



BUSINESS PLAN

INCOME GENERATING ACTIVITY-VERMI-COMPOST

By

Naari shakti-Self Help Group

SHG/CIG Name	:	Naari shakti
VFDS Name	:	Deothi
Range	:	Rey
Division	:	Nurpur Divison

Prepared under:

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

Table of Contents

S. No.	Particulars	Page/s
1	Background	3
2	Description of SHG/CIG	4
3	Beneficiaries Detail	5-6
4	Geographical details of the Village	6
5	Description of product related to Income Generating Activity	6
6	Production Processes	7
7	Production Planning	7
8	Sale & Marketing	8
9	SWOT Analysis	8
10	Description of Management among members	9
11	Description of Economics	10-13
12	Inference of Economic Analysis	14
13	Fund Requirement	14
14	Sources of Fund	14
15	Bank Loan Repayment	15
16	Trainings/capacity Building/Skillup-gradation	15
17	Monitoring Method	15
18	Group Member Photos	16-17

Background

Vermi composting has been gaining a strong foothold in the country due to simple production techniques, ecological, economic and human health benefits associated with it. A significant number of vermin composting units have been set up by entrepreneurs, under government support/with the technical guidance of Non-Governmental Organizations (NGOs), particularly in the southern and central part of the country.

Vermi composting has direct environmental and economic benefits and significantly contributes to the sustainable agriculture production and income of farmers. There are a number of NGOs, Community Based Organizations (CBOs), Self-Help Groups (SHGs), Trusts etc. which are making concerted effort to promote vermin composting technology due to its established economic and environmental advantages.

Vermi composting

Production of compost through rearing/using earth worms is called the vermin composting technology. Under this technology, earthworms eat biomass and excrete it in a digested form which is known as Vermicompost or vermi compost. It is one of the simplest and cost effective methods for the production of composting for both the small and large scale farmers. Vermicompost production unit can be set up in any land which is not under any economic use but shady and free from water stagnation. The site should also be near to a water resource.

Vermi composting, rightly called "gold from garbage" is the major input in organic agriculture production. Owing to simple technology, many farmers are engaged in vermin composting production as it invigorates soil health; soil productivity there by reduces the cost of cultivation.

There is a gradual increase in demand for vermin compost due to the high level of nutrient contents.

1. Description of SHG/CIG

SHG/CIG Name	::	Naari shakti
VFDS	::	Deothi
Range	::	Rey
Division	::	Nurpur Division
Village	::	Naari shakti
Block	::	Badukhar
District	::	Kangra

Total No.of Membersin SHG	::	18
Date of formation	::	02-03-2023
Banka/cNo.	::	50076282224
Bank Details	::	The Kangra Central Co-Operative bank
SHG/CIG Monthly Saving	::	50rs
Total saving		800rs
Total inter-loaning		1%
Cash Credit Limit		-
Repayment Status		-

2. Beneficiaries Detail:

Sr.no	Name Of Candidate	Designation	Age	Category	Contact No.
1	Pooja Verma W/O Vijay Kumar	President	39	Gen.	98165-64780
2	Bindu Sharma W/O Ajay Kumar	Secretary	42	Gen.	62306-71235
3	Meenakshi Chopra W/o Raj Pal Chopra	Treasurer	53	Gen.	82193-58046
4	Rashmi W/O surjeet singh	Member	40	Gen.	78074-48964
5	Pushpa devi W/o Subhash chand	Member	46	OBC	98057-17256
6	Shaani devi w/ O Raj Kumar	Member	57	OBC	86279-95072
7	Jeewana Kumari W/O Janak singh	Member	44	Gen.	82787-07631
8	Lata Kumari W/O Ajay Kumar	Member	40	SC	88948-74266
9	Kamla devi W/O vijay Kumar	Member	42	OBC	88941-70635
10	Arun Devi W/O Ajay Kumar	Member	40	OBC	94640-49478
11	Shobha Rani w/O rajbir singh	Member	31	Gen.	82788-02832
12	Usha Devi W/O Shashi Prakash	Member	55	Gen.	98176-12560
13	Kamla devi W/O ratti lal	Member	65	OBC	98057-39505

