CHAPTER VIII

THE WOOL AND WOOLLEN TEXTILES INDUSTRY
The wool and woollen textiles industry in the country is small in size and widely scattered. It is basically located in Punjab, Haryana, Rajasthan, Uttar Pradesh, Maharashtra, and Gujarat States. 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 remaining 23% of the units.

India ranks 6th amongst clean wool producer countries and 9th amongst greasy wool producers. Indian wool is almost exclusively of broader micron and used in manufacturing of carpets and rugs. India has 3rd largest sheep population in the world, having 6.15 crores sheep, producing 45 million kg. of raw wool, and accounting for 3.1% of total world wool production. Out of 45 million kg. of wool produced in the country, about 85% is carpet grade wool, 5% apparel grade, and 10% coarser grade wool for making blankets, etc.
The status of woollen textiles industry

Table 8.1
Overview of Woollen Industry

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. of existing units in woollen industry including units in decen-</td>
<td>958</td>
</tr>
<tr>
<td>tralized hosiery and shawl sector</td>
<td></td>
</tr>
<tr>
<td>Total no. of persons employed in woollen industry including persons</td>
<td>27 lakhs</td>
</tr>
<tr>
<td>associated in sheep rearing and farming sector and weavers in carpet</td>
<td></td>
</tr>
<tr>
<td>sector</td>
<td></td>
</tr>
<tr>
<td>Total production in woollen industry</td>
<td>Rs. 8,500 crores</td>
</tr>
<tr>
<td>Total investment in woollen industry (upto December 2007)</td>
<td>Rs. 20,000 crores</td>
</tr>
<tr>
<td>(Excluding Carpet Sector)</td>
<td></td>
</tr>
<tr>
<td>Total expenditure on imports (2007-08) (Anticipated)</td>
<td>Rs. 1,377 crores*</td>
</tr>
<tr>
<td>Total exports (including carpets) (2007- 2008) (Anticipated)</td>
<td>Rs. 5,602 crores**</td>
</tr>
</tbody>
</table>

*Woollen yarn & fabric, raw wool and woollen/synthetic rags.
**RMG and hand-made carpets

THE WOOLLEN INDUSTRY BROADLY FALLS UNDER:

(i) ORGANISED SECTOR

a) Composite Mills
b) Combing Units
c) Worsted and Non-Worsted Spinning Units,
d) Knitwear and Woven Garment Units.
d) Machine-made Carpet Manufacturing Units.

(ii) DECENTRALISED SECTOR

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

Raw Material

The wool production in India is not enough to meet the total requirement of raw wool for woollen textiles industry. The bulk of Indian wool is of coarse quality and is used mostly in the hand- made carpet industry.

Since indigenous production of fine quality wool required by the organized mills and decentralized hosiery sector is very limited, India depends almost entirely on import in respect of fine apparel grade wool from Australia and New Zealand.

The quality of indigenous wool is coarse, brittle, and is basically carpet grade wool mainly used in the spinning of wool and manufacturing of carpets. About 80 % good quality indigenous wool used for manufacturing carpets, which alone is a major contributor to exports earning.

INDIGENOUS PRODUCTION OF RAW WOOL

The production of indigenous wool since 2001-2002 is at table 8.2.

Table 8.2

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (In million Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>49.50</td>
</tr>
<tr>
<td>2002-2003</td>
<td>50.50</td>
</tr>
<tr>
<td>2003-2004</td>
<td>48.50</td>
</tr>
<tr>
<td>2004-2005</td>
<td>44.60</td>
</tr>
<tr>
<td>2005-2006</td>
<td>44.90</td>
</tr>
<tr>
<td>2006-2007</td>
<td>45.10</td>
</tr>
<tr>
<td>2007-2008</td>
<td>45.00 (Anticipated)</td>
</tr>
</tbody>
</table>

(Source: Ministry of Agriculture, Department of Animal Husbandry)
IMPORT OF RAW WOOL & WOOLLEN/SYNTHETIC RAGS:

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

Table 8.3

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (In million Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>72.74</td>
</tr>
<tr>
<td>2002-2003</td>
<td>73.65</td>
</tr>
<tr>
<td>2003-2004</td>
<td>84.61</td>
</tr>
<tr>
<td>2004-2005</td>
<td>84.76</td>
</tr>
<tr>
<td>2005-2006</td>
<td>90.18</td>
</tr>
<tr>
<td>2006-2007</td>
<td>99.62</td>
</tr>
<tr>
<td>2007-08 (Anticipated)</td>
<td>95.70</td>
</tr>
</tbody>
</table>

(Source:- DGCI&S, Kolkata)

b. Rags (Woollen/Synthetic):

Table 8.4

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (In million Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>38.14</td>
</tr>
<tr>
<td>2002-2003</td>
<td>31.05</td>
</tr>
<tr>
<td>2003-2004</td>
<td>72.31</td>
</tr>
<tr>
<td>2004-2005</td>
<td>69.05</td>
</tr>
<tr>
<td>2005-2006</td>
<td>103.03</td>
</tr>
<tr>
<td>2006-2007</td>
<td>110.26</td>
</tr>
<tr>
<td>2007-08 (Anticipated)</td>
<td>93.60</td>
</tr>
</tbody>
</table>

Installed Capacity:

i. (a) Wool Combing : 30.00 Mn. Kg.  
(b) Synthetic fibre combing

ii. Worsted spindles : 6.04 lakhs

iii. Non-Worsted spindles : 4.37 lakhs

iv. Powerlooms : 7228

v. (a) Machine carpets made Meter : 0.50 Mn. Sq.  
(b) Hand-made carpets Meter : 9.00 Mn. Sq.

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.

Wool Products

Table 8.5

(Quantity in Million)

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>2005-06</th>
<th>2006-07</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worsted yarn</td>
<td>Kg.</td>
<td>53.00</td>
<td>55.00</td>
<td>60.50</td>
</tr>
<tr>
<td>Woollen yarn</td>
<td>Kg.</td>
<td>34.00</td>
<td>35.00</td>
<td>38.50</td>
</tr>
<tr>
<td>Wool tops</td>
<td>Kg.</td>
<td>33.00</td>
<td>35.00</td>
<td>38.50</td>
</tr>
<tr>
<td>Fabric(Woollen/ Worsted)</td>
<td>Mtr.</td>
<td>75.00</td>
<td>75.00</td>
<td>82.50</td>
</tr>
<tr>
<td>Shoddy yarn</td>
<td>Kg.</td>
<td>32.00</td>
<td>37.00</td>
<td>40.70</td>
</tr>
<tr>
<td>Blankets (Shoddy/Woollen)</td>
<td>Pcs.</td>
<td>14.00</td>
<td>16.00</td>
<td>17.60</td>
</tr>
<tr>
<td>Shoddy fabrics</td>
<td>Mtr.</td>
<td>24.00</td>
<td>28.00</td>
<td>30.80</td>
</tr>
<tr>
<td>Knitwear/woven wear goods</td>
<td>Kg.</td>
<td>16.00</td>
<td>17.50</td>
<td>19.25</td>
</tr>
<tr>
<td>Hand-made carpets</td>
<td>Sq.mtr.</td>
<td>09.00</td>
<td>10.00</td>
<td>9.90</td>
</tr>
<tr>
<td>Machine-made carpets</td>
<td>Sq.mtr.</td>
<td>00.50</td>
<td>00.50</td>
<td>00.50</td>
</tr>
</tbody>
</table>
For the XIth Five Year Plan, the Board has undertaken following schemes with some modifications and addition of the components under fully funded Central Sector Scheme to support different wool development activities and to provide support to the entire chain from shepherds to the end use of wool:

(I) Integrated Wool Improvement and Development Programme

Components:

i. Sheep and Wool Improvement Scheme
ii. Angora Wool Development Scheme
iii. Pashmina Development Scheme
iv. Human Resource Development & Promotional activities

(II) Scheme for Quality Processing of Wool and Woollen Products

Components:

i. Setting up of Common Facility Centre for Wool Scouring, Drying, etc.
ii. Setting up of Woollen Shawl/Carpet Finishing Centres

(III) Scheme for Social Security for Sheep Breeders

A new Scheme is being implemented during the XIth Five Year Plan to provide Social Security to Sheep Breeders.

