



BUSINESSPLAN

INCOMEGENERATINGACTIVITY-

(MushroomCultivation)By

Radhe krishna-SelfHelpGroup

SHGName	Radhe Krishna
VFDSName	Bari/Diyal
Range	Rey
Division	Nurpur Divison

PreparedUnder-

**ProjectforImprovementofHimachalPradeshForestEcosystemsManagement&Livelihoods(JICA
AAssisted)**

Table of Contents

Sr.No.	Particulars	Page/s
1	Description of SHG	3
2	Beneficiaries Detail	4,5
3	Geographical details of the Village	6
4	Executive Summary	6
5	Description of product related to Income Generating Activity	6
6	Production Processes	6
7	Production Planning	7
8	Sale & Marketing	7
9	SWOT Analysis	8
10	Description of Management among members	8
11	Description of Economics	9,10,11
12	Analysis of Income and Expenditure	11
13,14	Fund Requirement, Sources of Fund	12
15 to 19	Trainings/capacity building/skill upgradation, other source of Income, Monitoring Method & Remarks	13
	SHG Group Photographs	

1. Description of SHG

1	SHG Name	Radhe Krishna
2	VFDS	Bari/Diyal
3	Range	Rey
4	Division	Nurpur Division
5	Village	Bari/Diyal
6	Block	Fatehpur
7	District	Kangra
8	Total No. of Members in SHG	11
9	Date of formation	14-10-2022
10	Bank a/c No.	50075952382
11	Bank Details	KCC Bank
12	SHG Monthly Saving	20/-
13	Total saving	
14	Total inter-lending	1%
15	Cash Credit Limit	--
16	Repayment Status	--

2. BeneficiariesDetails:

Sr. No.	Name Of SHG Members	Husband/Father name	Gender	Category	Income source
1	Raksh devi	Mehar Singh	Female	OBC	Agriculture
2	Anita Rani	Rakesh Kumar	Female	Gen	Agriculture
3	Raj Devi	Prakash Singh	Female	Gen	Agriculture
4	Kamlesh Kumari	Suram dsingh	Female	Gen	Agriculture
5	Prabhala Devi	Surjeet singh	Female	Gen	Agriculture
6	Sujata Devi	Surjeet singh	Female	Gen	Agriculture
7	Rupinder Singh	Suram singh	Female	Gen	Agriculture
8	Prakash Singh	Bakil singh	Male	Gen	Agriculture
9	Mehar singh	Veer Singh	Male	Gen	Agriculture
10	Surjeet singh	Des Raj	Male	Gen	Agriculture
11	Harbans Lal	Kantho Ram	Male	SC	Agriculture

3. GeographicaldetailsoftheVillage

1	Distance from the District HQ	115Km
2	DistancefromMainRoad	1Km
3	Name of local market&distance	Rehan-12Km,Indora-25 Km
4	Name of main market&distance	Rehan-12Km
5	Name of maincities&distance	
6	Name of main cities where product willbesold/marketed	Rehan-12Km,Indora-25 Km

4. Executive Summary

Mushroom cultivation income generation activity has been selected by Radhe krishna Self Help Group. This IGA will be carried out by 11 members of this SHG. This business activity will be carried out whole year by group members. The process of mushroom cultivation takes around 4 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 150/- per Kg. (200 gram packing of per packed)

5. Description of Product related to Income Generating Activity

1	Name of the Product	Radhe krishna Mushroom
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 make 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	Man power required per cycle (No.)	11 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)	5 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	220Kg	4months	5.5qtls.	150	82,500

8. Description of Marketing/Sale

1	Potential market places	
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/wholesaler. 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 gram packaging.
6	Product branding	At SHG level product will be marketed by branding SHG. Later this IG may require brand in at cluster level
7	Product "slogan"	"A product of SHG Lakshmi"

9. 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.
 - Sudden increase in price of raw material
 - Competitive market

10. 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.

11. 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	Waterspray pump (Electric with solar Panel)	2	1800	3600
2	Water tub (40-50ltr)	2	700	1400
3	Digital Weighing Scale Machine	2	1200	2400
4	Poly Sealing Table Top Heat Sealer Pouch Plastic Packaging Machines	1	3000	3000
5	Apron, cap, plastic hand gloves etc	5	LS	1,500
6	Product storage Crates		LS	7,000
7	Racks, Bench, Stairs		LS	15,000
8	Tower Air Cooler (15ltr./-)	2	8000	16,000
9	Knives		LS	2000
<u>Total capital costs</u>				<u>51900 /-</u>

B. <u>RECURRINGCOST</u>					
<u>Sr.no</u>	<u>Particulars</u>	<u>Unit</u>	<u>Qty.</u>	<u>Price</u>	<u>Amount</u>
1	HallRent	1	12(Month)	2,000	24,000
2	Labour(willbedonebySHG members)	WorkwillbedonebySHGmembersrotationbasesforonecycle(97days*wagesrate 350)			33,950
3	Packagingmaterial	P/Bags	LS	-	3300
4	Transportation	Rs.2500/-cycle		LS	8000
5	Electricityexp.	1	12Month	1000	12000
6	MushroomBagsfornextcycle	M.Bag	220	200	44000
	RecurringCost				125250/-
<u>TotalRecurringCostB=125,250/-</u> (Recurringcost-Labour cost)aswork/labourwillbedonebySHGmembers.					

C. <u>CostofProduction(Monthly)</u>		
<u>Sr.No</u>	<u>Particulars</u>	<u>Amount(Rs)</u>
1	TotalRecurringCost	125250
2	10%depreciationannuallyoncapitalcost	5190
	Total:-	130440

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	15 Qtls	130440	It will decrease as the quantity of production increase
2	Current market price	-	Per Kg	150-200	
3	Expected Selling Price by SHG	-	Per Kg	150	

12. Analysis of Income and Expenditure (Monthly)

<u>Sr.no.</u>	<u>Particulars</u>	<u>Amount(Rs)</u>
1	10% depreciation annually on capital cost	5190
2	Total Recurring Cost	125250/-
3	Total Production every four month (qtl)	5.5 qtls (15 qtls. per year)
4	Selling Price (per Kg)	150
5	Income generation (150*15*100)	2,25,000 annually
6	Net profit (2,25,000-125250) (Income generation - Total Recurring cost)	99750/-
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

13. 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	51900	25950	25950
2	Total Recurring Cost	125250	0	125250
3	Trainings/capacity building/skill up-gradation	70,000	70,000	0
	Total	247150/-	95950	151200/-

Note-

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

14. 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 11 lakhs 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/FCC U after following all nodal formalities.
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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 machines.• Recurring cost to be borne by SHG	
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15. Trainings/capacitybuilding/skillup-gradation

Trainings/capacitybuilding/skillup-gradation cost will be borne by project. Following are some trainings/capacitybuilding/skillup-gradation proposed/needed:

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

16. Other sources of income:

The group can adopt other approaches to increase their value addition in the form of pickles & dried mushrooms.

17. 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 no 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 bank 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.

18. 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 follows:

- Size of the group
- Fund management
- Investment
- Income generation
- Production level
- Quality of product
- Quantity sold
- Market reach

19. 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

Photo's of SHG Radhe krishna Under VFDS Bari/Diyal

VFDS - Diyal
Self Help Group → Radhe Krishna



Raksha Devi
President



Raj Devi
Secretary



Sujata Devi
Treasurer



Kamlesh Kumari
Member



Anita Rani
Member



Harbans Lal
Member



Surjeet Singh
Member



Rupinder Singh
Member



Mehar Singh
Member



Prakash Singh
Member



Prabhla Devi
Member

