



# Department of MSME & Export Promotion, Uttar Pradesh

## District Export Action Plan, Bahraich, Uttar Pradesh

Knowledge Partner



विदेश व्यापार महानिदेशालय  
DIRECTORATE GENERAL OF  
FOREIGN TRADE

सत्यमेव जयते

**Districts**  
of Export Hubs

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## Preface

This district export plan for Bahraich District is being prepared as a part of Developing District as Export Hub under the District Export Hub Scheme initiated by the Ministry of Commerce & Industry, Govt of India, and state Government of Uttar Pradesh. Hon'ble Prime Minister in his Independence Day Speech on 15th August 2019, had, inter- alia observed that each of our district has a diverse identity and potential for targeting global markets and there is a need for converting each district into potential export hubs. In order to implement Hon'ble PM's vision for each district, Department of Commerce has mandated the Directorate General of Foreign Trade to work with State Government and District Level authorities to promote the Bahraich district as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Bahraich under the chairmanship of District Magistrate. With the said objective, 'District Export Action Plan' has been prepared and being presented to concerned stakeholders.

The report encompasses in-depth information on Bahraich district's geographic, and demographic, along with key statistics of prominent exporting products of district, gaps identified basis diagnostic survey, recommendations proposed to mitigate the gaps and action plans required to implement those recommendations.

The report provides insights into exports from the cluster, via analysing exports over the last five years from India and UP for the respective product. The report also shares insights on availability of raw material, technology upgradation, infrastructure, designing, packaging, access to finance, skill development etc. Besides the detailed action plans, the timeline and responsibility matrix has also been defined with implementation schedule to give implementation roadmap of the product.

For this desired purpose, an extensive primary and secondary research was conducted. The report has been prepared in co-ordination with the Office of DGFT, Kanpur and Uttar Pradesh Export promotion Bureau (UPEPB). The data has been sourced from multiple avenues, including but not limited to data provided by office of DGFT, Kanpur, UAM data (2019), DICs, 2011 Census of India, Diagnostic Study Reports, stakeholder consultation and several other secondary resources.

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## 1. Vision of Districts as Export Hubs

**“Each district of our country has a potential equal to that of one country, each of our districts has the capacity equal to a small country in the world. why should each district not think of becoming an export hub? . . Each of our districts has a diverse identity and potential for global market”**

- **Honourable Prime Minister of India, Shri Narendra Modi**

Foreign trade from India constitutes of 45% of its GDP.<sup>1</sup> Until 2019, only the central government was engaged in the decision making of foreign trade, without any participation or involvement of state and/or district stakeholders. However, now, understanding that there are diverse elements that contribute towards an enabling and conducive foreign trade environment; the central government has identified that with policy & strategy, active support of the state governments and district administrations are also equally required.

Thus, to decentralize the existing activities, to boost local production & its exports and to ensure active participation of state & district stakeholders, vision of district as export hubs was put to action. Department of Commerce, through Directorate General of Foreign Trade (DGFT) is working with the State / UT Governments to achieve this objective.

DGFT and UPEPB have aimed at synergising their efforts to identify the key products, export trends and challenges. Further in order to minimize the challenges, quantify the exports and outline export strategy; a detailed district-wise Export Action Plan has been made for all 75 districts of Uttar Pradesh (UP), where EY has contributed as Knowledge Partner.

## 2. District Profile

Bahraich is a district in the Devipatan division of Uttar Pradesh. The district with a population of 3,487,731 constituting to only around 1.74% of the total population of the state.<sup>2</sup> **The GSDP of the district is INR 10749.37 Crores<sup>3</sup>**

The district was believed to be a part of Gandharva forest. Even today, the north east area spreading across hundreds of square kms of the district is dense forest. It is said that Lord Brahma developed this forest- area as a place of worship for saints and sages. Therefore, this place was known as 'Brahmaich'.

The economy of Bahraich district is mainly agrarian in nature.



Figure 1: Google Map image of Bahraich District

<sup>1</sup> <https://commerce.gov.in/wp-content/uploads/2021/03/Devolping-Districts-as-Export-Hubs.pdf>

<sup>2</sup> [https://censusindia.gov.in/2011census/dchb/0949\\_PART\\_B\\_DCHB\\_BAHRAICH.pdf](https://censusindia.gov.in/2011census/dchb/0949_PART_B_DCHB_BAHRAICH.pdf)

<sup>3</sup> <http://investup.org.in/economic-snapshot/>



## 2.1 Geography

Bahraich is situated in the northern part of Devipatan Division and lies between 28° 24' to 27° 4' North latitude and 81° 65' to 81° 3' East longitude. It has an international border with Nepal on the northern side, districts Barabanki and Sitapur in south, Kheri in west and Gonda & Shrawasti in the east. The total geographical area of the district is approximately 4696.8 Sq. Km.

## 2.2 Connectivity

The district is well connected to all prominent cities of the country via road and rail network. The district is located on Lucknow-Barabanki-Bahraich-Balrampur-Basti Highway and Bahraich railway station is well connected to Gonda where trains run to all prominent cities. The nearest airport is located at Lucknow which is 125 Kms. away. The upcoming airport at Shrawasti, once functional will be just at 46 km. from Bahraich.

## 2.3 Topography & Agriculture

Rivers have played a significant role in the development of Bahraich. Ghaghara is the main river flowing through the district, formed from the combined waters of the Kauriala, Saryu, and Chauka and other rivers which drain the sub-mountain tract to the west. It enters the district in the extreme west and flows along the southern borders. Within its wide bed it rolls from one side to the other, changing its course almost every year. The land along the riverbanks gets eroded during the rains and for this reason the area of the district is liable to annual variations. Saryu is the second most important river, rising in the district, and joining the Ghaghara in Bahraich. The Kuwano River flows along the northern border, with the Bisuha, a small stream of a similar character. The soils of the district are composed of the fluvial deposits of these rivers. The entire district falling in sai sub basin of Bahraich represents flat topography.

There are several important lakes in the district, including the Banki, Kodar, Aranga, and Parwati & Pathri. The district has 67926 hectares of total forest cover which is 13.97% of Total Area of District. Trees like teak, shesham, saal, eucalyptus, bamboo, etc. are found.

The principal crops of the region are Rice, Maize, Urd, Moong, Pigeon Pea, Groundnut, Sesame, Wheat, Chickpea, Lentil, Pea (Round), Sugar cane, Potato, Turmeric<sup>4</sup>.

## 2.4 Tourism

Bahraich is a beautiful city situated at the border of Nepal. The city draws attention of forest lover from all over the world. Bahraich is a fusion of sanctity, religion, traditions, history and architecture which offers varied experiences from historical to religious. Bahraich is one of the destinations which holds the Dargah shareef Mela, world's largest congregation of devotees. Bahraich has also played a leading role in development of Hindi and Urdu literature.

## 3. Industrial profile of the district

The district has **5,518 industries that employ around 19,049 individuals**<sup>5</sup>. The key industries of the district include Agro based food products, Ready-made garments & embroidery, Engineering units and wood and wooden based furniture etc.

The **Agro based products units comprises of arounds** 1310 units of production in Bahraich. The total turnover of these units is Rs. 931.53 crores through domestic sales but does not directly export.

<sup>4</sup> <https://bahraich.kvk4.in/district-profile.html>

<sup>5</sup> DIC, Bahraich

The following table depicts the MSME units with their turnover and employment:<sup>6</sup>

Table 1: Details of key industries

| Industry                                     | No. of functional units | Employment (No's) | Turnover (INR. Cr) |
|--|-------------------------|-------------------|--------------------|
| Agro based (Food Product)                    | 1310                    | 4855              | 931.53             |
| Engineering units                            | 900                     | 3060              | 6.12               |
| Wood/wooden based furniture                  | 850                     | 2890              | 5.78               |
| Ready-made garments & embroidery             | 800                     | 2800              | 5.52               |
| Metal Based (Steel Fab)                      | 650                     | 1950              | 4.42               |
| Repairing and services                       | 407                     | 1342              | 2.76               |
| Leather based                                | 400                     | 1320              | 2.4                |
| Chemical Based                               | 3                       | 11                | 0.049              |
| Electrical machinery and transport equipment | 2                       | 7                 | 0.012              |
| Mineral Based                                | 01                      | 5                 | 0.008              |
| <b>Others</b>                                | <b>195</b>              | <b>809</b>        | <b>2.0614</b>      |
| <b>Total</b>                                 | <b>5518</b>             | <b>19049</b>      | <b>960.6604</b>    |

Agro based (Food products) industries contribute most in terms of employments ~ approximately 25.48%, Engineering units contributes ~16%, Wood and wooden based furniture contributes ~15.17%, and Metal based (steel fab) contributes ~10.23%, Repairing and services contributes ~7%, Leather, Chemical, Electrical machinery & transport equipment, Mineral Based and others ~11.29% of work force is employed in this vertical.

Out of total population of 34,87,731, total 11,52,160 are working population<sup>7</sup>. Out of total working population, 79

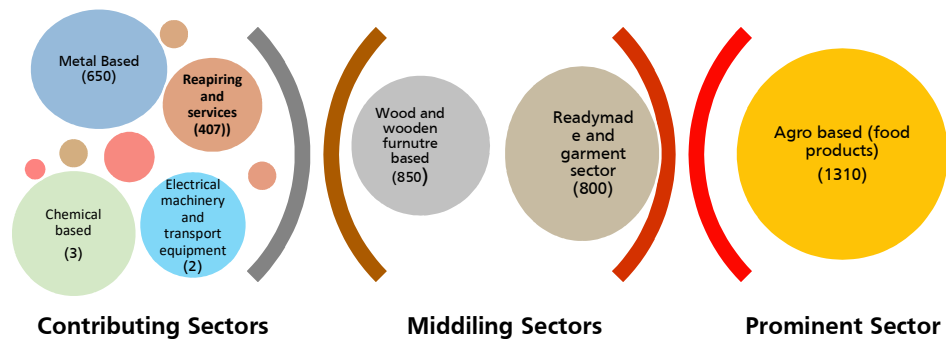


Figure 2: MSME landscape of the district

% are cultivators and agricultural labourers, 18% working in other industries, 3% are household industry workers. This indicates that agriculture is the main source of income in the district.

