

Challenges and Opportunities of organic food industry in India

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Abstract

This paper focus on the challenges faced by the organic food industry in market and also describe about the opportunities for this industry in India. The organic food market in India is increases from 675 crore in 2010 to 7000 crore in 2015 with a CAGR of 60 percent. Rising health awareness, changing lifestyle of today's consumers, higher disposable income and increase in number of model retails outlet across the country are the major growth drives for organic food segment. Still organic food industry is not on that level which it actually deserves. There is high increase in this industry but still it is not on that level. People are not much aware about these products. Price and availability are the two main constrains behind organic food industry. Government is planning many programs for the growth of this industry. Parampragat Krishi Vikas Yojna is a new program started by Modi government for the growth of this industry. In this research paper there is a brief description on what are the challenges like high maintains cost, fertilizer and many more challenges facing by these industry and how these companies are dealing with this problems.

Key word: organic, economic situation, health, awareness, domestic market, export market

1. Introduction

In India organic food market is the most rapidly increasing market. The organic food market in India is increases from 675 crore in 2010 to 7000 crore in 2015 with a CAGR of 60 percent. On 1 Jan 2016 our respected Prime Minister Narendra Modi said that the north east has the potential to initiate second green revolution in the country. North east and Assam have so much water, fertile land and hard working farmers. The first green revolution happened in Punjab and Haryana. Now second Green revolution can be take place in this region.

First of all the question arise that what is organic food?

Simply stated organic food products are grown without the use of pesticides, synthetic fertilizer, sewage sludge. They are pure natural and produced by the old methods of agriculture. Animal that products meat, poultry, eggs and dairy/milk products do not take antibiotics or grown hormones. Any type of artificial or chemical is not use in these products due to that these products are safe for health and for environment

In India consumers are becoming health conscious that is the key factor for the increase for this market. Other that this higher income level, improving living standard, and favorable government are the initiatives behind the growth of organic food market. Now a day's consumers are moving to organic products than convention products for their health safety. More increase in popularity and increase in demand for these products they are available in supermarket and outlet. There arability is increase and consumer can buy them from supermarket and from there outlet

Before a product is labeled to be organic a government approved certifier inspects the farm where the food will be product to see where the farmer following all the rules set by the government or not. Companies that are producing organic food must be certified from the government before they sell their products in supermarket or outlet.

People around the world are becoming more aware of the environmental stresses humans are placing on the planet. Newspapers, magazines, television, and other media feature wide coverage of environmental problems, whether they are local or global. Many consumers now display concern about environmental deterioration. Increasingly often they ask how much impact a product will have on the environment during its lifespan or during its disposal. This is the major impetus for organic products. A closely related reason is the competitive advantage or sales potential that some corporations now see in organic products. One of the biggest problems in today's world is pollution. The increase in population and the rapid surge in number of people is the main reason behind environmental issues. Indeed, the increase in population means the growth of solid waste, increase in wastewater and a substantial increase in noise pollution, etc.

2. Organic food industry in India

In India organic food industry is growing at a very high speed. The organic food market is growing at 25-30 per cent and is increases from 675 crore in 2010 to 7000 crore in 2015. A released study state that's the domestic organic food market would touch the \$1.36 billion mark by 2020. In 2014 this market was highly unorganized was \$0.36 billion and the fruits and food grains took the share from the market.

In India the total organic production in the country was 2.85 million tons while the total area under organic farming was 0.723 million hectares under certification. 3 percent that is 70,000 tonnes of the production is exported from India that cost Rs 699 crores. 13 percent of total production that is 240,000 tonnes is for domestic sales which cost Rs 1000 crores. 84 percent that is Rs 5640 crores is sold as conventional .The untapped potential is Rs 4050 crore. Us import its 2 percent of organic food from India. organic fruit and dairy products are expected to grow by 10 11 percent in next six years.

