



कृषि, सहकारिता एवं किसान कल्याण विभाग
Department of Agriculture Cooperation
& Farmers Welfare



राष्ट्रीय बागवानी बोर्ड
NATIONAL HORTICULTURE BOARD

Horticulture Cluster Development Programme

Strengthening the Horticulture Sector



#GT Bharat
SHAPING A VIBRANT INDIA

Programme Management Unit

Background

India is the second-largest producer of horticulture crops globally, accounting for approximately 12% of the world's production of fruits and vegetables. Due to its high remunerative capability, the horticulture sector has emerged as one of the potential agriculture enterprises that will accelerate the growth of the Indian economy.

With a view to enhance the global competitiveness of the Indian horticulture sector, the Ministry of Agriculture and Farmers Welfare (MoA&FW), Government of India, has announced the Cluster Development Programme (CDP) for the horticulture sector. It is a Central Sector programme implemented by the National Horticulture Board (NHB).

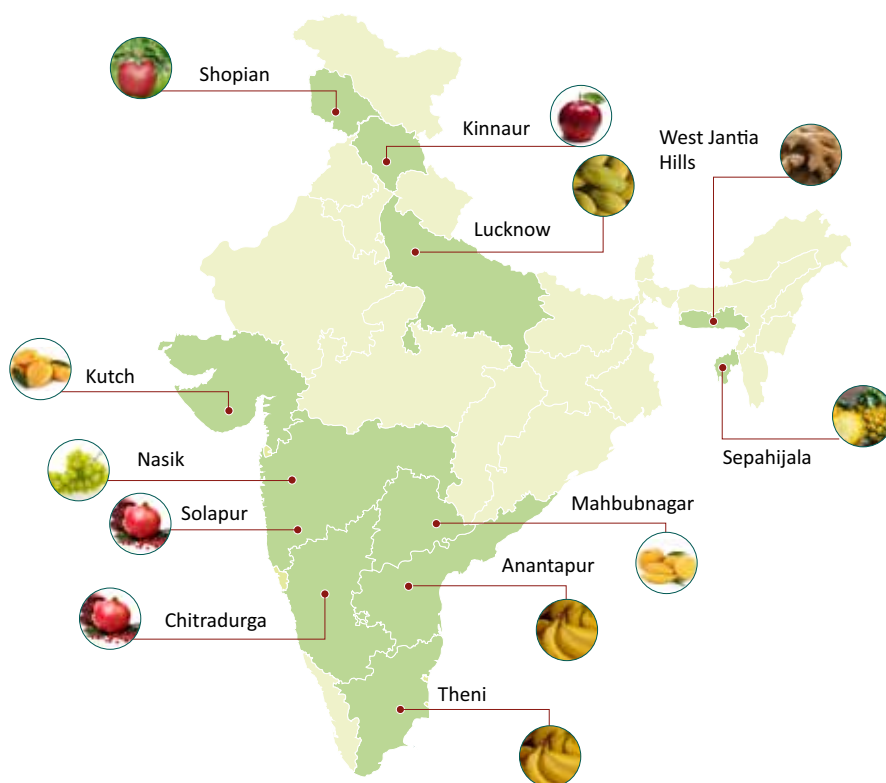


Introduction

- Implemented by National Horticulture Board (NHB) for holistic growth and development of identified horticulture clusters for making them globally competitive.
- Horticulture cluster is a regional/geographical concentration of targeted horticulture crops, offering scope for specialisation in pre-production, production, post-harvest management, logistics, marketing and branding. These clusters provide growth and development opportunities to stakeholders including farmers/producers, traders, aggregators, agribusiness enterprises, logistic players, retailers, processors, exporters and other public and private operators.
- Based on the learning, output and outcome of the pilot implementation of Cluster Development Programme in 12 clusters, the programme will be rolled out to cover all 53 horticulture clusters identified by MoA&FW.
- The programme envisages following outputs:

Adoption of Good Agricultural Practices and Global Best Practices leading to better quality and reduction in the cost of produce	Increased productivity and production through the availability of true-to-type planting material and promotion of new varieties	Infrastructure development to improve shelf life and reduce post-harvest losses	Development and Adoption of multimodal transport (road, railways, sea and air) system, resulting in lower transit time and efficient evacuation of the produce
Creation of distinct 'Cluster Brands'	Increase in quantum of exports	Climate-resilient horticulture production	Increase in investments in the sector through private sector participation

Clusters and value chains identified for pilot launch of CDP-12 Clusters in 11 States



Objectives

- 01 Address the concerns of horticulture value chains in an integrated manner to accelerate competitiveness in the domestic and export markets.
- 02 Reduce harvest and post-harvest losses by developing/expanding/upgrading the infrastructure for post-harvest handling of produce, value addition and market linkages.
- 03 Facilitate introduction of innovative technologies and practices that will help to enhance the global competitiveness of focus cluster crops.
- 04 Facilitate the dovetailing of resources, including the convergence of various government schemes, to entrench stakeholders in the global value chains.
- 05 Build capacity of stakeholders and enhance farmers' income through cluster-specific interventions including brand promotion.