Table 2: Occupational Distribution of Main Workers<sup>8</sup>

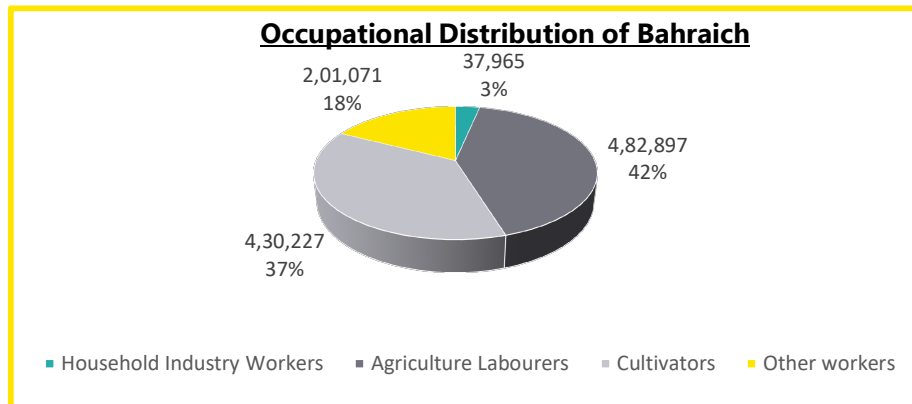
| S. No. | Particulars                | Bahraich | %   |
|--------|----------------------------|----------|-----|
| 1      | Household Industry Workers | 37,965   | 3%  |
| 2      | Agriculture Labourers      | 482,897  | 42% |
| 3      | Cultivators                | 430,227  | 37% |
| 4      | Other workers              | 201,071  | 18% |

<sup>6</sup> DIC, Bahraich

<sup>7</sup> District census handbook 2011-Bahraich

<sup>8</sup> District census handbook 2011-Bahraich





*Figure 3: Occupational distribution of Bahraich*

### 3.1 Major Exportable Product from Bahraich

The following table depicts the value of export of major products from Bahraich:

*Table 3: Major exportable product from Bahraich*

| S. No | Product                 | Export value (in INR Cr.) <sup>9</sup> from September 2020 to November, 2021 |
|-------|-------------------------|--|
| 1     | Rice                    | 473.17   |
| 3     | Food processing -Pulses | Indirect Exports from cluster  |

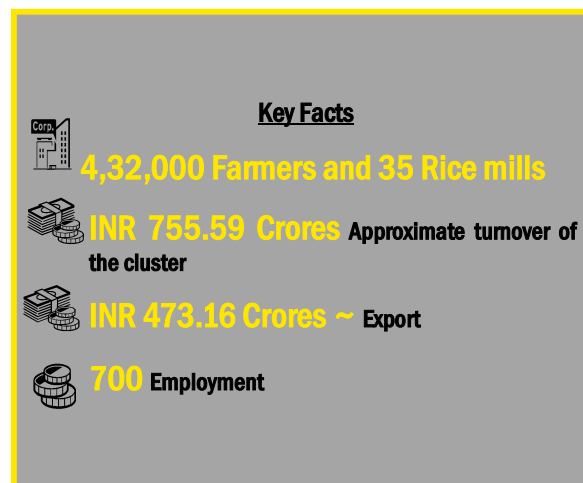
## 4. Product 1: Rice

### 4.1 Cluster Overview

The economy of the cluster is heavily dependent on agriculture products- Rice.

In Bahraich, Rice production is Approximate 307149.3 ton from 162685 Ha cultivated land in major area of Block Mahsi, Balha, Risia, Huzoorpur, Nawabganj, Mihinpurwa, Payagpur, Visesharganj, Tejwapur, Fakarpur, Jarwal, and productivity - 18.88 Qtl. /ha<sup>10</sup>.

There are ~ 35 operational units in the cluster employing around 700 individuals and with a turnover of about INR 755.59 crore. Agro based units are mostly located in Bahraich city and nearby Bahraich city like Nawabganj, Fakharpur, Payagpur,



<sup>9</sup> DGFT

<sup>10</sup> <https://bahraich.kvk4.in/district-profile.html>, DAO, Bahraich and <https://www.commodityinsightsx.com/commodities/mandi-prices/rice-market-price-in-bahraich-rate2460>.





Kaiserganj, Mihinpurwa etc.

## 4.2 Product profile

Rice edible starchy cereal grain and the grass plant by which it is produced. Roughly one-half of the world population, including virtually all of East and Southeast Asia, is wholly dependent upon rice as a staple food; 95 percent of the world's rice crop is eaten by humans. Rice is cooked by boiling, or it can be ground into a flour. It is eaten alone and in a great variety of soups, side dishes, and main dishes in Asian, Middle Eastern, and many other cuisines. Other products in which rice is used are breakfast cereals, noodles, and such alcoholic beverages as Japanese sake.

The cultivated rice plant is an annual grass and grows to about 1.2 metres (4 feet) in height. The leaves are long and flattened and are borne on hollow stems. The fibrous root system is often broad and spreading. The panicle, or inflorescence (flower cluster), is made up of spikelets bearing flowers that produce the fruit, or grain. Varieties differ greatly in the length, shape, and weight of the panicle and the overall productivity of a given plant.

Many cultures have evidence of early rice cultivation, including China, India, and the civilizations of Southeast Asia. However, the earliest archaeological evidence comes from central and eastern China and dates to 7000–5000 BCE. More than 90 percent of the world's rice is grown in Asia, principally in China, India, Indonesia, and Bangladesh, with smaller amounts grown in Japan, Pakistan, and various Southeast Asian nations. Rice is also cultivated in parts of Europe, in North and South America, and in Australia.

In the 1960s the so-called Green Revolution, an international scientific effort to diminish the threat of world hunger, produced improved strains of numerous food crops, including that known as miracle rice. Bred for disease resistance and increased productivity, this variety is characterized by a short sturdy stalk that minimizes loss from drooping. Poor soil conditions and other factors, however, inhibited its anticipated widespread success.<sup>11</sup> In the India it has been reported that there are over 6,000 varieties of rice.<sup>12</sup>

### 4.2.1 Product Portfolio

Multiple varieties of rice exist including short-grain, medium-grain, and long-grain varieties.

The following are the key varieties of Rice which are produce, processing and sale domestic and indirect export in the cluster:<sup>13</sup>

- ▶ **Rice:** NDR-97, NDR-359,
- ▶ **Basmati Rice:** Surbati
- ▶ **Hybrid rice:** Sudha (D3100), PHB-71, Arize-6444

<sup>11</sup> <https://www.britannica.com/plant/rice>

<sup>12</sup> <https://www.wellcurve.in/blog/different-types-of-rice>

<sup>13</sup> Consultation with Stakeholder

### 4.3 Cluster Stakeholders

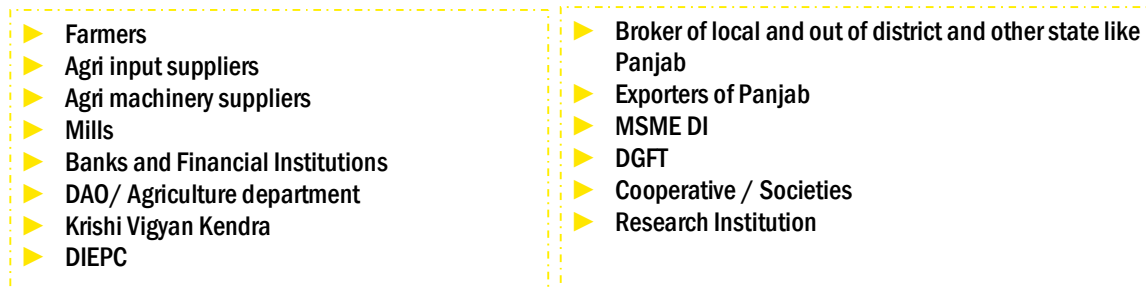


Figure 4: Cluster Stakeholders

### 4.4 Export scenario

#### 4.4.1 HS code

The following table lists the HS codes under which the products are exported from the district:<sup>14</sup>

Table 4: HS codes for Rice

| HS codes | Description |
|----------|-------------|
| 100630   | Rice        |
| 100640   | Broken Rice |

#### Current Scenario

The export scenario of India and Uttar Pradesh has been analysed basis the export statistics of HS codes mentioned above. Alongside are the key facts <sup>15</sup>pertaining to the analysed product codes.

Based on our analysis, we have identified key synergies that should be developed to expand our current reach and potential; These synergies are divided into immediate and long term. The immediate synergies include countries with Signed FTA's, high growth potential, and one is catered by India and not UP. Whereas the long-term synergies include countries with untapped market potential which can only be fulfilled if UP's exporters comply and raise the quality of the product to the highest standards, freight rates are more subsidized and major efforts is required in marketing which will require time to accommodate the same.

**Key Facts of Export**

**2,26,90,608 (USD Thousand)**  
Value of world exports in 2020

**78,32,807 (USD Thousand)**  
Total Exports from India in 2020

**443850 (USD Thousand)**  
Total Export from UP in 2020-21

**~ 5.67%**  
Share of UP in India's Exports

<sup>14</sup> DGFT

<sup>15</sup> <https://www.trademap.org/>

## 4.5 Export Potential

As various products are manufactured and sold under the Agri food related to Rice products like Basmati rice, non-basmati rice of Bahraich<sup>16</sup>, in order to gauge our understanding of where India stands relative to the world on the trade of these products, each product has been delved into as a separate unit defined by its exports and imports in comparison to its competition and potential markets to target in the future.<sup>17</sup>

The consolidated list of countries that India can target, respective to the analysis carried out in each chapter are Saudi Arabia, Iran, Iraq, UAE, Benin, Yemen, Togo, USA, Nepal, Guinea, Kuwait, Malaysia, UK as mapped below.

### Product 1: 100630; \_ Semi-milled or wholly milled rice, whether or not polished or glazed

India's exports represent 36.3% of world exports for this product, ranking it number 1. The value of India's exports over the last 5 years have increased by CAGR 8% with a sharp increase in 2018 and then a subsequent dip post that and again increase in 2020. <sup>18</sup>As per data FY 2018-19 to 2020-21 for exports from the state of UP, it is observed that there has been increased by CAGR 40.75%, with a similarly sharp increase from 2018-19.<sup>19</sup>

The top importers for this product in the world are given below, alongside the value of the product imported in 2020.

