



# Department of MSME & Export Promotion, Govt. of Uttar Pradesh

District Export Action Plan,  
Fatehpur, Uttar Pradesh



विदेश व्यापार महानिदेशालय  
DIRECTORATE GENERAL OF

**Districts**  
as Export Hubs

Knowledge Partner



## Preface

This district export plan for Fatehpur 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 Fatehpur has a diverse identity and potential for targeting global markets and there is a need for converting Fatehpur district into potential export hubs. In order to implement Hon'ble PM's vision for Fatehpur district, Department of Commerce has mandated the Directorate General of Foreign Trade to work with State Government and District Level authorities to promote Fatehpur district as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Fatehpur 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 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.

# Contents

1.	Vision of Districts as Export Hubs .....	5
2.	District Profile .....	5
2.1	Geography.....	5
2.2	Topography &Agriculture.....	6
3.	Industrial profile of the district .....	6
3.1	Major Exportable Product from Fatehpur .....	8
4.	Product 1: Banana and Banana Product.....	8
4.1	Cluster Overview .....	8
4.2	Product profile.....	9
4.2.1	Product Portfolio .....	9
4.3	Cluster Stakeholders .....	10
4.4	Export Scenario .....	10
4.4.1	HS code .....	10
4.4.2	Fresh or dried bananas (excluding plantains) .....	10
4.5	Export Potential .....	11
4.6	Potential Areas for Value Added Product.....	12
4.7	SWOT analysis .....	13
4.8	Challenges and interventions .....	13
4.9	Future Outcomes .....	15
5.	Product 2: Agriculture Products (Non Basmati Rice).....	15
5.1	Cluster Overview .....	15
5.2	Product Profile.....	15
5.2.1	Product Portfolio .....	16
5.3	Cluster Stakeholders (Rice).....	16
5.3.1	Industry Associations (Rice).....	16
5.4	Export Scenario .....	17
5.4.1	HS Code .....	17
5.4.2	Rice .....	17
5.5	Export Potential .....	17
5.6	Potential Areas for Value Added Product.....	18
5.7	SWOT Analysis .....	19
5.8	Challenges and interventions .....	19
5.9	Future Outcomes .....	22
6.	Action Plan.....	24

## List of Tables

Table 1: Industries details .....	6
Table 2: Occupational Distribution of Main Workers .....	7
Table 3: Major exportable product .....	8

## List of Figures

Figure 1: MSME landscape of the district .....	7
Figure 2: Occupational distribution of Fatehpur .....	8
Figure 3: Cluster Stakeholders .....	10
Figure 4: Top importers for this product (080390) in the world .....	12
Figure 5: Markets for export potential .....	12
Figure 6: Markets for export potential .....	18

## 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%<sup>1</sup> 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 administration 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 districts 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 synergizing 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

Fatehpur has a prominent place in history, starting from the Vedic period. The Chinese traveler Hwensung is believed to pass Asani, a place of historical importance with fort built of Gupta age. The archeological department has found numerous coins, idols, bricks, etc. which belonged to Mauryan, Kusad and Gupta period. Many Gupta temples are still found in Fatehpur along with Khajuraho, mentioned in 5000-year-old Brahmin-Puran. During Mughal times, Humayun passed the place in 1561 to evade Jaunpur and later his great grandson Aurangzeb killed his brother in a battle near the place and constructed Badshahi Bagh garden with a lodge of 130 rooms. By 1801 the region came under British rule, who in 1814 raised the status to Paragana with Bhitaura as centre, which is now a block office. Finally, Fatehpur was identified as a district headquarters in 1826.

### 2.1 Geography

Fatehpur which is 75km to the north west of the city with Chitrakoot, 134km to the south east, Banda, 95 km to south east and Rae Bareilly, 75 km to the North-East. The nearest main railway station is Fatehpur which lies on outskirts of the town at less than 3 km.

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<sup>1</sup> DGFT Report Jan 2021 – Developing Districts as Export Hubs

The city and district are well connected with Allahabad and Kanpur by NH2, which in turn connects with the National Capital, Agra and Varanasi. It is therefore well connected to the whole of India by road and rail. The district centre is 2km from NH2.

## 2.2 Topography & Agriculture

District Fatehpur lies in Central Plane Zone “V” of U.P.( Agro-climatic Zone). It lies between the parallel of 35- 260' and 26- 160' north latitude & between 80-140' and 81-200' east longitude spreading about 104 km from west to east longitude and about 40 km from south to north.

The district is characterized by semi-humid as per standard climatic classification. Average rainfall of the district is 904 mm. Maximum temperature is around 43 °C ( 109 °F) and the minimum is the 3 to 4 degrees. Relative humidity of the district is 66. The climate of the district could be described as semi arid.

## 3. Industrial profile of the district

As given in the below table, the total number of industrial units in Fatehpur district are 10442 units giving employment to around 37057 people with an investment of around 185 crores. According to the types of industry, the most prominent ones are agro based with 2171 units employing 6899 individuals with 2998 Lakhs and wood and wooden based structure with 754 unit, employing 2563 and with an investment of INR 434 Lakhs.

