



# Agribusiness in Jammu and Kashmir

## *Prospects and Challenges*

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India Development Foundation  
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# Agribusiness: Overview J&K

80 percent  
state  
population

60 percent  
state's  
revenue

75 percent  
temperate  
fruits

Horticulture  
INR 1500  
Crores

Forex  
Earnings:  
USD 31.1 mn

198000 ha  
under F&V

1,150,000 MT  
of F&V in  
2004

979,000 ha  
under  
foodgrains

1,335,000 MT  
of foodgrains  
in 2004



Horticulture: USD  
266.7 million  
turnover  
250,000 people  
employed

Multiplier for  
agribusiness industry  
in J&K: 2.4  
Diversified Agro-  
climatic zones (3)

**Agribusiness  
Snapshot  
(J&K)**

Massive Export Potential:  
Fruits and vegetables,  
Flowers, Juices and pulps  
Export Destinations:  
Europe, Middle-East,  
China and Australia

Good Irrigation facilities  
– 50 percent GIA.  
Ample availability of  
surface and groundwater  
Breeding ground for  
processing units



# Challenges

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- Small, fragmented landholdings (0.83 ha in 2004)
- Infrastructure bottlenecks: roads, power, air transport, ICDs, cold storages
- Quality and food safety issues – compliance to international food standards
- Lack of adequate power facilities for processing units
- High costs of raw material procurement – dispersed settlements, fragmented holdings...



# Some Government Initiatives

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- Development of Agri-Export Zones: INR 100 Crores for apples and walnuts
- Technology Mission (Horticulture) launched: INR 100 crores (coordinated by APEDA)
- Development of Allied Infrastructure: Financial Assistance from Asian Development Bank
- Dairy Development: Cooperatives in rural areas, Marketing joint-venture with Amul
- 41.5 percent increase in capital expenditure for roads, power and irrigation facilities



# The Way Forward...



# The Horticulture Opportunity in J&K



# Horticulture Snapshot: J&K

Important  
player in India  
F&V  
production

Organic F&V  
holds a niche  
market

Fresh  
accounts for  
95% of the  
market

High  
intermediary  
margins

Less than 2%  
of F&V output  
is processed

Low per capita  
availability of  
F&V

Low overall  
productivity in  
F&V

High wastage  
and loss of  
output

Improper  
retailing  
conditions



# Growth Prospects...

Diverse  
Agro-Climatic  
Zones

Value-addition  
Through  
Processing

Diversification:  
High-value  
niche products

- Three agro-climatic zones: Ideal for production of temperate and sub-tropical fruits and vegetables
- 75 percent of India's temperate fruits production is from Jammu and Kashmir
- Thrust areas: Preservation and canning of fresh fruits and vegetables, fruits and vegetables dehydration, processing of jams, jellies, juices, dry fruits, dairy and meat processing and spices and oils.
- Apples, pear, plum, peach, cherry, apricot, lemons, mangoes, grapes and raisins, cashew, walnuts and olives



# Tapping the potential ...

Market  
Intervention  
Schemes

- Cheaper procurement of raw materials
  - Backward linkages
  - Development of farmer cooperatives.
  - Contract farming initiatives

Integrated  
Cold Chain  
Management

- Controlled Atmosphere Stores (under AEZs)
  - 5 such stores (combined capacity of 43,000 MT under construction at the cost of INR 43 crores.



Modern  
Grading and  
Packing  
Units

Refrigerated  
Transportation  
Facilities

- Integrated modern grading units (with captive cold storages) – capacity of 64,000 MT under construction
- Integrated packing houses to maintain quality of packed fruits – 25 such being planned in J&K
- Refrigerated vans for transportation of fruits, vegetables and flowers in garden-fresh conditions – MoU with the Container Corporation of India (for 100 such vans in phase-I).



Agriculture  
Insurance  
Facilities

Food Parks  
And Cluster  
Development

- **Crop Insurance: National Agricultural Insurance Scheme and Farm Income Insurance Scheme extended to horticulture crops in J&K.**
- **Setting-up of 'Food Parks' – 2 fully operational at Khunmoh and Sopore**
  - Area of 40 acres, investment of INR 17 crores
  - Direct employment to 9000 people



# Concluding Remarks

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- Involvement of private sector important
- Streamlining of the agri. supply-chain
- Development of infrastructure facilities
- Quality consciousness and adherence to food-safety standards
- Focus on value-addition through processing and branding
- Exploiting the export-potential: Organic foods, niche products (flowers, walnuts etc.)



Thank You.

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