

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Shiitake Mushroom Cultivation

By

PRAGATI - Self Help Group



SHG/CIG Name	::	Pragati
VFDS Name	::	Mashobra-Sharai
Range	::	Mashobra
Division	::	Shimla

Prepared under:



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

Table of Contents

Sl. No.	Particulars	Page/s
1	Description of SHG/CIG	3
2	Beneficiaries Detail	4
3	Geographical details of the Village	4
4	Executive Summary	5
5	Description of product related to Income Generating Activity	5
6	Production Processes	5-6
7	Sale & Marketing	6
8	SWOT Analysis	7
9	Description of Management among members	7
10	Description of Economics	8-9
11	Analysis of Income and Expenditure	9-10
12	Fund Requirement	10
13	Sources of Fund	10
14	Trainings/capacity building/ skill up gradation	11
15	Loan Repayment	11
16	Monitoring Method	12
17	Group Member Photos	13
18	Annexures	14-16

1. Description of SHG/CIG

2.1	SHG/CIG Name	::	Pragati
2.2	VFDS	::	Mashobra-Sharai
2.3	Range	::	Mashobra
2.4	Division	::	Shimla
2.5	Village	::	Sharai
2.6	Block	::	Mashobra
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	9 (females)
2.9	Date of formation	::	5/12/2022
2.10	Bank a/c No.	::	7422708195
2.11	Bank Details	::	Indian Bank, Mashobra, Shimla-171007
2.12	SHG/CIG Monthly Saving	::	100
2.13	Total saving		2700
2.14	Total inter-lending		-
2.15	Cash Credit Limit		-
2.16	Repayment Status		Good

2. Beneficiaries Detail:

Sr. No	Name	Father/Husband Name	Age	Category	Income Source	Address
1	Vidya	W/O Sh. Maulak Ram	54	Gen	Agriculture	Vill. Jagoti PO Mashobra Teh. & Distt. Shimla
2	Madhu	W/O Sh. Mahinder Kumar	35	SC	Agriculture	Vill. Brasdhar PO Baldeyan Teh. & Distt. Shimla
3	Indubala	W/O Lt. Sh. Khema Nand	49	SC	Agriculture	Vill. Brasdhar PO Baldeyan Teh. & Distt. Shimla
4	Gayatri Devi	W/O Sh. Niranjan Singh	48	Gen	Agriculture	Vill. Sharai PO Baldeyan Teh. & Distt. Shimla
5	Meena	W/O Sh. Harminder Kumar	39	Gen	Agriculture	Vill. Sharai PO Baldeyan Teh. & Distt. Shimla
6	Kamla	W/O Sh. Sant Ram	42	Gen	Agriculture	Vill. Sharai PO Baldeyan Teh. & Distt. Shimla
7	Satya	W/O Sh. Deep Ram	37	Gen	Agriculture	Vill. Sharai PO Baldeyan Teh. & Distt. Shimla
8	Kalpana	W/O Sh. Ashwani Singh	39	Gen	Agriculture	Vill. Sharai PO Baldeyan Teh. & Distt. Shimla
9	Tulsi	W/O Sh. Shiv Lal	47	Gen	Agriculture	Vill. Sharai PO Baldeyan Teh. & Distt. Shimla

3. 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	::	Mashobra- 5 km
3.4	Name of main market & distance	::	Mashobra-5 km
3.5	Name of main cities & distance	::	
3.6	Name of places/locations where product will be sold/ marketed	::	Hotel Chains in Mashobra and Shimla

