

Business Plan
On
Income Generation Activity
Mushroom farming
For
Self Help Group – Shiv



SHG/CIG name
VFDS name
Range
Division

Shiv
Gugga Chatri
Jaisinghpur
Palampur

Prepared Under-

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



SHG name: Shiv **VFDS:** Gugga Chatri **Range:**Forest Jaisinghpur **Division:** Palampur.

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1. Introduction-

Mushrooms are a type of fungi, which are consumed as food. 20 different species of mushrooms are commercially cultivated around the world. Mushrooms have gained recognition in the food chain because they contribute nutrient supplements to the food and have high medicinal and pharmaceutical value. Mushrooms are believed to have high protein content and sometimes known as “vegetable meat”. They have very low levels of carbohydrate and fat. Mushrooms also contain polysaccharides, vitamins and minerals comparable to other fruits and vegetables.

Mushrooms can be cultivated on a large number of agro-waste having cellulose and lignin that helps in more enzyme production of cellulose that is correlated with more yield. You can use straw of paddy, wheat and ragi, stalk and leaves of maize millet and cotton, sugarcane, sawdust, jute and cotton waste, dried grasses, used tea leaf waste, etc. The process of mushroom farming involves compost preparation, spawn-run, casing and harvesting. There is various type of edible mushroom available in the world but in India mostly four type mushroom cultivated.

- White Button Mushroom
- Portobello Mushroom
- Dhingri (Oyster) Mushroom
- Paddy Straw Mushroom

Among all above White Button mushroom has high demand the most popular hence most farmer select this variety for commercially mushroom farming. Average price for white button mushroom is in between 50-100 rs per kg this depends upon market demand.

Mushroom farming suits best to the people who enjoy gardening, growing plants and take keen interest in agricultural activities. Since the group members are already in agriculture/horticulture activities in their own fields, therefore this Income Generation Activity has been finalized by this Shiv SHG.

Shiv SHG is formed under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Gugga Chhatri. This SHG consists of 7 females and with the help of this project’s funding, training and assistance, they will be able to manufacture Mushroom on a large scale, becoming self independent and generating 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	Shiv
2.	VFDS	Gugga Chatri
3.	Range	Jaisinghpur
4.	Division	Palampur
5.	Village	Gulehar
6.	Block	Lambagaon
7.	District	Kangra
8.	Total no. of members in SHG	7
9.	Date of formation	13-09-2022
10.	Bank a/c No.	50074979462
11.	Bank details	KCC Bank Jaisinghpur
12.	SHG/CIG monthly savings	50 per members
13.	Total saving	1600
14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

SHG name: Shiv **VFDS:** Gugga Chatri **Range:** Forest⁴ Jaisinghpur **Division:** Palampur.

3. Beneficiaries Detail

S.no	Name	M/ F	Father/ Husband name	Category	Designation	Contact no.
1	Champa Devi	F	Sanjeev Singh	General	Pardhan	70185-55749
2	Anju Kumari	F	Mukesh Kumar	General	Secretary	98058-69815
3	Savita Kumari	F	Suresh Chand	General	Member	78075-26285
4	Sashi Bala	F	Subhash Chand	SC	Member	78075-33519
5	Meena Kumari	F	Desh Raj	SC	Member	97170-46585
6	Rita Devi	F	Rakesh Kumar	General	Member	88948-80257
7	Bhawana Devi	F	Shashi Kumar	SC	Member	78767-87992

4. Geographical details of the Village

1	Distance from the District HQ	85 km
2	Distance from Main Road	01 Km
3	Name of local market & distance	Jaisinghpur and 08 Km
4	Name of main market & distance	Jaisinghpur and 08 Km
5	Name of main cities & distance	Palampur and 55Km
6	Name of main cities where product will be sold/ marketed	Palampur and 55Km

5. Market Potential-

Mushroom farming is a growing industry, both in the domestic and export markets. Mushrooms have more protein than fruits and vegetables and can be low in cholesterol. Aside

SHG name: Shiv VFDS: Gugga Chatri **Range:** Forest Jaisinghpur **Division:** Palampur.

from protein, mushrooms can be high in vitamins such as B, C, D, riboflavin, thiamine, and nicotine acid. Also high in iron, potassium, and folic acid, a component known for improving blood circulation and preventing deficiencies. Mushrooms have a high market potential due to the nutritional value mentioned above. Mushrooms are an all-season delicacy that is in high demand all year. However, tourist and wedding ceremony demand is higher during the summer.

6. Executive Summary-

Mushroom farming 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 mushroom cultivation takes around 3-4 months (Button Mushroom/Dhingree Mushroom). Production process includes process like cleaning, provide water by spray pump to the bags and harvesting, packing of mushroom for market. Product will be sold directly by group or indirectly through retailers and whole sellers of near market initially. Average price for white button mushroom is in between 50-100 Rs per kg, depending on market demand.

7. Description of product related to Income Generating Activity-

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

8. Description of Production Processes-

- Group will make cultivate mushroom. This business activity will be carried out whole year by group members.
- The process of mushroom cultivation takes around 3 to 4 months.
- Based on assumption/experience -3 kg of yield obtained from one bag. In the duration of 3 to 4 months. Production process includes process like cleaning, moistening, harvesting and packing.

SHG name: Shiv VFDS: Gugga Chatri **Range:** Forest⁶ Jaisinghpur **Division:** Palampur.

9. Production Planning -

1	Production Cycle for Mushroom farming (in days)	3-4 months
2	Man power required per cycle(No.)	7 Members
3	Source of raw materials	Local market/ Main market
4	Source of other resources	Local market/ Main market
5	Spawn Quantity required per cycle(Kg)	140 Kg.
6	Expected production per cycle (Kg)	700 kg

10. Description of Sale & Marketing -

1	Potential market places	Jaisinghpur, Shivnagar, Sujanpur, Palampur
2	Distance from the unit	8 Km , 15 Km, 40 Km, 30 Km respectively
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 200 &500 grams 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"	"Shiv Mushroom farming A product of SHG"

SHG name: Shiv VFDS: Gugga Chatri Range:Forest Jaisinghpur Division: Palampur.

11. SWOT Analysis-

❖ Strength –

- Ready made compost bags are available in market.
- Production cost is less, produce is of high quality and growing cycles are short & production will be done all around the year.
- Proper packing and easy to transport
- Product shelf life is long

❖ Weakness –

- Effect of temperature, humidity, moisture on manufacturing process/product.
- Lack of experience in mushroom farming.

❖ Opportunity –

- High demand in festive and marriage occasion
- Location of markets
- 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.
- At times harmful infection can destroy the crop.
-

12. 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.

SHG name: Shiv VFDS: Gugga Chatri **Range:** Forest⁸ Jaisinghpur **Division:** Palampur.



13. Description of Economics -

A		CAPITAL COST		
S. No.	Particulars	Quantity	Unit Rate	Amount
1	Construction of three tier wooden/bamboo racks fitting	L/S		15000
2	Installation of ceiling fan	1	2000	2000
3	Installation of exhaust fans	2	1500	3000
4	Room heater/blower	2	2300	4600
5	Dry & wet thermometer and hygrometer	1	2500	2500
6	Weighing electronic machine	1	1500	1500
7	Hot plastic ceiling rod	1	1500	1500
8	Medium spray pumps	2	1800	3600
9	Set of sharp Knives	2	100	200
10	Scissor	1	400	400
11	Trays/Basket	4	200	800
12	Crate	4	600	2400
13	Button Mushroom bags	10	110	11000
14	Water Tub (40-50 ltr)	2	700	1400
15	Water tank 1000 ltr including transportation charges	1	8000	8000
16	Water & electricity fitting material and charges	L/S		4000
17	Miscellaneous	L/S		4000
Total capital Cost				67400

B		Recurring Cost			
S. No.	Particulars	Unit	Quantity	Unit Rate	Amount
1	Cost of rented room/hall	Month	3	1000	3000
2	Formalin		L/S		300
3	Compost Bags	No.	140	100	14000
4	Packaging material		L/S		3000
5	Transportation		L/S		2000
6	Spawn	Kg	140	100	14000
7	Electricity charges	Month	3	1000	3000
8	Miscellaneous (stationary, bill book, receipt book etc)		L/S		2000
Total Recurring Cost (B)					41300

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.

SHG name: Shiv VFDS: Gugga Chatri Range:Forest Jaisinghpur Division: Palampur.

