

SECTION - 1

Guidelines

SCHEME - Development of Commercial Horticulture through production and post harvest management of horticulture crops

COMPONENT - Production related - Hi-tech commercial production of vegetables in open field

1. Aims & Objectives

- i. To encourage hi-tech commercial cultivation of vegetable.
- ii. To promote Capital Investment in land development, irrigation, farm mechanization, specialized transport & PHM, so as to achieve high production and substantial growth.
- iii. Sustained increase in productivity, Reduction in Pre and Post Harvest Losses.

2. Pattern of Assistance

Credit linked back-ended subsidy @ 20% of the total project cost limited to Rs 25 lakh per project in general area and Rs 30.00 lakh in NE Region, Hilly and Scheduled areas.

3. General conditions

- i) ***The above assistance shall be available for projects covering area above four hectares (above 10 acres) in case of open field cultivation in general area and 5 acres in NE, hilly/scheduled area.***
- ii) Credit component as means of finance of the project should be term loan from banking or non banking financial institutions and should be at least 35% (i.e. 15% more than the admissible rate of subsidy.)
- iii) Projects shall be appraised to ensure and enable entrepreneur to incorporate essential hi-tech components in the form of planting material, plantation, irrigation, fertigation, vermin-compost unit, precision farming, on farm PHM related infrastructure, GAP etc.; and to that extent, the project shall be integrated in nature.
- iv) Normative cost of various components shall be prescribed by NHB.

4. **Date of coming in to force:** The Scheme Guidelines shall be effective from 01.07.2011.

5. **Eligible Organizations**

Unless otherwise specified, organizations/promoters, such as NGOs, Association of Growers, Individuals, Partnership/Proprietary Firms, Companies, Corporations, Cooperatives, Agricultural Produce Marketing Committees, Marketing Boards/ Committees, Municipal Corporations/ Committees, Agro-Industries Corporations, SAUs and other concerned R&D organizations are eligible to get assistance under the NHB schemes

6. **Guidelines**

Unless other-wise specified, the Guidelines as applicable under Board's scheme no. 1 namely "Development of Commercial Horticulture through production & post harvest Management of horticulture crops" shall be followed. Details and Application form available on website: nhb.gov.in.

Pre-conditions- Benefits of assistance for vegetables in open field conditions will be extended as follows:-

A. **Mandatory Components in Project:-**

- (a) Minimum project land area of 10 acre in a single project or in cluster of projects at one location. However, in hilly States and NE Region the project land area limit will be of five acres. Promoters of projects in clusters must form self help group and invest in developing common infrastructures, such as farm mechanization, PHM, transport vehicles jointly for the self help group, as investment for these by individual promoter may not be economically viable.
- (b) There should be assured irrigation for project land and not just protective irrigation. Therefore, irrigation source must be developed first (if not pre-existing) to ensure compliance with this condition.
- (c) Project must comprise of at least one component out of (a) farm mechanization namely, tractor / power tiller with suitable attachments and (b) transport vehicle; in addition must have components of infrastructure for post harvest management such as pack house with or without cold room / store room with CIPHET design and vermin compost unit.
- (d) Promoter must have undergone an organized institutional training of minimum five days' duration which has been organized by NHB after the selection of beneficiary but before starting project implementation.

B. **Conditions regarding project land:-**

- a. In village panchayat area, not covered by Town Planning / Urban Development Plans

the scheme will be extended on agriculture land outside inhabited part of village / gaathan / basti area,

- b. Land for which NA permission has been taken or applied for will not be eligible for this benefit,
- c. Land which is under notification of land acquisition under any Act will not be eligible for benefit under this scheme,
- d. Subject to above conditions, preference will be given to project land which, according to entries in revenue records, has been under cultivation of vegetable crops during last three years.
- e. In areas falling under Town Planning Zone or Urban Development Plan, it will be extended only on areas falling in agriculture zone, if any.

Note- Revenue Officer's certificate to the effect will suffice for the conditions (a) to (d) above and Town Planner of Planning Authority of City / Town will suffice for the purpose of condition (e) above.

C. Undertaking to take up vegetable production in future:-

The promoter should provide crop rotation plan for three years with at least one vegetable crop in a year. He should also undertake vegetable production during minimum of three financial years continuously and report the same in advance to Bank and NHB for inspection of crop. Evidence of beneficiary having availed crop loan from Bank for production of vegetable crops may be treated as sufficient evidence for this purpose. Layout plan of the field may also be obtained if vegetable project has been taken on a part of the project land. Wherever, applicable, crop insurance should also be made for the vegetable crop during this period of three years. In case, the beneficiary fails to do so, the subsidy amount will be liable to be recalled.

