No. JICA/_____/
Himachal Pradesh Forest Department

Dated Rampur, the

From: - DMU Officer-cum-DCF,
Rampur Forest Division

To: - FCCU Officer-cum-CF,
Rampur Forest Circle, H.P.

Subject: - **Business Plan for Add-on Activity.**

Memo: -

Enclosed herewith is the Business Plan for the Add-on Activity pertaining to Jai Maa Durga SHG under Batch-I, Sarahan Range of this division, duly approved and sanctioned by the undersigned. The same is forwarded for your kind information and necessary action, please.

Sr.No	Range	Name of VFDS	Name of SHG	Primary Income Generation Activity	Add-on Activity	Total outlay of the plan
1	Sarahan	Labana Sadana	Jai Maa Durga	Mushroom Cultivation	Vermicomposting	1,12,000/-

Encl: - As above

DMU Officer JICA Project-cum-
Dy. Conservator of Forest,
Rampur Forest Division, H.P.

Endst. No. 6267-69 / Dated Rampur, the 17-1-26

1. Copy forwarded to PCCF & CPD (JICA)-PIHPFEM&L, Near HP Milkfed, Totu, Shimla-171011 for information and necessary action please.
2. Copy forwarded to FTU Officer-cum-RFO Sarahan for information and necessary action please.
3. Copy forwarded to Pradhan, Jai Maa Durga Self Help Group, VFDS Labana Sadana for information and necessary action please.

DMU Officer JICA Project-cum -
Dy. Conservator of Forest,
Rampur Forest Division, H. P.

Himachal Pradesh
Forest Department

JICA

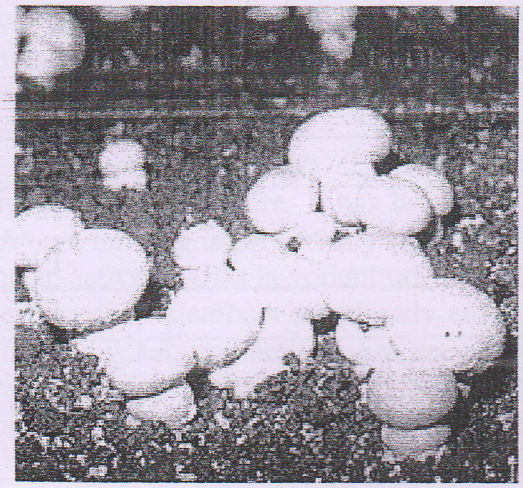
Business Plan

Primary income generating activity
Mushroom Cultivation

Add-on income generating activity
Vermicomposting

by

JAI MAA DURGA - Self Help Group



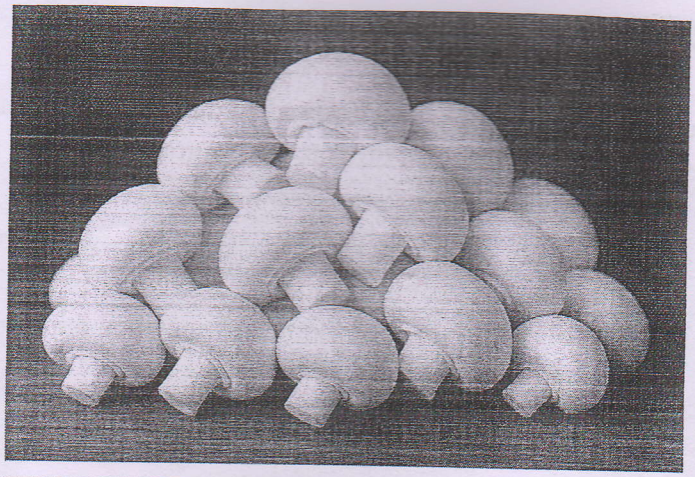
SHG Name	: :	Jai Maa Durga SHG
VFDS Name	: :	Labana Sadana
FTU/Range	: :	Sarahan
DMU/Division	: :	Rampur
FCCU/Circle	: :	Rampur

Sponsored by **PIHPFEM&L**	**Prepared by** **DMU Rampur JICA Forestry Project and Jai Maa Durga SHG**

DMU Officer-cum-DCF
Rampur Forest Division

Table of Contents (Mushroom Cultivation)

Table of Contents (Vermicomposting)



1. Introduction

A mushroom farming business can generate substantial profits within just a few weeks, requiring relatively
low start-up capital. The cultivation of mushrooms is both a science and an art that demands proper study and practical experience. Different types of mushrooms have varying production costs; therefore, it is important to plan according to the available budget, local demand, and market preferences.
Broadly, mushrooms can be classified into three main types:

1. Button Mushroom
2. Oyster Mushroom (Dhingri Mushroom)
3. Paddy Straw Mushroom

The members of this SHG are more familiar and comfortable with cultivating white button mushrooms, and therefore, it has been decided that this SHG will focus on growing this variety. Mushroom farming is particularly suitable for individuals who enjoy gardening, growing plants, and taking an active interest in agricultural activities.
Since the group members are already engaged in agriculture and horticulture on their own farms, this income-generating activity has been identified and finalized by the SHG. A business plan has accordingly been initiated. The main objective of this activity is to enhance the income of SHG members, thereby improving their livelihoods and overall standard of living.

2. Executive Summary–

Labana Sadana VFDS:-

Labana Sadana VFDS falls under Development Block Rampur and Kaobeel Beat of Sarahan Range in Rampur Forest Division.

Important features of VFDS:-

"Durga Mata", famous local diety of the area is located above this VFDS area. People from far off areas visit this religious site to get the blessings of Mata.

