



# "FINANCIAL AWARENESS TO EMPOWER FARMERS AND AGRI-ENTREPRENEURS"

**Himachal Pradesh Horticulture Development Project**  
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## “Financial Awareness to Empower Farmers and Agri-Entrepreneurs”

*Himachal Pradesh Horticulture Development Project aims to support small farmers and agro-entrepreneurs to increase the productivity, quality and market access of selected Horticulture commodities in Himachal Pradesh.*

Financial literacy provides an ability to grow, monitor and effectively use financial resources to enhance wellbeing and economic security of an individual; family and business activities. Financial literacy is an important element for promoting financial inclusion and ultimately financial stability.

The project is undertaking the awareness activities to ensure that the credit and insurance services are made available from the financial sector to the project beneficiaries, as per need.

Farm finance has become an important input due to the advent of capital intensive agriculture / horticulture technologies. Plantation of high yield varieties, micro irrigation, use of fertilizers, insecticides, costly agricultural implements etc. require lot of investment capital so as to enhance productivity.

The project has imparted awareness - to the cluster farmers to ensure that they have necessary resources required to purchase elite planting material, make critical farm investments, buying insurance product to protect their assets & crops and are also better prepared to take their decision to prudently save and invest the income being generated by the new activities being undertaken.

## Money Saved is money earned!

Financial Planning enables us to plan in advance our likely expenses, keeping in mind our level of income.



- ▶ One should have savings account in a bank. Many public benefit schemes are implemented through individual's savings bank accounts and payments are routed through their bank accounts.
- ▶ Direct Benefit Transfer to farmers is being done under the schemes **Mission for Integrated Development of Horticulture (MIDH)** [https:// midh.gov.in/](https://midh.gov.in/); **Pradhan Mantri Krishi Sinchai Yojna (PMKSY)** [https:// pmksy.gov.in/](https://pmksy.gov.in/); **WBCIS** [https:// pmfby.gov.in](https://pmfby.gov.in/); **Kissan Samman Nidhi** <https://pmkisan.gov.in/>; **MNREGA** <https://nrega.nic.in/> and subsidies under State Govt. Schemes of Department of Horticulture and Agriculture.

### Horticulture activities & credit facilities

All banks provide hassle free financial assistance, the Unit Costs for Investment Activities in Agriculture and Allied Sectors in HP are worked out every year by the NABARD and indicative costs are helpful for analysis of technical feasibility, financial viability and also for the bankability of the investments.

The project has supported development unit cost for loan product and scale of finance for High Density Plantations of fruit crops & for the year 2022-23, the unit cost approved by NABARD for High Density Plantations for various crops are as follows:-

Sr. No.	Fruit Crops	Spacing In Mts	Planting Density	Amount of Scale per Hectare**
1.	<b>Apple</b> Spur Varieties on Clonal rootstocks			
	MM-111/ M-793	3.5 x 3.5	816	14,77,463
	MM-106/M-7	3 x 3	1111	17,94,448
	M-9	1.5 x 2.5	2666	23,66,974
2.	Pear	3 x 3	1111	12,05,496
3.	Cherry	3 x 3	1111	10,18,760
4.	Stone Fruits (Peach, Plum, Apricot, Almond)	3 x 3	1111	10,18,760

5.	Mango	3 x 3	1111	8,37,166
6.	Litchi	3 x 3	1111	2,35,095
7.	Orange, Grape, Lime & Lemons	6 x 5	333	5,40,235
8.	Kinnow	4.5 x 4.5	493	9,00,068

\*\* The unit costs are revised every year and inflation of input rates are always taken into consideration.

The unit costs include labour expenses for land development, digging & filling of pits, FYM & fertilizer application, plant protection etc, cost of materials, irrigation infrastructure, other miscellaneous expenses.

### Kisan Credit Card (KCC)

Kisan Credit Card aims at providing adequate and timely credit support from the banking system under a single window with flexibility and simplified procedure for the farmers for credit requirements such as cultivation of crops, post harvest expenses, marketing of produce, maintenance of farm assets, activities allied to agriculture and consumption requirement for farmer's households. KCC also cater to the financial requirements of small and marginal farmers. Target group-all farmers-individual/joint borrowers who are owner cultivators, tenant farmers, SHG/JLG etc.

#### Short Term Limit

The short term limit under KCC is fixed as per Scale of Finance for crops as decided by District Level Technical Committee (DLTC) keeping in view the extent of area cultivated along with 10 % increase for post harvest, household consumption requirement. 20 % increase in limit for repairs and maintenance of farm assets & insurance etc with provision for 10 % increase in limit for the 2nd and subsequent years is also available.

#### Term Loan Limit

The Term loan quantum under KCC for land development, minor irrigation, farm equipment & allied activities arrived based on the unit cost of assets proposed to be acquired during period of five years and the repaying capacity of the farmers.



The maximum permissible limit is the short term loan/ KCC limit arrived for the 5th year plus loan requirement for the period.

### **Agri-Business Promotion Facility (ABPF)**

<https://hds.hp.gov.in>

Under HPHDP the Agri - Business Promotion Facility (ABPF) has been established as one of the component of Value addition & Agro-enterprise development for supporting the interested entrepreneurs in the sector of Horticulture.

Under this there is provision of matching grant for innovated projects @ 30 % of the project cost and 35 % in case of female & specially abled applicants with maximum of Rs. 60 Lakh for all category. Some of the key business opportunity in Horticulture sector:

- Setting up modern nurseries,
- Fruit and Vegetable processing,
- Apple Grading and packing units,
- Apple Cider and Chips,
- Honey production & processing,
- Support structure for high density plantation (Trellis & anti hailnet).

### **Mukhya Mantri Swavlamban Yojana (MMSY)**

<http://mmsy.hp.gov.in>

### **PM MUDRA LOAN SCHEME**

<https://www.mudra.org.in>

### **National Agriculture Infra Financing Facility**

<https://agriinfra.dac.gov.in>



## CROP INSURANCE

[https://pmfby.gov.in/pdf/Revamped%20OGs\\_Final.pdf](https://pmfby.gov.in/pdf/Revamped%20OGs_Final.pdf)  
[eudyan.hp.gov.in](http://eudyan.hp.gov.in)

**Insure your crop and safeguard the crop return!**

**“The Revamped Restructured Weather Based Crop Insurance Scheme” is applicable during Rabi 2020-21, 2021-22 & 2022-23 Seasons**

The horticulture crops covered are Apple, Peach, Plum, Mango and Citrus crops

The coverage period of different crops::

- Apple - 21st Dec. to 31st July
- Plum - 1st March to 31st May.
- Mango - 21st Dec. to 30th June
- Peach - 1st March to 30th June.

**Risks Covered** - Weather perils, which are deemed to cause “Adverse Weather Incidence”, leading to crop loss,

In case of apple, the risk covered is **Chilling Requirement** (21st December, to 31st March),

**Temperature fluctuation** (16th March, to 7th May)

**Rainfall Requirement** (1st May, to 31st July)

**Unseasonal / Excess rain** (16th March to 30th April)

**High Wind Speed** (1st May to 30th June)

The scheme is compulsory for loanee farmers obtaining loan/KCC account. Cut-off date for opting out of existing loanee - farmers from the scheme for current/ongoing season is at least 7 days before the prescribed cut-off date for enrolment i.e. by 13th Dec. of the year for apples..

The Apple, Mango, Citrus, Plum & Peach fruit crops of trees in age category more than **5 years** of age are being covered. **The Insurable number of apple trees / per Ha. of age >5 years of age are 278.**

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