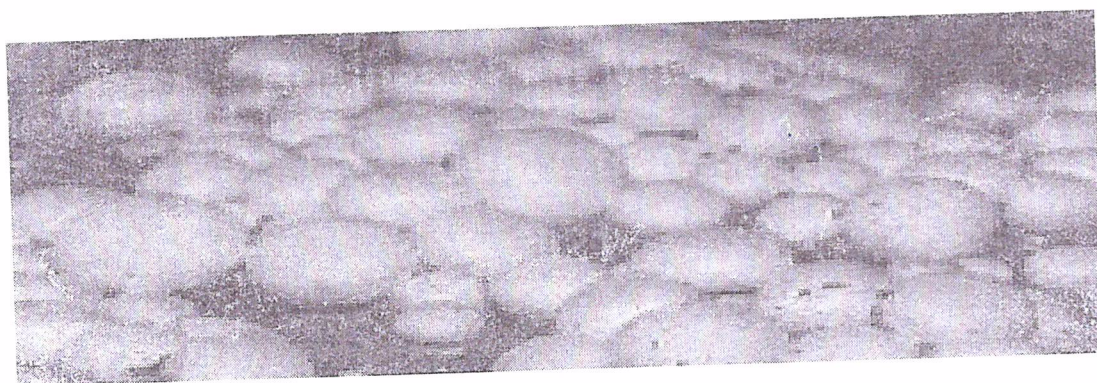




Income Generation Activity
Business Plan Mushroom
Cultivation
2021



SHG Jai Devta Mushroom Group- Self Help Group VFDS Katmor

SHG/ Name	::	SHG Jai Devta Mushroom Group
VFDS Name	::	Katmor
FTU/Range	::	Nither
DMU/Division	::	Ani at Luhri
FCCU/ Circle	::	Rampur Bsr.

Sponsored by	Prepared by
PIHPFEM&L	DMU JICA ANI

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1. Introduction

A mushroom farming business can be a means of big profit in just few weeks with considerably low short up capital investment to start the business. The cultivation of mushrooms is an art and requires both study and experience. Different types of mushrooms have different productions cost and it is important to decide on a budget availability and the demand in the locality and acceptable in the target market. Broadly there are three types of mushrooms such as:

1. Button mushroom
2. Oyster mushroom
3. Paddy straw mushroom.

The members of this SHG are more familiar and comfortable with the white button mushroom and therefore it has been decided that this SHG will grow white button mushroom. 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 activity as income generating activity has been finalized by this SHG and business plan has been initiated by them. This activity will aim at enhancing their income and thereby improving the livelihood and living standard of the group members. Team consisting of Madan Mohan Khushdil (HPFS Retd.), Lalit Thakur (SMS) and Mitika Gupta (FTU coordinator) has put their best efforts in consultation with the group members to prepare this business plan.

Broad features of SHG Jai Devta Mushroom Group

SHG Jai Devta Mushroom Group falls in Katmor Beat, Margi block, Nither Range of Ani forest Division.



No. of households	77
BPL families	4
Total population	318
Total cattle	224

SHG Jai Devta Mushroom Group was formally formed on 05.08.2020 under Katmor VFDS. The Group consists of poor and marginal farmers and all the members fall in General and OBC categories. There are 9 members in this SHG and their monthly contribution is Rs. 50.

Detail of SHG Members along with Photos

Sr. No.	Name	Name of Father/ Husband	Category	Age	Qualification	Cont. No.
1.	Seema Devi (Pradhan)	Tek Chand	General	44	10 th	85805-51750
2.	Jwala Devi (Secretary)	Ramesh Chand	General	45	8 th	94181-03052
3.	Sushma Devi	Hem Raj	General	46	8 th	-
4.	Chandermani	Mehar Singh	OBC	38	Literate	-
5.	Rinki Devi	Pradeep Singh	General	34	8 th	-
6.	Ranjna Devi	Rukam ram	General	42	Literate	-
7.	Kala Devi	Tabe Ram	General	50	Literate	-
8.	Geeta Devi	Mohender pal	OBC	28	10 th	
9.	Jiya Dasi	Uttam Ram	General	40	8 th	-

