

District Industries Centre, Salem

District Export Action Plan

Salem

Table Of Contents

Sno	Contents	Page No
1	Introduction	3
2	District At A Glance	3
2.1	Administrative Divisions	3
2.2	Demographic Profile	4
2.3	Climate and Rainfall	5
3	Objective and Policy Framework	5
4	Agriculture	6
5	Industries At A Glance	7
6	Study of Potential Export Products	10
6.1	Sago	10
6.2	Mango	10
6.3	Silver Anklets	12
6.4	Handloom and Powerloom Products	13
6.5	Salem Venpattu	14
6.6	Stainless Steel Products	14
7	GI Tagged Products	15
8	SWOT Analysis	15
9	Export Action Plan	16

1. Introduction

Salem is one of the biggest districts and it is centrally situated in Tamil Nadu. It is a Geologist's paradise, surrounded by hills and the landscape dotted with hillocks. Salem has vibrant culture dating back to the ancient Kongu Nadu. As a district, Salem has its significance in various aspects such as Mango Cultivation, Silver Ornaments, Cori Industries, Textiles, Sago industries and Steel production. This makes it favourable to export surplus products from the district to other countries. Based on the vision of honourable Prime Minister Modi steps are to be taken to transform every district into export hubs. Creation of export hubs will raise the living standard of the local residents, ensure meaningful employment and ensure a healthy restriction on outflow of labourers from their native to the big cities.

2. District At A Glance

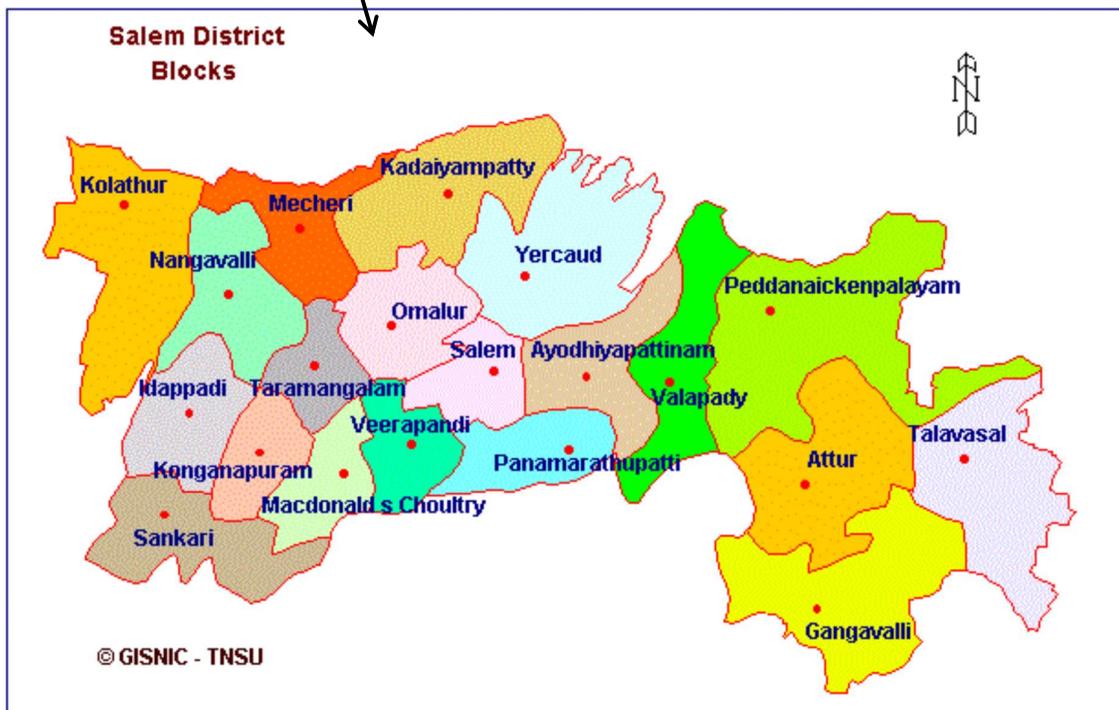
Salem is located at 11.67°N 78.14°E at an average elevation of 278 m (912 ft). The city is surrounded by hills: Nagaramalai on the north, Jarugumalai on the south, Kanjamalai on the west, Godumalai on the east and the Shevaroy Hills on the northeast. The name 'Salem' has its roots in the Sanskrit word 'Sailam' Meaning Mountain, as the district has many mountain ranges of the Eastern Ghats. The economy is mainly agrarian and industrialization in urban biased. Salem district's geographical area is 5245 sq.kms. Salem district occupies the 9th rank among the districts in Tamil Nadu in regard to size. Salem District is surrounded by Dharmapuri district in the north, Erode and Namakkal districts in the south, Kallakurichi district in the east and the Western Ghats in the west. Salem is ranked as the ninth district in Tamil Nadu with regard to the area of the district. The total geographical area of the district is 5205 Sq Km.

