

District Export Action Plan

Kulgam 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.

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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, 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.

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

1. District Overview

1.1 Introduction



Figure 1 : District Map of Kulgam

Located in the heart of Union Territory of Jammu and Kashmir, Kulgam derives its name from “Kul” meaning thereby the “Whole” and the “Gam” in Arabic to “teach righteousness”. The city of Kulgam is situated 68 kms from Srinagar and about 17 kms from Anantnag. It is surrounded by Reasi, Ramban & Rajouri Districts in the South and Southwest though separated by mighty and majestic mountainous range of Pirpanjal acting as a massive topographic physical protection. The district has road connectivity with its neighboring districts like Shopain, Pulwama, Anantnag and Ramban etc, besides being linked with far flung areas of the district by a dependable road network.

1.2 Location & Geographical Area

Kulgam is located at 33°39'N 75°01'E / 33.65°N 75.02°E / 33.65; 75.02. It has an average elevation of 1739 meters (5705 feet). Ahrabal is one of the well-known tourist destinations in district Kulgam. The district is also known as the rice bowl of the valley and is known for its variety of fruit especially apples. Kulgam is very tall in the production of apple, pears, chilleys & walnut & is called the rice bowl of Kashmir. The other statistical data & figures related to environment; geographic features are given in the profile.

1.3 Industry Scenario

SI No.	Head	Unit	Particulars
1.	Registered Industrial Unit	No.	329

2.	Total Industrial Unit	No.	329
3.	Terred Medium & Large Unit	No.	-
4.	Estimated Avg. no. of daily workers employed in Small Scale Industries	No.	1598
5.	Employment in Large and Medium Industries	No.	-
6.	No. of Industrial Areas	No.	07
7.	Turnover of Smallscale Industries	In Lacs	NA
8.	Turnover of Medium and Large Scale	In Lacs	-

(Source: DIC,Kulgam)

Data of Small Enterprises as on 31.03.2021

SI No.	District	No. of Units	Employment	Fixed Investment (In Lakhs)	Production (In Lakhs)
1	Kulgam	329	1598	3221	NA

(Source: DIC,Kulgam)

Details of Existing MSME & Large Enterprises and Artisan Units in the District

SI No.	Type of Industry	No. of Units	Employment	Investment in P&M (In Lakhs)
1.	Food	06	40	149.00
2.	Bakery	14	67	123.00
3.	Flour Mill	05	21	66.00
4.	Milk Products	04	21	27.94
5.	Spices and Salt	03	12	14.01
6.	Dry Fruit	01	22	47.00
7.	Rice	01	03	4.00
8.	Beverages	-	-	-
9.	Cement	24	184	419.26
10.	Chemical	-	-	-
11.	Wood	75	321	393.19

12.	Plastic / Recycling	6	44	105.53
13.	Pharma	-	-	-
14.	Dal / Oil Mill	15	56	116.80
15.	Electric	13	51	69.22
16.	Fabrication	09	51	72.81
17.	RMG / Silk / Wood	15	67	115.83
18.	Carpet / Cotton / Mattress	3	15	15.79
19.	Cattle Feed	-	-	-
20.	Paint	-	-	-
21.	Gun	-	-	-
22.	Packaging	-	-	-
23.	Phenyl / Soap	06	41	115.93
24.	Gases	-	-	-
25.	Service	48	156	386.36
26.	POP	-	-	-
27.	Pesticides	-	-	-
28.	Liquor	-	-	-
29.	Paper	05	47	279.60
30.	Printing	17	59	81.15
31.	Rubber	-	-	-
32.	Rolling Mill	-	-	-
33.	Metal	50	212	252.35
34.	Medical (Health Service)	03	16	40.45
35.	Glass	-	-	-
36.	Batteries	-	-	-
37.	Misc.	06	62	325.73
	Total	329	1598	3220.95

(Source: DIC, Kulgam)

1.3.1 Industry at a Glance

SI No.	Head	Unit	Particulars
1	Registered Industrial Units	No.	205
2	Total Industrial Units	No.	205
3	Registered Medium and Large Units	No.	-
4	Estimated Avg. No. of Daily Worker Employed in Small Scale Industries	No.	865
5	Employment in Large and Medium Industries	No.	-
6	No. of Industrial Areas	No.	3
7	Turnover of Small-Scale Industries	In LACS	380
8	Turnover of Medium and Large-Scale Industries	In LACS	380

(Source: DIC,Kulgam)

1.4 SWOT Analysis

Strength	Weakness
<p>Kulgam has a rich culture of Kashmir with good attraction of tourist point of view. Srinagar International airport is about 68.4 Kms, the rail line is being constructed and it will be functional in 2023. The rail line will boost the connectivity with rest of India, especially for export of goods.</p>	<p>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.</p>
Opportunities	Threat
<p>In recent times due to improvement in the security situations influx of international tourist may be increased in large number. Now the region is under administration of Union Government, due to several reforms investment enquiries are gearing up in the region. There is great opportunity in tourism sector, food processing sector, handloom and handicraft sector.</p>	<p>If the constructing rail line is not finalized within time, it will create great setback for the region. Entrepreneurship, established ecosystem, export infrastructure are in weak grounds that will create increase in cost, increasing labor prices and increase in transportation cost.</p>

