

SYNOPSIS

BUTTON MUSHROOM PROCESSING PLANT

Potential and Markets

India produced about 50,000 tonnes of mushrooms in 2005-06, which includes all the cultivated types, and those collected from the forest. The projected production for 2015-06 is 100,000 tonnes. India exported 15,000 tonnes of Fresh Mushrooms and 6000 tonnes of processed mushroom in 2005 - 06.

While India's production is meager, world production was 5.0 million tonnes of mushrooms, of which the share of button mushroom was 65%. The major producers of button mushroom are USA, China, France, Holland, UK, Taiwan, Italy, Spain and Germany.

The per capita consumption of mushrooms in the developed countries varies from 2.9 kg/annum (Germany) to 1.8 kg/per annum (USA), Six countries share 85% of the total consumption of button mushrooms, USA (30%), Germany (17%), UK and France (11%) each, Italy (10%) and Canada (6%). The pattern of world demand for mushrooms is given below.

	Local	International Trade
Fresh	45%	5%
Canned	50%	90%
Dehydrated	5%	5%

The major importers of canned button mushroom are Germany, USA, France, Belgium, Sweden, Norway and UK.

The major exporters are Holland, China, France, Spain, Hong Kong, Taiwan, Indonesia and South Korea. According to a recent projection, the growth in the consumption of button mushroom is expected to rise by 4% - 5% over the decade.

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Suman Project Consultants Pvt. Ltd.
Tel #: +91-11-26313391 / 26848961
www.SumanProject.Com

The future potential of developing countries like India is high in view of the following reasons: -

- Availability of cheap and abundant raw materials and labour.
- Demand supply gap in the world trade of mushroom
- Fall in the production in Taiwan and South Korea due to high labour cost.
- Proximity to middle east, where market is growing.
- The growing Indian domestic market.

Unit Size

The size of the units that are being set up have production capacities ranging from 250 to 3500 tonnes of fresh button mushrooms per year. The model has been prepared for an installed capacity of 360 tonnes (1 MT per day) of fresh mushroom production per year. Assuming 90% utilization of the capacity, 324 tonnes of fresh button mushroom may be produced of which 88% may be processed to produce about 285 tonnes of canned mushroom.

Land Area:

3 acre – 4 acres.

Raw Material

The following raw material is expected to be used in the production of button Mushrooms :-

1. Paddy / Rice Straw
2. Chicken Manure
3. Urea
4. Gypsum
5. Rice Bran

Packaging

Button Mushroom will be packed in A3 size Aluminum Cans.

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Project Financials

PROJECT COST (US \$ Thousand)

1.	Land and Land Development	50.00
2.	Civil Works	330.00
3.	Plant & Machinery	500.00
4.	Office Equipments & Furniture	20.00
5.	Pre-Operative Expenses	40.00
6.	Training	10.00
7.	Working Capital Capitalisation (25%)	40.00
8.	Contingency	10.00
	Total (Indian Rs.)	1000.00

Expected project cost would be Indian Rs. 100 million.

Financials :

Break Even Capacity – 35%

Payback Period – 4 years

ROI – 28%

NOTE :

IT SHOULD BE NOTED THAT THE ABOVE MENTIONED FIGURES AND INFORMATION IS TENTATIVE. CONSULTANTS RECOMMEND TECHNO-ECONOMIC FEASIBILITY REPORT TO UNDERSTAND EXACT DETAILS TO THE ABOVE MENTIONED INFORMATION.

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