



Business Plan
On
Income Generation Activity
Mushroom farming
For
Self Help Group –Vaishnvi



SHG/CIG name
VFDS name
Range
Division

Vaishnvi
Chopati Mahadev
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 Vaishnvi SHG.

Vaishnvi SHG is formed under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Chopati Mahadev. This SHG consists of 9 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 | Vaishnavi |
| 2. | VFDS | Chopati Mahadev |
| 3. | Range | Daroh |
| 4. | Division | Palampur |
| 5. | Village | Sai |
| 6. | Block | Bhedu Mahadev |
| 7. | District | Kangra |
| 8. | Total no. of members in SHG | 09 |
| 9. | Date of formation | 10-11-2021 |
| 10. | Bank a/c No. | 50073949280 |
| 11. | Bank details | KCC Daroh |
| 12. | SHG/CIG monthly savings | Rs.50 per member |
| 13. | Total saving | 7000 |
| 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 | Deepika Bala | F | Rajeev Kumar | SC | President | 8679423602 |
| 2 | Neha Devi | F | Gurdeep singh | SC | Secretary | 6530575316 |
| 3 | Pooja Devi | F | Anil Kumar | SC | Member | 9816933314 |
| 4 | Kamla Devi | F | Jagat Ram | SC | Member | 8894015617 |
| 5 | Rekha Devi | F | Jyoti Parkash | SC | Member | 8894672747 |
| 6 | Sunita Devi | F | Gyan Chand | SC | Member | 8894430452 |
| 7 | Gaytri Devi | F | Late Nathu Ram | SC | Member | 8894327229 |

| | | | | | | |
|---|---------------|---|---------------|----|--------|------------|
| 8 | Sunita Kumari | F | Sanjeev Kumar | SC | Member | 6230061946 |
| 9 | Sarla Devi | F | Ramesh Kumar | SC | Member | 9816221494 |

4. Geographical details of the Village

| | | |
|---|--|---------------------------------|
| 1 | Distance from the district HQ | Dharmsala - 57 Km |
| 2 | Distance from Main Road | 200 mtr |
| 3 | Name of local market & distance | Bhawarna & 6 Km Daroh & 5 Km |
| 4 | Name of main market & distance | Bhawarna & 6 Km |
| 5 | Name of main cities & distance | Palampur - 18 Km |
| 6 | Name of main cities where product will be sold/ marketed | Palampur - 18 Km |

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 |

10. Description of Sale & Marketing -

| | | |
|---|---|--|
| 1 | Potential market places | Daroh, Bhawarna, Palampur |
| 2 | Distance from the unit | 5 Km , 6 Km, 18 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 require 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 | 2300 | 4600 |
| 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 | Dhingri spawn bags | 10 | 150 | 1500 |
| 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 | | | | 56400 |

| 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 |

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:

| C. Cost of production | | |
|-----------------------|---|---------------|
| S. No. | Particulars | Amount |
| 1 | Total recurring cost | 45,300 |
| 2 | 10% depreciation annually on capital cost | 5,640 |
| Total = | | 50,940 |

| 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 | 56,400 | 42,300 | 14,100 |
| 2 | Total Recurring Cost | 45,300 | 0 | 45,300 |
| 3 | Training/capacity building/skill up-gradation. | 50,000 | 50,000 | 0 |
| Total | | 151,700 | 92,300 | 59,400 |

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 | Procurement of machines/equipment will be done by respective DMU/FCCU after following all codal formalities. |
|-----------------|--|--|

| | | |
|------------------|--|--|
| | 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. | |
| 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))

= 56,400/(100-50)

= 1128 Kg

In this process break-even will be achieved after selling 1128 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



Deepika Bala (President)



Neha Devi (Secretary)



Pooja Devi



Kamla Devi



Rekha Devi



Sunita Devi



Gayatri Devi



Sunita Devi



Sarla Devi

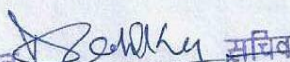
23. Group photos:

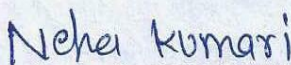


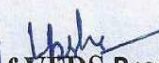
24. Resolution-cum Group consensus form

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Vaishnvi held on 10.06.2023 at Sac 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).


Signature of group President
बैष्णवी स्वयं सहायता समूह
ग्राम पंचायत भौडा, गाव साई
जि.झ. सुलह भेड़ महादेव (कागड़ा) हि.प्र.


Signature of group Secretary
बैष्णवी स्वयं सहायता समूह
ग्राम पंचायत भौडा, गाव साई
जि.झ. सुलह भेड़ महादेव (कागड़ा) हि.प्र.


Signature of VFDS President
ग्राम पंचायत भौडा
तहसील पालमपुर
जिला कांगड़ा हि.प्र.

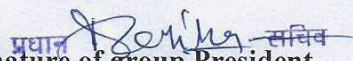
25. Business approval by VFDS and DMU


Business Plan Approval by VFDS and DMU.

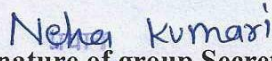
Vaishnvi Group will undertake the Mushroom as Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted). In this regard business Plan of Amount Rs. 151700 has been submitted by the group on 10.08.2023 and the Business Plan has been approved by VFDS Chopati Mahadev (Bhoda)

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

Thank You.


प्रधान सचिव
बैजवी स्वयं सहायता समूह
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Approved


Divisional Director, Palampur,
Palampur Forest Division,
Palampur

