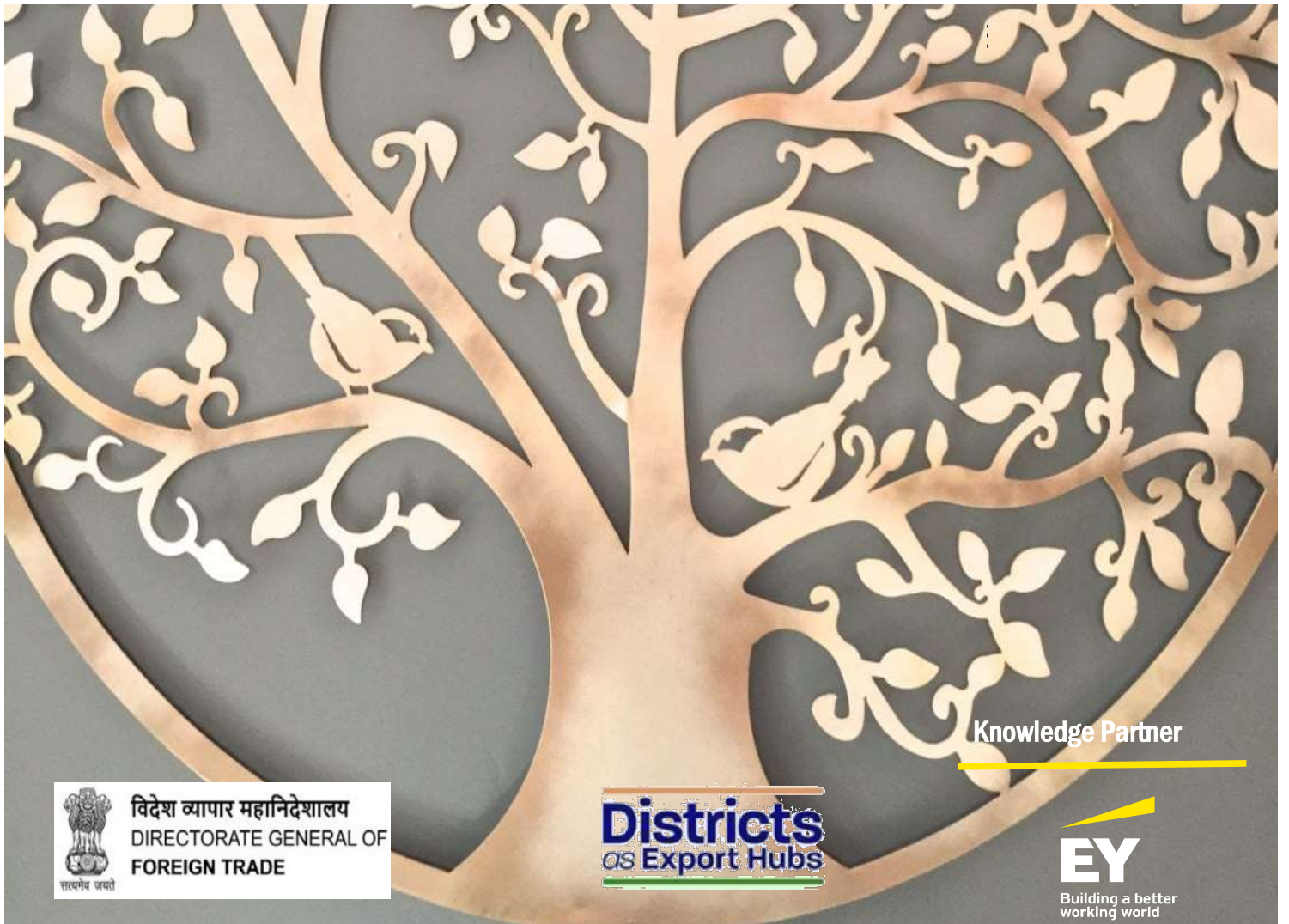




Department of MSME & Export Promotion Government of Uttar Pradesh



Knowledge Partner



विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF
FOREIGN TRADE

Districts
as Export Hubs



Building a better
working world

Preface

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

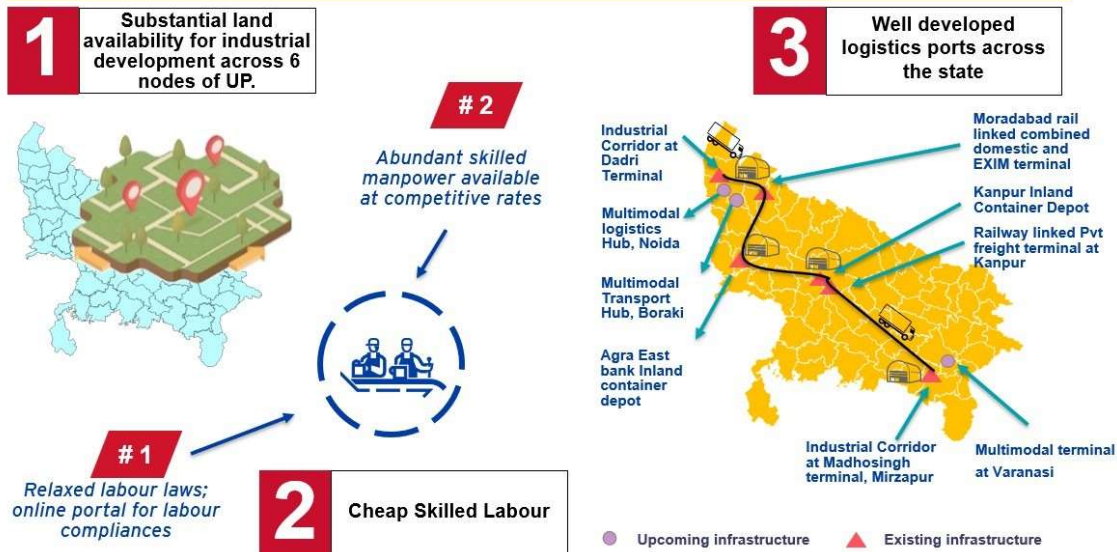
2. District Profile

Moradabad is a city in Uttar Pradesh state of India. It was established in 1600 by Murad, the son of the Mughal Emperor Shahjahan as a result the city came to known as Moradabad. It is the administrative headquarters of Moradabad District. Moradabad is situated at a distance of 167 km (104 miles) from the national capital, New Delhi, at the bank of River Ram Ganga (a tributary to the great Ganges). The city is famous for its huge export of brass handicrafts to North America and Europe and is also thus called ‘Brass City’ or Peetal Nagri (in the local language). It has close to four million citizens of various ethnicities and religions.

Moradabad is renowned for brass work and has carved a niche for itself in the handicraft industry throughout the world. The modern, attractive, and artistic brass ware, jewellery and trophies made by skilled artisans are the main crafts. The attractive brass ware is exported to countries like USA, Britain, Canada, Germany and Middle East Asia.

Recently other products like Iron Sheet Metalware’s, Aluminium Artworks and Glassware’s have also been included as per need of the foreign Buyers. Mentha is also exported in several crores from Moradabad. These products are very popular in foreign market and are being exported in thousands of crores every year. Due to increase of exports and popularity in foreign specially in Europe, America, Italy and other countries, many exporters are establishing their units and started their export. Out of the seven industrial corridors declared by the State Govt. in Industrial Policy 1999-2002, Moradabad is one of them.

UTTAR PRADESH: 3L Advantage (Land, Labour and Logistics)



As Uttar Pradesh having 3L advantage (Land, Labour and Logistics), Moradabad has great export potential with its “Rail linked combined domestic and EXIM terminal”.

2.1 Geography

This city is situated in western U.P. between 28°-21' to 28°-16' Latitude North and 78°- 4' to 79 Longitude East. Presently it is an Administrative, Industrial and Commercial city. After the establishment of Divisional Commissioner Office, its importance and status has further been elevated. This city lies on National Highway 24 from traffic and transport point of view and is a main Railway Station, also Divisional Headquarters of Northern Railways, on HAWRA & AMRITSER main line. It is very well connected with main cities like DELHI, MORADABAD, PATNA, HARIDWAR, Bareilly & Lucknow by Rail and Road transport. Ramganga river flows in the north east and Ganga river is there in south west of the city.

2.2 Topography & Agriculture

Moradabad district has a total forest cover of around 64 Hectare. The main tree species in district include Sheesham, Jamun, Tamarind, Mango, Semal and Dhak, among others.

Apart from sand, there are no mineral/ mining resources available in district. Sand mining is also done on a small scale as per permissible limits.

75% of the district's population is engaged in agriculture. It has a total cropped area of 3.11 Lakh Hectare and the major crops grown are Paddy, Wheat, Pulses (Lentil, Urd), Oilseeds (Mustard/ Toria), and Sugarcane. Districts have 3 sugarcane mills producing crystal sugar.

