

**District Export Action Plan**

# **Kishtwar District**



## Preface

This district export plan for Kishtwar 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. 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. In order to implement Hon'ble PM's vision for each district, Govt of J&K is working to promote Kishtwar as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Kishtwar 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 Kishtwar, 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 sources, including but not limited to data provided by office of DGFT, DICs, Diagnostic Study Reports, stakeholder consultation and several other secondary resources.

## Table of Contents

1. Vision of Districts as Export Hubs .....	4
❖ District Overview.....	5
District Infrastructure & Connectivity.....	5
Administrative Setup .....	6
Industrial Scenario of Kishtwar District.....	6
❖ Jammu and Kashmir Export Scenario .....	7
❖ Jammu and Kashmir EPI Index .....	8
❖ District as Export hub Overview.....	10
ODOP Product: Saffron .....	10
Export Scenario .....	11
Saffron.....	11
Financial Implications.....	14
❖ Challenges & Gaps .....	15
Critical Issues in the Input Stage .....	16
Critical Issues in Processing Stage.....	16
Critical Issues in Marketing Stage .....	16
Infrastructure Gap.....	16
Walnut.....	16
Financial Implication .....	18
Rajmash.....	20
Value Chain of Agro products ( Saffron, Rajmash, Walnut).....	22
Financial Implications.....	22
❖ Interventions Required .....	24
❖ Action Required .....	26
❖ Action Plan and Strategies .....	27
Annexure.....	31

## 1. 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%<sup>1</sup> 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, in order to minimize the challenges, quantify the exports and outline export strategy; a detailed district-wise Export Action Plan has been made for all 20 districts of Jammu & Kashmir, where Ernst & Young (EY) has contributed as Knowledge Partner.

---

<sup>1</sup> DGFT Report Jan 2021 – Developing Districts as Export Hubs

## ❖ District Overview

### District Infrastructure & Connectivity

District Kishtwar, in the past, used to be an independent hill principality the version of earlier name of Kishaswar located about 238 km from Jammu at a height of 5,360 feet. Kishtwar in its ancient form Kashthavata, is first referred to in the Rajatarangini during the reign of Raja Kalsa of Kashmir (1063-1089), when "Uttamaraja", the ruler of Kashthavata visited the court of Kashmiri king in company with several other hill chiefs to pay their respects to the Raja. The Mehta Family was gifted the lands of Kishtwar by the King of Kashmir. Their family temple "Hatta Wali Mata" and their Heritage can still be tracked back to Kishtwar.

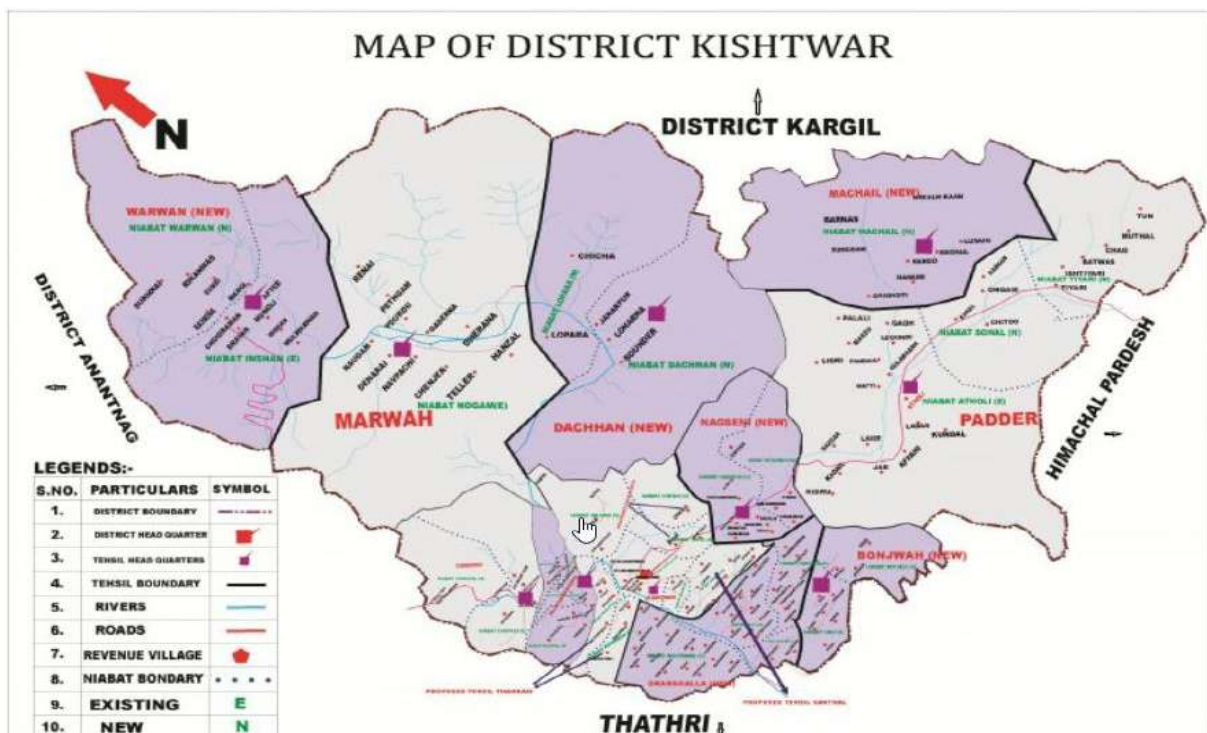


Figure 1: District Map

Kishtwar, situated on a central plateau set amidst sylvan surroundings of wooded hills, is a beautiful town located 238 km from Jammu, at an altitude of 1640 meter above the sea level, in Kishtwar District. It is an upland valley in the north-east corner of Jammu region and is just 107 km from the national highway resort of Batote. Kishtwar branches off in Marwa-Wadwan valley, Paddar valley, Chhatroo valley and is flanked by lofty Himalayas from all sides. The monsoon hardly reaches this part of the State which makes it a drought prone area and insufficient in food grains in particular the Marwah-Wardwan area which remains cut off for 5-6 months in a year due to snowfall in winter. One of the major power stations implemented in Kishtwar is Dul-Hasti which was commissioned in April 2007. First, it was a project, later it became a power station. Kishtwar is also connected with Kashmir Valley by Chhatroo- Synthan road, which is being upgraded into National Highway. Kishtwar

is located at 33.32°N 75.77°E. It has an average elevation of 1638 meters (5374 feet). Kishtwar town is located on a high plateau on the bank of Chenab.

