

BUSINESS PLAN

INCOME GENERATING ACTIVITY –Food Processing (Turmeric Powder)

By

Jai Jalpa- Self Help Group



SHG/CIG Name	::	Jai Jalpa
VFDS Name	::	Langehad
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	::	Jai Jalpa
2	VFDS	::	Langehad
3	Range	::	Dharampur
4	Division	::	Joginder Nagar
5	Village	::	Langehad
6	Block	::	Dharampur
7	District	::	Mandi
8	Total No. of Members in SHG	::	12-Female
9	Date of formation	::	
10	Bank a/c No.	::	2494000100286615
11	Bank Details	::	PNB Baroti
12	SHG/CIG Monthly Saving	::	
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	Smt. Champa Devi	Sh.Hans Raj	46	Gen	Agriculture	VPO Langehad Tehsil Dharampur.
2	Sahni Devi	Sh.Parshottam Ram	52	Gen	Agriculture	VPO Langehad Tehsil Dharampur.
3	Himanchali Devi	Sh.Jagdish Chand	36	Gen	Agriculture	VPO Langehad Tehsil Dharampur.
4	Malka devi	Sh. Maan singh	48	Gen	Agriculture	VPO Langehad Tehsil Dharampur.

5	Sumna devi	Sh. Pradeep Kumar	54	Gen	Agriculture	VPO Langehad Tehsil Dharampur.
6	Dhuppi Devi	Sh. Prem Singh	38	Gen	Agriculture	VPO Langehad Tehsil Dharampur.
7	Pramila devi	Sh. Lekh Raj	44	Gen	Agriculture	VPO Langehad Tehsil Dharampur.
8	Geeta devi	Sh.Narendr Kumar	39	Gen	Agriculture	VPO Langehad Tehsil Dharampur.
9	Gagna Devi	Sh.kesar	35	Gen	Agriculture	VPO Langehad Tehsil Dharampur.
10	Sundari Devi	Sh.Deep	38	Gen	Agriculture	VPO Langehad Tehsil Dharampur.
11	Uma Devi	Sh. Raj Kumar	47	Gen	Agriculture	VPO Langehad Tehsil Dharampur.
12	Kirna Devi	Sh.basant	49	Gen	Agriculture	VPO Langehad 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 ungrounded 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	98750	77250

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

Individual Photo Of each member:-



Champa Devi



Kirna Devi



Babita Devi



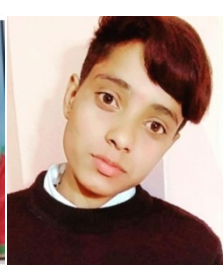
Manchali Devi



Sarita devi



Anita Guleria



Dhupi Devi



Malka Devi



SunderI Devi

Resolution - cum -Group Consensus Form

It is decided in General House meeting of self Help Group Jai Jalpa held on 24-09-2021 at Langehar 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).

Champa Devi

Signature of Group Pradhan

चिरपा देवी

Signature of Group Secretary

Business Plan Approval by VFDS & DMU

Mahadev Self help group will undertake the Knitting has livelihood income generation activity under the project for improvement of Himachal Pradesh Forest Ecosystem Management and Livelihood (JICA Assisted) in this regard business plan of amount (Rs) 2,63,600 has been submitted by this group on dated 24-09-2021 and this business plan has been approved by 24-09-2021 VFDS.

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

प्रधान श्री नमो सहित Thank you

शिव स्वयं सहायता समूह
रंगेहड डा० मयूरा न
धर्मपुर जिला मण्डी हि० प्र०

Signature of VFDS Pradhan

Sumitra Devi

Signature of VFDS Secretary

1
D.M.U.-Cum-
Divisional Forest Officer
Joginder Nagar