



Department of MSME & Export Promotion Government of Uttar Pradesh

Draft District Export Action Plan, Etawah, Uttar Pradesh

Knowledge Partner



Districts
as Export Hubs

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Preface

This district export plan for Etawah 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 Etawah as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Etawah 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 each district's geographic, demographic, and administrative profile, 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. 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 UP, where EY has contributed as Knowledge Partner.

2. District Profile

Etawah is situated on the banks of Yamuna River in the state of Uttar Pradesh in India. It is the administrative headquarters of Etawah District. The city was an important centre for the Revolt of 1857 (Allan Octavian Hume, the founder of Indian National Congress was district collector then). It is also the place of sangam or confluence between Yamuna and Chambal. This is also the site of the remains of the Great Hedge of India. Etawah has a rich and prosperous history. It is believed that the land existed right from the Bronze Age in the medieval times. The earliest people of the Aryan race who once lived here were known as the Panchalas. Even in the mythological books, Etawah appears prominently in stories of the Mahabharata and Ramayana. During the later years, Etawah was under the rule of the Gupta Dynasty in the fourth century AD. Etawah was an active hub during the revolt of 1857, and multiple freedom fighters fighting against the British Raj lived here during the tenure of the revolt. Even today, the town of Etawah houses some remains from the Great Hedge of India, which was an inland tax line set up by the British rulers. It has been found that the name Etawah is derived from the term used for brick burners as there are thousands of brick centres near the boundaries.

2.1 Geography

The district lies between 26°47” North Latitude and 72°20” East Longitude. It is located in the southwestern portion of Uttar Pradesh and forms a part of the Kanpur division. It is bounded on the north by the districts of Kannauj and Mainpuri, while the small extent of western border adjoins tehsil Bah of the Agra district. The eastern

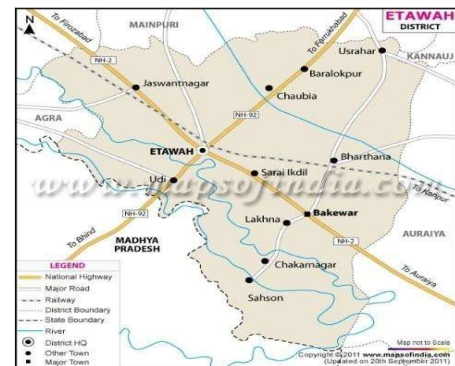


Figure 1: Google Map of Etawah



frontier marches with the district of Auraiya, and along the south lie with district Jalaun and the district Bhind, the division line being, except for a short distance, the Chambal and Yamuna rivers. Etawah district is located at Latitude of 26°21'N- 78°45'E and Longitude of 27°01'N-79°45'E.

2.2 Topography & Agriculture

Etawah lies entirely in the Gangetic plain, but its physical features vary considerably and are determined by the rivers which cross it. It is divisible into four portions of district natural characteristics. The first of these consists of the country lying north-east of the Sengur river, which runs across it from west to east almost parallel to the Yamuna; it includes the northern portions of tehsils Etawah and Bharthana. The second tract lies south of the Senger and extends as far as the high lands immediately overlooking the Yamuna. It comprises a slightly undulating switch of country covering portions of Etawah and Bharthana and Auraiya District. The tract includes the parts of some tehsils that adjoins the river Yamuna.

3. Industrial profile of the district

As given in the following table, MSME industries across the sectors of food/agro-based industries, readymade garments and embroidery, repair & servicing, other manufacturing, wood, metal, paper, electrical and other transport, chemical, leather and engineering are key economy drivers in the district.

The MSME units in the district mainly represent industries like ready-made garments and embroidery, repairing and servicing, metal products and food/agro products. Other industries contribute most terms of employment ~26.20% . Readymade garments and Embroidery contribute ~ 19.41 %, Agro based ~20.46% and Repairing and Servicing contributes ~22.47% to employment. Repairing and servicing with 1123 units in the district is the most prominent and economy contributing sector in the district followed by Ready-made garments and Embroidery sector of MSME with 1046 units.

Details of existing micro & small enterprises and artisan unit¹

Table 1: Industries details

S No	Type of Industry	Number of units	Investment (cr.)	Employment
1	Agro Based	956	5112	3432
2	Cotton Textile	48	152.50	271
3	Readymade Garments & Embroidery	1046	567.40	3255
4	Wood/ Wooden Based furniture	184	201.20	543
5	Paper & Paper products	33	287.20	125
6	Leather based	23	28.30	73
7	Chemical/ Chemical based	44	407.50	24
8	Rubber, Plastic & Petro based	08	15.80	24
9	Mineral Based	04	1.80	10
10	Metal Based (Steel Fab)	207	562.64	659

¹ DIP, MSME-DI, Kanpur Nagar

S No	Type of Industry	Number of units	Investment (cr.)	Employment
11	Electrical machinery & transport equipment	06	25	34
12	Repairing Services	1123	2068.80	3770
13	Others	567	6127.99	4395
	Total	4249	15558.73	16773

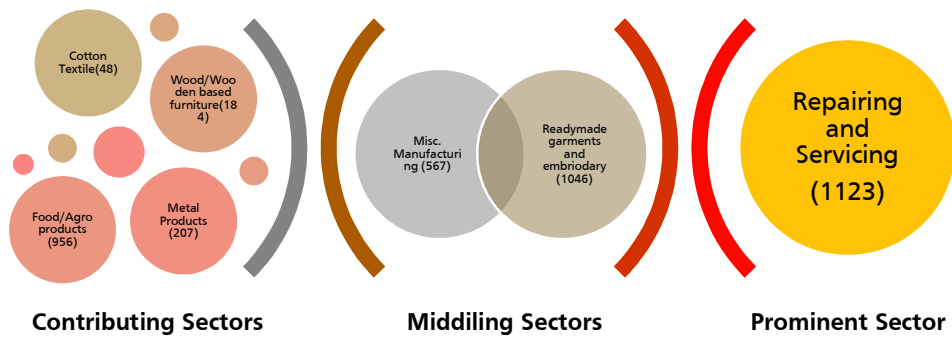


Figure 2: MSME landscape of the district

Out of total population of 199,812,341 (2011 census), 65,814,715 are working population. Out of total working population, 34.8% are working in other industries, 59.3% are cultivators and agricultural labourers and only 5.9% are household industry workers. This indicates that agriculture is the main source of income in the district.