Cost of production:

C. Cost of production		
S. No.	Particulars	Amount
1	Total recurring cost	41,300
2	10% depreciation annually on capital cost	5,640
Total =		46,940

D. Selling price calculation			
S. No.	Particulars	Unit	Amount Rs.
1	Current market price	Kg	120-150
2	Expected Selling Price by SHG	Kg	100

E. Average income monthly by way of sale of /Mushroom farming				
S. No.	Particulars	Quantity Kg	Cost per Kg	Amount
1	Mushroom	700	100	70000

14. Cost Benefit Analysis (Monthly)

Cost benefit analysis (monthly)		
S. No.	Particulars	Amount
1	Total recurring cost	41300
2	Total sale amount	70000
3	Net profit (Sale amount - Recurring cost)	28700
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

15. Fund flow arrangement in SHG -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
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SHG name: Shiv VFDS: Gugga Chatri Range:Forest Jaisinghpur Division: Palampur.

1	Total capital cost	56,400	42,300	14,100
2	Total Recurring Cost	41,300	0	41,300
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
Total		147,700	92,300	55,400

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.

16. 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. 	Procurement of machines/equipment will be done by respective DMU/FCCU after following all codal formalities.
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	<ul style="list-style-type: none"> ✧ 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. 		
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. 		

17. 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

18. Computation of break-even point -

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

= 56,400/(100-50)

= 1128 Kg

In this process break-even will be achieved after selling 1128 kg of Mushroom farmings.

19. 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.

20. 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

21. Remarks

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

22.Group member's Individual photos



Champa Devi



Savita Kumari



Anju Kumari



Shashi Bala



Meena Kumari



Rita Devi

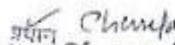


Bhawana Devi

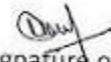
24. Resolution-cum Group consensus form

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Shiv held on 19/12/2022 at Guldehara that our group will undertake the Mushroom cultivation as Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted).


Signature Of group President
सचिव
शिव शिव संविकाता समुह
पंचायत कार्यालय
पंचायत क्षेत्र
पिन सं. 176022


Signature Of group secretary
सचिव
शिव शिव संविकाता समुह
पंचायत कार्यालय
पंचायत क्षेत्र
पिन सं. 176022


Signature of President VFDS

25. Business approval by VFDS and DMU

Business Plan Approval by VFDS and DMU.

Shiv Group will undertake the mushroom cultivation as 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. 147700 has been submitted by the group on 19-12-2029 and the Business Plan has been approved by VFDS Gugga Chatri
Business Plan is submitted to DMU through FTU for further action please.

Thank You.

Chompa सचिव
प्रधान
Signature of group Resident

Amjull सचिव
Signature Of group secretary
प्रधान
श्रील स्वयं सहायता समूह
श्रील मनेन्द्र डाकघर करनघट
श्रील पद्मयत जलेट वि० ख० नम्बरगांव
श्रील नं० (180310) 170095

Amjull
Signature of President VFDS
प्रधान
ग्राम वन विकास समिति गुग्गा चट्टी
ग्राम पंचायत जलेट
श्रील जयसिंहपुर
श्रील इलाहाबाद वि० प्र०

Approved

DMU
Palampur (H.P.)



Business Plan

On

Income Generation Activity

– Vermicompost

For

Self Help Group –Shiv



Size of Pit: 3.6 m X 1.2 m X 0.75 m

**SHG
VFDS
Range
Division**

**Shiv
Gugga Chatri
Jaisinghpur
Palampur**

Prepared Under-

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

SHG name: Shiv VFDS: Gugga Chatri Range: Forest Jaisinghpur Division: Palampur.

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1. Introduction-

Vermicomposting tanks made of ordinary bricks in a semi-commercial unit. The model for vermicomposting consists of three chambers enclosed by a wall and size of one chamber (1.5 m width, 5 m length and 0.75 m height) with three chambers in a pit. The walls are made up of different materials such as normal bricks, hollow bricks. This model contains partition walls with small holes to facilitate easy movement of earthworms from one chamber to another. Providing an outlet at one corner of each chamber with a light slope facilitates collection of excess water, which is reused later or used as earthworm leachate on crop. The three components of a tank are filled with plant residues one after another. The first chamber is filled layer by layer along with cow dung and then earthworms are released. Then the second chamber is filled layer by layer. Once the contents in the first chamber are processed the earthworms move to chamber 2, which is already filled and ready for earthworms. This facilitates harvesting of decomposed material from the first chamber and also saves labor for harvesting and introducing earthworms. This technology reduces labour cost and saves water as well as time.

