Himachal Pradesh
Forest Department

Income Generation ActivitiesBusiness Plan
Mushroom cultivation , value addition and pickling
2022 -23

Krishna Self Help Group of **Village** Forest Development CommitteeParahu

Name of the self-help group	: : :	Krishna Self Help Group
Name of Rural Forest Development Committee	: : :	Parahoo
Name of the Field Technical Unit	-	jhanduta
Name of DMU/ Forest Division	-	Bilaspur
FCCU/Circle	-	Bilaspur

Sponsored by **PIHPFEM&L**(JICA-**Project**)	prepared by:- DMU Bilaspur , FTU Jhanduta and **Krishna** Self Help Group

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Introduction

Himachal Pradesh is a majestic , mythical land and is famous for its beauty and serenity , rich culture and religious heritage. The state has diverse ecosystems , rivers and valleys , and has a population of 7.5 million and covers an area of 55,673 sq km ranging from the foothills of the Shivalik mountains to the middle hills (300 - 6816 m above MSL) , high hills and the cool arid regions of the Upper Himalayas . It is spread over valleys in which several perennial rivers flow. About 90% of the state's population lives in rural areas. Agriculture , horticulture , hydropower and tourism are important components of the state's economy. There are 12 districts in the state and Its population density is quite high .

The district is situated along the border of Punjab and is the gateway for its tourist destinations and Himalayan tours , the routes for Himalayan tours from Bilaspur district connects Mandi , Kullu, Shimla , Solan , Hamirpur and Kangra districts .

This district is famous for its ancient settlements and traditional agriculture , with the Sutlej river as its main lifeline. And after the construction of Bhakra Dam, most of the fertile land area of this district has become submerged .

Forests and forest ecosystems are repositories of rich biodiversity , and play a vital role in preserving fragile sloping lands and were the primary sources of livelihood for the rural population. Rural people are directly dependent on forest resources for their

livelihood and socio-economic development. The harsh reality is that these resources are continuously depleting due to overexploitation such as for fodder , fuel , NTFP extraction, grazing , fire and drought etc.

self-help groups have been formed to implement livelihood improvement activities under Parahu Forest Rural Development Committee . One of them , " Krishna " Self Help Group, is engaged in mushroom cultivation and pickle making and its value addition . The group members belong to the weaker sections of the society and have small land holdings. To enhance his socio-economic status , he decided to produce mushrooms . Technical support for preparing the business plan was provided by Dr. Pankaj Sood ,Principal Scientist , Dr. Kavita Sharma and DS Yadav , Krishi Vigyan Kendra, Sunder Nagar , Mandi . The team comprising Vijay Kumar ,subject expert , Office of Forest Division, Suket , Ratan Lal Sharma, retired Forest Range Officer, Anita Sharma, Field Technical Unit Coordinator, Jhanduta Range, Desh Raj, Forest Guard , Rahan Beat and Shri Gyan Singh, Forest Division Officer, Forest Division, Jhanduta, contributed in preparing the business plan under the constant supervision and guidance of Ved Prakash Pathania, retired HPVSE .

executive Summary

Parahu Village Forest Development Committee:-

Parahu Village Forest Development Committee is located in Prahu Revenue Area . This Village Forest Development Committee has been formed in Balghar Gram Panchayat. It is located in Jhanduta Block of Bilaspur District in Himachal Pradesh and lies between 31.3807212N latitude - 76.6246424E longitude . Parahu Village Development Committee Bilaspur Forest Division Management Unit(DMU) It falls under Rahan beat of Jhanduta forest division under Jhanduta forest range of ,

Important feature of VFDS:-

This Village Forest Development Committee is famous for Santoshi Mata Temple, the water of Gobind Sagar Lake reaches this village, this village is famous for maize crop .

Number of families	150
BPL Families	31 =20%
total population	657
Total Cattle	159

Details of Self Help Group

Krishna Self Help Group was formed in September 2021 under Parahu Van Gramin Vikas Samiti to provide livelihood improvement support by upgrading skills and capacities. The group comprises poor and marginal farmers.

Krishna Self Help Group is a women's group (fifteen women) consisting of members from the marginalized and financially weaker sections of the society with less land resources . Though all the members of the group grow seasonal vegetables etc. but since the land holding of these members is very small and irrigation facilities are less and the production level has reached near saturation , to meet their financial requirements they decided to take up mushroom farming which can increase their income. There are 15 members in this group and their monthly contribution is Rs 50/- per month. The details of the group members are as follows : -

