

ORGANIC MARKETING: AN INTENSIVE STUDY ON ORGANIC PRODUCT EXPORT

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ABSTRACT

Organic farming emphasizes the use of management practices in preference to the use of off-farm inputs, taking into account that regional conditions require locally adapted systems. Currently, India ranks 33rd in terms of total land under organic cultivation and 88th in agricultural land under organic crops to total farming area. The mechanism of organic marketing is quite different from that of traditional marketing. This is a method of farming that works at grass root level preserving the reproductive and regenerative capacity of the soil, good plant nutrition, and sound soil management, produces nutritious food rich in vitality which has resistance to diseases. India exported 135 products last year (2013-14) with the total volume of 194088 MT including 16322 MT organic textiles.

KEYWORDS: Organic products, Definition, NPOP, Management and Export.

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INTRODUCTION

Modern agricultural farming practices, along with irrational use of chemical inputs over the past four decades have resulted in not only loss of natural habitat balance and soil health but have also caused many hazards like soil erosion, decreased groundwater level, soil salinization, pollution due to fertilizers and pesticides, genetic erosion, ill effects on environment, reduced food quality and increased the cost of cultivation, rendering the farmer poorer year by year (Ram, 2003). The small farmers, who by cash flow definition are short of cash, are therefore found to lag behind large farmers in the adoption of technologies. The manufactures of fertilizers and pesticides, the two major inputs of GR technologies, need fossil fuels and / or expensive energy, and are associated with serious environmental and health problems. It is perhaps owing to these input issues and their negative impacts, that the Intergovernmental Panel on Climate Change (IPCC) has noted that agriculture as practiced today (conventional agriculture, modern agriculture or GR agriculture) accounts for about one fifth of the anthropogenic greenhouse effect, producing about 50 per cent and 70 per cent, respectively of the overall anthropogenic methane and nitrogen oxides emissions.

ALTERNATIVE METHOD

Green Revolution (GR) technologies, supported by policies, and fuelled by agrochemicals, machinery and irrigation, are known to have enhanced agricultural production and productivity. While these technologies greatly helped to address the food security of India, farmers using these technologies have to depend upon the purchased inputs.

DEFINITION

The organic farming is defined as, "*Organic agriculture is a holistic production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles, and soil biological activity. It emphasizes the use of management practices in preference to the use of off-farm inputs, taking into account that regional conditions require locally adapted systems. This is accomplished by using wherever possible, agronomic, biological and mechanical methods, as opposed to using synthetic materials, to fulfill any specific function within the system*" (FAO, 1999).

ORGANIC FARMING IN INDIA

India has traditionally practiced organic agriculture, but the process of modernization, particularly the green revolution technologies, has led to the increased use of chemicals. In recent years, however, limitations of agriculture based on chemical use and intensive irrigation have become apparent and there has been a resurgence of interest in organic agriculture. Currently, India ranks 33rd in terms of total land under organic cultivation and 88th in agricultural land under organic crops to total farming area.

Renewed interest in organic agriculture is mainly due to two concerns, falling agricultural yield in certain areas as a result of inter alia excessive use of chemical inputs, decreased soil fertility and environmental awareness. Exports also played a role but perhaps lesser than in other countries. An estimated 69 Mha, however, is traditionally cultivated without using chemical fertilizers and could be eligible for certification under the current practices, or with small modifications. Certifying these farms remains a challenge, however, as many of these farms are small holdings (nearly 60% of all farms in India are less than one ha).

NATIONAL PROGRAMME FOR ORGANIC PRODUCTION (NPOP)

Organic products are grown under a system of agriculture without the use of chemical fertilizers and pesticides with an environmentally and socially responsible approach. This is a method of farming that works at grass root level preserving the reproductive and regenerative capacity of the soil, good plant nutrition, and sound soil management, produces nutritious food rich in vitality which has resistance to diseases.

India is bestowed with lot of potential to produce all varieties of organic products due to its various agro climatic regions. In several parts of the country, the inherited tradition of organic farming is an added advantage. This holds promise for the organic producers to tap the market which is growing steadily in the domestic market related to the export market.

