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ROLE OF INSTITUTIONS AND GOVERNMENT IN THE SIGNIFICANCE OF THE ORGANIC FOOD MARKET

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ABSTRACT

In recent years, there has been a rise in both the demand for and the production of organic food products worldwide. Organic farming utilizes scientific techniques in conjunction with contemporary technology and time-honored practices like crop rotation and the application of animal and plant manures, which improve soil fertility, maintain ecological balance, and safeguard biodiversity. The worldwide organic food market was assessed at $221.37 billion in 2021 and is estimated to attain $380.84 billion by 2025, according to the Research and Market report. The Research Dive report also predicts that the global organic food market may hit $480 billion by 2030. The value of the Indian organic food market was $849.5 million in 2020, with projections estimating it will reach $2601 million by 2026, as per the EMR report. The investigation centers on the function of government and organizations in creating the ecosystem for the sustainable organic food product market to meet both global and local organic food market demands. Understanding the importance of organic farming, the Indian Government has created the Agricultural and Processed Food Products Export Development Authority (APEDA) along with the National Centre for Organic Farming to promote and improve agricultural practices. The government has created a National Programme for Organic Production (NPOP), including National Organic Product Standards and Certification and Accreditation Regulations from 2001. Along with Government Institutions, many NGOs, Universities, and other organizations have been actively involved in promoting, developing, and enhancing the capabilities of different stakeholders in organic food product markets.

Keywords: Organic food Products, Market Ecosystem, APEDA, NPOP and Sustainability

INTRODUCTION

Food items are substances meant for human consumption, whether in their raw form or after cooking or processing. Based on the origin of the food, whether from animals or plants, it can be classified as organic food products (OFP) or conventional food products (CFP). Conventional food products originate from conventional agriculture practices, while organic food products result from organic agriculture. Organic farming is a technique for cultivating crops, raising animals, and fish that emphasizes environmental preservation and utilizes natural farming methods. In organic farming, the entire farm process—from producing and processing to managing and distributing organic food—bans the use of artificial substances such as genetically modified organisms (GMOs) and certain external farming inputs, including chemical pesticides, veterinary medicines, additives, and synthetic fertilizers. Conventional agriculture practices do not face these constraints. Organic farming practices are regulated by rules that vary between countries. Organic farmers rely on natural farming methods and modern scientific ecological knowledge to enhance the long-term health and efficiency of the ecosystem, elevate product quality, and protect the environment.

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NEED FOR ORGANIC FARMING

Organic farming is viewed as sustainable because it eliminates chemical inputs and depends on the natural ecosystem for cultivation. Before Independence, India had an agrarian economy and relied on conventional farming methods until the mid-1960s. The conventional farming methods in India were inadequate to fulfill the country's food needs. India depended on food imports and aid to fulfill its domestic needs. To tackle the issues of food scarcity, the Government of India implemented policy reforms and urged farmers to embrace chemical agriculture to achieve self-sufficiency in food grains. In the late 1960s, the Green Revolution occurred due to the use of High Yield Variety (HYV), particularly dwarf wheat and rice, along with chemical fertilizers, agrochemicals, regulated water supply, and mechanization. The quick success of chemical farming was attributed to India's fertile land, with the green revolution primarily driven by the people in Punjab state. Every state in India has embraced chemical farming, inspired by the achievements of farmers in Punjab. Norman Borlaug pioneered the chemical farming technique and earned the title of father of the Green Revolution, receiving a Nobel Prize for his efforts. M Swaminathan, together with Norman Borlaug, played a key role in creating the Green Revolution in India.

The triumph of green revolutions was covered in textbooks and the transformation of India was debated until the beginning of this millennium. Gradually, farmers became aware of the negative impacts of chemical farming, and agricultural specialists began to voice concerns regarding soil acidification, reduced soil fertility, soil compaction, increased pesticide strength, air and water contamination, greenhouse gas emissions, as well as risks to human and environmental health. The government has acknowledged the issues associated with chemical farming and is promoting organic farming to farmers; however, the challenge lies in the fact that yields from organic farming are not substantial in the early stages of transitioning from chemical practices. The lack of a well-developed market for organic food products and difficulties in obtaining organic farm certifications have caused farmers to distance themselves from certified organic farming. To address these challenges, the Government and institutions have implemented various policy actions, which are outlined in this paper.