Components:

i. Shepherd Insurance Scheme
ii. Sheep Insurance Scheme

All these schemes are now being implemented as Central Sector Schemes during the XIth Five Year Plan.

IMPLEMENTATION OF SCHEMES

The Central Wool Development Board (CWDB) is the nodal agency for implementation of projects in wool sector. The Government provides funds to CWDB to implement schemes through State Sheep & Wool Boards/Corporations/ NGOs/ Cooperative Societies, etc. by providing 100% grant. The State Government/ Sheep & Wool Boards/Corporation/ NGOs/ Cooperative Society, etc. will send the proposal to the CWDB for sanction. The CWDB will sanction the project with the approval of the Executive Committee of the Board and disburse the funds to the concerned implementing agency. CWDB will monitor the implementation of the Programme. CWDB can also hire the services of any evaluation organization/ Institution/consultant to evaluate the impact of the schemes.

(i) Integrated Wool Improvement and Development Programme (IWIDP)

a. Sheep & Wool Improvement Scheme (SWIS)

The Sheep & Wool Improvement Scheme introduced during the Xth Five Year Plan aims to provide Health Care to sheep, Breed Improvement in the flocks, to set up Multipurpose Extension Centres, Marketing Support, Product Development and Marketing assistance to the breeders. The National Institute of Rural Development (NIRD), Hyderabad, has evaluated the scheme recently. Findings of the evaluation of Sheep & Wool Improvement Scheme implemented during the Xth Five Year Plan are as follows:

i. The Sheep & Wool Improvement Scheme may continue for some
more years. This would help in augmentation of number of sheep and wool production in the country.

ii. The present allotment of funds under Health Care may be increased and this money should be used for vaccination, deworming etc.

iii. Increase the purchase price of Ram upto Rs. 4,000 per ram. This will help in increased procurement of quality rams from farmers

iv. The intensity and frequency of organizing camps has to improve in the States. Hence, funding this Programme may continue

v. Multipurpose Extension Centres may be set up and making them fully functional should be a priority.

vi. The Product Development and Marketing Assistance may continue

vii. Marketing of Wool has to be given greater priority than what exits now so that the sheep breeders may get remunerative prices.

In the light of above findings, the component costs have been revised and strengthening of Sheep Breeding Farms for ram rearing, support for marketing of wool by providing assistance for overhead expenses to the implementing agency have been added in the project for implementation in the XIth Five Year Plan.

The Board made a provision of Rs. 2.62 crores to cover 4.5 lakh sheep, to establish 2 Multipurpose Extension Centres (MEC) and 1 sheep breeding farm, etc. during 2007-08. Upto December, 2007, the Board has covered 4.25 lakh sheep and sanctioned one MEC and released Rs. 2.34 crores.

b. Angora Wool Development Scheme

The Angora Wool Development scheme was introduced in the IXth Five Year Plan and continued in the Xth Five Year Plan to support angora rearing activity among farmers, strengthening of Germplasm Centre (GPC), distribution of rabbits among farmers as foundation stock along with necessary training and feed and nutrition support. The Angora Development Scheme will continue during the XIth Five Year Plan with the following revised components:

i) Establishment of Mini Angora Rabbit Farms

ii) Mini Feed Manufacturing Units

iii) Common Facility Centre (CFC) for Angora Wool Processing and Training

iv) Research & Development,

v) Strengthening of Angora rabbit Germplasm Centre.