3. Industrial profile of the district

Moradabad is a major industrial district and export hub. Majority of the industrial units are engaged in metal craft manufacturing and trading. Other than metal, the city has a good presence in readymade garments, chemicals, wood, and glass works. In agriculture, sugar, rice and mentha has a good production and export value from Moradabad.



Table 1: Industries details¹

NIC Code no	Type of Industry	Number of units	Investment (Rs Lakh)	Employment
20-21	Food/Agro Product	88	220	1200
27	Wood/wooden based furniture	70	1500	3000
28	Paper & Paper products	123	770	750
29	Leather based	175	132	310
31	Chemical/Chemical based	270	410	1800
33	Brass Metal Industries	3900	42550	22000
34	Other Metal products	780	9500	12500
35	Machinery & Parts except Electrical (Engineering units)	95	190	650
36	Electrical machinery and Apparatus	18	50	250
38	Misc. Manufacturing	2900	1450	8200
96-97	Repairing & servicing	1350	2550	5600
	Total	9769	59322	56260

Metal products and Chemical sector of MSME with 4950 units in the district is the most prominent and economy contributing sector of the district. It is followed by sectors such as “Repair and installation of machinery and Equipment,” “Misc. Manufacturing” with 1445 and 2900 units, respectively.

Also, it is important to mentioned that around 25000 household unregistered small units related to metal craft functioning in Moradabad and employing three lakh plus people.

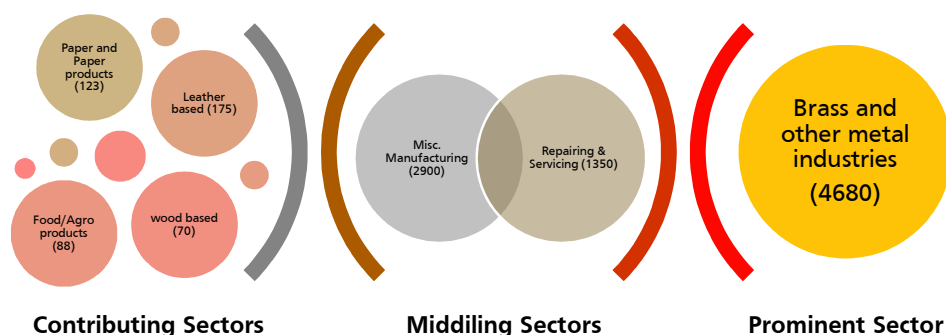


Figure 1: MSME landscape of the district

Out of total population of 31,26,507 (2011 census), 17,97,327 are working population. Out of total working population, 68.99% are working in other industries, 57% are cultivators and agricultural labourers and 18% are household industry workers.

Table 2: Occupational Distribution of Main Workers²

S.No.	Particulars	Moradabad	%
1	Cultivators	7,00,600	38.98%
2	Agriculture Labourers	3,15,100	17.53%
3	Household Industry Workers	3,22,000	17.92%

¹ District industries centre, Moradabad

² District census handbook 2011- Moradabad



4	Others	4,59,627	25.57%
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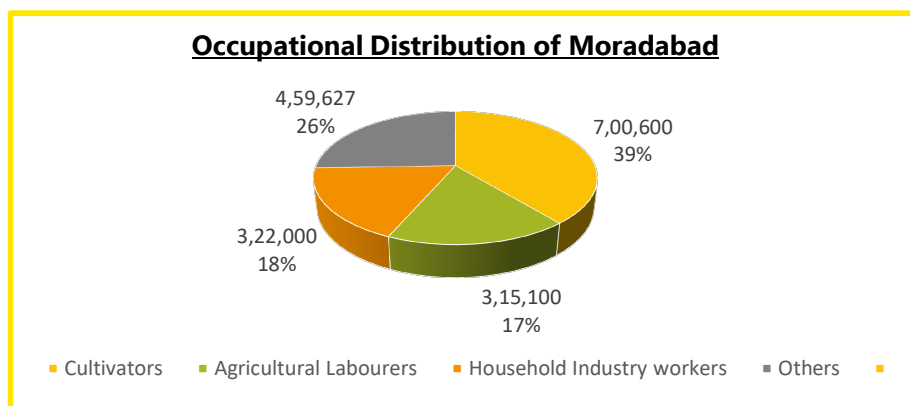


Figure 2: Occupational distribution of Moradabad

3.1 Major Exportable Product from Moradabad

The total export from Moradabad is approximately INR 5969 Crore for the period September 2020 to November 2021.

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

Table 3: Major exportable product

S. No	Product	Export value (in INR Crore) ³ from September 2020 to November, 2021
1	Articles of Brass	393.89
2	Articles of Aluminium	1842.11
3	Articles of Iron	3181.27
4	Sugar	85.68
5	Articles of Glass	190.71
6	Others	275.34
Total Export from Moradabad		5969.02 Cr⁴

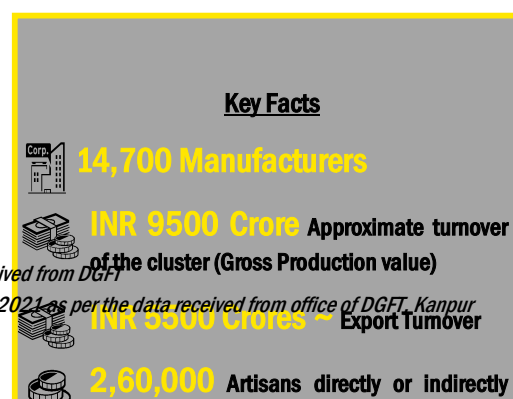
4. Product 1: Metal Craft

4.1 Cluster Overview

Metal craft of Moradabad is a nearly 400 years old art heritage. This art started during the Mughal era and flourished across the country and now famous all around the globe for its variety of brassware and other metal crafts. Due

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

⁴ Total export from Moradabad for the period September 2020 to November 2021 as per the data received from office of DGFT, Kanpur



to its extensive work on Brassware, Moradabad is also known as the “Brass City” or “Peetal Nagari”. Considering the traditional heritage, recognition of the products, global acceptance, and the number of artisans involved “Metal Craft” is selected as the focus product for Moradabad district under ODOP Scheme.

Moradabad Metal craft has also got Geographical Indication tag in 2013.

Art metal-ware handicrafts are famous for the aesthetic appeal they carry. Metal idols are preferred for worship in India; thus, art metal-ware handicrafts have historical significance. It is being used in the country since Indus valley and Harappan civilization. It is believed that the brassware industry originated from Moradabad and spread to the rest of the country. It is said that Muslim families from Persia who settled in this city introduced the modern brass craft as they brought with them the art of intricate design and sophisticated tools. In 1920s, an American firm started to engrave thermos flask covers in Moradabad. Slowly the town extended its export work in the foreign market and carved its name in the handicraft industry throughout the World.

In the beginning, Moradabad metal industry is reported to be in the hands of a class of persons known as 'potters'. Their range of production was limited to utensils only. However, soon afterwards brassware industry was truly set up with the entry of few enterprising Muslim families. They introduced new tools and diversified production. The market for the handicraft's items of Moradabad was widened with the impact of their knowledge of Muslim culture as well as the need of the foreign countries. Different varieties and shapes of house-hold articles that were in demand in the foreign markets were produced at Moradabad.

4.2 Product profile

At present, Brass, Aluminium & Irons are being used in metal craft manufacturing items. Brass metal is an alloy of Copper and Zinc, and the quality of the metal depends on the percentage composition of both these metals. Various processes involved in the manufacturing of brassware. The task of making a brassware requires a team of skilled artisans having a considerable expertise in various areas of craftsmanship. For instance, a skilled engraver is needed for the task of engraving, a skilled enameller needed for the task of enamelling; similarly, many others are required for additional responsibilities.

4.2.1 Product Portfolio

The following are the key products manufactured in the cluster:

1. **Artware:** It consists of table lamps, lanterns, flower vases, stationery items, photo frames, and multiple decorative items. These artware are made from Brass, Aluminium, Iron, Wood, Glass or combination of any of these depending on the nature of the finished product or the buyer's demand. These products are mainly for international markets.
2. **Utensils:** Metal lamps (diya), candle stands, pooja set, idols of gods, sindoor box, etc. are the daily household utilities and have a local market. The demand for these products increases during festival times. Major buyers are from Haryana, Rajasthan, Maharashtra, and Tamil Nadu.
3. **Artificial Ornaments:** Bangles, Belts, artificial jewellery, etc.

Moradabad major Metalware products are mentioned in below table:

Table 4: Moradabad Metalware Products

Traditional products	Household products
Metal Lamp, Idols of Gods, Flower vases, Decorative Items etc	Small Lamps (Diya), Bangles, Belts, artificial jewellery, etc.

