



Wool Industry and Its Present Status in India

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DOI:10.5281/Vettoday.17504876

Abstract

In the fiscal year 2021-22, India witnessed a surge in exports of ready-made garments (RMG), reaching US\$ 8,127.3 million, marking a substantial 10.8% increase from the previous fiscal year. The country's wool exports demonstrated a compound annual growth rate (CAGR) of 2.7% between 2017-18 and January 2022. Top destinations for the export of ready-made woolen clothing include the US, Oman, Afghanistan, Germany, France, the Netherlands, and Tanzania. Over the decade leading up to 2020, India's processing facilities consumed 50% more wool, while approximately 10% of native wool is sold in Bikaner, Rajasthan. Efforts are being made to reduce sheep and Pashmina goat mortality rates by 10%, aiming to lower them from 12-15% to 5-7%, and to increase domestic wool availability by 5%. Telangana stands as the leading producer of Indian wool, followed by Rajasthan as the second largest producer.

Key words: India, Exports, Ready-made garments (RMG), Woolen clothing, Pashmina goat, Mortality rates

INTRODUCTION

India is 3rd largest sheep population with 74.26 million numbers. It ranks eighth among the world's largest producers of wool. In 2021-22 (until January 2022), the export of woolen items was Rs. 12,877.52 crore (US\$ 1.55 billion). The nation produces between 43 and 46 million kg of wool annually. It makes up around 2 percent of global production (Indian Trade Portal). In India, there are organised and decentralised segments within the wool and woolen industry. Compaction mills, worst and non-worsted spinning units, knitwear and woven clothing units, composite

mills, and machine-made carpet manufacturing plants are all included in the organised sector. Handcrafted carpets, druggets and namadahs, powerlooms, independent dyeing and processing facilities, hosiery, and knitting units, and so on comprise the decentralised sector. (India Brand Equity Foundation)

India's wool and woolen industry is the 7th largest in the world. The five major wool-producing states in the year 2021-22 were Rajasthan (45.91%), Jammu and Kashmir (23.19%), Gujarat (6.12%), Maharashtra (4.78%), Himachal Pradesh (4.33%). Mainly woolen mills

exist in States/UT of Uttar Pradesh (approx. 700), Punjab (approx. 300), Rajasthan (approx. 166), H.P. (approx. 12), J&K (approx. 4), and Uttarakhand (approx. 2 units) (kadam et al 2021)

India produces three main categories of wool: Carpet Grade, Apparel Grade and Coarser Grade. For 2020–21, these categories will account for 85%, 5%, and 10%, respectively, of total production. About 1.2 million individuals are employed by the organized sector of India's wool industry, and another 2 million works in its related businesses. Around 0.3 million people are in the business of carpet weaving. The wool production of the country in 2021-22 stood at 33.13 million kgs. The average annual yield per sheep in India is 0.9 Kg. against the world average of 2.4 kg. per sheep per year (Wool Manufacturers and Exporters in India - IBEF)

WOOL PROCESSING

The processing facilities used in the woollen industry are outdated and insufficient. Modernization of the pre- and post-loom facilities is necessary to provide a premium final product. Superior finishing on woollen goods will increase the amount of wool that is used domestically while also increasing the product's competitiveness on the global market. Additionally, it would enable wool growers to receive greater prices and provide the Khadi and Handloom industries with high-quality raw material.

Due to the sector's size and the specialised nature of the processing-related equipment, the woollen industry has been dependent on imported plant and apparatus, with the exception of a small number of complementing items from local sources. Most of the machinery used to convert raw wool fibre into textiles, knit, and garments is imported from Japan, the United States, and Europe. (Allafi et al 2021)

WOOL EXPORT

India's wool industry is export focused. The primary wool products that are exported from India include carpets, prepared-to-wear woollen yarn, textiles, blankets, knitwear, tops, and shoddy fabrics, among other items. In 2021-22 (Siddiqui et al 2021) (until January 2022), the export of woollen items was Rs. 12,877.52 crore (US\$ 1.55 billion). (Indian Trade Portal)

In September 2022, exports of ready-made garments (RMG) totalled US\$ 8,127.3 million, a 10.8% rise from FY22. India exported US\$ 1.57

billion (about Rs. 12,877.52 crore) worth of woollen yarn, textiles, carpets, and ready-made garments between January 2022 and January 2023. The total exports increased at a compound annual growth rate (CAGR) of 2.7% between 2017–18 and 2021–22 (till January 2022). (Wool Manufacturers and Exporters in India - IBEF)

MAJOR IMPORTERS

The USA is the main destination for exports of woollen carpets. In 2020–21, the nation imported carpets worth US\$ 791 million (about Rs. 6,300.9 crore) from India, accounting for almost 58% of the country's total carpet exports. In 2020–21, the top 7 countries to which India exported woollen carpets were the USA, Germany, Australia, the UK, the UAE, Sweden, and the Netherlands, making up 81% of all exports from India.

