

Department of MSME & Export Promotion Government of Uttar Pradesh

Knowledge Partner



विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF
FOREIGN TRADE

Districts
of Export Hubs



Building a better
working world

Preface

This district export plan for Muzaffarnagar 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 Muzaffarnagar as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Muzaffarnagar under the chairmanship of District Magistrate. With the said objective, 'District Export Action Plan' has been prepared and being presented to concerned stakeholders.

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

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

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

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1. Vision of Districts as Export Hubs

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

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

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

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

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

2. District Profile

Muzaffarnagar is in the middle of highly fertile upper Ganga-Yamuna Doab region in the western border of the state of Uttar Pradesh (UP). The district at present comes under Saharanpur division and is part of National Capital Region and it is the principal commercial, industrial and educational hub of Western UP. The town was founded in 1633 near the site of an ancient town, Sarwat, by the son of a Mughal Commander Sayyid Muzaffar Khan during the reign of Shah Jahan. In 1901, during the British-Raj, it was a district under Meerut Division in the United Provinces of Agra and Oudh. The economy of the district is mainly based on agriculture: sugarcane, paper and steel industries.

2.1 Geography

Muzaffarnagar is located on the western border of the state and it is 272 meters above sea level in the Doab region of Indo-Gangetic Plain. It is 125 kilometres NE of the national capital, Delhi, and 200 kilometres SE of Chandigarh, and near to Bijnor, Meerut and Hastinapur. The district is well connected by road and railway networks. The Ghaziabad - Saharanpur line passes through the city thus forming the backbone of the long-distance and best possible travel from the city. Indian Railways provides connections to New Delhi, Western Uttar Pradesh, Jammu & Kashmir, Punjab, South India, and other parts of the country. Dehradun Shatabdi Express and Dehradun Jan Shatabdi Express trains pass through and halt at the Muzaffarnagar station. The Meerut - Saharanpur section of this railway route is now being developed as a part of the Eastern Dedicated Freight Corridor. The corridor extends from Ludhiana in Punjab to Dankuni in West Bengal. The National Highway - 58 (NH-58) passes through Muzaffarnagar city. This highway provides connections towards Delhi on the southern direction and upper reaches of the Himalayas in the Uttarakhand state in the northern direction. The highway is the backbone of road transportation for the Muzaffarnagar city as well as the Garhwal region of Uttarakhand. Cities and areas of Hardwar, Rishikesh, Dehradun as well as Badrinath and Kedamath are served by this highway. An international airport, Muzaffarnagar International Airport, was proposed in the city in order to reduce the traffic at the Indira Gandhi International Airport, however, the same was transferred to the Jewar Airport.

2.2 Topography & Agriculture

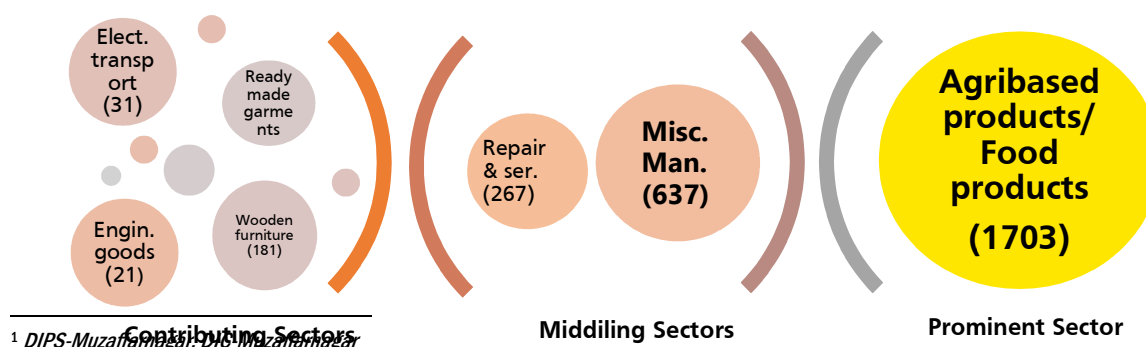
Muzaffarnagar is roughly rectangular in shape. The climate of Muzaffarnagar district is good from the point of view of health specially from November to March months the climate of the district is very pleasant due to western northern airflow. Here summer starts very early. The temperature of the district varies from 2° C in winter to 46° C in summer. The wet session normally starts in the end of June month. The average rainfall is 753 mm; the winter months are virtually dry. There are no minerals found in the district.

2.3 Industrial Profile of the District

As given in the following table¹, MSME industries across the sectors of food/agro-based industries, repair & servicing, other manufacturing, wood, metal, apparel, paper, electrical and other transport, chemical, leather and engineering are key economy drivers in the district.

Table 1: Industries details²

S No	Industry	Total Units	Micro	Small	Medium	Total Employment	Total Investment (INR in Lakhs)
Agriculture, Forestry and Fishing							
1	Agriculture Based/ Food Products	1700 ³	✓	NA	NA	20,000	NA
Manufacturing and Services							
2	Ready-made garments & embroidery	77	✓	NA	NA	395	05.00
3	Wood/wooden based furniture	181	✓	NA	NA	409	55.00
4	Paper & Paper products	03	✓	NA	NA	19	20.00
5	Chemical/ chemical based	03	✓	NA	NA	17	37.00
6	Metal based (steel fab.)	11	✓	NA	NA	53	01.00
7	Engineering goods	21	✓	NA	NA	1117	150.00
8	Electrical Machinery & Transport Equipment	31	✓	NA	NA	153	02.00
9	Misc. Manufacturing/others	637	✓	NA	NA	3338	4427.00
10	Repairing & Servicing	267	✓	NA	NA	1463	15.00



¹ DIPS-Muzaffarnagar, DIO-Muzaffarnagar

² Directorate of Industries, Govt of U.P, Kanpur

³ Both registered and non-registered micro units and traders of jaggery and food products – DSR, IL&FS

Figure 1: MSME landscape of the district

“Agriculture based products/ food products” industries sector of MSME with more than 1700 micro units including Kolhus and trading units (both registered and unregistered) and more than 20,000 skilled and non-skilled workers in the district is the prominent contributing sector in the economy. The “Misc. manufacturing” sector have more than 637 units deploying more than 3300 people and resources in the cluster. This is further followed by Repair and servicing sector and wooden furniture in the district.

