



ingénus Strategy



Indian organic Sector

Vision 2025

A White Paper



Identifying India Organic Food Export Priorities
Setting the foundation for Vision 2025

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MESSAGE



Organic agriculture, has always been India's inherent advantage and strength. The shift in the global consumption patterns, health awareness among the consumers and the increasing significance of sustainability is now putting organic products to the forefront both internationally as well as in the domestic market.

Organic farming is based on production standards which are environmentally supportive and are socially, economically and ecologically sustainable. It is believed to play a pertinent role in safeguarding biodiversity, improving the soil health, and inclusive & sustainable development of the farming community.

Government is now focused on sustainable interventions and is promoting organic farming in a big way through its different schemes and programs. We now require to formulate a robust integrated policy to benefit all the stakeholders and primarily the farmers who need to be integrated with the organic value chain.

APEDA in association with AIOI, YES BANK and Ingenus have undertaken an extensive study which shall be a foundation to India's Vision for Organic Sector-2025. The contents of this report have put forth an extensive industry perspective which will definitely guide our way to the global organic market and help us formulate strategies to explore the opportunities. This shall be a stepping stone to position the Indian Organic brand in the global organic market.

I hope that this white paper proves to be functionally handy and shapes the way forward to more useful interventions by policy makers and Indian organic industry.

Mr. Krishan Kumar
Chairman - APEDA



FOREWORD



The Organic food sector in India truly represents our traditional and competitive strength in enabling sustainable agriculture. Before the advent of the green revolution era, traditional Indian farmers, across 127 different agro-climatic zones, followed agricultural practices enabling organic farming which supported various crops endowed with nutrition, taste and quality.

Currently, the Indian organic food market is largely driven by exports to developed nations with exports having doubled from INR 1,155 Crores in 2012-13 to INR 2,100 Crores in 2014-15; however the vast domestic organic market remains largely untapped. It is critical to strengthen the organic agriculture supply-chain as well as promote awareness and consumption in the country. Additionally, a market-driven approach, led by the industry and supported by policy makers, with backward linkages to ensure appropriate interventions at the farm end, will enable a quantum shift in India's organic sector.

To address key challenges of growth of chemical residues in the food chain and exploitation of agro-chemicals, it is critical for the organic fraternity to focus on a holistic approach which includes reviving soils with organic content, capacity building of farmers, supply of organic inputs, bulletproof certification standards, consumer marketing initiatives and most importantly integrating farmers into market-led value chains, amongst others. Additionally, to leverage the full potential of the sector and achieve sustainable farming and commercial prosperity for the Indian farmer, fast-tracking regulatory, procedural, infrastructure, promotional, skilling and product specific interventions will be highly significant.

On the occasion of **National Conference on Sustainable Agriculture & Farmers Welfare**, we are pleased to release the **YES BANK-Ingenus-APEDA-AIOI Knowledge Report 'India Organic Sector: Vision 2025'** which provides strategic recommendations to promote integrated development in the organic sector.

I would like to acknowledge the support of APEDA, AIOI and Department of Agriculture, Cooperation and Farmers Welfare for their valuable guidance towards drafting this report. I strongly believe that together, we can achieve the goal of over USD 7 billion exports by 2025 and put India firmly on the global organic map.

Thank you.

Sincerely,

Rana Kapoor

Managing Director and CEO 

Chairman 



Message from the Industry

It is a historic moment for all of us in the Organic movement. The industry against heavy odds has been at the forefront of organic movement promoting organic farming and processing as well as promoting organic food and fiber in the domestic and international markets. Today India is a leader Internationally in a few segments like Organic Tea, Basmati Rice and Cotton. The market share in the global organic market is only 0.6%. But given the huge soil & agro-climatic diversity, large areas with low fertilizers and pesticides usage the potential for organic farming and industry is immense. This can transform lives of millions of farmers in rainfed, tribal and other low input agricultural areas.