In India at present total 12 states are practicing in organic farming out of which two states are from northeast Sikkim and Mizoram. These two states are likely to become fully organic in next few years. Government of Sikkim had adopted the idea of making it organic state in 2003. It is hard step to be taken which takes a very long period. Northeast is fully organic zone of India. Sikkim farmer's mission 2015 is to convert 50,000 hectare of farmland by next years. In 2010 2011the target was 14000 and in 2012 2013 it was 14000 hectares. The decision to go organic was based on the premise that farming in Sikkim was traditionally organic and it would benefit not only the 62000 farming families of the state who own an average of 1.9 hectare of farmland. But also maintain the quality of environment of the state.

The third largest organic state with over 32000 hectare under organic or under conversion, bring under the tag over 47000 farmers. Next to it Himachal Pradesh has 5800 farmers but they have hug organic farming area at 631902 hectare. Major organic food produced in Himachal Pradesh is amaranths, basmati rice, finger millet, maize, wheat, turmeric, ginger, soyabeans, rajma and medicine. Different type of pulses is also produced in this area. Many more village and area are waiting for the certification by the effects of this state government

This market is growing at a very high speed still there is more potential to grow. Government is spending crores of rupees on organic farming. Government is planning many programs and subsidies programs to promote organic food production. India is capable of growing all kind of organic food products. India have fertile land, water resources and hard working farmer which can make a huge amount of production of organic food. For this farmers must be educated to boost organic production/cultivation. These organic foods not only protect land and water resources but also improve farmers income and there living standard. In India the awareness of

organic food products is very low and it is limited to metro cities only. Some of the studies suggest that the companies in collaboration with government should organize training programs and must increase the awareness level for this product .

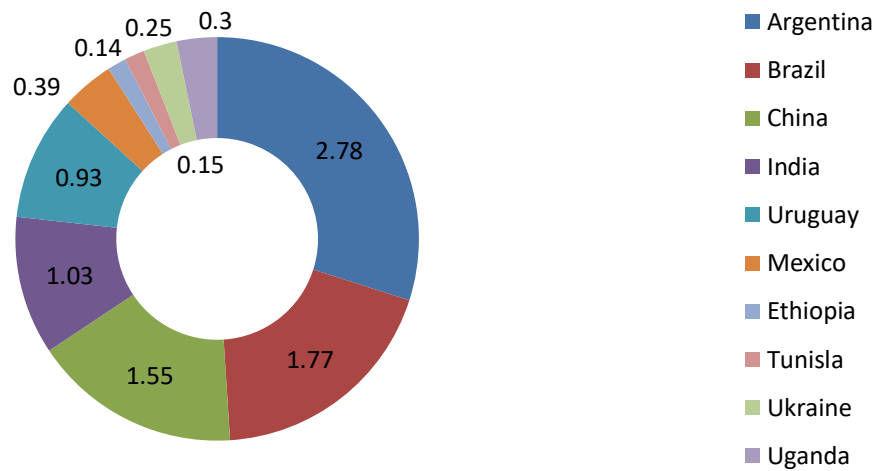
Indian consumer are becoming more and more health conscious and the by which there is high growth in organic food market. Organic food promising alternative for the population concerned about the consequences on high amount of chemical in food products which badly affect both the consumer and the environment. The decision of an individual towards the consumption of organic food is highly depended on their awareness level, its economic condition and on the availability of the products. If a consumer is willing to pay high price for good or organic products but the availably is not proper then how that consumer will be loyal to the brand and how he will regularly use organic food products. The organic food market is extremely nascent in India at present with very few brands and low penetration even in urban cities consumers. People are not so aware about these products and not using them. We can say that the price factor is a very important factor due to which consumers are not moving to organic food.

