



Department of  
**Industries & Commerce**  
Government of Jammu & Kashmir



**JKTP**   
JAMMU & KASHMIR TRADE PROMOTION ORGANIZATION

# District Export Action Plan

# Kupwara District

## Preface

This district export plan for Kupwara is being prepared as a part of Developing District as Export Hub under the District Export Hub Scheme initiated by the Ministry of Commerce & Industry, Govt of India and state Government of Jammu & Kashmir. Hon'ble Prime Minister in his Independence Day Speech on 15th August 2019, had, inter- alia observed that each of our district has a diverse identity and potential for targeting global markets and there is a need for converting each district into potential export hubs. To implement Hon'ble PM's vision for each district, Department of Commerce has mandated the Directorate General of Foreign Trade to work with State Government and District Level authorities to promote the Kupwara as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Kupwara under the chairmanship of District Magistrate. With the said objective, 'District Export Action Plan' has been prepared and being presented to concerned stakeholders.

The report encompasses in-depth information on each district's geographic, demographic, and administrative profile, along with key statistics of prominent exporting products of Kupwara, gaps identified basis diagnostic survey, recommendations proposed to mitigate the gaps and action plans required to implement those recommendations.

The report provides insights into exports from the cluster, via analysing exports over the last five years from India and Jammu & Kashmir for the respective product. The report also shares insights on availability of raw material, technology upgradation, infrastructure, designing, packaging, access to finance, skill development etc. Besides the detailed action plans, the timeline and responsibility matrix has also been defined with implementation schedule to give implementation roadmap of the product.

For this desired purpose, an extensive primary and secondary research was conducted. The report has been prepared in co-ordination with the Office of DGFT and Jammu & Kashmir Trade Promotion Organisation (JKTPO). The data has been sourced from multiple avenues, including but not limited to data provided by office of DGFT, DICs, Diagnostic Study Reports, stakeholder consultation and several other secondary resources.

## Contents

Vision of Districts as Export Hubs.....	5
CHAPTER 1: ABOUT KUPWARA.....	6
1.1 Introduction.....	6
1.2 Infrastructure and Connectivity .....	6
1.3 Administrative Setup.....	7
1.4 SWOT Analysis of Kupwara.....	7
1.5 District Industrial Profile .....	8
1.6 Details of people who have the potential to be groomed to engage in export of ODOP\DEH products:.....	8
1.7 Details of unit holders which are engaged in processing, packaging & branding of ODOP\DEH products:.....	9
1.8 Production status of ODOP\DEH products:.....	9
1.9 District Apex and District Level Committee .....	11
Chapter 2: Export Scenario of Jammu and Kashmir .....	12
2.1 Jammu and Kashmir EPI Index .....	13
2. 2 District as Export Hub .....	14
2. 3 One District One Product (ODOP) .....	14
2.4 ODOP in Kupwara .....	15
2.5 SWOT Analysis of Walnut .....	15
2.6 Challenges and Interventions .....	17
Chapter 3: Walnut .....	18
3.1 World Import.....	19
3.2 World Export Data .....	20
3.3 Export from India .....	21
Export Scenario.....	21
3.4 Zone Wise Census of Walnut Trees.....	21
3.5 Walnut Processing.....	22
3.6 Financial Implication.....	22
3.7 Synergies .....	23
Chapter 3.1 Red Rice .....	23
3.1.1 Introduction.....	23
3.1.2 Export from India .....	24
3.1.3 Top Importers of Red Rice.....	26
3.1.4 Top Exporting Countries.....	27
3.1.5 SWOT Analysis of Red Rice.....	27
3.1.6 Red Rice Processing .....	28
3.1.7 Financial Implication .....	28
3.1.8 Synergies.....	28

Chapter 4: Challenges and Gaps .....	30
Chapter 5: Action Plan.....	31
Chapter 6: Proposed Soft Intervention.....	33
6.1 Proposed Soft Intervention (Recommended by Export Promotion Cell Kupwara) .....	35
Chapter 7: Proposed Hard Interventions .....	36
7.1 Hard Interventions .....	36
7.2 District Specific Recommendations (Recommended by Export Promotion Cell Kupwara).....	37
7.3 District Export Cell .....	37
7.4 Activities for Promotion of Exports in District Kupwara:.....	38
Chapter 8: Government Schemes .....	39
8.1 MSE-CDP.....	39
8.2 Flatted Factory.....	42
8.3 Ambedkar Hastshilp Vikas Yojana.....	42
8.4 Common Facility Centre .....	43
8.5 Raw Material Depot .....	44
8.6 Technology Upgradation Assistance to Exporters/ Entrepreneurs .....	45
8.9 Testing Laboratories.....	45
8.10 Crafts Village .....	46
8.11 Procurement and Marketing Support Scheme .....	46
8.12 High Density Plantation Scheme .....	47

## Vision of Districts as Export Hubs

**“Each district of our country has a potential equal to that of one country, each of our districts has the capacity equal to a small country in the world. why should each district not think of becoming an export hub? Each of our districts has a diverse identity and potential for global market”**

**- Honourable Prime Minister of India, Shri Narendra Modi**

Foreign trade from India constitutes of 45% of its GDP. Until 2019, only the central government was engaged in the decision making of foreign trade, without any participation or involvement of state and/or district stakeholders. However, now, understanding that there are diverse elements that contribute towards an enabling and conducive foreign trade environment; the central government has identified that with policy & strategy, active support of the state governments and district administration are also equally required.

Thus, to decentralize the existing activities, to boost local production & its exports and to ensure active participation of state & district stakeholders, the vision of district as export hubs was put to action. Department of Commerce, through Directorate General of Foreign Trade (DGFT) is working with the State / UT Governments to achieve this objective.

DGFT and JKTPO have aimed at synergising their efforts to identify the key products, export trends and challenges. Further, to minimize the challenges, quantify the exports and outline export strategy; a detailed district-wise Export Action Pan has been made for all 20 districts of Jammu & Kashmir, where Ernst & Young (EY) has contributed as Knowledge Partner.

(Source: DGFT Report Jan 2021 – Developing Districts as Export Hubs)

# CHAPTER 1: ABOUT KUPWARA

## 1.1 Introduction



*Figure 1 : District Map of Kupwara*

Located in the Kashmir Valley, Kupwara district is full of scenic beauty. Dense forests and rich wildlife make it significant from tourism and wildlife point of view. The district carved out from erstwhile District Baramulla in the year 1979.

The District Headquarter “Kupwara” is situated at a distance of 90 kms from the summer capital of UT, i.e. Srinagar. The District is situated at an average altitude of 5300 feet from the sea level. The geographical area of the District is 2379 sqkms. The north west part of the District is bound by line of actual control (L.O.C) while the southern portion is bound by the District Baramulla. There are three bad pocket areas, namely, Machil, Keran and Karnah located near L.O.C which remain land locked for more than six months in a year. There are some other areas located at barbed distances and remain cut off from District Headquarter for a considerable time, like Kumkadi, Lashdat, Jungund, Kethanwali and Budnambal.

## 1.2 Infrastructure and Connectivity

Kupwara is well-connected with roads and highways. The NH 701 passes through Kupwara district alongside other intra-district roads. The nearest airport is Sheikh ul-Alam International Airport in Srinagar located 102 kilometres from district headquarters Kupwara. Government has plans to construct one more airport in Panzgam of Kupwara district, which would ease the travel time.

Source: UDAN 4.0

### 1.3 Administrative Setup

Name of the Organizational Unit	Details of the Organizational Unit
Sub Division	2: Karnah Kupwara, Lolab Kupwara
Tehsils	16 Tehsils: Kupwara, Handwara, Drugmullah, Trehgam, Kralpora, Sogam, Lalpora, Machil, Keran, Langate, Kralgund, Ramhal, Zachaldara, Karnah, Villgam, Kalamabad
Development Blocks	24
Gram Panchayat	356
Assembly Constituencies	5: Karnah, Kupwara, Lolab, Handwara, Langate.
Sub District Hospital	7: Kupwara, Kralpora, Tangdar, Sogam, Kralgund, Langate, Zachaldara

Source: Kupwara.nic.in

### 1.4 SWOT Analysis of Kupwara

Strength	Weakness
The district is the part of Kashmir region and situated in Kashmir Valley. The district has a rich culture of Kashmir having good attraction of tourist point of view. Connectivity of Srinagar is international through airport, the rail line is being constructed, and it will be ended in 2023. It will boost the connectivity with rest of India. Especially for export of goods rail connectivity is the most important.	The region has one of the highest Logistic costs for transportation of goods towards ports compare to other parts of India. Due to several security reasons, tourism is not exploited its fullest opportunities.
Opportunities	Threat
In recent times due to improvement in in security situations influx of international tourists may be increased in large number. Now the region is under administration of Union Government, due to several reforms investment	If the constructing rail line is not finalised within time, it will create great setback for the region. Entrepreneurship, established ecosystem, export infrastructure is in weak grounds. That will create increase in cost, increasing labour prices and increase in transportation cost.

## 1.5 District Industrial Profile

Type of Industry	No. of Units	Investment (In Lacs)	Employment
Cotton Textile	10	5.12	21
Woollen, Silk & Artificial Thread Based Clothes	23	3.2	30
Readymade Garments & Embroidery	99	117.90	295
Wood / Wood Based Furniture	39	80.50	200
Paper & Paper Products	12	214.87	110
Leather Based	01	4.5	02
Chemical / Chemical Based	09	210	70
Rubber, Plastic & Petro Based	01	2.75	04
Mineral Based	07	170.00	150
Metal Based (Steel Fab.)	29	93.87	67
Repair & Servicing	121	117.09	203
Others	47	33.79	127

Source: DIC Kupwara

## 1.6 Details of people who have the potential to be groomed to engage in export of ODOP\DEH products:

S. No	Product	Name of the Dealers	R/O	Contact
1.	Walnut.	Sajad Ahmad Khan	Awoora	9906728
		MohdAfzal Malik	Hayan	9906611223
		MohdHussain Mir	Kupwara	7006481702
		Manzoor Ahmad Shah	Nagri	914619369
		SajadHUssain Khan	Halmatpora	9858003232
		Mohd Akbar sheikh	Rednag	9906414875
		Aejaz Ahmad Khan	Halmatpora	9797102990
		Fayaz Ahmad Lone	Halmatpora	9797018160
		Posha Begum	zurhama	7006444618
		TasleemaArif	Kupwara	9596345015
		Mohd Abdullah Kasmi	Manigah	7006470072
2.	Red Rice.	=	=	=
3.	Honey.	ShakirHussainBhat		8899092147
		Manzoor Ahmad Khan		7006444618



		Mukhtar		9541999714
4.	Handicraft Items.	Gh. Mohd Mir	Batergam	7006810515
		Mohd Sultan	Handwara	6005968235
		Abdul Rashid Khan	Alachizeb	7006597932
5.	Kashmiri Red Chilli			