Table 2: Occupational Distribution of Main Workers⁴

S.No.	Particulars	Muzaffarnagar	%
1	Cultivators	336,049	26.00%
2	Agriculture Labourers	323,641	25.00%
3	Household Industry Workers	45,942	3.6%
4	Others	5,56,002	45.00%

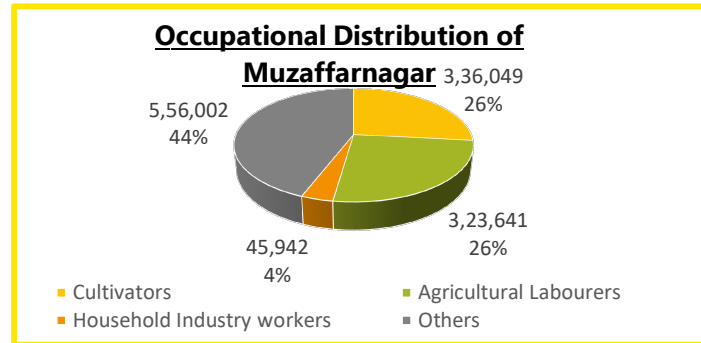


Figure 2: Occupational distribution of Muzaffarnagar

2.4 Major Exportable Product from Muzaffarnagar

The total export from Muzaffarnagar district during Sep 2020-Nov 2021 stands at 4281 crore which includes export value of products i.e., jaggery (cane sugar), glucose liquid, frozen, boneless meat of bovine animals, seeds, paper, craft paper and paperboard, cast articles and alloy steel and others. The major exportable items are jaggery and frozen, Boneless meat of bovine animals.

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

Table 3: Major exportable product

S. No	Product	Export value (in INR) from September 2020 to November, 2021
1	Jaggery	203.5
2	Frozen, Boneless meat of bovine animals	85.91
Total Export from Muzaffarnagar		4281 Cr

⁴ District census handbook 2011- Muzaffarnagar

3. Product 1: Jaggery

3.1 Cluster Overview

The turnover of Muzaffarnagar’s jaggery cluster is approx. Rs. 255⁵ crores. In last three fiscal years the annual turnover of the industries has decreased due to shift of producing units to other places & increasing awareness about adulteration of product.

The district tops the list of jaggery producing districts in the state with around **150 villages and 1620 Kolhus** producing 60 varieties of NCS (Non centrifugal sugar) known as Gur in India. **Moma, Baghra, Jansath, Sadar and Purqazi and Shahpur** blocks are manufacturing more than 60% of jaggery of Muzaffarnagar.

Muzaffarnagar is the biggest mandi (marketplace) of Jaggery in Asia. It accounts for an estimated 20% of India’s Jaggery production. The farmers produce around 60 varieties of Jaggery in Muzaffarnagar. According to Muzaffarnagar market secretary, around 10,74,838 quintals of jaggery were sold in the mandi in 2018-19. The sugarcane is cultivated in more than 139221 hectares of area. The region has 8 sugar mills and about 1,600 small units that produce jaggery. Nearly 70-80 lakh tons of jaggery is produced across the country with Uttar Pradesh accounting to 50% of the production. The State Advised Price (SAP) of Sugarcane is Rs. 315 in Uttar Pradesh set by Government of Uttar Pradesh. In Muzaffarnagar, 20% of sugarcane used for Jaggery production while in Ayodhya only 5% of the sugarcane production is used for production of Jaggery. More than 20000⁶ people are directly employed in Muzaffarnagar Jaggery cluster.

Gur from Muzaffarnagar mandi is then sold in Assam, Bihar, Chattisgarh, Delhi, Gujrat, Haryana, Himachal Pradesh, Jammu, Jharkhand, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh, Uttrakhand, West Bengal, Orissa, & Andhra Pradesh.

Key Facts

- ₹
INR 255 Crores Approximate turnover of the cluster
- 8
8 Sugar mills and 1620 micro units (Kolhus) in the cluster
- 20,000
20,000 skilled and unskilled workers directly employed in the cluster

3.2 Value Chain of “Jaggery”

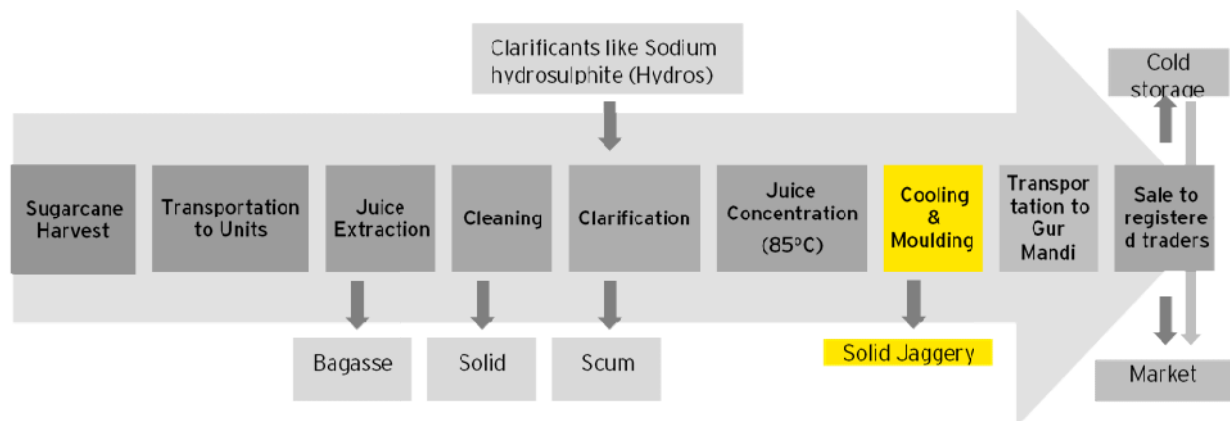


Figure 3: Value Chain of Jaggery

⁵ DSR on Muzaffarnagar’s Jaggery by IL&FS

⁶ DSR, Muzaffarnagar by IL&FS



3.3 Product Profile

In Muzaffarnagar, jaggery is produced in three forms viz., solid, liquid, and powder /granular form.

