



सत्यमेव जयते

कृषि एवं किसान कल्याण मंत्रालय, भारत सरकार
Ministry of Agriculture & Farmers Welfare,
Government of India



राष्ट्रीय बागवानी बोर्ड
NATIONAL HORTICULTURE BOARD
Ministry of Agriculture & Farmers Welfare, Government of India

Cluster Development Programme

Strengthening the Horticulture Sector

Stakeholder Consultation Meet

9th September 2022



Need of the Programme



Need of the Cluster Development Programme

20-44%

Post-harvest losses of fruits & vegetables on account of inadequate infrastructure for post-harvest handling and value addition of produce (FAO, 2021)

Food Losses

~₹90,000 Cr

Investment is required to build Agri infrastructure fulfilling the gaps in Cold storage capacity, Pack houses, Reefer vehicles and Ripening chambers in India

Agri Infrastructure

<2%

India's share of horticulture export in global trade stands at 1.7% and 0.5% for vegetables and fruits respectively.

Export

40%



of F&V produce, farmers are unable to sell due to lack of market access, poor transport facility, and inadequate cold storage infrastructure etc.



650 MMT

Projected demand for fruits and vegetables by 2050. Currently, the production of F&V in India is around 300M tonnes.



There are no **one-stop solution** for addressing the needs of the horticulture sector in the country

Institutionalization of farmers

Efficient food supply chain (with Digital/IT Solutions/Traceability)

Efficient Logistics including Exit Point Infrastructure

Convergence of various initiatives / programmes

Implementation of Innovative farm solutions and R&D on agri inputs

Value Chain Accelerators & Knowledge Accelerators (Information Dissemination)

