



Draft District Export Action Plan, Siddharthnagar, Uttar Pradesh

Knowledge Partner



विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF
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Preface

This district export plan Siddharthnagar 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 Siddharthnagar district as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Siddharthnagar 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.

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
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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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

Siddharthnagar district was created on December 29, 1988. The district was named after Sidhartha (Gautam Buddha), who spent his early years in the kingdom of Kapilavastu which is now part of the district. The district is one of the 75 districts of UP and belongs to the Basti division in the Purvanchal region of the state... Naugarh town is the district headquarters. . The district is known for the ruins of the Shakya Janapada, at Piprahwa which is 22 km away from the district headquarters, Naugarh.

Siddharthnagar district comprises 5 tehsils Naugarh (Sadar Tehsil), Shohratgarh, Bansi, Itwa and Domariyaganj . There are five Vidhan Sabha constituencies in the district. These are Shohratgarh, Kapilvastu, Bansi, Itwa and Domariyaganj. The only Lok Sabha constituency in this district is Domariyaganj.

According to the 2011 census, Siddharthnagar district has a population of 25,59,297. The district has a population density of 884 inhabitants per square kilometre. Its population growth rate over the decade 2001-2011 was 25.4%. Siddharth Nagar has a sex ratio of 976 females for every 1000 males, and a literacy rate of 59.2.1

Siddharthnagar is predominantly an agrarian region with 79% of the district's population engaged in agriculture and related activities. Siddharthnagar is known for production of Kalanamak Rice which also called as 'Buddha's Gift'.

2.1 Geography

Siddharth Nagar covers a total area of 2,752 sq km that is 1063 sq mi. It is elevated at a height of 99 meters above sea level and it got its coordinates at 27.30° North latitude and 83.09° East longitude. Siddharth Nagar is bounded by Balarampur District in the west, Basti District in the South and Maharajganj District in the East.

¹ <https://siddharthnagar.nic.in/about-district/>

Siddharth Nagar homes numerous ponds or Talabs in its grounds like Siria Naukhan, Baidaula Naukhan, Naukhan pond and numerous river flows through various parts of the city.

2.2 Topography & Agriculture

The district located adjacent to Nepal & down of Himalaya, known as Tarai area. Most of land is fertile and Agriculture is the primary occupation of the people. The main crops grown in the district are rice, wheat, Mustard potato etc, Siddharth Nagar has many prominent rivers flowing through its grounds like River West Rapti, River Dano, Pre Hallaur-River, Banganga River, Naugarh Pahadi River, Nara Nallah River and many more enriching the grounds of Siddharth Nagar and forming a huge source of water resource to the district making its soil fertile and suitable for cultivation.

Siddharth Nagar experiences a hot and long summers and cool and short winters. Monsoon in Siddharth Nagar is pleasant. The summer daytime temperature in Siddharth Nagar ranges in between 26° C to 46° C. Summer in Siddharth Nagar prevails in the months of March, April, and May with an average day time temperature of 26° C, 32° C and 37° C respectively. The months of January and February are quite pleasant in the district with temperature ranging in between 16° C to 18° C.²

3. Industrial profile of the district

As given in the following table, MSME industries across the sectors of food/agro-based industries, repair & servicing, wood, metal, apparel, chemical, leather, engineering etc. are the key economy drivers of this district.

Table 1: Industries details³

S No	Industry ⁴	Total Units	Micro	Small	Medium	Total Employment	Total Investment (INR in Crores)
Agriculture, Forestry and Fishing							
1	Food/Agriculture Based	3698	3649	46	03	10308	198.73
Mining							
1	Mining and Other related activities	55	53	01	01	321	13.80
Manufacturing and Services							
1	Wearing Apparel	236	230	06	Nil	677	10.26
2	Leather and related products	34	32	02	Nil	111	2.08
3	Wood and Wooden products of wood	224	223	01	Nil	658	9.79
4	Paper & paper products	30	30	Nil	Nil	97	2.27
5	Chemical and Chemical Products	105	103	02	Nil	334	5.12
6	Metal, Fabricated metal products	148	147	01	Nil	836	13.34
7	Machinery and Equipment NEC	18	18	Nil	Nil	42	0.69
8	Electrical and Other Transport Equipment	674	638	33	03	2622	47.79
9	Repair and installation of machinery and Equipment	1395	1385	10	Nil	4087	58.77
10	Others manufacturing	1511	1456	55	Nil	4806	76.03

As mentioned above sections and seen in Table 1, Argo-based industries with 3,698 units are the most prominent sector. It also makes a significantly large contribution to the district's economy.. It is followed by sectors such as "Repair and installation of machinery and Equipment" with 1395 and 1511 units respectively.

