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Understanding the Opportunities and Risks in Organic Food Businesses

Case Studies of Companies in India and the UK

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Abstract

In the past few years, organic agriculture has evolved as a movement in India. The organic food products offer profitable business opportunities as they fetch a higher price in the domestic as well as export markets, and organic farming promotes a sustainable lifestyle while preserving the environment. A number of Indian companies have ventured into the organic food business, supplying organic food in India as well as abroad. There are also foreign organic food companies which procure certified organic food from Indian farmers and producers, and establish direct linkages with the farmers. The Government of India is keen to involve the private sector in organic food business, and is trying to come up with supporting regulations. Given this background, this paper is based on in-depth interviews with companies involved in the organic food business in India and the UK, and analyses their reasons for entering the organic business, their business models and sourcing process, how they work with organic farmers, what opportunities and risks they perceive and what do they want from the Indian government.

The paper found that organic is a lucrative business, and most of the companies in India and the UK foresee a double-digit growth in the sector. However, there certain business risks such as lack of willingness of farmers to engage in organic agriculture due to low yields, risk of contamination and spoilage of organic produce, fraud and malpractices, high taxes and multiple government bodies doing piecemeal regulations in the organic sector, among others. These risks have to be addressed through policies such as providing subsidies to cover the losses when the yield is low, creating a vision document which contains what the government wants to do and what it expects from the businesses, coordinating the functions of the different ministries and departments across centre and states so that they can create holistic organic regulations, and reducing the tax burden on the businesses. This will not only mitigate business risks, but also encourage more businesses to invest in the organic sector, create employment and increase income of farmers.

Key Words: organic, India, business models, UK, case studies

JEL Codes: C83, F23, M20, Q01
List of Abbreviation

APEDA  Agricultural and Processed Food Products Export Development Authority
ASEAN  Association of Southeast Asian Nations
CAGR   Compound Annual Growth Rate
CEO    Chief Executive Officer
EU     European Union
FGP    Forest Garden Programme
FiBL   Forschungsinstitut für biologischen Landbau
FSSAI  Food Safety and Standards Authority of India
GST    Goods and Services Tax
IFOAM  International Federation of Organic Agriculture Movements
NCOF   National Centre of Organic Farming
NPOP   National Programme for Organic Production
PGS-India Participatory Guarantee System for India
PKVY   Paramparagat Krishi Vikas Yojana
RKVY   Rashtriya Krishi Vikas Yojana
SSIAT  Sri Sri Institute of Agriculture Sciences and Technology Trust
SSOPCL Sahaja Samrudha Organic Producer Company Limited
UK     United Kingdom
US     United States of America (US)
USD    United States Dollar
1. Introduction

Organic agriculture has evolved as a movement in India over the last few years. The Indian organic business is poised to be valued at United States Dollar (USD) 1.5 billion by the year 2020, and the market for organic food in India is anticipated to grow at a Compound Annual Growth Rate (CAGR) of over 25 per cent during 2015-20 (TechSci Research, 2015).\(^1\) The major reasons that have prompted a shift towards organic cultivation and organic business include growing awareness about environmental protection and sustainable agricultural practices, and the adverse impact of chemical inputs on the soil, environment and human health. The organic food products offer profitable business opportunities as they fetch a higher price vis-à-vis conventional food product in the domestic as well as export markets.

The organic food business industry in India is not a new phenomenon. Some companies such as Chamong Tee Exports Private Limited (Chamong) started in the conventional food business and diversified into organic food back in 1970s and the 1980s when they realised the preference for organic food by the consumers in developed country markets and the premium price that the organic food products earn. A number of companies such as Navdanya, Sresta Natural Bioproducts Private Limited, Bio-Diverse Farming Private Limited and Fabindia have now entered the organic business, and some of them deal only in organic products under their own brand name. Some of these companies are third-party certified while others are not. There are also well-established retail chains such as Godrej Nature’s Basket and Spencer’s Retail which sell different brands of organic products along with conventional products.

A number of foreign companies source their organic fresh and processed food products from third-party certified farms and/or producers in India. Some of them are trying to establish direct sourcing chains from the farm. For instance, Wessanen UK owns tea estates in Nilgiri Hills, Tamil Nadu from which it sources its organic tea for its brand “Clipper Teas”. It also sources teas from Indian companies like Chamong. Spice Root Limited, a company which sells certified organic ingredients in the UK, has established a supply chain that sources from states across India through its Indian subsidiary known as Vedic Agrotech Private Limited. Among other companies, VeeTee Rice Limited, one of the largest rice suppliers in the United Kingdom (UK), sources brown rice from India, which is then processed in the UK.\(^2\)

Since the year 2006, a number of Indian entrepreneurs, companies and trusts have ventured into the organic food business and several start-ups have been established in this area. While some of these companies have been in the conventional food business since a

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long time, they have now diversified into organic food business. For example, Chamong established in 1916, diversified into the organic tea business in the year 1988. Today, Chamong has 17 organic tea estates (either fully converted or in the process of conversion to organic), which makes it one of the largest organic tea exporters from India. Another company, I Say Organic, entered into organic business in the year 2011 and within a span of six years, it is selling a range of organic products, both fresh as well as processed.

The statistical indicators show that India is emerging as one of the leading producers of organic agriculture products. As per the latest available cross-country statistics in a survey conducted by Forschungsinstitut für biologischen Landbau (FiBL) and International Federation of Organic Agriculture Movements (IFOAM) (2017), in the year 2015, India was ranked ninth among over 170 countries with approximately 1.2 million hectares of land under organic cultivation (including in-conversion areas). In India, only 0.7 per cent of the land is under organic cultivation but the country was ranked third highest in terms of increase in organic land, after Australia and the United States of America (US). India ranked first in terms of the number of organic producers. It has potential for export of organic products and was ranked 11th in organic product exports in 2015. The key markets for Indian organic food product exports include developed countries such as the European Union (EU), the US, Canada, Switzerland, Japan and Australia, developing countries such as Bhutan, Middle Eastern countries such as Saudi Arabia, and member countries of the Association of Southeast Asian Nations (ASEAN). Some of the key organic products that are exported from India include oilseeds, cereals and millets, tea, pulses, and spices.

2. The Policy Landscape

Given the potential of organic agriculture in creating employment in the processing sector and supply chain, increasing investment in food processing, and enhancing farmers’ incomes, initiatives have been taken up by the governments at the centre and state level to support organic food production and exports.