Details of SHG members with photos

Crs	Name	post	grade	Age	Educational Qualifications	Mobile Number
1.	Reena Kumari wife of Ami Chand	Pradhan	Gen	40	10 th	8580757504
2.	Rita Devi wife of Upendra Singh	Secretary	Gen	46	8 th	9817014570
3.	Pinky Devi wife of Lakhmi Singh	Treasurer	Gen	35	10 th	9816868194
4.	Neelam Devi wife of Bhag Singh	Members	Scheduled Castes	42	10 th	-
5.	Neelam Kumari wife of Dilbag Singh	Members	Scheduled Castes	35	8th	8219561450
6.	Shobha Devi wife of Mohinder Singh	Members	Gen	54	5 th	8627029143
7.	Shiv Dei wife of Amar Singh	Members	Gen	60	5 th	7807191650
8.	Mamata Devi wife of Ratan Lal	Members	Scheduled Castes	50	5 th	-
9.	Deepa Kumari wife of Jai Singh	Members	Scheduled Castes	28	+2	9805542806
10.	Shobha Devi wife of Hakam	Membe	Gen	26	+2	-

	Singh	rs				
11.	Sumana Kumari wife of Sudarshan Singh	Members	Gen	32	+2	-
12.	Salma Devi wife of Sunil Dutt	Members	Gen	33	+2	-
13.	Bina Devi wife of Tarsem Singh	Members	Gen	45	7 th	-
14.	Maya Devi wife of Ram Lal	Members	Scheduled Castes	44	8 th	8091799441
15.	Karmi Devi wife of Kuldeep Singh	Members	Gen	59	5 th	-

15 members of SHG Krishna have opted for mushroom cultivation and along with this all the members are also involved in pickle making and value addition activity .

Photographs of self-help group members

Reena Kumari (Pradhan)

Rita Devi (Secretary)

Pinky Devi (Member)

Salma Devi (Member)

Mamata Devi (Member)

Karmi Devi (Member)

Sumana Kumari (Member)

Shiv Dei (Member)

Bina Devi (Member)

Maya Devi (Member)

Shobha Devi (Member)

Deepa Kumari (Member)

Neelam Kumari (Member)

Neelam Devi (Member)

shivam self help group dahad

Name of the self help group	-	Krishna
SHG/CIG MIS Code Number	-	,
Name of the Rural Forest Development Committee	-	Parahoo
Name of the Field Technical Unit	-	jhanduta
Name of DMU/Forest Division	-	Bilaspur
Village	-	Parahoo
Section	-	jhanduta
District	-	Bilaspur
Total number of members in the self help group	-	15
Date of formation	-	2021
Name and details of the bank	-	PNB Jhandutta
Bank account number	-	6440000100076513
SHG/Monthly Savings	-	Rs. 750 /- per month
Total savings	-	6000/-
Total Inter-Loan	-	Yes
cash credit limit	-	,
Repayment Status	-	quarterly basis

Geographical description of the village

away from district headquarter	-	35 Km
Distance from the main road	-	1 km (but 100 to 200 m from the main road) approx
and distance of local market	-	Jhanduta 5 km , Barthi 10 km , Bilaspur 35 km approximately .
Names and distances of major cities	-	Jhanduta 5 km , Barthi 10 km , Bilaspur 35 km approximately .

Names of major cities where The products will be sold/marketed	-	Jhanduta , Barthin , Bilaspur
status of previous and upcoming episodes	-	The back link lies in training , (Krishi Vigyan Kendra) Compost Bag Span (Horticulture Department) and the front link lies in market suppliers etc.

Product Details Related to Income Generating Activity

Product Name	-	The group will be involved in production of button mushroom and dhingri under controlled environment
Method of product identification	-	Although members of the entire group grow seasonal vegetable crops. As their land holding is very small , the production has reached saturation point , hence they are not able to meet their financial requirements , hence it was decided by the group members that mushroom cultivation, pickle making and its value addition will increase their income. Apart from this they usually go to Sundar Nagar market to sell their vegetable crop . The market links already exist. They will not have to spend extra time and money for marketing the mushrooms .
Consent of SHG/CIG/ Group	-	The consent is attached as annexure.

production processes

Arrangement for training on mushroom cultivation has been made in KVK by JICA project. The entire cost of training with spot demonstration is borne by the JICA project.

decided to start work with Dhingri mushroom production initially , as the training has been completed during February and the start date is March. April / May , June /

July Months after 1943 These are more suitable for the cultivation of this mushroom. 250 compost spawn added bags will be purchased and installed in a rented/rented room.

Three tier wooden/bamboo rack fitting , along with two exhaust fans one for fresh air and other at the bottom to exhaust the indoor air will be installed. One ceiling fan to reduce the room temperature and another (heat blower) to increase the room temperature , A dry and wet thermometer will be installed in the hall to maintain the required room temperature. The room will be washed and cleaned with formalin (5 ml/litre) two to three times before loading the bags . Two crops of button mushroom and Dhingri of two crops (70 to 75 days cycle for each) with business plan (August to February are the best months for button mushrooms and March to July for dhingri) This plan has been prepared after discussion and participation with the group . The group members will work for 1 hour daily , half an hour in the morning and half an hour in the evening.

