

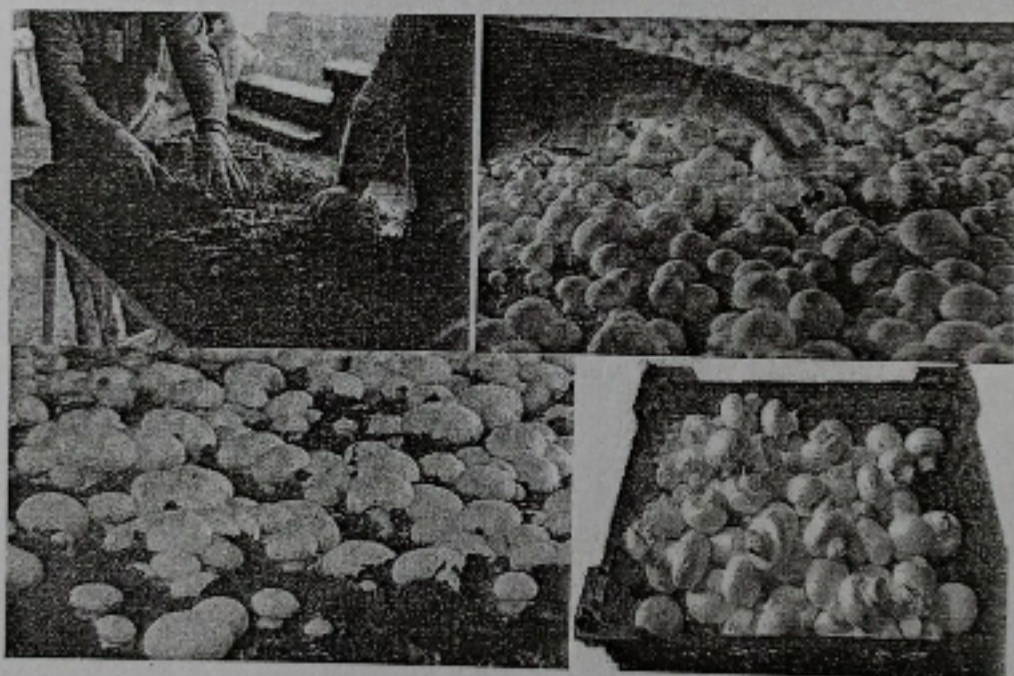


BUSINESS PLAN

INCOME GENERATING ACTIVITY – (Mushroom cultivation)

By

Dev BalaTikka - Self Help Group



SHG Name	DevBalaTikka
VFDS Name	Satyog
Range	Nachan
Division	Nachan

Prepared Under–

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

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1. Description of SHG

1	SHG Name	Dev BalaTikka
2	VFDS	Satyog
3	Range	Nachan
4	Division	Nachan
5	Village	Badan
6	Block	Gohar
7	District	Mandi
8	Total No. of Members in SHG	11No's (9 Female & 2 Male)
9	Date of formation	June-2018
10	Bank a/c No.	34610105140
11	Bank Details	HP State Co-Op Bank Kelodhar
12	SHG Monthly Saving	100/-
13	Total saving	40,318 (Till February, 2022)
14	Total inter-loaning	--
15	Cash Credit Limit	--
16	Repayment Status	--

Beneficiaries Detail:

<u>Sr. No.</u>	<u>Name</u>	<u>Address</u>	<u>Age</u>	<u>Qly.</u>	<u>Category</u>	<u>Income Source</u>
1.	Smt. Tara Devi	W/o Sh. Ramesh Chand Vill. Badan P.O. Bara Teh. Chachyot Distt. Mandi (H.P.)	34	10 th	GEN	Agriculture
2.	Smt. Kala Devi	W/o Ranjeet Singh Vill. Badan P.O. Bara Teh. Chachyot Distt. Mandi (H.P.)	28	10+2	GEN	Agriculture
3.	Smt. Banita Devi	W/o Sh. Bhim Singh Vill. Badan P.O. Bara Teh. Chachyot Distt. Mandi (H.P.)	35	10 th	GEN	Agriculture
4.	Smt. Tara Devi	W/o Sh. Tek Singh Vill. Badan P.O. Bara Teh. Chachyot Distt. Mandi (H.P.)	40	10 th	GEN	Agriculture
5.	Smt. Ratti Devi	W/o Sh. Brij Lal Vill. Badan P.O. Bara Teh. Chachyot Distt. Mandi (H.P.)	47	5 th	GEN	Agriculture
6.	Smt. Achari Devi	W/o Sh. Puran Singh Vill. Badan P.O. Bara Teh. Chachyot Distt. Mandi (H.P.)	38	8 th	GEN	Agriculture
7.	Smt. Tikma Devi	W/o Sh. Chint Ram Vill. Badan P.O. Bara Teh. Chachyot Distt. Mandi (H.P.)	35	10 th	GEN	Agriculture
8.	Smt. Dhyan Dassi	W/o Sh. Uttam Singh Vill. Badan P.O. Bara Teh. Chachyot Distt. Mandi (H.P.)	60	5 th	GEN	Agriculture
9.	Smt. Lalee Devi	W/o Sh. Shankar Dass Vill. Badan P.O. Bara Teh. Chachyot Distt. Mandi (H.P.)	60	--	GEN	Agriculture
10.	Sh. Ramesh Kumar	S/o Sh. Lal Man Vill. Badan P.O. Bara Teh. Chachyot Distt. Mandi (H.P.)	42	10+2	GEN	Agriculture
11.	Sh. Hem Prabh	S/o Sh. Daulat Ram Vill. Badan P.O. Bara Teh. Chachyot Distt. Mandi (H.P.)	34	BA	GEN	Agriculture

3. Geographical details of the Village

1	Distance from the District HQ	40 Km
2	Distance from Main Road	10 Km
3	Name of local market & distance	Chailchowk-34 Km. Sundernagar=62 Km. Mandi=50 Km.
4	Name of main market & distance	Sundernagar- 62 Km, Mandi- 40 Km
5	Name of main cities & distance	Sundernagar- 62 Km, Mandi- 40 Km
6	Name of main cities where product will be sold/ marketed	Sundernagar, Mandi,

4. Executive Summary

Mushroom cultivation income generation activity has been selected by Dev Bala Tikka Self Help Group. This IGA will be carried out by 11(Female & Male) of this SHG. This business activity will be carried out whole year by group members. The process of mushroom cultivation takes around 3 months 3 kg per bag in three months. Production process includes process like cleaning, provide water by spray pump to the bags and harvesting, packing of mushroom for market. Product will be sold directly by group or indirectly through retailers and whole sellers of near market initially. Selling price of 1 Kg of mushroom will be around 200/- per Kg. (200 grams packing of per packed)

5. Description of Product related to Income Generating Activity

Sr. No.	Name of the Product	Mushroom cultivation
1	Method of product identification	This activity is being already done by some SHG ladies for their domestic use. Has been decided by group members
2	Consent of SHG members	Yes

6. Description of Production Processes

- Group will make cultivate mushroom. This business activity will be carried out whole year by group members.
- The process of mushroom cultivation takes around 3 to 4 months. Based on assumption/experience -3 kg of yield obtained from one bag. In the duration of 3to4 months. Production process includes process like cleaning, moistening, harvesting and packing.

7. Description of Production Planning

Sr. No.	Production Cycle (in days)	4 months
2	Manpower required per cycle (No.)	10 Male
3	Source of raw materials	Local market/ Main market
4	Source of other resources	Local market/ Main market
5	Quantity required per cycle (Kg)	6Qtl.per 200 bags in four months.
6	Expected production per cycle (Kg)	17 kg

Requirement of raw material and expected production

Sr.No.	Raw material	unit	Time	Quantity	Amount per kg (Rs)	Total amount
1	Bags	200 Kg	4 months	6 qtls.	200	120000

8. Description of Marketing/ Sale

1	Potential market places	Chail Chowk -34 Km. Sundernagar- 62Km.
2	Distance from the unit	Mandi- 40 Km.
3	Demand of the product in market place/s	Daily demand and high demand at the time of festival and marriage occasions.
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 200 & 500 grams packaging.
6	Product branding	At SHG level product will be marketed by branding SHG. Later this IGA may required branding at cluster level
7	Product "slogan"	"A product of SHG"

9. SWOT Analysis

❖ Strength –

- Activity is being already done by some SHG members for their domestic use.
- Raw material easily available
- Manufacturing process is simple
- Proper packing and easy to transport
- Product shelf life is long

❖ Weakness –

- Effect of temperature, humidity, moisture on manufacturing process/product.
- Highly labor intensive work.
- In winter and rainy season product manufacturing cycle will increase

❖ Opportunity –

- High demand in festive and marriage occasion
- Location of markets
- Daily/weekly consumption and consume by all buyers in all seasons

