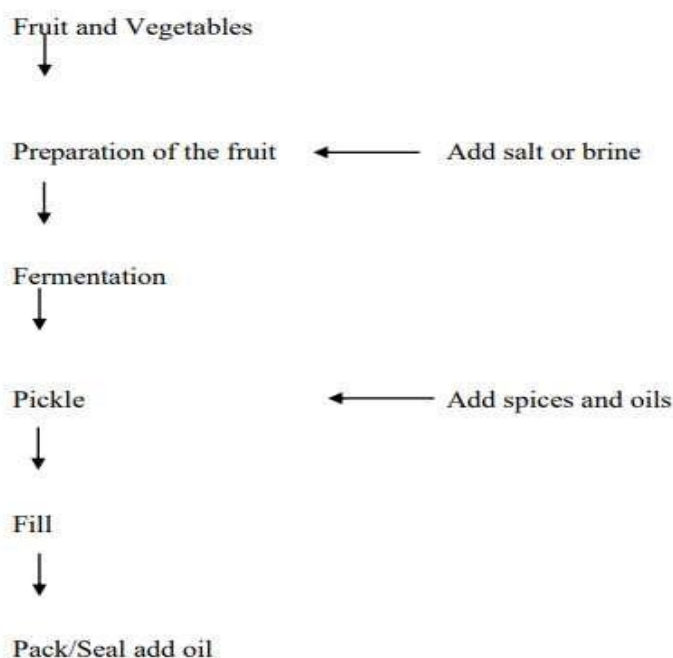
Food Processing (Pickle making) income generation activity has been selected by this Self Help Group. This IGA will be carried out by all ladies of this SHG. This business activity will be carried out yearly by group members. The process of making pickle takes around 3-7 days. Production process includes process like washing, slicing of vegetables, adding brine, desalting, adding species, oil and add preservative and finally packing. Initially group will manufacture one type of pickle but in future, group will manufacture other pickle products increasing the varieties of pickle which follow same process. Product will be sold directly by group or indirectly through retailers and whole sellers of near market initially.

7. Description of product related to Income Generating Activity-

1	Name of the Product	Pickle making
2	Method of product identification	Has been decided by group members
3	Consent of SHG/ CIG / cluster members	Yes

8. Description of Production Processes-

Flow Sheet for the Preparation of Pickles



9. Pickle making business compliance -

Pickle is a food item therefore different regulation of the state government need to be followed. Since IGA is being taken up initially on small scale therefore these legal issues will be address locally by the SHG members by obtaining a food handling license from the local authorities. The business is being operated from home therefore the tax regulations for self employed groups will be taken care as per the rules.

10. Production Planning -

1	Production Cycle for pickle making (in days)	3-7days
2	Man power required per cycle(No.)	All ladies
3	Source of raw materials	Local market/Main market
4	Source of other resources	Local market / Main market
5	Quantity required per month(Kg)	1000 kg
6	Expected production per month (Kg)	1000 Kg

Requirement of raw material and expected production.

S.no	Raw material	Unit	Time	Quantity(approx)	Amount per Kg(Rs)	Total amount	Expected production Per month(Kg)
1	Vegetables and fruits	Kg	Monthly	700	50	25,000	1000

11. Description of Sale & Marketing -

1	Potential market places	Shahpur, Rait,Kangra
2	Distance from the unit	Shahpur - 22 Km
3	Demand of the production market place/s	Daily demand
4	Process of identification of market	Group members, according to their production potential and demand in market, will select list of retailer or whole seller. 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 1/2 and 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"	"Tal Mata Pickle A product of SHG"

12. SWOT Analysis-

❖ Strength–

- ❖ 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 consumption. And consumption 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.

13. 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.

- ❖ Some group members will involve in Pre-production process (i.e. - procuring of raw material etc).
- ❖ Some group members will involve in production process.
- ❖ Some group members will involve in packaging and marketing.