Table 2: Occupational Distribution of Main Workers²

S. No.	Particulars	Etawah	%
1	Cultivators	1,90,57,888	29%
2	Agriculture Labourers	1,99,39,223	30.3%
3	Household Industry Workers	38,98,590	5.9%
4	Others	2,29,19,014	34.8%

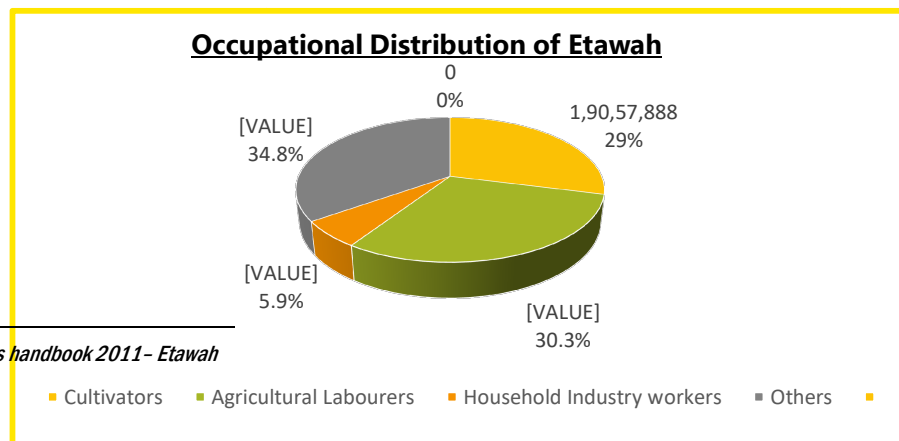


Figure 3: Occupational distribution of Etawah

3.1 Major Exportable Product from Etawah

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

Table 3: Major exportable product

S. No	Product	Export value (in INR) ³	Time Period
1	Rice Excepting Preboiled (Excluding Basmati Rice)	21,22,20,874	September 2020 to November 2021
2	Basmati Rice	19,14,23,460	
3	Rice Preboiled	9,27,97,412	
4	Broken Rice	57,836,250	
5	Other Floating Structures	34,37,801	
6	Bedsheets and Bed Covers of Cotton	7,15,878	
7	Bedsheets and Bed Covers of Cotton N.E.S. (of other Material)	5,71,126	
8	Other Furnishing Articles	35,98,191	

Total Export from Etawah District is INR 57,82,11,806 (57.82 Cr.) in the time of September 2020 to November 2021.

4. Product 1: Textile Product

4.1 Cluster Overview⁴

The manufacturing industry has a moderate presence in the area though the district of Etawah was once a flourishing manufacturing centre for the cotton-based industry. It is a house of both handloom and powerlooms in western part of Uttar Pradesh. The district is famous for Block printing works. Etawah is majorly involved in production of bedsheets, Gamchas, cushion covers, pillow covers, etc. Approximately 2,500 nos. of handlooms and powerlooms are installed in district which employs approximately 8,500 artisans. Out of which more than 50% artisans are unskilled. There is very good potential for self-employment in the power loom industry of the district. There are approximately 222 handloom societies are working in the districts. Apart from the societies, artisans are also working from their home. The value of investment was approx. 147.12 Crores during 2016-17.

The major pockets where artisans are involved in the weaving works are Sahgran, Mehtartola, Chipeti, Karanpura,

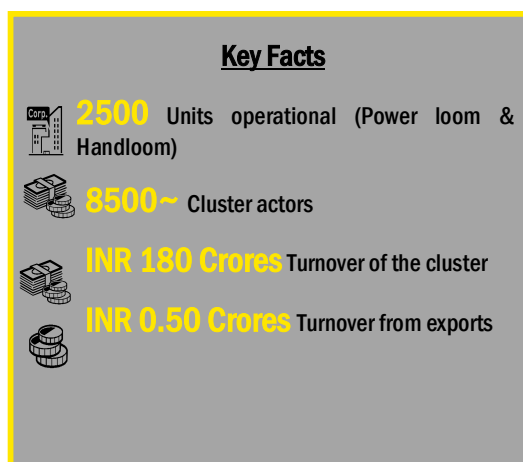


Figure 4: Key Facts of Textile Products (Etawah)

³ District wise report for the period September 2020 to September 2021 received from DGFT

⁴ DSR prepared by IL&FS cluster development initiative ltd. On Textile product of Etawah

Pathwaria, Ghatia Ajmal Ali, Katra Fateh Mahmud Khan, Maksud Pus,Pus, Sahagdaliautata, Chamreti and artisans produce the textile products from their home. They normally do weave works after getting the order from customer/client. There is very good potential for self-employment in the powerloom industry of the district. Majority of the workers are engaged for 250 to 280 days in a year, working for 10-12 hrs. a day with 8-hour shifts.

4.2 Product profile

Type of Textile Product manufactured in Etawah District are:

- a. Bedsheet
- b. Pillow Cover
- c. Cushion Cover
- d. Gamcha
- e. Angocha
- f. Readymade garment

4.3 Cluster Stakeholders

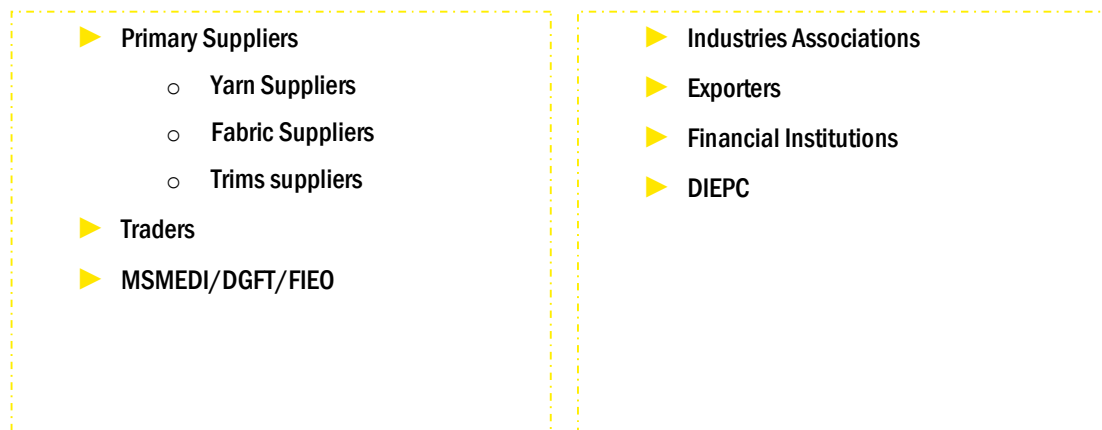


Figure 5: Cluster Stakeholders

4.3.1 Industry Associations

The cluster comprises of support institutions that can be broadly classified into three categories – trade and industry association, educational and training institutions, and other institutions. The trade and industry associations assist industries in the cluster in getting clearances and approvals, solving issues regarding industrial infrastructure, providing information on latest government schemes etc. Educational and training institute provide training to labours and assist in addressing availability of skilled labour. Other institutions comprise banks and logistics service providers.