2 District Apex and District Level Committee

In order 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

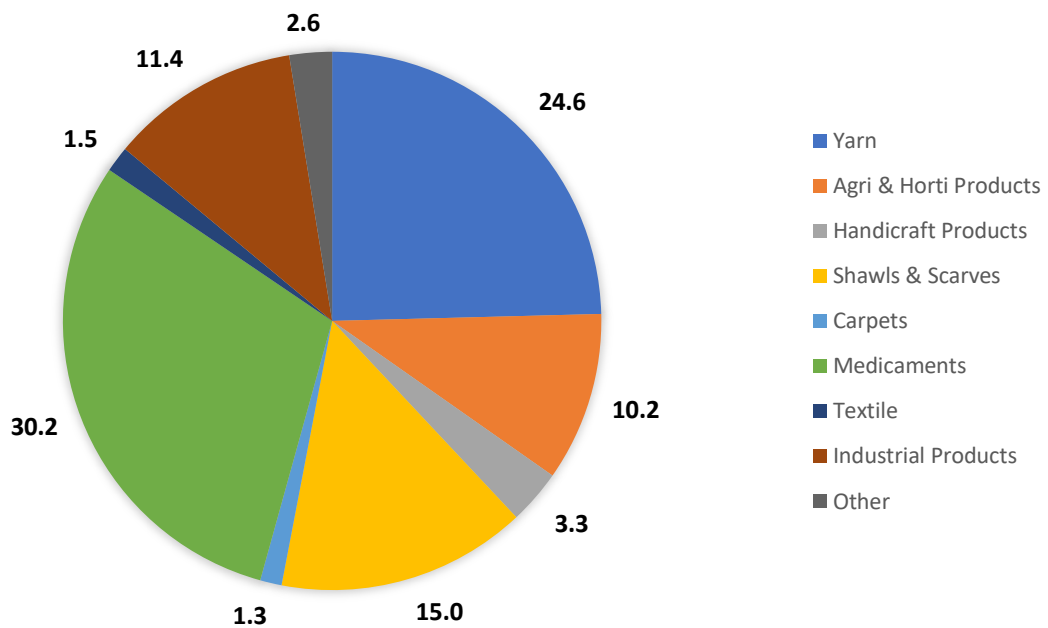
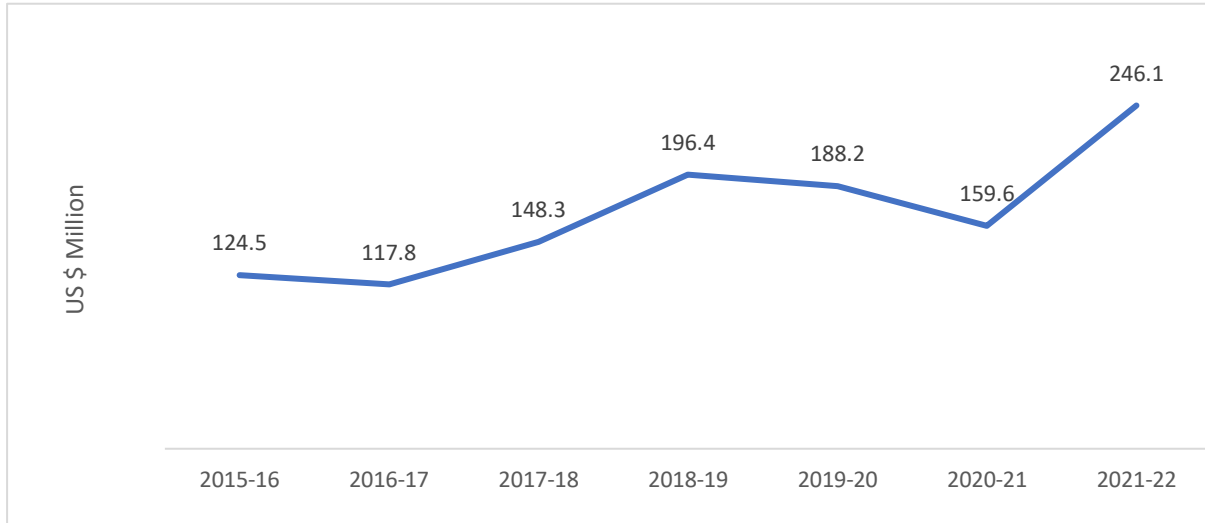
- To coordinate with the district admin to promote District as an Export Hub
- To coordinate with all the departments of UT and Central gov to resolve issues related to exports.
- To assist the UT government in formulation/Implementation of Export policy/Strategy

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

3 Export Scenario of Jammu and Kashmir

In 2021-22, J&K exported goods worth US\$246 Mn. Of the total exports, Pharma sector contributed 50% of the total exports followed by cotton yarn (24% of total exports) and Manmade Yarn (10% of total exports).



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.

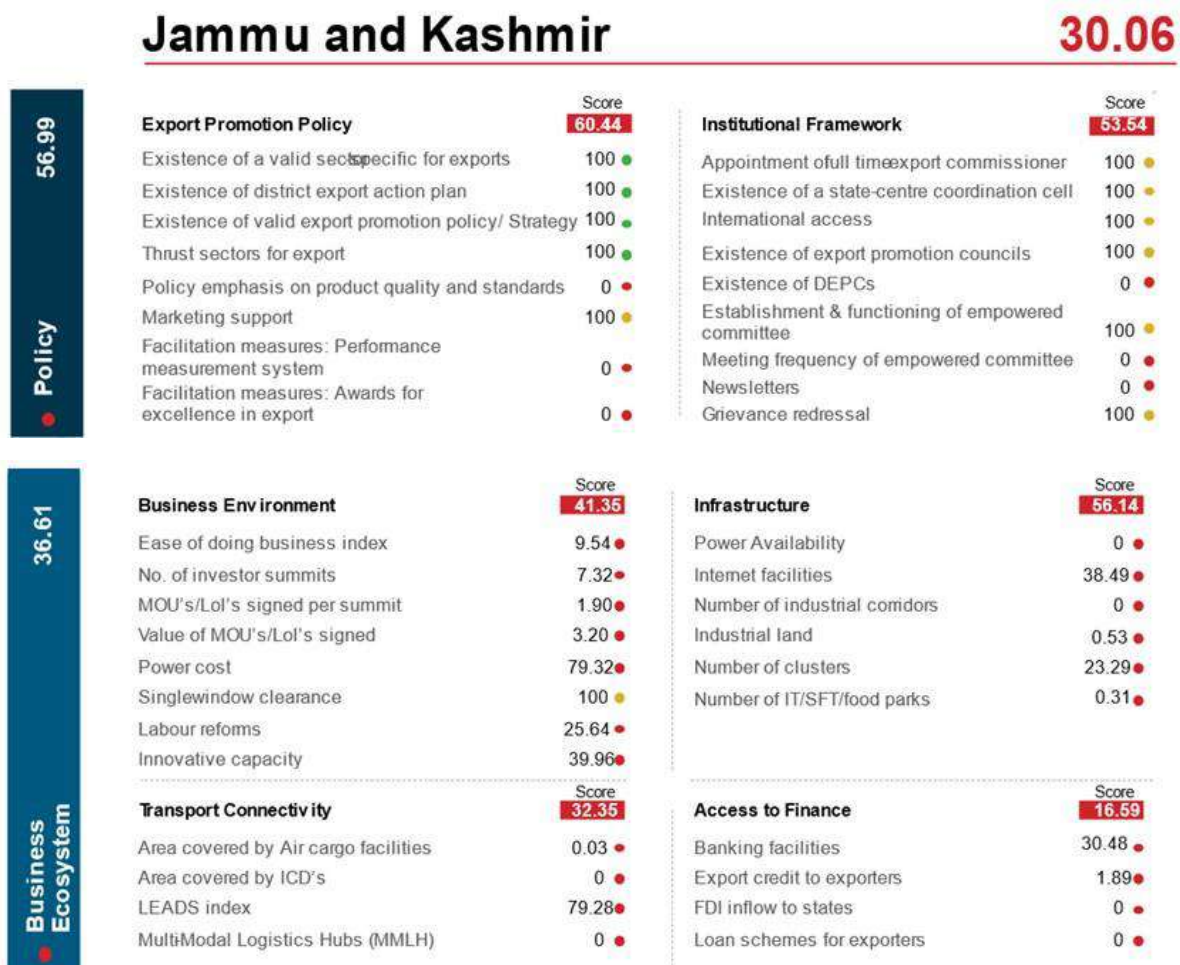
Jammu and Kashmir's rich biodiversity is home to several medicinal plant species which are exported for pharmaceutical purposes. Minerals like gypsum, limestone, sapphire, granite and other decorative stones also make up the export list of Jammu and Kashmir.

