

BUSINESS PLAN

INCOME GENERATING ACTIVITY –Food Processing

by

Shelja- Self Help Group



SHG/CIG Name	::	Shelja
VFDS Name	::	AadarshGramin
Range	::	Ghumarwin
Division	::	Bilaspur

Prepared Under–



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

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1. Description of SHG/CIG

1	SHG/CIG Name	::	Shelja SHG
2	VFDS	::	Aadarsh Gramin
3	Range	::	Ghumarwin
4	Division	::	Bilaspur
5	Village	::	Taasli
6	Block	::	Ghumarwin
7	District	::	Bilaspur
8	Total No. of Members in SHG	::	13-Female
9	Date of formation	::	16-10-2017
10	Bank a/c No.	::	11310108680
11	Bank Details	::	HP.state Co-opreative Bank Ltd Kuthera
12	SHG/CIG Monthly Saving	::	50
13	Total saving	::	27000/-
14	Total inter-loaning	::	-
15	Cash Credit Limit	::	-
16	Repayment Status	::	-

2. Beneficiaries Detail:

Sr. No	Name	Father/Husband Name	Age	Category	Income Source	Address
1	Smt.Satya Devi	Sh.Rakesh Kumar	43	Gen.	Agriculture	VPO Tasli
2	Smt.SantoshKumari	Sh. Kuldeep Singh	39	Gen.	Agriculture	VPO Tasli
3	Smt. Tara Devi	Sh. Karam Singh	53	Gen.	Agriculture	VPO Tasli
4	Smt. Satya Devi	Sh. Vasant Singh	65	Gen.	Agriculture	VPO Tasli
5	Smt. Tara Devi	Sh. Dhyan Singh	59	Gen.	Agriculture	VPO Tasli
6	Smt. Babli Devi	Sh. Rattan Lal	47	Gen.	Agriculture	VPO Tasli
7	Smt. Lata Devi	Sh. Nareshkumar	44	Gen.	Agriculture	VPO Tasli
8	Smt. RajniKumari	Sh. Shiv Kumar	27	Gen.	Agriculture	VPO Tasli
9	Smt. Dolma Devi	Sh. Vishansingh	48	Gen.	Agriculture	VPO Tasli
10	Smt. Shiv Dei	Sh Gain Chand	60	Gen.	Agriculture	VPO Tasli
11	Smt. Kamladevi	Sh. Ram Chand	65	Gen.	Agriculture	VPO Tasli
12	Smt. Tara Devi	Sh.JaiLal	55	Gen.	Agriculture	VPO Tasli
13	SmtMeenadevi	Sh Hem Raj	50	Gen.	Agriculture	VPO Tasli

3. Geographical details of the Village

1	Distance from the District HQ	::	40 km
2	Distance from Main Road	::	3 Km (But from link road 100 mts) approximately
3	Name of local market & distance	::	Kuthera, 3 km, Ghumarwin 15km ,Jahu 15 km
4	Name of main market & distance	::	Bilaspur 40 km,Jahu 15km
5	Name of main cities & distance	::	Bilaspur 40 km,Jahu 15km
6	Name of main cities where product will be sold/ marketed	::	Kuthera, Ghumarwin, Jahu. But main Market is Kuthera

4. Executive Summary

Ginger & garlic are important commercial crops cultivated in Himachal Pradesh. Garlic is mainly used as a condiment in food preparations and is also used as carminative and gastric stimulant in many medicinal preparations. Processing of ginger is undertaken to dehydrate it and for preparing ginger candy. Ginger & garlic-based products have wide applications in food processing as well as many other industries.

Applications: Ginger- Garlic Paste is mainly used as a condiment in various food preparations and also serves as a carminative and gastric stimulant in many medicine preparations. As a condiment, it is used for flavouring mayonnaise and Tomato Ketch - up sauce, Salads, meat sausages, chutney, pickles, Birayani, Fried Rice etc.

Ginger and Garlic Paste income generation activity has been selected by this Self Help Group. This IGA will be carried out by all ladies of this SHG. Paste of ginger and garlic will be made by this group initially. This business activity will be carried out seasonally by group members. The process of making paste takes around 3-7 days. Production process includes process like cleaning, washing, grinding, mixing, etc. Initially group will manufacture Paste of Ginger and Garlic but in future, group will manufacture other products which follow same process. Product will be sold directly by group or indirectly through retailers and wholesalers of near market initially.