3.3.1 Product Portfolio

- ▶ **Solid Jaggery:** In Muzaffarnagar, the colour of solid non-centrifugal sugar (or jaggery) varies from yellow to brown or dark brown. The filtered cane juice is pumped into open pans kept on triple pan furnace and heated until dry. The most commonly found shapes are laddu (small ball shaped), dali (big cubes) and chocolate (small cubes) etc.
- ▶ **Liquid Jaggery:** It is also known as Molasses/ Raab/ Kakvi / Sheera / Treacle/ Cane Syrup/ etc. Liquid jaggery is an intermediate product obtained during concentration of purified sugarcane juice during jaggery making, and is semi liquid syrup like product, known for its energy boosting properties
- ▶ **Granular or Powder Jaggery:** The process of making granular jaggery is similar up to concentration. The concentrating slurry is rubbed with wooden scrapper, for formation of grains. The granular jaggery is then cooled and sieved. Less than 3 mm sized crystals are found to be better for quality granular jaggery.
- ▶ **Organic Jaggery:** Organic Jaggery Powder is produced from sugarcane cultivated in organic farms spread across India without application of chemical fertilizers or pesticides. Processing is done without using any toxic and harsh chemicals used to clarify cane sugar. It is derived from the process of evaporation of raw sugarcane juice without separating the molasses from the crystals. It is known as "panela" in South America & Mexico, "gur" in India. It is characterised with a soft texture. Colour of Organic Jaggery varies from yellow to dark brown. Production of organic jaggery is marginal in the district because of absence of organic farms in the district.
- ▶ **Value added products:** Currently, few value-added products are prepared using jaggery instead of sugar viz., Rosagolla, Peda, curd, laddu (puffed cereal, nuts and sesame etc.) but no scientific literatures as well as process technologies are available for commercial exploitation. Other uses include jaggery toffees and jaggery cake made with pumpkin preserve, cashew nuts, pea nuts and spices. Jaggery may also be used in the creation of alcoholic beverages like palm wine. Products of Jaggery (Gur) like Confectionary Products, Ayurvedic Jaggery, Gur-Patti, Gur-Laddu, Ram-Dana Laddu, Til-Laddu, Gur-Gazak, Gur-Chocolate, Gur-Burfi and Gur Containing Nutritional and Medicinal Substances are also being manufactured.

3.3.2 Status of GI Tag

The fame of unique handicrafts, aromatic agricultural products and natural goods from Uttar Pradesh has crossed borders, for 36 items have been GI tagged to the state, in a bid to preserve and promote their uniqueness. When marked on a map, the items on this list cover the length and breadth of UP in a manner that truly reflects its artistic legacy and agricultural ingenuity. Muzaffarnagar district doesn't have any product registered with GI.

- | | |
|---|---|
| <ul style="list-style-type: none"> ▶ Marketing Unit – Gur Mandi, Mandi Samiti ▶ Zila Ganna Vibhag ▶ Zila Khandsari Vibhag ▶ Financial institutions – Cooperative Bank, State Bank of India, Punjab National Bank, Punjab & Sind Bank, Allahabad Bank, Cooperative Bank and HDFC bank etc. ▶ Govt Schemes & Implementing agencies such as Govt., PSUs, Joint Ventures, NGOs, Coop Sector, industrialists etc. | <ul style="list-style-type: none"> ▶ District Industries Enterprise Promotion Council (DIEPC) ▶ The Indian Council of Agricultural Research (ICAR) ▶ Krishi Vigyan Kendra in vill. Baghara, Jalalpur ▶ Krishi Vigyan Kendra in vill. Chittaura, Block Jansath ▶ Sugarcane Development Councils ▶ Industry Associations - The Gur Khandsari & Grain Merchant Association |
|---|---|

3.4 Cluster Stakeholders

Figure 4: Cluster Stakeholders

3.4.1 Industry Associations

Following are four principal Industry Associations/SPVs that are working for the development of Jaggery in Muzaffamagar:

- ▶ **The Indian Council of Agricultural Research (ICAR)**
- ▶ **Sugarcane Research Station (UPCSR), Muzaffamagar (AICRP)**
- ▶ **MSME Development Institute, Kanpur**
- ▶ **District Industries Enterprise Promotion Council (DIEPC)**
- ▶ **U.P. Council of Agricultural Research (UPCAR)**

3.5 Export Scenario

3.5.1 HS code

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

Table 4: HS codes for Jaggery

HS codes	Description
170113	Raw cane sugar, in solid form, not containing added flavouring or colouring matter, obtained without centrifugation, with sucrose content 69° to 93°, containing only natural anhedral microcrystals
170114	Raw cane sugar, in solid form, not containing added flavouring or colouring matter

Current Scenario

The export scenario of India and Uttar Pradesh have been analysed basis the export statistics of two HS codes mentioned above under which Jaggery products are exported. Alongside are the key facts⁷ pertaining to the two analysed product codes (170113 & 170114).

