



Guidelines on Establishing Vermiworm Clusters



Earthworms eat biodegradable waste, such as farm waste, municipal waste, non-toxic, solid and liquid waste of industries and household garbage and convert it into vermi compost. Vermiculture means the artificial rearing of earthworms.

The conversion of garbage by earthworms into compost and the multiplication of earthworms are simple processes which can easily be handled by the farmers. As this project that does not need any special raw materials and special technical skill is an environmentally sustainable practice and offers promising livelihood opportunities for rural communities, especially women-led Self-Help Groups (SHGs), TNSRLM has proposed to set up vermi culture unit in ten places across the State. This project aims to promote organized production and sale of earthworms and vermi compost produced from these units which will, in turn, help us to increase the adoption of organic farming.

Through cluster-based production, SHG members can collectively manage resources, share infrastructure, and scale operations efficiently. Within a production cycle of 25 to 27 days, SHG women can harvest and sell earthworms, generating a regular income stream.

1. Objectives

- a. To create regular income-generating opportunities for Self-Help Group (SHG) women in villages.
- b. To train SHG members on techniques of scientific vermi worm breeding and vermi compost production.
- c. To collectively increase the availability of quality earthworms & vermi compost that aid in improving eco-friendly agricultural practices.

- d. To establish forward and backward linkages for the bulk procurement of raw materials and sale of earthworms & vermicompost collectively.

2. Selection of District

Districts have been selected based on the following criteria to ensure viability, scalability, and sustainability of enterprises on vermi culture and vermi compost production.

- a. Districts with a high adoption of organic farming practices.
- b. Presence of crop-based biodegradable organic waste to be used as input for vermicomposting.
- c. Proximity to places where earthworms & vermi compost can be sold to farmers, nurseries and other premises where ornamental plants are largely grown.

3. Selection of Panchayats

3.1 Selection Committee

A district-level selection committee will be formed to choose the most suitable panchayat for setting up vermi worm culture cluster. The committee will include

- 1. Project Director, Mathi
- 2. Assistant Project Officer (Livelihood)
- 3. District Resource Person (Farm)
- 4. Block Mission Manager
- 5. Representative from Agriculture department

3.2 Selection Criteria

- a. Panchayats where a **significant number of farmers** are already **practicing organic farming**.
- b. **Access to abundant biodegradable agricultural waste, cattle dung, kitchen waste, or horticultural residue** that can serve as raw material for vermi culture and vermi compost production.
- c. Presence of **SHGs women having interest or experience in agriculture, composting**, ready to undergo training.

- d. **Availability** of suitable **common / Gram Panchayat land** in the Panchayat for establishing production units of vermi worms.
- e. Willingness of Panchayat leaders to support the initiative, facilitate convergence with MGNREGS or other Rural Development schemes.

4. Selection of beneficiaries

- a. A **meeting** will be conducted **at the panchayat level** involving representatives from PLF and Community Resource Persons with the following agendas.
- b. To explain the project objectives, guidelines and expected outcomes of the vermiculture & vermicompost cluster initiative.
- c. To highlight the benefits of taking up vermiculture & vermicompost production as a viable income generating activity.
- d. To encourage participation and address queries or concerns from potential beneficiaries.
- e. During the meeting, application needs to be obtained from the SHG members interested in taking vermi culture cluster as livelihood activity.
- f. For each cluster, **five women farmers** who are **interested in vermiculture & vermicompost production** from the same panchayat should be selected with the support of PLF.
- g. The details of selected beneficiaries should be placed in Grama Sabha and got approved.

4.1 General criteria for selection of Beneficiaries:

- a. Should be SHG member for **at least two years**.
- b. The beneficiary **should not have NPA / overdue in any NRLM fund** support.
- c. The beneficiary **should not be the President, Secretary, Joint Secretary or Treasurer of PLF / BLF**.
- d. The beneficiary **preferably not be book keeper, CST, CBC, DRP, BRP, BMM, BC or any other CRP**.

- e. There **should not be repetition of beneficiaries** under various farm livelihood schemes in the last five years.
- f. **Priority** may be given for those **SHG members who are destitute, widow, SC, ST and poor and very poor in PIP list.**

4.2 Specific Criteria

- a. At least **one selected woman** out of five women should possess a **minimum of 750 sq.ft of space** with proper irrigation facilities to ensure successful vermiculture and vermicompost, in case common land is not readily available in the Panchayat.
- b. **Priority** will be given to SHG members who **have prior experience in vermicompost** to enhance productivity and ensure better market readiness.
- c. Selected members must be willing to undergo structured training and adopt modern techniques to improve yield, quality, and profitability in production of vermiworm and vermicompost.
- d. Also, all the five members should be willing to contribute **minimum Rs.1000/- as membership fees** and this amount may be used for administrative reasons which may be decided by the cluster.