*Table 1: Industries details<sup>2</sup>*

Sl.No.	TYPE OF INDUSTRY	NUMBER OF UNITS	INVESTMENT (Lakh Rs.)	EMPLOYMENT
1	Agro based	2171	2998	6899
2	Soda water	4	4	12
3	Cotton textile	177	1240	935
4.	Woolen, silk & artificial Thread based clothes.	36	443	353
5.	Jute & jute based	76	14	227
6.	Ready-made garments & Embroidery	541	200	2188
7.	Wood/wooden based furniture	754	434	2563
8.	Paper & Paper products	87	180	299
9.	Leather based	437	1194	1518
10.	Chemical/Chemical based	112	381	322
11	Rubber, Plastic & petro based	85	1161	847
12.	Mineral based	104	56	1124
13.	Metal based (Steel Fab.)	514	4106	3469
14.	Engineering units	120	122	642

<sup>2</sup> Directorate of Industries, Govt of U.P, Kanpur

15.	Electrical machinery and transport equipment	139	500	981
16.	Repairing & servicing	3863	4918	11361
17.	Others	1222	928	3317
	<b>TOTAL</b>	<b>10442</b>	<b>18479</b>	<b>37057</b>

Repairing and Servicing sector of MSME with 3863 units in the district is the most prominent and economy contributing sector of the district. It is followed by sectors such as “Agro based and Metal Based Products” with 2171 and 514 units, respectively.

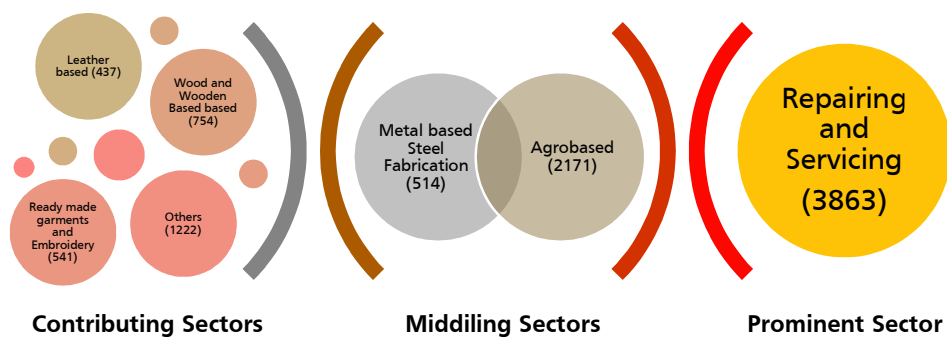


Figure 1: MSME landscape of the district

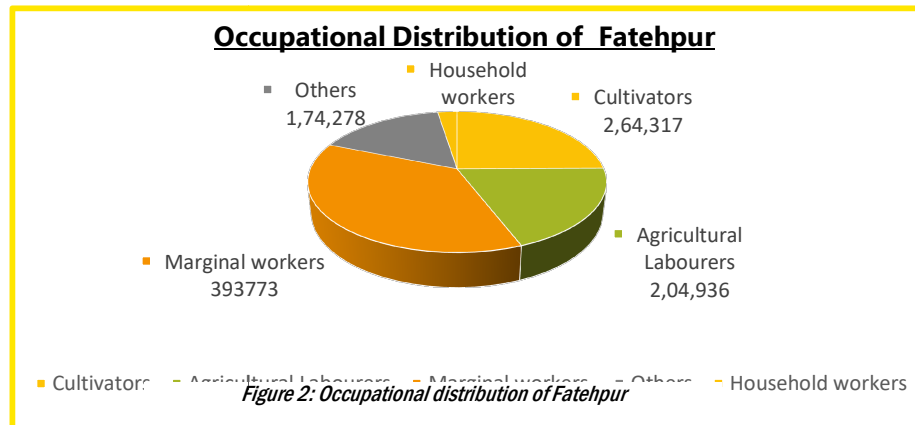
Out of total population of 2,632,733 (2011 census), 1,063,929 are working population. Out of total working population, 16.38% are working in other industries, 44.10% are cultivators and agricultural labourers and only 2.50% are household industry workers. This indicates that agriculture is the main source of income in the district.

Table 2: Occupational Distribution of Main Workers<sup>3</sup>

S.No.	Particulars	Fatehpur	%
1	Cultivators	2,64,317	24.84%
2	Agriculture Labourers	2,04,936	19.26%
3	Marginal workers	3,93,773	37.03%
4	Household Industry Workers	26,625	2.50%
5	Others	1,74,278	16.38%

<sup>3</sup> District census handbook 2011- Fatehpur





### 3.1 Major Exportable Product from Fatehpur

The total export from Fatehpur is approximately INR 72 Crore for the period of September 2020 to November 2021.