Indian green leaders

Top organic states and the major crops they grow

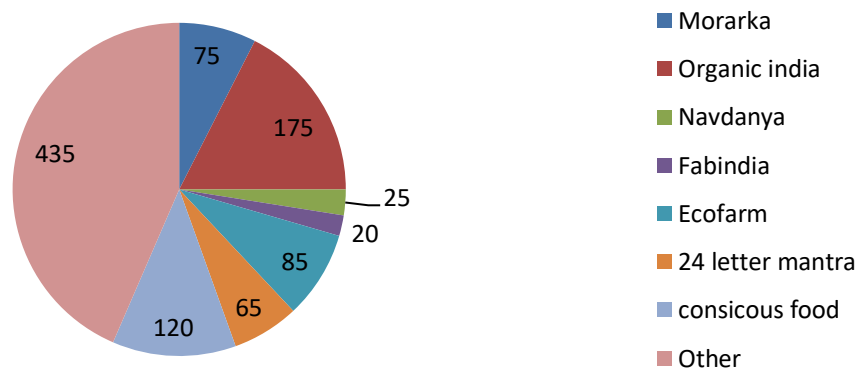
States	Total certified area in ha	Main cultivated crops
Madhya Pradesh	2866571.88	Cotton, oilseeds, cereals like maize and sorghum, pulses
Himachal Pradesh	631, 901. 99	Fruit, vegetable, cereals like maize and sorghum, wheat, pulses
Rajasthan	217, 712.19	Oilseeds, cotton cereals like maize and sorghum, spices
Maharashtra	177,345.48	Cotton, oilseeds, fruits and vegetables, pulses
Uttar Pradesh	111,644.83	Cereals like maize and sorghum fruit and vegetables, rice
Uttarakhand	105,465. 98	Cereals like maize and sorghum, herbs and medicine, oilseeds, rice.

10 developing countries with most organically managed land million of hectare



Main companies selling organic food total market size Rs 1000 crore

source : The Indian organic food market , Yes bank



3. Benefits of organic food

3.1 Great taste

Taste is the very important factor for consumer to adopted organic food. The taste of organic food is far better and delicious as compare to non organic food. In many studies it is found that consumers are moving to organic food because of its taste. Fruit and vegetable are much more taster than it's grown with chemical. Organic food is grown with those old methods of agriculture where no chemical is used due to that it tastes great and consumer like.

3.2 High quality

The quality of organic food is meet with extremely high standards to be called as organic. Before a product is labeled to be organic a government approved certifier inspects the farm where the food will be product to see where the farmer following all the rules set by the government or not. Companies that are producing organic food must be certified from the government before they sell their products in supermarket or outlet. When the consumer look at the product organic and see it is certified by the quality assurance international standards. Defiantly the consumer feels confident to buy that product.

3.3 Soil Erosion

Currently soil erosion and land pollution is huge problem. The farmers and other people on earth have no respect for the land and their activities make the soil polluted. Organic farming/ food focus on the protection of soil because nowadays farmers understand that without soil there will be no farming and no crops. Farmers do not use any chemical on the soil which protect the land

3.4 Health benefits

Now day's consumers are becoming more health conscious due to that they are moving to organic food products. Whether people have health problems at old age or they are aware about the chemical and pesticides used in non organic food they are moving to organic food products. Parents want to give best health to their children so for their betterment organic food is best. The animals from which we get milk meat or eggs are feed by organic raw food so the output must be organic and pure. The employees work in it also gets benefited because no chemicals are used and it is good for their health.

3.5 Wildlife Benefits

Organic farms are aware that on this planet we the human beings are not only the creature but the animal insects also live on it. So the farmers focus on the whole eco system and product such organic crops that are useful for wildlife also. These farmers also manage pond, wetlands and many other activities to preserve animal including to their farming activities.

3.6 Support farmers

Organic farmers and other people include in these activities gets a great benefit. First of all they get health benefits no chemical is used and they are safe. In non organic farming many chemical and pesticides are used which badly harm the farmers. The farmer gets cancers, stomach problem and many skin diseases from these chemical. Second are they are getting economical benefits. In organic farming less input cost is required and in reply to that they get great premium from the outputs only they need is hard work and passions.

3.7 Water

These organic food products not only protect land but also protect water to get polluted. In no organic food harmful chemical and pesticide are used which mix with our water supply. This harmful chemical damage for health and we get suffer from many diseases. In market many purifiers are available but they are not much effective on there harmful chemicals. So organic food protect the water to get polluted and also protect us from many diseases.

3.8 Innovation

Organic food is products without the use of chemical and instead of this chemical many innovative methods are used for cultivation. These farmers indulge in this new innovative methods and product organic food. These food items are safe for human beings and also safe for environment. Government regulated several programs to educated farmers about these methods. These methods motivate farmers to cultivate organic food which is beneficial to environment, human health and for the welfare of farmers.

