

Strategies to be Implemented for Promotion of Organic Production, Marketing and Export in India

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Introduction

There has been plenty of policy emphasis on organic farming and trade in the recent years in India at various levels as the country is believed to be well placed in this regard. Organic produce is being seen as a natural choice by consumers, and consequently by producers, in both international and domestic markets due to the problems in the supply chain of conventional or mainstream agro produce.

Organic Production and Markets in India Major organic produces in India include plantation crops i.e. tea, coffee, and cardamom, spices i.e. ginger, turmeric, chillies and cumin, cereals i.e. wheat, rice, jowar, and bajra, pulses i.e. pigeon pea, chickpea, green gram, red gram, and black gram, oilseeds i.e. groundnut, castor, mustard and sesame, fruits i.e. banana, sapota, custard apple and papaya, and vegetables i.e. tomato, brinjal, and other leafy vegetables, besides honey and cotton. But, there is no organic production of meat products like poultry, livestock and fisheries in India as yet.

As on 31st March 2021 total area under organic certification process (registered under National Programme for Organic Production) is **5782276.07 ha** (2020-21). This includes 4100980.46 ha cultivable area and another 1681295.61 ha for wild harvest collection. Among all the states, **Madhya Pradesh** has covered largest area under organic certification followed by Rajasthan, Maharashtra, Chhattisgarh, Jammu & Kashmir, Uttar Pradesh and Himachal Pradesh.

There are three types of organic producers in India –

- Traditional organic growers who grow for their subsistence needs.

- Commercial farmers who have surplus and export their produce through different channels.
- Private companies which either have their own farms or organise large conversion programmes with growers.

The organic products available in the domestic market are rice, wheat, tea, coffee, pulses and vegetables. On the other hand, products available for export market, besides these, include cashew nuts, cotton, oilseeds, various fruits and medicinal herbs. In financial year 2020, over two percent of the net area in India was under organic farming, a major increase from last year. In general, the area under organic farming has increased continuously, signifying more demand for organic food. The major markets for Indian organic products are the EU, the USA, Canada, Australia and the Middle East Asian countries. Quality production with traditional methods, low use of chemical inputs in mountain and tribal areas, easy availability of cheap labour, NGO interventions, and various types of support provided by the governments as the main advantages of Indian organic products. On the other hand, high price expectations, delayed delivery, quality restrictions, lack of certification and marketing networks are some of the constraints in marketing organic products internationally (Singh, 2003). On the other hand, in home market, there are no separate markets for organic products in many commodities like wheat in Rajasthan. Thus, the market does not offer any incentive for the production of organic produce

Organic farm production and trade has emerged as an important sector in India as in other parts of the developing world, and is seen as an important strategy of facilitating sustainable development. Countries with emerging organic markets differ in terms of the government support provided to the organic sector. In other countries with emerging organic markets, where almost no public support is available farmers have converted to organic agriculture on the basis of positive (export) market expectations. The phenomenon of imbalanced domestic organic market development seems to be a general problem for countries with emerging organic markets.

Strategies

Ensure seed sovereignty of the farmers and the state. Implementation of organic farming policy in a phased manner. Compact area group approach in organic farming. Strengthen soil and ensure water conservation measures. Promote a mixed farming approach

for livelihood security Conserve and improve agro – biodiversity and undomesticated biodiversity. Launch a state wide intensive campaign on organic farming. Ensure farm input for organic farming. Ensure availability of quality organic manure to the farmers. Capacity building for farmers, implementing officers, agencies. Develop model sustainable organic farms in the state. Ensure and improved the health and well being of the tribal. Establish producer companies promote by organic farmers. Establish storage and transportation facilities. Promote farm level processing, value addition . Develop diverse channels for marketing of organic produce. Develop a simple certification process in the state for all organic farmers. Provide financial incentives for promoting organic farming. Encourage the use of renewable energy sources. Introduce organic farming in education institutions. Reorient research , education and extension Phase out chemical pesticides and fertilizer from the farming sector. Integrate the programmes and activities of various departments. Organizational set-up for promotion of organic.

