



Business Plan

On

Income Generation Activity

Mushroom farming

For

Self Help Group – Sai



SHG/CIG name
VFDS name
Range
Division

Sai
Triambika Devi
Daroh
Palampur

Prepared Under-

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

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1. Introduction-

Mushrooms are a type of fungi, which are consumed as food. 20 different species of mushrooms are commercially cultivated around the world. Mushrooms have gained recognition in the food chain because they contribute nutrient supplements to the food and have high medicinal and pharmaceutical value. Mushrooms are believed to have high protein content and sometimes known as “vegetable meat”. They have very low levels of carbohydrate and fat. Mushrooms also contain polysaccharides, vitamins and minerals comparable to other fruits and vegetables.

Mushrooms can be cultivated on a large number of agro-waste having cellulose and lignin that helps in more enzyme production of cellulose that is correlated with more yield. You can use straw of paddy, wheat and ragi, stalk and leaves of maize millet and cotton, sugarcane, sawdust, jute and cotton waste, dried grasses, used tea leaf waste, etc. The process of mushroom farming involves compost preparation, spawn-run, casing and harvesting. There is various type of edible mushroom available in the world but in India mostly four type mushroom cultivated.

- White Button Mushroom
- Portobello Mushroom
- Dhingri (Oyster) Mushroom
- Paddy Straw Mushroom

Among all above White Button mushroom has high demand the most popular hence most farmer select this variety for commercially mushroom farming. Average price for white button mushroom is in between 50-100 rs per kg this depends upon market demand.

Mushroom farming suits best to the people who enjoy gardening, growing plants and take keen interest in agricultural activities. Since the group members are already in agriculture/horticulture activities in their own fields, therefore this Income Generation Activity has been finalized by this Sai SHG.

Sai SHG is formed under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Triambika Devi This SHG consists of 8 females and with the help of this project’s funding, training and assistance, they will be able to manufacture Mushroom on a large scale, becoming self independent and generating income. The SHG has therefore crafted a detailed business plan according to its investment capacity, marketing & promotional strategy and the detailed action plan will be discussed hereunder:

2. Description of SHG/CIG

1.	SHG/CIG Name	Sai
2.	VFDS	Triambika Devi
3.	Range	Daroh
4.	Division	Palampur
5.	Village	Fasta
6.	Block	Bhedu Mahadev
7.	District	Kangra
8.	Total no. of members in SHG	8
9.	Date of formation	11-08-2023
10.	Bank a/c No.	1541000102120379
11.	Bank details	PNB Daroh
12.	SHG/CIG monthly savings	100 per members
13.	Total saving	800
14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

3. Beneficiaries Detail

S.no	Name	M/ F	Father/ Husband name	Category	Designation	Contact no.
1	Jasvinder Kour	F	Arvind Kumar	OBC	President	88476-43468
2	Chandresh	F	Aman Kumar	OBC	Secretary	78076-81366
3	Lata Devi	F	Rajinder Singh	OBC	Member	9805497392
4	Raksha	F	Kuldeep Chand	OBC	Member	88940-71027
5	Lata Kumari	F	Anil Kumar	OBC	Member	82193-48783
6	Barsha Devi	F	Ashwani Kumar	OBC	Member	82193-38421
7	Suman Kumari	F	Shashi Kumar	OBC	Member	88948-39980
8	Veena	F	Kashmir Singh	OBC	Member	6230944853

4. Geographical details of the Village

1	Distance from the District HQ	50 km
2	Distance from Main Road	100 mtr
3	Name of local market & distance	Daroh 4 Km
4	Name of main market & distance	Bhawarna 10 Km
5	Name of main cities & distance	Palampur 22 Km
6	Name of main cities where product will be sold/ marketed	Daroh,Bhawarna

5. Market Potential-

Mushroom farming is a growing industry, both in the domestic and export markets. Mushrooms have more protein than fruits and vegetables and can be low in cholesterol. Aside from protein, mushrooms can be high in vitamins such as B, C, D, riboflavin, thiamine, and nicotine acid. Also high in iron, potassium, and folic acid, a component known for improving blood circulation and preventing deficiencies. Mushrooms have a high market potential due to

the nutritional value mentioned above. Mushrooms are an all-season delicacy that is in high demand all year. However, tourist and wedding ceremony demand is higher during the summer.