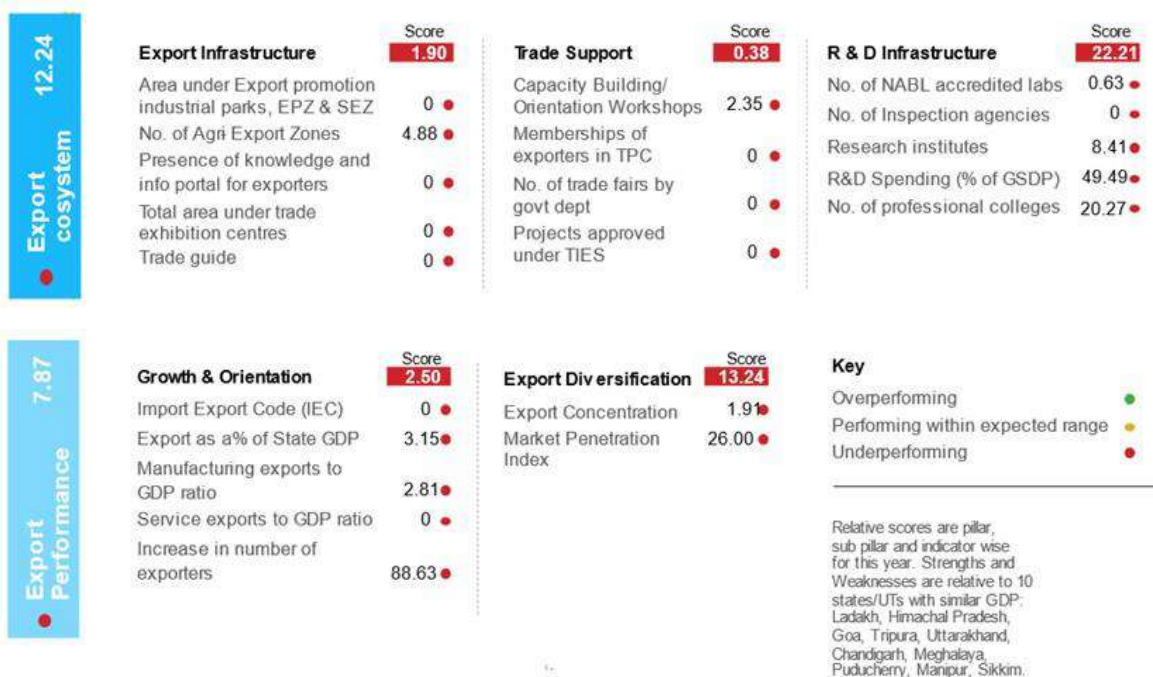
Though not technically counted under traditional exports, tourism can be considered as an export in the service sector. The exquisite natural beauty, rich cultural heritage, and adventure opportunities have attracted tourists from around the world. The demand for tourist services generates substantial 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, where as 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 atleast 15% due to increase in the industrial production.

3.1 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.





3.2 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 Kulgam has shortlisted 2 products with huge export potential:



Garlic



Red Chili

3.3 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

3.4 ODOP in Kupwara

Product : Garlic

Garlic (*Allium sativum*) is a species of bulbous flowering plant in the genus *Allium*. Its close relatives include the onion, shallot, leek, chive, Welsh onion and Chinese onion. It is native to Central Asia and northeastern Iran and has long been a common seasoning worldwide, with a history of several thousand years of human consumption and use. Garlic (*Allium sativum*) is an herb related to onion, leeks and chives. It is commonly used for conditions related to the heart and blood system.

Garlic is a hardy, bulbous, rooted, perennial plant with narrow flat leaves and bears small white flowers and bulbils. The compound bulb consists of 6 to 34 bulblets called 'cloves' which are surrounded by a common, thin, white or pinkish papery sheet. Garlic has a strong flavor and taste.

Garlic is used for flavoring various dishes practically all over the world. In United States, almost half of the produce is dehydrated for use in mayonnaise products, salad dressings and in several meat preparations. Raw garlic is used in the preparation of garlic powder, garlic salt, garlic vinegar, garlic cheese croutons, garlicked potato chips, garlic bread, garlicked bacon etc. Spray dried garlic products, liquid garlic preparations are other products. In India and other Asian and Middle East Countries, garlic is used in pickles, curry powders, curried vegetables, meat preparations etc. Oil of garlic is used as a flavoring agent in soups, canned foods, sauces etc. The other properties are anti-bacterial, fungicidal, and insecticidal. In the area of medicine, it is used for various ailments of stomach and skin diseases. It has wider applications in indigenous medicines and is also considered as highly nutritive.

Garlic grows underground in the form of a bulb. Its long green shoots produce flower stalks called scapes, which can be eaten. Covered in an inedible papery skin, the bulb, or head as it is more often referred to, is comprised of individual sections called cloves and there can be anywhere from 10 to 20 cloves per head. These cloves are themselves enclosed in a paper

like skin, which needs to be removed and the pale yellowish flesh within is the part of the garlic that is used in cooking and can be cut in a variety of ways.