14	Anu Kumari W/O Krishan Chand	Member	28	OBC	88940-20462
15	Kamlesh W/O Kishan Chand	Member	55	Gen.	98051-96367
16	Sanjogita Devi W/O Kewal Singh	Member	52	Gen.	86278-38898
17	Neelam devi W/O Kuldeep singh	Member	50	Gen.	94187-87146
18	Sushma Devi W/O Ravi Kumar		35	OBC	9015303779

3. Geographical details of the Village

3.1	Distance from the DistrictHQ	::	125Km
3.2	Distance from Main Road	::	500m
3.3	Name of local market & distance	::	Pathankot -40 Km Talwara-20Km
3.4	Name of main market& distance		Pathankot -40 Km Talwara-20Km
3.5	Name of main cities & distance		Pathankot -40 Km Talwara-20Km and Mukeriyar-35 Km
3.6	Name of main cities where product will be sold/marketed	::	Pathankot -40 Km Talwara-20Km and indora-15 Km

4. Description of Product related to Income Generating Activity

4.1	Name of the Product	::	Vermi composting
4.2	Method of product identification	::	This activity has been collectively decided by group members.
4.3	Consent of SHG/CIG/cluster members	::	Yes

5. Description of Production Processes

Step		Description
Step-1	::	Processing involving collection of wastes, shredding, mechanical separation of the metal, glass and ceramics and storage of organic wastes.
Step-2	::	Pre digestion of organic waste for twenty days by heaping the material along with cattle dung slurry. This process partially digests the material and fit for earth worm consumption.Cattle dung and bio gas slurry May be used after drying.Wet dung should not be used

Step		Description
		For vermi-compost production.
Step-3	::	Preparation of earth worm bed. A concrete base is required to put the waste for vermi-compost preparation. Loose soil will allow the worms to go into soil and also while watering; all the dissolvable nutrients go into the soil along with water.
Step-4	::	Collection of earth worm after vermi-compost collection. Sieving the composted material to separate fully composted material. The partially composted material will be again put into vermi-compost bed.
Step-5	::	Storing the vermi-compost in proper place to maintain moisture and allow the beneficial microorganisms to grow.

6. Description of Production Planning

6.1	Production Cycle (in days)	::	90 days (three cycles in a year)
6.2	Man power required per cycle (No.)	::	16
6.3	Source of raw materials	::	From house hold and own farms
6.4	Source of other resources	::	Open market
6.5	Raw material - quantity Required per cycle (Kg) per member	::	2800 Kg per cycle
6.6	Expected production per cycle (Kg) per member	::	1400 Kg per cycle

7. Description of Marketing /Sale

7.1	Potential market places	::	HP Forest Deptt.
7.2	Distance from the unit	::	Local market Use on own farm
7.3	Demand of the product in market place/s	::	HP Forest deptt is procuring huge vermi-compost for their nursery
7.4	Process of identification of market	::	PMU will facilitate the tie up of procurement of vermi-compost

		Produced by SHG by HP Forest deptt.
7.5	Marketing Strategy of the product	SHG members will also explore the additional marketing options around their villages for better sale price in future.
7.6	Product branding	At CIG/SHG level product will be marketed by branding of respective CIG/SHG. Later this IGA may require branding at cluster level
7.7	Product "slogan"	"Naari shakti Nature Friendly"

8. SWOT Analysis

❖ Strength

- Activity is being already done by some SHG members
- Each of the SHG members are having cattle varying from 2 to 8 in each house hold
- Families of SHG members are cultivating high value crops & vegetables which offer adequate availability of raw materials i.e. farm organic wastes through out the year.
- Raw material easily available at their farms
- Manufacturing process is simple
- Proper packing and easy to transport
- Other family members will also cooperate with beneficiaries
- Product self-life is long