Following are main Industry Associations that are working for the development of Engineering Goods sector:

- ▶ Indian Industries Association (IIA)
- ▶ Engineering Export Promotion Council (EEPC)
- ▶ All India Manufacturers' Organization (AIMO)
- ▶ Industrial Area Manufacturers' Association (AIMA)
- ▶ The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- ▶ Confederation of Indian Industry (CII)
- ▶ Federation of Indian Chambers of Commerce & Industry (FICCI)

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:

Table 4: HS codes for Leather Products

HS Code	Description
63041910	Bedsheets and Bed Covers of Cotton
63041990	Bedsheets and Bed Covers of Cotton N.E.S. (of other Material)
63049299	Other Furnishing Articles
83024110	Fitting for doors and Windows
89079000	Other Floating Structures
42022290	Other
52081290	Other

Current Scenario

The chapter focusses on the export scenario of India and Uttar Pradesh and then deep dives into the export statistics of the products code 630419 stating the target countries for market expansion for both the products. The following are the key facts pertaining to the product.

Product :(630419) Bedspreads of all types of textile materials (excluding knitted or crocheted, bedlinen, quilts, and eiderdowns)

India's ranking is 2nd in exports of this product⁵, followed by China & Turkey. India's exports represent 67% of world exports for this product.

Key Fact of Export

1402528 USD Thousand

Value of world exports in 2019

956071 USD Thousand

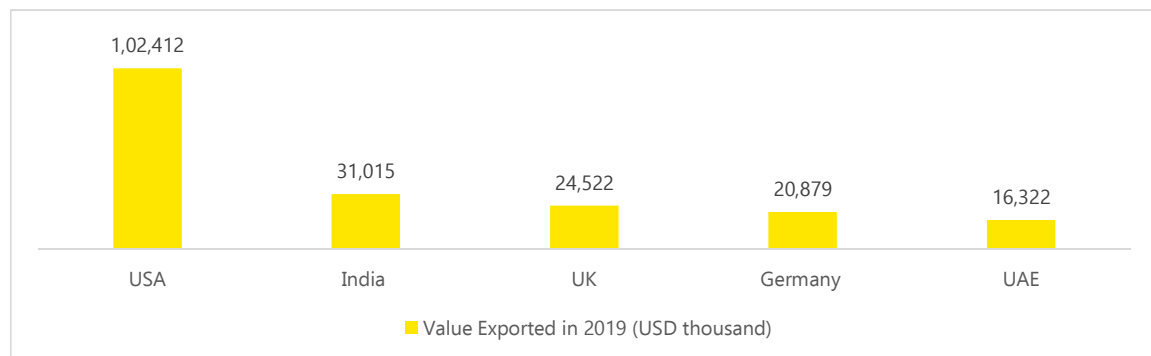
Total Exports from India in 2019

3959 USD Thousand

Total Exports from UP in FY 2019-20

~ 0.16%

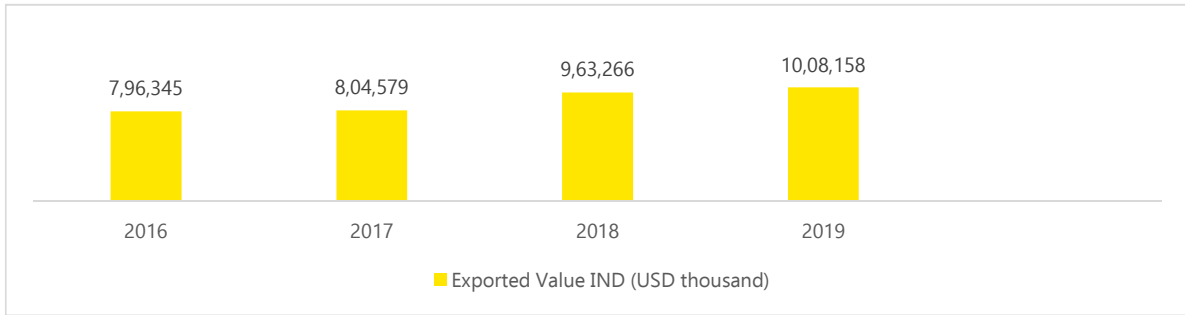
Share of UP in India's exports



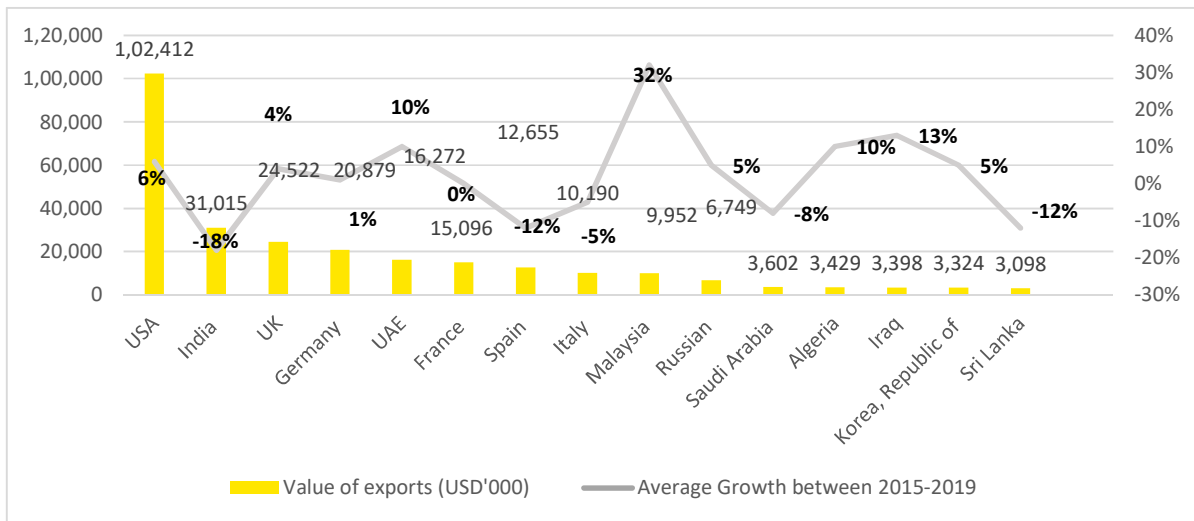
⁵ Note- Brazil export value has not been mentioned in the export table in Trademap.org for HSN Code-630419



