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## Walnut Industry: A Special Case Study in Food Processing of J&K.

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### Abstract

Food processing involves transformation of raw ingredients into marketable food products by physical or chemical means. Food processing industry in Jammu and Kashmir, being, in its infancy, but, having immense potential for products from different sectors of economy like agriculture, horticulture, pisciculture. Although, topography of the state of Jammu and Kashmir, being, on favorable side. However, handicaps like lack of infrastructure whether physical, financial, logistics; planning, execution have been a cause of concern. Research in the past had focused on food processing industry of Jammu and Kashmir, in general. However, the current study would explore special case of walnut sector in particular; across food processing industry of Jammu and Kashmir. Therefore, the current study would be an Endeavour to explore opportunities for entrepreneurs in food processing of walnuts in Jammu and Kashmir. The research design is exploratory and method of data collection would be secondary in nature. The study would also highlight various challenges and offer suggestions for overcoming the same.

**Keywords:** Food Processing, Walnut Industry, Case Study, Jammu and Kashmir.

### Introduction

Globalization has changed the economic, political, social and cultural systems of nations across the Globe. Lifestyles, attitudes, preferences, values registered a dynamic shift post globalization. Phenomenon like urbanization, growing middle class, westernization, working parents, etc contributed to the fast growth of food processing industry (John and Rudi, 2008). The food processing industry in India is ranked 5<sup>th</sup> in size at US \$ 200 billion and expected to grow to US \$ 310 billion by 2015 (Economic Times, May, 2010) <sup>[1]</sup>. According to Global Food & Drink Sector Review (2009), 300 million Indian customers currently purchase processed and packaged food and is expected to grow to 500 million by 2014. The contribution of food processing industry to India's GDP is 7%.

Jammu and Kashmir, being at a strategic geographic position and climate is the highest temperate fruit producing State of India (Farm-to-Fork, 2010) <sup>[2]</sup>. The agro climate of Jammu and Kashmir is divided in to four zones as below:

**Table 1**

S. No	Zone.	Areas.	Fruits.
1.	Temperate.	Kashmir, parts of Poonch, Doda, Kishtwar, Rajauri, Reasi, Rambhan, Uhampur and Kathau.	Apple, pear, cherry, walnut, almond, chestnut, strawberry, grapes, prunes and kiwi etc.
2.	SubTemperate.		Peach, plum, apricot, pears, peacun nut, olive, kiwi etc.
3.	Sub-Tropical.		Mango, citrus, lichi, guava, grapes, beraonla etc.
4.	AridTemperate. Source:	Farm-to-Fork, 2010.	Grapes, prunes, apricot, walnut, currant etc.

The total fruit production during 2008-2009 in jammu and Kashmir was 16.91 lakh metric tones (15.30 tonnes fresh fruit and 1.61 lakh metric tones of dry fruit). The export of fruit outside State was 11.61 lakh metric tones (Digest of Statistics, 2008-09)

### Objectives of the Study

- To analyze opportunities for entrepreneurs in food processing of walnuts.
- To analyze challenges in walnut industry of Jammu and Kashmir.
- To recommend suggestions for overcoming challenges and utilizing opportunities.

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## Research Methodology

### Research Design

The research design for the current study is exploratory in nature.

### Data Collection

Data collection was done from secondary sources like statistical reports of directorate of horticulture, directorate of economics and statistical planning, entrepreneurship development institute, field survey data available, etc.

### Walnut Production

Horticulture plays an important role in Jammu and Kashmir economy by contributing 9% to State's GSDP. Walnuts are drought tolerant plant species in the family of Juglandaceae. Walnuts own its origin to Iran. Walnuts are least perishable and easy to transport. Walnuts are collected from August to September and marketed as nuts or kernels in the months of November to January. Walnuts are good source of vitamin B group especially vitamin B6. Walnuts are used in the preparations of bakery products, ice creams, oils etc. Shells are used in glue, plastics, solutions of cleaning and polishing surfaces.