3.5 SWOT Analysis of Walnut

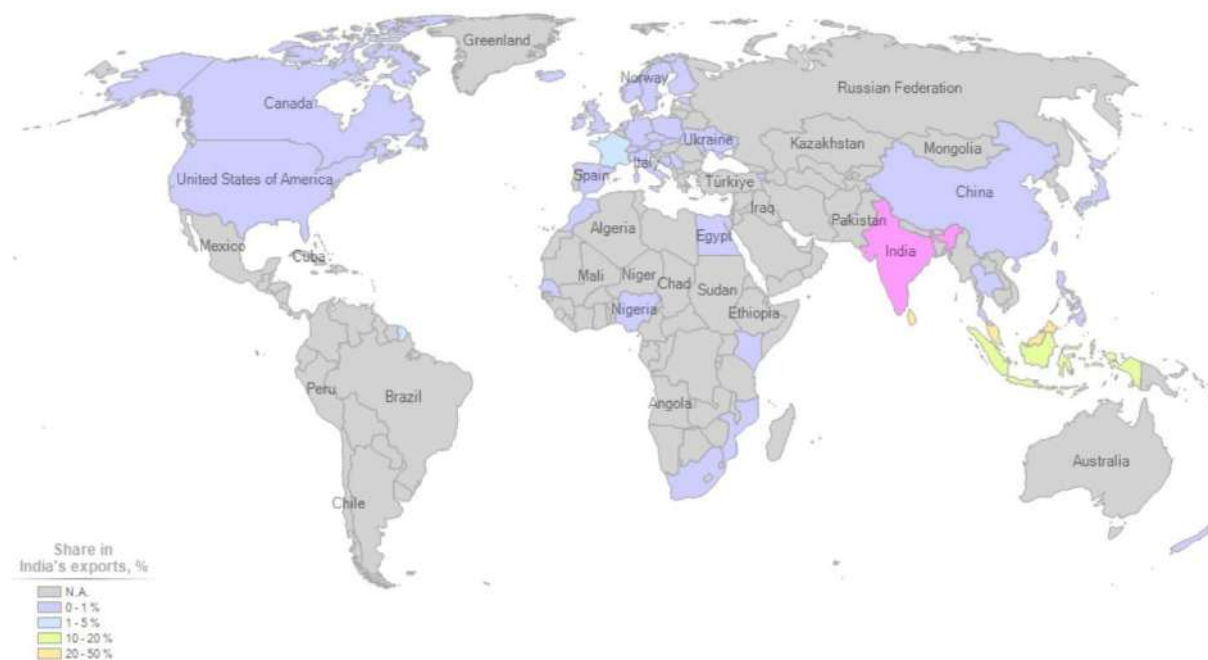
Strength	Weakness
<p>India is the second largest producer of Garlic after China, with other countries growing less than 0.5 million tonnes annually.</p> <p>Demand for Garlic has increased due to higher sales of branded food pickles and curry products.</p> <p>It is widely used for producing herbal products, pastes and medicines.</p> <p>The raw Garlic is used in making of Garlic Power, Garlic Salt, Garlic Vinegar, Garlic Bread etc., providing strong base for processing industry.</p>	<p>Limited availability of Garlic Bulbs.</p> <p>Inadequate infrastructure facility with producers, traders, processors at the market level which results in marketing inefficiencies.</p> <p>Insufficient storage facility for producers.</p> <p>Limited primary and secondary processing units for Garlic and its byproducts such as Garlic Peeling / Paste units.</p> <p>Lack of market information regarding prevailing prices, arrivals etc., due to which farmers are forced to sell in the local market.</p>
Opportunity	Threats
<p>Scope for establishment of quality sorting and grading facilities as part of Farmers Common Service Centre (FCSC) along with facilities for packing and facilities for proper transportation.</p> <p>Establishing storage facilities as a part of FCSC.</p> <p>Scope for tie-ups through FCSC with Food Processing firms in Urban areas and retail outlets.</p> <p>Value addition through processing of the bulbs in the form of dehydrate flakes, dehydrated power / paste, will be instrumental in substantially expanding the export basket of Garlic</p>	<p>Fluctuate in time of sowing due to climate change</p> <p>Cloudy weather, rainfall at the time of flowering and seed formation.</p> <p>Infection due to infection and other epidemic diseases</p>

5 Export Potential for DEH Products

5.1 Garlic

HS CODE 07032000: GARLIC FRESH OR CHILLED

5.1.1 India's Garlic Export



5.1.2 Export from India

SI No.	HS Code	Commodity	2022-23	% Share	2021-22	% Share
1	7032000	GARLIC FRESH OR CHILLED	9,115.20	0.0025	2,177.30	0.0007
		Total India Export	314,702,149.28		314,702,149.28	

(Source: Ministry of Commerce, India)

5.1.3 Export from India – Country Wise

SI No.	Country	Value in Lacs		
		2021-2022	2022-2023	%Growth
1	BANGLADESH PR	28.35	5,819.71	20,428.30
2	MALAYSIA	828.39	966.39	16.66
3	U S A	211.18	567.63	168.8
4	VIETNAM SOC REP	50.77	449.76	785.85
5	U ARAB EMTS	389.02	370.76	-4.69
6	BHUTAN	226.38	290.03	28.11
7	AFGHANISTAN	4.49	273.63	5,990.58
8	NEPAL	80.02	51.16	-36.07
9	THAILAND	24.08	50.73	110.71
10	OMAN	68.62	43.12	-37.16

(Source: Ministry of Commerce, India)

5.1.4 Major Importers of Garlic

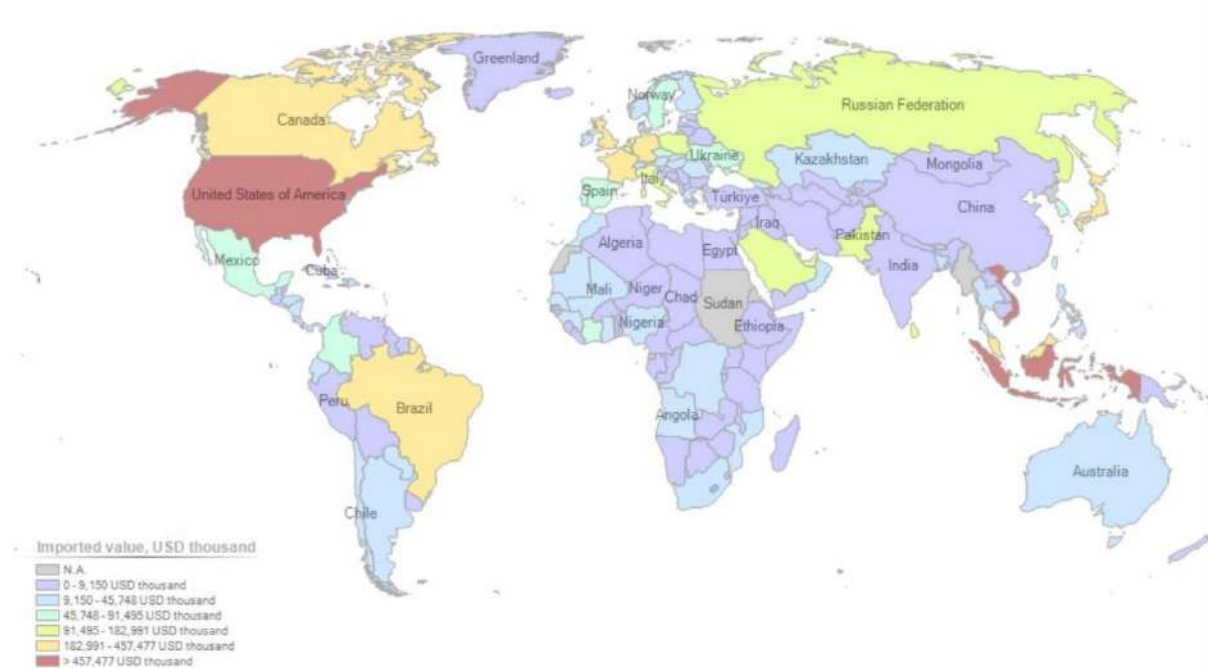


Figure 4: Map of Garlic Importing Countries

Importers	Value imported in 2021 (USD thousand)	Quantity imported in 2021
World	7442042	10671896
United States of America	819970	785234
Indonesia	726698	718234
Viet Nam	468528	409370
Germany	387904	316691
Malaysia	364841	629911
United Kingdom	283951	336748
Japan	260000	306702
Canada	257634	277828
Netherlands	247645	351783
France	220924	187649
Brazil	193363	242658