3. 9 Strengthen species of food

In today's world the major environmental problem is we are losing a entire species of food. Many of the food products with was grown in past not they are not available. These chemical base farming spoil all the many of the species crops. This organic food farming try to solve this problem by breeding many species to keep them in existence. These farmers are cataloguing every species and retaining seeds for future use and so that they can be reproduces.

3.10 Safe for babies and children

The advantage or organic food is very high for the babies and children. A baby born with 200 toxins carcinogen in its body. By the time when he becomes 2 years old baby must have excited its limits for toxins. Feeding children by organic food a parent can decrease 1/6 amount of harmful chemical to indulge in its blood. By this babies immunity power increase which is incredibly important.

BENEFITS OF ORGANIC FOOD

Organic  Facts
www.organicfacts.net

Prevents premature
aging



Reduces risk of
heart diseases

Boosts immune
system



Promotes animal
welfare

Ensures safe & healthy
world for future
generation



Reduces presence
of pesticides

Tastes better than
non-organic food



Prevents cancer



www.facebook.com/organicfacts



pinterest.com/organicfacts



<http://bit.ly/1dzJv4x>



twitter.com/OF_OrganicFacts

4. SWOT analysis of Organic food industry

Strengths	Weakness
<ul style="list-style-type: none">▪ Health and safety food▪ Comparative advantage in organic food production▪ Better soil health▪ Environment safety▪ Low production cost▪ High standard of quality with nutrition▪ Premium prices▪ High water use efficiency▪ Government policies like NPOP▪ Strengthen species/ varieties of food	<ul style="list-style-type: none">▪ Not have established market▪ Less incentives and subsidies from government▪ Production gaps▪ Not have proper quality management in production and processing▪ Less Rand D investment on organic farming research▪ Less strategy for development of organic market▪ Poor quality of organic inputs ▪ High labor cost and intensive nature▪ Large number of small farmers with weak organizational building
Opportunities	Threats
<ul style="list-style-type: none">▪ Growing market potential▪ Increasing purchase power of consume▪ Increasing health awareness▪ Reduce heavy subsidies on food and fertilizers▪ Control harmful chemicals▪ Earning high export premiums	<ul style="list-style-type: none">▪ Price▪ Certification process▪ Lack of facilities and certification bodies▪ Only export regulated organic market▪ Less awareness▪ Introduction of GM crops

5. Opportunities

Organic farming is a growing market with several opportunities. In India have strong comparative and seasonal advantages in organic food market. Opportunities like purchase power of consumers, consumer's health awareness, earning export premium and many more. Organic food industry is growing at a rate of 25 to 30 percent. The huge untapped potentialities in organic food market are discussed below:

5.1 Growing market potential

In India organic food market is the most rapidly growing market. The organic food market in India is increases from 675 crore in 2010 to 7000 crore in 2015 with a CAGR of 60 percent this market is growing at 25-30 percent. Although the production and purchase figures are way behind the world average. Still price is the biggest factor behind consumer not moving towards organic food products. At some points this factor overcome factors such as health, taste , nutrition, quality and better environment. The global organic market was estimated at USD 90 billion in 2015 of this India share 0.6 percent only. To trapped this potential market government Narendra modi start a program named as Parampragat Krishi Vikas Yojna.

This market is growing at a very high speed still there is more potential to grow. Government is spending crores of rupees on organic farming. Government is planning many programs and subsidies programs to promote organic food production. India is capable of growing all kind of organic food products. India have fertile land, water resources and hard working farmer which can make a huge amount of production of organic food. For this farmers must be educated to boost organic production/cultivation. These organic foods not only protect land and water resources but also improve farmers income and there living standard. In India the awareness of organic food products is very low and it is limited to metro cities only. Some of the studies suggest that the companies in collaboration with government should organize training programs and must increase the awareness level for this product.

In 2015, India's organic food sector was estimated to be INR 27 billion (approximately USD 415 million). While the domestic market largely remains untapped due to reasons such as unawareness and high cost, the Indian organic food market is primarily driven by exports to developed nations The report predicts that by 2025 the Indian organic food business is likely to be USD 11 billion, a manifold growth from the current level. However, for such exponential growth both export and domestic markets are crucial. This would mean an additional USD 2 billion income per annum for farmers, impacting about 5 million farming families on about 6 million ha.