2.1 Administrative Divisions

Salem District comprising of four Revenue Divisions named Salem, Attur, Mettur and Sangakiri. Salem District has four Municipalities, 13 taluks, and 20 blocks including one tribal block, 33 Town Panchayats, 385 Village Panchayats and 640 Revenue Villages.



The district includes 4993 Sq Km in rural



2.2 Demographic Profile

S.No.	Indicators	2001	2011
1	Population	3016346	3482056
2	Decennial growth(percent)	(+)10.87	(+)15.37
3	Density of population per sq.km	575	665
4	Urban population(percent)	51	49
5	Sex ratio	929	954
6	Percentage of 0-6 years old	11.95	11.06

2.3 Climate and Rainfall

Rainfall is a single most important factor for success of crops in the farming areas. The district receives the rain under the influence of both southwest and northeast monsoons. The northeast monsoon chiefly contributes to the rainfall in the district. Rainfall intensity is classified according to the rate of precipitation: Light rain — when the precipitation rate is < 2.5 mm (0.098 in) per hour. Moderate rain — when the precipitation rate is between 2.5 mm (0.098 in) - 7.6 mm (0.30 in) or 10 mm (0.39 in) per hour.

Salem district received actual rainfall of 981.68 mm in the year 2015-16, when compared with the normal rainfall of 997.9 mm. In 2014-15, Salem district has received 1001.5 mm of rainfall. i.e. 2.03% of rainfall decreased when compared with previous year.

3. Objective and Policy Framework

The following were discussed on the meeting held on 13.8.2020.

- To identify the potential export products of the district.
- To form an export guidance group for the district.
- To assess the ground level difficulties from farm/factory to consumer/export

- Prepare and implement district export promotion plan for Salem district.

The call of the Hon'ble Prime Minister of India to convert each district into an export hub from the ramparts of Red Fort in his Independence Day Speech in 2019 redirected focus towards making Districts as active stakeholders in promotion of exports of goods/services produced/manufactured in the District.

The objective is to enable MSMEs, farmers and small industries to get benefit of export opportunities in the overseas markets and shift focus on District led Export Growth for self-sufficiency and self-reliance.

DEPC will focus on the specific actions required to support local exporters / manufacturers in producing exportable products in adequate quantity and with the requisite quality, and reaching potential buyers outside India. The primary function of the DEPC is to prepare and act on District Specific Export Action Plans in collaboration with all the relevant stakeholders from the Center, State and the District.

This district export promotion plan mainly lists the potential export products of the district of Salem. The plan details on the opportunities, strengths weaknesses and threats in the district that can affect the export of products from the district.

4. Agriculture

Agriculture is the most predominant sector of the district. Most of the population is engaged in agriculture and allied activities for their livelihood. Most of the available lands in the district are utilized for raising Paddy, Sugarcane and Plantation crops under irrigated condition. Dry crops like Cumbu, Cholan, Varagu, Maize and Samai are cultivated extensively. Cash crops like Groundnut, Sugarcane, Gingilly, Castor and Cotton are raised to a considerable extent.

