

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

Canned Mushroom Unit

# PROJECT REPORT

Of

## CANNED MUSHROOM

### PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Canned Mushroom Unit**

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

# CANNED MUSHROOM



## Introduction

Mushroom a fungus fruit body is considered a delicious food all over the world because of its taste aroma and structure. It is full of nutrients, low in calories, high in proteins, vitamins, Minerals and a rich source of folic acid. It is an alternate choice for weight conscious people and anaemic patients. It has 4.9% protein content which is more than cow milk, green vegetables such as beans etc.

Mushrooms are highly perishable commodity and should be marketed and consumed as soon as possible after harvest because of their high moisture content ( 90.92 % ) However, its shelf life can be enhanced for a larger period by way of processing. Generally, mushrooms are processed –frozen, dried and canned.

This project profile has been prepared for canning of mushrooms for a 100% Export –oriented unit. The agric us bisporus (white button) type of mushroom is suitable and preferred for commercial canning.

## **MARKET POTENTIAL**

It has been estimated that the export market of canned mushrooms in the world trade is about us \$ 1000 million. The world trade of mushroom is expected to reach a staggering figure of us \$15 billion by next 5 years. The present global demand of mushroom is about 115000 tonnes per annum. It is also estimated that the gap between the demand and supply in the world market is around 25 lakh tones. The consumption of mushroom is going up at the rate of around 10% in international market. At present, china, Taiwan and Indonesia are the main producers of mushroom products which also capture the major share of world market. Over 50% of the total world production of the mushroom is sold in fresh form, mainly in producers' domestic markets. The balance is processed ie dried, frozen, canned etc. It has also been estimated that 50% of the mushrooms for processing are canned.

## FINANCIAL ASPECTS

### A – FIXED CAPITAL

#### i LAND AND BUILDING

S.N.	LAND& BUILDING	AREA	RATE IN RS.	AMOUNT IN LAKHS
1	Land	1000sq.mtr	@250 sq.mtr	2.50
2	Built up area	700 sq. mtr	@2500sq.mtr	17.50
3	Factory shed	300sq.mtr		
4	Raw material store	100sq.mtr		
5	Finished goods store	100sq.mtr		
6	Others	200sq mtr		
			Total	20.00

#### ii Machinery & Equipments.

S.NO	DESCRIPTION	QTY	AMOUNT IN LAKHS
1	Ss steel tables size 6" x 3" @ Rs 13,400	2	0.268
2	Washing machine rotary rod washer equipped with spray arrangement, collection tank etc.	1	0.660
3	Blanching equipments consisting of three s.s. tanks each of 380 x 1140 mm complete with two trays of size 1015 mm x 350 mm x 180 mm and top folds trays 30 mm x 12 mm and ss steam coil 25 mm along three sides of tank	1	0.577
4	S.S. titing type exhaust box. Exhaust box tunned	1	0.700
5	Straight line exhaust box. Exhaust box tunnel of 3962 mm long with 2 HP Electric motor with reduction gear boxes to accommodate four cans of A-2.5 size at a time		
6	Canning retorts Size-81 0 x 915 mm and 5 mm thick with dial thermometer, pressure gauge, safety valve, etc. @ Rs 49,200 each	2	0.984
7.	Crates for canning retors @ Rs 6600 each	8	0.528
8.	Can reformer for reforming flattened can body	1	0.505
9.	Flanger with one change part Add!. change part of the above	1	0.538
10.	Flange rectifier	1	0.208
11.	Semi-automatic can seamer Addl. Change part of above	1 1	o.850 o.145

12.	Can end embossing machine Addl. Change part for the above	1 1	1.065 0.180
13.	Water storage tanks (Plastic) Capacity 15 Kl	1	0.500
14.	Concrete tank lined with tiles size (8'x8'x3.5')	1	0.200
15.	Steam Boiler (Oil fired) capacity-500 Kgs/hr	1	3.000
16.	Wide mouthed empty plastic container @ Rs 150 each- Capacity 50 Kgs each	100	0.150
17.	Cold storage cap-2 tonnes Area 1500 cu Ft	1	1.500
18.	Can Tester pneumatically have operated with two pressure cylinders and water tanks	1	1.500
19.	(a) Miscellaneous equipments such as buckets, cutting, peeling, knives, Weighing balance Trays, box striping machine, etc. (b) Laboratory equipments such as-weighing balance, dehydrator, etc.	LS  LS	0.230  1.000
20.	Pollution Control equipments discharge of water treatment tanks	LS	0.350
		Total	15.264
	Pecking, forwarding C. S. T. and other charges @ 10%		1.526
	Erection and electrification charges @ 10%		1.526
	Cost of office equipment Including office Furniture, computers etc		1.000

Total 19.316

**(iii) Pre-operative Expenses** 0.750  
Total fixed Investment (i+ii+iii) 40.066

**B. Working capital (per month)**

**(i) Personnel**

**FINANCIAL ANALYSIS**

1.	Total Recurring Expenditure (per year)	388.680
2.	Depreciation on Building @ 5%	0.875
3.	Depreciation on Machinery and Equipment @ 10%	1.526
4.	Depreciation on Office Furniture, Fixture etc. @ 20%	0.200
5.	Interest on Total Investment @ 4%	19.213

Total 410.494

(2) Turnover (per year)

Item	Qty.	Rate	Amount (Rsin Lakhs)
1. canned Mushrooms A-2 ½	9,00,000	55	495.00
2. Commission, Brokerage & Marketing Expenses		10%	(-)49.50
		Total	445.50

3. Net Profit per year (Rs.in Lakhs) 35.006

4. Net Profit Ratio

$$= \frac{\text{Net Profit (per year)} \times 100}{\text{Turnover (Per year)}}$$

5. Rate of Return

$$= \frac{\text{Net Profit (per year)} \times 100}{\text{Total Investment}}$$

(6) Break-even Point

(i) Fixed Cost	Amount (Rs in Lakhs)
(a) Depreciation on machinery and equipment	1.52
(b) Depreciation on building	0.87
(c) Depreciation on office furniture and fixtures	0.20
(d) Interest on total investment	19.21
(e) Insurance	0.36
(f) 40% of salary and wages	4.416
(g) 40% of other contingent expenses	1.584
(h) Power charges	0.360
	Total 28.53
(ii) Net Profit (per annum)	Rs. 35.06

$$\text{B.E.P.} = \frac{28.534 \times 100}{35.06} = 44.91\% \text{ Say } 45$$

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