5. Cluster formation

- a. **A group of five SHG women farmers** with at least one member having **minimum 750 Sq. feet land** and interested / experienced in vermiculture or vermicompost production from same village are integrated to form a vermiculture cluster.
- b. Secretary and Treasurer to be elected by all five members of cluster to manage administrative, technical and accounting works of the cluster.
- c. A bank account to be opened **in the nearby Indian Bank** in the name **'with Panchayat Name as prefix TNSRLM Vermiculture Cluster 2025.'** (Ex.Kattur TNSRLM Vermiworm production Cluster 2025)

6. Implementation strategies

- a. **A place should be identified** by the PLF & Cluster members which is ideal **for establishing vermiculture unit.**
- b. If there is **no common place** in the Gram Panchayat, Vermiculture unit may be **established in the land of one cluster member** willing to give it for vermiculture with lease agreement.
- c. The space identified for the establishment of the shed and tanks **should be safe from flooding, direct sunlight, pests, ants, birds and pollution sources.**
- d. **Technical training** to be provided to the SHG members by the DRP Farm/SPARKs in coordination with the Horticulture dept. on types of earth worms, production methods, maintenance of temperature, humidity and hygiene, harvesting and packaging techniques
- e. **A shed** to be set up in an area of **minimum 750 sq.ft area** in the identified space, with **thatched roof supported by bamboo rafters** and purlins, wooden or steel trusses and stone/ RCC pillars, with all sides open.
- f. **Totally ten tanks** should be established by the five members under the shed for production of vermi worm.
- g. Each tank may be in the **size of 15 ft x 3 ft x 2.5 ft** with one-foot walking space on both the sides of the pit with holes at the bottom of the pit for excess water to drain.
- h. The Volume of one tank will be **112.5 cubic feet** and total volume for 10 tanks it will be 1125 cubic feet.
- i. Number of tanks may vary according to the area available within the shed. But **total area of all tanks** put together should be **450 sq.feet.**
- j. **All the inputs** viz. organic waste, cow dung and mother earth worms should be **collectively procured** by the cluster.

- k. The **earthworm species** used for vermiculture should have a **wide range of tolerance** for environmental and management conditions, short life cycles, high reproductive rates, and good composting rate. African earthworm, Red striped worms and composting worm are non-burrowing which live in upper surface of the soil.
- l. **Biodegradable substances** like food waste, peels of vegetables and fruits, unusable materials, egg shells, tea leaves, paper, tea and coffee filters, pieces of bread, cow dung, animal waste, agro waste, and plant waste. municipal waste, non-toxic, solid and liquid waste of industries may be used as **Raw material for rearing earthworms**.
- m. **For 3 Kg of biodegradable waste, 1.5 Kg of earthworms** is needed. For total volume of 1125 cubic feet, around 30 to 35 Kgs of mother worms will be required.
- n. First layer is soil and broken bricks. Second layer is release of earthworm. Third Layer is cow dung. Top layer is municipal waste, finally covered with jute mat to protect worms from birds and insects.
- o. Suitable environmental conditions like 6.5 and 7.5 pH range, 60 to 70 % moisture and 18 into 35°C temperature should be maintained during the vermiculture.
- p. Daily watering is not required, but 60-70% moisture should be maintained throughout the period. If necessary, water should be sprinkled over the bed rather than pouring the water.
- q. First harvest starts from 60-75 days.

7. Registers to be maintained

- a. Beneficiaries basic data register
- b. Resolution Register
- c. Cash book
- d. Loan disbursement and collection register
- e. Vermiworm production and sale register
- f. Visitor register.