² <https://siddharthnagar.ouonline.in/city-guide/about-siddharth-nagar>

³ DIC, Siddharthnagar

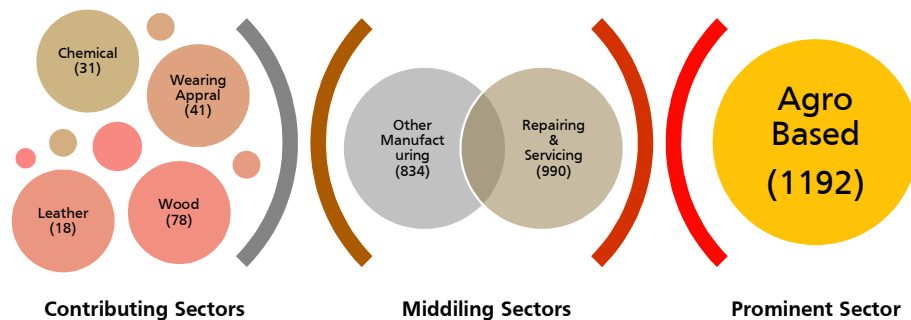


Figure 1: MSME landscape of the Siddharthnagar district

Out of total population of 2,559,297 79% are cultivators and agricultural labourers. This again proves that agriculture is the main source of income in the district. The following data below shows occupational distribution of Siddharthnagar.

S.No.	Particulars	Siddharthnagar	%
1	Cultivators	2,98,360	33.9%
2	Agriculture Laborer's	3,95,993	45.1%
3	Household Industry Workers	35,756	4.1%
4	Others	1,48,789	16.9%

Figure 1: Occupational distribution of Siddharthnagar

3.1 Major Exportable Product from Siddharthnagar

The total export from Siddharthnagar is approximately INR 45.49 Crore for the period September 2020 to March 2021.⁵

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

Table 2: Major exportable product

S. No	Product	Export value (in INR) from September 2020 to March, 2021 ⁵
1	Wheat	17,49,90,823
2	Rice in husk of seed quality	6,12,89,200
3	Other rice in husk	6,81,93,581
4	Other Pulses	70,92,200
5	Rice (Parboiled)	8,10,35,840
6	Parts of Hydric Turbines including regulators	1,23,25,000
Total Export from Siddharthnagar		40,49,26,644 Cr ⁶

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⁵ DGFT

⁶ Total export from Siddharthnagar for the period September 2020 to November 2021 as per the data received from office of DGFT, Kanpur

4. Product: Rice

4.1 Cluster Overview

Siddharthnagar district is one of the key rice producing pockets of Uttar Pradesh and is categorized as a medium low productivity group 1,500-2,000 Kg/Ha5. The district is in the Himalayan Tarai belt of eastern Uttar Pradesh bordering Nepal. Siddharthnagar, received Geographical Indication tag in 2013 for its one of the varieties of rice 'Kalanamak' grown in the region. Since then, the district is recognised as the as the "Scented Black Pearl of Uttar Pradesh". Agriculture is the main occupation of the residents of this district Siddharthnagar. Around 71% of

workers are engaged in agriculture as cultivators and agricultural labourers. Around 79% of reporting area comes under the plough. The district of Siddharthnagar has approximately 1,78,878 ha net

irrigated area and 7 rice mills for paddy in the cluster engaging around 298,360 who are involved in cultivation and 395,993 agriculture labour are in field preparation, sowing of the seeds, harvesting, loading and unloading for transportation etc. The cluster is male dominant with ~70% of its farmer being men. Only 30% women are involved in the rice cultivation activity and most of them belong from the rural areas of the district specifically Jogia and Barhni. The district has 7 key pockets that focusses on rice processing, namely, Methwal, Naugarh, Itwa, Domariyaganj, Lotan, Khesraha, Bhanwapur. However, paddy farming is being practised in all 14 blocks of the Siddharthnagar which are Naugarh, Barhni, Shohartgarh, Birdpur, Jogia, Uska Bazar, Bansi, Methwal, Khesraha, Bhanwapur, Itwa, Khuniyaon, Dumariyaganj and Lotan

The farmers of the district specialise in paddy cultivation which includes preparation of field, sowing of seeds, harvesting and storing etc. The rice grown in Siddharthnagar has approximately 72% efficacy rate from paddy to milling. It was learnt from stakeholder discussions held that a large percentage of rice produced in the cluster is sold to the traders / millers in domestic market and only Kalanamak rice is exported since 2020 (approximately 20MT was exported in 2020 to Singapore). The other two varieties, Sambha Masuri and Matta Rice are sold in Haryana and Punjab as well as in the local mandis.