The Agricultural and Processed Food Products Export Development Authority (APEDA), under the Department of Commerce, Ministry of Commerce and Industry, has developed an organic regulation for exports, largely based on the EU organic policy/regulation, but customised to meet Indian requirements. The National Programme for Organic Production (NPOP) developed by APEDA in early 2000 laid down certain standards, labelling process, logo, and mandatory third-party certification requirements, which

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5 For details on NPOP, see http://www.apeda.gov.in/apedawebsite/organic/index.htm (accessed on June 6, 2017)
6 The first edition of the NPOP was released in May 2001
helped India get recognition of its standards from its trading partners and sign unilateral equivalence arrangements\(^7\) with key export markets such as the EU. In this context, it is important to note that a product exported to key markets, especially developed countries, can only be labelled as organic when it is certified by a third-party certification agency.\(^8\)

Subsequent to the development of export regulation under the NPOP, the Ministry of Agriculture and Farmer’s Welfare came up with a Participatory Guarantee System for India (PGS-India) with the National Centre of Organic Farming (NCOF) as the nodal agency, which aims to encourage small and mid-sized farmers to take up organic farming and promote organic farming in the domestic market on a large scale. This scheme is based on self-certification and is considered an alternative to the third-party certification system. It aims to address the concerns of the small and mid-sized farmers related to the complicated procedures and high cost of third-party certification. The NCOF promotes organic farming through schemes such as the Paramparagat Krishi Vikas Yojana (PKVY),\(^9\) which is in partnership with state governments. Under the PKVY scheme, during 2015-2016, there were 7,186 organic clusters in India, with the largest number of clusters in the state of Maharashtra.\(^10\) Other government schemes and policies, including Rashtriya Krishi Vikas Yojana (RKVY), Mission Organic Value Chain Development for North Eastern Region, Mission for Integrated Development of Horticulture, and the Network Project on Organic Farming have been introduced by different ministries of the government to promote organic farming.

The PGS-India farmers are allowed to sell in the domestic market but a mandatory third-party certification is needed for export. Hence, they cannot export. A company in organic business can source from PGS-India self-certified farmers, farmers that are by default organic (such as farmers in hilly or remote regions who have never used chemical inputs), or from farmers that are NPOP certified. However, a company engaged in exports has to be NPOP certified and can only source form NPOP certified farmers.

At present, there are no regulations for organic products which are produced domestically and imported. In June 2017, the Food Safety and Standards Authority of India (FSSAI), under the Ministry of Health and Family Welfare, came out with a draft regulation called

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\(^7\) Equivalence means the recognition of standards in each other’s countries. These could either be unilateral equivalence (non-reciprocal or only one party recognises the other’s standards) or bilateral equivalence (reciprocal or both parties recognise each other’s standards).

\(^8\) Third-party certification is a quality assurance initiative based on well-laid out standards, labels and ethics as required by the organic regulations of the respective country to which the product is exported and is needed in order to prevent fraud and promote trade in organic food products. In India, as of date, there are 28 certification bodies accredited by the National Accreditation Body under NPOP for certifying organic products. For details, refer to www.apeda.gov.in/apedawebsite/organic/npop_certification_bodies.doc (accessed on June 22, 2017)

\(^9\) NCOF was formed in 2004 as a part of the pilot project “National Project on Organic Farming” during the 10th Five-year Plan (date) period. For details on NCOF and PKVY see http://ncof.dacnet.nic.in/ and http://ncof.dacnet.nic.in/Operational_Guidelines/PKVYguidelines_Feb17.pdf (accessed on May 30, 2017)

\(^10\) Extracted from the Response to Rajya Sabha Unstarred Question Number 339 accessible at http://rajyasabha.nic.in/rsnew/question/rstype.asp (accessed on October 26, 2017)
the “Draft Food Safety and Standards (Organic Foods) Regulations, 2017”, in order to ensure the safety and authenticity of organic food products, and to provide a regulatory framework whereby consumers will be assured about the authenticity of organic products they consume.\textsuperscript{11} More recently, in November 2017, FSSAI launched a common logo for “organic foods”, called the “Jaivik Bharat” logo. The logo will act as a symbol to identify organic products from conventional ones, and the tagline of “Jaivik Bharat” will identify the product as an organic product of India.\textsuperscript{12} In addition to the logo, FSSAI, jointly with APEDA and PGS-India, launched the “Indian Organic Integrity Database Portal”, through which consumers and other stakeholders in the organic business can access information about individual companies, producers, their certification system and the availability of certified organic products. The portal are classified by products, states and company names, making it easier to access.\textsuperscript{13}

Overall, the Government of India is keen to involve the private sector in organic food business and is trying to come up with supporting regulations. A number of private players have entered the organic food business in the past decade. In this regard, it is interesting to study their business models, and the risks and opportunities that they face in the organic business in India. To do so, case studies were conducted by the authors and the key findings are summarised in this paper.

3. Survey Methodology

The authors identified a set of companies in organic food business (manufacturing, wholesaler and/or retailer, exporters and/or importers) based on inputs from APEDA database, net browsing and industry associations across different product categories and sent letter/e-mails to their senior management requesting them to participate in one-to-one interviews. In India, detailed interviews were conducted with 20 companies (specifically, 18 companies and two trusts) engaged in organic food business. The companies were either catering to the (a) domestic market, (b) exports and imports, or (c) both. The companies selected were based in (or conducted their operations in) Bengaluru, Kolkata, and the National Capital Region (Delhi, Noida, Gurugram and Ghaziabad). A structured, open-ended questionnaire was used to conduct the interviews. The question focuses on reasons to enter the organic food business, their business model and supply chain, how they work with the farmers, future growth potential of this sector, business risk and constraints that they face, and what they want from the government.

\textsuperscript{11} Source: http://www.fssai.gov.in/home/fss-legislation/notifications/draft-notification.html (accessed on November 27, 2017)


\textsuperscript{13} Source: www.jaivikbharat.fssai.gov.in, (accessed on November 28, 2017)
To understand the supply chain of the companies from farmers in India to the customers in foreign countries, and exporters from a foreign country to consumers in India, in-depth meetings were conducted with 6 companies in the UK engaged in the organic food business. These include companies which are (a) sourcing or importing food products from India, or (b) exporting organic food products to India. The companies in the UK were mainly asked about how they source organic products from India and establish the supply chain, what the demand for Indian organic food products is, and the future growth potential.