8. Fund Allocation

Each vermiculture cluster will receive Rs.3 lakhs with following break up

Table-1 Fund allocation breakup

Sl. No	Details	Amount in Rs.
1.	Revolving Fund (to be repaid) i. Earthworm production shed along with cement flooring for 750 sq ft area ii. Setting up 10 earthworm tank Purchase of cow dung iii. Procurement of 20 kg of mother earthworms iv. Marketing v. Purchase of miscellaneous items like sieves, water pipe, etc.	2,85,000
2	Training cost (Need not be repaid)	10,000
3.	Registers & Name plate (Need not be repaid)	5000
Total		3,00,000

* An amount of Rs.2,85,000/- to be repaid.

i. Fund Release

- The amount shall be released from SMMU to DMMU.
- The **CRP-Farm** will verify and confirm the selection of office bearers and the opening of cluster's bank account.
- On receipt of fund from SMMU, **an Implementation team** of APO (LH) BC LH and BMM concerned should visit the panchayat and ensure formation of cluster with **5 women as per eligibility**, opening of bank account, availability of minimum land of 750 sq. ft with any one member for vermi worm production and submit report to PD, Mathi in the format specified in annexure 2 & 3.
- On receipt of recommendation, **DMMU should release 100%** of fund allocated for Vermiworm production cluster **to BLF within 7 days.**

- e) **BLF** should release the fund to Vermiworm production cluster within next 7 days, following the execution of a **bipartite agreement between BLF and the Cluster** (agreement model given in annexure – 4), which consists clause stating
- i. Shall utilize the funds for production of Vermiworm in the designated village.
 - ii. To follow cluster approach for procurement of organic waste, cow dung, mother earth worms and aggregation, marketing and to carry out value addition in the vermi worm production cluster.
 - iii. To repay the loan **with 6% interest**, starting **from the fourth month**.
- f) Only the actual cost incurred for vermi worm production will be provided as a loan. If the incurred cost is less than the sanctioned amount, only the actual cost will be disbursed. Any additional cost beyond the sanctioned loan amount shall be borne by the beneficiaries.

9. Training to beneficiaries

- a. **A two days training** will be provided to the beneficiaries.
- b. Training will be imparted on types of Earthworms, its biology, setting up of vermiculture system, managing worm bin, harvesting vermi worm and vermi wash and marketing and **second day visit to nearby vermicompost or vermi worm unit**.
- c. Among the fund of Rs.3 lakhs allocated to each vermiculture cluster, **Rs.10,000/- is** allocated to the two days **training**.

S. No.	Activity	Unit cost	No of units	Amount (Rs)
1	Resource person fee to DRP Farm for two days	1,500	2	3,000
2	Food & Refreshments @ Rs.250/- per head for 7 persons	250	12	3,000
3	Van Charges	2000		2,000
4	Stationery, Projector rent	2,000		2,000
	Total			10,000

10. Marketing Strategy

- a. **DRP Farm** should **tie up** vermiculture cluster to **vermicompost production units** established under TNSRLM and village panchayats in the district for sale of vermi worm.
- b. In addition, arrangement should be made to sell the vermicompost produced in Vermi culture cluster in the local markets such as local nurseries, urban gardening stores, landscaping units, organic farms, and institutional buyers such as schools or community gardens.
- c. **DSMS Managers** should **identify larger markets** in urban areas for distribution of vermi compost.
- d. Instead of selling to intermediaries, members of Vermiculture & Vermicompost cluster should engage in the direct sale of vermi worm and vermicompost at farmers' markets and explore the production of value-added products derived from vermicompost, such as enriched potting mixtures or soil amendments.

11. Loan Repayment

- a. The **amount received** from **sale of Vermiworm / vermicompost** should be **directly credited in the cluster account** and **repayments to BLF** should be made **from this account**
- b. Loan repayment should be made **at 6% interest rate**
- c. A **moratorium period of 3 months** is fixed during which only interest is to be repaid.

- d. Following the moratorium, repayments should be made in monthly instalments. The repayment amount, along with the applicable interest, should be paid **on or before the 5th** of every month **to the BLF account**.
- e. From the cluster account, **the due amount (Principal and interest) for that month should be transferred to the BLF Farm Cluster Account through ECS**.
- f. **Repayments** should be recorded in a **cash Book of BLF** and **proper receipts should be given to the Cluster**.
 - a. **Repayment period should be 24 months** maximum after the moratorium period.
 - b. **Repaid loan amount** may be used for establishing a **new vermiworm Cluster in that Block**.
 - c. **BLF, with the approval from DMMU**, should release the fund to **another Cluster willing** to take up Vermiworm production as a cluster activity.