By 2025 the Indian Organic food business is likely to be a Rs 75,000 crores, a manyfold growth from the current level. Both export & domestic markets are crucial for this to happen. This will mean an additional 12,500 Crore income per annum for farmers, impacting about 5 million farming families on about 6 million ha. Another one million jobs can get created in rural and semi urban areas. India can also earn valuable foreign exchange of Rs 50,000 crores per annum. With proper policy support the figures could be much larger. Without demand for organic products from customers, farmers will not be encouraged to take up organic farming. Markets therefore will be the incentive to grow more organic food & fiber.

This study provides a road map for the industry and also the policy framework required to realize this potential. The study has been done meticulously for the past four months with inputs from various stakeholders across the country and analyzing the trends both in the domestic and export markets.

We would like to thank Shri Santosh Sarangi, Joint secretary, Ministry of Commerce and former APEDA chairman, Shri Krishan Kumar, Chairman APEDA and other APEDA officials for their encouragement and support in making this happen. I would also like to thank my colleagues in the industry for their active support and participation for the successful completion of the study. Thanks to Nitin Puri, Gopinath Koneti, their colleagues at YES BANK and Kishore Rao of Ingenus Strategy for their dedication and commitment in bringing out a high quality and actionable report.

Mr. Rajashekar Reddy Seelam
President - AIOI





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Introduction

The Hon. Prime Minister of India, Shri. Narendra Modi has been constantly stressing on according due priority to the organic food sector, both from the farm sustainability perspective as well as from the point of view of addressing consumer demand. There is an urgent need for the nation to work towards ways and means to promote organic farming in this direction. He identified Organic Farming as a National Priority and emphasized the need to grow this sector in his maiden speech to the Parliament.

The genesis of this report is a long felt need and outcome of a special meeting convened by Mr. Santosh Sarangi, the then chairman of APEDA with representatives of the Industry - Association of Indian Organic Industry (AIOI) to find aggressive ways of growing the Indian Organic sector. After much brainstorming and deliberations it was concluded that if India has to make headway in the Organic sector, it needs to have a proper direction, focus and plan to take advantage of the reasonably sound foundations in place. AIOI represents the Indian Organic Industry and is focused on building Indian Organic sector.

Mr. Krishan Kumar, who took over as Chairman APEDA, initiated this project and has been instrumental in flagging off, setting the actual objectives and finalizing the mandate. He has been guiding, motivating the team continuously and setting new demanding standards of excellence and vision. AIOI was tasked with using the services of professional consultants for the complex task of making a road map for the sector for the next decade, 2015 to 2025.

YES BANK & Ingenus Strategy and Creative Research have been jointly mandated for coming up with recommendations on strategy for boosting certified organic exports from India and charting a roadmap of the sector.

YES BANK, India's fifth largest private sector bank, has created 'Food and Agribusiness Strategic Advisory and Research' (FASAR) Group to actualize its focus and commitment for the holistic development of the Food and Agribusiness sector.

YES BANK has created a differentiated approach in the food and agri space in the country through various significant knowledge initiatives across sectors like dairy, horticulture, cold chain, food processing, high value agriculture, commodities, amongst others and supplemented the Government's efforts in promoting Co-operative Federalism through

multiple State reports, specific food maps etc. Further, to supplement various domestic initiatives, YES BANK has successfully entered into several strategic international alliances with important nodal agencies, like AUSTRALIA, NAFTC, amongst others.

Mr. Kishore Rao & Raj Supe of Ingenus Strategy are niche Global & Indian Agri-Business Strategy Specialists and intricately involved with Organic business strategy for over a decade. They have had the privilege of conducting India's first nationwide study on organic foods "The Market For Organic Foods In India – Consumer Perceptions & Potential" for ICCOA-FIBL- SOLIDARIDAD as well as many other seminal works in the sector, including being appointed FAO's India marketing consultant to study the acceptance of certification/labels/PGS concept from a market perspective and advice the way forward. They have pioneered many national studies in Agriculture and worked on global projects with a number of leading Indian and Multinational firms.

