

From

Director General Horticulture,  
Haryana, Panchkula

To

The Principal Secretary to Govt. Haryana,  
Agriculture and Farmers Welfare Department, Chandigarh.

Memo No. Hort. B-II/OF&MS(P)/2/18/II/  
Dated, Panchkula, the: -

**Subject: 2401-Crop Husbandary-119-Horticulture & Vegetable Crops (SB No. 54): Plan Scheme for “On-Farm & Marketing Support to Horticulture Farmers (SB No. 54)” for the year 2018-19.**

It is a continuing plan scheme. This Scheme was started in the year 2017-18. The scheme was sanctioned by State Govt. vide letter No. 1039-Agri.II(5)-2017/5384 dated 25.04.2017 for a total amount of Rs.5000.00 lakhs and revised outlay of Rs.5000.00 lakhs in the year 2017-18 and an amount of Rs.19932.62 lakhs has been proposed for the year 2018-19.

A complete proposal was sent to Govt. with Scheme cost of Rs. 51035.60 lakhs. After approval from the Govt., the scheme was approved by Standing Finance Committee in its meeting held on dated 06.01.2017 as Crop Cluster Development Programme (CCDP) under scheme “On-Farm & Marketing Support to Horticulture Farmers” for a period of three years and year wise break-up of approved cost estimate is given as under:

- 2017-18: Rs. 10040.90 lac
  - 2018-19: Rs. 20858.20 lac
  - 2019-20: Rs. 20136.50 lac
- Total : Rs. 51035.60 lac**

The whole expenditure shall be borne by the State Govt. in the form of assistance to Farmers Producers Organizations/Farmers Group on the innovative components which are not started so far in the State. For proper implementation of the scheme a budget provision of Rs.5000.00 lakh has been made in budget estimate of 2017-18. The first year requirement was Rs.10040.90 lakhs as per the Scheme cost. This scheme was sanctioned in January, 2018, therefore extra budget was demanded.

For the year 2018-19, Govt. has approved budget estimate of Rs. 19932.62 lakhs against total requirement of two years as Rs. 25899.10 lakhs (including balance of last year). Extra budget shall be demanded under supplementary or internal adjustment after utilization of allotted budget and on receipt of utilization certificate from SFACH.

#### 1. Scheme background

The purpose of this scheme is to collectivize farmers, especially small producers, at various levels across the state, to foster technology penetration, improve productivity,

enable improved access to inputs and services and increase farmer incomes, thereby strengthening their sustainable agriculture based livelihoods at the same time. Agriculture has globally emerged as a big business having a significant social, economic global footprint.

Organized retailing in Fresh Fruits and Vegetables (FFV) is bringing about dramatic changes in horticulture marketing in India and that requires dedicated supply chain than the traditional approach of marketing of fresh produce. This Scheme is development of backward and forward integration by creating on farm infrastructure required for organized marketing of FFV. Keeping this in view, the above scheme has been framed.

## 2. Major problems in horticulture supply chain

The farmers of the State are facing following major problems in horticulture marketing due to absence of supply chain that affect the growth of this sector:

- Aggregation of produce: Cluster formation, Farmers groups
- Market linkages: Pack-houses, Collection centers, Grading – packing & standards,
- Sanitary and phytosanitary measures - Issue of pesticide residues, microbiological contamination – pests, diseases, aflatoxins, heavy metals.
- Market access issues – legitimate barriers to trade: Domestic & export – National & International standards like IPPC & Codex
- GAP protocols, Organic farming, Quality test labs, and Pesticides residues.

## 3. Problems to be addressed

### 1) Direct Approach to Targeted beneficiaries

By aggregating farmers as Farmer Interest Groups (FIGs) and Farmer Producer Organizations (FPOs), the intended benefits shall be transferred to members of these groups through FIG/FPOs. In turn Govt. shall also support such groups by taking policy initiatives favouring technology penetration through mass media and other means.

### 2) Improvement in Quality, Grades and Standards

Quality, grades and standards, for fruits and vegetables have been established by Agmark in India. However, the specifications are largely for physical appearance and not on the safety aspects such as pesticide residue etc. Also these standards are not enforced in the domestic market. By creating farmer centric on farm infrastructure, the quality standards can be easily enforced.

### 3) Improvement in post-harvest management

Post-harvest management includes post-techniques; grading and sorting; as well as infrastructure. Currently the extension in Haryana focuses mostly on production aspects while there is very little attention to harvesting techniques and post-harvest issues. The only infrastructure available in the form of post-

harvest management is wholesale market yards. These mandies are heavily congested. Inadequate Post-harvest Infrastructures for the horticultural crops like sorting & grading facilities, inappropriate packaging material, lack of rapid transport systems, inadequate storage cold storage facilities non availability of these facilities leads to deterioration of perishable agricultural produce. Grading is generally not followed at the producer's field level. As a whole, grading facilities of the desired level have not been created. Such facilities need to be developed at pack houses / collection centers level at each and every crop clusters that will address the problem of PHM and packing and packaging.

4) Increase in bargaining power of farmers

On development of PHM infrastructure that will be controlled by FPOs/Farmer Groups they have controlling power to hold the produce and release as per the market demand. These will act as small mandies and distribution centres for the bulk purchasers. Further, they will get higher competitive prices due to quality produce and packaged and value added products. By reducing the number of players/ mediators the final produce price may decrease and thereby fewer market prices to the consumers, however, higher realization to the farmers due to less commission paid to the mediators.

