



## BUSINESS PLAN

INCOME GENERATING ACTIVITY – Achar Chutney/Pickle Making (Fruit Processing)

By

Lakshami- SIIG



SHG/CIG Name	Lakshami
VFDS Name	Sainj
Range	Nachan
Division	Nachan

Prepared Under–

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

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## 1. Introduction

Achar/Pickles are very important ingredient of dining table across the globe and more oftenly used in the Asia Pacific region. A wide range of variety is used in achar/pickle and varies from region to region depending upon the locally available raw material, taste and food habit of the people.

The most lucrative aspect of the pickle making business is that it can be started as per the financial capacity of the group and later on at any given time when the financial portfolio of the SHG improves the business can be scaled up to any level. Once your product and its taste is liked by the customers the business will flourish like anything. However, the SHG has considered different aspects very carefully before getting into this IGA (income generation activity). 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

Str.No.	SHG	Jai Dev Banuri
1	VFDS	Sainj
2	Range	Nachan
3	Division	Nachan
4	Village	Murattan
5	Block	Gohar
6	District	Mandi
7	Total No. of Members in SHG	10
8	Date of formation	2021
9	Bank a/c No.	Under Progress (Due to generate the New Saving Number)
10	Bank Details	PNB Sainj
11	SHG/CIG Monthly Saving	100/-
12	Total saving	2000/- (Feburary-2022 collect the Group Secretary )
13	Total inter-loaning	-
14	Cash Credit Limit	-
15	Repayment Status	-
16	Interest rate	-

3. Beneficiaries Detail:

<u>Sr. No</u>	<u>Name</u>	<u>Address</u>	<u>Age</u>	<u>Qualification</u>	<u>Category</u>	<u>Income Source</u>
1	Mrs. Hukma Devi	W/o Sh. Som Dutt Vill. Baga P.O. Sainj Teh. Chachyot Distt. Mandi (H.P.)	43	8 <sup>th</sup>	GEN	Agriculture
2	Mrs. Uma Devi	W/o Sh. Hem Raj Vill. Baga P.O. Sainj Teh. Chachyot Distt. Mandi (H.P.)	37	10+2	GEN	Agriculture
3	Mrs. Leela Devi	W/o Sh. Chaju Ram Vill. Baga P.O. Sainj Teh. Chachyot Distt. Mandi (H.P.)	37	10 <sup>th</sup>	GEN	Agriculture
4	Mrs. Nirma Devi	W/o Lal Man Vill. Baga P.O. Sainj Teh. Chachyot Distt. Mandi (H.P.)	55	--	GEN	Agriculture
5	Mrs. Joshma Devi	W/o Sh. Tek Chand Vill. Baga P.O. Sainj Teh. Chachyot Distt. Mandi (H.P.)	52	--	GEN	Agriculture
6	Mrs. Nirmala	W/o Sh. Om Chand Vill. Baga P.O. Sainj Teh. Chachyot Distt. Mandi (H.P.)	45	7 <sup>th</sup>	GEN	Agriculture
7	Mrs. Rajni Devi	W/o Ramesh Chand Vill. Baga P.O. Sainj Teh. Chachyot Distt. Mandi (H.P.)	43	10 <sup>th</sup>	GEN	Agriculture
8	Mrs. Tushi Devi	W/o Sh. Parma Vill. Baga P.O. Sainj Teh. Chachyot Distt. Mandi (H.P.)	46	7 <sup>th</sup>	GEN	Agriculture
9	Mrs. Bhindra Devi	W/o Pramod Kumar Vill. Baga P.O. Sainj Teh. Chachyot Distt. Mandi (H.P.)	40	10 <sup>th</sup>	GEN	Agriculture
10	Mrs. Devindra Devi	W/o Binder Kumar Vill. Baga P.O. Sainj Teh. Chachyot Distt. Mandi (H.P.)	25	10 <sup>th</sup>	GEN	Agriculture