The findings of the case studies are presented in the subsequent sections.

4. Key Findings

Most of the Indian companies entered the organic food business in the past decade but there are some who have been in the conventional food business for a long time (for example, Chamong). While companies catering to the domestic market sell both fresh and processed organic food products, those involved in export are mainly engaged in semi-processed and processed food products such as tea, rice and spices. Exports of fresh organic produce are limited. Companies in the UK export products such as organic chocolates, or certain variety of teas such as moringa tea, tea with herbal infusions (ginger, lemongrass, etc.), among others, to India.

4.1 Reasons for Entering into Organic Business: The Survey in India

The Indian entrepreneurs were asked why they entered the organic food business. The reasons they gave included a passion for protecting the environment, and the desire to ensure that future generations have access to good quality food and remain healthy. There were some entrepreneurs who referred to themselves as social and environment activists who are trying to develop a market for farmers, and helping them in conserving their land and earn a better living.

One such company whose reason for entry in the organic business is to provide people with healthy and nutritious food and at the same time maintaining the biodiversity is Natureway Organic Fresh (see Box 1), established by a woman scientist and entrepreneur.
Box 1: Natureway Organic Fresh

Dr. Haimanti Dhir is a scientist engaged in extensive research in the areas of pesticide use and heavy metal poisoning. She established Natureway Organic Fresh in the year 2006 in order to keep alive the biodiversity, and provide people with healthy and nutritious food. She started organic farming on a two-acre plot of land given to her by a friend in Barasat, West Bengal.

At present, Natureway Organic Fresh’s farmers are spread across North Bengal (Darjeeling and Jalapiguri), Barasat, Kirshnanagar and Naihati in West Bengal. The company is in the process of acquiring an organic farm in Jhargram, West Bengal, and is also trying to source produce from neighbouring countries such as Bhutan, and Indian states such as Odisha.

Dr. Dhir was inspired by Subhash Palekar’s methods of “Zero Budget Spiritual Farming” and applied the same in her organic farming practices. However, she initially faced resistance from farmers as they were using chemical inputs to increase agricultural productivity, and were sceptical about loss of yield. They were also worried about pest infestation. Hence, Dr. Dhir worked closely with them by training them and sharing knowledge about organic farming practices. In the first year, the farms did not yield the desired results. But in the subsequent years, the yield improved, and gradually she worked with the farmers to grow over forty-five varieties of fruits and vegetables. By working with farmers, she realised that yield loss can be minimised through multi-cropping and by adopting holistic agriculture practices.

Today, Naturanna Organic, the brand of Natureway Organic Fresh, is a pioneer in organic food business, and provides certified organic fruits and vegetables to institutions, hospitals, super markets, and hotels, among others. The company is certified by the third-party certification body, ECOCERT. In spite of not exporting or planning to export in the near future, Dr. Dhir is in favour of third-party certification of organic food products as it signals authenticity of the product.

The case of an Indian corporate executive who worked abroad, and then became an organic farmer-entrepreneur is presented in Box 2. His farming model was so successful that his land productivity doubled, his farmers became self-sufficient, and students started studying his agricultural methods.
**Box 2 : Mr. Mehmood Khan – Corporate Executive Turned Farmer-Entrepreneur**

Mr. Khan was working with the Unilever group in London, UK, but in 2009, post-retirement, he left London and moved to his village in Haryana. Before he moved to London, during a brief stint in Punjab, he saw the devastation caused by the chemical farming methods and the spread of cancer in the state due to overuse and misuse of pesticides in the post Green Revolution era. In his opinion, getting a higher yield out of land by indiscriminately using urea and other chemical inputs is “criminal”. Post retirement he, therefore, started organic farming as an experiment on the land that he inherited by his forefathers. During his childhood, he never saw his father using any kind of synthetic inputs on the land, and he wanted to continue this practice to regenerate the land.

Over the last eight years, using organic farming practices the productivity of his farmland has doubled. The earnings from his farm have also increased and so has the well-being of the people who stay on the farmland. The farms produce vegetables, honey and milk, among others which are sold directly to the consumers.

Inspired by his entrepreneurship and passion towards sustainable agriculture methods, a number of management graduates have started visiting Mr. Khan’s farmland to learn more about how to make organic farming a good business model. Mr. Khan strongly believes that sustainable agriculture methods can not only generate food and provide employment to people, but also enhance their overall well-being.

A young college graduate, Mr. Ashmeet Kapoor, founder and Chief Executive Officer (CEO) of I Say Organic, became passionate about bringing organic food to the doorstep of Indian consumers from his experiences of studying abroad. His experiences are given in Box 3.
Box 3: I Say Organic

The Delhi-based organic food company ‘I Say Organic’ was set up by Mr. Ashmeet Kapoor in 2011. Upon receiving a degree in entrepreneurial studies from Brown University in the US, he came back to India and was inspired by the idea of doing something to move towards sustainable development and nutrition. He believes that organic farming and sustainable agriculture practices can help address the environmental challenges that the world faces today. In addition, he feels that organic farming can also bring about a change in the social and economic set-up by bringing safe and good quality food to the consumers and making farming a lucrative proposition for the farmers.

Mr. Kapoor started organic farming at a small piece of land in Uttar Pradesh. In his experience, there are misconceptions about organic farming being costly and yield being low. Though organic farming requires more hard work compared to conventional farming, if done properly, the costs can be low and yield can remain high.

The company has partnered with twelve certified organic farmer groups to source its produce. Most of the farmers are certified under the third-party certification (under NPOP). A couple of farmer groups are certified under PGS-India. A few of them are EurepGAP certified. These farmer groups are spread across the states of Uttarakhand, Himachal Pradesh, Haryana, Punjab, Madhya Pradesh, Uttar Pradesh and Maharashtra. The company has established its supply chain and works with 18 tonnes cold storage capacity in Okhla. The sorting and grading of the produce is done manually, first at the farm level and thereafter in cold storage facility at Okhla. To maintain the organic integrity of the produce, I Say Organic uses paper bags and food grade plastic pouches for packaging. Other measures such as using refrigerated vans to transfer products from one place to the other are also used to ensure that the product remains organic. His company has collaborations with SGS and Shriram Laboratory and runs quality checks for its products.

I Say Organic has gradually built up its organic portfolio of over 200 products, dealing in both fresh as well as processed organic food products. Customers can place orders on its website and the company does home deliveries. The company gets about 150 orders per day and has been able to develop regular clientele through quality produce. It also has a store in Select City Walk Mall, New Delhi.