4.2.2 Status of GI Tag

Moradabad Metal artware has been awarded Geographical Indication (G.I.) status in 2013 and is valid up to 2029.⁵

Moradabad Handicrafts Exporters Association is having rights of G.I. Tag under “Handicraft Goods” category via certificate number-205.

4.3 Cluster Stakeholders

- ▶ Artisans
- ▶ Manufacturers
- ▶ Exporters
- ▶ Financial Institutions
- ▶ District Industries Center
- ▶ Export Associations
- ▶ Export Promotion Council for Handicraft (EPCH)
- ▶ Indian Industries Associations (IIA)
- ▶ Other District Level Associations
- ▶ Moradabad Handicrafts Service Center

Figure 3: Cluster Stakeholders

4.3.1 Industry Associations

Following are six principal Industry Associations/SPVs that are working for the development of Metal artware in Moradabad:

- ▶ Export Promotion Council for Handicrafts (EPCH)
- ▶ Moradabad Handicrafts Exporters Association (MHEA)
- ▶ Brass Artware Manufacturers (Exporters) Association
- ▶ Indian Industries Association
- ▶ Moradabad Brass Karkhanedar Association

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 5: HS codes for Metal artware

HS codes	Description
74199930	Articles of Brass, n.e.s.
76169990	Other Articles of Aluminium

⁵ DGFT

73269099	Other Articles of Iron
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District is exporting under above three HSN codes, while brass items are being use for households' items & iron and aluminum are being use for traditional items.

Here it is important to mention that above all three codes are not limited to Metal craft and other items are also being manufactured and exported.

Export Value in USD Thousand			
Product Name	ITCHS code	Region	2020-21
Articles of Brass, n.e.s	741999	World	30,14,860
	741999	India	2,48,806
	% of India Export		8%
	74199930	Uttar Pradesh	1,16,080
	% of State Export		4%
Other Articles of Aluminium	761699	World	1,64,33,705
	761699	India	3,01,496
	% of India Export		2%
	76169990	Uttar Pradesh	1,92,670
	% of State Export		1%
Other Articles of Iron	732690	World	4,22,85,757
	732690	India	6,58,417
	% of India Export		2%
	73269099	Uttar Pradesh	3,50,740
	% of State Export		1%

Table 6: Region wise export value in USD Thousand

Current Scenario

The export scenario of India and Uttar Pradesh have been analysed basis the export statistics of HS codes mentioned above under which Metals especially brass products are exported. Alongside are the key facts⁶ 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

⁶ <https://www.trademap.org/>

Product 741999:

India's exports represent 8.3% of world exports for this product, ranking it number 2, behind Germany. The value of India's exports has gradually decreased since 2016-2020, There has been a decrease by CAGR 13% in the past 5 years, and as per data FY 2016-20 for exports from India.

Uttar Pradesh exports this product to US, UK, Saudi Arabia, UAE, Netherlands, Germany, China, France, Sweden, Australia, and Canada. Below figure shows the top importers for this product (741999) in the world:

Key Fact of Export

30,14,860 (USD Thousand)
Value of world exports in 2020

2,48,806 (USD Thousand)
Total Exports from India in 2020

1,16,080(USD Thousand)
Total export from UP in 2020

~46.65%
Share of UP in India's exports

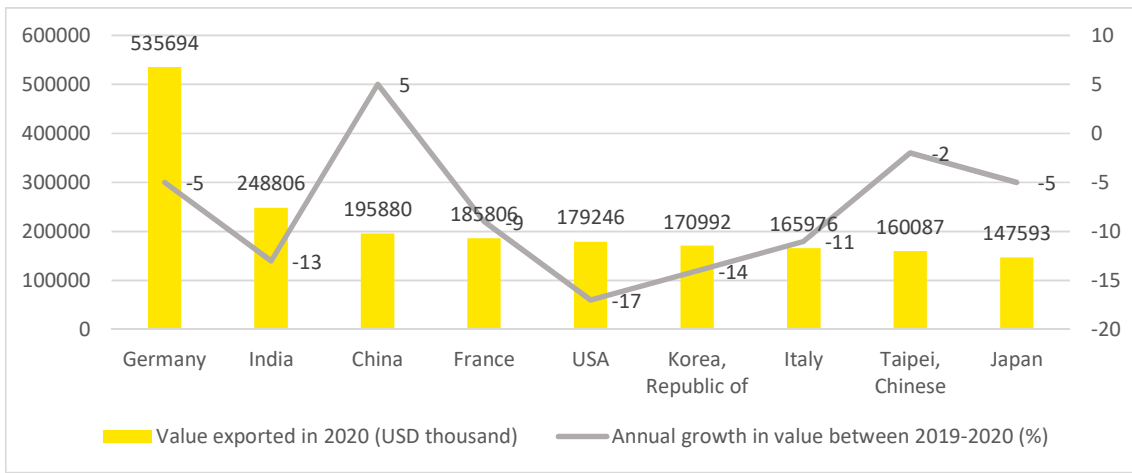


Figure 4 Major countries who exports the product world-wide (741999)



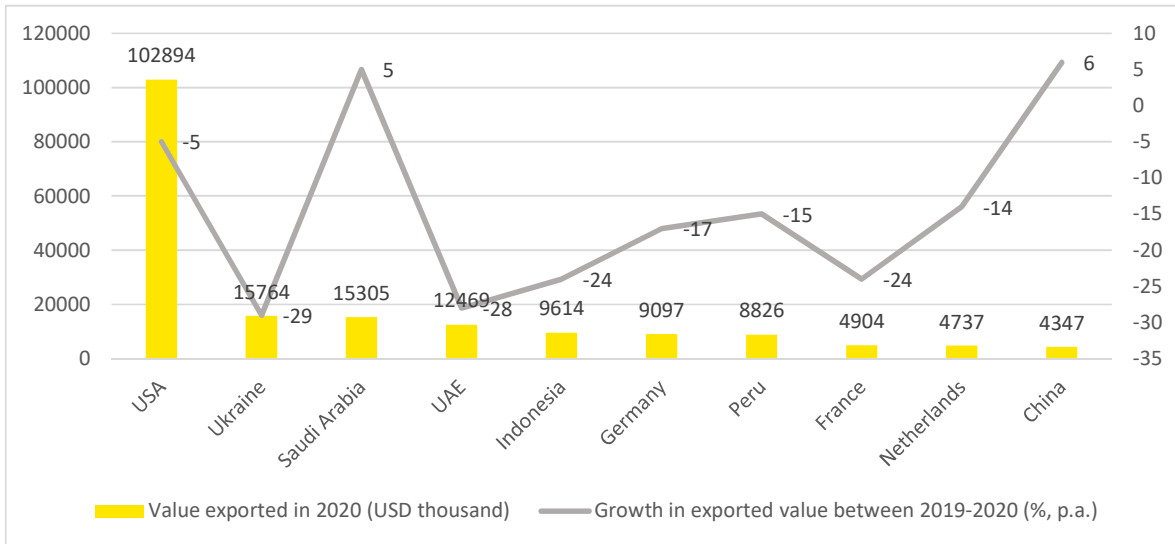


Figure 5 Top 10 Importing countries, importing from India (741999)



Figure 6: Markets for export potential

Product 761699: India's exports represent **1.8%** of world exports for this product, its ranking in world exports is **16**



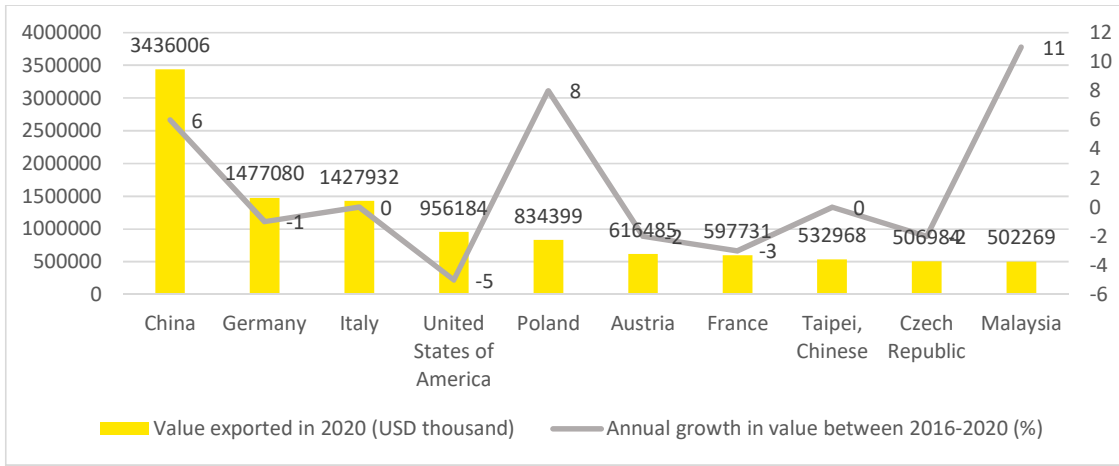


Figure 7 Top 10 Exporters word wide (761699)