During 2007-08, the Board has made a provision of Rs. 22 lakh to benefit 40 Angora rabbit rearing families. The Board has sanctioned two projects for 40 angora families in Himachal Pradesh and Uttaranchal and utilized Rs. 14.00 lakhs upto December 2007.

c. Pashmina Development Scheme

During the Xth Five Year Plan, the Central Wool Development Board launched a project for Pashmina Development for the development of Pashmina in Leh-Ladakh region under the Prime Minister’s Special Package. This scheme would also continue at the current level of resource/provision and form to benefit the rest of beneficiaries under various components. The components of the scheme are:

- Buck Exchange Programme

- Distribution of high quality Pashmina bucks in non-traditional areas to enhance Pashmina production
- Training and formation of Breeders Association (Gilds) or village Pashmina Cooperative Societies
- Establishment of Fodder Bank
- Training Courses to Nomadic Breeders as Paramedics
- Health Coverage
- Refresher Courses to In-service Candidates of breeders camps
- Fodder Development
- Provision of improved Pashmina Combs for Efficient Harvesting of Pashmina

During 2007-08, the Board has made a provision of Rs. 15 lakhs to benefit 800 pashmina rearing families, establish one fodder bank, and impart training to 150 nomadic breeders as paramedics.

**d. Human Resource Development & Promotional activities**

During the Xth Five Year Plan, CWDB carried out various activities under Support Services. On the basis of need and demand of the wool industry, these activities will continue during the XIth Five Year Plan. These include:

- Marketing and Promotional activities (organizing of Fairs and Woollen Expos, Seminars and Workshops, etc.)
- Market Intelligence and Publicity
- Publication of quarterly news magazine, wool bulletin
- Research, Study and consultancy
- Training under weaving and designing training Centre, Kullu
- Monitoring and evaluation of scheme
- Human Resource Development and Training to farmers/ breeders/ weavers
- Strengthen and upgrade wool testing, wool grading and marketing facilities.

The Board has made a provision of Rs. 1 crore to impart training to 200 persons, organizing Woollen Expos, and other promotional activities during 2007-08. Upto December 2007, the Board has utilized Rs. 91.00 lakhs on these activities and imparted training to 100 persons at Sheep Breeding Farm, Hissar, and CSWRI.

II. Quality Processing of Wool and Woollen Products

The unorganized sector suffers from inadequate processing facilities. The pre-loom & post-loom facilities available to this sector are highly inadequate and outdated. This sector is using very crude form of carding, which apart from resulting in low productivity, affects health of the workers. The spinning method continues to be age old, which is required to be replaced by improved equipments to increase production. The scheme would provide a comprehensive service package from deburring, carding & spinning stage. Establishing such plants will increase wool-processing capacity and will bring more fruits of value addition to Indian wool industry, employment generation and income augmentation. The setting up of Integrated Wool Processing Centre in Carpet yarn manufacturing clusters will also attract the spinners who are having obsolete and small yarn manufacturing units. The improved facilities will not only help in increasing production of the weavers but will also improve the quality of the end product to fetch more earnings to the weavers.

a. Common Facility Centres for wool scouring, drying, etc.

During 2007-08, the Board has made a provision of Rs. 4 crores to set up
8 Common Facility Centres for wool scouring, drying, deburring, carding, etc. Such centres will be set up in major wool potential areas like: Bikaner, Beawar, Kekri, Ludhiana, Panipat, Mirzapur, Bhadohi, etc. The scheme will be implemented in project mode of Rs. 50 lakhs or 50% of the total project cost, whichever is less and will be provided by the Government of India as subsidy for pre-loom activities to the implementing agency as a machinery part. The implementing agency will bear expenses of land and building, manpower, recurring expenses, etc.

Upto December, 2007, the Board has sanctioned five common facility centers for Integrated wool processing under the programme to be set up at Bikaner, Kullu, Mandi, Shimla, and Ludhiana. Rs. 225.00 lakhs has been sanctioned.

