



Review Article

SCOPE AND MARKET OPPORTUNITIES OF ORGANIC FARMING IN INDIA

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Abstract: Agriculture sector has shown tremendous growth. Organic farming is also being considered important by farmers as well as consumers across the globe. Organic farming is helpful for human health as well as soil health. According to report of FiBL and IFOAM, as of 2016 there were 57.8 million hectares of organic agricultural land across the globe. Australia with 27.4 million hectares land is leading in total agricultural land for organic farming across globe. India is leading with 8.35 lacs of organic producers which are mainly small and marginal farmers. Organic produce includes produce from organic farming as well as produce from forest area also. This study was undertaken with broad objectives to study present status of organic farming in India and to analyze marketing of organic produce in India. Secondary data from various sources were used to meet stipulated objectives. As on 2018 India has 3.56 million hectares land in organic farming. Land under cultivable area for organic farming is 1.78 million ha (50%) and wild harvest collection area is also 1.78 million hectares (50%) (APEDA). Organic produce is mainly exported from India, only small part is sold in domestic market. Domestic market includes certified organic produce market which constitute 10 percent and uncertified organic produce market which constitute 11 percent of total organic produce market in India.

Keywords: Organic farming, Marketing, Chemical fertilizers, Human health, Soil health

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Introduction

Once dependent on import to feed population, India is now leading producer of many agricultural commodities. India witnessed transformation in agriculture sector. Green revolution played important role in Indian agriculture. Farmers adopted improved technology and package of practices of cultivation. Technology includes improved seed varieties, chemical fertilizers and various agrochemicals. Farmers used chemical fertilizers and agrochemicals haphazardly to increase crop production from their field. This leads to decreased soil health and more chemical residue in crop. In India now as income and education are increasing people are becoming more health conscious. They know effect of such chemical residues in their food so they prefer food without such harmful chemical residues. Even in export also many consignments got rejected by several importing countries on the bases of minimum residue limit of such chemicals. To cater problem of decreasing soil health and effect of chemical residue in food of human health organic farming may play a pivotal role. Organic farming is a system of farming which avoids use of chemical or synthetic agricultural inputs and depends on natural sources for such inputs. Chemical fertilizers, hormones, pesticides are not used in organic farming instead farm yard manure, crop residues and organic preparations are used as inputs. In India organic markets are spread across different industries like food and beverages, health and wellness, beauty and personal care and textile industries. Organic products are sold in local market mainly in metro cities and many products are exported from India. Organic food segment shows highest growth followed by textile, beauty and personal care. Objectives of study are as:

- To study status of organic farming in India
- To analyze marketing of organic produce in India

Material and Methods

Secondary data were collected from various sources like government reports, magazines, annual reports of various organization, newspapers and various sources to meet stipulated objectives.

Current scenario

Global scenario of organic farming

Globally there were 57.8 million hectares of organic agricultural land in 2016, including in-conversion areas [1]. Oceania region ranks first with 27.3 million hectares land (50%) followed by Europe has 13.5 million hectares (23%), Latin America has 7.1 million hectares (12%), Asia has 4.9 million hectares (9%), North America has 3.1 million hectares (6%) and Africa has 1.8 million hectares (3%). Country wise Australia ranks first with the highest organic agricultural land (27.4 million hectares) followed by Argentina (3 million hectares) and China (2.3 million hectares). India has 1.49 million hectares of land under organic agriculture. In the share of land under organic farming out of total land, Liechtenstein ranks first with 37.7 percent followed by French Polynesia (31.3 percent). Globally there is only 1.2 percent of the land is under organic farming. India has 0.8 percent land in organic farming of total agricultural land. There are 178 countries in the world where organic agriculture is being practiced. As on 2016, 57.8 million hectares of land of the world is under organic agriculture. India has highest organic producers in the world. World organic market was 89.7 billion US dollars which was 17.9 billion US dollars in year 2000. Per capita consumption was highest in Switzerland followed by Denmark and Sweden. India ranks 9th in terms of world's Organic Agricultural land first in terms of total number of producers.

Status of organic farming in India

In India total area under organic certification (registered under National Programme for Organic Production) is 3.56 million hectares (APEDA-2018). under cultivable area for organic farming is 1.78 million ha (50%) and wild harvest collection area is also 1.78 million hectares (50%) (APEDA). In the category of largest cover area under organic certification Madhya Pradesh ranks first followed by followed by Rajasthan, Maharashtra and Uttar Pradesh. In the year 2016 Sikkim was announced as organic state by converting its entire cultivable land (more than 76000 ha) under organic certification.

During the year 2017-18 India produced around 1.70 million MT of certified organic products including Oil Seeds, Sugar cane, Cereals & Millets, Cotton, Pulses, Medicinal Plants, Tea, Fruits, Spices, Dry Fruits, Vegetables, Coffee etc. India has wide range of organic produce including food products and non-food products organic cotton fiber, functional food products etc. Among different states Madhya Pradesh (29%) is the largest producer followed by Karnataka (23%), Maharashtra (20%), Gujarat (5%) and Rajasthan (5%). Sugar crops ranks first in terms of organic commodities produced followed by oilseeds, Cereals and Millets, Fiber crops, Pulses, Medicinal, Herbal and Aromatic plants and Spices and Condiments. As on 2017-18 India's organic food sectors was estimated around Rs. 2700 crores which is merely one percent of global food market which is around USD 90 billion. Indian organic market was dominated by export (79%) followed by domestic irregular sector (11%) and domestic certified organized sector (10%) (Indian organic sector vision 2025). The exports in the previous year were about Rs. 1328 crores. The major shares of exports were oil seeds, cereals and millets, and processed foods with a combined share of around 87%. In the Oil seeds category, Soybean with exports of 1.46 lakh MT during 2014-15 had a share of around 91%. In cereal and millets category, rice, maize, wheat and millets are being exported. In the rice category the quantity of basmati rice exported was around 10300 MT [4-11].