❖ 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, provide moisture to the bags, harvesting of mature mushroom, packing and sell in market. 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	Amount
1	Water spray pump	1	3500	3500
2	Water tub (40-50 ltr)	2	500	1000
3	Digital Weighing Scale Machine	2	1000	2000
4	Poly Sealing Table Top Heat Sealer Pouch Plastic Packaging Machines	1	2000	2000
5	Apron, cap, plastic hand gloves etc	5	LS	1000
6	Chairs, Table		LS	3000
7	Finished product storage Almirah rack	5	LS	7000
8	Racks		LS	10000
<u>Total capital costs</u>				<u>29,500</u>

B. <u>RECURRING COST</u>					
Sr.No.	Particular	Unit	Qty.	Price	Amount
1	Raw material (Mushroom Bags)	Mushroom Bags	200	200	40,000
3	Rent	Per year	-	12,000	12,000
4	Labour (will be done by SHG members)	3 hour	-	-	-
5	Packaging material	P/Bags	3000	1	3000
6	Transportation	-	-	LS	3,000
<u>Recurring Cost</u>					<u>58,000</u>

Total Recurring Cost B = 58,000/- (Recurring cost- Labour cost) as work/labour will be done by SHG members.

C. <u>Cost of Production (Monthly)</u>		
Sr. No	Particulars	Amount (Rs)
1	Total Recurring Cost	58,000
2	10% depreciation annually on capital cost	2,950
	Total	<u>60,950</u>

D. <u>Selling Price calculation (per cycle)</u>					
Sr.No	Particulars	Unit	Qty.	Amount	
1	Cost of Production	Qtls.3to4 month	18qtls	3,60,000	It will decrease as the quantity of production Increase
2	Current market price	Kg	Per Kg	2950	
3	Expected Selling Price by SHG	Rs	Per Kg	200	

12. Analysis of Income and Expenditure (Monthly):

Sr.No	Particulars	Amount (Rs)
1	10% depreciation annually on capital cost	2950
2	Total Recurring Cost	58,000
3	Total Production every four month (qtl.)	6 qtl. (18qtls. per year)
4	Selling Price (per Kg)	200
5	Income generation	3,60,000 annually
6	Net profit (3,60,000-60,950)	2,99,050
7.	Distribution of net profit	<ul style="list-style-type: none"> • Profit will be distributed equally among members monthly/yearly basis. • Profit will be utilized to meet recurring cost. • Profit will be used for further investment in SHG

13. Fund requirement:

Sr.No	Particulars	Amount	Project Contribution (75%)	SHG Contribution
1	Total capital cost	29,500	22,125	7,375
2	Total Recurring Cost	58,000	0	58,000
3	Trainings/capacity building/ skill up-gradation	0	0	0
	Total	87,500	22,125	65,375

Note-

- **Capital Cost** - 75% of capital cost to be covered under the Project
- **Recurring Cost** - To be borne by the SHG
- **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 utilized for purchase of machineries i.e. Machines/ equipment's. • Rs. 1 lakh as revolving have parked in the SHG bank account. • Trainings/capacity building/ skill up-gradation cost. 	Procurement of machineries/equipment will be done by respective DMU/FCCU after following all nodal formalities.
SHG contribution	<ul style="list-style-type: none"> • 25% of capital cost to be borne by SHG, this include cost of materials/tools other than machineries. • 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. Other sources of income:

The group another approach is to increase their value addition in the form of making pickles & selling dried mushrooms.

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.

18. Monitoring Method - At the initial stage baseline survey and yearly survey will be conducted of the beneficiaries.

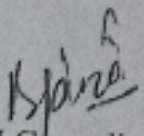
Some key indicators for the monitoring are as:

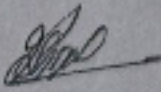
- Size of the group
- Fund management
- Investment
- Income generation
- Production level
- Quality of product
- Quantity sold
- Market reach


19. Remarks

Health benefits of Mushroom -

- Helps in prevention of prostate & breast cancer
- Makes bones healthy
- Boosts immunity
- Cures anemia
- Helps fight free radicals
- Helps lower cholesterol levels
- Strengthens teeth, nail & hair
- Lowers blood pressure


FTU Co-ordinator
(JICA) forest Division, Nachan


FTU- cum - R.O. Nachan
RFO, Nachan


DMU-Cum-DFO, Nachan
Forest Division, Gohar