Photograph of CIG members

				
Seema Devi (Pradhan)	Jwala Devi (Secretary)	Sushma Devi	Chandermani	Rinki Devi
				
Ranjna Devi	Kala Devi	Geeta Devi	Jiya Dasi	

Financial status of the SHG Jai Devta Mushroom Group

2.1.	Name of SHG/	::	SHG Jai Devta Mushroom Group
2.2	VFDS	::	Katmor
2.3	Range	::	Nither
2.4	Division	::	Ani at Luhri
2.5	Village	::	Katmor
2.6	Block	::	Margi
2.7	District	::	Kullu
2.8	Total no. of members in SHG	::	9, Females
2.9	Date of formation	::	05.08.2020
2.10	Bank Name and details	::	PNB Bagipul
2.11	Bank A/C No.	::	2429000100098805
2.12	SHG/ monthly saving	::	Rs.50/-month
2.13	Total Saving	::	3200/-
2.14	Total inter- loaning	::	1200/-
2.15	Cash Credit limit	::	
2.16	Interest rate	::	2%
2.17	Repayment status	::	

2. Geographical detail of the Village

3.1	Distant from District HQ	:	180km
3.2	Distant from Main Road	:	50m
3.3	Name of Local Market and distant	:	Bagipul 24km
3.4	Name of main Cities and distant	:	Rampur Bsr 58km
3.5	Name of the main cities where products will be sold/ marketed	:	Rampur Bsr 58Km, Nirmand 41km
3.6	Status of backward and forward link ages	:	Backward linkages Training, procurement of compost bags with added spone and Forward linkages with markets and exiting suppliers etc.

3. Description of product related to Income Generating Activity.

4.1	Name of the Product	:	The Group will be involved in production of Button Mushrooms in controlled environment.
4.2	Method of Product Identification	:	Though the entire group member grows high value cash crops. As their land holding is very small, so they are not able to meet out their financial requirements' therefore, it has been decided by the group member that Mushroom cultivation will enhance their income. Further they usually go to sell their cash crops in Nirmand & Rampur. Market linkages are already in place. They do not have to spend extra time and money for marketing mushrooms.
4.3	Consent of SHG/ CIG/ Cluster	:	Consent is attached as an Annexure.

4. Production Processes.

The training of Mushroom cultivation will be arranged by JICA project. The full cost of training will be borne by the JICA Project.

The Group decided initially to start with Button Mushroom Production. 300 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.

Following the technical input during the training, the business plan with three crops of Button Mushrooms (70 to 75 days cycle for each) (August to April are best months for Button Mushroom) has been prepared after having thorough 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 Production Planning:

6.1	Production Cycle (75 days)	::	<p>In Kullu 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:-</p> <p>1st crop of Button Mushroom (May to end of July =75 days) 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 = 75days)</p>
6.2	Manpower required (No)	::	<p>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 bases will work for cleaning, moistening, temperature regulation etc. 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 2days.</p> <p>Labor work will be for total 704hrs, 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	::	<p>Horticulture Department, Solan district of Himachal Pradesh. However, the raw material can be purchased from Kullu and Bajaura also.</p>
6.4	Source of other Resources	::	-do-

6. Description of Marketing /Sale

7.1	Potential Market Places	::	Nirmand, Rampur and Ani
7.2	Distance from unit	::	Nirmand 40km, Rampur 60km, Ani 110km
7.3	Demand of the Product in Market		Mushrooms are always in demand throughout the year.
7.4	Process of Identification of Market	::	All the above three places are well established for vegetable selling.
7.5	Impact of seasonality on Market.	::	Mushrooms are all weather delicacy and are in high demand throughout the year. However, during summer, due to Tourist and marriage ceremonies demand is more.
7.6	Potential buyers of the Product.	::	Potential Market Buyers are Hospitals, Hotels, Hostels, Shops, Local residents/ Marriage and other ceremonial occasions etc.
7.7	Potential consumers in the area.	::	All Health-conscious citizens/ Households and hotels and dhabas.
7.8	Marketing mechanism of the Product.	::	Daily supply of the Mushrooms to the Market on Demand Basis and group will also sell these in open market of Bagipul, Arsu, Nirmand etc.
7.9	Marketing strategy of the Product.	::	Initially group will contact all the vegetable retail sellers in various townships, thereafter on increase of production, the retail sellers of Rampur and Ani market will also be contacted to sell their product.
7.10	Product Branding.	::	"Cedar Mushrooms".
7.11.	Product Slogan	::	"Vegetarians delicacy."

7. Description of Management among the Members

All Members will take training and divide themselves for daily work operations, Marketing, Linkages with department and with VFDS. All the members will contribute towards the strengthening of the group as per their capacity and wisdom.

8. SWOTAnalyses

Sr.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 in the open market. 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.

