

CHAPTER VIII

THE WOOL AND WOOLLEN TEXTILES INDUSTRY



Dr. Sayeda Hamid, Member, Planning Commission and Shri Om Prakash, Executive Director, Central Wool Development Board during an interactive session with shepherds at Panch Padra, Barmer Distt., Rajasthan

The woollen textiles industry is small in size and widely scattered. It is basically located in the States of Punjab, Haryana, Rajasthan, Uttar Pradesh., Maharashtra and Gujarat. A few of the larger units are located in Maharashtra, Punjab, Gujarat and West Bengal. Around 40% of the woollen units are located in Punjab, 27% in Haryana, 10% in Rajasthan, while the rest of the States account for the remaining 23% of the units.

THE WOOLLEN TEXTILES INDUSTRY BROADLY FALLS UNDER TWO SECTORS:

- (i) ORGANISED SECTOR**
 - a) Composite Mills
 - b) Combing Units
 - c) Worsted and Non-Worsted Spinning Units,
 - d) Knitwear and Woven Garment Units.
 - e) Machine Made Carpet Manufacturing Units.



Status of woollen textiles industry

Table 8.1

Overview of Woollen Industry	
Total no. of existing units	718 (Approx.)
Total no. of persons employed in woollen industry and sheep rearing in rural sector	27 lakh (Approx)
Wool Combing	29.28 Mn. kgs
Synthetic Fibre Combing	3.57 Mn. Kgs
Worsted Spindles	6.04 lakh Nos.
Non-worsted Spindles	4.37 lakh Nos.
Machine made carpet sector & Hand knotted carpets 2005-2006	0.50 Mn. sq. Mtr 8.17 Mn. sq. Mtr
Machine made Carpet sector & Hand knotted carpets 2006-2007 (E)	0.50 Mn. sq. Mtr 8.34 Mn. sq. Mtr
Total Exports (Excluding hand knotted carpets, rugs, durries, etc.)	
2001-2002	Rs.1379.00 Crores
2002-2003	Rs.1303.52 Crores
2003-2004	Rs.1553.06 Crores
2004-2005	Rs.1873.50 Crores
2005-2006	Rs.2098.27 Crores
2006-2007 (Estimated)	Rs.2360.55 Crores

Source: Wool and Woollen Export Promotion Council, New Delhi

(ii) DECENTRALISED SECTOR

- a) Hosiery and Knitting Units
- b) Powerlooms Units
- c) Hand Knotted Carpets, Druggets, and Namdahs units
- d) Independent Dyeing and Process Houses.

goes into carpet manufacturing, this segment is a major contributor to export earnings.

INDIGENOUS PRODUCTION OF RAW WOOL

The production of indigenous wool since 2001-02 is at Table 8.2:

Table 8.2

YEAR	QUANTITY
2001-2002	49.5 Mn. Kgs
2002-2003	50.5 Mn. Kgs
2003-2004	48.5 Mn. Kgs
2004-2005	55.0 Mn. Kgs
2005-2006	55.0 Mn. Kgs
2006-2007 (Est)	57.2 Mn. Kgs

Source: Ministry of Agriculture / CWDB

RAW MATERIAL

The country is import dependent in respect of fine apparel grade wool. A large quantity of wool is imported from Australia and New Zealand.

The quality of domestic wool is coarse, brittle and is mainly used in the spinning of wool and manufacturing of carpets. About 80% of good quality Indian wool

IMPORT OF RAW WOOL & WOOLLEN /SYNTHETIC RAGS:

(a) Raw Wool (Merino/New-Zealand-Greasy/Scoured)

Table 8.3

Year	Quantity
2001-2002	72.74 Mn. Kgs
2002-2003	73.66 Mn. Kgs
2003-2004	84.61 Mn. Kgs
2004-2005	84.75 Mn. kgs
2005-2006	90.70 Mn. kgs
2006-2007 (Estimated)	95.00 Mn. kgs

(Source:- Ministry of Agriculture, CWDB)

(b) Rags (Woollen/Synthetic):

Table 8.4

Year	Quantity
2001-2002	68.18 Mn. Kgs
2002-2003	52.39 Mn. kgs
2003-2004	82.81 Mn. Kgs
2004-2005	73.61 Mn. Kgs
2005-2006	126.82 Mn.kgs
2006-2007 (Estimated)	158.52 Mn. kgs

(Source: Statistics published by DGCI & S, Kolkata)

CAPACITY PERMITTED BY WAY OF INFORMATION MEMORANDUM AND LETTER OF INTENT AS WELL AS FOR 100% EOU FROM December 1, 2005 to September 30, 2006.

