

Executive Summary

Theme

The theme of the State Focus Paper for 2015-16 is **Accelerating the pace of capital formation in agriculture and allied sector**. While capital formation is an indicator of economic growth, investment credit is the prime mover of agricultural growth. Credit acts as an enabling and critical input in agriculture production process at the farmers level. While crop loan helps in sustaining the production process, investment credit enhances the capacity by generation of capital formation through creation of assets. However, the declining trend in capital formation in recent years, has been a matter of paramount concern, especially in the context of increasing population and fragmentation of land holdings. To chart a dedicated course in creation of infrastructure, NABARD has brought out three new funds viz., Long Term Rural Credit Fund with a corpus of ₹5000 crore, Warehouse Infrastructure Fund with a corpus of ₹5000 crore and Food Processing Fund with a corpus of ₹2000 crore. These will boost private sector investment in addition to the public sector investment being catered to by ₹25,000 crore corpus available under Rural Infrastructure Development Fund. We also aim to showcase Area Based Schemes which will lead to focused development of a specific activity in a time bound manner. The Union Government is giving a lot of thrust to agriculture to increase output and productivity in the country. Accordingly, in the Interim Budget it has been announced by Gol that the Ground Level Credit Flow to this sector will be ₹8 lakh crore during 2014-15 which is 14% higher than the previous year's target. The State's allocation is ₹58,620 crore. To achieve the objective of achieving 4% growth rate in agriculture sector, the share of term loans should be in the range of 30-34% during the XII Five Year Plan period. Keeping this important theme in mind and the potential available in the State, the projections for potential flow of credit to the different sectors have been assessed.

Overview

- ❖ Rajasthan is the largest State of India with 10.41% geographical area spread over 3.42 lakh sq.km. It is administratively divided into 7 divisions, 33 districts, 244 tehsils and 249 development blocks.
- ❖ According to the Census 2011, population of Rajasthan is 6.85 crore which is 5.67% of the country's total population.
- ❖ Rajasthan is basically an agrarian economy as almost two third of its population is still dependent on agriculture for its livelihood. The agriculture sector contributes more than one fifth to the State's GDP. Major crops of the State are bajra, wheat, gram, rapeseed and mustard. The State is the

main producer of spices and condiments in the country. It is the largest producer of rapeseed, mustard, cluster bean (guar), moth bean, bajra, cumin, coriander and fenugreek. The major horticultural crops of the State are orange, kinnow, lime, aonla, chillies, garlic, coriander, cumin, fenugreek, Isabgol and mehandi.

- ❖ With short and erratic monsoons, Rajasthan is the most water deficient State in the country. Thus, development of water resources has always been the first priority for the State and notable success has been achieved in the area of water harvesting and conservation.
- ❖ As on 31 March 2014, the State has a wide network of financial institutions with 112 banks having 6,418 branches including 4,699 rural/semi-urban branches. The per branch coverage of population is 10,673. 685 new branches were opened during the year 2013-14 to cater to the need of credit facilities. The total deposits of the banks in the State stand at ₹2.22 lakh crore as on 31 March 2014 with a growth of 14.75% over previous year. The loan portfolio of the banks in the State stood at ₹1.96 lakh crore depicting a growth of 10.09% over the previous year. CD ratio in the State was 93% as on 31 March 2014. Though the CD ratio has declined from 97.51% as on 31 March 2013, it is still well above the benchmark of 60%.
- ❖ The share of Rajasthan in ground level credit disbursement for Agriculture in the country in the year 2013-14 was around 7%.

Agricultural Scenario

- ❖ The share of agriculture in GSDP is around 21% and has shown a declining trend during the last 3 years. The share of industries is around 29 % and is static and that of services sector is showing an increasing trend albeit with slow rate of growth. However, the area, production and productivity of major cereals such as bajra, barley, oilseeds and pulses is showing a downward trend. Issues such as inputs supply, technology transfer, post-harvest management, marketing infrastructure and adequate power supply still need to be addressed to turn agriculture into a profitable venture. This, inter alia, entails introduction of new technologies such as polyhouse cultivation, floriculture, cultivation of medicinal and aromatic plants and modern farm machinery. The scarcity of power supply can be addressed by solar power driven farm equipment such as pumpsets. All these will require investment in farm sector leading to capital formation. The institutional credit supply for this sector should come forward. The strategy of area based schemes will help the banks to undertake such financing on a large scale.

