

BUSINESS PLAN

INCOME GENERATING ACTIVITY-VERMICOMPOST

by

ASHA -Self Help Group



SHG/CIG Name	::	ASHA
VFDS Name	::	Ghunda-II
Range	::	Kotkhai
Division	::	Theog

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 vermicomposting 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 vermicomposting or vermicompost. It is one of the simplest and cost effective methods for the production of composting 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	::	ASHA SHG
VFDS	::	Ghunda-II
Range	::	Kotkhai
Division	::	Theog
Village	::	Ghunda-II
Block	::	Gohach
District	::	Shimla
Total No. of Members in SHG	::	15
Date of formation	::	26-06-2021
Bank a/c No.	::	42910106978
Bank Details	::	HP state co-operative bank, Pragati Nagar
SHG/CIG Monthly Saving	::	Rs100/-
Total saving	::	Rs 10005/-
Total inter-loaning		---
Cash Credit Limit		---
Repayment Status		---

2. Beneficiaries Detail:

Sr. No.	Name (Phone number)	Father/Husb and Name	Age	Education	Category	Income Source	Address
1	Praveen Begum (9459465486)	Ayub Khan	48	8 th	General	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
2	Ranjana Devi (9418941771)	Rajeev	39	10 th	SC	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
3	Dropti Devi (9459264415)	Prakash	39	10 th	SC	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
4	Junas Begum (9459275138)	Lateef Mohammad	59	Uneducated	General	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
5	Shakeena Begum (9459031911)	Yunus	47	Uneducated	General	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
6	Praveen Begum2 (9459031923)	Premodeen	46	4 th	General	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
7	Leela (9459226032)	Rakesh	32	10 th	SC	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
8	Fullo Begum (9418267245)	Femodeen	65	Uneducated	General	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
9	Mamta (8988345350)	Vinod	32	12 th	SC	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
10	Kulsum Begum (9459058274)	Sharif Mohammad	55	Uneducated	General	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202

11	Zareena Begum (764998254)	Mohammad Rafi	35	5 th	General	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
12	Mungla Devi (8988036175)	Ram	50	Uneducated	SC	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
13	Jenab (9418762014)	Chiragoo	63	5 th	General	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
14	Mumtaj (9418966607)	Zoravar	46	5 th	General	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202
15	Reeta Devi (8091217350)	Vinod	36	6 th	SC	Agriculture	Vill.GhundaII, P.O Himri, Teh.Kotkhai, Distt. Shimla 171202

3. Geographical details of the Village

3.1	Distance from the District HQ	::	80Km
3.2	Distance from Main Road	::	20Km
3.3	Name of local market & distance	::	Gumma (28Km)
3.4	Name of main market & distance		Kotkhai (35Km)
3.5	Name of main cities & distance		Theog (45Km)
3.6	Name of main cities where product will be sold/ marketed	::	Gumma, Kotkhai

4. Description of Product related to Income Generating Activity

4.1	Name of the Product	::	Vermicomposting
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
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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 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	::	6tonnes per cycle

	required per cycle (Kg) per member		
6.6	Expected production per cycle (Kg) per member	::	3tonnes (@50%) per cycle

7. Description of Marketing/ Sale

7.1	Potential market places	::	Gumma, Kotkhai
7.2	Distance from the unit	::	28-35kms
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 8 in each household
- ➔ Families of SHG members are cultivating high value crops & vegetables which offers 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

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 (Pit Size internal will be of 10ftX4ftX2ft)	Per member	15	6000	90000	0	0	0	0
2	Errrection of cover shed	Per member	15	4000	60000				
	Sub-total (A.1)				150000	0	0	0	0
A.2	Machinery and equipment								
3	Tools, equipment, weighing scale etc.	Per member	15	2000	30000	0	0	0	0
	Sub-total (A.2)				30000	0	0	0	0
	Total Capital Costs (A.1+A.2)				180000	0	0	0	0
B	Recurring Costs								
4	Lease of land for setting up unit	Per annum	12	0	0	0	0	0	0
5	Seed earthworm	Per Kg	15	500	7500	0	0	0	0
6	Cost of procurement of Slurry/dung/waste	Tonnes	0	0	0	0	0	0	
7	Labour cost	Per tonne	40	700	28000	29400	30670	32414	34034

7	Packing materials	No.	200	50	10000	10500	11025	11576	12155
8	Other handling charges	Per tonne	40	150	6000	6300	6615	6946	7293
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				54500	49200	51510	53936	56482
	Total cost =(capital cost+recurring cost)				234500	49200	51510	53936	56482
D	Income from vermicomposting								
11	Sale of vermicompost	Tonnes	40	6000	240000	252000	264600	277830	291722
12	Sale of earthworm					7500	15000	15000	15000
13	Total revenue				240000	259500	279600	292830	306722
14	Net returns (total revenue-total (D-C) (240000-197000)				43000	210300	228090	238894	250240

Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capital cost	180000	0	0	0	0
Recurring cost	53000	49200	51510	53936	56482
Total cost	233000	49200	51510	53936	56482

Distribution of net profit – As per share in production.