Currently, India ranks 10th among the top ten countries in terms of cultivable land under organic certification. The certified area includes 15% cultivable area with 0.72 million Hectare and rest 85% (3.99 million Hectare) is forest and wild area for collection of minor forest produces. The

total area under organic certification is **4.72 million Hectare** (2013-14).

The Government of India has implemented the National Programme for Organic Production (NPOP). The national programme involves the accreditation programme for Certification Bodies, standards for organic production, promotion of organic farming etc. The NPOP standards for production and accreditation system have been recognized by European Commission and Switzerland as equivalent to their country standards. Similarly, USDA has recognized NPOP conformity assessment procedures of accreditation as equivalent to that of US. With these recognitions, Indian organic products duly certified by the accredited Certification Bodies of India are accepted by the importing countries.

Ecology Organic bio diverse farming and food production is the way out for the ecological and livelihood security of millions of small farmers in this country (Satheesh, 2008). Although many trained farmers realize the importance of ecological agriculture, it is not always possible for them to put the training into practice, especially on their major farming land which provides them with most of their livelihood security (Datta and Kar, 2006).

MANAGEMENT OF MARKETING ORGANIC PRODUCTS

The mechanism of organic marketing is quite different from that of traditional marketing. In this changing scenario, small farmers mainly need better access to capital and education.

Collective action through cooperatives or associations is important to be able to buy and sell at a better price and also to help small farmers in adapting new patterns and facing much greater levels of competition. Small farmers require professional training in marketing as well as in the technical aspects of production. There is also a need to strengthen small farmer organizations and provide them with technical assistance to increase productivity for the cost-competitive market and to provide help in improving the quality of produce in order to capture value addition in the supply chain (Singh, 2006).

Management capacity, which is as important as physical capital, is the most difficult thing to provide. Further, collective action to deal with scale requirements needs to be designed in order to satisfy new product and process standards or to avoid exclusion from the supply chain.

ORGANIC PRODUCTION

India produced around **1.24 million MT** of certified organic products which includes all varieties of food products namely Sugarcane, Cotton, Oil Seeds, Basmati rice, Pulses, Spices, Tea, Fruits, Dry fruits, Vegetables, Coffee and their value added products. The production is not limited to the edible sector but also produces organic cotton fiber, functional food products etc. Among all the states, **Madhya Pradesh** has covered largest area under organic certification followed by Himachal Pradesh and Rajasthan. For laying the spadework for the spread of organic agriculture in the country, certain issues require attention at the government policymaking levels. These include,