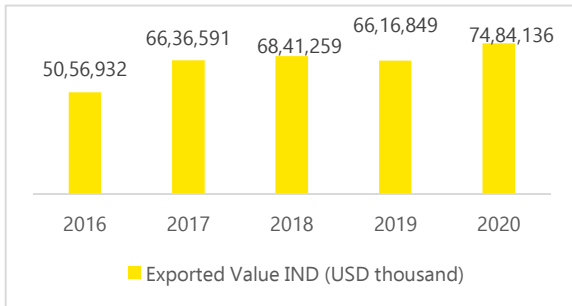


Figure 6: Exported value of India for HSN-100630

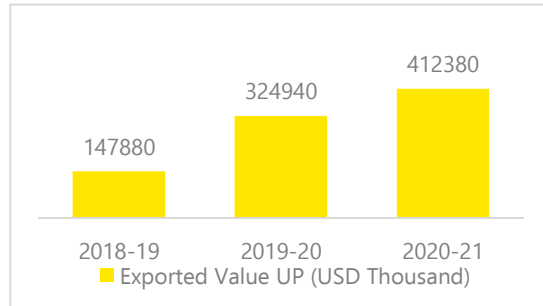


Figure 5: Exported value of UP for HSN-100630

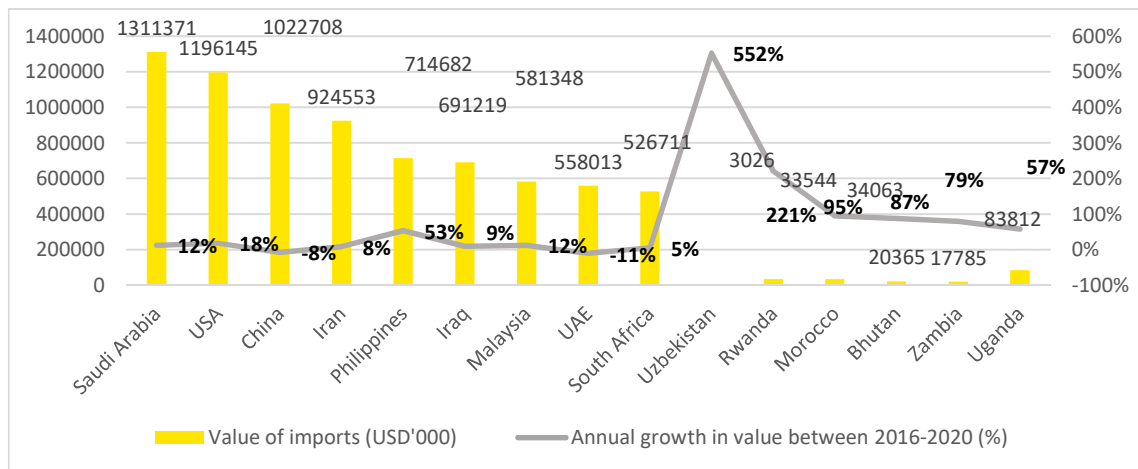


Figure 7: The top importers for this product in the world for HSN-- 100630

<sup>16</sup> Basis stakeholder discussions

<sup>17</sup> Since district-wise data is not available, the analysis has been performed on import and export data of India

<sup>18</sup> <https://www.trademap.org/>

<sup>19</sup> [www.dgcisanalytics.in](http://www.dgcisanalytics.in)



**Prominent countries that import the product from India:**

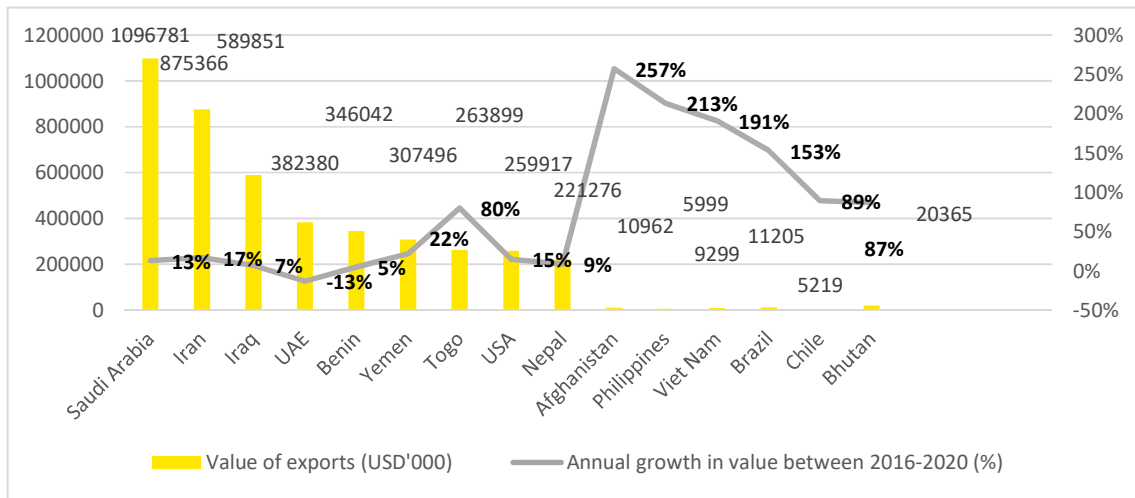


Figure 8: Prominent Import Countries to whom India export of HSN- 100630

The following synergies/ markets are identified for UP and India based on the signed FTAs, untapped potential, high growth potential, the ones is catered by India and not UP etc.

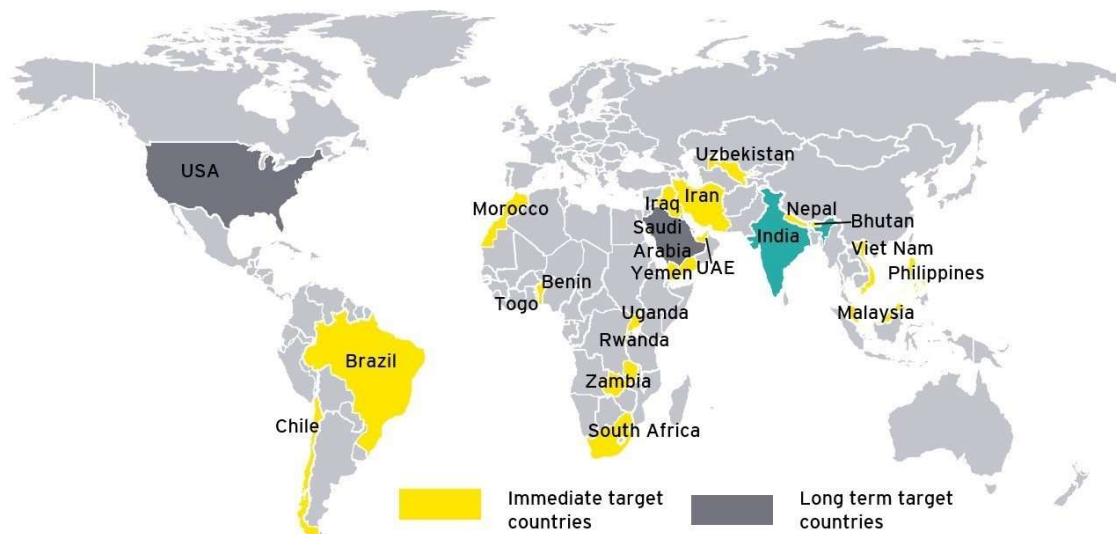


Figure 9: Markets for export potential for HSN-100630

Countries to which UP exports this product under in HSN code -100630 are **Nepal, Somalia, Iran, UK, Djibouti, UAE, Australia, Qatar, Yemen, Benin, USA, Canada, Saudi Arab, South Africa, and Oman.**<sup>20</sup>

**4.6 Potential Areas for Value Added Product**

Product Diversification is one of the most crucial product uplifting strategies which in turn is an important part of a product's export. Currently, only the grains of rice are being sold directly in the market. Knowing the health benefits of the

<sup>20</sup> <http://www.dgcisanalytics.in/dgcis/EXIM-Analytics>



product an initiative can be made for product diversification to manufacture value added products such as chiwda, *poha*, *brown rice*, *rice noodles*, *idli & dosa batter*.

The broken rice can be used to **create flour**. Rice flour is gluten-free; therefore, it is an alternative for producing gluten-free products. Rice flour is also hypoallergenic. Thus, it can be utilized for producing baby food, puddings, and other food products. Due to the decreased risk for people with sensitivities, food companies prefer rice flour to other varieties of flour. Thus, it is economically justifiable to grind broken rice to produce flour for such applications.