11. Inferences of Economic Analysis

- ➔ Pit size for each member has been planned at 10X4X2 ft for one pit.
- ➔ Cost of production of vermi-compost comes to Rs. 3.2 per Kg
- ➔ Sale of vermi-compost (conservative side) is Rs. 6 per Kg
- ➔ Net profit will be Rs. 2.8 per Kg
- ➔ It is proposed that each member will produce 2.7 tonnes of vermi-compost every year resulting in production of 40 tonnes vermi-compost by all 15 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 earthworm 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	180000	135000	45000
2	Total Recurring Cost	53,000	0	53,000
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	Total =	247000	158000	89000

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 (Size will be of 10ft X 4ft X 2ft) • Upto Rs 1 lakh will be parked in the SHG bank 	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities.
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	<p>account.</p> <ul style="list-style-type: none"> • Training/capacity building/ skill up-gradation cost. 	
SHG contribution	<ul style="list-style-type: none"> • 25% of capital cost to be borne by SHG, this include cost of shed/construction of shed. • 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.

15. 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:

- ➔ 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.

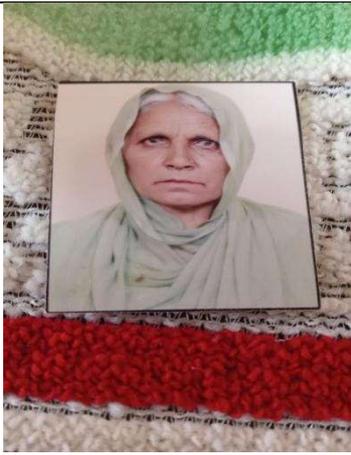
- SHG should also review the progress and performance of the IGA of each member and suggest corrective action if need be to ensure operation of the unit as per projection.

Group members Photos –

Sr.No.	Name	Photo
1	Praveen Begum	
2	Ranjana Devi	
3	Dropti Devi	

4	Junas Begum	 A portrait of a woman wearing a dark blue shawl with a floral pattern and a matching headscarf. She is standing in front of a light green wall.
5	Shakeena Begum	 A portrait of a woman wearing a bright orange shawl and a matching headscarf. She is standing in front of a light green wall.
6	Praveen Begum	 A portrait of a woman wearing a light yellow shawl and a matching headscarf. She is standing in front of a light blue wall.
7	Leela Devi	 A portrait of a woman wearing a brown shawl with a white floral pattern and a matching headscarf. She is standing in front of a light-colored wall.

8	Fullo Begum	 A portrait of an elderly woman with a serious expression, wearing a purple headscarf with a floral pattern and a matching purple top.
9	Mamta	 A portrait of a woman with a neutral expression, wearing a patterned headscarf, a red top, and a grey vest. She is standing in front of wooden kitchen cabinets.
10	Kulsum	 A portrait of a woman with a serious expression, wearing a bright green headscarf and a matching green top. She is outdoors, with a blue structure and some items in the background.
11	Zareena Begum	 A portrait of a woman with a neutral expression, wearing a red top and a purple shawl with a gold border. She is wearing a gold necklace with a large pendant. The background features a patterned curtain.

12	Mungla Devi	
13	Jenab	
14	Mumtaj	
15	Reeta Devi	

Prepared by : SHG members in consultation with DMU Theog, FTU Kotkhai Forest Range and JICA staff.

Annexure

We the member of group hereby consented to actively participate in the IG Activity opted by the group... Asha..... as per the guideline of JICA Project For Improvement of HP Forest Ecosystems management and Livelihood and coordination with the VFDS.