5.1.5 Major Exporters of Garlic

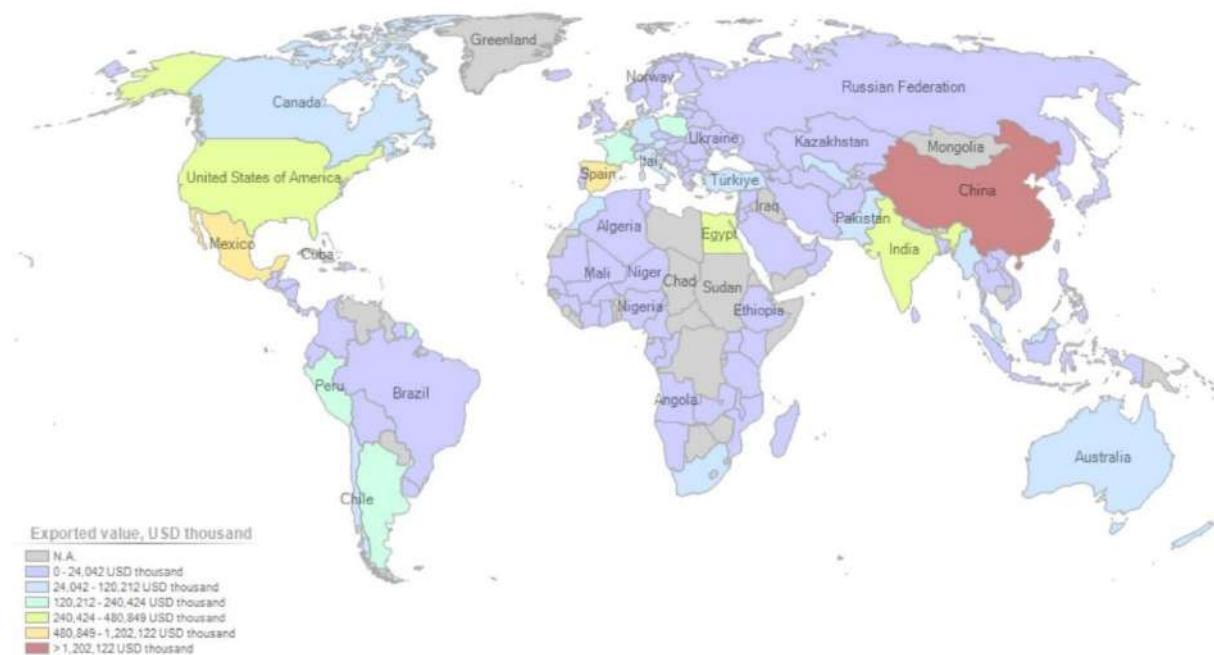


Figure 5: Map of Garlic Exporting Countries

Exporters	Value exported in 2021 (USD thousand)
World	7069305
China	2301830
Netherlands	996791
Spain	690846
Mexico	455859
India	452658
United States of America	289095
Argentina	170535
Egypt	166619
France	165896

5.2 Garlic Scenario in Jammu and Kashmir

Valley produced quality garlic worth Rs 45 Cr in 2021-22. Pulwama known for highest garlic produce in Kashmir. Area of 1776.50 hectares in the Kashmir valley was under garlic production and the total garlic produced in the year was 553480 quintals- out of which 110696 quintals were exported outside the Jammu Kashmir region.

Pulwama district produces the largest quantity of garlic while as the garlic from the Kulgam district of Jammu Kashmir is one of the purest varieties that can survive in the cold and high-altitude environment. District Udhampur also known for its garlic which is consumed within UT and transported to other states of India.

As per the current market rates, maximum price of Garlic is 7000.00 INR/Quintal in Jammu and Kashmir whereas the minimum rate is 3000.00 INR/Quintal in Jammu and Kashmir across varieties. The average price is 3500.00 INR/Quintal across varieties.

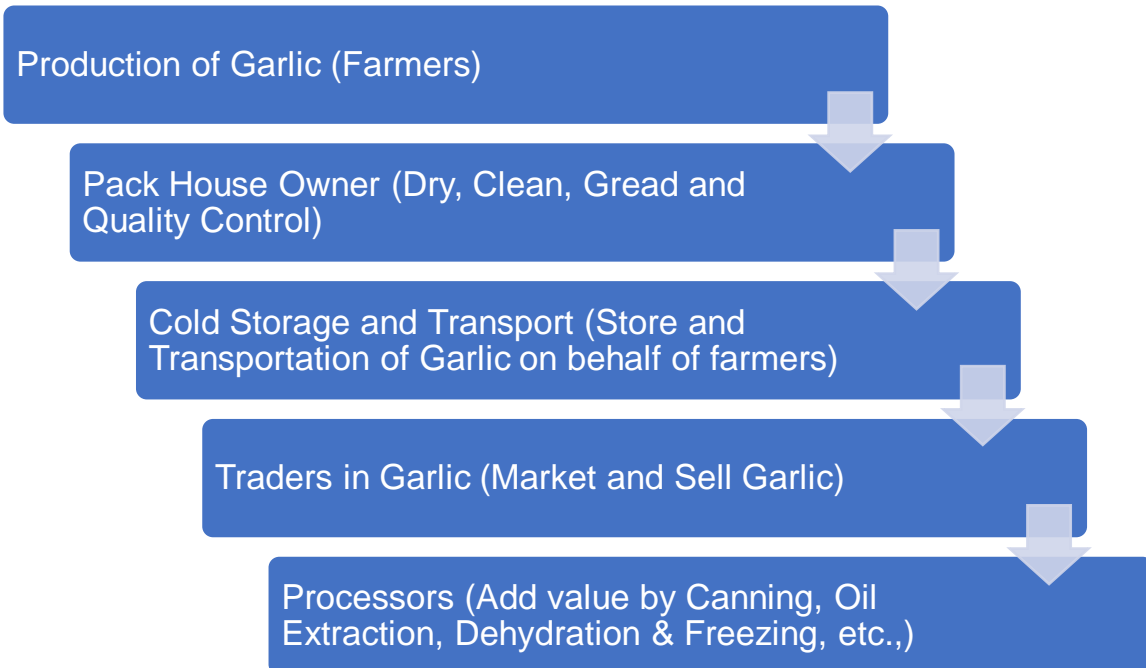
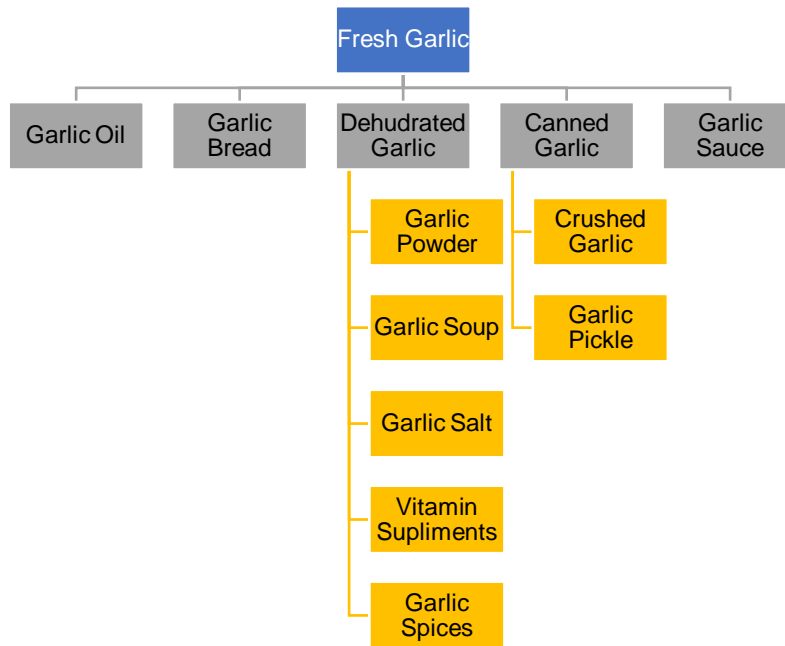
Challenges and Interventions