Kishtwar district in the state of Jammu & Kashmir is positioned at an altitude of 5374 feet. The positional coordinates of Kishtwar district includes a longitude of 75.7667 and latitude of 33.3167. Jammu, Udhampur, Srinagar and Awantipur are the locations from one can avail of the air services to reach the district of Kishtwar.

The key economic activity of Kishtwar district in Jammu & Kashmir is agriculture. Since Kishtwar is set on considerably high altitude so the common climates of the place variates in the lowest levels of temperature scale. The handicraft items made by the local people of Kishtwar have a huge demand among those tourists who come to this quaint yet appealing place of Jammu & Kashmir. The natural surroundings of Kishtwar are adorned by majestic mountainous ranges and foliage's that collectively makes it a perfect tourist spot of the state of Jammu & Kashmir.

### Administrative Setup

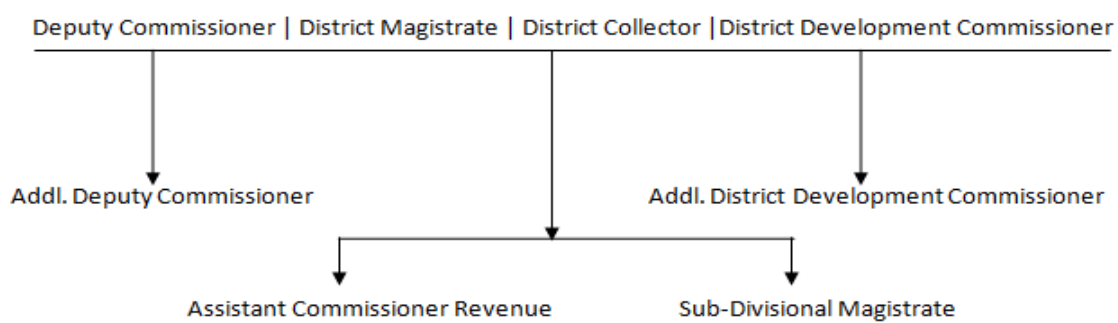


Figure 2: MSME Landscape

### Industrial Scenario of Kishtwar District

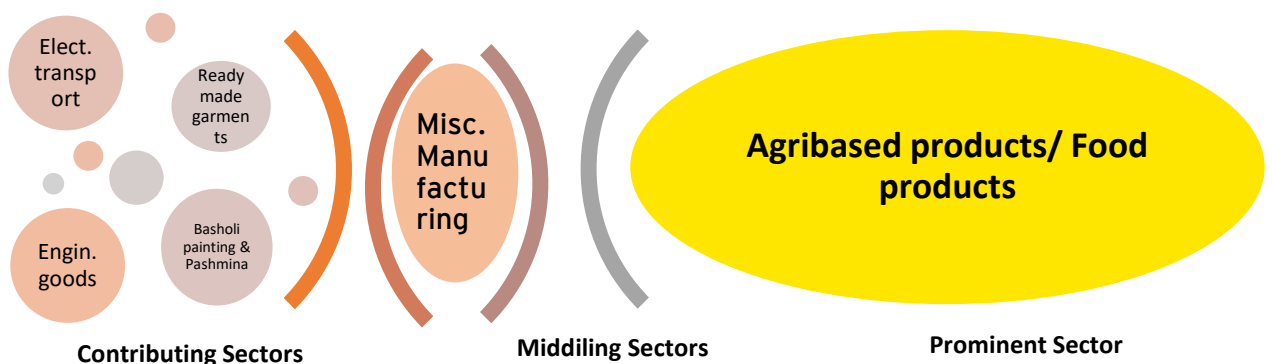


Figure 3: Industrial Scenario

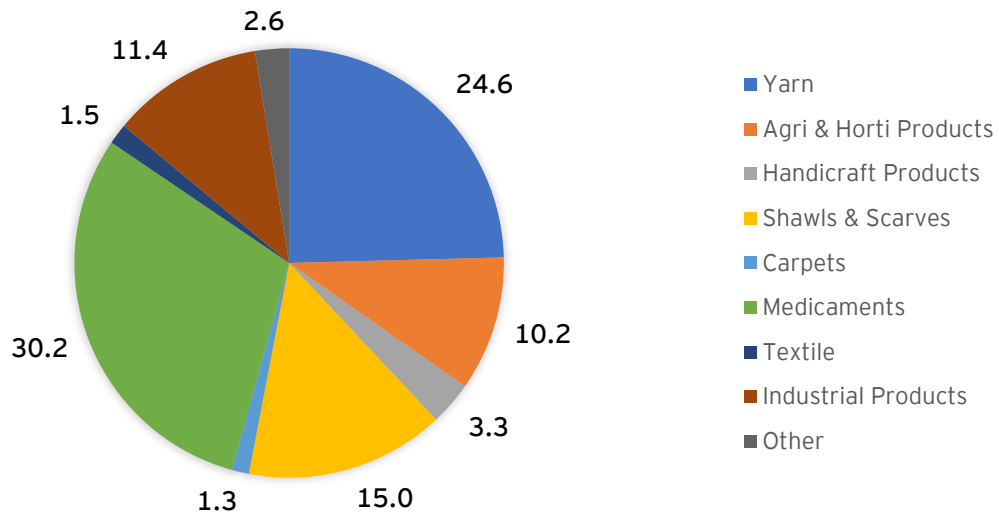
(Source: DIC Kishtwar)

(Source: DIC Doda).