#### 4. Geographical details of the Village

1	Distance from the District HQ	36Km
2	Distance from Main Road	3 K.M.
3	Name of local market & distance	Sianj 3km, Mandi 36Km, Chail Chowk=19 KM, Gohar=11 KM
4	Name of main market & distance	Sianj 3km, Mandi 36Km, Chail Chowk=19 KM, Gohar=11 KM
5	Name of main cities & distance	Mandi 36 Km,
6	Name of main cities where product will be sold/ marketed	Mandi & Sundernagar

#### 5. Selection of raw material and market potential

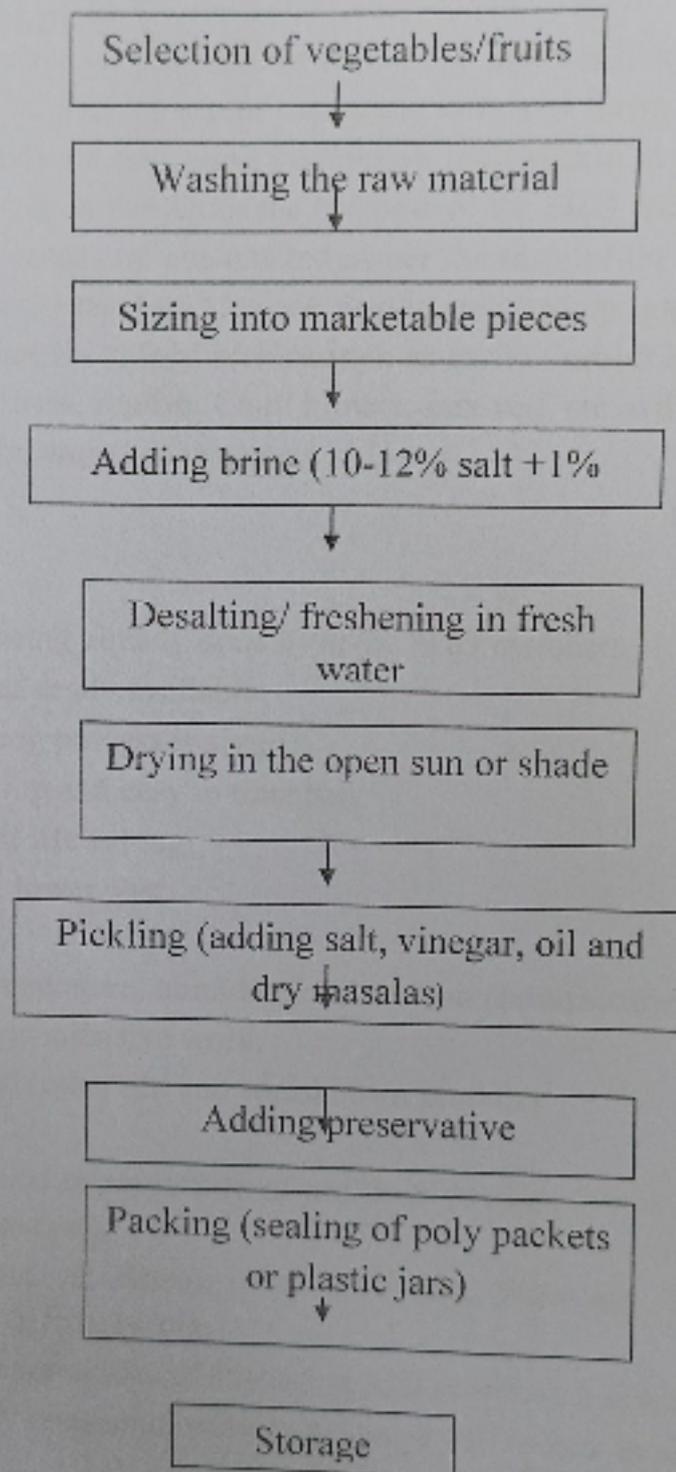
The members of SHG after detailed discussion and thoughtful process were of the consensus that this IGA of achar chutney/pickle making will be suitable for them. People consume different pickles with meal and it serve as taste enhancer. Pickles are also used as toppings for food such as sandwiches, hamburgers, hotdogs, parathas and pulav etc. Mango and lemon pickles are the most popular variety across the globe. Here particularly in this SHG we will focus mainly on the locally and easily available raw materials such as garlic, ginger, Gal-Gal (hill lemon), lingad, mango, lemon, mushroom, green chillies, fish, chicken and mutton etc. The pickle market is highly fragmented because of the presence of several large and small vendors and the competition is on the basis of factors such as price, quality, innovation, reputation, service, distribution and promotion to grab lion share in the market. Pickle making is an ideal business on the small scale and mainly for the housewives and other women workforce. In this case it was felt when the sellers of pickles from Sarkaghat, Mandi and Kullu can sell their pickles in command area then this SHG can do it more vigorously and briskly and compete with such outsiders.