No. of households	182
BPL families	60 = 32.6% Total
Total population	811
Total cattle	350

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3. Description of SHG.

The informal Jai Maa Durga SHG group was formed in January 2021 under Labana Sadana VFDS to provide livelihoods improvement support by up-gradating skill and capacities. The group consists of poor and marginal farmers.

Jai Maa Durga SHG group is purely a women group consist of marginal and weaker section of the society having less land resources. In order to meet out their financial requirements' they decided to go ahead with Mushroom cultivation which can enhance their income.

4. Detail of SHG Members (As on October 2025)

S. No.	Name (Smt.)	Name of Father/ Husband (Shri)	Designation	Category	Age	Qualification
1	Dharam Devi	Inder Singh	President	General	48	-
2	Santosh Verma	Satish Verma	Secretary	General	47	Matric
3	Kaushalya Devi	Amar Singh	Member	General	51	5th
4	Mangla Devi	Ramesh Verma	Member	General	55	5th
5	Kaushalya Verma	Ramesh Verma	Member	General	62	3rd
6	Kumbh Dassi	Inder singh	Member	General	59	-
7	Pratibha	Pradeep Kumar	Member	General	27	10+2

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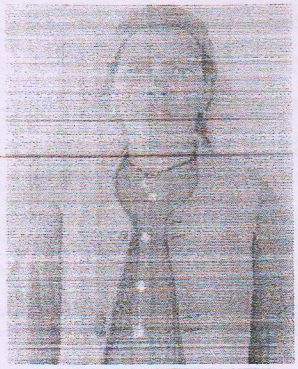
5. Photographs of SHG Members



Dharam Devi
(President)

Santosh Verma
(Secretary)

Kaushalya Devi

Mangla Devi

Kaushalya Verma

Kumbh Dassi

Pratibha

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6. SHG Details

6.1.	Name of SHG	: :	Jai Maa Durga,
6.3	VFDS	: :	Labana Sadana
6.4	Range	::	Sarahan
6.5	Division	::	Rampur
6.6	Village	: :	Labana
6.7	Block	: :	Rampur
6.8	District	: :	Shimla
6.9	Total no. of members in SHG	: :	13
6.10	Date of formation	::	November 2020
6.11	Bank Name and details	: :	HP State Cooperative Bank, Jeori
6.12	Bank A/C No.	: :	41310107381
6.13	SHG/ monthly saving	: :	Rs.100/-month
6.14	Total Savings	: :	
6.15	Total inter-loaning	::	
6.16	Cash Credit limit	: :	
6.17	Repayment status		Quarterly Basis

7. Geographical detail of the Village.

7.1	Distance from District HQ	:	173Km
7.2	Distance from Main Road	: :	18Km (But from link road, 300 to 400 mts.) approximately
7.3	Name of Local Market and distant	:	Jeori- 18 Kms, Jhakri- 30 Kms approximately
7.4	Name of main Cities and distance	: :	Rampur, 43 Km
7.5	Name of the main cities where products will be sold/ marketed	: :	Rampur
7.6	Status of backward and forward link ages	: :	Backward linkages Training (KVK), procurement of compost bags with added spawn (Horticulture dept.) and Forward linkages with markets and existing suppliers, etc.

8. Description of product related to Income Generating Activity.

8.1	Name of the Product	: :	The Group will be involved in production of Button Mushrooms in controlled environment.
8.2	Method of Product Identification	: :	Although all the group members cultivate high-value cash crops, their small landholdings limit their overall income and make it difficult to meet their financial needs. Therefore, the group has decided to take up mushroom cultivation as an additional activity to enhance their income.
8.3	Consent of SHG/CIG/ Cluster	: :	Consent is attached as an Annexure.

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9. Production Processes.

The training on mushroom cultivation will be organized by the JICA Project at Duttnagar, in collaboration with the Department of Horticulture through KVK Rohru. The entire cost of the training will be borne by the JICA Project. The training will focus on practical and technical aspects of button mushroom cultivation, including compost preparation; spawn management, environmental control, and pest and disease management.

Following the completion of the training, the SHG will commence button mushroom production. Compost spawn-filled bags will be procured from approved suppliers and placed in hired or rented rooms identified for the purpose.

For optimum yield, each production unit will be equipped with three-tier wooden or bamboo racks for efficient space utilization. Four exhaust fans will be installed—one for fresh air intake and another at the lower level to expel stale air—ensuring proper ventilation and humidity control. In addition, one ceiling fan per room will be installed to lower the temperature during warmer periods, while a heat blower will be used to maintain adequate warmth when required. Dry and wet bulb thermometers will be installed in each room to continuously monitor and maintain the desired temperature and humidity levels.

Prior to loading the spawn bags, all rooms will be thoroughly cleaned and disinfected using a 5 ml/litre formalin solution, applied two to three times to ensure complete sanitization and to minimize the risk of contamination.

Following the technical guidance of the Subject Matter Specialist (Horticulture Department), Rampur, the business plan has been prepared in consultation with the SHG members. The plan is designed for three cropping cycles of button mushrooms, each with a duration of approximately 70 to 75 days. The period from August to April is considered most suitable for button mushroom cultivation.

The group members will collectively manage the unit, devoting around one hour per day—half an hour in the morning and half an hour in the evening—to carry out routine activities such as monitoring temperature and humidity, watering, and maintaining hygiene.