6.Executive Summary-

Mushroom farming making income generation activity has been selected by this Self Help Group. This IGA will be carried out by all ladies of this SHG. This business activity will be carried out yearly by group members. The process of mushroom cultivation takes around 3-4 months (Button Mushroom/Dhingree Mushroom). 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. Average price for white button mushroom is in between 50-100 Rs per kg, depending on market demand.

7.Description of product related to Income Generating Activity-

1	Name of the Product	Mushroom farming
2	Method of product identification	Has been decided by group members
3	Consent of SHG/ CIG / cluster members	Yes

8.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.

9. Production Planning -

1	Production Cycle for Mushroom farming (in days)	3-4 months
2	Man power required per cycle(No.)	8 Members
3	Source of raw materials	Local market/ Main market
4	Source of other resources	Local market/ Main market
5	Spawn Quantity required per cycle(Kg)	160 Kg.

6	Expected production per cycle(Kg)	800 kg
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10. Description of Sale & Marketing -

1	Potential market places	Daroh, Bhawarna, Palampur
2	Distance from the unit	3 Km , 10 Km, 22 Km, respectively
3	Demand of the production market place/s	Daily demand
4	Process of identification of market	Group members, according to their production potential and demand in market, will select list of retailer or whole seller. 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 grams packaging.
6	Product branding	At CIG/SHG level product will be marketed by branding CIG/SHG. Later this IGA may required branding at cluster level
7	Product “slogan”	“Sai” Mushroom farming A product of SHG”

11. SWOT Analysis-

❖ Strength –

- Ready made compost bags are available in market.
- Production cost is less, produce is of high quality and growing cycles are short & production will be done all around the year.
- Proper packing and easy to transport

- Product shelf life is long

❖ Weakness –

- Effect of temperature, humidity, moisture on manufacturing process/product.
- Lack of experience in mushroom farming.

❖ 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.
- At times harmful infection can destroy the crop.
-

12. 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.

13. Description of Economics -

A	CAPITAL COST			
S. No.	Particulars	Quantity	Unit Rate	Amount
1	Construction of three tier wooden/bamboo racks fitting	L/S		15000
2	Installation of ceiling fan	1	2000	2000
3	Installation of exhaust fans	2	1500	3000
4	Room heater/blower	2	4000	8000
5	Dry & wet thermometer and hygrometer	1	2500	2500
6	Weighing electronic machine	1	1500	1500
7	Hot plastic ceiling rod	1	1500	1500
8	Medium spray pumps	2	1800	3600
9	Set of sharp Knives	2	100	200

10	Scissor	1	400	400
11	Trays/Basket	4	200	800
12	Crate	4	600	2400
13	Button Mushroom Bags	100	110	11000
14	Water Tub (40-50 ltr)	2	700	1400
15	Water tank 1000 ltr including transportation charges	1	8000	8000
16	Water & electricity fitting material and charges	L/S		4000
17	Miscellaneous	L/S		4000
Total capital Cost				=69300

B	Recurring Cost				
S. No.	Particulars	Unit	Quantity	Unit Rate	Amount
1	Cost of rented room/hall	Month	3	1000	3000
2	Formalin		L/S		300
3	Compost Bags	No.	160	100	16000
4	Packaging material		L/S		3000
5	Transportation		L/S		2000
6	Spawn	Kg	160	100	16000
7	Electricity charges	Month	3	1000	3000
8	Miscellaneous (stationary, bill book, receipt book etc)		L/S		2000
Total Recurring Cost (B)					45300

C. Cost of production		
S. No.	Particulars	Amount
1	Total recurring cost	45,300
2	10% depreciation annually on capital cost	6930
Total =		52230

Note – The group members will do the work themselves and therefore labour cost has not been included and the members will manage between them the working schedule to be followed.