With adequate upgradation of technology in the cluster the farmers/ millers can sell by-products and generate additional income by manufacturing by-products from Rice Husks, Brans and Straws; the following are their uses:

| <b>Rice Husk Use</b>   | <b>Rice Bran Use</b>   |
|--|--|
| <ul style="list-style-type: none"> <li>▶ Fuel</li> <li>▶ Gaseous Fuel</li> <li>▶ Husk Briquette</li> <li>▶ Husk Board</li> <li>▶ Furfural</li> </ul> | <ul style="list-style-type: none"> <li>▶ Edible grade oil</li> <li>▶ Industrial grade crude oil</li> <li>▶ Free fatty acid manufacture</li> <li>▶ Plasticizers</li> <li>▶ Tocopherol</li> <li>▶ Rice bran wax</li> </ul> |

Table 5: SWOT Analysis

| <b>Strengths</b>   | <b>Weakness</b>  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ The cluster has a well spread-out industry / Mills with basic knowledge of processing and an elaborate market system</li> <li>▶ Experienced farmers</li> <li>▶ Suitable environmental conditions for multiple cropping</li> <li>▶ Average yield</li> <li>▶ Availability of various financial and non-financial assistances from state and central government pertaining to agriculture</li> </ul> | <ul style="list-style-type: none"> <li>▶ Lack of proper infrastructure facilities for storage</li> <li>▶ Rice mills have not been fully modernized</li> <li>▶ Insufficient branding, market development and strategy</li> <li>▶ Small-sized farms</li> <li>▶ No strong linkages in the value chain</li> <li>▶ Inadequate postharvest infrastructure leading to quality and quantity losses.</li> <li>▶ Insufficient investment in agricultural machinery</li> <li>▶ Due to lack of timely upgradation of rice mills, a large percentage of the produce is often discarded as it is termed as broken rice which is not suitable for sale</li> <li>▶ High transportation cost for export of the product</li> <li>▶ Lac of international penetration due to lack of implementation of marketing strategies by majority small and micro units</li> </ul> |
| <b>Opportunities</b>   | <b>Threats</b>   |



|  |  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ Large scope for expanding sales network- globally and locally due to population growth</li> <li>▶ Improving the product quality to tap international markets</li> <li>▶ Product diversification for attracting larger audiences</li> <li>▶ Opportunity in technical up gradation for efficient production</li> <li>▶ Opportunity for increasing sales by participation in various national and international marketing events</li> <li>▶ Branding for market conquering.</li> </ul> | <ul style="list-style-type: none"> <li>▶ Tough competition with cheaper products with a wide offering in price ranges by competing districts / countries</li> <li>▶ Rising input prices.</li> <li>▶ Dependence on supply of raw material.</li> <li>▶ Requirements and demands for food safety</li> <li>▶ National rice self-sufficiency strategies in importing countries</li> </ul> |
|--|--|

#### 4.8 Challenges and interventions

| Parameter  | Challenges  | Intervention  |
|--|---|---|
| <b>Technological upgradation</b>                           | <ul style="list-style-type: none"> <li>▶ Techno awareness and adaptability among the primary stakeholder is very low</li> <li>▶ Lack of proper working space and investment capacity to scale up the existing units.</li> </ul> | <p><b>Hard Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of Common Production Center with modern machines including Rice sortex Machine, Dryer machine, Silky Polisher, Grader, Cyclone Separator, Drum Sieve, Airlock etc. for enhancing production.</li> </ul> <p><b>Soft Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Exposure visits to benchmark clusters for cross learning on technologies to be adapted in production process</li> <li>▶ Facilitating technology demonstration at the cluster by the domestic and global machine suppliers</li> </ul>  |
| <b>Rice Production, Harvest and Postharvest Management</b> | <ul style="list-style-type: none"> <li>▶ Injudicious use of chemical inputs</li> <li>▶ Farmers apply traditional practices due to lack of knowledge and Machinery</li> <li>▶ Poor harvesting techniques</li> </ul>              | <p><b>Soft Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Exposure visits to benchmark clusters for cross learning on technologies to be adapted in production process</li> <li>▶ Facilitating technology demonstration at the cluster by the Input and machine suppliers</li> <li>▶ Awareness and training for organic rice production, varieties selection according land type, water availability, market demand, pest &amp; disease resistance etc., Integrated Pest Management (IPM), Integrated nutrient management (INM),</li> <li>▶ Awareness and training for postharvest handling practices and treatments carried out after harvest. Handling practices like harvesting, precooling, cleaning and disinfecting, sorting and grading, packaging, storing, and transportation played an important role in maintaining quality and extending shelf life.</li> <li>▶ Training programme to educate the cultivators about</li> </ul> |

|                                 |   |  |
|---------------------------------|---|--|
|                                 |   | various SPS/ Technical standards in international market Distribution of Certified seeds to farmers partially through Krishi Vigyan Kendra (KVK) of Bahraich and Farmer Producers Organization.  |
| <b>Marketing branding &amp;</b> | <ul style="list-style-type: none"> <li>▶ Dependency of farmers on the middlemen / commission agent for sale of their paddy.</li> <li>▶ Dependency of mills on the middlemen / commission agent of out of state like Panjab for sale of their Rice products.</li> <li>▶ Need for infrastructure for marketing &amp; promotion the product</li> <li>▶ Lack of knowledge of existing schemes and govt. initiatives</li> <li>▶ Lack of access to real-time market flows and price information: Farmers are mostly dependent on informal sources such as other farmers, traders, commission agents, and input dealers for advice on market and price information.</li> </ul> | <p><b>Soft Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Awareness and outreach programmes for participating in Domestic / international fairs and exhibitions.</li> <li>▶ Encouraging cluster actors to leverage ODOP MDA scheme for financial assistance.</li> <li>▶ Organizing state and national level exhibitions.</li> <li>▶ Collaboration with E-commerce companies focusing on vegetables and fruit sale like Big Basket, Natures Basket, Amazon, Flipkart etc.</li> <li>▶ Training on marketing, branding and packaging by collaborating the SPV/ artisans with Uttar Pradesh Development and Marketing Corporations Ltd Emporium</li> <li>▶ Promotion of Rice products by DIEPC across the State through branding within their premises and through events like Udyam Samagam</li> <li>▶ Creation of video for branding of the Rice products by highlighting its quality benefits and historical background.</li> </ul> |
| <b>Quality Improvement</b>      | <ul style="list-style-type: none"> <li>▶ Unaware of global standards and quality ratings of this sector/ industry.</li> <li>▶ Non-availability of testing centres or machines or tools for quality check purpose.</li> </ul>  | <p><b>Soft intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Collaboration with Quality Council of India (QCI) will help in setting the quality standard of Rice products, to increase the sales in international markets.</li> <li>▶ Modernized Rice mills to ensure high milling recovery and reduce the percentage of broken rice. This rice will be suitable for export.</li> </ul>   |
| <b>Access to finance</b>        | <ul style="list-style-type: none"> <li>▶ Lack of awareness about existing Financial institutions and their initiatives</li> <li>▶ Limited knowledge on the schemes and policies of central and state government</li> <li>▶ Blockage of working capital owing to extended payment timelines</li> <li>▶ The linkages with banks and financial institution in the cluster are not established properly.</li> <li>▶ Improper documentation</li> </ul>   | <p><b>Soft intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Introducing the Kisan credit card in the cluster</li> <li>▶ Awareness and outreach program for raising consciousness about existing central and state government schemes that can be leveraged</li> <li>▶ Collaboration with SIDBI for finance support</li> <li>▶ Collaboration with nationalized banks/ financial institutions for easy lending to manufacturers through digital platforms to ease out paperwork.</li> <li>▶ Sensitization of banks/financial institutions to understand the product value chain while fixing WC/CC limits.</li> </ul>  |

|                          |   |   |
|--------------------------|---|---|
|                          | leading to loan rejection   |   |
| <b>Packaging</b>         | <ul style="list-style-type: none"> <li>▶ Majority of the cluster actor lacks awareness and knowledge on packaging requisites and its importance</li> <li>▶ The final product is often not, packed or labelled .</li> <li>▶ Lack of innovative packaging</li> <li>▶ No skilled manpower used for packaging</li> </ul>  | <p><b>Hard Intervention</b></p> <ul style="list-style-type: none"> <li>▶ Innovative and modern packaging and Labelling unit is required to overcome this challenge in cluster.</li> </ul> <p><b>Soft Intervention</b></p> <ul style="list-style-type: none"> <li>▶ Collaboration with Indian Institute of Packaging (IIP) for conducting workshops/ seminars or training program for products manufacturers to upgrade their packaging techniques.</li> </ul>   |
| <b>Skill Development</b> | <ul style="list-style-type: none"> <li>▶ Majority of the artisans learn their skills from their family or on the job as the cluster</li> <li>▶ Lack of recognition for formally trained artisans</li> <li>▶ Lack of encouragement to setup/ expand their business</li> <li>▶ Limited knowledge of artisans in business operations</li> <li>▶ The skill gap in various fonts including, drawing, design, lining, cutting, stitching, embroidery, merchandising, CAD</li> </ul> | <p><b>Soft Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ ODOP Skill Development Scheme could be leveraged to provide training/skill-upgradation to the artisans and toolkit distribution.</li> <li>▶ Entrepreneurship and Skill Development Programme (ESDP) scheme may be leveraged for undertaking skilling and upskilling workshops/ training programmes for the cluster actors.</li> <li>▶ Collaboration with NID /NSDC/ UPSSDM for undertaking skilling and upskilling under value chain activities and business development parameters- design, marketing, accounting, production process etc.</li> </ul>  |
| <b>Exporter's issue</b>  | <ul style="list-style-type: none"> <li>▶ No focal point to address exporters ongoing issues.</li> <li>▶ Stakeholders are not taken benefits under the scheme- Assistance against expenses incurred on freight charges for sending goods for exports, through State ICD/CFS upto the gateway port due to no port available in the cluster</li> </ul>   | <ul style="list-style-type: none"> <li>▶ DIEPC to act as a focal point for all export related issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.</li> <li>▶ Truck container to be allowed from cluster to nearest gateway port in this scheme</li> </ul>  |
| <b>Cost Structure</b>    | <ul style="list-style-type: none"> <li>▶ U.P. is a land-locked state hence this increases the transportation cost which in turn adds to the overall production expenses</li> <li>▶ Since the start of Covid 19 Pandemic, the availability of containers and the Freight Charges by the Shipping lines has been main concern of the industry</li> </ul>  | <ul style="list-style-type: none"> <li>▶ The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme.</li> <li>▶ The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website.</li> <li>▶ The formation of the sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.</li> </ul> |

## 4.9 Future Outcomes

| Annual Turnover <sup>21</sup>  |
|--|
| Increase in annual turnover from existing <b>INR 755.59 Cr. to 1106 Cr. Over the period of 5 years</b> |

| Cluster exports <sup>22</sup>   |
|---|
| Increase in exports (Indirect) from <b>INR 473.16 Cr to INR 692.75 Cr<sup>23</sup> over the period of 5 years</b> |


## 5. Product 2: Food processing (Pulses)


### 5.1 Cluster Overview


In Bahraich, rural population is approximately 80% and is majorly involved into agriculture & farm related occupations.

Bahraich is not penurious for any introduction in the field of Food Processing. Pulses are harvested here in large scale being the topographical area of district as lowland. Apart, Wheat, Paddy, Maize etc. are also other crops farmed here. Vegetables, which are of daily use, also processed along with these food grains so that their supply can be ensured during off season. Keeping the Potato in cold storage and keeping green peas as fresh through processing, are one of the major cottages/small scale industries available in this district. Presently a big portion of rural population of Bahraich is involved in the field of food processing.

