

VII. Cashew Sector

Cashew industry in Kerala plays an important role in generating employment and foreign exchange. Kerala is one of the major cashew producing and processing states in India. Kollam District is the hub of cashew processing and exporting in Kerala. More than 90 per cent of the workers in the industry are women. Cashew industry in Kerala is facing a crisis and a number of factories have shut down, resulting in thousands of people being rendered unemployed.

The major problems faced by cashew industry in Kerala are lack of raw materials at competitive price, high processing cost, lack of modernisation and problems in marketing. The schemes in cashew sector are directed towards addressing these problems.

Thrust areas in the sector are mechanization of the factories to increase the productivity without losing employment, modernization of units, planting high yielding varieties of cashew grafts to become self-sufficient in cashew production, new marketing strategies, R&D in modernization, warehousing solutions and procuring raw materials from other countries through Kerala Cashew Board.

An amount of ₹ 5336.00 lakh is provided in the Budget 2024-25 for cashew sector as shown below.

Sl. No.	Department	Amount (₹ in lakh)
1.	Kerala State Cashew Development Corporation	305.00
2.	CAPEX	300.00
3.	Kerala State Agency for the expansion of cashew cultivation	650.00
4.	Kerala Cashew Board Ltd	4081.00
	Total	5336.00

Kerala State Cashew Development Corporation Limited (KSCDC)

KSCDC is a company fully owned by Government and a model employer in cashew industry, seeking to protect the interest of workers by providing maximum days of employment with statutory wages and other benefits.

1. Modernisation and Partial Mechanisation of Cashew Factories of KSCDC

(Outlay: ₹ 155.00 lakh)

The scheme intends to enhance the production and productivity of the factories of Kerala State Cashew Development Corporation Ltd. by modernizing and upgrading the facilities covering processing plants, equipment and basic infrastructure. Setting up model filling stations and modern warehouses, mechanisation in shelling, peeling and grading activities, R&D, modernisation/renovation of existing building & allied infrastructure are envisaged under the scheme. An amount of ₹ 155.00 lakh is provided for the scheme in the Budget 2024-25. About 90 per cent of the outlay will benefit women workers.

2. CDC Brand Building

(Outlay: ₹ 150.00 lakh)

The objective of the scheme is to increase brand image of KSCDC products and thereby increase operating margin. In 2024-25, advertisement in selected media for creating and reinforcing awareness of the CDC brand, various sales promotion activities to create

brand loyalty, participation in major food exhibitions and major trade fairs, focused marketing efforts in selected international market, initial distribution and listing fee in modern trade outlets, ensuring ready availability of stocks, product development and brand marketing are the major activities proposed. The scheme also intends to introduce and promote various value added products like Chilly Coated Cashew, Chilly Garlic Coated Cashew, Pepper Coated Cashew, Cashew Vanila Milk Shake, Cashew Vita Cardamom, Cashew Vita Chocolate, Cashew Vita Pistha, Cashew Vita Vanila, Cashew Soup, Cashew Powder, Cashew Vita and Cashew apple soda to attain more acceptability in market. An amount of ₹ 150.00 lakh is provided in the Budget 2024-25 for the scheme.

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

CAPEX is the apex body of cashew processing units under co-operative sector with the Industries Department. It takes care of the operations of the primary co-operative societies like procurement of raw nuts, distributes the same to primary societies, gets them processed and markets the kernels to provide continuous employment, job security and wage protection to the workers.

3. Modernization and Partial Mechanization of Cashew Factories of CAPEX

(Outlay: ₹ 250.00 lakh)

The scheme intends to enhance the production and productivity of the 10 factories of CAPEX and the packaging facility at head office by modernizing and upgrading the facilities covering processing plants, equipment and basic infrastructure. Setting up model filling stations and modern warehouses, mechanisation in shelling, peeling and grading activities, modern packing machine, sales outlets, R&D, modernisation/renovation of existing buildings & allied infrastructure involving creation of dedicated women friendly facilities are envisaged under the scheme. An amount of ₹ 250.00 lakh is provided for the scheme in the Budget 2024-25. About 90 per cent of the outlay will benefit women workers.

4. Brand Building and Market Awareness in India and International Market (CAPEX)

(Outlay: ₹ 50.00 lakh)

The object of the scheme is to enhance the total sales turnover in 2024-25 and coming years. The amount will be utilised for advertising, publicity, sales promotion in India and abroad markets. The main objective of the brand building and market awareness in India and International market is to explore avenues of retail outlets, franchise outlets, sales in local market through direct marketing and the target of the total turnover is 100 crore. It also includes advertisements through selected media to build awareness of 'Capex Cashew Brand' in the market. An amount of ₹ 50.00 lakh is provided for the scheme in the Budget 2024-25.

Kerala State Agency for the expansion of cashew cultivation (KSACC)

The cashew industry is facing crisis due to shortage of indigenous production of raw nuts. In order to overcome the crisis, KSACC has been constituted to promote expansion of the area under cashew cultivation in the State, ensuring better raw nut production through cultivation of high yielding varieties of cashew.