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

*Table 3: Major exportable product*

S. No	Product	Export value (in INR) <sup>4</sup> from September 2020 to November, 2021
1	Non-Basmati Rice	23.70 Cr
2	Others	48.30 Cr
3	Banana <sup>5</sup>	NA
<b>Total Export from Fatehpur</b>		<b>72 Cr</b>

## 4. Product 1: Banana and Banana Product

### 4.1 Cluster Overview

The diverse climate of Uttar Pradesh is suitable for producing all kinds of horticultural crops. In fact, Uttar Pradesh holds a leading position in total production of horticultural crops in the country. In fact, for more than 92% of small holding farmers, horticultural crops are the main source of higher income, employment, and nutrition per unit area. With the increasing importance of horticultural crops its producers are aware and are improving economic status by adopting the horticultural crops while optimum utilization of the available resources. Horticultural crops are diverse which include all kinds of fruits, vegetables, flowers, medicinal and aromatic crops, root and tuber crops, spices and bee-keeping as well as mushroom cultivation as a subsidiary enterprise along with their processing and value addition.

<sup>4</sup> District wise report for the period September 2020 to September 2021 received from DGFT

<sup>5</sup> The export data of Banana products for Fatehpur is not available for the period of Sep 20 – Nov 21. However, as per DGFT, the export potential of this product is high, so it was recommended (Export promotion meeting held in Fatehpur in November 2020) to be included in DEAP Fatehpur.





Uttar Pradesh has vast source of raw agricultural material for food processing industry and has prominent share in India's agricultural and horticultural production. Some prominent features of Uttar Pradesh as one of the states of India are:

- ▶ Share in Wheat production – 34%
- ▶ Share in Fruits production – 19%
- ▶ Share in Vegetables production – 30%
- ▶ Contributes 60 % of meat exports from India
- ▶ 35% share in Sugarcane output, ranks 2nd in sugar production
- ▶ Established three agro food parks at Barabanki, Varanasi, Ayodhya and four pack houses at Lucknow, Saharanpur, Barabanki, Varanasi
- ▶ Mega Food Park proposed at Jagdishpur

The Banana cultivation in Uttar Pradesh is spread over more than 48698 hectares, whereas the production of banana is 3005640 MT which is 10% of the total production of the country. In 2010-11, the total production of banana was 1599000 MT over an area of 37000 hectares. The production capacity has increased substantially over the years in Uttar Pradesh. The varieties of banana cultivated in Uttar Pradesh are Dwarf Cavendish, Alpon, China , Chini Champa, Malbhig, Muthia, Kothia , Gauria. Farmers are also cultivating Grand Naine Variety through Tissue culture.

The technology was first adopted from Israel. In 1988, Ram Saran Verma was first introduced tissue culture (G9) for banana farming in Barabanki Uttar Pradesh. The prominent belts of banana cultivation in the state are Gorakhpur, Fatehpur, Barabanki, Kaushambi, Kushinagar, etc., whereas Gorakhpur is leading and producing more than 800,000 MT of Banana over an area of 18000 hectares.

## 4.2 Product profile

The variety of plantain called Nendran is the most suitable for chips processing, giving them a natural deep yellow color. The Dwarf Cavendish is also suitable for making banana chips. Over 90% of bananas produced in India are consumed domestically as fresh fruit and it is estimated that processing in banana is only to an extent of 2.5% of which about 1.80% is used to process banana chips. The rest is processed into the banana puree, banana pulp, banana beer, banana powder and so on. The snack food market in India is reported to be growing at 7 to 8 % annually. And potato chips are estimated to constitute nearly 85% of total salty snack food market. In the face of competition from branded potato chips in the market, local banana chips industry must upgrade their product by using attractive packaging and increasing the variety of flavours, to attract more consumer to buy it and occupy more market share.

Banana is one of the most abundant fruit crops in India. It is also one of the sources of income for farmers. Banana has various uses that can be turned into many processed products. In addition to banana exporting, processing banana into different products could mean additional income for banana farmers. Banana can be processed to make Banana Flour, , Banana Puree, Dried Banana Blossoms, Banana Chips, Banana Vinegar, Banana Figs, Banana Sauce, and Banana Powder.

### 4.2.1 Product Portfolio

The following are the key products manufactured in the cluster:

The banana is an edible fruit – botanically a berry – produced by several kinds of large herbaceous flowering plants in the genus *Musa*. In some countries, bananas used for cooking may be called plantains, in contrast to dessert bananas. The fruit is variable in size, color, and firmness, but is usually elongated and curved, with soft flesh rich in starch covered with a rind which may be green, yellow, red, purple, or brown when ripe. The fruits grow in clusters hanging from the top of the plant.

### Banana Wafers (Chips)

Banana chips are deep-fried or dried slices of bananas (fruits of herbaceous plants of the genus *Musa* of the soft, sweet "dessert banana" variety). They can be covered with sugar or honey and have a sweet taste, or they can be fried in oil and spices and have a salty or spicy taste. Banana chips are commonly found in India and Indonesia (as *kripik*). Variants of banana chips may be covered with chocolate instead. Banana chips are similar to chifle, usually made from firmer, starchier fruit varieties of the genus *Musa* commercially called plantains or "cooking bananas".

### Banana powder

Banana powder is made from processed bananas. It is used as a component for production of milk shakes and baby foods. It is also used in the manufacture of various types of cakes and biscuits.

### Banana Beer

Banana beer is an alcoholic beverage made from fermentation of mashed bananas. Sorghum, millet or maize flour are added as a source of wild yeast.