Key Facts of Export
(HS - 1170113 & 170114)

1,41,24,205 (USD Thousand)

Value of world exports in 2020

5,58,006 (USD Thousand)

Total Exports from India in 2020

2,14,810 (USD Thousand)

Total export from UP in 2020-21

45%

Share of UP in India's exports

3.6 Export Potential

3.6.1 Export Key Facts

- ▶ India accounts for more than 50% of world's jaggery production, however due to international food regulation, India has not been able to export most of the produce. Brazil has been largest exporter of this product.
- ▶ In 2020, India ranked 3rd⁸ largest exporter of product 170114 (raw cane sugar, in solid form, not containing added flavouring) with export value of 532,951 USD thousands.
- ▶ India's exports represent 4.7% of world exports for this product. The average distance of importing countries is 3456 km and the export concentration is 0.16.
- ▶ **Product 170114: Major importing countries from India for Product are Iran, Indonesia, Malaysia, Bangladesh, Yemen, China, Saudi Arabia, Sri Lanka, USA, Nepal etc.**

Major importers for this product in the world are as depicted below⁹:

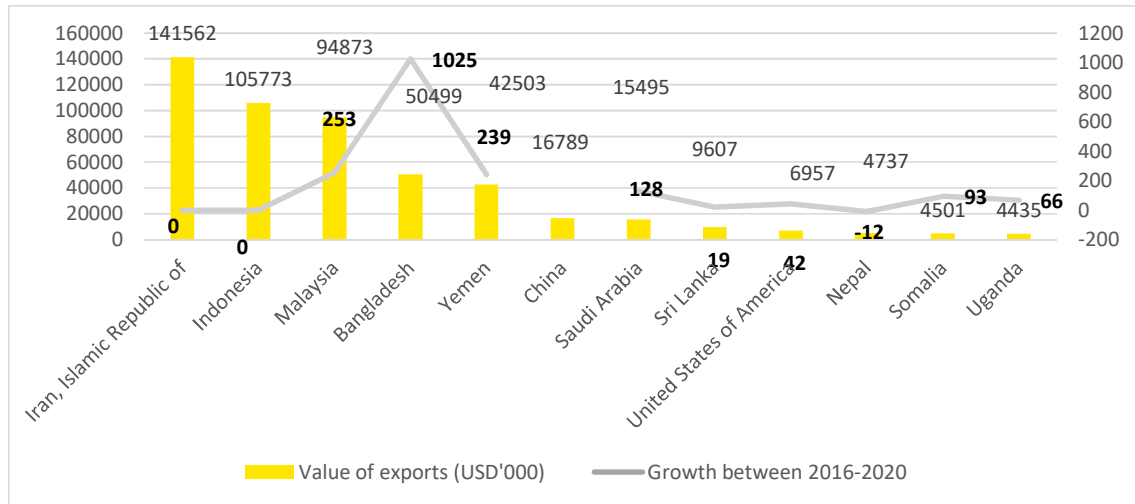


Figure 5: Top importers for this product (170114) in the world

⁷ <https://www.trademap.org/>

⁸ <https://www.trademap.org/>

⁹ Trademap.Org for HSN Code 170113

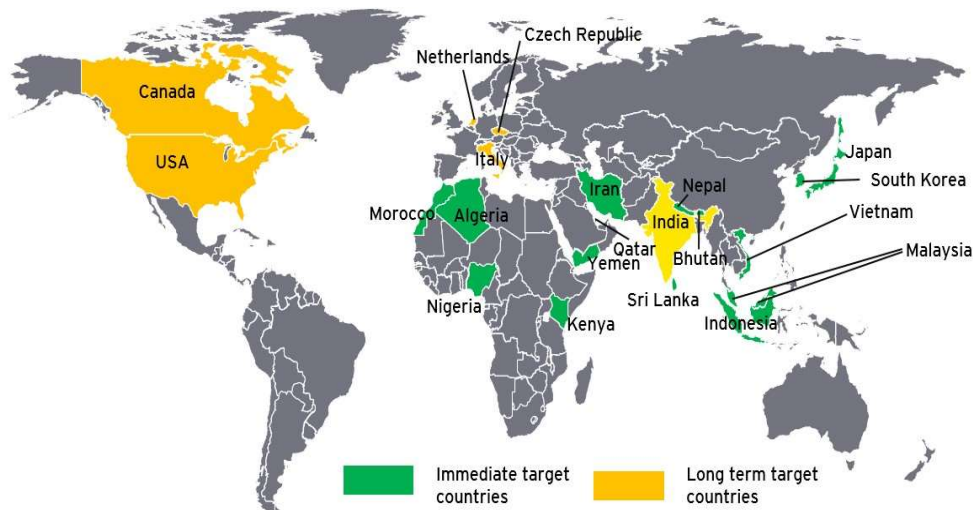


Figure 6: Markets for export potential

- ▶ Countries to whom UP exports this product in HSN code 170114 are Bangladesh, Yemen, Malaysia, Iran, Somalia, USA, Uganda, Madagascar, Nepal, Rwanda, Sri Lanka, Bhutan, Kuwait, Timor Leste and Congo

3.7 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 Farmers/ or jaggery manufacturers/ traders 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 range of products:

The Farmers 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 product. Jaggery may be value added with different natural flavour (ginger, black pepper, cardamom, lemon etc.), nutrition (protein, vitamins and phytochemicals), texture (additives) and taste (additives like nuts, spices, cereal and pulses).

2. Modifications of Existing Products to add more value:

Design Innovation Centre to pursue product diversification as a permanent feature locally.
Establishment of a vacuum packaging facility to produce packaging that prevents any contact of jaggery with the environment, hence giving it longer shelf life.

