



**GOVERNMENT OF KERALA
KERALA STATE PLANNING BOARD**

**FOURTEENTH FIVE-YEAR PLAN
(2022-2027)**

**REPORT OF
WORKING GROUP ON
TRADITIONAL INDUSTRIES**

**INDUSTRY AND INFRASTRUCTURE DIVISION
MARCH 2022**

FOREWORD

Kerala is the only State in India to formulate and implement Five-Year Plans. The Government of Kerala believes that the planning process is important for promoting economic growth and ensuring social justice in the State. A significant feature of the process of formulation of Plans in the State is its participatory inclusive nature.

In September 2021, the State Planning Board initiated a programme of consultation and discussing for the formulation of the 14th Five-Year Plan. The State Planning Board constituted 44 Working Groups, with more than 1200 members in order to gain expert opinion on a range of socio-economic issues pertinent to this Plan. The members of the Working Groups represented a wide spectrum of society and include scholars, administrators, social and political activists and other experts. Members of the Working Groups contributed their specialized knowledge in different sectors, best practices in the fields, issues of concern, and future strategies required in these sectors. The Report of each Working Group reflects the collective views of the members of the Group and the content of each Report will contribute to the formulation of the 14th Five-Year Plan. Each Report has been finalised after several rounds of discussions and consultations held between September and December 2021.

This document is the Report of the Working Group on Traditional Industry. The Co-Chairpersons of Working Group were Dr Jayan Jose Thomas and Sri APM Mohammad Hanish IAS. Sri V Namasivayam, Member of the State Planning Board co-ordinated the activities of the Working Group. Er Joy NR, Chief, Industry & Infrastructure Division was the Convenor of the Working Group and Dr Arun Shyamnath, Assistant Director, I&I Division was Co-Convenor. The terms of reference of Working Group and its members are in Appendix 1 of the Report.

Member Secretary

PREFACE

Traditional industries including Coir, Handloom, Cashew, Khadi and Village Industries and Handicrafts are significant and play a key role in inclusive development in the state of Kerala. These industries provide employment in large numbers especially to women, and support workers belonging to the relatively marginalized sections. These industries are linked to the natural resources of the state, and are part of our tradition and heritage. They are important avenues for creation of value, and are located predominantly in rural centres. Once the dominant industries in the state, they have over years witnessed changes.

The State Government had proposed significant initiatives during the 13th Five Year Plan period. However, the 13th Five Year Plan period was far from normal. The state witnessed floods in 2018 and 2019. Years 2020 and 2021 witnessed the unprecedented crises associated with Covid 19 pandemic. These developments along with the general deceleration in Indian economy have adversely affected the industrial sector including traditional industries. In spite of such adversities, the strategic interventions of State Government has ensured that the sector shows signs of progress and remains a beacon of hope. State Government views the sector as one that holds opportunities for its people, and is hence keen on facilitating its development.

Government interventions in traditional industries especially relating to modernization, diversification and innovative marketing have brought positive changes in the previous plan period. The momentum has to be channelized, positives increased and gains consolidated, to bring benefits to all sections of society. The Working Group has analyzed the industries in detail. The recommendations are expected to bring significant changes in the sector and invigorate it.

Dr Jayan Jose Thomas
Co-Chairperson

Sri APM Mohammad Hanish IAS
Co-Chairperson

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ABBREVIATIONS

ASHA	Assistance Scheme for Handicrafts Artisans
ASM	Automated Spinning Mill
CAPEX	Kerala State Cashew Workers Apex Industrial Co-operative Society Ltd
CCRI	Central Coir Research Institute
CEPCI	Cashew Export Promotion Council of India
CFSC	Common Facility Service Centre
CFTRI	Central Food Technological Research Institute
CHDS	Comprehensive Handicrafts Cluster Development Scheme
Coirfed	Kerala State Co-operative Coir Marketing Federation Ltd
DCCD	Directorate of Cashew and Cocoa Development
DHT	Directorate of Handlooms and Textiles
FICEA	Federation of Indian Coir Exporters' Associations
FOMIL	Foam Mattings (India) Ltd
FYP	Five Year Plan
GI	Geographical Indication
Gol	Government of India
GoK	Government of Kerala
HANTEX	Kerala State Handloom Weaver's Co-operative Society
Hanveev	Kerala State Handloom Development Corporation
HDCK	Handicrafts Development Corporation of Kerala
HUDCO	Housing and Urban Development Corporation Ltd
IIHT	Indian Institute of Handloom Technology
ITI	Industrial Training Institute
KADCO	Kerala Artisans Development Corporation
KAU	Kerala Agricultural University
K-Bip	Kerala Bureau for Industrial Promotion
KCB	Kerala Cashew Board
KKVIB	Kerala Khadi and Village Industries Board
KSACC	Kerala State Agency for the Expansion of Cashew Cultivation
KSBM	Kerala State Bamboo Mission

KSCC	Kerala State Coir Corporation
KSCDC	Kerala State Cashew Development Corporation
KSCMMC	Kerala State Coir Machinery Manufacturing Company
KSCWWFB	Kerala State Coir Workers Welfare Fund Board
KVIC	Khadi and Village Industries Corporation
MDA	Marketing Development Assistance
NABARD	National Bank for Agriculture and Rural Development
NBCFDC	National Backward Classes Finance & Development Corporation
NCDC	National Cooperative Development Corporation
NCRMI	National Coir Research and Management Institute
NHDP	National Handicraft Development Programme
NID	National Institute of Design
NIFT	National Institute for Fashion Technology
NPA	Non-Performing Assets
NTC	National Textile Corporation
PMEGP	Prime Minister's Employment Generation Programme
PPSS	Purchase Price Stabilisation Scheme
PSU	Public Sector Undertaking
RCN	Raw Cashew Nuts
REGP	Rural Employment Generation Programme
SCA	State Channelling Agency
SEGP	Special Employment Generation Programme
SMSMI	Sree Moolam Shashtyabdapurthi Memorial Institute
SURABHI	Kerala State Handicrafts Apex Co-operative Society

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EXECUTIVE SUMMARY

Traditional industries including Coir, Handloom, Cashew, Khadi and Village Industries and Handicrafts are significant for the state of Kerala. These industries provide employment in large numbers especially to women, support workers belonging to the relatively marginalized sections, are linked to the natural resources of the state, are part of our tradition and heritage, are important avenues for creation of value, and are located predominantly in rural centres. Hence, they play a crucial role in furthering inclusive development in the State.

Kerala is the home of the Indian coir industry, particularly white fiber, accounting for 61 per cent of coconut production and over 85 per cent of coir products. The coir industry is one of the earliest industries to have emerged in Kerala. Now, the industry is concentrated in the District of Alappuzha and employs nearly 1.5 lakh coir workers, of which 80 per cent are women. During the 13th Five year plan, along with the Plan schemes, the state also implemented the '2nd reorganization of coir sector' (an NCDC assisted scheme) with modernization and mechanization at its core. The combined effort has generated significant results. Input assistance, marketing, support for value addition, welfare and part of modernization were undertaken via plan schemes.

The handloom industry in the State is mainly concentrated in Thiruvananthapuram and Kannur district; and in some parts of Kozhikode, Palakkad, Thrissur, Ernakulam, Kollam and Kasaragod districts. The major varieties produced in the hand loom sector of the State are dhotis, furnishing material, bed sheets, shirting, sari and lungi. The handloom industry is dominated by the co-operative sector which currently covers more than 93 per cent of total looms. The total number of handlooms in the State was 16,657 in 2020-21. The total number of weavers in handloom sector was 13,656 and the number of women weavers was 9,032 in 2020-21. Production of handloom cloth was 148.8 lakh metres in 2020-21. The School Uniform Scheme was a significant intervention in the 13th Plan period.

The cashew industry is a major traditional agro-based industry in Kerala. There are several cashew processing units in Kollam district, which has earned the title 'cashew capital of the world'. As per traditional estimates, there are about 830 formal and informal cashew processing units in Kerala employing about 3 lakh workers of which 90 per cent are women. However, a large number of cashew processing units (about 730) are not functioning due to losses. It is currently held that the number of working cashew processing units are about 100 where about 1 lakh workers are employed. Cashew processing is concentrated mainly in the private sector. The co-operative sector has limited presence in cashew processing. Cashew was a significant item of export from Kerala. However, Kerala's share of cashew exported from India has fallen over years.

Khadi sector in Kerala has a strong base with its historical significance and social and political patronage. There are 29 Khadi institutions including Khadi and Village Industries Board (KKVIB), KKVIB aided institutions (14 numbers) and KVIB aided institutions (14 numbers) engaged in khadi production and sales. In 2020-21, KVIB provided employment to 0.96 lakh people of which 13,470 were in Khadi and the rest were in Village industries.

Total value of production was Rs 185.98 crore and the sales were Rs 204.90 crore.

Kerala has the tradition of making beautiful handicrafts with ivory, bamboo, palm leaves, seashells, wood, coconut shells, clay, cloth, coir, metals, stone, lacquer ware, and so on. Many old handicraft classics can be seen in palaces, old heritage homes and museums across the State. There are 32 different crafts in Kerala of which ivory carving, wood and horn carving, bell metal casting, hand embroidery, coconut shell carving are important commercial items. It is estimated that there are about 1.7 lakh handicrafts artisans actively engaged in the handicraft sector in Kerala. However, a vast majority of the traditional artisans suffer from social and economic disadvantages. Industries dependent on bamboo also have a presence in Kerala. It is estimated that there are about one lakh people in the State dependent on bamboo for their livelihood. A unique feature of Kerala is that 67.3 per cent of the extracted bamboo comes from home gardens rather than from forests. The weaving sector artisans around Angamaly region is supported by the Kerala State Bamboo Corporation serves about 10,000 bamboo workers in Kerala. State Bamboo Mission is also involved in promoting the sector.

The 13th Five Year Plan began on a high but the period was far from normal. The state witnessed floods in 2018 and 2019. Years 2020 and 2021 witnessed the unprecedented crises associated with Covid 19 pandemic. These developments along with the general deceleration in Indian economy have had multiple effects on the industrial sector including traditional industries. The whole value chain from production to sales has been affected. In spite of such adversities, the strategic interventions of State Government has ensured that the sector shows signs of progress and remains a beacon of hope. A two-pronged intervention was recommended in the 13th FYP. First, it was recommended to investment in modernisation of industries and diversification of output. Secondly, for those who remain in traditional forms of production, the Government should ensure decent levels of wages, employment, and incomes.

Major challenges to traditional industries

There exists shortage of raw material like coconut husk, cotton yarn, cashew and bamboo. Even when they are available, the price of raw material is very high. Though many of the units in traditional industries have undergone modernization, there is significant number of units which still use traditional methods of production, leading to high unit cost of production. There are apprehensions about inability to meet quality standards. Stiff competition from synthetic products / substitutes and products from other states is a serious concern. Shortage of working capital is still a major issue facing small-scale producers who complain that financial assistance due to them from Government agencies is often delayed. Given their limited financial capabilities, some producers are not able to pay gratuity and other benefits to their former workers and provide social security benefits for its workers. Low productivity along with higher wages per worker has increased the cost of production. Another challenge is loss of export markets. For example Cashew market is lost to Vietnam. Handloom market is lost to countries like Bangladesh, Sri Lanka, Vietnam and Indonesia.

Increasing brand consciousness among consumers, poor conditions of work, inability to

maintain production on a regular basis and generate decent employment, limited entrepreneurship, insufficient skill development programmes, and lack of modernisation in designs and products are also issues of concern. Given the low wages, hard physical labour involved, and stagnant state of the industry, it is difficult to retain skilled workers in this sector. Many skilled workers are leaving the industry and new workers don't enter the industry. Infrastructure facilities in most of the sales outlets are very poor, and, as a result, they are not able to attract customers. Inability to get good markets and effect adequate sales is the result. Buildup of unsold stock is also an issue. Marketing of products is a major problem. In a market with high competition, low publicity and advertisement are serious issues.

Recommendations

Three basic pillars for the development of traditional Industries in the 14th Five Year plan period are recommended:

- a) Modernisation including mechanization and use of most efficient modern technologies (which are not labour displacing)
- b) Product diversification (including development new applications and new products)
- c) Effective marketing and distribution strategy (including digital marketing / e-commerce)

To modernize the traditional or resource-based industries in the State, a systemic approach is needed. This requires close interaction among all actors to promote innovation, learning, and competence building in these industries. Such efforts for modernization should include restructuring of factories, improvement of infrastructure, and upgrading of the skills of workers. There should be programmes to attract new entrepreneurs into the field of traditional industries. They should be encouraged to set up model units which are efficient, economic and modern, even while they are engaged in traditional industries. It is essential to find new uses or value to existing products. An appropriate example would be the development of coir geotextiles for engineering works and new uses of coir pith. Science, technology and management institutions should be incentivized to contribute towards the development of new technologies and skill empowerment of workers and entrepreneurs in the traditional sectors. Research and Development (R&D) catering to the specific requirements of the sector has to be encouraged. R&D may cater to the need for modern efficient machines, development of new applications / products, identification of markets, efficient management of units etc.