Marketing

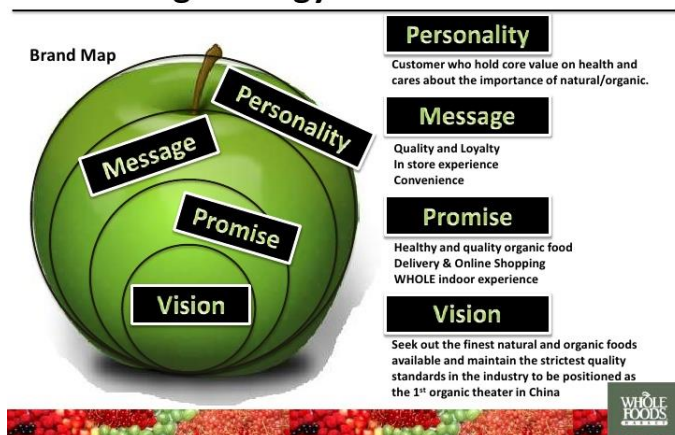
1) Purpose of marketing of organic products

- Providing quality food to the population.
- Encouraging growing of organic foods.
- Encouraging more growers to go organic.
- Encouraging less use of chemical in agriculture.

2) Marketing Strategy

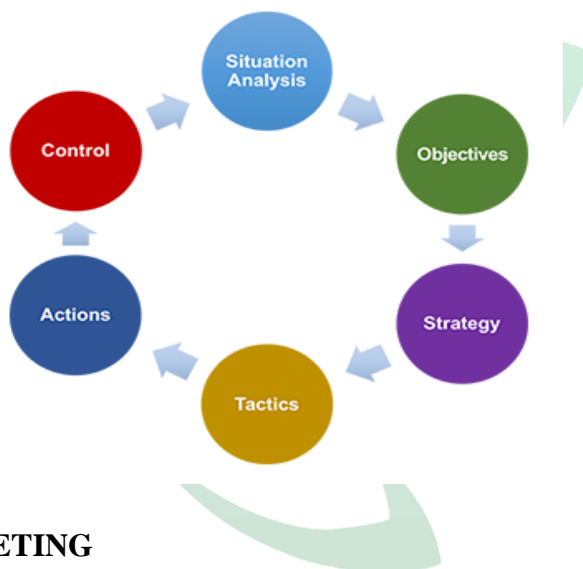
- Interpersonal contacts are important, also to get feedback on products. Work with grassroots (association, community club, schools) for farm visits.
- Use interest of mass media to publish on new and trendy issues.
- Base marketing strategy on knowledge of culture and habits of consumers.
- Use logo for communicating the product and the company.
- Focus on both local and export market (export market as money generator for local market development).

Marketing Strategy



Marketing Promotion

- Be pro-active with certification (expensive, but essential to build consumer trust).
- Good packaging with clear (corporate) identity and labeling.
- Use the media (TV, Radio, Newspaper,etc) for publicity of organic food quality.
- Collaboration with other in organic sector for generic promotion activities.



ORGANIC MARKETING

Price policy

- Often a high price policy is desirable because a high price is closely associated with the image of the product and an indicator of quality.
- Price of the organic product about 20-30% higher than conventional products may increase the demand.

Education

- As supply expands and consumers become more price conscious, education become the key to expanding the consumer base.
- The mainstream consumer is often unaware of the problem and extra cost involved in organic production techniques, nor do they fully recognize the various external benefits of organic agriculture and the intrinsic values of organic food.
- This requires a communication to present organic food as a value for money alternative, even with a premium.

Cooperative Marketing

- Group marketing by producer co-operatives is a mean of co-ordinating supply and overcoming problems of fragmentation and discontinuity of supply.
- By co-operation, producers are not only able to endure adequate and reliable supply, but also offer greater variety and strengthen their bargaining position.
- This is particularly important when supplying to the supermarkets.

Forward Contracting

- To increase supply , producers need to be confident about long term future of the market. Forward contracting between producer and processor/ Industry is a way to do this.
- It demonstrates commitment and provides a secure market for the producer.

Local and Regional Initiatives

- The local distribution schemes include local shop, farm shop , food co-operative, with their strong commitment to direct marketing should be encouraged to promote a regional marketing network.

Export

The promotion of export of organic products is a continuous process. The newly introduced agriculture export policy provides an assurance that no restriction will be placed on export of organic products.

The agricultural and processed food products export development authority (APEDA) , an autonomous organization under the administrative control of department of commerce, has been mandated with the export promotion of organic products.

APEDA provides assistance to the exporters of organic products under various components of its export promotion scheme. Government of India has been promoting



organic farming in the country through dedicated schemes namely Paramparagat Krishi Vikas Yojana (PKVY) and Mission Organic Value Development North Eastern Region (MOVCDNER) since 2015-16. Both the scheme aim at promotion of cluster / farmers Producer Organization based chemical free, low input cost sustainable organic farming and support farmers from input procurement to market linkage.

In terms of quantity, the exports of organic food product grew by 39% to 888,179 metric tonne (MT) during FY2020-21 compared to 638,998MT shipped in 2019-20. The growth in organic products has been achieved despite product has been achieved despite logistical and operational challenges posed by the COVID19 pandemic.