Source: <http://mediaindia.eu/sector/organic-food/>

5.2 Growing purchasing power of consumers

The Gross Domestic Product per capita in India was last recorded at 5565.05 US dollars in 2014, when adjusted by purchasing power parity (PPP). The GDP per Capita, in India, when adjusted by Purchasing Power Parity is equivalent to 31 percent of the world's average. GDP per capita PPP in India averaged 3120.57 USD from 1990 until 2014, reaching an all time high of 5565.05 USD in 2014 and a record low of 1760.02 USD in 1991. GDP per capita PPP in India is reported by the World Bank.



		Last	Previous	highest	Lowest	Unit
GDP	Growth rate	1.90	1.70	5.30	- 1.70	Percent
GDP	Annual growth rate	7.30	7.40	11.40	-5.20	Percent

Source: www.tradingeconomics.com/india/gdp-per-capita-ppp

From the above data we can know that GDP per capital is increasing that means the consumer income and there purchase power of consumer in increasing. In organic food products price is a very big factor. Now consumers have purchase power and they are willing to pay more for these organic food products. Consumers are becoming more health conscious and now they want to eat best quality product. This is a very big opportunity for organic food market in India. In metro cities a large consumer are taking organic food. And now government is also planning different programs to grow up this organic food industry.

5.3 Increasing health awareness

Till now organic food production is mainly exported but now finding more consumers in domestic market. Health is the main key reason behind the increase in demand of organic food products in market. Great taste and protection to environment are also factors.

Now day's consumers are becoming more health conscious due to that they are moving to organic food products. Parents want to give best health to their children so for their betterment organic food is best. Whether people have health problems at old age or they are aware about the chemical and pesticides used in non organic food they are moving to organic food products. The employees work in it also gets benefited because no chemicals are used and it is good for their health. The animals from which we get milk meat or eggs are feed by organic raw food so the output must be organic and pure. Organic fruit and vegetables have up to 50 percent more antioxidants, which scientists believe can cut the risk of cancer and heart diseases. Organic food products have more vitamins like iron and zinc. Organic food is better for fighting cancer. And eating organic food have improved immune system, better sleeping habits and are less likely to be overweight than when eating non organic foods. And are less and are less likely to be overweight than when eating. By all this benefits consumers are moving to organic food products. Consumers' are more health conscious and they are willing to pay more for organic products.

5.4 Reduce heavy subsidies on food and fertilizers

India is expected to spend Rs 2.27 lakh crore (\$37 billion) on major subsidies during the fiscal year starting April 1, according to budget proposals presented by finance minister Arun Jaitley on Saturday. Out of Rs 2.27 lakh crore, India is to provide Rs 1.24 lakh crore (\$20.11 billion) in food subsidies for the fiscal year 2015-16. But overall, subsidies on food, fertilizer and petroleum have been reduced by over 10 per cent to Rs 2.27 lakh crore for 2015-16, mainly due

to a sharp cut in petroleum subsidies. The subsidy bill on food, petroleum and fertilizers is estimated at Rs 2, 27,387.56 crore for 2015-16.

Source : www.timesofindia.indiatimes.com/budget-2015/union-budget-2015

Governments subsidy pay out in Rs crore					
	2011/ 2012 Actual	2012/ 2013 Actual	2013/ 2014 Actual	2014/2015 RE	2015/2016 BE
Fertilizer subsidy	70,013	65,613	67,339	70, 967	72, 968
Food subsidy	72,822	85,000	92,000	122,676	124,419
Petroleum subsidy	68,484	96,880	85,378	60,270	30,000
Interest subsidy	5,049	7,270	8,137	11,147	14, 903
Other subsidy	1, 573	2,316	1, 778	1,632	1, 520
Total	217, 941	257,079	24,632	266,692	243,811
RE: revised estimated, BE: budget estimated					