Kerala should take advantage of dedicated Central government schemes in traditional industries. This is essential to enhance availability of funds for the sector. Pooling of funds to cater to the needs of a larger number of beneficiaries makes economic sense. There are a number of agencies and institutes in the sector. But there is very little interactions among them. It is essential to have continuous engagement a) among the agencies and b) between the agencies and the industry. Local governments can bestow greater attention on traditional industries and be the pillar for rural industrialization in Kerala. This can open up possibilities of rural and local development. Government can facilitate skill development and training schemes for workers engaged in traditional industries. Government can facilitate

the setting up of Design Centers -- which will have qualified designers and engineers -- within cluster for handloom, handicraft, coir, bamboo and other traditional industries. There should be provisions to improve the working environment, health conditions and productivity of workers attached to traditional sectors. Currently, multiple agencies are involved in the promotion and marketing of products from traditional and resources-based industries in Kerala. There is need for much greater coordination between these agencies. The traditional industries in Kerala can gain by focusing much more on the domestic markets. The traditional industries in Kerala and tourism can gain from each other. There is need for better coordination in the marketing strategies of these sectors.

Kerala should try to evolve a common brand name and marketing strategy for its various traditional products, and also link them with the promotion of tourism in the State. There should be measures to strengthen quality control in these industries. This would be an add-on for products to fetch a higher price. Certification including IS certification has to be explored to ensure quality standards. Many of the Government schemes for traditional industries involve subsidies. Strict monitoring of such schemes is essential to ensure that the benefits are not pocketed by ineligible people. It is also essential to weed out duplication of beneficiaries. The Government can implement sector specific schemes for technology upgradation, export promotion and credit requirements based on development of bankable projects. It is essential to break the shackles of tradition in the training schemes. We have to move towards need - based training in new areas in the context of modernisation / mechanisation. Death and disability to the workers cause huge problems to families depending on traditional industries. It is ideal to have complete coverage of workers with some form of insurance cover for death and disability. Such scheme can be universal in nature and premium amount can be shared between Government and the worker. Insurance schemes started by Government of India recently may be explored for the purpose.

CHAPTER 1

STATUS OF TRADITIONAL INDUSTRIES IN KERALA

Traditional industries including Coir, Handloom, Cashew, Khadi and Village Industries and Handicrafts are significant for the state of Kerala. These industries provide employment in large numbers especially to women, support workers belonging to the relatively marginalized sections, are linked to the natural resources of the state, are part of our tradition and heritage, are important avenues for creation of value, and are located predominantly in rural centres. Hence, they have a role to play in achieving inclusive development in the State.

The 13th Five Year Plan began on a high but the period was far from normal. The state witnessed floods in 2018 and 2019. Years 2020 and 2021 witnessed the unprecedented crises associated with Covid 19 pandemic. These developments along with the general deceleration in Indian economy have had multiple effects on the industrial sector including traditional industries. The whole value chain from production to sales has been affected. In spite of such adversities, the strategic interventions of State Government has ensured that the sector shows signs of progress and remains a beacon of hope.

1.1 COIR INDUSTRY

Kerala is the home of the Indian coir industry, particularly white fiber, accounting for 61 per cent of coconut production and over 85 per cent of coir products. The coir industry is one of the earliest industries to have emerged in Kerala. The first coir-weaving factory was established in Alappuzha in 1859. Anjengo and Vaikkom in Travancore as well as Quilandy and Beypore in Malabar were equally important centres of the coir spinning industry. Even now, the industry is concentrated in the District of Alappuzha.

The entire processes in coir industry can be segregated into three major segments, namely fibre extraction, spinning and products sectors. The fibre extraction and spinning segments are mostly concentrated in the co-operative sector while the manufacturing / product segment (weaving) is mostly running in factory mode with large presence of exporters. The manufacturing / product segment is concentrated mostly in Alappuzha. Coir processing, which includes retting, defibring and spinning coir yarn, was always a household-based process, and was spread across Kerala.

Coir sector is one of the most significant traditional industries in Kerala currently employing nearly 1.5 lakh coir workers, of which 80 per cent are women. It was estimated that the number of coir workers (including marginal and part time workers) in the late 1980s was about 4 lakh.

Coir industry is also significant to Kerala for its role in generating export earnings. State Public Sector Undertakings and private entrepreneurs are engaged in export of coir and coir products in Kerala. In Kerala, the Coir PSUs namely Kerala State Coir Corporation and Foam Mattings (India) Limited along with Coirfed are engaged in export of coir products. Export from these agencies had been increasing continuously since 2015-16. From Rs 1,072.55 lakh in 2016-17, exports had increased to Rs 1,425.86 lakh in 2019-20. However, it has fallen to Rs 1413.78 lakh in 2020-21.

The coir exporters in private sector in Kerala have been active since 1860 and bring valuable forex to the state. They have been vital cogs adding value to products, providing investment including on R&D. Quantity and value of exports by private exporters in the state have increased during the recent years.

Table 1 Coir Exports from private sector since 2015-16

Year	Quantity (in tons)	Value (in Lakh Rs)
2015-16	78360	77056.78
2016-17	85780	81292.78
2017-18	84965	78886.88
2018-19	87338	86294.96
2019-20	89269	88303.08

Source: Federation of Indian Coir Exporters' Associations (FICEA)

During the 13th Five year plan, along with the Plan schemes, the state also implemented the '2nd reorganization of coir sector' (an National Cooperative Development Corporation - NCDC assisted scheme) with modernization and mechanization at its core. The combined effort has generated significant results. Input assistance, marketing, support for value addition, welfare and part of modernization were undertaken via plan schemes. The activities under reorganization have added on to gains under plan schemes. Around 130 new defibering units (DF) have been established across the State. Through the operation of new defibering units, the husk utilisation in the State has risen from 12.5 per cent to 14.8 per cent. With the introduction of over 25,000 good quality electronic ratts, and 1000 Automated Spinning Mills (ASMs) in over 100 societies, yarn production has jumped from 7,880 tons in 2016 to 25,000 in 2021. Yearly income of coir workers have increased to Rs 49,000 in 2021 from 13,000 in 2016. As per details provided by Coir Directorate, the daily wage of ASM workers has increased to about Rs 500 per day. It is estimated that the current resources have a potential capacity to produce 1,26,000 tons yarn from 28,000 ratts and 3,000 tons yarn from 1000 ASMs. New applications for pith and short fiber were discovered. As a result the value of raw coir pith has risen from Rs.0.50 per kg to Rs.6 per kg. A coir composite manufacturing plant has been established. The State has also initiated the process of establishing a pilot unit to manufacture binderless board.

1.1.1 Directorate of Coir Development and Agencies in Kerala Coir Sector

The Directorate of Coir Development acts as a facilitator for the promotion of coir industry in the State. Kerala State Coir Corporation (KSCC), Foam Mattings (India) Ltd (FOMIL), Kerala State Co-operative Coir Marketing Federation Ltd (Coirfed), National Coir Research and Management Institute (NCRMI), Kerala State Coir Machinery Manufacturing Company (KSCMMC), Kerala State Coir Workers Welfare Fund Board (KSCWWFB) are the important agencies functioning for the promotion of coir industry. The co-operative sector plays a substantial role in activities like collecting husk, defibering, and production of yarn and other products in the Coir sector.

1.1.2 Coir Co-operative societies

The total number of coir co-operative societies in Kerala is 1,122 in 2020-21. Of these, the number of working societies is 581. Among the working societies, the number of profitable societies is 437. The number of working and profitable societies has increased during the past 5 years. This is the result of State Government efforts which has increased production, ensured steady supply of raw materials at lower cost and assured procurement via Coirfed. This has positively affected the value chain in the industry along with corresponding fund flows. The number of societies under liquidation is 272. There are 171 dormant societies and 98 societies which are yet to start their activities.

Co-operative societies are classified into yarn and non-yarn sectors. More than half of the total number of working societies is primary co-operative societies engaged in the yarn sector. 504 out of 581 working societies are engaged in yarn sector. The non-yarn sector includes manufacturing societies (mats and mattings) and small scale producers' co-operative societies. Only 77 out of 581 working societies are in non-yarn sector. The number of workers engaged in the coir co-operative societies in the yarn sector is 38,500 in 2020-21. Workers engaged in the working non-yarn units are 6279 in 2020-21.

1.1.3 Coirfed

The Kerala State Co-operative Coir Marketing Federation Ltd (Coirfed) is the apex federation of primary coir co-operative societies spread all over Kerala. The main objective of the federation is procurement of the products of the member societies and marketing of these goods through its sales outlet. The process helps in providing fair wages and subsistence to the poor coir workers of Kerala. Coirfed has two facilities for the manufacture of value added products. One factory produces rubberised coir products and the other produces rubber backed coir mats. Coirfed has 4 defibering units. Coirfed succeeded in increasing sales in almost all product segments resulting in increase in income from sales. Income from sales has increased from Rs 58.77 crore in 2015-16 to 125.72 crore in 2019-20. It is reported that over the five years from 2015-16 to 2019-20, the agency has been able to make net profit in 3 years. There are 184 workers in the organisation.

1.1.4 Kerala State Coir Corporation

The Kerala State Coir Corporation Ltd was established in 1969 to help the small-scale coir manufacturers by providing them assistance in manufacturing and marketing. Over the years, the Corporation has been procuring the produce of small scale manufacturers, thereby reducing their dependence on the intermediaries. They provide the procured products to exporters and other sellers. KSCC also runs 11 showrooms (8 in Kerala and 3 outside Kerala). The Kerala State Coir Corporation has 3 production facilities in Kerala. One more unit is being established in Adoor. The products produced / traded by the corporation include PVC tufted Coir mats/matting, Coir pith, Coir yarn, Coir fiber, and curled rope. During the Covid pandemic, the corporation was able to sell its unique product 'Sani mat' (sanitising coir mats) worth around Rs 2 crore. The agency has recently entered the coir mattress business and proposes to open a new manufacturing unit for the same.

The corporation implements the Purchase Price Stabilisation Scheme (PPSS) in coir sector. The turnover of the corporation has increased from Rs 104.10 crore in 2016-17 to Rs 184.99 crore in 2019-20 and Rs 231.72 crore in 2020-21. Total turnover from 2016-17 to 2019-20 is Rs 810.63 crore. Total income and total expenditure of the state PSU has been increasing in 2016-17, 2017-18, 2018-19 and 2019-20. The PSU has also continuously reported net profit. Its net profit has increased from Rs 1.02 crore in 2016-17 to Rs 1.42 crore in 2020-21.

1.1.5 National Coir Research and Management Institute (NCRMI)

The NCRMI is setup to strengthen the research and development activities of coir sector with a view to enable the industry to produce more value added products and new design products at competitive price. The activities of the research institute can be classified under the following heads - i) Demonstration projects ii) Collaborative projects iii) Technology development iv) Machine development v) Commercial activities and; vii) skill development training.

1.1.6 Foam Mattings (India) Limited (FOMIL)

FOMIL was established in 1979 with an authorised capital of Rs 800 lakh and paid up capital of Rs 666.73 lakhs. It is an entity functioning for the promotion, manufacture and marketing of a wide range of environment friendly products made from coir, jute and sisal. The products include door mats, mattings, carpets, rugs, coir geo-textiles and car mats which are sold in domestic and overseas markets. It is also engaged in trading of coir mattress all over the State. The company has state of the art facilities like Latex Backing Plant, Modern Dye House, and Fully Automatic Powerloom where spare capacity is used for undertaking works of other exporters. New products from the company like coir pith manure and coir tiles are having good demand in the market. A new factory for manufacturing coir composite boards has been established and sales worth Rs 19.37 lakh has been achieved.

The state PSU has reported losses during the last 5 years. However, compared to the high of 2018-19, loss has decreased in 2019-20 and 2020-21. The accumulated loss of the PSU was about Rs 13.69 crore at the end of 2020-21. Income from the sale of products had doubled in 2017-18 compared to 2016-17. After reaching Rs 12.05 crore in 2018-19, it has declined in subsequent years.

1.1.7 Kerala State Coir Machinery Manufacturing Company Ltd (KSCMMC)

KSCMMC was started in February 2014, in Alappuzha, to provide the machinery needed for the coir sector in Kerala. The company provides coir machinery such as electronic ratts, automated spinning machines, defibering machines, integrated coir processing units, wil-lowing machines and allied machines required for the coir industry. Apart from producing machines, the company is also involved in the development of basic infrastructure in the coir societies involving activities like civil works and electrification works associated with mechanisation. The company installs machines and also provides after sales service. The company is playing a crucial role in the on-going mechanisation drive in coir sector.

During the past 5 years the company has produced and distributed machines worth Rs 86 crore. In the last 4 years the company has distributed about 24,000 electronic ratts. About

155 defibering machines have been installed by KSCMMC. The company has been instrumental in starting 150 factories with about 1400 automatic spinning mills. Around 500 machines have been provided to co-operative societies for cleaning coir fiber.

The sales revenue of KSCMMC has increased from Rs 4.89 crore in 2017-18 to Rs 9.41 in 2018-19 and Rs 18.61 crore in 2019-20. It is reported that the sales revenue has increased to Rs 44 crore in 2020-21. After two years of net loss, the company reported a net profit of Rs 90.4 lakh in 2019-20. The unaudited figures of the company show a profit of about Rs 3 crore in 2020-21.

1.1.8 Coir Board

The arm of the Central Government for developing and promoting Coir Industry is Coir Board with its head office at Kochi, Kerala. It is an autonomous body established by the Government of India under the Coir Industry Act (45), in 1953 for the development of coir industry. The Central Coir Research Institute, Alappuzha (CCRI) (under the Coir Board) carries out research and development activities in the coir sector. It is concerned with facilitation of production of coir, development of products, marketing, exports, research, statistics and training in India. It also implements Government of India schemes like ASPIRE, SFURTI, Coir Vikas Yojana etc.