12. Monitoring & Evaluation

- a. **CRP Farm** should ensure **prompt loan repayments**.
- b. The name of the cluster, year, beneficiary details, internal loan given details, no. of vermiworm procured, and income generated etc., to be **maintained by the PLF in the Livelihood register**.
- c. **BMM, BC LH and Zonal BC will inspect the cluster**, ensure regular meeting, and oversee the expenditure made and income generated from vermiworm production besides maintenance of registers.
- d. BLF also to maintain a register with the cluster name and year.
- e. The **DRP (Farm)** should visit vermi worm production cluster and provide **technical advice** in close coordination with Agriculture Department officials and facilitate market linkage.
- f. The **Assistant Project Officer (Livelihood)** will conduct monthly inspections to **monitor Utilization of cluster funds**, Maintenance of records, Adherence to planned activities and timelines.

- g. The Project Director, Mathi, should randomly visit the operational cluster.
- h. The **PD, Mathi** should conduct **monthly review** on functioning, repayment and earnings of the aromatic plants cluster with APO(LH), DRP Farm, BMM and BC LH.
- i. **Once in six months** the cluster progress to be reviewed in the **convergence meeting** with line departments chaired by the **District Collector**.

13. Expected Benefits

- a. Landless Self-Help Group (SHG) women can earn a stable and regular income in vermiworm production with a relatively low initial investment.
- b. The establishment of Vermiworm production units will enhance availability of earthworms and ultimately vermicompost in the district which will lead to reduced use of chemical fertilizers.

14. Way forward

- a. Through establishment of vermiculture units, easy availability of quality earthworms can be ensured and can promote the establishment of more vermicompost units.
- b. Waste materials obtained from Paper mills, breweries, food processors, sugar mills, cotton mills can be used for mass production of vermiculture and vermicompost for promotion of natural farming.

Annexure-1: District wise Targets

S. No	District	No of clusters
1	Coimbatore	1
2	Erode	1
3	Chengalpattu	1
4	Madurai	1
5	Nagapattinam	1
6	Theni	1
7	Tirunelveli	1
8	Thanjavur	1
9	Tenkasi	1
10	Virudhunagar	1
	Total	10

**Approved by
Managing Director**

Annexure -2

Recommendation for fund release from DMMU to BLF.

S. No.	Particulars	Details
1	Name of the Block	
2	Name of the Cluster	
3	Name of the Panchayat	
4	Grama Sabha approval date of selected Beneficiary	
5	Date of Account opening	
6	Bank Name	
7	Branch Name and IFSC code	
8	Account Name as per bank passbook	
9	Account Number	
10	Secretary Name and Mobile Number	
11	Treasurer name and Mobile Number	
12	Beneficiary eligibility (Sub format enclosed) for number of Beneficiaries whether verified	
13	Per member contribution in (Rs.)	
14	Conduct of Regular meeting	
15	Name of the Register Maintained	
16	Near by market (mentioned name and distance)	

Cluster formation and selection of beneficiaries are verified as per guidelines and recommended for release of funds to the _____ cluster of _____ PLF in _____ Block through BLF.

**Block Coordinator
(LH)**

**Block Mission
Manager**

**Asst. Project Officer
(LH)**

Annexure -3

Sub Format for Eligibility of Beneficiary Identified***

S. No.	Particulars	Details
1	Name of the Beneficiary	
2	Name of the Husband/ Guardian	
3	Address	
4	Date of Birth/Age	
5	Mobile Number	
6	Name of the SHG	
7	Number of years as an SHG member	
8	NRLM member ID No.	
9	Community(SC/ST/MBC/BC/Others)	
10	Whether comes under special category (Diff. abled / Widows/Destitute widows)	
11	Aadhar card Number	
12	Smart card Number	
13	Do you have MGNREGA card?,If yes provide card number	
14	PIP Number and Category	
15	Total area of Land owned / leased(Acres)	
16	Whether the member presently produces Vermiworm / vermi compost?	
17	Experience in vermi compost production	
18	Area of land where vermicomposting is done (in cents)	
19	Any loan availed under livelihood activities a. Name of the scheme: b. Loan amount availed in Rs.	
20	Any overdue / NPA in Rs.	

I declare that the above details are correct and in line with my consensus.