### SWOT Analysis of Kishtwar

Strength	Weakness
<p>The rail line has connectivity to each and every part of India. Delhi Mumbai and Ludhiana Kolkata rail freight corridors have immense possibility to improve trade link with port of Northern region. Due to proximity with Ludhiana region, the district has immense possibility in exports in coming years. After becoming UT and commission of new Industrial Policy, investment proposal especially in the region of Jammu has zoomed. Adjoining States industries especially Pharma, drug, engineering goods and textiles are looking forward for the expansion of their industries in the region. Due to hilly region and strong historical and cultural background and developed variety of products of its capacity, Agro products of the region have their own potential i.e., Saffron and Rajmah (Kidney Peas).</p>	<p>The weakness of the district is its Logistic cost to send goods to seaports is relatively higher compared to any other parts of India. Industries based both on import export, has little chance to install their capacity here due to high Logistic cost. Jammu and Kashmir is relatively backward in terms of industries, so ecosystem towards industries has not developed yet in the region.</p>
Opportunities	Threat
<p>Opportunities in the region can be summarized as due to openness coming in government policies, liberal land availability and very attractive Jammu Kashmir industrial policy will bring robust future for exports. Infrastructure Srinagar rail line and dedicated freight corridor will make the region attractive destination for investment.</p>	<p>The threat that can be identified in the district and region is availability of land especially for industries. In last months, due to increase in freight, decrease of availability of containers, local industries suffered a lot because of being remote place of India. Developed here has mostly MSME, having less advantage in aggressive marketing and aggressive brand building.</p>

### ❖ Jammu and Kashmir Export Scenario



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 & handcraft products was about 19.6%. In the year 2023-24, the export value of the UT is expected to be increase by atleast 15% due to increase in the industrial production.

### ❖ Jammu and Kashmir EPI Index

Jammu & Kashmir has emerged among top performers, reaching 3rd position among UT's in Second Edition of Export Preparedness Index 2021 by Niti Aayog.

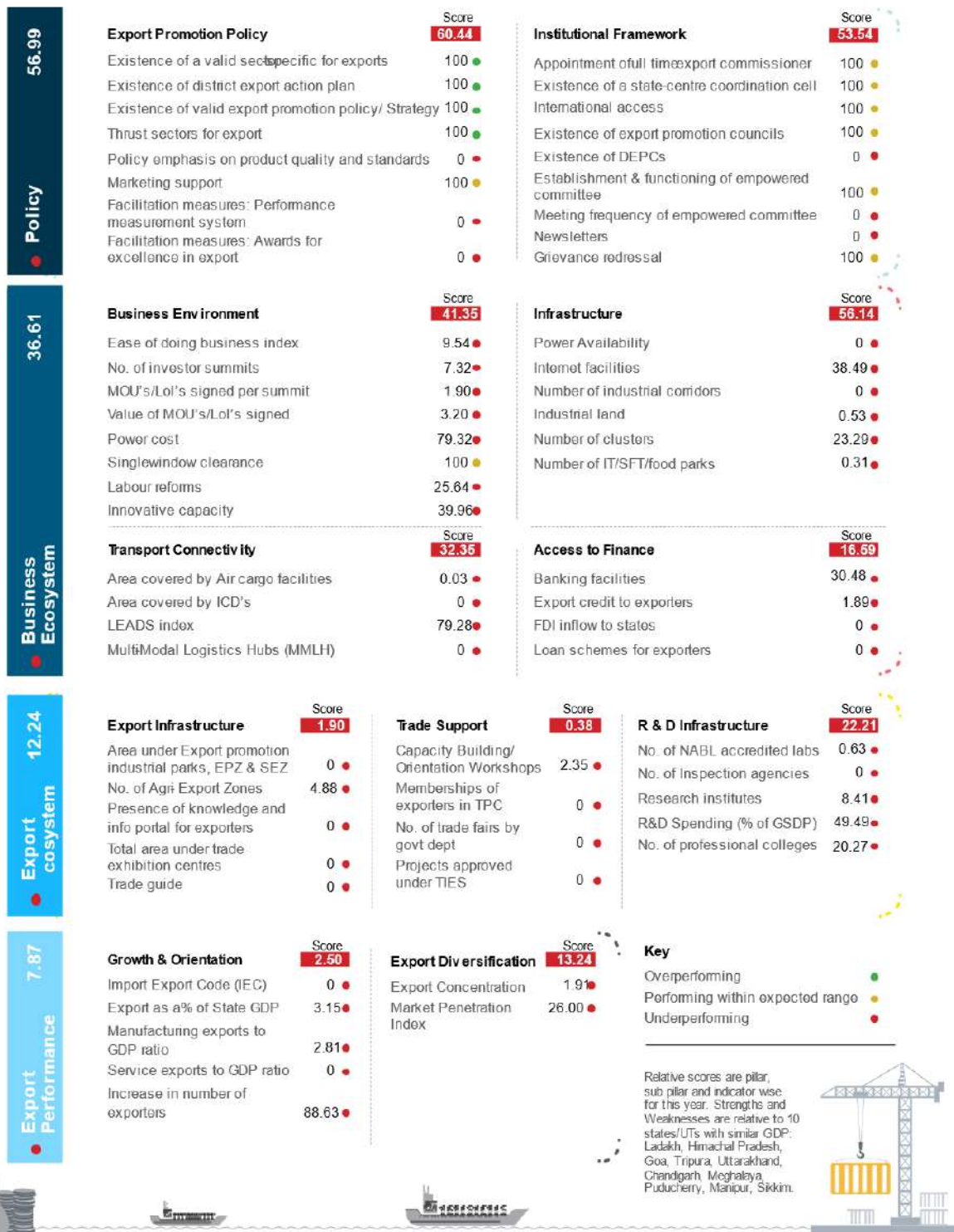


J&K recorded an improvement in its score rising to 30.07 from earlier scores of 12.27. Overall ranking of J&K has improved from rank 36 to rank 23.