Cholan, Tapioca, Maize, Cotton, Ragi, pulses (Cow Pea, Red gram and Black gram) sugarcane, Groundnut, Coconut, Turmeric, Arecanut, coffee and pepper are major crops in this district. Mango, custard apple, Moringa and Sapota are the important fruit crops and turmeric and cotton are the major cash crops grown in the district. The area under Cholan and maize occupied nearly 22 percent of the total cultivated area of the district. Tapioca is the next most important crop of the District.

Crop	State	Salem	Percentage to state
Tapioca	32429	17028	53
Cow Pea	59007	19662	33
Cholam	268391	54084	20
Ragi	61362	7248	12
Maize	355064	34250	10
Groundnut	346611	17910	5
Green Gram	238842	12027	5
Paddy	1442841	19330	1

Major Crops IN Area(Hec)

5.Industries At A Glance

The thriving Industries are sago manufacturing and power loom cloth production. Mettur has become a powerful industrial center due to the availability of power and water. In Salem taluk there are four major mining industries engaged in mining of Magnetite.

The Salem Steel Plant is a special steel unit of Steel Authority of India Ltd., pioneered the supply of wider width stainless steel sheets / coils in India. The plant can produce austenitic, ferritic, martensitic and low-nickel stainless steel in the form of coils and sheets with an installed capacity of 70,000 tonnes / year in Cold Rolling Mill and 1, 86,000 tonnes / year in Hot Rolling Mill. In addition, the plant has country's first top-of-the-line stainless steel blanking facility with a capacity of 3,600 tonnes of coin blanks and utility blanks / circles. India's largest producer of special steel in the long products category, JSW Steels Salem plant mainly caters to the automotive sector.

The Chemplast Sanmar Ltd is also a big industry in Mettur providing lot of employment opportunities to the people and plays a vital role to the economic development of the district. Chemplast Sanmar owns five plants in Mettur, a small town located around the dam which controls the entry of the River Cauvery into Tamil Nadu. Sanmar has set up zero effluents discharge mechanism in its Mettur plant to curb pollution.

5.1 Rural and Cottage Industries

Concentration of Rural Industries like coir making, silver ornaments and pottery works etc., play a vital role in earning livelihood to many in Salem taluk. Handloom weaving is made in Salem, Edapady and Tharamangalam. Sago industries are in Attur and Salem.

Rope making is another major cottage industry. Ropes are made by people out of the fibers of coconut, Aloe Vera, Cotton and Jute. Salem has a sizeable weaver population and weaving is an important house hold industry here.

Both silk and cotton fabrics woven in Salem find popular market throughout the State. The Ammapet weaver's co-operative society has a turnover of 2.40 Crores and its main products are cotton sarees, bed sheets, towels, silk sarees and dhotis.

Making of Silver ornaments and artifacts by hand work is an important cottage industry in Salem. Silver anklets made in Salem are popular throughout the country.

5.2 Important Industries

1. S.P.SUPER FINE COTTON MILLS P LTD. CUDDALUR MAIN ROAD, ATTUR
- 2.RASI TEXTILES P LTD., CUDALURE Road Attur
- 3.FIDELITY TEXTILE P LTD., UDAYAPATTI, ATTUR MAIN ROAD, SALEM
4. S.P.SPINNING MILLS P.LTD. CUDDALUR MAIN ROAD, ATTUR
- 5.SAMBANDAM SPINNING MILLS .LTD. ATTUR MAIN ROAD, UDAYAPATTI
- 6.KANDAGIRI SPINNING MILLS LTD., UNIT.1 UDAYAPATTI, SALEM
- 7.DHARANIDARA SPINNERS P LTD., ATTAYAMPATTI ROAD, KAKAPALAYAM
- 8.PARAGAN POLYMER PRODUCTS P LTD., KAKAPALAYAM, SALEM
- 9.CHIRANJILAI SPINNERS P LTD., ATTAYAMPATTI, SALEM DIST.
10. JSW LTD., POTTANERI, MECHERI VIA, METTUR TALUK
- 11.THERMAL POWER STATION, METTUR DAM, SALEM DIST.
- 12.MADRAS ALUMINIUM CO LTD., KARUMALAIKOODAL, METTUR R.S.
- 13.CHEMPLAST SANMAR LTD., PLANT.1 PUDUCHAMPALLI
- 14.CHEMPLAST SANMAR LTD., PLANT II, PUDUCHAMPALLI
- 15.CHEMPLAST SANMAR LTD., PLANT III & IV, RAMAN NAGAR, METTUR DAM
- 16.CABOT SANMAR LTD., RAMAN NAGAR, METTUR DAM

