

BUSINESS PLAN

INCOME GENERATING ACTIVITY –Food Processing (Turmeric Powder)

by

Jagriti- Self Help Group



SHG/CIG Name	::	Jagriti
VFDS Name	::	Been-Padhechi
Range	::	Koti
Division	::	Shimla

Prepared Under–



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

Table of Contents

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

1. Description of SHG/CIG

1	SHG/CIG Name	::	Jagriti SHG
2	VFDS	::	Been Padhechi
3	Range	::	Koti
4	Division	::	Shimla
5	Village	::	Been
6	Block	::	Mashobra
7	District	::	Shimla
8	Total No. of Members in SHG	::	8-Females
9	Date of formation	::	27-03-2023
10	Bank a/c No.	::	99811300000202
11	Bank Details	::	Himachal Pradesh Gramin Bank Junga
12	SHG/CIG Monthly Saving	::	100
13	Total saving	::	4800/-
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. Seema Sharma(President)	Sh. Rajeev Kumar	41	Gen.	Agriculture	VPO Been, P.O. Koti Shimla
2	Smt. Santosh Sharma (Secretary)	Sh. Devender Sharma	43	Gen.	Agriculture	VPO Been, P.O. Koti Shimla
3	Smt. Rama Sharma (Cashier)	Sh. Ram Krishan Sharma	49	Gen.	Agriculture	VPO Been, P.O. Koti Shimla
4	Smt. Radha Sharma	Sh. Ram Krishan Sharma	52	Gen.	Agriculture	VPO Been, P.O. Koti Shimla
5	Smt. Mamta Sharma	Late. Sh. Raj Krishan	57	Gen.	Agriculture	VPO Been, P.O. Koti Shimla
6	Smt. Pinki Sharma	Sh. Devki Nand Sharma	29	Gen.	Agriculture	VPO Been, P.O. Koti Shimla
7	Smt. Lata Sharma	Sh. Jagdish Sharma	44	Gen.	Agriculture	VPO Been, P.O. Koti Shimla
8	Smt. Vidya Devi	Sh. Sohan Lal	43	Sc.	Agriculture	VPO Been, P.O. Koti Shimla

3. Geographical details of the Village

1	Distance from the District HQ	::	35 km
2	Distance from Main Road	::	6 Km
3	Name of local market & distance	::	Koti, 6 km, Junga 15km ,
4	Name of main market & distance	::	Chail 18 km, Shimla 35km
5	Name of main cities & distance	::	Chail 18 km, Shimla 35km
6	Name of main cities where product will be sold/ marketed	::	Koti, Junga, Chail, Shimla

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 ladies 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

6. 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 unground 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.

7. Description of Production Planning

1.	Production Cycle for Turmeric powder (in days)	::	8-10 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 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	50	50000	1000

8. Description of Marketing/ Sale

1	Potential market places	::	Koti, Junga, Chail and Shimla
2	Distance from the unit	::	6km, 15km, 18 km and 35 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/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 required branding at cluster level
7	Product "slogan"		"A product of Jagriti 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	Grinder Machine	1	30000	30000
2	Storage tank	LS	10000	10000
3	Weighing machine	1	2000	2,000
4	Kitchen tools		LS	6000
5	Finished product storage almirah/racks		LS	6000
6	Hand Operated Packing Machine	1-2	10000	10000
7	Apron, cap, plastic hand gloves etc		LS	1000
	Total Capital Cost (A) =			65,000

B. RECURRING COST					
Sr.no	Particulars	Unit	Quantity	Price	Total Amount (Rs)
1	Raw material	Month	1000	50	50000
2	Room Rent	Month	1	1000	1000
3	Packaging material	Month	LS	2000	2000
4	Transportation	Month	1	1000	1000
5	Other (stationary, electricity, water bill, machine repair)	month	1	2000	2000
6	Labour cost	Month	1		15000
	Recurring Cost				71000

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	71000
2	10% depreciation annually on capital cost	541
	Total	71541

D Selling Price calculation			
Sr.No	Particulars	Unit	Amount (Rs)
1	Cost of Production	Kg	80
2	current market price	Kg	250-300
3	Expected Selling Price	Rs	200

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

Sr.No	Particulars	Amount (Rs)
1	10% depreciation annually on capital cost	541
2	Total Recurring Cost	71000
3	Total Production (Kg)	1000
4	Selling Price (per Kg)	200
5	Income generation (200*1000)	20000
6	Net profit (20000-71000)	129000
7	Gross profit = Net Profit + cost of raw material + Labour cost	1,94,000
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. Fund requirement:

Sr.No	Particulars	Total Amount (Rs)	Project Contribution	SHG Contribution
1	Total capital cost	65000	48,750	16250
2	Recurring Cost	71000	0	71000
3	Trainings/capacity building/ skill up-gradation	50,000	50,000	0
	Total	186,000	98,750	87,250

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 Upto 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 	Procurement of machineries/equipment will be done by respective DMU/FCCU after following all codal formalities.
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	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)

= 65000/(200-80)

=542 Kg

In this process breakeven will be achieved after selling 542 kg Powder.

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

Group members Photo-



Resolution-cum-Group Consensus Form

It is decided in the General House Meeting of the group... Jagrutiheld
 on 22-08-23 at Boenthat our group will
 undertake Turmeric powder Production as Livelihood Income Generation
 Activity under the Project for Improvement of Himachal Pradesh Forest
 Ecosystems Management & Livelihoods (JICA assisted).



प्रधान/ सचिव/ कोषाध्यक्ष

S.H.G. जागृति (बी.ब.)

ग्राम पंचायत पदेव्यो



प्रधान/ सचिव/ कोषाध्यक्ष

S.H.G. जागृति (बी.ब.)

ग्राम पंचायत पदेव्यो

Business Plan Approval by VFDS

.....Jagriti..... group will undertake the.....Turmeric Powder Products..... 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).....1,86,000.....has been
submitted by this group on dated.....22-08-23.....and this business plan has been
approved byBeen Padhechi..... VFDS.

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

Thank you


Signature of VFDS Pradhan
Village Forest Development Society
Been-Padhechi

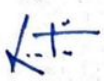

Signature of VFDS Secretary
Village Forest Development Society
Been-Padhechi

Submitted to DMU through FTU


Name & Signature of FTU Officer
RANGE FOREST OFFICER
KOTI FOREST RANGE


Pratibha Sharma
Name & Signature of FTU Coordinator

Approved


Name & Signature of DMU Officer
DFO-cum-DMU OFFICER
JICA FORESTRY Project
SHIMLA