## 4.3 Cluster Stakeholders

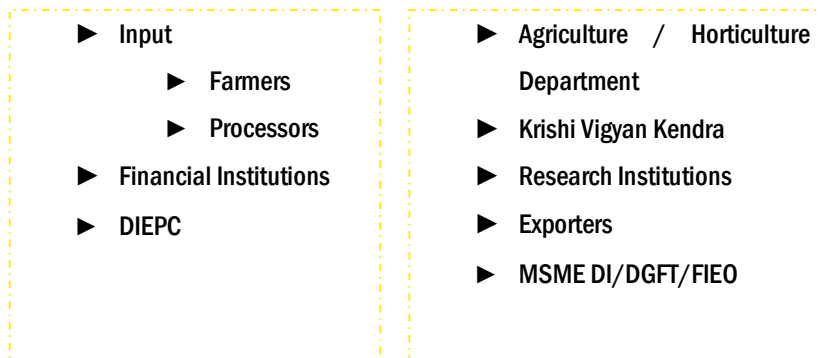


Figure 3: Cluster Stakeholders

## 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:

Table 4: HS codes for Banana

HS codes	Description
080390	Fresh or dried bananas (excluding plantains)

## Current Scenario

The export scenario of India and Uttar Pradesh has been analysed basis the export statistics of HS codes mentioned above under which products are exported. Alongside are the key facts<sup>6</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.

## 4.5 Export Potential

- ▶ The total exports of Banana and Banana product from Fatehpur district is negligible. However, the possibility of indirect exports of Banana cannot be discarded.
- ▶ Other prominent products exported from Fatehpur District is Non-Basmati Rice.
- ▶ The cluster has tremendous export potential, but owing to lack of proper market assessment mechanism, more specific value-added products, specific demand preferences.
- ▶ Hence, it was pointed out that the proper study of the foreign market, region specific demand patterns to be ascertained. Along with that, a common platform to be created where there can be integration between the local producers, exporters, and importers, thereby making the export ecosystem robust and effective.
- ▶ India exported USD 77422 Thousand value of Banana plantain products in 2019.<sup>8</sup> India's exports represent 0.6% of world exports for this product, ranking it number 20. The value of India's exports has gradually increased since 2015-2019, There has been an increase by CAGR 8% in the past 5 years, and as per data FY 2015-19 for exports from India.

**Product 080390:** Uttar Pradesh exports this product to **Nepal, Iran, Qatar and Iraq.**

Below figure shows the top importers for this product (080390) in the world:

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<sup>6</sup> <https://www.trademap.org/>