1.2 HANDLOOM INDUSTRY

The handloom industry is another major traditional industry in the state. The handloom industry in the State is mainly concentrated in Thiruvananthapuram and Kannur district; and in some parts of Kozhikode, Palakkad, Thrissur, Ernakulam, Kollam and Kasaragod districts. The major varieties produced in the hand loom sector of the State are dhotis, furnishing material, bed sheets, shirting, sari and lungi. The following products of the State are registered under the Geo Indication Act of India.

1. Balaramapuram saree and fine cotton fabrics.
2. Kasaragod saree
3. Kuthampully saree
4. Chendamangalam dhothi
5. Cannannore home furnishings

The performance of the industry has been adversely affected due to the Covid19 pandemic, though a trend of decline is visible even before the pandemic. The Department is taking steps to bring a turn around. Inability to operate and loss of festive seasons (which usually bring in good sales) have had a profound impact in the handloom sector. The handloom industry is dominated by the co-operative sector which currently covers more than 93 per cent of total looms. The rest of the industry is owned by private sector firms. The total number of handlooms in the State has fallen from 21,678 in 2016-17 to 16,657 in 2020-21. The total number of weavers in handloom sector has fallen from 20,378 in 2016-17 to 13,656 in 2020-21. The number of women weavers has fallen from 13,780 in 2016-17 to 9,032 in 2020-21.

Production of handloom cloth was 148.8 lakh metres in 2020-21. The total value of production was ₹ 45.27 crores in 2020-21. Total employment generated was 11.67 lakh person days in 2020-21.

Agencies in handloom sector

The Directorate of Handlooms and Textiles (DHT), Kerala State Handloom Weaver's Co-operative Society (HANTEX), Kerala State Handloom Development Corporation (HANVEEV) and the Indian Institute of Handloom Technology (IIHT, Kannur) are the major stakeholder institutions involved in the development of the handloom sector in the State.

1.2.1 Directorate of Handlooms and Textiles

The Directorate of Handlooms and Textiles Kerala is the principal arm of the State Government in implementation of schemes for the development of the sector. It has the overall responsibility to support the sector in areas of infrastructure, marketing, human resource development, conservation and preservation of traditional skills and products, finance, design input, raw materials supply, modernisation, welfare programmes, price stability to equip the segment to compete with the global environment. The Government provides assistance by way of loan and grant for the development of the handloom industry. Loans and Grants include those from the State Government, Central Government and other financial agencies such as NCDC, National Bank for Agriculture and Rural Development (NABARD) and Housing and Urban Development Corporation Ltd (HUDCO). Government also provides assistance for sales promotion through rebates.

1.2.2 Kerala State Handloom Weaver's Co-operative Society (HANTEX)

HANTEX was registered in 1961, as the apex body of primary handloom weaver's co-operative societies in Kerala. The main objectives of HANTEX are to market the products of member societies, provide them institutional support and inputs for production. Currently, HANTEX has about 380 primary co-operative societies registered with it engaging about 10,000 weavers. HANTEX societies are engaged in production with modern infrastructure to produce handcrafted fabrics, garments, furnishings, made-ups, sarees and traditional weaves in tune and harmony with eco-friendly norms for internal and export market. HANTEX collects yarn, chemicals and dyes from NHDC with Government subsidy and distributes among the members.

HANTEX is also involved in the marketing and sales of the produce from its members. Currently, there are 78 functional showrooms. All production and procurement activities are covered by 4 regional offices and 5 functional production centres. HANTEX has a process house at Thiruvananthapuram which has all facilities for dyeing and printing of fabrics. It also owns two weaving factories and an international garment unit with modern machinery.

HANTEX achieved a sale of Rs.1432 lakh in 2020-21 of which, Rs 1303 lakh is showroom sale and Rs 129 lakh is department sale. It procured fabric worth Rs 905 lakh in 2020-21. The paid up capital at the end of the year 2019-20 was Rs.6,556.44 lakh. The agency has reported losses in 2017-18, 2018-19 and 2019-20. The accumulated loss of HANTEX is also increasing on a yearly basis. It has reached about Rs 206 crore by the end of 2019-20.

HANTEX has successfully launched a modern garments unit with a production capacity of 500 shirts per day. It has renovated 4 showrooms at Thiruvananthapuram, North Paravoor,

Kanjangad and Kannur. The agency suffered a loss of sales to the tune of Rs 14.32 crore on account of Covid pandemic related issues in 2020-21. To overcome issues due to the pandemic, the agency implemented the Kaithari Suraksha Scheme as a support to weavers. The agency has also launched an 'E-credit card scheme' to attract employees in the Government / banking sector as its customers.

1.2.3 Kerala State Handloom Development Corporation (Hanveev)

Hanveev, was incorporated in 1968, for the welfare and development of traditional weavers in the unorganised sector. It is engaged in the manufacturing and marketing of a wide range of handloom products. At present Hanveev supports employment to 1950 individual weavers. It has 46 own showrooms, 2 exclusive agency showrooms and 34 production centres. The corporation also conducts exhibitions during festival seasons and also participates in expos conducted at national and international level.

The Covid-19 pandemic has adversely affected Hanveev. Sales turnover (provisional figures) of Hanveev in 2020-21 was Rs 687.06 lakh. This is less than one-third the sales turnover in 2019-20. The value of cloth and other items produced has fallen from Rs 1668.40 lakh in 2019-20 to 1133.61 in 2020-21. The value of yarn and other inputs purchased and distributed was Rs 479.49 lakh in 2019-20. It has fallen to Rs 291.91 lakh in 2020-21. The paid up capital of Hanveev at the end of 2020-21 was Rs 4,966 lakh. The net loss of Hanveev in 2020-21 was Rs 730.77 lakh, which was less than the corresponding loss figures for 2019-20. The accumulated loss of the agency is increasing every year.

As a result of the covid-19 lock down, Hanveev suffered a production loss of about 2 lakh meters valued at Rs.350 lakh. Hanveev incurred loss of sales to the tune of Rs 524 lakh during two important seasons namely Vishu and school re-opening. The total loss incurred is Rs.874 lakhs. Moreover, Hanveev could not achieve the expected sales during the Onam festival.

1.2.4 Indian Institute of Handloom Technology (IIHT, Kannur)

Indian Institute of Handloom Technology was established in 1987 in the name of Institute of Handloom and Textile Technology (IHHT). Subsequently, the IHHTs were amalgamated to form the Indian Institute of Handloom Technology. It functions according to the guidelines of Ministry of Textiles, Government of India. IIHTs technical support system has improved quality control in the handloom sector. The institute initially had an area of 4.13 acres. The institute recently purchased 5.64 acres of land from ESI Corporation taking the total area of the facility to 9.77 acres. In the year 2020-21, it has started a new course 'BSc Costume and Fashion Designing'.

1.3 CASHEW INDUSTRY

The cashew industry is a major traditional agro-based industry in Kerala. There are several cashew processing units in Kollam district, which has earned the title 'cashew capital of the world'. The first cashew-processing factory was established in Kollam in 1920. As per traditional estimates, there are about 830 formal and informal cashew processing units in Kerala employing about 3 lakh workers of which 90 per cent are women. However, a large number of cashew processing units (about 730) are not functioning due to losses. It

is currently held that the number of working cashew processing units are about 100 where about 1 lakh workers are employed. Cashew processing is concentrated mainly in the private sector. The co-operative sector has limited presence in cashew processing. There are two public institutions engaged in the cashew processing industry in Kerala, namely Kerala State Cashew Workers Apex Industrial Co-operative Society Ltd (CAPEX) and Kerala State Cashew Development Corporation (KSCDC). Together KSCDC and CAPEX have 40 units and employ about 17,000 workers. That leaves the number of working private cashew units to be 60 and employment to be about 83,000.

Cashew was a significant item of export from Kerala. However, Kerala's share of cashew exported from India has fallen over years. In 2020-21, cashew kernel export from Kerala was 24,929 MT valued at Rs 1,461.27 crore. At the same time, India's export of cashew kernel in 2020-21 was 49,992 MT valued at Rs 2,906.98 crore. The share of Kerala in export of cashew kernel from India was 49.87 per cent in terms of quantity and 50.27 per cent in terms of value.

Cashew processing industry developed in Kerala taking advantage of the availability of raw cashew nut in the state. However, production of raw cashew nut had fallen in the state engulfing the processing industry in crisis. Through Kerala State Agency for the Expansion of Cashew Cultivation (KSACC), state government is trying to improve cashew cultivation in the state. In Kerala the production of raw cashew nut increased marginally from 80,000 MT in 2014-15 to 82,889 MT in 2018-19. However, the production has subsequently fallen to 73,110 MT in 2020-21. In terms of total production of raw cashew, Kerala ranks 6th among the producing states.

Though the area under cultivation has increased, increase in production during recent years is attributed more to improvement in productivity. The area under cultivation of cashew increased from 84,500 hectares in 2014-15 to 1,03,210 hectares in 2020-21, with significant gains since 2015-16. Kerala is placed sixth in terms of area under cashew production. Usually as area under cultivation increases, the production also increases. In the case of cashew, replantation has been undertaken. Moreover production benefits from new plantations will have a delay of 3 – 4 years due to the gestation period. Hence a direct proportional relation between area under cultivation and production is not visible in Kerala.

The efforts of state government are to bring down the processing costs, provide continuous employment and fair wages to the workers. Partial mechanization is a recent intervention on part of the Government. It has improved labour productivity.

Agencies in Cashew Sector

Kerala State Cashew Development Corporation (KSCDC) and Kerala State Cashew Workers Apex Co-operative Society (CAPEX) are the two state Government agencies involved in the processing of cashew in the State. Kerala State Agency for the Expansion of Cashew Cultivation (KSACC) and Kerala Cashew Board (KCB) are the other two state Government agencies in the sector. Cashew Export Promotion Council of India (CEPCI) and the Directorate of Cashew and Cocoa Development (DCCD) are the other agencies involved in promotion of cashew export and cultivation respectively.

1.3.1 Kerala State Cashew Development Corporation (KSCDC)

Kerala State Cashew Development Corporation Ltd. (KSCDC) was formed in 1969 as a company fully owned by the Government of Kerala. Partial mechanisation and the introduction of cutting machines has increased the processing of RCN per day from 100 MT to around 125 MT. The installation of 1250 cutting machines during the recent years has resulted in enhanced productivity of about 56 per cent. KSCDC currently operates 30 factories, of which 20 are private factories run by KSCDC based on agreement. The process has enhanced livelihood opportunities to those engaged in the sector. However Covid-19 pandemic has had an impact on the functioning of the Corporation. Number of working days and turnover has fallen in 2020-21. In 2020-21, KSCDC provided employment to 12,397 people. It includes about 650 staff in factories, 90 staff in head office and workers in factories. The number of working days in factories was 89 days in 2020-21. KSCDC processed about 7200 MT of raw cashew nuts and produced around 1,700 MT of cashew kernels in 2020-21. Total turnover of KSCDC in 2020-21 was Rs 87.44 crore. Though the agency has been reporting loss during recent years, it has reduced since 2019-20.

KSCDC is marketing its own 'value added products' which has given it better margins. The agency has launched new products such as gift hampers (250 gram tins, platinum and premium boxes), assorted premium cashews and jumbo cashews. These products have received good response from customers. KSCDC has also started outlets to increase the sales. As a step towards backward linkage, KSCDC has taken steps to propagate cultivation of cashew. It supplies grafts in grow bags, at a discounted price. In 2020-21 KSCDC undertook modernization activities including construction of godowns, drying yards, tarring and other civil work in factories. KSCDC also carried out technological upgradation activities including purchase of crates, cutting machine and borma replacement.

1.3.2 Kerala State Cashew Workers Apex Industrial Co-operative Society Ltd. (CAPEX)

CAPEX was set up at Kollam in 1984 as an apex body to take care of the operations of factories of 10 primary co-operative societies under Government of Kerala. Its major function includes procurement, management of processing through co-operative societies and marketing. It procures raw nuts, distributes the same to the primary societies and gets them processed, and markets the kernels. These are done with the aim of bringing down the processing costs and providing continuous employment and fair wages to the workers.

CAPEX provides continuous employment to more than 4,600 workers and staff. The scheme for modernisation and mechanisation in 10 CAPEX factories and packing centres has been done partially. The number of workers required to process one bag (80 kg) of raw cashew nuts has fallen from 5 to 4.5, as a result of partial mechanisation and productivity of workers has improved. Total sales turnover in 2020-21 was Rs.46.88 crore.

1.3.3 Kerala State Agency for the Expansion of Cashew Cultivation (KSACC)

KSACC was constituted by the Government of Kerala in 2007 to promote cashew cultivation and to ensure adoption of innovative technologies. KSACC started the project 'Cultivation of Organic Cashew and Establishment of Raw Nut Bank' from 2007-08. In 2020-21, the agency distributed 2,15,834 number of grafts among farmers and institutions.

It is estimated to cover a total area of 913 ha. It includes an area of 166.48 ha brought under high density planting and an area of 572.97 ha brought under normal planting. Two Model Cashew Gardens have been established in the State. One is located in the premises of Kerala State Cashew Development Corporation and the other is at the Open Jail at Nettukaltheri in Thiruvananthapuram.