Branding & Marketing Initiatives and Linkages

Share in Consumer Price



Farmer

35-40%



Middlemen

40-45%



Logistics, Marketing & Retailing Cost

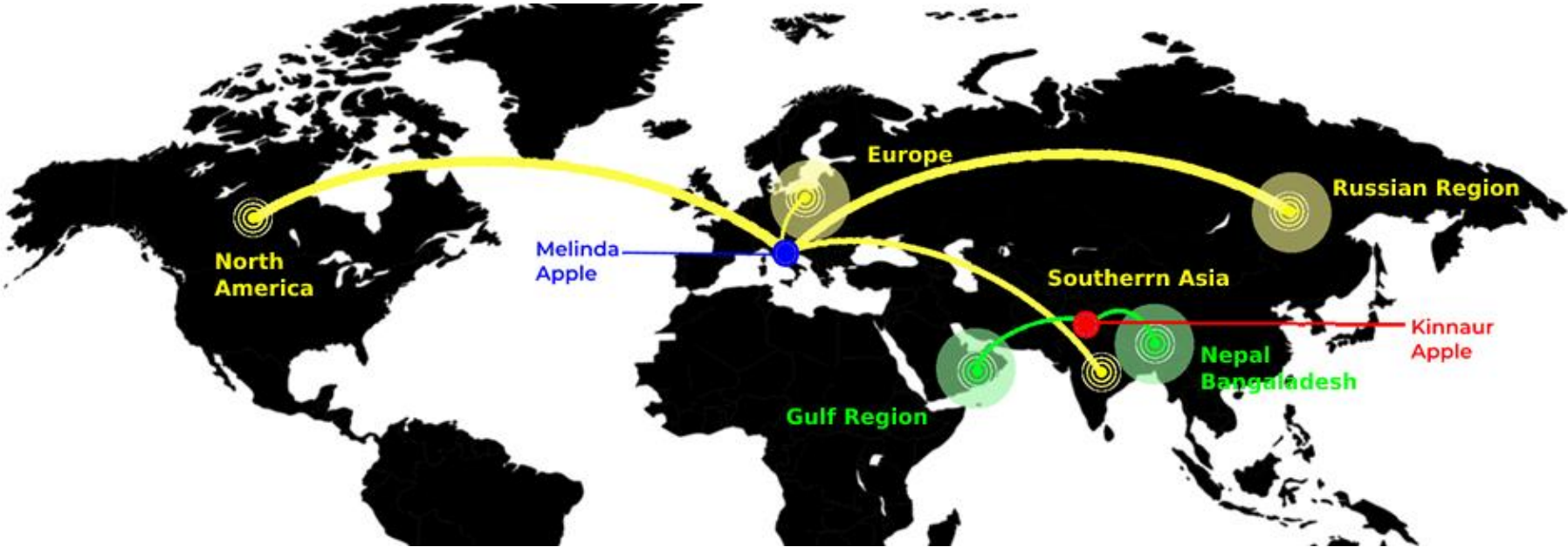
15-25%

Source: APEDA (2021), PIB, FAO, Doubling Farmers' income Report

Vision



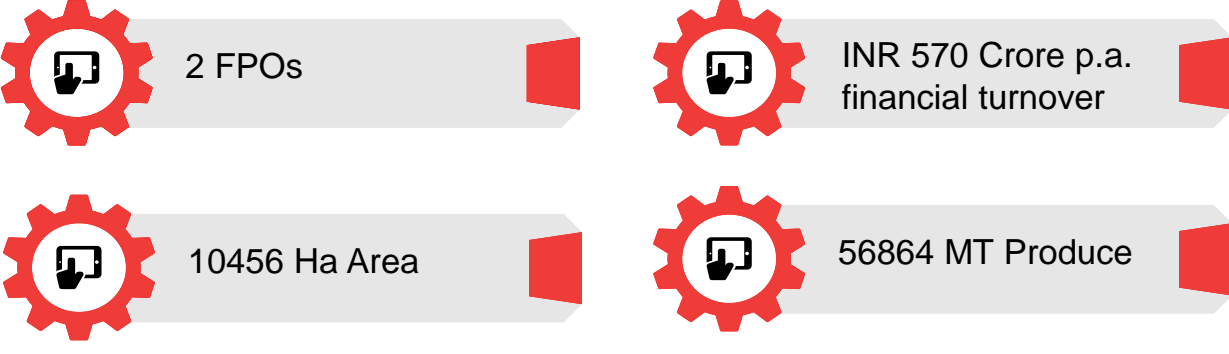
Melinda Apple vs Kinnaur Apple



Melinda Apple (Trentino, Italy)



Kinnaur Apple (Himachal Pradesh)



Melinda Apple was able to produce over **~5X** more Apple than Kinnaur in **1/2** of the area in comparison

Transformation of Clusters through private sector



~27%

India's share in global banana production

<0.1%

India's share in global export

6 Bil.

INR

India's share in global export

India V/s Ecuador



<5%

Ecuador's share in global banana production

~30%

Ecuador's share in global export

242 Bil.

INR

Ecuador's share in global export

Advantage Ecuador

- Banana Specific policies
- Dedicated ports adjacent to banana growing areas
- 70% of the farmers have Global GAP or related certifications
- Private sector participation for e.g. Dole, Chikita, Del Monte etc.

Case study of Anantapur, Banana

State Horticulture Department tie-ups

- With the likes of ITC, INI Farms, Desai Farms & Constrochem
- ICCOA initiated market linkages for the benefit of the FPO farmers in marketing of their produces

KISAN Rail - South Central Railways (SCR) in coordination with Container Cooperation of India (CONCOR)

- From Anantapur to Jawaharlal Nehru Port Trust (JNPT), Mumbai
- **45,000 MT** of banana transported last year

Government assistance under various schemes:

- Establishment of tissue culture lab in Kadapa District near Anantapur
- Under State Development plan Innovative/GAP/New technology are implemented by providing **50% subsidy**.

Mahindra
AGRI BUSINESS



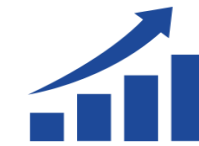
10.07%

CAGR growth rate for increase in production from 28.99 lakh MT in 2011-12 to 68.85 lakh MT in 2019-20



267%

CAGR growth for increase in exports from 246 MT in 2016-17 to 45,000 MT in 2019-20



20%

Increase in productivity to 60 MT/Hectare from 50 MT/hectare



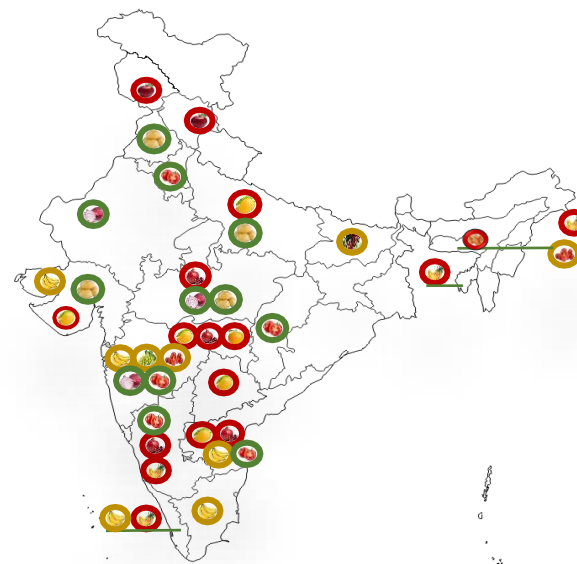
50%

Increase in price realization for farmer (From Rs 8/kg in 2016 to Rs 12/kg in 2019)

