

on approved guidelines. During the year 2026-27, the Board will earmark 50 per cent of the plan amount to the women category entrepreneurs.

In 2026-27, it is targeted to create 1000 new village industries units and 3000 new employment opportunities. An amount of ₹ 295.00 lakh is provided for the scheme in the Budget 2026-27. Out of this an amount of Rs.145.00 lakh is provided under the Gender Budget.

10.Revitalization Grant for sick/ defunct Co-operative Societies / Charitable Institutions (New Scheme)

(Outlay: ₹ 100.00 lakh)

Many co-operatives/ Charitable institutions engaged in Khadi Village Industries (KVI) are defunct or sick due to the reason beyond their control, such as non-availability of raw material, changes in the technology of production, changes in the customers taste shortage of working fund, etc. However most of them have buildings and landed properties. This scheme seeks to revive such defunct/ sick units to protect the traditional industries and thereby provide employment to rural people. It is proposed to provide grants for such units based on the approval of viable project report. The grants can be used for expense like purchase of raw material, maintenance of facilities/equipment and urgent working capital requirements. The scheme shall be implemented based on approved guidelines. An amount of ₹ 100.00 lakh is provided for the scheme in the Budget 2026-27.

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 and procuring raw materials from other countries through Kerala Cashew Board.

An amount of ₹ 5600.00 lakh is provided in the budget 2026-27 for cashew sector as shown below.

Sl. No.	Department	Amount (₹ in lakh)
1.	Kerala State Cashew Development Corporation (KSCDC)	450.00
2.	CAPEX	350.00
3.	Kerala State Agency for the expansion of cashew cultivation (KSACC)	700.00
4.	Kerala Cashew Board Ltd (KCB)	4100.00
	Total	5600.00

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: ₹ 300.00 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. In order to increase productivity, partial/full mechanisation is inevitable. However introduction/purchase of new cutting machines and modernisation of operations need to be done without laying off current employees. An amount of ₹ 300.00 lakh is provided for the scheme in the budget 2026-27. About 90 per cent of the outlay will benefit women workers.

2. ‘Kerala Cashew’ brand promotion (KSCDC)

(Outlay: ₹ 150.00 lakh)

The objective of the scheme is to increase brand image of KSCDC products thereby increase operating margin. The scheme envisages advertisement in selected media for creating and reinforcing awareness of the brand name ‘Kerala Cashews’, 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 promotion through Start-up’s. The scheme also intends to introduce and promote various value added products like Chilly Coated Cashew, Chilly Garlic Coated Cashew, Pepper Coated Cashew, Cashew Vanilla Milk Shake, Cashew Vita Cardamom, Cashew Vita Chocolate, Cashew Vita Pistha, Cashew Vita Vanilla, Cashew Soup, Cashew Powder, Cashew Vita and Cashew

apple soda to attain more acceptability in market. Assistance will be provided to introduce more new products, developing new value added products and marketing the value added products. An amount of ₹ 150.00 lakh is provided in the budget 2026-27 for these activities.

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 supports operations of the primary co-operative societies. CAPEX procures 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: ₹ 300.00 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 in modernisation, renovation of existing buildings & allied infrastructure involving creation of dedicated women friendly facilities are envisaged under the scheme. For a better working environment, cashew factories would be uplifted by providing state-of-the art infrastructure, mechanisation and modernisation. The main components include various civil works, purchase of cutting machines and pilot project for a mechanised factory. An amount of ₹ 300.00 lakh is provided for the scheme in the budget 2026-27. 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 2026-27 and coming years. The amount will be utilised for advertising, publicity and sales promotion in India and foreign markets. The main objective is to explore avenues of retail outlets, franchise outlets and sales in local market through direct marketing. It also includes advertisements through selected media to build awareness of 'Capex Cashew Brand' in the market. The activities envisaged also include participation in major food exhibitions, trade fair, cashew kernel sales in the local market through direct marketing and franchise sales; and the introduction of new value added products. An amount of ₹50.00 lakh is provided for the scheme in the budget 2026-27.

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 and 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: ₹ 700.00 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 ₹ 175.00 lakh is provided as the first year support for planting under normal density (200 plants/ha – 7m x 7m spacing).
- b) An amount of ₹ 175.00 lakh is provided as the first year support for planting under high density (400 plants/ha 5m x 5m spacing).
- c) An amount of ₹ 5.00 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 hectare from the 3rd year. Assistance at the rate of ₹ 1 lakh per hectare 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 ₹ 100.00 lakh is provided in the Budget 2026-27 for meeting the 2nd and 3rd year maintenance charges for the grafts planted during 2025-26 and 2024-25 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 ₹ 30.00 lakh is provided in the Budget 2026-27 for distribution of 60,000 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 2026-27, an amount of ₹ 24.00 lakh is provided for establishing 2500 honey colonies in 100 hectares 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 of cashew farms for the successful crop production and location identification. The activity will be undertaken in association with the M/s Keltron. An amount of Rs 15.00 lakh is provided in budget 2026-27 for implementing the 3rd phase of the scheme.

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/mission management and allied activities of the project. Expenses relating to training/seminars, awareness programmes through visual media/ books/ brochures and running expenses/project implementation charges are also included. In budget 2026-27 an amount of ₹ 155.00 lakh is provided for these activities, of which, an amount of ₹ 25.00 lakh is earmarked for training, publicity and extension activities of KSACC.

vi) Training and awareness for cashew workers (NEW)

Cashew workers face multiple occupational safety and health (OSH) risks. This component envisions multilingual training programs across major cashew clusters, correct use and maintenance of PPE, safe handling of techniques, posture correction, ergonomic practices, fire safety, first aid, gender-sensitive modules on health, sanitation, welfare rights, awareness on safe handling/disposal of CNSL, digital literacy, peer educator development for supervisors, etc. An amount of ₹ 3.00 lakh is provided to the training and awareness program of cashew workers, and it will be implemented by the Special Officer Cashew.

vii) Integrated Website and Mobile Application (NEW)

It is proposed to develop a digital platform which will serve as the central interface between workers, factory management, unions, enforcement officials, and the public, providing a comprehensive and future-ready solution. It will be used for effective enforcement, transparent grievance redressal, proactive occupational health surveillance and training and awareness. It includes the creation/design of a website and mobile app, hosting, security protection, training, and maintenance. An amount of ₹ 18.00 lakh is provided for the activities of the component and will be implemented by the Special Office Cashew.

6. Kerala Cashew Board Ltd

(Outlay: ₹ 4100.00 lakh)

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 procures raw cashew nut either from within India or imports it. 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 2026-27 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 ₹ 4100.00 lakh is provided to KCB, in budget 2026-27, as revolving fund for ensuring seamless supply of raw materials to the public sector cashew processing units in the State.