5. Description of Product related to Income Generating Activity

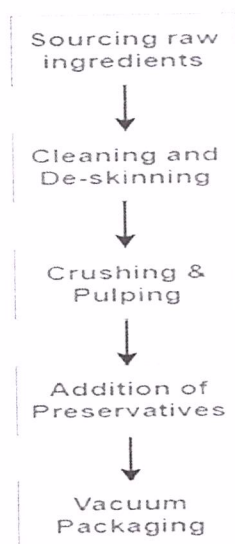
1	Name of the Product	::	Paste of Garlic & Ginger
2	Method of product identification	::	Has been decided by group members
3	Consent of SHG/ CIG / cluster members	::	Yes

6. Description of Production Processes

First of all, procure fresh ginger and garlic from the farm. Wash the items with a water jet pressure to clean up any dirty material. Then remove the skin of ginger and garlic by skin peeling machine.

Then put the materials in the mill/crusher. The output of the mill is put to pulper to further making a fine paste. Finally, take the output in the stainless steel container for mixing the preservatives. The same is transferred for packing in the custom denomination.

Process Flow Chart -



7. Description of Production Planning

1.	Production Cycle for Mango Pickle (in days)	::	3- 4 days
2.	Manpower 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 season (ton)	::	6 ton
8.	Expected production per cycle (ton)	::	6 ton

Requirement of raw material and expected production

Sr.no	Raw material	unit	Time	Quantity (approx)	Amount per ton (Rs)	Total amount	Expected production per season (ton)
1	Garlic	Ton	seasonal	3	150000	450000	6
2	Ginger	Ton	seasonal	3	100000	300000	

8. Description of Marketing/ Sale

1	Potential market places	::	Ghumarwin and Bilaspur
2	Distance from the unit	::	15 and 40 km respectively
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/wholesaler. 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 required branding at cluster level
7	Product "slogan"		"A product of SHG"

9. 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

10. 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.

11. Description of Economics:

A. CAPITAL COST				
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Peeling Machine	1	20000	20000
2	Jet washer	1	15000	15000
3	Crusher	1	30000	30000
4	Stainless steel tank 100 ltr	LS	10000	10000
5	Weighing machine	1	2000	2,000
6	Kitchen tools		LS	6000
7	Finished product storage almirah/racks		LS	6000
8	Hand Operated Jar Sealing Machine	1-2	10000	10000
9	Apron, cap, plastic hand gloves etc		LS	1000
Total Capital Cost (A) =				100,000

B. RECURRING COST					
Sr.no	Particulars	Unit	Quantity	Price	Total Amount (Rs)
1	Garlic	Ton/season	3	450000	450000
2	Raw material (Preservatives etc)	LS		10000	10000
3	Ginger	Ton /season	3	300000	300000
4	Packaging material	season	LS	10000	10000
5	Transportation	season	1	10000	10000
6	Other (stationary, electricity, water bill, machine repair)	months	4	2000	8000
7	Labour cost	Months	4	6000	24000
Recurring Cost					812000

Note – As Garlic and ginger 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	812,000
2	10% depreciation annually on capital cost	833
	Total	812,833

D Selling Price calculation for Garlic and Ginger Paste			
Sr.No	Particulars	Unit	Amount (Rs)
1	Cost of Production	Kg	135
2	current market price	Kg	200-250
3	Expected Selling Price	Rs	200

12. Analysis of Income and Expenditure (seasonal):

Sr.No	Particulars	Amount (Rs)
1	10% depreciation annually on capital cost	833
2	Total Recurring Cost	812000
3	Total Production Garlic and Ginger Paste (ton)	6
4	Selling Price (per Kg)	200
5	Income generation (200*6000)	1200000
6	Net profit (1200000-812000)	3,88,000
7	Gross profit = Net Profit + cost of ginger and garlic + Labour cost	1162000
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

13. Fundrequirement:

Sr.No	Particulars	Total Amount (Rs)	Project Contribution	SHG Contribution
1	Total capital cost	100000	75000	25000
2	Recurring Cost after reduction of cost of garlic, ginger and labour	38000	0	38000
3	Trainings/capacity building/ skill up-gradation	50,000	50,000	0
	Total	188,000		