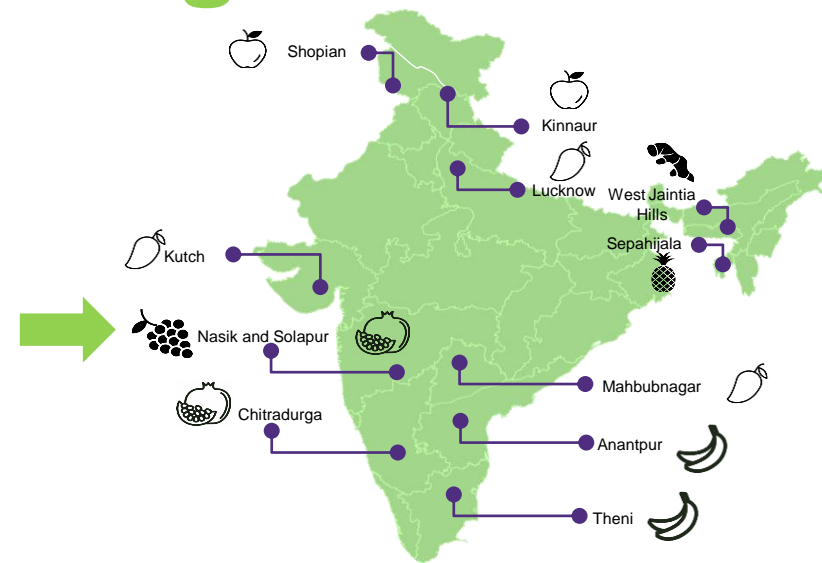
About the CDP



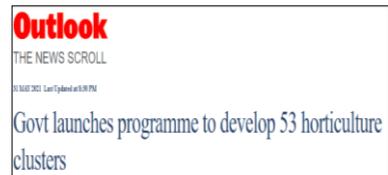
Overview of Cluster Development Programme



Identified **55** Potential Horticulture Clusters across India



12 Clusters selected under CDP for piloting



Total Web Reach
~1 Million+



30+ News Portals Coverage



Shared in **100+** Web & Blogs

Key Aspects of CDP

- 01 Central Sector Programme
- 02 Focusing on development of cluster brands and planting material
- 03 Leveraging State Government Expertise
- 04 Partnership with industry
- 05 Convergence of schemes FPO/AIF/MIDH
- 06 Area based assistance: Mega, Midi and Mini

Financial Assistance

Mega: Upto 100 Cr

- More than 15000 Ha

Midi: Upto 50 Cr

- Between 5000-15000 Ha

Mini: Upto 25 Cr

- Upto 5000 Ha

Objectives of Cluster Development Programme

01

Address the concerns of the horticulture value chain, from pre-production, production, post-harvest management and value addition to logistics, marketing and branding

02

Reduce harvest and post-harvest losses by developing/expanding/upgrading the infrastructure

03

Facilitate the dovetailing of resources, including convergence of various government schemes

04

Facilitate the introduction of innovative technologies and practices

05

Build the capacity of stakeholders and enhance farmers' income



Implementation Structure

National Horticulture Board (NHB) shall provide financial assistance and supervise the overall implementation of the programme.