1.3.4 Kerala Cashew Board Limited (KCB)

KCB was established in 2017 by the State Government as a special purpose vehicle with the main objective of procuring and supplying Raw Cashew Nuts (RCN) at reasonable price to the cashew processing units in Kerala. In 2020-21, Kerala Cashew Board procured 3,589 MT of RCN for a value of Rs.55.5 crore, which was utilised by 40 processing units under Kerala State Cashew Development Corporation (KSCDC) and Kerala State Cashew Workers Apex Co-operative Society (CAPEX). In 2021-22 till October, the agency has imported about 10,694 MT of raw cashew nut for a value of Rs 113.82 crore. Since 2018-19, the cumulative value of cashew imports of the agency is about Rs 422.67 crore.

Covid-19 pandemic had an adverse impact on the cashew processing sector in 2020-21 also. After relaxations in lockdown guidelines, the factories are slowly improving their capacity. The import operations of KCB Ltd were affected since the suppliers were reluctant to participate in the tender operations as the operations of ports, banks, and transportation facilities were adversely affected because of the lockdown. Moreover, the prices of processed cashew kernels in international markets fell to the disadvantage of the cashew processing industry.

The cashew growers in Kerala were also in distress because of the Covid-19 pandemic as they were unable to find market for harvested Raw Cashew Nuts. To help the cashew growers in the State, the Government of Kerala introduced a support price scheme with KSCDC and CAPEX procuring RCN from the growers offering them better prices. KCB Ltd has availed a one-time loan of Rs 30 crore from Kerala State Co-operative Bank to provide assistance to KSCDC and CAPEX for this procurement activity. Under this initiative, a total quantity of 2,743 MT of RCN was procured from the cashew growers in the State. KSCDC and CAPEX, the agencies which use cashew imported by KCB, have not been able to give KCB the value of cashew imports. It has led to accumulation of receivables for KCB. It is reported that the agency has to receive about Rs 181.68 crore of which Rs 132.68 crore is from KSCDC, and Rs 49 crore is from CAPEX.

1.3.5 Cashew Export Promotion Council of India (CEPCI)

CEPCI established by Government of India in 1955, aims to promote the export of cashew kernels and cashew nut shell liquid. The Council serves as an intermediary between Government and exporters who are members of the council. It also serves as an intermediary between the exporters and the overseas buyers. To accomplish its primary objective of export promotion of cashew kernels and allied products, it conducts market research, regular buyer-seller meets, organises participation of exporters in trade fairs. It also serves as a liaison agency to suggest policy changes and acts as a nodal agency of the Government of India in implementing its various schemes in cashew sector. The CEPCI has established the

global grades /standards in World Cashew trade, which is being widely followed in other part of the world. It has a research and analysis wing with a world class analysis laboratory that apart from analysing the quality of cashew exported provides analysis of all food items and imparts training in food analysis. It is a recognised research centre for Ph.D and Post-Doctoral programs of Kerala and Kannur universities. It provides various trainings to processors and help them starting exports of cashew and allied products. CEPCI also offers capital assistance to producers for modernization and process automation in cashew sector. CEPCI also has established the First ever GI stores in the country in the international airport in Goa showcasing Geographical Indication (GI) products where GI tagged cashew is a major commodity marketed.

1.3.6 Directorate of Cashew nut and Cocoa Development (DCCD)

DCCD is the subordinate office of the Department of Agriculture, Co-operation and Farmers Welfare of the Government of India. It is the nodal agency for accelerating cashew and cocoa development programmes in the country. Its activities are spread across the country. It undertakes programmes to increase area under cashew cultivation with high yielding varieties, fasten replantation and rejuvenation, establish cashew nurseries and upgrade them, distribute cashew grafts, and conduct farmer level training programmes on cultivation and value addition.

There are Cashew Research Centres under Kerala Agricultural University (KAU). The Cashew Research Station, Madakkathara, Thrissur district is one of the eight centres of the All India Co-ordinated Cashew Improvement Project. This station has developed five cashew cultivars - Madakkathara-1, Madakkathara-2, Kanaka, Dhanya and Priyanka.

1.4 KHADI AND VILLAGE INDUSTRIES

The primary objective of the khadi and village industries is to generate employment opportunities, particularly for the rural poor. Khadi sector in Kerala has a strong base with its historical significance and social and political patronage. There are 29 Khadi institutions including Khadi and Village Industries Board (KKVIB), KKVIB aided institutions (14 numbers) and Khadi and Village Industries Corporation (KVIC) aided institutions (14 numbers) engaged in khadi production and sales.

KKVIB is a statutory body under the Department of Industries and Commerce vested with the responsibility of organising, developing and promoting Khadi and Village Industries in Kerala. The Board implements the programmes of Government of Kerala, Khadi Commission and Nationalized Banks through co-operative, registered institutions, individuals and departmental units. Schemes under State plan include the Special Employment Generation Programme (SEGP) (Ente Gramam), Prime Minister's Employment Generation Programme (PMEGP) and Rural Employment Generation Programme (REGP) of KVIC. The KKVIB has 182 sales outlets for khadi and village goods. This includes 46 Khadi Grama Soubhagya (including 3 mobile sales van) units, 49 Khadi Soubhagya units and 88 Grama Soubhagya (GS Depot).

In 2020-21, KVIB provided employment to 0.96 lakh people of which 13,470 were in Khadi and the rest were in Village industries. Total value of production was Rs 185.98

crore and the sales was Rs 204.90 crore. Details are provided in the table.

Table 2 Production, Sales and Employment in KVIB in 2019-20 and 2020-21

Sector/sub sector	Value of Production (Rs in Crore)		Value of sales (Rs in Crore)		Employment (in numbers)	
	2019-20	2020-21	2019-2020	2020-21	2019-20	2020-21
Khadi sector	74.26	79.81	156.82	92.19	13470	12507
Village industries sector	105.69	106.17	112.34	112.71	83407	83395
Total	179.95	185.98	269.16	204.90	96877	95902

Source: Kerala Khadi and Village Industries Board (KVIB)

The Khadi and Village Industries Board could generate 2834 new employment through the village industries programme in 2020-21. Through special employment generation programme (Entegramam), Khadi Board made a capital investment of ₹499.49 lakhs through 154 units and provided 497 number of employment opportunities. Through the scheme, Prime Minister's Employment Generation Programme (PMEGP), the KVIB facilitated 275 units and number of employment created was 2,337. Similarly under Rural Employment Generation Programme (REGP), 4,897 units were supported which employed 27,634 people.

1.5 HANDICRAFT SECTOR

Kerala has the tradition of making beautiful handicrafts with ivory, bamboo, palm leaves, seashells, wood, coconut shells, clay, cloth, coir, metals, stone, lacquer ware, and so on. Many old handicraft classics can be seen in palaces, old heritage homes and museums across the State. There are 32 different crafts in Kerala of which ivory carving, wood and horn carving, bell metal casting, hand embroidery, coconut shell carving are important commercial items.

It is estimated that there are about 1.7 lakh handicrafts artisans actively engaged in the handicraft sector in Kerala. However, a vast majority of the traditional artisans suffer from social and economic disadvantages.

The schemes implemented by the Government of Kerala intend to eliminate intermediaries, improve the skill of artisans, enhance productivity, increase market opportunities, and strengthen co-operatives in the sector. The Union Government implements various schemes for promotion and development of handicrafts sector under National Handicraft Development Programme (NHDP) and Comprehensive Handicrafts Cluster Development Scheme (CHCDS).

Kerala State Handicrafts Apex Co-operative Society (SURABHI), Handicrafts Development Corporation of Kerala (HDCK), and Kerala Artisans Development Corporation (KADCO) are the major agencies for the promotion of the handicraft industry in Kerala.

1.5.1 Kerala State Handicrafts Apex Co-operative Society (SURABHI)

SURABHI is the apex organisation of primary handicrafts co-operatives established with a

view to uplift the artisans by marketing their products and supporting them through welfare schemes of GoK and GoI. The number of Co-operative societies under SURABHI has reduced from 46 in 2017-18 to 38 in 2020-21. There are 10 showrooms under SURABHI inside and outside Kerala. The turnover of the society has reduced from ₹288.70 lakh in 2017-18 to ₹174.99 lakh in 2019-20 and ₹38.91 lakh in 2020-21. The agency has been in loss during the 13th five year Plan period. The total employment provided has remained 30,000 since 2012-13.

1.5.2 Handicrafts Development Corporation of Kerala (HDCK)

Handicrafts Development Corporation of Kerala (HDCK) is engaged in procuring and marketing of handicraft products, and thereby ensuring fair returns to artisans. HDCK has showrooms including Sree Moolam Shashyabdapurthi Memorial Institute (SMSMI) in Thiruvananthapuram and 19 Kairali emporia outlets spread across State and other major locations in India. Apart from marketing, HDCK supports artisans through welfare schemes of GoK and GoI like Common Facility Service Centre (CFSC) at Thiruvananthapuram for artisans who engage in development of wood crafts.

Besides the sales of handicrafts through 19 sales units, the Corporation implements financing schemes for the assistance and benefit of the craftsmen to satisfy their capital requirements under National Backward Classes Finance & Development Corporation (NBCFDC) loan schemes. Moreover, with the support of GoI, the Corporation has also been implementing welfare schemes for artisans, conducting training programmes, setting up CFCs, distributing tool kits, conducting exhibitions/craft bazars at important places and tourists centres for exhibiting and providing marketing facilities to the crafts produced by artisans .

Total employment provided has fallen from 88 in 2017-18 to 71 in 2021-22 (Upto 30/09/2021). The turnover of the agency has reduced from ₹1202.00 lakh in 2017-18 to ₹1124.08 lakh in 2019-20 and ₹198.00 lakh in 2021-22 (Upto 30/09/2021). Fall in turnover is the result of Covid-19 pandemic. Sale of the Corporation mainly depends on domestic and foreign tourists, whose arrival had almost stopped. Fairs and exhibitions, another avenue for sales could not be held. The agency has been in loss during the 13th five year Plan period.

1.5.3 The Kerala Artisans Development Corporation (KADCO)

Kerala State Artisans Development Corporation Ltd was incorporated in 1981 as a fully owned Kerala Government company registered under Companies Act, 1956. The main objective of the Corporation is the upliftment of indigenous artisans in Kerala including carpenters, goldsmiths, blacksmiths and those engaged in pottery, masonry, work using copper/bronze and other handicraft work. The identification of different types of artisans and promotion of the crafts undertaken by them is the primary objective of KADCO. KADCO is successfully running Common Facility Centres for Carpentry in Mini Industrial Estate at Nadavannur, Kozhikode and Umayanallore Kollam.

KADCO is a State Channelling Agency (SCA) for National Backward Classes Finance and Development Corporation (NBCFDC), for disbursing short term loan upto Rs.one lakh

with a nominal interest rate of 5 per cent for women who belong to backward classes and living below poverty line to start various income generating activities. More over loan up to ₹ 5 lakhs is also given to the artisans units for renovation and setting up of new production units. (www.keralaartisans.com)

1.6 BAMBOO INDUSTRY

Bamboo is a highly useful renewable and eco-friendly resource which has several applications. It is widely used in environment protection, as a nutrient food, high-value construction material, and in about 1,500 other applications. Advanced research activities are being taken up to utilise bamboo for efficient fuel generating system.

In Kerala, 28 species of bamboo are found. Bamboos from Kerala forests are being supplied mainly for the pulp and rayon units under concessional rates. It is estimated that there are about one lakh people in the State dependent on bamboo for their livelihood. A unique feature of Kerala is that 67.3 per cent of the extracted bamboo comes from home gardens rather than from forests. The weaving sector artisans around Angamaly region is supported by the State Bamboo Corporation. Recent data from the panchayaths indicate that, since the early nineteen seventies, there has been a great drain in the number of artisans from this sector to semi-skilled and unskilled jobs in the tertiary sectors like construction.

1.6.1 The Kerala State Bamboo Mission

Kerala State Bamboo Mission (KSBM) is the Bamboo Development Agency (BDA) of the State. It was constituted in 2003, with the aim of adopting a focused approach to revitalise the bamboo sector, promote value addition, enhance incomes of workers in the sector, and help alleviate poverty. The interventions initiated by KSBM through Kerala Bureau for Industrial Promotion (K-BIP) in 2020-21 includes promotion of bamboo cultivation, creation of new designs for innovative products, skill development, and promotion of bamboo-based modern industries supported by technology adaptation and development. Kerala State Bamboo Mission supplied 2000 Bamboo saplings to Nedumangad Bock Panchayath. The saplings were planted in the river banks of Killiyaar as part of river bank protection programme.

1.6.2 The Kerala State Bamboo Corporation

The Kerala State Bamboo Corporation is an undertaking established in 1971 for the welfare, development and upliftment of traditional bamboo workers in Kerala. The main objectives of the Corporation are to develop and promote industries based on bamboo, reed, cane and ratton, to undertake manufacture and trading of bamboo based products, and provides financial, technical and other assistance to the traditional bamboo workers. The Corporation is serving about 10,000 bamboo workers in Kerala. A majority of these workers are poor and belong to socially and economically backward and SC/ST Communities.

The main activities of the Corporation include the collection of good quality reeds from Government forests and distribution of these reeds to traditional bamboo weavers at a subsidised rate on credit basis, and also the procurement of woven mats from the weavers. The main products of the corporation are bamboo mats, bamboo ply, flattened bamboo boards, bamboo flooring tile, bamboo furniture and handicraft items. As part of encouraging more

workers into mat weaving, Kerala State Bamboo Corporation has started training programmes in making bamboo mats and handicraft items.