As a next step, I Say Organic plans to expand beyond NCR region to other metropolitan cities in India. It does not yet have any plans of entering the export market.
The three case studies highlight that organic can be a profitable food business with a win-win situation for both entrepreneurs and farmers, by adopting the right practice. However, persons entering into this business should have passion for environment protection and safe food. High price and growing demand in export market can also drive companies to enter into organic food business and/or shift from conventional to organic food business. This was how companies in tea, spice and basmati rice entered the organic food business.

4.2 Business Models

A number of start-ups have come up in organic food business in recent years. There are also companies which have diversified their range, from conventional to organic products. One such example is of LT Foods Limited, which exports basmati rice along with other food products. Based on the rising demand of organic food in the overseas markets, the company expanded its business to include the export of organic rice including organic basmati rice to key markets such as the EU.

There are examples of farmers who have come together to set up a company or a trust in the organic food sector. One such example is that of Sahaja Samrudha Organic Producer Company Limited (SSOPCL), which was formed as a trust by farmers with the aim of becoming self-sufficient in the marketing and selling of organic products (see Box 4).
Box 4: Sahaja Samruddha Organic Producer Company Limited

Sahaja Samrudha Organic Producer Company Limited (SSOPCL) was started in 2001 by the farmers as an organisation with the aim of conserving seed and ecosystem, sharing sustainable agriculture practices among each other, and preserving the country’s traditional agricultural practices. In 2005, SSOPCL was registered as a trust. In 2010, Sahaja Organics was born as the marketing division of SSOPCL, to build the brand and market the produce on a large scale. At present, SSOPCL has about 3,500 farmers and 30 farmer groups in its network.

The company is involved in all stages of the production, from farm to fork. Its farmers grow rice, millets, oilseeds, spices, fruits and vegetables, spices, mint, etc. The seeds are provided to the farmers from its sister company known as the “Desi Seeds Company”. In 2010, Sahaja Organics sold 90 per cent of the produce to large retailers and supplied only 10 per cent to the small retail outlets. However, it has reversed the trend now, selling majority of its produce to the smaller retail outlets and very little to the big retail chains.

SSOPCL has an efficient supply chain. The farmers are organised into a group called “Sahaja Savayava Tharakari Belagarara Sangha” that collects vegetables and other organic produce at a common area, from where they are transported to their warehouses, segregated, graded and then dispatched to the retail outlets. SSOPCL has established traceability from the farmer to the consumer. Each product has a unique “Good Receipt Note” which is fed in the software and from there it is possible to identify the farmer of the product as well as where the product was sent to.

Its organic produce is certified by IMO Control Private Limited, Aditi Organic Certifications Private Limited and APOF Organic Certification Agency. These certification agencies conduct group certification for SSOPCL, charging approximately INR 2,000-3,000 per acre per year. The certification fee is not a significant expenditure according to the company. It tests its organic produce in two government approved laboratories, namely, Bangalore Testing Laboratory, Bengaluru and Biocentre, Department of Horticulture, Government of Karnataka.

4.3 Sourcing

The companies in India were asked about their sourcing process. The discussion shows that they source products from specific states where they are grown. For example, organic tea is grown in West Bengal, Assam and Kerala, and is mostly sourced from these states. Rice is mostly sourced by companies from Haryana and Uttarakhand.
Medicinal plants and herbs are sourced from Karnataka and Kerala, and spices are mainly sourced from Rajasthan, Madhya Pradesh and Kerala. Different fruits & vegetables are sourced from various states in India, including Madhya Pradesh, Maharashtra, Gujarat, West Bengal and Karnataka.

The companies were asked from whom they source their products, for example, from own farms, organic clusters, farmer cooperatives, farmer groups, etc. Across all product categories, most of the companies source the organic products from their own farms and/or from organic clusters. In cases where the product is sourced from sources other than own farms (such as cooperatives, farmer associations, etc.), the procurement agent or company representatives visit the farm to ensure that it follows organic farming practices. Sourcing from own farms depend on the products. For example, tea is generally sourced from own estates.

The companies were asked about the farmers they sourced organic products from. Companies engaged in sales only in the domestic market are sourcing from –

- NPOP certified farmers
- PGS certified farmers
- Naturally/by default organic (not certified) farmers

However, companies that are exporting organic products can only source from NPOP certified farmers as it is mandated by the government. Hence, even if some regions or countries such as ASEAN and Bhutan allow imports of organic food products produced by PGS self-certified farmers, companies are not able to export to these markets.

Different organic products have different supply chains and go through different stages of processing. For example, in the case of organic tea, the product goes through the process of plucking, withering (to remove moisture), rolling, fermenting, drying, sorting and blending prior to packaging (see Image 1).
Companies were also asked about the measures they took to ensure that the entire supply chain remained organic. Some companies responded that they follow the NPOP norms. However, NPOP does not have any mandatory requirements for certification of pack houses, storage units, transportation facilities, etc. Nevertheless, most companies involved in the organic food business follow some common measures to ensure that the entire supply chain remains organic, such as using separate warehouses or a separate section in the same warehouse specifically for organic products, ensuring that the transportation of organic products is separate from that of conventional products and the carrier meets the requirements for organic transportation.

4.3.1 Working with Farmers

The interviews confirmed that companies in organic food business prefer to source directly from farmers to ensure quality and product authenticity. The number of farmers they work with/source from vary, depending on the farm size and products. Most of the companies work with/source from less than 50 farmers. However, there are five companies in the study which work with/source from more than 500 farmers.

4.3.2 Support Provided to the Farmers

Companies often provide different forms of support, such as training to the farmers, and necessary inputs, in order to maintain the quality of the produce. They may also provide resources to enable farmers get third-party certification process done. For example, farmers supplying to Dr. Haimanti Dhir’s Natureway Organic Fresh get help from her company in doing the paperwork for third-party certification and these farmers also
mentioned that third-party certification has helped them fetch a better price for their produce.

The discussion shows that companies want to establish long-term relationships with farmers by supporting them in other areas such as women empowerment, or providing them with health care facilities. Global buyers encourage sustainable agriculture practices and Indian exporters try to adhere to them by working closely with farmers.