1.7 Details of unit holders which are engaged in processing, packaging & branding of ODOP\DEH products:

S. No	Product	Name of the Units	Contact No.
1	Walnut.	Ab. Rashgid Mir	9797172779
		DilshadHussainGuharKataria	7006055944
		ShazadaBano	6005912900
		NelofarNazir	6005436831
		Afsar Ali	9906996502
		Masratwali	9682134873
		AfaqArwar Khan	6005583395
2	Red Rice.	Nawagabra FPO qariirshad	8899907989
3	Honey.	Zarqa Honey Fed Producers ShakirHussainBhat	8899092147
		AthwasHorti Fed Ltd (FPO) Manzoor Ah. Khan	7006444618
		Mukhtar Agro	9541999714
		-	-
4	Handicraft Items.	-	-
5	Kashmiri Red Chilli		

1.8 Production status of ODOP\DEH products:

S. NO	Product	Production status MTs	Year wise Quantity exported MTs	Area under cultivation
1.	Walnut.	37010.299 MT	2018- 19=38959.75	8829.10 Ha

			2019- 20=39045.6	
			2020- 21=22484.2	
			2021- 22=23983.6	
			2022- 23=24000.00	
2.	Red Rice.	450 MT		100 Ha 750 farm operating families
3.	Honey.	1980 Qtls 210 Qtls		ApisMallifera =9000 colonies Apisceranaindica=3500
4.	Handicraft Items.	Sozni Craft (pashmina Shawl)= 250 No;s		Potential area Handwara, LolabTrehgam
		Crewal embroidery=2000 mts		
		Chain stitch rugs, wall hangings= 1500 No;s		
5.	Kashmiri Red Chilli			

## 1.9 District Apex and District Level Committee

To promote export from the UT, J&K has constituted Apex Level Export Promotion Committee and District Level Export Promotion Committee. Mentioned below is the composition of

### Apex Level Export Promotion Committee

1	Commissioner/ Secretary to the Government, Industries and Commerce Department (Export Commissioner)	Chairman
2	Manager Director, J&K Trade Promotion Organization (JKTPO)	Member Secretary
3	Divisional Commissioner Jammu and Kashmir	Member(s)
4	Representative of Ministry of Micro, Small & Medium Enterprises (MSME), GoI	Member
5	Representative of Director General of Foreign Trade (DGFT), GoI	Member
6	Director, Industries and Commerce, Jammu/Kashmir	Member(s)
7	Director, Handloom and Handicraft, Jammu/Kashmir	Member(s)
8	Director, Planning, Industries and Commerce Department	
9	Secretary/Chief Executive Officer, J&K Khadi & Village Industries Board	Member
10	Representative of Agriculture Production Department(not below the rank of Director)	Member
11	Representative of Horticulture Department(not below the rank of Director)	Member
12	President Lead Bank	Member

#### Terms of reference

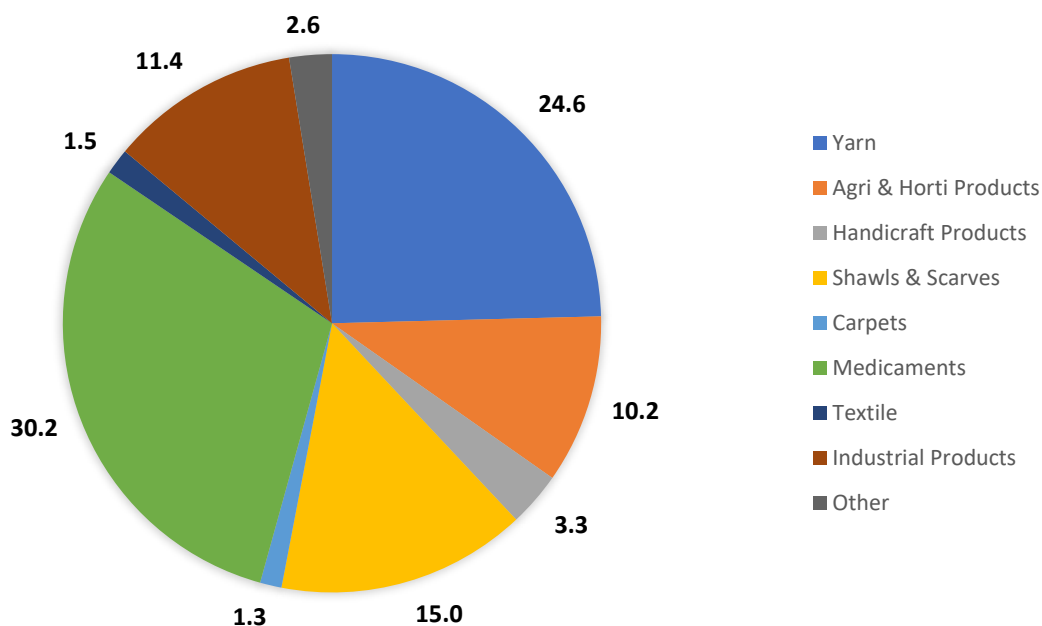
- To coordinate with the district admin to promote District as an Export Hub
- To coordinate with all the departments of UT and Central gov to resolve issues related to exports.
- To assist the UT government in formulation/Implementation of Export policy/Strategy

#### Terms of reference

- Benchmarking baseline export performance of the district current-situation
- Identification of potential export products from the district
- Create a district level export action plan with quantifiable targets
- Identification of the bottle necks for the export of potential products.
- Act as one point facilitator for export promotion at district level

## Chapter 2: Export Scenario of Jammu and Kashmir

Export Scenario of Jammu and Kashmir



Jammu and Kashmir, known for its breathtakingly beautiful landscapes, it's also rich in various natural resources and crafts, which opens significant export opportunities. A large number of agricultural and horticultural products such as apple, saffron, walnut, basmati rice, mushkbudji rice etc., from the region is popular across the globe. Other products like walnuts, almonds, cherry, and various other fruits and dry fruits are also exported. The region is also known worldwide for its splendid handcrafts. Products like pashmina shawls, carpet, silk, tweeds, Kashmir willow crickets and various wooden artifacts are largely exported to different parts about the globe.

Jammu and Kashmir's rich biodiversity is home to several medicinal plant species which are exported for pharmaceutical purposes. Minerals like gypsum, limestone, sapphire, granite, and other decorative stones also make up the export list of Jammu and Kashmir.

Though not technically counted under traditional exports, tourism can be considered as an export in the service sector. The exquisite natural beauty, rich cultural heritage, and adventure opportunities have attracted tourists from around the world. The demand for tourist services generates substantial revenue for the region.

In the year 2022-23, J&K has exported products worth INR 1,337 Cr which of which Industrial Products such as medicaments, industrial chemicals, cotton / woollen / silk yarn contributed to about 66.2% of the total export, whereas agri and horticulture products contributes to about 10.2% and Handloom & handicraft products was about 19.6%. In the year 2023-24, the export value of the UT is expected to be increase by at least 15% due to increase in the industrial production.





## 2. 2 District as Export Hub

Districts as Export Hubs is the first project of its kind from the Indian government that aims to promote exports, manufacture goods, and create jobs at the local level. It holds States and Districts responsible for the growth of exports coming from the Districts across the nation. Rural and remote sections of the nation never had export promotion as a priority. By significantly increasing manufacturing and exports from urban areas while concentrating on fostering interest and economic activity in the rural hinterland and small towns across the nation, the Government of India hopes to support the AtmaNirbhar mission through this initiative and encourage new businesses to go global. Under this initiative district Kupwara has shortlisted 2 products with huge export potential:

### Identified Products:

1. Walnut.



2. Handicraft Items.



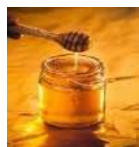
3. Red Rice.



4. Kashmiri Red Chill



5. Honey.



6. Morels (Guchi)



## 2. 3 One District One Product (ODOP)

The "One District, One Product (ODOP)" initiative was introduced in 2018 by the Ministry of Food Processing Industries to assist districts in realising their full potential, promote socio-cultural and economic development, and generate employment opportunities, particularly in

rural areas. The ODOP programme aims to make the Hon'ble Prime Minister of India's vision of promoting balanced regional development across all of the nation's districts a reality.

The goal is to choose, market, and spread awareness of One Product from Each District in the nation.

- For enabling holistic socioeconomic growth across all regions
- To attract investment in the district to boost manufacturing and exports
- To generate employment in the district
- To provide an ecosystem for Innovation/ use of Technology at the District level to make them competitive with domestic as well as international market

## 2.4 ODOP in Kupwara

Product: Walnut

Walnuts are rounded, single-seeded stone fruits of the walnut tree commonly used for food after fully ripening between September and November, in which the removal of the husk at this stage reveals a browning wrinkly walnut shell, which are commercially found in two segments. Although culinarily considered as “nut” and used as such, it is not a true biological nut. After fully ripen, the shell is discarded, and the seed is eaten.

Walnuts, like other nuts must be processed and stored properly. Poor storage makes walnuts susceptible to insect /and fungal mode infestation; the letter products aflatoxin - a potent carcinogen. The ideal temperature to store walnuts is between -3 to 0 Degree Celsius. With humidity of home and industry storage.

Walnuts have high antioxidant activity than any other common nut and this comes from Vitamin E, Melatonin and polyphenols, which are particularly high in the papery skin of walnuts.

## 2.5 SWOT Analysis of Walnut

Strength	Weakness
Indian walnut has long shelf life, high oil content and big size of kernel. India, especially Kashmir, has traditional specialization in growing walnut. Its ecosystem has large number of farmers and processes. Transportation system for walnuts is developed. India has established market in in Middle East countries i.e. UAE, Saudi Arabia and Egypt.	External competition from Chile, USA and China. Chilean Walnut has grown market share day by day. Farmers got higher cultivation area in Chile. While Indian walnut has higher industrial grade, low cultivation area and transportation problems.
Opportunity	Threats
Improvement in the connectivity in Jammy & Kashmir will help in logistics. Especially rail link to be established for Srinagar. Market of this product is being increasingly developed in Europe and UK. Since Jammu and Kashmir has come up with new industrial policy, it will attract great investment in in walnut processing. New markets can be developed in Japan and South Korea. There is no phyto sanitary issue in South Korea.	Identifying poor quality of walnut especially in this trial grade found in processing. Market has developed quantity of Walnuts and their increasing cultivation area also. USA and its California region has increased capacity of production in walnut. Europe has food quality issue and Middle East countries have also raised several issues of quality for Indian walnut.

South Korea is prosperous and rich country having good market of dry fruits especially walnut. In Covid-19 period, due to rising demand of natural and immunity booster products, walnut is gaining momentum in demand.



