

BUSINESS PLAN

INCOME GENERATING ACTIVITY –Food Processing (Turmeric Powder)

by

Ambika - Self Help Group



SHG/CIG Name	::	Ambika
VFDS Name	::	Balehra
Range	::	Jawalamukhi
Division	::	Dehra

Prepared Under–



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

Table of Contents

Sr. No.	Particulars	Page/s
1	Description of SHG/CIG	3
2	Beneficiaries Detail	3-4
3	Geographical details of the Village	4
4	Executive Summary	4-5
5	Description of product related to Income Generating Activity	5
6	Production Processes	5
7	Production Planning	5
8	Sale &Marketing	6
9	SWOT Analysis	6-7
10	Description of Management among members	7
11	Description of Economics	7-8
12	Analysis of Income and Expenditure	8
13	Fund Requirement	8-9
14	Sources of Fund	9
15	Trainings/capacity building/ skill up gradation	9
16	Computation of break-even Point	9
17	Other sources of income	10
18	Bank Loan Repayment	10
19	Monitoring Method	10
20	Remarks	

1. Description of SHG/CIG

1	SHG/CIG Name	::	Ambika
2	VFDS	::	Balehra
3	Range	::	Jawalamukhi
4	Division	::	Dehra
5	Village	::	Balehra
6	Block	::	Surani
7	District	::	Kangra (H.P)
8	Total No. of Members in SHG	::	8 Male
9	Date of formation	::	09.09.2022
10	Bank a/c No.	::	HDFC Bank
11	Bank Details	::	50100582029877
12	SHG/CIG Monthly Saving	::	50 Rs.
13	Total saving	::	400 Rs.
14	Total inter-loaning	::	-
15	Cash Credit Limit		-
16	Repayment Status		-

2. Beneficiaries Detail:

Sr. No.	Name	Father/Husband Name	Age	QI	Income Source	Address	Contact
1	Sh. Kushal Singh	President	65	BA	Agriculture	Village - Balehra	9805343035
2	Sh. Fateh Singh	Secretary	62	10 th	Agriculture	Village - Balehra	7876585014
3	Sh. Karam Chand	Member	70	10 th	Agriculture	Village - Balehra	8894619943
4	Sh. Vinod Kumar	Member	50	10 th	Agriculture	Village - Balehra	8894506911
5	Sh. Swaroop Chand	Member	62	8 th	Agriculture	Village - Balehra	9605425352
6	Sh. Gagan Singh	Member	63	10 th	Agriculture	Village - Balehra	9816796461
7	Sh. Rajindra Singh	Member	70	10 th	Agriculture	Village - Balehra	-
8	Sh. Surinder Singh	Member	55	BA	Agriculture	Village - Balehra	9816767780

3. Geographical details of the Village

1	Distance from the District HQ	::	Dehra 22 Km, Kangra – 38, Jawalamukhi – 15 Km
2	Distance from Main Road	::	2 Km
3	Name of local market & distance	::	Khundian 15 Km & Jawalamukhi 12 Km
4	Name of main market & distance	::	Nadaun 25 Km, Kangra 38 Km
5	Name of main cities where product will be sold/ marketed	::	Dehra 22 Km, Kangra – 38, Jawalamukhi – 15 Km, Nadaun 25 Km

4. Executive Summary

Food Processing (Turmeric Powder) income generation activity has been selected by this Self-Help Group. This IGA will be carried out by all 8 Men of this SHG. Powder of turmeric will be made by this group initially. This business activity will be carried out yearly by group members. The process of making powder takes around 8-10 days. Production process includes process like cleaning, washing, drying, grading, grinding etc. Initially group will manufacture powder of raw turmeric but in future, group will manufacture other products which follow same process. Product will be sold directly by group or indirectly through retailers and whole sellers of near market initially.

5. Description of Product related to Income Generating Activity

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

Description of Production Processes

The process of manufacture involves cleaning, drying, pulverizing, sieving, and packaging. The manufacturing process is very well established and does not involve technicalities.

First of all, clean the ungrounded spices manually to remove impurities like mud and stones. And then wash with water. After drying them in sunlight, they are graded and ground with the help of the grinding machine to convert them into powder form. The storage and proper distribution are important in getting long-term success in this business.