- 17.HITECH MINERALS COVAL P LTD., KOTTAGOUNDAMPATTI, OMALUR TK
- 18.TAMIL NADU MAGNESITE LTD., OMALUR MAIN ROAD, AMMAPALAYAM, SALEM
- 19.DALMIA MAGNESITE LTD., VELLAKKALPATTI, OMALUR TALUK
- 20.PALLIPALAYAM SPINNERS P LTD., NILAVARAPATTI, SALEM
- 21.SRI MALINI SPINNING MILLS LTD, SANTHIYUR, SALEM
- 22.THAMBI MODERN SPINNING MILLS LTD., JAGIR AMMAPALAYAM, SALEM
- 23.BURN STANDARD CO.LTD. OMALUR MAIN ROAD, SALEM
- 24.NARASUS COFFEE CO., JOHNSONPET, SALEM
- 25.SALEM DIST. CO-OP. MILK PRODUCERS UNION LTD., STEEPLANT ROAD, SALEM
- 26.PALLAVA TEXTILES LTD., MANGARANKAMPALAYAM, VEERACHIPALAYAM POST, SANKARI
- 27.THE INDIA CEMENTS LTD., SANKARI WEST, SANKARI, SALEM DIST.
- 28.PERUMAL SPINNING MILLS P LTD., SESHANCHAVADI, VALAPADI TK, SALEM DISTRICT
- 29.KANDAGIRI SPINNING MILLS P LTD., SESHANCHAVADI, SALEM DIST
- 30.SALEM STEEL PLANT, ALAGUSAMUDRAM, THARAMANGALAM MAIN ROAD, SALEM.
- 31.SAMBANDAM SIVA TETILES LTD., KATTUVEPPILLAIPATTI, SESHANCHAVADI PO,
- 32.HUTSON DIARYPVT. LTD, KARUMAMPURAM
- 33.L.S.P. OIL MILLS PVT LTD, SALEM
- 34.SONAL VYPAR PVT LTD, SALEM-2
35. SALEM AEROSPACE ENGINEERS PVT. LTD.,

5.3 Notable Industrial Clusters

Coir Plyboard Cluster-Omalur, Salem: In the cluster, there are about 55 units engaged in coir fibre extraction in the cluster. The current output of coir fibre is estimated at 27500 MT per annum. The Annual turnover out of coir fibre production in the cluster is estimated at Rs.41.25 Crores. There are about 126 units engaged in coir yarn spinning in the cluster. The current output of coir yarn is estimated at 6300 MT per annum. The Annual turnover out of coir yarn spinning in the cluster is estimated at Rs.22.05 Crores. There are about 2 units engaged in curled coir in the cluster. The current output of curled coir is estimated at 37.50 MT per annum. The Annual turnover out of Curled coir production in the cluster is estimated at Rs.0.08 Crores.

Sago Products Cluster: There is scope to establish sago and starch clusters around Pannamarathupatti, and Attur blocks. Sago food processing unit is mostly cultivated and processed in these mills. Skilled labours and semi-skilled persons are needed to work in the Mill. Value addition in Tapioca has high potential in rural enterprises. Discussion with the mill owners indicated that starch and sago used as food item in northern parts of India. Suitable sago variety could be advocated among the farmers to bring high return and in turn fetches high market demand. Sago serve is one of the largest Industrial Co-operative Society functioning in Salem catering the needs of Sago & Starch Manufacturers to market their produce. Now steps are being taken to formulate standard operating procedures (SOP) for Sago & Starch Manufacturing Industries and get a trade mark for it.

Silver Anklet Cluster: These cluster is located in Salem Shevapet, Sivathapuram and neary by areas and high scope in Pannamarathupatti and Veerapandi blocks. Now a multi storied Silver Leg Chain Park is being established by Government of Tamil Nadu through SIDCO at Ariyagoundampatty Village.