(i) Details of IEM received from SIA during December 1, 2005, to September 30, 2006.

Table 8.5

Items	Total Annual Capacity
Darries/Druggets/Rugs	NIL
Wool Tops	2280 MT
Shoddy Yarn	1364 Spindles
Woollen & Worsted Yarn	2113 MT/ 30116 Spindles
Blankets & Shawls/ Stoles	2,52,000 Pcs/ 3,90,000 Nos./ 70 Lakh Metres
Cotton Spinning (Blended with wool, silk, man-made fibres)	NIL

ii) Details of Industrial Licence from SIA, New Delhi for the period from December 01, 2005 to September 30, 2006

Table 8.6

Month	Nos.	Items	Annual Capacity
December 2005	1	Woven and knitted Ready made Garment	12 lakhs pieces
January 2006	1	Polyester + Blended Yarn	432 Nozzles 576 Spindles
March 2006	1	Acrylic Blended Yarn/ Woollen Blended Yarn	12,000 Spindles
April 2006	1	Woollen Worsted polyester Acrylic Viscose, Nylon and their blends either grey or dyed.	1100 MT



iii) Details of 100% EOU received from SIA, New Delhi during December 01, 2005 to September 01, 2006.

-NIL-

PRODUCTION OF WOOLLENS

The data regarding production of woollens is at Table 8.7.

Table 8.7

(Quantity in Millions)

Item	Unit	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007 (E)
Worsted Yarn	Mn.(Kgs)	43.0	44.00	44.00	44.00	45.00	45.33	45.67
Woollen Yarn	Mn.(Kgs)	33.00	33.00	34.00	34.00	34.00	34.34	34.68
Wool Tops	Mn.(Kgs)	27.00	28.00	28.00	28.00	29.00	29.51	30.02
Fabric (Woollen/Worsted)	Mn.(Mtrs)	64.00	68.00	66.00	66.00	66.00	66.00	66.00
Shoddy Yarn	Mn.(Kgs)	27.00	26.00	24.00	25.00	26.00	26.00	26.00
Blankets (Shoddy/Woollen)	Mn.(Pcs)	13.00	12.00	11.00	11.00	12.00	12.00	12.00
Shoddy Fabric	Mn.(Mtrs)	18.00	18.00	17.00	17.50	18.00	18.00	18.00
RMG (Knitwear/woven wear and goods)	Mn.(kgs)	14.00	13.00	13.00	13.00	14.00	14.00	14.00
Hand Knotted Carpets	Mn.(Sq.mtrs)	07.50	07.50	08.00	08.00	08.00	08.17	08.34
Machine made carpets	Mn.(Sq.mtrs)	00.50	00.50	00.50	00.50	00.50	00.50	00.50

E: Estimated.

(Source: Indian Woollen Mills Federation, Mumbai).

CENTRAL WOOL DEVELOPMENT BOARD, JODHPUR

The Central Wool Development Board (CWDB), Jodhpur was constituted by the Government of India in 1987 and is supported through grants-in-aid, for promoting growth and development of wool and woollens in the country. The Board pursues its objectives through various activities which include: market intelligence, improvement of wool and woollens, price stabilization, and quality control.

In the Xth five year plan, the Board is

implementing 'Integrated Wool Improvement Programme (IWIP)' for growth and development of wool and woollens in the country. There are two main components of the Programme (I) Improvement of Wool Fibre and (II) Quality Processing of wool.

The component 'Improvement of Wool Fibre' provides for improving the quality and quantity of sheep wool and increasing the production of speciality wool from Pashmina goats and Angora rabbits. The component 'Quality Processing of Wool' involves setting up of Common Facility Centres for Carpet Finishing and Shawl

Processing, Technical Consultancy Services, Human Resource Development, Research and Development, etc. The Planning Commission and Ministry of Textiles have allocated Rs. 35 crores for implementation of Integrated Wool Improvement Programme during the Xth Plan period. The Board has utilized Rs.28.14 crores upto October 15, 2006.

The Annual Plan 2006-07 of the Central Wool Development Board (CWDB) is of Rs. 1120 lakhs (Plan fund Rs. 1025 lakhs and Non-Plan Rs. 95 lakhs). The Board through its Plan component intends to implement its ongoing projects and to take up some new projects under Integrated Wool Improvement Programme (IWIP). The Board will continue with the implementation of Special Package for the State of Jammu & Kashmir for the development of sheep, wool and Pashmina. A proposal for setting-up of Common Facility Centre at Ludhiana, Punjab as a Special Purpose Vehicle

(SPV) namely "Ludhiana Dyers and Processors Limited", Ludhiana, (LDPL) for processing and furnishing of shawls, etc., at a cost of Rs. 24.00 crores (approx) is under consideration. The Governments share will be Rs. 6.00 crores for establishment of infrastructure.