6. Description of Production Planning

1.	Production Cycle for (in days)	::	8-10 days
2.	Man power required per cycle (No.)	::	all Men
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
8.	Expected production per month (Kg)	::	1000

Requirement of raw material and expected production

Sr. no.	Raw material	unit	Time	Quantity (approx.)	Amount per Kg (Rs)	Total amount	Expected production per month (Kg)
1	Raw Turmeric	Kg	Monthly	1000	40	40000	1000

7. Description of Marketing/ Sale

1	Potential market places	::	Dehra 22 Km, Kangra – 38,
2	Distance from the unit	::	Jawalamukhi – 15 Km, Nadaun 25 Km
3	Demand of the product in 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 retailer/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 .5 -1 Kg packaging.
6	Product branding		At CIG/SHG level product will be marketed by branding CIG/SHG. Later this IGA may require branding at cluster level
7	Product “slogan”		“A product of SHG”

8. 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

❖ 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

9. 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.

10. Description of Economics:

A. CAPITAL COST				
Sr. No.	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Grinder Machine	1	31000	31000
2	Apron, cap, plastic hand gloves etc.		LS	1000
	Total Capital Cost (A) =			Rs. 32,000/-

B. RECURRING COST					
Sr. no.	Particulars	Unit	Quantity	Price	Total Amount (Rs)
1	Raw material	Month	1000	40	40000
2	Room Rent	Month	1	1000	0
3	Packaging material	Month	LS	2000	2000
4	Transportation	Month	1	1000	1000
	Recurring Cost				Rs. 43000/-

Note – As raw turmeric will be produced by group members and labour work will be done by members themselves, therefore, these costs will be reduced from total recurring cost.

C Cost of Production		
Sr. No.	Particulars	Amount (Rs)
1	Total recurring cost	32000
2	10% depreciation annually on capital cost	3200
	Total	35200/-

D Selling Price calculation			
Sr. No.	Particulars	Unit	Amount (Rs)
1	Cost of Production	Kg	62
2	current market price	Kg	150-200
3	Expected Selling Price	Rs	150

11. Analysis of Income and Expenditure (per Month):

Sr. No	Particulars	Amount (Rs)
1	10% depreciation annually on capital cost	3200
2	Total Recurring Cost	43000
3	Total Production (Kg)	1000
4	Selling Price (per Kg)	150
5	Income generation (150*1000)	150000
6	Net profit (150000-43000)	107000
8	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

12. Fund requirement:

Sr. No.	Particulars	Total Amount (Rs)	Project Contribution 50%	SHG Contribution 50%
1	Total capital cost	32000/-	16000/-	16000/-
2	Recurring Cost	43000/-	0	43000/-
3	Trainings/capacity building/ skill up-gradation	50,000	50,000	0
	Total	125000/-	66000/-	59000/-

Note-

- **Capital Cost** - 50% of capital cost to be covered under the Project and 50% by the SHG themselves
- **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"> • 50% of capital cost will be provided by project • Up to Rs1 lakh will be parked in the SHG bank account. • Trainings/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 machineries/equipment will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none"> • 25% of capital cost to be borne by SHG • Recurring cost to be borne by SHG 	

14. 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-gradations 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 kg)-cost of production (per kg)

= 65000/ (150-62)

= 365 Kg

In this process breakeven will be achieved after selling 365 kg Powder.

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 have 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 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

18. Remarks



BUSINESS PLAN APPROVAL by VFDS & DMU

BUSINESS PLAN APPROVAL BY VFDS & DMU

.Ambika.....Group will undertake the ..Haldi..... livelihood Income Generation Activity under the project for implementation of Himachal Pradesh Forest Ecosystem Management & livelihood (JICA assisted). In this regard business plan of amount Rs. ..1.2.5.000/-..has been submitted by group on.8.01.2016 And the business plan has been approved by the VFDS...Balehra

Business plan submitted through FTU for further action please.
Thank you

Kushal Sae
Signature of Group President

महेश शर्मा
Signature of Group Secretary

[Signature]
Approved

DMU – CUM - Dehra

RESOLUTION-CUM-GROUP

Resolution - cum - Group Consensus Form

It is decided in the General House meeting of the group ...*Ambika*..... at
...*Balhera*... that our group will undertake the ...*Kald*..... as Livelihood Income
Generation Activity under the Project for improvement of Himachal- Pradesh
Forest Ecosystem Management & Livelihoods (JICA Assisted).

Kushal Sen
Signature's of Group Pradhan

मनो रिट
Signature's of Group Secretary

SUBMITTED TO DMU THROUGH FTU

Submitted to DMU through FTU


Range Forest Officer
Jawalamukhi Forest Range
Distt Kangra (H.P.)-176034
Name & Signature of FTU Officer

Range Forest Office,
Kangra (H.P)

Savita Devi
Name & Signature of FTU Coordinator

1. Deeksha Devi (SMS JICA)
2. Mrs. (HPFS-Rtd)

Approved

Name & Signature of DMU officer

