

NATIONAL HORTICULTURE MISSION

Frequently Asked Questions (FAQ)

Question: Are all crops eligible for assistance under National Horticulture Mission (NHM)?

Answer: Yes, all crops except coconut and medicinal plants are covered under NHM. Coconut Development Board is implementing schemes for the development of coconut in the country. Similarly, the National Medicinal Plants Board is implementing the Scheme on National Mission on Medicinal Plants.

Question: What is a Cluster?

Answer: A Cluster, as contemplated in the NHM, comprise area of not less than 100 hectares under a horticulture crop.

Question: Are all the districts covered under the NHM Scheme?

Answer: The Scheme is being implemented in 367 district covering 18 States and 3 UTs in the country. The details of crops and district cluster are available under 'State Profile' of the web site.

Question: Whom should a farmer contact for availing assistance under the NHM?

Answer: The NHM is being implemented by the State Horticulture Mission of which the Mission Director is responsible for coordinating the programme. The contact details of the Mission Directors are given under 'Contact Us' of this web site. At the district level, the District level Committee is responsible for implementing the programme. The District Horticulture officer is the Member Secretary of the DLC, who may be contacted for availing the assistance.

Question: From which date assistance as per new norms will be available to the beneficiaries?

Answer: The new norms are applicable with effect from 1st April, 2010. However, assistance for spill over work of previous year and maintenance of area expansion activities taken up during 2008-09 and 2009-10 will be as per the pre-revised norms.

Question: Can a beneficiary avail assistance for more than one activity under the PHM component of the Scheme.

Answer: Yes. The assistance will be within the permissible limits of individual components for which integrated project proposal will have to be submitted, for approval of EC/EMC.

Question: Can a beneficiary avail assistance for area expansion activity in less than one hectare?

Answer: Yes.

Question: Can a nursery be set up in less than one hectare?

Answer: No. NHM scheme envisages a minimum area of one hectare for setting up a viable nursery to produce quality planting material.

Question: Will assistance be available for irrigation under the NHM?

Answer: Assistance will be available for creating water sources under NHM. This assistance is available only to community based projects/ Panchayati Raj Institutions/ Farmer Groups. With effect from 2010-11, individual farmers can also assistance.

Question: Can a farmer get assistance for cultivating two or more crops?

Answer: The Mission envisages a cluster approach for the holistic development of crop in the particular cluster. Hence the farmer is expected to get assistance for the main crop.

Question: Can a beneficiary avail assistance from the NHB as well as NHM for Post Harvest Management related activities?

Answer: Assistance for the same component like storage, pack houses etc could be availed only from one source.

Question: What is credit linked back ended subsidy and how is it administered?

Answer: Assistance for a number of components under NHM, particularly for the private sector involving infrastructure development such on nurseries, establishment of lab & clinics, post harvest management and marketing is in the form of credit linked back ended subsidy. It implies that the beneficiary has to avail loan from the Nationalized Banks / Financial Institution (FI) such as NABARD, IDBI, SIDBI, ICICI, State Financial Corporations, State Industrial Development Corporations, NBFCs, NEDFI, National SCST/minorities/ Backward- Classes Financial and Development Corporation, other designated loaning institutions of the State / UTs, Commercial/ Cooperative Banks, etc.

Concerned banks/ State FIs may adhere to their own appraisal norms while sanctioning projects under the scheme. The appraisal note submitted to SHM for sanction/ Claim of subsidy should invariably be the same which formed the basis for sanction of term loan.

The project should be implemented within a period of two years from the date of sanction of loan. The payment of back-ended subsidy will be made after the project has been successfully completed according to the terms and conditions of the loan/or as per the approved feasibility cum project report, as the case may be.

Upon completion of the project, the concerned Bank/FI/would inform SHM that the project had been completed (in accordance with) the guidelines of NHM and shall make a request to SHM for joint inspection of project the point inspection will be conducted in the presence of promoter. The payment of back ended subsidy will be made after project has been successfully completed according to the terms and conditions of the loan or as per the approved feasibility-cum-project report, as the case may be.

Bank /FI/NCDC, as the case may be, would submit to SHM the Utilization Certificate of the subsidy released by SHM

The subsidy assistance released by SHM to Bank/FI on behalf of the individual units which are sanctioned, will be kept in the separate account. The adjustment of subsidy will be on the pattern of back-ended subsidy wherein the full project cost including the subsidy amount but excluding the margin money contribution from beneficiary would be disbursed as loan by the banks. The repayment schedule will be drawn on the loan amount in such a way that the subsidy amount is adjusted after the bank loan portion (excluding subsidy) is liquidated.

The subsidy admissible to the borrower under the scheme will be kept in the Subsidy Reserve Fund A/c. borrower wise in the books of the financing Banks. No interest will be applied on subsidy portion by the Bank. The balance lying to the credit of the Subsidy Reserve Fund A/c will not form part of Demand and Time Liabilities for the purpose of SLR/CRR. Suitable instructions issued in this regard by the RBI from time to time would be followed.

Question: Can a farmer avail assistance for activities like mushroom production and bee keeping?

Answer: Yes, with effect from 2010-11, assistance is available for activities like (a) Integrated mushroom unit for spawn, compost production and training (b) spawn making unit and (c) compost making unit. Assistance is also available for beekeeping activities like production of bee colonies by Bee Breeders, distribution of honey bee colonies, hives and bee keeping equipments.

Question: Is assistance available under NHM for setting up food processing units?

Answer: Under NHM Scheme, assistance is available for setting up primary / mobile processing unit costing upto Rs. 24.00 lakh. For bigger units, assistance is being provided by the Ministry of Food Processing Industries.