Parameter	Challenges	Intervention	Responsible Agency
Infrastructure	No proper storage for the saffron	Construction of CFC for the packaging and storage of saffron	GM DIC, Department of Floriculture
Marketing & Promotion	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, Department of Floriculture
Packaging	Lack of innovation in packaging	Collaboration with Indian Institute of Packaging for improvement in Packaging	GM DIC, Department of Floriculture, DIC, IIP
Access to Finance	Lack of awareness about existing financial institutions and their schemes & policies Blockage of working capital owing	Collaboration with nationalized banks Collaboration with SIDBI Awareness and outreach program for	GM DIC, Department of Floriculture, SIDBI, DIC

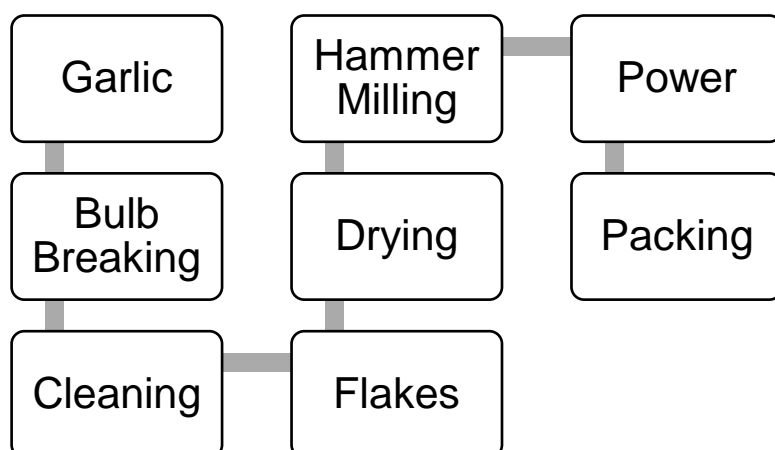
	extended payment timelines and return of unsold stock	raising consciousness about existing central and state government schemes that can be leveraged. Ease in documentation for farmers in accessing the finance.	
Skill Upgradation	Lack of understanding about online marketing tools. Farmers using traditional methods for cultivation and harvesting	Organizing workshops for training farmers in modern techniques of cultivation and understanding the importance of online marketing	GM DIC, Department of Floriculture, DIC, Indian Institute of Integrated Medicine
Socio Economic Factors	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.	Department of Floriculture, GM DIC
Exporter's issue	No focal point to address exporters ongoing issues. No Sector Specific Export Council in district Ganderbal	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, Department of Floriculture

	Lack of awareness		
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5.1.5 Garlic Processing



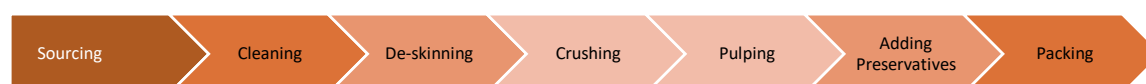
5.1.6 Garlic Powder



Financials

SI No.	Particular	Quantity	Cost in ₹	Priority	Source of Fund
1	Garlic Depoding Machine	1	1,50,000	High 12 – 18 months	MSE - CDP Scheme
2	Garlic Peeling	2	2,40,000		
3	Vegetable Cutting Machine	2	3,00,000		
4	Tray Dryer	1	1,35,000		
5	Pulverizer	2	1,90,000		
Total			10,15,000		

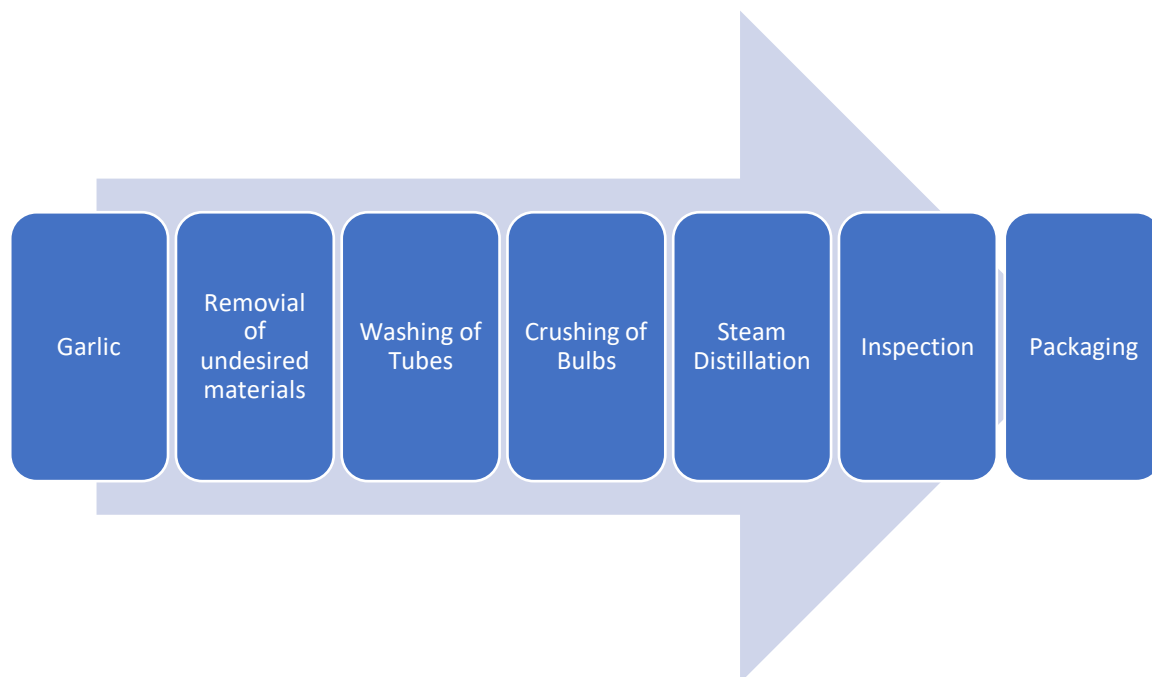
5.1.7 Garlic Paste



Financials

SI No.	Particular	Quantity	Cost in ₹	Priority	Source of Fund
1	Garlic Depoding	1	1,50,000	High 12 – 18 Months	MSE – CDP Scheme
2	Garlic Peeling	2	2,40,000		
3	Vegetable Cutting Maching	2	3,00,000		
4	Garlic Paste Making	1	1,50,000		
Total			8,40,000		

5.1.8 Garlic Oil



Financials

SI No.	Particular	Quantity	Cost in INR	Priority	Source of Fund
1	Garlic Depoding Machine	1	1,50,000	High	MSE - CDP Scheme
2	Garlic Peeling	2	2,40,000	12 – 18 Months	
3	Washing and Cleaning Machine	2	7,60,000		
4	Steam Distillation	3	27,00,000		
Total			38,50,000		

5.2 Red Chillies

Chili is a fruit which belongs to Capsicum genus. It has many varieties which are differentiated on its pungency measured on Scoville Scale. Chili fruit when ripened and dried becomes red chilly, which is further grounded to form red chilly powder. These are categorized as hot pepper. Red chilly became famous all around the world because of its characteristics like pungency, taste and flavor matched black pepper, which was very expensive during old times and thus it became one of the most important and integral spices.