❖ Weakness

- Effect of temperature, humidity ,moisture on manufacturing process/ product.
- Lack of technical know-how

❖ **Opportunity**

- ➔ Increasing demand of vermi-compost on account of awareness among farmers about organic and natural farming
- ➔ Application of vermi-compost on their own field will go a long way in improving and enhancing the soil health and production of quality farm produce which will offer better price.
- ➔ Best utilization of organic waste including house hold left outs of kitchens
- ➔ Potential for marketing tie up with HP Forest

❖ **Threats/Risks**

- ➔ Possibility of break of production cycle due to extreme weather
- ➔ Competitive market
- ➔ Level of commitment among beneficiaries towards participation in training/capacity building & skill up-gradation

9. Description of Management among Members

Production—It will be taken care of by individual members including procurement of raw materials

➔ **Quality assurance**—Collectively

➔ **Cleaning & packaging**—Collectively

➔ **Marketing**—Collectively

➔ **Monitoring of the unit**—Collectively

10. Description of Economics

(Amount in actual Rs.)

S. No	Particulars	Units	Quantity/ Nos.	Cost (Rs.)	Year 1	Year 2	Year 3	Year 4	Year 5
A.	Capital Cost								
A.1	Construction of Pit and shed								
1	Construction as well as labour cost including shed(Size will be of10ftX4ftX2ft)	Per member	18	7000	126000	0	0	0	0
2	Erection of cover shed with iron angel	Per member	18	5000	90000				
	Sub-total(A.1)				216000	0	0	0	0
A.2	Machinery and equipment								
3	Tools, equipment, weighing scale etc.	Per member	18	3000	54000	0	0	0	0
	Sub-total(A.2)				54000	0	0	0	0
	Total Capital Costs(A.1+A.2)				270000	0	0	0	0
B	Recurring Costs								
4	Seed earth worm	Per Kg	18	550	9900	0	0	0	0
5	Cost of procurement of Slurry/dung/waste	Ton	96	1000	96000	100800	105840	111132	116688
6	Labour Cost	Per ton	48	800	38400	40320	42336	44452	46674
7	Packing materials	No.	16000	3	48000	50400	52920	55566	58344
8	Other handling charges	Per ton	48	165	7920	8316	8731	9167	9625
C	Other charges								
9	Insurance	L/S			0	0	0	0	0
10	Interest on loan	Per annum		2 percent	2000	2000	2000	2000	2000
	Totalrecurringcosts				202220	211176	221734	232820	244461
	Total cost –Capital and recurring				472220	211176	221734	232820	244461
D	Income from vermin composting								
11	Sale of Verm icompost	Tones	48	8000	384000	403200	423360	444528	466754
12	Sale of earth worm					20000	40000	40000	40000

13	Total revenue				384000	423200	463360	484528	506754
14	Net returns(D-C)				182880	212024	241626	251700	262293

Note – As labour work will be done by SHG members themselves and Slurry/dung/waste already available at their place and these materials will be not procured by them, therefore, recurring cost (LabourCost, Cost of procurement of Slurry/ dung/waste)can be deducted from total recurring cost.

Economic Analysis

Particulars	Year1	Year2	Year3	Year4	Year5	
Capital cost	270000	0	0	0	0	
Recurring cost	202220	212331	222947	234094	245798	
Total cost	441820	211176	221734	232820	244461	1352011
Total benefits	384000	423200	463360	484528	506754	2261842
Net benefits	-57820	212024	241626	251708	262293	909831
Net present worth of cost @15 percent	1352011					
Net present worth of benefits @15per cent	2261842					
Benefit Cost Ratio	1.67					

Distribution of net profit–As per share in production.

11. Inferences of Economic Analysis

- Pit size for each member has been plan nedat 10X4X2ft for one pit.
- Cost of production of vermi-compost comes toRs.4.2perKg
- Sale of vermi-compost(conservative side)isRs.8perKg
- Net profit will beRs.3.8perKg
- It is proposed that each member will produce 5.4tonnes of vermi-compost every year resulting in production of 80 tones vermi-compost by all 16 members of SHG in one year.