III. Social Security Programme for Sheep Breeders

On the basis of discussions held in the review meeting with the implementing agencies CWDB has proposed two new schemes, during the XIth Five Year Plan, under the Social Security Programme for sheep breeders with a provision of Rs. 22.16 crores. A provision of Rs. 4.00 crores has been made for the annual plan 2007-08. The schemes are:

a. Shepherds Insurance Scheme

In India, around 12 Lakhs people are involved in sheep breeding and rearing and production of wool for woollen and carpet industry. The majority of them are below poverty line or marginally above poverty line and illiterate. Sheep breeders lead migratory life style in search of suitable green pastures for their sheep flocks and income. During migration they face adverse conditions such as rains, cyclones, storms, snakebile, wild animals attacks, etc. They do not get proper medical facilities also. Due to migration and illiteracy they could not get the social and economic benefit such as insurance. Therefore the Government has decided to protect their valuable life by providing insurance cover. With this view the Central Wool Development Board has proposed to implement a Shepherd Insurance Scheme during the XIth Five Year Plan.

The basic objective of the Shepherd Insurance Scheme is to provide insurance cover to a shepherd in the case of natural as well as, accidental death.

Out of the annual premium of Rs. 330/-, the contribution from GOI will be Rs. 150/-, Breeders' share will be Rs. 80/-, and Rs. 100/- will be borne by LIC from its Social Security Funds.

The Benefit payable to Shepherd shall be as under:

(a) On Natural death - Rs. 60,000/-
(b) On Accidental death - Rs. 1,50,000/-
(c) On Permanent Disability - Rs. 1,50,000/-
(d) On Partial Disability - Rs. 75,000/-

A provision of Rs. 2.00 crores has been made for the annual plan 2007-08. The Board has sanctioned Rs. 2.00 crores to LIC of India Ltd. to cover 4,500 Sheep Breeders under the scheme.

b. Sheep Insurance Scheme

India has 3rd largest sheep population in world having 6.15 crores sheep, producing 45 million kg of raw wool and accounting for 3.1% of total world wool
production. Out of 45 million kg. of wool production in the country about 85% is carpet grade wool, 5% apparel grade and remaining 10% coarser grade wool for making blankets. Major wool producing and sheep rearing States are Rajasthan, Jammu & Kashmir, Karnataka, Andhra Pradesh, Gujarat, Himachal Pradesh and Haryana. According to the studies carried out by the Central Sheep and Wool Research Institute, Avikanagar, it is expected that proper health care alone should lead to increase in the production of wool by at least 10%. Therefore, Government has decided to concentrate on the existing stocks of the project area and protect them against all possible disease, which will automatically result in lower mortality rate and higher production. With this view the Central Wool Development Board has proposed to implement a Sheep Insurance Scheme during the XIth Five Year Plan under Social Security Programme.

The basic objective of the Sheep Insurance Scheme is to provide insurance cover to sheep in the case of accident including fire, lightning, storm, tempest, flood, inundation, earthquake, famine and diseases contracted or occurring during the period of the policy for project areas.

The Sheep Insurance Scheme is a Central Sector Scheme and will be implemented on a pilot basis during the XIth Five Year Plan in project areas of CWDB scheme. The Sheep Insurance Scheme is based on Livestock Insurance Scheme. Normal period of insurance is 12 months and maximum period shall be three years. The average cost of sheep is estimated at Rs. 1,200/- of more than one year old. The premium will be 3.2% plus service tax of the cost of the animal per annum viz. about Rs. 44/- per sheep. The premium of Rs. 25/- per sheep per year is to be paid by the CWDB and remaining Rs. 19/- per sheep per year will be contributed by the Beneficiaries. In the event of death of sheep, sum assured of Rs. 1,200 will become payable, to the concerned shepherd. The benefit of subsidy is being provided to a beneficiary for a policy of maximum of three years (period of CWDB Scheme). The scheme will be implemented in all wool producing States.

A provision of Rs. 2.00 crores has been made for this purpose for annual plan 2007-08. The Board has sanctioned Rs. 2.00 crores to the Oriental Insurance Company to cover 8 lakh sheep under the scheme.