



**Income Generation Activity
Business Plan Mushroom Cultivation
Panchdhar - Self Help Group**



SHG Name	Panchdhar
VFDS Name	Panchjan
Range	Joginder Nagar
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

The Panchdhar SHG group was formed in March 2021 under Panchjan VFDS to provide Livelihoods Improvement Support by up gradating skill and capacities. Under Panchjan VFDS two SHGs have been formed for implementing livelihood improvement activities. One of these is, "Panchdhar" concerned with Mushroom Cultivation. Group members belong to a weaker section of society and have less land holdings. To raise their socioeconomic conditions, they decided to cultivate Button Mushrooms.

1	SHG Name	Panchdhar
2	VFDS	Panchjan
3	Range	Joginder Nagar
4	Division	Joginder Nagar
5	Village	Panchjan
6	Block	Drang
7	District	Mandi
8	Total No. of Members in SHG	(Females-7)
9	Date of formation	March, 05 th ,2022
10	Bank a/c No.	31210129297
11	Bank Details	HP State Cooperative Bank Ltd. Joginder Nagar
12	SHG Monthly Saving	100/-
13	Total saving	1400/-
14	Total inter-loaning	--
15	Cash Credit Limit	--
16	Repayment Status	--

2. Beneficiaries Details:

Sr. No	Name of the SHG Members	Designation	Gender	Category	Income Source	Photographs
1.	Laxmi Devi W/o Sh.Prem Pal, Vill Panchjan P.O Dul Teh Joginder Nagar Distt Mandi	President	Female	Gen.	Agri.	
2.	Manju thakur W/o Sh. Sanjay Kumar , Vill Panchjan P.O Dul Teh Joginder Nagar Distt Mandi	Secretary	Female	Gen.	-Do-	
3.	Meera Devi W/o Sh. Dharm Singh, Vill Panchjan P.O Dul Teh Joginder Nagar Distt Mandi	Member	Female	Gen.	-Do-	
4.	Santi Devi W/o Sh. Jagdish Chand , Vill Panchjan P.O Dul Teh Joginder Nagar Distt Mandi	Member	Female	Gen.	-Do-	
5.	Sangila Devi W/o Sh. Arjun Kumar , Vill Panchjan P.O Dul Teh Joginder Nagar Distt Mandi	Member	Female	Gen.	-Do-	
6.	Ram Kali W/o Sh. Vidhya Ram , Vill Panchjan P.O Dul Teh Joginder Nagar Distt Mandi	Member	Female	Gen.	-Do-	
7.	Seema Devi W/o Sh. Rajeev Kumar , Vill Panchjan P.O Dul Teh Joginder Nagar Distt Mandi	Member	Female	Gen.	-Do-	

3. Geographical detail of the Village

1	Distance from the District HQ	56 Km.
2	Distance from Main Road	1 Km.
3	Name of local market & distance	Joginder Nagar-7 Km, Mandi-56 Km.
4	Name of main market & distance	Joginder Nagar =7 Km Mandi =56Km.
5	Name of main cities & distance	
6	Name of main cities where product will be sold/ marketed	Joginder Nagar, Mandi

4. Executive summary Panchjan VFDS:-

Panchjan VFDS is constituted at Gram Panchayat Panchjan. It is located in Drang Block of Mandi district in Himachal Pradesh. The Panchjan VFDS falls under Joginder Nagar Beat of Joginder Nagar Block under Joginder Nagar Forest Range under Joginder Nagar Forest Division (DMU).

Mushroom cultivation income generation activity has been selected by Panchjan 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. Production process includes processes 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.

4.1	Name of the Product	::	Mushroom cultivation
4.2	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.
4.3	Consent of SHG/CIG/ Cluster	::	Yes

6. Description of Production Processes

The Group decided initially to start with Button Mushroom Production. 200 Compost spawn added bags will be purchased and fixed in hired/ rented room.

Iron racks fitting, along with two Exhaust fans one for fresh air and other at the bottom to expel out the inner air will be installed. AC to lower the room temperature to increase the

room temperatures, one dry and wet thermometers will be installed in the hall to maintain the required room temperature. The room will be washed and sanitized with formalin (5ml/liter) twice to thrice before loading the bags. The business plan with four crops of Button Mushrooms has been prepared after having thorough discussions with the group.

7. Description of Production Planning:

6.1	Production Cycle(75days)	::	Group will cultivate Button mushrooms. After adding spawn in the compost bag, mushroom takes 30 to 40 days to pinup. Thereafter four flushes can be taken.
6.2	Man power required (No.)	::	Initially whole group will work together to install/ construct the racks, clean the room and carry compost bags from the road to production sites. Thereafter for first 30 days 2 persons for 1 hour (½ an hour morning and ½ an hour evening) on rotation bases will work for cleaning, moistening, temperature regulation etc. For next 31 to 75 days 4-person 3 hours for harvesting, caging soil, cleaning, weighing and packing. Marketing hours are not included as one of the members will sell mushrooms in the market regularly.
6.3	Source of raw material	::	Local market/ Main market Mushroom Centre, Palampur.
6.4	Source of other Resources.	::	-do-
5	Quantity required per cycle (Kg)		(10 Kg per bag) 100 Q. for 1000 bags per cycle of three months
6	Expected production per cycle (Kg)		10 Q.