**Key Facts** Error! Bookmark not defined.

 **40,000 Farmers and 10 Mills**

 **INR 166.94 Crores** Approximate turnover of the cluster

 **450 Mill workers** directly or indirectly associated

The focus product under the ODOP scheme has been selected as the Pulses in food processing. Since the district is known for its food processing industry, has favourable soil conditions due to the presence of river Rapti, fertile land is available so growing pulses is very easy and farmers can cultivate it with less input cost.

Masur is grown as one of the major crops engaging approximately 47832 hectares of land, productivity of crop is 6.62 quintal per hectare and production is approximately 31664.78 Tonnes and approx. 40,000 farmers connected with various types of pulse cultivation. The total cultivable area of Bahraich District is approximately 3.50 Lakh Hectares out of this only 55294 Hectares (15.75%) is utilized for growing of pulses. Arhar, Urad, Matar and Chana are grown in almost all blocks in small quantities for self-consumption (depending upon the annual need of the family) Arhar is mainly grown in the Harhariya Block (approximately 80%).

Masur is mainly growing the River Rapti Basin area and covers Bahraich, Visheshwarganj, Payagpur Jarwal, Pakharpur Blocks and is mainly grown for commercial purposes, in cases farmer also sells this dal to buy Arhar and other dal for consumption purposes.<sup>24</sup>

Masur and Arhar used to be two of the major pulse crops grown in the district and Masur was commercially sold in the district Mandi and other nearby markets.

<sup>21</sup> DIC, Bahraich and calculation -10% growth per year

<sup>22</sup> DIC, Bahraich and calculation -10% growth per year

<sup>24</sup> DSR Bahraich prepared by PWC, consultation with District Agriculture Officers and KVK, Bahraich

10 pulse processing mills are located in Mini Industrial Estate (Bhagwatiganj) present in Bahraich District

## 5.2 Product profile

Dals are an integral part of the Indian diet. A major source of protein, that the vegetarians use in their everyday meals. India is home to many different varieties of lentils, dried beans, pulses, and legumes.

Traditionally, Bahraich district is renowned for its Red Lentils (Masur Dal) production. The other type of pulses which are grown in the district are pigeon pea (Arhar), Urad (Black Gram), Chana (Brown Chickpeas), Moong (Green Gram) etc.,

Lentils receive their scientific name, *Lens culinaris*, from their curved lens-shaped seed. They are a type of legume that is native to Western Asia and North America. Lentils are one of the earliest domesticated crops, seen in the diets of ancient Rome and Egypt. Many countries enjoy lentils as a dietary staple, as they offer an earthy, mild, nutty flavour that works well in various recipes. Canada leads the world's production of lentils, followed by India.<sup>25</sup>

Lentil seeds are an excellent source of plant-based proteins and represent a viable alternative to animal and soybean proteins for food processing formulations. Lentil proteins provide not only dietary amino acids but are also a source of bioactive peptides that provide health benefits.<sup>26</sup>

They may be sold as whole lentils or split with the husks removed. Whole lentils with husks intact take longer to cook and will retain their shape; split lentils without husks cook very quickly and break down into a puree. These differences in texture will determine in which recipes they may be used. Lentils are available dried or canned.

### 5.2.1 Product Portfolio

The following are the key varieties of different type pulses which are produce, processing and sale domestic and indirect export in the cluster:<sup>27</sup>

- ▶ **Lentil:** Narender Masur -1, Narender Masur -2
- ▶ **Pigeon pea:** NA-1, NA-2,
- ▶ **Urad (Black Gram):** NU-1, NU-2
- ▶ **Moong (Green Gram):** NM-1

## 5.3 Cluster Stakeholders



Figure 10: Cluster Stakeholders

<sup>25</sup> <https://www.hsph.harvard.edu/nutritionsource/food-features/lentils/>

<sup>26</sup> <https://www.mdpi.com/2304-8158/8/9/391/pdf>

<sup>27</sup> Consultation with Stakeholder



## 5.4 Export Scenario

### 5.4.1 HS code

The following table lists the HS codes under which the products are indirect exported from the district:

Table 6: HS codes for Food processing (Pulses)

| HS codes | Description   |
|----------|---|
| 071340   | Food processing (Pulses)- Dried, shelled lentils, whether or not skinned or split |

#### Current Scenario

The export scenario of India and Uttar Pradesh has been analysed basis the export statistics of HS codes mentioned above under which food processing related to pulses (Masoor) are exported. Alongside are the key facts <sup>28</sup>pertaining to the analysed product codes.

Based on our analysis, we have identified key synergies that should be developed to expand our current reach and potential; These synergies are divided into immediate and long term. The immediate synergies include countries with Signed FTA's, high growth potential, and one is catered by India and not UP. Whereas the long-term synergies include countries with untapped market potential which can only be fulfilled if UP's exporters comply and raise the quality of the product to the highest standards, freight rates are more subsidized and major efforts is required in marketing which will require time to accommodate the same.



## 5.5 Export Potential

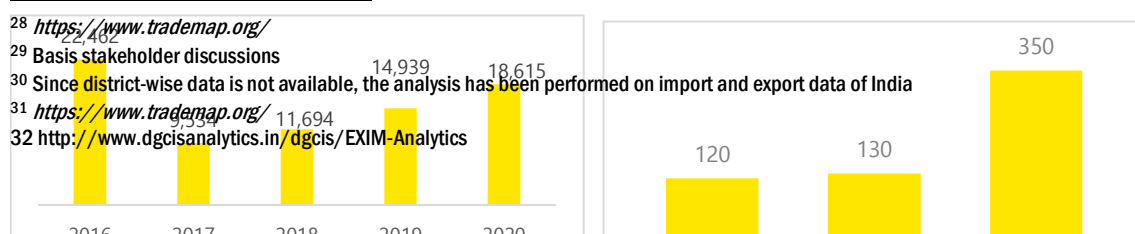
As various products are manufactured and sold under the food processing related to pulses products like Masoor (Lentil) of Bahraich<sup>29</sup>, in order to gauge our understanding of where India stands relative to the world on the trade of these products, each product has been delved into as a separate unit defined by its exports and imports in comparison to its competition and potential markets to target in the future.<sup>30</sup>

The consolidated list of countries that India can target, respective to the analysis carried out in each chapter are Bangladesh, USA, Bhutan, Qatar, UAE, Italy, Nepal, Netherlands, Singapore, Thailand, as mapped below.

#### Product 1: 071340; \_ Dried, shelled lentils, whether or not skinned or split

India's exports represent 0.6% of world exports for this product, ranking it number 9. The value of India's exports over the last 5 years have increased by CAGR 1% with a sharp increase in 2018 and then a subsequent dip post.

<sup>31</sup>As per data FY 2018-19 to 2020-21 for exports from the state of UP, it is observed that there has been increased by CAGR 42.88%, with a similarly sharp increase from 2018-19.<sup>32</sup>



The top importers for this product in the world are given below, alongside the value of the product imported in 2020.

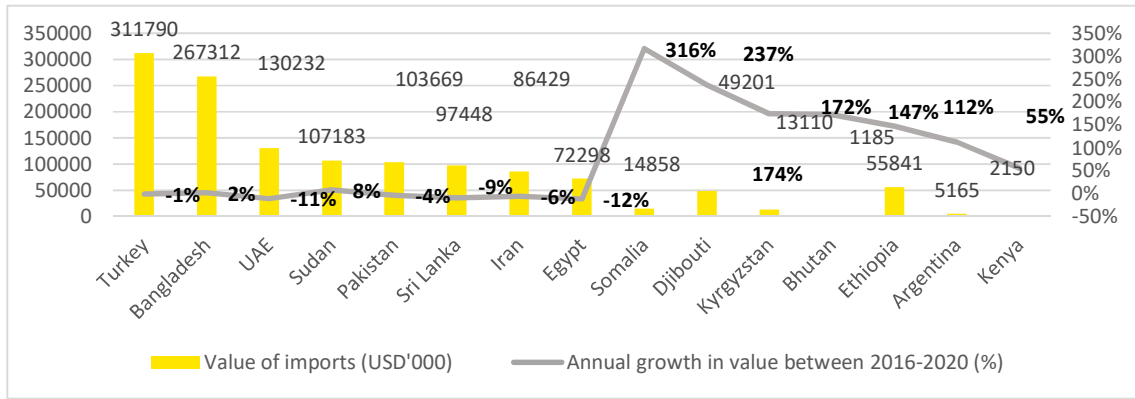


Figure 13: The top importers for this product in the world for HSN-071340

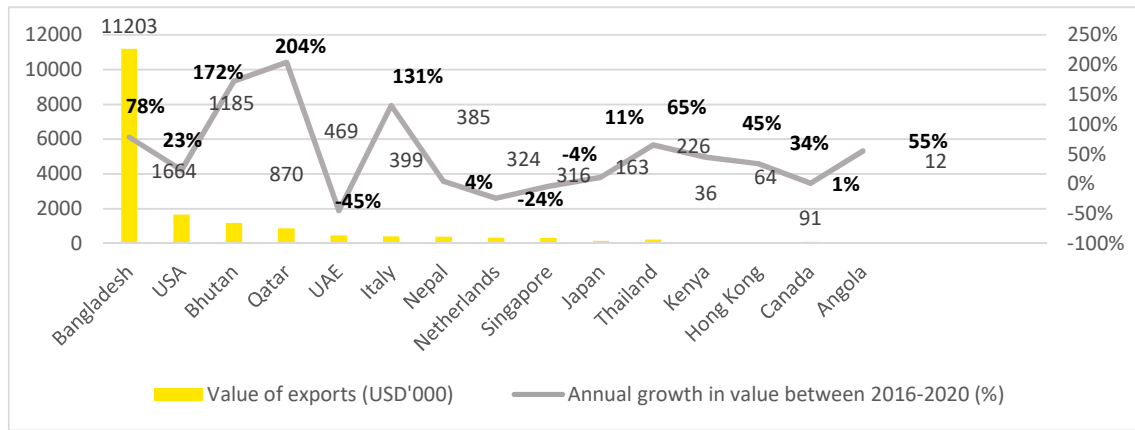


Figure 14: Prominent Import Countries to whom India export of HSN- -071340

**Prominent countries that import the product from India:**

The following synergies/ markets are identified for UP and India based on the signed FTAs, untapped potential, high growth potential, the ones is catered by India and not UP etc.