Chili crop grows well in deep loamy fertile soil with appropriate moisture content. Best time for sowing chilies is between April and June i.e. in hot and humid weather. But dry weather is required at the time of harvesting. Major chili growing countries are India, China, Ethiopia,

Myanmar, Mexico, Vietnam, Peru, Pakistan, Ghana and Bangladesh. These Countries produce approximately 85% of the total red chili in the world.

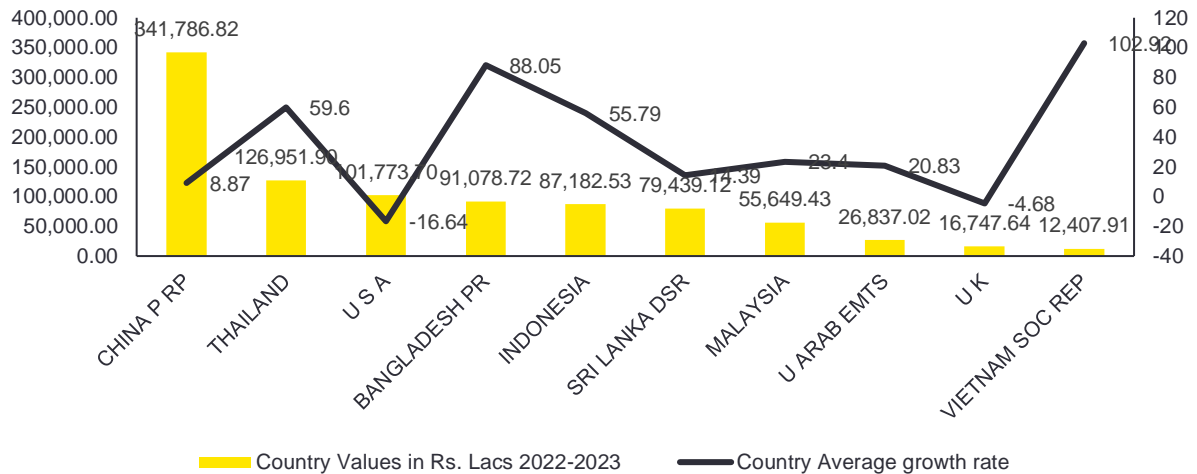
5.2.1 SWOT Analysis

Strength	Weakness
<p>India is the largest producer and exporter of chilies in the world. Traditionally, the regions of Andhra Pradesh, Telangana and parts of Madhya Pradesh are leading in terms of production as well as Exports. India has developed its market in China, Thailand and Vietnam. If India increases its quality in the product, it can expand the market in Europe and USA.</p>	<p>Jammu and Kashmir has not developed good ecosystem for exports. So, the region needs to improve its exportability of the product.</p>
Opportunities	Threats
<p>If India can increase its quality in terms of organic production and less use of pesticides, it can export market in quality sensitive countries like Europe and USA. China and Vietnam are traditional markets and India can develop its footprints in other Asian countries like Philippines, Thailand and Malaysia.</p>	<p>Agro products have always stabilized market and increased growth in markets is very much limited due to increase in use of pesticides. In Agro products deteriorate, quality especially in exports importing countries after Corona, have stringent the norms of quality of Agro products.</p>

5.2.2 Export Scenario

HS CODE 0904: PEPPER OF THE GENUS PIPER; DRIED OR CRUSHED OR GROUND FRUITS OF THE GENUS CAPSICUM OR OF THE GENUS PIMENTA PEP

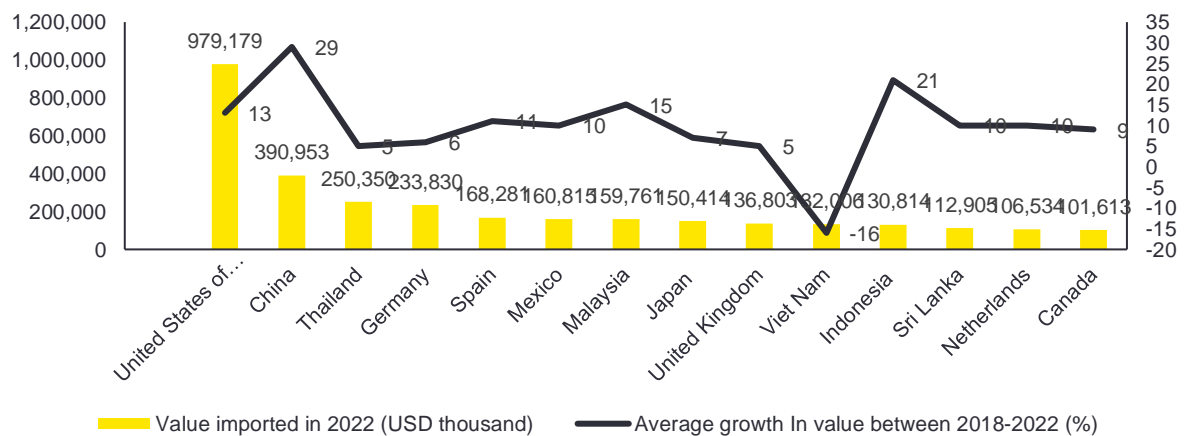
5.2.3 India's Export of Red Chilli



SI No.	Country	Values in Rs. Lacs		
		2022-2023	2021-2022	%Growth
1	CHINA P RP	3,41,786.82	3,13,946.07	8.87
2	THAILAND	1,26,951.90	79,543.44	59.6
3	U S A	1,01,773.70	1,22,092.20	-16.64
4	BANGLADESH PR	91,078.72	48,434.01	88.05
5	INDONESIA	87,182.53	55,960.16	55.79
6	SRI LANKA DSR	79,439.12	69,448.26	14.39
7	MALAYSIA	55,649.43	45,097.74	23.4
8	U ARAB EMTS	26,837.02	22,210.10	20.83
9	U K	16,747.64	17,569.58	-4.68
10	VIETNAM SOC REP	12,407.91	6,114.67	102.92