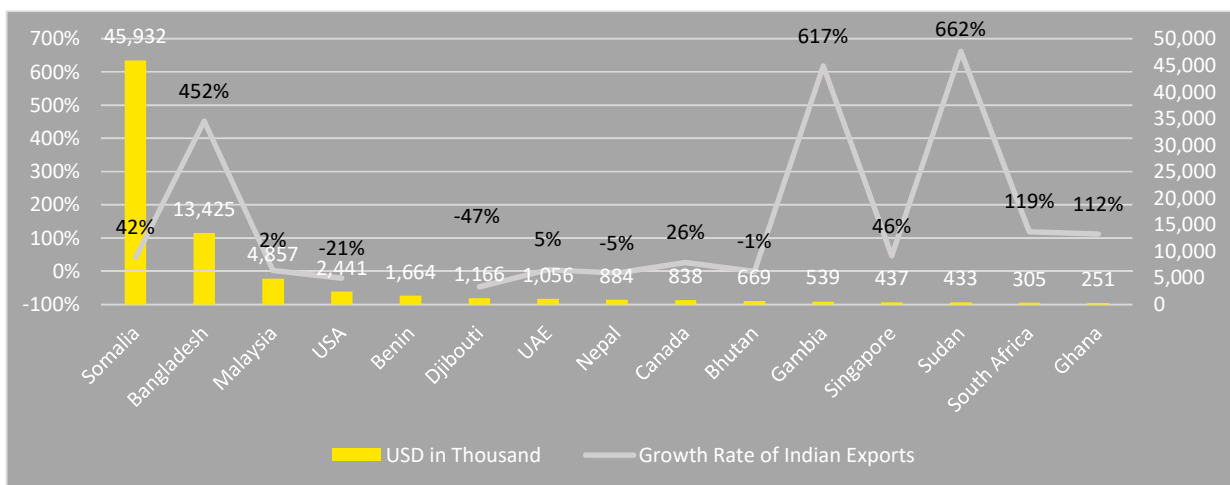
Indian exports of the product on yearly basis⁶



Major importers for this product in the world are as depicted below⁷;



Countries to whom India export this product along with value of exports are as depicted below⁸:



⁶ Trademap.Org for HSN Code 630419

⁷ Trademap.Org for HSN Code 630419

⁸ Trademap.org for HSN Code- 630419



Countries to whom UP exports this product in HSN code 630419 are U.S., Spain, Italy, France, Nepal, Australia, U. Arab, Japan, U.K., Greece, Portugal, Netherland, Germany, Newzealand, Denmark.⁹

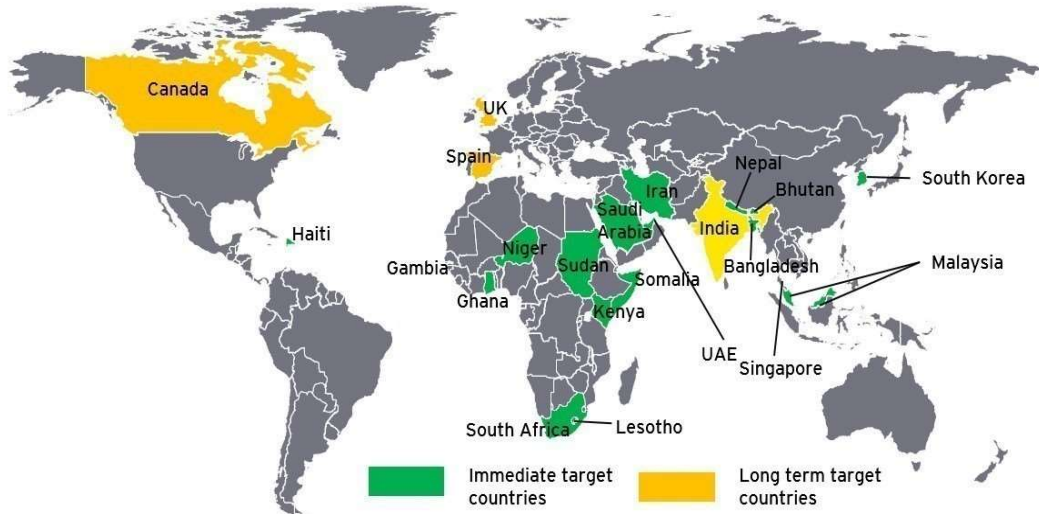


Figure 6: India's Market potential for exports

Synergies:

1. **Immediate:** These are those countries where a proper marketing channel will unlock the potential of that market in very short period.
 - a. Based on Signed FTAs the following can be targeted: **Malaysia, Korea, Sri Lanka, Bangladesh, Nepal, Singapore, Bhutan.**
 - b. High Growth Markets: **UAE, Iraq, Somalia, Gambia, Sudan, Russia, South Africa, Ghana & Benin, Djibouti & Iraq.**
 - c. Based on Untapped Potential, UP exporters should target the following countries to expand **Saudi Arabia.**
2. **Long Term:** The following countries **Canada, Spain, USA, Germany, France, Italy and UK**, come under Long-term priority market as these are those markets where the untapped market potential can only be fulfilled if UP 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.

⁹ www.dgcisanalytics.in



4.5 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. This plays a vital role in any products exports as it is a product uplifting strategy. Most artisans are not bothered about changing their product range and they fail to understand that it is an integral part of comprehensive marketing. Diversification can be brought in the cluster by:

1. Development of a new products:

The artisans of the district should be encouraged to diversify the product categories and must be provided with enough resources to create innovative products without losing the ancestral essence of the craft.

2. Modifications of Existing Products

The artisans going forward should focus on the product as per upcoming fashion trends as people nowadays are very much aware and keen to follow the fashion trends.

4.6 SWOT analysis¹⁰

Table 5: SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> ▶ Ability to deliver to varied order sizes ▶ Labour intensive industry providing livelihood to manpower ▶ More than 4,000 handloom and Powerloom in the District ▶ Land Prices are affordable 	<ul style="list-style-type: none"> ▶ Rising cost of production due to high rate of raw material ▶ Shortage of Skilled labour ▶ Poor and Outdated Infrastructure ▶ Limited direct market access for large section of micro and small manufacturers. ▶ Lack of educated certified and professionally trained work force ▶ No Designing and R&D facilities available ▶ Lack of awareness of Social compliance and Environmental issues ▶ Limited knowledge of any quality control and standards ▶ Lack of international marketing skills
Opportunities	Threats
<ul style="list-style-type: none"> ▶ Huge export potential ▶ Growing market for Weaving & Processing Sector ▶ Product Diversification ▶ Domestic Retail Opportunity ▶ Technical upgradation ▶ Networking & linkages of cluster players/stakeholders ▶ Development of consortiums with specified objectives 	<ul style="list-style-type: none"> ▶ Fluctuation of Raw material prices ▶ Migration of trained work force from the sector ▶ Competition from other Clusters of India