Powerloom Cluster: Majority of Artificial Silk weaving Industries are located in Salem, Magudanchavadi, Tharamangalam and Mecheri blocks. The tradition of silk weaving is very unique to Elampillai and is also very affordable. Now Government of Tamil Nadu has announced to establish Mega Textile Park in Salem and preliminary steps are being taken.

Handloom Cluster: In Omalur, Sinthamanyur, Tharamangalam, K.R.Thoppur, Amaragundi, Mecheri, Virudasampatty, Veerapandy, Attayampatty, Panamarathupatti, Mallur, Nilavarapatty, Kondalampatty, Ammapet, Neikarapatty having weaving villages traditionally doing weaving activity for more than 100 years with wider scope for innovation.

Thammampatti Wood Carving Products: Thammampatti in Salem District is a popular craft cluster predominantly consisting of artisans practicing wood carving. The wood carvings, the wooden panels, wooden doors, wooden figures of mythological characters, temple chariots etc., are world popular and commands a good export market.

Thammampatti Wood Carvings are distinct in its motifs and designs especially supplementary designs i.e. one which is carved around the primary carvings. The jewellery and shapes in the carvings are technically intricate. Minute carving methods are adopted. The finishing is clear and the proportions of the figures are elegant.

Around 300 artisans are engaged in this craft cluster covering the villages of Thammampatti, Sentharapatti, Gangavalli, Ulipuram, Nagiampatty, Kondayampalli and adjacent villages.

6.Study On Potential Products of Export

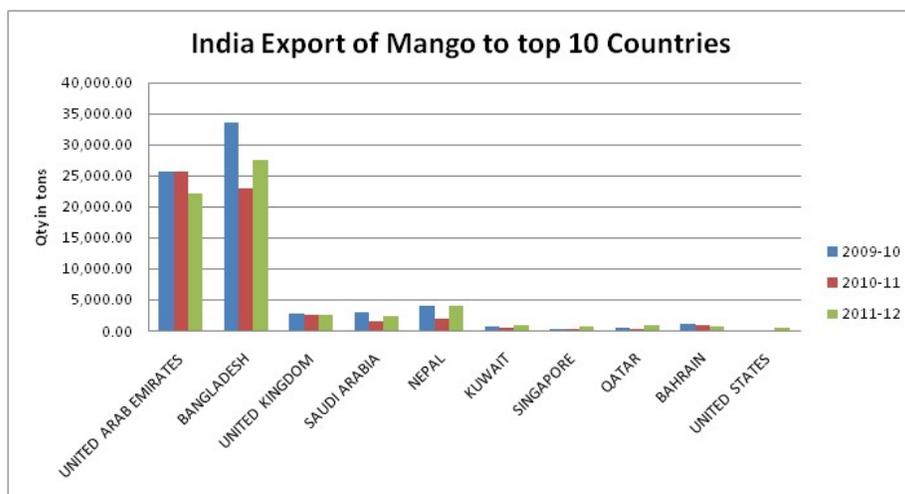
6.1 Sago

Tapioca locally known as Maravalli (or) Kuchi Kilangu (in Tamil) is extensively cultivated by the farmers of Salem district. The tubers are used primarily to produce starch & Sago. A variety of food items like chips, fryums, papads, Noodles and vermicelli are also produced from tapioca. Tapioca and castor Research centre functioning in Salem is engaged in Research and Development activities to produce high yielding and disease resistant varieties. **“District of Salem is known as the land of Sago”**. The district offers good raw material, cheap labour, good sun shine for a longer period of the day throughout the year.

6.2 Mango

In recent years the international trade of mango fresh fruits and its processed products become well established. India and other Asian countries produce the major share of global mango of which India alone produces an average of 19.69 million tonnes a year. The demand for mango fruits, particularly from temperate countries, is increasing. EU countries and the USA are the leading importers of fresh fruits. Mangoes grown in Salem have a unique taste and are favoured by people across Tamil Nadu. Large quantities are also exported to other states. Around 60 varieties of mangoes are cultivated largely in **Salem, Dharmapuri, Krishnagiri, Namakkal and Erode districts** during the peak season from March to June.





