

a starters guide



Walnut

not a tough nut to **crack**

The document is part of a series of information products providing snapshots to young aspiring entrepreneurs regarding viable business opportunities in the state.

Jammu and Kashmir produces some 3.5 lakh quintals of walnut every year, thus contributing around 98 per cent of the total walnut output in India. Of this, the Kashmir Valley alone produces 95 per cent and the rest is grown in Doda and Kishtwar districts of the Jammu region.

The fruit also earns huge revenue in terms of foreign reserves as it is exported to Europe where India has a close to 20 per cent of the market share.

Total requirement for walnut in India is projected to increase from 3.6 lakh quintals produced currently to 7.25 lakh quintals by 2020-21. (source APEDA)

Picture this

The state enjoys a near monopoly in the fruit production. But it has only 136 processing units for the crop against a total demand of at least 6,200 plants of varying sizes. Isn't the market up for grabs?

Market snapshot

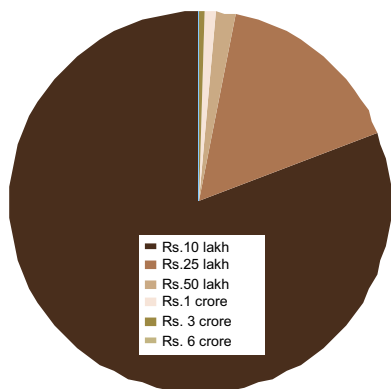
Total walnut production in the state: 3.5 lakh quintals
Major areas of production in the state: Kupwara, Pulwama, Anantnag, Ganderbal, Budgam

Market scenario for Kashmiri walnuts (For raw and processed kernels)

Local consumption (including tourists):	10-15 per cent of the total production.
Exports:	85-90 of the total production
Major markets outside the state:	Delhi and Mumbai
Processed in local industries:	60-65 per cent
Total unprocessed export:	35-40 per cent

Walnut processing units needed in the state:

According to a survey, there are a total number of 136 walnut processing units of varying capacity in the state. The actual demand of such units – of different capacity (see the chart) – as per the crop production is 6,181.



investments	units needed	cumulative
Rs.10 lakh	5000	
Rs.25 lakh	1000	6000
Rs.50 lakh	100	6100
Rs.1 cr	60	6160
Rs. 3 cr	20	6180
Rs. 6 cr	1	6181

What are the costs and returns for a unit with processing capacity of 30-35 tonnes per year?

Total capital cost

Land	Owned/leased/hired
Building	Pre-owned, leased or hired
Machinery/Equipments	Rs.600,000/

Operational Cost Rs.400,000

Grand Total: Rs.10 lakh

Check list for setting up a unit

Returns

By sale of processed kernels Rs.13,00,000/

By sale of (any other item) NA

Land

(owned or leased)

Size = one kanal

Nature = preferably in a non-residential area

Building

Parameters: 50 feet by 30 feet by 13 feet (LxBxH)

Permission: Revenue, local bodies, communities and the State Pollution Control Board

Finances

Check various schemes at JKEDI

- Seed Capital Fund Scheme
- Youth Start-Up Loan Scheme

Equipment

- 1.Nut crackers (optional: manual cracking is preferred)
- 2.Crates (for storing kernels)
- 3.Trolley (for shifting material)
- 4.Dryer and separate trays
- 5.Size grader (for kernel grading)
 - a. Half big size
 - b. Half Small Size
 - c. 3 Piece
 - d. 4 piece 1/8
- 6.Colour grader (for final inspection belt)
- 7.Air Conditioner (to maintain temperature below 20 degrees Celsius for finished products)
- 8.Digital weighing Machine
- 9.Vacuum packaging machine
- 10.Generator (at least 20 horse power)

Suppliers

Local farmers, local vendors,
Imports: **All machinery and equipments**

Buyers

Local: **Vendors or people associated with tourist trade**

Exports: **To pharmaceutical, food companies or wholesale markets**

Challenges and opportunities

Like any other business, the road to success in the walnut industry may not be all rosy but at the end what matters is financial returns. You guarantee your efforts, the trade promises you good profits

Here are some of the challenges the trade tests you with

- Machines are to be imported from outside the state. 100% dependency.
- Remember you are dealing with a delicate product. Kernel colour may degrade soon
- Rates keep fluctuating in the absence of a defined regulation
- There is rampant deforestation of the walnut trees in Kashmir
- No significant local market for processed kernel
- Stiff competition from outside the country

But there is brighter side to it also

- Raw material is available in abundance locally
- Climate is suitable for setting up the unit
- Cheap labour
- No specific skills needed
- Demand is ever increasing because major portion of the product goes into medicinal use

Relevant departments

- Jammu and Kashmir Entrepreneurship Development Institute (JKEDI) - for training and financial support
- National Horticulture Board (NHB) - for expert advice
- Indian Centre of Agricultural Research (ICAR) - for expert advice
- Ministry Of Food Processing Industries (MOFPI) - for product safety certification
- Agricultural and Processed Food Products Export Development Authority (APEDA)

Please ensure the following before stepping into the trade

- **Establish the unit** outside of a residential area
- **Meet people** around to know if there is any hostility for such kind of activity
- Get **necessary permissions** from local bodies like panchayat, municipal committees or Pollution Control Board
- Get **TIN (Tax Information Network)** for importing machines and exporting your products to other parts of the country
- **Register** your unit with the district office of Department of Industries and Commerce for various incentives offered
- **Get a certificate from Food Safety and Standards Authority of India (FSSAI)** that certifies your product is standardised. Department of health or Consumer Affairs and Public Distribution (CAPD) are local nodal agencies
- Get **pollution free certificate** from SPCB particularly if you are using a high power generator or any other machinery

Sources:

APEDA, National Horticulture Bureau and ICAR

Interviews: Dr Munazah, Research Associate, SKUAST



Disclaimer: Users of this document should not solely rely on the information contained here and are advised to consult domain experts prior to the start of their venture based on the identified market opportunity.

**JAMMU & KASHMIR
ENTREPRENEURSHIP DEVELOPMENT
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