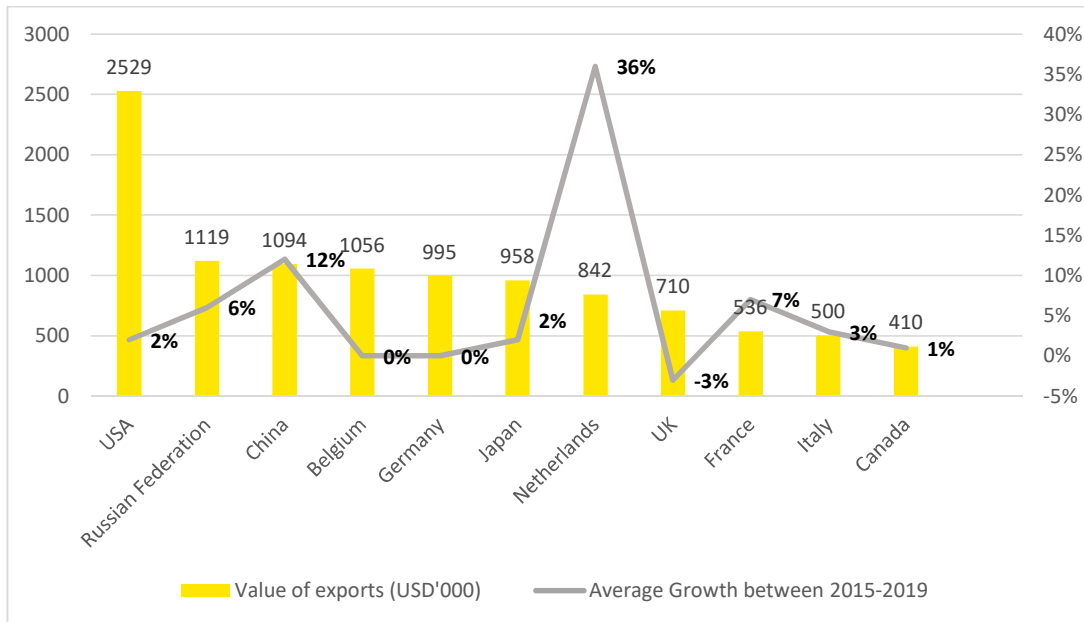


Figure 4: Top importers for this product (080390) in the world

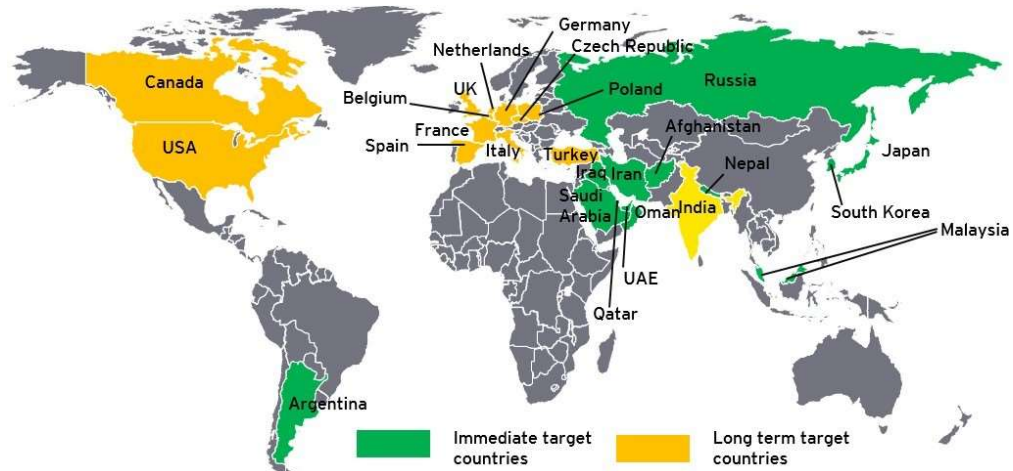


Figure 5: Markets for export potential

#### 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. This plays a vital role in any products exports as it is a product uplifting strategy. Most processors 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 processors of the district should be encouraged to diversify the product categories and must be provided with enough resources to create advance processed banana products without losing the nutritional value and essence of Banana.

The cluster requires more focus on new varieties of Banana and Banana products which are in high demand in the global market.

## 2. Use of new and advanced processing techniques

It has also been found that most of the banana processors are using old techniques in Banana processing. The requirement of advance processing machineries is essential so that the nutritious value of final product should be similar to Banana.

## 4.7 SWOT analysis

Table 5: SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> <li>▶ Availability of abundant raw material</li> <li>▶ Better support from Horticulture Department</li> <li>▶ Suitable soil for banana cultivation</li> <li>▶ Banana is a healthy product and people are leaning towards consuming healthy product</li> <li>▶ High nutrient values and easily available food</li> </ul>	<ul style="list-style-type: none"> <li>▶ Lack of interest in entrepreneurs due to challenges in getting financial assistance</li> <li>▶ Currently there is no existence of bananaproduct cluster in the district</li> <li>▶ No Physical Infrastructure</li> <li>▶ Limited direct market access for SMEs</li> <li>▶ Lack of educated, certified and professionally trained work force</li> <li>▶ No Designing and R&amp;D facilities available</li> <li>▶ Limited knowledge of production process</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▶ Variety of products can be produced through food processing</li> <li>▶ Domestic Retail Opportunity</li> <li>▶ Technical upgradation</li> <li>▶ Networking &amp; linkages of clusterplayers/stakeholders</li> <li>▶ Development of consortiums with specifiedobjectives</li> </ul>	<ul style="list-style-type: none"> <li>▶ Suffering shortage of skilled workers. Migration of trained work force from the sector</li> <li>▶ Competition from Other Clusters of India</li> <li>▶ Non-Availability of Finance for expansion</li> <li>▶ Financial health of farmers and new entrepreneurs is declining</li> </ul>

## 4.8 Challenges and interventions

Parameter	Challenges	Intervention
Raw Material	<ul style="list-style-type: none"> <li>▶ Raw Material Bank:               <ul style="list-style-type: none"> <li>○ Sourcing of Raw Material</li> <li>○ Lack of storage facility in the cluster leading to spoilage of raw Banana</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Establishment of <b>Raw material bank</b> with storage facility for easy access of raw materials to food processing units at reduced prices and creating consciousness about <b>working capital loans</b> within the cluster.</li> </ul>

<p><b>Technological upgradation</b></p>	<ul style="list-style-type: none"> <li>▶ Lack of advance processing machineries for which limits the development of advance processed food products and hinders the productivity and potential of the cluster</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establishment of technology led <b>Common Production centre</b> to ease out the production process.</li> <li>▶ In consultation with APEDA new technology can be explored</li> </ul>
<p><b>Marketing &amp; branding</b></p>	<ul style="list-style-type: none"> <li>▶ Offline marketing is broadly used over online marketing</li> <li>▶ Lack of Infrastructure for online marketing: Online marketing require, an infrastructure where artisan can take photos of the product on high resolution camera and IT system where they can upload the product with clean background regularly</li> <li>▶ Lack of long-term contracts to sell the product</li> <li>▶ More awareness programmes and workshops need to conduct which also includes the skill training programmes to make them aware about the standards and requirements for marketing of product.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Training among the processing units 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 products.</li> <li>▶ The Banana products manufactured from the districts of UP should be branded as <b>state brand</b> owing to its fine intricacies. This can be then promoted widely within and outside the country by through marketing centres that can be established in domestic and international airports of India.</li> <li>▶ Collaboration with E-commerce companies like <b>Flipchart, Amazon, EBay for maximizing sales.</b></li> <li>▶ 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</li> <li>▶ 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</li> <li>▶ Suggesting measures to the UPEPB for State Export Promotion Policy towards enhancing export of Banana products.</li> </ul>
<p><b>Quality Improvement</b></p>	<ul style="list-style-type: none"> <li>▶ Undefined quality standards of the products.</li> </ul>	<ul style="list-style-type: none"> <li>▶ MoU with QCI for defining quality standards of the products so that their quality can be maintained/ improved, and they can be exported across the globe with brand logo which ensures its authenticity.</li> </ul>
<p><b>Exporter's issue</b></p>	<ul style="list-style-type: none"> <li>▶ No focal point to address exporters ongoing issues.</li> </ul>	<ul style="list-style-type: none"> <li>▶ DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may</li> </ul>