#### 6. Achar chutney/ pickle making business plan

Before starting any IGA (Income generation activity) it is very essential to craft a customized business plan with detailed and structured discussion. The business plan helps to get the clear conception of investment, operational activities, marketing and net income/return. The scope of scale up the business is also envisaged clearly and in addition it helps in arranging finance from the banks. It is advisable to have market survey prior to returning upon the business and plus point is that the group members of this SHG are well aware of the market study. Primarily the SHG studied the demand for the specific type of pickles in their area and mainly the local market was kept as target. The members of SHG has shortlisted the IGA a carefully by making the study of nearby markets and the taste of the people at large and have seen potential to venture upon this activity as IGA.

Most of the raw material is locally available and lingad is naturally growing fern app. Free of in the nearby moist areas and nullahas. People of the small townships around this group has inherent liking towards this lingad pickle which otherwise is not available in the open markets.

### Flow chart of the Achar chutney making process



## 5. Achar chutney/pickle making business compliance

Pickle is a food item therefore different regulation of the state government need to be followed. Since the IGA is being taken up initially on small scale therefore these legal issues will be address locally by the SHG members by obtaining a food handling license from the local authorities. The business is being operated from home therefore the tax regulations for self employed groups will be taken care as per the rules.

## 6. Different types of Achar/pickles

As discussed in earlier chapter mostly the locally and easily available raw material for pickle making will be used. Pickles are of numerous taste and flavors whereas, the SHG will focus mainly on the traditional and more commonly used pickle in the area and market for which this SHG intends to cater for. Once the business of the SHG picks up the demand driven quality pickle will be prepared and customized as per the taste of the customers. Some of the most popular and commonly used pickles are mango, mushroom, garlic, ginger, lingad, fish and chicken etc. Sometimes the mixed pickles such as garlic - arbi (Ghindyali) mango - green chillies, Galgal, Lemon, Carrot, Radish, Cauli Flower, mix veg. etc. will also be prepared as per the taste and demand of the targeted customers.

## 7. SWOT Analysis

### ❖ Strength-

- Activity is being already done by some SHG members
- 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 labuor-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 stall, Retailers, Wholesalers, Canteen, Restaurants & Housewives
- There are opportunities of expansion with production at a larger scale.
- 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.
- Suddenly increase in price of raw material
- Competitive market

### 8. Achar chutney/ Pickle making equipments

The requirement of equipment or machinery basically depends upon our mode of operation and size of the plan. In this case the SHG will start initially on small and manageable scale. Therefore, the appliances and accessories used in kitchen are enough to meet the demand apart from this some of the machinery will have to be purchased to make the plan viable and therefore some of the basic equipments will also be included for procurement which will help the SHG to scale of its activities at larger level. The following equipment's will be procured initially to start the plan:

<u>Capital Cost</u>		
<u>Sr. No.</u>	<u>Equipment</u>	<u>Approximate Cost</u>
1.	Grinder machine	10000
2.	Vegetable dehydrator	12000
3.	Cooking arrangement (commercial Gas cylinder with chullah)	5000
4.	Pickle mixer	5000
5.	Weighing scale (2 no.'s)	6000
6.	Packaging/ sealing unit	8000
7.	Labeling machine	12600
	<b>Total</b>	<b>58,600</b>

<u>Sr.No.</u>	<u>Utensils</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Pattila with cooking Steel utensils set	2	4000	8000
2.	Card board	5	150	750
3.	Cutter with stand	5	600	3000
4.	Knife & Pillar	10	50	500
			<b>Total</b>	<b>12,250</b>
<b>Total capital cost = (58,600+12,250=70,850/-)</b>				

The majority of the members in this group are female, three members in this group are male will be deputed for the purchase of raw material and sale of the product. Hence this group falls in female group. So this group falls in the category of female self help group. The project contribution is 75% and self help group is 25%.