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10. Description of Production Planning:

10.1	Production Cycle (75 days)	: :	In Shimla district 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:- 1st crop of Dhingri Mushroom (May to end of July) 2nd crop of Button Mushroom (August to October =75 days) 3rd crop of Button Mushroom, (November to January =75 days) 4th crop of Button Mushroom (February to April = 75 days)
10.2	Manpower required	: :	Initially whole group will work together to install/ construct the 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 basis will work for cleaning, moistening, temperature regulation etc. For next 31to 75 days 4 – person 3 hours for harvesting, casing soil, cleaning. weighing and packing. Marketing hours are not included as one of the members will sell mushrooms along with vegetables in the market regularly. Labor work will be for total 704hrs, if we divide it by 8(hours) it will be 88 days and multiply it by wages rate of Rs 275/day then the cost of labor comes out to be Rs **24200/-**
10.3	Source of raw material	: :	Horticulture Departmentof Solan, Kullu, and Palampur of Himachal Pradesh.
10.4	Source of other Resources	: :	Horticulture Department, Solan, Kullu and Palampur of Himachal Pradesh.
10.5	(i)Quantity required for Button Mushroom (75 days) (ii) Quantity required for one cycle of Dhingri i.e. 75 days		250 Compost Spawn added Bags, Formalin, 200ml, 250 transparent Polythene Bags for compost, packing material (polythene sleeves)3kg. **For Dhingri** 250 bags compost spawn added 250 transparent Polythene Bags for Dhingri compost for replacement , Polythene sleeves 5Kg (3kg of fresh and 2Kg for replacement of torn bags)
10.6	Expected production in 75 days		**Dhingri** :- The average production of Dhingri from one bag of compost is around 10 Kg. For 250 bags the yield will be 2500 Kg of Dhingri. **Button Mushrooms** :- The average production of Mushroom from one Bag is 2.5 Kg 1Bag =2.5 kg 250 Bags x2.5 kg.=**625 kg**

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11. Description of Marketing /Sale.

11.1	Potential Market Places	::	Jeori, Jhakhri, Rampur.
11.2	Distance from unit	: :	Jeori 18Km, Jhakhri 30Km, Rampur 43 Km approximately.
11.3	Demand of the Production in Market		Mushrooms are always in demand throughout the year.
11.4	Process of Identification of Market	: :	The market for vegetable selling is well established in Rampur town
11.5	Impact of seasonality on Market	: :	Mushrooms are an all-season delicacy and remain in high demand throughout the year. However, during the summer months, demand increases significantly due to the tourist season and a higher number of marriage ceremonies.
11.6	Potential buyers of the Product	: :	Potential Market Buyers are Hospitals, Hotels, Hostels, Shops, Local residents/ Marriage and other ceremonial occasions etc.
11.7	Potential consumers in the area	: :	All Health-conscious citizens /Households/ hotels and dhabas.
11.8	Marketing mechanism of the Product	: :	The daily supply of mushrooms will be made to the market on a demand basis, and the group will also sell the produce in the open markets of Jeori and Rampur Bazaar.
11.9	Marketing strategy of the Product	: :	Initially, the group will approach vegetable retailers in nearby townships to establish market linkages. As production increases, retail sellers in the Rampur and Jeori markets will also be contacted to expand the sale of their produce.
11.10	Product Branding	: :	"Labana Fresh Mushrooms".
11.11.	Product Slogan	: :	"Mushroom Khao Sehat Banao"

12. Description of Management among the Members.

All members will undergo training and will divide responsibilities among themselves for daily operations, marketing, coordination with departments, and linkage with the VFDS

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13. SWOT Analysis.

S. No	Detail /Items	:	Description
1.	Strength	::	All Group members are like minded, well adapted to local and social environment. Production cost is less, Produce is of high quality and growing cycles are short, production will be throughout the year. Readymade Compost bag are available with Horticulture department at Duttnagar, For SHG Financial support Trainings and exposures will be organized by JICA Forestry Project as per the norms and instructions.
2.	Weakness	: :	New Self-help Group, 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 are anticipated and are negotiable with the group.

14. Description of Potential risks and measures to mitigate them.

Sr. No.	Potential risks	:	Measures to mitigate them
1.	1. At times harmful infection can destroy the Crop. 2.Temperature maintenance and regulations 3.Market saturation	: : : :	First of all, cleanliness is to be maintained by washing hands and feet with soap and dip in formalin solution before entering into the room. Only 2 to 3persons will enter the room with full kit (cap, gloves, apron etc.). Regular sprays to avoid fungal attack. With the help of thermometers, the required temperatures will be maintained with given devices. In the later years of production, the group plans to undertake value addition by drying mushrooms for the preparation of mushroom pickles, soups, and other processed products
2.	Internal Conflict in Group, Transparency	: :	Conflicts to be dealt within the initial stage, to eradicate the cause. Equal exposure to all Group members, equal benefit sharing needed Give Respect, and honor to every member.
3.	Market		Market is always fluctuating; Demand and supply are always at variance. So members to keep on searching new markets and buyers.
4.	Production	:	Production will be increased slowly as per the market demand and member's experience.

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15. Description of Economics of the project.