A group of 7 women of different age groups came together to form a second activity under JICA project and decided to craft a business plan which can help them to take this IGA in collective manner and raise their additional income.

After discussing about the market potential and different aspects very carefully before getting into this IGA (Income Generation Activity) and moreover an MoU will be signed between the Range Forest Officer of the Forest Department and SHG, for the procurement of good quality vermicompost produced by the SHG to utilize in the nurseries. Shiv SHG was formed in the year 2022 and has also been included under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under

SHG name: Shiv VFDS: Gugga Chatri **Range:** Forest Jaisinghpur **Division:** Palampur.

VFDS (Gugga Chatri). This SHG consists of 7 females. These females with the help of this project funding, training and assistance they will develop this skill and become professional. They will be able to sell vermi-compost in large scale and will become self dependent and generate income. The detailed business plan of this SHG have been crafted according to its investment capacity, marketing & promotional strategy and the detailed action plan will be discussed here in under:

2. Description of SHG/CIG

1.	SHG/CIG Name	Shiv
2.	VFDS	Gugga Chatri
3.	Range	Jasinghpur
4.	Division	Palampur
5.	Village	Gulehar
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8.	Total no. of members in SHG	7
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SHG name: Shiv VFDS: Gugga Chatri Range: Forest Jaisinghpur Division: Palampur.

14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

3. Beneficiaries Detail

S.no	Name	M/ F	Father/ Husband name	Category	Designation	Contact no.
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4	Name of main market & distance	Jaisinghpur and 08 Km
5	Name of main cities & distance	Palampur and 55Km
6	Name of main cities where product will be sold/ marketed	Palampur and 55Km

5. Market Potential-

Vermi-compost has been emerging as an important source in supplementing and
SHG name: Shiv VFDS: Gugga Chatri **Range:** Forest Jaisinghpur **Division:** Palampur.

substituting chemical fertilizers in agriculture. Vermi-compost, also known as ‘farmers' friend’ is used for general crops and plantation crops. It is a valuable input for sustainable agriculture and wasteland development. It is a growth promoter and helpful in providing hormones required for plant growth. There is a lot of demand for vermi-compost among farmers as its use increases quality of agricultural products and it’s price is also cheaper. It is also used widely in pot culture and in home gardens. In addition, many government departments including agriculture, forest and horticulture buy it in bulk. Government agencies and NGOs are popularizing organic agriculture using vermi-compost by organizing awareness campaigns and film show in rural and urban areas. After learning the skill of producing good quality vermi-compost, Shiv SHG will target the Forest Department Nurseries and the private nurseries. There is a huge market potential with the increased awareness regarding the benefits of using organic compost in place of chemical fertilizers and promoting organic farming.

1	Potential market places/locations	Duhki & Shiv Nagar Nursery also in open market
2	Vermicompost demand	Throughout the year
3	Process of identification of market	Group members will contact nearby villagers/ households/ institutions/ Forest department.
4	Marketing Strategy	SHG members will directly take orders from nearby villagers/ households/ Govt department.

6. Executive Summary-

Vermicomposting (Income Generation Activity) has been selected by this Self Help Groups. The IGA will be carried out by all ladies of this SHG by constructing individual pits. The division of labour between members have been planned carefully as they are working individually so that each tributes towards strengthening the IGA and resulting the additional money.

7. Description of product related to Income Generating Activity-

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

8. Description of Production Processes-

❖ **Vermicomposting materials:** Decomposable organic wastes such as animal excreta, kitchen waste, farm residues and forest litter are commonly used as composting materials. In general, animal dung mostly cow dung and dried chopped crop residues are the key raw materials.

Mixture of leguminous and non-leguminous crop residues enriches the quality of vermicompost. Red earthworm (*Eisenia foetida*) is preferred species of earthworms because of its high multiplication rate and thereby converts the organic matter into vermicompost within 45-50 days. Since it is a surface feeder it converts organic materials into vermicompost from top.

❖ **Process of vermicompost preparation:** Vermicomposting is done by either bed or pit method. In bed method composting is done on the pucca / kachcha floor by making bed of organic mixture while in pit method it is done in the cemented pits.