More than 70 tonnes of mangoes (mostly Alphonso variety) are exported from Salem annually. These mangoes are exported to Malaysia, Taiwan, Singapore and West Asian countries. The traders have to comply by specified sizes and pack the mangoes impeccably before exporting them. There are traders in Salem who have been in this business for the past three generations! Cultivation of mangoes is good if the region receives adequate rainfall.

Nearly 5,000 acres of land is under cultivation for Alphonso mango. The traders are united under a common flag of **Mango Growers and Traders Association**. Salem Mango, Alphonso and Banganapalli varieties are packed and exported all around the globe. There are many mango suppliers and exporters in Salem who have done good work and contributed in the good name that Salem has earned as the hub of Mangoes.

Only the best mangoes are picked and selected for export. Mangoes from Salem have a unique aroma and taste as they are especially cultivated in a very professional manner in large farms which are technologically well- equipped for production of mangoes. Alphonso mangoes have a considerable shelf life even after they are ripe. They are good for health, sweet, fresh and tasty to eat, have a rich flavour and weigh somewhere between 150 gms. and 300 gms. each. Even **Quick Frozen (IFQ) Diced** mangoes are well in demand in the global market. Alphonso and Totapuri Kesar are utilized for this purpose and are packed hygienically to retain their original and exclusive taste.

6.3 Silver Anklets

Salem's unique designs for handmade silver anklets have made the city one of India's leading manufacturing hubs. And, the ornament is a deserving candidate for a GI tag. One of the unique features of the Salem anklet is that except for a few stages, most of the manufacturing is still done by hand.



Silverware and Jewellery segments consumed 3,100 tonnes in 2004 compared to just 1,333 tonnes in 2005. The jewellery market volumes have increased by 188% while silverware (silverware, articles and the idols market) has risen by 70% over this time frame. Comparing it with global demand, India's share in the fabrication of silverware has increased from 31% in 2005 to 59% in 2014. Similar was the growth in the jewellery fabrication segment, rising from a global share of 12% to 29% in 2014. On the other hand though, exports in value terms has gained multi-fold due to the rising prices, while in regards to absolute volumes, these have been steady at approximately 200 tonnes.

6.4 Handloom And Powerloom Fabrics

The handloom industry is one of the most ancient cottage industries in Salem district of Tamil Nadu, India. Salem was one of the primary handloom centers of south India. Sari, dhoti and angavasthram are made out of silk yarn and cotton yarn. In the recent past, home furnishing items are also woven, mainly for export purposes. More than 75,000 handlooms are working and the total value of cloth produced per annum is estimated at Rs.5,000 crores.

Private handloom weaving started thriving in the region along with the large scale cooperative sector handloom weaving and marketing units. Small scale hand dyeing units were started around the region to support the industry. Around 1980's the textile industry saw a massive growth. Many major spinning mills and waste spinning units came up into existence. Many Handloom societies and dye houses were established. New and Increased number of Power Loom units in places like Gugai, Ammapet, Attayampatti, Vennandur, Magudanchavadi, Rasipuram, Komarapalayam and Pallipalayam, Jalakandapuram and Ellampillai. But now there are more than 125 spinning mills, with modern weaving units and garment units. Garment export has established itself as one of the major business in the district.

Kondalampatti is a small census town in the district and it is famous for its silk handloom products. Kondalampatti handlooms are well known for the durability of the colours used in the yarn. The mixture of colour gives the durability. The count of the threads in a square inch used in weaving gives the softness and hardness of the fabric. In Kondalampatti sarees 60 to 65 threads are used in a square inch in warp. The width of the saree comes to 51 inches. Each and every thread of the Kondalampatti handloom saree is hand woven. It requires approximately 4–8 days of effort for weaving a saree.