Description of the production plan:

Production cycle (75 days)	-	Button mushroom cultivation can be done from September to March in Bilaspur district. After putting the spawn in the compost bag, it takes 30 to 40 days for the mushrooms to get pinup heads . three flushes after that A total of 75 days are required to harvest three flushes of mushroom crop . The production cycle of a crop will be of 75 days. Four crop cycles will be repeated in a year as per the details given below:- First crop of Dhingri mushroom (from February to April = for 75 days) Second crop of Dhingri mushroom (May to end of July). Third crop of button mushroom (September to November = for 75 days) Fourth crop of button mushroom (November to January = 75 days)

Manpower Requirement (Numbers)	-	Initially the whole group will work together to install/build the racks , clean the room and transport the compost bags across the road to the production sites. After this, for the first 30 days 2 persons will work for 1 hour (1/2 hour in the morning and 1/2 hour in the evening) in rotation for cleaning , humidification , temperature regulation etc. 4 persons 3 hours for harvesting , soiling , caging , cleaning , weighing and packing for next 31 to 75 days. Marketing hours are not included as one of the members will regularly sell mushrooms along with vegetables in the market. 4 people making compost will work for 2 days and 2 hours. Total labour work will be 706 hours , if we divide it by 8 (hours) then it will become 88 days and multiplying it by the wage rate of Rs 300 /day, we get the cost of labour 26400 Rupees come out.
Source of raw materials	-	Horticulture Department , Palampur and Solan District Of Himachal Pradesh. Generally all the material is available in Sundernagar KVK.
source of other Resource.	-	- above -
(i) Quantity required for button mushroom (75 days) (ii) Dhingri a circle Of For Required quantity i.e. 75 days	-	250 Compost Spawn Bags , Formalin , 200 ml , Bavistin 100 gm , Packing material (polythene sleeves) 3 kg. For the Dhingri Spawn : 25 kg , Wheat Or straw of other crop: 500 kg , Formline: 2 liters , Bavistin: 100 grams , Polysheet: 1 300 Transparent Polythene Bags for Dhingri Manure , Polythene Sleeves 5 Kg (3 Kg for new and 2 Kg for replacement of torn bags)

Expected production in 75 days	-	Dhingri :- Average production of Dhingri from one bag of compost is about 1.6 kg. Yield for 250 bags **400 Kg** it will be dingy Button Mushrooms , The average production of mushrooms from a bag is 2.0 kg / 1 bag = 2.0 kg 250Bag x 2.0 kg.= **500** kg **.**

Marketing / Sales Details

Potential market space	-	Jhanduta , Barthin , Bilaspur
Distance from unit	-	Jhanduta 5 km , Barthi 10 km , Bilaspur 35 km approximately .
Demand for the product in the market	-	There is demand for mushrooms throughout the year.
Market Identification Process	-	Vegetable selling market is well established in Jhanduta , Barthi , Bilaspur towns ,
Impact of weather on the market.	-	Mushrooms are delicious in all seasons and are in high demand throughout the year. However , the demand increases more during summer and wedding ceremonies.
potential buyers of the product.	-	Potential market buyers are Hospitals , Hotels , Hostels , Shops , Local Residents/ Marriages and other formal occasions etc.
potential consumers in the region.	-	All health conscious citizens / families.
Marketing mechanism of the product.	-	Daily supply and batch of mushrooms based on demand in the market with local vegetables Jhanduta , Barthi , Bilaspur market We will sell them in the open market as well ,
Marketing strategy of the product.	-	Initially the group will approach all the vegetable retailers of Jhanduta town , then as the production increases , retailers of Bilaspur market will also be approached to sell their produce on net rate or on commission basis.

Product branding.	-	" KrishnaFresh Mushrooms ".
Product slogan	-	" Eat mushrooms and stay healthy."

Management details among members

After receiving training, all the members will divide their labour amongst themselves while managing the daily work , marketing and keeping themselves connected with the department and Rural Forest Development Committee .

SWOT Analysis

Description / Item	-	Description
Strength	-	All members of the group are like-minded and adapt to the local and social environment. Production cost is low , the product is of high quality and demand , growing cycles are short , production will be all year round. Readymade compost bags are available with the Horticulture Department in Palampur and Solan. Training and exposure will be organized by JICA Forestry Project for SHG financial assistance.
weakness	-	New self help group , lack of experience in mushroom production/farming.
Opportunity	-	Demand is high and returns are high.
hazard	-	Internal conflicts within the group , lack of transparency and lack of ability to take major risks

description of potential hazards and Ways to reduce them

potential risk	-	remedy to do to reduce For them.
at the same time Destroy harmful infection product can do 2. Temperature	-	First of all keep your hands clean by washing them And wash your feet with soap and then dip them in formalin solution Entering the room. Only 2 to 3 persons will enter the room with full kit (cap,