- Vermicomposting unit should be in a cool, moist and shady site
- Cow dung and chopped dried leafy materials are mixed in the proportion of 3: 1 and are kept for partial decomposition for 15 – 20 days. • A layer of 15-20cm of chopped driedleaves/grasses should be kept as bedding material at the bottom of the bed.
- Beds of partially decomposed material of size 5x5x2.5 feet should be made.
- Each bed should contain 3-4.0qtl. of raw material and the number of beds can be

increased as per raw material availability and requirement.

- Red earthworm (1500-2000) should be released on the upper layer of bed.
- Water should be sprinkled with care immediately after the release of worms
- Beds should be kept moist by sprinkling of water (daily) and by covering with gunnybags/polythene.

❖ Bed should be turned once after 30 days for maintaining aeration and for proper decomposition.

- Compost gets ready in 45-50 days. The finished product is 3/4th of the raw materials used.

➤ **Harvesting:** When raw material is completely decomposed it appears black and granular.

Watering should be stopped as compost gets ready. The compost should be kept over a heap of partially decomposed cow dung so that earthworms could migrate to cow dung from compost.

After two days compost can be separated and sieved for use.

1	Time taken	It is assumed that there will be around 3-4 cycles of production in the first year and 5 – 6 cycles in the subsequent years with a duration of each cycle at around 65-70 days.
2	Number of ladies involved	All ladies
3	Source of raw material	Animal excreta, kitchen waste, farm residues and forest litter .
4	Source of other resources	Animal excreta, kitchen waste, farm residues and forest litter .
5	Expected production per cycle	80 quintal per cycle from 8 numbers of pits (10 quintal from each pit.)
6	Expected production per year	240 quintal per year.

9 .SWOT Analysis-

Strength □

- 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.
- Infertility and soil erosion are the main problems in front of Indian farmers, the use of vermi compost improves soil structure, texture, aeration, water holding capacity and prevent soil erosion.
- It is an easily adoptable low cost technology.
- Cheap price as compare to chemical fertilizers.
- Crops harvested by using this manure has high demand in international market. This crop fetches premium selling price.

✧ Weakness

- ⑩ Lack of technical know-how.
- ⑩ Effect of temperature, humidity, moisture on manufacturing process/product.
- ⑩ At initial level its use increases the cost of production.
- ⑩ Less awareness among the people.
- ⑩ Because of the natural way of production, we cannot reduce the production time.

✧ Opportunity

- ⑩ Increasing demand of vermi compost on account of awareness among farmers about organic and natural farming.
- ⑩ Potential for marketing tie ups with HP forest.
- ⑩ Best utilization of organic waste including household left outs of kitchens.
- ⑩ People are more concerned about their health so they want to consume organic food.
- ⑩ Hundreds of tones biodegradable organic waste is being thrown in cities creating disposal problems in the country. This waste can be converted into valuable compost byutilizing as raw material.
- ⑩ Legitimate support by the government to the farmers to start this unit.
- ⑩ Absence of competitors in the market can be a big opportunity for producers.
- ⑩ Wide scope at national and international level.

❖ Threats & Risks

- ⑩ Competitive market
- ⑩ Level of commitment among beneficiaries towards participation in training/capacity building and skill up-gradation.
- ⑩ Possibility of break of production cycle due to extreme weather conditions.
- ⑩ Some small players have distorted its image in its nascent stage.
- ⑩ 90% farmers are using chemical fertilizers. Farmer does not take initiative to convert his farm into organic.

10. 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

11. Description of Economics -

A. Capital cost				
Sr. No.	Particulars of item	Quantity	Unit Price	Amount
	Land and Building			
1	Cost of Vermicompost pit as per estimate. Vermicompost beds (3.60 m x 1.20 m*7 nos = 35 m ³ + 5 m 2 pathways/utility = 40 m ²)	7	25000	175000
	Sub total			175000
	Implements and machinery			
1	Shovels, spades, buckets, bamboo baskets sowl.	7	1200	8400
4	Sieving hand operated with 3 wire mesh sieves- 0.6 m x 0.9 m size .	7	1000	7000
5	Digital Weighing machine	1	4000	4000
7	Bag sealing machine	1	6000	6000
8	Culture trays (plastic) (35 cm x 45 cm) - 1 Nos	1	800	800
	Sub total			26200