Kerala State Bamboo Corporation Ltd. has three Feeder/Primary Processing Units at Palakkad, Mananthavady and Nadapuram for the purpose of processing raw bamboo into strips in various thicknesses by weaving it as bamboo curtains for the production of Flattened Bamboo Board at its subsidiary unit of Bamboo Board Factory, Angamaly. The waste bamboo, arising out of the above process ranging from 50 per cent to 70 per cent are further used for the manufacturing of value added products like toothpick, curtain blinds, and bamboo curtains and incense sticks.

CHAPTER 2

TRADITIONAL INDUSTRIES AND THE 13TH FIVE YEAR PLAN

Successive Governments in Kerala have recognised the significance and potential of traditional industries in Kerala. As a result, the sector has always received special consideration in Governments development plans. The 13th Five Year Plan (FYP) period has been no different. Among others, the 13th FYP gave importance to a) development, enhancement, and modernization of the productive sectors of the economy; and b) expansion of employment in various sectors with an emphasis on creating jobs for educated youth. This placed a lot of emphasis on the Industries sector, of which, traditional industries, form a part.

2.1 TRADITIONAL INDUSTRIES IN THE 13TH FIVE YEAR PLAN

The 13th Five Year Plan put forward the following for traditional industries -

1. A two-pronged intervention was recommended in the 13th FYP. First, it was recommended to investment in modernisation of industries and diversification of output. Secondly, for those who remain in traditional forms of production, the Government should ensure decent levels of wages, employment, and incomes.
2. The modernisation of traditional industries was to include the mechanisation of production processes in these industries. With modernisation, Kerala's traditional industries will strive to diversify into new products (such as geo-textiles in the coir sector), and evolve effective marketing and distribution strategies. Rather than displacing workers (a strategy involving mechanisation alone may result in this), modernisation will lead to overall expansion of the industry and the creation of greater value addition per worker.
3. The products of Kerala's traditional, food and agro-based industries will also find buyers in export markets, especially from the large community of overseas Malayalis. The growth of traditional, food and agro-based industries and of tourism can go hand in hand in Kerala, to create a globally recognised place for the State in these sectors. Kerala can learn lessons from countries such as Thailand, Malaysia and Vietnam in successfully combining agriculture, agro-based industries and tourism.
4. Local governments, empowered with funds devolved to them, should provide the pillar for rural industrialisation in Kerala. Activities can be carried out under the coordination of panchayats, with the active enterprise and participation of local population, and making effective use of new technologies including IT, biotechnology and nano-technology.
5. It was proposed to re-focus rebates to encourage productive activity within the State.

2.1.1 Coir Industry

The 13th Five-Year Plan proposed concentration on 5 major areas of coir sector in Kerala.

- a) Technology-enabled procurement and decentralised fibre extraction
- b) A distinct strategy for traditional spinning and weaving – involving 4 key differentiators (history of coir and eco-tourism positioning, capacity building and training

of homestead and kudumbashree, spooling unit based tracking, design), support for improving the socio-economic conditions of the workers in the traditional sectors and modernisation

- c) Product diversification of industrial coir - Focus on Non-woven
- d) Institutional support for research and development, and
- e) Support to COIRFED.

2.1.2 Handloom Industry

In the 13th FYP, the Government planned to strengthen the handloom industry. The measures proposed included, widen the product range in hand-woven fabric with assistance from NIFT (National Institute for Fashion Technology); develop private marketing channels for hand-woven fabric; modernise and re-organise HANVEEV and HANTEX outlets; increased use of mechanised techniques without depriving the essential character of the industry; provide rebates to encourage production within the State; develop online marketing portal for hand-woven fabric of Kerala; explore value addition through silk weaving and expand the school children uniform cloth scheme to provide sustained employment to workers in the sector. The State also aimed to improve the lives of handloom weavers and allied workers. The developmental activities were planned to be implemented in three phases.

Regulated modernisation and adoption of new technology in production, design and marketing were found to be crucial to reviving this sector. Effective product diversification and value addition methods in accordance with new trends were recommended as necessary. Handloom industry was facing severe threats from powerlooms and fully automatic machineries. Hence it was recommended that effective steps should be taken to upgrade the handloom industry to compete with other industries. It was found essential to develop online marketing portal for hand-woven fabric of Kerala. It was proposed to expand the school uniform cloth scheme to give sustained employment as a safety net to the sector.

2.1.3 Cashew Industry

The 13th Plan aimed to rejuvenate cashew industry by increasing domestic raw nut production, partial mechanisation, value addition, product diversification, cost effectiveness, and ensuring better marketability. It also aimed to promote exports and provide employment. The Plan proposed to promote modernisation and upgradation, branding and market awareness, and development of new value-added products.

One of the thrust areas was the role of the newly formed Kerala Cashew Board. It was proposed that the Board will take steps to procure and import raw cashew either within India or outside; process, value add and market the produce in domestic and international markets; supply raw cashew nut to domestic cashew processors at fair price; and promote scientific cultivation of cashew involving land owners, processors and other stake holders to enhance domestic raw nut production.

2.1.4 Khadi and Village Industries

The 13th Plan aimed at integrated development of khadi and village industries sector. It aimed to introduce solar charkhas to reduce physical strain of the artisans and thereby increase the productivity; develop capacity through training and refresher courses to the

technical staff and artisans; increase the total value of khadi yarn production to Rs 50 crore at the end of 13th Five-Year Plan; increase the number of artisans under the Khadi Board from 15,000 to 30,000 including other Khadi institutions as well; generate 7,000 jobs in rural village industries section; modernise major sales outlets having a view to connect with tourism; and introduce a common brand name in khadi and village industries products such as honey, gingerly oil, and washing soap.

It was proposed that, in the 13th Plan, efforts will made to reduce procurement and sales of khadi from outside the State and increase local production; establish modern designing centres and research and development wing; establish silk cloth manufacturing units in the State; organise training programmes for new artisans in khadi and village industries sector; and start new outlets in public areas, malls, and shopping complexes.

The Khadi Grama project proposed to provide, within five years, employment to 1000 artisans each year under Khadi Grama and additional employment opportunities of 500 per year with support of LSGs. Under the scheme, the Board provides charkas and looms to new artisans.

Key initiatives proposed in the 13th Plan includes

1. Strengthen silk reeling and weaving in Kerala.
2. Mini sliver plant at Kollam.
3. Skill training for young entrepreneurs.
4. Assistance to co-operative societies (for working units to meet additional requirements).
5. Working capital for bed units (PKC and Malappuram).
6. Khadi, Grama Vyavasaya Parks in Kasaragode and Wayanad.
7. Infrastructure facilities for Honey Processing Centre at Neryamangalam.

2.1.5 Handicrafts

The 13th FYP sought to focus on the development of handicrafts, bamboo, beedi, and palmyrah sectors. Key initiatives proposed includes –

1. Implement an integrated artisan's development programme combining cluster development programme, assistance to apex organisations, and employment generation in traditional sector.
2. Transform traditional artisans into entrepreneurs through Assistance Scheme for Handicrafts Artisans (ASHA).
3. Implement an integrated program for linking handicrafts sector to tourism by way of souvenirs and craft tourism.
4. Integrated development of handicrafts sector by brand marketing of products made in clusters.
5. Signature showrooms for Kerala handicrafts by a collective marketing strategy for the PSUs.
6. Design and technology intervention with the support from institutions such as NIFT and National Institute of Design (NID).

2.2 FINANCING DEVELOPMENT IN TRADITIONAL INDUSTRIES IN THE 13TH FIVE YEAR PLAN

Interventions in the traditional sector are financed through Budget allocations. Total outlay on schemes in traditional sector during the 12th Five Year Plan period was Rs 1284.91 crore. The expenditure reported was Rs 1285.34 crore (100.03 percent). Total outlay in traditional sector in the 13th Five Year Plan period was Rs 1309.66 crore. This is 2 per cent greater than the outlay in 12th FYP. Expenditure excluding the last quarter of 2022-23 is Rs 1274.90 crore (97.35 per cent). By the end of the year (31 March 2022), the expenditure is expected to go up and be higher than expenditure in the 12th FYP period. Details are provided in table below.

Table 3 Budget outlay & expenditure in traditional industries In 12th and 13th Five Year Plan periods (Rs in lakh)

Sl No	Sub sector	12th Five Year Plan			13th Five Year Plan		
		Outlay	Expenditure	%	Outlay	Expenditure*	%
1	Coir	56294.9	44823.83	79.62	63619	68683.57	107.96
2	Handloom & Textiles	34985.5	40676.23	116.27	30163	23063.8	76.46
3	Cashew	28100	34549.9	122.95	26900	28839.7	107.21
4	Khadi & Village Industries	6735.2	6395.2	94.95	8214	4336	52.79
5	Handicrafts	2375.4	2088.76	87.93	2070	2567	124.01
	Total	128491	128534	100.03	130966	127490	97.35

*Expenditure till December 2021

Source: Budget accounts & Planspace Kerala

GOVERNMENT PROGRAMMES IN TRADITIONAL INDUSTRIES IN 13TH FIVE YEAR PLAN

Government manages and furthers development in various sectors through schemes proposed in Annual Plan and Budget. Often a sector may receive support via schemes which are spread across multiple sectors. For example the Coir sector receives plan allocation under Industries. It also receives funding via the Income Support Scheme in Labour. Similarly, the Handloom sector receives plan allocation under Industries. However, it also receives significant amount of fund via the School Uniform Scheme under Education. Similarly, traditional industries can benefit from schemes available for MSMEs, under Industries, being implemented by Directorate of Industries and Commerce. Hence effective government allocation and expenditure will be higher than those mentioned above.

2.3.1 Coir Industry

The schemes implemented by the government during the 13th Five-Year Plan period were the following:

1. Cluster development and husk procurement programme in Coir sector
The objective of the scheme is to enhance productivity, competitiveness, collectiveness and capacity building of co-operatives and entrepreneurs through forming a Consortium for the collection of the husk, establishing a yarn bank, establishing common facility centre, and common showroom and sales outlets. It uses CSS schemes for cluster development.
2. Mechanisation and Infrastructure Development of Coir Industry/Regulated Mechanisation of Coir Industry

This is a scheme to modernize and enhance the productivity in coir industry. This will enable the sector to meet the global demand of diversified coir products of superior quality withstanding the price competition from other fibre products. It involves activities for

- a. Public Sector Undertaking: like KSCC, FOMIL, KSCMMC and Coirfed
 - b. Co-operative Sector:
 - c. Entrepreneurs:
3. Training and Management Improvement
 4. Grant for Centres for Research and Development in Coir Technology (Including activities of NCRMI)
 5. Marketing, publicity, propaganda, trade exhibitions and Assistance for setting up of showrooms
 6. Market Development Assistance for the sale of Coir and Coir Products (50% State Share as matching fund) - The objective of the scheme is to promote the sale of coir and coir products of co-operatives and PSUs thereby encouraging sustained production and better employment to workers. Assistance is provided for publicity, renovation of godowns, market study and innovative marketing strategies, introduction of e-commerce facilities, upgradation of design facilities etc
 7. Production and Marketing Incentive (PMI) - scheme is for providing assistance to promote production, marketing and export of coir and coir products including PVC and rubberized coir products and coir geo textiles by the Primary Co-operative Societies, Mats and Mattings co-operative societies, and Apex societies.
 8. Price Fluctuation Fund - The scheme intends to stabilize the price of coir fibre, yarn and coir products. COIRFED, KSCC and FOMIL procure the products from co-operatives giving price at par with the production cost and compensates the loss, if any, sustained while selling at market prices.
 9. Coir Geo Textiles Development Programme
 10. Government Share Participation for Coir Co-Operatives
 11. Re-organization of coir industry - 2nd phase (NCDC Assistance) - A distinctive feature of the modernization strategy/scheme is social protection guaranteed to the traditional coir industry workers. Apart from the allocation of funds under State Budget, assistance from NCDC is included for the project with a total cost of ₹ 144444.00 lakh. The 5 thrust areas included in the scheme are Technology enabled procurement and decentralized fibre extraction, Distinct strategy for the traditional spinning and

weaving sector, Modernisation of industrial spinning and weaving sector, Product diversification of Industrial coir with focus on non-woven sector, and Institutional support for the coir sector.