This report is an outcome of deep study of available knowledge as well as detailed consultations with a wide body of stakeholders across the country as well as a few international ones. Leading Organic companies/Exporters across product categories, certifying bodies, regulators, organic experts, NGO's, Government bodies, farmers and others stakeholders participating in the supply chain of organic food were consulted. The study owes much to their frank opinion and diverse pieces of advice.

We are specially thankful to Mr. Rajashekar Reddy Seelam, Sresta Natural Bioproducts & Chairman AIOI, Mr. Ajay Katyal, President- Amira Foods, Mr. Shakti Singh, Ambootia Tea, Mr. Sameer Mehra, Suminter India and Mr. Tapan Ray, LT Foods, all of them Organic veterans and members of AIOI for their contribution to this study. Many of the ideas and perspectives given have origin to their deep understanding of the Industry and insights into the issues involved. But for their initiative and individual financial sponsorship, this study would not have been possible. While APEDA committed financial support, it is to be noted that the industry came forward and invested in the study upfront.

Today India is on the cusp of change, it is one of the few countries with a positive growth rate in the world and has a young and increasingly growing population with purchasing power. Many things are rapidly changing and Agriculture revival is inevitable. It can bring in additional prosperity to the Nation and organic agriculture can be a strong stream heading this revival.

The Organic agriculture stream is a sunrise sector that will show the direction to where Indian Agriculture should head with its strong sustainability and market linkages along with traceability and premium prices. Reviving soil health, making agriculture holistic, involving skill upgradation and emphasising on allied activities like dairy & poultry as a part of farm family activities all point it to a great future.

This report aims at providing policy makers a strategic focus to the Indian Organic sector to set correct goals and point out the hurdles and bottlenecks that impede progress. India can reach Rs. 75,000 crores mark by 2025 from the current 2700 crores in the near future if there is a strategic impetus given correct planning is actioned and a right environment is created.

Removing obstacles, providing a right environment and setting correct targets and goals is the first step to success, and this study provides insights and inputs for this. We are optimistic that the Organic Industry, APEDA and the GOI will individually and collectively find much wisdom here for preparing India's Organic Sector Road Map for 2025.

VSK Kishore Rao
Partner- Ingenus Strategy &
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Ingenus Strategy team - Mr. Raj Supe, Ashish Bhandarwar, Harpreet Thukral, Kirti Reddy, Atifa Tamkeen, Varsha Surve

Abbreviations

ACT- Organic Agriculture Certification Thailand	MIDH- Mission for Integrated Development of Horticulture
AGMARK- a certification mark employed on agricultural products in India	MOFPI – Ministry of Food Processing Industries
AIOI- Association of Indian Organic Industry	MRLs- Maximum Residue Limits
APEDA – Agriculture & Processed Foods Export Development Authority	NCOF – National Centre For Organic Farming
APMC- Agricultural Produce Market Committee	NECC- National Egg Coordination Committee
CAGR- Compound Annual Growth Rate	NFSM- National Food Security Mission
CB- Certification Body	NGO –Non-Government Organisation
CIB & RC- Central Insecticides Board and Registration Committee	NHM-National Horticulture Mission
CSR- Corporate social responsibility	NOP- National Organic Program
DGFT- Directorate General of Foreign Trade Potassium (K)	NPK- Chemical elements Nitrogen (N), Phosphorus (P), and
DRDO- Defence Research and Development Organization	NPOF- National Project on Organic Farming
F&V - Fruits and Vegetables	NPOP – National Programme on Organic Production
FAO – Food & Agriculture Organisation	OTA- Organic Trade Association, USA
FIBL- Forschungsinstitut für biologischen Landbau- Research Institute of Organic Agriculture	OVRCT- Organic Value Chain Round Table
FMCG – Fast Moving Consumer Goods	PGS – Participatory Guarantee System
FPC- Farmers Producers Companies	PKVY- Paramparagat Krishi Vikas Yojana
FTDR- Foreign Trade Development Regulations	QSR- Quick Service Restaurant
FTL- Food Testing Laboratories	RKVY- Rashtriya Krishi Vikas Yojna
GAIN- Global Agriculture Information Network	TC- Transaction Certificate
GMO- Genetically Modified Organisms	TNAU- Tamil Nadu Agricultural University
GoI- Govt of India	TOTA- Thailand Organic Trader Association
HDPE- High-density polyethylene	USDA- U.S. Department of Agriculture
HFCS- High-Fructose Corn Syrup	USOCA- Uttarakhand State Organic Certification Agency
ICAR- Indian Council of Agricultural Research	VAT- Value-Added Tax
ICCOA – International Competence Centre For Organic Agriculture	WHO- World Health Organization
ICDs- Inland Container Depots	YBL- YES BANK Limited
ICS- Internal Control Systems	
IFOAM- International Federation of Organic Agriculture Movements	
IGNOU- Indira Gandhi National Open University	
IICT- Indian Institute of Chemical Technology	
IPM- Integrated Pest Management	