6.5 Salem Venpattu

Silk Dhotis are produced from time immemorial by the local traditional weaving community known as 'Sourashtra' Community. The silk dhotis of Salem are justly famed for their luster, whiteness, technical excellence and novelty of border designs viz., Nagachattai, Kammal, Diamond with Roja, Muthu with Gold Pettu etc. At the time of Manufacturing Salem Silk Dhotis are white in color. After washing they will be gradually changed to light sandal color and thereafter deep yellow color as it was in the beginning state of silk yarn before bleaching. It is believed that the water used in the region is responsible for enhancing lustre to raw silk and may be one of the reasons for the whiteness and shining of silk dhoti.



The jari in the border and pallu in the form of kambi is also unique. These dhotis are mainly used in marriage like cultural and other traditional festivals. Also used as attires for Deities during Poojas. Other than dhotis, silk shirts and silk towel/scarves are also made using Salem Venpattu.

6.6 Stainless Steel Products

Salem is the leading producer of stainless steel products. This mainly includes kitchen items, household articles made of stainless steel, surgical instruments etc. Steel Authority Of India manufactures high grade stainless steel products in Salem district. They are mainly exported to countries namely UAE, UK, South Korea and others.

7. GI Tagged Products

7.1 Salem Venpattu

Salem Silk known as Salem Venpattu refer to silk clothes made in Salem, Tamil Nadu. It received Geographical Indication (GI) status in 2008. It is known for its superior quality and uniqueness. There is a rising global demand for Salem Venpattu. The climatic and atmospheric conditions pertaining to the Salem zone has helped the weavers achieve the additional brightness associated with this particular silk variety,

7.2 Silver Anklets

Silver anklets made in Salem region is soon to receive GI status. The handmade silver anklets are unique and this makes it necessary to apply for GI. This can help to export the product with ease and avoid duplicates.

7.3 Salem Sago

Around 380 Sago & Starch Manufacturing units are functioning in Salem and nearby districts and marketing their produces to all over India through Sago Serve. Now Sago Serve has applied for GI Tag for Salem Sago which is now under process.

8. SWOT Analysis

The district promotion plan mainly lists the strengths and weakness of the district that influences export

8.1 Strengths

- Established market linkages by the small directly exporting segment
- Easy access to necessary inputs and related enterprises
- Established product reputation of input (Yarn dyed fabric)
- Ability to offer low volume customized products.
- Traditional skill based with ample man power resources
- Good networking with yarn suppliers and also fabric users in the cluster.
- Experience in successfully working with quality and delivery conscious exporters

The above make it favourable for the export of products from the district.

8.2 Weaknesses

- The machinery availability in Salem is nearly in the range of only 250, which is very much less compared to other cities.
- Availability of Skilled labours is only in the range of 50%, Semi skilled labour 30%. This is also less compared to other cities.
- High cost of inputs (dyes and chemicals), power, blocked working capitals and hence high interest cost affecting cost competitiveness.
- Inadequate information on fashion trends requiring the enterprises to remain dependent on exploitative middlemen.

- Scope for skill up gradation of labour on garment manufacturing front.
- High levels of fluctuation in input prices.
- Poor access to institution credits leading to low net realization.
- Poor levels of Technology up gradation.
- Poor linkages among weavers to jointly resolve their problems.
- Inadequate up gradation in terms of efficient rapier looms
- Poor management skills amongst the weavers.

7.3 Opportunities

- Established market linkages by the small business units directly exporting the cloth materials and garments made the industry grow in a fast pace.
- Easy access to necessary inputs like yarns and dyeing units have led to the customisation of garments even at the small scale customized products.
- Presence of skilled labour
- Favourable climatic conditions and soil for cultivation of wide range of crops.

7.4 Threats

- Drop in silver prices
- Raising yarn prices
- Competition with powerloom sector
- Poor Infrastructure
- Increased demand of agricultural labour.
- Unpredicted rainfall and drought
- No knowledge on marketing

8. Export Action Plan

It is important that the all the issues related to export of potential products in the district must be addressed with no delay. The following can help to transform the district into export hub.

- Educate farmers on the importance of Value added products
- Create awareness on processing and storage of food products

- Conduct workshops to make them aware of the procedures to be followed to export their products
- Train farmers and weavers on the latest technology to improve their business.
- Increase the number of cold storage units

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