Maintenance and control 3. Market santripta	 - -	gloves , apron etc.). Spray regularly to avoid fungal attack. With the help of the thermo meter the required temperature will be maintained with the given equipment. for value addition dry mushroom , Mushroom pickle , soup and other products etc. will be prepared .
Internal conflict in the group , transparency	-	To eliminate conflict the cause must be dealt with at an early stage . exposure to all members of the group , equal sharing of benefits , need to give respect and honour to every member .
market	-	There are always fluctuations in the market ; demand and supply always vary. Therefore members continue to explore new markets and buyers.
Production	-	Production will be increased gradually according to the market

Project Description of the economics of the ,

First cycle:

project cost	Amount Rooms
Capital Cost	
Construction of three tire wooden/bamboo rack fitting	15,000
Ceiling Fan(1 No)	2500
Exhaust Fans (2)	3000
Room heat/blower/	1500
Dry and Wet Thermometer (1 Set)	1000
Electronic Weighing Machine (1no)	900
Hot Plastic Roof Rod (1no)	800
Lightweight Spray Pump (1no)	1800
Sharp Knife Set No. (1 Set)	75
Scissors , (2 nos)	400
Trays/Baskets (6 Nos)	600
Fruit crate (4 nos .) .	2400
Water tanks 1000 liters 1 no. including rent	8000
Water and electricity fittings material and charges	4000
Dryer	16000
Grinder	10000
Miscellaneous expenses	3000

total capital cost	**70975**
Recurring cost for 1st cycle (75 days)	
Cost of renting room 1 hall (mushroom growing unit) @ Rs. 1000/ month. (3 months) =	3,000
Formalin	600
Labour wages 88 days=(@Rs 300 / day)= □ 26400	26400
Dhingri Compost Bags 250 nos @ Rs.40 per bag and other raw materials including rent	10000
Packaging (packaging materials etc.)	3000
Rent	1000
Electricity and water usage charges @ Rs 1000 per month	3000
Miscellaneous Expenses (Stationery , Bill Books , Receipts etc.)	1500
Recurring cost of one cycle= **B1+B2+B3+B4+B5+B6+B7+B8**	**485 00**
Total project cost **(** A+B)= **70975+ 485 00=119475**	**119475**

Cost Benefit Analysis First Cycle:-

Specific	Unit	Quantity/No	expressions	Amount (Rupee.)
Depreciation **10% on capital cost**	month	3	10%	**1750**
Recurring cost for 3 months				
Room rental price 1 hall (mushroom growing unit) @ Rs. 1000/ month. (3 months)	month	3	1000	3,000
Each bottle containing 250 Formalin.	No	2 bottles	300	600
Labour wages 88 days =(@ Rs 300/ day) = Rs 26400	Day	88	300	26400
Dhingri Manure Bags 250 No @ Rs. 40 per bag and other raw material including cart	No	250	40	10000
Packaging (packaging materials etc.)	Kilogram	5	600	3000
Traffic payment	,	,	,	1000

Electricity and water usage charges @ Rs 1000 per month	month	3	1000	3000
Miscellaneous Expenses (Stationery , bill books , receipts etc.)		L/S	,	1500
Total				**48500**
Total production kg.	Dhingri Fertilizer			400 Kg 500 Kg
Sale of production in kg.	Dhingri 400 kg @ Rs.150 Compost 500 kg @ 5			60000 2500
	Total			**62500**
total profit	62500- (1750+48500)			12250
Gross Profit	Total profit + Labor wages + Room rent 12250+(26400+3000)=			41650
second installment of the net amount to be reserved for profit and the amount to repay the third installment				14494
Amount available for distribution of profits among members in the first cycle = Sale of product – (Principal amount + Interest + Recurring cost of 2nd and 3rd installment) **62500- (18563 + 1437 + 48500 + 14494)**				**-20494**

Note :- Rs. 14494 will be kept in reserve for payment of 2nd and 3rd instalment ,

Cost Benefit Analysis Second Cycle

Senior No	Specific	Unit	Quantity/No	expressions	Amount (Rupee.)
A	Depreciation **10% on capital cost**	month	3	10%	**1750**
B	Recurring cost for 3 months				
1.	Room rental price 1 hall (mushroom growing unit) @Rs1000 /month.(3 months)=	month	3	1000	3,000
2.	Each bottle contains 250 Formalin	No	2 bottles	300	600

3.	Labour wages 88 days =(@ Rs 300/ day) = Rs 26400	Day	88	300	26400
4.	Dhingri Manure Bags 250 No @ Rs. 40 per bag and other raw material including rent	No	250	40	10000
5.	Packaging (packaging materials etc.)	Kilogram	5	600	3000
6.	Traffic payment	,	,	,	1000
7.	Electricity and water usage charges @ Rs 1000 per month	month	3	1000	3000
	Total				**47000**
9.	Total production kg.	Dhingri Mushroom Fertilizer			400 kg 500 Kg
10.	Sale of production in kg.	Dhingri 400 kg @ Rs.150 Compost 500 kg @ 5			60000 2500
		Total			**62500**
1 1 .	total profit	**62500 - (1750+47000)**			**19750**
12.	Gross Profit	Total profit + Labor wages + Room rent **13750 +(26400+3000)** =			**43150**
13.	Amount available for distribution of profit among members in the second cycle = Sale of product – (Principal amount + Interest + Recurring cost for next cycle) **=62500-(19032 + 968 +57300)**				**(-)14800**