## 2.6 Challenges and Interventions

Parameter	Challenges	Intervention
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>▶ Presently, there is a lack of a shared facility for producers to undertake the drying, sorting, and peeling processes for walnuts.</li> <li>▶ No warehouses or storage depot for</li> </ul>	<p><b>Hard Interventions</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of <b>Common Facility Centre</b> with technology -enabled machine viz. Peeler, Boiler, Sorter, drying to scale up production &amp; export of walnuts &amp; other DEH products.</li> <li>▶ Establishment of Common Warehousing facility having provision for temperature and humidity control.</li> </ul>
<b>Market</b>	<ul style="list-style-type: none"> <li>▶ Need for infrastructure for marketing and trading for marketing the product.</li> <li>▶ Marketing is done traditionally (offline), online presence is negligible.</li> <li>▶ Minimal use of Govt of India's e-commerce portal: India Handmade Bazaar – Seller Registration for maximizing sale</li> <li>▶ Lack of knowledge of existing schemes and govt. initiatives</li> <li>▶ Lack of participation in national and international events related to the sector.</li> </ul>	<p><b>Hard Interventions</b></p> <ul style="list-style-type: none"> <li>▶ <b>Expo Mart</b> should be established to encourage and help exporters outgrow in international markets.</li> <li>▶ Establishing Rural Haat/Sales Outlet in the District that would provide a suitable market to the artisans.</li> <li>▶ For Walnut cooperatives, cooperative super bazaar to be established which will also provide a great platform for market.</li> <li>▶ Craft Tourism: Other Interventions as mandated according to Handicrafts and Handloom Policy 2020.</li> </ul> <p><b>Soft Interventions</b></p> <ul style="list-style-type: none"> <li>▶ Awareness and outreach for participating in international, national, and state-level fairs and exhibitions.</li> <li>▶ Tie-ups with companies like IKEA and wall-mart</li> <li>▶ Artisan's linkage with Instagram and other Social Media Platforms</li> <li>▶ Collaboration with E-commerce companies like Etsy, GoCoop, Blue Rickshaw etc. <b>for maximizing sales.</b></li> <li>▶ Conduct awareness workshops at block level to create awareness about schemes like International Cooperation (IC), Proposed Market Assistance Scheme (MAS) under Export Policy.</li> <li>▶ Awareness regarding recently introduced QR Code based mechanism, first of its kind in the country, for the purpose of Certification &amp; Labelling of produced in Kashmir.</li> <li>▶ By virtue of this QR Code mechanism, the customer would be able to check and verify requisite details of a Willow Wicker in respect of its genuineness/authenticity along with other</li> </ul>

		<p>related parameters with the help of smart phone before purchasing the same.</p> <ul style="list-style-type: none"> <li>▶ Linkage of Walnut &amp; other Cooperatives in Kupwara District with National Cooperatives Exports Limited(NCEL)</li> </ul>
<b>Packaging</b>	<ul style="list-style-type: none"> <li>▶ Packaging is done in Kashmir as per the requirement of buyers for exports.</li> <li>▶ Lack of innovative packaging of the products.</li> </ul>	<p><b>Soft Interventions</b></p> <ul style="list-style-type: none"> <li>▶ Collaboration with Indian Institute of Packaging.</li> </ul>
<b>Access to Finance</b>	<ul style="list-style-type: none"> <li>▶ Lack of awareness about existing financial institutions and their schemes &amp; policies</li> <li>▶ Blockage of working capital owing to extended payment timelines and return of unsold stock</li> </ul>	<p><b>Soft Interventions</b></p> <ul style="list-style-type: none"> <li>▶ Collaboration with nationalized banks</li> <li>▶ Collaboration with SIDBI</li> <li>▶ Awareness and outreach program for raising consciousness about existing central and state government schemes that can be leveraged.</li> <li>▶ Ease in documentation for producers, Artisans and Weavers in accessing the finance.</li> </ul>
<b>Skill Upgradation</b>	<ul style="list-style-type: none"> <li>▶ Overreliance of Traditional designs and offline marketing</li> <li>▶ Little Upgradation of skills in producing, marketing</li> </ul>	<ul style="list-style-type: none"> <li>▶ Training should be given to farmers, producers &amp; artisan's entrepreneurs for onboarding, cataloguing and engaging in selling activities on e-commerce platform.</li> <li>▶ For youth, sufficient training centers should be established in the District where the youth can learn the skill incorporating innovative designs.</li> <li>▶ Ministry of Skill Development and other allied departments can play a major role.</li> </ul>
<b>Exporter's issue</b>	<ul style="list-style-type: none"> <li>▶ No focal point to address exporters ongoing issues.</li> </ul>	<ul style="list-style-type: none"> <li>▶ KCCI to act as a focal point for all exporters issues. GM- DIC may be given this responsibility to monitor the cell in consultation with DGFT.</li> </ul>

## Chapter 3: Walnut

HS CODE 080299: OTHER NUTS, FRESH OR DRIED, WHETHER OR NOT SHELLLED OR PEELED

### 3.1 World Import

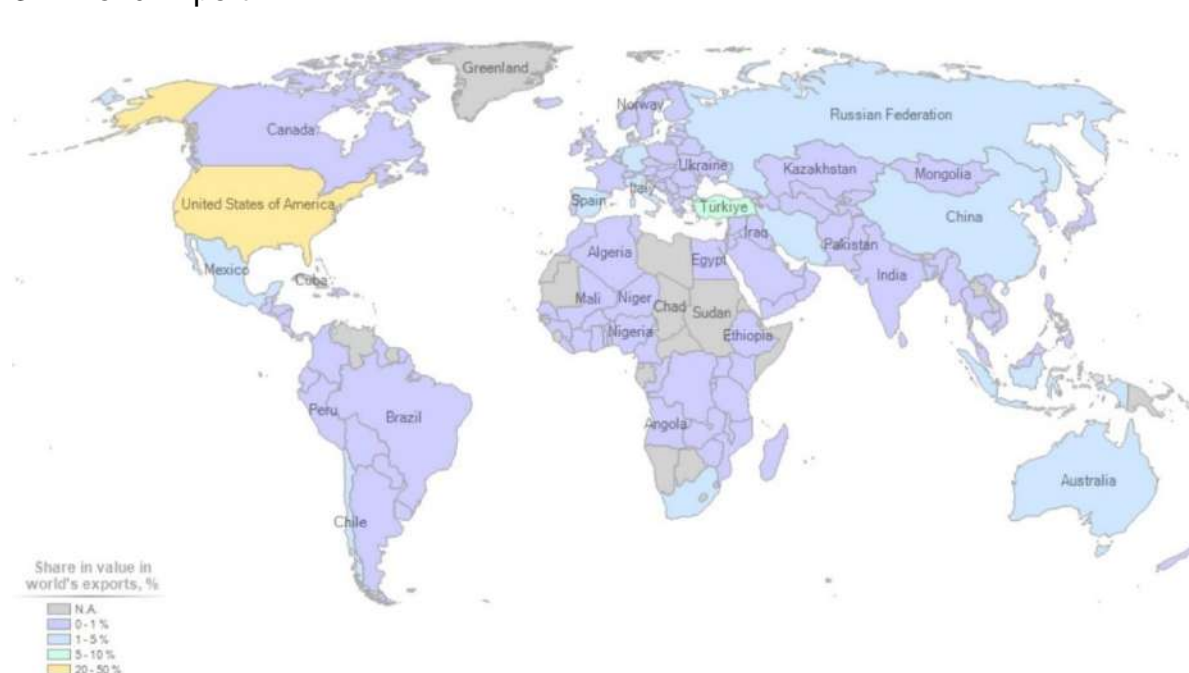


Figure 4: Map of Walnut Exporting Countries

Importers	Value imported in 2021 (USD thousand)	Quantity imported in 2021
World	18071175	0
Germany	2384753	333143
China	1764952	325201
Italy	1361147	233788
India	1345679	326036
United States of America	943976	103350
Spain	941892	195053
France	741742	106190
United Arab Emirates	547330	128875
Netherlands	536530	80826

(Source: Trade Map)

### 3.2 World Export Data

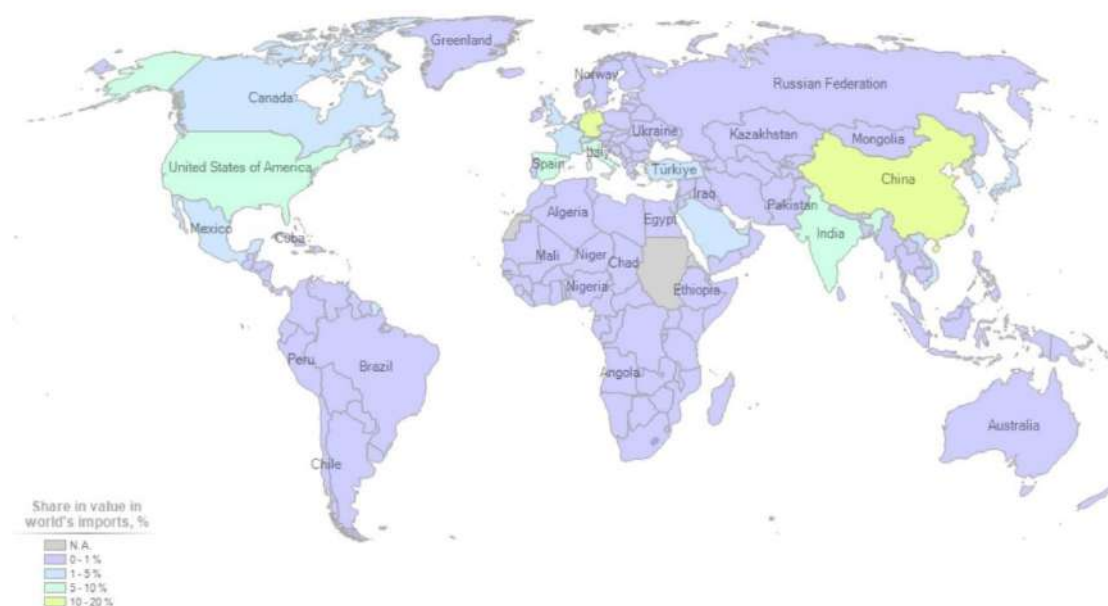
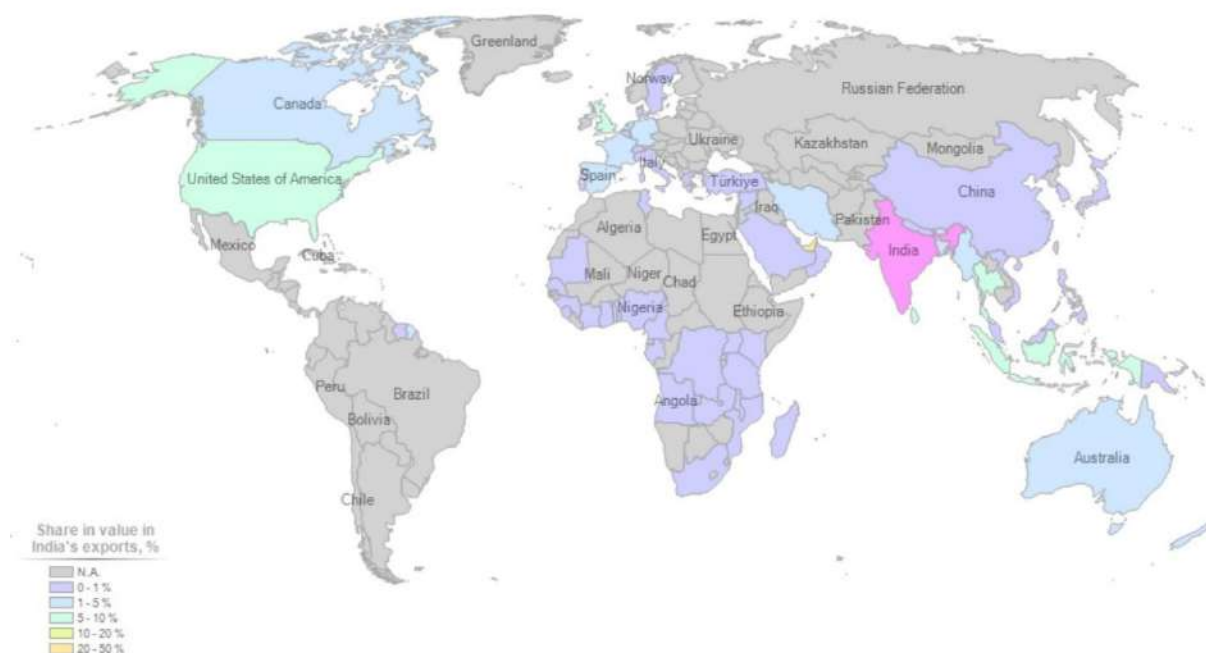