Walnut production in Kashmir is more than Jammu region as presented by land under walnut cultivation for the year (2013-2014) below:

**Table 2**

Region.	Land (In hectares).
Kashmir.	56721.
Jammu.	38816.
Ladakh.	64.
Total J&k.	95601

**Source:** Directorate of Horticulture, J& K.

Walnut Production in Jammu and Kashmir (In metric tonnes).

**Table 3**

Year.	Production.
2011-2012.	208738
2012-2013.	209051
2013-2014.	220590

**Source:** Digest of Statistics 2010, J&k.

Walnuts has been an important source of income to the people of Jammu and Kashmir. Income generation from walnut production for the Year- 2014 is as under:

**Table 4**

Income.	% of Families.
20000-50000.	60.
15000-20000.	25.
10000-15000.	10.
5000-10000.	5.

**Source:** Field Survey by Subash Kumar (Research Scholar at Jammu University).

### Market Opportunities

Jammu and Kashmir contribute 98% (35000 metric tones) of walnut output in India. About 95 % comes from Kashmir (major areas include kupwara, Pulwama, Anantnag, Ganderbal, Budgam) and rest from Doda and Kishtwar districts in Jammu. Walnut requirement will increase in India from 35000 metric tones to 75000 metric tonnes by 2020-21 (Agricultural and Processed Food Products Export Development Authority, India). The fruit is exported to Europe where India has 20 % market share. Walnut local consumption both for kernels and shells is 10-15 % while as 85-90% contribute to exports. Processed walnuts in local

industries include 60-65% while as unprocessed export is 35-40% (Entrepreneurship Development Institute, J&K).

Jammu and Kashmir currently has 136 walnut processing units in place. However, Actual requirement as per crop production is 6181 units. Costs and returns for a unit with processing capacity of 30-35 tonnes per year is Rs 10 lakh ( 6 lakh capital cost+ 4 lakh operational cost) and Rs 13 lakh respectively. Suppliers of raw materials include local vendors, farmers. Buyers also include local vendors, people involved in tourist trade, pharmaceutical, food companies outside the State etc (Entrepreneurship Development Institute, J&K). Also, factors like conducive climate, raw material availability, cheap labour, increasing demand in medicines are in favour of walnut production and processing in Jammu and Kashmir.

Jammu and Kashmir Government has established various agencies for promoting Food Processing Industries including walnut production and processing in the State. Jammu and Kashmir Entrepreneurship Development Institute provide training as well as financial support for establishing units in the State. National agencies like Indian Centre for Agriculture Research and National Horticulture Board provide expert advice. Ministry of Food processing Industry provide product safety certification. Exports development is carried out by Agricultural and Processed Food Products Export Development Agency, Government of India.

### Challenges

Jammu and Kashmir, though, having rich natural resources like other states often have flanks in certain areas that thwart developmental efforts. One such handicap is availability of uninterrupted power supply. Power supply, often, especially, in the months of winters remain irregular causing problems for entire food processing industry including walnut processing. Machinery need to be imported for entire food processing industry from outside that often involve adherence to procedures, regulations and consume more time. Also, competition outside India demand adherence to international standards in food processing industry of Jammu and Kashmir in general and walnut processing in particular.

### Recommendations

Jammu and Kashmir State Industries Department offers certain incentives for industrial units in the State. Food processing units in Jammu and Kashmir could avail such benefits. Handicaps like irregular power supply could be overcome by registering industrial unit with the above department for procurement of large power generators under concessional rates. Taxpayer Identification Number (TIN) would ease the process of procurement of machinery from outside as well as export of products. Certificate from Food Safety and Standards Authority of India, about certification of product would help in meeting or exceeding competition outside India. Also, for smooth operation of units in the state, certificate from State Pollution Control Board would ease and meet regulatory requirements.

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