Cost Benefit Analysis Third Cycle

Specific	Unit	Quantity/No	expressions	Amount (Rupee.)
Depreciation at **10%** on capital cost	month	3	10%	**1750**
Recurring cost for 3 months				
Cost of rent of 1 hall room (mushroom growing unit) @ Rs 1000/ month. (Three months)	month	3	1000	3,000
Each bottle containing 250 Formalin.	No	2 bottles	300	600

Labour wages 88 days =(@ Rs 300 / day) = Rs 24200	Day	88	300	26400
Button Mushroom Compost Bags 250 nos @ Rs.90 per bag and other raw material including cart	No	250	90	22,500
Packaging (packaging materials etc.)	Kilogram	2.5	600	1500
Traffic payment	-	-	-	1000
Electricity and water usage charges @ Rs 1000 per month	month	3	1000	3000
Total				**58000**
Total production kg.	Button Mushroom Compost			**500** Kg **750** Kg
Sale of production in kg.	**500** kg @ Rs.150 Compost **750** Kg @ Rs **10**			75000 7500
	Total			**82500**
total profit	**82500 -(1750+58000)**			**22750**
Gross Profit	Total profit + Labor wages + Room rent **22750+ (26400+3000)** =			**52150**
Amount available for distribution of profit among members in the third cycle = Sale of product – (Principal amount + Interest + Recurring cost) **82500-(19 405 + 489 + 58000)**				**4606**

Cost Benefit Analysis Fourth Cycle

Specific	Unit	Quantity/No	expressions	Amount (Rupee.)
Depreciation at **10%** on capital cost	month	3	10%	**1750**
Recurring cost for 3 months				
Room rental price 1 hall (mushroom growing unit) @ Rs. 1000/ month. (3 months)	month	3	1000	3,000
Each bottle containing 250 Formalin.	No	2 bottles	300	600
Labour wages 88 days =(@ Rs 300/ day) = Rs 26400	Day	88	300	26400

Button Mushroom Compost Bags 250 Nos @ Rs.90 per bag and other raw material including cart	No	250	90	22,500
Packaging (packaging materials etc.)	Kilogram	2.5	600	1500
Traffic payment	-	-	-	1000
Electricity and water usage charges @ Rs 1000 per month	month	3	1000	3000
Total				**58000**
Total production kg.	Button Mushroom Fertilizer			500 Kg 750 Kg
Sale of production in kg.	500 kg @ Rs.150 Compost 750 kg @ Rs 10			75000 7500
	Total			**82500**
total profit	82500 - (1750+58000)			22750
Gross Profit	Total profit + Labor wages + Room rent 22750 +(26400 + 3000)=			52150
Amount available for distribution of profit among members in the fourth cycle = Sale of product– (Principal amount + Interest + Recurring cost) **82500 -(0+0+58000)**				**24500**

Income	
Direct Income	
(I) First cycle Dhingri Mushroom	(-)20494
(ii) Second cycle Dhingri Mushroom	(-)14800
(iii) Third cycle Button Mushroom	4606
(d) Fourth Chakra Button Mushroom	24500
Total Direct Income	**-6188**
Indirect Income	
Labor wages	
(i) First cycle	26400
(ii) Second cycle	26400
(iii) Third cycle	26400
(d) Fourth Chakra	26400

Total	**105600**
Room rent **(i)** First cycle **(ii)** Second cycle **(iii)** Third cycle **(d)** Fourth Chakra Total	 3000 3000 3000 3000 **12000**
Total Indirect Income	**117600**
total common day	**111412**

Summary of Economics

Cost of production in all four cycles

Specific	Amount in Rs.
Total recurring cost **(i)** First cycle Dhingri Mushroom **(ii)** Second cycle Dhingri Mushroom **(iii)** Third cycle Button Mushroom **(d)** Fourth Chakra Button Mushroom Total	 48500 47000 58000 58000 **211500**
10% depreciation on capital cost (Annual).	7000
10% interest on loan	2894
Total	**221394**

The essence of production costs

Description	Amount (Rs.)
recurring cost	**211500**
10% depreciation on capital Value Cost	7000
10% interest on loan	2894
Total	**221394**

Assessing the Selling Price

Description	Unit	Amount (Rs.)
Recurring Cost (221394/1800)	Kilogram	122
Fixed profit 23%	Kilogram	28
Total		**150**
market price	Kilogram	**150**

Benefit Cost Analysis (Annual)