A unique example is that of the Sri Sri Institute of Agriculture Sciences and Technology Trust (SSIAT) which is a Regional Council under PGS-India and provides training to the farmers in techniques of natural, chemical-free farming. The Trust also assists farmers in marketing and selling their produce (see Box 5).
**Box 5 : Sri Sri Institute of Agriculture Sciences and Technology Trust (SSIAT)**

SSIAT trains the farmers in natural farming techniques such as “Panchagavya” to promote growth and providing immunity, “Bijamrut” for treating seeds, “Jivamrut” to increase crop yield, and “mulching” to enhance the moisture holding capacity of the soil. It makes its own indigenous pest control mixtures such as “Agnistra’, “Brahmastra” and “Neemastra” that are sprayed at specific time intervals. These techniques are similar to those propagated by Subhash Palekar, and they focus on using the inputs available to the farmer on his farm land rather than applying external inputs. SSIAT promotes “desi seed”, i.e. the farmer can make their own seed. As of date, SSIAT has successfully trained more than 2 million farmers in these methods across 19 states of India. About 1,500 teachers are engaged in training these farmers in natural farming methods.¹⁴

After having trained these farmers, SSIAT empowers them by organising them into farmer – producer organisations, so that they themselves can market their produce. The farmer – producer organisations are spread across several states including Andhra Pradesh and Karnataka. The produce is also sold at the Sri Sri camps and through Art of Living counters in cities. SSIAT believes in creating a direct linkage between farmers and customers, without the need of any intermediaries. For this reason, the Art of Living volunteers have established marketing platforms known as “Sri Sri Farmers Market” which establish a direct contact between the farmers and consumers. In these markets, the farmers fetch a fair price for their produce, which they otherwise could not have got.

### 4.4 Retail and Marketing

Most of the companies in India market their products through fairs and exhibitions, while others have their products sold in retail stores. The retailers operate through multiple store formats, such as supermarkets, general stores, hyper markets and convenience stores as well as single-brand and multi-brand stores.

¹⁴ For details see, [http://www.ssiast.com/about/highlights.aspx](http://www.ssiast.com/about/highlights.aspx) (accessed on August 29, 2017)
Some organic companies such as Navdanya sell their produce in specialised health stores, which only stock single-brand organic products, while others, such as Fabindia, sell organic food products along with other (non-food) products in the same store under the same brand name. Sresta Natural Bioproducts Private Limited sells its organic products under the brand name of “24 Mantra” through multi-brand retail stores which many only stock organic products (such as Jaivik Haat) or may stock both organic as well as conventional products, but on separate shelves and aisles (such as Godrej Nature’s Basket). Similar practice is followed by Phalada Agro’s products under the brand “Pure & Sure”. Large corporate retailers such as RP-Sanjiv Goenka Group (Spencer’s Retail), Aditya Birla Group (Aditya Birla Retail Limited) and Future Group (Foodhall, Big Bazaar, etc.) are generally present across major cities and stock multiple brands of organic products (such as Pure & Sure, 24 Mantra, etc.).

Indian companies selling organic products to foreign companies usually sell them in an unbranded and often semi-processed format (such as organic spices). These products are then processed in the foreign country and sold under the sourcing company’s brand, either online or through other retail formats.

4.5 Establishing Export Linkages

As discussed earlier, in 2015 India was ranked the 11th largest exporter of organic products among over 170 countries (FiBL and IFOAM, 2017). In 2016-17, export of organic products from India was valued at USD370 million, which increased by approximately 17.5 per cent compared to 2015-16. The survey confirmed that India’s top markets for the export of organic products were the EU, the US, Canada, Korea and Australia. There is demand for selected products like organic tea in countries such as Japan and Korea, but the market penetration is low due to the stringent certification requirements.

Organic products fetch a premium price, and many Indian companies have entered the organic export market, given the rising demand for organic products in foreign countries. The study found that there are certain products like organic tea, organic rice and organic spices, which have a high demand in the export market. Comparatively, export of organic herbs (in fresh format), and fresh fruits and vegetables is either low or Indian companies are yet to explore the potential. While India has a variety of other crops such as millets which are nutritious food, export market for such produce is at a nascent stage.

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15 See http://pib.nic.in/newsite/PrintRelease.aspx?relid=160780 and Response to Lok Sabha Unstarred Question Number 3574 (H) and 1929 (H) (accessed on May 24, 2017)
There are some organic food companies in India which started their international operations much before their domestic operations. One such company is Phalada Agro, which catered to international markets long before it was involved in the domestic market (see Box 6).
Phalada Agro is a company based in Bengaluru, India which produces high quality organic products for various international markets. The journey of Phalada Agro started in 1999 by developing inputs for organic farming to improve soil health and protecting the crop from diseases. It manufactured vermicompost and bio-fertilizers under the brand “Gomini”. Within the next 2-3 years of marketing the bio-fertilizers to the farmers, it was buying back the produce from these farmers, facilitating certification of their organic products and marketing them. Soon, it moved into organic export business.

In 2006, Phalada Agro started exporting to the US. It has gradually expanded to 20 countries, including the UK, Germany, France, Netherlands, Japan and Australia. It has NPOP, NOP (USA), EEC (Europe), JAS (Japan), Bio-Suisse (Switzerland), Demeter, Kosher, Fair Trade and Forest Garden Programme (FGP) certifications. It has processing and trading certification by Control Union and Lacon Quality Certification Private Limited. It maintains transparency at each step, right from the treatment of land to the production of final product. Its foreign clients even visit its farms and meet the growers.

Among the major international markets, the UK and Germany are its top markets, followed by France and Netherlands. It exports unbranded products to importers/wholesalers, who further process the produce and brand them. It is presently exporting organic spices/condiments, organic medicinal/aromatic herbs, organic oils and extracts, organic pastes, and organic fruits.

In 2011, Phalada Agro entered the domestic market. In the domestic market, it supplies about 200 organic products under the brand name “Pure & Sure”. These products include organic spices, organic beverages, organic pulses, organic rice, organic flour, organic oils, organic sweeteners, organic instant food, organic tea and organic snacks. At present, it is working with 1,400 farmers and 10,000 acres of certified organic land in Karnataka, Uttar Pradesh, Rajasthan, Kashmir, Mizoram, Arunachal Pradesh and Assam. It provides inputs to the farmers and carries out regular training for them on good agricultural practices and post-harvest activities. The organic produce is directly procured from the farmers, and stored in its own warehouses and cold storages before it is exported. Laboratory testing of the product is carried out in laboratories approved by NABL and APEDA. A similar procedure is followed for the domestic market. Out of the total revenue, its revenue from exports is 70 per cent; revenue from the domestic market is 15 per cent and the rest comes from fertiliser and vermicompost sales.
Phalada Agro imports organic products as well. It imports certified organic oil from Italy, coconut sugar from Netherlands and herbal tea from the UK. There is a large duty imposed on imported products, especially herbal infusions. India does not manufacture herbal infusions, so there is no competition for domestic tea manufacturers. Among the imported organic products, olive oil and herbal tea are top selling products.

