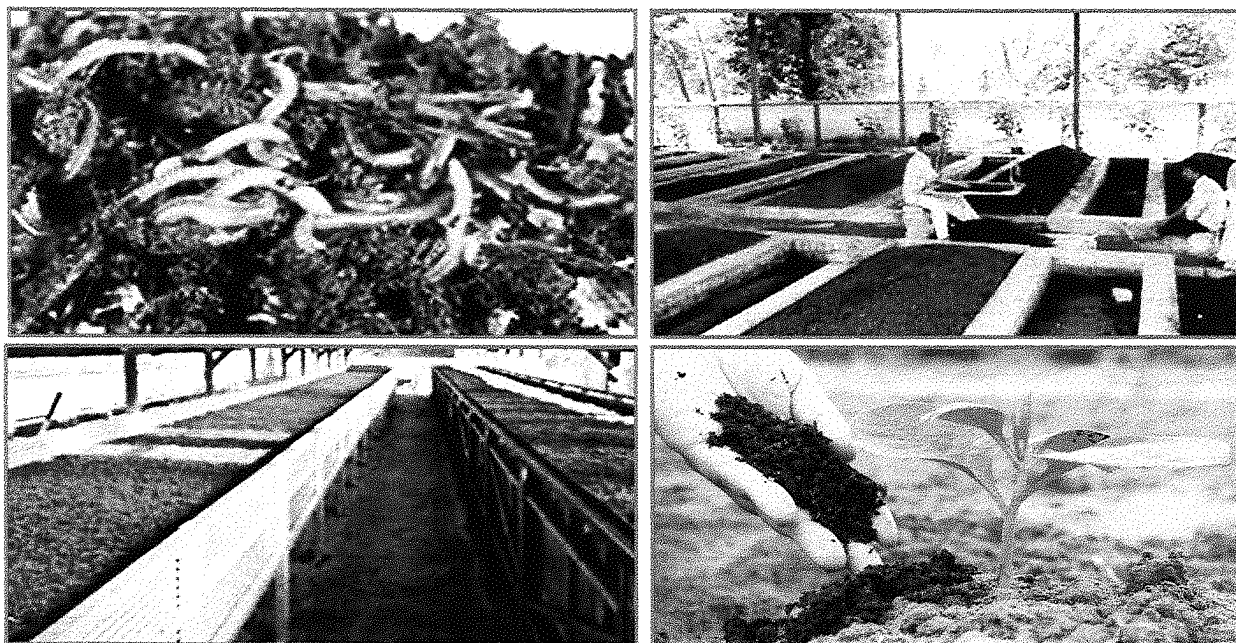


BUSINESS PLAN

INCOME GENERATING ACTIVITY –Vermi-Compost

By

Radhe Krishana - Self Help Group



SHG/CIG Name	::	Radhe Krishana
VFDS Name	::	Lakhdata Pir
Ward		Troh
Range	::	Mandi
Division	::	Mandi

Prepared under:



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

Table of Contents

Background.....	3
1. Description of SHG/CIG	4
2. Beneficiaries Detail:	5
3. Geographical details of the Village	5
4. Description of Product related to Income Generating Activity	5
5. Description of Production Processes.....	6
6. Description of Production Planning	6
7. Description of Marketing/ Sale	7
8. SWOT Analysis	7
9. Description of Management among Members.....	8
10. Description of Economics	9
11. Inferences of Economic Analysis	13
12. Fund requirement:	13
13. Sources of fund:.....	13
14. Bank loan repayment.....	Error! Bookmark not defined.
15. Trainings/ Capacity Building/ Skill Up-gradation	14
16. Monitoring Mechanism	15

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 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 vermicompost and technique is called as vermicomposting. It is one of the simplest and cost effective methods for the production of compost 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	::	Radhe Krishana Women SHG
VFDS	::	Lakhdata Pir
Range	::	Mandi
Division	::	Mandi
Ward/Village	::	Troh
Block	::	Balh
District	::	Mandi
Total No. of Members in SHG	::	9- Females
Date of formation	::	05/2020
Bank a/c No.	::	31910123666
Bank Details	::	Co-Op. Bank Nerchowk
SHG/CIG Monthly Saving	::	Rs. 100.00
Total saving		Rs. 11700
Total inter-loaning		--
Cash Credit Limit		--
Repayment Status		Very good

Beneficiaries Detail:

Sr. No	Name	Father/ Husband Name	Age	Category	Income Source	Address
1	Smt. Jyoti	Sh. Sanjay Kumar	3	SC	Agri.	Troh
2	Smt. Suman	Sh. Tegender Kumar	2	SC	Agri.	Troh
3	Smt. Anju Devi	Sh. Mya Ram	4	SC	Agri.	Troh
4	Smt. Hima Devi	Sh. Narpat Ram	4	SC	Agri.	Troh
5	Smt. Kunta Devi	Sh. Daya Ram	4	SC	Agri.	Troh
6	Smt. Maheshru Devi	Sh. Narotam Ram	5	SC	Agri.	Troh
7	Smt. Kiran Kumari	Sh. Sunil	26	SC	Agri.	Troh