Convergence with State Plan

- ❖ NABARD has been collaborating with the State Government for development of the State in the areas of infrastructure development, creation of livelihood, skill development, employment generation, women empowerment, natural resource management and flow of adequate

institutional credit. The State Government has announced a number of development schemes/action plans. The major among these are establishment of water grid through river connecting projects, construction of rural roads, establishment of solar parks and women empowerment through various programmes such as Bhamashah Yojana and Pradhan Mantri Jan Dhan Yojana. There is a scope for providing financial assistance from NABARD for implementing/supplementing these programmes through various programmes and funds of NABARD such as Rural Infrastructure Development Fund, NABARD Infrastructure Development Assistance, Warehouse Infrastructure Fund, Rural Entrepreneurship Development Programme, Micro Entrepreneurship Development Programme, Cluster Development Programme, Umbrella Programme for Natural Resource Management, Watershed Development Fund, Tribal Development Fund, Financial Literacy, Self Help Group - Bank Linkage Programme (SHG-BLP). The synergy of developmental efforts of the State Government and NABARD would enhance the impact of these initiatives.

NABARD Support and Initiatives

Credit Support

- ❖ NABARD provides refinance for production purposes at concessional rate of interest to State Cooperative Banks (SCBs) and Regional Rural Banks (RRBs), which was ₹10,349 crore during 2013-14. Refinance assistance from NABARD for Investment Credit to Commercial Banks, Regional Rural Banks (RRBs) and Central Cooperative Banks (CCBs) was ₹1,272 crore during 2013-14.
- ❖ In order to give boost to banks to increase financing under Agricultural Term Lending, the Govt. of India has created a new fund viz., Long Term Rural Credit Fund (LTRCF) with a corpus of ₹5,000 crore. RRBs and CCBs can avail refinance from this fund at interest rates as decided by NABARD, which is presently 7.85% for all activities except SHG.
- ❖ In Rajasthan, population below poverty line stands at 23.13% as against the national average of 29.8% but the state's rural poverty is reported at 47.5% as against the national average of 33.8%. In view of the high incidence of poverty in rural areas, an urgent need is felt for promoting single purpose small projects/schemes on a cluster basis, also termed as Area Based Schemes (ABS)/Projects for these resource poor clients in the rural areas. The eligible activities identified for the State under ABS are Dairy, Vegetable Cultivation, Polyhouse Farming, Animal Husbandry, Rural Godowns, Water Storage, Horticulture and Pisciculture. ABS shall be successful in bringing rural prosperity only if the backward and forward linkages are planned and executed simultaneously along with credit support. ABS will be the roadmap

for the financial institutions to focus their term lending activities in the farm sector in a definite time bound manner. Such planned lending is expected to give the much needed thrust to boost private capital formation in agriculture. More details are given in Chapter 6.

Micro Finance

The Self Help Group-Bank Linkage Programme (SHG-BLP) has completed its 20 years journey and continues to be the most preferred rural outreach programme in the micro Finance sector. Today, this unique initiative in India has brought together 4,000 partners and has emerged as the largest micro Finance initiative in the world.

- ❖ As on 31 March 2014, a cumulative number of 2.57 lakh SHGs have been savings linked and 1.58 lakh SHGs credit linked in the state of Rajasthan through a network of branches of Commercial Banks, Regional Rural Banks and Cooperative Banks. The outstanding bank loan as on 31 March 2014 in the state of Rajasthan is ₹ 64,229.04 lakh.
- ❖ To augment the efforts of State Government in empowering 1.5 crore women of the State through Bhamashah Yojana, NABARD's SHG-BLP can be converged with Bhamashah Yojana to bring about a landmark revolution in the State.
- ❖ In the state of Rajasthan, different agencies viz., NABARD, Rajeevika, Department of Women Empowerment etc., are engaged in promotion of SHGs under different programmes. The efforts of these different agencies will form the base for the success of NRLM in the state.
- ❖ A total of 18446 Joint Liability Groups have also been formed and financed in the State involving a loan of ₹192.77 crore.

Financial Inclusion

- ❖ In the State, there are no unbanked blocks and districts. However, out of 35,085 unbanked villages, 9,836 villages have been covered by banking outlets as on 31 March 2014. As a part of its initiative for inclusive growth, NABARD has been making efforts in creating awareness programmes in villages for opening bank accounts. Within a span of two years, over 8,000 villages of different districts of the State have been covered under the financial literacy campaign by different agencies by way of road shows/*nukkad nataks*, distribution of publicity material and Financial Literacy programmes broadcast by Prasar Bharti. 16 District Central Cooperative Banks and 2 Regional Rural Banks have been provided grant support by NABARD for setting up of 92 Financial Literacy Centres for dissemination of information and spreading financial literacy amongst the rural masses.