Note-

- Capital Cost** - 75% of capital cost to be covered under the Project and 25% 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

14. Sources of fund:

Project support	<ul style="list-style-type: none"> 75% of capital cost will be provided by project UptoRs1 lakhwill be parked in the SHG bank account. Trainings/capacity building/ skill up-gradation cost. 	Procurement of machineries/equipment will be done by respective DMU/FCCU after following all codal formalities.
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	<ul style="list-style-type: none"> 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 	

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:

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

16. Computation of break-even Point

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

= 100000/(200-135)

=1538 Kg

In this process breakeven will be achieved after selling 1538 kg Paste.

17. 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

18. Monitoring Method –

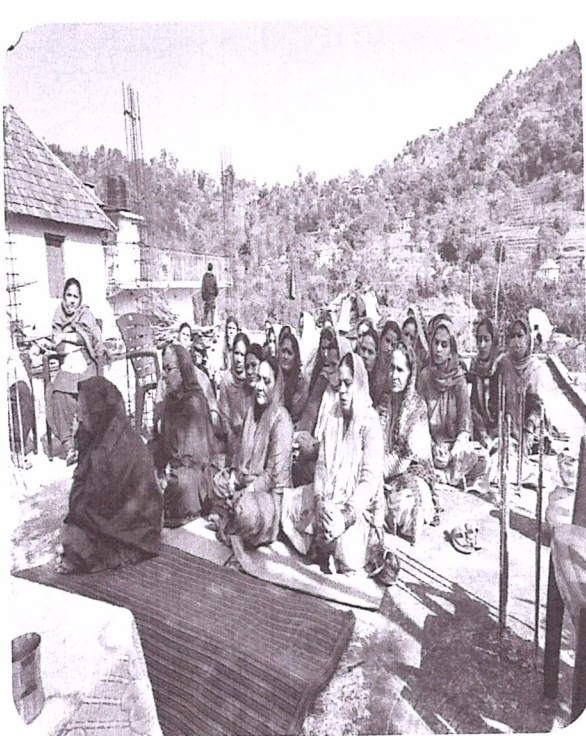
- Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if need be to ensure operation of the unit as per projection.
- SHG should also review the progress and performance of the IGA of each member and suggest corrective action if need be 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

19. Remarks

Group members Photos-



Group Members and Project staff having Discussion on business plan issues.

Individual Photo Of each member:-



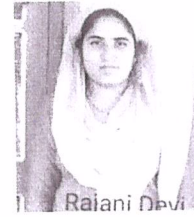
Satya Devi



Santoshkumari



Tara Devi



Rajni Devi



Satya Devi



Lata devi



Babli Devi



Dolma Devi



Tara Devi



Kamla Devi



Shiv Dei



Meena Devi

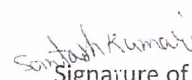


Tara Devi

Resolution-cum-Group Consensus Form

It is decided in the General House meeting of the group.....Shelja SHG.....held on 26/04/2021 at Tasali.....that our group will undertake the Food Processing (Marketing & Sales) as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted).

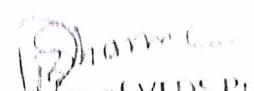

Signature of Group Pradhan

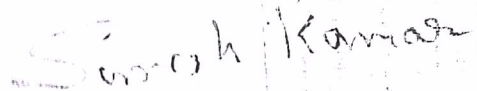

Signature of Group Secretary


Business Plan Approval by VFDS

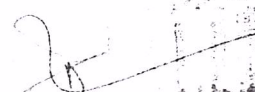
.....Shelga..... group will undertake the Food Processing (Garlic Processing) as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted). In this regard Business Plan of amount (Rs).....1,88,000/-..... has been submitted by this group on dated.....01-07-2021..... and this business plan has been approved by Madan Singh..... Grantha..... VFDS. Business Plan with SHG resolution is being submitted to DMU through FTU for further action, please.

Thank you


Signature of VFDS Pradhan


Signature of VFDS Secretary


FTU Coordinator


Divisional Manager (Unit-1)
Officer JICA Forestry Project,
Dist. Bhimnagar (H.P.)