4.2 Product profile

Rice is the staple food for the inhabitants of Uttar Pradesh and its adjoining states like Bihar, Madhya Pradesh, Uttarakhand and North-eastern states. The cluster produces paddy for domestic market typically catering to the market within the cluster. The total area under paddy cultivation is **1,78,878 ha of net irrigated area**.

The primary products of the cluster are rice which include three varieties **Sambha Masuri, Matta and Kalanamak**. Apart from these other value-added products are also available i.e. Chiwda, Rice Flour, brown rice however it is limited to domestic use only.

4.2.1 Product Portfolio

The following are the key products manufactured in the cluster:

Table 4: Rice cultivation

S. No	Type of Rice	About	Price INR / Kg	Grown in	Cultivation Cycle

Key Facts

- 12** Rice mills (7 currently operational)
- 2000** Farmers
- INR 56 Crores** Turnover of the cluster
- 8,800 MT** Total production of rice
- INR 3,500-14,500** /quintal Average Sale Price
- 1,78,878 Hectares** of area under Rice Cultivation

(Source: Stakeholder Consultation)

1	Kalanamak	<ul style="list-style-type: none"> ▶ GI Tagged product and Indigenous variety of aromatic rice ▶ Contains antioxidant "<i>anthocyanin</i>" that prevents heart and skin diseases ▶ Rich in micro-nutrients such as Iron and Zinc. ▶ Yield from paddy to rice conversion is 65-70% 	120 - 300	Birdpur, Shohartgarh, Lotan, Naugarh Uska Bazar, Barhni	190 Days
2	Sambha Masuri	<ul style="list-style-type: none"> ▶ In Siddharthnagar district farmer sown Samba Masuri BPT 5204 has small ovular grain than other variety of rice grown in the district ▶ The grain itself is harder than other varieties and when cooked is less 'fluffy' in texture so it is a filling meal with a higher caloric value. ▶ Yield from paddy to rice conversion is 65-70% 	25 - 35	Naugarh, Barhni, Shohartgarh, Birdpur, Jogia, Uska Bazar, Bansi, Methwal, Khesraha, Bhanwapur, Itwa, Khuniyaon, Dumariyaganj and Lotan	140 Days
3	Matta Rice	<ul style="list-style-type: none"> ▶ Small grain and sticky rice ▶ India's highest selling hybrid rice ▶ 25-30% higher yield than the varieties of same duration ▶ Yield from paddy to rice conversion is 65-70% 	16 - 20	Naugarh, Barhni, Shohartgarh, Birdpur, Jogia, Uska Bazar, Bansi, Methwal, Khesraha, Bhanwapur, Itwa, Khuniyaon, Dumariyaganj and Lotan.	135 - 140 days

By Products: After processing the rice in mills, the leftovers are used to produce following:

- ▶ **Rice bran:** It is the principal by-product of the mills in the cluster. Due to its valuable vegetable oil content, it is utilized as feedstock for the solvent oil extraction units located in the neighbouring district, Behraich and in other parts of the state. In Siddharthnagar, there is no facility available for processing rice bran into oil.
- ▶ **Husk:** It is mainly utilized as a fuel although, it has potential for utilization in the production of rice husk boards.
- ▶ **Broken Rice:** It is a by-product of milling and is widely consumed by economically disadvantaged sections of society. It is also used to some extent, to produce rice powder which is consumed in the households for preparation of homemade cakes (commonly called 'peetha') and 'Dhosa' and 'idly' (the popular South Indian foods).

- ▶ **Rice Flour:** It is a form of flour made from finely milled rice. It is distinct from rice starch, which is usually produced by steeping rice in lye. Rice flour is a common substitute for wheat flour. It is also used as a thickening agent in recipes that are refrigerated or frozen since it inhibits liquid separation.
- ▶ **Chiwda (Rice Flakes):** It is the rice that has been parboiled and then rolled, flattened, and dried to produce flakes. The flakes come in different thicknesses depending on the pressure used in the flattening process. The flakes can absorb a large volume of liquid when used in various dishes, so they absorb flavours well. They are popular in Asian cooking, and in western countries are more often used commercially in the production of cereals and rice snacks.