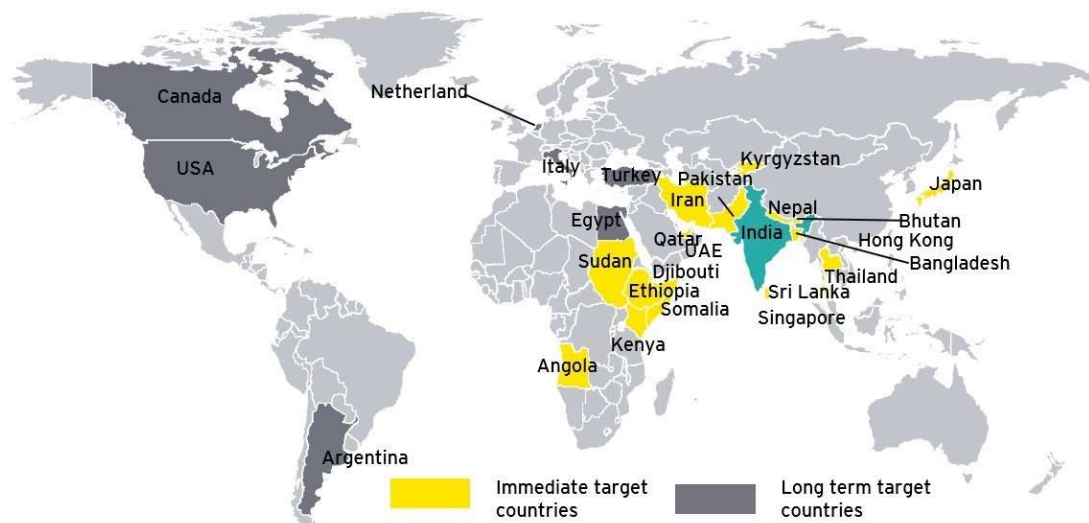


Figure 15: Markets for export potential for HSN-071340

Countries to which UP exports this product under in HSN code -071340 are **USA, Nepal, Philippines, UAE, UK, Saudi Arab, Singapore, Bahrain, Russia, Qatar, Oman, Kuwait, and Liberia.**<sup>33</sup>

### 5.6 Potential Areas for Value Added Product

Product Diversification is one of the most crucial product uplifting strategies which in turn is an important part of a product's export. Currently, only the pulses are being sold directly in the market. Knowing the high demand of the product an initiative can be made for product diversification to manufacture value added products such as papad, sweets, Namkeen, podis, halwas powder, ladoos, combined with cereal-based ingredients (i.e. wheat, rice, oats), etc

With adequate upgradation of technology in the cluster the farmers/ millers can sell by-products and generate additional income by manufacturing by-products from broken pulses.

### 5.7 SWOT analysis

Table 7: SWOT Analysis

| Strengths | Weakness |
|-----------|----------|
|-----------|----------|

<sup>33</sup> <http://www.dgcisanalytics.in/dgcis/EXIM-Analytics>



|  |   |
|--|---|
| <ul style="list-style-type: none"> <li>▶ Suitable environmental conditions for multiple cropping</li> <li>▶ Experienced farmers</li> <li>▶ Average yield</li> <li>▶ Availability of various financial and non-financial assistances from state and central government pertaining to agriculture</li> <li>▶ Lentil is produced as one of the major crops in the district.</li> <li>▶ Bahraich district is known in food processing industry (10 pulses processing mills).</li> <li>▶ Bahraich district is known in food processing industry. Presence of approx. 10 mills.</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Lack of interest of farmers due to non-availability of proper rates</li> <li>▶ Non availability of subsidised certified seeds to the farmers</li> <li>▶ Lack of proper infrastructure facilities for storage</li> <li>▶ Pulses mills have not been fully modernized</li> <li>▶ Insufficient branding, market development and strategy</li> <li>▶ No strong linkages in the value chain</li> <li>▶ Inadequate postharvest infrastructure leading to quality and quantity losses.</li> <li>▶ Insufficient investment in agricultural machinery</li> <li>▶ High transportation cost for export of the product</li> <li>▶ Lac of international penetration due to lack of implementation of marketing strategies by majority small and micro units</li> <li>▶ Regular Electricity cuts are hampering functioning of mills. They are not able to operate on full capacity and meeting the demands of the industry</li> <li>▶ Lack of awareness among farmers and millers related to government beneficial schemes and policies</li> </ul> |
| <b>Opportunities</b>   | <b>Threats</b>  |
| <ul style="list-style-type: none"> <li>▶ Large scope for expanding sales network- globally and locally due to population growth</li> <li>▶ Improving the product quality to tap international markets</li> <li>▶ Product diversification for attracting larger audiences</li> <li>▶ Opportunity in technical up gradation for efficient production</li> <li>▶ Opportunity for increasing sales by participation in various national and international marketing events</li> <li>▶ Branding for market conquering. Increase participation in marketing events- International and domestic</li> <li>▶ Export volume can be increased through price competitiveness</li> <li>▶ High demand as Pulses is used in all parts of world as cheapest source of protein</li> </ul> | <ul style="list-style-type: none"> <li>▶ Tough competition with cheaper products with a wide offering in price ranges by competing neighbouring developed clusters</li> <li>▶ Dependence on supply of raw material.</li> <li>▶ Requirements and demands for food safety</li> <li>▶ National pluses self-sufficiency strategies in importing countries</li> <li>▶ No pre agreed price for pulses creating disinterest in farmers.</li> <li>▶ Crop prone to infection leading to less productivity.</li> <li>▶ Crop prone to infection leading to less productivity.</li> <li>▶ Shortage of skilled labour in the mills due to migratory labour and presence of sugar mills</li> </ul>  |

|   |  |
|---|--|
| ▶ Probability of high production through organic farming and increasing land under cultivation. |  |
|---|--|

## 5.8 Challenges and interventions

| Parameter                        | Challenges  | Intervention   |
|----------------------------------|---|--|
| <b>Raw Material</b>              | <ul style="list-style-type: none"> <li>▶ Pulses (especially Lentils) are not available locally in enough quantities</li> <li>▶ Lack of quality certified seeds and follow best agricultural practices on farms</li> <li>▶ This raw material sourcing from neighbouring districts and states increases the raw material cost for milling and thereby increasing cost for processed (milled) pulses for market and value-added products manufacturers.</li> <li>▶ Lack of storage facility in the cluster for raw and processed pulses</li> </ul> | <p><b>Hard Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of a Common Facility Centre (CFC) with warehouse facilities for storage of seed, raw pulse, processed pulses (lentils) and finished value-added products.</li> </ul> <p><b>Soft interventions</b></p> <ul style="list-style-type: none"> <li>▶ Creating awareness amongst farmers to engage in pulses(lentils) farming.</li> <li>▶ Ensuring supply of quality and certified seeds to the farmers</li> <li>▶ Incentives to farmers to sow pulses (lentils) crop or buy back assurance.</li> </ul>  |
| <b>Technological upgradation</b> | <ul style="list-style-type: none"> <li>▶ Lack Non availability of soil testing, technology, or research &amp; development centers in the cluster.</li> <li>▶ Non availability of common production center for production of value-added products such as Namkeen, Animal Feed etc., in the cluster</li> <li>▶ Modern agronomy practices for enhancing yield of pulses/lentils are not accessible to farmer fraternity in the cluster.</li> </ul>  | <p><b>Hard Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of a CFC with Technology led Common Production Centre for production including Sortex machine, Dryer machine, Silky Polisher, Grader, Cyclone Separator, Drum Sieve, Airlock etc. for enhancing production and value-added products in the cluster</li> <li>▶ Technology or Research &amp; Development Centre for providing soil testing, quality/certified seeds and other research &amp; development activities in the cluster.</li> </ul> <p><b>Soft Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Maximizing leveraging of government schemes which provides financial assistance for technology upgradation (viz. ODOP margin money scheme etc.)</li> <li>▶ Training and workshops by the agriculture experts to the farmers</li> <li>▶ targeting improvement in the yield of pulses/lentils</li> <li>▶ Ensuring orientation, technical Inputs and guidance to the stakeholders of the cluster on food grade packaging of processed (milled &amp; polished) pulses/lentils and other value-added products to meet the export standards.</li> </ul> |
| <b>Pulses Production,</b>        | <ul style="list-style-type: none"> <li>▶ Injudicious use of chemical inputs</li> <li>▶ Farmers apply traditional practices</li> </ul>   | <p><b>Soft Interventions:</b></p>  |



|   |  |  |
|---|--|--|
| <b>Harvest and Postharvest Management</b> | <p>due to lack of knowledge and Machinery</p> <ul style="list-style-type: none"> <li>▶ Poor harvesting techniques</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Exposure visits to benchmark clusters for cross learning on technologies to be adapted in production process</li> <li>▶ Facilitating technology demonstration at the cluster by the Input and machine suppliers</li> <li>▶ Awareness and training for organic pulses production, varieties selection according land type, water availability, market demand, pest &amp; disease resistance etc., Integrated Pest Management (IPM), Integrated nutrient management (INM),</li> <li>▶ Awareness and training for postharvest handling practices and treatments carried out after harvest. Handling practices like harvesting, precooling, cleaning and disinfecting, sorting and grading, packaging, storing, and transportation played an important role in maintaining quality and extending shelf life.</li> <li>▶ Training programme to educate the cultivators about various SPS/ Technical standards in international market</li> <li>▶ Distribution of Certified seeds to farmers partially through Krishi Vigyan Kendra (KVK) of Bahraich and Farmer Producers Organization.</li> </ul> |
| <b>Capacity Building measures</b>         | <ul style="list-style-type: none"> <li>▶ Non availability of dedicated Training Centre in the cluster</li> <li>▶ Training on modern agronomy practices is not accessible to farmer fraternity in the cluster.</li> <li>▶ FPCs/FPOs and Women SHGs are unorganized and have not taken up value addition activities of the product</li> <li>▶ Lack of research inputs from the reputed institutions for the cluster</li> </ul> | <p><b>Soft Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Establish collaboration with Indian Institute of Pulse Research (IIPR)- Kanpur, Directorate of Pulse Development (DPD)-Govt of India, Acharya Narendra Dev University-Ayodhya and local KVKs for knowledge transfer, best package &amp; practices, and other adequate trainings</li> <li>▶ Creating awareness for organizing, strengthening/activating FPOs/FPCs, Women SHGs to engage in processing, packaging, activities and encouraging other farmers to become part of FPOs/FPCs</li> <li>▶ Motivating FPCs/ FPOs/ farmers/ Women SHGs to actively engage in dialogue with the research institutions on a day-to-day basis</li> <li>▶ Involve business schools in generating business plans for social enterprises as students' projects.</li> </ul>   |
| <b>Quality control</b>                    | <ul style="list-style-type: none"> <li>▶ Lack of testing and quality check facilities in the cluster</li> <li>▶ Lack of awareness among the stakeholders about the export quality</li> </ul>   | <p><b>Soft Intervention</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of a testing facility or licensing /franchising of the testing lab facility so that</li> </ul>  |

