



BUSINESS PLAN

INCOME GENERATING ACTIVITY – (Mushroom Cultivation)

By

Jai Baba Sidh- Self Help Group



SHG Name	Jai Baba Sidh
VFDS Name	Upper Beri
Range	Kamlah
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 Baba Sidh
2	VFDS	Upper Beri
3	Range	Kamlah
4	Division	Joginder Nagar
5	Village	Upper beri
6	Block	Dharampur
7	District	Mandi
8	Total No. of Members in SHG	7
9	Date of formation	Jan 31 st , 2022
10	Bank a/c No.	87171300000871
11	Bank Details	Himachal Gramin Bank , VPO Sandhol
12	SHG Monthly Saving	50
13	Total saving	2465/-
14	Total inter-loaning	--
15	Cash Credit Limit	--
16	Repayment Status	--

2. Beneficiaries Details:

Sr. No	Name of the SHG Members	Father/ Husband name	Designation	M/F	Age	Category	Education
1.	Pariksha Devi Mob.No.:- 7876200774	Anil Kumar	President	F	38	GEN	10+2
2.	Nisha Kumari Mob.No.:- 9816246932	Sunil Kumar	Secretary	F	34	GEN	10+2
3.	Navita Devi Mob.No.:- 9816969091	Ranjeet	Member	F	38	GEN	Matric
4.	Kamla Devi Mob.No.:- 9418727039	Govind Ram	Member	F	65	GEN	Middle
5.	Urmila Devi Mob.No.:- 8894904417	Ramesh Chand	Member	F	53	GEN	Matric
6.	Reena Devi Mob.No.:-9817880562	Jagdish Chand	Member	F	48	GEN	Middle
7.	Rekha Devi Mob.No.:- 9418453334	Amar Deep	Member	F	42	GEN	Matric

3. Geographical details of the Village

1	Distance from the District HQ	115 Km
2	Distance from Main Road	1 Km
3	Name of local market & distance	Dharampur -15 km
4	Name of main market & distance	Sarkaghat, mandi- 25Km, 115 Km
5	Name of main cities & distance	Mandi - 115 km Sarkaghat - 25 Km Dharampur- 15 Km Sandhol -25 Km
6	Name of main cities where product will be sold/ marketed	Sarkaghat, Dharampur, Sandhol, Awah Devi, Mandi

4. Executive Summary

Mushroom cultivation income generation activity has been selected by Jai Baba Sidh Self Help Group. This IGA will be carried out by 7 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.

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

5. 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.

6. Description of Production Planning

1	Production Cycle (in days)	4 months
2	Manpower required per cycle (No.)	7 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

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

7. Description of Marketing/ Sale

1	Potential market places	Sarkaghat, Dhrampur, Sandhol, Awah Devi, Mandi
2	Distance from the unit	25 Km, 15 Km, 25 Km, 35 km, 115 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”	“Jai Baba Sidh Mushrooms ”

8. 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

9. 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.

10. 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	

11. 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

12. 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

13. Sources of fund:

Project support	<ul style="list-style-type: none">✧ 75% of capital cost will be provided by project if members belong to other than general category. If the members belong to general then 50% capital cost is will be borne by project.✧ Up to Rs 1 lakhs will be parked in the SHG bank account.✧ Training/capacity building/ skill up- gradation cost.✧ 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.	Procurement of machines/equipment will be done by respective DMU/FCCU after following all codal formalities.
SHG Contribution	<ul style="list-style-type: none">✧ 50% or 25% of capital cost to be borne by SHG for general category and other categories respectively.✧ All the members are females and belongs to low income group and they can contribute 25% and project has to bear remaining 75%.✧ Recurring cost to be borne by SHG.	

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:

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

15. **Other sources of income:**

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

16. 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.

17. 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

18. 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

19. Individual photographs of group members:



Pariksha Devi



Nisha Kumari



Reena Devi



Nabita Devi



Rekha Devi



Urmila Devi



Kamla Devi

20. Group Photograph of SHG Jai Baba Sidh :



21. Resolution-cum-Group-consensus Form

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Jai Baba Sidh held on 15.09.2022 at Upper Beri 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).

Nishakmal Riksha Devi
Signature Of group President Signature Of group secretary

Signature of President VFDS

Ranjit

22. Business Plan Approval by VFDS & DMU:

