

BUSINESS PLAN

INCOME GENERATING ACTIVITY – **Mushroom Cultivation**

by

Ekta - Self Help Group



SHG/CIG Name	::	Ekta
VFDS Name	::	Kanda
Range	::	Tara Devi
Division	::	Shimla

Prepared under:



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

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1. Description of SHG/CIG

2.1	SHG/CIG Name	::	Ekta
2.2	VFDS	::	Kanda
2.3	Range	::	Tara Devi
2.4	Division	::	Shimla
2.5	Village	::	Kanda
2.6	Block	::	Mashobra
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	20 - females
2.9	Date of formation	::	16/10/2020
2.10	Bank a/c No.	::	2582000100030906
2.11	Bank Details	::	PNB, Panesh, Shimla-171011
2.12	SHG/CIG Monthly Saving	::	100
2.13	Total saving		4000 (till June 2021)
2.14	Total inter-loaning		15,000
2.15	Cash Credit Limit		--
2.16	Repayment Status		Good

2. Beneficiaries Detail:

Sr. No	Name	Father/Husb and Name	Age	Category	Income Source	Address
1	Smt. Pooja Thakur	Sh. Sunil Tkaur	29	General	Agriculture	V.P.O. Kanda Teh. & Distt. Shimla
2	Smt. Rekha	Sh. Joginder Singh	34	General	Agriculture	V.P.O. Kanda Teh. & Distt. Shimla
3	Smt. Poonam	Sh. Shankar Lal	39	General	Agriculture	V.P.O. Kanda Teh. & Distt. Shimla
4	Smt. Pushpa	Sh. Roshan Thakur	38	General	Agriculture	V.P.O. Kanda Teh. & Distt. Shimla
5	Smt. Roshni	Sh. Harpal Thakur	44	General	Agriculture	V.P.O. Kanda Teh. & Distt. Shimla
6	Smt. Champa	Sh. Ashok	46	General	Agriculture	V.P.O. Kanda Teh. & Distt. Shimla
7	Smt. Poonam	Sh. Dharampal	41	General	Agriculture	V.P.O. Kanda Teh. & Distt. Shimla
8	Smt. Kamlesh	Sh. Sanjeev	38	SC	Agriculture	V.P.O. Kanda Teh. & Distt. Shimla
9	Smt. Savita	Sh. Sunil	40	General	Agriculture	V.P.O. Kanda Teh. & Distt. Shimla
10	Smt. Poonam	Sh. Sanjeev	49	General	Agriculture	V.P.O. Kanda Teh. & Distt. Shimla

3. Geographical details of the Village

3.1	Distance from the District HQ	::	20 Km
3.2	Distance from Main Road	::	1 Km
3.3	Name of local market & distance	::	Ghanahatti- 1 Km
3.4	Name of main market & distance	::	Ghanahatti- 1 Km, Totu-10 Km
3.5	Name of main cities & distance	::	
3.6	Name of places/locations where product will be sold/ marketed	::	Villages covered - Kanda, Panesh, Phageda, Manjlagaon, Ner, Galot, Jail colony etc. Institutions nearby - JBT, NHTI,

		School, DIET etc
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4. Executive Summary

The Group decided initially to start with Button and Dhingri Mushroom Production. June July are more suitable for cultivating this mushroom. 250 Compost spawn added Bags will be purchased and fixed in hired/ rented room. Three tier wooden /Bamboo 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. one ceiling Fan to lower the room temperature and other (heat blower) 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. each). (August to April are best months for Button Mushroom and May to July for Dhingri) has been prepared after having through discussions with the group.

The Group members will work 1hrs daily, half an hour in the morning and half an hour in the evening

5. Description of Product related to Income Generating Activity

1	Name of the Product	::	Button Mushrooms and Dhingri in controlled environment.
2	Method of product identification	::	Has been decided by group members
3	Consent of SHG/ CIG / cluster members	::	Yes

6. Description of Production Planning

6.1	Production Cycle (75 days)	:	Button Mushroom can be grown from August to April. After adding spawn in the compost bag, mushroom takes 30 to 40 days to pin up. Thereafter three flushes can be taken. In total 75 days are required to take the three flushes of mushroom crop. The production cycle of one crop will be 75 days. In a year four cycles of crop will be repeated as per detail below: - 1 st crop of Dhingri Mushroom (May to end of July). 2 nd crop of Button Mushroom (August to October =75 days) 3 rd crop of Button Mushroom, (November to January =75 days) 4 th crop of Button Mushroom (February to April = 75 days)
6.2	Manpower	:	Initially whole group will work together to install/ construct the

	required (No)		<p>racks, clean the room and carry compost bags from the road to production sites. Thereafter for first 30 days 2 persons for 1 hours (1/2 Hour Morning and 1/2-hour evening) on rotation bases will work for cleaning, moistening, temperature regulation etc.</p> <p>For next 31 to 75 days 4-person 3hours for harvesting, caging soil, cleaning, weighing and packing.</p> <p>Marketing hours are not included as one of the members will sell mushrooms along with vegetables in the market regularly.</p> <p>Compost making 4 persons will work for 2hours for 2 days.</p> <p>Labor work will be for total 706hrs, if we divide it by 8(hours) it will be 88days and multiply it by wages rate of Rs 275/day then the cost of labour comes out to be Rs24200/-</p>
6.3	Source of raw material	:	Horticulture Department, Shimla and Solan district of Himachal Pradesh.
6.4	Source of other resources.	:	-do-