|                               |  |   |
|-------------------------------|--|---|
|                               | <p>standards of the product and its value-added products</p> <ul style="list-style-type: none"> <li>▶ Although there are 6 Govt. authorized testing labs in UP, they are not exclusive to pulses and are in Ghaziabad (3), Meerut, Noida and Kanpur which too far from Bagraich.</li> </ul>  | <p>quality certifications and testing can be done locally in Bagraich.</p> <ul style="list-style-type: none"> <li>▶ MoU signing with QCI for understanding quality standards of Pulses/lentils and its products so that their quality can be maintained/improved.</li> </ul>  |
| <b>Packaging</b>              | <ul style="list-style-type: none"> <li>▶ There are no proper packaging facilities in the cluster</li> <li>▶ Cluster stakeholders do not possess enough knowledge related to packaging.</li> </ul>  | <p><b>Hard Intervention</b></p> <ul style="list-style-type: none"> <li>▶ Innovative and modern packaging and Labelling unit is required to overcome this challenge in cluster.</li> </ul> <p><b>Soft Intervention</b></p> <ul style="list-style-type: none"> <li>▶ Collaboration with Indian Institute of Packaging (IIP) will help with innovative packaging techniques customized as per the product.</li> </ul>  |
| <b>Marketing and Branding</b> | <ul style="list-style-type: none"> <li>▶ Despite of Rani Masur (lentils) of Bagraich and Gonda being of superior quality among all other varieties of Masur in the country, exclusive branding activities in the cluster are not being carried out.</li> <li>▶ Offline marketing is broadly used over online marketing</li> <li>▶ Lack of long-term contracts to sell the product</li> </ul>   | <p><b>Soft Intervention</b></p> <ul style="list-style-type: none"> <li>▶ Connecting cluster stakeholders to mandis run by the State Government for better marketing opportunities</li> <li>▶ Exclusive branding initiative of the pulses/lentils of cluster and its products as 'Devipatan Dal'.</li> <li>▶ Collaboration with E-commerce companies like ODOP Mart, Flipkart, Amazon, etc.</li> <li>▶ Organizing &amp; participating in exhibitions, buyer seller meets, trade shows etc.</li> <li>▶ Creation of video for branding of the pulse products by highlighting its quality benefits background.</li> </ul>   |
| <b>Access to finance</b>      | <ul style="list-style-type: none"> <li>▶ Assurance of purchase of the entire yield of the pulses/lentils cultivating farmers in the cluster</li> <li>▶ Difficulty in receiving financial support from financial institutions (including RRBs) for farmers/traders/entrepreneurs etc.</li> <li>▶ Elaborative process/tedious paperwork and long waiting time of banks usually discourage farmers/traders/entrepreneurs from taking financial support</li> </ul> | <p><b>Soft Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Providing Input Subsidy/Buy Back Assurance for farmers by establishing Input Credit / Buy Back Assurance Fund</li> <li>▶ Creating awareness about ODOP MM scheme and other relevant schemes and ensuring availability of 'Revolving Working Capital Assistance' to traders/entrepreneurs of all micro/medium and small units towards procuring raw materials and meeting operating expenditure. This can be introduced as a part of CFC.</li> <li>▶ Collaboration with nationalized banks to facilitate quick loan approval and disbursement through digital lending. (ex. SIDBI and BoB)</li> <li>▶ Sensitization of banks/financial institutions to understand the product value chain while fixing</li> </ul> |

|                         |  |   |
|-------------------------|--|---|
|                         |  | <p>WC/CC limits.</p> <ul style="list-style-type: none"> <li>▶ Making people aware about the different financial schemes/benefits to promote export.</li> </ul>  |
| <b>Exporter's Issue</b> | <ul style="list-style-type: none"> <li>▶ No focal point to address exporters ongoing issues.</li> <li>▶ Stakeholders are not taken benefits under the scheme- Assistance against expenses incurred on freight charges for sending goods for exports, through State ICD/CFS upto the gateway port due to no port available in the cluster</li> </ul>    | <ul style="list-style-type: none"> <li>▶ DIEPC to act as a focal point for all export related issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.</li> <li>▶ Truck container to be allowed from cluster to nearest gateway port in this scheme</li> </ul>  |
| <b>Cost Structure</b>   | <ul style="list-style-type: none"> <li>▶ U.P. is a land-locked state hence this increases the transportation cost which in turn adds to the overall production expenses</li> <li>▶ Since the start of Covid 19 Pandemic, the availability of containers and the Freight Charges by the Shipping lines has been main concern of the industry</li> </ul> | <ul style="list-style-type: none"> <li>▶ The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme.</li> <li>▶ The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website.</li> <li>▶ The formation of the sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.</li> </ul> |

## 5.9 Future Outcomes

| Annual Turnover   |
|---|
| Increase in annual turnover from existing <b>INR 166.94 Cr. to 244 Cr. over a span of 5 years</b> |

| Cluster exports  |
|--|
| Initiate direct export of <b>1Cr. over the period of 5 years</b> |

## 6. Various Schemes being run by Export Promotion Bureau, UP

### 6.1 Marketing Development Scheme (MDA)

| S.No | Incentives offered  | Amount of incentive against total expenditure  |
|------|---|--|
| 1    | Participation in foreign fairs/exhibitions (total three fairs / annum)<br>a. Stall charges<br>b. Air fare (economy class) | a. 60% of stall charges (max 01 lac / fair)<br>b. 50% (max 0.5lac for one person / fair) |
| 2    | Publicity, advertisement, development of website  | 60 % (max 0.60 lac/annum)  |
| 3    | Sending of samples to foreign buyers  | 75 % (max 0.50 lac/annum)  |
| 4    | ISO /BSO certification  | 50 % (max 0.75 lac/annum)  |

### 6.2 Gateway Port Scheme

| Particulars  | Details   |
|--|---|
| <b>Brief Description</b>                             | Assistance is given to all manufacturing exporting units on expenses incurred on the rail transport of their goods from ICD/CFS to Gateway ports. |
| <b>Eligible units</b>                                | Micro, small & medium enterprises.  |
| <b>Incentives Offered against actual expenditure</b> | 25% of the total expenditure or Rs 6000 (20 ft' container) & Rs 12000 (40 ft' container) (whichever is less)                                      |
| <b>Maximum limit</b>                                 | Rs 12 lacs /unit /year  |
| <b>Empowered committee</b>                           | District Users Committee under the chairmanship of district magistrate.   |

### 6.3 Air Freight Rationalization Scheme

| Particulars                       | Details   |
|-----------------------------------|---|
| <b>Incentive offered</b>          | 20% of the actual expenditure or Rs 50 / kg (whichever is less) |
| <b>Eligible Units</b>             | Manufacturer & merchant exporter                                |
| <b>Maximum limit</b>              | Rs 2 lacs /unit /year   |
| <b>Recognized Cargo Complexes</b> | Varanasi & Lucknow  |

## 7. Action Plan

| Quantifiable activity/ intervention   | Responsible authority | Timeline for implementation <sup>34</sup> |
|---|-----------------------|---|
| <b>Increasing the overall exports from the state</b>  |                       |   |
| <b>Sensitization and facilitation in availing Import/ export documents:</b> Majority of the cluster actors though interested and sensitized on exports are unaware of Import-Export Code which is crucial for participating in global trade. While some of them are aware, they face challenges in applying. Thus, at district level, a camp should be set in every three months to help the individuals interested in trade to understand about the requisite documents required for undertaking import/ export and provide support in availing them   | DIEPC, UPEPB          | Continuous initiative                     |
| <b>Creation of an event calendar</b> comprising of events to be conducted in a Financial Year with a <b>focus on international marketing events</b> . Further, DGFT and FIEO can finalize a target to participate in <b>at least 3 international events in a year per product category/industry</b> of Tar products by <b>utilizing schemes like IC and MAS</b>   | DIEPC, UPEPB          | Continuous initiative                     |
| <b>Sensitization of cluster actors:</b> <ol style="list-style-type: none"> <li>The individuals of a cluster should be <b>sensitized on the plethora of schemes<sup>35</sup></b> available for them for maximizing the potential of exports. <b>Merchandise Exports from India Scheme, Service Export from India Scheme</b> etc. provides <b>various exemptions</b> for facilitating exports. Further, schemes like <b>Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme)</b> ensure <b>procurement of imported duty-free raw materials</b></li> <li>Currently, majority of the exporters and traders focus on selling their goods to USA, UK and European countries without correctly analyzing the demand market. Thus, these cluster actors should be <b>sensitized on target countries identified through export analysis mentioned in DAPs and EAP</b></li> </ol> | DIEPC, UPEPB          | Continuous initiative                     |
| DIC and FIEO can play a pro-active role in this regard. <b>10% increase</b> in every year in the number of units taking part in the trade fairs organized by FIEO and other organizations may be proposed as a target   | DIC, UPEPB and FIEO   | Intermediate                              |