Cost of production:

D. Selling price calculation			
S. No.	Particulars	Unit	Amount Rs.
1	Current market price	Kg	120-150
2	Expected Selling Price by SHG	Kg	100

E. Average income monthly by way of sale of /Mushroom farming				
S. No.	Particulars	Quantity Kg	Cost per Kg	Amount
1	Mushroom	800	100	80000

14. Cost Benefit Analysis (Monthly)

Cost benefit analysis (monthly)		
S. No.	Particulars	Amount
1	Total recurring cost	45300
2	Total sale amount	80000
3	Net profit (Sale amount - Recurring cost)	34700
4	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

15. Fund flow arrangement in SHG -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	69300	51975	17325
2	Total Recurring Cost	45,300	0	45,300
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
Total		164600	101975	62625

Note:

- i) Capital cost- 75% capital cost will be borne by the project and 25% by the SHG.
- ii) Recurring cost- to be borne by the SHG.

iii) Training and capacity building/ skill up gradation to be borne by the project.

16. Sources of Fund -

Project support	<ul style="list-style-type: none"> ✧ 75% of capital cost will be provided by project if members belong to SC/ST/Poor women. If the members belong to general then 25% capital cost is will be borne by project. ✧ Up to Rs 25000.00 will be parked in the SHG bank account. ✧ Training/capacity building/ skill up-gradation cost. ✧ 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 have to pay the installments of the Principal amount on regular basis. 	Procurement of machines/equipment 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 for general category and other categories respectively. ✧ Recurring cost to be borne by SHG. 	

17. 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

18. Computation of break-even point -

= Capital Expenditure/(selling price (per kg)-cost of production (per kg))

= 70800/(100-50)

= 1416 Kg

In this process break-even will be achieved after selling 1416 kg of Mushroom farmings.

19. 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.
- ✧ 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 has to pay the installments of the Principal amount on regular basis.

✧

20. Monitoring Method-

- ❖ Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if needed 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 needed to ensure operation of the unit as per projection.

Some key indicators for the monitoring are as:

- ✧ Size of the group
- ✧ Fund management
- ✧ Investment
- ✧ Income generation
- ✧ Quality of product

21. Remarks

This group will make seasonal vegetables Mushroom farming depending upon the availability of raw material and response from the market.

22.Group member's Individual photos



Jasvinder Kaur (President)



Chanderesh (Secretary)



Sumna



Barsha



Lata Kumari



Veena



23. Group photos:


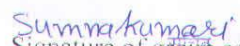



24. Resolution-cum Group consensus form

Revised

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Sai held on 15-01-25 at Triambika Devi 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).

<p style="text-align: center;"> प्रधान Signature of group President गांव फस्टा डा० मंरुह, तहसील धीरा जिला कांगडा हि.प्र.</p>	<p style="text-align: center;"> प्रधान Signature of group secretary साई स्वयं सहायता समूह गांव फस्टा डा० मंरुह, तहसील धीरा जिला कांगडा हि.प्र.</p>
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प्रधान
Signature of President VFDS
ग्राम वन विकास समिति त्र्यम्बिका देवी
ग्राम पंचायत देवी
तहसील धीरा
जिला कांगडा हि० प्र०

25. Business approval by VFDS and DMU


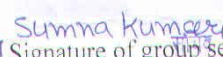
Revised



Business Plan Approval by VFDS and DMU

Sai 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.164600 has been submitted by the group on 15-01-25 and the business plan has been approved by VFDS Triambika Devi.

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

Thank You.

 Signature of group President साई स्वयं सहायता समूह, गांव फस्टा डा0 मंरुह, तहसील धीरा जिला कांगडा हि.प्र	 Signature of group secretary साई स्वयं सहायता समूह, गांव फस्टा डा0 मंरुह, तहसील धीरा जिला कांगडा हि.प्र
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 Signature of President VFDS ग्राम वन विकास समिति त्र्याम्बिका देवी ग्राम पंचायत देवी तहसील धीरा जिला कांगडा हि.प्र	Approved  DMU cum DFO Palampur
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