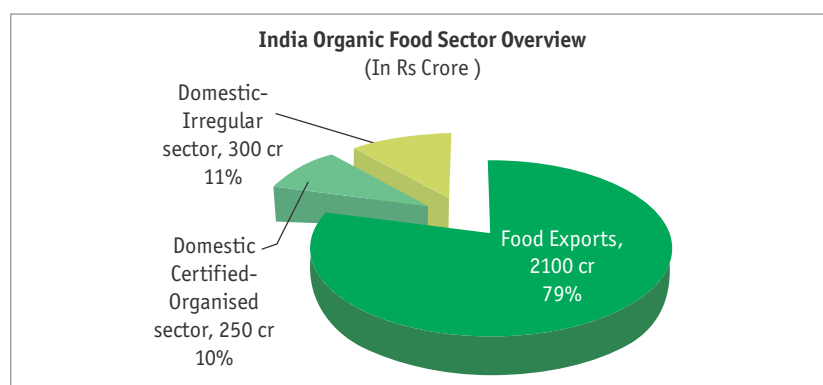


Part 1 Scenario Analysis

Scenario Analysis

1. Background, Objectives & Methodology

01. India's organic food sector is estimated at Rs. 2700 crores (approximately USD 415 million) which stands at lesser than even one percent of the global organic food market estimated at about USD 90 Billion in 2015.



Currently the Indian Organic food sector is primarily driven by Exports comprising about Rs. 2,100 crores¹ and an organized sector domestic certified market estimated² between Rs. 250 to Rs. 300 crores. Estimates put the other part of the irregular unregulated domestic 'unorganized-uncertified-unmonitored' organic market size range between Rs. 300 to Rs. 500 crores. The certified cotton exports of over Rs. 1,100 crores is another major component of India's organic sector which is not part of this discussion. Current Indian exports are predominantly non- value added commodities.

¹ APEDA estimates for 2014

² Industry estimates.

02. India's organic sector is poised for growth if the right interventions are implemented as all the elements and ecosystem needed for making the sector significant have evolved over the past two decades. These include a National standard as well as a National program, a basic accreditation system, certifying bodies, a relatively large base of organic farmers, basic supply chains and a number of small but robust organic companies managing these supply-value chains and participating in the global organic markets. Organic players have also been developing the domestic market and are optimistic, if consumer confidence is built up meticulously, the domestic market too will grow to a considerable size. A strong 'unambiguous proven credible certification' system-label will no doubt be the foundation of consumer confidence in the metro markets of the country which consume a lion's share of premium branded packaged foods. The foundations and momentum so far developed needs to dovetail into a national organic master plan if the sector has to make a quantum jump.
- Exports drive India Organic Story. All elements in place for rapid growth. Domestic market too holds potential for future provided confidence is built up in large urban markets.
03. This study was undertaken to identify the bottlenecks that impede the growth of the sector and find out the strategic focus and requirements to take India's exports as well as the sector as a whole from current levels to Rs. 10,000 crores by 2025 or even Rs. 50,000 crores. Also, the study aimed at providing foundation for setting India Organic 2025 Vision and form the basis for a detailed road map using shortlisted - identified focus product categories. Analysis of gaps & providing initial recommendations for immediate implementation in areas of policy, infrastructure, regulation, support, skilling & HR and branding are a part of the study.
- Study to identify bottlenecks and provide Strategic Focus & 2025 India Organic Vision.
04. Individual Indian Organic firms/programs are very small and only a collective effort under a national plan and platform can provide focus and impetus to place "India Organic" in the premium global supermarket shelves currently dominated by financially stronger and better organized firms in the developed world.
- Collective effort required for national success.
05. The primary goal of the study was to Identify India's Top Ten Focus Product Categories for concentrating efforts both in the value & supply chains, and the next five categories to be developed for future. To categorize and map the top organic global market and opportunity analysis was other important goal. To understand gaps and bottlenecks and provide initial way forward as discussed previously was the other major objective.
- Identifying TOP TEN product categories for focusing national effort.
06. The methodology was a combination of primary research comprising exhaustive consultation and interview process of members in the export value chain and comprehensive scan-access and study of available knowledge on the sector from specialist Industry sources. Leading organic exporters selected from the major product categories were interviewed face to face by experienced and qualified staff from YES BANK across the nation using a mix of discussions and detailed questionnaires. About fifty high quality interviews were achieved out of nearly hundred contacts