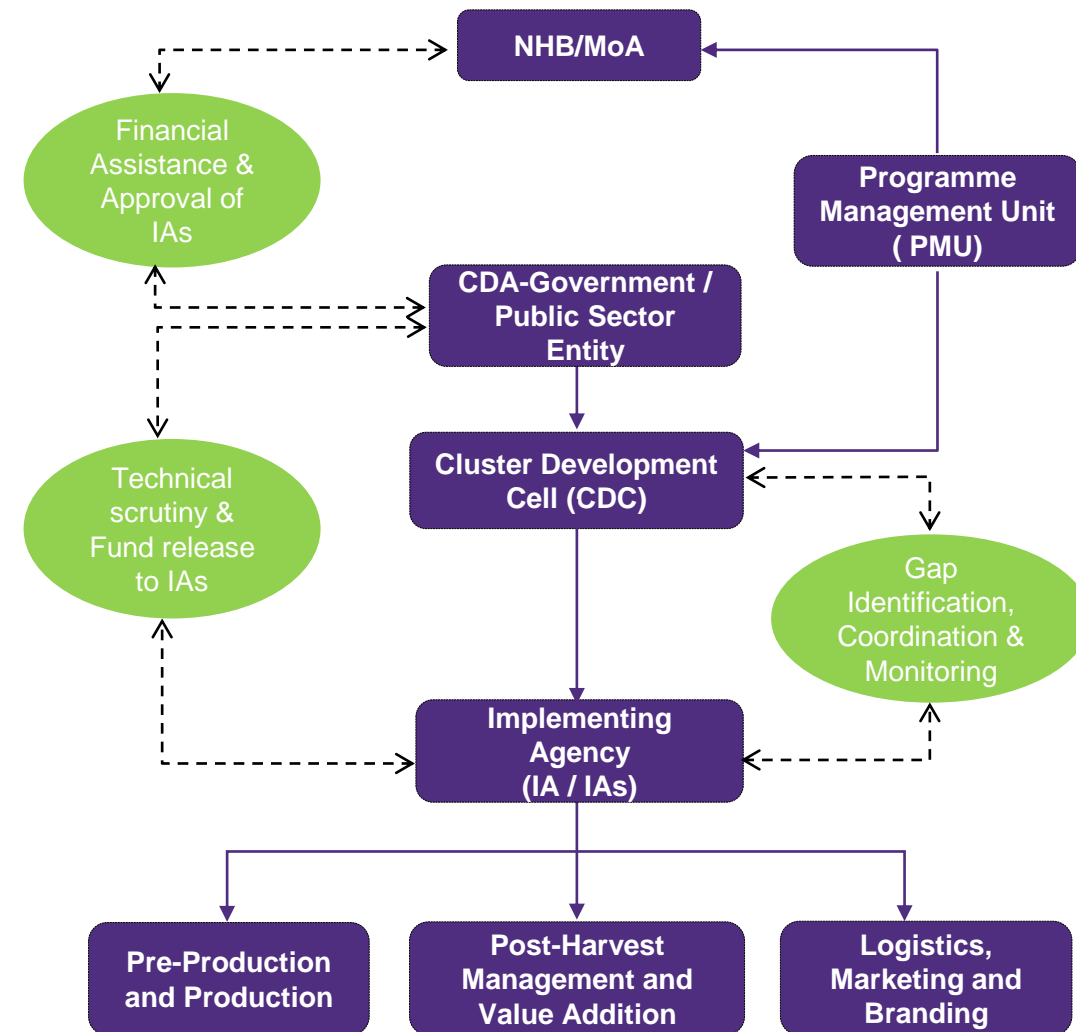
A government/public sector entity recommended by the State/Central Government shall be appointed as a **Cluster Development Agency (CDA)** for each identified cluster for the implementation of CDP.

CDA will establish a **Cluster Development Cell (CDC)** with a dedicated team of officers within the CDA for smooth implementation of the programme.

The CDAs shall **select Implementing Agency/Agencies (IAs)** through Call for Proposal in an open and transparent manner for different verticals of the Cluster, namely:

- Pre-production and production
- Post-harvest management and value addition
- Logistics, marketing and branding

The **Project Management Unit (PMU)** of NHB shall provide technical assistance to NHB and CDC for effective implementation of the CDP.



Programme Implementation Structure

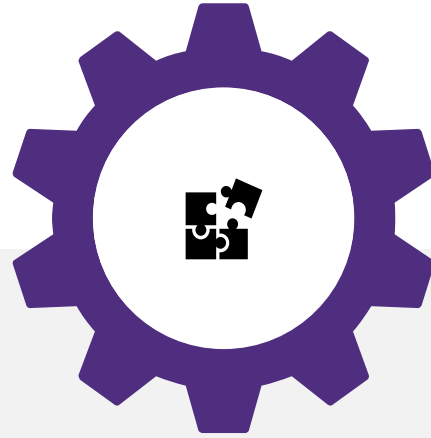
Key Activities under CDP



Parameters for Selection:

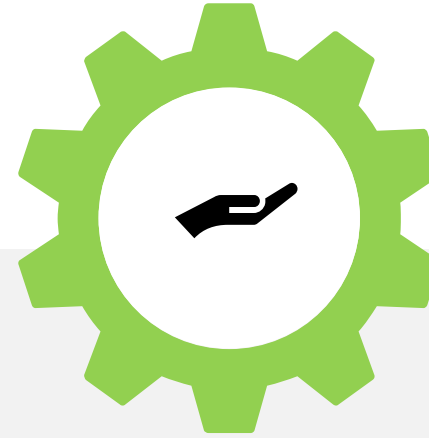
- Relevant experience in horticulture and value chain development
- Net-worth of the recommended entity must be positive
- Ongoing interventions within the cluster

Assessment of
Institutional Capacity
of Potential CDAs



- Secondary research, primary research, focused group discussions, and stakeholder discussions to identify the required gaps in the cluster
- Preparation of Cluster Gap Assessment Report (CGAR)

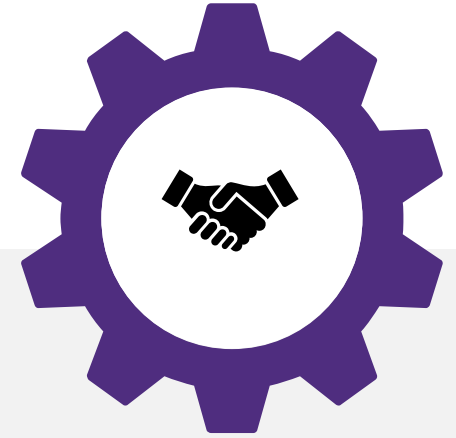
Gap Identification



Based on CGAR (Cluster Gap Assessment Report):