- ❖ In Rajasthan, under Pradhan Mantri's Jan Dhan Yojana (PMJDY), as on 31 December 2014, more than 77 lakh accounts have been opened out of which 47 lakh accounts are in rural area and 30 lakh accounts are in urban area.

Development Activities

- ❖ Through its various activities, like Rural Entrepreneurship Development Programme (REDP), Cluster Development Programme (CDP), Tribal Development Programme (Wadi), Umbrella Programme for Natural Resource Management, Micro Entrepreneurship Development Programme (MEDP), Off-Farm Sector interventions etc., NABARD is generating employment for rural youth as well as rural women. These programmes contribute by mapping the potential and facilitating the implementation process in order to provide end to end solutions for creating livelihood opportunities in rural areas.
- ❖ 26 Watershed Projects covering an area of 26,410 ha. supported from Watershed Development Fund (WDF) are under various stages of implementation in 6 districts of Rajasthan, viz., Udaipur, Pratapgarh, Jhalawar, Bhilwara, Jalore and Alwar. Apart from this, Watershed Development Projects are also being implemented in Rajasthan under Indo-German Watershed Development Programme (IGWDP) supported by KfW. In order to ensure sustainable development in the Watershed Development Project area for tapping the benefits accrued due to the project, NABARD has prepared 7 banking plans involving an financial outlay of ₹37.35 crore. So far, 5,320 ha. of barren land have been treated and brought under cultivation of fodder, pulses, fruits and vegetables under 4 completed watershed projects.
- ❖ NABARD has been closely associated with the implementation of a comprehensive Adivasi Development Programme through '*Wadi*' approach. For this purpose, NABARD has created a dedicated fund called "Tribal Development Fund" (TDF), under which 39 *Wadi* projects are being implemented with the help of 15 NGOs involving financial assistance to the tune of ₹ 62.41 crore of which 4 are completed and so far, 40,394 families have been benefitted raising their average income to ₹35,000 per annum per family.
- ❖ NABARD has set up a "Farm Sector Promotion Fund (FSPF)" to promote innovations in the field of agriculture, support transfer of technology, adopt sustainable scientific methods of farming to ensure increase in production, productivity and income of the farmers. The fund addresses the need of farmers for bank credit as well as commercial operations including market linkages, formation of Producers' Groups or Companies, Federation of Farmers' Clubs etc. So far, 7,690 Farmers' Clubs, have been sanctioned to various agencies, viz., District Central Cooperative Banks/Regional Rural Banks/Commercial Banks/ Primary Agricultural Credit Societies/NGOs in the State.

- ❖ For ensuring integrated development in the State and to provide alternative avenues of employment, NABARD has taken several initiatives for promotion of Off-Farm sector. Cluster Development Programme is in implementation in 3 locations of the State with a view to ensure tangible and intangible benefits to the artisans. NABARD has been providing grant assistance to RSETIs and RUDSETIs for conduct of capacity building/skill development programmes for promotion of entrepreneurship, refinement in skills and preparation of master craftsmen. To widen the scope for intensive development of rural artisans, NABARD has been promoting and encouraging Producers' Organisations.

Infrastructure Development

NABARD has taken initiatives and set up funds to support State owned and Private entities for development of infrastructure in rural areas to augment production and productivity in the agriculture sector and rural development. The details and status in this regard are as under:

- ❖ **Rural Infrastructure Development Fund (RIDF)** - In order to strengthen the rural infrastructure in the State, NABARD has sanctioned ₹13,451 crore under RIDF for various infrastructure projects such as roads and bridges, irrigation & flood protection works, drinking water supply, education, animal husbandry, water harvesting, forestry, etc., and has disbursed ₹ 8,927 crore since 1995-96. During the current year, the effective drawable amount as per phasing is ₹ 2,660 crore against which the State Government has drawn ₹ 781.38 crore (till 31 December 2014), including mobilisation advance, leaving a gap of ₹1878.62 crore.
- ❖ However, out of these 1733 projects sanctioned under RIDF XII to XIX, involving financial assistance of ₹330 crore are non-starter and another 1668 projects are slow moving projects. The State Government is expected to expedite these projects.
- ❖ Under RIDF various projects for construction of dams have been sanctioned and completed but work relating to construction of field channels and field courses for carrying water to farmers' field has not been completed as construction of dam is done by Water Resources Department (WRD) whereas construction of field channels etc., is done by Agriculture Department/Command Area Development (CAD). Financial assistance for CAD works is also available under RIDF.
- ❖ **Warehouse Infrastructure Fund (WIF)** - Warehouse Infrastructure Fund (WIF) has been created with NABARD with a corpus of ₹5,000 crore, under advice of RBI, to provide financial assistance for creation of warehousing facility to ensure scientific storage of agriculture and allied produce. In the State Budget announcement for FY 2014-15, creation of additional