Component-wise Cost Norms/Limit and Pattern of Assistance

Component	Pattern of Assistance
Maximum Cost ceiling/Acre	<ul style="list-style-type: none"> Rs. 1.50 lakh per acre for all vegetables crops in open field cultivation.
Land	<ul style="list-style-type: none"> Actual cost or up to 10% of Eligible Project Cost (EPC) (excluding cost of Land & Land Development) whichever is less. Admissible only if purchased newly but not before one year from the date of LOI application.
(a) Land Development, Bed Preparation, (b) Fencing	<p>(a) Actual or up to 5% of the project cost excluding cost of land, cost of fencing and farm mechanisation, transport vehicles, plastic crates, permanent support system / staging structure etc.</p> <p>(b) Cost of fencing by barbed wire @ Rs140/running M but not exceeding 10% of the Eligible Project Cost (excluding cost of Land & Land Development and cost of fencing and farm mechanisation, transport vehicles, plastic crates, permanent support system / staging structure etc.) whichever is less. Barbed-wire fencing must have minimum 5-6 rows of horizontal wires plus two diagonal runs on 8 Ft. high poles and stakes of minimum 75 /75 mm angle section which are spaced not farther than 3 M from one another with stays.</p>
(C) Tunnel net / shade net for production of seedling etc.	(c) @ Rs. 250/ per sq m, as per requirement, if undertaken on project land
Cultivation Expenses including cost of seeds and seedlings / nursery raising and cost of farm inputs	<ul style="list-style-type: none"> Rs.10,000/- per acre for all vegetable crops. Purchase of seeds must be from a licensed seed shop for which proper money receipt should be procured.
Drip Irrigation System/Sprinkler	<ul style="list-style-type: none"> Project land must have sufficient and suitable water availability. Assistance for non-existing component as per cost norm i.e. <ol style="list-style-type: none"> Drip Irrigation system with fertigation unit - Actual or up to Rs. 20,000/- per acre Sprinkler actual or up to Rs.10,000/- per acre

Component	Pattern of Assistance
Irrigation System	<ul style="list-style-type: none"> • Admissible only within overall Cost ceiling for newly created irrigation infrastructure with loan appraisal. Per unit cost of tube-well will be admissible as under, but within overall cost ceiling:- <ol style="list-style-type: none"> a. Up to 500 feet and 40 hp motor:- Least of the Actual or Rs. 2.00 lakh per unit maximum up to two units. b. Above 500 ft and 40 hp motor:- Least of actual or @ Rs. 5000/- per hp motor subject to maximum of Rs. 4.00 lakh per unit maximum up to two units.
Farm tools and Equipment	<p>Admissible within overall cost ceiling of Rs. 1.50 lakh per acre for following components:</p> <ul style="list-style-type: none"> • Tractor with trolley & accessories actual limited to Rs.4.00 lakh per project • Power tiller actual limited to Rs.1.50 lakh per project • Other farm tools, sprayers, dusters, planter and or harvester, inter-culture as per requirement of crops- actual limited to Rs.1.50 lakh per project.
Pack House / Store room	<p>It is essential component in all cases where it is not available at the farm. Minimum 200 Sq. ft and maximum up to 500 sq. ft built up covered area @ Rs.250/- per sq. ft. Low cost Evaporative Cooled Room Model prepared by CIPHET may be prepared as packing/ storage room. Mechanized cold room / pre-cooling/ grading and packing facility will be over and above this and will be covered by another sub component of the scheme of NHB.</p>
Specialized Transport Vehicle (carriage type three wheeler or transport van up to 3 MT loading capacity)	<ul style="list-style-type: none"> • Actual cost limited to Rs.1.50 lakh for project land from 10 to 20 acres. • Actual cost or up to Rs.3.00 lakh, whichever is less, for project land more than 20 acres;
Plastic Crates including "Kiltas"	<ul style="list-style-type: none"> • Maximum up to 15 crates per acre not exceeding 20 kg capacity and cost limit of Rs.200/- per crate • Maximum cost ceiling up to Rs.50000/- per beneficiary • Assistance @50% of cost over and above cost ceiling. • Plastic crates essential component in case availing assistance for specialized transport vehicle

Model Project for Cultivation of Vegetables in 10 acres (With Sprinkler)

Note:- Maximum cost ceiling per acre - Rs.1.50 lakh for all vegetable crops in open field

COMPONENT	TOTAL		
	UNIT COST	QTY	COST (in Rs.)
A - LAND	10%	10 Acre	125000
<ul style="list-style-type: none"> Admissible only if, newly purchased i.e. not before one year from the date of LOI application Cost considered after excluding cost of land & Land Development. 			
	SUB TOTAL		125000
B - Land Development			
<ul style="list-style-type: none"> Cost to be considered after excluding cost of land & Land Development. 			
Leveling & Dressing	5%	10 Acre	62500
Fencing & Gates (Rs.140/- running meter)	10%		125000
	SUB TOTAL		187500
C - CIVIL STRUCTURE			
<ul style="list-style-type: none"> Minimum 200 SFT and maximum 500 SFT built up covered area @ Rs250/- per SFT. Cool room model prepared by CIPHET. Mechanized cold room/Pre-cooling and G/P facility will be over and above cost ceiling and will be covered by another sub-component of the schemes of NHB) 			
Pack House/Store Room*	250	200 Sq. Ft	50000
	SUB TOTAL		50000
D - PLANT & MACHINERY			
Vermi Compost Unit (Cost of Shed & machinery)	Per Project		50000
	SUB TOTAL		50000

COMPONENT	UNIT COST	QTY	COST (in Rs.)
Irrigation system			
Bore-well with 40 hp motor (Up to 500 FT) Note:- Above 500 FT additional Rs.5000/- per HP subject to maximum ceiling of Rs.4.00 lakh.	200000	1 No.	200000
Sprinkler system (Cost of Drip irrigation up to Rs.20000/- per acre, if installed in lieu of sprinkler, would be admissible)	10000	10 Acre	100000
	SUB TOTAL		300000
Farm Equipment Machinery	150000	Per Project	150000
Cost of Tractor with trolley & accessories (Cost of Power tiller maximum Rs.1.50 lakh per project)	400000	Per Project	400000
	SUB TOTAL		550000
E - COST OF PLANTATION			
Planting Material includes cost of seed and seedlings/ nursery raising and farm input	10000	10 acre	100000
	SUB TOTAL		100000
PHM Components			
Spl. Transport Vehicle	150000	Per Project	150000
Plastic crates including Kilta	200	150 No's	30000
	SUB TOTAL		180000
TOTAL			1542500