	Water provision - Watering Can	7	500	3500
	Earthworms (@1 Kg per m³ and @`Rs.100/Kg, total utilized bed volume = 40m³)	35	150	5250
	TOTAL CAPITAL COST			209950

B. Recurring Cost				
Sr. No.	Particulars of item	Quantity	Unit Price	Amount
1	Agricultural wastes (cost, collection and transportation) @ 320 kg per m ³ and Rs.200/MT $3.6*1.2*0.75*7*4*320*200/1000$	58.06	200	11612
2	Cow dung (cost, collection and transportation) @ 80 kg/m ³ and Rs.250/MT $(3.6*1.2*0.75*7*4*80*250/1000)$	18.14	250	4535
3	Labour wages on day to day basis in formation of vermibed with agro-waste, cow dung and worms, watering, stirring, harvesting, sieving, packing, etc., including cost of bags (250 bags[@ Rs.200/mt)	4	4000	4000
4	Repair and maintenance	7	1000	7000
5	Cost of bags and packaging	940	25	23500
	Total Recurring Cost			50647

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.

$$\begin{aligned} \text{Net Recurring Cost} &= \text{Total Recurring Cost} - \text{Labour wages} \\ &= 50647 - 4000 \\ &= 46647.00 \end{aligned}$$

C. Cost of production (Monthly)		
S. No.	Particulars	Amount
1	Total recurring cost	50647
2	10% depreciation annually on capital cost	20995
Total = 71642		

D. Selling price calculation			
S. No.	Particulars	Unit	Price
1	Selling price per quintal	1 Quintal	800-1000

S. No.	Particu
1	10% d capital
2	Net Re
3	Total b
4	Selling all exp
5	Incom
6	Net pro Recurr
7	Distrib

12.Fund flow arrangement in SHG -

S. No.	Particulars	Total Amount(Rs)	Project Contribution	SHG contribution
1	Total capital cost	209950	157462	52487
2	Total Recurring Cost	50647	0	50647
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
Total		310597	207462	103134

Note:

- ✧ Capital cost- 75% capital cost will be borne by the project as the group is of female and they are poor and 25% by the SHG.
 - ✧ Recurring cost- to be borne by the SHG.
- Training and 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 provided by project if members belong to other than general category. 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- gradationcost. ✧ 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 support/ equipment will be done by respective DMU/FCCU after following allcodal formalities.
SHG Contribution	<p>22. 50% or 25% of capital cost to be borne by SHG for general category and other categories respectively.</p> <p>23. All the members are females and belongs to low income group and they can contribute 25% and project has to bear remaining 75%.</p> <p>24. Recurring cost to be borne by SHG.</p>	

14. 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

15. Computation of break-even point -

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

=209950/ (500-250)

=839

In this process break-even will be achieved after production of 1088 bags.

16. 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.

17. 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

18. Remarks

All the members are females and belongs to low income group and they can contribute 25% and project has to bear remaining 75%.

19. Group member's Individual photos



Rinku Devi



Savita Kumari



Anju Kumari



Shashi Bala



Meena Kumari



Rita Devi



Bandana Devi

20.Group Photo



21. Resolution-cum Group consensus form

SHG name: Shiv VFDS: Gugga Chatri ³⁵ Range: Forest Jaisinghpur Division: Palampur.

2nd Activity

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Shiv held on 17-12-25 at Gugga Chatri that our group will undertake the Vermicompost as second Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted).



Signature of group President



Signature of group secretary


प्रधान,
समस्त वन विकास समिति गुग्गा छत्रि
Signature of President VFDS
जैसिंगपुर
जिला कांगड़ा हि.प्र.

22. Business approval by VFDS and DMU

SHG name: Shiv VFDS: Gugga Chatri Range: Forest Jaisinghpur Division: Palampur.

2nd Activity

Business Plan Approval by VFDS and DMU

Shiv Group will undertake the Vermicompost as second 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.310597 has been submitted by the group on 17-12-25 and the business plan has been approved by VFDS Gugga Chatri.

Business Plan is submitted to DMU through FTU for further action please.

Thank You.


Signature of group President

Angu Kumari
Signature of group secretary


Signature of President VFDS
प्रधान,
शिव ग्रुप
सहकारी समिति
जिला जसिंगपुर
विभाग जसिंगपुर

Approved

DMU cum DFO Palampur