Description	Amount (Rs.)
10% on capital cost (a)	**7000**
Recurring Cost (B)	
Room rent	12000
Labor	105600
Compost Bags Price	65000
Formalin	2400
Packaging (packaging materials etc.)	9000
Traffic payment	4000
Use of electricity and water	12000
Miscellaneous Expenses(Stationery , Bill Books , receipt etc.)	1500
Total	**211500**
Total production of Dhingri and Button mushroom	1800 Kg
Selling price of Dhingri and Button Mushroom	270000
selling price of fertilizer	20000
Total	**290000**
Gross profit = Selling price- (Capital cost + Recurring cost) =290000- (70975+211500)	7525
Gross profit = Total profit + Labor wages + Room Rent =7525+105600+12000	125125
Distribution of profit among group members after four cycles = Total Profit – (Principal amount + Interest + Recurring cost for fifth cycle) =7525-(0+0+48500)	-40925

Note:– Labor wages and room rent are not included in this amount.

From the above it is clear that each member will not get any additional income after completing four cycles of 75 days. The overall profit of 48500 is as recurring cost of the fifth cycle stand invested.

Resources of funds and requirement of funds

Description of resources	Amount in Rs.

Part of the project at capital cost of Rs . 70975 (50%)	35490
Monthly contribution till date	26985
Loan from bank	57000
Total	**119475**

one lakh rupees will be provided to the self help group as revolving fund to take loan from the bank.

50% of the capital cost will be borne by the project.

5% interest of the loan will be borne by the project.

Calculating the Break–Even Point

Break even point = Capital cost/sales/kg.-Recurring cost/kg.

=70975/150 -122

=70975/28=2834 kg

Break even point can be achieved after nine months after selling 2534 kg of Dhingri and Button mushrooms .

Loan Repayment Schedule (at 10% interest)

S.no	month	loan repayment			cumulative loan repayment	Loan Balance		
		Principal Amount	Interest	Total		Principal Amount	Interest	Total
	Month-1	0	0	0	0	57000	475	57475
2	Month-2	0	0	0	0	57475	479	57954
3	Month-3	0	0		0	57954	483	58437
4	Month-4	18563	1437	20000	20000	38437	320	38757
5	Month-	0	0	0	0	38757	322	39057

	5							
6	Month-6	0	0	0	0	39057	326	39383
7	Month-7	19032	968	20000	20000	19405	162	19567
8	Month-8	0	0	0	0	19567	163	19730
9	Month-9	0	0	0	0	19730	164	19894
10	Month-10	19405	489	19894	19894	0	0	0
1 1	Total	**57000**	**2894**	**59894**	**59894**		**2894**	

Comment:

The upcoming vision of the group is to increase their income by value addition in the form of pickles , readymade soups , dried mushrooms etc.

Surprising mushroom health benefits for your skin **, brain and bones**

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

1. help keep you young .
2. protect your brain as you age .
3. Mushrooms can improve your memory.
4. Mushrooms may help your heart health.
5. Mushrooms can help strengthen your bones.
6. Mushrooms will help give you energy.
7. Mushrooms help fight many diseases, especially cancer **,**

Mushroom delicacies are special dishes , tasty , healthy and economical.

Comment:

Keeping in view the future income of the group the second proposed activity by the group is manufacture of pickles and its value addition. As it was decided in principle

during the review mission , that more than one activity should be included in a business plan, hence the second proposed activity is enclosed below.

business plan

Pickle making and its value addition
By

Krishna self help group

executive Summary

Income generating activity of pickle making has been selected by Shivam Self Help Group. This IGA will be done by all the women of this self help group. Initially, pickles of Galgal , Amla etc. and Amla powder will be made by this group. This activity is already being carried out by some of the women in this group. This business activity will be carried out by the group members during seasonal time . The process of making pickle takes about 7 days. The production process includes process like cleaning , washing , grinding , mixing , drying etc. Initially the group will manufacture galgal and amla pickles. The product will be sold directly by the Group or indirectly through retailers and whole sellers in the near market.

Description of the product related to the income generating activity

Product Name	-	Pickle making and its value addition
Method of product identification	-	This activity is already being done by some self help group women and decided by the group members
Consent of SHG/CIG/Cluster members	-	Yes

Description of production processes

- The group will make pickles of galgal , amla etc. This business activity will be done by the group members during seasonal time .
- The pickling process takes around 7 days.
- The production process includes processes like cleaning , washing , grinding , mixing , drying etc.

- Initially the group will manufacture 100 kg of pickles per month of local fruits available in the area during the season and will also manufacture other products using the same production process .

