BUSINESS PLAN

INCOME GENERATING ACTIVITY – VERMI-COMPOST

By

Koke- Self Help Group

SHG/CIG Name	::	Koke
VFDS Name	::	Koke
Range	::	Jawalamukhi
Division	::	Dehra Division

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 vermin composting 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 vermin composting technology due to its established economic and environmental advantages.

Vermicomposting

Production of compost through rearing/using earth worms is called the vermin composting technology. Under this technology, earthworms eat biomass and excrete it in a digested form which is known as Vermicomposting or vermin compost. 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 vermin composting production as it invigorates soil health; soil productivity thereby reduces the cost of cultivation.

There is a gradual increase in demand for vermin compost due to the high level of nutrient contents.

1. Description of SHG/CIG

SHG/CIG Name	::	Koke
VFDS	::	Koke
Range	::	Jawalamukhi
Division	::	Dehra Division
Village	::	Koke
Block	::	Habrol
District	::	Kangra

Total No. of Members in SHG	::	09
Date of formation	::	09/09/2022

Bank a/c No.	::	50100582029812
Bank Details	::	HDFC DEHRA
SHG/CIG Monthly Saving	::	50 Rs.
Total saving		800rs
Total inter-loaning		1%
Cash Credit Limit		-
Repayment Status		-

2. Beneficiaries Detail:

Sr.no	Name Of Candidate	Ward Name	Contact No	AGE	Designation
1	SUNITA DEVI W/O ASHOK KUMAR	Koke	8894258169	60	President
2	NIRMLA DEVI W/O BHARM DAS	Koke	9805830557	34	Secretary
3	SUDARSHNA DEVI W/O SWARN KUMAR	Koke	9816592077	38	Member
4	RUMA DEVI W/O BALDEV SINGH	Koke	9805903937	45	Member
5	SALOCHNA W/O KISHOR CHAND	Koke	9816242182	60	Member
6	ANJANA DEVI W/O DESH RAJ	Koke	7877366189	44	Member
7	SUNITA KUMARI W/O KARTAR CHAND	Koke	6230130501	41	Member
8	RAJ KUMARI W/O TILAK RAJ	Koke	8580285503	46	Member
9	SAROJ KUMARI W/O RAMESH CHAND	Koke	8891204390	45	Member

3. Geographical details of the Village

3.1	Distance from the District HQ	::	55Km
3.2	Distance from Main Road	::	500m
3.3	Name of local market & distance	::	Baggi &1km
3.4	Name of main market & distance		Jawalamukhi &15Km
3.5	Name of main cities & distance		Jawalamukhi-15km
3.6	Name of main cities where product will be sold/ marketed	::	Jawalamukhi, Kangra ,Dehra, Naduan

4. Description of Product related to Income Generating Activity

4.1	Name of the Product	::	Vermicomposting
4.2	Method of product identification	::	This activity has been collectively decided by group members.
4.3	Consent of SHG/ CIG / cluster members	::	Yes

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

Step		Description
		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 earthworms 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.)	**::**	16
6.3	Source of raw materials	**::**	From household and own farms
6.4	Source of other resources	**::**	Open market
6.5	Raw material - quantity required per cycle (Kg) per member	**::**	2800 Kg per cycle
6.6	Expected production per cycle (Kg) per member	**::**	1400 Kg per cycle

7. Description of Marketing/ Sale

7.1	Potential market places	**::**	HP Forest Deptt. Local market Use on own farm
7.2	Distance from the unit	**::**	
7.3	Demand of the product in market place/s	**::**	HO 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"		"Koke 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 offer 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

Economic Analysis

10. Description of Economics

(Amount in actual Rs.)

Sr. No	Particulars	Units	Quantity / Nos.	Cost(Rs.)	Total Capital Cost
A.	**Capital Cost**				
A.1	**Construction of Pit andshed:** Construction as well as labour cost including shed (Size will be of 10ftX3ftX3ft). Erection of cover shedwith iron/wooden angel		09	14000/Person	126000/-
	Sub-total (A.1)				
	Total Capital Costs				**Rs. 126000/-**

	11. Recurring Cost				
	Particulars	**Unit**	**Qty.**	**Cost**	**Amount**
1.	Seed earthworm	Per Kg	8	LS	5000
2.	Cost of procurement of Slurry/dung/waste	Ton	20	1000	20000
3.	Packing materials	No.	LS	3	5000
4.	Transport	LS	LS	-	5000

	Total				**Rs. 35000/-**

Note – As labour work will be done by SHG members themselves and Slurry/dung/waste already available at their place and these materials will be not procured by them, therefore, recurring cost (Labour Cost, Cost of procurement of Slurry/dung/waste) can be deducted from total recurring cost.

Distribution of net profit – As per share in production.

12. Inferences of Economic Analysis

- Pit size for each member has been planned at 10X3X3 ft for one pit.
- Cost of production of vermi-compost comes to Rs. 4.2 per Kg
- Sale of vermi-compost (conservative side) is Rs. 8 per Kg
- Net profit will be Rs. 3.8 per Kg
- It is proposed that each member will produce 5.4 tons of vermi- compost every year resulting in production of 80 tones vermi-compost by all members of SHG in one year.
- Cost of earthworm has been kept as LUM-SUM
- During th second years onwards, there will be surplus earthwork 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.