12. Modernisation of coir project offices

2.3.2 Handloom Industry

1. Capital support schemes

Scheme envisages Government share participation to handloom co-operative societies, HANTEX and HANVEEV with the objective of strengthening their capital base in the form of margin money and making them eligible for more cash credit facilities from financial institutions. It includes -

- a) Government Share Participation in PHWCS
- b) Share participation to HANTEX and HANVEEV

2. Promotion and Development Schemes

Activities include -

- a) Providing subsidy on Quality Raw Material for Weavers
 - b) Providing Margin Money Loan for Quality Raw Materials for weavers
 - c) Self-Employment Scheme under Handloom Sector
 - d) Weavers/Allied Workers Motivation Programme - The objective of the programme is to motivate weavers /allied workers to improve productivity by providing attractive incentives for additional work based on scientific work assessment, annual sales turnover and approved guidelines.
 - e) Establishment of Handloom Village and Integrated Handloom Village
3. Incentive and welfare schemes - including
- a) Contributory Thrift Fund
 - b) Insurance Schemes for Handloom Weavers

4. Production, Marketing & Training Schemes

Components include -

- a) Marketing and Export Promotion Scheme
- b) Modernisation of Handloom Societies, and Promotion of value added products
- c) Training and Skill Development Programme
- d) National Handloom Development Programme (NHDP)

5. Setting up of Textile processing centre at Nadukani

6. Kaithari Gramam / Handloom Village at Kanjirode

2.3.3 Cashew Industry

Kerala State Cashew Development Corporation Limited (KSCDC)

1. Modernisation and Partial Mechanisation of Cashew Factories of KSCDC
2. CDC Brand Building

Kerala State Cashew Workers Apex Industrial Co-operative Society Ltd (CAPEX)

3. Modernisation and Partial Mechanisation of Cashew Factories of CAPEX

- 4 Brand Building and Market Awareness in India and International Market (CAPEX) Kerala State Agency for the expansion of cashew cultivation (KSACC)
5. Cultivation of Organic Cashew and Establishment of Raw Nut Bank
The objective of the scheme is to promote cashew cultivation to meet in-state raw material demand through activities like
 - i) Model Cashew Garden and Model Cashew Farms - The programme aims to develop model cashew garden and model cashew farm to enhance the domestic availability of raw cashew.
 - a) Model Cashew Gardens - Developing cashew gardens in land possessed by PSUs/Government institutions/Agencies
 - b) Model Cashew Farm - To develop model cashew farms in land possessed by private sector, farm.
 - c) Pilot project for Ultra High Density cashew planting
 - ii) Maintenance charge for model cashew garden/farm
 - iii) Muttathoru Kasumavu Padhathi - distribute cashew grafts to Kudumbasree, MGN-REGS, schools/college students/residence association and public free of cost.
 - iv) Training, Publicity and Mission Management
- 6) Kerala Cashew Board Ltd - revolving fund for procurement of Raw Cashew Nuts for the use of cashew processing units in the public sector and private sector. The cashew processing units under KSCDC Ltd. and Kerala State Cashew Workers Apex Industrial Co-Operative Society Ltd will be able to operate for at least 200 days, in a year thereby providing continuity in job and wages to its workers.

2.3.4 Khadi & Village Industries

Much of the schemes are run via the Khadi and Village Industries Board. The schemes include -

A. Infrastructure Development Schemes

1. Expansion & Modernization of Sliver Project at Ettukudukka in Kannur District - The objective of the scheme is to strengthen the activities of sliver project through modernization so as to ensure timely and uninterrupted supply of sliver to all the production centres.
2. Computerization of Khadi Board Offices - Activities under the scheme include IT software, hardware and allied activities, office automation including e-filing, e-tracking and digitalization of data.
3. Modernization of Existing Sales Outlets & Godowns of Khadi Board - The objective of the scheme is to renovate the Godowns and sales outlets to scale up sales of khadi and village industries products, and strengthen the marketing of khadi and village industries products.
4. Strengthening and Modernization of Departmental Khadi Production Centres - The objective of the scheme is to change the industry completely without affecting the traditional culture and basic principle to enhance quality and productivity.
5. Development and Strengthening of Departmental Village Industries units - The scheme is intended to strengthen the activities under departmental Village industries units, which includes value addition.

6. Development of Bee-Keeping Industry- Scheme for the promotion of bee-keeping activities by supplying bee boxes at subsidized rate to motivate bee keepers and also impart training in bee keeping.
- B. Training and Capacity building Scheme
7. Information, Publicity and Training - Scheme for carrying out of extensive market promotion activities to popularize, brand and market Khadi and Village Industries products.
- C. Financial Incentives/Support programmes
8. Production /Festival Incentive to Khadi Spinners and Weavers - The objective of the scheme is enhanced production and more wages through production incentive to Khadi spinners & weavers and Festival incentive to Khadi artisans.
 9. Financial Assistance to Khadi Co-operatives/Institutions - The main objective of the scheme is for revitalization of khadi Co-operative societies and institutions which are engaged in Khadi developmental activities in the State.
 10. Khadi Silk Weaving Project - The objective of the scheme is to strengthen khadi silk weaving sector by strengthening of existing Khadi silk weaving units and enhance production of khadi silk by procuring looms, accessories, technology upgradation and allied activities.
 11. Special Employment Generation Programme - The scheme focus on generating employment opportunities in the village industry sectors both in rural and urban areas.
 12. Khadi Gramam Programme – Programme to create new employment ensuring minimum wages and sustainable employment through quality products at competitive prices.
 13. Gramodaya Khadi cluster Programme - The scheme envisages co-ordination of all existing Khadi units assisted under KKVIB, KVIC and LSGD and aims to revamp the existing units in each cluster and strengthen the employment facilities of the workers as well as create new employment opportunities

2.3.5 Handicrafts

The Handicrafts sector envisages preserving and sustaining the craft and artisan skills to enable them to remain an integral part of States cultural fabric.

Development of Handicrafts Sector

- i. Assistance to Organizations in Handicrafts Sector - Scheme for extending capital assistance for technology upgradation, process improvement of CFSC's, upgradation activities of SURABHI and KADCO.
- ii. Establishment of Common facility Service Centres for Handicrafts - Scheme for setting up CFCs in order to support process, technologies, training, testing, new design, value addition and marketing activities in selected crafts/areas.
- iii. Assistance Scheme for Handicrafts Artisans (ASHA)- The Scheme, intends to provide extensive support to artisans in the handicrafts sector for setting up handicrafts-based micro enterprises as one time grant to such artisans with due regard to special categories including women entrepreneurs on bank linked projects.

Development of Bamboo related Industries

- i. Development of Bamboo related Industries - The activities under the scheme include conducting skill upgradation training programmes for artisans and craftsmen in making diversified and value added products of bamboo and for increasing the sales of bamboo products, promotional activities in Bamboo sector including participation in national/international events, setting up of Treatment plants and Distribution Centres and CFCs involving groups of trained artisans and supplying tools and equipment etc.
- ii. Bamboo propagation and promotion (Matching State share - National Bamboo Mission) - The objective of the central scheme is to increase the area under bamboo plantation in non-forest and private lands to supplement farm income and provide quality raw materials to the industry. It covers activities like product development, value addition focusing rejuvenation of the bamboo industry, gap assessments, training module based on the need – assessment, quality enhancement and product improvement through engineering inputs, promote Bamboo based entrepreneurship, necessary support services to create market demand, identify and bridge the critical gaps in the sector, Bamboo propagation, and maintaining information system (database) of Bamboo sector.

CHAPTER 3

ISSUES AND CHALLENGES IN TRADITIONAL INDUSTRIES

3.1 Coir Industry

- One of the important challenges faced by coir industry in Kerala is the shortage of raw material, namely coconut husk, which is processed into coir fibre and coir products. It is attributed to two reasons
 - a) General stagnation in coconut cultivation in Kerala in recent years
 - b) Constraints in the collection and processing of coconut husk in Kerala - as a result of the absence of procurement models that are suited to homestead cultivation of coconut in Kerala, high cost of procurement and environmental issues involved in processing of husk. The number of fibre extraction units is low.
- In spite of a general fall in husk availability due to stagnation in cultivation, utilisation of locally available husk is very low.
- Emergence of Tamil Nadu as a significant player in coir industry – The state has advantages in the availability and procurement of raw material. Pollachi in Tamil Nadu has emerged as a major centre for the coir industry. In fact, there are several units in Tamil Nadu, which make use of coir pith, which is a byproduct in the conversion of coir husk into coir fibre. Coir pith is extensively used for agriculture and poultry farming in Tamil Nadu. Tamil Nadu and China (for coir mattresses) have made major advances in coir processing.
- The coir industry in Kerala has undergone a massive exercise for modernization. However there are units which still use traditional methods of production, leading to high unit cost of production. The modernisation process has to be speeded up with greater enthusiasm from the co-operative societies. Hand spinning is yet to be phased out in coir yarn production. Hindrances to mechanization like problems related to availability of power and maintenance issues have to be sorted out.
- Fall in the quality of coir yarn due to new defibering technologies and limitations in hand spinning.
- Productivity per coir worker in Kerala is lower than her counterpart in Tamil Nadu as the latter use mechanized spinning techniques. Improving productivity is essential for improving wages in the sector.
- Coir products from Kerala (and elsewhere) face stiff competition from synthetic products. The weaving sector has been losing out to PVC tufted units.
- Absence of coir pith value chain
- It is generally held that government schemes like 2nd Restructuring of coir sector, modernisation, Price Stabilization Scheme (PPS), Marketing Development Assistance (MDA) and so on have been successful in uplifting the sector as a whole. However, shortage of working capital is still a major issue facing small-scale coir producers. Coir co-operatives and producers complain that financial assistance due to them from Government agencies are often delayed.

- Given their limited financial capabilities, some cooperative are not able to pay gratuity and other benefits to their former workers. Small-scale producers feel that governmental assistance is needed to provide social security benefits for its workers.
- Kerala may face fall in demand for Coir geotextiles due to the entry of Tamil Nadu as a producer of the product.
- Low productivity along with higher wages and its impact on the cost of the export products is a major concern for export units in the state.

3.2 Handloom

- Power and automatic looms are posing severe competition to the handloom sector, both in the local and export markets.
- Loss of export markets – competition and challenges from countries such as Bangladesh, Sri Lanka, Vietnam and Indonesia, as well as from units in Punjab, Assam, Gujarat, Rajasthan and Tamil Nadu.
- Availability of cheaper fabrics and changing consumer preferences are also constraints. There is increasing brand consciousness among consumers.
- Problems with yarn quality and fabric finishing.
- Level of modernization is very low.
- Low levels of productivity resulting in low wages. A worker engaged in handloom weaving is able to weave only 5 to 6 metres of cloth in a day. A worker is able to earn only around Rs.350-400 a day (although a worker's total earnings in a day, including the benefits such as PF she receives would amount to Rs.645).
- Poor conditions of work.
- Given the low wages, hard physical labour involved, and stagnant state of the industry, it is difficult to retain skilled workers in this sector.
- Increase in the price of yarn and allied inputs such as dyes and chemicals. The situation has aggravated since the spinning mills of National Textile Corporation (NTC) in the state are currently not working.
- Powerloom products are often disguised in the market as Handloom products and sold at a premium. It amounts to cheating and leaves a bad name for genuine handloom products. Foolproof technology for testing and identifying genuine Handloom products has not developed yet.

3.3 Cashew Industry

- Domestic availability of raw cashew nut has fallen sharply in Kerala over the years, with the decline in cashew cultivation in the State. This has become a major barrier for the growth of the cashew processing industry in Kerala. As a result, cashew-processing industry in Kerala is dependent on import of raw cashew nuts from other Indian States and from other countries.
- Severe crisis in the cashew industry in Kerala since 2013-14. According to industry observers, about 730 of the 830 registered cashew factories in Kerala are not functional now. Loans of about 500 units are declared as Non-Performing Assets (NPAs) & those of about 200 units are marked as stressed loans. The number of working units is esti-

mated to be about 100 while the total number of workers is about 1 lakh.

- Loss of jobs to women cashew workers – As per estimates, the cashew industry in Kerala employs as many as 3 lakh workers, mostly women. The public sector units in the cashew industry – Kerala State Cashew Development Corporation and CAPEX – together employ approximately 17,000 workers. The rest of the cashew workers (that is, approximately 94% of the cashew workers) are engaged in cashew factories in the private sector. Therefore, the crisis that has affected private-sector cashew factories has rendered several women workers jobless.
- A major reason for the problems facing small- and medium-scale cashew factories has been the fluctuations in the price of raw cashew nut (RCN), which affect the working capital requirements in the industry. The rise in international prices of raw cashew nut along with the depreciation of the Indian Rupee (against the dollar) meant that the working capital requirements in the industry have soared to very high levels.
- A general decline in the export demand for cashew from Kerala, especially from developed countries, as a result of price competition. Rising domestic consumption of cashew is also one of the reasons for the slow growth of exports.
- The cashew industry in Kerala continues to employ traditional technologies for cashew processing. In fact, the industry in Kerala believes that the handcrafted (drum roasting technique) cashew processed in Kollam has a distinctive flavor and this provides them a unique marketing advantage.
- Relatively high rates of wastage (of cashew) in the machines imported (mostly from Vietnam) for processing cashew. More efficient machines are essential.
- The cost of processing of cashew in Kerala is higher than the costs in other Indian States and in Vietnam. Cost of processing one bag (80 kg) of cashew in Kerala is approximately Rs.3800. The corresponding costs are about Rs 1300 in other states. It much less in Vietnam, Tamil Nadu and Orissa. The factors that reduce cost of production in these regions include: mechanization and higher volumes of production; government subsidies, and lower wages (in Tamil Nadu and Orissa),
- Some of the African countries, which produce raw cashew nut, are gradually entering the cashew processing industry. This is going to pose another competitive threat to the industry in Kerala.
- Another problem facing the industry is the growing demand for substitutes for cashew nut and kernel.
- There exist some informal cashew processing units in the state. There are concerns regarding the payment of benefits to the workers in such units. The existence of such units puts unwarranted pressure and competition on the formal units who follow statutory provisions for workers benefits.
- Shortage of good quality grafts, lack of attractive incentives for cultivation, pressure on land, long gestation period of crop, need for replantation and absence of plantation status to cashew farming are some of the issues affecting cashew cultivation in Kerala.
- The shortage of labour in shelling section and the low turnover of new generation workers to cashew jobs is yet another reason. A number of migrant labours are em-

ployed mainly in the shelling section. Since new generation is getting opportunity to work under better conditions elsewhere, they are more or less reluctant to work under the traditional method of processing. The situation is better in mechanized/semi mechanized units.