9. Description of Potential risks and measures to mitigatethem.

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, cleanness is to be maintained by washing hands and feet with soap and dip in formalin solution before entering into the room. Only 2 to 3 persons 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. To do Value addition or dry mushrooms for making Mushroom Pickles, soups and other products etc. in the later years of production.
2.	Internal Conflict in Group. Transparency	: :	Conflicts to be dealt with in the initial stage to eradicate the cause. Equal exposure to all Group members, equal benefit sharing needed Give Respect, and honour 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 members 'experience.

10. Financial projections

1st Cycle

S. No	PROJECT COST	Amount in Rs.
A	CAPTIAL COST	
A.1	Construction of three tire wooden /Bamboo racks fitting	22000
a	Ceiling Fan (1 No)	1800
b	Exhaust fans (2)	3000
c	Room heat/ blower/ (heat pillar)	3000
d	Dry and wet thermometer (1 set)	1000
e	Medium spray pumps (1 no) (knapsack)	3200
f	Set of sharp knives no (1 set)	400
g	Scissor.(2no)	600
h	Trays/Basket (6 no)	1500
i	Crate (6no)	2800
j	Water tanks 1000 litre 1 no including carriage	8000
k	Water and electricity fitting material & Charges	8200
l	Miscellaneous expenditure	5000
	Total Capital Cost	60500
B.	RECURRING COST of First Cycle (75 days)	
B.1	Cost of Rented room 1 Hall (mushroom growing Unit) @ Rs 1800/Month. (3 month) =	5400
B.2	Formalin	600
B.3	Labour wages 88 day = (@ Rs 275/ day) = Rs 24200	24200
B.4	Button mushroom Compost Bags 300 no @ Rs 90 per bag and other raw material including carriage	27000
B.5	Packaging (packaging material etc.)	3200
B.6	Transportation	1800
B.7	Electricity and water usage charges @ Rs 1000 per month	3000
B.8	Miscellaneous expenditure (stationery, Bill book, receipt etc.)	2000
	Recurring Cost of one cycle = B1+B2+B3 + B4 +B5 + B6+B7+B8	67200
	Total Project cost (A+B) = 60500+67200 =	127700

Cost Benefit Analysis First Cycle:-

Sr no	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	Depreciation 10% on Capital Cost	Month	3	10%	1515
B	Recurring Cost for 3 Months				
1.	Cost of Rented room 1 Hall(mushroom growing Unit)@ Rs 1800/Month. (3 month)	Month	3	1800	5400
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	300	90	27000
5.	Packaging (packaging material etc.)	Kg	5	200	1000
6.	Transportation Charges	-	-	-	1800
7.	Electricity and water usage charges @ Rs1000 per month	Month	3	1000	3000
8.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	-	2000
	Total				66515
9.	Total Production in Kg.	Button mushroom Compost			750 kg 750 kg
10.	Total sale (Kg)	Button mushroom 750 kg @ Rs 120			90000
		Compost 750kg@10kg			7500
					97500
11.	Total Benefit	97500-66515=30985			30985
12.	The net profit of Rs. 28235 will be kept as emergency reserve for future contingency				

Cost Benefit Analysis Second Cycle

Sr no	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	Depreciation 10% on Capital Cost	Month	3	10%	1515
B	Recurring Cost for 3 Months				
1.	Cost of Rented room 1 Hall(mushroom growing Unit) @ Rs 1800/Month. (3 month)	Month	3	1800	5400
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	300	90	27000
5.	Packaging (packaging material etc.)	Kg	5	200	1000
6.	Transportation Charges	-	-	-	1800
7.	Electricity and water usage charges @ Rs1000 per month	Month	3	1000	3000
8.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	-	500
	Total				65015
9.	Total Production in Kg.	Button Mushroom			750kg
		Compost			750 kg
10.	Total sale (Kg)	750kg @ Rs 120			90000
		Compost 750 kg @ Rs 10			7500
		Total			97500
11.	Total Profit	97500 - 65015			32485
The total profit of Rs. 32485 after 2 nd cycle is available to be distributed amongst the SHG members					

Cost Benefit Analysis Third Cycle

Sr No	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	Depreciation 10% on Capital Cost	Month	3	10%	1515
B	Recurring Cost for 3 Months				
1.	Cost of Rented room 1 Hall(mushroom growing Unit) @ Rs 1800/Month. (3 month)	Month	3	1800	5400
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	300	90	27000
5.	Packaging (packaging material etc.)	Kg	5	200	1000
6.	Transportation Charges	-	-	-	1800
7.	Electricity and water usage charges @ Rs1000 per month	Month	3	1000	3000
8.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	-	500
	Total				65015