The details of the members is as under:

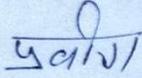
Sr.No.	Name	Father/Husb and Name	Age	Category	Income Source	Signature
1	Praveen Begum	Ayub Khan	48	General	Agriculture	प्रवीण
2	Ranjana Devi	Rajeev	39	SC	Agriculture	Rand
3	Dropti Devi	Prakash	39	SC	Agriculture	ड्रॉप्टी
4	Junas Begum	Lateef Mohammad	59	General	Agriculture	
5	Shakeena Begum	Yunus	47	General	Agriculture	शाकेना
6	Praveen Begum	Premodeen	46	General	Agriculture	प्रवीण
7	Leela	Rakesh	32	SC	Agriculture	लेला
8	Fullo Begum	Femodeen	65	General	Agriculture	फुल्लो
9	Mamta	Vinod	32	SC	Agriculture	Mamta
10	Kalsum Begum	Sharif Mohammad	55	General	Agriculture	कालसुम
11	Zareena Begum	Mohammad Rafi	35	General	Agriculture	जरीना
12	Mungla Devi	Ram	50	SC	Agriculture	मुंगला
13	Jenab	Chiragoo	63	General	Agriculture	जेनब
14	Mumtaj	Zoravar	46	General	Agriculture	मुमताज
15	Reeta Devi	Vinod	36	SC	Agriculture	रीता

Asha Group will undertake the... Vezmicombest

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. 297000 has been submitted by this group on Dated. 28/9/2012 and the Business Plan has been approved by VFDS .. Ghunda-II

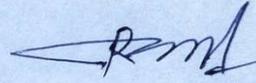
Business Plan with SHG resolution is being submitted to DMU through FTU for further action, please.

Thank You



Signature of Group President

प्रधान
आशा स्वयं सहायता समूह घुण्डा-II
बा.प. भडेच तह: कोटखाई
जिला शिमला हि.प.



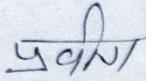
Signature of Group Secretary

सचिव
आशा स्वयं सहायता समूह घुण्डा-II
बा.प. भडेच तह: कोटखाई
जिला शिमला हि.प.

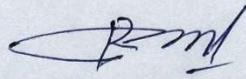
Resolution-cum -Group-Consensus Form

It is decided in the General House Meeting of the group Asha

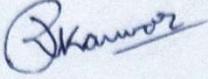
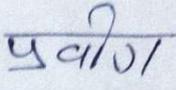
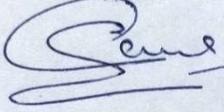
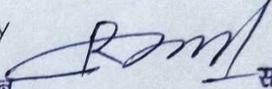
Held on 28/9/2022 at Ghunda-IIthat our group will undertake the Vermicompostas Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted)



सचिव
Signature of Group President
आशा स्वयं सहायता समूह पुण्डा-II
बि.प. भदोच तह: कोटरवाई,
जिला शिमला हि.प.

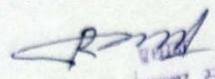
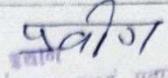
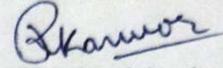
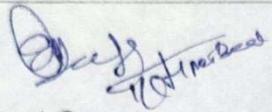
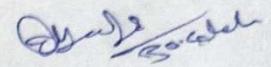
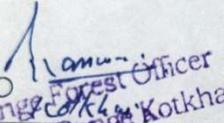


सचिव
Signature of Group Secretary
आशा स्वयं सहायता समूह पुण्डा-II
बि.प. भदोच तह: कोटरवाई,
जिला शिमला हि.प.

<p>1. Rohit Kanwar VFDS</p> <p>President </p>	<p>2. Praveen Bejwar SHG</p> <p>President  सचिव इबान आशा स्वयं सहायता समूह घुण्डा-11 बा.प. भडेच तह: कोटरखाई जिला शिमला हि.प.</p>
<p>3. Shubham Chauhan VFDS</p> <p>Secretary </p>	<p>4. Ranjana SHG</p> <p>Secretary  सचिव प्रधान आशा स्वयं सहायता समूह घुण्डा-11 बा.प. भडेच तह: कोटरखाई जिला शिमला हि.प.</p>

Submitted to DMU through FTU

Name and Signature of FTU officer *Hanu*

 Signature of Secretary सचिव पंचायत स्वयं सहायता समूह पुण्डा-1 जिला शिमला के.प.	 Signature of SHG President सचिव पंचायत स्वयं सहायता समूह पुण्डा-1 जिला शिमला के.प.
 Signature of VFDS Secretary	 Signature of VFDS President
 Signature of Forest Guard	 Signature of Block Officer
 Signature of RFO Range Forest Officer Forest Range Kotkhai	

Asst. DMU
Approved by DMU