¹⁰ DSR prepared by IL&FS

4.7 Challenges and interventions

Parameter	Challenges	Intervention
Raw Materials - processed and semi processed leather	<ul style="list-style-type: none"> ▶ Rising cost of production due to high rate of raw material. ▶ Lack of storage facility in the cluster leading to spoilage of fabrics being used for manufacturing ▶ Ensuring timely availability of raw material at reasonable prices. ▶ Currently, the raw material is essentially provided by the traders. Owing to this reason, the craft-persons oftentimes prefer to work on wages or per piece rate basis, instead of managing the comprehensive value chain (from raw material procurement to sale of final product). 	<ul style="list-style-type: none"> ▶ Establishment of warehouse for import and storage.
Technology Upgradation	<ul style="list-style-type: none"> ▶ Lack of infrastructure equipped with modern technology to improve quality of Textile ▶ Lack of Infrastructure/ industry to utilize by-products of jaggery industry 	<ul style="list-style-type: none"> ▶ Establishment of Common Facility Centers (CFCs) with facilities like Advanced textile Processing Unit, Testing Laboratory, Packaging, Labelling and Branding Unit, and Marketing and Display Centre etc. to address the challenges and boost production and sales of the cluster.
Design	<ul style="list-style-type: none"> ▶ Lack of product diversification/value addition. ▶ Lack of innovation and design 	<ul style="list-style-type: none"> ▶ Establishment of a design studio; the studio will provide a one-stop solution for services for manufacturers in design, upgradation of technology, sharing of research, data on market trends, incubation services and training of master trainers in design / value addition skills. ▶ The Centre would be equipped with a Design Bank - a repository of prototypes, designs and dossiers containing comprehensive details on their manufacture and production. ▶ This would also be a showcase of the portfolio of products and the capabilities of the Cluster to undertake production of a wide range of products to suit varies tastes of different markets.
Market	<ul style="list-style-type: none"> ▶ Offline marketing is broadly used over online marketing ▶ For exports of products, it is very important that the manufacturers of the products meet the checklist provided by 	<ul style="list-style-type: none"> ▶ Laboratory testing plays an essential role throughout the entire product life cycle in research and development, qualification, manufacturing and

	<p>the potential buyers. One of the most important key needs, of the checklist is the quality of the product, which depends of the quality of raw material used.</p> <ul style="list-style-type: none"> ▶ During the study it was observed that the micro & small industry and artisans are unable to get their product tested because of the high fees charged by the available laboratories. ▶ The current market linkages to the cluster for the domestic as well as the export markets need to be improved to compete with the emerging countries in leather sector. There is a lack of requisite market infrastructure to showcase the products and conduct business with prospective buyers. Currently all the exporters display their products in local fairs. 	<p>operations.</p> <ul style="list-style-type: none"> ▶ It is proposed to establish a trade facilitation centre in Etawah to conduct buyer seller meet. This will help the local leather artisans and to do branding and promote their products. ▶ Training among the master artisans and manufactures on how to brand their products using the Company logo, Company brand et.al and how to get their brand register, cataloguing of product by collaborating the SPV/ artisans with Uttar Pradesh Development and Marketing Corporations Ltd Emporium.
Skill Development	<ul style="list-style-type: none"> ▶ Internationally, the market for textile products is moving towards high quality. ▶ The cluster doesn't have enough access to talents on modern technology, increased efficiency and productivity, enhanced quality and design parameters. 	<ul style="list-style-type: none"> ▶ The skill upgradation program will address the current limitation of cluster by enabling production of high value added and diversified products. Standardized training modules will be prepared in consultation with domain experts and reputed institutions for comprehensive development of the skill levels in the cluster.
Export	<ul style="list-style-type: none"> ▶ There is no single agency to which exporters or artisans can directly raise all their queries to. ▶ Exporters/ Traders/ Artisans do not have awareness regarding Trademarks, Quality Certifications, Patent registration and its usage, Free Trade Agreements of India which play an important role in boosting exports. 	<ul style="list-style-type: none"> ▶ This District Export and Data Centre should cater to all products exported from the district. ▶ This District Export and Data Centre should include data repository of all traders/exporters/ manufacturers cum exporters from the district. Additionally, the centre should inform customers about various export schemes of the Government and their benefits. ▶ DE&DC should also help traders/exporters in identifying target market, product requirement in those markets. ▶ Single Window System for speedy clearances giving special preference to perishable items. This digital website should also include various

		export schemes of the government.
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4.8 Future Outcomes

Inputs Supply	Export
Ensure availability of quality raw materials.	Export will be doubles over the period of 5 years
Employment	Turnover
Approx. 2500 trained workers to be added to the cluster. Capacity of existing workers to be strengthened.	Increase of annual turnover from existing INR 180 Cr to INR 220 Cr over the next 5 years.

5. Product 2: Rice

5.1 Cluster Overview

Total paddy acreages in Uttar Pradesh are estimated at 1,614.1 thousand hectares in 2019 which are 21% higher than the last year acreages of 1,336.1 thousand hectares¹¹. Basmati acreages in 2019 are estimated at 463.6 thousand hectares which is 84% higher than the last year acreage of 252.1 thousand hectares. Out of total Basmati acreages PB 1509 has the largest share of 44%, followed by PB 1121 (35%) and PB-1 (10%). Of the total non-basmati acreages, non-notified varieties (Sharbati and Sugandha) have been transplanted in 376 thousand hectares in Uttar Pradesh.

Location of Etawah on the fertile plain between Yamuna and Ganga make this city one of the major seats of business for industries based chiefly on agriculture and farming. The tributaries of Ganga also contribute immensely to the irrigational procedure of the entire cultivable area in Etawah and its surroundings¹². Rice is mainly distributed to West Bengal and Bihar from Etawah District. Area, Production and Productivity of major crops cultivated in the Etawah district is as follows¹³:

Crop	Area (Ha)	Production (Qtl)	Productivity (Qtl/Ha)
Paddy	50571	136997	27.09

¹¹ Improving Agricultural Value Chains in Uttar P Improving Agricultural Value Chains in Uttar Pradesh (adb.org)adesh (adb.org)

¹² Business and Economy in Etawah, Export in Etawah, Import Etawah (etawahonline.in)

¹³ Welcome The Krishi Vigyan Kendra, Etawah (kvk4.in)

Some of the rice mill industries in the district are Yadendra Rice Industries Pvt. Ltd., SS Rice Mill Pvt. Ltd., Ankur Rice Industries Pvt. Ltd., Bharthana Rice Mill Pvt. Ltd., Karaoli Devi Rice Mill Pvt. Ltd., Wadhmal Hukumat Rai Rice Mill, Harish Kumar Murti Lal Rice Mill etc.

5.2 Product Profile

Rice is the seed of the grass species *Oryza sativa* (Asian rice) or less commonly *Oryza glaberrima* (African rice). As a cereal grain, domesticated rice is the most widely consumed staple food for over half of the world's human population, especially in Asia and Africa. It is the agricultural commodity with the third-highest worldwide production, after sugarcane and maize¹⁴.

Any rice other than Basmati Rice is named as non-Basmati rice. In the world it has been reported that there are over 10,000 varieties of rice and out of which the maximum number are in India.

5.2.1 Product Portfolio

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

5.3 Cluster Stakeholders



Figure 7: Cluster Stakeholders

5.3.1 Industry Associations

Following are principal Industry Associations that are working for the development of Rice:

- ▶ Agriculture and Processed Food Products Export Development Authority (APEDA)
- ▶ Indian Industries Association (IIA)
- ▶ Rice Export Promotion Forum (REPF)
- ▶ International Rice Research Institute (IRRI) - world's premier research organization dedicated to reducing poverty and hunger through rice science; improving the health and welfare of rice farmers and consumers; and protecting the rice-growing environment for future generations
- ▶ National Rice Research Institute, Cuttack (NRI) - The National Rice Research Institute is located in Cuttack in Odisha state. The basic objective of institute is to conduct basic, applied, and adaptive research on crop improvement and resource management for increasing and stabilizing rice productivity in different rice ecosystems with special emphasis on rainfed ecosystems and the related abiotic stresses
- ▶ U.P. Council of Agricultural Research (UPCAR) - The UPCAR is an autonomous apex state organisation registered as a society, which plans, co-ordinates and promotes research, education, training, and

¹⁴ <https://en.wikipedia.org/wiki/Rice>

transfer of technology for advancement of agriculture and allied sciences. The UPCAR was established on June 14, 1989, with its headquarters at Lucknow.