1st Cycle

Sr. No	PROJECT COST	Amount in Rs.
A	**CAPITAL COST**	
A.1	Construction of three tire wooden/Bamboo racks fitting	15000
a	Ceiling Fan (1No)	2500
b	Exhaust fans(2)	3000
c	Room heater/blower/(heatpillar)	1500
d	Dry and wet thermometer (1set)	1000
e	Weighing electronic machine (1no.)	900
f	Hot plastic ceiling rod (1no.)	800
g	~~Medium spray pumps~~ (1no.)	1800
h	Set of sharp knives no. (1set)	75
i	Scissor (2 no.)	400
j	Trays/Basket (6 no.)	600
k	Crate (6 no)	2400
l	Water tanks 1000 litre (1no.) including carriage	8000
m	Water and electricity fitting material & Charges	4000
n	Miscellaneous expenditure	3000
	Total Capital Cost	**44975**
B.	**RECURRING COST of First Cycle (75 days)**	
B.1	Cost of Rented room1Hall (mushroom growing Unit) @ Rs 1800/Month. (3 month)	3000
B.2	Formalin	600
B.3	Labour wages 88 day=(@Rs275/day)= Rs 24200	24200
B.4	Mushroom Compost Bags 250 no. @ Rs 90 per bag and other raw material including carriage	22500
B.5	Packaging (packaging material etc.)	3000
B.6	Transportation	1000
B.7	Electricity and water usage charges @ Rs 1000 per month	3000
B.8	Miscellaneous expenditure (stationery, Billbook, receipt etc.)	1500
	Recurring Cost of one cycle= B1+B2+B3 + B4 +B5 + B6+B7+B8	**58,800/-**
	Total Project cost (A+B) =44975+58800=	**1,03,775/-**

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Cost Benefit Analysis First Cycle:-

Sr no.	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	**Depreciation 10% on Capital Cost**	Month	3	10%	**1125**
B	Recurring Cost for 3 Months				
1.	Cost of Rented room 1 Hall (mushroom growing Unit) @ Rs 1000/ Month. (3 month)	Month	3	1000	3000
2.	Formalin containing 250 in each Bottle.	No	2 bottle	300	600
3.	Labour wages 88 days=(@ Rs275/ day)= Rs 24200	Days	88	275	24200
4.	Compost Bags 250 no. @ Rs 90 per kg	No	250	90	22500
5.	Packaging (packaging material etc.)	Kg	5	600	3000
6.	Transportation Charges	-	-	-	1000
7.	Electricity and water usage charges@ Rs1000 per month	Month	3	1000	3000
8.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	-	1500
	Total				**58800**

9.	**Total Production in Kg.**	**Compost** **Dhingri**	**2500 kg** **750 kg**
10.	**Sale of Production in Kg.**	**Dhingri 2500 Kg@ RS100**	**250000/-**
11.	**Total Benefit**	**257500-(1125+58800)**	**190075**
12.	**Gross profit**	**Total profit + Labour wages + Room rent**	**217275**
		190075 + (24200 + 3000) = 217275	
13.	**Net amount to be reserved for returned of 2nd and 3rd installment**		**16787**
14.	**Amount available for distribution of benefit among members in 1st cycle = sale of product- (Principal amount + interest + recurring cost + remaining amount of 2nd and 3rd installment)** **250000-(19509 + 1491 + 58800 + 16787)**		**153423**

Note:-An amount of Rs.16787/-will be kept as reserve for payment of remaining amount of loan of 2nd and 3rd installment.

...cer-cum-DCF, 12
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Cost Benefit Analysis Second Cycle

Sr. No.	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	**Depreciation10% on Capital Cost**	Month	3	10%	**1125**
B	Recurring Cost for 3 Months				
1.	Cost of Rented room 1 Hall (mushroom growing Unit) @ Rs 800/Month. (3 month)	Month	3	1000	3000
2.	Formalin containing 250 in each Bottle.	No	2 bottle	300	600
3.	Labour wages 88 days = (@Rs275/ day)=Rs 24200	Days	88	275	24200
4.	Button Mushroom Compost Bags 250 no. @ Rs 90 per bag and other raw material including carriage	No	250	90	22500
5.	Packaging (packaging material etc.)	Kg	2.5	600	1500
6.	Transportation Charges	-	-	-	1000
7.	Electricity and water usage charges @ Rs1000 per month	Month	3	1000	3000
8.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	-	1500
	Total				**57300**
9.	**Total Production in Kg.**	**Button Mushroom Compost**			**625 Kg 750 kg**
10.	**Total sale (Kg)**	**625kg @ Rs 100** **Compost750kg@Rs10**			**62500** **7500**
				Total	**70000/-**
11	**Total Profit**	**7000-(1125+57300)**			**11,575/-**
12	**Gross profit**	**Total profit + Labour wages + Room rent 11575 + (24200 + 3000) =**			**38775**
13.	**Amount available for distribution of benefit among members in 1st cycle = sale of product- (Principal amount + interest + recurring cost) 70000- (19975 + 1025 + 57300)**				**(-)8300**

Note: - Out of amount Rs. 16787 kept reserve in the first cycle the above amount Rs. 8300 will be paid for the second installment of loan and remaining amount of Rs. 8487 will be kept reserve for third installment.

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Rampur Forest Division, H.P.

Cost Benefit Analysis Third Cycle

Sr. No.	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	**Depreciation10% onCapital Cost**	Month	3	10%	**1125**
B	Recurring Cost for 3 Months				
1.	Cost of Rented room 1 Hall (mushroom growing Unit) @ Rs 1800/Month. (3 month)	Month	3	1000	3000
2.	Formalin containing 250 in each Bottle.	No	2 bottle	300	600
3.	Labour wages 88 days=(@ Rs 275/ day) = Rs 24200	Days	88	275	24200
4.	Button Mushroom Compost Bags 300 no.@ Rs 90 per bag and other raw material including carriage	No	250	90	22500
5.	Packaging (packaging material, etc.)	Kg	2.5	600	1500
6.	Transportation Charges	-	-	-	1000
7.	Electricity and water usage charges@ Rs1000 per month	Month	3	1000	3000
8.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	-	1500
	Total				**57300**
9.	**Total Production in Kg.**	**ButtonMushroom Compost**			**625 kg 750 kg**
10.	**Sale of Production in Kg.**	**625 kg @ Rs 100 Compost 750 kg @ Rs 10**			**62500 7500**
				Total	**70000**
11.	**Total Profit**	**70000-(1125+57300)**			**11575**
12.	**Gross profit**	**Total profit + Labour Wages + Room rent**			**38775**
13	**Amount available for distribution of benefit among members in third cycle = sale of product – (Principal amount + interest + recurring cost)**				**(-) 8487**