## Jammu and Kashmir

30.06



## ❖ District as Export hub Overview

District 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.

In reference to the above, a District Level Export Promotion Committee (DLEPC) meeting was constituted vide Govt. order no. 677-JK (GAD) of 2020 dated 25.06.2020 chaired by the DDC Kishtwar on 03.01.2021. The District Level Export Promotion Committee (DLEPC) meeting chaired by the DDC Kistwar on 14.09.2021, keeping in view the ample marketable surplus quantity available in Agricultural produce like Saffron, Rajmash and Walnut have been unanimously decided as District as Export hub products of Kishtwar and Saffron was selected as One District One Product due to their forward and backward linkages for District.

S. No.	Product	Department
1	Lavender Oil	Chief Floriculture Office, Doda
2	Rajmash	Chief Agriculture Office, Doda
3	Walnut	Chief Horticulture Office, Doda

### ODOP Product: Saffron

Saffron is one of the world's most expensive spices. It is derived from the plant Saffron Crocus and is a perennial herbaceous plant that is mainly used as a seasoning and colouring agent. The crocus flowers or the saffron flowers are purple coloured and are called 'Saffron Rose" consisting of six petals, three stamens and three red-orange stigmas. The saffron spice as we know it is the dried stigmas and styles that are plucked from the crocus flower. The seeds of Saffron are called corms or bulbs. The corms of Saffron are not sown every year but once every few years.

The intensity, colour, aroma and flavour of saffron are derived from three active ingredients - crocin, safranal and picrocrocin, that are present in the saffron follower stigma. Due to the high content of crocin in it, Kashmiri saffron is considered best in the world. For ages, saffron has played an important role in Indian rituals and traditions. It is used in many dishes as a coloring and flavoring agent. The spice is also used in many traditional and modern medicines and is extensively used as an antiseptic, antispasmodic, anticancer and antidepressant. It is an important ingredient in herbal medicines for curing respiratory problems and is also widely used in the textile industry as a dye and as an aroma in the perfume-making and cosmetic industry. Saffron grows in regions that have hot summers, cold winters and well-drained soil generally falling between the altitude of 1500-2250 mts. above

mean sea level. It is a high price spice due to the requirement of manual labour for its cultivation, harvesting and handling. To produce 1 kg of the spice, about 150,000 - 160,000 flowers must be carefully picked one by one. Saffron's high value makes it prone to frequent adulteration and fraud in the open market.

### Saffron Production in Last 5 years

Year	2017-18	2018-19	2019-20	2020-21	2022-23
Area in Hector	202	202	202	202	202
Production in Kgs	250	330	320	384.5	312.10

Strength	Weakness
Saffron has Geographical Indication tag. So, its characteristics, its uniqueness has already been approved by the authority. There is great demand in the market especially in rich countries like USA, Europe, Japan and others.	Fake saffron and inferior Irani saffron also call themselves as Kishtwar saffron. There is no standardization to distinguish this type of differences. For buyers, it is very hard to distinguish both products. There is no easy E-Commerce process links available to buy this product.
Opportunities	Threat
Rich countries like USA, European countries, China and Japan may have huge demand of these specialized products in the markets. Because G I tag, it's acceptability in the world is cutting momentum. Due to increase in tourism in recent years also increased the demand of saffron for foreigners.	If the product cannot sustain against duplicate products available in the market, it will lose its shine of exportability. There is extreme competition from Iran which has higher productivity higher exportability and higher rich towards Middle East countries.

### Export Scenario

#### Saffron

091020 - Saffron

World Import Data

Importers	Value imported in 2022 (USD thousand)	Quantity imported in 2022
World	3630093	1749996
United States of America	444041	162419
Netherlands	237194	101649
Germany	224715	63389
Saudi Arabia	209215	46625

United Kingdom	161492	57743
Japan	157193	62115
Malaysia	154231	80900
United Arab Emirates	118387	180832
Pakistan	115764	83173

Table 4: World Import data

(Source: Trade Map)

#### World Export Data

Exporters	Value exported in 2022 (USD thousand)	Quantity exported in 2022
World	3293990	0
China	722999	444149
India	577319	441755
Netherland	275638	86916
Germany	148993	21152
Turkey	139949	47078
Spain	119358	19474
Pakistan	93976	20743
Peru	92827	58584
Iran, Islamic Republic of	77655	2668

Table 5: World export data

(Source: Trade Map)

#### Export from India (Values in INR Cr)

HSCode	Commodity	2020-2021	%Share	2021-2022	%Share
091020	Saffron	12.61	0.0006	7.38	0.0002
	India's Total Export	2159043.22		3146186.29	

Table 6: Export data from India

(Source: Ministry of Commerce, India)

About 202 Hectares of land in Kishtwar district is occupied by the saffron with about 5-6 quintals of saffron being produced annually from these areas <sup>2</sup>

<sup>2</sup> [Saffron Cultivation in Kishtwar - Jammu Kashmir Latest News | Tourism | Breaking News J&K \(dailyexcelsior.com\)](https://www.dailyexcelsior.com)