made. Other stakeholders in the value chain like certification bodies, ICS managers, policy makers, government officials NGO's, farmers and others were invited to stakeholder meetings in APEDA offices in Delhi, Mumbai, Bhopal, Kolkata and at Biofach- Kochi. Discussions with international players were also done in Biofach Kochi apart from telephone interviews and an in-depth sector cross-sectional study visit to Thailand anchored by the Thai Organic Trader Association (TOTA). A Workshop was also conducted with the Industry members and APEDA to present interim findings and analyze top issues identified.

360 degrees
comprehensive in-
depth study
undertaken to zero
in on central
issues & arrive at
recommendations.

2. Organic Companies Views and Perceptions on Top Issues: Survey Highlights

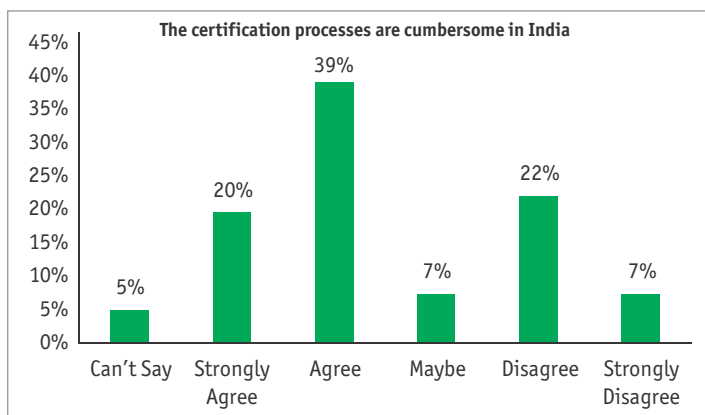
01. The survey and discussions among major organic food companies highlighted some very important issues of highest relevance and salience to Indian Organic Sectors future success:
 - a. Credibility of Indian certification in top markets of Europe and USA was opined as not universally acceptable or partly suspect unlike in minor markets (e.g UAE & other Asian countries) where it was not an issue. Exporters feel that the perception about quality of Organic foods exported from India is a concern in top international markets; many opine that spurious exports³ from India as 'certified' is a challenge to be overcome and impacting overall credibility.
 - b. The Indian third party certification system is felt to be generally good but overall credibility needs to be built up and made more acceptable widely. Exporters are nervous about dilution of 'Indian Organic Certification' by a few fly-by-nights being allowed to operate within the system.
 - c. The potential inclusion of untested systems like Participatory Guarantee Systems (PGS)⁴ where self-declared and self-attested products entering the 'Organic Certified category' or rather being labeled as Organic is felt to be counterproductive. It is opined that Organic categorization should be in line with internationally accepted practices⁵ or it will negatively impact the fledgling Indian organic sector which will continue to be dependent on the international markets and also inhibit the development of the domestic market by undermining consumer confidence.
 - d. Unambiguous labeling laws that define organic foods in lines of USDA & EU need to be framed and implemented. Alternative systems can have different labeling as is the international practice.