13. Fund requirement:

Sr. No.	Particulars	Total Amount (Rs)	Project support	SHG contribution
1.	Total capital cost	**1,26,000/-**	**94,500/-**	**31,500/-**
2.	Total Recurring Cost	35000/-	-	35000/-
3.	Trainings/ capacity building/skill up-gradation	6500/-	6500/-	-
	Total =	**167500/-**	**101,000/-**	**66,500/-**

Note-

- **Capital Cost - 7**5% 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

14. Sources of fund:

Project Support;	• 75% of capital cost will be utilized for construction of pit (Size will be of (10ftX3ftX3ft) • Upto Rs 1 lakh will be parked in the SHG bank account. • Trainings/capacity building/ skill up-gradation cost.	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities.
SHG Contribution	• 25% of capital cost to be borne by SHG, this includes cost of shed/construction of shed. • Recurring cost to be borne by SHG	

15. 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.

16. 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:

- 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

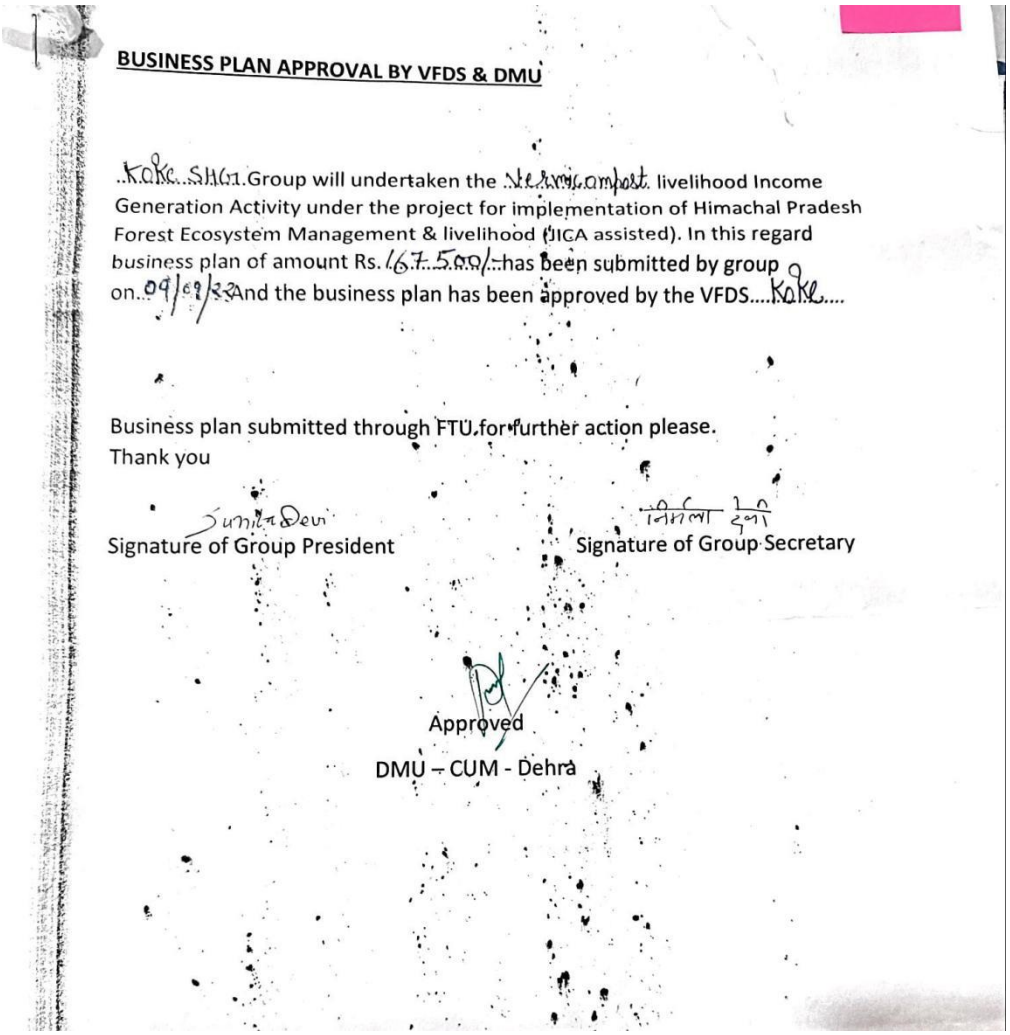
17. Monitoring Mechanism

- 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 Photo; -

Prepared BY: -
Mr. Madan Lal Sharma (Retd. HPFS)
Mrs. Deeksha (SMS)
Ms. Savita (FTU Co-Ordinator)

Approval From DMU



BUSINESS PLAN APPROVAL BY VFDS & DMU

Koke SHG Group will undertaken the Vermicompost livelihood Income Generation Activity under the project for implementation of Himachal Pradesh Forest Ecosystem Management & livelihood (JICA assisted). In this regard business plan of amount Rs. 67,500/- has been submitted by group on 09/09/22 And the business plan has been approved by the VFDS.... Koke....

Business plan submitted through FTU for further action please.
Thank you

Sumitra Devi
Signature of Group President

Signature of Group Secretary

Approved
DMU – CUM - Dehra

Resolution - cum - Group Consensus Form

It is decided in the General House meeting of the group ...Kohl SHG1... at ....Kohl..... that our group will undertake the Vermicompost as Livelihood Income Generation Activity under the Project for improvement of Himachal- Pradesh Forest Ecosystem Management & Livelihoods (JICA Assisted).

Sumita Devi
Signature's of Group Pradhan

Signature's of Group Secretary

Submitted to DMU through FTU

Savita Devi

SAVITA DEV FTV - coordinator

Name & Signature of FTU Officer

Range Forest Officer
Jawalamukhi Forest Range
Distt Kangra (H.P)-176031

Range Forest Officer, Range

Jawalamukhi (H.P)

Name & Signature of FTU Coordinator

Approved

Name & Signature of DMU officer