5. 5 Earn high export earnings

In India organic food market is the most rapidly growing market. The organic food market in India is increases from 675 crore in 2010 to 7000 crore in 2015 with a CAGR of 60 percent This market is growing at 25-30 percent. India exports 13 products last year with total volume of 194088 including 16322 MT organic textiles. The organic agri export realization was 403 million US \$ including 183 US \$ organic textiles registering a 7. 73 percent growth over the previous

year. Around 3000 tonnes of organic products worth the value of around USD 8.1 million was exported to different Asian market in 2014 2015. The major Asian markets volume wise were Israel, turkey, china with Japan leading at USD 4 million. A research reports predicts that by 2025 the Indian organic food business is likely to be USD 11million, a manifold growth from the current level. However, for such exponential growth both export and domestic market are crucial. This would mean an additional USD 2 billion income per annum for annum for farmers, impacting about five million farming families on about 6 million ha.

India ranks 10th among the top ten countries in term of cultivable land under organic certification. The certified areas include 15 percent cultivated area with 0.72 million hectares and rest 85 percent 3. 99 million hectare is forest and wild area for collection of minor forest products. The total area under organic certification is 4.72 million hectare.

Indian marketer retailing these products at much lower price. For example in India a product is for \$3 while the same product in retailed in the foreign market at approximately \$ 22. This huge price difference is the real margin come from outside the Indian market.

Organic products are exported to US, European Union, Canada, Switzerland, Australia, New Zealand, South East Asian countries, Middle East, South Africa etc.

Export Products

Products name	Percentage of total export
Oil seeds and soybean	70 percent
Cereals and millets other than basmati	6 percent
Processed food products	5 percent
Basmati rice	4 percent
Sugar	3 percent
Tea	2 percent`
Pulses and lentils	1 percent
Dry fruits	1 percent
Spices	1 percent
Others	**

Source: www.apeda.gov.in/apedawebsite/organic

6. Challenges

Organic food industry is growing and having a great premium but the companies dealing in organic food have to face some big challenges in this industry. These challenges/ obstacles are making the making to grow slowly. To overcome these challenges is a big task for companies working in this industry. Some of these challenges are discussed below:

6.1 Certification in India

Certification agencies play an important role for producers in facilitating access to organic market especially on the export level. This certification is very important and for all the companies. Before any company sells its product in market they must be certified. Before 2003 this certification is important for exports only but now government of India issues a law in which every company dealing in organic food must be certified. This certification process and cost is very high which is the biggest challenge for organic food industry in India. This process is very lengthy and time taking. Every certification agency has its own certification process. But commonly process used is as follows:

Step 1: Submitting of Application

Step 2: cost estimation

Step 3: invoicing and payment of fees

Step 4: Signing of inspection contract

Step 5: inspection and submitting inspection report to the certification department.

Step 6: Issuance of certification decision

Step 7: Compliance of certification decision and issuance of certification

Step 8: issue of transaction certificates/ inspection certificates for traded lots

According to all organic regulations, one annual inspection is compulsory for all the clients.

At present in India there are 24 certification bodies are working and approved by central government's ministry of commerce. Their names are mentioned below:

- 1) BUREAU VERITAS CERTIFICATION INDIA PVT. LTD
- 2) ECOCERT INDIA PVT. LTD
- 3) IMO CONTROL PRIVATE LIMITED

- 4) INDOCERT
- 5) LACON QUALITY CERTIFICATION PVT LTD
- 6) SGS INDIA PVT LTD
- 7) CONTROL UNION CERTIFICATION
- 8) UTTRANCHAL STATE ORGANIC CERTIFICATION AGENCY
- 9) APOF ORGANIC CERTIFICATION AGENCY
- 10) RAJASTHAN ORGANIC CERTIFICATION AGENCY
- 11) VEDIC ORGANIC CERTIFICATION AGENCY
- 12) INDIAN SOCIETY FOR CERTIFICATION OF ORGANIC PRODUCTS
- 13) FOODCERT INDIA PVT LTD
- 14) ADITI ORGANIC CERTIFICATION SOCIETY
- 15) CHATTISGARH CERTIFICATION SOCIETY
- 16) TAMIL NADU ORGANIC CERTIFICATION DEPARTMENT
- 17) INTERTEK INDIA PVT LTD
- 18) MADHYA PRADESH STATE ORGANIC CERTIFICATION AGENCY
- 19) BIOCERT INDIA PVT LTD
- 20) ODISHA STATE ORGANIC CERTIFICATION AGENCY
- 21) NATURAL ORGANIC CERTIFICATION AGRO PVT LTD
- 22) FAIRCERT CERTIFICATION SERVICES PVT LTD
- 23) GUJARAT ORGANIC PRODUCTS CERTIFICATION AGENCY
- 24) UTTAR PRADESH STATE ORGANIC CERTIFICATION AGENCY