The detailed Action Plan of the Central Wool Development Board for 2006-07 for implementing IWIP is as under:

A Improvement of Wool Fibre:

(1) Sheep and Wool Improvement Scheme (SWIS)

Under the Sheep & Wool Improvement Scheme an integrated approach is being adopted for improving wool production and its quality through improvement of stock, better provision of health care for the sheep, and setting up a system of marketing that recognizes and reward



Shri Om Prakash, Executive Director, Central Wool Development Board listening to the problems of shepherds at Ladera, Barmer Distt., Rajasthan.

quality and thereby encourage the producer to improve sheep breeding and sheep rearing. The scheme has the following components:-

- Breed improvement;
- Health and veterinary care of sheep;
- Training in the above aspects to the wool producer;
- Access to veterinary care and better rams;
- Nutritional supplementation;
- Proper shearing of wool;
- Primary washing and grading of wool by the wool producer;
- Market literacy of the sheep rearer;
- Quality linked pricing and marketing systems.

During 2006-07, the Board will cover 19.50 lakhs sheep and the programme will benefit 38,615 shepherds under ongoing projects. These projects are being implemented by the State Government agencies and will be continued during remaining period of Xth five year plan. The Board has provided Rs. 250 lakhs under the scheme & utilized Rs. 51.49 lakhs till October 15, 2006, by providing Grant-in-aid to implementing agencies of the various State Governments for ongoing projects. 12.75 lakhs sheep were covered and benefits were provided to 11721 shepherds and Rs.244.95 lakhs was released under New Projects in Andhra Pradesh, Karnataka, Rajasthan & Himachal Pradesh.

(2) Special Package for J & K State: Improvement of Wool Fibre

For 2006-07, the Board has

earmarked Rs. 120 lakhs for the State of Jammu & Kashmir under Special Package announced by the Hon'ble Prime Minister, for implementing the following components: i) Development of Speciality Fibres-Pashmina wool and ii) Sheep & Wool Improvement Scheme. It has been designed on the pattern of 'Integrated Wool Improvement Programme' (IWIP), with provision for genetic improvement, purchase of cross breed rams, health coverage, product development, supplementary nutrition, strengthening of extension services and grading centers, publicity, information, training, etc.

The Board is continuing with the scheme in 2006-07, and some new projects in Jammu & Kashmir:

Sheep & Wool Improvement Scheme

To improve the quality and quantity of raw wool, the Central Wool Development Board is implementing the Sheep & Wool Improvement Scheme in Jammu & Kashmir since 2002-03. So far, six lakhs sheep, i.e., three lakhs each from Jammu and Kashmir regions were covered and income of 16,449 shepherds was augmented under various activities like Health Care, Breed Improvement, Marketing Assistance, Training, Product Development, etc. For 2006-07, Board has made a provision of Rs 100.00 lakhs to implement the ongoing scheme, which will cover 6 lakhs sheep.

(3) Development of Specialty Fibres:

(i) Development of Pashmina

The Board is implementing Pashmina Development Projects in Ladakh

region of J&K, which is benefiting 800 families. For 2006-07, the Board had made a provision of Rs 20.00 lakhs which will be released as grant to Animal Husbandry Department, Govt. of Jammu & Kashmir. The programme aims to (i) provide necessary inputs for breed improvement, training, health care and nutritional supplementation for Pashmina goat breeding and development; (ii) stabilize marketing arrangements through cooperatives/federations of Pashmina wool producers; (iii) establish means for early stages of processing within the region and its operation by wool producers' federations for first stage value addition; and (iv) increase the income from wool of the shepherds and make this activity as a sustainable means of livelihood.

(ii) Angora Wool Development

Due to economic returns from processed Angora fibre and its potential to create employment, particularly in remote hilly areas, the efforts to develop Angora during Xth five year plan are continuing by adopting an integrated approach and strategy of the UNDP assisted Fibres & Handicraft Programme (FHAP). The project components are:

- (a) Strengthening of Germplasm centres
- (b) Rabbit rearing, wool production and processing activities at the household level
- (c) Setting up of Common Facility Centre cum training for weavers
- (d) Setting up of facilities for product development, design development and product diversification.
- (e) Marketing Programme for raw

Angora wool, wool blended yarns and finished products.

During 2006-07, 550 families will benefit. Rs. 5 lakhs was earmarked under the scheme, and Rs. 0.54 lakh was utilized till October 15, 2006.