warehouse facility has been envisaged at an estimated cost of ₹150 crore. The State Government may take advantage of this fund for creating additional storage facilities in State. Availing of concessional finance for creation of warehousing facility may be considered by State Government and corporations like Rajasthan State Warehousing Corporation, Tilam Sangh, RAJFED, etc.

- ❖ **NABARD Infrastructure Development Assistance (NIDA)** - To supplement the resources for creation of rural infrastructure, NABARD has designed NABARD Infrastructure Development Assistance (NIDA) scheme as an off budget product for State Governments and other State Owned Organisations to fund Rural Infrastructure creation by providing assistance outside of RIDF on flexible terms through direct financing based upon the appraisal of the specific project. Since inception, an amount of ₹1,022 crore has been sanctioned for two road projects and two electricity power transmission projects under NIDA.
- ❖ **Food Processing Fund 2014-15 – Direct Loans to Public and Private Sector –** Government of India / RBI has established a new fund, for development of food processing sector in NABARD with a corpus of ₹2,000 crore. Loans from this fund will be extended to Public and Private sectors for infrastructure works in designated food parks as well as for setting up food processing units in designated food parks. The fund will facilitate creation of Mega Food Parks.
- ❖ **Producer Organisation Development Fund (PODF)** - NABARD has created a fund titled PODF that is used to support Producers' Organisations both in Farm and Off-Farm activities. So far, NABARD has extended credit support of ₹37 crore to banks and NGOs under PODF. Further, 7 PACS have also been assisted under this fund to transform them into Multi Service Centres (MSC).

Identification of Infrastructure Gap

- ❖ NABARD has identified critical infrastructure gaps in the State based on the inputs received from various developmental departments in the field, interactions held with the farmers, civil society organisations, farmers' bodies, NGOs and industry associations which can be bridged with the support from RIDF and other funding facilities from NABARD. A total of 155 projects have been identified with a total outlay of ₹3020 crore.

Credit Potential

Based on the aggregation of district wise PLP estimates, credit potential in the priority sector for State as a whole for 2015-16 has been estimated at ₹114,927 crore. The sector-wise

projections for 2015-16 for Rajasthan along with the share of each sector is given in table below:

Sector-wise Projections for 2015-16

[₹ lakh]

Sl. No.	Sector	PLP Projections	% to Total Projections
A	Agriculture		
1	Crop Production, Maintenance & Marketing	6854420	59.63
2	Water Resources	164544	1.43
3	Land Development	226196	1.97
4	Farm Mechanisation	453298	3.94
5	Plantation & Horticulture	90900	0.79
6	Forestry & Wasteland Development	6249	0.05
7	Animal Husbandry – Dairy Development	440292	3.83
8	Animal Husbandry – Poultry Development	31681	0.28
9	Animal Husbandry – Sheep, Goat and Piggery Development	125809	1.09
10	Fisheries Development	5320	0.05
11	Storage Godowns / Market Yards	337762	2.94
12	Renewable Sources of Energy and Waste Management	27980	0.24
13	Other Activities	62526	0.57
B	MSE		
1	MSE Investment and Working Capital for Development of Enterprises and Self Employment[excl. Agro & Food Processing]	1017399	8.85
2	Agro & Food Processing	140489	1.22
C.	Other Priority Sector	1507881	13.12
	Grand Total [A + B + C]	11492746	100.00

Sector-wise Action Points

To facilitate harnessing the potential in the state, the major action points under different sectors for various stakeholders have been identified as follows:

Water Resources

- The State Water Policy envisages planned exploitation of ground water, development of efficient system of water management, encouragement of adoption of improved agriculture practices and development of Water Resources through Rain Water Harvesting. There is a need of speedy implementation of the policy.
- Increase in credit flow under the projected items viz., Dug wells with pump sets, deepening of wells, pump sets, drip irrigation, sprinkler sets, energisation of pump sets (projections provided in Annexure II).
- Institutional finance for creation of Rain Water Harvesting Structures.
- Solar water pumps being promoted by the Horticulture department need to be included in the agriculture term loan target of the banks.
- Creation of awareness for adoption of Watershed based water management under Water Resource Management.