2. Geographical details of the Village

3.1	Distance from the District HQ	::	20 Km
3.2	Distance from Main Road	::	5 Km
3.3	Name of local market & distance	::	Nerchowk 5 Km
3.4	Name of main market & distance		Mandi, 18 Km & Sunder nagar 14 Km.
3.5	Name of main cities & distance		Mandi, 20 Km
3.6	Name of main cities where product will be sold/ marketed	::	HP Forest Deptt. & Mandi

3. 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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4. 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 makes it 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.

5. 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 required per cycle (Kg) per	::	1800 Kg per cycle

	member		
6.6	Expected production per cycle (Kg) per member	::	900 Kg per cycle

6. Description of Marketing/ Sale

7.1	Potential market places	::	HP Forest Deptt.
7.2	Distance from the unit	::	Local market Use on own farm
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"

7. SWOT Analysis

❖ Strength

- ☞ Activity is being already done by some SHG members.
- ☞ Each of the SHG members are having cattle varying from 2 to 3 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

8. 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.

9. Description of Economics

(Amount in actual Rs.)

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	7	6000	42000	0	0	0	0
2	Erection of cover shed	Per member	7	4000	28000				
	Sub-total (A.1)				70000	0	0	0	0
A.2	Machinery and equipment								
2	Tools, equipment, weighing scale etc.	Per member	7	2000	14000	0	0	0	0
	Sub-total (A.2)				14000	0	0	0	0
	Total Capital Costs				84000	0	0	0	0

	(A.1+A.2)																	
B	Recurring Costs																	
5	Seed earthworm	Per Kg	7	500	3500	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Cost of procurement of Slurry/dung/waste	Tonnes	37	900	33300	34965	36713	38549	40476									
7	Labour Cost	Per tonne	18	700	12600	13230	13892	14586	15315									
8	Packing materials	No.	4000	2	8000	8400	8820	9261	9724									
9	Other handling charges	Per tonne	18	150	2700	2835	2977	3126	3282									
C	Other charges																	
10	Insurance	L/S			0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Interest on loan	Per annum		2 per cent	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000
	Total recurring costs				63100	62430	65402	68522	71798									
	Total cost = Capital and recurring				147100	62430	65402	68522	71798									
D	Income from vermicomposting																	

12	Sale of vermicompost	Tonnes	18	6000	108000	113400	119070	125024	131275
13	Sale of earthworm					3500	7000	7000	7000
13	Total revenue				108000	116900	126070	132023.5	138274.7
13	Net returns (C-B)				44900	54470	60668.5	63501.93	66477.02

Note – As SHG members will perform certain activities like labour work etc and Vermi compost pit will be set up on their land, therefore, recurring cost (Lease of land, Labour Cost, Other miscellaneous expenses) can be deducted from total recurring cost.

Economic Analysis

S. No	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	
1	Capital cost	84000	0	0	0	0	
2	Recurring cost	63100	62430	65402	68522	71798	
3	Total cost	147100	62430	65402	68522	71798	415251
4	Total benefits	108000	116900	126070	132024	138275	621268
5	Net benefits	-39100	54470	60669	63502	66477	206017

6	Net present worth of cost @15 per cent	415251							
7	Net present worth of benefits @15 per cent	621268							
8	Benefit Cost Ratio	1.50							

10. Inferences of Economic Analysis

- Pit size for each member has been planned at 10X4X2 ft.
- Cost of production of vermi-compost comes to Rs. 3.3 per Kg.
- Sale of vermi-compost (conservative side) is Rs. 6 per Kg.
- Net profit will be Rs. 2.7 per Kg.
- It is proposed that each member will produce 2.7 tonnes of vermi-compost every year resulting in production of 30 tonnes vermi-compost by all 11 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 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.

11. Fund requirement:

Sl. No.	Particulars	Total Amount (Rs)	Project support	SHG contribution
1	Total capital cost	84000	63,000	21000
2	Total Recurring Cost	63100	0	63100
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	Total =	197100	113000	84100

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

12. Sources of fund:

Project support;	<ul style="list-style-type: none">• 75% of capital cost will be utilized for construction of pit	Procurement of materials for pit and shed/construction of pit
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	<p>and shed (Size will be of 10ftX4ftX2ft)</p> <ul style="list-style-type: none"> Rs 1 lakh as revolving will be parked in the SHG bank account (should be utilized for taking bank loan) Trainings/capacity building/ skill up-gradation cost. In case SHG take loan from bank 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. 	<p>and shed will be done by respective DMU/FCCU after following all codal formalities.</p>
G contribution	<ul style="list-style-type: none"> 25% of capital cost to be borne by SHG. Recurring cost to be borne by SHG 	