Figure 5: Map of Walnut Importing Countries

Exporters	Value exported in 2021 (USD thousand)	Quantity exported in 2021
World	19574509	0
United States of America	8147347	1554393
Turkey	1811131	277261
Spain	897573	146212
Iran, Islamic Republic of	819651	129632
China	778598	183118
Australia	770268	144908
Chile	674732	147083
Germany	645712	67875
Mexico	644943	0
Italy	629417	74428

(Source: Trade Map)

### 3.3 Export from India



*Share of India's Walnut Export*

(Values in INR Cr)

S.No.	HSCode	Commodity	2020-21	%Share	2021-22	%Share
1	080299	OTHER NUTS, FRESH OR DRIED, WHETHER OR NOT SHELLLED OR PEELED	158.79	0.0074	292.33	0.0093
		India's Total Export	<b>215,904,322.13</b>		<b>314,618,628.91</b>	

(Source: Ministry of Commerce, India)

Total Area under walnut production in Kupwara 8802 hectares (As per 2019-20 data)

Walnut Production in Kupwara	2017-18 (MT)	2018-19 (MT)	2019-20 (MT)
	8797	8800	8802

### 3.4 Zone Wise Census of Walnut Trees

Zone	No. of Fruit Plants	Area Covered	Fruit Bearing Trees	Non-Bearing Trees
Kupwara	113300	1133	73645	39655
Dooniwari	80400	804	52260	28140
Drugmulla	62600	626	40690	21910
Kralpora	78500	785	51025	27475
Rajwar	52800	528	34320	18480
Trehgam	65600	656	42640	22960
Sogam	7000	70	4550	2450
Vilgam	58440	487	37986	20454
Total	518640	5089	337116	181524

### 3.5 Walnut Processing

Walnut Processing consists of the following stages:

**Hulling** – Removing the hull (a dry outer covering located outside of the shell) as the walnuts grow on the tree. This process is performed after harvesting and before walnuts are brought for processing.

**Walnut Drying** – After the hulling process, they are sent to room basically known as drying room where the walnuts are dried until they reach the desired moisture content.

**Walnut Storage** – Once they reach the desired moisture content, they stored in storage unit as the harvest season only lasts for a few months supply for rest of the year is fulfilled from storage.

**Shelling** – In this process, the shells are cracked and removed and once this is done, the kernels are stored by the size of the kernels. The kernels are ran through another machine containing three lasers that sort by kernel colour and remove any leftover shell particles.

**Packing** - he three methods in which walnuts are packed are: in-shell packed, bulk packed, or retail packed. The retail packed walnuts are the only option where the packaging is for the final consumer.

**Pasteurization** – The process of removing microorganisms by heating up the nuts to a very high temperature for a short amount of time and then cooling them down.

### 3.6 Financial Implication

SI No.	Name of Machinery	Required Quantity	Function	Cost (In INR)	Total (In INR)
1	Land - 1 acre	1		20,00,000	20,00,000
2	Screw feeder	4	For cutting of walnuts	450000	1800000
3	Grinder	4	Grinders and convers the	250000	1000000

			walnut into power		
4	Sorting or inspection conveyer	4	For inspection, cutting and sorting	225000	900000
5	Retort, crates, electric hoist, rotary flat can body reformer, body blanks (cans), washer & sterilizer, working tables, steam boiler, trolleys, barrels, knives, weighing scale			600000	600000
6	Infrastructure			15400000	15400000
<b>Total</b>					<b>21700000</b>

### 3.7 Synergies

<b>Immediate</b>	<p>These are those countries where a proper marketing channel will unlock the potential of that market in very short period.</p> <ol style="list-style-type: none"> <li>Based on Signed FTAs the following can be targeted: UAE, Japan, Australia, Thailand, South Korea Singapore, Mauritius, and Malaysia.</li> <li>High Growth Markets: USA, UK, Russia, and Saudi Arabia</li> <li>Based on Untapped Potential, J&amp;K exporters should target the following countries to expand France, Germany, Italy, Mexico, and Brazil.</li> </ol>
<b>Long Term</b>	<p>The following countries Canada, Germany, Netherlands, Poland, Belgium, Norway, Sweden, Finland and Switzerland come under Long-term priority market as these are those markets where the untapped market potential can only be fulfilled if J&amp;K exporters comply and raise the quality of the product to the highest standards, freight rates are more subsidized and major efforts is required in marketing which will require time to accommodate the same.</p>

## Chapter 3.1 Red Rice

### 3.1.1 Introduction

Red rice is a variety of rice that is colored red by its anthocyanin content. It is usually eaten unhulled or partially hulled and has a red husk, rather than the more common brown. Red rice has a nutty flavor. Compared to polished rice, it has the highest nutritional value [quantify] of

rices eaten with the germ intact. You must have heard about brown rice, white rice and even black rice, which are pretty popular for their nutritive value. But have you ever heard of red rice? It isn't a recent discovery, but what's adding to the popularity of red rice is the plethora of health benefits it offers.

Much like the brown rice and white rice, red rice also comes with many incredible health benefits. Due to the presence of a component called anthocyanin, this rice is usually consumed either partially hulled or unhulled. Red rice derives this eye-grabbing colour from this component and has much more nutrient value as compared to other varieties of rice. What makes this variant of rice, a healthy choice is the red husk, which is loaded with the goodness of nature.

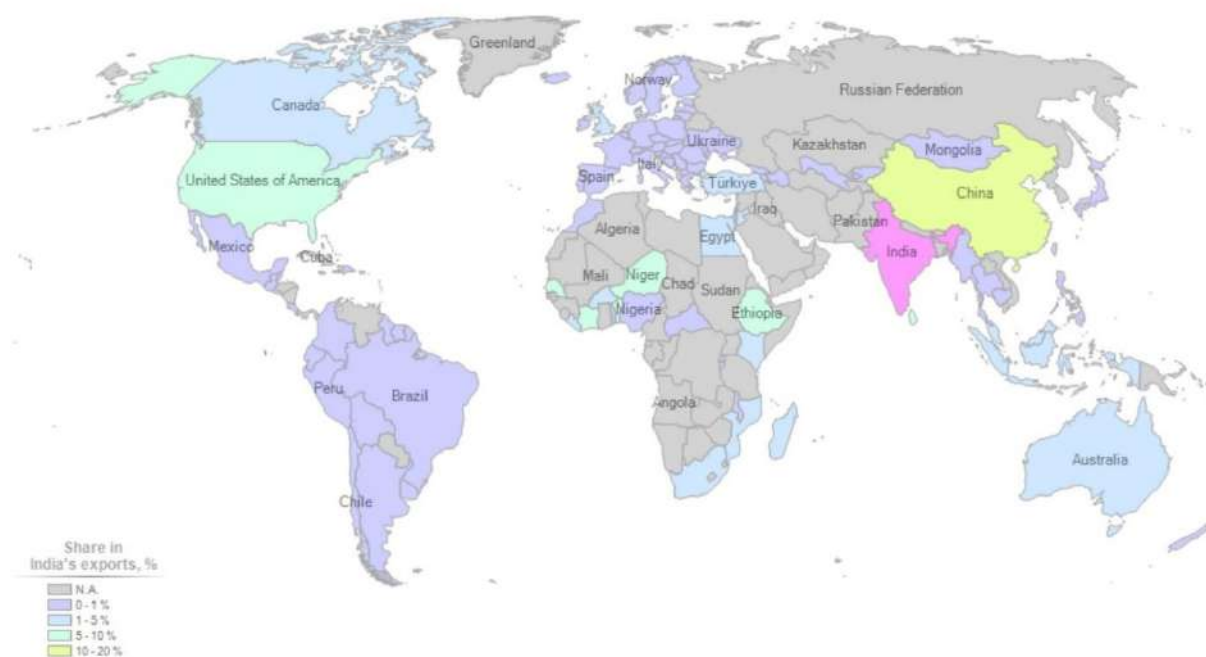
Red rice is a long, grainy rice variety which gets its reddish tinge from the presence of anthocyanin – a water soluble pigment. Available in full hull or partially hulled varieties, red rice comes with a nutty flavour and is high in nutritional content when compared to polished rice. Red rice is botanically referred as *Oryza longistaminata* or *Oryza punctata*. It is known as Rakthashali in Ayurveda while in Kerala where it is mostly consumed, it is widely referred as Matta rice or Kerala red rice, Palakkadan Matta rice.

### Red Rice in Ayurveda

Ayurveda, the ancient Indian medicine praises red rice for its innumerable health benefits. It is mentioned as Rakthashali in ancient texts and is greatly prized for its exceptional ability in pacifying all tridoshas – Vaata, Pitta and Kapha. Red rice, though time consuming when it comes to cooking, is a powerhouse of antioxidants, zinc, calcium, iron which play a crucial role in strengthening the body.