8. Requirement of raw material and expected production

Sr.no	Raw material	Unit	Time	Quantity	Amount per kg (Rs)	Total Amount in three cycles
1	M. Bags	1000 Bags	3 months	100qtls.	120	1,20,0000

9. Description of Marketing/Sale

1	Potential Market Places	::	Joginder Nagar, Baijnath, Mandi
2	Distance from unit	::	Joginder Nagar- 6 Km, Baijnath- 21 Km, Mandi- 56Km
3.	Demand of the Product in Market		Mushrooms are always in demand throughout the year.
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.	Impact of seasonality on Market.	::	Mushrooms are all weather delicacy and are in high demand throughout the year. However, during summer, and marriage ceremonies demand rises high.
6.	Marketing strategy of the Product.	::	Initially group will contact all the vegetable retail sellers of Joginder Nagar town, thereafter on increase of production, the retail sellers of Mandi market will also be contacted to sell their product on commission basis. Product will be sold in 200 & 500 grams packaging.
7.	Product Branding.	::	At SHG level product will be marketed by branding SHG. Later this IGA may required branding at cluster level
8.	Product Slogan	::	“Panchdhar Fresh Mushrooms”.

10. SWOT Analysis

Sr .no	Detail/Items	:	Description
1.	Strength	::	<ul style="list-style-type: none"> All group members are like minded, well adapted to local and social environment. Produce is of high quality and in high demand, growing cycles are short and production will be throughout the year. Proper packing and easy to transport. Raw material easily available. Ready made compost bag are available with Horticulture department at Palampur and Solan. For SHG Financial Support Trainings and exposures will be organized by JICA Forestry Project.
2.	Weakness	::	<ul style="list-style-type: none"> Effect of temperature, humidity, moisture on manufacturing process/product. Highly labor intensive work.

			<ul style="list-style-type: none"> In winter and rainy season product manufacturing cycle will increase
3.	Opportunity	::	<ul style="list-style-type: none"> Demand is high and return is high. Location of markets. Daily/weekly consumption and consume by all buyers in all seasons
4.	Threats	::	<ul style="list-style-type: none"> Internal conflict in group, lack of transparency, and high risk bearing capacity.

11. Description of Management among the 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 of the Project.

A. CAPITAL COST				
<u>Sr. No.</u>	<u>Particular</u>	<u>Qty.</u>	<u>Unit Price</u>	<u>Amount</u>
1	Construction of Iron racks fitting	L/S	150000	150000
2	Air cooling system/ A.C	2	60000	120000
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 and electricity fitting material and charges	L/S	4000	4000
14	Mushroom bags with compost	1000	40	40,000
15	Miscellaneous	L/S	3000	3000
<u>Total capital costs</u>				331900

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	month	12	3,000	36000
2	Packaging material	P/Bags	-	5000	5000
3	Transportation	4 cycles		3000	12000
4	Electricity exp.	month	12	5000	60000
	Recurring Cost				113000
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	113000
2	10% depreciation annually on capital cost	11300
	Total :-	124300

D. <u>Selling Price calculation (per kg)</u>					
<u>Sr. No</u>	<u>Particulars</u>	<u>Unit</u>	<u>Quantity</u>	<u>Amount (Rs)</u>	
1	Cost of Production	Kg	1	100	It will decrease as the quantity of production increase
2	Current market price	Kg	1	100-150	
3	Expected Selling Price by SHG	Kg	1	120	

13. Analysis of Income and Expenditure

<u>Sr. No.</u>	<u>Particulars</u>	<u>Amount (Rs)</u>
1	10% depreciation annually on capital cost	11300
2	Total Recurring Cost	113000
3	Total Production per cycle	100 quintal
4	Selling Price of mushroom	120
5	Total income generation	10000 × 120 = 1200000

6	Net profit (1200000-124300)	1075700
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 (25%)</u>
1	Total capital cost	331900	248925	82975
2	Total Recurring Cost	113000	0	113000
3	Training/capacity building/ skill up-gradation	50,000	50,000	0
	Total	₹ 494900	₹ 298925	₹ 195975

Note-

- **Capital Cost** – 50 % of capital cost to be covered under the project as all the members belongs to General category.
- **Recurring Cost** - To be borne by the SHG
- **Training/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 machinery i.e. Machines including equipment. • Rs 1 lakh as revolving have parked in the SHG bank account. • Training/capacity building/ skill up-gradation cost. 	Procurement of machinery/ 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 machinery. • Recurring cost to be borne by SHG 	

16. Training/capacity building/skill up-gradation

Training/capacity building/ skill up-gradation cost will be borne by project.

Following are some training/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

Remarks:

The forth coming vision of the Group is to enhance their income by value addition in the form of pickles, ready made soups, dried mushrooms etc.

Surprising Mushroom Health Benefits for Your Skin, Brain, and Bones

"They contain many minerals, like selenium, potassium, copper, iron and phosphorus that are not often found in plant-derived foods."

1. Mushrooms may help keep you young.
2. Mushrooms can protect your brain as you age.
3. Mushrooms may boost your memory.
4. Mushrooms can help your heart health.
5. Mushrooms can assist in strengthening your bones.
6. Mushrooms will help give you energy
7. Mushrooms helps in fighting many diseases specially CANCER.

Delicacy of Mushrooms is special Dish, Tasty, Healthy and affordable.

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Panchdhas SHG held on 20-12-2022 at Panehgan 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).

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Signature of group President

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Signature of group secretary

B. K. Sharma
प्रधान

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तह. र. नगर, जिला मण्डी (हि. प्र.)
Signature of President VFDS

[Signature]
D.M.U.-Cum-
Divisional Forest Officer
Joginder Nagar

Business Plan Approval by VFDS and DMU.

Panchdhar SHG 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. 494900 has been submitted by the group on 20-12-2022 and the Business Plan has been approved by VFDS Panchdhar.

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

Thank You.

प्रधान / Laxmi Devi
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Signature of group President



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Signature of President VFDS

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Signature of group secretary


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