5. Cultivation of Organic Cashew and Establishment of Raw Nut Bank

(Outlay: ₹ 650.00 lakh)

The objective of the scheme is to promote cashew cultivation to meet in-house raw material demand through the implementation of the components Normal Density Planting,

High Density Planting, Ultra High Density Planting, Muttathoru Kasumavu Padhathi, training and publicity. These activities are to be implemented by KSACC in association with LSGDs/Agriculture Department to ensure increase in indigenous production in raw nuts.

i) Support for cashew farming (cashew farms and gardens)

The programme aims to enhance cashew cultivation and domestic availability of raw cashew in the state by providing support for cashew farming. KSACC proposes to adopt new techniques and high yielding varieties of grafts along with financial assistance through the scheme. Assistance is provided at the rate of ₹ 100/plant is provided over a 3 year period for undertaking cultivation and ensuring survival/maintenance. Such assistance includes cost of planting material, land preparation & nurturing costs extending over a 3 years period. Assistance will be provided in three installments in the ratio 60:20:20 subject to monitoring and survival of grafts during the three year period. First year support involves part of planting cost and other costs. Second and third year costs are maintenance charges based on survival of grafts. The assistance is on the lines of MIDH norms. The scheme includes the following components –

- a) An amount of ₹ 144.00 lakh is provided as the first year support for planting under normal density (200 plants/ha – 7m x 7m spacing).
- b) An amount of ₹ 144.00 lakh is provided as the first year support for planting under high density (400 plants/ha 5m x 5m spacing).
- c) An amount of ₹ 10.00 lakh is provided as first year support for undertaking planting under ultra-high density (1100 plants/ha 3m x 3m spacing). Under Ultra High Density Planting, 1100 plants per Ha will be provided to plant grafts at a spacing of 3m x 3m to selective group of farmers, holding a minimum of 1 acre of land with drip irrigation and fertigation facilities for getting steady yield of 1 ton per ha from the 3rd year. Assistance at the rate of ₹ 1.00 lakh per ha will be provide to farmers for the cost of cashew grafts, installation of drip unit and overhead tank including logistics.
- d) Maintenance charges for the Crop - Nurturing costs are distributed to farmers/institutions/PSUs/Agencies in the 2nd and 3rd years of planting for maintaining the grafts based on monitoring & survival of plants. Assistance is provided in the ratio 20:20 for the 2nd and 3rd years excluding initial years 60 per cent cost. Financial assistance of ₹ 20 per graft is provided to farmers in the second and third year each as nurturing cost for grafts surviving. An amount of ₹ 80.00 lakh is provided in the Budget 2024-25 for meeting the 2nd and 3rd year maintenance charges for the grafts planted during 2023-24 and 2022-23 respectively.

ii) Muttathoru Kasumavu Padhathi

In order to propagate the cashew cultivation among the public, it is envisaged to distribute cashew grafts to Kudumbasree, MGNREGS, schools/college students/residence association and public free of cost. An amount of ₹ 60.00 lakh is provided in the Budget 2024-25 for distribution of 1,00,000 numbers of cashew grafts covering cost of grafts and transportation charges.

iii) Pollination support through Bee Keeping

Cashew is a cross pollinated crop and the main pollination agents are bees & insects. Bee keeping in cashew plantation will promote fertilization of flowers thereby enhance the yield and generate additional income to the farmers from honey. In 2024-25, an amount of

₹ 75.00 lakh is provided for establishing 2500 honey colonies in 100 ha of established cashew gardens. The activity shall be implemented based on approved guidelines.

iv) GPS/GIS in Cashew Plantations

The main aim of this component is to introduce Map Information System with GPS & GIS for cashew farms and gardens. GPS Mapping aids field monitoring and management. The activity will be undertaken in association with the IT Mission. An amount of ₹ 12.00 lakh is provided in Budget 2024-25 for the purpose.

v) Training, Publicity, Extension and Mission Management

The component proposes activities to familiarize people to the latest know how on cashew cultivation, train farmers on the farming techniques, provide extension services; and strengthen the implementation/management of project. Expenses relating to training/seminars, awareness programmes through visual media/ books/ brochures and running expenses/project implementation charges are also included. In Budget 2024-25 an amount of ₹ 125.00 lakh is provided for these activities, of which, an amount of ₹ 30.00 lakh is earmarked for training, publicity and extension activities.

6. Kerala Cashew Board Ltd

(Outlay: ₹ 4081.00 lakh)

As State endeavor to tackle various problems faced by Cashew Industry in the State, a Special Purpose Vehicle as a Private Limited Company called 'Kerala Cashew Board Limited' was formed. It has equity contribution of 49 per cent by Government of Kerala, and balance 51 per cent by KSCDC, CAPEX, other similar agencies & individuals. The main objectives of the company are to procure raw cashew either from within India or import from outside; enable processing, value addition and marketing of produce in domestic and international markets, supply raw cashew nut to domestic cashew processors at fair price, and to promote scientific cultivation of cashew involving land owners, processors and other stakeholders to enhance domestic raw nut production.

Cashew processing industry is heavily dependent on import of raw cashew nut from other cashew producing countries. Shortage in the availability of raw cashew nut has adversely affected the processing units. KCB is committed to pay 80 per cent of the cost of imported raw nut on its arrival and the prospective buyers of raw cashew nut from KCB are not in a position to make advance payments. The resultant gap in resources of KCB is to be bridged through a revolving fund for ensuring the uninterrupted availability of funds for completing the procurement cycle.

The physical target proposed for 2024-25 is procurement of 20,000 metric tons of Raw Cashew Nuts for the use of cashew processing units in the public sector. On implementation of the scheme, 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 jobs and regular wages to its workers majority of them being women workers.

An amount of ₹ 4081.00 lakh is provided to KCB, in Budget 2024-25, as revolving fund for ensuring seamless supply of raw materials to the cashew processing industry in the State.