ORGANIC AGRICULTURE MARKET

Organic farming is growing swiftly and is currently implemented in over 160 nations globally. It is plausible to believe that uncertified organic agriculture occurs in certain nations. As per the statistics from the research institute of organic agriculture, nearly 37 million hectares are organically managed by 1.6 million farmers. The organic food industry was assessed at $221.37 billion in 2021 and is projected to hit $380.84 billion by 2025 according to the Research and Market report. Additionally, the Research Dive report forecasts that the Global organic food market will reach $480 billion by 2030. The Indian organic food market was valued at $849.5 million in 2020 and is anticipated to reach $2601 million by 2026, according to the EMR report. This suggests that the worldwide market is anticipated to be over twice its current size. Sales of organic food in the U.S. account for almost fifty percent of worldwide organic food sales.In the USA, 78 percent of families are purchasing organic foods, and forty percent reported they’re buying more organic food now compared to a year prior. Despite the presence of organic agriculture in many regions globally, demand is predominantly focused in Europe and North America. The main producers and importers of organic goods are the EU, USA, and China. The primary organic goods consist of fresh fruits and vegetables, cereals, coffee,

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tea, spices, herbs, and more. There is a significant chance for Indian entrepreneurs to venture into the organic products export market. The question is if India is ready for such a vast export market. The inquiry concerns whether India's current organic food product market framework and ecosystem are appropriate and sustainable to satisfy the continually rising global demand for organic food products.

EMERGING ORGANIC PRODUCT MARKET IN INDIA

Organic food and beverage market is one of the most promising and emerging industries in India. Indian Organic food market is valued at $849.5 million in the year 2020 and is expected to reach $2601 by the year 2026 as per the EMR report. The development of Indian organic food and beverage market has been largely facilitated by the consumers' increasing level of awareness and an urge to have healthier lifestyle. Even though, organic food production in India is widespread across several states, consumption of organic products is primarily concentrated amongst the few major cities of India viz., Delhi, Mumbai, Bangalore, Hyderabad, Chennai and Pune among others. The organic food and beverages industry in India is highly diversified in terms of production and serves the requirements of both domestic and export markets.

Despite a sluggish domestic market in the initial years, the industry performed well primarily due to emphasis on exports. However, with a thriving domestic market coupled with increasing demand for Indian organic products in foreign nations, the industry is expected to perform exceptionally well in the upcoming years. Experts predict that the organic market would be the emerging market in coming year for all the stakeholders in the agro-product business.

India has 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.

GOVERNMENT ROLE IN ORGANIC FOOD PRODUCT MARKET ECOSYSTEM

Organic farming is practiced in 187 countries by 3.1 million farmers' and totally 72.3 million hectare of organic agriculture land is there in the world. Globally agricultural land area is approximately 5 billion hectare or 38 percent of the global land surface. This indicates that the land area used for organic agriculture is very small. India stands 9th position in terms of certified organic agriculture land with total area of 1.94 million hectare. Even then India's organic agriculture land share in the world is just 1.3% of the total organic agriculture land share. India has converted 3,61,002 land to organic land in the year 2019 and it is number one country in the world in terms of converting its land to organic land. India has 13,66,226 organic producers and India is number one country in the world in terms organic producers. All these indicates that the efforts put in by the Government and the institutions in making organic farming popular and successful in India is working and still a lot of work need to be done.

GOVERNMENT ROLE IN PROMOTING ORGANIC FARMING

The Government of India is providing assistance for promoting organic farming across the country through different schemes such as Paramparagat Krishi Vikas Yojana (PKVY),Mission Organic Value Chain Development for North Eastern Region (MOVCDNER), Capital Investment Subsidy Scheme (CISS) under Soil Health Management Scheme, National Mission on Oilseeds and Oil Palm

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(NMOOP) and National Food Security Mission (NFSM) (Agriculture Post, 2020). These schemes give financial assistance and subsidy to the farmers in buying of compost, seed, manure, bio-fertilizers and capacity building. Government gives 100% assistance in setting up compost production and up to 33% financial assistance provided to individual and institutions in setting up compost production unit. Through these schemes post-harvest infrastructure building assistance is also given by the Government. Organic certification assistance is also provided by the Government through these schemes. All these schemes indicates that the Government of India is providing several assistance to the farmers and other stakeholders to develop organic farm practices in India.

Keeping in view the importance of organic farming in our national agricultural and economic scenario, the Government of India has constituted the Agricultural and Processed Food Products Export Development Authority (APEDA). The Authority attempts to shift the focus of farmers' lives from mere subsistence to strength and prosperity, especially in organic farming. The government has also set up a National Centre for Organic Farming to improve farming practices and fund research through NGOs, universities and research institutes.

GOVERNMENT ROLE IN PROMOTING ORGANIC FARM CERTIFICATION

The Government of India has constituted and implemented a National Programme for Organic Production (NPOP) and National Organic Product Standards and Certification and Accreditation Regulations 2001. 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.