## Challenges and Interventions

Parameter	Challenges	Intervention	Responsible Agency
<b>Infrastructure</b>	No proper storage for the saffron	Construction of CFC for the packaging and storage of saffron	GM DIC, Agriculture Department
<b>Marketing &amp; Promotion</b>	No proper marketing / promotion of products and what ever is done it done using traditional method	Expo Mart should be established to encourage and help exporters outgrow in international markets.  Establishing Rural Haat/Sales Outlet in the District that would provide a suitable market to the artisans	GM DIC, Agriculture Department
<b>Packaging</b>	Lack of innovation in packaging	Collaboration with Indian Institute of Packaging for improvement in Packaging	GM DIC, Agriculture Department, DIC, IIP
<b>Access to Finance</b>	Lack of awareness about existing financial institutions and their schemes & policies  Blockage of working capital owing to extended payment timelines and return of unsold stock	Collaboration with nationalized banks  Collaboration with SIDBI  Awareness and outreach program for raising consciousness about existing central and state government schemes that can be leveraged.  Ease in documentation for farmers in accessing the finance.	GM DIC, Agriculture Department, SIDBI, DIC
<b>Skill Upgradation</b>	Lack of understanding about online marketing tools.  Farmers using traditional	Organizing workshops for training farmers in modern techniques of cultivation and understanding the importance of online marketing	GM DIC, Agriculture Department, DIC

	methods for cultivation and harvesting		
<b>Socio Economic Factors</b>	MSP to be fixed	Minimum Support Price (MSP) is a form of government intervention to insure the growers/Weavers against a steep decline in the prices of their goods and to help them prevent losses. It is the minimum price set by the government for certain products.	Agriculture Department, GM DIC
<b>Exporter's issue</b>	No focal point to address exporters ongoing issues.  No Sector Specific Export Council in district Ganderbal  Lack of awareness	JKTPO 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.	JKTPO, GM DIC, Agriculture Department

## Financial Implications

### Hard Intervention

S. No	Hard Intervention	Priority	Timeline	Implementing Agency	Cost	Source of Fund
1	Setting up a Common Facility	High	06-12 months	Chief Agriculture Office	2.02 Cr	SFURTI / MSE-CDP Scheme
<b>Total</b>					<b>2.02 Cr</b>	

### Soft Intervention

S. No	Soft Intervention	Priority	Timeline	Implementing Agency	Cost
1	Capacity Building Program to enhance the skills of farmers and increase the production	Medium	12-24 months	Chief Agriculture Office	0.25 Cr

2	Marketing and Promotion of the product (organizing exhibition, event, workshops, social media, participation in trade fair, exhibition)	Medium	12-24 months	Chief Agriculture Office	1.00 Cr
<b>Total</b>					<b>1.25 Cr</b>
<b>Grand Total</b>					<b>3.27 Cr</b>

#### Financial Implications to set-up CFC for Saffron:

S.no	Name of Machinery	Quantity	Cost/Unit (INR) Crores	Total (INR) Crores
1	Vacuum Drying	4	0.12	0.48
2	Plucking Machine	6	0.04	0.24
3	Working Belt	4	0.1	0.4
4	Automatic Packing	3	0.18	0.54
5	Specto Photometer	3	0.12	0.36
<b>Total (INR)</b>				<b>2.02</b>

#### Synergies:

- 1 Immediate:** These are those countries where a proper marketing channel will unlock the potential of that market in very short period.
  - a. Based on Signed FTAs the following can be targeted UAE, France, Netherlands and Japan
  - b. High Growth Markets: **Germany, Italy**
- 2 Long Term:** The following countries **Saudi Arabia, Oman, USA** 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.

#### ❖ Challenges & Gaps

<b>Critical Issues in the Input Stage</b>	<ul style="list-style-type: none"> <li>• Insufficient planting material (corms).</li> <li>• Presence of cement plants around the area is causing a decrease in productivity of soil resulting in a lower yield of saffron per hectare of the cultivated land.</li> <li>• Traditional sowing and cultivation practices are cumbersome and labour-intensive.</li> <li>• Lack of irrigation facility.</li> <li>• Landholdings of most of the growers are small in size.</li> </ul>
<b>Critical Issues in Processing Stage</b>	<ul style="list-style-type: none"> <li>• Traditional harvesting practices are cumbersome and labour-intensive.</li> <li>• Lack of knowledge of current best practices and lack of adoption of technological interventions among saffron cultivators.</li> <li>• Lack of efficient post-harvest techniques like mechanized drying, grading, packing and storage facilities.</li> </ul>
<b>Critical Issues in Marketing Stage</b>	<ul style="list-style-type: none"> <li>• Lack of Standardization, Certification and Quality Assurance.</li> <li>• Adulteration of pure Saffron with low quality Irani saffron by, unscrupulous traders hamper the brand image of saffron in national and international market.</li> </ul>
<b>Infrastructure Gap</b>	<ul style="list-style-type: none"> <li>• <b>Storage:</b> Lack of required storage facilities at the cultivation level coupled with complex marketing system of saffron leaves growers with a lesser share of margin which has proved to be a vital factor responsible for declining area under saffron cultivation.</li> <li>• <b>Post-Harvest Facilities:</b> Lack of post-harvest facilities like drying, grading and packing, inhibits standardization and quality assurance of the Saffron.</li> <li>• <b>Research &amp; Training Institution:</b> Lack of dedicated research &amp; training institutions to usher interventions tailored to suit the local needs and requirements of Saffron cultivators hampers the adoption of the latest best practices to improve productivity.</li> </ul>

## Walnut

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

A walnut is the nut of any tree of the genus *Juglans* (Family Juglandaceae), particularly the Persian or English walnut, *Juglans regia*. A walnut is the edible seed of a drupe, and thus not a true botanical nut. It is commonly consumed as a nut. After full ripening for its edible seed, when the shell has been discarded, it is used



as a garnish or a snack. Nuts of the eastern black walnut (*Juglans nigra*) and butternuts (*Juglans cinerea*) are less commonly consumed.