The USA, Oman, Afghanistan, Germany, France, the Netherlands, and Tanzania are the top export destinations for ready-made woollen clothing. Together, these nations accounted for 56% of India's total exports of woollen clothing.

Main Reason for Import of wool: lowering carpet quantity and quality, insufficient domestic production...(Wool Manufacturers and Exporters in India - IBEF)

GOVERNING BODIES

Ministry of Textile:

The planning, policy, and regulation, development, and promotion of the textile industry in India are the primary responsibilities of the Ministry of Textile, a national agency of the Indian government. Numerous statutory bodies, export promotion councils, autonomous bodies, research associations, and registered societies make up the textile industry's apex body.

Planning and economic analysis, information technology, export promotion, cotton textile industry, jute industry, wool & woollen industry, textile policy and coordination, and finance affairs are the main functional areas of the Ministry of Textile.

Central Wool Development Board (CWDB)

Established in 1987, the CWDB was formed to harmonize various diversified interests among different sectors of wool industry for integrated policy development of the industry. The responsibilities of the board are the development of wool and woollen industry, marketing intelligence and products, price stabilization, testing of wool and woollens, product

development and advising the government in policy formations and coordination.

Challenges:

Use of Indigenous Wool decline: While the nation's processing facilities consumed 50% more wool in the ten years leading up to 2020, the percentage of native wool sold in Bikaner, Rajasthan, currently lies at approximately 10%.

A reduction in pastures: Data from the state agriculture department shows that the amount of grazing area in Rajasthan decreased from 1.7 million hectares (ha) in 2007–08 to 1.6 million ha in 2017–18.

Change in Farmers' Focus: In local marketplaces, the cost of meat ranges from Rs 400 to Rs 500 per kilogramme. 51% of the sheep in Telangana are currently of the meat-producing Nellore breed, which is encouraged throughout the state.

Processing of Wool: A scarcity of high-quality raw wool. Outdated and insufficient pre- and post-loom processing facilities. Inadequate dyeing facilities in potential wool locations. Design and diversification of woollen handloom items are required. There is a scarcity of technicians and skilled personnel. (Bellemare et al 2023)

Human Resource Development, Education, and Research & Development: There is no educational institute for wool technology, which results in a shortage of knowledge in the wool sector. Insufficient database work on mixing raw wool with different fibres and diversifying woollen goods is required. Lack of R&D work for adding value to Decani wool produced in the Southern region. (Doyle, E. K et al 2021)

FUTURE PLANS:

Enhance wool quality and quantity, particularly in carpet, specialty fibers like Angora & Pashmina, apparel, and decani grades. Improve wool fineness (micron) and increase wool yield per animal by 10%. Reduce sheep and Pashmina goat mortality by 10%, aiming to lower rates from 12-15% to 5-7%. Enhance wool-to-wool growers' returns by 5% while simultaneously boosting the availability of domestic wool by 5%. Setting up Common Facility Centres (CFCs) for creating processing facilities for wool and woollens and improve wool processing facilities. (Ammayappan et al 2012)

To provide quality pashmina bucks and angora rabbits as foundation stock to improve breed of good quality wool producing animals. Widen the

uses of the coarse and coloured. Decani wool (Southern region) by product development/product diversification and R&D works/projects. (Ministry of Textiles, Government of India)

Conclusion

In conclusion, India is the 3rd largest sheep population and the 7th largest wool and woollen industry in the world. The country's wool industry is export-focused, with major importers including the USA, Germany, and Australia. However, the industry faces challenges such as a decline in the use of indigenous wool, a reduction in pastures, and a scarcity of high-quality raw wool. To address these challenges, future plans include enhancing wool quality and quantity, improving processing facilities, and promoting specialty fibers like Pashmina and Angora.

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