7. Description of Marketing/ Sale

7.1	Potential market places/locations	::	Villages covered - Kanda, Panesh, Phageda, Manjlagaon, Ner, Galot, Jail colony etc.
		::	Institutions nearby – JBT, NHTI, DIET etc
7.2	Demand of the Product	::	Mushrooms are always in demand throughout the year.
7.3	Process of identification of market	::	Initially group will contact nearby villagers/households/institutions, vegetable retail sellers
7.4	Marketing Strategy		SHG members will directly sell and contact nearby villagers/households/institutions, vegetable retail sellers.
7.5	Product Slogan		Fresh Mushroom

8. SWOT Analysis

Sr.no	Detail/Items	Description
1	Strength	Produce is of high quality and Demand, growing cycles are short, production will be throughout the year. Readymade Compost bag are available with Horticulture department For SHG Financial support Trainings and exposures will be organized by JICA Forestry Project.
2	Weakness	Lack of experience in Mushroom production/cultivation.
3	Opportunity	Demand is high and return is high.
4	Threats	Internal Conflict in Group, lack of Transparency, and lack high Risk bearing capacity

9. 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.

10. Description of Economics (for10 members):

Sr. No.	Particular	Numbers Quantity	Unit Cost (Rs.)	Total expenditure (Rs.)
A	CAPTIAL COST			
1	Construction of three tire wooden /Bamboo racks fitting	L/S	15000	15000
2	Installation of ceiling Fan	1	2500	2500
3	Installation of Exhaust fans	2	1500	3000
4	Room heat/ blower/	1	1500	1500
5	Dry and wet thermometer	1 Set	1000	1000
6	Weighing electronic machine	1	900	900
7	Hot plastic ceiling rod	1	800	800
8	Medium spray pumps	1	1800	1800
9	Set of sharp knives	1	75	75
10	Scissor	2	400	400
11	Trays/Basket	6	100	600

12	Crate	4	600	2400
13	Water Tank 1000 Ltr Including transportation charges	1	8000	8000
14	Water and electricity fitting material and charges	L/S	4000	4000
15	Miscellaneous	L/S	3000	3000
16	Total Capital Cost			44975
				Or say 45,000
B	RECURRING COST			
1	Cost of Rented room 1 Hall(AsMushroom growing Unit) Including elasticity charges @ Rs 1000/Month. (3 month) =	Per month	1000	3000
2	Formalin		600	600
3	Labour charges	88 days	275	24200
4	Compost bags	275	90 per bag	22500
5	Packing material	L/S	-	3000
6	Transportation	L/S	-	1000
7	Electricity and water usage charges	Per month	1000	3000
8	Miscellaneous expenditure (stationary, bill book, receipt book, etc.)	L/S	-	1500
	Total B.			58800
	Total Project Cost (A+B)			1,03,800

C. Cost of Production (per cycle)		
Sr. No	Particulars	Amount (Rs)
1	Total Recurring Cost	58800
2	10% depreciation annually on capital cost	375
	Total	59175

D. Selling price (per kg)					
Sr.No	Particulars	Unit	Quantity	Amount (Rs)	
1	Cost of production of Button mushroom	kg	1	95	59175/625
2	Market price	kg	1	150-200	
3	Expected selling Price	kg	1	150	

11. Analysis of Income and Expenditure (per cycle):

Sr.No	Particulars	Amount (Rs)
1	10% depreciation annually on capital cost	375
2	Total Recurring Cost	58800
3	Total Production per cycle	625 Kg
4	Production of compost per cycle	750 kg
5	Selling Price of Mushroom	150
6	Income generation from selling of Mushroom	625*150=93750
7	Selling Price of compost	10 Rs
8	Income generation from selling of compost	750*10= 7500
9	Total Income generation	1,01,250
10	Net profit (1,01,250 - 59175)	42,075
11	Gross Profit = Net Profit + Labour wages + Room rent	69275
12	Distribution of net profit	<ul style="list-style-type: none"> Profit will be distributed equally among members monthly/yearly basis. Profit will be used for further investment in IGA

12. Fundrequirement:

Sr.No	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	45000	33,750	11,250
2	Total Recurring Cost	58800	0	58800
3	Trainings	50000	50000	0
	Total	153800		

Note-

- **Capital Cost** - 75% of capital cost to be covered under the Project
- **Recurring Cost** - To be borne by the SHG/CIG.
- **Trainings/capacity building/ skill up-gradation** - To be borne by the Project

13. Sources of fund:

Project support;	<ul style="list-style-type: none"> • 75% of capital cost will be supported by Project. • UptoRs 1 lakh will be parked in the SHG bank account. • Trainings/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/equipments 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. • Recurring cost to be borne by SHG 	

14. Trainings/capacity building/skill up-gradation

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

Following are some trainings/capacity building/ skill up-gradation proposed/needed:

- Team work
- Quality control
- Packaging and Marketing
- Financial Management

15. Loan Repayment Schedule- 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 have to pay the installments of the Principal amount on regular basis

16. Monitoring Method –

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

17. Remarks

Group members Photos-