Note: -Out of the remaining amount Rs. 8487/- kept reserve in the second cycle will be paid as the third installment of loan

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Cost Benefit Analysis Fourth Cycle

Sr. No.	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	**Depreciation 10% on Capital Cost**	Month	3	10%	**1125**
B	Recurring Cost for 3 Months				
1.	Cost of Rented room 1 Hall (mushroom growing Unit) @ Rs 1800/Month.(3month)=	Month	3	1000	3000
2.	Formalin containing 250 in each Bottle.	No	2 bottle	300	600
3.	Labour wages 88 days=(@ Rs 275/ day)=Rs 24200	Days	88	275	24200
4.	Button Mushroom Compost Bags 300 no @ Rs 90 per bag and other raw material including carriage	No	250	90	22500
5.	Packaging (packaging material etc.)	Kg	2.5	600	1500
6.	Transportation Charges	-	-	-	1000
7.	Electricity and water usage charges @ Rs1000 per month	Month	3	1000	3000
8.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	-	1500
	Total				**57300**
9.	**Total Production in Kg.**	**Button Mushroom Compost**			**625 kg 750 kg**
10.	**Sale of Production in Kg.**	**625kg @ Rs 100** **Compost 750 kg @ Rs10**			**62500** **7500**
				Total	**70000**
11.	**Total Profit**	**70000-(1125+57300)**			**11575**
12.	**Gross profit**	**Total profit + Labour Wages + Room rent 11575 + (24200 + 3000) =**			**38775**
13.	**Amount available for distribution of among members in fourth cycle = sale of product – (Principal amount + interest + recurring cost for the next cycle) = 70000-(0+0+57300)**				**12700**

Note:-Total profit of Rs.11575/- after 4th cycle is available to be distributed amongst the SHG members.

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C	**INCOME**	
C.1	**Direct income**	
	(I) **First cycle** Dhingri	153423
	(ii) **Second cycle** Button mushroom	(-) 8300
	(iii) **Third cycle** Button mushroom	(-) 8487
	(iv) **Fourth cycle** Button mushroom	12700
	Total direct income	149336
C.2	**Indirect income**	
	Labour wages	
	(i) First cycle	24200
	(ii) Second cycle	24200
	(iii) Third cycle	24200
	(iv) Fourth cycle	24200
	Total	**96800**
	Room rent	
	(i) First cycle	3000
	(ii) Second cycle	3000
	(iii) Third cycle	3000
	(iv) Fourth cycle	3000
	Total	**12000**
	Total indirect income	**108800**
	Gross income	**258136**

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Rampur Forest Division, H.P.

16. Summary of Economics.

(a) Cost of Production in Four Circle

Sr. No	Particular	Amount in Rs.
1.	Total Recurring Cost	
	(i) **First Cycle** Dhingri	58800
	(ii) **Second Cycle** Button Mushroom	57300
	(iii) **Third Cycle** Button Mushroom	57300
	(iv) **Fourth Cycle** Button Mushroom	57300
	Total	**230700**
2.	10% Depreciation values on capital cost (Anually)	4498
3.	10% Interest on loan	3037
	Total	**238235**

(b) Abstract of Production cost

Sr. No.	Details	Amount (Rs.)
1	Recurring cost	230700
2	10% depreciation value on capital cost	4498
3	10% interest on loan	3037
	Total	**238235**

(c) Assessment of sale value

Sr. No.	Details	Unit	Amount (Rs)
1	Recurring cost (230700/4375)	Kg.	53
2	Profit fixed (85%)	Kg.	47
	Total		100
3	Market place	Kg.	100

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Rampur Forest Division, H.P.

17. Benefit Cost Analysis (Yearly)

Sr. No	Particulars	Amount (Rs)
1	**10% depreciation on capital cost(a)**	4498
2	**Recurring cost (b)**	
2.1	Room Rent	12000
2.2	Labour	96800
2.3	Cost of compost bag	90000
2.4	Formalin	2400
2.5	Packaging (packaging material, etc.)	7500
2.6	Transportation Charges	4000
2.7	Electricity and water usage	12000
2.8	Miscellaneous expenditure (stationery, Billbook, Receipt, etc.)	6000
	Total	**230700**
3	Total Production of Dhingri and Button Mushroom	4375 Kg
4	Sale value of Dhingri and Button Mushroom	437500
5	Sale value of compost	22500
	Total	**460000**
6	Total Profit=Sale value- (Capital cost+Recurring cost)= 460000-(44975+230700)	184325
7	Gross profit= Sale value- (capital cost + recurring cost) = 184325 + 96800 + 12000	293125
8	Distribution of profit among the members of group after four cycle = Total profit- (Principal amount + Interest + Recurring cost for fifth cycle) = 184325-(0+0+34600)	149725

Note:-This amount is excluding Labour wages and room rent.

From the above it is clear that each member will get additional income Rs. 22548 annually after doing one hour work daily as the labour work will be done by group member.