³ Soya and Cotton were pointed out by most eminent companies with established farmer and value chains as areas needing special attention as a number of traders without any farmer network have mastered dubious practices bringing bad name to overall industry. A weak accreditation system allowing dubious certifying bodies to operate was another weak link pointed out.

⁴ PGS is a system for local and direct markets where farmers and consumers can directly interact and not suitable for distant markets where quality labels are demanded by consumers.

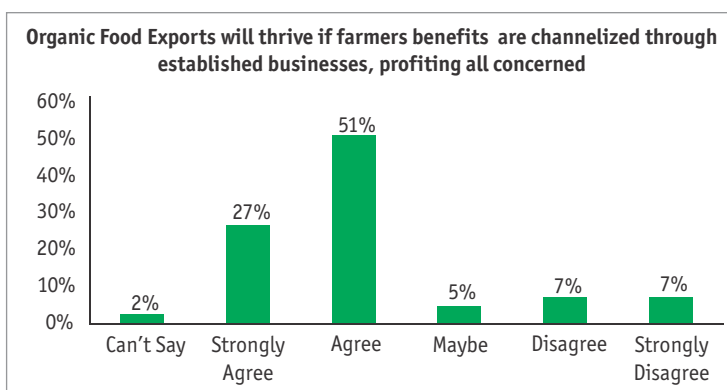
⁵ Only Certified products can be labeled as 'Organic' in Major International Markets like USA & EU. They need to follow 'laid down standards' and 'be verified' by 'an accredited agency' before they can use the seal or label organic to ensure consumer confidence as well as follow the required practices.

- e. The Indian certification processes are seen to be extremely cumbersome and very inefficient⁶ and identified as the primary issue impacting the growth and efficiency of the sector. Excessive controls, and paper work and poor control of certifying agencies on ground and weak accreditation process were important points raised.



The defining of Organic Standards was felt to be OK. Radical revamp of the overall system and structure, introduction of more international practices, drastic reduction of paper work and digitization was felt to be the need of the hour.

- f. Most exporters think that Government/APEDA policy intent-support has made a beginning/difference in promoting Organic Food Exports, though much more is expected.
- g. The huge outlays, efforts and plans of Ministry of Agriculture with the farmers are seen to be directed to diffuse farmers and not linked to either domestic market or exports requirements which will pay organic premiums. It was felt that the farmers and the organic value chain will benefit only if they are directly linked to the market requirements. Investments may be wasteful and farmer sustainability will be a question mark if not aligned to the buyers/consumers needs and priorities.
- h. Large bases of Organic farmers need to be pooled and farmer incentives linked to and channelized through established value chains-businesses who are primarily linked to the markets and organic consumers.
- i. It is felt that if Organic hubs/ Organic Food Parks with sufficient critical mass are developed it can enable establishment of shared/common third party logistics - infrastructure and supply chain and can give a boost to Indian exports as also domestic markets and benefit farmers too.