- Defining project cost for implementation
- Floating of Call for Proposals

Probable Interventions
& Call for Proposals



- Regular monitoring and supervision of the programme at state and central level after IAs onboarding

Onboarding of IAs &
Programme Monitoring

Appointed Cluster Development Agencies (CDAs)



**Kutch,
Gujarat**
Gujarat Agro Industries
Corporation limited



**Mahabubnagar,
Telangana**
Telangana State
Horticulture Development
Agency




**Chitradurga,
Karnataka**
KAPPEC



**Sepahijala,
Tripura**
Tripura Horticulture
Corporation Limited



**Shopian,
Jammu & Kashmir**
JKHPMC





**Anantapur,
Andhra Pradesh**
AP Horticulture
Development Agency



**Nashik,
Maharashtra**
MSHMPB



**Solapur,
Maharashtra**
MSHMPB



**Lucknow,
Uttar Pradesh**
RFRAC



**Theni,
Tamil Nadu**
TANHODA



**Kinnaur,
Himachal Pradesh**
HPMC



**West Jaintia Hills,
Meghalaya**
Meghalaya State
Agriculture Marketing
Board

Impact of CDP



~1 Million

Farmers will be benefitted

~9 Lakh Ha

Area will be covered

~18 Million MT

Produce will be handled

20-25%

Expected increase in Exports

~ ₹ 10000 Cr

Expected Total Investment

11%

Post-infrastructure coverage in clusters



~250 Nurseries



~25000 Ha GAP Certified Area



~3000 Packhouses



~460 Cold Storages



~300 Processing Units



~1800 Collection Centres



~750 Refer Vans

Based on the calculations of 55 clusters

Current Progress



Current Status



3

Applications to be considered by Approval Committee after recommendation of EC

- **Anantapur (1)**– Recommended by EC
- **Shopian (1)**– Recommended by EC
- **Sepahijala (1)** – Evaluation is under process

9

RFP Re-published

- Kinnaur (Apple)
- Lucknow (Mango)
- West Jaintia Hills (Turmeric)
- Kutch (Mango)
- Nashik (Grapes)
- Solapur (Pomegranate)
- Theni (Banana)
- Mahabubnagar (Mango)
- Chitradurga (Pomegranate)

Selection Process



Eligibility of IAs



The applicant entity should have a **net-worth of minimum two times of the proposed equity** contribution as per the latest audited balance sheet.



IA should contribute at least **20% of the eligible project cost** as promoters' contribution.



IA must bring at least **20% of eligible project cost as term loan** from scheduled commercial banks/ RBI approved Financial Institutions (FIs).



In-principle¹ or final term loan sanction by bank along with the bank appraisal note.



IA must have **relevant experience** as an agri/ horti input supplier/ producer/ aggregator/ trader/ food processor/ exporter/ retailer/ logistics provider, etc., depending on the vertical applied for.



The applicant entity and/or its shareholder(s)/partner(s)/director(s)/key management person has **not defaulted on its debt obligations** in the last three years and should not appear in the RBI list of wilful defaulters or any such list by a competent authority in their respective jurisdiction.

Note: ¹In case of in-principle sanction letter, the final term loan sanction letter should be submitted within 2 months from the date of issue of final approval letter.

Marking for the Applicants

Marking for the applicants will be based on following points:



Net Worth



Debt Equity Ratio



Possession of appropriate land in the cluster



Export Turnover



Existing brand/trademark name in horticulture



Leverage investment (equity and term loan)