- Cost of earth worm has been kept at Rs.500.00 per kg
- During the second years on wards, there will be surplus earth work for sale (as it will multiply during the process of production of vermi-compost)
- The vermi-compost making Is a profitable IGA and can be taken up by the SHG members.

12. Fund requirement:

Sl. No.	Particulars	Total Amount(Rs)	Project support	SHG contribution
1	Total capital cost	270000	202500	67500
2	Total Recurring Cost	202220	0	202220
3	Trainings/capacity building/skill up-gradation	20000	20000	0
	Total=	492220	222500	269720

Note-

- **Capital Cost**-75% of capital cost to be covered under the Project
- **Recurring Cost**-To be borne by the SHG/CIG.
- **Trainings/capacity building/skill up-gradation**-To be borne by the Project

13. Sources of fund:

Project Support;	<ul style="list-style-type: none"> • 75% of capital cost will be utilized for construction of pit (Size will be of (10ftX4ftX2ft) • Upto Rs 1 lakh will be parked in the SHG bank account. • Trainings/capacity building/ skill up-gradation cost. 	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU After following all codal formalities.
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SHG Contribution	<ul style="list-style-type: none"> • 25% of capital cost to be borne by SHG, this include cost of shed/ construction of shed. • Recurring cost to be borne by SHG 	
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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 amount standing 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. 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:

- ➔ Project Orientation Group Formation/Reorganization
- ➔ Group Concept and Management
- ➔ Introduction to IGA(General)
- ➔ Marketing and Business Plan Development
- ➔ Bank Credit Linkages & Enterprise Development
- ➔ Exposure Visit of SHGs/CIGs-With in the State & Outside State

16. Monitoring Mechanism

- ➔ Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if need be to ensure operation of the unit as per projection.












- SHG should also view the progress and performance of the IGA of each member and suggest corrective action if need be to ensure operation of the unit as per projection.

Group Photo;-



Group Member Photo;-

Group - नारी शक्ति = वॉर्ड नं. = 6
 name (Deathi) = Vesemi Compost

4) 	2 	3 	4 
कमला देवी	साहनी देवी	सखिष्ठा देवी	पुष्पा देवी
5 	6 	7 	8 
जीवना देवी	पूजा शर्मा	अनु कुमारी	उषा देवी
9 	10 	11 	12 
कमलेश	रक्षामी देवी	लता कुमारी	सुजाता रानी
13 	14 	15 	16 
बिन्दु शर्मा	नीलम देवी	मीनाक्षी चौधरी	अनुरागवाल



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Resolution cum Group Consensus Form

It is decided in the general house meeting of the group Naari Shakti held on 12-12-2023 at Deothi that our group will undertake the Vermicomposting as livelihood income generation activity Under the project for implementation of Himachal Pradesh forest ecosystem Management and livelihood (JICA assisted).

Pooja Varma
Signature of Group President

नारी शक्ति S.H.G. दिथोठी

Birchi Sharma


Signature of Group Secretary

Business Plan Approval by VFDS & DMU

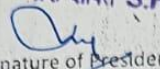
Naati Shakti Group will undertake the Vermicomposting livelihood Income Generation Activity under the project for implementation of Himachal Pradesh forest ecosystem Management and livelihood (JICA assisted). In this regard business plan of amount Rs. 492220/- has been submitted by group on 12/12/2023 and the business plan has been approved by the VFDS Deothi

Business plan is submitted through FTU for further action please.


Thank you


Signature of Group President
नारी शक्ति S.H.G. दियोठी


Signature of Group Secretary


Signature of President VFDS

Pradhan
Vill. Forest Development Society
Deothi, G.P Bahadpur
Teh Indora (Kangra) H:P


Approve
DMU cum - DFO
Nurpur Forest Division
Nurpur

A
13/1/23