#### World Import Data

Importers	Value imported in 2022 (USD thousand)	Quantity imported in 2022
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

Table 1: World Import Data

(Source: Trade Map)

#### World Export Data 2021

Exporters	Value exported in 2022 (USD thousand)	Quantity exported in 2022
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

Table 2: World export Data

(Source: Trade Map)

#### Export from India (Values in INR Cr)

S.No.	HSCode	Commodity	2020-21	%Share	2021-22	%Share
1	080299	OTHER NUTS, FRESH OR DRIED, WHETHER	158.79	0.0074	292.33	0.0093

		OR NOT SHELLED OR PEELED				
		India's Total Export	215,904,322.13		314,618,628.91	

Table 3: Export from India

(Source: Ministry of Commerce, India)

Jammu and Kashmir (J&K) is the major walnut-producer with annual output of around 2.66 lakh metric tonnes grown on 89,000 hectares; J&K accounts for more than 98 percent of the total walnut production in India.<sup>3</sup>

**Total Area under walnut production in Kishtwar 4709 hectares** (As per 2019-20 data)<sup>4</sup>

### SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> <li>• Availability of various varieties.</li> <li>• Premium quality has demand in national &amp; international market.</li> <li>• Favourable Climatic condition for cultivation</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of processing &amp; production.</li> <li>• Lack of Quality Testing &amp; certification facility.</li> <li>• Lack of Marketing &amp; Branding.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Process walnut into oil &amp; other unique value-added products.</li> <li>• Opportunity to explore national &amp; international market through E-commerce.</li> <li>• Achieve organic certification &amp; GI tag for Marketing branding promotion.</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from Top Brands at National Level.</li> <li>• Use of chemical fertilizer.</li> <li>• Crop requires at least 100 years documented reference in the historical/ religious literature for GI tagging purpose.</li> </ul>

### Financial Implication

#### Hard Intervention

S. No	Hard Intervention	Priority	Timeline	Implementing Agency	Cost	Source of Fund
-------	-------------------	----------	----------	---------------------	------	----------------

<sup>3</sup> [Why Kashmir's walnut industry is on the back foot \(moneycontrol.com\)](http://moneycontrol.com)

<sup>4</sup> [2019-20.pdf \(hortikashmir.gov.in\)](http://hortikashmir.gov.in)

1	Setting up a Common Facility Centre	High	06-12 months	Chief Horticulture Office	2.32 Cr	SFURTI / MSE-CDP Scheme
<b>Total</b>					<b>2.32 Cr</b>	

#### Soft Intervention

S. No	Soft Intervention	Priority	Timeline	Implementing Agency	Cost
1	Capacity Building Program to enhance the skills of farmers and increase the production	Medium	12-24 months	Chief Horticulture Office	0.25 Cr
2	Marketing and Promotion of the product (organizing exhibition, event, workshops, social media, participation in trade fair, exhibition)	Medium	12-24 months	Chief Horticulture Office	0.35 Cr
<b>Total</b>					<b>0.60 Cr</b>
<b>Grand Total</b>					<b>2.92 Cr</b>

#### Financial Implications to set-up CFC for Walnut:

S.no	Name of Machinery	Quantity	Function	Cost/Unit (INR) Crores	Total (INR)
1	Sorting Machine	2	Sort walnuts into different categories as per size	0.12	0.24 Cr
2	Shelling / Cracking Machine	6	Crack the walnut shell and deseed the walnut	0.02	0.12 Cr
3	Dehulling / Peeling Machine	2	Removing the seed coat and splitting the cotyledons	0.03	0.06 Cr
4	Walnut Drying Machine	2	Drying of walnut	0.025	0.05 Cr
6	Land Leveling, dressing and Infrastructure			1.50	1.50 Cr
<b>Total (INR)</b>					<b>2.32 Cr</b>

### Synergies:

**3 Immediate:** These are those countries where a proper marketing channel will unlock the potential of that market in very short period.

c. Based on Signed FTAs the following can be targeted: **USA, Netherlands, Germany, Saudi Arabia, UAE**

d. High Growth Markets: **Japan, Malaysia**

**4 Long Term:** The following countries **France, UK, Kuwait** 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.

## Rajmash

071333 - KIDNEY BEANS INCL WHITE PEA BEANS DRIED AND SHLD

It is king of pulses with supreme taste and delicacy. The climber nature of plant requires support for growth and is cultivated as intercrop in the Maize fields in high altitude areas. Its production is localized with locally acclimatized varieties World Import Data

### World Import Data

Importers	Value imported in 2022 (USD thousand)	Quantity imported in 2022
World	12797681	-
India	2102260	2601934
China	1105185	2514399
Pakistan	760302	1226232
Turkey	670372	973278
Bangladesh	624235	1355812
United States of America	548600	656009
United Arab Emirates	493330	745023
Egypt	372163	443892
Italy	360486	498962

Table 7: Import data of world

(Source: Trade Map)

## World Export Data

Exporters	Value exported in 2022 (USD thousand)	Quantity exported in 2022
World	12308827	-
Canada	2947370	5250255
Australia	1441650	2716848
Myanmar	937301	1000937
United States of America	875073	1125405
Turkey	690697	804925
Russian Federation	639540	1520829
Argentina	458755	573816
India	322767	343284
China	322413	185754

Table 8: Export data of world

(Source: Trade Map)

## Export from India (Values in INR Cr)

HSCode	Commodity	2020-2021	%Share	2021-2022	%Share
071333	KIDNY BENS INCL WHITE PEA BENS DRIED AND SHLD	47	0.0022	60.18	0.0019
	India's Total Export	2159043.22		3146186.29	

Table 9: Export from India

(Source: Ministry of Commerce, India)