18.Sources of funds and procurement:

Project support;	• 75% of capital cost will be utilized for purchase of machineries including equipments. • Upto Rs.1 lakh will be parked in the SHG bank account as a revolving fund. • Trainings/capacity building/skill up-gradation cost.	Procurement of machines/equipments will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	• 25% of capital cost to be borne by SHG. • Recurring cost to be borne by SHG	

DMU Officer-cum-DCF,
Rampur Forest Division, H.P.

19. Computation of Break- even Point

Break- even Point= Capital cost/ Sale/ Kg.- Recurring cost/ Kg

= 44975/ 100- 53

= 44975/ 47 = 956 kg

After sales of 956 Kg Dhingri and Button musroom, breakeven point can be achieved after three months.

20. Remarks:

The forth coming vision of the Group is to enhance their income by value addition in the form of Pickles, readymade soups, dried mushrooms, etc.

7 Surprising Mushroom Health Benefits for Your Skin, Brain and Bones

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

1. Mushrooms may help keep you young.
2. Mushrooms can protect your brain as you age.
3. Mushrooms may boost your memory.
4. Mushrooms can help your heart health.
5. Mushrooms can assist in strengthening your bones.
6. Mushroom will help give you energy
7. Mushrooms helps in fighting many diseases especially CANCER.

Delicacy of Mushrooms is special,Tasty, Healthy and affordable.

DMU Officer-cum-DCF,
Rampur Forest Division, H.P.

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Delicacy of Mushrooms is special,Tasty, Healthy and affordable.

DMU Officer-cum-DCF,
Rampur Forest Division, U.P.

Add- on

Income Generation

Activity (2025)

Vermicomposting

DMU Officer-cum-DFO,
Rampur Forest Division, H.P.

1. Background

Vermicomposting has been gaining a strong foothold in the country due to simple production techniques, ecological, economic and human health benefits associated with it. A significant number of vermin composting units have been set up by entrepreneurs, under government support/ with the technical guidance of Non-Governmental Organizations (NGOs), particularly in the southern and central parts of the country.

Vermicomposting has direct environmental and economic benefits as it contributes to the sustainable agriculture production and income of farmers significantly. There are a number of NGOs, Community Based Organizations (CBOs), Self-Help Groups (SHGs), Trusts etc. which are making concerted efforts to promote vermin composting technology due to its established economic and environmental advantages.

Vermicomposting

Production of compost through rearing/using earth worms is called the vermin composting technology. Under this technology, earthworms eat biomass and excrete it in a digested form which is known as vermicomposting or vermin compost. It is one of the simplest and cost effective methods for the production of composting for both the small and large scale farmers. Vermicompost production unit can be set up in any land which is not under any economic use but shady and free from water stagnation. The site should also be nearer to a water resource.

Vermicomposting, rightly called "gold from garbage" is the major input in organic agriculture production. Owing to simple technology, many farmers are engaged in vermin composting production as it invigorates soil health and soil productivity thereby reduces the cost of cultivation. There is a gradual increase in demand for vermin compost due to the high level of nutrient contents.

2. Description of Product related to Income Generating Activity

2.1	Name of the Product	::	Vermicompost
2.2	Method of product identification	::	The group members collectively decided to undertake this activity
2.3	Consent of SHG/ CIG / cluster members	::	Yes

DMU Officer-cum-DCF,
Rampur Forest Division, H.P

3. Description of Production Processes

Steps		Description
Step-1	::	**Processing-** It includes collecting waste, shredding it, separating metals, glass, and ceramics mechanically, and storing the organic waste.
Step-2	::	**Pre-digestion of Organic Waste-** Organic waste is pre-digested for about twenty days by heaping the material and mixing it with cattle dung slurry. This process partially decomposes the material, making it suitable for earthworm consumption. Cattle dung or biogas slurry can be used after proper drying; however, fresh or wet dung should not be used for vermicompost production.
Step-3	::	**Preparation of Earthworm Bed-** A concrete base is required for placing the waste material during vermicompost preparation. If the base is made of loose soil, the earthworms may burrow into the ground, and during watering, valuable nutrients may leach away into the soil along with the water.
Step-4	::	**Collection of Earthworms after Vermicompost Harvesting-** After the vermicompost is collected, the material should be sieved to separate the fully composted portion. The partially decomposed material can be returned to the vermicompost bed for further processing.
Step-5	::	**Storage of Vermicompost-** The finished Vermicompost must be stored in a cool, shaded area to maintain proper moisture and encourage the growth of beneficial microorganisms.

4. Description of Production Planning

4.1	Production Cycle (in days)	::	90 days (three cycles in a year)
4.2	Manpower required per cycle (No.)	::	1
4.3	Source of raw materials	::	From household and one's own farm
4.4	Source of other resources	::	Open market
4.5	Raw material - quantity required per cycle (Kg) per member	::	969 Kg per cycle
4.6	Expected production per cycle (Kg) per member	::	476 Kg per cycle

5. Description of Marketing/ Sale

5.1	Potential market places	::	HP Forest Deptt., Local market, Use on one's own farm
5.2	Distance from the unit	::	----
5.3	Demand of the product in market place/s	::	The forest department and local orchardists will procure substantial quantities for use in its nurseries and orchards
5.4	Process of identification of market	::	The PMU will facilitate the tie-up for the procurement of vermicompost produced by the SHG with the HP Forest Department.
5.5	Marketing Strategy of the product		The SHG members will also explore additional marketing options in and around their villages to secure better sale prices in the future.
5.6	Product branding		At the SHG level, the product will be marketed under the branding of the respective SHG. Later, this IGA may require common branding at the cluster level.
5.7	Product "slogan"		"Organic growth for every farm"

6. SWOT Analysis

Strengths

- The activity is already being undertaken by some SHG members.
- Each SHG member owns 2 to 8 cattle, ensuring a regular supply of cow dung for compost production.
- Families of SHG members are engaged in cultivating high-value crops and vegetables, ensuring year-round availability of organic raw materials (farm waste).
- Raw materials are easily available within their own farms.
- The manufacturing process is simple, low-cost, and easy to adopt.
- The product is easy to pack, store, and transport.
- Other family members are willing to cooperate and support the beneficiaries.
- The product has a long shelf life, maintaining quality over time.

