

The Organic Food Market: Opportunities and Challenges

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Abstract

Organically produced Agricultural products have received global attention due to their being a multi-billion trade. World market of organic agricultural producers has been expanding continuously in Europe, North America, Japan, India and in many emerging economies also. The market of Organic products is growing globally every year. Farmers get premium price with the expansion of organic market. The area of organic farm is growing rapidly with the increasing demand of Organic products. In the last eight to ten years, organic farming has fully been transformed into a global environment and spread to many developing countries and poor economies too. In India, organic market is growing on different levels i.e. producer, trainers, advisors, certifying bodies and traders etc

Keywords Organic Market, Premium price, Organic products and Certifying Bodies

Introduction

The global sales of organic food and drinks have increased today. Organic agriculture is now present in most parts of the world and the amount of organic farm land increased in triple digits in Asia, Africa and Latin America since 2000. Organic farming has been one of the fastest growing sectors in agriculture and double-digit growth in sales of organic foods as provided market incentives for the agricultural sector. Scientist and University researchers are now focusing on improving the productivity and success of organic agriculture. The increasing demand for Organic foods has been accompanied by a growing local movement. The markets for organic and local food are developing regularly. Organic farmers are much more likely than conventional farmers to sell their products locally with about a quarter of all organic sales. The types of farming businesses that are engaged in local foods are direct to consumer marketing, farmers market, farm to school programs, community supported agriculture, community gardens, School gardens, food hubs and kitchen incubators. The Government of India has also launched the National Programme for Organic Production (NPOP) in the year 2001. The NPOP standards for production and accreditation system have been recognised by the European commission and Switzerland as equivalent to their country standards. Similarly, the United States Department of Agriculture (USDA) has recognised NPOP conformity assessment procedures of accreditation as equivalent to those in the US. About 50% of the organic food production India is targeted towards exports and organic food is priced over 25% more than conventional food in India.

Objectives of the Study

1. To create opportunities for small holding farmers to earn premium price and to improve their living conditions.
2. To optimize the health and productivity of interdependent communities related to soil, plants, animals and people.
3. To expand market of Organic products and explore adjacent opportunities

Important Organic Products

Organic farming is the form of agriculture that relies on techniques such as crop rotation green manure compost in biological pest control to maintain soil productivity and control pests on a farm. It excludes or strictly limits the use of manufactured fertilizer, pesticides, plant growth regulator such as hormones, antibiotics, food additives and genetically modified organisms. Organic food products have an enormous diversity of product groups. The most commonly purchased organic foods are fruits, vegetables, grains, dairy products and meat. Organic foods are produced through farming practices that only use natural substances, (Mary Jane Brown, 2021).

Organic food has higher nutrition content and chemical rich foods. They contain more vitamins and minerals. The nutrients present in organic food can be beneficial in preventing dangerous diseases like human diseases, blood pressure problems, migraine, diabetes and cancer, (Prakiriti Tea is traded as black tea, green tea, Oolong tea and instant teas).



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Coffee	Economically the most important coffee varieties are Arabica and Robusta. In comparison with Arabica, 30% higher yields are gained from the Robusta.
Cocoa	It's yield is low and it is therefore rarely cultivated
Grains	USA and Canada dominate the market for Organic commodity green products e.g. Wheat, maize and barley.
Pulses	It includes kidney beans, chickpeas and horse beans. Although the trade is small, they are important for exporters from developing countries
Seeds	it includes polyunsaturated oils and sunflower seed, oil and meal
Vegetable oils and fats	Soya oil, palm oil and coconut oil which are important for exporters in developing countries.
Spices and herbs	The main international trade for spices and herbs is dried and in crude form cleaned but not further processed.
Fruits	Apples, apricots, dates, figs, mangoes, papayas, peaches, Pears, prunes are important tree fruits. Dried fruits are also in demand because fresh fruit consisting of more than 80% of water and prone to micro-organism attack. Drying of fruits mainly done in order to stop the multiplication of microorganism. Dried fruits can be divided into tree fruit and other fruit
Honey	Five common types of honey have export market. Acacia, Orange Blossom, Buckwheat, Lotus and Clover are five types of honey.
Edible Nuts	There are two segments for edible nuts ground nuts and tree nuts. Most important for the European traders are almonds, cashew nuts, walnuts and Brazil nuts.
The Indian Organic Market:	<p>Organic consumers are generally found in the urban upper middle class or upper class and to some extent lower middle class families in smaller towns specially families with children in India. Organic vegetables and fruits are the major Organic products desired by Indian customers. The demand for organic food in India is increasing day by day. The Indian organic food market reached a value of US\$ 815 million in 2020. The major organic food products available in the Indian market are tea, fruits, vegetables, wheat, spices, coffee and pulses. Major domestic markets are cities like Mumbai, Bangalore, Delhi, Chennai and Hyderabad to a few name. major factor for increasing the demand of organic food is the rising level of health awareness in the country. Indian people are now much concerned about the nutrient content and quality of food. Other causes for increasing demand of organic food are economic growth, urbanization, rising income levels and consumer expenditure on health. The top three states- Madhya Pradesh, Rajasthan and Maharashtra- account for about half the area under organic cultivation. Madhya Pradesh is on the top with 0.76 million hectare of area under organic cultivation- that is over 27 % of India's total organic cultivation area, (Amit Khurana and Vineet Kumar, 08, sept, 2020)</p> <p>IMARC group provides an analysis of key trends in each sub-segment of the Indian organic food market- (According to IMARC)</p>
Breakup by Region	<ol style="list-style-type: none"> 1. North India 2. West and Central India 3. South India 4. East India