		be given this responsibility to monitor the cell in consultation with DGFT.
<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 <b>Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme.</b></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
Increase in annual turnover from existing <b>INR 50 Cr. to 100 Cr. by 2025</b>

Cluster exports
Export would start substantially after implementation of intervention over the span of next 5 years.

## 5. Product 2: Agriculture Products (Non-Basmati Rice)

### 5.1 Cluster Overview

The state is a leading producer in agriculture products like rice, wheat, sugarcane etc. The economy of the cluster is heavily dependent on agriculture products. **Approximate Export turnover of the Rice is INR 23.70 Cr.**<sup>7</sup>

### 5.2 Product Profile

**Rice:** 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.

<sup>7</sup>DGFT, Kanpur

### 5.2.1 Product Portfolio

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

### 5.3 Cluster Stakeholders (Rice)



Figure 6: Cluster Stakeholders

#### 5.3.1 Industry Associations (Rice)

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)
- ▶ Participatory Rural Development Foundation (PRDF) - PRDF is a Gorakhpur based philanthropic organisation founded Dr. Ram Chet Chaudhary, a leading Agri-scientist working for the benefit of farming community of North India
- ▶ 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 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 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.<sup>8</sup>

HS Code	Description
100630	Semi-milled or wholly milled rice, whether or not polished or glazed

### 5.4.2 Rice

#### Current Scenario

The export scenario of World and India have been analysed basis the export statistics of HS code 100630 (Semi-milled or wholly milled rice, whether polished or glazed) under which non-Basmati rice is exported from Fatehpur district. Alongside are the key facts pertaining to the analysed product code. India's export compared to world is very low (approximately 29.76%).<sup>9</sup>

#### Key Fact of Export<sup>9</sup>

**25,145,466 (USD Thousand)**

Value of world exports in 2020

**7,484,136 (USD Thousand)**

Total Exports from India in 2020

**29.76%**

Share of India Exports

## 5.5 Export Potential

#### Rice: HS Code 100630 (Semi-milled or wholly milled rice, whether or not polished or glazed)

- ▶ The total exports of product from Fatehpur district as per HS code 100630 are around INR 23.70 crores in the period September 20 to September 2021.<sup>10</sup>
- ▶ India's exports represent 29.8% 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.

Below figure shows the top importers for this product (100630) in the world:

<sup>8</sup> DGFT, Kanpur

<sup>9</sup> [www.trademap.org](http://www.trademap.org)

<sup>10</sup> DGFT, Kanpur

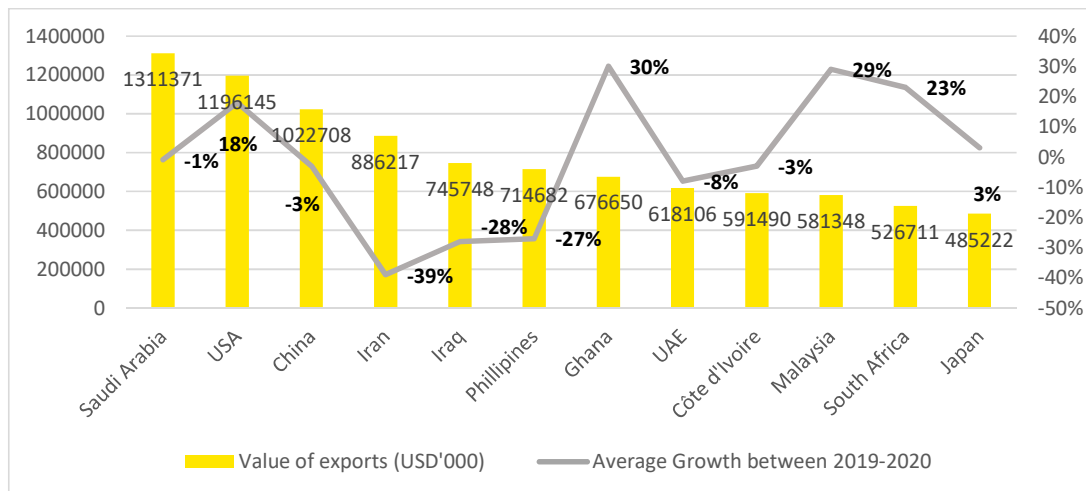


Figure 7: Top importers for this product (100630) in the world *Error! Bookmark not defined.*