(4) Support Services:

(i) Marketing and Promotional Activities

The Scheme aims to promote wool and woollens in the country, through seminars, workshops, studies, publication of quarterly news magazine "Wool Ways", literature, compilation of statistics, organizing fairs and sale-cum-exhibitions for rural wool weavers, carrying out of publicity campaigns to promote utilization of wool and development of sheep husbandry practices.

(I) Woollen expositions

Woollen Expos are organized to provide marketing support to woollen products particularly of the cottage industry. It is anticipated that this scheme will create fresh demand, and will provide fillip to the sector and create employment opportunities. The Board has received proposals for organizing woollen expos at Ahemdabad and Chandigarh during the winter session. The Board intends to hire stalls at reputed fairs in Jodhpur, Jaipur, Udaipur and Pune. For this purpose, Rs. 50.00 lakhs was earmarked in 2006-07, of which Rs. 1.41 lakhs was utilized till October 15, 2006.

(ii) Marketing Intelligence Network (MIN)

The MIN, already set up by the CWDB, is being strengthened to



build a reliable information system for collecting information of prevailing market rates of wool and yarn, latest trends, transactions of wool and woollen products, for the benefit of wool producers. The Board collects information regarding prevailing market rates of raw wool and transaction in mandies from four locations, i.e., Bikaner, Beawar, Kekri and Mirzapur. Such information, collected weekly and fortnightly, is circulated to marketing organizations, growers, institutes, etc. The information is also hosted on the website of the Board.

For this purpose, Rs. 1.50 lakhs has been earmarked in 2006-07. Till October 15, 2006, information regarding four wool mandies was collected and Rs. 0.07 lakhs was utilized.

(iii) Strengthening of Central Wool Development Board

The main Implementing Agency and coordinating organization for IWIP is CWDB. There is a proposal to augment, the Board's manpower strength through short-term contracts and consultancies, for which Rs. 1.50 lakhs has been earmarked in 2006-07.

(iv) Research, Consultancies, Studies, Training & Monitoring/Evaluation

1. The Central Wool Development is operating a Weaving & Designing Centre at Kullu where 4 months advance training is provided to local weavers & spinners. This Centre trained 45 people during 2005-2006 and till December 2006, 30 trainees were trained.
2. The Board has also tied up training programme with Central Sheep &

Wool Research Institute (ICAR) and Sheep Breeding Farm, Hissar (Ministry of Agriculture) to provide training to farmers in sheep management, Angora rabbit rearing and machine shearing of sheep. The Board will provide training to 100 shepherds under sheep & Angora rabbit rearing techniques and machine shearing facilities. Till October 15, 2006, 25 trainees were trained.

3. Under the R&D activity, the Central Wool Development Board had sanctioned one R&D project for fabrication of indigenous sheep shearing machine and its spare parts.
4. The Board had made a provision of Rs. 10 lakhs for taking up ongoing and new activity in Research, Consultancies, and Studies, Training & Monitoring/ Evaluation of Board's scheme. The Board utilized Rs. 6.77 lakhs till October 15, 2006.

(V) Creation of Revolving Fund For Raw Wool Marketing

CWDB has formulated a scheme titled 'Creation of Revolving Fund for Raw Wool Marketing' to streamline the wool procurement system in the country. The scheme will help the shepherds in getting the fair price for their produce, and it is expected that the growers will respond to the signals of the market and modulate their production accordingly. This measure will bring more investment, increase production and productivity of the wool.

For 2006-07, the Board has made a token provision of Rs 10.00 lakhs for Creation of Revolving Fund in wool producing states for procurement of 4 lakhs Kg. wool. The Scheme is yet to be approved.

(VI) Common Facility Centre for Integrated Wool Processing

CWDB proposes to set up wool processing facilities, with latest technology, to provide quality yarn to unorganized sector for manufacture of quality woollen products. This activity will help in income augmentation of weavers and create more employment in hilly & rural areas of the country. For 2006-07, the Board has made a provision of a token amount of Rs 5.00 lakhs. The Scheme is under consideration.

(VII) Shepherd Insurance Scheme

CWDB proposes to implement a Shepherd Insurance Scheme to

provide enhanced insurance cover to shepherds in case of natural as well as accidental death on the pattern of Bunkar Bima Yojana. The Board made a token provision of Rs. 15.00 lakhs for 2006-2007 to cover/benefit 25,000 sheep breeders. The Scheme is under consideration.

B Quality Processing of Wool:

During Xth five year plan, CWDB intends to set up Shawl Finishing Centres in major woollen clusters. One Shawl Finishing Centre at Ludhiana is proposed to be set up to sustain increase in the export of shawls. The quality of shawls will be upgraded through improvement of quality of yarn as well as finishing.

