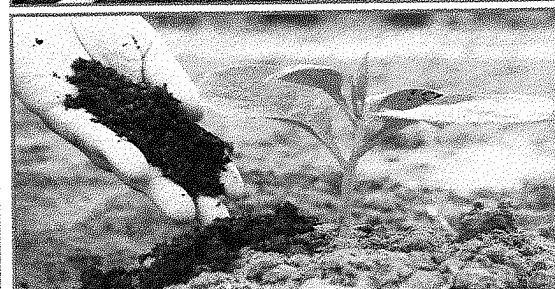
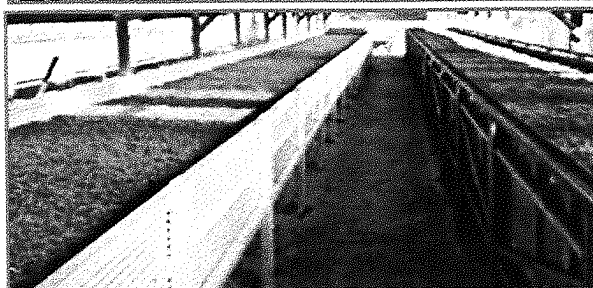
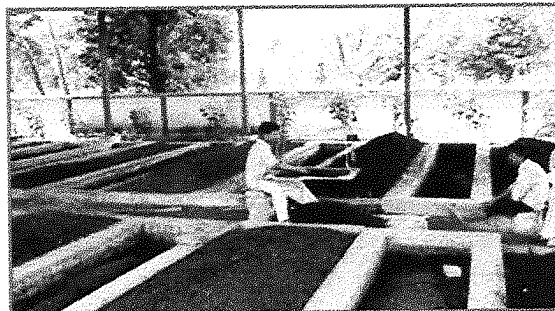
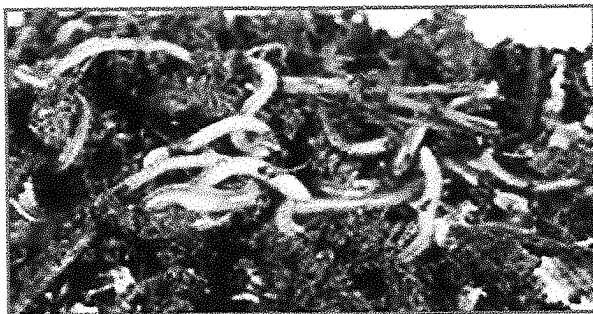


BUSINESS PLAN

INCOME GENERATING ACTIVITY –Vermi-Compost

By
Ujala- Self Help Group



SHG/CIG Name	::	Ujala
VFDS Name	::	Nain Tunga
Ward	::	Ganehad
Range	::	Mandi
Division	::	Mandi

Prepared under:



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

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Background

Vermicomposting 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 parts of the country.

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

Vermicomposting

Production of compost through rearing/using earth worms is called the vermicomposting technology. Under this technology, earthworms eat biomass and excrete it in a digested form which is known as vermicompost and technique is called as vermicomposting. It is one of the simplest and cost effective methods for the production of compost 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 nearer to a water resource.

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

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

1. Description of SHG/CIG

SHG/CIG Name	::	Ujala Women SHG
VFDS	::	Nain Tunga
Range	::	Mandi
Division	::	Mandi
Ward/Village	::	Ganehad
Block	::	Sadar
District	::	Mandi
Total No. of Members in SHG	::	14- Females
Date of formation	::	2021
Bank a/c No.	::	87121300043182
Bank Details	::	Gramin Bank Randhara
SHG/CIG Monthly Saving	::	Rs. 100.00
Total saving		Rs. 113258
Total inter-loaning		Rs. 70000
Cash Credit Limit		--
Repayment Status		Very good

2. Beneficiaries Detail:

Sr. No	Name	Father/ Husband Name	Age	Category	Income Source	Address
1	Batti Devi	Bhagi Rath Thakur	49	Gen.	Agri.	Ganehad
2	Babli Devi	Prem Singh	40	Gen.	Agri.	Ganehad
3	Hansa Devi	Besar Singh	43	Gen.	Agri.	Ganehad
4	Bindra Devi	Biri Singh	49	Gen.	Agri.	Ganehad
5	Vidya Devi	Devinder Singh	47	Gen.	Agri.	Ganehad
6	Reeta Devi	Chaman Lal	45	Gen.	Agri.	Ganehad
7	Shakuntla Devi	Devi Roop	56	Gen.	Agri.	Ganehad
8	Rewati Devi	Raghuvir Singh	48	Gen.	Agri.	Ganehad
9	Dharma Devi	Nand Lal	45	Gen.	Agri.	Ganehad
10	Kamala Devi	Bali Bhadra Singh	50	Gen.	Agri.	Ganehad
11	Kala Devi	Amar Singh	68	Gen.	Agri.	Ganehad
12	Jaiwanti	Hem Raj	45	Gen.	Agri.	Ganehad
13	Padama Devi	Palse Ram	49	Gen.	Agri.	Ganehad
14	Soma Devi	Beli Ram	55	Gen.	Agri.	Ganehad