3.8 SWOT analysis

Table 5: SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> ▶ Well Established market ▶ Huge production capacity 	<ul style="list-style-type: none"> ▶ No experience of collective workers ▶ Lack of appropriate technology

<ul style="list-style-type: none"> ▶ Easy availability of raw material ▶ Large employment potential ▶ Low initial investment 	<ul style="list-style-type: none"> ▶ Excessive use of clarificants ▶ No R&D facility ▶ Limited knowledge of quality control
Opportunities	Threats
<ul style="list-style-type: none"> ▶ Increase demand for quality jaggery ▶ Production of value-added products ▶ Mechanization of process ▶ Upgradation in production technology 	<ul style="list-style-type: none"> ▶ Shortage of labour ▶ Competition from sugar mill ▶ Non- availability of finance ▶ Lack of timely and adequate credit from credit institutions

3.9 Challenges and interventions

Table 6: Challenges & Interventions

Parameter	Challenges	Intervention
Raw Material	<ul style="list-style-type: none"> ▶ High sugarcane production – Facing issues like staling and drying; Difference in recovery percentage ▶ Unhygienic filtration practices ▶ Very less shift to Organic Production ▶ High use of clarificants ▶ Bagasse (residue of sugarcane after juice extraction) is dried in open sunlight and is then used as a fuel to operate boilers in the unit. The burning of bagasse causes air pollution. ▶ Lack of Waste(bagasse) management system 	<ul style="list-style-type: none"> ▶ Cluster requires more Automatic/ Semi-automatic Jaggery processing unit/s with bigger capacity to cater the crushing needs of a major part of the cluster. ▶ Bagasse can be used as a raw material to those production units who make cup, plates and variety of disposable utensils and props. ▶ Press Mud can be processed as organic fertiliser
Technological upgradation	<ul style="list-style-type: none"> ▶ Lack of infrastructure equipped with modern technology to improve quality of jaggery – ▶ Lack of Infrastructure/ industry to utilise by-products of jaggery industry 	<ul style="list-style-type: none"> ▶ Establishment of Common Facility Centres (CFCs) with facilities like Advanced Jaggery Processing Unit, Testing Laboratory, Packaging, Labelling and Branding Unit, and Marketing and Display centre etc. to address the challenges and boost production and sales of the cluster ▶ Building new infrastructure - replacing Gur (jaggery) processing old units with new interface
Design	<ul style="list-style-type: none"> ▶ Lack of product diversification/value addition: ▶ The product is made and sold without 	<ul style="list-style-type: none"> ▶ Design and product development centre can be established along with testing lab

	<p>any standardised testing (as per FSSAI/BSI norms) done.</p> <ul style="list-style-type: none"> ▶ Lack of innovation and inadequate knowledge for value addition to jaggery (solid, powder and liquid) has also discouraged the product to directly go to international markets. 	in the cluster
Marketing & branding	<ul style="list-style-type: none"> ▶ No direct export ▶ Lack of Standardisation ▶ Need GI Tagging ▶ High Mandi Shulk ▶ Lack of testing Facility ▶ The Muzaffamagar manufacturers are not able to meet the national & global standards therefore they are unable to export finished jaggery products directly ▶ The quality of product is also compromised, and it forces unit owners to sell jaggery in local market. ▶ The buyers demand for products which ensure the revised food standard tested by FSSAI/BIS norms ▶ Lack of Export related information and linkages 	<ul style="list-style-type: none"> ▶ Awareness and outreach amongst traders/manufacturers for participating in fairs and exhibitions. ▶ Leverage marketing assistance schemes of State and Govt for financial assistance of small manufacturers ▶ Organize state and national level exhibitions ▶ Tie-ups with offline/online retail stores across India i.e. Reliance Store, More, Big-Bazaar, Easyday, Sunrise, Suvridha etc. for a greater outreach. ▶ Collaborate with Pastry/bakery industry, hotel industry and Govt. and private catering industries, Hospital kitchens for local and healthier sweetener. ▶ Collaboration with E-commerce companies like Amazon, ebay, Flipkart and Shopclues to maximize sale in domestic and international market.
Quality Improvement	<ul style="list-style-type: none"> ▶ Lack of interest in adapting quality standards as described by FSSAI/ BSI ▶ Unaware of global standards and quality ratings ▶ No checks and balances made for quality certification/maintenance at Gur Mandi ▶ Only few traders who contribute in indirect exports try to maintain the quality standard of global market ▶ Lack of organic farming of sugarcane in the district. ▶ Use of chemicals for clarifying sugarcane juice ▶ No testing laboratory 	<ul style="list-style-type: none"> ▶ Establishment of testing laboratory in the district for jaggery testing and mandatory NABL certification of the ODOP product. The availability of testing labs can also help the entrepreneurs to get their product tested and the lab can also advice the entrepreneurs on how to produce Jaggery which meets the norms as prescribed by BIS/FSSAI. It is very important that the entrepreneurs are properly skilled and taught on how to produce jaggery that passes the test prescribed by the BIS/FSSAI.
Post GI Initiative	<ul style="list-style-type: none"> ▶ Lack of promotion of products highlighting their GI tag 	<ul style="list-style-type: none"> ▶ Target to make 100 authorised Users to become IEC holder in a year. (DIC) to identify such stakeholders. ▶ 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/

Exporter's issue	<ul style="list-style-type: none"> ▶ No focal point to address exporters ongoing issues. ▶ Lack of awareness 	<p>MSME with the help of DIC)</p> <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. ▶ DGFT organize workshops for Export.
Cost Structure	<ul style="list-style-type: none"> ▶ No Minimum support price (MSP) for Jaggery - Currently Minimum support price for sugarcane is fixed by the Government. However, there is no MSP for Jaggery products. Considering the scope of sugarcane production and manufacturing of jaggery products, unit owners have raised demand for fixing MSP for jaggery by Central and State Government. ▶ No attractive policy for organic jaggery producers 	<ul style="list-style-type: none"> ▶ The Uttar Pradesh may outlay the MSP's for the Jaggery produced in the state. This would encourage more entrepreneurs to enter this sector. Currently there is no subsidy being given to entrepreneurs to purchase the sugarcane which is the primary raw materials for jaggery production. ▶ An exemption or tax relief (or a subsidy) for organic processors could be considered, together with other measures like subsidisation of fuel used in organic production, loans with lower rates, taxes on polluting inputs, products/seeds, internalisation of environmental costs, & charge reductions for processed organic food sample analyses

3.10 Future Outcomes

Annual Turnover
<p>Increase in annual turnover from existing INR 255.0 Cr. to 300 Cr. by 2025</p> <p>No direct exports from Muzaffarnagar district</p>

Cluster exports
<p>Export growth has increased from 10-15% in last 4-5 years</p>

4. Product 2: Frozen, Boneless Meat and of Bovine Animals




4.1 Cluster Overview

Muzaffarnagar is famous for processed meat. Export of processed meat from Muzaffarnagar holds a prominent place in the Indian economy. There is one slaughterhouse in Muzaffarnagar employing around 700 workers. Buffalo meat is the main source of meat production and export.