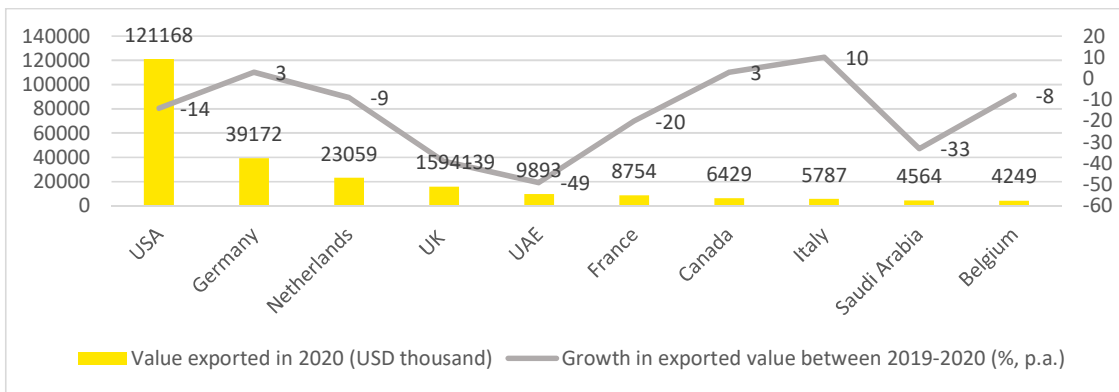


Figure 8 Top 10 Importers of product 761699 importing from India

Product 732690: India's exports represent 1.6% of world exports for this product, its ranking in world exports is 17

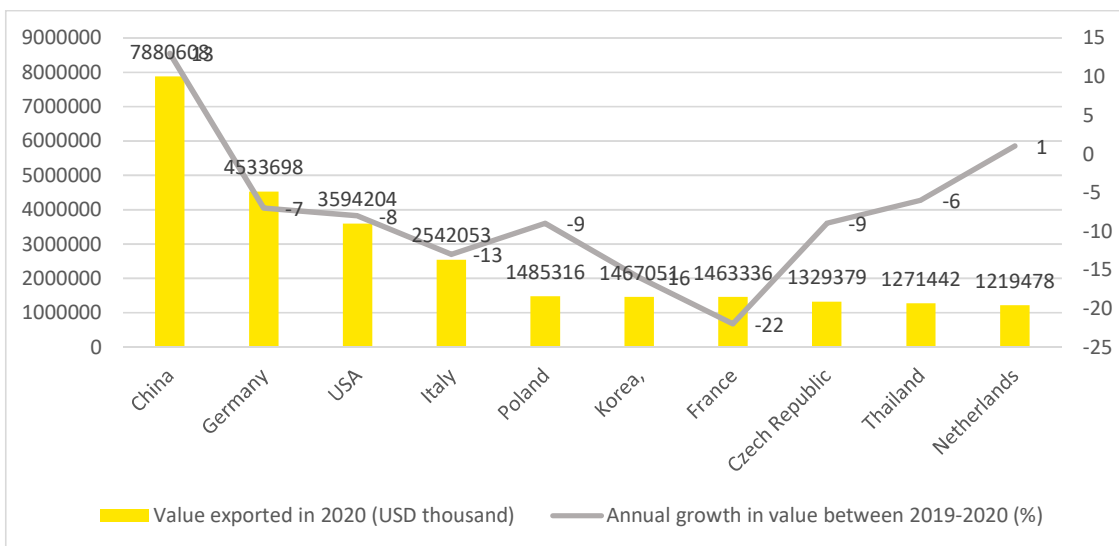


Figure 9 Top 10 Worldwide Exporters (732690)



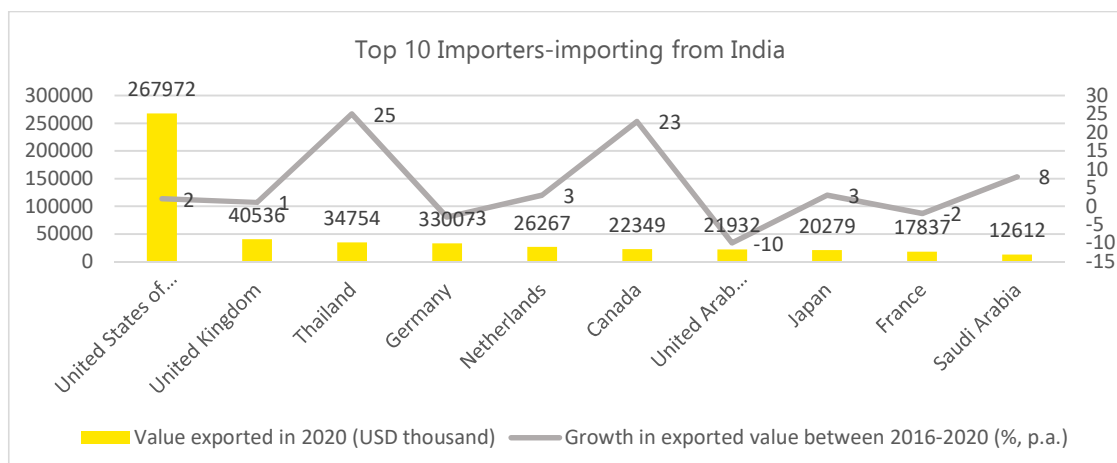


Figure 10 top 10 importers of product 732690 importing from India

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 artisans/Manufacturer 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/Manufacturer 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 Product manufacturing process

It has also been found that most of the artisans/manufacturers use no strategy for making modifications to the existing products in the light of design and fusion.

4.7 SWOT analysis

Table 7: SWOT Analysis Metal Craft

Strengths	Weakness
<ul style="list-style-type: none"> ▶ Easy availability of skilled workforce ▶ Availability of Semi-Upgraded Technology ▶ Experienced exporters /traders/ Wholesalers. ▶ A brand name through recognition of GI Tag ▶ Experience of International market and Demand. 	<ul style="list-style-type: none"> ▶ Minimal technological upgradation ▶ Existence of large number of intermediaries between importers and manufacturer ▶ Limited design innovation ▶ Usage of coal-based furnace ▶ Lack of focus on increasing export ▶ Violation of pollution norms or improper compliance of environmental regulations and pollution norms ▶ Large number of small units i.e. unorganized nature of the sector
Opportunities	Threats



<ul style="list-style-type: none"> ▶ Huge scope of market expansion- domestic and foreign like Mexico, Russia, Peru etc ▶ Scope for development of new products and modifying existing range like combination of Wood and Metal products (Lamp, Decorative items) ▶ Increase participation in marketing events- International and domestic trade fairs through govt schemes likes Marketing Development Assistance (where Stall charges, Fairs etc are being reimburse) 	<ul style="list-style-type: none"> ▶ Increase in price of Brass in international Market ▶ Competition from China, Thailand ▶ Tough competition with iron and aluminium based product ▶ Industrialization causing artisans/craftsman to move to metropolitan cities in search of better paying jobs ▶ Lack of Proper Marketing Infrastructure
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4.8 Challenges and interventions

Parameter	Challenges	Intervention
Raw Material	<ul style="list-style-type: none"> ▶ Copper, Aluminum, Iron, Zinc, Tin are the major metals used as raw materials in the cluster. ▶ The cluster has a rough demand of around 30,000 tons per day of raw material. ▶ Currently, raw material is produced locally through scrap; metal sheets, pipes and rods are procured from Jamnagar, Gujarat. ▶ Also, scrap is imported from Middle East, Australia, Sweden, USA ▶ Availability of Raw Material is the most important concern amongst artisans and manufacturers. ▶ The only Raw Material Bank CFC is set-up under MSC-CDP scheme with only 2800 ton/day capacity, which is not enough for Moradabad cluster. ▶ The existing raw material bank CFC runs on coal-based furnace. 	<ul style="list-style-type: none"> ▶ The cluster needs at least 2 Raw Material Banks with the output of around 5000 tons each are recommended to minimize artisans'/ manufacturers' dependency on multiple private suppliers and quality raw material would be available at concessional rates to artisans. ▶ There is a need of piped connection for gas-based furnaces in the cluster. ▶ Revival of Uttar Pradesh State Brassware Corporation. Brassware Corporation has done a great work in the past in providing metal raw materials at the concessional rates to the cluster artisans and also to the metal clusters across the state.
Technological upgradation	<ul style="list-style-type: none"> ▶ Artisans use hand-held tools and traditional techniques in product manufacturing. ▶ Majority of the artisans do job work given by manufacturers at home-based units. ▶ Artisans and manufacturers use coal-based furnaces causing pollution and health 	<ul style="list-style-type: none"> ▶ Introduction of latest technologies like gas-based furnaces for raw materials, automatic sand-casting technology. ▶ Modern metal Raw Material Bank and PVD coating CFCs are recommended, this will reduce the hazardous and polluting method of electroplating. ▶ Introduction of mechanization in the process to have a competitive edge for mass production of products. ▶ Product standardization and vertical integration of

	<p>related issues.</p> <ul style="list-style-type: none"> ▶ Use of electroplating method is also hazardous and causing pollution. ▶ One of the reason Indian metal handicraft industry is facing tough competition with China is not using advance technology. ▶ Introduction of technology facilitates quality improvement, standardization of products, and lesser production time. 	<p>units.</p> <ul style="list-style-type: none"> ▶ The cluster has MHSC, under DC Handicraft, having access to latest technology in metal craft. There is a need to give extra responsibility of research and development in designing, quality improvement and technology adoption ▶ The cluster may form a technical committee comprising metal technology experts, members from IIA, Exporters' Association, FICCI, DIC etc. to evaluate the latest technology and its requirement in the cluster. ▶ Organising exposure visits and trainings for artisans and manufacturers in new technologies in the metal craft Association of MHSC with "Indian Institute of Metals" for developmental activities in metal technologies and its outreach amongst the cluster stakeholders. ▶ using MHSC's services as a one stop solution for all technology and innovations in the field of metal development. ▶ Units can upgrade themselves under AHVY technology upgradation scheme
Design	<ul style="list-style-type: none"> ▶ Around 80-90% designs come from exporters who get them from the overseas buyers. 	<ul style="list-style-type: none"> ▶ Strengthening the MHSC and introduction of design development and research section. ▶ The upcoming sourcing/marketing hub in the cluster should have a design bank/ centre to facilitate new designs and patterns and its training to the artisans.
Marketing & branding	<ul style="list-style-type: none"> ▶ The cluster market is driven by the exporters. ▶ The metal craft of Moradabad is famous and demanded globally. The market, both domestic and export, are very well developed. The vicinity to Delhi/ NCR and 1200 registered exporters caters markets both nationally and internationally. ▶ Major metal craft importing countries are USA, Canada, European nations, Middle East, and Australia. ▶ Product made in the cluster are majorly hand-made thus lack standardization and has not developed a brand. 	<ul style="list-style-type: none"> ▶ Uttar Pradesh Brassware Corporation Ltd has proposed a "Display cum Exhibition Centre" in Moradabad to showcase the products so that the buyers can visit and finalise the deal based on design, price, and quality. ▶ A marketing hub is already established in the district, but it needs to function at full potential. Showcasing multiple products, designs and patterns, and monthly buyer-seller meets to be conducted. ▶ Establishment of Marketing Hub in the cluster to promote cluster products and promotion. Moradabad Development Authority (MDA) is constructing a "Sourcing Hub and Warehouse Complex" on Moradabad-Delhi highway in an area of 12,000 sq.mt. This complex has 169 shops, 144 storerooms, food court, handicraft club, and Display centre. The government has decided to lease out this complex to ODOP marketing cell for a period of 15 years. This complex will showcase the metal craft to multiple buyers (nationally and internationally) and will also facilitate buyer-seller meeting. ▶ Marketing Assistance Scheme and International Cooperation Scheme can be utilised.
Quality Improvement	<ul style="list-style-type: none"> ▶ Undefined quality standards of the products. 	<ul style="list-style-type: none"> ▶ MoU with QCI for defining quality standards of the products so that their quality can be maintained/

		improved.
Post GI Initiative	<ul style="list-style-type: none"> ▶ Lack of promotion of products highlighting their GI tag 	<ul style="list-style-type: none"> ▶ Organise one seminar within two months to apprise the stakeholders about the importance of Geographical Indication (GI) and for increasing the authorised users. (This can be done by DGFT /FIEO/ MSME with the help of DIC)
Exporter's issue	<ul style="list-style-type: none"> ▶ No focal point to address exporters ongoing issues. 	<ul style="list-style-type: none"> ▶ 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. ▶ Manufacturers/ Exporters may be sensitized to utilize facilities provided by the Moradabad SEZ
Cost Structure	<ul style="list-style-type: none"> ▶ U.P. is a land-locked state hence this increases the transportation cost which in turn adds to the overall production expenses ▶ 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 	<ul style="list-style-type: none"> ▶ 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. ▶ The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website. ▶ 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.
Skill Development &	<ul style="list-style-type: none"> ▶ Youth is leaving the interest and supply of skilled manpower is issue in cluster 	<ul style="list-style-type: none"> ▶ PM Kaushal Vikas Kendra provides skill development ▶ Training under ODOP Toolkit scheme ▶ A separate Building is being constructed under existing MHSC for "Indian institute of Handicraft technology" where Certificate and Diploma courses will be available for Metal craft

4.9 Future Outcomes- Metal Art

Various new and existing units of cluster have taken loan under ODOP Margin Money Scheme for setup/expansion of their units and their production capacity is going to increase in a year. Assuming their production volume and export potential cluster will grow by 25% in export.

Annual Turnover
Increase in annual turnover from existing INR 4650 Cr. to 5800 Cr. by 2025

Cluster exports
Substantial targeted growth in cluster exports expected to be 25% in short term and approx. INR 1140 cr. by 2025 (over a span of 3 years).

5. Product 2: Mentha Oil

5.1 Cluster Overview

The country's Rs.15,000 Crore fragrance and flavors market (aromatic sector) is witnessing buoyant times with consumption demand going up in the FMCG sector, rapid penetration in the rural market and growing acceptance of India items in the global market.

India represents one of the leading consumers and exporters of aroma chemicals in the Asia Pacific region. It exported raw herbs worth USD 330.18 Million during 2017-18 with a growth rate of 14.22% over the previous year. Market growth is supplemented by the growing usage of essential oils among industries coupled with increasing disposable income.

Medicinal and aromatic plants (MAPs) are receiving considerable attention all over the world because of their vast untapped economic potential, especially in the use of herbal medicines.

The Mentha arvensis (menthol mint) is an important essential oil-bearing plant and the menthol crystallized from the essential oil, de-mentholated oil and specific terpene fractions thereof are widely used in food, flavour, pharmaceutical and cosmetic industries.

Menthol mint is cultivated in a large area in the Indo-Gangetic Plains in the states of Punjab, Haryana, Uttarakhand, Uttar Pradesh and Bihar, with maximum area in Uttar Pradesh.

Around 92 per cent of Mentha production in the country now owes its recognition to UP, which also comprises 86 per cent of Mentha production in the global marketplace.

TOP FIVE MENTHA PRODUCING DISTRICTS OF UTTAR PRADESH

Crop: Mentha (Area: In Hect.) (Prod.: In M.T.)											
SL. NO	DISTRICTS	2014-2015		2015-2016		2016-2017		2017-2018		2018-2019	
		AREA	PROD. (OIL)	AREA	PROD. (OIL)	AREA	PROD. (OIL)	AREA	PROD. (OIL)	AREA	PROD. (OIL)
1	BARABANKI	78926	7893	82872	8287	84529	8453	85591	8559	86447	8644.7
2	BADAUN	56049	5605	58851	5885	60028	6003	60101	6010	60702	6070.2
3	MORADABAD	51207	5121	53767	5377	54842	5484	55065	5507	55616	5561.6
4	SITAPUR	38026	3803	39927	3993	40726	4073	40878	4088	41287	4128.7
5	RAMPUR	29764	2976	31252	3125	31877	3188	31955	3196	32275	3227.5

Courtesy: Spices Board, Barabanki

Note: Here it is important to note that Moradabad district is separated in two districts in 2011, As Sambhal and Moradabad, and major area of farming and processing of mint units are now in Sambhal district.

Uttar Pradesh is amongst the top exporters in India and ranked 5th amongst the landlocked states on Export Preparedness Index 2020. The state primarily exports meat, apparel & clothing, handmade carpets, footwear etc. The merchandise exports from Uttar Pradesh reached USD 16.29 billion in 2018-19 and USD 12.82 billion in April-December 2019. India has emerged as the largest producer and as an export hub for Mentha oil and its derivatives. The country contributes around 80% to the total global Mentha oil production. The figure alongside represents the share of principal commodities exported from the state in 2018-19.

5.2 Product Profile

Mint or Mentha (Mentha arvensis) are aromatic herbs belonging to the genus Mentha and the family Lamiaceae. Most species are perennials with leafy runners, stolon's or underground rootstocks.⁷ Mentha species are cultivated in various parts of the world. It grows wild in Europe while it is cultivated in Japan, England, France,

⁷[Mentha - Wikipedia](#)



Italy, the USA, Bulgaria, Russia, and India. *Mentha Citrata* (Eau de Cologne mint), *Mentha Arvensis* and *Mentha Piperita* are the most common *Mentha* species.