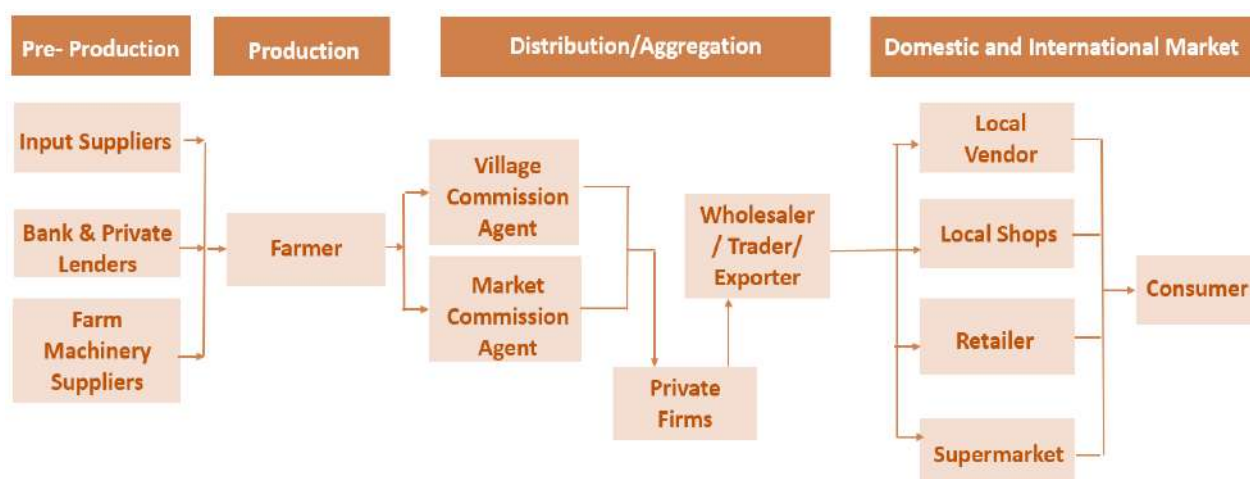
## Cluster Shareholders

<ul style="list-style-type: none"> <li>▶ Village Knowledge Centres</li> <li>▶ Financial institutions – J&amp;K Bank, Cooperative Bank, State Bank of India, Punjab National Bank, Punjab &amp; Sind Bank, Allahabad Bank, Cooperative Bank and HDFC bank etc.</li> </ul>	<ul style="list-style-type: none"> <li>▶ District Industries Enterprise Promotion Council (DIEPC)</li> <li>▶ Industry Associations</li> <li>▶ JKTPO</li> <li>▶ CAO/CHO</li> <li>▶ Govt Schemes &amp; Implementing agencies such as Govt., PSUs, Joint Ventures, NGOs, Coop Sector, industrialists etc.</li> </ul>
--	---

Figure 4: Cluster shareholders

(Source: DIC Kishtwar)

## Value Chain of Agro products ( Saffron, Rajmash, Walnut)



## SWOT Analysis

Strengths	Weakness
Rajma of Jammu region is famous for or its small size, good cooking capacity, beautiful texture, delicious taste. In India, also it has developed its own market. Farmers in the region are not much prone to use pesticides and fertilizers.	Weakness of the product can be summarized as less exportability from India. India's export in pulses sector is very less. The export of Rajma is below 20 crore per annum, it is in significant towards total Exports.
Opportunities	Threats
Opportunity can be developed especially in Gulf countries where India has developed market of its own Agro products. Food style and habits of UAE, Qatar and Iran are very much similar to India.	Threat it is analyzed in terms of productivity. Traditionally, India has very low production in pulses especially in Rajma. So hard productivity with good quality is the solution towards Exports.

## Financial Implications

### Hard Intervention

S. No	Hard Intervention	Priority	Timeline	Implementing Agency	Cost	Source of Fund
1	Setting up a Common Facility Centre	High	06-12 months	Chief Agriculture Office	2.50 Cr	SFURTI / MSE-CDP Scheme
<b>Total</b>					<b>2.50 Cr</b>	

### Soft Intervention

S. No	Soft Intervention	Priority	Timeline	Implementing Agency	Cost
-------	-------------------	----------	----------	---------------------	------

1	Capacity Building Program to enhance the skills of farmers and increase the production	Medium	12-24 months	Chief Agriculture Office	0.25 Cr
2	Marketing and Promotion of the product (organizing exhibition, event, workshops, social media, participation in trade fair, exhibition)	Medium	12-24 months	Chief Agriculture Office	0.35 Cr
<b>Total</b>					<b>0.60 Cr</b>
<b>Grand Total</b>					<b>3.10 Cr</b>

**Financial Implications for CFC for Rajmash:**

S.no	Name of Machinery	Quantity	Function	Cost/Unit (INR) Crores	Total (INR)
1	Testing and Certification lab		Testing of Rajmash seed and certification	0.5	0.5 Cr
2	Sorting and grading machine	1	Belt conveyor can be used for sorting and grading	0.15	0.15 Cr
3	Packaging machine	1	Packaging of Rajmash	0.15	0.15 Cr
4	Land Levelling, dressing and Infrastructure			1.5	1.5 Cr
<b>Total (INR)</b>					<b>2.50 Cr</b>

## Synergies:

- 1 Immediate:** These are those countries where a proper marketing channel will unlock the potential of that market in very short period.
  - a. Based on Signed FTAs the following can be targeted: **China, UAE and Saudi Arabia.**
  - b. High Growth Markets: **Germany, USA and Spain.**
- 2 Long Term:** The following countries **Italy, Netherlands, Belgium, and Egypt** 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.

## ❖ Interventions Required

- Develop nurseries for commercial corm production.
- Switch to latest cultivation practices and improve input delivery system.
- Promote post-harvest technologies like quick stigma separation and technology- centric drying techniques.
- Develop standard practices to ensure compliance with global quality and certification practices (grades, sorting and packaging).
- Facilitate direct linkage of growers with exporters/ retailers.
- Establish Research & Training institutions to increase the productivity of Saffron farms and capacity building of saffron growers.
- Establish storage units around Saffron Farms.
- Create a 'J&K Saffron' brand of global repute.
- Promote Contract Farming and create Farmer Cooperatives/ FPOs.
- Promote inter-cropping of Saffron with Almonds to provide better returns to growers.
- Provide Institutional credit support to the growers.



- Ensure Minimum Support Price (MSP) for farmers and ensure the listing of Saffron in the Indian Commodity Exchanges.