- Quality degradation in mechanized processing due to lack of proper research / skill in adapting to new method of processing. This reduces the acceptability of our products as a premium grade.

3.4 Khadi & Village industries

- The quantity and quality of employment generated in these industries are not satisfactory at present.
- One of the most significant issues in the sector is the inability to maintain production on a regular basis and generate decent employment, mainly for the rural poor.
- Stock build-up in previous years,
- Shortage of inputs,
- Shortage of capital, especially working capital
- Lack of new investment in the sector
- Lack of access to improved technologies and repair facilities,
- Outdated product mix.
- Sale of khadi products from other states in Kerala, and inability of Kerala khadi products to tap these customers.
- Under utilisation of production capacity is another issue. There is sufficient number of charkhas and looms in Kerala, but many of them are lying idle. Lack of funds for purchasing spare parts and servicing of implements is a major issue.
- Low productivity is a major issue in khadi sector. Low productivity leads to low wages.
- There is huge dependence on other State for high quality muslin and silk fabrics
- Khadi institutions lack professional management and professional competency to cope up with present day challenges.
- Khadi sector involving traditional mode of production faces big challenges in adapting to the fast changing economic environment.
- Widespread production and use of spurious khadi is a serious challenge to khadi sector.
- Infrastructure facilities in most of the sales outlets are very poor, and, as a result, they are not able to attract customers.
- Marketing of products is a major problem. High competition, low publicity and advertisement and lack of technology are the main reasons.
- The fall in the number of workers engaged in the sector as a result of migration of workers to better paying jobs in other sectors.

3.5 Handicrafts

- Severe competition from the private sector
- Availability of cheap substitutes, especially Chinese products
- Significant amount of sales takes place during trade fairs / exhibitions. It is essential to

strengthen sales beyond such fairs and exhibitions.

- Lack of centralized marketing system to utilize new on line marketing system.
- Reluctance of artisans reluctance to pursue the traditional work because of unfavourable work conditions
- Not many youngsters are entering the sector as workers or entrepreneurs
- Shortage of skilled workers in the sector such as bamboo
- Rules relating to cutting of and procuring bamboo from forests.
- Absence of a proper supply chain (for bamboo)
- Shortage of working capital and credit for artisans/NGOs/MSMEs
- Limited entrepreneurship, insufficient skill development programmes, and lack of modernisation in designs and products.
- Lack of awareness about new technology, designs and tools.
- Challenges regarding standardisation of products and packaging technology
- Inadequate marketing facilities/handholding support for forward and backward linkages
- Unorganized nature of the industry
- Low levels of education of workers
- Absence of market intelligence
- Daily Incomes of workers in this sector is much lower than workers in other sectors. With lower incomes, workers leave this industry for better earnings elsewhere.
- Availability of bamboo is an important issue affecting bamboo industries. This is a limitation to the operations of Kerala State Bamboo Corporation (KSBC), which is involved in the promotion of industries that use bamboo as raw material.

CHAPTER 4

RECOMMENDATIONS FOR THE 14TH FIVE YEAR PLAN

As discussed in the previous Chapters, traditional industries in Kerala face a number of growth hurdles. At the same time, however, the potential for future growth is quite high in the sphere of traditional industries. For achieving this potential, the focus should be on two areas. First, measures are required for the revival and strengthening of the existing units. Secondly, we need measures to facilitate the establishment of new units.

We recommend that the 3 basic pillars for the development of traditional Industries in the 14th Five Year plan period may be:

- a) Modernisation including mechanization and use of most efficient modern technologies (which will ensure protection to existing workers)
- b) Product diversification (including development new applications and new products)
- c) Effective marketing and distribution strategy (including digital marketing / e-commerce)

4.1 General recommendations for the sector as a whole

- To modernize the traditional or resource-based industries in the State, a systemic approach is needed. This requires close interaction among all actors to promote innovation, learning, and competence building in these industries. Such efforts for modernization should include restructuring of factories, improvement of infrastructure, and upgrading of the skills of workers.
- There should be programmes to attract new entrepreneurs into the field of traditional industries. They should be encouraged to set up model units which are efficient, economic and modern, even while they are engaged in traditional industries.
- It is essential to find new uses or value to existing products. An appropriate example would be the development of coir geotextiles for engineering works and new uses of coir pith.
- Science, technology and management institutions should be incentivized to contribute towards the development of new technologies and skill empowerment of workers and entrepreneurs in the traditional sectors.
- Research and Development (R&D) catering to the specific requirements of the sector has to be encouraged. R&D may cater to the need for modern efficient machines, development of new applications / products, identification of markets, efficient management of units etc.
- Kerala should take advantage of dedicated Central government schemes in traditional industries. This is essential to enhance availability of funds for the sector. Pooling of funds to cater to the needs of a larger number of beneficiaries makes economic sense.
- There are a number of agencies and institutes in the sector. But there is very little interactions among them. It is essential to have continuous engagement a) among the agencies and b) between the agencies and the industry.
- Local governments can bestow greater attention on traditional industries and be the

pillar for rural industrialization in Kerala. This can open up possibilities of rural and local development.

- Government should facilitate skill development and training schemes for workers engaged in traditional industries.
- Government should facilitate the setting up of Design Centers -- which will have qualified designers and engineers -- within clusters for handloom, handicraft, coir, bamboo and other traditional industries.
- There should be provisions to improve the working environment, health conditions and productivity of workers attached to traditional sectors.
- Currently, multiple agencies are involved in the promotion and marketing of products from traditional and resources-based industries in Kerala. There is need for much greater coordination between these agencies. For instance, there are showrooms across Kerala and in major Indian cities set up by Hantex, Hanveev, Handicrafts Development Corporation of Kerala (HDCK), and so on. As of now, showrooms of any one of these agencies (such as Hantex) do not sell the products promoted by the other agencies (such as Hanveev). This needs to change. There are large economies of scale to be gained by coordinating the sale and marketing strategies of various promotional agencies. The showrooms of, say, HDCK should display and sell products promoted by Hantex, Hanveev, as well as Khadi, coir and cashew industries in the State. This will result in economies in sales and marketing efforts. In addition, customers will find it more attractive to walk into a 'supermarket' for Kerala's traditional and resources-based industries.
- The traditional industries in Kerala can gain by focusing much more on the domestic markets. As of now, these industries devote greater attention to the export markets. However, there is a large and growing market within Kerala and in other Indian States for products of coir, cashew, handlooms and khadi. For instance, coir-based products will find buyers among those who promote 'green' buildings. The products of Kerala's traditional, industries will also find buyers in the export markets, especially from the large community of overseas Malayalees.
- The traditional industries in Kerala and tourism can gain from each other. There is need for better coordination in the marketing strategies of these sectors.
- Kerala should try to evolve a common brand name and marketing strategy for its various traditional products, and also link them with the promotion of tourism in the State.
- There should be measures to strengthen quality control in these industries. This would be an add-on for products to fetch a higher price. Certification including IS certification has to be explored to ensure quality standards.
- Many of the Government schemes for traditional industries involve subsidies. Strict monitoring of such schemes is essential to ensure that the benefits are not pocketed by ineligible people. It is also essential to weed out duplication of beneficiaries.
- The Government can implement sector specific schemes for technology upgradation, export promotion and credit requirements based on development of bankable projects.

- It is essential to break the shackles of tradition in the training schemes. We have to move towards need - based training in new areas in the context of modernisation / mechanisation.
- Death and disability to the workers cause huge problems to families depending on traditional industries. It is ideal to have complete coverage of workers with some form of insurance cover for death and disability. Such scheme can be universal in nature and premium amount can be shared between Government and the worker. Insurance schemes started by Government of India recently may be explored for the purpose.

4.2 Coir

- The sector has witnessed considerable amount of modernization. Emphasis has to shift from starting new units to ensuring sustainability of units started / modernized.
- Modernisation (which will ensure protection to existing workers) should continue to be the main thrust area for the coir sector. It is of great importance in the case of industrial spinning and weaving. It will lead to overall expansion of the industry and the creation of greater value addition per worker.
- It is essential to ensure better availability of raw material for the coir industry in the State. Good quality husk is available in Kerala. There should be measures to facilitate the collection of raw material from Kerala for the coir industry in the State. It is a paradox that much of husk remains unutilized while husk is being procured from neighbouring states for processing. Though the rate of husk utilization has improved in the state, there is scope for enormous increase in husk collection through appropriate models of aggregation.
- Automated spinning mills to be encouraged to overcome problems with quality of yarn and improve productivity.
- Technology enabled procurement and decentralized fiber extraction have to be carried out. The procurement process can be carried out by Kudumbasree units/farmer producer companies, making use of mobile based aggregated procurement platform.
- The traditional spinning and weaving sector has to build linkages with eco-tourism projects (which highlight the history of coir).
- Diversification into industrial coir with a focus on non-woven, coir geo textiles, coir composite/ injection molded coir and coir composite board, has to be pursued with greater vigour. Given coir's properties such as tensile strength, it has applications in sectors such as automobiles and aerospace, which has to be explored.
- The coir sector requires entrepreneurs who can take advantage of the research in the area of coir and related material.
- Public sector agencies that are engaged in similar lines of production (such as Coirfed, KSCC and Form Mattings in Coir) should consider the possibility of integrating or even merging their operations.
- To promote mechanization in household units, mechanical spinning machines with solar power should be promoted.

- It is essential to retain young workers in the industry and provide them with better training in advanced technology. This will lead to greater productivity and better wages.
- There are demands to rationalize wages in the product sector coir industry in tune with other traditional industries of Kerala. It would be ideal to re-look the issue of piece rates. It is also put forward that payment of bonus be brought under the Bonus Act & Rules.
- The quality of products produced by skilled labourers in niche product market is better than machine made products. Therefore these labour skills are to be made use of for the betterment of the industry. These skills have to be used in manufacturing diversified products.
- Focus shall be given for ensuring the quality of the product manufactured through certification such as IS Certification.

4.3 Handloom

- Handloom sector has to focus on transformation of cloth into garments, which have good demand. Garment production should essentially be driven by the latest fashion and market trends.
- The traditional products from the sector have to be re-imagined and re-invented to transform them into niche products. The re-invention of 'thorthu' by successful private entrepreneurs as cocktail napkins to large beach towels, aprons, bathrobes, resort wear, beach cover-ups, baby blankets, pouches and gift hampers is an good example.
- Branding should focus on specific aspects of the product – that it is handmade and represents the work by skilled labour. That these products are part of our tradition and heritage needs to be highlighted. The social media campaigns may pay attention to these aspects.
- Marketing of handloom products requires a good story and awareness creation. It helps if the society appreciates the value of these products.
- Handloom industry in Kerala, which predominantly makes cotton textiles, has to tap the increasing demand for sustainable textiles.
- Handloom can form part of niche market for fashionable garments overseas. Export incentives need to be tapped after developing new products based on inputs from premier fashion and design institutes like NIFT. The overseas market from non-Malayalee / non-Indian clients has to be explored.
- Exports make the industry more financially viable because handmade products are a lot more valued overseas. They can also generate better margins. This can elevate it to a luxury segment, which has a big demand in domestic market too. The State may try to sell at least 50 percent of the production from this sector in the export market. It needs to identify the better performing units and provide them good assistance and training to meet export standards.
- It is essential to develop composite weaves to develop new textures.
- Strong measures are required to curb the practice of selling power loom products as

handloom. Technological and other interventions are essential to overcome this counterfeiting.

- It is essential to continue upgrading the facilities of handloom units. However, instead of thinly spreading benefits across a large number of units, it is recommended that a selected number of units are chosen for modernization in the first stage. It is essential to focus on ensuring toilet and other facilities, especially for women workers engaged in these units.
- R&D is essential to improve yarn and fabric quality and finish. R&D is also essential for raw materials, products and marketing methods.
- It is essential to maintain high standards for quality and durability. This will enable it to withstand competition and fetch better prices.
- Startups and incubation centres in these sectors may be provided incentives. Incubation centres have to be developed as centres for collaboration and idea generation with participation of multiple institutes, organisations and individuals.
- The sector can gain from a Cluster Based Approach with Common Facility Centres.
- Technological and organizational innovations are needed to increase productivity, improve wages, and at the same time, avoid job losses.
- The handloom sector should be encouraged to work on products/areas where it can create a niche market (such as high design furnishings or sarees). Handloom units should work with design institutions such as National Institute of Fashion Technology (NIFT) so that they can come up with innovative designs and marketing strategies.
- The state should actively explore the potential to link tourism and the handloom sectors.
- The State government has engaged handloom cooperative societies in Kerala to supply cloth for the School Uniform Scheme of the Government. Handloom workers and leaders of cooperative societies agree that the School Uniform Scheme has helped to revive the sector to some extent. While the Government is planning to extend the School Uniform Scheme to cover a greater number of students in the State, it is essential to economize the cost per unit. The School Uniform Scheme has to be reviewed to ensure smooth fund flow to societies. Care has to be given to ensure that it does not lead to loss of skills among workers.
- Currently a significant percent of production and workers are engaged in production of Handloom cloth for the School Uniform Project. For example, about 87 percentage of value of production and 70 percentage of workers in Hanveev are engaged in School Uniform Project. This can have an adverse impact on the skill of the workers and be detrimental to the sector in the long run. Hence, it is essential to explore the problems associated with dependence on uniform markets. It is also necessary to revive the traditional products and markets.
- Sustainability of the industrial establishments should be given priority rather than preserving them on the grounds of heritage.
- It is essential to have better convergence of programmes of Union Government and national agencies with State government programmes.

