Project Summary

The project covers 150 farmers of the project area and provides them training on mushroom cultivation. It helps farmers produce mushrooms and sell it within and outside their state, Bihar. The project also provides training to these farmers for a year.

Project Rationale

The project funds natural resource management related activities in ten villages of Jamui district, Bihar. SARDA, the implementing organisation, has strengthened the village community to undertake oyster mushroom cultivation and marketing at these project villages which has resulted in enhanced incomes for the participants. This region is inhabited predominantly by resource-poor households who are dependent on agriculture – paddy and wheat - for their livelihood. The produce of the farmers do not fetch the market price due to lack of marketing and storage facilities. The overall farm income is inadequate for the small and

Project Location

East Gugaldih, Kairakado and Kudur Panchayats of Girdhaur block of Jamui district in Bihar

Project Facts

UPNRM Support: ₹ 15.615 lakhs
(Loan of ₹ 14.335 lakhs, Grant of ₹ 1.28 lakhs) to be repaid in 3 years

Project Duration

2013 – 2016

Number of Participants

150 small and marginal farmers including women
marginal farmers. Other sources of income such as oyster mushroom cultivation and marketing is required to remedy this situation.

While villagers were interested in this activity since project inception phase, most lacked knowledge and skills to practice the same. Lack of initial investment and the capacity of interested local community members posed as hindrances. The UPNRM project addressed these issues and enabled the participants in accessing credit and technical and capacity building support through the channel partner. Women form a major group involved in the cultivation and marketing business of oyster mushroom. This has emerged as an important subsidiary income-generating activity for the small and marginal farmers as well as for the agricultural labourers.

The demand for mushroom too is increasing day by day. The processed powder of the plant is used as an active ingredient in certain medicines, used for controlling ailments such as diabetes, high blood pressure etc. A tremendous potential for increasing mushroom production through profitable cultivation and marketing exists.

**Project Approach**

**Mushroom production**

- Low cost houses for mushroom production are constructed/renovated using locally available materials like bamboo, thatch and mud plaster. Loan for the cost of construction is provided to individuals under UPNRM through the CP.

- The total working capital requirement for individual beneficiaries for one production cycle of mushroom is roughly ₹ 2500. It includes cost towards substrate (paddy/ wheat straw), polythene bags, spawns and pasteurisation. A loan amount of ₹ 2250 is financed as working capital-term loan under UPNRM through the channel partner. Remaining ₹ 250 is contributed by the farmers as margin money. Farmers also contribute towards the cost of substrate, polythene bags, spawn and pasteurisation from the second production cycle.

**Spawn Production Centre**

Credit support under UPNRM is used by the channel partner for running and maintaining the spawn production centre, having a capacity to produce 30 Kg spawns/day.

An amount of ₹ 19,000 (approximately 30% of the sale value of spawn) is financed as working capital loan towards procurement of raw material and as running cost of the spawn production center. NABARD provides a loan of ₹ 17,100 towards this working capital and the CP may contribute the balance of ₹ 1,900 as margin money. The CP contributes towards the cost of running and maintenance of spawn production center from the second production cycle.

**Training and Capacity Building of farmers for Mushroom Production**

Training and capacity building of 150 farmers on mushroom cultivation is undertaken under the project. The training is conducted in five batches of 30 farmers each.

**Project coordinator-cum-technical expert**

One project coordinator- cum- technical expert is hired by the CP for providing support towards coordination, technicalities and documentation of the project activities.

**Impacts of the Project**

The project is providing sustainable livelihood for the resource-poor households in the project areas who lack alternative sources of income.

- This activity curbs seasonal migration in the project area
- It generates flow of credit, and also increases the returns on time and resources invested compared to other activities
- Reduced pressure on forests/other natural resources for alternative source of income
- Effective utilisation of paddy/wheat straw

N.P. Singh
Managing Director
Sarda Bhawan, Chhotki Murum, Ramgarh Cantt,
Ramgarh, District, Jharkhand 829122
Mobile: 9431146129, 9431146893