1) *M. Arvensis*

2) *M. Piperita*

3) *M. Citrata*

- 1) ***M. arvensis*** (Japanese mint) is a downy, perennial herb, spreading by rootstocks which creep along the ground or just under the surface and root at the nodes. There are three horticultural varieties in this species.
- 2) ***M. Piperita*** spreads by a system of branching, underground rootstocks and grows to a height of 45 to 90 cm (1.5 to 3 ft).
- 3) ***M. Citrata*** grows up to 30-60 cm height, with decumbent branches and erect ends. The leaves are 1.25-5.0 cm long, thin, bronzy-green, petiolate: smooth. *M. citrata* is a hybrid between *M. aquatica* and *M. Viridis*. *Mentha Citrata* is widely used in Perfumery, *Mentha Arvensis* is used as a flavoring agent, cough medicines, cigarettes, and drinks and *Mentha Piperita* is used in medicines and culinary products. Although the genus *Mentha* comprises more than 25 species, the one in most common use is peppermint used as a natural pesticide and *Mentha* (*Mentha Arvensis*) for producing *Mentha* oil. Indian production of *Arvensis* rose rapidly from the start of the 2000's.

India is the highest producer and exporter of *Mentha* oil and its derivatives in the world. The other major producers are China, Brazil, the US, and Japan. During the last five years, India has exported nearly 1,500 tonnes to 20,000⁸ tonnes of *mentha* oil and its derivatives each year. This sector has come to occupy an important place in terms of its contribution to national output, employment, and exports.

Demand for mint and mint products is expected to continue to rise. ⁹It is estimated that global demand continues to increase by 3-5% a year. In this scale of market, this is a substantial additional volume that is required by the market each year and creates significant opportunities for new entrants.

5.2.1 Status of GI Tag

There is NO G.I. Tag applied by cluster stake holders for Moradabad District.

⁸ https://a-a-r-s.org/proceeding/ACRS2017/ID_753_1652/1428.pdf

⁹Intracen.org - An Overview of *Mentha arvensis* Production



5.3 Cluster Stakeholders



Figure 11: Cluster Stakeholders

Industry Associations

Following are principal Industry Associations/SPVs that are working for the development:

- ▶ Indian Industries Association
- ▶ Agriculture and Processed Food Products Export Development Authority (APEDA)

HS Code

HS codes under which the product is exported from the state.

Table 8: HS Code with description

HS Code	Description
290611	Mentha Oil

Current Scenario

The export scenario of India and Uttar Pradesh have been analysed basis the export statistics of HS codes 290611 under which Menthol and other product of Menthol are exported. Alongside are the key facts pertaining to the analysed product code.¹⁰

5.4 Export Potential

- ▶ India's exports represent **38.7%** of world exports for this product, its ranking in world exports is **1**
- ▶ There is NO direct export of Mint product from the Moradabad district. Rampur and Sambhal districts adjoining to Moradabad is exporting the Mentha products.
- ▶ **Product 290611:** India exported this product to Saudi Arabia, UAE, Yemen, Netherlands, UK, Kuwait, Oman, USA, Qatar, China etc. Below figure shows the top importers for this product (290611) in the world:

Key Fact of Export

8,05,308 (USD Thousand)

Value of world exports in 2020

3,11,296 (USD Thousand)

Total Exports from India in 2020

2,60,180 (USD Thousand)

Total Exports from Uttar Pradesh in 2020

38.70%

Share of India Exports in 2020

¹⁰ <https://www.trademap.org/>



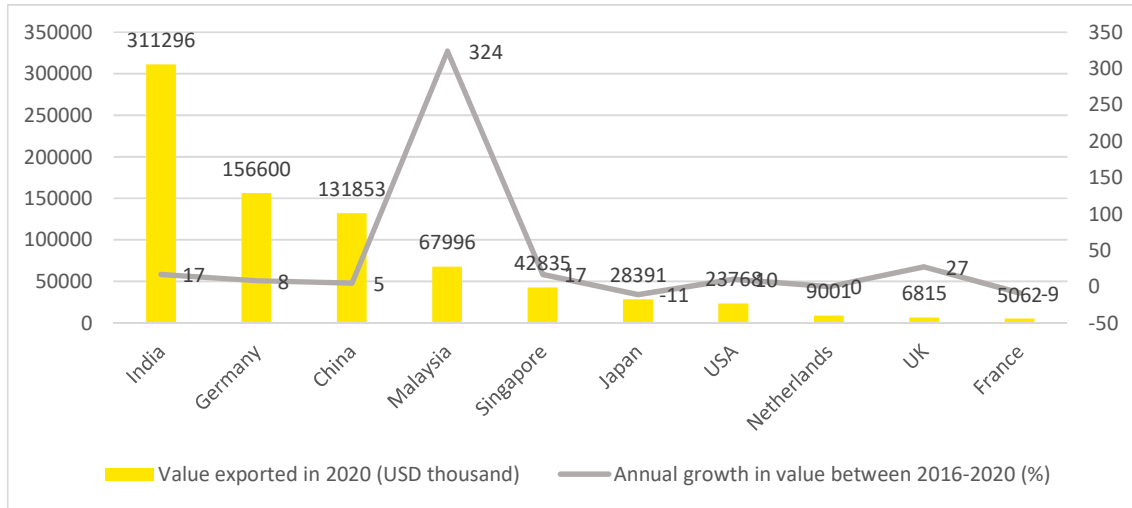


Figure 12 top 10 Worldwide Exporters (290611)

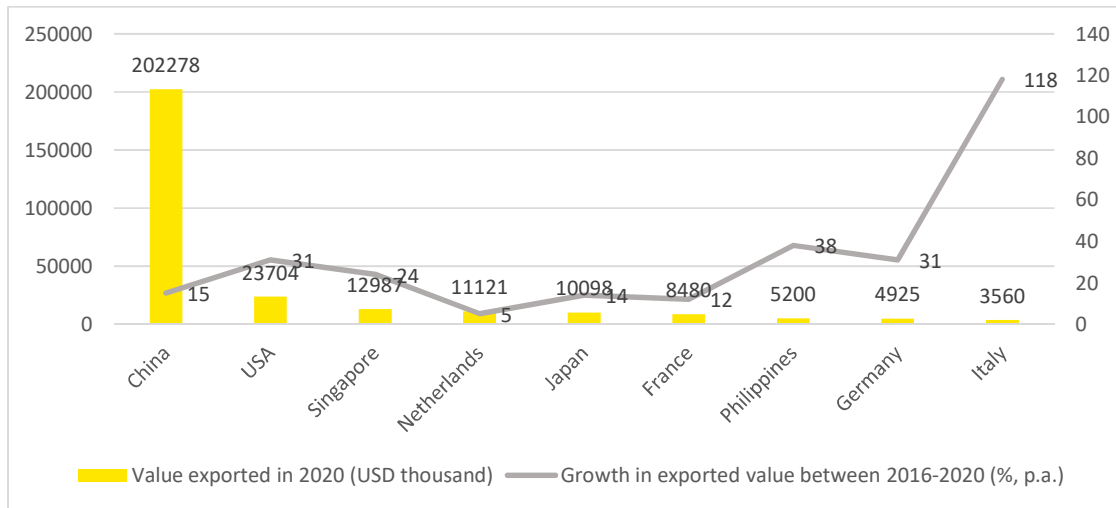


Figure 13 Top 10 importers for this product (290611) importing from India



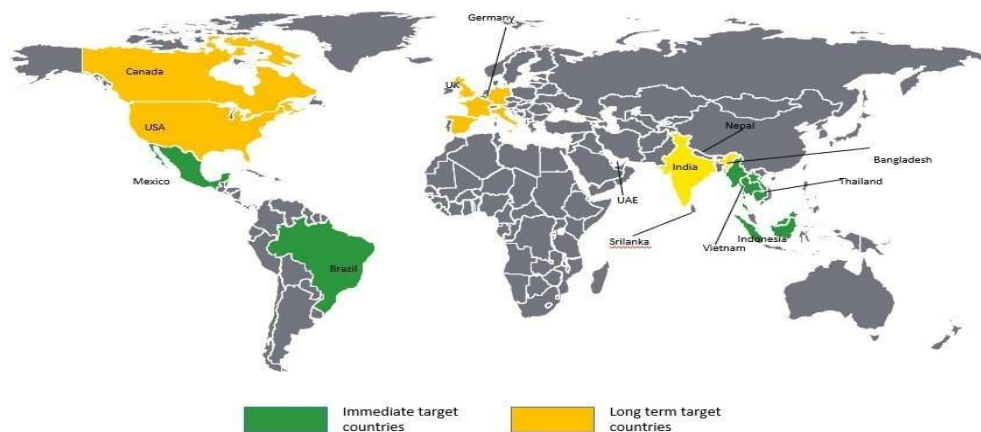


Figure 14 Markets for export potential for Mentha products

Thailand, Bangladesh, Indonesia, Mexico, Brazil are the countries which can be targeted immediately for export increase in short term while USA, Canada, Germany etc countries may be targeted after achieving immediate targeted countries.