Land Development

- Development of Integrated Watershed Programme.
- Adoption of Public Private Participation mode to promote projects related to soil conservation, climate proofing, ravine development, etc.
- Development of pasture lands for the large population of cattle and camels, thereby checking soil erosion.
- Programmes for Land Reclamation of cultivable wastelands which may be allocated to the landless farmers. Banks to provide finance for such programmes.
- State Government may submit Climate Change Adaptation Projects to NABARD for consideration under Adaptation Fund.
- Banks to finance the projects related to soil conservation, climate proofing, ravine development, etc.
- Banks to provide financial support by financing the production of fuel and fodder plants for commercial purpose.
- Creating awareness for preservation of common lands.

Farm Mechanisation

- Agriculture Department may organise short duration demonstration and training camps in collaboration with manufacturers / suppliers/ banks to establish the utility of power tillers and farm implements.

- PACS/ Farmers' Clubs may set up Agro-Service Centers for farm implements and tractors. These may also have modern farm machinery like land levellers, reapers, combine harvesters, etc., for custom hiring by farmers.
- Banks to finance solar pump sets and other equipments based on non-conventional energy.
- Banks should explore the possibilities of financing the Joint Liability Groups for buying Power Tillers and other farm implements for self -use and custom hiring.

Plantation and Horticulture

- Promotional efforts need to be made for expansion of areas under fruit, vegetables, spices, aromatic and medicinal plants etc., through various State Government plans.
- Arrangement for providing production inputs like adequate planting material and high yielding seed of fruits, vegetables and spices needs to be made.
- Inter cropping needs to be popularised.
- Arrangements need to be made to provide forward and backward linkages to farmers to enable them to take advantage of export oriented horticulture crops.
- In view of better scope for exports, Banks should increase the flow of credit in the sector for commercial purpose.
- Banks should encourage financing of the whole value chain, from cold storage facility at production site to marketing.

Forestry and Wasteland Development

- Forest dependent people could be organised into JLGs/ SHGs/ POs and encouraged to aspire towards desired goals of higher productivity, technology improvement and cost effectiveness in forestry practices through Public Private Partnership approach.
- Need to embark upon an ambitious Afforestation Programme with a conscious approach in adopting clear development strategies.
- Human resource development and capacity building need to be undertaken in a strategic manner.
- Eco tourism should be popularised.
- Banks should support commercial forestry in private sector.
- Tribals should take up Non Timbre Forest Produce (NTFP) based livelihoods.

Animal Husbandry - Dairy Development

- Additional milk routes should be developed in the State to encourage formation of more milk cooperative societies.
- Entrepreneurs should be encouraged to set up processing units for milk products like ghee, butter, curd, ice-cream, buttermilk, etc., to utilise the surplus milk.
- The Animal Husbandry Department of the State may make arrangements for availability / procurement of good quality milk animals to facilitate financing by banks.

- The Animal Husbandry Department of the State should motivate farmers to take up fodder development / silvi-development schemes to improve fodder availability.
- Calf rearing in a scientific manner should be promoted.
- Thrust may be given by Banks for financing women beneficiaries through women SHGs.
- Banks should finance through banking plan / area based approach in financing dairy units especially on dairy milk collection routes.
- A tripartite arrangement amongst milk union, dairy cooperative societies / borrowers and banks needs to be facilitated under Govt. sponsored programmes.
- Banks may come forward to finance processing units of milk products.
- For better services to the milk producers, the cooperative milk societies should improve the mechanism for testing the quality of milk and make arrangements for crediting the payments directly to the accounts of the milk producers.

Animal Husbandry - Poultry Development

- State Government may encourage low investment backyard poultry units in rural areas as an income generating activity for the landless and marginal farmers.
- Adequate veterinary support with regular professional guidance to small units should be ensured by State Government Department.
- More feed plants under public, cooperative and private sectors need to be established. This may require incentives from State Government to attract entrepreneurs.
- Hassle free credit facility for establishment of poultry farm should be encouraged by Banks.
- There is a need to formulate low cost insurance policy to cover this activity.
- Education and awareness creation among poultry farmers for a viable, hygienic, and disease free poultry farming is needed.