### 3.1.2 Export from India

HS CODE: 1006 RICE





*Share of India's Red Rice Export*

S.No.	HSCode	Commodity	2018-2019	%Share	2019-2020	%Share
1	1006	RICE	53,97,546.75	2.339	45,42,665.61	2.046
		India's Total Export	23,07,72,619		22,19,85,418	

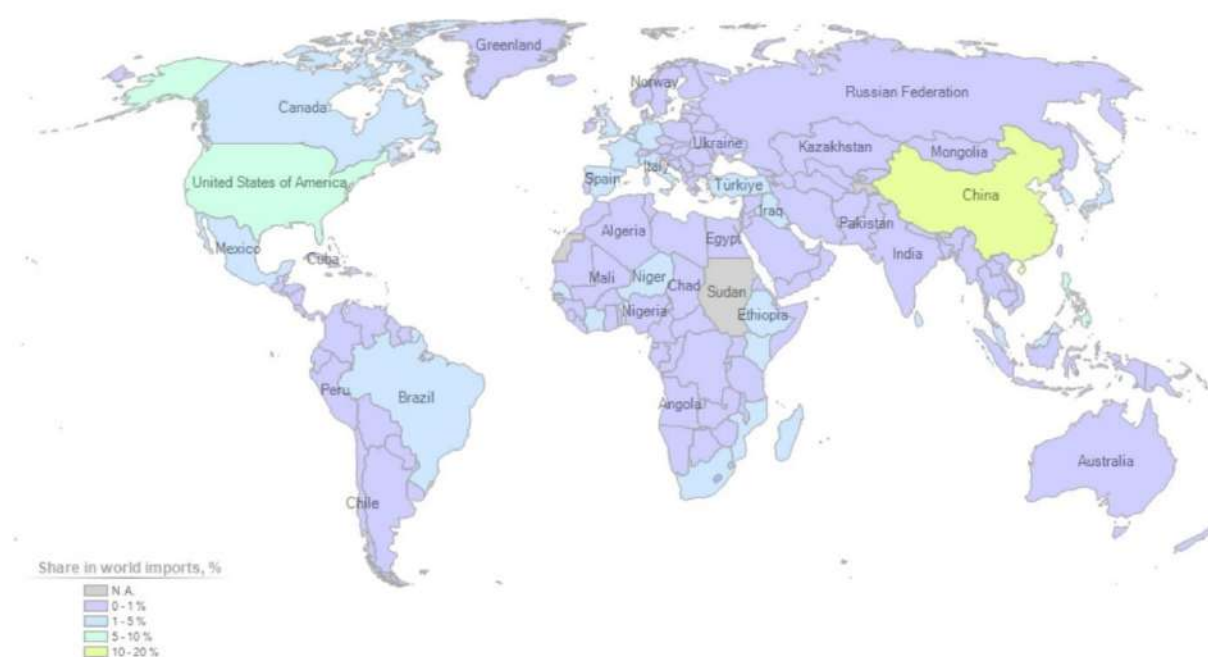
(Source: Ministry of Commerce, India)

Export from India - Top Countries

S.No.	Country	Values in Rs. Lacs		% Growth
		2018-2019	2019-2020	
1	IRAN	10,98,022.66	8,89,920.83	-18.95
2	SAUDI ARAB	7,23,350.62	7,23,009.43	-0.05
3	IRAQ	3,04,972.66	3,43,420.50	12.61
4	U ARAB	3,08,750.95	2,41,790.42	-21.69
5	NEPAL	1,99,682.77	1,78,328.62	-10.69
6	KUWAIT	1,40,849.93	1,56,841.12	11.35
7	YEMEN	1,77,762.86	1,56,430.48	-12
8	U S A	1,42,148.64	1,50,769.71	6.06
9	BENIN	1,85,225.29	1,38,403.77	-25.28
10	SOMALIA	88,591.06	93,129.34	5.12

(Source: Ministry of Commerce, India)

### 3.1.3 Top Importers of Red Rice



*Map of Red Rice Importing Countries*

Rank	World's Top Importers	Value imported in 2019 (USD thousand)
	World	24143772
1	Iran, Islamic Republic of	1647128
2	Saudi Arabia	1415088
3	China	1253724
4	United States of America	1086333
5	Philippines	1009687
6	Iraq	821272
7	Côte d'Ivoire	604438
8	Benin	570906
9	France	540292
10	United Arab Emirates	535375

(Source: Trade Map)

### 3.1.4 Top Exporting Countries

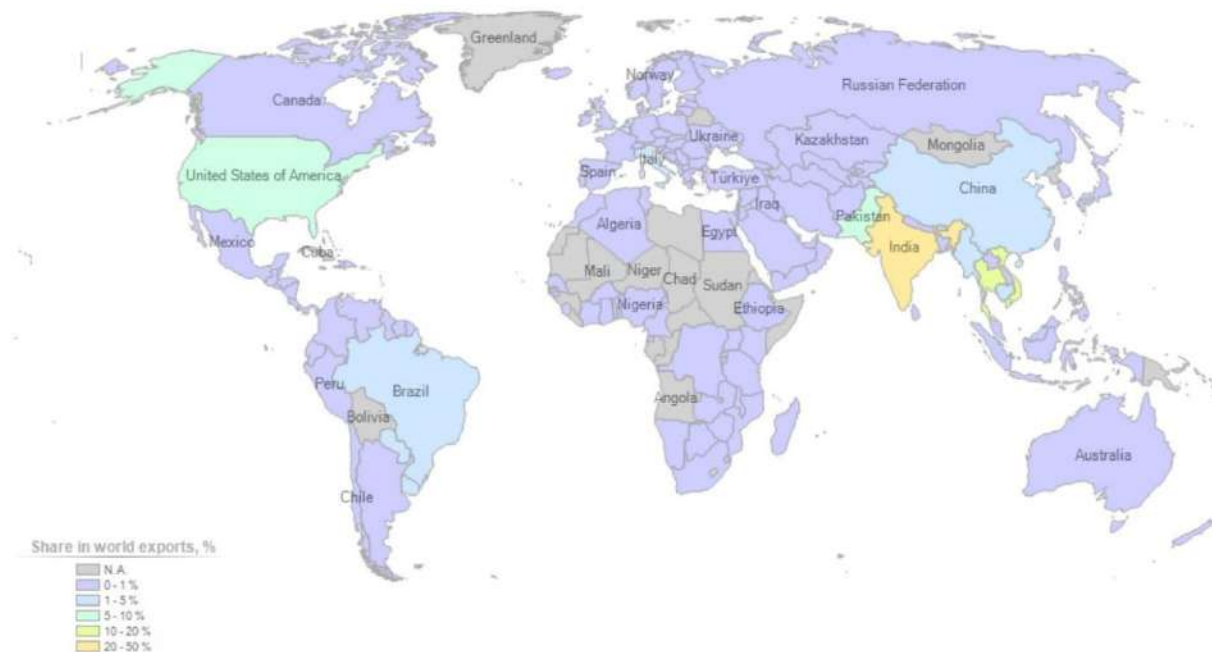


Figure 4: Map of Walnut Exporting Countries

Rank	World's Top Exporters	Value exported in 2019 (USD thousand)
	World	24209454
1	India	7112146
2	Thailand	4206796
3	Viet Nam	2434252
4	Pakistan	2277005
5	United States of America	1877045
6	China	1058981
7	Myanmar	782429
8	Italy	613892
9	Cambodia	421108
10	Uruguay	375820

(Source: Trade Map)

### 3.1.5 SWOT Analysis of Red Rice

Strength	Weakness
Rice is staple cereal having a large and stable demand in the world market. India	Although, Rice is grown in various districts of Jammu and Kashmir, together these districts

ranks 1st in world exporters and has the potential to increase the value of exports to maintain the top slot for the coming years too. The biggest competitor is Thailand having attained the second slot in exports.	have attained good footprint with Punjab and Haryana in rice production and export.
<b>Opportunity</b>	<b>Threats</b>
Jammu and Kashmir has the biggest disadvantage of transportation cost. While rice is widely rain and irrigation sensitive product, we need to focus on increasing the scale production with cutting short of expenses on transportation.	Red Rice has no HS Code, so specific data is unavailable in exports. However, in recent times, there is increase in demand of low calories, organic and local grown products. If marketing and advertisement are done, there will be bright future of red rice exports.

### 3.1.6 Red Rice Processing

Red Rice Processing consists of following processes:

Pre-Cleaning – the rice pre-cleaning process consists of 2 procedures which are cleaning and de-stoning. Paddy cleaner is the most essential equipment in a rice mill, as it separates all the foreign particles such as dust, straw, sand, clay, and heavy particles.

Rice Dehusking – This is the process to remove the husk and barn from the paddy rice and producing white rice grains that are free from impurities and contains minimal broken grains.

Paddy Separation – Separation of the unhusked paddy from the red rice.

Weighing and Bagging

### 3.1.7 Financial Implication

CFC for Red Rice

S. No.	Particular	Cost (in Lacs)
1	Land & Building Cost	100.00
2	Principal Plant & Equipment	55.00
3	Other Fixed Cost	10.00
4	Preliminary / Pre-Operative Expenses	5.00
<b>Total Fixed Cost</b>		<b>170.00</b>
5	Operational Cost for 6 months\ Training & Capacity Building	50.00
<b>Total Project Cost</b>		<b>210.00</b>

### 3.1.8 Synergies

<b>Immediate</b>	<p>These are those countries where a proper marketing channel will unlock the potential of that market in very short period.</p> <p>a. Based on Signed FTAs the following can be targeted: UAE, Japan, Australia, Thailand, South Korea Singapore, Mauritius, and Malaysia.</p> <p>b. High Growth Markets: Iran, China, Philippines, USA, and Saudi Arabia</p>
------------------	--

	c. Based on Untapped Potential, J&K exporters should target the following countries to expand France, Germany, Italy, Mexico, and Brazil.
<b>Long Term</b>	The following countries Europe, New Zealand, Africa, Canada and Mexico come under Long-term priority market as these are those markets where the untapped market potential can only be fulfilled if J&K exporters comply and raise the quality of the product to the highest standards, freight rates are more subsidized and major efforts is required in marketing which will require time to accommodate the same.