Key Features

CDP will support integrated interventions to enhance the competitiveness of targeted clusters. The interventions have been classified into the following three verticals:



Pre-production and Production

Support capacity-building of farmers and farm proximate interventions covering crop lifecycle, including planting material, crop-care practices and farm mechanisation until the harvest of the crop.



Post-harvest Management and Value Addition

Support interventions at the cluster level, ranging from post-harvest handling of the produce during transportation to storage, value addition and packaging.



Logistics, Marketing and Branding

Support interventions to link cluster produce with consumption markets and seamless logistics for efficient evacuation, cluster branding and outreach in the domestic and export markets.

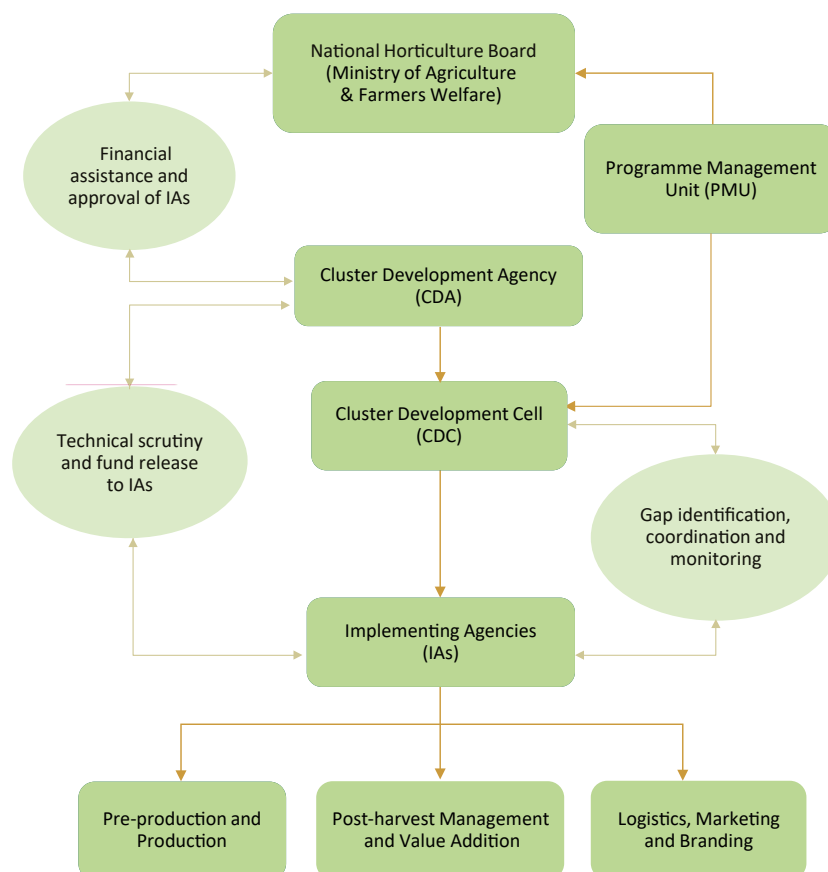
Implementation Framework



The implementation structure of the programme is detailed below:

- NHB shall provide financial assistance and supervise the overall implementation of the programme.
- A government/public sector entity, recommended by 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.
- CDAs shall select the Implementing Agency(ies) (IAs) by floating Call for Proposals in an open and transparent manner for the all three identified verticals of the Cluster Development Programme.
- PMU shall provide technical assistance to NHB and CDA for the effective implementation of CDP.

Programme Implementation Structure



Coverage and Pattern of Assistance

The clusters have been classified into Mega, Midi, and Mini clusters based on the area coverage. The pattern of assistance for each clusters is proposed to be as under:

Sl. No.	Cluster Category	Parameter Area* of cluster in Hectares	Amount of financial assistance admissible per cluster (INR in crore)
1	Mega	More than 15,000	Up to 100
2	Midi	5,000-15,000	Up to 50
3	Mini	Up to 5,000	Up to 25

*area under the focus crop in the cluster

Considering the complexities and challenges associated with horticulture projects, the IA may dovetail assistance available under other schemes of the central/state government to improve the viability of the projects. The IA cannot avail financial assistance for the same project component/activity of the project from any other Ministry/Department of the Government of India or State Government or their agencies.

Implementing Agency (IA)

Who can apply

Any entity selected for implementing the programme will be considered as an Implementation Agency (IA).

Entities eligible for becoming IAs include Farmer Producer Organisations (FPOs/FPCs) and their Federations, Cooperatives/Societies, Partnership and Proprietorship Firms, Companies, State Agriculture and Marketing Boards and Federations and other Public Sector entities of Central/ State Governments.