4.2.2 Status of GI Tag

Kalanamak Rice has been granted the Geographical Indication (GI) Tag in 2012 by the Government of India and a geographical area has been defined where the Kalanamak rice can be produced. Kalanamak rice grown in this defined area can only be labelled as Kalanamak rice. Geographical area for Kalanamak rice lies between 26° 42' North to 27° 75' North Latitude and 81° 42' to 83° 88' East Longitude in the State of Uttar Pradesh.

Geographical Area of production of Kalanamak Rice is approved for 11 districts of Zone 7 of U. P. These 11 districts are located in the divisions of **Gorakhpur (Deoria, Gorakhpur, Mahrajganj, Siddharth Nagar districts), Basti (Basti, Sant Kabir Nagar, Siddharth Nagar districts), and Devipatan (Bahraich, Balrampur, Gonda, Shravasti districts).**

Kalanamak rice has been granted the Geographical Indication (GI) Tag which was applied to the Government of India by Kalanamak Scented Paddy Production & Conservation Society. The GI tag is an indication which is definite to a geographical territory. It is used for agricultural, natural and manufactured goods. The initial GI Tag expired in 2020 but was renewed until 2030 now.

4.3 Cluster Stakeholders

There are number of stakeholders that provide support and enable growth of the cluster. Key stakeholders rice milling units, farmers, transporters, packaging providers and raw material suppliers which have been playing a crucial role in the cluster with respect to day-to-day business operations. Also, other support institutions/BDS providers such as DIEPC, KVIC, KVK, Department of Agriculture, UPSIDC etc are important stakeholders interacted with supporting the cluster across functions such as infrastructure, manpower etc. The figure below mentions the key cluster stakeholders.

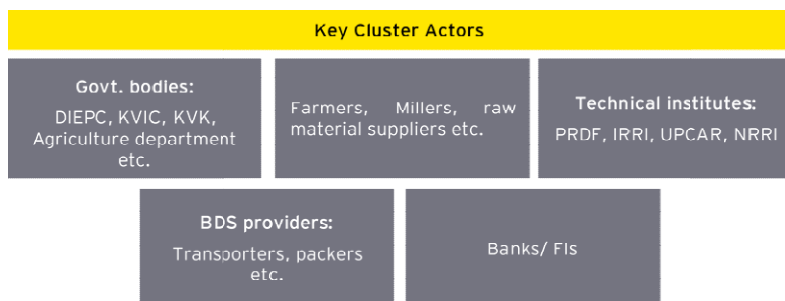


Figure 4: Cluster Stakeholders

4.3.1 Industry Associations

Following are principal Industry Associations/SPVs that are working for the development of Rice farming and processing in Siddharthnagar:

- ▶ **Participatory Rural Development Foundation (PRDF)**
- ▶ **International Rice Research Institute (IRRI)**
- ▶ **Indian Institute of Rice Research, Hyderabad**
- ▶ **National Rice Research Institute, Cuttack (NRI)**
- ▶ **Govind Ballabh Pant University of Agriculture & Technology (GBPUAT), Pantnagar**

- ▶ U.P. Council of Agricultural Research (UPCAR)
- ▶ Agriculture Department
- ▶ Krishi Vigyan Kendra (KVK)

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 3: HS codes for Rice

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

4.4.2 Rice

Current Scenario

The export scenario of the World and India have been analysed basis the export statistics of HS code 100630 under which non-Basmati rice is exported from Siddharthnagar district.

Alongside are the key facts pertaining to the analysed product code.⁷

Key Fact of Export

20,631,291 (USD Thousand)

Value of world exports in 2020

7,484,136 (USD Thousand)

Total Exports from India in 2020

412,280 (USD Thousand)

Total export from UP in 2020

5.51%

Share of UP in India's exports

4.5 Export Potential

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

- ▶ The total exports of product from Siddharthnagar district as per HS code 100630 is around **INR 43.71 crores** between September 20 to November 2021.⁸
- ▶ India's exports represent 36.28% of world exports for this product, its ranking in world exports is number one⁹
- ▶ Key importers of the product from India include Iran, Indonesia, Malaysia, Bangladesh, Yemen, China, Saudi Arabia, Sri Lanka, USA, Nepal etc.