## Chapter 4: Challenges and Gaps

Parameter	Challenges	Interventions
Quality assurance certification and technology upgradation	<ul style="list-style-type: none"> <li>Lack of knowledge on the modern technological processing methods.</li> <li>Lack of awareness of the global standards and quality rating.</li> </ul>	<ul style="list-style-type: none"> <li>Common testing and certification level at the district level.</li> <li>Awareness workshop at the district levels.</li> </ul>
Logistic and Supply Chain	<ul style="list-style-type: none"> <li>Lack of proper storage facility</li> </ul>	<ul style="list-style-type: none"> <li>Storage facility centre in all the zones</li> </ul>
Harvesting	<ul style="list-style-type: none"> <li>Traditional harvesting process is cumbersome and labour intensive.</li> </ul>	<ul style="list-style-type: none"> <li>Upgrading the skills with the best practices around the world</li> </ul>
Land holding	<ul style="list-style-type: none"> <li>Artisans have a small land holding</li> </ul>	<ul style="list-style-type: none"> <li>Providing high-density crop to the farmers</li> </ul>
Marketing & Branding support	<ul style="list-style-type: none"> <li>Lack of innovation and inadequate knowledge for value addition has also discouraged the product to directly go to international markets.</li> <li>Lack of Export related information and linkages.</li> </ul>	<ul style="list-style-type: none"> <li>Awareness and outreach amongst traders/manufacturers for participating in fairs and exhibitions.</li> <li>Leverage marketing assistance schemes of UT and Gol for financial assistance of small manufacturers.</li> <li>Organize state and national level exhibitions.</li> <li>Design and product development centre can be established along with testing lab in the cluster along with a collaboration with NIFT, NID and IIP.</li> </ul>
Exporter's issue	<ul style="list-style-type: none"> <li>No focal point to address exporters ongoing issues.</li> <li>Lack of awareness.</li> </ul>	<ul style="list-style-type: none"> <li>DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries and DHHJ may be given this responsibility to monitor the cell in consultation with DGFT.</li> <li>DGFT organize workshops for Export.</li> </ul>

## Chapter 5: Action Plan

Quantifiable activity / Intervention	Responsible Authority	Timeline for Implementation
<b>Increasing Overall Export from the State</b>		
<p><b>Sensitization and facilitation in availing Import/ export documents:</b> Majority of the cluster actors though interested and sensitized on exports are unaware of Import-Export Code which is crucial for participating in global trade. While some of them are aware, they face challenges in applying. Thus, at district level, a camp should be set in every three months to help the individuals interested in trade to understand about the requisite documents required for undertaking import/ export and provide support in availing them.</p>	IP cell, DIEPC JKTPO, DHHJ	Continues Intervention
<p>Creation of a Single Window System for speedy clearances. The online portal to include various export schemes of the government along with real time information about targeted market, tariff rates, freight rate calculations, documents and quality certifications required and product information.</p> <p>Increase in subsidy/re-imburesements may reduce cost of transportation (freight rates), Marketing, Quality Certification, Patent registration and Testing to Export Oriented Units.</p> <p>Training planned and organized by DGFT, FIEO and other concern authorities</p>	MSME-JK, DGFT, DIEPC, JKTPO	Continues Intervention
<p>Creation of an event calendar comprising of events to be conducted in a Financial Year with a focus on international marketing events. Further, DGFT and FIEO can finalize a target to participate in at least 3 international events in a year per product category/industry (Wood craft Products.) by utilizing schemes like IC and MAS</p>	IP cell, DIEPC JKTPO	Continuous Initiative
<p>DIEPC and FIEO can play a pro-active role in this regard. 10% increase in every year in the number of units taking part in the trade fairs organized by FIEO and other organizations may be proposed as a target under this segment.</p>	DIC, JKTPO and FIEO	Intermediate
<b>Common interventions across sectors/ clusters</b>		
<p>Collaboration with e-commerce companies like Amazon, ebay, Flipkart etc.</p>	IP cell, DIEPC JKTPO, DHHJ	Short term

MoU with QCI for defining quality standards of the products	IP cell, DIEPC JKTP0	
Collaboration with IIP to define cluster-wise packing standards	IP cell, DIEPC JKTP0, DHHJ	
Sensitization of banks and bankers to help them understand the niche sectors of MSME and their specific requirements which shall help banks evaluate projects better while lending credit	JKTP0/DIEPC and Banks	
Tie up with the banks/financial institutions (SIDBI, BoB etc.) for better interest rates, enhanced working capital limits etc.	IP cell, DIEPC JKTP0	Intermediate
Handholding of MSMEs for increasing their awareness on schemes of state & center and the procedure to apply to avail financial assistance.	JKTP0/DIEPC	Intermediate
DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.	DIEPC/DGFT/JKTP0, DHHJ	Long term
The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme.	DIEPC/JKTP0	Long term
The CONCOR rates are to be made available at regular intervals to the DIC office for updating of the same at the district website.	DIEPC/JKTP0	Long term
The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.	DIEPC/JKTP0/ FIEO	Short term

Short term: Should be initiated within 6 months  
Intermediate: to be initiated between 6- 12 months  
long terms after 12 months



## Chapter 6: Proposed Soft Intervention

The members of a cluster should be made aware of the variety of plans at their disposal for maximising the potential for exports. Various exemptions are offered to facilitate exports under the Merchandise Exports from India Scheme, the Service Exports from India Scheme, etc. Additionally, programmes like the Duty-Free Import Authorization (DFIA Scheme) and Advance Authorization Scheme (AAS) ensure the procurement of imported raw materials free of duty.

- Currently, majority of the exporters and traders focus on selling their goods to USA, UK and European countries without correctly analysing the demand market. Thus, these cluster actors should be sensitized on target countries identified through export analysis mentioned in District Export Action Plans
- EPCH, CEPC and FIEO can play a pro-active role in this regard. 10% increase in every year in the number of units taking part in the trade fairs organized by FIEO and other organizations may be proposed as a target under this segment
- Jammu and Kashmir Government should make a dedicated App and Platform for Logistics and Cargo Management.
- The CONCOR rates are to be made available at regular intervals to the DIC office for updating the rates to be displayed at the same time at district website The formation of the Sub-committee comprising the representative of CONCOR and Official from District Industries Centre to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.
- Collaboration with National Skill Development Corporation (NSDC) for providing job-oriented training for skilling and upskilling.
- Sensitization of banks and bankers to help them understand the Niche Sector and their specific requirements which shall help banks evaluate projects better while lending credit
- Introduction of revolving working capital within the cluster to help MSMEs, entrepreneurs, weavers procure raw materials and undertake production without hinderances
- Tie up with the banks/financial institutions (SIDBI, BoB, J&K Bank etc.) for better interest rates, enhanced working capital limits etc.
- Handholding of MSMEs, Weavers, Artisans, Entrepreneur for increasing their awareness on schemes of UT & centre and the procedure to avail financial assistance

- Identification of big retailers having presence in international markets to increase domestic sale and export of carpets, Initiate talks with Walmart, IKEA and TARGET for collaboration.
- Collaboration with e-Commerce portals (Flipkart, Amazon, eBay, Etsy, Blue Rickshaw etc.) to boost the sales of the products in the domestic and International Market.
- Conduct awareness workshops at block level to create consciousness about different marketing schemes that can be leveraged
- Collaboration with major hospitality industries, private organizations and government bodies for procuring and promoting products manufactured in J&K region
- MoU with QCI for defining quality standards of the product so that their quality can be maintained/ improved
- Collaboration with Indian Institute of Packaging (IIP) will help with innovative packaging techniques customized as per the product. When, the weavers will adopt the latest techniques, it will help enthrall new customers thus, increasing the overall sales
- CFC for Testing, Testing Laboratory accredited to IICT Srinagar or NABL Accredited or Global Institutes like Intertek

## **SOFT INTERVENTIONS**

1. Strategies built on strengths and weaknesses of the UT of J&K.
2. Strategies aim to minimize existing weaknesses that are acting as hurdles to tap identified opportunities.
3. Other soft interventions suggested.

### **1. Strategies built on strengths and weaknesses of the UT of J&K**

- To leverage strengths in agri products to grab opportunities and building on existing exports and expansion in emerging Asian and Middle East markets.
- Leveraging on dominant position in apple cultivation in India, grab the opportunity to become an APPLE EXPORT/PROCESSING HUB for global markets.
- To promote exports of unique, rare, and distinguishable fresh and processed products in new rapid growth markets.
- To execute a knowledge Hub (for retention and innovation) in the State to grab opportunities in product innovation and creation across the globe.

**Strategies aim to minimize existing weaknesses that are acting as hurdles to tap identified opportunities**

- To eliminate hurdles like high tariffs, incompetent airports resulting in grabbing the opportunity of making J&K as the Aviation Hub.
- To eliminate hurdles in connectivity and infrastructure related areas to bring in competitive advantages relating to transportation costs of exports.
- To encourage and equip all stakeholders to meet EU, HACCP and FDA standards resulting in consistent and value-added exports to focus on new markets.
- Stronger Interventions for reducing the higher freight charges for shipment of commodities from the UT, since the place being landlocked.
- Adapting branding of several unique products like saffron, Lavender, Apples, walnuts, Mushkbudji Rice, Red Rice, Masala Tikki and processed products to create value while competing with other exporting Nations / States in global markets.

**Other soft interventions from the State Government suggested are as follow**

- Export Awareness Programmes, Export Training Programmes.
- Export Management Training Programmes.
- Seminars, Workshops & Conferences.
- Interaction and Open House Meetings.
- Participation in National/International Exhibitions & Trade Fairs for Promotion of Trade
- Financial support to all Artisans, SC, ST, Women Entrepreneurs of Micro and Small enterprises, who participate in the Trade Fair and Exhibitions.
- Conferring State Export Awards for Export Excellence.
- Market Development Assistance (MDA) Scheme for Overseas Visits / Trade Fair for business promotion.
- Reverse Buyer-Seller Meet through Market Access Initiatives and Market Development Assistance of Govt. of India.
- Disseminating Overseas Live Trade Enquiries. o Incubation Centre, Facilitation Cell, R&D Cell, Entry strategies.
- Assisting the traders/exporters in certification for the export/ import of commodities.
- Trade Point to provide live trade enquiries, Global Directory Services & Online Trading facility.

**6.1 Proposed Soft Intervention (Recommended by Export Promotion Cell Kupwara)**

- JKTPO will be requested in creating effective information/details of foreign traders dealing with these products to facilitate access and linking of the exporters from the district with such traders. Such foreign traders may even be invited for business meets and contact setting with the potential exporters.
- Providing incentive under transport, GST & Turnover till the export trade attains strong foundation.
- Incentivising expansion and modernizing of organic cultivation of walnuts and red rice. High density walnut orchid may be incentivized. Demonstration-cum-seedling orchids may be set up on the pattern of apple orchids.
- Cost-effective insurance coverage facility for cultivation and trade may be provided.

## Chapter 7: Proposed Hard Interventions

- Farmers in the region may face challenges related to the lack of knowledge about modern Pecan nut cultivation techniques, processing, and market requirements. Providing training and technical support can significantly improve the quality of produce.
- The Business activities in District largely depend on the road transport for carriage of their goods/produce outside the district. The road bottlenecks, particularly during winter and rainy season are the main hurdle for producer/growers in the district to sell their produce outside the district. The road network should be improved for all seasons.
- The Government shall improve the basic infrastructure and civic amenities at the major local marketplaces.
- The Govt. should support farmers/growers for purchase of controlled atmosphere/reefer vehicles so that perishable products.
- Govt. should promote the export and to explore new market for traditional items /local produce with a view to expanding the export from the district.
- As the Micro, Small and Medium Enterprise sector is a thrust area in the UT Govt. Industrial development agenda. The government should promote and establish food processing units in the district.

### 7.1 Hard Interventions

- a. Creating Export Infrastructure
- b. Encouraging SEZs
- c. Encouraging Development of ICDs & CFSs
- d. Segment specific Strategies

#### **Creating Export Infrastructure**

- Government Departments / Organizations which are mandated for development of infrastructure may reserve certain percentage of their annual budget to support critical infrastructure to encourage exports.
- Private participation would be encouraged for the development of Inland Container Depots, Container Freight Stations, Logistics Parks, pre & post-harvest technology centres, ware housing and other infrastructure facilities through PPP mode.
- Trade bodies and industry associations would be encouraged to promote development of infrastructure, R&D Centre, Training Centre, and Testing Centre to augment the development and growth of exports.
- Private participation, Export Promotion Councils, Trade bodies/Industry Associations would be encouraged to create warehousing facilities overseas for exporters near transit ports to help trans-shipment of goods on main line vessels.
- Connectivity to major seaports and airports need to be strengthened and upgrade facilities to meet the demand exporters and enhance the capacity for facilitating exports
- The rail network in J&K to be strengthened to facilitate speedy movement of goods to ports.