<sup>34</sup> Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

<sup>35</sup> List of available schemes facilitating exports: <https://cdn.s3waas.gov.in/s3555d6702c950ecb729a966504af0a635/uploads/2020/12/2020120965.pdf> and <https://www.ibef.org/blogs/indian-export-incentive-schemes>:

| under this segment  |                       |                  |
|---|-----------------------|------------------|
| Common interventions across sectors/ clusters   |                       |                  |
| Creation of video for branding of the Rice, and food processing- Pulses by highlighting its quality benefits and historical background.   | UPEPB/DIEPC           | Short term       |
| Promotion of Rice, and food processing-pulses by DIEPC across the State through branding within their premises and through events like Udyam Samagam                                      | DIEPC                 | Ongoing activity |
| MoU with QCI for defining quality standards of the products   | UPEPB/DIEPC           | Short term       |
| Collaboration with IIP to define cluster-wise packing standards   | UPEPB/DIEPC           | Short term       |
| Exposure visits to benchmark clusters for cross learning of the exiting units for production process and machines operate.  | UPEPB/DIEPC           | Short term       |
| Facilitating technology demonstration at cluster level by the domestic and global machine suppliers   | UPEPB/DIEPC           | Short term       |
| Introducing the Kisan credit card in the cluster  | DIEPC and banks       | Short term       |
| Sensitization of banks and bankers to help them understand the niche sectors of MSME and their specific requirements which shall help banks evaluate projects better while lending credit | UPEPB/DIEPC and banks | Short term       |
| Introduction of revolving working capital within the cluster to help MSMEs procure raw materials and undertake production without hinderances   | UPEPB/DIEPC and banks | Intermediate     |
| Tie up with the banks/financial institutions (SIDBI, Bol etc.) for better interest rates, enhanced working capital limits etc.  | UPEPB/DIEPC and banks | Intermediate     |
| Handholding of MSMEs for increasing their awareness on schemes of state & centre and the procedure to apply to avail financial assistance   | UPEPB/DIEPC           | Intermediate     |



|  |                  |            |
|--|------------------|------------|
| DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.   | DIEPC/DGFT/UPEPB | Long term  |
| <b>Cost Structure:</b>   |                  |            |
| a. The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme.   | DIEPC/UPEPB      | Long term  |
| b. The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website.  | DIEPC/UPEPB      | Long term  |
| c. The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal | DIEPC/UPEPB/FIEO | Short term |
| Stakeholders are not taken benefits under the scheme- Assistance against expenses incurred on freight charges for sending goods for exports, through State ICD/CFS upto the gateway port due to no port available in the cluster. Truck container to be allowed from cluster to nearest gateway port in this scheme  | DIEPC, DGFT      | Long term  |
| <b>Product 1: Rice products</b>  |                  |            |
| <b>Establishment of Common Facility Centre with:</b>   |                  |            |
| a. Common Production Center with modern machines including <b>Rice sortex Machine, Dryer machine, Silky Polisher, Grader, Cyclone Separator, Drum Sieve, Airlock etc. for enhancing production.</b>  | DIEPC, DGFT      | Long term  |
| b. Innovative and modern packaging and Labelling unit  |                  |            |

|   |  |  |
|---|--|--|
| Focus on high Yielding Export Quality Rice -Breeding programme may be initiated to develop high yielding export quality rice (Basmati, Non-Basmati, Long Grain Rice, etc.) to enable the exporters to sustain their exports in future.  | Research Institutes/Agriculture Department/DIEPC/ APEDA                                  | Mid term                               |
| To identify export quality belts/zones for production of rice to meet the requirement of exports.   | Agriculture Department/District Administration/District Level Export Promotion Committee | Long term                              |
| It is suggested that special efforts should be made to promote the export of organic product of rice from this district.  | DIEPC/APEDA/UPEPB  | Short term                             |
| Distribution of Certified seeds to farmers partially through Krishi Vigyan Kendra (KVK) of District and Farmer Producers Organization   | KVK/ DIEPC/ FPO  | Ongoing as per Implementation schedule |
| <b>Training programme to educate the cultivators:</b> <ol style="list-style-type: none"> <li>Training programme to educate the cultivators about various SPS/ Technical standards in international markets</li> <li>The District Industry Centre in consultation with regional DGFT officer &amp; APEDA may chalk out the programme on quarterly basis to train and education cultivators and other stake holders about SPS/ technical standards in international markets.</li> </ol> | DIEPC/DGFT/APEDA/DGFT  | Ongoing                                |
| Collaboration with E-commerce companies focusing on vegetables and fruit sale like Big Basket, Natures Basket etc. and Onboarding workshops to be conducted for handholding to artisans and entrepreneurs   | Big Basket/Natures Basket and UPEPB and DIEPC  | Short term                             |
| <b>Product 2: Food processing – Pluses</b>  |  |  |

|   |  |  |
|---|--|--|
| <p><b>Establishment of Common Facility Centre with:</b></p> <ol style="list-style-type: none"> <li>Establishment of a Common Facility Centre (CFC) with warehouse facilities for storage of seed, raw pulse, processed pulses (lentils) and finished value-added products.</li> <li>Common Processing Center</li> <li>Technology or Research &amp; Development Centre for providing soil testing, quality/certified seeds and other research &amp; development activities in the cluster.</li> <li>Innovative and modern packaging and Labelling unit is required to overcome this challenge in cluster.</li> </ol> | DIEPC, DGFT  | Long term                              |
| Focus on high Yielding Export Quality pulses -Breeding programme may be initiated to develop high yielding export quality of different type of pulses to enable the exporters to sustain their exports in future.   | Research Institutes/Agriculture Department/DIEPC/ APEDA                                  | Mid term                               |
| To identify export quality belts/zones for production of pulses to meet the requirement of exports.   | Agriculture Department/District Administration/District Level Export Promotion Committee | Long term                              |
| It is suggested that special efforts should be made to promote the export of organic product such as pulses from this district.   | DIEPC/APEDA/UPEPB  | Short term                             |
| Distribution of Certified seeds to farmers partially through Krishi Vigyan Kendra (KVK) of District and Farmer Producers Organization   | KVK/ DIEPC/ FPO  | Ongoing as per Implementation schedule |
| <p><b>Training programme to educate the cultivators:</b></p> <p>Training programme to educate the cultivators about various SPS/ Technical standards in international markets</p> <p>The District Industry Centre in consultation with regional DGFT officer &amp; APEDA may chalk out the programme on</p>   | DIEPC/DGFT/APEDA/DGFT  | Ongoing                                |
| Collaboration with E-commerce companies focusing on vegetables and fruit sale like Big Basket, Natures Basket etc. and Onboarding workshops to be conducted for handholding to artisans and entrepreneurs   | Big Basket/Natures Basket and UPEPB and DIEPC  | Short term                             |



## 8. Annexure 1


### Abbreviations

|                   |   |
|-------------------|---|
| <b>API</b>        | Active pharmaceuticals ingredients                |
| <b>CAD</b>        | Computer-Aided Design                             |
| <b>CAM</b>        | Computer Aided Manufacturing                      |
| <b>CFC</b>        | Common Facility Center                            |
| <b>CONCOR</b>     | Container Corporation of India                    |
| <b>CPC</b>        | Common Production Center                          |
| <b>DGFT</b>       | Director General of Foreign Trade                 |
| <b>DIC</b>        | District Industries Center                        |
| <b>DIEPC</b>      | District Industry and Enterprise Promotion Center |
| <b>DPR</b>        | Detailed Project Report                           |
| <b>EPC</b>        | Export Promotion Council                          |
| <b>EPCG</b>       | Export Promotion Capital Goods                    |
| <b>FIEO</b>       | Federation of India Export Organization           |
| <b>FTA</b>        | Free Trade Agreement                              |
| <b>GCC</b>        | Gulf Cooperation Council                          |
| <b>GI</b>         | Geographical Indication                           |
| <b>HS</b>         | Harmonized System                                 |
| <b>IC</b>         | International Cooperation                         |
| <b>IC Engines</b> | Internal Combustion Engines                       |
| <b>IEC</b>        | Import Export Code                                |
| <b>IIP</b>        | Indian Institute of Packaging                     |
| <b>ISW</b>        | Industrial Solid Waste                            |
| <b>ITI</b>        | Industrial Training Institute                     |
| <b>KVK</b>        | Krishi Vigyan Kendra                              |
| <b>MAS</b>        | Market Assistance Scheme                          |

|                 |   |
|-----------------|---|
| <b>MSE CDP</b>  | Micro & Small Enterprises - Cluster Development Programme         |
| <b>MSME</b>     | Micro, Small and Medium Enterprises                               |
| <b>NHB</b>      | National Horticulture Board                                       |
| <b>NIC Code</b> | National Industrial Classification Code                           |
| <b>NIC</b>      | National Informatics Center                                       |
| <b>NID</b>      | National Institute of Design                                      |
| <b>NIFT</b>     | National Institute of Fashion Technology                          |
| <b>NSDC</b>     | National Skill Development Cooperation                            |
| <b>ODOP</b>     | One District One Product  |
| <b>PM FME</b>   | Pradhan Mantri Formalisation of Micro food Processing Enterprises |
| <b>PMU</b>      | Project Monitoring Unit   |
| <b>QCI</b>      | Quality Council of India  |
| <b>RMB</b>      | Raw Material Bank   |
| <b>SGPGI</b>    | Sanjay Gandhi Post Graduate Institute of Medical Science          |
| <b>SIDBI</b>    | Small Industries Development Bank of India                        |
| <b>SPS</b>      | Sanitary & Phytosanitary  |
| <b>SPV</b>      | Special Purpose Vehicle   |
| <b>SWOT</b>     | Strength, Weakness, Opportunities, Threats                        |
| <b>TBT</b>      | Technical Barriers to Trade                                       |
| <b>UAE</b>      | United Arab Emirates  |
| <b>UK</b>       | United Kingdom  |
| <b>UP</b>       | Uttar Pradesh   |
| <b>UPEPB</b>    | Uttar Pradesh Export Promotion Bureau                             |
| <b>UPICO</b>    | UP Industrial Consultancy Organisation                            |
| <b>USA</b>      | United States of America  |





  
विदेश व्यापार महानिदेशालय  
DIRECTORATE GENERAL OF  
FOREIGN TRADE  
सत्यमेव जयते

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