Date :
Signature

Beneficiary

Place:

The above details were verified by me and found correct

Name of the CRP(Farm):

CRP(Farm) Mobile Number:

Signature of CRP(Farm):

Attachment:

1. Aadhar Card Xerox Copy
2. Smart Card Xerox Copy
3. MGNREGA Xerox card
4. SHG Resolution copy for the number of years as an SHG member
5. SHG Resolution copy not to be an office bearer in BLF/PLF
6. SHG Resolution copy for No overdue or NPA in any Bank/institution
7. Patta copy/Lease agreement copy
8. Selected Member Grama saba approval copy

*** This format to be collected for each beneficiary separately and attached to the Annexure-1 for fund release to BLF.

Annexure-4
BIPARTITE AGREEMENT

This Tripartite Agreement is made on this ____ day of _____, 20__ at _____

Among:

1. Block Level Federation (BLF), a community-based organization constituted under the guidelines of the [Tamil Nadu State Rural Livelihoods Mission], having its office at _____, represented herein by its President/Secretary, Shri/Smt. _____, hereinafter referred to as the "First Party" (which expression shall, unless excluded by or repugnant to the subject or context, include its successors and permitted assigns);

AND

2. _____ Cluster, a collective of _____ cultivating SHG women farmers functioning under the aegis of the First Party, with its registered/recognized office at _____, represented by its Cluster Leader/Representative Selvi/Smt. _____, hereinafter referred to as the "Second Party";

WHEREAS:

- The First Party is responsible for facilitating and overseeing Cluster initiatives at the Block level.
- The Second Party manages implementation and support at the cluster level.
-

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS UNDER:

1. Roles and Responsibilities

1.1 First Party (Block Level Federation) Shall:

- Facilitate capacity building, training, and support services for _____ (Agriculture/Horticulture/Sericulture/Animal Husbandry)
- Mobilize and release funds/grants/subsidies received under any government or non-governmental scheme to the Second and/or Third Party, as per approved norms.
- Release the _____ cluster funds of Rs. _____ received from the District Mission Management Unit to the Second Party's bank account within 7 days from the date of receipt of funds.
- Participate (through any one of its representatives) in the monthly meeting of the cluster and monitor the cluster activities and progress.
- Monitor the proper maintenance of registers by the cluster.
- Provide conflict resolution support and maintain oversight over operations.
- Monitor and evaluate the implementation of the project and ensure adherence to prescribed guidelines.

1.2 Second Party (_____ Cluster) Shall:

- Coordinate procurement, input supply, training, and market linkages.
- Maintain records of disbursements, training, production, and sales.
- Utilise the amount of Rs._____ against activities such as within 7 days of receiving funds from the First Party.
- Utilize the funds strictly for the purposes they are meant for and shall not divert the funds for any other purpose.
- Repay the loan with 6% interest starting from the_____ month from the date of receiving funds from the first Party and pay only interest during the first six months.
- Properly maintain all assets acquired under the scheme and shall not sell or transfer them to outsiders without prior approval from the First Party.
- Participate in training, share production data, and allow inspections as required.
- Ensure cleanliness in _____ units, and follow standard protocols.

2. Duration

This Agreement shall remain in force till the repayment of loan unless extended by mutual consent or terminated earlier as per Clause 5.

3. Financial Terms

Disbursement and utilization of funds shall follow the installment structure detailed in Section 1.2.

All repayments with interest shall be made as per the repayment schedule.

Refer to Annexure A for detailed repayment schedule. (Model repayment schedule attached for reference)

4. Dispute Resolution

Disputes, if any, shall be resolved amicably at the Panchayat level first. If unresolved, they shall be escalated to the Block Level Federation and DMMU under the [TNSRLM].

5. Termination

This Agreement may be terminated:

- By mutual consent of all parties;
- By the First Party upon breach or non-performance by the Second Party;
- By the Second Party upon return of all assets and repayment of funds as applicable, with 30 days written notice.

6. Miscellaneous

The Agreement does not constitute an employment or agency relationship.

All annexures, rules, guidelines, and communications relating to the scheme are binding components of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Signature of First Party (BLF Secretary & Treasurer)

Name: _____

Name: _____

Designation: _____

Designation: _____

Seal: _____

Seal: _____

Signature of Second Party (_____ Cluster Secretary & Treasurer)

Name: _____

Name: _____

Designation: _____

Designation: _____

Seal: _____

Seal: _____

Witnesses:

1. _____ (Name & Address)

2. _____ (Name & Address)

Annexure A - Repayment Schedule

Name of the cluster or Activity:

Name of the Beneficiary with Father or Husband Name:

Name of the SHG:

Total Loan Amount:

Interest rate:

Repayment period:

S. No.	Month	Repayment Amount (Rs.)		Total amount to be repaid
		Principal	Interest	
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
	Total			

**Signature of the BLF
Secretary & Treasurer**

**Signature of Cluster
Secretary & Treasurer**