#### **Encouraging SEZs**

- Development of SEZs both multi product and sector specific, would be encouraged in the State by dovetailing the provisions available in the Central / State SEZ Policy.

#### **Encouraging Development of ICDs & CFSs**

- ICDs / CFSs and logistic parks would be developed in the clusters and in the major industrial areas of potential districts to facilitate exports.
- CFS facilities would be encouraged at potential locations to help exporters especially in MSME segments, which generally ship small quantities as they cannot utilize a full container load.

#### **SECTOR SPECIFIC INTERVENTIONS**

- Food parks / Agri special zones / Agri Logistic Parks / Corridors would be encouraged for establishment at different locations across the State. These parks will have the entire required infrastructure facilities like pre-harvest & post-harvest technology, cold chain, and temperature-controlled warehouses and refrigerated transport / reefer trucks to minimize the loss in storage and transit.
- It is proposed to support the establishment of better connectivity from fruits and vegetables growing areas to ports and to the National / State highways to facilitate easy movement of goods.
- Market intelligence reports to be provided for dissemination of information to farmers on a real time basis.
- Modern packaging technology would be encouraged to reduce the packaging cost. The State would support the establishment of a branch of Indian Institute of Packaging in this regard.

### 7.2 District Specific Recommendations (Recommended by Export Promotion Cell Kupwara)

#### **Action points:-**

Establishing a Common Facility Centre (CFC) equipped with the following facilities.

- An awareness and training centre.
- A modern large scale processing and packaging centre with branding facility equipped with latest machinery.
- Online trade promotion centre.
- Export promotion and facilitation cell. It shall assist in finding foreign buyers and in introducing them to the potential exporters. They shall also facilitate foreign shipments including container booking besides helping in acquiring necessary certificates and licences.
- A well-equipped Godowns/CA store.
- A well-equipped test lab.

### 7.3 District Export Cell

A District export cell of officials nominated by the following departments has been constituted vide order No. DIC/KUP/803-10 dated 13-12-2023.

- 1 Horticulture Department.
- 2 District Industries Centre.
- 3 Handicrafts Department.
- 4 Agriculture Department.
- 5 Horticulture Planning & Marketing.

The members of the cell will be trained thoroughly in the matters concerning the export trade with the help of experts from JKTPO J&K.

- Initially it will be targeted to introduce and groom a few significant players in the export trade and the efforts of the district export committee will be channelized accordingly.
- Thorough training of the above identified significant dealers in knowing the procedure of export trade. They shall be facilitated in obtaining various registrations and licenses and certificate as may be needed for export trade. The same will be done in coordination with the officials of JK TPO.

#### 7.4 Activities for Promotion of Exports in District Kupwara:

FLOW OF ACTIVITIES FOR INITIATING EXPORT TRADE IN DISTRICT KUPWARA.		
S. NO.	ACTIVITY.	STATUS.
1.	Creation of District export promotion cell.	Created on 13-12-2023
2.	Training of the officials of the promotion cell	Conducted on 21-12-2023
3.	Identification of products with special for export	Identified on 09-12-2023
4.	Identification of dealers in the products with special potential for engaging in export.	Identified on 09-12-2023
5.	Training and educating the identified dealers in matters concerning the export trade	Conducted on 21-12-2023 more sessions are planned in January 2024.
6.	Registration of identified dealers with JK TPO	Will be done by 15-01-2024
7.	Obtaining of export licenses for the identified dealers	Will be done 15-01-2024
8.	Linking of the identified dealers with the international transport/ delivery companies.	Will be done 31-01-2024
9.	On boarding the identified dealers on online platforms such as amazon etc.	Will be done 31-01-2024
10.	Exploring customers from international market through online mode etc.	Targeted to be achieved by 15-02-2024
11.	Exploring sale agreement/deals with identified customers	Targeted to be achieved by 15-03-2024
12.	Shipment of the consignments to the interested buyers	Targeted to be achieved by 15-03-2024

## Chapter 8: Government Schemes

### 8.1 MSE-CDP

#### Objectives:

- To enhance the sustainability, competitiveness, and growth of MSEs by addressing common issues such as improvement of technology, skills & quality, market access, etc.
- To build capacity of MSEs and Start-ups for common supportive action through integration of self-help groups, consortia, district Industry associations, etc.
- To create / upgrade infrastructural facilities in the new/existing Industrial Areas/Clusters of MSEs.
- To set up Common Facility Centres in Industrial area (for testing, training centre, raw material depot, effluent treatment, complementing production processes).
- Promotion of green & sustainable manufacturing technology for the clusters to enable units switch to sustainable and green production processes and products.

#### Two components of the MSE-CDP scheme:

- Common Facility Centres (CFCs): This component consists of creation of tangible “assets” as Common Facility Centres (CFCs) in Industrial Estate
- Infrastructure Development (ID): This component is for development of infrastructure in new/existing notified Industrial Estate.

Component	Total Project Cost	Funding Pattern		
		Govt grant	State Share	SPV
CFCs in NE & Hill States, Island Territories, Aspirational Districts	INR 5 Cr to 10 Cr	80%	15%	5%
CFCs in NE & Hill States, Island Territories, Aspirational Districts	INR 10 Cr to 30Cr	70%	15%	15%
Infrastructure Development in NE & Hill States, Island Territories, Aspirational Districts-New	INR 5 Cr to 15 Cr	70%	30%	
Infrastructure Development in NE & Hill States, Island Territories, Aspirational Districts-Existing	INR 5 Cr to 10 Cr	60%	40%	

#### Implementing Agency

Component	Implementing Agency/Fund Receiving Agency
Setting up of CFC	<ul style="list-style-type: none"> <li>• Institutions of Ministry of MSME (MSME-DIs, NSIC, KVIC, Coir Board, Technology Centres, NI-MSME and GIRI)</li> <li>• Organizations of State Governments</li> <li>• National and international institutions engaged in development of the MSE sector.</li> <li>• Any other institution / agency approved by the Ministry of MSME</li> </ul>
Infrastructure Development Project	<ul style="list-style-type: none"> <li>• State / UT Governments through an appropriate State Government / UT Agency/Integrated Industrial Park Development Agency/State Industrial Development Agency</li> </ul>

### Process

- SPV Formation: There shall be a SPV for the projects for CFC, which would be a Company registered under Section 8 of the Company Act. FPO/ FPC registered under Section 8 of the Company Act are allowed as the SPV provided they have required number of members as provisioned in the guidelines of the scheme.
- To ensure that CFC is a collective initiative, certain number of members are required
  - Minimum 20 MSEs/ Startups /Green Field MSEs/FPOs for CFC with project cost of above Rs 10 crore and above
  - Minimum 10 MSEs/ Startups /Green Field MSEs/FPOs for CFCs with project cost of below Rs 10 crore
  - Any contribution higher than the minimum contribution could be by way of unsecured interest free loans
- The members in the SPV should have a minimum contribution by way of equity capital to bring more sense of ownership. Minimum members direct contribution for the project:
- 20% of the project cost for CFCs with project cost more than Rs 10 crore
  - 10% of the project cost for CFCs with project cost less than Rs 10 crore
- Land Identification: Post SPV formation next step is to identify the land for the structure. The cost of land will be included in the cost of project (subject to a maximum of 25% of Project Cost)
- DPR Preparation: The SPV or state government will prepare a DPR which will clearly establish how the CFC will improve the competitiveness of the MSE units in the cluster and should be aligned with their common aspirations. A credible market study/ survey should be conducted to establish the value chain of the facility.
- DPR of the project will be appraised by any branch of SIDBI or any commercial bank. The techno economic feasibility report of the bank and DPR would be placed before the SLSC (State Level Screening Committee)
- The State Level Steering Committee would examine the DPRs, recommend and monitor implementation and operation of approved Projects in the State to ensure satisfactory and time-bound implementation of the activities and operations thereafter
- The proposal once recommended by SLSC, would be forwarded by concerned MSME-DI online with its recommendations before the same is considered in Office of DC, MSME
  - If the SLSC fails to recommend or reject a proposal within the stipulated time for recommendation as given at Annexure 6, the proposal will be treated as deemed recommended by the SLSC.
  - SLSC may act as a single window for all the clearances required for the project. Director (Industries) may be nominated as the nodal officer for such clearances.
  - There shall not be any In-principal approval of any project. Either a project would be approved or not approved
  - The proposals for projects with no State Government funding support, may be directly submitted to O/o DC-MSME after due examination by MSME-Dis for final approval, however, recommendation of SLSC would be required.



- The project costing up to Rs. 5 crores will be considered under SFURTI.
- The projects recommended by SLSC will be placed before NPAC (National Project Approval Committee) for consideration and approval.
- The projects must be completed within 18 months from the date of approval order of the project by NPAC.

#### **Composition of State Level Screening Committee (SLSC)**

ACS/ Principal Secretary/ Secretary (Industries/MSME)	Chairman
Commissioner / Director of Industries / MSME	Co Convener
Managing Director or Representative of Implementing Agency	Member
Representative of Finance Department	Member
Director, MSME-Development Institute	Member Secretary/Convener
General Manager, Concerned District Industries Centre	Member
Special invitees (if any) like representative of SIDBI or any financial institution or any official required for the purpose	Member
A representative from Technical Institution/MSME-Technology of M/o MSME	Member

#### **Composition of National Project Approval Committee (NPAC)**

Secretary (MSME)	Chairman
AS&DC (MSME)	Member
Adviser (VSE), NITI Aayog	Member
Joint Secretary (ARI), Ministry of MSME	Member
Economic Adviser (EA)/IFW	Member
Additional Development Commissioner / JS/DDG of the Cluster Division	Member Secretary
Representative of SIDBI	Member
Representative of CSIR	Member
Representative of NSIC / KVIC	Member
Representative(s) of DPIIT, MoTextile, DoPharma, MeitY, MoRD, MoFPI, MoDefence, DoFisheries, Do Animal Husbandry and	Member
Director, MSME-DI concerned	Member
Principal Secretary / Secretary (Industries/MSME) / Commissioner / Director of Industries / MSME of the State Govt	Special Invitee
Representative(s) of concerned Industry Association(s) Representative from Financial Institution, Programme Management Service Provider, Appraisal Agencies	Special Invitee
Director (CD)	Member

## **8.2 Flatted Factory**

### **Introduction**

Flatted Factory Complex (FFC) is a building having two or more floors, where every floor has independent Industrial unit and in which land and amenities, open space and passage are jointly owned and collectively used may be termed as Flatted Factory.