9.	Total Production in Kg.	Button Mushroom	750kg
		Compost	750 kg
10.	Sale of Production in Kg.	750kg @ Rs 120	90000
		Compost 750 kg @ Rs 10	7500
		Total	97500
11.	Total Profit	97500 - 65015	32485
Total profit of Rs. 32485 after 3rd cycle is available to be distributed amongst the SHG members			

Cost Benefit Analysis Fourth Cycle

Sr No	Particular	Unit	Quantity/no	Rate	Amount in (Rs)
A	Depreciation 10% on Capital Cost	Month	3	10%	1515
B	Recurring Cost for 3 Months				
1.	Cost of Rented room 1 Hall(mushroom growing Unit) @ Rs 1800/Month. (3 month) =5400	Month	3	1800	5400
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	300	90	27000
5.	Packaging (packaging material etc.)	Kg	5	200	1000
6.	Transportation Charges	-	-	-	1800
7.	Electricity and water usage charges @ Rs1000 per month	Month	3	1000	3000
8.	Miscellaneous expenditure (stationery, Bill book, receipt etc.)		L/S	-	500
	Total				65015
9.	Total Production in Kg.	Button Mushroom			750kg
		Compost			750 kg
10.	Sale of Production in Kg.	750kg @ Rs 120			90000
		Compost 750 kg @ Rs 10			7500
		Total			97500
11.	Total Profit	97500 - 65015			32485
Total profit of Rs. 32485 after 4th cycle is available to be distributed amongst the SHG members					

11. Summary of Economics

(a) Cost of Production in Four Circle

Drano	Particular	Amount in Rs.
1	Total Recurring Cost	
	(i) First Cycle Button Mushroom	66515
	(ii) Second Cycle Button Mushroom	65015
	(iii) Third Cycle Button Mushroom	65015
	(iv) Fourth Cycle Button Mushroom	65015
		65015
	Total	261560
2	Total Income	
	(v) First Cycle Button Mushroom	97500
	(vi) Second Cycle Button Mushroom	97500
	(vii) Third Cycle Button Mushroom	97500
	(viii) Fourth Cycle Button Mushroom	97500
		390000
	Total	390000
3.	Net income	128500

12. Benefit Cost Analysis(Yearly)

Sr. No	Particulars	Amount (Rs)
1	10% depreciation on capital cost (a)	6060
2	Recurring cost (b)	
2.1	Room Rent	21600
2.2	Labour	96800
2.3	Cost of compost bag	108000
2.4	Formalin	2400
2.5	Packaging (packaging material etc.)	4000
2.6	Transportation Charges	7200
2.7	Electricity and water usage	12000
2.8	Miscellaneous expenditure (stationery, Bill book, receipt etc.)	3500
	Total	261560
3	Total Production of Button Mushroom	3000
4	Sale value of Button Mushroom	360000
5	Sale value of compost	30000
	Total	390000
6	Total Profit= Sale value-(Capital cost + Recurring cost)= 390000-261560	128440

13. Fund flow in the group:

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	60500	30250	30250
2	Total Recurring Cost	67200	-	67200
3	Trainings/capacity building/Skill up-gradation	45000	45000	
	Total outlay	172700	75250	97450

Note-

- **Capital Cost** - 50% of the total capital cost will be borne by the Project
- **Recurring Cost** –The entire cost will be borne by the SHG/CIG.
- **Trainings/capacity building/ skill up-gradation** –Total cost to be borne by the Project

14. Sources of funds and procurement:

Project support;	<ul style="list-style-type: none">• 50% 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	<ul style="list-style-type: none">• 50% of capital cost to be borne by SHG.• Recurring cost to be borne by SHG	

15. 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."

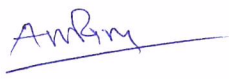
1. Mushrooms may help keep you young.
2. Mushrooms can protect your brain as you age.
3. Mushrooms may boost your memory.
4. Mushrooms can help your heart health.
5. Mushrooms can assist in strengthening your bones.
6. Mushrooms will help give you energy
7. Mushrooms helps in fighting many diseases specially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


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


Glimpses of Photos during Discussion on Business
plan with SHG




The business plan of Self Help Group **SHG Jai Devta Mushroom Group** for the IGA of **Mushroom Cultivation** was presented before the general house of VFDS **Katmor** for approval. After long discussion and thoughtful deliberations by the different members, the business plan was approved for adoption in the SHG and further implementation by the members of SHG.



General Secretary


Treasurer


President
V.F.D.S. Katmor
Teh. Nirmand, Distt. Kullu H.P.


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