9. Achar chutney pickle making raw material

The detail of raw material will depend upon the essential availability of different fruits, vegetables. However, the main raw material will remain mango, ginger, garlic, chilli, lingad, mushroom, gal-gal, lemon, pear, apricot etc. In addition to these different spices, salt, cooking oil, vinegar etc. will be procured. Apart from this packaging material such as plastic jars, pouches, labels and cartons will be procured. As per the market demand the packaging will be done in 500gm, 1kg and 2 kg containers/pouches.

In addition to this SHG will hire a spacious room which will be use for operational activities, temporary storage and the command area being in village. The rent per month is presumed to be Rs. 3000 per month. Electricity and water charges have been estimated Rs. 1000 per month. The cost of fruits and vegetables on an average have been estimated at the Rs. 50/- kg and keeping in view the manpower available at our disposal at least 200 kg of achar will be produced in one week and it amounts to be 800 kg in one month. Accordingly, therefore recurring cost for 800kg of achar is calculated as under:

<b>B. Recurring Cost</b>					
Sr.No.	Particular	Unit	Qty.	Unit Cost	Amount
1.	Room rent	Per month	1	1000	1000
2.	Water & electricity charges	Per month	1	500	500
3.	Raw material	kg	300	40	12000
4.	Spices etc.	kg	38	200	7600
5.	Sarson (mustard) oil	kg	20	200	4000
6.	Packaging material Plastic container	Kg (500 gm/1Kg)	300	20	6000
7.	Transportation charges	Month	L/S	2000	2000
8.	Clinical gloves, head cover and aprons etc.	Month	L/S	1000	1000
<b>Total recurring cost</b>					<b>34,100</b>

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.

10. Cost of production (monthly)

Sr.N	Particulars	Amount
1.	Total recurring cost	34,100
2.	10% depreciation monthly on capital cost	7,085
	<b>Total</b>	<b>41,185</b>

### Average income monthly by way of sale of achar/pickle

Sr.No.	Particulars	Quantity	Cost	Amount
1.	Sale of pickles The initial production /sale is min. in the early stage.	300kg	180/Kg	54,000

### 11. Cost benefit analysis (monthly)

Sr.No.	Particulars	Amount
1.	Total recurring cost	41,185
2.	Total sale amount	54,000
3.	Net profit	12,815 (Per Month)
4.	Distribution of net profit	1. Out of total sale of Rs. 54,000 in 1 <sup>st</sup> month i.e. Fifty Four Thousand rupees will be kept for further investment in IGA 2. Rs. 41,185 the remaining out of total sale will be kept as emergency fund in the SHG account for the 1 <sup>st</sup> month

### 12. Fund flow arrangement in the SHG

Sr. No.	Particulars	Amount	Project contribution	SHG contribution
1.	Total capital cost	70,850	53,138	17,712
2.	Total recurring cost	41,185	-	41,185
3.	Training/capacity building, skill upgradation	-	-	-
<b>Total</b>		<b>1,12,035</b>	<b>53,138</b>	<b>58,897</b>

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

### 13. Training capacity building skill up gradation

The cost of training/ capacity building and skill up-gradation will entirely borne by the project. These are some of the areas which are proposed to be taken care of under this component:

- i) Cost effective procurement of raw material
- ii) Quality control
- iii) Packaging and marketing practices
- iv) Financial management and resource mobilization

### 14. Other sources of income

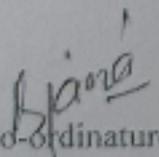
Other sources of income can also be explored by the SHG such as grinding mango, amla, pulses, wheat, maize, etc. of the villagers and the local people in the vicinity. It will be additionality in the IGA and later on the same can be scaled up.

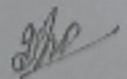
### 15. Monitoring method

- 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

  
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