Impediments in Organic Agriculture & Organic products

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In this presentation

• The Background
• Organic Agriculture – The Roadblocks
• Market – Barriers
• The way forward
The Organic Story

- Really began in 2004, when organic farming picked up traction
- Initially mostly exports
- Domestic markets in a pick up mode since 2 to 3 years
- Potential to be a multi billion USD market
Agriculture – Road blocks

- Crop production Technology
  - A package which works
- Marketing of produce
Agriculture – Road blocks

• Negative Government support
  – Inspite of this, more than half a million ha under certification
  – Policy makers look at from a wrong lens
    • Food security will be compromised
    • What about Income security. Is the farmer a factor at all?
  – Support during the conversion period is crucial
Agriculture – Road blocks

- Scaling up issues – Huge costs
  - Mandi Licenses
  - Food grain licenses
  - Interstate movement
  - Multi point market cess
  - Export restrictions
The domestic market - Barriers

• Consumer Awareness
  – Pure, Natural, Healthy, Organic?
  – Is Organic beneficial?
The domestic market

• Trust
  – How do I believe it is genuine?
  – No mandatory standards for domestic market
  – India Organic logo – Whose baby is it?
  – Ripe for fly by night operators
The domestic market

• Infrastructure
  – Poor state of infrastructure
  – Pilferages / breakages

• Taxation
  – Nightmare for a small organisation
The domestic market

- Customer access
  - Best outlets – Modern trade
    - Shylock’s terms
    - Not bothered whether genuine
    - Bad supply-chain management
  - Organic shops
    - Small
    - Weak Finances
  - Alternative models
    - Farmers markets
      - Scalability
      - Genuiness
    - General trade
The farmer & consumer

The premium to the farmer could be much better

For the consumer the prices could be much lower?
Is there hope?

- Many problems common to everyone in food & agri
- hard to navigate for a industry in a toddler phase
- Consumers concerned about health, nutrition and food quality
- Market gaining traction
- Industry learning from mistakes and adapting
- Funding available for scalable & viable models
The way forward

- ICAR investing in science for organic
- Subsidies - Govt provides a level playing field
- Relaxing or removing mandi / market cess, Food grains licenses, VAT for organic products
- Making certification mandatory and implementing it effectively
- Govt provides funds for educating consumers about Organic and the ‘India Organic logo’
- making the mainstream markets work for organic consumers and farmers is the key to a step change
Thanks for your time

Keep away genetically modified organisms from your kids meal.
Go organic!

Wholesome food. Wholesome life.