Net Current Asset



Export Linkages/Trade Experience

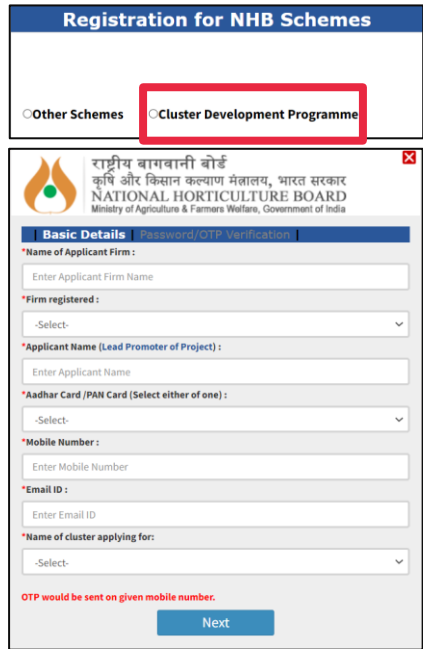


Investment on capacity building of the farmers

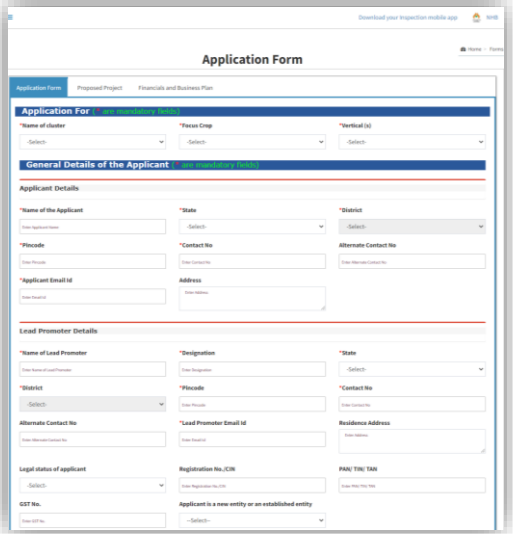
Application Process



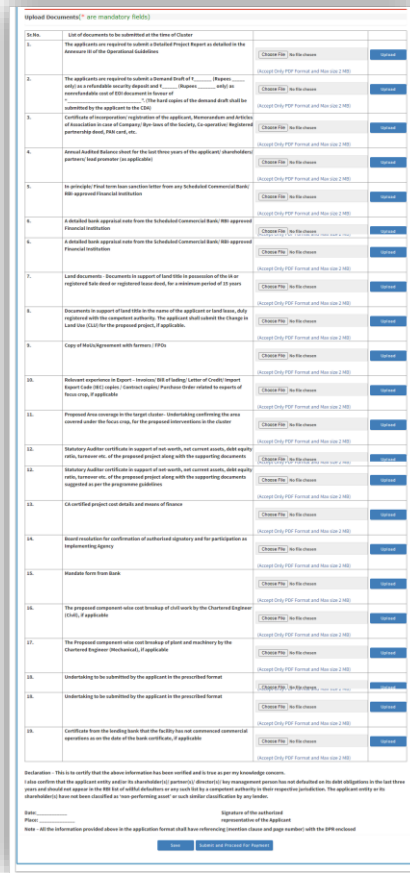
Step 1: Go to www.nhb.gov.in & click on the green box on the top



Step 2: Register to fill the application



Step 3: Fill out the application



Step 4: Upload the documents online

Onboarding of Implementing Agency

Approval Committee will make the final selection of IAs after taking into consideration the recommendation of Evaluation Committee and presentation made by the IAs.

Step 6: Approval Committee

Evaluation Committee will conduct the technical evaluation of proposals received in response of Call of Proposal

Step 5: Evaluation Committee

Benefits to IAs



Up to 100 Cr of Financial Assistance per cluster depending upon the size of the cluster



One Stop Solution for complete value chain of the commodities



State government support in setting up of the project



Convergence with various ministries like Railways, Shipping & Waterways, Road Transport & Highways etc.



Special preference in schemes of AIF, Operation Greens, APC and APEDA



Located in well established horticulture clusters

Case Study



Major components proposed in CGAR & by XYZ Ltd. (IA)

Pre-Production & Production

Post Harvest Management & Value Addition

Logistics, Marketing & Branding

CGAR

- Setting up of Hi-Tech nursery
- Import of Planting Material
- Plant Health Clinic/Soil Testing Lab
- Ultra-High-Density Plantation
- Farm Mechanization
- Micro Irrigation
- Adoption of INM & IPM
- Adoption of Organic farming
- Adopting of New Practices, innovations & Technology - i.e., Traceability, Precision Farming, Farm Geo-Tagging/GT Tagging, Farm Digitalization, Weather Monitoring
- Capacity building and awareness programmes

- Integrated Pack house
- Pre-cooling unit
- Cold Room
- Controlled Atmosphere (CA) Storage
- Primary Processing Centres
- Collection Centres
- Apple Processing & Value Addition Unit
- Quality Control Analysis Lab
- Packaging infrastructure Unit- Tetra pack, Vacuum Packaging, Gift Pack Bulk Carton Packaging with the requisite tray system

- Refrigerated vehicles
- Rural Markets/Apni mandies/Direct markets
- Upgradation of Hi-Tech Mandi to Super Hi-Tech Mandi
- Market Promotion Infrastructure & Activities
- Digital Marketing
- Workshops/Exhibitions
- Branding & Marketing activities for promotion of Cluster Brand abroad & domestic market

XYZ Ltd.