The company is planning to diversify into more ready-to-eat products, dairy, and fresh vegetables. It also plans to create franchisees and standalone branded outlets.

In some cases, Indian entrepreneurs based in foreign countries such as the UK have started sourcing organic products from India. The case of Miss Devyani Sharma, founder of Spice Root Limited in the UK, shows how an Indian-born entrepreneur marketed India’s strength in spices and Ayurvedic products to create a successful organic spices business in the UK (see Box 7).
Spice Root Limited was set up by Indian entrepreneur Devyani Sharma in the UK. Spice Root Limited sells organic, wholesome, and clean certified organic ingredients in the UK. Settled in the UK, Ms. Sharma used her existing expertise and contacts in Ayurveda and diversified her product line into organic by developing the “Spice Root” brand. She realised that there was demand for organic and wholesome products in the UK, and there was potential to set up a spice supply chain from India to the UK. The company is a pioneer in associating spices with health benefits and making the concept popular in the UK, where consumers are generally very health conscious.

The company has established a supply chain in India that sources from states across India. Vedic Agrotech Private Limited (Jhansi, Uttar Pradesh), which is part of Ms. Sharma’s family business, is trying to establish a certified organic supply chain. It has tied up with processors who have third-party certification for organic products. It trains farmers and helps them get third-party certification in India. Vedic Agrotech also facilitates networking between farmer groups, agricultural NGOs and agricultural experts. This promotes knowledge transfer and boosts the organic movement in the region. It has also invested in warehouses, and other storage and transport facilities to make the whole supply chain organic. It sources from processors who are certified by EU recognised agencies such as Ecocert India Private Limited, Lacon India Private Limited, SGS India Private Limited, and Bureau Veritas (India) Private Limited, among others.

The production and processing of organic spices are done in India and exported to the UK under the “Spice Root” brand name. Spice Root Limited is able to do its own quality checks in India by sending samples for independent laboratory testing to ensure that the products are up to the UK/EU standards.

As a next step, the company plans to expand its presence in the UK and the EU and diversify the product range.

Among the key export markets for India, the EU is a key market and within the EU, the UK is the top export market for Indian organic food products. UK companies selected for the study described how they buy in bulk from India and then brand, package and label the product in the UK, and sell the branded product through different store and non-store retail formats. The UK companies’ case studies found that major export items from India included tea, coffee, oilseeds, spices, and rice. For sourcing from India, the UK buyers have entered into partnerships/contract with the local companies in India which work with small to mid-sized farmers, manufacturers and processors, especially in the case of...
organic spices and rice. These buyers only source from companies which source from third-party certified farmers. The company in India has to maintain complete traceability and provide details of the entire supply chain and sourcing process to ensure transparency. The UK companies also send representatives to visit factories/processing units in India to ensure that all requirements are met, and food safety and health standards are followed.

Some well-known UK companies such as Bart Ingredients for spices, VeeTee Rice Limited for rice and Wessanen UK for tea have been sourcing organic ingredients from India for quite some time now. In-depth meetings were conducted with these companies in the UK to understand their procurement process in India. The experiences of Bart Ingredients and VeeTee Rice Limited are given in Box 8 and 9 respectively.

16 For details see, http://bart-ingredients.co.uk/ingredients/ (accessed on June 6, 2017)
Box 8: Bart Ingredients

Bart Ingredients is a company based in Bristol, UK, which was established in 1963 and mostly deals in the supply of organic ingredients and spices. It creates spice blends by sourcing ingredients locally from regions such as North Africa, Thailand, India, and Eastern Europe. It was one of the first UK companies trading in organic herbs, spices and fair trade products. It supplies organic cooking ingredients, herbs, spices and curry pastes among others under its own brand name “Bart” and other brand names such as “Veera Swamy” for Indian curry pastes, and “Desiam” for oriental spices and pastes such as Thai Green Curry and Thai Red Curry. It is certified by the Soil Association, UK, for organic food products and it also has other certifications such as Fair Trade and Rainforest Alliance. Bart Ingredients supplies to retailers and wholesalers, and is one of the major suppliers to the retail chain Waitrose.

To source the right quality of goods, the procurement team at Bart Ingredients looks at the availability of suppliers, attends conferences to meet potential suppliers and thoroughly interrogate them. The company then enters into contract/partnership with these suppliers/companies who source the products as per the specification laid down by it. It aims to make sure it has the right partner companies for quality sourcing and long term commitments. Bart Ingredients chooses suppliers who are third-party certified and meet the standards set by the clients of the company. It ensures that the suppliers have all the necessary certification documents. It also visits the factories to audit, to build a relation, and to understand the sourcing process.

While sourcing from India, the processing (treatment, grinding, etc.) of spices is done by the Indian suppliers supplying to Bart Ingredients. The later makes bulk purchases from the Indian suppliers, and then does the packaging, branding and labeling of the products as per the specifications laid down by the retailers.

The withdrawal of unilateral equivalence by the EU to India has not affected the business or profitability of the company but the uncertain situation post-Brexit has created a business risk.
VeeTee Rice Limited is one of the largest suppliers of rice in the UK. It supplies a variety of rice including Basmati rice, Thai style rice, New Orleans style rice, flavoured rice, and quinoa. It supplies via both store format (in supermarkets such as Asda, Morrisons and Waitrose) as well as online (through their website and via Amazon). The company is certified by the Soil Association in the UK and it sources rice from various countries including India, Pakistan, Cambodia, Uruguay, China, France and Italy.

There is a large market for rice in the UK. The population of the UK consists of 90 per cent British natives and 4-5 per cent South East Asians. The 4-5 per cent South East Asian population consumes as much rice as the 90 per cent native British population. The per capita consumption of South East Asians is much higher. In the rest of Europe, Indian food is not as popular as in the UK. However, in VeeTee’s opinion, organic has not taken off much in the UK, and has only 3-4 per cent market share. However, the price difference between organic and conventional products may be as high as 40-50 per cent.