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

⁷ www.trademap.org

⁸ DGFT, Kanpur

⁹ <https://www.worldstopexports.com/rice-exports-country/>

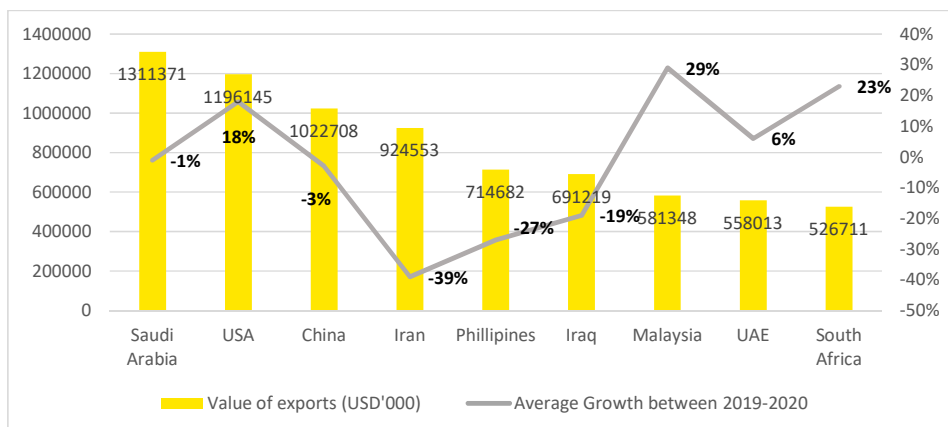


Figure 2: Top importers for this product (100630) in the world

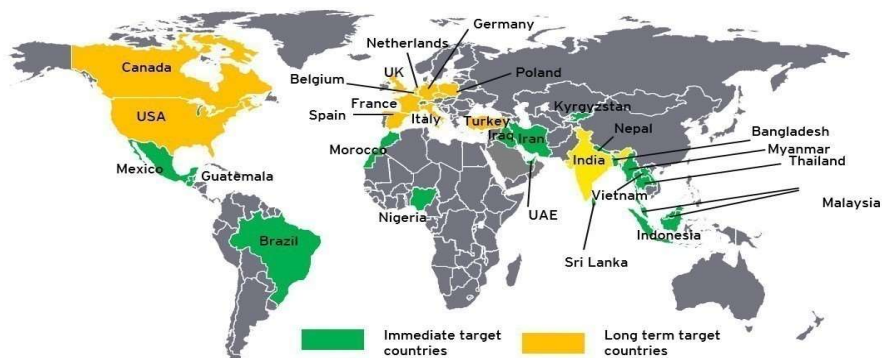


Figure 3: Markets for export potential

4.6 SWOT

A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of the cluster has been carried out keeping in mind the technology, marketing, product quality, skills, inputs, and finance. The SWOT analysis is provided in the table below:

Table 4: SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ▶ Availability of fertile land, favourable climate, and adequate water resources ▶ Availability of various varieties of seeds and seedlings by private players and government officials ▶ High efficacy varieties of paddy grown in the region ▶ Ample amount of paddy is available in the region every season. Rice pockets in the districts are connected with better road and transport ▶ Kalanamak rice is a GI Tag product with various 	<ul style="list-style-type: none"> ▶ Delayed supply of seeds/ seedlings by the government bodies which hampers the cycle ▶ Constant cost fluctuation of seeds by private players ▶ Absence of a seed bank to protect the seeds from unforeseen damages such as natural calamities and insect/ animal attack ▶ Longer cultivation cycle of Kalanamak rice which affects the sowing of Rabi crops ▶ High broken percentage of rice due to usage of