Figure 6: Markets for export potential

## 5.6 Potential Areas for Value Added Product

**Rice:** 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:



<b><u>Rice Husk Use</u></b>
▶ Fuel
▶ Gaseous Fuel
▶ Husk Briquette
▶ Husk Board
▶ Furfural

<b><u>Rice Bran Use</u></b>
▶ Edible grade oil
▶ Industrial grade crude oil
▶ Free fatty acid manufacture
▶ Plasticizers
▶ Tocopherol
▶ Rice bran wax

## 5.7 SWOT Analysis

Table6: SWOT Analysis

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▶ Improving and enhancing rural economy</li> <li>▶ Fatehpur, lying in the Gangetic plains provides fertile land suitable for farming</li> <li>▶ Availability of cheap and skilled labour for farming</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 and manufacturing of additional products</li> <li>▶ Rice mills have not been fully modernized</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> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▶ Large scope for expanding sales network-globally and locally</li> <li>▶ Scope for product diversification for generating additional revenue</li> </ul>	<ul style="list-style-type: none"> <li>▶ Cost of production in exporting countries like Thailand, Vietnam and Pakistan is low as compared to India</li> <li>▶ Fear of damage from calamities and insect attack as it is perishable item</li> </ul>

## 5.8 Challenges and interventions

<b>Parameter</b>	<b>Challenges</b>	<b>Intervention</b>
<b>Focus on high Yielding Export Quality Rice</b>	<ul style="list-style-type: none"> <li>▶ Challenges in developing high yielding export quality rice (Non-Basmati, Long grain rice)</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Breeding programme</b> 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.</li> </ul>
<b>Cluster based</b>	<ul style="list-style-type: none"> <li>▶ Setting up of export quality</li> </ul>	<ul style="list-style-type: none"> <li>▶ To identify export quality belts/zones</li> </ul>

Parameter	Challenges	Intervention
approach	belts/zones	<p>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.</p> <ul style="list-style-type: none"> <li>▶ 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.</li> <li>▶ Deputy Commissioner Industries and 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.</li> </ul>
Promotion of export organic produce	<ul style="list-style-type: none"> <li>▶ Unawareness about promoting organic products</li> </ul>	<ul style="list-style-type: none"> <li>▶ It is suggested that special efforts should be made to promote the export of organic product such as Rice and sugar from this district.</li> </ul>
Training programme to educate the cultivators	<ul style="list-style-type: none"> <li>▶ Unawareness about technical standards in international market</li> </ul>	<ul 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> </ul>
Distribution of Certified seeds	<ul style="list-style-type: none"> <li>▶ Challenges in distribution of certified seeds</li> </ul>	<ul style="list-style-type: none"> <li>▶ Distribution of Certified seeds to farmers partially through Krishi Vigyan Kendra (KVK) of Fatehpur and Farmer Producers Organisation</li> </ul>
Use of Modern technologies	<ul style="list-style-type: none"> <li>▶ Unawareness about use of modern technology to reduce costs and increase production</li> </ul>	<ul style="list-style-type: none"> <li>▶ 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</li> </ul>

Parameter	Challenges	Intervention
		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"> <li>▶ Many rice mill owners are not using modernized rice mills for better recovery and reducing the percentage of broken rice.</li> </ul>	<ul style="list-style-type: none"> <li>▶ 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.</li> </ul>
Marketing & Promotion of products	<ul style="list-style-type: none"> <li>▶ Offline marketing is broadly used over online marketing.</li> <li>▶ Increasing the participation in International Trade fairs</li> <li>▶ Limited Market diversification</li> <li>▶ Lack of knowledge of existing schemes and govt. initiatives</li> <li>▶ Lack of participation in national and international events related to the sector</li> </ul>	<ul style="list-style-type: none"> <li>▶ Collaboration with E-commerce companies focusing on cereals, vegetables and fruit sale like Big Basket, Natures Basket etc.</li> <li>▶ 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 organised by FIEO and other organizations may be proposed as a target under this segment</li> <li>▶ 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</li> <li>▶ The DGFT/FIEO can set targets for participating in events per year. Example: Participation in <b>at least 3 international events</b> for this sector every year to create foreign linkages and increase</li> </ul>
Access to Finance	<ul style="list-style-type: none"> <li>▶ Shortage of working capital to farmers given long cultivation cycle of agri products</li> <li>▶ The linkages with banks and financial institution in the cluster are not well</li> </ul>	<ul style="list-style-type: none"> <li>▶ Tie up with the banks/financial institutions for better interest rates, enhanced working capital limits etc.</li> <li>▶ Introducing the Kisan credit card scheme in the cluster</li> <li>▶ Handholding of units in the cluster to</li> </ul>