Description of the production plan

Galgal pickle (in days)	-	7 days
Production cycle of Amla Pickle (in days)	-	7 days
Manpower required per cycle (No.)	-	as required
Source of raw materials	-	local content
Source of other resources	-	Local Market / Main Market
Quantity required per cycle for Galgal pickle (kg)	-	For 50 kg of galgal pickle, 40 kg of galgal and 10 kg of masala is required
Quantity required per cycle for Amla (kg)	-	For 50 kg of amla pickle, 35 kg of amla and 15 kg of spices are required
Expected output per cycle(kg)	-	50 Kg Each

Raw material requirement and expected production

Serial Number	Raw Material	Unit	Time	Quantity(approx.)	Amount per kg (Rs.)	Total Amount	Expected Production Monthly(kg)
1	Galgal	Kilogram	Monthly	100	20	2000	125
2	Spices	Kilogram	Monthly	25	150	3750	
1	Gooseberry	Kilogram	Monthly	100	30	3000	125
2	Spices	Kilogram	Monthly	25	150	3750	

Marketing/Sales Details

1	Potential market space	Jhanduta 5 km , Barthi 10 km , Bilaspur 35 km approximately .
2	Distance from unit	
3	Demand for the product in the market	Daily Demand
4	Market Identification Process	Group members will contact the local hoteliers every month for their demand and select/list the retailer/wholesaler as per the demand in the market. Initially the product will be sold in nearby markets.
5	marketing strategy of the product	Self Help Group members will sell their product directly from the village shops and construction site/shop. Also by retailers , wholesalers from nearby markets. Initially the product will be sold in 0.5-1 kg packaging.
6	Product Branding	The product will be marketed at the CIG/SHG level by branding the CIG/SHG. Later this IGA may require branding at cluster level
7	Product "slogan"	" Krishna Galgal Pickle and Chutney "

Members of Krishna Self Help Group with Pradhan Van Gramin Vikas Samiti Parahu

SWOT Analysis

Strength –

- The activity is already being carried out by some SHG members
- Raw materials easily available
- The manufacturing process is simple
- Proper packing and easy to transport
- Product shelf life is long
- Homemade , low cost

Weakness –

- , humidity ,moisture on manufacturing process/product .
- Extremely laborious work.
- Competes with other old and famous products.

Opportunity –

- There are good opportunities for profits as the cost of the product is lower than other similar categories of products.
- Shops Fast
  Food stalls,retailers,wholesalers, CanteenRestaurant And CooksHousewives inhigh Th ere are opportunities for expansion with demand and large scale production.
- Daily/weekly consumption and consumption by all buyers across all seasons.

Danger / Risk –

- , humidity during manufacturing and packaging especially in winter and rainy season .
- Sudden increase in the prices of raw materials.
- competitive market.
-

Management details among members

By mutual consent the members of the self help group will decide their role and responsibility to carry out the work. Work will be divided among the members according to their mental and physical capacity. (Labour Department)

- Some members of the group will be involved in the pre-production process (i.e. - collection of raw materials, etc.)
- Some group members will be involved in the production process.
- Some members of the group will be involved in packaging and marketing.

Economics details of :

A.	Capital Cost			
Serial Number	Description	amount	Unit Price	Total Amount (Rs.)
1	Grinder Machine (1-2 HP)	1	18000	18,000
2	Mixer	2	4000	8,000
3	Vegetable Dehydrator	1	40000	40,000
4	weighing machine	1	2000	2,000
5	kitchen tools		L/s	8000
6	Finished product storage cupboard/rack		L/s	8000
7	Hand Operated Jar Sealing Machine	1	15000	15000
8	Apron , Cap , Plastic Hand Gloves etc	5	About	1000
	Total capital cost (A) =			**1,00,000**

B.	recurring cost				
Serial Number	Description	Unit	amount	price	Total Amount (Rs.)
1	Galgal	kg/month	100	20	2000
2	Raw Material (Masala)	kg/month	50	150	7500
3	Gooseberry	kg/month	100	30	3000
4	Packaging Materials	month	L/S	5000	5000
5	transportation	month	1	1000	1000
6	Other (fixed , electric , water Bill for repair of machine)	month	1	1000	1000
7	For the production of two quintals of pickles 2 hrs / day. Total 30 hours for 5 women for 03 days i.e. 8 hours each, labour cost for 04 days @ Rs.300/- / day	Day	04	300	1200
	recurring cost				**20700**

Cost of Production (Monthly)	
Description	Amount (Rs.)
Total recurring cost	20700
Depreciation at 10% per annum on capital cost	10000
Total	**30700**

Galgal pickle(per cycle)		
Description	Unit	Amount (Rs.)
cost of making	Kilogram	82.8
Current Market Value	Kilogram	250-300
Expected Selling Price	Rs	200

Selling price calculation for Amla Pickle (per cycle)		
Description	Unit	Amount (Rs.)
cost of making	Kilogram	143
Current Market Value	Kilogram	200-300
Expected Selling Price	Rs	240

income and expenditure Of Analysis (Monthly):