<p>nutritional benefits.</p> <ul style="list-style-type: none"> ▶ Availability of various financial and non-financial assistances from state and central government pertaining to agriculture ▶ Shift in consumer demand to nutritional variants like Kalanamak due to change in lifestyle 	<p>obsolete machine</p> <ul style="list-style-type: none"> ▶ Lack of infrastructure for selling the product within the cluster ▶ Negligible exports ▶ Poor packaging skills causes the farmers/ millers to lose orders ▶ Lack of awareness of Govt. initiatives and interest in availing financial aid from banks ▶ High transportation cost for export of the product
Opportunities	Threats
<ul style="list-style-type: none"> ▶ Establishment of temperature-controlled warehouse for Kalanamak & SILOS for other varieties for prevention of adulteration and protection from climate change and animal & insect hazards ▶ The cluster can focus on creating a unique logo, brand name and tagline for selling the GI product ▶ Huge potential for exports to Asian countries with Buddhists ▶ Provision of formal training to the farmers and millers 	<ul style="list-style-type: none"> ▶ The geographical landscape of the region is low land and tarai area which received flood every year most of the part of the district ▶ Shift of focus from Kalanamak rice to other rice varieties due to the long cultivation cycle ▶ Decrease in freshwater resources due to fish farming practices in lakes and ponds ▶ Major rice processing brands like Dawat, India Gate, Lal Quila etc

4.7 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 with collaboration with CRRRI, (IRRI), GBPUAT to develop high yielding export quality rice (Non-Basmati, Long Grain Rice, etc.) to enable the exporters to sustain their exports in future. Proper arrangements may be made for production of pure quality seeds and making them available to the farmers at subsidized rates/ reasonable rates.
Cluster based approach	<ul style="list-style-type: none"> ▶ Setting up of export quality belts/zones 	<ul style="list-style-type: none"> ▶ To identify export quality belts/zones for production of rice to meet the requirement of exports. As per Agriculture Export Policy of Uttar Pradesh, 2019, the cluster facilitation cell under the chairmanship of District Magistrate is responsible for defining the area of Cluster and number of Farmers/FPOs/FPCs in the cluster as per suitability and goals of export promotion. ▶ The cluster can focus on creating a unique logo, brand name and tagline for selling the GI product ▶ As Kalanamak is associated with Buddha so it has huge potential for exports to Asian countries with Buddhist's custom & culture
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 Kalanamak variety of rice from this district.
Training programme to educate the cultivators	<ul style="list-style-type: none"> ▶ Unawareness about technical standards in international market ▶ Lack of availability of seeds in the cluster as government agencies are unable to meet the demand. Thus, farmers have to procure seeds from neighbouring district. 	<ul style="list-style-type: none"> ▶ Provision of formal training to the farmers and millers to educate the cultivators about various SPS/ Technical standards in international markets ▶ The District Industry Centre in consultation with regional DGFT officer, IRRI & 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.
Raw material	<p>For Kalanamak rice:</p> <ul style="list-style-type: none"> ▶ High amylose content in new seed varieties leading to stickiness in rice ▶ Constant cost fluctuation of genetically engineered seeds by private players ▶ The taste and aroma of new varieties have deteriorated in comparison with the traditional variety ▶ Lack of storage facility for the seeds ▶ No pesticides are available which can control the spread/ attack of insects completely 	<ul style="list-style-type: none"> ▶ Developing seedbed at block level to grow the seedlings in a controlled environment into larger young plants before transplanting them into a garden or field to counter the shortage of quality seeds every season. ▶ Establishment of a temperature-controlled seed bank

Parameter	Challenges	Intervention
Distribution of Certified seeds	<ul style="list-style-type: none"> ▶ The quality of seeds is declining and there is a delay in seed distribution from government organizations 	<ul style="list-style-type: none"> ▶ Distribution of Certified seeds to farmers partially through Krishi Vigyan Kendra (KVK) of Siddharthnagar and Farmer Producers Organisation (FPO), PRDF ▶ Establishment of seed banks at block level for other varieties
Use of Modern technologies	<ul style="list-style-type: none"> ▶ Unawareness about use of modern technology i.e., Silky Polisher, Cyclone Separator, Temperature control seed bank, Parboiling facility and SILOS, to reduce wastage costs and increase production. ▶ Moreover, there is unavailability of technologies to utilize the by-products i.e., husk and bran in the cluster 	<ul style="list-style-type: none"> ▶ Low-cost production technology may be developed (use best practices) to bring down the cost of production to enable the exporters to compete with competing countries in the international markets. State Agriculture department may take the help of State Agriculture Universities / other technical institutes of repute.
Use of Modernized Rice Mills	<ul style="list-style-type: none"> ▶ Many rice mill owners are not using modernized rice mills for better recovery and reducing the percentage of broken rice. 	<ul style="list-style-type: none"> ▶ Establishment of a common Production centre with advanced technologies like Silky Polisher, Sortex, Grader, Cyclone Separator, Drum Sieve, Airlock within the Common Facility Center (CFC) ▶ Rice mill owners to make use of Government schemes for upgradation of their mills.
Access to Finance	<ul style="list-style-type: none"> ▶ Shortage of working capital to farmers due to 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, PM FME ▶ 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"> ▶ DGFT & DIEPC to act as a focal point for all exporters issue. ▶ In the district there is no dedicated board / association responsible for production, pricing, quality standard and export of rice. i.e., All India Rice exporter association, Basmati Rice association of India, Tea and coffee board in south India. 	<ul style="list-style-type: none"> ▶ District Magistrate and Deputy Commissioner Industries along with potential farmers and FPOs may be given this responsibility to form dedicated rice association board for best farming practices to increase the export from the district.
Marketing & of Promotion 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 	<ul style="list-style-type: none"> ▶ Collaboration with E-commerce companies focusing on groceries and fruit sale like Big Basket, Natures Basket, Flipkart Samarth and Amazon fresh 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 fairs organised by FIEO and other