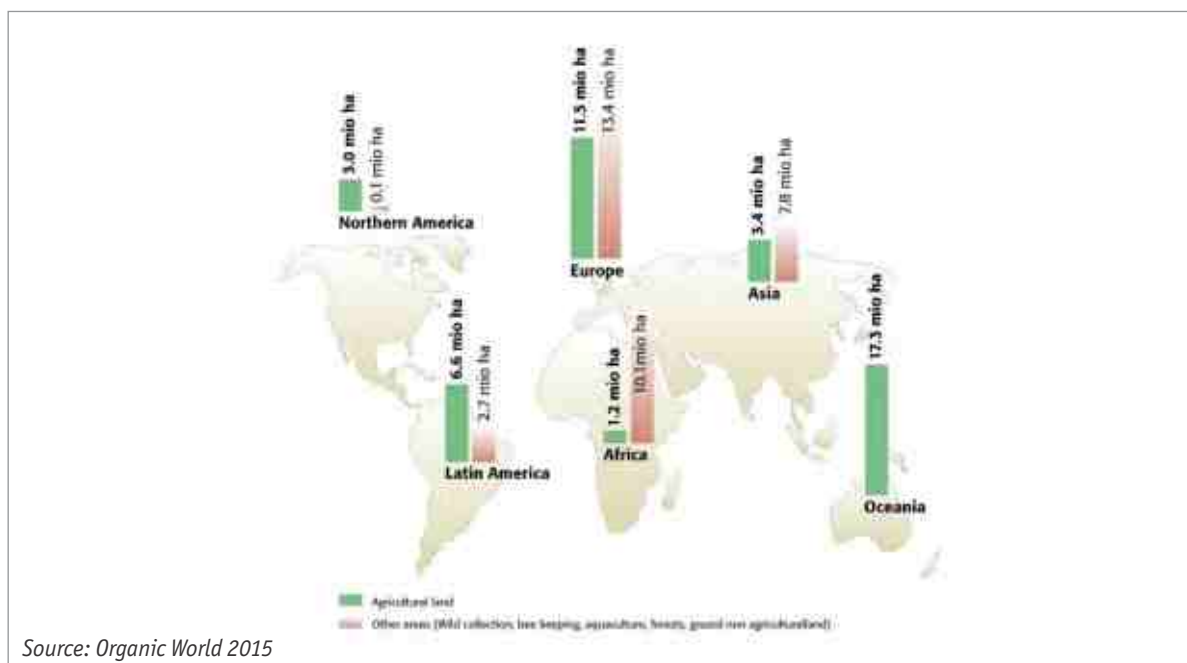


⁶ Also felt to be expensive.

- j. Indian exporters were more inclined to supply commodities as against value added/ processed products given the current confidence levels. This could be a reflection of current Indian exporters being small, not so seasoned, ill-equipped or less-supported or diffident of the challenges⁷ on the global stage.
- k. Development of the domestic market is extremely critical for the overall sustainability of the Organic sector. Government support is highly required as the sector is very small. Consumer education & organic category promotion is felt to be the basis for this which cannot be done without considerable or total government support.
- l. Food testing infrastructure and technology as well as credible testing acceptable to international buyers are considered major bottlenecks for exports.
- m. GMO's entering the food chain legally and illegally⁸ is a strong concern. The need for strong and continuous monitoring mechanism and the organic community to also have a say here was expressed.

3. The Global Market Opportunity for Organic Foods

- 01 As an impact of the organic movement internationally, and ensuring of consumer confidence through a credible and standardized certification system, the global area under organic cultivation indicating market supply, has been increasing rapidly at a CAGR of 10% from 15.2 mil ha in 1999 to



⁷ It was opined to be 'pragmatic' for today's Indian exporters to be raw material- ingredient supply chain partner with International brands as a practical export strategy in the next five years. However it was felt that with niche marketing and greater and more effective work on gaining credibility and support of the government the situation of can significantly be improved towards selling value added foods..

⁸ BT Brinjal illegally coming in through the porous Bangladesh border is a concern and new technologies getting approval other than BT Cotton is the legal concern

43.1 mil ha in 2013-14⁹. The wild collection classified area comprises another 35 mil ha totally amounting 78 mil ha. The organic component is about 1% of total global agriculture land. However about 11 countries in the world have more than 10% under organic farm lands¹⁰. Of the total farm land from available data nearly 27 mil ha is grazing land, about 3.7 mil ha is permanent crops (orchards etc), and 7.7 mil ha arable crops¹¹. There are around 2 million organic cultivators; Asia leads the list with 36 % of organic producers followed by Africa (29%) and Europe (17%).

02. The global organic food market which is estimated at USD 90¹² billion in 2015 has been growing at a CAGR of around 12% for last 14 years.