- ▶ Agriculture Department
- ▶ Krishi Vigyan Kendra (KVK)

5.4 Export Scenario

5.4.1 HS Code

HS codes under which the product is exported from the district

HS Code	Description
10063090	Rice Excepting Preboiled (Excluding Basmati Rice)
10063020	Basmati Rice
10063010	Rice Preboiled
10064000	Broken Rice

Current Scenario

The export scenario of World and India have been analysed basis the export statistics of HS code 100630 Rice Excepting Preboiled (Excluding Basmati Rice) is exported from Etawah district.¹⁵

Key Fact of Export

20,631,291 (USD Thousand)

Value of world exports in 2020-21

7,484,136 (USD Thousand)

Total Exports from India in 2020

36.3%

Share of India in exports

Rank 1 in the world

5.5 Export Potential

- ▶ India's exports represent 36.3% of world exports for this product, its ranking in world exports is 1.
- ▶ India exported this product to Iran, Indonesia, Malaysia, Bangladesh, Yemen, China, Saudi Arabia, Sri Lanka, USA, Nepal etc.

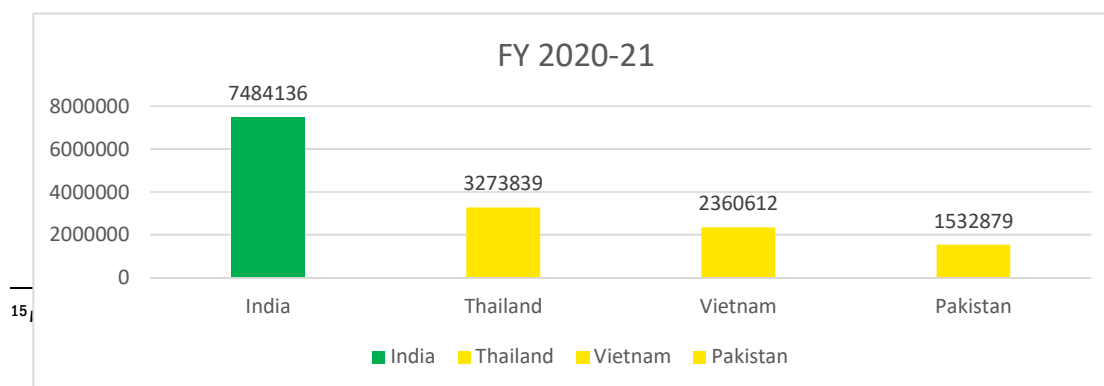


Figure 9: Top countries in the world under HS code 100630



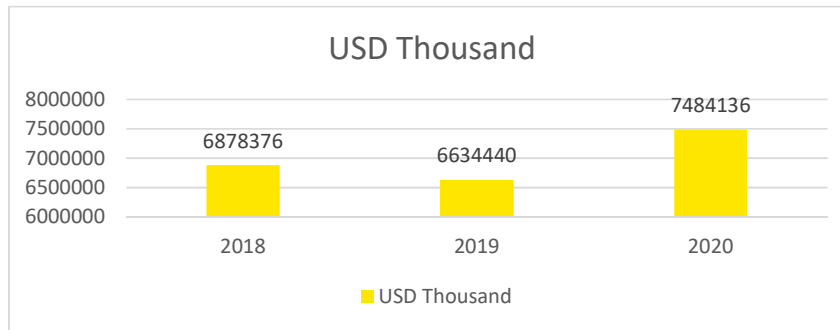


Figure 9: Indian Exports of the product on yearly basis

Major importing countries of the product under the HSN Code 100630 in FY 2020-21¹⁶:

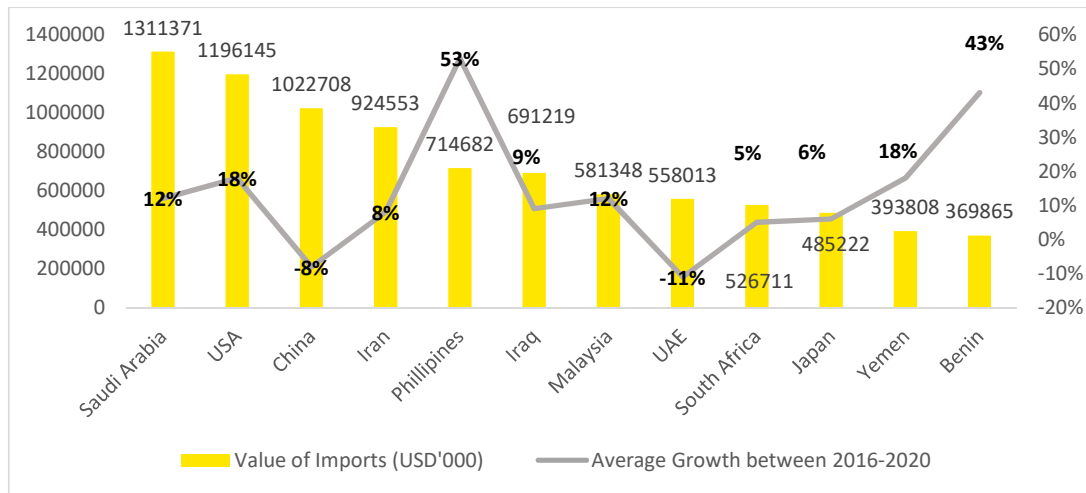


Figure 10: Major importing countries under HSN code 100630

Major countries to whom India export under the HSN code 100630 in FY 2020-21¹⁷:

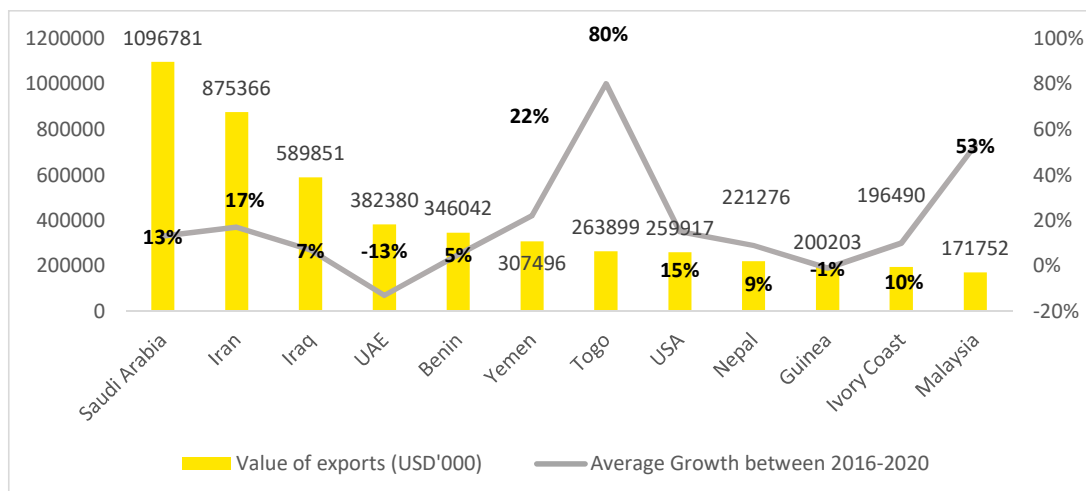


Figure 11: Major countries to whom India export under HSN code 100630

¹⁶ Trademap.org

¹⁷ Trademap.org



Synergies:

3. **Immediate:** These are those countries where a proper marketing channel will unlock the potential of that market in very short period.
 - a. Based on Signed FTAs the following countries can be targeted **Malaysia, UAE, Japan, Philippines, Nepal and Bangladesh**
 - b. High Growth Markets: Saudi Arabia, Iraq, Iran, Yemen, Togo, Ivory Coast and Benin
 - c. Based on Untapped Potential, UP exporters should target the following countries to expand Guinea, **Ghana, Kuwait, Kenya, Somalia, Mozambique, South Africa and Oman.**
4. **Long Term:** The following country **USA** come under Long-term priority market as these are those markets where the untapped market potential can only be fulfilled if UP 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.

Figure 12: Market for Export Potential

5.6 Potential Areas for Development

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 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:

Rice Husk Use	Rice Bran Use
▶ Fuel	▶ Edible grade oil
▶ Gaseous Fuel	▶ Industrial grade crude oil
▶ Husk Briquette	▶ Free fatty acid manufacture
▶ Husk Board	▶ Plasticizers
▶ Furfural	▶ Tocopherol
	▶ Rice bran wax

5.7 SWOT Analysis

Table 6: SWOT Analysis for Rice

Strengths	Weaknesses
<ul style="list-style-type: none"> ▶ Improving and enhancing rural economy ▶ District provides fertile land suitable for farming ▶ Availability of cheap and skilled labour for farming ▶ Availability of various financial and non-financial assistances from state and central government pertaining to agriculture 	<ul style="list-style-type: none"> ▶ Lack of proper infrastructure facilities for storage and manufacture of additional products ▶ Rice mills have not been fully modernized ▶ 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 ▶ High transportation cost for export of the product
Opportunities	Threats
<ul style="list-style-type: none"> ▶ Large scope for expanding sales network-globally and locally ▶ Scope for product diversification for generating additional revenue 	<ul style="list-style-type: none"> ▶ Cost of production in exporting countries like Thailand, Vietnam and Pakistan is low as compared to India ▶ Fear of damage from calamities and insect attack as it is perishable item

5.8 Challenges and interventions

Parameter	Challenges	Intervention
Focus on high Yielding Export Quality Rice	<ul style="list-style-type: none"> ▶ Challenges in developing high yielding export quality rice (Non-Basmati, Long grain rice) 	<ul style="list-style-type: none"> ▶ Breeding programme may be initiated to develop high yielding export quality rice (Non-Basmati, Long Grain Rice, etc.) to enable the exporters to sustain their exports in future. Proper arrangements may be made for production of pure quality seeds and making them available to the farmers at subsidized rates/ reasonable rates.
Cluster based approach	<ul style="list-style-type: none"> ▶ Setting up of export quality belts/zones 	<ul style="list-style-type: none"> ▶ To identify export quality belts/zones for production of rice to meet the requirement of exports. As per Agriculture Export Policy of Uttar Pradesh, 2019, the cluster facilitation cell under the chairmanship of District Magistrate is responsible for defining the area of Cluster and number of Farmers/FPOs/FPCs in the cluster as per suitability and goals of export promotion. ▶ It will also be responsible for monitoring the cluster development work, promotion to increase the area under cultivation of exportable items and facilitate cluster level coordination among key departments and various stakeholders. ▶ Deputy Commissioner Industries and

Parameter	Challenges	Intervention
		representative of State Agricultural Department may examine the proposal for setting up at least one clusters for Rice (Non-Basmati), in the district and submit the same to the state level Export Monitoring Committee.
Promotion of export of organic produce	<ul style="list-style-type: none"> ▶ Unawareness about promoting organic products 	<ul style="list-style-type: none"> ▶ It is suggested that special efforts should be made to promote the export of organic product such as Rice from this district.
Training programme to educate the cultivators	<ul style="list-style-type: none"> ▶ Unawareness about technical standards in international market 	<ul style="list-style-type: none"> ▶ Training programme to educate the cultivators about various SPS/ Technical standards in international markets ▶ The District Industry Centre in consultation with regional DGFT officer & 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.
Distribution of Certified seeds	<ul style="list-style-type: none"> ▶ Challenges in distribution of certified seeds 	Distribution of Certified seeds to farmers partially through Krishi Vigyan Kendra (KVK) and Farmer Producers Organisation
Use of Modern technologies	<ul style="list-style-type: none"> ▶ Unawareness about use of modern technology to reduce costs and increase production 	<ul style="list-style-type: none"> ▶ Low-cost production technology may be developed (use best practices) to bring down the cost of production to enable the exporters to compete with competing countries in the international markets. State Agriculture department may take the help of State Agriculture Universities / other technical institutes of repute.
Use of Modernized Rice Mills	<ul style="list-style-type: none"> ▶ Many rice mill owners are not using modernized rice mills for better recovery and reducing the percentage of broken rice. 	<ul style="list-style-type: none"> ▶ Rice mills have not been fully modernized to ensure high milling recovery and reduce the percentage of broken rice. The conventional rice mills are having Rubber Roll Sheller in which percentage of broken rice is more than the modern rice mills that are having under Runner Sheller. Hence, head rice obtained from milling of conventional mills becomes costly due to recovery of higher percentage of broken rice. Therefore, conventional mills are required to be modernized to get recovery of higher percentage of head rice suitable for export.
Marketing & Promotion of products	<ul style="list-style-type: none"> ▶ Offline marketing is broadly used over online marketing. ▶ Increasing the participation in International Trade fairs ▶ Limited Market diversification ▶ Lack of knowledge of existing 	<ul style="list-style-type: none"> ▶ Collaboration with E-commerce companies focusing on vegetables and fruit sale like Big Basket, Natures Basket etc. ▶ DIC and FIEO can play a pro-active role in this regard. 10% increase in every year in the number of units taking part in the

