

Commercial Horticulture Development in Andhra Pradesh: Opportunities under NHB Schemes

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Andhra Pradesh, located along the southeastern coast of India bordering the Bay of Bengal, has emerged as one of the most progressive horticultural states in the country. Blessed with fertile soils, diverse agro-climatic conditions and strong irrigation infrastructure supported by the Godavari and Krishna river systems, the State offers immense opportunities for scientific and commercial horticulture development. Today, Andhra Pradesh contributes nearly 15 percent of India's fruit production and is a leading producer of mango, banana, papaya, sweet orange, acid lime, tomato, chilli and cocoa. The horticulture sector has become a major pillar of the State economy, covering nearly 33 percent of the net cultivated area and generating substantial employment and income opportunities for farmers and agri-entrepreneurs.

According to recent estimates for 2025–26, horticulture crops are cultivated in nearly 19.95 lakh hectares with production of around 465 lakh metric tonnes. The sector contributes nearly Rs. 1.52 lakh crore to the Gross State Domestic Product (GSDP), reflecting its increasing economic significance. With favorable climatic conditions, extensive irrigation support and rising market demand, the sector is expected to continue growing steadily in the coming years.

Diverse Agro-Climatic Zones Supporting Horticulture

The State possesses highly diversified agro-climatic zones ranging from humid coastal belts to semi-arid inland regions and high-altitude tribal areas. Variations in rainfall, temperature and soil types enable cultivation of a wide range of horticultural crops across districts. The North Coastal Zone comprising districts such as Srikakulam, Vizianagaram, ASR, Anakapalli and Visakhapatnam is highly suitable for mango, banana, coconut, cashew, turmeric, ginger, black pepper and coffee cultivation. The Godavari Delta region with fertile alluvial soils and abundant irrigation supports coconut, banana, mango, guava and sapota cultivation, while the Krishna Delta zone is well known for mango, chillies, turmeric and vegetables.

Similarly, the Southern and Rayalaseema regions comprising Chittoor, Tirupati, Annamayya, YSR Kadapa, Kurnool and Ananthapuramu districts have emerged as important hubs for mango, sweet orange, acid lime, papaya, pomegranate and grapes cultivation. The State's strong irrigation network further enhances horticulture potential.

Strong Production Base of Andhra Pradesh:

Andhra Pradesh has established itself as a major horticulture powerhouse with strong production levels across fruits, vegetables, spices and flowers. Banana is cultivated in around 1.29 lakh hectares with production exceeding 88 lakh metric tonnes. Mango occupies nearly 3.99 lakh hectares while papaya records one of the highest productivity levels in the country. Vegetable cultivation spans more than 2.86 lakh hectares with production exceeding 123 lakh metric tonnes. Flower cultivation including jasmine, chrysanthemum and marigold is also expanding steadily due to increasing domestic demand. The State is widely recognized for commercial production of banana, mango, sweet orange, papaya, acid lime, cashew, chilli and vegetables, making it one of India's leading horticulture hubs.

National Horticulture Board – Driving Scientific and Commercial Horticulture

The National Horticulture Board (NHB), under the Ministry of Agriculture & Farmers Welfare, Government of India, has been playing a significant role in promoting integrated and sustainable horticulture development across the country. Established in 1984, NHB aims to promote scientific cultivation practices, commercial horticulture development, post-harvest management, cold chain infrastructure and market-linked horticulture development. For Andhra Pradesh, NHB schemes are highly relevant due to the State's strong horticulture base, export potential and increasing focus on value addition.

Scheme No.1.1. Commercial Horticulture Development in Open Field Conditions

Under this component, NHB provides financial assistance for commercial horticulture projects developed in open field conditions on project mode

covering areas above 2 hectares (5 acres). The scheme supports activities such as plantation development, irrigation systems, fertigation, precision farming, mechanization, land development, store rooms and labour quarters. Credit linked back-ended subsidy of 40 percent of the total project cost, limited to Rs. 40 lakh per project, is available for farmers of Andhra Pradesh. Several horticulture crops grown extensively in Andhra Pradesh are eligible under this scheme including mango, banana, papaya, sweet orange, acid lime, guava, grapes, pomegranate, cashew, coconut, black pepper and medicinal plants.



Scheme No. 1.2. Protected Cultivation – A High Value Opportunity

Protected cultivation is rapidly emerging as a profitable and climate resilient model for farmers and agri-startups in Andhra Pradesh. Under NHB schemes, commercial protected cultivation projects covering more than 4,000 square metres are eligible for financial assistance. Projects may include, poly houses, shade net houses, high-tech nursery infrastructures for fruits and vegetables, automation, hydroponic components, drip irrigation systems, fertigation units and mechanization components.



The scheme supports high-value flower crops such as gerbera, carnation, chrysanthemum, rose, orchids, lillium and anthurium, along with vegetables like coloured capsicum, cucumber and tomato. NHB provides 50 percent credit linked

back-ended subsidy with project cost eligibility up to Rs. 2 crore per family under Integrated Project Mode.



This is scheme is highly relevant to farmers of Andhra Pradesh, as the state offers tremendous potential for protected cultivation due to increasing urban demand for premium vegetables and flowers, especially near cities such as Vijayawada, Visakhapatnam, Tirupati and Hyderabad market corridors.