Some of major names include Ind Alnoor exports p.v.t. ltd. etc. This units contribute for major export of processed meat from the district.

The cluster's annual turnover in 2020-21 was around INR 100 Cr¹⁰ As per stake holder consultation. The export turnover from September 2020 to November 2021 was INR 85.91 Cr¹¹. Total employment in the cluster is around 700.

Key Facts

-  **INR 100 Crores** Approximate turnover of the cluster¹⁰
-  **INR 85.91 Cr ~ Export Turnover¹¹**
-  **700 Workers / Artisans directly or indirectly associated¹⁰**

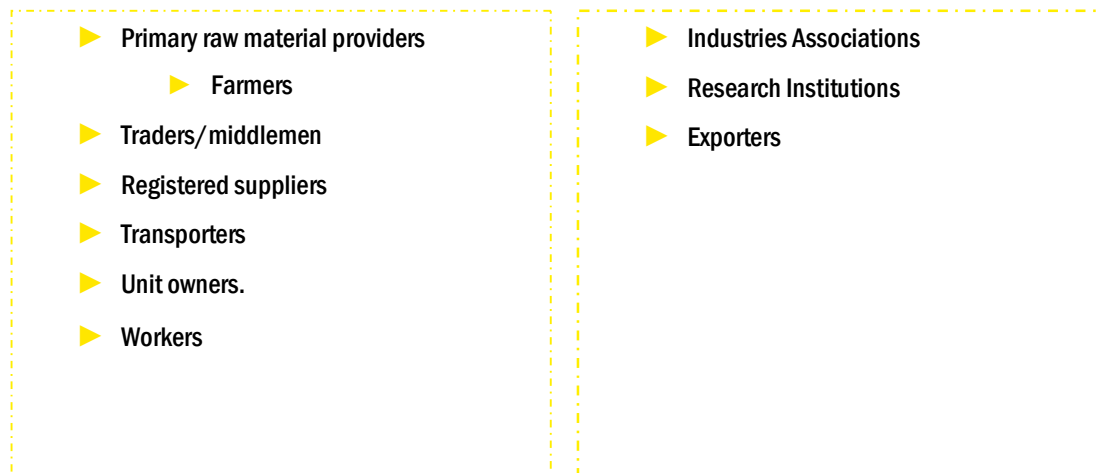
4.2 Product Profile

1. Boneless Meat of Bovine Animals

4.2.1 Product Portfolio

- ▶ Chilled Boneless Buffalo Meat
- ▶ Frozen Boneless Buffalo Meat

4.3 Cluster Stakeholders



Raw material supplier

¹⁰ DIEPC Muzaffarnagar

¹¹ DGFT Kanpur

The primary raw material suppliers are farmers who supply the disease-free animals to the slaughterhouse.

Unit owners & Workers

There is one slaughterhouse involved in processing and export of meat. More than 700 workers are working in these units and are residing in Saharanpur, Meerut, and nearby areas of Muzaffarnagar.

Machinery Supplier

Most of the units are having modern abattoir cum meat processing plant with most of segments are fully automated.

Vyapari (middlemen): The vyapari is the vital cog in the buffalo meat value chain, connecting the small dairy farmer in UP's rural hinterlands to the processor. Vyaparis source and aggregate buffaloes from farmers.

Registered Suppliers: are technically authorised to supply animals to integrated abattoirs-cum-meat processing plants on a commission basis and to whom payment is made through RTGS bank fund transfer. He, in turn, pays the middlemen independently in cash.

Transporters: They render logistical support or freight services for transporting animals to the processing plants.

4.3.1 Industry Associations

Following are principal industry associations that are working for the development of Meat products:

Name	About the organization	Contact Details
UP Industrial Consult Organization (UPICO)	This is a consultancy organization set up by all India financial institutions, banks and support institutions of Govt. of U.P. having its' head office at Kanpur. It is mandated to provide fee-based services for conducting feasibility studies, preparing project reports and also giving micro consultancy to SMEs. Usage of its' services by SMEs as observed during field visits is negligible. Presently its major activities are to conduct studies sponsored by Govt. departments and implement Govt. sponsored programmers.	7th Floor, summit building, Gomti Nagar, Lucknow, Uttar Pradesh 226001
Agricultural & processed Food Products Export Development Authority (APEDA)	The Agricultural and Processed Food Products Export Development Authority (APEDA) was established by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act passed by the Parliament in December, 1985. The Act (2 of 1986) came into effect from 13th February, 1986 by a notification issued in the Gazette of India: Extraordinary: Part-II [Sec. 3(ii): 13.2.1986]. The Authority replaced the Processed Food Export Promotion Council (PFEP).	Address: 3rd Floor, NCUI Building 3, Siri Institutional Area, August Kranti Marg, (Opp. Asiad Village), New Delhi - 110 016, India Phone: 91-11-41486013, 20863919, 26513219, 26514572, 20867008, 20867007, 26534870, 26850301
All India Meat & Livestock exporters Association (AIMLE)	All India Meat & Livestock exporters Association was established in 1972 is currently headed by Afzal Latif (President).	3rd Floor, Sidhwa House, Sasoon Dock, N.A Sawant Marg, Nr. Colaba Fire Brigade Mumbai Maharashtra, 400005

