



# Impediments in Organic Agriculture & Organic products

Sresta Natural Bioproducts Pvt. Ltd  
8-2-468/A/1, Road No. 5, Banjara Hills  
Hyderabad 500034, India

Phone: +91 (0)40 40072526

Email: [rajseelam@sresta.com](mailto:rajseelam@sresta.com)

Website: [www.sresta.com](http://www.sresta.com), [www.24mantra.com](http://www.24mantra.com)

# 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
  - In spite 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



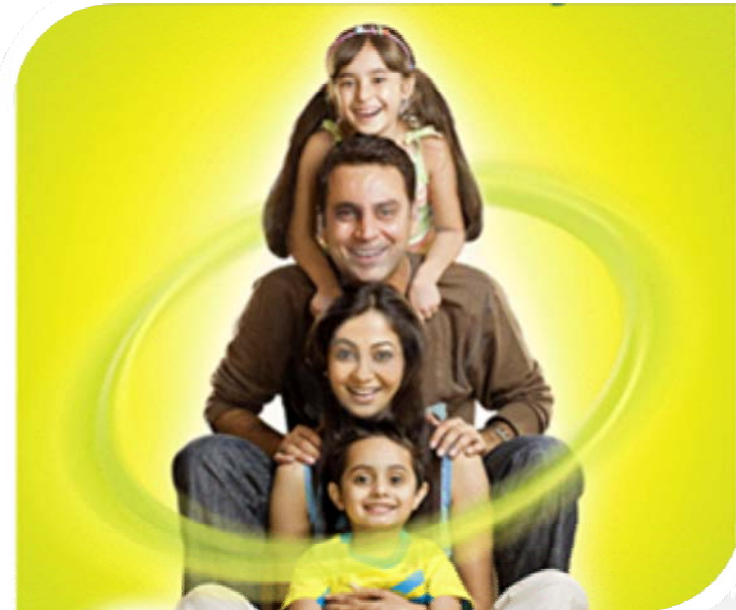
# The farmer & consumer



**The premium to the farmer  
could be much better**



**For the consumer the prices  
could be much lower?**





# Is there hope?

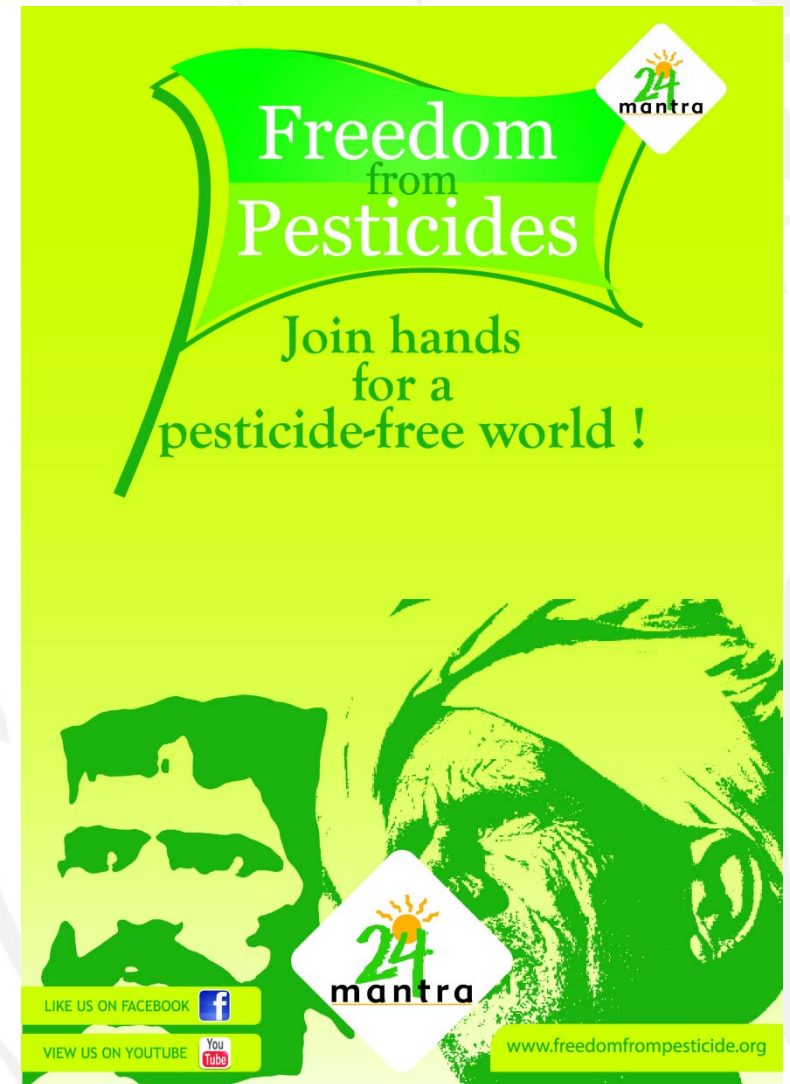
- Many problems common to everyone in food & agri
- hard to navigate for a industry in a toddler phase
- Consumers concerned about health, nutrition and food quality
- Market gaining traction
- Industry learning from mistakes and adapting
- Funding available for scalable & viable models



# 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

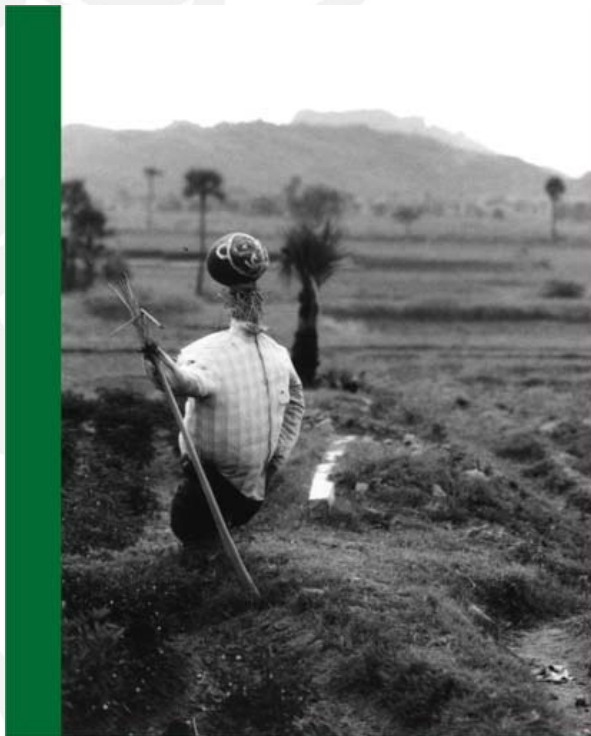




# Thanks for your time

**sresta**  
NATURAL BIOPRODUCTS PVT. LTD

**24**  
letter mantra  
live an organic life



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



Wholesome food. Wholesome life.