Description	Amount (Rs.)
Depreciation at 10% per annum on capital cost	10000
Total recurring cost	9850
Total Production of Galgal Pickle per Month(Kg)	125
Selling Price (per kg)	200
Income Generation (200*125)	25000
Total Production of Amla Pickle per Month(Kg)	125
Selling Price (per kg)	240
Income Generation (240*125)	30000
Net profit	34300- on monthly basis
distribution of net profit	The profit will be distributed equally among the members on monthly/yearly basis.
	The profit will be used to meet recurring costs.
	Profits will be used for further investments in IGA

Finance Requirement:

Description	Total Amount (Rs.)	Project contributions	SHG Contribution
total capital cost	100000	50000	50000
Total recurring cost	20700	0	20700

Training/Capacity Building/Skill Upgradation	50,000	50,000	0
Total	**170700**	**100000**	**70700**

Pay attention–

- Capital Cost – 50% of the capital cost to be covered under the project
- recurring cost – To be borne by Self Help Group/CIG.
- Training/Capacity Building/Skill Upgradation – will be borne by the project

Sources of Finance:

Project support	• 50% of the capital cost will be used for purchasing machinery and equipment • 1 lakh will be deposited in the SHG bank account . • Training/Capacity Building/Skill Upgradation costs.	The machinery / equipment will be procured by the respective DMU / FCCU following all the codal formalities.
self help group contribution	• 50% of the capital cost will be borne by the self help group ,including Includes cost of materials/equipment other than machinery. • Recurring costs borne by the self help group	

Training/Capacity Building/Skill Upgradation

Training/capacity building/skill upgradation cost will be borne by the project.
Following are some of the training/capacity building/skill upgradation proposed/required:

- Cost-effective procurement of raw materials
- Quality Control
- Packaging and marketing
- financial management

Calculating the Break–Even Point

= Capital Expenditure/Selling Price (per kg)-Cost of Production (per kg)

= 100000/ (200-82.80)

= 854 kg

In this process 854 kg pickles were Break even will be achieved after selling.

Other sources of income:

of villagers/local people from grinding galgal , amla , pulses , wheat , maize etc.

Bank Loan Repayment – If loan is taken from bank then it will be in the form of cash credit limit and there is no repayment schedule for CCL ; however , monthly savings and repayment receipts from the members should be sent through CCL.

- In CCL , the outstanding principal of the SHGs should be paid in full to the banks once a year. The interest amount should be paid on a monthly basis.
- In term loans , the repayment should be done as per the repayment schedule in banks.

Monitoring method –

- The Social Audit Committee of VFDS will monitor the progress and performance of the IGA and suggest corrective actions, if necessary, to ensure the operation of the unit as per the projections.
- The SHG should review the progress and performance of the IGA of each member and suggest corrective actions, if necessary, to ensure the operation of the unit as per the projections.

Here are some key indicators to monitor:

- Group size
- fund management
- Investment
- Income generation
- product quality

The total cost of the project is

Capital Cost = 70975/-

Recurring cost = 211500/-

Total for mushroom cultivation = **282475**/-

Manufacture of pickles and its value addition is the project cost

Capital cost = 100000/-

Recurring cost = 20700/-

Total for pickle making and its value addition project = **120700**/-

The total amount of the business plan is Rs. Only **403175**/-

Attachment

We all group members have agreed to actively participate in the IGA activity selected by the group (Mushroom cultivation activity and pickle making and its value addition) as per the guideline of JICA project for HP ecosystem management and livelihood improvement and coordination with VFDs.

The details of the members are as follows

Cross	Name	post	grade	Age	signature
1.	Reena Kumari wife of Ami Chand	Pradhan	Gen	40	
2.	Rita Devi wife of Upendra Singh	Secretary	Gen	46	
3.	Pinky Devi wife of Lakhmi Singh	Treasurer	General	35	
4.	Neelam Devi wife of Bhag Singh	Members	Scheduled Castes	42	
5.	Neelam Kumari wife of Dilbag Singh	Members	Scheduled Castes	35	
6.	Shobha Devi wife of Mohinder Singh	Members	General	54	
7.	Shiv Dei wife of Amar Singh	Members	General	60	
8.	Mamta Devi wife of Ratan Lal	Member	scheduled caste	50	
9.	Deepa Kumari wife of Jai Singh	Member	scheduled caste	28	
10.	Shobha Devi wife of Hakam Singh	Member	General	26	
11.	Sumana Kumari wife of Sudarshan Singh	Members	General	32	
12.	Salma Devi wife of Sunil Dutt	Members	General	33	
13.	Bina Devi wife of Tarsem Singh	Members	General	45	

14.	Maya Devi wife of Ram Lal	Members	Scheduled Castes	44	
15.	Karmi Devi wife of Kuldeep Singh	Member	General	59	

Signature
Secretary Self Help Group

Signature
Pradhan Self Help Group

Signature
Secretary Village Forest Development Committee

Signature
Pradhan Village Forest Development Committee

Signature
Forest Guard

Signature
Division forest officer

Signature
Forest range officer

Accepted by DMU