There are certain constraints affecting the certification of organic food products. Considering the various parameters involved in the certification of organic products, producers and exporters state that the biggest challenge in organic food industry is the certification process. Major constraints affecting organic certification:

- Cost
- Quality
- Lengthy procedure
- Availability of service
- International validity
- complicated



Logo of leading certification bodies worldwide

6.2 Consumer Awareness

The second biggest challenge for organic food industry is the awareness/ education of consumers. In India less than 30 percent of total population is aware about these products which are mainly in urban area. The sales ratio of organic food products to non organic food products is 1: 10. Yes it is true that organic industry is increasing at 20 25 percent but still there is a huge untapped market in this industry. Companies are doing their best. They are producing best quality product with certification but still some of the consumers think that it's only a marketing strategy for product sales. Due to less demand of organic food in domestic market majorly production is for exports only. Government is planning different programs for the education of consumer and for farmers so that both of them get profit.

If some of the people know about organic products still didn't use it, it's all because of high price. The marketing of organic food products is very low. There is no television commercial, or internet used by companies for their consumer education. They rarely have posters or banners on road and other public place. Rather than this non organic food products have a huge marketing campaigns and by the help of marketing they have reach to every part of India whether it is urban cities or rural area.

6.3 Managing Price

Price is one of the biggest factor due to which organic food industry didn't get that growth which it really deserve. Every individual have its own economic conditions and purchase power. The purchase power of India is grown but still there is a huge population which is below poverty line. Some consumers can afford these products easily but for some consumer these products can't be afforded. There is a huge difference between organic and non organic food products. The sales ratio of organic and non organic food products is 1: 10.

The price of organic products is double of non organic products but why the price is high. The price of organic food includes farmer training cost, processing cost, logistics and distribution cost since volume are lower, inventory holding cost including storage losses as no chemical is used, packing cost, premium to farmers, and last one retailer margin. All these cost add in the price of organic food product due to which the price got double and is not affordable by everyone.

Here is a comparison between the price of organic and non organic food products. Those products are compared which are used in daily kitchen.

		24 letters	Navdanya	Morarka	Non organic
Product	Weight	mantra			
Wheat Flour	5 kg	240	225	249	150
Ghee	500 ml	600	750	595	390
Edible oil/ Mustard oil	1 ltr	200	229	190	115
Pulses Chana dal	1 kg	155	165	170	95
Dalia	500 gm	65	70	55	28
Tea	½ kg	525	475	600	150
Rice	1 kg	195	225	200	189
Red chili	100 gm`	50	75	50	26
Green cardamom	50 gm	200	195	210	148



6.4 Marketing and Promotion

In organic food industry marketing is very low. Pamphlets in newspaper, posters in supermarket and public places, door to door selling, follow up from customers are the some frequently used marketing strategy used by organic food companies. Special marketing strategies used by these companies are food event/ special parties. In these event/ parties they invite their customers and people to taste there organic food products and try to convince them to move on their products. This strategy is commonly used by the organic food producing companies.

On the other hand non organic food companies have a hug budget for their marketing department. They use T.V advertisement, banner, posters, radio, celebrities show, internet, social media and many more for their promotion. There marketing strategy is so strong and wide that these non organic food products is available and know in every part of India whether it is urban area or rural area. There distribution channel is also so wide that these products are easily available at any place. There marketing is so strong that some of the consumers speak companies

name instead of product name for example Colgate is a company name but they used it for toothpaste, Xerox is a company name and they used it for photocopy and many more.

