NHB Subsidy for Mushroom Farming — 2025

Integrated Mushroom Production Unit | National Horticulture Board (Scheme 1, item 1(vi)) | Prepared for MushroomWale

Source: National Horticulture Board — MIDH Operational Guidelines 2025 (dated 31.12.2024, effective 01.01.2025), as amended by Notification dated 12.08.2025 (File No. M-14011/5/2024-MIDH). Verified 2026-05-27.

Note: The 2025 mushroom component has **no flat per-project rupee cap**. Subsidy is a percentage of eligible project cost, which is computed on capacity (below). The older "Rs. 50–60 lakh cap" no longer applies.

1. Subsidy

Type: Credit-linked, **back-ended** capital subsidy — released into the term-loan account *after* project completion and joint inspection (reduces loan principal; not paid as cash).

Rate: **40%** of eligible project cost in **General areas**; **50%** in **NER & Himalayan States, Scheduled Areas, and the UTs of Andaman & Nicobar, Lakshadweep, Jammu & Kashmir and Ladakh**.

Cost norm (eligible-cost basis; EPC worked out on capacity): installed capacity **above 50 MT and up to 300 MT** in controlled conditions — **Rs. 75,000/MT** (without canning) or **Rs. 85,000/MT** (with canning), including production unit + compost-making unit.

Illustrative subsidy (maximums at the cost norm; actual = rate × lower of appraised cost or norm):

Capacity	Canning	Project-cost basis	Subsidy @ 40% (general)	Subsidy @ 50% (NE/Himalayan)
100 MT	No	Rs. 75 L	Rs. 30 L	Rs. 37.5 L
200 MT	No	Rs. 150 L	Rs. 60 L	Rs. 75 L
300 MT	No	Rs. 225 L	Rs. 90 L	Rs. 112.5 L
300 MT	Yes	Rs. 255 L	Rs. 102 L	Rs. 127.5 L

SC applicants: NHB is converged with NSFDC (term loan up to Rs. 45 lakh at 8% interest); NHB earmarks 15% of budget for SC applicants.

2. Eligibility

- **Who:** Individuals, Associations of Growers, farmer-grower/consumer groups, FPOs, Partnership/ Proprietary firms, SHGs, NGOs, Companies, Corporations, Cooperatives, Co-operative Marketing Federations, APMCs, Marketing Boards/Committees, Municipal Corporations, Agro-Industries Corporations, SAUs and R&D organisations.
- **Capacity:** integrated mushroom unit, installed capacity above 50 MT and up to 300 MT in controlled conditions.
- **Credit-linked:** a bank/FI term loan must be sanctioned (loan mandatory).
- **DPR:** bankable Detailed Project Report on NHB's model template is mandatory.
- **Land:** ownership (clear survey/plot no.) or a registered lease with RoR entry (NE/Sikkim: Government Land Possession Certificate also qualifies).
- **Timeline:** complete within 18 months of first loan disbursement (extendable by up to 6 months).
- **Standards:** conformity with NHB Basic Data Sheet (BDS), Technical Standards and NCCD/MIDH

protocols.

- **Unit of assistance:** a family or legal entity = one unit (family = husband, wife, dependent minor children).
- **Not eligible:** incomplete projects, default cases, or NPA accounts — subsidy already released is recovered with interest.

3. Documents

Stage 1 — Online application for LoC (Letter of Comfort)

- Photo of applicant / lead promoter / CEO
- Applicant signature

Stage 2 — Online application for GoC (Grant of Clearance)

Applicant / KYC:

- Self-attested PAN card or Voter ID
- Self-attested Aadhaar (if not held, follow DAC&FW procedure F.No.18-38/2018-MIDH(AAP) dated 01.08.2018)
- For Company/Society/Trust/Partnership: Registration Certificate, MoA, and Board resolution permitting the investment
- Caste certificate (self-attested) for SC/ST/OBC applicants

Land:

- Land ownership document with clear survey & plot number (English translation, self-attested, if not in Hindi)
- OR registered land lease with survey/plot number and RoR entry (latest, self-attested)
- NE/Sikkim: Government-issued Land Possession Certificate
- Copy of TSP / Scheduled-Area notification (self-attested), if claiming the higher rate

Project: Detailed Project Report (DPR) on NHB model templates.
Bank: Bank sanction letter; bank appraisal note; bank's legal search report for the project land.
Others: Photo and applicant signature.

Stage 3 — Subsidy claim (after completion + joint inspection)

- Joint-inspection request format by the Bank/FI
- Project completion certificate
- Date-wise term-loan disbursement certificate
- RTGS form with Aadhaar link (SRFA)
- Term-loan (TL) verification format
- CA expenditure statement / certificate
- Undertaking submitted along with the subsidy claim
- Declaration of non-availment of subsidy from NHM/MIDH or any other centrally sponsored scheme

How to Apply

- 1. Prepare a bankable DPR (NHB model template) with capacity in MT.
- 2. Apply online for LoC on the NHB portal.
- 3. Get a term loan sanctioned by a bank/FI.
- 4. Apply for GoC with full documents (KYC, land, DPR, bank sanction + appraisal + legal search).

- 5. Implement the project (18 months + 6-month extension), conforming to BDS/Technical Standards/NCCD/MIDH.
- 6. Joint inspection by NHB + bank.
- 7. Submit the subsidy-claim set.
- 8. Back-ended subsidy released into the term-loan account, subject to availability of funds.

Cite as: "National Horticulture Board, MIDH Operational Guidelines 2025 (dated 31.12.2024), effective 01.01.2025, as amended by Notification dated 12.08.2025." Application-form fees and IPA priority cut-off dates change — verify on the live NHB portal (nhb.gov.in) before applying. Components marked "as per MIDH/NCCD/SMAM norms" reference those external schemes.