13. 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

14. 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

15. 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 –



सहमति पत्र

आज दिनांक 8-6-2021 को राधे कृष्णा स्वयं सहायता समूह कि बैठक प्रधान श्रीमतीJyoti Devi.....कि अध्यक्षता में हुई जिसमें समूह के सदस्यों ने सर्वसहमति से निर्णय लिया गया कि आय बढ़ाने के लिए केंचुआ खाद बनाने का कार्य करने के लिए हिमाचल प्रदेश वन पारितंत्र प्रबंधन एवं आजीविका सुधार परियोजना (जायका परियोजना) से जुड़ने कि सहमति प्रदान करते हैं ।

Suman
समूह के सचिव के हस्ताक्षर

Jyoti Devi
समूह के प्रधान के हस्ताक्षर

Jyoti Devi
प्रधान
Suman
सचिव
श्री राधा कृष्णा स्वयं सहायता समूह
गांव व डाकघर टोह
तह० बल्ह, जिला मण्डी (हि०प्र०)

प्रधान
लखदाता पीर ग्रामीण वन विकास समिति
गांव व डा० टोह, तह० बल्ह
जिला मण्डी (हि०प्र०)

अनुलग्नक- IV :: रिवॉल्विंग फंड की मांग के लिए प्रारूप

आजीविका सुधार के कार्यों का समर्थन - परिक्रामी निधि (Revolving Fund)
(तीन प्रतियों में तैयार होना है)

गाँव का नाम	::	दोह
VFDS/ BMC का नाम	::	लखवाता पीर
कार्यकारी समिति की बैठक की तारीख	::	24-6-2021
एजेंडा	::	1. शोध कृष्णा समुह द्वारा कैचुआ खाद बनाने के लिए प्रस्ताव डाला गया। 2.
कार्यकारी समिति सदस्यों की संख्या	::	8
प्रतिभागियों की संख्या	::	25

कार्यकारी समिति की बैठक के कार्यवृत्त की कॉपी विधिवत स्व-संग्रह है।

हमारे गाँव की CD&LI योजना के अनुसार, गाँव VFDS/ BMC-उपसमिति के, उपयुक्त अधिकारियों द्वारा विधिवत अनुमोदित उनके अनुमोदन पत्र दिनांक 24.06.21 को जीपी प्रेरक/ वार्ड फेसिलिटेटर और FTU समन्वयक के परामर्श से, गाँव/ VFDS/ BMC-उपसमिति की कार्यकारी समिति CD&LI फंड की आवश्यकता से संबंधित मामला - सामुदायिक विकास गतिविधियों के पूरक - Revolving fund for IGA पर चर्चा की गई है और बैठक में विचार-विमर्श किया गया है।

विचार-विमर्श और चर्चा के बाद, कार्यकारी समिति ने सहमति व्यक्त की है और सहमति व्यक्त की है और पात्र SHG को उपलब्ध कराने के लिए परियोजना से परिक्रामी निधि (Revolving Fund) उपलब्ध कराने का प्रस्ताव किया है ताकि वे स्थायी आजीविका के माध्यम से SHG सदस्य अपने सामाजिक-आर्थिक स्थिति में सुधार कर सकें।

क्रमांक	समूह का नाम	आजीविका का नाम	आजीविका करने वाले सदस्यों की संख्या	कुल फंड की आवश्यकता (रु.)	परियोजना से सहायता (रु.)	बैंक से सहायता (रु.)
1	शोध कृष्णा	कैचुआ खाद	7	147100	63000	-
2				प्रशिक्षण	50000	-
				Revolving fund	100000	
					<u>213000</u>	

प्राधिकृत हस्ताक्षरकर्ताओं के नाम और हस्ताक्षर

1) अंजु देवी Anju Devi	श्री चन्द शर्मा
2) Suman, Suman	— 2/1/87
3) कलासणु देवी कलासणु देवी	श्री ज्योति देवी 1 Jyoti Devi
4 बन्दना Bandana	श्री शोभा रान Shoba Rana
5) Nisha Devi	6) जमना देवी Jamma Devi
Nisha Devi	श्री दिनेश कुमार दीप

FTU के माध्यम से DMU को प्रस्तुत किया गया

श्री राजेश ठाकुर Range Forest Officer सुनीता कुमारी
एफटीयू अधिकारी का नाम और हस्ताक्षर एफटीयू समन्वयक का नाम और हस्ताक्षर

अनुमोदित एवं स्वीकृत

(Signature)

DMU-Cum-D.F.O.

Mandi (H.P.)

DMU अधिकारी का नाम और हस्ताक्षर