STATE GOVERNMENT ROLE IN PROMOTING ORGANIC FARMING

Indian Government is playing a key role in developing the organic farming in India through setting up institutions, conducting training programmes and offering subsidies loan facility to the farmers etc. Various State Governments are also coming out with one or other plans to improve organic farming. Currently many states and private agencies are involved in promotion of organic farming in India. There are several ministries and government departments at both central and state levels in promoting of organic farming and organic food product market. Awareness programmes, training programmes, financial assistance, research development activities, and capacity building initiatives have been taken by several state Governments in their respective states to promote organic farming.

Indian state Governments depend on the Union Government schemes to promote organic and natural farming. Some of the state Governments have utilized fund from other schemes such as Rashtriya Krishi Vikas Yogana and the mission for integrated development of horticulture to do the promotion of organic farming.

The states of Uttarakhand and Sikkim have declared their states as organic states. Uttarakhand has become the first state to introduce the Organic Agriculture Act, 2019. Odisha Government introduced organic farming policy in 2018, the new GodhanNyay scheme was launched by Chhattisgarh

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government in 2020 to promote organic farming. The Government of Karnataka released a state organic farming policy in 2004. States like Rajasthan, Tamil Nadu, Kerala, Madhya Pradesh, Himachal Pradesh and Gujarat are promoting organic farming vigorously. All these initiatives shows that state Governments are actively supporting organic farming.

ROLE OF INSTITUTIONS IN PROMOTING ORGANIC FARMING AND MARKET

Apart from government institutions, various NGOs and CSOs are actively involved in promotion and capacity building of farmers, SHGs, traders, etc.There are 16 accredited certification bodies under NPOP across the country that are involved in certification of organic products. The logo used under the certification programme is called 'India Organic'. Apart from the NPOP certification the Participatory Guarantee System (PGS) is also there for the farmers to get their farm certified as organic. Strictly speaking the Participatory Guarantee System (PGS), is not internationally accepted organic certification program but it is a good ignition to take organic certification at the later stage. Participatory Guarantee System (PGS) targets local or national markets and involves the participation of small farmers, small entrepreneurs, traders and consumers in the certification process. The PGS is an initiative largely coming from the developing world wherein the systems of quality assurance are directly managed and controlled by organic producers. Importantly, there is no universal model for the PGS. Each variant is adapted and is specific to the individual communities, geographies, politics and markets of their origin.

Agricultural universities are helping in a large scale in promoting organic farming. These universities are providing training, study materials, organic certification assistance to the farmer to promote organic farming. Universities are working with NGO and Self-help Groups (SHGs) to understand the farmers problems at the local level and give solutions to those problems through their research initiative. In case the problems are related to the policy matter then they communicating about these problems to the policy makers.

ROLE OF ORGANIC FARMERS ASSOCIATION AND FEDERATIONS

Organic farmers associations play a pivotal role in the creation of sustainable organic food product market ecosystem. These associations can help the farmers in terms of providing them training and certification in connection with organic farming. They can provide them financial assistance and also procuring the food products produced by these farmers. They can act as a bridge between the buyers and the farmers. Several successful organic farming Associations are there in India. In this study the details of two successful organic farmers associations are discussed and similar models can be created at various places to build sustainable organic food product market eco-system.

ORGANIC FOOD PRODUCT MARKET ECOSYSTEM

Bangalore rural, urban and Ramanagara District regional Cooperative organic farmers Association federation Limited is one of the successful organic farmers Association. This association acts as an intermediary between farmers, vendors and consumers. They support the farmers during their conversion period of conventional farming practices to organic farming practices. They buy the farm produce from the farmers and sell that farm produces to the vendors and directly to the consumers. This association has ensured the quality of organic food products. There model of operation is sustainable and this model can be replicated at various places. These association members are organic

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farmers and they take all the decisions. This is a successful model of Sustainable organic farming practices.

Organic Mandya is one more association of the farmers, which works similar to that of the Bengaluru rural, urban, Ramnagar district regional cooperative organic farming association. The Mandy organic farmers co-operative society is the membership-based society. They procure farm produce from their members and sell those produce to vendors and from their own outlets in Bengaluru city and Mandya city. They sell their farm produce through these outlets and also directly to the consumers.

DISCUSSION

These two organic food product market ecosystems are successful because the intermediary act as catalyst and branding of the entire system is done in the name of the intermediary. Similar establishments are needed from government side to make organic farming practices and organic food product marketing as sustainable. The Government needs to build organisation structure to support small organic farmers and also tap the global organic food product market. In this connection Government can build policy initiative and take assistance from NGOs and Self-help group (SHG). Government has put in several efforts in promoting organic farming, now the Government has to work on building sustainable organic market eco-system. The local challenges and difficulties of the farmers and other stakeholders need to be kept in mind while preparing organic food product market eco-system.

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