4. Executive Summary

The Shiitake Mushroom (*Lentinula edodes*) commonly called 'Japanese Mushroom' has been considered a very high quality product, since it can be stored and marketed in dried form, which is not possible in case of the famous button mushroom. Shiitake is nutritious and high market value. It contains proteins, lipid, and carbohydrates, as well as vitamins and minerals. Shiitake has a relatively high nutritional value when compared on a dry weight basis to vegetables. The amount of protein is comparable to green beans or peas. Shiitake has protein content of 10-29% (dry wt. Basis). All nine essential amino acids are present in a ratio similar to the "ideal" protein for human nutrition. Shiitake is rich in the amino acids leucine and lysine, which are deficient in many grains. **Shiitake contains from 43-78% carbohydrate** on a dry weight basis and is considered a low calorie food. The total mineral content is from 2.6-6.5%. Calcium, phosphorus, iron, sodium and potassium are present in significant amount. Shiitake is a good source of vitamins, especially the B vitamins. Vitamins B1 (thiamine), B2 (riboflavin), B12, niacin and pantothenic acid are present. Vitamin B12 is synthesized solely by bacteria and fungi and is not available from vegetables.

By seeing the importance of this mushroom we decided to start the production of Shiitake mushrooms as a Pilot Project under JICA HP Forestry Project.

5. Description of Product related to Income Generating Activity

1	Name of the Product	::	Shiitake Mushroom Production
2	Method of product identification	::	Has been started as a pilot project.
3	Consent of SHG/ CIG / cluster members	::	Yes

6. Description of Production Planning

6.1	Production Cycle	Shiitake Mushroom can be grown around the year in Temperate regions in temp. ranging between 15 to 30 degree centigrade. After adding spawn in the wood saw dust bags/logs of broad-leaved tree species such as Oak, Poplar, Eucalyptus, etc. Mushroom takes 30-35 days for the production of fruiting bodies after spawn run. Cropping completes in 90 to 120 days keeping in view the temp. and humidity conditions with 100% conversion of base substrate (log). The production cycle of one crop will be 120 days.
6.2	Manpower required	Initially the whole group will work together to install the saw dust bags from the road to production sites. Thereafter, for complete cycle of 120 days, all SHG members will work for cleaning, moistening, temperature regulation, etc. Marketing of these mushrooms will be done through offline and online mode.
6.3	Source of raw material	JICA HP forestry Project is initially providing the raw material as this has been started as a Pilot Project in Himachal Pradesh for SHGs.

7. Description of Marketing/ Sale

7.1	Potential market places/locations	::	Hotel Chains in Mashobra and Shimla, Online platforms like Amazon etc.
7.2	Demand of the Product	::	Mushrooms are always in demand throughout the year.
7.3	Process of identification of market	::	Identification of Hotel chains, Health conscious people & online market places.
7.4	Marketing Strategy	::	Linkages with the Hotel Chains & other related industries (Medicine and Food).
7.5	Product Slogan	::	Sehat bhi Swaad bhi Jan Jan tak

8. SWOT Analysis

S.No.	Detail/Items	Description
1	Strength	Interest of the group in undertaking Shiitake mushroom cultivation. Location of village near big hotel chains in Mashobra. Round the year production. High demand and return of the produce.
2	Weakness	Lack of experience in Shiitake Mushroom production/cultivation. Lack of financial resources.
3	Opportunity	Financial support, trainings and exposure will be organized by JICA HP Forestry Project.
4	Threats	Internal conflict in group, lack of transparency, lack of high risk bearing capacity. Competition in the market in future. Changes in production as a result of irregular weather pattern due to climate change.

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 etc)
- Some group members will involve in Production process.
- Some group members will involve in Packaging and Marketing.

10. Description of Economics (for 9 members):

S.No.	Particular	Numbers/ Quantity	Unit Cost (Rs.)	Total expenditure (Rs.)
A	CAPTIAL COST			
1	Construction of three tire wooden /Bamboo racks fitting	L/S	20000	20000
2	Room blower	1	2500	2500
3	Dry and wet thermometer	1 Set	1000	1000
4	Weighing electronic machine	1	1000	1000
5	Immersion heating rod	2	600	1200
6	Medium spray pumps	2	900	1800
7	Sharp steel knives	4	75	300
8	Cutter	6	100	600
9	Trays/Basket	6	100	600
10	Crate	2	1500	3000
11	Plastic stair stool	2	1000	2000
12	Saw Dust bags/logs	300	125	37500
13	Miscellaneous	L/S	3000	3000
14	Total Capital Cost			74500
B.	RECURRING COST			
1	Cost of Rented room 1 Hall(for 4 months)	Per month	2000	8000
2				
3	Labour charges	120 days	350	42000
4				
5	Packing material	L/S	-	3000
6	Transportation	L/S	-	1000
7	Electricity and water usage charges	Per month	1000	4000
8	Miscellaneous expenditure (stationary, bill book, receipt book, etc.	L/S	-	3000
	Total B.			61000
	Total Project Cost (A+B)			135500