14. Description of Economics -

A. Capital Cost				
S. No.	Particulars	Quantity	Unit Price	Amount (Rs)
1	Grinder machine	1	18,000	18,000
2	Mixer	2	4,000	16,000
3	Vegetable dehydrator	1	40,000	40,000
4	Finished product racks/ almirah	1	8,000	8,000
5	Iron Racks		LS	7,000
6	Kitchen tools		LS	17,000
7	Hand operated jar sealing machine	1	15,000	15,000
8	Apron, gloves, caps etc		LS	6,500
Total Capital Cost (A) =				119,500

B. Recurring Cost					
S. No.	Particulars	Duration	Quantity in Kg	Unit Price/Kg	Total Amount (Rs)
1	Raw material (kg)	Month	700	50	35,000
2	Raw material masala (kg)	Month	300	150	45,000
3	Packaging material	Month	LS	6,000	6,000
4	Transportation	Month	1	1,000	1,000
5	Other(Stationary, electricity bill etc)	Month	1	1,000	1,000
Total Recurring Cost (B) =					88,000

Note – The group members will do the work themselves and therefore labour cost has not been included and the members will manage between them the working schedule to be followed.

Cost of production:

C. Cost of production		
S. No.	Particulars	Amount
1	Total recurring cost	88,000
2	10% depreciation annually on capital cost	11,950
Total = 99,950		

D. Selling price calculation			
S. No.	Particulars	Unit	Amount Rs.
1	Cost of production	Kg	120
2	Current market price	Kg	150-250
3	Expected selling price	Kg	200

E. Average income monthly by way of sale of /pickle				
S. No.	Particulars	Quantity	Cost	Amount
1	Sale of pickles	1000 Kg	200 per Kg	2,00,000

15. Cost Benefit Analysis (Monthly)

Cost benefit analysis (monthly)		
S. No.	Particulars	Amount
1	Total recurring cost	88,000
2	Total sale amount	2,00,000
3	Net profit (Sale amount - Recurring cost)	112000
4	Distribution of net profit	<ul style="list-style-type: none">❖ 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

16. Fund flow arrangement in SHG -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	119,500	89,625	29,875
2	Total Recurring Cost	88,000	0	88,000
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
Total		257,500	139,625	117,875

Note:

- i) Capital cost- 75% capital cost will be borne by the project and 25% by the SHG.
- ii) Recurring cost- to be borne by the SHG.
- iii) Training and capacity building/ skill up gradation to be borne by the project.

17. Sources of Fund -

Project support	<ul style="list-style-type: none"> ✧ 75% of capital cost will be provided by project if members belong to SC/ST/Poor women. If the members belong to general then 50% capital cost is will be borne by project. ✧ Up to Rs 1 lakhs will be parked in the SHG bank account. ✧ Training/capacity building/ skill up- gradation cost. ✧ The subsidy of 5% interest rate will be deposited directly to the Bank/Financial Institution by DMU and this facility will be only for three years. SHG have to pay the installments of the Principal amount on regular basis. 	Procurement of machines/equipme nt will be done by respective DMU/FCCU after following all codal formalities.
SHG Contribution	<ul style="list-style-type: none"> ✧ 50% or 25% of capital cost to be borne by SHG for general category and other categories respectively. ✧ Recurring cost to be borne by SHG. 	

18. Training/capacity building/skill up-gradation -

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

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

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

19. Computation of break-even point -

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

= 1,19,500/(200-120)

= 1494 Kg

In this process break-even will be achieved after selling 1494 kg of pickles.

20. 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.
- ✧ Project support - The subsidy of 5% interest rate will be deposited directly to the Bank/Financial Institution by DMU and this facility will be only for three years. SHG/CIG has to pay the installments of the Principal amount on regular basis.

21. Monitoring Method-

- ❖ Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if needed 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 needed 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

22. Remarks

This group will make seasonal vegetables pickle depending upon the availability of raw material and response from the market.

Group photo



हस्ताक्षर
सचिव स्वयं सहायता समूह
श्रीपद्मा देवी

हस्ताक्षर Seela
प्रधान स्वयं सहायता समूह

हस्ताक्षर Sandhya
सचिव, वन ग्रामीण विकास
समिति

हस्ताक्षर
प्रधान, वन ग्रामीण विकास
समिति

हस्ताक्षर Anpal
वन रक्षक

हस्ताक्षर
वन खण्ड अधिकारी

हस्ताक्षर
वन परिक्षेत्र अधिकारी

डीएमयू द्वारा स्वीकृत