MSME- Development Institute (MSME- DI), Kanpur	MSME-DIs are the subordinate offices of Development Commissioner, MSME. These offices are responsible for assisting MSMEs financially through schemes and improving their technical skills through skill upgradation / training programmes. UP has 3 MSME – DIs at Agra, Kanpur and Prayagraj. MSME DI, Kanpur provides services related to the promotional & developmental needs of the MSMEs. The institute maintains a close liaison with the state's Department of MSME and Export Promotion, DIEPCs, financial Institutions, and other agencies concerned with the development of MSMEs in UP.	107, Kalpi Rd, Industrial Estate, Darshan Purwa, Kanpur, Uttar Pradesh 208012
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4.4 Export Scenario

4.4.1 HS Code

HS codes under which the product is exported from the district

HS Code	Description
020230	BONELESS MEAT OF BOVINE ANIMALS, FROZEN

Current Scenario

The export scenario of World and India have been analysed basis the export statistics of HS codes 020230 under which meat is exported. Alongside are the key facts pertaining to the analysed product code.¹²

4.5 Export Potential

- ▶ The total exports of boneless meat from the district as per HS code 020230 is around INR 85.9 crores from September 2020 to November 2021.¹³

Product 020230 - Below figure shows the top importers for this product

Key Fact of Export (HSN)

24,712,215 (USD Thousand)

Value of world exports In 2020

2,762,444 (USD Thousand)

Total Exports from India in 2020

~ 11.00%

Share of UP in India's exports

¹² www.trademap.org

¹³ DGFT, Kanpur

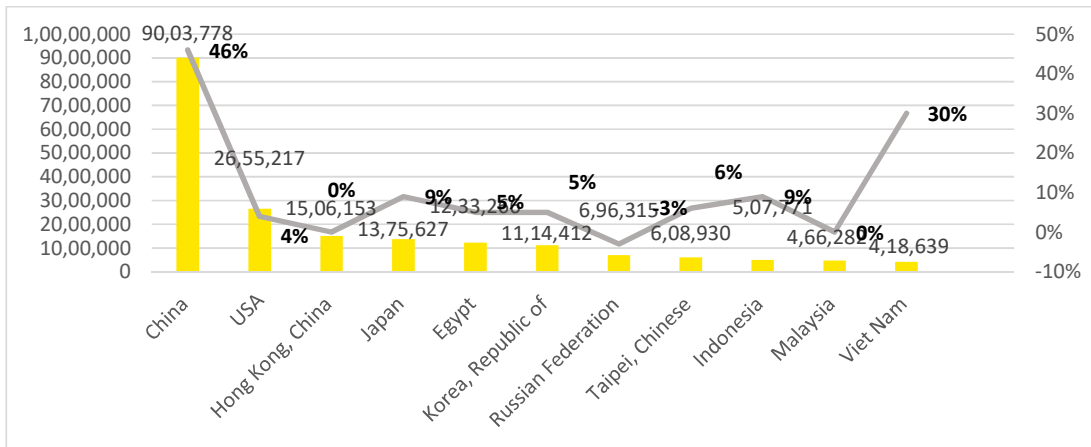


Figure 7: Top importers for this product (020230) in the world

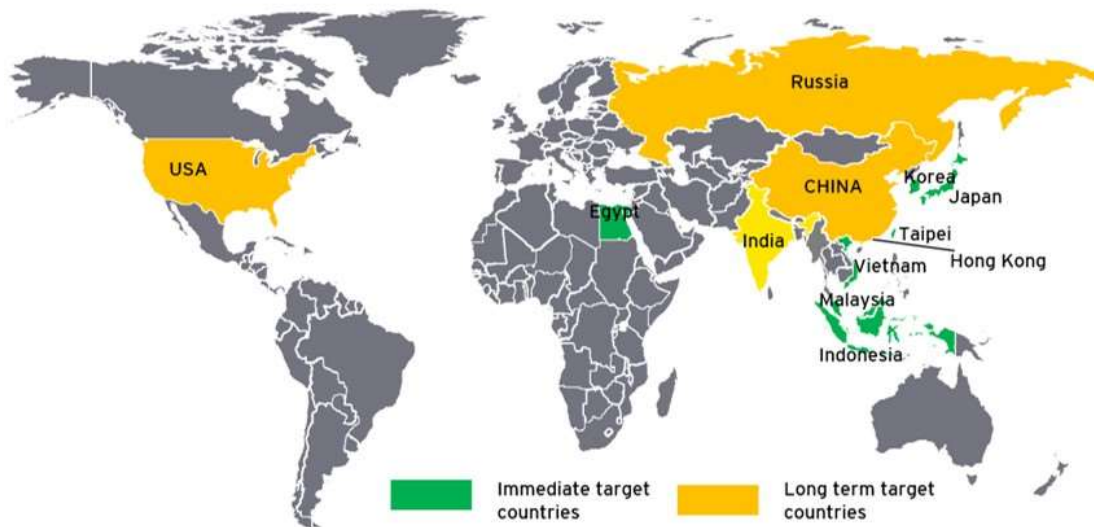


Figure 8: Markets for export potential

4.6 SWOT Analysis

Table 7: SWOT Analysis for Boneless meat and other edible offal of bovine animals

Strengths	Weaknesses
<ul style="list-style-type: none"> ▶ Rich experience in meat processing ▶ Institutional Support ▶ Low-cost manpower ▶ Leadership position in export of boneless meat ▶ Favourable trade policies 	<ul style="list-style-type: none"> ▶ Inadequate Environmental compliance by smaller units ▶ Suboptimal backward integration of supply chain ▶ Lack of quality testing facility ▶ Cost of running CETP is very high ▶ Lack of awareness of govt. schemes
Opportunities	Threats