Weaknesses

- The manufacturing process and product quality are affected by environmental factors such as temperature, humidity, and moisture levels.

- Limited technical knowledge and lack of advanced scientific understanding among SHG members.

Opportunities

- Growing demand for vermicompost due to increasing awareness of organic and natural farming practices.
- Application of vermicompost on members' own farms will improve soil health, increase productivity, and enhance the quality of produce—leading to higher income.
- Efficient utilization of organic waste, including household kitchen leftovers.
- Potential for marketing tie-ups with the HP Forest Department and other government agencies.
- Scope for developing a collective brand at the cluster level for wider market reach.

Threats / Risks

- Possible disruption in the production cycle due to extreme weather conditions.
- Increasing competition from other vermicompost producers and chemical fertilizers.
- Variation in commitment levels among SHG members towards training, capacity building, and skill upgradation.

7. Description of Management among Members

- Production - It will be taken care of by individual members including procurement of raw materials
- Quality assurance - Collectively
- Cleaning & packaging – Collectively
- Marketing - Collectively
- Monitoring of the unit – Collectively

DMU Officer-cum-DCF,
Rampur Forest Division, H.P

8. Description of Economics

Sl. No	Particulars	Units	Quantity / Nos.	Cost (Rs.)	Year 1	Year 2	Year 3	Year 4	Year 5
A.	**Capital Cost**								
A.1	**Construction of work-shed**								
1	Hardware items, construction of pit (Size will be of 10ftX4ftX2ft)	Per member	7	8000	56,000	0	0	0	0
2	Construction of cover shed	Per member	7	5000	35,000				
	Sub-total (A.1)				**91,000**	**0**	**0**	**0**	**0**
A.2	**Machinery and equipment**								
1	Tools, equipment	Per member	7	3000	21000	0	0	0	0
	Sub-total (A.2)				**21000**	**0**	**0**	**0**	**0**
	Total Capital Costs (A.1+A.2)				**1,12,000**	**0**	**0**	**0**	**0**

Sl. No	Particulars	Units	Quantity / Nos.	Cost (Rs.)	Year 1	Year 2	Year 3	Year 4	Year 5
B	**Recurring Costs**								
1	Lease of land for setting up unit	Per annum	7	0	0	0	0	0	0
2	Other miscellaneous expenses	Per annum	7	0	0	0	0	0	0
3	Seed earthworm	Per KG	7	500	3500	0	0	0	0
4	Cost of procurement of Slurry/dung/waste	Tonnes	0	0	0	0	0	0	0
5	Labour cost	Per tonne	0	0	0	0	0	0	0
6	Packing materials	No.	400	25	10,000	10,500	11,000	11,500	12,000
7	Other handling charges	Per tonne	10	150	1,500	1,800	2,100	2,400	2,700

DMU Officer-cum-DCF
Rampur Forest Division, H.P.

Sl. No	Particulars	Units	Quantity / Nos.	Cost (Rs.)	Year 1	Year 2	Year 3	Year 4	Year 5
C	**Other charges**								
1	Insurance	L/S			0	0	0	0	0
2	Interest on Loan	Per annum		0	0	0	0	0	0
	Total recurring costs				**15,000**	**12,300**	**13,100**	**13,900**	**14,700**
	Total cost= Capital + Recurring				**1,27,000**	**12,300**	**13,100**	**13,900**	**14,700**
D	**Income from vermicomposting**								
1	**Sale of Vermicompost**	Tonnes	10	6000	60,000 (6000)	65,000 (6500)	70,000 (7000)	75,000 (7500)	80,000 (8000)
2	**Sale of earthworm**					5000	8,000	10,000	10,000
3	**Total revenue**				**60,000**	**70,000**	**78,000**	**85,000**	**90,000**
4	**Net returns (D-C)**				**-67,000**	**57,700**	**64,900**	**70,100**	**75,300**

Note – Since the labour work will be carried out by the SHG members themselves, and the slurry/dung/waste is already available at their own premises and will not need to be procured, the recurring costs related to labour and procurement of slurry/dung/waste can be deducted from the total recurring cost.

Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capital cost	1,12,000	0	0	0	0
Recurring cost	15,000	12,300	13,100	13,900	14,700
Total cost	1,27,000	12,300	13,100	13,900	14,700
Total revenue	60,000	70,000	78,000	85,000	90,000
Net profit	**-67,000**	**57,700**	**64,900**	**70,100**	**75,300**

Distribution of net profit - As per share in production.

9. Inferences of Economic Analysis

- The pit size planned for each member is 10 ft × 4 ft × 2 ft (one pit per member).
- The cost of production of vermi-compost (1st Year) is estimated at 1.5 Rs. per kg.
- The sale price of vermi-compost (on conservative basis) is Rs. 6.00 per kg.

- The net profit therefore amounts to Rs. 4.5 per kg.
- Each member is expected to produce 1.43 tonnes of vermi-compost per year, resulting in a total annual production of 10 tonnes by all 7 members of the SHG.
- The cost of earthworms has been considered at Rs. 500 per kg.
- From the second year onwards, there will be a surplus of earthworms available for sale, as they multiply naturally during the composting process.
- Vermi-composting is a profitable and sustainable Income Generating Activity (IGA) that can be effectively undertaken by the SHG members.