Parameter	Challenges	Intervention
	<p>schemes and govt. initiatives</p> <ul style="list-style-type: none"> ▶ Lack of participation in national and international events related to the sector 	<p>trade fairs organised by FIEO and other organizations may be proposed as a target under this segment</p> <ul style="list-style-type: none"> ▶ Conduct awareness workshops at block level to create awareness about schemes like International Cooperation (IC), Market Assistance Scheme (MAS) etc. which provides assistance to individuals/ associations wishing to participate in marketing events. ▶ The DGFT/FIEO can set targets for participating in events per year. Example: Participation in at least 3 international events for this sector every year to create foreign linkages and increase
Access to Finance	<ul style="list-style-type: none"> ▶ Shortage of working capital to farmers given long cultivation cycle of agri products ▶ The linkages with banks and financial institution in the cluster are not well established ▶ High quality, genetically modified seeds are often expensive, and farmers do not have enough capital/ credit to purchase those directly ▶ 	<ul style="list-style-type: none"> ▶ Tie up with the banks/financial institutions for better interest rates, enhanced working capital limits etc. ▶ Introducing the Kisan credit card scheme in the cluster ▶ Handholding of units in the cluster to create awareness about financing schemes viz. ODOP Margin Money scheme ▶ Introduction of revolving working capital within the cluster to help farmers procure high quality seeds and fertilizers and undertake production without hindrances
Exporter's Issue	<ul style="list-style-type: none"> ▶ DEPC to act as a focal point for all exporters issue 	<ul style="list-style-type: none"> ▶ Deputy Commissioner Industries may be given this responsibility to monitor the cell.

5.9 Future Outcomes

Annual Turnover
Increase in annual turnover by 10% annually from existing with the help of financial outreach of government programmes and other interventions.

Cluster exports
Double the export in the next 10 years as per State Agriculture Export Policy, 2019 i.e., from approx. 55 Cr. To 110 Cr.

6. Scheme under Uttar Pradesh Export Promotion Bureau

Various schemes being run by Export Promotion Bureau to apprise the exporters are as follows:

A. Marketing Development Scheme (MDA)

S. No	Incentive Offered	Amount of incentive against total expenditure
1	Participation in foreign fairs/exhibitions (total three fairs / annum) a. Stall charges b. Air fare (economy class)	a. 60% of stall charges (max 01 lakh / fair) b. 50% (max 0.5 lakh 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)

B. Gateway Port Scheme

Brief Description	Assistance is given to all manufacturing exporting units on expenses incurred on the rail transport of their goods from ICD/CFS to Gateway ports.
Eligible units	Micro, small & medium enterprises.
Incentives Offered against actual expenditure	25% of the total expenditure or Rs 6000 (20 ft' container) & Rs 12,000 (40 ft' container) whichever is less
Maximum limit	Rs 12 lacs /unit /year
Empowered committee	District Users Committee under the chairmanship of district magistrate.

C. Air Freight Rationalization Scheme

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

7. Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ¹⁸
Increasing the overall exports from the state		
<p>Sensitization and facilitation in availing Import/ export documents: 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</p>	DIEPC, UPEPB	Continuous initiative
<p>Creation of an event calendar comprising of events to be conducted in a Financial Year with a focus on international marketing events. Further, DGFT and FIEO can finalize a target to participate in at least 3 international events in a year per product category/industry (Leather Products, Engineering products, Plastic product, Hosiery and textile product etc.) by utilizing schemes like IC and MAS</p>	DIEPC, UPEPB	Continuous initiative
<p>Sensitization of cluster actors:</p> <ol style="list-style-type: none"> a. The individuals of a cluster should be sensitized on the plethora of schemes¹⁹ available for them for maximizing the potential of exports. Merchandise Exports from India Scheme, Service Export from India Scheme etc. provides various exemptions for facilitating exports. Further, schemes like Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme) ensure procurement of imported duty-free raw materials b. 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 	DIEPC, UPEPB	Continuous initiative

¹⁸ Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

¹⁹ 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>:

cluster actors should be sensitized on target countries identified through export analysis mentioned in DAPs and EAP		
DIC and FIEO can play a pro-active role in this regard. 10% increase 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 under this segment	DIC, UPEBP and FIEO	Intermediate
Common interventions across sectors/ clusters		
Collaboration with e-commerce companies like Amazon, eBay, Flipkart etc.	UPEPB/DIEPC/ODOP Cell	Short term
MoU with QCI for defining quality standards of the products	UPEPB/DIEPC/ODOP Cell	Short term
Collaboration with IIP to define cluster-wise packing standards	UPEPB/DIEPC/ODOP Cell	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, BoB etc.) for better interest rates, enhanced working capital limits etc.	UPEPB/DIEPC and banks/ODOP Cell	Intermediate
Handholding of MSMEs for increasing their awareness on schemes of state & center and the procedure to apply to avail financial assistance	UPEPB/DIEPC	Intermediate
Sensitization of cluster actors from this sector on Make in India initiative and PLI for leveraging the assistance provided to the sector to enhance productivity and expand exports	DIEPC UPEPB	Short term
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
Cost Structure: a. The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme /	DIEPC/UPEPB	Long term

Focus on high Yielding Export Quality Rice -Breeding programme may be initiated to develop high yielding export quality rice (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 such as Rice from this district.	DIEPC/APEDA/UPEPB	Short term
Distribution of Certified seeds to farmers partially through Krishi Vigyan Kendra (KVK) of Gorakhpur and Farmer Producers Organization	KVK/ DIEPC/ FPO	Ongoing as per Implementation schedule
a. Modernized Rice mills to ensure high milling recovery and reduce the percentage of broken rice. This rice will be suitable for export.	UPEPB/DIEPC/State Agriculture Department	Long term
<p>Training programme to educate the cultivators:</p> <p>a. 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 & 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.</p>	DIEPC/DGFT/APEDA/DGFT	Ongoing
Focus on upgradation of technology used in production by establishing a CPC utilizing PM FME scheme	UPEPB, DIEPC/ DHOs and Dept of Food Processing & Horticulture	Long term

Abbreviations

APEDA	The Agricultural and Processed Food Products Export Development Authority
API	Active pharmaceuticals ingredients
CAD	Computer-Aided Design
CAM	Computer Aided Manufacturing
CFC	Common Facility Center
CONCOR	Container Corporation of India
CPC	Common Production Centre
DGFT	Director General of Foreign Trade
DHO	District Horticulture Officer
DIC	District Industries Centre
DIEPC	District Industry and Enterprise Promotion Centre
DPR	Detailed Project Report
EPC	Export Promotion Council
EPCG	Export Promotion Capital Goods
FIEO	Federation of India Export Organization
FPO	Farmer Producer Organizations
FTA	Free Trade Agreement
GCC	Gulf Cooperation Council
GI	Geographical Indication
HS	Harmonized System
IC	International Cooperation
IC Engines	Internal Combustion Engines
IEC	Import Export Code
IIP	Indian Institute of Packaging
ISW	Industrial Solid Waste
ITI	Industrial Training Institute

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

USA

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Knowledge Partner



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