Animal Husbandry – Sheep, Goat and Piggery Development

- The sheep and wool departments may be actively associated in the identification of beneficiaries, procurement of assets for them, post disbursement follow up, monitoring and supervision. This is particularly important under various Government sponsored programmes. Banks may be suitably involved in the department's scheme right from the initial stages e.g., before final selection of the candidates for training.
- There is a need to strengthen market intervention operations both for wool and sheep so that the sheep farmers may receive remunerative price for their produce. Similarly, grading of wool before purchase and processing under cooperative sector would help the farmers in getting better returns.
- Pastures and grazing lands need to be developed.
- Special subsidy scheme for breeding of camel needs to be introduced for arresting reduction in the population of camel which has depleted over the past few years.
- Banks should finance these activities on a priority basis.

Fisheries Development

- Support and input assistance needs to be provided to farmers to increase the productivity.
- A study is also required to assess the development of saline and brackish water fisheries in

the State.

Storage Godowns / Market Yards

- Need for extension of marketing network so as to provide market facilities to the farmers at short distances preferably within a radius of 15-20 Km.
- Need to promote WDRA Accreditation and NWR financing (details given in Chap 4)
- Need to develop Market Linkages for PACS with accredited warehouses for better price realisation.
- Development of additional Godowns and warehouses for scientific storage may be taken up by Rajasthan State Warehouse Corporation (RSWC).

Renewable Sources of Energy and Waste Management

- Promotional efforts to be taken up by the State Government for popularising renewable energy.
- Briquetting of Bio-mass for use in brick kilns and other fuel applications need to be promoted.
- Solar energy projects on the canal system based on Gujarat model will not only reduce evaporation but also reduce cost incurred on land purchase / acquisition.
- Off-grid solar projects may be encouraged in remote villages for electrification and farm energy requirements.
- State Government may consider to provide more subsidy for solar home lighting systems and solar water pumps to the rural people.
- State Government may adopt the Public-Private-Panchayat Partnership (PPPP) mode to promote the solar energy production at the Gram Panchayat level. Private entrepreneurs may be encouraged to invest in establishment of solar power plants (of at least 1 MW each) at Gram Panchayat level. The land may be given by the concerned Gram Panchayat on long term lease. The Panchayat will be able to get more financial resources through lease-rent, share in tariff and also in the tax collected by the Government from these solar ventures. Government will need to ensure the purchase of electricity from these solar plants at mutually agreed rate and should connect this electricity to the local grid ensuring that this power is consumed mainly by the villages under the concerned Gram Panchayat.
- A Special Fund may be set up by the State Government in association with IREDA, NABARD, IIFCL, etc., to finance the PPPP projects on solar energy.
- Demonstrations by dealers in collaboration with banks need to organise systematically in all the districts.
- Bio-gas may be included in the integrated project along with dairy project financing by the banks.
- Creation of awareness among the farmers is needed.
- Special vocational training courses for installation, maintenance and repair of solar panels and solar based systems may be taken up to create job opportunities and also to ensure local availability of such services.

Micro and Small Enterprises (MSE) sector

- Zone wise training programmes can be organised in the existing RSETIs/ RUDSETIs initially in leather, marble, embroidery and artificial jewellery making.
- Clusters of artisans may be formed for facilitating skill development and training of the artisans to meet the requirement and ever-changing taste of the buyers. There is a need to prepare a strategy for achieving targets to develop product-wise clusters of Khadi & Village Industries products in order to develop their domestic as well as export market, introduce innovations in design, technology, creation of entrepreneurship, etc.
- Craft parks need to be developed to provide organised markets for the local artisans to sell their wares directly to the tourists.
- This may also induce rural tourism in the districts and prove to be the nucleus for regional development.
- A whole gamut of activities such as packaging, labeling, trade mark, bar coding, brand building, advertisement, domestic & international exhibitions, buyer-seller meet, marketing intelligence, e-marketing is required to boost the sector.
- Hassle free institutional finance for promoting growth of Micro & Small Enterprise sector is needed in view of its limited access to alternative sources of finance.

Food and Agro Processing

- Districts and villages need to be identified for establishment of modernised agro processing units according to the availability of raw material in the area. This will ensure assured income to the farmers at reasonable prices for their horticulture crops.
 - In order to give the sector a boost, district wise studies may be undertaken on value addition and location specific agro-based industries.
 - To explore possibility of modernisation of existing units to match the standards of international market.
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