Parameter	Challenges	Intervention
	<p>established</p> <ul style="list-style-type: none"> <li>▶ High quality, genetically modified seeds are often expensive, and farmers do not have enough capital/ credit to purchase those directly</li> </ul>	<p>create awareness about financing schemes viz. ODOP Margin Money scheme</p> <ul style="list-style-type: none"> <li>▶ Introduction of revolving working capital within the cluster to help farmers procure high quality seeds and fertilizers and undertake production without hindrances</li> </ul>
<b>Exporter's issue</b>	<ul style="list-style-type: none"> <li>▶ DEPC to act as a focal point for all exporters issue</li> </ul>	<ul style="list-style-type: none"> <li>▶ Deputy Commissioner Industries may be given this responsibility to monitor the cell.</li> </ul>

## 5.9 Future Outcomes

Annual Turnover	Cluster exports
Increase in annual turnover by 10% for next 5 years from existing with the help of financial outreach of government programmes and other interventions.	Projected to double the exports to ~INR 50 Crores by 2027

## 6. Schemes 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) <ul style="list-style-type: none"> <li>a. Stall charges</li> <li>b. Air fare (economy class)</li> </ul>	<ul style="list-style-type: none"> <li>a. 60% of stall charges (max 01 lakh / fair)</li> <li>b. 50% (max 0.5 lakh for one person / fair)</li> </ul>
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 <sup>11</sup>
<b>Increasing the overall exports from the state</b>		
<p><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</p>	ODOP cell, DIEPC UPEPB	Continuous initiative
<p><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 <b>in at least 3 international events in a year per product category/industry</b> (food, engineering &amp; auto components, handicrafts, textile&amp; apparel etc.) by <b>utilizing schemes like IC and MAS</b></p>	ODOP cell, DIEPC UPEPB	Continuous initiative
<p><b>Sensitization of cluster actors:</b></p> <p>a. The individuals of a cluster should be <b>sensitized on the plethora of schemes<sup>12</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</b></p>	ODOP cell, DIEPC UPEPB	Continuous initiative

<sup>11</sup> Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

<sup>12</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>:



<p><b>Scheme (AAS), Duty Free Import Authorization (DFIA Scheme) ensure procurement of imported duty-free raw materials</b></p> <p>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 cluster actors should be <b>sensitized on target countries identified through export analysis mentioned in DAPs and EAP</b></p>		
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 under this segment	DIC, UPEBP and FIEO	Intermediate
<b>Common interventions across sectors/ clusters</b>		
Collaboration with e-commerce companies like Amazon, ebay, Flipkart etc.	UPEPB/DIEPC	Short term
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
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	Intermediate
Handholding of MSMEs for increasing their awareness on schemes of	UPEPB/DIEPC	Intermediate

state & centre and the procedure to apply to avail financial assistance		
Sensitization of cluster actors from this sector on <b>Make in India initiative and PLI</b> 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
<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. 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. 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  DIEPC/UPEPB  DIEPC/UPEPB/FIEO	Long term  Long term  Short term
<b>Product 1: Banana and Banana Products</b>		
<b>Establishment of Common Facility Centre with:</b> a. Raw Material Bank b. Common Production Center c. Establishment of Ripening Chamber d. Marketing centre for undertaking marketing events	DIEPC, DGFT and ODOP Cell	Long term

<b>FPO model approach:</b> It is suggested that on the lines of State Agri Export Policy, <b>FPO model and cluster-based approach be adopted.</b>	UPEPB, DIEPC and Dept of Food Processing & Horticulture	Long term
Collaboration with E-commerce companies focusing on vegetables and fruit sale like Big Basket, Natures Basket etc.	Big Basket/Natures Basket and UPEPB and DIEPC	Short term
APEDA may be asked to apprise the stakeholders about benefits under <b>NPOP scheme</b>	APEDA/UPEPB/DIEPC	Ongoing
Introducing the Kisan credit card in the cluster	DIEPC and banks	Short term
<b>Training programme to educate the cultivators:</b> a. Training programme to educate the cultivators about various SPS/ Technical standards in international markets b. 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.	DIEPC/DGFT/APEDA/DGFT	Ongoing
<b>Product 2: Rice (Non-Basmati)</b>		
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 and sugar from this district.	DIEPC/APEDA/UPEPB	Short term

Distribution of Certified seeds to farmers partially through Krishi Vigyan Kendra (KVK) of Fatehpur 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
<b>Training programme to educate the cultivators:</b> a. Training programme to educate the cultivators about various SPS/ Technical standards in international markets b. 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.	DIEPC/DGFT/APEDA/DGFT	Ongoing
Focus on upgradation of technology used in production by <b>establishing a CPC utilizing PM FME scheme</b>	UPEPB, DIEPC/ DHOs and Dept of Food Processing & Horticulture	Long term
Introducing the Kisan credit card in the cluster	DIEPC and banks	Short term
Collaboration with E-commerce companies focusing on vegetables and fruit sale like Big Basket, Natures Basket etc.	Big Basket/Natures Basket and UPEPB and DIEPC	Short term

## Abbreviations

<b>APEDA</b>	The Agricultural and Processed Food Products Export Development Authority
<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>DHO</b>	District Horticulture Officer
<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>FPO</b>	Farmer Producer Organizations
<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>R&amp;D</b>	Research & Development
<b>RMB</b>	Raw Material Bank
<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



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DIRECTORATE GENERAL OF  
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**Districts**  
as Export Hubs

**EY**  
Building a better  
working world