<ul style="list-style-type: none"> ▶ National & International Exhibition ▶ Increasing demand for buffalo meat in global market ▶ Exposure to new markets through fairs 	<ul style="list-style-type: none"> ▶ Strict environment compliance laws ▶ Polluting Industry ▶ Located on the bank of ganga ▶ International Competition ▶ Temporary or permanent closure of slaughterhouses
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4.7 Challenges and interventions

Table 8: Challenges & Interventions

Parameter	Challenges	Intervention
Environmental Issues	<ul style="list-style-type: none"> ▶ Challenges faced by slaughterhouses/ industries in complying pollution control norms regarding treatment of effluents and TDS levels of discharge. ▶ There is lack of awareness of global environmental and social norms. ▶ Smaller units find it difficult to bear the operational cost of CETP. 	<p>Hard Intervention:</p> <ul style="list-style-type: none"> ▶ Setting up modern technology based CETPs would ensure in reduction of effluents in TDS levels of liquid discharge. <p>Soft Intervention:</p> <ul style="list-style-type: none"> ▶ Awareness and outreach program for raising consciousness about environment issues due to the pollutants. <p>Use of codes of conduct (COC) for assessment of suppliers on social and environmental compliance.</p>
Marketing & Branding	<ul style="list-style-type: none"> ▶ Increasing the participation in International Trade fairs ▶ Lack of knowledge of existing schemes and govt. initiatives ▶ Lack of participation in national and international events related to the sector. 	<ul style="list-style-type: none"> ▶ 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 ▶ Conduct awareness workshops 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
Exporter's issue	<ul style="list-style-type: none"> ▶ No focal point to address exporters 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.
Cost Structure	<ul style="list-style-type: none"> ▶ U.P. is a land-locked state. India's cost of logistics is one of the highest in the world. ▶ Since the start of Covid 19 Pandemic, the availability of containers and the Freight Charges by the Shipping lines has been the 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

Parameter	Challenges	Intervention
		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.

4.8 Future Outcomes

Annual Turnover
Increase in annual turnover from INR 100 Crore in 2020-21 to 200 Crore in next 5 years <i>(with all suggested interventions)</i>

Cluster exports
The increase in export of the product from INR 85.91 Crore (Sep 20 – Nov 21) to 150 Crore in next 5 years <i>(with all suggested interventions)</i>

5. 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) a. Stall charges b. Air fare (economy class)	a. 60% of stall charges (max 01 lakh / fair) b. 50% (max 0.5 lakh for one person / fair)
2	Publicity, advertisement, development of website	60 % (max 0.60 lac/annum)
3	Sending of samples to foreign buyers	75 % (max 0.50 lac/annum)
4	ISO /BSO certification	50 % (max 0.75 lac/annum)

B. Gateway Port Scheme

Brief Description	Assistance is given to all manufacturing exporting units on expenses incurred on the rail transport of their goods from ICD/CFS to Gateway ports.
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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

6. Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ¹⁴
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	ODOP cell, 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 products by utilizing schemes like IC and MAS	ODOP cell, DIEPC UPEPB	Continuous initiative
Sensitization of cluster actors: a. The individuals of a cluster should be sensitized on the plethora of schemes¹⁵ available for them for maximizing the potential of exports. Merchandise Exports from India Scheme, Service Export from India Scheme etc. provides various exemptions for facilitating exports. Further, schemes like Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme) ensure procurement of imported duty-free raw materials b. Currently, majority of the exporters and traders focus on selling their goods to USA, UK and European countries without correctly analyzing the demand market. Thus, these cluster actors should be sensitized on target countries identified through export analysis mentioned in DAPs and EAP	ODOP cell, 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	DIC, UPEBP and FIEO	Intermediate

¹⁴ Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

¹⁵ 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>:

taking part in the trade fairs organized by FIEO and other organizations may be proposed as a target under this segment		
Common interventions across sectors/ clusters		
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 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:	DIEPC/UPEPB	Long term
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.		
c. The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to	DIEPC/UPEPB/FIEO	Short term

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.		
Product 1: Jaggery		
Establishment of Common Facility Centre with: <ul style="list-style-type: none"> i. Automatic Jaggery Processing Plant ii. Labelling, Packaging and Branding Unit iii. Testing Laboratory Unit iv. Skill Upgradation Centre 	DIEPC, DGFT and ODOP Cell	Long term
Research & Training for Natural Farming & Food Processing	DIEPC-Muzaffamagar, ODOP Cell	Long term
Application to Directorate General of Foreign trade for a unique HSN Code for jaggery/ non-centrifugal sugar. Currently, it is exported under raw cane sugar and other cane sugar categories.	UPEPB/ODOP Cell / DGFT	Intermediate term
MoU with QCI for defining quality standards of ODOP products so that their quality can be maintained/ improved, and they can be exported across the globe with local brand logo which ensures its authenticity.	QCI/ODOP Cell	Long term
Increase the usage of the portal as this portal facilitates the weavers and artisans to provide information about their products for easy understanding of exporters.	UPEPB/ODOP Cell	Short term
Promotion of post GI initiative: <ul style="list-style-type: none"> a. DGFT along with DIEPC, Muzaffamagar to identify 100 authorized users to become IEC holder in a year and provide with export documentation related trainings b. Organize one seminar within two months to apprise the stakeholders about the importance of Geographical Indication (GI) and for increasing the authorized users 	DGFT/ DIEPC/UPEPB/ODOP Cell	Intermediate term
Product 2: Boneless Meat and other edible offal of bovine animal		
Establishment of fleshing machine and lime splitting machine in CFC.	UPEPB/DIEPC	
Setting of modern technology based CETPs	UPEPB/DIEPC/District Administration	
Collaboration with E-commerce companies like Big Basket, Nature Basket etc.	UPEPB and DIEPC	

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



विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF
FOREIGN TRADE

सत्यमेव जयते

Districts
as Export Hubs

Knowledge Partner