Parameter	Challenges	Intervention
	<ul style="list-style-type: none"> ▶ Lack of knowledge of existing schemes and govt. initiatives ▶ Lack of participation in national and international events related to the sector 	<p>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

As a result of the above-mentioned strategic interventions, the cluster will be impacted on both qualitative and quantitative grounds. The qualitative impact may result in product diversification, entrepreneurship development etc. Whereas, quantitatively, the interventions would impact the industry competitiveness and increase in industrial parameters.

4.8 Future Outcomes

Annual Turnover	Cluster exports
Increase in annual turnover by 10% annually from existing INR 56 Cr. to INR 215 Cr. by 2025	Increase in direct exports from the cluster by INR 68.4 Cr. up to 2025 ¹⁰

¹⁰ <https://www.dgft.gov.in/CP/>

5. Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for Implementation ¹¹
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: a. The individuals of a cluster should be sensitized on the plethora of schemes¹² 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	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	DIC, UPEBP and FIEO	Intermediate

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

¹² 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>:

segment		
Collaboration with e-commerce companies like Amazon, ebay, Walmart, 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:		
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: Rice		
Developing seedbed at block level to grow the seedlings in a controlled environment into larger young plants before transplanting them into a garden or field to counter the shortage of quality seeds every season. There is a need to establish seeds bank where seeds are stored only after controlling the moisture and to protect the rice from pest or fungal attack which reduces the quality of seeds and further reduces the yield	KVK/ CRR/ UPCAR/IRRI	Long term
Breeding programme to be organized to develop high yielding export quality rice (Non-Basmati, Long Grain Rice, etc.) to enable the exporters to sustain their exports in future.	CRR / UPCAR / IRRI /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/ IRRI	Long term
Special efforts should be made to promote the export of organic product such as Kalanamak variety of rice from this district. Highlighting the nutritional value by presenting the organic advantage of kalanamak rice in foreign market.	KVK / FPOs /QCI/Agriculture Department	Continuous initiative
<p>Training programme to educate the cultivators:</p> <p>a. Provision of formal training to the farmers and millers to educate the cultivators about various SPS/ Technical standards in international markets</p> <p>The District Industry Centre in consultation with regional DGFT officer & APEDA may chalk out the programme on quarterly basis to train and education cultivators and other stake holders about SPS/ technical standards in international markets</p>	DIEPC/DGFT/APEDA/DGFT/IRRI	Ongoing
Distribution of Certified seeds to farmers partially through Krishi Vigyan Kendra (KVK) of Siddharthnagar and Farmer Producers Organizations	KVK/ DIEPC/ FPOs/ IRRI / PRDF	Ongoing as per Implementation schedule
<p>a. Modernized Rice mills to ensure high milling recovery and reduce the percentage of broken rice. This rice will be suitable for export.</p> <p>b. Establishment of a common Production centre with advanced technologies like Silky Polisher, Sortex, Grader, Cyclone Separator, Drum Sieve, Airlock within the Common Facility Center (CFC)</p>	UPEPB/DIEPC/State Agriculture Department/	Long term
Introducing the Kisan credit card in the cluster	DIEPC and banks	Short term

Formation of dedicated rice association and board in Siddharthnagar	DM / DIEC/ FPOs / DGFT / APEADA	Mid term
Collaboration with E-commerce companies focusing on rice, organic rice, and indigenous variety of rice etc.	Big Basket/Natures Basket and UPEPB and DIEPC / Flipkart / Walmart/ Amazon	Short term



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