## ❖ Action Required

SI No.	Parameter	Action plan
1	Comprehensive Market Research	Conducting thorough market research to identify market demand, consumer preferences, and emerging trends across the world. The Research could help in identify demand and evaluate competitor activities in the target market
2	Infrastructure Development	Improve and expand infrastructure, including roads, irrigation systems, cold storage facilities, and processing units to enhance the efficiency of the supply chain.
3	Technological Advancements	Promote the adoption of modern farming techniques, equipment, and technology. Encourage research and development to increase productivity and reduce post-harvest losses.
4	Skill Development and Training	Invest in training programs for farmers, producers and traders to enhance their skills and knowledge. This will improve the quality of products and overall productivity.
5	Financial Support	Ensure that farmers, especially smallholders, have access to affordable credit and financial services to invest in their farms operations. Consider subsidies and grants to incentivize investment in the sector.
6	Marketing and Value Addition	Promote value addition and branding of agricultural and horticulture products. Establish farmer cooperatives and producer organizations to collectively market products, negotiate better prices, and reduce the influence of middlemen.
7	Crop Diversification	Encourage crop diversification to reduce dependence on a limited range of crops. Promote the cultivation of high-value crops, such as saffron and walnuts, alongside traditional crops like rice and wheat.
8	Quality Assurance and Standards	Implement and enforce quality standards for agricultural and horticulture products. This will improve product quality and enable access to larger, quality-conscious markets.

9	Sustainable Practices	Promote sustainable farming practices, including organic farming, to ensure long-term environmental and economic viability.
10	Government Support and Policy Reforms	Advocate for policy reforms that support the growth of these sectors. Consider land reforms, water resource management, and labor policies that are conducive to agricultural development.
11	Public-Private Partnerships	Foster collaboration with private companies and investors to develop the sector further. Public-private partnerships can bring in expertise, technology, and investment.
12	Export Promotion	Support the establishment of export-oriented units and ensure compliance with international standards to access global markets
13	Monitoring and Evaluation	Continuously monitor the progress and impact of the action plan through performance indicators and feedback from stakeholders. Make necessary adjustments based on the results.
14	Market Support	A much needed mandi to be established in the location feasible for farmers across the district to sell their products at one location.

### ❖ Action Plan and Strategies

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation <sup>5</sup>
<b>Increasing the overall exports from the state</b>		
Sensitization and facilitation in availing Import/export documents: 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	IP cell, DIEPC JKTPO	Continuous initiative

<sup>5</sup> Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation <sup>5</sup>
undertaking import/ export and provide support in availing them		
<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-imburements 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	Continuous initiative
<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>Sensitization of cluster actors: The individuals of a cluster should be sensitized on the plethora of schemes<sup>6</sup> available for them for maximizing the potential of exports. Merchandise Exports from India Scheme, Service Export from India Scheme etc. provides various exemptions for facilitating exports. Further, schemes like Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme) ensure procurement of imported duty-free raw materials</p> <p>Currently, majority of the exporters and traders focus on selling their goods to USA, UK and European countries without correctly analyzing the demand market. Thus, these cluster actors should be sensitized on target countries identified through export analysis mentioned in DAPs and EAP</p>	IP cell, DIEPC JKTPO	Continuous initiative
DIEPC and FIEO can play a pro-active role in this regard. 10% increase in every year in the	DIC, JKTPO and FIEO	Intermediate

<sup>6</sup> List of available schemes facilitating exports: <https://www.ibef.org/blogs/indian-export-incentive-schemes>

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation <sup>5</sup>
number of units taking part in the trade fairs organized by FIEO and other organizations may be proposed as a target under this segment		
<b>Common interventions across sectors/ clusters</b>		
Collaboration with e-commerce companies like Amazon, ebay, Flipkart etc.	IP cell, DIEPC JKTP O	Short term
MoU with QCI for defining quality standards of the products	IP cell, DIEPC JKTP O	Short term
Collaboration with IIP to define cluster-wise packing standards	IP cell, DIEPC JKTP O	Short term
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	JKTP O/DIEPC and Banks	Short term
Introduction of revolving working capital within the cluster to help MSMEs procure raw materials and undertake production without hinderances	JKTP O/DIEPC and Banks	Intermediate
Tie up with the banks/financial institutions (SIDBI, BoB etc.) for better interest rates, enhanced working capital limits etc.	IP cell, DIEPC JKTP O	Intermediate
Handholding of MSMEs for increasing their awareness on schemes of state & center and the procedure to apply to avail financial assistance	JKTP O/DIEPC	Intermediate
Sensitization of cluster actors from this sector on Make in India initiative and PLI for leveraging the assistance provided to the sector to enhance productivity and expand exports	DIEPC JKTP O	Short term
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/ JKTP O	Long term
Cost Structure: 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/JKTP O	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/JKTP O	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	DIEPC/JKTP O/ FIEO	Short term

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation <sup>5</sup>
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.		

## Annexure

### Government Schemes for Cluster and Infrastructure Development

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.

#### Funding Pattern

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%	
<b>Infrastructure Development Project</b> State / UT Governments through an appropriate State Government UT Agency/Integrated Industrial Park Development Agency/ State Industrial Development Agency				

## Implementing Agencies

### 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/ Start-ups /Green Field MSEs/FPOs for CFC with project cost of above Rs 10 crore and above
  - Minimum 10 MSEs/ Start-ups /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-principle 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 Crore 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 SLSC (State Level Screening Committee)**

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 NPAC (National Project Approval Committee)

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 Dairying	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 etc	Special Invitee
Director (CD)	Member

### Flatted Factory

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.

#### **Ambedkar Hastshilp Vikas Yojana**

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

Funds are available for

#### **1. 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.

**2. 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	Own building (Interior Work/construction) 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>	

Rental amount will be borne by the IA

### 3. 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 govt. 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.

#### **4. 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.

#### **5. 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.

## **6. 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, street-lights, 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 NE, 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

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>