VeeTee has had long standing relations with India suppliers with respect to sourcing of brown rice which is then processed in the UK. The suppliers are located in places such as Sonipat, Haryana and Karnal, Haryana. Rice is harvested once a year (in October-December), so VeeTee representatives visit the suppliers sometime in November-December. The representatives pick up samples and they do their own laboratory testing. They only work with third-party certified suppliers in India.

The Rice Association of the UK has recently announced a revised Code of Practice (2017) on basmati rice, updating the old Code of Practice which was formulated in the year 2005. In the revised Code of Practice, authorities in UK have approved 27 new varieties of basmati rice, which were earlier not recognised in the UK. The new code is expected to benefit both the Indian supplier and the UK buyers. In addition, certain varieties of basmati rice originating from India and Pakistan have a zero rate of import duty imposed on them.

The withdrawal of processed organic equivalence between India and the EU has not really affected its business. VeeTee’s total growth has been 5 per cent in value and 2-3 per cent in volume. However, it feels that organic in the UK has not grown up to the expectation and potential. One of the major business risks it faces is uncertainty in business environment post Brexit.
4.6 Market Growth and Opportunity

Most of the companies operating in India foresee a high growth potential of their organic businesses at present and in the future. On average, companies predict a 14 per cent growth rate in their organic business currently, and 20 per cent annual growth rate in the next five years. Phalada Agro, for example, foresees a 20-30 per cent growth in its organic food business. Chamong had experienced a high growth trajectory of around 15-20 per cent in early 2000s, but it has somewhat stagnated now due to market saturation. However, it believes that there is scope for new products and varieties to enter the market. This indicates that sentiments are mostly positive and organic sector is fast-growing in India.

When asked about the growth potential from companies operating in the UK, they said that they foresee their organic businesses to grow. Specifically, Spice Root Limited expects its business to expand by 15 per cent annually in the near future, Bart Ingredients foresees a growth of 18-20 per cent in its organic business, and VeeTee Rice Limited said that its business has expanded by 5 per cent in value and 2-3 per cent in volume in the past couple of years. VeeTee is also planning to diversify its product range to include millets and quinoa as alternatives to rice. Thus, this is a high growth sector.

Although the organic sector is expanding and business is booming, there are some risks faced by the companies, which are discussed in the next sub-section.

4.7 Business Risk and Risk Mitigation

One of the major business risks foreseen by most of the companies is the lack of willingness of farmers to get into organic farming due to risk of lower yield. Some companies pointed out that in the initial period of conversion of land from conventional to organic, there are chances of low yields for the farmers. It takes on an average 3-5 years to get back the yield and in some cases the yield still continues to be low. For example, executives at Chamong pointed out that they lost 40-45 per cent of the crop during conversion from a conventional to an organic tea estate in Assam. They further stated that in Assam, the yield in their organic tea estate is 1,200 kg/hectare while in the conventional tea estate, the yield is 1,800-2,200 kg/hectare. In Darjeeling, West Bengal, they lost 25-30 per cent of the crop during conversion from conventional to organic farming. The yield per hectare was 500-600 kg/hectare in the case of the conventional tea estate vis-à-vis 400 kg/hectare in the organic tea estate. In some cases, the higher price compensates for the loss of yield. Moreover, some companies also said that in order to reduce the risk, they procure organic products from multiple farmers. Even if some
farmers have lower yields to sell, the companies can cover the shortfall in quantity from other farmers, who can sell a larger quantity.

Besides the yield being low, it can also vary across crops. For some crops, the yield may be high while for others, it may be low. Some of the companies which are working with the farmers are unable to identify the reasons why some crops have lower yield while other have higher yield. Due to this, they advise farmers to engage in multi-cropping cultivations, rather than mono-cropping, in order to mitigate the risk. They also advise farmers to practice holistic agriculture including cattle rearing, apiculture (beekeeping), and providing appropriate feed for cattle, ducks, etc. so that they can supplement their income by selling organic honey, organic milk and organic eggs.

Since companies procure organic products from multiple farmers, there is a risk of consistency in quality. In India, farm sizes are small and product quality varies. The Indian companies have to ensure that the products they source from multiple farms are consistent in quality, especially if the products are meant for export. In addition to consistency, there is also a risk of field contamination. In India, organic farms and conventional farms often operate in adjacent fields. In such cases, pesticide exposure or spills from the conventional farm can pollute the organic farm, and subsequently the produce of the organic farm may get contaminated, through no fault of the organic farmer.

The risk of contamination and spoilage extends beyond the fields. In India, organic farming is mainly practiced in hilly and tribal areas, where the soil is untouched by chemicals. Supply chain facilities such as transportation, pack houses and cold storage units are not often well-developed in such remote and hilly areas, leading to product wastage. This wastage is more for organic produce as they have a lower shelf life. Further, there can be product contamination in hilly region during monsoon if rain water flows from a conventional field to an organic field. Similarly, product contamination can happen due to poor storage or use of wrong packaging materials while processing. Since multiple players are involved in the supply chain, it is difficult to identify how the product contamination has happened. The traceability system has been able to partly address the issue of identifying the source of contamination, but it has not been fully successful due to the lack of well-defined punishment for fraudulence.

Fraud and malpractices may occur after the cultivation stage, which also raises the risk of product contamination. One such malpractice is mixing certified organic products with conventional products or non-certified organic products and then using the third-party certification body’s logo to sell the product in the domestic market. In India, there is no mandatory requirement for processors and retailers to be third-party certified and hence,
there cannot be audits and checks to ensure there is no mixing. Processors and retailers may not even be aware that they are indulging in any fraudulent practice. According to most companies, malpractices may be rampant due to lack of regulatory clarity and accountability, and lack of punishment for the fraudulent players. Due to a lack of domestic regulation, even the consumers may not be able to identify genuine organic products. Another example of fraud is associated with the issuance of the transaction certificate, which has to be issued by a certification body for the product to be exported. A number of companies pointed out that the authenticity of the transaction certificate is an issue. It is not possible for company officials to visit every field. They select the product based on the transaction certificates, and there are cases of malpractices with transaction certificates at the field level, where transaction certificates may get transferred on payment of a fee.

While organic is a movement, it is difficult to scientifically prove that organic food is safe food. Even conventional food can be safe food. However, since organic is a standard and labeling issue, there is additional cost of certification which leads to an increase in price. Consumers are not willing to pay the right price unless they are assured of the authenticity of the product. While the FSSAI has come up with an organic logo and developed a portal which has data on organic companies in India, there are still uncertainty in the business environment as third-party certified companies are treated at par with the costless PGS system.