Scheme No. 1.3. Strengthening Post-Harvest Infrastructure

Post-harvest losses remain a major challenge in horticulture. To address this issue, NHB supports Integrated Post Harvest Management Projects. Integrated pack houses with grading, sorting and packing facilities are becoming increasingly important for export-oriented horticulture crops such as mango, banana and vegetables from Andhra Pradesh. Under the NHB schemes, financial assistance is available for various post-harvest infrastructure projects. Integrated Pack Houses with a size of 18 m × 22 m are eligible for project cost assistance up to Rs.160 lakh per unit with 35% subsidy. Ripening Chambers are supported with a subsidy of 35% on project costs ranging from Rs.1.00 lakh to Rs.1.20 lakh per MT capacity. Refrigerated Vans having 15–30 MT capacity are eligible for a maximum project cost of Rs.80 lakh with 35% subsidy. Cold Rooms (Staging Type) can avail assistance up to Rs.52 lakh at 35% subsidy. Secondary Processing Units are eligible for project cost assistance up to Rs.100 lakh per unit with 35% subsidy. Integrated Mushroom Units with 50–300 MT capacity are eligible for subsidy at 40%, with project costs ranging from Rs.75,000 to Rs.85,000 per MT capacity. Tissue Culture Units having production capacity of 10–25 lakh plants per year are eligible for project cost assistance up to Rs.250 lakh per unit with 40% subsidy. Financial assistance as

subsidy is available for many of these components under credit linked back-ended subsidy schemes.



Scheme No.2. Capital Investment subsidy scheme for construction / expansion / modernization of cold storage and storages for Horticulture Produce

NHB also provides capital investment subsidy for construction, expansion and modernization of cold storages for horticulture produce. Projects with cold storage capacity ranging from 5,001 MT to 20,000 MT as per NCCD guidelines are eligible under the scheme. Financial assistance is available at 35 percent of the capital cost in general areas. This scheme offers major opportunities for private entrepreneurs, Farmer Producer Organizations (FPOs), agri-startups and exporters to develop integrated cold chain infrastructure in the State.



Scheme No.3. Accreditation and Rating of Horticulture Nurseries

This programme of the NHB is an important initiative aimed at improving the quality, reliability, and standardization of planting material in the horticulture sector. Under this system, nurseries are evaluated based on infrastructure, mother plant management, propagation practices, plant health standards, technical manpower, and overall quality assurance mechanisms. Accredited nurseries gain greater credibility among farmers, institutions, and buyers, ensuring the availability of genuine, disease-free, and high-quality planting material for fruits, vegetables, spices, plantation crops, and ornamental plants. The rating system also encourages nursery operators to adopt scientific production methods, modern technologies, and better management practices, ultimately supporting sustainable horticulture development, higher productivity, and increased farmer confidence across the country.

Cluster Development Programme – A Transformational Initiative

The Horticulture Cluster Development Programme of NHB offers a major opportunity for transforming Andhra Pradesh horticulture through integrated cluster based horticulture development. The programme focuses on strengthening the entire horticulture value chain from production to marketing by promoting pre-production support, post-harvest management, logistics, branding and exports. Under the scheme, Multi-Commodity High Value Clusters and Peri-Urban Vegetable Clusters are being promoted with active participation of farmers, FPOs, agri-startups, cooperatives and private companies. Financial assistance is released through a transparent digital portal i.e. CDP Suraksha portal in phased instalments, while additional incentives are provided for innovative components and timely project completion.

For Andhra Pradesh, the CDP scheme has immense relevance considering the State's strong horticulture production clusters and proximity to major urban consumption centres such as Vijayawada, Visakhapatnam, Tirupati and Hyderabad market corridor. Mango clusters in Chittoor and Krishna districts, banana clusters in Godavari districts, chilli clusters in Guntur region and peri-urban vegetable clusters surrounding major cities can greatly benefit from integrated infrastructure and market-oriented interventions under the programme. The scheme can explore horticulture geographical specialisation of an area, helps to reduce post-harvest losses, stabilize market prices, strengthen export infrastructure and improve value realization for farmers. Promotion of large scale commercial cultivation of horticulture crops, protected cultivation, aggregation centres,

cold chain logistics and branding initiatives under CDP can further position Andhra Pradesh as a leading hub for high-value horticulture, processing and agri-export development in India.

Horticulture is emerging as one of the most dynamic and profitable sectors of Indian agriculture. Andhra Pradesh is uniquely positioned to become one of India's leading centres for modern horticulture, protected cultivation, value addition and agri-export development. State possesses all the necessary strengths to lead this transformation at the national level. The State's favorable agro-climatic conditions, extensive irrigation facilities, strong production base and entrepreneurial farming community provide a solid foundation for rapid horticulture expansion. The various schemes of the National Horticulture Board are creating new opportunities for farmers, FPOs, startups and agribusiness entrepreneurs to adopt scientific cultivation, protected farming, post-harvest management and export-oriented production systems. The Horticulture Cluster Development Programme can significantly improve value realization, reduce losses and strengthen market competitiveness of horticulture sector. The future of Andhra Pradesh horticulture is bright, sustainable and full of opportunities for progressive farmers and agri-entrepreneurs. For detailed guidelines, subsidy schemes, project eligibility, technical specifications and application procedures, interested farmers, agri-entrepreneurs, FPOs, startups and stakeholders may contact the following offices of the National Horticulture Board;

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