10. Fund requirement:

Sl. No.	Particulars	Total Amount (Rs)	Project support	SHG contribution
1	Total capital cost	**1,12,000**	84,000	28,000
2	Total Recurring Cost	**15,000**	0	15,000
3	Trainings/ capacity building/skill up-gradation	**30,000**	30,000	0
	Total =	**1,57,000**	**1,14,000**	**43,000**

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

11. Sources of fund

Component	Details
Project Support	• 75% of the capital cost will be utilized for the construction of the vermi-compost pit (size: 10 ft × 4 ft × 2 ft). • Cost towards training, capacity building, and skill up-gradation will be covered. • Procurement of materials and construction of pits will be carried out by the respective DMU/FCCU after following all codal formalities.
SHG Contribution	• 25% of the capital cost will be borne by the SHG, including the cost of the shed/construction of the shed. • Recurring costs will be borne by the SHG.

DMU Officer-cum-DCF,
Rampur Forest Division, H.P.

12. Bank Loan Repayment

If a loan is availed from the bank, it will be in the form of a Cash Credit Limit (CCL). Under the CCL arrangement, there is no fixed repayment schedule; however, all monthly savings and repayment receipts from SHG members should be routed through the CCL account.

- Under the CCL, the principal loan outstanding of the SHG must be fully repaid to the bank once every year, while the interest amount should be paid on a monthly basis.
- In the case of term loans, the repayment should be made as per the repayment schedule specified by the bank.

13. 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:
- Project Orientation Group Formation/ Reorganization
- Group Concept and Management
- Introduction to IGA (General)
- Marketing and Business Plan Development
- Bank Credit Linkages & Enterprise Development
- Exposure Visit of SHGs/ CIGs - Within the State& Outside State

14. Monitoring Mechanism

- The Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and recommend corrective actions, if necessary, to ensure that the unit operates as per the projected plan.
- The SHG will also review the progress and performance of each member's IGA and suggests corrective measures, if required, to ensure that operations remain aligned with the projections.

15. Remarks

DMU Officer-cum-DCF,
Rampur Forest Division, H.P.

Business Plan Approval by VFDS & DMU

Tai Maa Durga ..... Self Help Group will under Take the Mashroom Cultivation As Livelihood generation Activity under the Project for improvement of Himachal Pradesh forest ecosystems & Management & livelihood (IICA Assisted). In this regard Business Plan of Amount (Rs.) Five Lac ..... has been submitted by this group on dated 14 October and this business plan has been approved by Shalini Sharma VFDS.

Business Plan with SHG resolution is being submitted to DMU through FTU for further action, please.

Thank you.

President
Village Forest Dev. Society
Sainj
Tehsil Rampur Distt. Shimla (H.P.)
Signature of VFDS Pradhan

Signature of VFDS Secretary

Approved

DMU Officer-cum-DCF,
Rampur Forest Division, H.P.

DMU Officer-cum-DCF,
Rampur Forest Division, H.P.

Resolution-cum-Group Consensus Form

It is decided in the General House meeting of the Self Help Group Jai Maa Durga held on 14 October at Lalsana that our Self Help Group will undertake the Mushroom Cultivation as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh.

Forest Ecosystem Management & Livelihoods. (JICA Assisted).

प्रधान Sunil Kumar
जय माँ दुर्गा लबाना सदाना
तह॰ रामपुर, जिला शिमला (हि॰प्र॰)
Signature of Group Pradhan

सचिव Santosh
जय माँ दुर्गा लबाना सदाना
तह॰ रामपुर, जिला शिमला (हि॰प्र॰)
Signature of Group Secretary

DMU Officer-cum-DCF,
Rampur Forest Division, H.P.

Business Plan Approval by VFDS & DMU

Jai Maa Durga Self Help Group will undertake the Vermicomposting (Add-on Activity)

As Livelihood Generation Activity under the Project for improvement of Himachal Pradesh Forest Ecosystem Management & Livelihood (JICA Assisted). In this regard Business Plan of Amount (Rs.) ....1,12,000/-.....has been submitted by this group on dated .....25/09/25.....and this business plan has been approved by ...Labana Sadana.....VFDS.

Business Plan with SHG resolution is being submitted to DMU through FTU for further action, please.

Thank you.

President
Village forest Dev. Society
Labana-Sadana (Jica)
Tehsil Rampur Distt Shimla (H.P.)
Signature of VFDS Pradhan

Signature of VFDS Secretary

ग्राम वन विकास समिति
लबाना सदान 15/20
जिला शिमला (हि0प्र0)

DMU Officer-cum-DCF,
Rampur Forest Division, H.P.

Resolution-cum-Group Consensus Form

It is decided in the General House meeting of the Self Help Group Jai Maa Durga.....held on ....25/09/2025.....at ..Labana.....that our Self Help Group will undertake the ..Vermicomposting (Add on Activity)as Livelihood ~~Income Generation Activity under the Project~~ for improvement of Himachal Prade... Forest Ecosystem Management & Livelihoods (JICA Assisted..

धर्मा देवी

President

प्रधान
जय माँ दुर्गा लबाना सदाना
तह॰ ~~सुम्बुर~~ जिला शिमला (हि॰प्र॰)
Signature of SHG Pradhan

Sunil Kumar

सचिव
जय माँ दुर्गा लबाना सदाना
~~सुम्बुर~~ जिला शिमला (हि॰प्र॰)
Signature of SHG Secretary

DMU Officer-cum-DCF,
Rampur Forest Division, H.P.