5.5 SWOT Analysis

	Current		Future	
	Strength	Weakness	Opportunity	Threat
Raw material/ Inputs	<ul style="list-style-type: none"> Suitable soil condition, rainfall, and temperature for cultivation of Mentha plant. Mint product including mint oils, menthol crystal and menthol powder, is one of key product in State export basket. 	<ul style="list-style-type: none"> Season and weather fluctuation in India Heavy rains damages crop. As a result, harvesting process suffers. Pest infection damages the crop 	<ul style="list-style-type: none"> Rising demand from food, pharmaceutical industry increases the demand for cultivation of menthe plant. Involving FPOs in hedging 	<ul style="list-style-type: none"> Synthetic menthe oil in international market High price fluctuations of raw materials leading to escalation of final price of the product is a challenge for the cluster Depleting ground water is presenting new threat before farmer community and cluster enterprises.
Production Process	<ul style="list-style-type: none"> Distillation enterprise owners are proactive towards modern process technologies. Cluster has already initiated its movement towards 	<ul style="list-style-type: none"> Cluster enterprises do not possess advanced packaging facilities and skills. This has serious repercussions on the value of the products. Also, the suboptimal quality of packaging results in loss in-transit. 	<ul style="list-style-type: none"> Forward Contracts by processor Government regulation in quality testing and processing Duty free import fro processing equipment Establishment of Common Production 	<ul style="list-style-type: none"> No renowned brand name or manufacturing house is associated with this product. Attention is not paid on improving the packaging/ transportation of the product.



	<p>high-end market with suitable products like crystals, which has increasing demand in the country and abroad.</p>	<ul style="list-style-type: none"> ▶ Outdated production process and technology is limiting growth and profits for the enterprises in the cluster. 	<p>Centre with latest machinery for allied processes for production</p> <ul style="list-style-type: none"> ▶ Availability of modern technologies and machines for production of Mentha oil. 	<ul style="list-style-type: none"> ▶ Lack of technology up gradation is a threat as new production process to keep on upgrading with the changing technology.
Testing Lab		<ul style="list-style-type: none"> ▶ Lack of standardization due to no facility for central testing facility ▶ Traders usually use gas chromatography to test quality of material ▶ Farmers & micro MSMEs loose profits, as lack of proper testing facility is a challenge 	<ul style="list-style-type: none"> ▶ Government regulation in quality testing and processing 	
Skill/Manpower	<ul style="list-style-type: none"> ▶ Pool of manpower are available ▶ Resources available in district and are capable to manufacture products. They have learnt the skills in-house & on job only ▶ Cluster entrepreneurs are experienced in running essential oil units and are also well versed with the dynamics of the sector 	<ul style="list-style-type: none"> ▶ High migration rate 		
Market	<ul style="list-style-type: none"> ▶ The product has a high demand in international market ▶ Cluster is fairly well connected by road and rail and has close proximity with national capital New Delhi and business hubcenters like Kanpur. ▶ An established network of cluster 	<ul style="list-style-type: none"> ▶ Lack of properly organized marketing activities ▶ There is demand from various quarters for introducing minimum support price for mentha oil. But challenge in intervention in menthe oil market. ▶ Large no. of local dealers and 	<ul style="list-style-type: none"> ▶ Growing demand for mentha and allied items in domestic and foreign markets is an opportunity to tap. ▶ Currently three multi commodity exchanges offer futures in Mentha Oil MCX, NCDEX, and Exchange of India Ltd. Trades in Menthol futures ▶ Extensive marketing and promotional 	<ul style="list-style-type: none"> ▶ Competition from international market china, Brazil, Japan, U.S ▶ Competition from cheaper Synthetic menthe oil from other countries such as China, Japan, etc. ▶ Tough competition from international market ▶ VAT implementation

	<p>based traders and crystallization units form reasonable forward linkages. The network is an ideal platform for cluster enterprises to build upon.</p> <ul style="list-style-type: none"> ▶ The cluster has a well backward linkage comprising of more than 1 lakh farmers producing menthe. 	<p>commission agent operates due to which farmers do not get a fair price.</p> <ul style="list-style-type: none"> ▶ Market dominated by big players. Small farmers sell their output to local dealers who in turn deal with large scale distilleries and exporters. ▶ Limited domestic demand ▶ Lack of exposure to new market and branding. 	<p>activities</p> <ul style="list-style-type: none"> ▶ Creating awareness among the farmers regarding price of mentha so that they get fair price for their product ▶ Potential for increasing export by identifying untapped export potential of countries India already caters to ▶ Establishment of a common space for displaying the products of the cluster 	<p>on mentha allied cluster products.</p> <ul style="list-style-type: none"> ▶ Dominance of traders from New Delhi in exports due to close access to the cluster
Finance	<ul style="list-style-type: none"> ▶ Presence of various schemes and policies ▶ Presence of Banks and financial Institutions in the district 	<ul style="list-style-type: none"> ▶ Lack of awareness of Govt. initiatives ▶ Lack of interest in availing financial aid from banks ▶ Unaware of procedures of banks ▶ Legal entity, credit availability etc. remain major issues with most of the enterprises in the cluster 	<ul style="list-style-type: none"> ▶ Support from Government on export through various initiatives and relaxations ▶ Presence of favourable government schemes like MDA, NMCP, PMEGP to support cluster enterprises on quality, technology and marketing fronts. 	<ul style="list-style-type: none"> ▶ Lack of interest in availing financial support

Table 9: SWOT Analysis for Mentha Oil

5.6 Future Outcomes:

Two adjoining district “Sambhal and Rampur” are exporting the Mentha products, now Moradabad district is also creating ecosystem for Farming as well as for Processing. It is assumed that exports would increase in next five years



6. Product 3: Rice,

6.1 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.

District has a total cropped area of 3.11 Lakh Hectare and the major crops grown are Paddy, Wheat, Pulses (Lentil, Urd), Oilseeds (Mustard/ Toria), and Sugarcane. Districts have 3 sugarcane mills producing crystal sugar.

Rice farming is about to domestic consumption, it is observed that farmers of district are focuses on cash crop like farming vegetables and sugarcane more actively.

6.2 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.

6.2.1 Product Portfolio

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

6.3 Cluster Stakeholders



Figure 15: Cluster Stakeholders

6.3.1 Industry Associations (Rice) pending

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 (NRRI) - 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 transfer of technology for advancement of agriculture and allied sciences. The UPCAR was established on June 14, 1989, with its headquarters at Moradabad.
- ▶ Agriculture Department
- ▶ Krishi Vigyan Kendra (KVK)

6.4 Export Scenario

The rice produces from domestic is not much enough to get exported, and it's consumed in domestic uses only. Few rice mills are available in district but not serving as export stakeholders.

6.4.1 HS Code

HS codes under which the product is exported from the state.¹¹

HS Code	Description
100630	Semi-milled or wholly milled rice, whether polished or glazed

6.4.2 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 Moradabad district. Alongside are the key facts pertaining to the analysed product code. Export Potential

1. Rice: HS Code 100630 (Semi-milled or wholly milled rice, whether polished or glazed)

- ▶ India's exports represent **36.3%** of world exports for this product, its ranking in world exports is **1**
- ▶ There is no Direct export of product from District
- ▶ India exported this product to Iran, Indonesia, Malaysia, Bangladesh, Yemen, China, Saudi Arabia, Sri Lanka, USA, Nepal etc.

Key Fact of Export Error! Bookmark not defined.