C. Cost of Production (per cycle)		
Sr. No	Particulars	Amount (Rs)
1	Total Recurring Cost	61000
2	10% depreciation on capital cost(for 4 months)	2480
	Total	63480

D. Selling price (per kg)					
Sr. No	Particulars	Unit	Quantity	Amount (Rs)	
1	Cost of production of Shiitake mushroom	kg	1	210(approx.)	63480/300
2	Market price	kg	1	250-500	
3	Expected selling Price	kg	1	300	

11. Analysis of Income and Expenditure (per cycle):

Sr.No	Particulars	Amount (Rs)
1	10% depreciation on capital cost(4months)	2480
2	Total Recurring Cost	61000
3	Total Production of 300 blocks of 1kg each	300 Kg
4	Selling Price of Mushroom	300
5	Income generation from selling of Mushroom	90000

6	Total Income generation	90000
7	Net profit (total Income- Total cost of Production)	(90000-63480)=26520
8	Gross Profit = Net Profit + Labour wages + Room rent	26520+42000+8000=76520
9	Distribution of net profit	Profit will be distributed equally among members monthly/yearly basis. Profit will be used for further investment in IGA

12. Fund Requirement:

S.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	74500	55875	18625
2	Total Recurring Cost	61000	0	61000
3	Trainings (L/S)	10000	10000	0
	Total	145500	65875	79625

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 as per IDP norms.

13.Sources of fund:

Project Support	<ul style="list-style-type: none"> • 75% of capital cost will be supported by Project. • Up to Rs 1 lakh will be parked in the SHG bank account. • Trainings/capacity building/skill up-gradation cost. • The support 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/equipments will be done by respective DMU/FCCU after following all codal formalities.
SHG Contribution	<ul style="list-style-type: none"> • 25% of capital cost to be borne by SHG. • 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:

- Team work
- Quality control
- Packaging and Marketing
- Financial Management

15.Loan Repayment Schedule-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

16. Monitoring Method –

- 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.

17.Group members:



Resolution-cum-Group Consensus Form

It is decided in the General House Meeting of the group... Pragati SHG.....held on... 20/02/23.....at... Mashobra.....that our group will undertake... Shiitake Mushroom Cultivation.....as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA assisted).

विद्या देवी
Signature of Group Pradhan
प्रधान / सचिव
प्रगति स्वयं सहायता समूह
गौव शरीई जिला शिमला

Madhy
Signature of Group Secretary
प्रधान / सचिव
प्रगति स्वयं सहायता समूह
गौव शरीई जिला शिमला

Business Plan approved by VFDS

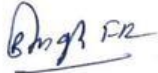
.....*Pragati*.....SHG group will undertake *Shiitake Mushroom Cultivation* as Livelihood income generation activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA assisted). In this regard Business Plan of ₹.1,45,500/- has been submitted by this group on dated *20/02/23* and this Business Plan has been approved by VFDS *Mashobra-Sharai*.

Business Plan with SHG resolution is being submitted to DMU through FTU for further necessary action please.


Signature of VFDS President
President
Village Forest Development Society
Mashobra-Sharai


Signature of VFDS Secretary
Village Forest Development Society
Mashobra-Sharai

Submitted to DMU through FTU



Name & Signature of FTU Officer
Range Forest Officer
Mashobra Forest Range
Mashobra, Shimla-7



Name & Signature of FTU Coordinator



Name & Signature of DMU Officer
Divisional Forest Officer
Shimla Forest Division
SHIMLA