Major crops under organic farming

Following are the major crops under organic farming in India. Organic cotton is leading in total agriculture land use followed by oil seed crops. The top three states in the wild production are Chhattisgarh, Jammu & Kashmir, and Jharkhand, having a combined share of 81% of the total wild production for the year 2014-15. Sugar crops production was highest (30.9%) followed by oilseed crops (20.8%), fiber crops (19.1%) and cereals and millets (14.6%) (Indian Organic Sector: Vision 2025). Organic farming for cereal crops includes Rice, Ragi, Wheat, Maize, Jowar, and Millets. In pulses Red gram dal, Green gram dal and Bengal gram are grown organically. For Oilseed crops Groundnut, Sunflower, Cotton, Safflower and Soya bean are grown. In Beverage categories Coffee and Tea farming is done. Turmeric, Ginger, Black and white pepper and Cardamom grown as organic crops.

Marketing of organic produces

Major players in organic produce trade

In food and beverage market value share of the packaged organic food market Sresta natural bio products are leading with 28% share followed by Organic India 16% and Chamong tea exporter 9% share. Organic products exported from India are mainly in raw form because importing countries buy at cheaper rate and after processing, they sell at higher rate and earning huge profit. Organic products should be processed to earn more revenue. There is a huge scope for processed organic produce. market size of packed organic food and beverages in 2016 was INR 520 million which was INR 460 million there were 2015 and INR 100 million in the year 2011 [2]. As per FiBL & IFOAM report there was 8.35 lacs organic producers, 699 processors and 669 exporters in India. United States is leading country with the largest market for organic food worth 38.9 billion euros, followed by Germany (9.5 billion euros), France (6.7 billion euros) and China (5.9 billion euros). The largest single market is the United States followed by the European Union (30.7 billion euros) and China. Deshmukh and Babar conducted a study on present status and prospects of organic farming in India. As per their market observation they found distinct difference in prices of the organic products of the different commodities as compared to non- organic products. Commodities like wheat received price difference of 40-55 Rs./Kg, Rice received 20-45Rs./Kg, Grapes received 50-60Rs./Kg, Pomegranate received 90-180 Rs./Kg and Banana received 30-40 Rs./Kg for organic produce as compared to non-organic produce [3]. This shows price premium received by farmers for organic produce. Such examples of getting premium price can motivate farmers to adopt organic farming.

Export of organic products from India

Indian organic market is dominated by export. Organic products are exported to countries like USA, European Union, Canada, Switzerland, Australia and Israel. Oilseeds (47.6%) are major organic products exported in terms of export value

realization from India followed by cereals and millets (10.4%), Tea and coffee (8.96%), dry fruits (8.88%) and spices and condiments (7.76%) (APEDA).

Indian organic farming market opportunities

Many organic products have good export potential from India. Organic mangoes have good demand in countries like UK, Netherlands and Germany. Organic pineapple and processed organic banana products can be exported in countries like Japan, EU and USA. There is increasing demand for organic grapes and organic wines in UK and Netherlands. There is ample scope for organic vegetables producers and organic tea growers to expand export in EU as European commission granted equivalence status to Indian organic certifying agencies.

Importance of branding and promotion for organic products

Branding and packaging are important to differentiate organic products with non organic products. Processed food or organic foods like cereals, pulses or vegetables should be branded as organic origin to reap more prices in the market. Certification details and producer's details should be provided on packaging material. Organic produce should be promoted as healthy and eco friendly food.

Conclusion

India has 3.56 million hectares land in organic farming. Land under cultivable area for organic farming is 1.78 million ha (50%) and wild harvest collection area is also 1.78 million hectares (50%). Among different states Madhya Pradesh is the largest producer followed by Karnataka, Maharashtra, Gujarat and Rajasthan. India has wide range of organic produce including food products and non food products. Sugar crops are leading in total production followed by oil seeds, Cereals and Millets, Fiber crops. Organic produce is mainly exported from India, domestic market of organic produce is very low. Domestic certified market is only 10% and uncertified organic market is 11%. Organic produce marketed with differentiation of organic farming are getting premium prices. Metro cities are main market for organic produce. India has good potential to increase in organic production because India has many rainfed area like north east and Himachal Pradesh where chemical fertilizers are used in limited area. These areas can be easily converted into organic farming area. Organic producers should focus on export market mainly EU, US and Japan for export of organic products like mango, banana processed products, vegetables and tea-coffee. Indian organic market can be increased if awareness campaign and government support will be provided for production and marketing of organic products.

Application of review: Study to understand the current status and marketing of organic produce in India.

Review Category: Agri-Business Management

Abbreviations:

APEDA: Agricultural and Processed Food Products Export Development Authority
IFOAM: International Federation of Organic Agriculture Movements
NPOP: National programme for Organic Production

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Study area / Sample Collection: International Agri-Business Management
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Cultivar / Variety / Breed name: Rice, Ragi, Wheat, Maize, Jowar, and Millets

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Ethical approval: This article does not contain any studies with human participants or animals performed by any of the authors.

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