

BUSINESS PLAN

INCOME GENERATING ACTIVITY –Food Processing (Turmeric Powder)

by

Jalpa Mata- Self Help Group



| | | |
|--------------|----|----------------|
| SHG/CIG Name | :: | Jalpa Mata |
| VFDS Name | :: | Chowki |
| Range | :: | Dharampur |
| Division | :: | Joginder Nagar |

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 | :: | Jalpa Mata |
| 2 | VFDS | :: | Chowki |
| 3 | Range | :: | Dharampur |
| 4 | Division | :: | Joginder Nagar |
| 5 | Village | :: | Chowki |
| 6 | Block | :: | Dharampur |
| 7 | District | :: | Mandi |
| 8 | Total No. of Members in SHG | :: | 12-Female |
| 9 | Date of formation | :: | 18-11-2013 |
| 10 | Bank a/c No. | :: | 87491300000767 |
| 11 | Bank Details | :: | HGB Chhatar |
| 12 | SHG/CIG Monthly Saving | :: | 500 |
| 13 | Total saving | :: | - |
| 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 | S/Smt. Babli Devi | Sh.Munish | 45 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |
| 2 | Pawna Devi | Sh.Munsi | 45 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |
| 3 | Sunita Devi | Sh.Sanju Kumar | 28 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |
| 4 | Juga Devi | Sh. Lalu Ram | 45 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |
| 5 | Gita Devi | Sh. Vinod Kumar | 38 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |
| 6 | Sumna Devi | Sh.Kartar Singh | 32 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |
| 7 | Bhawna Devi | Sh. Ramesh Kumar | 48 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |
| 8 | Bimla Devi | Sh.Bhup Singh | 45 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |

| | | | | | | |
|----|---------------|----------------|----|------|-------------|--------------------------------|
| 9 | Asha Devi | Sh. Prakash | 31 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |
| 10 | Meena Devi | Sh. Ram Lal | 31 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |
| 11 | Babli Devi | Sh. Prem Singh | 45 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |
| 12 | Lata Devi | Sh. Lekh Raj | 39 | Gen. | Agriculture | VPO Chowki Tehsil Dharampur |

3. Geographical details of the Village

| | | | |
|---|--|----|---|
| 1 | Distance from the District HQ | :: | 115 km |
| 2 | Distance from Main Road | :: | 1 Km |
| 3 | Name of local market & distance | :: | Baroti 3 km, Dharampur 12 km |
| 4 | Name of main market & distance | :: | Sarkaghat 30 km, |
| 5 | Name of main cities & distance | :: | Mandi 115 km, Joginder Nagar 85km, Dharampur 12 Km |
| 6 | Name of main cities where product will be sold/ marketed | :: | Mandi Joginder Nagar Dharampur |

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 Mango Pickle (in days) | :: | 8-10 days |
| 2. | Man power 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 | 40 | 40000 | 1000 |

8. Description of Marketing/ Sale

| | | | |
|---|---|----|---|
| 1 | Potential market places | :: | Mandi Joginder Nagar Dharampur 115 and 85 km respectively. |
| 2 | Distance from the unit | :: | |
| 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 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 | 40 | 40000 |
| 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 | | | | 61000 |

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 | 61000 |
| 2 | 10% depreciation annually on capital cost | 610 |
| | Total | 61610 |

| D | Selling Price calculation | | |
|---------|---------------------------|------|-------------|
| Sr. No. | Particulars | Unit | Amount (Rs) |
| 1 | Cost of Production | Kg | 62 |
| 2 | current market price | Kg | 150-200 |
| 3 | Expected Selling Price | Rs | 150 |

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

| Sr. No. | Particulars | Amount (Rs) |
|---------|--|---|
| 1 | 10% depreciation annually on capital cost | 610 |
| 2 | Total Recurring Cost | 61000 |
| 3 | Total Production (Kg) | 1000 |
| 4 | Selling Price (per Kg) | 150 |
| 5 | Income generation (150*1000) | 150000 |
| 6 | Net profit (150000-61000) | 89000 |
| 7 | Gross profit = Net Profit + cost of raw material + Labour cost | 1,44,000 |
| 8 | Distribution of net profit | <input type="checkbox"/> Profit will be distributed equally among members monthly/yearly basis. <input type="checkbox"/> Profit will be utilized to meet recurring cost. <input type="checkbox"/> 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 | 61000 | 0 | 61000 |
| 3 | Trainings/capacity building/skill up-gradation | 50,000 | 50,000 | 0 |
| | Total | 176,000 | 98,750 | 77,250 |

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 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. | Procurement of machineries/equipment will be done by respective DMU/FCCU after following all codal formalities. |
| 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/(150-62)

=765 Kg

In this process breakeven will be achieved after selling 765 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

19. Remarks

Group members Photos-



Individual Photo Of each member:-



Sunita Devi



Babli Devi



Geeta Devi

Asha Devi



Sumna Devi



Pawna Devi



Bimla Devi



Bhawna Devi



Babli Devi



Jugga Devi



Chanchla Devi



Meena Devi

Resolution - cum -Group Consensus Form

It is decided in General House meeting of self Help Group Jalap Self help_ held on 12-09-2021 at Chowki that our Self Help Group will undertake the Turmeric as Livelihood income generation activity under the project for improvement of Himachal Pradesh.

Forest Ecosystem Management & Livelihood (JICA Assisted).

Baleji Devi
Signature of Group Pradhan

[Signature]
Signature of Group Secretary

Business Plan Approval by VFDS & DMU

Jalpa Self help group will undertake the Turmeric has livelihood income generation activity under the project for improvement of Himachal Pradesh Forest Ecosystem Management and Livelihood (HCA Assisted) In this regard business plan of amount (Rs) 1,75,000 has been submitted by this group on dated 12-09-2021 and this business plan has been approved by 12-09-2021 VFDS.

Business plan with SHG resolution being submitted to DMU through FTU for further action please.

Thank you

अध्यक्ष
गांव बान विकास समिति
नवदुर्गा माता चौकी तह
धर्मपुर जिला मण्डी

Signature of VFDS Pradhan

प्रधान
गांव बान विकास समिति
नवदुर्गा माता चौकी तह
धर्मपुर जिला मण्डी

Signature of VFDS Secretary

D.M.U
Division
Joginder

Forest Officer
Joginder Nagar