- While new designs are essential, cultural / attitudinal changes are required for the absorption of new designs.
- In the traditional textile industry, a need is felt to adopt changes in design, yarn/fabric, machinery and processes through research initiatives so that Kerala can regain the market of export of textile products.

4.4 Cashew

- The primary focus should be on cashew units currently in operation to ensure that they are in a position to continue their operation in spite of crisis faced by the industry. Out of the operating units as of now, 60% are in the private sector. Efforts should be taken to reduce the cost of production and increase productivity by adopting economies of large scale processing. This can be achieved by mechanisation and process automation. This involves heavy capital infusion; and the cost of funds and returns should justify the investments. Mechanisation and process automation can be implemented in a phased manner without much affecting the work force.
- State Government may initiate steps to restart the operations of closed private cashew factories, which have the potential to be revived. This can ensure work for workers who depend on this industry for their livelihoods. However, such revival must be based on modernisation to increase productivity and reduce processing cost. The three main tools of intervention would be a) capital grants on investment for modernization, b) interest subvention on working capital loans, and c) one-time interest subvention on the interest component of outstanding dues of defunct units with NPAs.
- The state stands to gain by reducing its dependence on imports (by substituting it with domestic procurement) and increasing value addition. The greater the value added, higher the price it can command and more the state can gain.
- It is essential to decrease the cost of processing cashew for units in Kerala to remain economic and competitive. Adoption of appropriate technology and achievement of desired scale of operation are important to achieve this objective.
- The cashew industry should try to develop value-added products such as hand crafted cashew, and also products which make use of cashew apple. It should try to increase the shelf life of its products.
- The state should aim to increase the domestic availability of raw cashew in Kerala. Currently, domestic availability of raw cashew as a proportion of domestic requirement is very low. This needs to be increased substantially. The government has taken steps to promote cashew cultivation in the state. But the process has to be re-invigorated. It is essential to promote commercial plantation of cashew for cultivation to be economically viable. It is essential to explore the possibility of developing cashew as a plantation crop. Steps such as increasing area under cultivation of cashew and planting high yielding hybrid varieties have to be explored.
- Currently, machines used in the cashew processing industry in Kerala are imported, mostly from Vietnam. The use of these machines results in relatively high rates of wastage (of cashew). Therefore, there is need for development of machines that are better suited for the specific needs of the industry in Kerala.

- Serious attention is needed to reorient research and development programmes in the area of cashew cultivation in the State, especially with the goal of achieving higher productivity. R&D for development of new machines, new products, and market research also need emphasis.
- To overcome the disadvantages due to labour costs, cashew factories in the State should work at higher levels of productivity and capacity utilization.
- It is essential to explore the market for refreshments in various modes of transport. Packaging of products should cater to various modes of transport. The airline market is significant. Cashew products with Kerala brand could be marketed directly to increase the niche value of Kerala brand at tourist destinations, corporate offices and in the aviation and transport industry.
- The adoption of high yielding varieties, scientific farming techniques, greater support in terms of extension services, and commercial scale of production can bring remarkable improvement in the production of raw cashew nut in the State. Increased domestic production of cashew at reasonable price and quality can reduce Kerala's dependence on imported cashew
- Greater efforts to develop new markets and marketing strategies which can retain the identity of 'Kerala Cashew' can help the industry prosper in future. GI tagging of Kerala processed cashew kernels will help find better markets for cashew nuts from Kerala. The GI store run by CEPCI can also be used to market our products. High quality and taste of cashew from Kerala have to be highlighted. It would be ideal to explore the possibility of branding cashew as 'Kerala Cashew' with GI tag.
- The cashew kernels from Kerala enjoy a premium position in the market due to high quality. Proper R&D should be conducted to ensure that the quality of Kerala produce is preserved. The Government can seek the help of CEPCI & Research institute/ Cashew Research Station, Puttur/ Central Food Technological Research Institute (CFTRI), Mysore for development of machines and processing technologies for this purpose with the active involvement of the industry.
- With the introduction of new sophisticated machinery, the industry is finding it difficult to get the service of trained technicians to do repair and maintenance. As a result many equipment are kept idle. It is recommended that a course on cashew processing and equipment maintenance be introduced at ITI / Polytechnic levels. It will fetch decent employment to skilled technicians. Similar courses are introduced in ITI in the state of Odisha.
- In the current scenario, for Government supported units to work in Cashew industry, it is essential to ensure timely circulation of funds between KCB, KSCDC and CAPEX. To ensure smooth functioning of KCB, it is essential that KSCDC and CAPEX make timely payments to KCB for supply of raw cashew nut.

4.5 Khadi & Village Industries

- Kerala has to focus on niche marketing. It is essential to develop new products while retaining the essence of Kerala.

- Common Facility Centres are essential to ensure economy and convenience in production.
- It is essential to have micro schemes for ensuring finance to entrepreneurs.
- The State can explore the development of Art & Craft villages at prominent tourism destinations.
- An expansion of bamboo cultivation in Kerala is important to meet the needs of the bamboo industry in the State. The state can also explore whether the Forest Department can help in ensuring the availability of Bamboo.

Appendix 1
PROCEEDINGS OF THE MEMBER SECRETARY STATE PLANNING BOARD
(Present: Sri Teeka Ram Meena IAS)

Sub: - Formulation of Fourteenth Five Year Plan (2022-27) – Constitution of Working Groups on **Traditional Industry**- reg.

Read: -1. Note No.297/2021/PCD/SPB dated: 27/08/2021

2. Guidelines on Working Groups

ORDER No. 951/2021/SPB/I&I/ DD Dated: 14/09/2021

As part of the formulation of Fourteenth Five Year Plan, it has been decided to constitute various Working Groups under the priority sectors. Accordingly, the Working Group on **Traditional Industry** coming under industry sector is hereby constituted with the following members. The Working Group shall also take into consideration the guidelines read 2nd above in fulfilling the tasks outlined in the ToR for the Group.

Co-Chairpersons

1. Dr. Jayan Jose Thomas, Professor, IIT, Delhi. Email: jayanjthomas@gmail.com
Mob: 7838452674
2. Sri. Rajesh Kumar Sinha IAS, Principal Secretary to Government, Industries (Cashew & Coir), Email: prlsecy.forest@kerala.gov.in , Phone: 0471- 2517395

Members

1. Sri.V. R. Vinod IAS, Director, Directorate of Coir Development, Thiruvananthapuram email: coirdirectorate@kerala.gov.in, mob. 9446339700
2. .Smt.Anita Jacob, Director(i/c), Central Coir Research Institute, Kalavoor, Alapuzha, E-mail: cricoirboard@gmail.com , ccrikalavoor@gmail.com, phone: 0477-2258094
3. Dr. Puneet Sood, Director , National Institute of Fashion Technology, Kannur, Email: pa.director.kannur@nift.ac.in , info.kannur@nift.ac.in Tel: 04972784781-84
4. Sri.Pradeep Kumar K.S, Director of Handlooms & Textiles, Thiruvananthapuram Email: handloomdirector@gmail.com Mob: 9447501168
5. Sri. Anil K. R, Professor, Agriculture College, Vellayani (Former Director, National Coir Research & Management Institute (NCRMI), Tvpm E mail: kranil2003@yahoo.com, kranil2003@gmail.com, Mob:9446318182
6. Shri. Bhodesh, Former Chairman, Cashew Export Promotion Council of India, Kollam, bhodesh@gmail.com, Mob: 9995977555
7. Sri. Sajjan B.Nair, Secretary General, Federation of Indian Coir exporters Associations, Cherthala, email-secretary@ficea.in Ph. 0478 2810009, Mob: 9847043515
8. Sri. K. G. Baburaj, Secretary, International Center for Gandhian Thought, Tvpm, E mail: kgbaburaj@gmail.com Mob: .9447045430
9. Smt.Indu Menon, Kara Weaves , Eranakulam, E mail:info@karaweaves.com , Ph. 04842745001, Mob: 9995327661

10. Sri.Abdul Aziz C.P,(Village Industries),Chama Purayil House, Avelam,
Thachampoyil P.O,Tamarasseri, Kozhikode , E mai: cpavelam@gmail.com
Mob: 9447023851

11. M/s Sargalaya Arts & Crafts Village, Iringal,Vadakara, Kerala,
Email: sargaalaya@gmail.com, Mob: 9446304222

12. Sri.Anathalavattom Anandan, President , Coir Centre, CITU, AKG Centre, Tvpn ,
Email :akgcentre@gmail.com Mob:9447067644

Convener

Sri Er Joy N R, Chief, Industry and Infrastructure Division, State Planning Board,
chiefindustry@gmail.com, joynr_spb.ker@nic.in, chiefindustry.spb@kerala.gov.in
Mob: 9447000868

Co-Convener

Sri.Arun Shyamnath, Assistant Director, Traditional Industries, Industry and Infrastructure
Division, State Planning Board. E mail : arunshyamnath@gmail.com Mob: 9995356100

Terms of Reference

1. Evaluate the support requirements for technology infusion and commercial revival so as to place traditional industries on a path of modern, sustained and viable growth. Each sector will have special requirements in this regard.
2. Review the current apex bodies' programmes, roles, capacity to monitor the plans for revival.

Terms of Reference (General)

1. The non-official members (and invitees) of the Working Group will be entitled to travelling allowances as per existing government norms. The Class I Officers of GoI will be entitled to travelling allowance as per rules if reimbursement is not allowed from Departments.
2. The expenditure towards TA, DA and Honorarium will be met from the following Head of account of the State Planning Board '3451-00-101-93'- Preparation of Plans and Conduct of Surveys and Studies.

(Sd/-)

Member Secretary

To

The Members concerned

Copy to

PS to VC

PA to MS

CA to Member (Sri.V. Namasivayam)

Sr. A.O, SPB

The Accountant General, Kerala

Finance Officer, SPB

Sub Treasury, Vellayambalam

Accounts Section

File/Stock File

Forwarded By Order

(Sd/-)

Chief (Industry and Infrastructure Division)

Appendix 2

PROCEEDINGS OF THE MEMBER SECRETARY STATE PLANNING BOARD

(Present: Sri Teeka Ram Meena IAS)

Sub:- Formulation of Fourteenth Five Year Plan (2022-27) – Constitution of Working Groups on Traditional Industry- reg.

Read: -1. This office order of even No dated: 14/09/2021

ORDER No. 951/2021/SPB/I&I/ DD Dated: 22/10/2021

As part of the formulation of Fourteenth Five Year Plan, the Working Group on **Traditional Industry** coming under industry sector was constituted vide paper read as 1st above. It is informed that Sri Rajesh Kumar Sinha IAS, Principal Secretary to Government, Industries (Cashew & Coir), one of the Co-Chairpersons of the Working Group, would be on leave and not in a position to attend the meeting. Sri APM Mohammad Hanish IAS, Principal Secretary to Government, Industries & Commerce has agreed to be Co-chairperson of the Working Group.

The Working Group on Traditional Industries is therefore reconstituted as follows:

Co-Chairpersons

1. Dr. Jayan Jose Thomas, Professor, IIT, Delhi. Email: jayanjthomas@gmail.com
Mob: 7838452674
2. Sri. APM Mohammad Hanish IAS, Principal Secretary to Government, Industries & Commerce, Email: prlsecy2.ind@kerala.gov.in , Phone: 0471-2327451, 2518228

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email: coirdirectorate@kerala.gov.in, mob. 9446339700
2. Smt.Anita Jacob, Director(i/c), Central Coir Research Institute, Kalavoor, Alapuzha, E-mail: ccri.coirboard@gmail.com , ccikalavoor@gmail.com, phone: 0477-2258094
3. Dr. Puneet Sood, Director , National Institute of Fashion Technology, Kannur,
Email: pa.director.kannur@nift.ac.in , director.kannur@nift.ac.in
Tel: 04972784780, 9418056007
4. Sri.Pradeep Kumar K.S, Director of Handlooms & Textiles, Thiruvananthapuram
Email: handloomdirector@gmail.com Mob: 9447501168
5. Sri. Anil K. R, Professor, Agriculture College, Vellayani (Former Director, National Coir Research & Management Institute (NCRMI), Tvpm
E mail: kranil2003@yahoo.com, kranil2003@gmail.com, Mob:9446318182
6. Shri. Bhoodesh, Former Chairman, Cashew Export Promotion Council of India, Kollam
E mail: bhoodesh@gmail.com, Mob: 9995977555
7. Sri. Sajan B.Nair, Secretary General, Federation of Indian Coir exporters Associations, Cherthala, email-secretary@ficea.in, sajanbnair1@gmail.com,
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Convener

Sri Er Joy N R, Chief, Industry and Infrastructure Division, State Planning Board, chiefindustry@gmail.com, joynr_spb.ker@nic.in, chiefindustry.spb@kerala.gov.in
Mob: 9447000868

Co-Convener

Sri.Arun Shyamnath, Assistant Director, Traditional Industries, Industry and Infrastructure Division, State Planning Board. E mail : arunshyamnath@gmail.com Mob: 9995356100

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Accounts Section
File/Stock File

Forwarded By Order

Sd/-

Chief (Industry & Infrastructure Division)