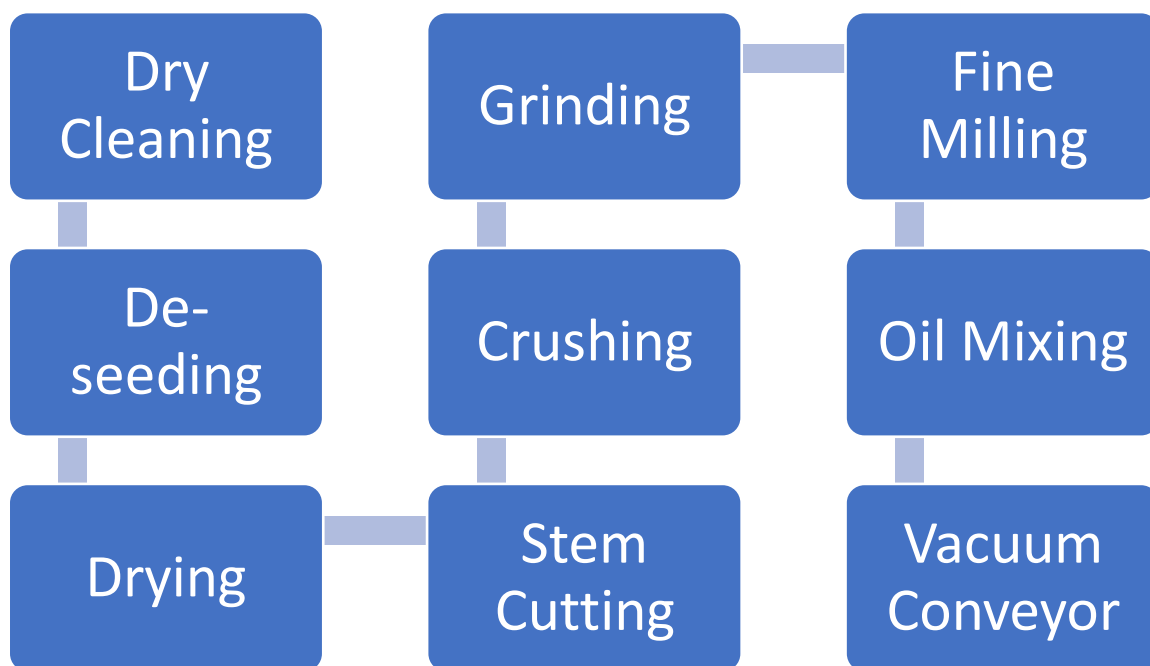
(Source: Ministry of Commerce & Industries)

5.2.4 Top Importers of Red Chilli



SI No.	Importers	Value imported in 2022 (USD thousand)	Quantity imported in 2022 (in Tons)
	World	48,38,677	0
1	United States of America	9,79,179	2,63,971
2	China	3,90,953	1,44,272
3	Thailand	2,50,350	89,602
4	Germany	2,33,830	52,021
5	Spain	1,68,281	0
6	Mexico	1,60,815	0
7	Malaysia	1,59,761	55,978
8	Japan	1,50,414	25,717
9	United Kingdom	1,36,803	27,600
10	Viet Nam	1,32,006	35,265
11	Indonesia	1,30,814	48,727
12	Sri Lanka	1,12,905	47,755
13	Netherlands	1,06,534	26,135
14	Canada	1,01,613	19,255

5.1.5 Red Chili Processing



Financials

SI No.	Particular	Quantity	Cost in ₹	Priority	Source of Fund
1	Chili Dry Cleaning Machine	2	6,00,000	High 12 – 18 Months	MSE – CDP Scheme
2	Chili Seed Separator	3	2,58,000		
3	Tray Dryer	2	2,70,000		
4	Milling and Sifting System	3	4,00,000		
Total			15,28,000		

5.1.6 Synergies

Immediate	<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"> Based on Signed FTAs the following can be targeted: UAE, Japan, Australia, Thailand, South Korea, Singapore, Mauritius, and Malaysia. High Growth Markets: Iran, China, Philippines, USA, and Saudi Arabia Based on Untapped Potential, J&K exporters should target the following countries to expand France, Germany, Italy, Mexico, and Brazil.
Long Term	<p>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.</p>

6. Challenges and Interventions

Parameter	Challenges	Intervention
Warehouse for storage	<p>▶ Lack of modern storage facilities causes damage of Chillis through natural calamities and insect attacks. This leads to selling of the Chillis at much lower price minimizing the profits for the cluster actors</p>	<p>▶ Creation of a warehouse with modern storage facilities with controlled atmosphere and Temperature</p>

Parameter	Challenges	Intervention
Marketing & Branding	<ul style="list-style-type: none"> ▶ Offline marketing is broadly used over online marketing. ▶ Increasing the Participation in International Trade fairs ▶ Limited Market diversification ▶ Lack of knowledge of existing schemes and govt. initiatives 	<ul style="list-style-type: none"> ▶ Collaboration with E-commerce companies focusing on vegetables and fruit sale like Big Basket, Natures Basket etc. ▶ DIC 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 organised by FIEO and other organizations may be proposed as a target under this segment
FPO model approach	<ul style="list-style-type: none"> ▶ Challenges in adopting FPO model and cluster-based approach 	<ul style="list-style-type: none"> ▶ It is suggested that on the lines of State Agri Export Policy, FPO model and cluster-based approach be adopted.
Organic Product	<ul style="list-style-type: none"> ▶ Unawareness about Export of Organic Products 	<ul style="list-style-type: none"> ▶ APEDA may be asked to apprise the stakeholders about benefits under NPOP
SPS/TBT Standards	<ul style="list-style-type: none"> ▶ Lack of Knowledge about SPS/TBT standards 	<ul style="list-style-type: none"> ▶ Awareness program by the DGFT/ APEDA
Exporter's issue	<ul style="list-style-type: none"> ▶ No focal point to address exporters issues. 	<ul style="list-style-type: none"> ▶ GM-DIC to act as a focal point for all exporters issues and may be given the responsibility to monitor the cell in consultation with DGFT.
Research and Development	<ul style="list-style-type: none"> ▶ Lack of Research Institutes in preparation of other food processing items of Chilli 	<p>Currently no research institutes (IIVR) are working on development of by-products of vegetable-based products, however, a research institutes are important in the cluster to promote commercial production of Chilli which in turn may lead to higher income and employment generation to the farmers.</p>

Annexure

4.1 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"> • Institutions of Ministry of MSME (MSME-DIs, NSIC, KVIC, Coir Board, Technology Centres, NI-MSME and GIRI) • Organizations of State Governments • National and international institutions engaged in development of the MSE sector • Any other institution / agency approved by the Ministry of MSME
Infrastructure Development Project	State / UT Governments through an appropriate State Government / UT Agency/Integrated Industrial Park Development Agency/State Industrial Development Agency

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-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 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 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

4.2 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.

4.3 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 gov. 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.

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 gov. 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
Total		300.00

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 NEER, 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.

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.

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.

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 gov. 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