

UP MSME 1-Connect

PROJECT REPORT

Planning to Start Your MSME Journey! Uncover Valuable Insights for your Business—Explore Now !!

PROJECT:

Mushroom Cultivation & Processing

PROJECT REPORT

Of

MUSHROOM CULTIVATION & PROCESSING

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Mushroom Cultivation & Processing**.

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.]

PROJECT PROFILE
ON
‘MUSHROOM CULTIVATION & PROCESSING’

PRODUCT AND APPLICATIONS

Mushroom is a nutritious vegetarian delicacy and has many varieties. It contains many vitamins and minerals but is low on sugar and fat. It can be grown in artificially created and controlled environment. It needs a temperature between 20 and 30 C and a relative humidity of 55 to 75%. It can be ideally grown in hilly areas or in artificially controlled sheds in plains. Fresh mushrooms can be readily sold in market or processed and dried. There are two main varieties of mushroom Button type or the oysters' variety. Oyster mushrooms are easy to cultivate and process and do not require huge investment.

Mushroom is an exotic and nutritious source of vegetarian diet. It is a major horticulture product all over the world. It is also becoming popular in our country. Fresh mushroom has very limited shelf life, but processed and dried mushrooms properly packed can be stored over a long period. Under the present conditions and with know-how developed by CFTRI it is possible to cultivate in any part of the country. The technology is available with CFTRI. Compliance with PFA Act for such a unit is essential.

INDUSTRY PROFILE AND MARKET ASSESSMENT

Mushroom is a vegetarian delicacy and a suitable substitute for meat and eggs. It is easily digestible. It is very popular in most of the developed countries and is being accepted in many developing countries. Market for mushroom is growing rapidly because of its rich nutritional value and special taste, aroma, flavor etc. Many exotic preparations are made from them like soup, pickles, it can be cooked in traditional

way as standard vegetable. It is also used as stuffing for various food preparations and for garnishing. Its consumption is basically confined to the urban region. It has a very short life after being harvested and are sold in fresh form. Their shelf life is enhanced by processing and properly packing in good quality polythene or proper canning. This can then be stored and transported for selling in far of markets. It is mainly consumed in hilly areas but as the nutritional awareness is increasing people from other regions are also taking it up. It is a very popular item in most of the star hotels and in urban households. Thus, there is a good market for the product in metropolitan cities and centre for tourists. The rural rich with changing lifestyle are also catching up with the urban tastes and eating habits. Processed and preserved mushrooms will ensure the availability throughout the year. It is a good substitute for standard vegetables and a good replacement for meat or eggs. The major limitation with the bulk of Green vegetables is that they are grown in a limited period only lasting for 3-4 months and thus their availability is restricted to this period. Properly preserved packed and canned mushrooms results in it being easier to handle. This also helps in exporting the product to other countries where ever Indian cuisine is popular. It has a good demand in urban areas and metropolitan cities. Once the product establishes its Brand, export opportunities can also be explored. Middle East countries and other western countries with Indian population are places where it has demand.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	2.00	2.00	2.00	2.00	2.00
Retained Profit	8.90	19.09	30.70	44.74	61.09
Term Loan	12.77	9.58	6.39	3.19	0.50
Cash Credit	5.22	5.22	5.22	5.22	5.22
Sundry Creditors	2.69	3.14	3.59	4.04	4.49
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	31.95	39.43	48.34	59.68	73.83
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	13.69	13.69	13.69	13.69	13.69
Gross Dep.	1.73	3.27	4.60	5.76	6.76
Net Fixed Assets	11.96	10.42	9.09	7.93	6.93
Current Assets					
Sundry Debtors	2.57	3.13	3.58	4.03	4.48
Stock in Hand	5.93	6.92	7.91	8.90	9.89
Cash and Bank	8.99	16.21	24.73	35.49	48.87
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	31.95	39.43	48.34	59.68	73.83

- - - - -

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	76.95	93.83	107.33	120.83	134.33
Total (A)	76.95	93.83	107.33	120.83	134.33
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	53.87	62.84	71.82	80.80	89.78
Elecricity Expenses	0.43	0.50	0.57	0.64	0.72
Repair & Maintenance	-	0.94	1.07	1.21	1.34
Labour & Wages	5.28	5.81	6.39	7.03	7.73
Depriciation	1.73	1.54	1.33	1.15	1.00
Consumables and Other Expense	1.54	1.88	2.15	2.42	2.69
Cost of Production	62.85	73.50	83.33	93.25	103.25
Add: Opening Stock /WIP	-	3.24	3.78	4.32	4.86
Less: Closing Stock /WIP	3.24	3.78	4.32	4.86	5.40
Cost of Sales (B)	59.61	72.96	82.79	92.71	102.71
C) GROSS PROFIT (A-B)	17.34	20.86	24.53	28.12	31.61
	23%	22%	23%	23%	24%
D) Bank Interest (Term Loan)	1.10	1.33	0.96	0.60	0.24
Bank Interest (C.C. Limit)	0.52	0.52	0.52	0.52	0.52
E) Salary to Staff	5.28	5.81	6.39	7.03	7.73
F) Selling & Adm Expenses Exp.	1.54	1.88	2.15	2.42	2.69
TOTAL (D+E)	8.44	9.54	10.02	10.56	11.18
H) NET PROFIT	8.90	11.32	14.51	17.55	20.44
I) Taxation	-	1.13	2.90	3.51	4.09
J) PROFIT (After Tax)	8.90	10.19	11.61	14.04	16.35

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	2.00	-			
Reserve & Surplus	8.90	11.32	14.51	17.55	20.44
Depriciation & Exp. W/off	1.73	1.54	1.33	1.15	1.00
Increase in Cash Credit	5.22	-	-	-	-
Increase In Term Loan	12.77	-	-	-	-
Increase in Creditors	2.69	0.45	0.45	0.45	0.45
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	33.68	13.35	16.33	19.20	21.93
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	13.69	-	-	-	-
Increase in Stock	5.93	0.99	0.99	0.99	0.99
Increase in Debtors	2.57	0.56	0.45	0.45	0.45
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	3.19	3.19	3.19	2.70
Taxation	-	1.13	2.90	3.51	4.09
TOTAL :	24.69	6.13	7.81	8.44	8.56
Opening Cash & Bank Balance	-	8.99	16.21	24.73	35.49
Add : Surplus	8.99	7.22	8.52	10.76	13.38
Closing Cash & Bank Balance	8.99	16.21	24.73	35.49	48.87

DISCLAIMER

The views expressed in this Project Report are advisory in nature. UP MSME assume no financial liability to anyone using the content for any purpose. All the materials and content contained in Project report is for educational purpose and reflect the views of the industry which are drawn from various research material sources from internet, experts, suppliers and various other sources. The actual cost of the project or industry will have to be taken on case to case basis considering specific requirement of the project, capacity and type of plant and other specific factors/cost directly related to the implementation of project. It is intended for general guidance only and must not be considered a substitute for a competent legal advice provided by a licensed industry professional. UP MSME hereby disclaims any and all liability to any party for any direct, indirect, implied, punitive, special, incidental or other consequential damages arising directly or indirectly from any use of the Project Report Content, which is provided as is, and without warranties.