3. Geographical details of the Village

3.1	Distance from the District HQ	::	16 Km
3.2	Distance from Main Road	::	2 Km
3.3	Name of local market & distance	::	Mandi 15 Km
3.4	Name of main market & distance		Mandi, 15 Km
3.5	Name of main cities & distance		Mandi, 15 Km
3.6	Name of main cities where product will be sold/ marketed	::	HP Forest Deptt. & Mandi

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 is being already done by some SHG members and 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 makes it fit for earthworm consumption. Cattle dung and biogas slurry may be used after drying. Wet dung should not be used for vermi-compost production.
Step-3	::	Preparation of earthworm 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 earthworm 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	Manpower required per cycle (No.)	::	1
6.3	Source of raw materials	::	From household and own farms
6.4	Source of other resources	::	Open market
6.5	Raw material - quantity required per cycle (Kg) per member	::	1800 Kg per cycle
6.6	Expected production per cycle (Kg) per member	::	900 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"		"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 3 in each household.
- ☉ Families of SHG members are cultivating high value crops & vegetables which offer adequate availability of raw materials i.e. farm organic wastes throughout 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 household 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 (Size will be of 10ftX4ftX2ft)	Per member	14	6000	84000	0	0	0	0
2	Erection of cover shed	Per member	14	4000	56000	0	0	0	0
	Sub-total (A.1)				140000	0	0	0	0
A.2	Machinery and equipment								
3	Tools, equipment, weighing scale etc.	Per member	14	2000	28000	0	0	0	0
	Sub-total (A.2)				28000	0	0	0	0
	Total Capital Costs (A.1+A.2)				168000	0	0	0	0
B	Recurring Costs								
4	Seed earthworm	Per Kg	14	500	7000	0	0	0	0
5	Cost of procurement of Slurry/dung/waste	Tonnes	75	900	67500	70875	74419	78140	82047

6	Labour Cost	Per tonne	38	700	26250	27563	28941	30388	31907
7	Packing materials	No.	5000	2	10000	10500	11025	11576	12155
8	Other handling charges	Per tonne	38	150	5700	5985	6284	6598	6928
C	Other charges								
9	Insurance	L/S			0	0	0	0	0
10	Interest on loan	Per annum		2 per cent	3000	3000	3000	3000	3000
	Total recurring costs				119450	117923	123669	129702	136037
	Total cost - Capital and recurring				287450	117923	123669	129702	136037
D	Income from vermicomposting								
11	Sale of vermicompost	Tonnes	38	6000	228000	239400	251370	263939	277135
12	Sale of earthworm					7500	15000	15000	15000
13	Total revenue				228000	246900	266370	278939	292135
14	Net returns (C-B)				108550	128977.5	142701.4	149236	156098

Note – As SHG members will perform certain activities like labour work etc and Vermi compost pit will be set up on their land, therefore, recurring cost (Lease of land, Labour Cost, Other miscellaneous expenses) can be deducted from total recurring cost.

Economic Analysis

S. No	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	
1	Capital cost	168000	0	0	0	0	
2	Recurring cost	119450	124800	130890	137285	143999	
3	Total cost	287450	124800	130890	137285	143999	824423
4	Total benefits	240000	259500	279600	292830	306722	1378652
5	Net benefits	-47450	134700	148710	155546	162723	554228
6	Net present worth of cost @15 per cent	824423					
7	Net present worth of benefits @15 per cent	1378652					
8	Benefit Cost Ratio	1.67					

11. Inferences of Economic Analysis

- Pit size for each member has been planned at 10X4X2 ft.
- Cost of production of vermi-compost comes to Rs. 3.3 per Kg.
- Sale of vermi-compost (conservative side) is Rs. 6 per Kg.
- Net profit will be Rs. 2.7 per Kg.
- It is proposed that each member will produce 2.7 tonnes of vermi-compost every year resulting in production of 30 tonnes vermi-compost by all 11 members of SHG in one year.
- Cost of earthworm has been kept at Rs. 500.00 per kg.
- During the second years onwards, there will be surplus earthwork 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	168000	126000	42000
2	Total Recurring Cost	119450	0	119450
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	Total =	287450		

