



BUSINESS PLAN

INCOME GENERATING ACTIVITY – (Mushroom Cultivation)

By

Jai Mata Mangroli - Self Help Group



SHG Name	Jai Mata Mangroli
VFDS Name	Nirohali
Range	Lad Bharol
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

1	SHG Name	Jai Mata Mangroli
2	VFDS	Nirohali
3	Range	Lad Bharol
4	Division	Joginder Nagar
5	Village	Nirohali
6	Block	Chauntra
7	District	Mandi
8	Total No. of Members in SHG	8
9	Date of formation	June,28 th ,2015
10	Bank a/c No.	35164768272
11	Bank Details	SBI Chauntra
12	SHG Monthly Saving	100
13	Total saving	32000/-
14	Total inter-loaning	--
15	Cash Credit Limit	--
16	Repayment Status	--

2. Beneficiaries Details:

Sr. No	Name of the SHG Members	Designation	M/F	Category	Income Source	Photographs
1.	Manju Devi W/o Kashmir Singh , Vill. Nirohali P.O. Gangoti Teh Lad Bharol Distt. Mandi (H.P.) Mob.No.:- 8219362560	President	F	GEN	Agri.	
2.	Manju Devi W/o Rajesh Kumar , Vill. Nirohali P.O. Gangoti Teh Lad Bharol Distt. Mandi (H.P.) Mob.No.:- 7876362945	Secretary	F	GEN	-Do-	
3.	Maya Devi W/o Anetar Singh, Vill. Nirohali P.O. Gangoti Teh Lad Bharol Distt. Mandi (H.P.) Mob.No.:- 8894608489	Member	F	GEN	-Do-	
4.	Binta Devi W/o Satish Kumar , Vill. Nirohali P.O. Gangoti Teh Lad Bharol Distt. Mandi (H.P.) Mob.No.:- 9015090496	Member	F	GEN	-Do-	
5.	Shilpa Devi W/o Sachin Kumar ,Vill. Nirohali P.O. Gangoti Teh Lad Bharol Distt. Mandi (H.P.) Mob.No.:- 7807966947	Member	F	GEN	-Do-	

6.	Sherstha Devi W/o Kartar Singh, Vill. Nirohali P.O. Gangoti Teh Lad Bharol Distt. Mandi (H.P.) Mob.No.:-9459713079	Member	F	GEN	-Do-	
7.	Babita Devi W/o Sunny Kumar, Vill. Nirohali P.O. Gangoti Teh Lad Bharol Distt. Mandi (H.P.) Mob.No.:- 8894370282	Member	F	GEN	-Do-	
8.	Khushboo W/o Shishu pal Vill. Nirohali P.O. Gangoti Teh Lad Bharol Distt. Mandi (H.P.) Mob.No.:-7876423059	Member	F	GEN	-Do-	

3. Geographical details of the Village

1	Distance from the District HQ	75 Km.
2	Distance from Main Road	3 Km.
3	Name of local market & distance	Chauntra- 10 Km. Joginder Nagar-32 Km, Mandi-75 Km.
4	Name of main market & distance	JoginderNagar =32 Mandi =75Km.
5	Name of main cities & distance	
6	Name of main cities where product will be sold/ marketed	Bajjnath, Joginder Nagar, Mandi

4. Executive Summary

Mushroom cultivation income generation activity has been selected by Jai Mata Mangroli Self Help Group. This IGA will be carried out by 8 members 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 (Button Mushroom/Dhingree Mushroom) 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 130/- per Kg.

5. Description of Product related to Income Generating Activity

1	Name of the Product	Mushroom cultivation
2	Method of product identification	High demand in festive and marriage occasion & SHG members identified mushroom demand in the market for the purpose of vegetable & pickle.
3	Consent of SHG members	Yes

6. Description of Production Processes

- Group will 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 3 to 4 months. Production process includes process like cleaning, moistening, harvesting and packing.

7. Description of Production Planning

1	Production Cycle (in days)	4 months
2	Manpower required per cycle (No.)	8 Members
3	Source of raw materials	Local market/ Main market
4	Source of other resources	Local market/ Main market
5	Quantity required per cycle (Kg)	6 Qtl. per 200 bags in four months.
6	Expected production per cycle (Kg)	600 kg

8. Requirement of raw material and expected production

Sr.no	Raw material	Unit	Time	Quantity(3 Cycles)	Amount per kg (Rs)	Total Amount in three cycles
1	M. Bags	200 Kg	4 months	6qtls.	200	1,20,000

9. Description of Marketing/ Sale

1	Potential market places	Joginder Nagar 32 Km. Chauntra - 10, Mandi- 75 Km.
2	Distance from the unit	
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”	“Jai Mata Mangroli Mushrooms ”

10. 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

11. 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.