As mentioned in Sector 2, the FSSAI jointly with APEDA and PGS-India has developed a portal to help consumers and other stakeholders in the organic business find and get in touch with certified organic farmers and companies engaged in certified organic product business. However, some foreign players such as Bart Ingredients and VeeTee Rice Limited feel that they may not get the full information from an online portal and the risk of full disclosure may still exist. While they will be able to identify Indian players from whom they can form potential partnerships, they would still have to send representatives to India to conduct inspections and get more information.

Companies in the UK will also be faced with an added risk which will be presented once the UK withdraws its membership from the EU (Brexit). Thus, uncertainty in global market can be a business risk. While foreign buyers are not affected by loss of equivalence of organic standards or not having any equivalence of organic standards, requirements to do multiple testing in different laboratories has increased the cost of Indian suppliers and thereby affecting their competitiveness vis-a-vis suppliers form other countries which have equivalence arrangements with the export markets. Although India

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is large producer of a variety of crops such as millets which are nutritious, both the domestic and export markets are at a nascent stage for such products.

A huge amount of subsidy is given to farmers for chemical inputs and many chemical inputs which are banned in key export markets are allowed in India. As on December 2016, there were 51 pesticides which were banned abroad but still in use in India.\textsuperscript{20} Comparatively, the budget for organic agriculture both at the centre and state government level is low. Government subsidy is largely directed towards PGS which cannot be exported. Further, only a few states such as Gujarat and Karnataka have set up state-owned third-party certification bodies to reduce the cost of certification. Some states with potential for organic development do not have a state regional council, vision documents or state organic policy. While several piecemeal measures are taken by the government, some of which have benefited this sector, there is a lack of comprehensive policy and a vision document, which creates and uncertain business environment. For example, NITI Aayog is promoting both genetically modified products and organic food.

Given these concerns, the next section discusses how the government can work with companies to reduce the business risk, increase farmers’ income and employment in organic food sector, and enhance exports.

5. **What the Government can do**

The Government of India is keen to promote organic sector in India and help the industry develop organic business. This is evident from the various policy initiatives taken by the central government and state government of states such as Karnataka, Gujarat and Sikkim, to name a few. States such as Gujarat, Sikkim and Karnataka have their own third-party certification bodies to certify organic products while states such as Madhya Pradesh, Gujarat and Karnataka have come up with their state organic policies. Many other states such as West Bengal strongly encourage adoption of organic farming practices through PGS-India, in spite of not having a state policy. The Karnataka state government has also encouraged marketing of organic products by engaging farmer organisations and conducting national trade fairs. An example of such an event is the “Organics and Millets 2018 International Trade Fair” which will take place in Bengaluru, Karnataka in January 2018.

A common concern expressed by entrepreneurs is the lack of a comprehensive vision document by the government which can explain how it wants to promote organic sector in India and what are its expectations from companies engaged in organic business. The central government can create an organic vision document, which will lay down clearly

the strategy to promote the industry, short term as well as the long term goals which will take into account sustainable development goals and agricultural practices, and measures needed to improve environment and soil quality, and to ensure food safety and consumer health. This vision document will present the entrepreneurs with a clear idea on how the government will develop the sector and how it will work with the industry to achieve this.

At present, there are multiple government agencies and ministries coming up with fragmented organic policies for the domestic market and for exports. In order to present holistic organic regulations and vision, it is necessary for the departments to work together to avoid confusion, especially on the part of the companies which are catering to the domestic as well as the export market.

There are few subsidies provided in the organic sector, which mostly relate to PGS certification and PKVY schemes. In order to reduce risks associated with land conversion, yield losses and market access, the government should provide subsidies to the farmers which can include yield-based subsidies (as in the case of countries such as the UK) to cover up for the yield losses during the conversion period, input subsidies (for construction of poly houses, vermicompost pits, etc.), and subsidies on the cost of third-party certification, which is necessary for exports.

In India, only NPOP-certified farmers are allowed to export organic products. PGS certified products can be imported into India, but Indian farmers who are PGS certified cannot export. Since there are countries such as Malaysia and Brazil, which recognise PGS certification for organic products, the government can create policies which would allow PGS certified farmers to export to these countries. This would widen the markets for the farmers and help them fetch good prices for their produce.

The government may take initiatives to identify and map organic agricultural clusters and promote them, which will help develop agro-processing hubs and supply chain infrastructure around these clusters. Initiatives taken by some states to create farmers producers association for product marketing has helped both farmers and producers. Similar initiatives may be taken by other states. State governments may work closely with the industry to promote organic and nutritious food in school and college canteens, workplaces and other institutions. Specific support can be provided to the organic clusters in hilly and tribal areas to help them to link to the market and reduce the logistics cost and transportation time. Besides the existing measures taken by various state governments, there should be more efforts in areas of identification of state specific crops which can be cultivated with chemical inputs, standardisation of inputs quality and helping farmers to access the right inputs, providing farmers with a guide on pest control specific to the state etc. Such guides can be developed by state agriculture universities. Further, states can help farmers through knowledge sharing and training in partnership
with private players, linking farmers with manufacturers through farmer-producer organisations, trade fairs, etc., providing them direct help in making vermicompost pits, and purchase of playhouses, as is done in countries such as Bhutan.

The companies in the study pointed out that along with appropriate subsidies for the farmers, they also require a friendlier tax environment to increase ease of doing business and mitigate risk. The government’s tax policy – including the policy on the Goods and Services Tax (GST) – should aim at lowering taxes for organic products to encourage more businesses to enter the industry, and also lower the taxes on processed food products to encourage foreign buyers to process the organic products in India, which will lead to value addition. Corporate tax are high in India. Further, the high tariffs in some of the imported ingredients make it difficult for the foreign and Indian companies to establish manufacturing base in India. When a company establishes manufacturing base, it will source some ingredients locally and import others. It would like to cater to both domestic and international consumers. Government policy should help in establishment of such production networks.

To conclude, the organic business in India is booming and is projected to expand even more by the year 2020. However, in order to develop the industry and encourage entrepreneurs (both Indian and foreign) to invest in the sector, there are business risks which have to be mitigated through collaboration between the industry and government, and through right policies and close coordination across different government agencies looking after domestic as well as export market. The government policy should be holistic to not only enable the sector to grow but also to create employment and help farmers realise better incomes for their produce.
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