- Setting up of Hi-Tech nursery
- Import of Planting Material
- Soil Testing Lab
- Farm Mechanization
- Adoption of INM & IPM
- Anti Hail Nets / Crop Care Practises
- Adopting of New Practices, innovations & Technology - i.e., Traceability, Precision Farming, Farm Geo-Tagging/GT Tagging, Farm Digitalization, Weather Monitoring
- Capacity building and awareness programmes

- Integrated Pack house
- Cold Room
- Controlled Atmosphere (CA) Storage
- Primary Processing Centres
- Collection Centres
- Apple Processing & Value Addition Unit (Apple Juice, Slicer, Dried Apple)
- Quality Control Analysis Lab

- Refrigerated vehicles
- Upgradation of Hi-Tech Mandi to Super Hi-Tech Mandi
- Digital Marketing
- Workshops/Exhibitions
- Branding & Marketing

Cost Norms

S. No.	Pre Production & Production (As per CGAR)	MIDH	Others
1	Setting up of Hi-Tech nursery	√	
2	Import of Planting Material	√	
3	Plant Health Clinic/Soil Testing Lab	√	
4	Micro Irrigation	√	
5	Adoption of Organic farming	√	
6	Farm Mechanization Banks		√
7	Ultra-High-Density Plantation		√
8	Adoption of INM & IPM		√
9	Adopting of New Practices, innovations & Technology - i.e., Traceability, Precision Farming, Farm Geo-Tagging/GT Tagging, Farm Digitalization, Weather Monitoring		√
10	Capacity building and awareness programmes		√
11	Hi-Tech Polyhouse for Nursery		√
12	Nursery Specific Farm Mechanization		√
13	Cold Room for storing Nursery specific Planting Material & Quarantine station		√
14	Farm Mechanization (Individual)		√
15	Anti-Hail Nets/Crop Care Practices		√

S. No.	Post Harvest Management and Value Addition (As per CGAR)	MIDH	Others
1	Integrated Pack house	√	
2	Pre-cooling unit	√	
3	Cold Room	√	
4	Controlled Atmosphere (CA) Storage	√	
5	Primary Processing Centres	√	
6	Quality Control Analysis Lab	√	
7	Collection Centres	√	
8	Apple Processing & Value Addition Unit		√
9	Packaging infrastructure Unit- Tetra pack, Vacuum Packaging, Gift Pack Bulk Carton Packaging with the requisite tray system		√

S. No.	Logistics, Marketing and Branding (As per CGAR)	MIDH	Others
1	Refrigerated vehicles	√	
2	Rural Markets/Apni mandies/Direct markets	√	
3	Workshops/Exhibitions	√	
4	Market Promotion Infrastructure & Activities		√
5	Digital Marketing		√
6	Upgradation of Hi-Tech Mandi to Super Hi-Tech Mandi		√
7	Branding & Marketing activities for promotion of Cluster Brand abroad & domestic market		√

Note: Wherever cost norms are not available, especially in the case of digital/ innovative interventions/ branding, etc., NHB shall determine the cost of these components.

Way Forward



Timeline

S. No.	Cluster	State	Crop	CDA	RFP floated on	Last date for uploading of proposals
1	Kinnaur	Himachal Pradesh	Apple	Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited	01.08.22	30.09.22
2	Mahabubnagar	Telangana	Mango	Telangana State Horticulture Development Corporation Limited	01.08.22	29.09.22
3	West Jaintia Hills	Meghalaya	Turmeric	Meghalaya State Agriculture Marketing Board	04.08.22	20.09.22
4	Kutch	Gujarat	Mango	Gujarat Agro Industries Corporation (GAIC) Limited	26.08.22	25.10.22
5	Lucknow	Uttar Pradesh	Mango	Regional Food Research and Analysis Centre	29.08.22	14.10.22
6	Nashik	Maharashtra	Grapes	Maharashtra State Horticulture and Medicinal Plant Board	29.08.22	12.09.22
7	Solapur	Maharashtra	Pomegranate	Maharashtra State Horticulture and Medicinal Plant Board	29.08.22	12.09.22
8	Theni	Tamil Nadu	Banana	Tamil Nadu Horticulture Development Agency	25.08.22	25.10.22
9	Chitradurga	Karnataka	Pomegranate	Karnataka State Agricultural Produce Processing and Export Corporation Ltd.	08.09.22	06.10.22

Next Steps

As **Evaluation Committee** submit its recommendation for **Implementing Agency** and shall submits similarly for other **Eligible Applicants**. **Approval Committee** constituted at NHB level shall re-evaluate the documents for taking in-to consideration and **Presentation** made by IA on a scale of **50**.