12. Description of Economics:

A.	<u>CAPITAL COST</u>			
<u>Sr. No.</u>	<u>Particular</u>	<u>Qty.</u>	<u>Unit Price</u>	<u>Amount</u>
1	Construction of three tire wooden/ bamboo racks fitting	L/S	20000	20000
2	Tower Air Cooler (20 ltr./-)	1	8000	2500
3	Installation of exhaust fans	2	1500	3000
4	Room heater/ blower	1	2000	2000
5	Dry and wet thermometer	1 set	1000	1000
6	Weighing electronic machine	1	1500	1500
7	Hot plastic ceiling rod	1	1000	1000
8	Medium spray pumps	1	1800	1800
9.	Set of sharp knives	2	200	400
10	Scissor	2	300	600
11	Tray/ baskets	6	200	1200
12	Crate	4	600	2400

13	Water tank 1000 ltr including transportation charges	1	8000	8000
14	Water and electricity fitting material and charges	L/S	4000	4000
15	Mushroom bags	200	200	40,000
16	Miscellaneous	L/S	3000	3000
<u>Total capital costs</u>				<u>92400/-</u>

B. <u>RECURRING COST</u>					
<u>Sr.No</u>	<u>Particulars</u>	<u>Unit</u>	<u>Qty.</u>	<u>Price</u>	<u>Amount</u>
1	Hall Rent	1	12 (Month)	12,000	12,000
2	Packaging material	P/Bags	—	3000	3,000
3	Transportation	3 cycles		2500	7,500
4	Electricity exp.	1	12 Month	500	6,000
5	Mushroom Bags for next cycle	M. Bag	200	200	40,000
Recurring Cost					68,500/-
Note: Labour will be done by SHG members.					

C. <u>Cost of Production (Monthly)</u>		
<u>Sr. No</u>	<u>Particulars</u>	<u>Amount (Rs)</u>
1	Total Recurring Cost	68,500
2	10% depreciation annually on capital cost	9240
Total :-		77,740

D. <u>Selling Price calculation (per cycle)</u>					
<u>Sr.No</u>	<u>Particulars</u>	<u>Unit</u>	<u>Quantity</u>	<u>Amount (Rs)</u>	
1	Cost of Production	3 Cycle	18 qtls	2,34,000	It will decrease as the quantity of production Increase
2	Current market price	-	Per Kg	160	
3	Expected Selling Price by SHG	-	Per Kg	130	

13. Analysis of Income and Expenditure (Monthly)

<u>Sr.No.</u>	<u>Particulars</u>	<u>Amount (Rs)</u>
1	10% depreciation annually on capital cost	9240
2	Total Recurring Cost	68,500
3	Total Production every four month(qtl)	6 qtl (18 qtls. per year)
4	Selling Price (per Kg)	130
5	Income generation	2,34,000 annually
6	Net profit (2,34,000 -77,740)	156,260
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 IGA

14. Fund requirement

<u>Sr.No</u>	<u>Particulars</u>	<u>Amount (Rs)</u>	<u>Project Contribution (75%)</u>	<u>SHG Contribution</u>
1	Total capital cost	92400	69300	23100
2	Total Recurring Cost	68,500	0	68,500
3	Trainings/capacity building/ skill up-gradation	70,000	70,000	0
	Total	2,30,900/-	1,39,300/-	91,600/-

Note-

- **Capital Cost** - 75% of capital cost to be covered under the project as all the members except for one belongs to SC/ST category.
- **Recurring Cost** - To be borne by the SHG
- **Trainings/capacity building/ skill up-gradation** - To be borne by the Project

15. 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 including equipments.• 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	

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:

- Cost effective procurement of raw material
- Quality control
- Packaging and Marketing
- Financial Management

17. Other sources of income:

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

18. 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.

19. 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

20. 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

21. Group Photo of SHG Jai Mata Mangroli Under VFDS Nirohali



22. Resolution -cum-Group-consensus Form:

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Jai Mata Mangroli held on 11.10.2022 at Nirohli that our group will undertake the Mushroom cultivation as Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted).

Mansa Devi
Signature of group President
MSJVS

Mansa Devi
Signature of group secretary

Ringh
Signature of President VFDS
Vth. Forest Development Society
Nirohli, G.P. Gelwan, Teh. Lad-Bharol
Distt. Mandi (H.P.)

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

23. Business Plan Approval :

Business Plan Approval by VFDS and DMU.

Jai Mata Mangrodi Group will undertake the Mushroom Cultivation as Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted). In this regard business Plan of Amount Rs. 2,30,900 has been submitted by the group on 11.10.2022 and the Business Plan has been approved by VFDS Nirohli.

Business Plan is submitted to DMU through FTU for further action please.

Thank You.

Mangal Devi
प्रधान
Signature Of group President
स्वयं सहायता समूह नरोहली

Mangal Devi
प्रधान
Signature Of group Secretary
स्वयं सहायता समूह नरोहली

Bingh
President
Vig. Forest Officer, VFDS
Nirohli, G.P. Gelwan, Teh. Lad-Bharal
Distt. Mandi (H.P.)

Approved
D.M.U.-Cum-
Divisional Forest Officer
Joginder Nagar
DMU cum DFO Joginder Nagar
by