So for organic food companies is a very big challenge to beat the marketing strategy of non organic food products. Their publicity/awareness in consumers are so strong that to fit their products in consumers mind is a challenge. Some of the consumers understand the importance of organic food so they move on them but still there is a huge number of consumers who consume non organic food products. Some of the consumers think that it's only a marketing strategy for their sales. So it's a big challenge for organic food companies to make the consumers aware about their product and convince them to move.

6. 5 Farmer's education

In India total agriculture land is 60.6 percent that is 157.35 million hectare. Millions of farmers are cultivating crops on this area. Out of this 4.72 million hectare of land area is an organic certified land in 2015. The organic food market in India is increases from 675 crore in 2010 to 7000 crore in 2015 with a CAGR of 60 percent Source: www.agcensus.nic.in. India comes on second place worldwide for the agriculture production. In India at present total 12 states are practicing in organic farming out of which two states are from northeast Sikkim and Mizoram. These two states are likely to become fully organic in next few years. Government of Sikkim had adopted the idea of making it organic state in 2003. Sikkim farmer's mission 2015 is to convert 50,000 hectare of farmland by next years

It is clear that a very few area is organic certified and a small number of famers are cultivating organic food. This is because organic food needs time and proper method/ technology for the production. Farmers must be fully trained and aware about the process of cultivation. After the cultivation they must know how to protect their crop and in warehouse they must know that how to maintain their freshness and quality. Organic farming is a long process. A farmer must leave its farm for 3 year before he starts its production. After 3 years the land become fully organic and the farmer get certification then after he can start his production.

The organic crops have no chemical and pesticides due to which they grow slowly and there production is less than the non organic crops. The method and process for proper cultivation is very important for farmers. If the farmers have not proper knowledge about the process then it can damage its crop and farmer may get a great loss. So it's a big challenge for farmer to get proper education/ knowledge about the cultivation of organic crops.

Indian government has stated many new programs to make the farmer educated about the cultivation of organic crop. Our prime minister has started a program named as Parampragat Krishi Vikas Yojna. In this program every state government is planning different training program for farmer's education. Our government takes many more steps for farmers welfare like

giving them subsidies, training school, online education, fund any many more. But still a hug number of farmers are not educated about the method. Farmers think that they get less premium due to less production but they didn't know about the price and government planes for their betterment. Farmers still continues to non organic food cultivation because it is easy to produce with huge production and premium. This is really a big challenge for organic food industry to make the farmers educated and convince them to cultivate organic food.

6.6 Maintain Quality

For organic food product industry it is a hug challenge to maintaining quality of their products with the price. The fertilizer used in organic crop is mush costly then the fertilizer used in non organic. This fertilizer don't have chemical and it is natural made by animal excitation and other natural products. Use of this fertilizer is must of the organic farmers to maintain the quality and naturalists of the product/ crop. The use of costly fertilizer automatically increases the price of the product.

Crop rotation chemical weed killers, organic farmers conduct sophisticate crop rotation to keep their soil healthy and prevent weed growth. After harvesting a crop an organic farmer may use that area crop to grow cover crop which adds nitrogen to the soil to benefit succeeding crops. On the other hand non organic farmers can grow the crop at any time with most profit. They don't have to wait for crop rotation because they use chemical to grow the crops. Organic farmers have to wait and grow the crop according the soil and atmosphere. It is a challenge that it directly affects the supply shortage as compare to non organic food.

In order to avoid cross contamination, organic produce must be separated from non organic produce after being harveste.non organic crop shipped in large qualities and they are produce in large quantity. There sipping charges are not so high due to bulk shipping. On the other hand organic produce are shipped in small amount resulting high cost and increase the price of the product. The farmer usually located far from the main cities it also increase the shipping cost. So to do the shipping and distribution in a budget is a tough job.

. Non organic farmers use certain chemicals to reduce their loss of crops like synthetic pesticides repel insects and antibiotics maintain the health of the livestock. Since organic farmers don't use these, their losses are higher which cost the farmers more and increase the cost to the consumer. Organic crops didn't stay for long time because they don't have preservatives. To maintain the quality and freshness of the crops is a big problem for all the companies. Organic food faces the problem of shorter storage time and shelf life.

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