- Flatted factories are high-rise developments with common facilities.
- The building has a particularly good factory layout with maximum and efficient use of unit space. It is also equipped with basic amenities.
- The building is subdivided into small separately occupied units which are used for manufacturing, assembly, and associated storage.
- Flatted factories, a subset of light industrial properties, are stacked-up manufacturing space used for general manufacturing.

With a view to optimize on the limited vacant land, concept of flatted factories has been introduced for small scale industries. Provision for flatted factories to accommodate MSME units may be made for the new industrial units. This will facilitate the industry to reduce the lead time in setting up of the project besides huge investment on land and building, thus promoting the entrepreneurship in the region.

FFC will also consist of Raw material storage, Display Centre, admin space, conference hall, creche', First aid centre, CETP facility, dedicated bank space, commercial shops, dedicated lifts.

### **Scheme of Ministry of MSME, GOI:**

Ministry of MSME, Government of India through it's MSE-CDP Scheme is supporting the State Government Agencies by providing GOI grant restricted to 60% of the project from INR 5.00 crore to INR 15.00 Crore for setting up of FFC.

## **8.3 Ambedkar Hastshilp Vikas Yojana**

### **Under Infrastructure and Technology Support**

Funds are available for:

#### **Marketing and Sourcing Hub**

It is proposed to setup Marketing Complex (Hubs) for Handicrafts in commercially viable Cities/Towns etc. on the concept of "One Stop Shopping". It will provide a marketing platform to the wholesaler/retailers/ consumers and foreign buyers to reach the potential target segment by showcasing the entire range of handicrafts products. Office of DC (H) will provide support towards cost of construction and interior work for the proposed Marketing Hub

Eligibility:

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. Bodies etc.
- Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, exporter bodies/ associations, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.

- Producer companies registered under Section 8 of Companies Act and working for the promotion and development of Handicrafts & Handlooms.
- Any component can be implemented by department as well.

#### Financial Assistance and Funding Pattern:

- The financial ceiling for setting up a marketing hub facility is INR 1000 lakh
- 75% of the admissible amount shall be borne by the O/o the DC (H) and 25% will be contributed by the implementing agency subject to the ceiling specified.
- Land will be provided by implementing agencies and will be over and above the 25 % contribution by the implementing agency.

### **8.4 Common Facility Centre**

The objective of the Common Facility Centre is to ensure economy of scale, price competitiveness, quality control, application of Design and Technology input on continuous basis, scope of product diversification and higher unit value realization and compliance with WTO compatible standards. Such a common facility will lead to significant reductions in the cost of production, production of a diversified range of high value products, sample development, reduction in the response times in order execution and ensure high quality of final products.

#### Eligibility:

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies etc.
- Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- Producer companies registered under Section 8 of Companies Act. and working for the promotion and development of Handicrafts & Handlooms.
- Any component can be implemented by department as well.

#### Deliverables

CFCs must include adequate space for Training area, Sales counter, Dyeing Unit (if required), Store, Room, Tools Machinery and Equipment related to production and testing including computer installations, packaging, proper provisions of electrification for machineries and civic amenities etc.

#### Funding Pattern:

- The financial ceiling for setting up a common facility centre is INR 300 lakh.
- In case of NER, J & K, Ladakh & Andaman and Nicobar Islands, Lakshadweep - 90% of the admissible amount will be borne by the O/o the DC (H) and 10% shall be contributed by the implementing agency.
- Assistance will also be available for upgradation/ strengthening of existing CFCs with a maximum of Rs 200 lakhs as 100% GOI share.

S.No	Expenditure Items	Funds Permissible ( In Lakhs)
1	a) Own building ( Interior Work/construction) b) Rented building( IA must have Agreement of at least 15 years for running the CFC) <i>Interior Work/ Construction</i>	50.00
2	Tools Machinery and equipment related to production and testing including installations, packaging etc	225.00
3	Fixed Asset	4.50
4	Expenditure towards training of machine operators	5.00
5	Contingency	3.00
6	Erection and commissioning	12.50
<b>Total</b>		<b>300.00</b>

## 8.5 Raw Material Depot

Aim of this component is to make easy availability of quality, certified and graded raw material to the artisans/entrepreneur at a reasonable rate.

### Eligibility

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local gov. bodies etc.
- Eligible Non-Governmental Organizations, Registered SHGs, local statutory bodies, SPV promoted by banks, Apex cooperative Societies and National level Apex Societies (registered under society act/ trust act, etc.) and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- Producer companies registered under Section 8 of Companies Act. and working for the promotion and development of Handicrafts & Handlooms.
- Any component can be implemented by department as well.

### Financial Assistance and Funding Pattern

- The financial ceiling for a raw material depot is INR 200 lakh, and out of this INR 50 lakh will be earmarked for setting up of godown.
- In case of NER, Jammu & Kashmir, Ladakh and Andaman & Nicobar Islands, Lakshadweep - 90% of the admissible amount will be borne by the O/o the DC (H) and 10% shall be contributed by the implementing agency.
- The GOI assistance shall be provided to the eligible body in staggered manner for capital rotation.
- An MOU will be signed between the grantee and Office of the Development Commissioner (Handicrafts) incorporating different aspects related to functioning of Raw Material Depot.
- Accordingly, the yearly targets to be achieved in terms of physical & financial parameters will be fixed and in case of non – achievement, the Govt. will forfeit the raw material to the extent of grants released.
- Further for a period of five years, yearly quantitative increase in corpus/stock of raw material may be fixed depending on the raw material which will be indicative of functionality of Raw Material Depot.

## **8.6 Technology Upgradation Assistance to Exporters/ Entrepreneurs**

The objective is to extend the technological up gradation facility to exporters/entrepreneurs. The facility centre should be an infrastructure with modern machinery including packaging machinery to support product, productivity, quality, etc.

Eligibility:

Recognized Exporters and Entrepreneurs/ Exporter Associations, Producer Companies etc.

Financial Assistance and Funding Pattern

- The maximum amount of funds to be sanctioned is INR 150 lakh for each facility centre.
- The financial pattern would be based on 60:40 sharing between the Government of India through the Office of the D.C (H) and Exporters and Entrepreneurs/ Exporter Associations, Producer Companies etc.
- MOU between Exporters and Entrepreneurs/ Exporter Associations, Producer Companies etc. and Government of India (GOI) will be signed before release of funds.

## **8.9 Testing Laboratories**

Testing Laboratory shall be made in the sufficient and adequate spaces with the provision of Machinery & Equipment, Support Fixture & Furniture, Raw-Material Processing Section,

Inspecting Section, Packaging & Warehousing Section, Maintenance Section including Master Room for knowledge sharing and future reference etc.

In order to standardize / certify raw materials/ products, it is proposed to

- Set up new labs
- Strengthen existing labs.

The objective is to offer total Testing and Quality Assurance support for Handicrafts

Eligibility

- IICT, MHSC, NIFT, NID, Central/State recognised educational Institute/University, Exporter's bodies, EPCH, CEPC, State Corporations etc.
- CSIR and Textiles Committee.

Financial Assistance and Funding Pattern

- The financial assistance would be in the form of Grant-in-aid with a ceiling of INR 100 lakh for each testing laboratory.
- This grant would be in the form of 100% through the Office of the D.C (H) to the eligible institute/ organization.

## 8.10 Crafts Village

Craft village is a modern-day concept wherein craft promotion and tourism are being taken up at single location. Artisans live and work at the same place and are also provided with the opportunity to sell their products thereby ensuring livelihood. Craft items are exhibited as well as sold here.

The O/o Director Handloom and Handicraft would provide assistance both towards improving infrastructure in existing villages where a substantial number of craftsmen practicing similar crafts are residing and also setting up of new villages where craftsman can be rehabilitated. The aim would be to select villages that can be connected with some tourist circuit to ensure sale of products.

Under this component office of Director Handloom and Handicraft will fund improvements/creation of infrastructure which would include roads, houses of artisans and their work sheds areas, sewerage, water, streetlights, footpaths, shops and display areas. These will be undertaken by the implementing agency and the craftsmen will be rehabilitated with new work sheds and display areas. The display areas will be in form of stalls where the artisans can sell their product. Each project will be approved by a committee headed by the Secretary.

### Eligibility:

- Central/ State Handloom and Handicrafts Development Corporations and any other eligible Govt. Corporations/ agencies promoted by State Government or local govt. bodies etc.
- Eligible Local statutory bodies, SPV promoted by banks and organization like IICT, MHSC, HMCM, NIFT, and Export Promotion Councils.
- Any component can be implemented by department as well.

### Financial Assistance and Funding Pattern:

- The financial ceiling for the total amount sanctioned per unit will be INR 1000 lakh.
- In case of NER, J & K, Ladakh & Andaman and Nicobar Islands, Lakshadweep- 90% of the admissible amount will be borne by the O/o the Director Handloom and Handicraft and 10% shall be contributed by the implementing agency.
- Land will be provided by implementing agency and it will be over and above its 20% contribution, attributed in the funding pattern.

## 8.11 Procurement and Marketing Support Scheme

### Objective:

- Promoting new market access initiatives like organizing / participation in National / International Trade Fairs / Exhibitions / MSME Expo, etc. held across the country.
- To create awareness and educate the MSMEs about importance / methods/ process of packaging in marketing, latest packaging technology, import-export policy and procedure, GeM portal, MSME Conclave, latest developments in international / national trade and other subjects / topics relevant for market access developments.
- Eligibility Condition:
- Manufacturing / Service sector MSEs having valid Udyam Registration (UR) Certificate.
- Scheme Components:

- Market Access Initiatives across the country.
- Organizing events like Domestic Trade Fair& Exhibition/ Awareness programs/ National & International Workshops & Seminars/ Vendor Development Programs.
- Vendor Development Programme
- Capacity Building
- Development of Retail Outlet

## **8.12 High Density Plantation Scheme**

High Density Plantation scheme was launched by JK Unio Territory Government in collaboration with National Agricultura Cooperative Marketing Federation of India Ltd. (NAFED). The schem has been launched for High Density Plantation of Apple, Walnut Almond, Cherry, Mango, Litchi, Olive etc. The scheme shall remain effective w.e.f. March 2021 to March 2026. A targeted area of 550C hectare will be covered in the Union territory of Jammu and Kashmir under the scheme.

The scheme has been launched with the objectives of enhancing production & productivity and raising the farmers income.

### **FEATURES OF THE SCHEME:**

- Department shall register/authorize nurseries having the eligibility criteria.
- Assistance to the tune of 50% of the cost of planting material will be given directly to the farmers through DBT mode on purchase from these authorised nurseries.
- The cost of plants shall be fixed by the Price Determination Committee.
- To Facilitate the scheme, an online Monitoring Information System (MIS) shall be put in place for registration of eligible nursery growers & farmers, and demand as well as availability of plants.
- The Assistance shall be provided after Verification of Plantation.

### **Funding Pattern**

Funding Pattern under the scheme will be 50:50 between Government and the farmer.