5) Improvement in Agribusiness

To develop all these activities the underlined factor is Agribusiness. Agribusiness involves not one, but many interlinked industries that complement and supplement each other's business making way for one of the biggest population in the world to survive. Agribusiness, a vast area farm to fork is not as simple as it existed in the beginning of human civilization. A rather simple operation that involves raising food to selling then at markets or consuming at the farm gate has now flourished into multimillion enterprise where food from the farm travel across borders-District/State or international- to reach consumer diverse in ethnicity, culture or race. Such a wide coverage requires obviously a well-connected and coordinated industry chain.

4. Objectives of scheme:

- To develop farmer socio economic security model in the villages – farm sustainability.
- To achieve nutritional security and deliver safe food to the consumers.
- Transparent Institutional Delivery Mechanism

## 5. Strategies

The following strategies/interventions shall be taken up as part of the scheme.

- Implementation through SFACH, Farmers Groups/FPOs in Horticulture Clusters
- To Increase Area and Production under Horticulture in Next 15 Years
- Introduction and Penetration of Technologies at Horticulture Clusters
- Development of Agri-business PHM Centres & Market linkages
- Policy Initiates at Cluster Levels

To implement above strategies, the synergy amongst different scheme under implementation in the Department shall be made.

## 6. Components to be covered

- Strengthening of SFACH
- Strengthening of Baagwani Clusters & Centres for market linkages
- Support for skill development, expo and other technologies at clusters
- Infrastructure Development at CCDP Centres

## 7. Scheme cost and Means of Finance

- Scheme has been formulated for three years. The infrastructure facilities shall be created over the period in phases with focus in Baagwani Villages under Horticulture Cluster programme.
- The budget provision of Rs. 510.35 Crore has been made for three years under the Scheme and will be taken up under sanctioned plan scheme "On Farm & Marketing Support to Horticulture Farmers (SB No. 54).
- The assistance shall be provided to FPOs/Farmer Groups for logistic creation as back ended credit linked subsidy.

## 8. Management arrangement

- Director General Horticulture will be the overall controller of the Scheme and Small Farmers Agri-business Consortium Haryana (SFACH) will be the implementing body through its Managing Director. SFACH is a separate agency registered under Haryana Society Regulation Act, 2012.
- Department has formed detailed norms and guidelines and have been provided to SFACH for its implementation. SFACH will govern team of human resource to operate the entire operation after obtaining due approval.

The Scheme may be implemented as per year-wise provisions under the Crop Cluster Development Programme.

The headquarter of the scheme will be at Panchkula. The Director General Horticulture, Haryana, Panchkula will be the controlling officer of the scheme and Budget Officer will be Drawing and Disbursing Officer at the headquarter level. The funds shall

be transferred to SFACH after drawn from treasury as grant under sub head 43. The total expenditure under this scheme will be Rs.19932.62 for the year 2018-19.

The expenditure involved shall be debited to the following head of accounts:-

**“2401-Crop Husbandary-119-Horticulture & Vegetable Crops  
(SB No. 54): Plan Scheme for On-Farm & Marketing Support to  
Horticulture Farmers” in Haryana for the year 2018-19.**

It is therefore, requested to accord administrative-cum-financial sanction for this Scheme.

(Ashok Kaushik)  
Budget Officer,  
for Director General Horticulture, Haryana

Endst. No. Hort. B-II/OF&MS(P)/2/18/II/

Dated, Panchkula, the: -

A copy is forwarded to the Additional Chief Secretary to Govt. Haryana, Finance Department for information and necessary action.

(Ashok Kaushik)  
Budget Officer,  
for Director General Horticulture, Haryana

**STATEMENT OF COST 2401-CROP HUSBANDARY-119-HORTICULTURE & VEGETABLE CROPS (SB NO.54): “PLAN SCHEME FOR ON-FARM & MARKETING SUPPORT TO HORTICULTURE FARMERS” IN HARYANA FOR THE YEAR 2018-19.**

<b>Code No.</b>	<b>Component</b>	<b>Amount lakhs</b>
43	Grant for creation of Capital Assets	19932.62
	<b>Total</b>	19932.62

**B.M. 2**

**Paragraph 5,2,3,5,3,6,4,5,4,6,4,7,4,8,4.11,5.17, (ii) (a) and Appendix H**

**ANNEXURE-I**

**FORM BM2**

**MAJOR HEAD**

**(Rs. in lakhs)**

<b>Code No.</b>	<b>Major Head SUB MAJOR HEAD STANDARD OBJECT OF EXPENDITURE</b>	<b>Budget 2017-18</b>	<b>Accounts 2015-16</b>	<b>Actual of previous year 2016-17 for last 6 month</b>	<b>Actual of current year 2017-18 for first 6 months</b>	<b>Revised estimated 2017-18 proposed by Head of Deptt.</b>	<b>Budget Estimate 2018-19 Proposed by Head of Deptt.</b>
43	Grant for Creation of Capital Assets	5000.00	-	-	5000.00	5000.00	19932.62
	<b>Total</b>	<b>5000.00</b>	<b>-</b>	<b>-</b>	<b>5000.00</b>	<b>5000.00</b>	<b>19932.62</b>