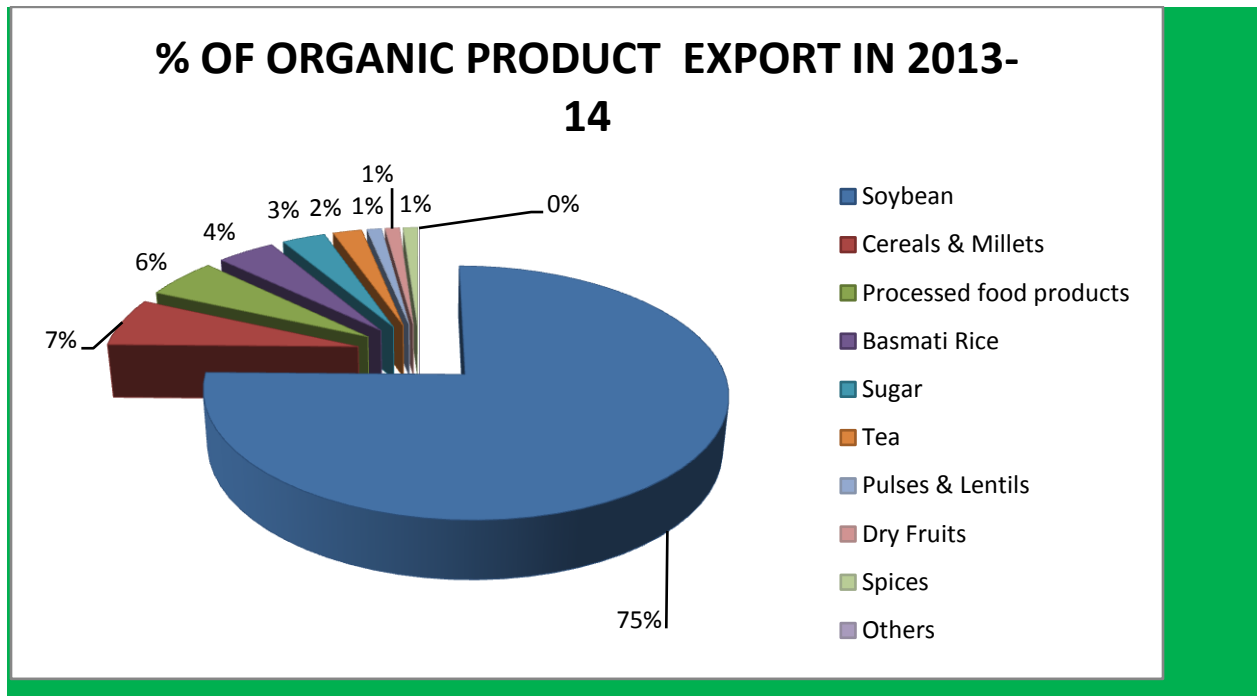
- substantial financial support by the governments which is absolutely necessary to promote organic farming;
- market development for the organic products which is a crucial factor to promote domestic sales;
- government support to the producer and consumer associations to market the organic products;
- simplification of the process of certification; and
- Reduction in certification cost.

A vigorous campaign to highlight the benefits of organic farming against the conventional system is essential to increase awareness of both farmers and consumers (Narayanan, 2005).

ORGANIC PRODUCTS EXPORT DURING 2013-14

India exported 135 products last year (2013-14) with the total volume of 194088 MT including 16322 MT organic textiles. The organic agri export realization was around 403 million US \$ including 183 US \$ organic textiles registering a 7.73% growth over the previous year. Organic products are exported to US, European Union, Canada, Switzerland, Australia, New Zealand, South East Asian countries, Middle East, South Africa etc.

Fig.1.Illustrating the Percentage of Organic Product Export in the year 2013-14



ROLE OF NGO'S IN ORGANIC MARKETING

For laying the spadework for the spread of organic agriculture in the country, certain issues require attention at the government policymaking levels. Despite serious efforts of some NGOs, it appears that India is lagging far behind in the adoption of organic farming.

Organic farming offers an alternative method for production that can be suitably exploited to benefit some segment of farmers (Chand, 2003). However, certification of organic products becomes dubious if it is linked with high documentation, controlling, organizational and bureaucratic effort (Julia et al., 2008).

- ✚ NGOs may not always have the necessary business skills to succeed in marketing. Under such situations, collaborations between NGOs and governments may be effective.
- ✚ Organic agriculture may also flourish under direct government involvement.

- ✦ While it has suffered downright neglect by the central government, a number of state governments have already made significant strides in organic farming.
- ✦ Organic farming has assumed immense significance in the dryland areas also.
- ✦ Semiarid and arid dryland soils typically are poor in water-holding capacity as well as organic matter (Sharma, 2000).

CONCLUSION

Many of studies have revealed that organic agriculture is productive and sustainable. There are many people who, while approving organic agriculture, advocate a careful conversion of farms into organic, so that yield loss is taken care to the extent possible. Presently, there is lack of government subsidies or support to make conversion to organic status easier or cheaper. The questions about the yield and financial viability of organic farming are crucial and there are no empirical studies available in the Indian context comparing the economic and ecological returns of organic farms vis- à-vis conventional farms. There are strong views against organic farming mainly on the grounds of practicability of feeding a billion people, its financial and economic viability, and availability of organic inputs and dissemination of know-how.

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