

# BUSINESS PLAN

## INCOME GENERATING ACTIVITY – Shiitake Mushroom Cultivation

By

**ADARSH - Self Help Group**



<b>SHG/CIG Name</b>	::	<b>Adarsh</b>
<b>VFDS Name</b>	::	<b>Moolkoti</b>
<b>Range</b>	::	<b>Mashobra</b>
<b>Division</b>	::	<b>Shimla</b>

Prepared under:



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

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## 1. Description of SHG/CIG

2.1	SHG/CIG Name	::	Adarsh
2.2	VFDS	::	Moolkoti
2.3	Range	::	Mashobra
2.4	Division	::	Shimla
2.5	Village	::	Moolkoti
2.6	Block	::	Mashobra
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	9 (7 females, 2 males)
2.9	Date of formation	::	26/12/2022
2.10	Bank a/c No.	::	7430623356
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-loaning		-
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	Rajender	S/O Sh. Prem Singh	35	SC	Agriculture	V.P.O. MoolkotiTeh. &Distt. Shimla
2	Ishwar	S/O Sh. Dharamdutt	36	SC	Agriculture	V.P.O. MoolkotiTeh. &Distt. Shimla
3	Sapna	D/O Sh. Khem Das	26	SC	Agriculture	V.P.O. MoolkotiTeh. &Distt. Shimla
4	Durga Devi	D/O Sh. Balaku	38	SC	Agriculture	V.P.O. MoolkotiTeh. &Distt. Shimla
5	Sarla	W/O Sh. Manohar Singh	30	SC	Agriculture	V.P.O. MoolkotiTeh. &Distt. Shimla
6	Reshma Devi	W/O Sh. Sher Singh	40	General	Agriculture	V.P.O. MoolkotiTeh. &Distt. Shimla
7	Babita Himalvi	W/O Sh. Hitender Singh	28	General	Agriculture	V.P.O. MoolkotiTeh. &Distt. Shimla
8	Kamna Devi	D/O Sh. Prem Singh	32	SC	Agriculture	V.P.O. MoolkotiTeh. &Distt. Shimla
9	Anita	W/O Sh. ManoharLal	31	SC	Agriculture	V.P.O. MoolkotiTeh. &Distt. Shimla

## 3. Geographical details of the Village

3.1	Distance from the District HQ	::	30 Km
3.2	Distance from Main Road	::	10 Km
3.3	Name of local market & distance	::	Mashobra- 10 km
3.4	Name of main market & distance	::	Mashobra-10 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):

Sr. No.	Particular	Numbers Quantity	Unit Cost (Rs.)	Total expenditure (Rs.)
<b>A</b>	<b>CAPTIAL COST</b>			
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	<b>Total Capital Cost</b>			<b>74500</b>
<b>B</b>	<b>RECURRING COST</b>			
1	Cost of Rented room 1 Hall( for 4 months )	Per month	2000	8000
2	Labour charges	120 days	350	42000
3	Packing material	L/S	-	3000
4	Transportation	L/S	-	1000
5	Electricity and water usage charges	Per month	1000	4000
6	Miscellaneous expenditure (stationary, bill book, receipt book, etc.	L/S	-	3000
	<b>Total B.</b>			<b>61000</b>
	<b>Total Project Cost (A+B)</b>			<b>135500</b>

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
	<b>Total</b>	<b>63480</b>



<b>D. Selling price (per kg)</b>					
<b>Sr. No</b>	<b>Particulars</b>	<b>Unit</b>	<b>Quantity</b>	<b>Amount (Rs)</b>	
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:

Sr.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
	<b>Total</b>	<b>145500</b>	<b>65875</b>	<b>79625</b>

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

### 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 Adarsh SHG held on 20/02/23 at Moolkoti 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).

Reshna  
Signature of Group Pradhan  
आदर्श स्वयं सहायता समूह  
गांव मूलकोटी, जिला शिमला

Bmf  
Signature of Group Secretary  
प्रधान/सचिव  
आदर्श स्वयं सहायता समूह  
गांव मूलकोटी, जिला शिमला

**Business Plan approved by VFDS**

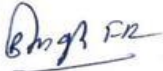
.....*Adarsh*.....SHG group will undertake *Shiitake Mushroom Cultivation* as Livelihood income generation activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA assisted). In this regard Business Plan of ₹. *1,45,500*./- has been submitted by this group on dated *20/01/23* and this Business Plan has been approved by VFDS. *Moolkoti*.....

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

*Vamit*  
Signature of VFDS President  
President  
Village Forest Development Society  
Moolkoti

*Damit*  
Signature of VFDS Secretary  
Secretary  
Village Forest Development Society  
Moolkoti

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