1. Organic cereal and food Grains
2. Organic Meat, poultry and dairy
3. Organic spices and pulses
4. Organic Processed Good
5. Organic Fruits and vegetables
6. Organic Beverages
7. Others

Indian Organic Market is highly fragmented with the presence of several small and large players: (According to IMARC)

1. Nature Bio-Foods Limited
2. Organic India Private Limited
3. Sresta Natural Bioproducts Pvt.Ltd
4. Phalada Agro Research Foundations Pvt.Ltd
5. ElWorld Agro
6. Mother Earth
7. Mehrotra Consumer Products Pvt.Ltd
8. Morarka Organic Foods Pvt.Ltd
9. Nature Pearls Pvt.Ltd
10. Conscious Food Private Limited
11. Nourish Organics Foods Pvt Ltd

Different Government Schemes for organic farming in India:

1. Paramparagat krishi Vikas Yojana
2. Rashtriya krishi Vikas Yojana
3. Movcdner (Mission Organic Value Chain Development For North Eastern Region) scheme for organic farming.
4. National project on organic farming (NPOF)
5. National Mission on Oilseeds and Oil Palm (NMOOP) Scheme Organic Farming
6. National Horticulture Mission
7. Capital Investment Subsidy Scheme (CISS) under soil health management scheme.
8. National Food Security Mission (NFSM).
9. Challenges of Domestic Organic Market in India

A Number of constraints have been identified in the marketing of organic produce. These are:

1. Inadequate knowledge of the package of practices for Organic production.
2. Technologies are available only for a limited number of crops.
3. Farmers do not know where to sell the organic produce and consumers do not know where to get genuine organic product
4. Market is limited and supply is inconsistent.
5. Apathy of farmers to grow crops organically because of the low demand in domestic markets and non realization of premium prices.
6. Most farmers cannot distinguish organically grown items and the prices to be charged.
7. Lack of consumer awareness on the benefit of organic produce.
8. The quality supply is not ensured.
9. The cost towards certification is fairly high. Farmer experiences difficulties in reaching certification agencies.
10. Logistic of slow shipment for exporting Indian Organic products.
11. Time consuming and complicated paperwork while dealing with export authorities.
12. Inadequate efforts to develop domestic market.
13. Increasing competition in the retail market results from the emergence of large companies in the market.
14. In terms of organic activity, the law complexity refers to the issues of organic product certification and appropriate documentation.
15. Excessive regulation also adds to the obstacles of operating a business in the organic food sector.
16. The organic food market is influenced by the seasonality of demand and supply which determines the fluctuations in sales revenue.

Conclusion

organic agricultural practices are based on a maximum harmonious relationship with nature evening at the non destruction of the environment. The developed nations of the world are concerned about the spreading contamination of poisonous chemicals in food, feed, fodder and fibre. Naturally organic farming system is looked upon as one of the means to remove all the ill effects created by chemical farming. It not only maintains productivity but also keeping the food safe and nutritious. Organic products also promise better prospects for market and trade. There is an ever growing export market for Organic products. Similarly the domestic market is also emerging. Products that are certified and sold as organic can fetch a premium price compared to the conventional products. It is carried on in almost all countries of the world. The share of organic farms in overall farmland and in terms of number of holdings is growing continuously. The market for Organic products is available not only in Europe, North America and Japan but also in many emerging economies in transition. In India, organic producers and exporters are well aware of the demand for Organic products and they earn premium price for Organic products. There must be formation of associations of organic producers and consumers and should have adequate publicity and training for enhancing Organic market.

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