Recommendation by Evaluation Committee

Approval Committee at NHB level will now score the IA after taking consideration the recommendation of **Evaluation Committee** and **Presentation** made by IA on a scale of **50**

NON-JUDICIAL STAMP PAPER OF RS.100/-
**Execution of MoU
b/w CDA and IAs**

**Selection of IA and Issuance
of Final Approval Letter**


National Horticulture Board
Ministry of Agriculture & Farmers Welfare, Government of India
Plot No.85, Sector 18, Institutional Area, Gurugram, Haryana- 122015, India
www.nhb.gov.in

To,

Dated: __.09.2022

90 Days
Compliance

**Commencement of
Implementation**

**Monitoring of the
Project and
Release of Subsidy
after due diligence**

MEMORANDUM OF AGREEMENT
This Agreement ("Agreement") is entered into on this ____ date of ____ at ____.

BETWEEN

AND

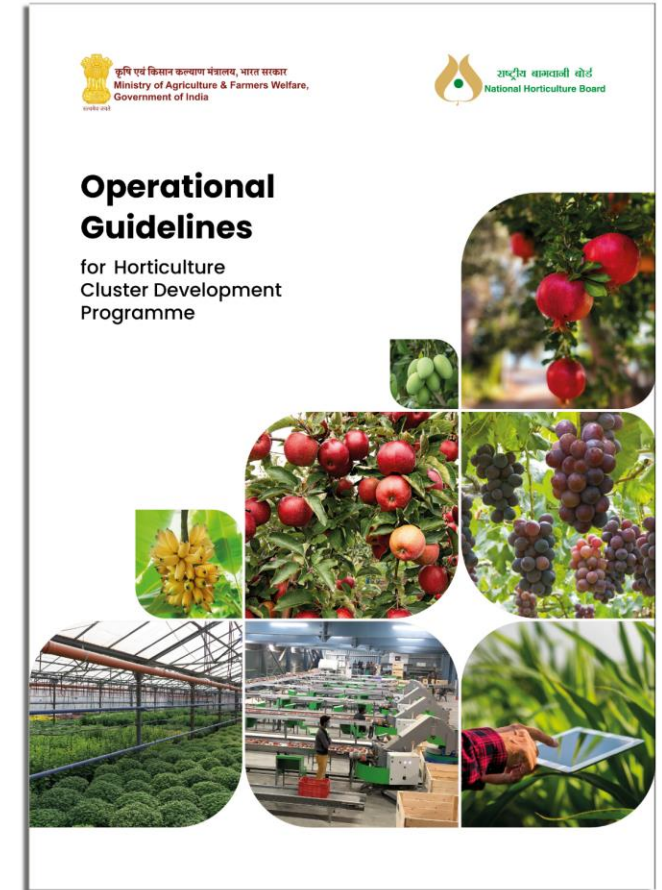
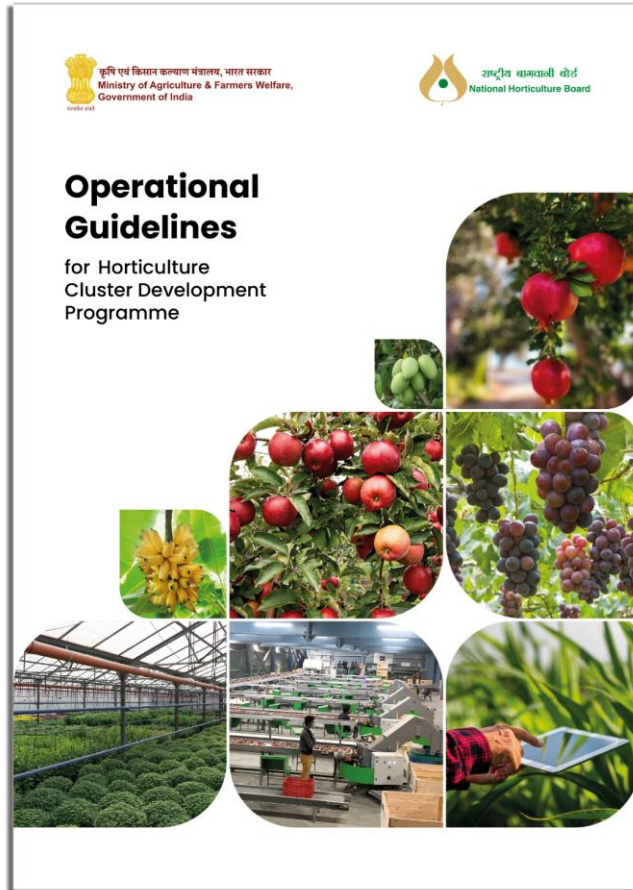
WHEREAS

- a) Pre-production and Production
- b) Post-Harvest Management & Value Addition
- c) Logistics, Marketing and Branding

- a) Pre-production and Production
- b) Post-Harvest Management & Value Addition
- c) Logistics, Marketing and Branding

Scan the QR Code to Get Your Copy Online

Operational Guidelines | Cluster Development Programme



Contact Details

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Grant Thornton

Thank You