Eligibility criteria

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

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

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

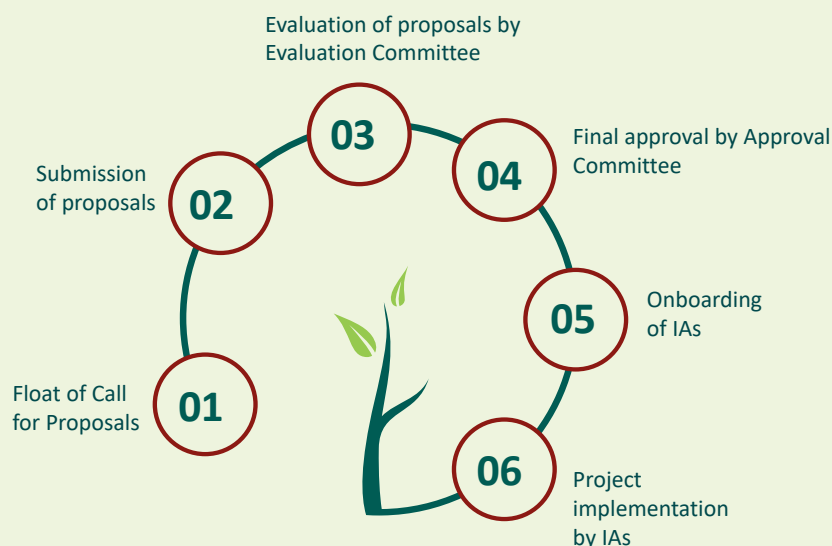
In-principle or final term loan sanction by the bank along with the bank appraisal note.

Applicant 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.



How to apply

- The CDA will float a composite Call for Proposals for all verticals of the cluster, based on Cluster Gap Assessment Report (CGAR). The applicants may submit their proposals for the respective clusters.
- Applicants will have the flexibility to apply for single vertical, multiple verticals or an integrated project covering all the verticals of the CDP for financial assistance.



Eligible Components

The actual configuration of the components will vary depending upon cluster requirements, the cluster gap assessment report and the DPR submitted by the IA. The indicative list of eligible components determining eligible project cost is as follows:

Vertical	Components
Pre-production and Production	<ul style="list-style-type: none"> • Formation and promotion of FPOs • Capacity-building of Farmers/FPOs • Awareness campaigns/exposure visits • Hi-tech nurseries and tissue culture labs • Quality control labs • Procurement/import and distribution of quality planting material • Adoption and dissemination of Good Agricultural Practices • Promotion of crop-care practices, including Maximum Residue Levels (MRL), INM and IPM practices • Micro-irrigation, farm mechanisation and advanced farming techniques like such as precision farming, high-density plantation, and usage of drones etc. • Adoption of new technologies and advanced farm machinery to enhance efficiency • Real-time market intelligence, IT/digital innovations, IoT infrastructure, traceability block chains, remote sensing, weather station and farm management software, etc. • Development and dissemination of IEC material • Technical assistance from various national and international organisations/universities/other institutes • Any other activity/components required within the vertical for holistic cluster development
Post-harvest Management and Value Addition	<ul style="list-style-type: none"> • Establishment/expansion/modernisation of cluster-level infrastructure such as including collection centres, reefer vans, integrated/pack-house, ripening chambers, pre-cooling units, cold rooms, primary processing and value addition • Cold storage infrastructure including multi/temperature-controlled atmosphere cold storages and other related utilities • Packaging standards and other ancillary facilities required for post-harvest handling of produce • Other utilities/ancillaries and material handling equipment related to the project • Any other activity/components required within the vertical for holistic cluster development
Logistics, Marketing and Branding	<ul style="list-style-type: none"> • Development of transport, cold chain and other logistic infrastructure from farm gate to the domestic market and up to the exit point for export markets • Appropriate packing, storage and material handling infrastructure to promote the use of alternative multi-modal means for seamless transport, leveraging dedicated freight corridors, Krishi Udan, Kisan Rail, inland waterways, etc. • Establishment of market linkages in identified domestic and export markets • Develop and promote distinct 'cluster brand' for identified clusters on common agreed values, such as nutritional and nutraceutical values of variety, Good Agricultural Practices (GAP), food safety and environmental sustainability, among others • Leverage e-commerce platforms and digital marketing to bring efficiency and use them as added modes of market outreach • Facilitate the development of sea protocols for long-distance transportation • GI registration, marketing campaigns (print/electronic), roadshows/buyer-seller meet, and product sampling in target markets • Collation and dissemination of market intelligence with inputs on real-time market needs, including export protocols • Other utilities/ancillaries and material handling equipment related to the project • Any other activity/components required within the vertical for holistic cluster development

The quantum of financial assistance shall be decided based on NHB/MIDH or any other applicable cost norms for various components, unless otherwise specified.

Expected Outcome



INR 10,000 crore

(INR 3,300 crore scheme outlay + INR 6,700 crore private investment)

Expected investment in CDP



80 lakh MT*

Quantum of produce to be handled



Development of 'Cluster Brands'

For each cluster and value chain



~ 20%

Expected increase in exports



10 lakh farmers

To be benefitted

*35% of coverage considered in the 53 clusters identified

For more details, log on to www.nhb.gov.in



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