2,06,31,291 (USD Thousand)

Value of world exports in 2020

74,84,136 (USD Thousand)

Total Exports from India in 2020

2,82,640 (USD Thousand)

Total Exports from Uttar Pradesh in 2020

36.3%

Share of India Exports

¹¹ DGFT, Kanpur

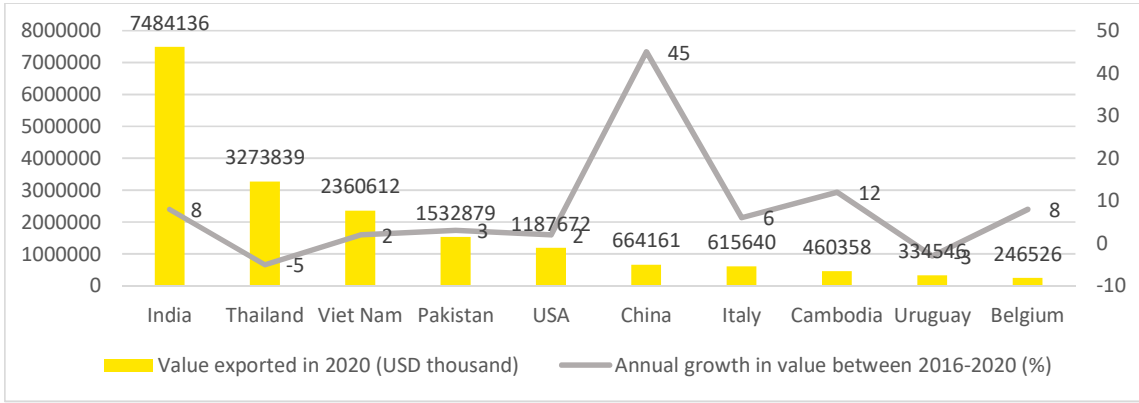


Figure 16 Top 10 Exporters worldwide (100630)

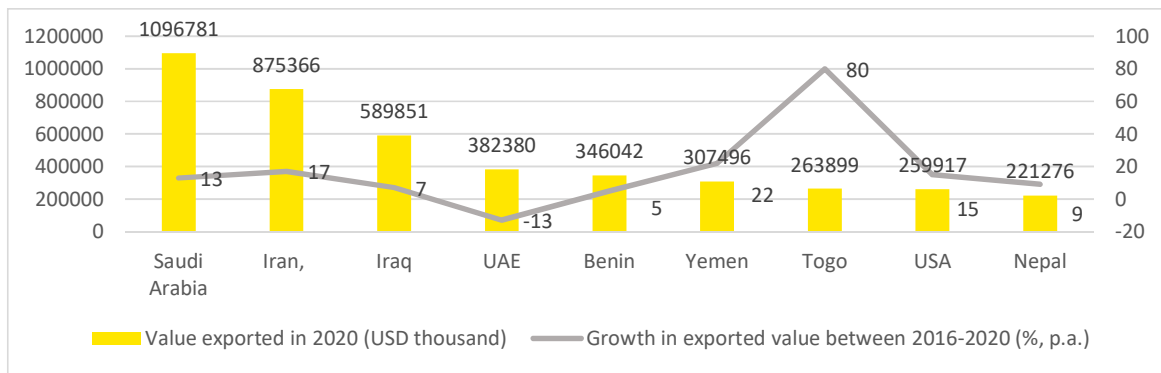


Figure 17 Top 10 Importers Importing from India (100630)



Figure 18: Markets for export potential

6.5 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:

- Rice Husk Use**
- ▶ Fuel
 - ▶ Gaseous Fuel
 - ▶ Husk Briquette
 - ▶ Husk Board
 - ▶ Furfural

- Rice Bran Use**
- ▶ Edible grade oil
 - ▶ Industrial grade crude oil
 - ▶ Free fatty acid manufacture
 - ▶ Plasticizers
 - ▶ Tocopherol
 - ▶ Rice bran wax

Wheat: Focus on production of **flour, cracked wheat, cereals, cookies etc.**

6.6 SWOT Analysis

Table 10: SWOT Analysis Rice

Strengths	Weaknesses
<ul style="list-style-type: none"> ▶ Improving and enhancing rural economy ▶ Moradabad, lying in the Gangetic plains provides fertile land suitable for farming ▶ Availability of cheap and skilled labour for farming ▶ Support from Government on export through various initiatives and relaxations ▶ Availability of various financial and non-financial assistances from state and central government pertaining to agriculture ▶ Leverage Financial Assistance schemes by Government 	<ul style="list-style-type: none"> ▶ Lack of proper infrastructure facilities for storage and manufacture of additional products ▶ Rice and Sugar 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 ▶ Currently, the cluster undertakes no marketing initiatives to increase the sale ▶ Poor packaging skills causes the farmers/ millers to lose orders ▶ Lack of knowledge of best farming practices for each variant of rice ▶ Lack of awareness of fertilizers required at different stages of production ▶ High broken percentage of rice due to usage of obsolete machine ▶ Adulteration and mixing of different rice varieties as the cluster uses the same mills for processing all rice variants

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 ▶ Increase in production through organic farming ▶ Establishment of temperature-controlled warehouse & SILOS for other varieties for prevention of adulteration and protection from climate change and animal & insect hazards 	<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

6.7 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 ▶ Lack of common warehousing/storage facilities at the cluster ▶ Establishment of SILOS at block level for storing processed paddy ▶ Establishment of temperature-controlled warehouse with the CFC 	<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), sugar and wheat 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 and sugar 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 	<ul style="list-style-type: none"> ▶ Distribution of Certified seeds to farmers partially through Krishi Vigyan Kendra (KVK) of Moradabad 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 & Sugar 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. ▶ Similarly, many of the sugar mill owners are not using modern machinery due to higher cost of machinery 	<ul style="list-style-type: none"> ▶ Rice and sugar 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. ▶ Sugar mill owners make use of Government schemes for upgradation of their mills.
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 trade

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>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 hinderances
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.

6.8 Future Outcomes

District main farming products is Sugarcane and Vegetables, other product like wheat, rice etc are being produce only for self-consumption. Various initiatives are being conduct by government authorities to educate farmers and it assumes that in next five years export will increase substantially.



7. Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ¹²
Increasing the overall exports from the state		
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	DIEPC UPEPB	Continuous initiative
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 (food, engineering & auto components, handicrafts, textile& apparel etc.) by utilizing schemes like IC and MAS	DIEPC UPEPB	Continuous initiative
Sensitization of cluster actors: <ol style="list-style-type: none"> The individuals of a cluster should be sensitized on the plethora of schemes¹³ 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 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 sensitized on target countries identified through export analysis mentioned in DAPs and EAP 	DIEPC UPEPB	Continuous initiative
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

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

¹³ 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>:

Common interventions across sectors/ clusters		
Collaboration with e-commerce companies like Amazon, ebay, Flipkart etc.	ODOP cell, UPEPB/DIEPC	Short term
MoU with QCI for defining quality standards of the products	ODOP cell, UPEPB/DIEPC	Short term
Collaboration with IIP to define cluster-wise packing standards	ODOP cell, 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 state & centre 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 / Duty Free Import Authorization Scheme.	DIEPC/UPEPB	Long term
b. The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website.	DIEPC/UPEPB	Long term
c. The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.	DIEPC/UPEPB/FIEO	Short term
Product 1: Metal Craft		
Establishment of Common Facility Centre with:		
a. Raw Material Bank		
b. Common Production Center		
c. Design and display center with CAD/CAM facilities and space to showcase products to undertake sale		
d. Marketing centre for undertaking marketing events		
Collaboration with NIFT and NID for design inputs and support in branding initiatives	DIEPC, DGFT and ODOP Cell	Long term
	UPEPB/ODOP Cell	Long term

Increase the usage of the portal as this portal facilitates the weavers and artisans to provide information about their handloom products for easy understanding of exporters.	UPEPB/ODOP Cell	Short term
Promotion of post GI initiative: e. DIC to identify 100 authorized users to become IEC holder in a year f. Organize one seminar within two months to apprise the stakeholders about the importance of Geographical Indication (GI) and for increasing the authorized users	DIEPC/UPEPB	Intermediate term
Product 2: Mentha Oil		
FPO model approach: It is suggested that on the lines of State Agri Export Policy, FPO model and cluster-based approach be adopted.	UPEPB, DIEPC and Dept of Food Processing & Horticulture	Long term
Establishment of a warehouse with modern storage facilities leveraging schemes like MSE-CDP, PM FME etc.	UPEPB, DIEPC/ DHOs and Dept of Food Processing & Horticulture	Long term
Promotion of post GI initiative: a. DIC to identify 100 authorized users to become IEC holder in a year b. Organize one seminar within two months to apprise the stakeholders about the importance of Geographical Indication (GI) and for increasing the authorized users	DIEPC/UPEPB	Long term
Collaboration with E-commerce companies focusing on B2B buyers.	UPEPB and DIEPC	Short term
APEDA may be asked to apprise the stakeholders about benefits under NPOP scheme	APEDA/UPEPB/DIEPC	Ongoing
Training programme to educate the cultivators: 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
Product 3: Rice		
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 Moradabad and Farmer Producers Organization	KVK/ DIEPC/ FPO	Ongoing as per Implementation schedule
a. Modernized Rice and sugar mills to ensure high milling recovery and reduce the	UPEPB/DIEPC/State Agriculture	Long term

percentage of broken rice. This rice will be suitable for export. b. Sugar mill owner make use of Government schemes for upgradation of their mills.	Department	
Training programme to educate the cultivators: 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 establishing a CPC utilizing PM FME scheme	UPEPB, DIEPC/ DHOs 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

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 Center
DGFT	Director General of Foreign Trade
DHO	District Horticulture Officer
DIC	District Industries Center
DIEPC	District Industry and Enterprise Promotion Center
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 Center
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	United States of America



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