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 and shed (Size will be of 10ftX4ftX2ft)• Rs 1 lakh as revolving will be parked in the SHG bank account (should be utilized for	Procurement of materials for pit and shed/construction of pit and shed will be done by respective DMU/FCCU after following all codal formalities.
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	taking bank loan) <ul style="list-style-type: none"> • Trainings/capacity building/ skill up-gradation cost. • In case SHG take loan from bank 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"> • 25% of capital cost to be borne by SHG. • Recurring cost to be borne by SHG 	

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.
- 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

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 – Within 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 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.

Group members Photos –



सहमति पत्र

आज दिनांक 15-7-2021 को उजाला स्वयं सहायता समूह कि बैठक प्रधान श्रीमती
 की अध्यक्षता में हुई जिसमें समूह के सदस्यों ने सर्वसहमति से निर्णय लिया
 गया कि आय बढ़ाने के लिए केंचुआ खाद बनाने का कार्य करने के लिए हिमाचल प्रदेश वन पारितंत्र
 प्रबंधन एवं आजीविका सुधार परियोजना (जायका परियोजना) से जुड़ने कि सहमति प्रदान करते हैं ।

Hansa Desai
समूह के सचिव के हस्ताक्षर

Batti Dui
समूह के प्रधान के हस्ताक्षर

Balti Dasi

अनुलग्नक- IV :: रिवॉल्विंग फंड की मांग के लिए प्रारूप

आजीविका सुधार के कार्यों का समर्थन - परिक्रामी निधि (Revolving Fund)
(तीन प्रतियों में तैयार होना है)

गाँव का नाम	::	गुनेहड़
VFDS/ BMC का नाम	::	नैण तुंगा
कार्यकारी समिति की बैठक की तारीख	::	17-7-2021
एजेंडा	::	1. 2.
कार्यकारी समिति सदस्यों की संख्या	::	10
प्रतिभागियों की संख्या	::	15

कार्यकारी समिति की बैठक के कार्यवृत्त की कॉपी विधिवत स्व-संग्रह है।

हमारे गाँव की CD&LI योजना के अनुसार, गाँव, VFDS/ BMC-उपसमिति के, उपयुक्त अधिकारियों द्वारा विधिवत अनुमोदित उनके अनुमोदन पत्र दिनांक ~~17-7-21~~ को जीपी प्रेरक/ बोर्ड फेसिलिटेटर और FTU समन्वयक के परामर्श से, गाँव/ VFDS/ BMC-उपसमिति की कार्यकारी समिति CD&LI फंड की आवश्यकता से संबंधित मामला - सामुदायिक विकास गतिविधियों के पूरक - Revolving fund for IGA पर चर्चा की गई है और बैठक में विचार-विमर्श किया गया है।


विचार-विमर्श और चर्चा के बाद, कार्यकारी समिति ने सहमति व्यक्त की है और पात्र SHG को उपलब्ध कराने के लिए परियोजना से परिक्रामी निधि (Revolving Fund) उपलब्ध कराने का प्रस्ताव किया है ताकि वे स्थायी आजीविका के माध्यम से SHG सदस्य अपने सामाजिक-आर्थिक स्थिति में सुधार कर सकें।

क्रमांक	समूह का नाम	आजीविका का नाम	आजीविका करने वाले सदस्यों की संख्या	कुल फंड की आवश्यकता (रु.)	परियोजना से सहायता (रु.)	बैंक से सहायता (रु.)
1	उज्जाला	कैचुआ	14	287450	126000	
2		खेवडा		प्रतिस्थापित	50000	
				Revolving fund	100000	
				Total	= 276000	


प्राधिकृत हस्ताक्षरकर्ताओं के नाम और हस्ताक्षर

① Geeta Devi	① Khem Singh
② अंधरा देवी	② तारा देवी
③ Anjana Devi	③ Anjana Devi
④ तारा देवी	④ Batti Devi
⑤ Seeta Devi	⑤ धर्मा देवी
⑥ Batti Devi	⑥ Hansa Devi

FTU के माध्यम से DMU को प्रस्तुत किया गया




 श्री राजेश ठाकुर



 सुनीता कुमारी

एफटीयू अधिकारी का नाम और हस्ताक्षर एफटीयू समन्वयक का नाम और हस्ताक्षर

अनुमोदित एवं स्वीकृत


DMU Officer (P.O.)
(M.P.)

DMU अधिकारी का नाम और हस्ताक्षर