03. Europe and North America together generate about 90% of the global organic food sales. United States leads the market with a market size of over USD 39 billion followed by Germany, USD 11.2 billion and France USD 6.7 billion. The largest organic market in EU is Germany with growth rate of over 7%. and, together with France, they represent over 50% of the EU organic market. Amongst the well established organic markets, USA, Switzerland, Sweden and Norway have witnessed double digit growths in the recent years. few others like Poland and Brazil are reported to be growing at growth rates of close to 20%-largely because of lower base.

04. The organic packaged food and beverage products category occupies around 40-50% of the total global organic food market with an estimated market size of around USD 38-40 bn in 2015. Of this, organic packaged food category accounts for USD 32-34 bn while organic packaged beverages account for USD 4-6 bn. Dairy and dairy products, bakery/confectionery products, ready meals and baby food are the largest categories in the organic packaged food market globally accounting for around 50% of the total organic packaged food market. Dairy sector accounts for close to 25% of the packaged food products followed by bakery confectionery products (18%), ready meals (8%), baby food (6%), chilled processed

Country	Market Size USD Million	Estimated USD Million
	2013	2015
USA	32,000	39,000
Germany	9,800	11,200
France	5,700	6,700
China	3,100	4,500
Canada	3,000	3,600
UK	2,700	2,900
Italy	2,600	2,900
Switzerland	2,100	2,600
Austria	1,400	1,600
Sweden	1,300	1,650
Japan	1,300	1,450
Spain	1,297	1,500
Australia	1250	1,600
Denmark	1192	1,300
Netherlands	1093	1,200
Brazil	910	1,300
Finland	280	300

⁹ Organic World 2015. Fibl & IFOAM

¹⁰ Falkland islands, Liechtenstien, Austria, Sweden, Estonia, Switzerland, French Guyana, Czech Republic, Latvia, Italy

¹¹ India, Brazil and Australia have not reported land use. In 7.7m.ha arable- Cereals 3.3, green fodder 2.4, oilseeds 0.8, veg & protein crops 0.3 each.

¹² USD 72 Billion is the last commonly accepted published figure and 90 billion is also the latest available estimation for 2015. This is inclusive of all categories; packaged foods and beverages, F&V, meat & milk etc.

meat/seafood (5%), processed/frozen food (4%). Considering the beverage segment, the major categories include those of fruits and vegetables juices, coffee and tea together accounting for over 70% of the total non alcoholic beverage segment.

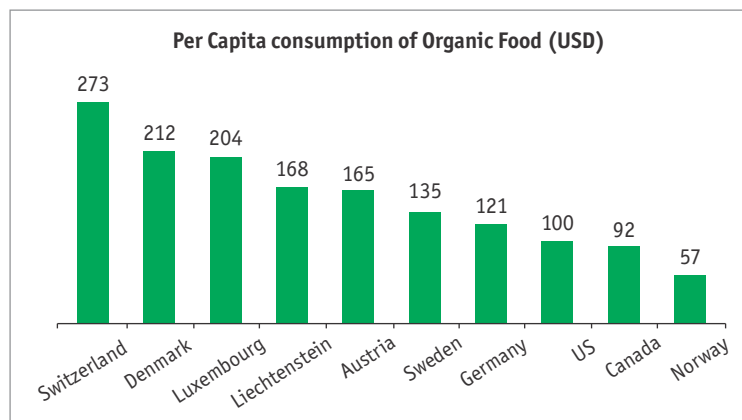
Category- Packaged Food	Estimated market size (2015) in USD mn	Category- Beverages	Estimated market size (2015) in USD mn
Dairy	7,500	Fruit/Vegetable Juice	1500
Bakery & Confectionery Products	6,000	Coffee	1100
Ready Meals	2,500	Non Cola Carbonates	320
Baby Food	2,000	Herbal Tea	280
Chilled Processed Meat and Seafood	1,500	Green Tea	240
Frozen Food	1,200	Black Tea	200
Snacks	1,200		
Oils and Fats	1,100		
Sauces, Dressings and Condiments	1,000		

Estimated for top 15 major global markets

05. USA, Germany, France, UK and Italy are the global leaders in consumption of packaged organic products. USA tops the chart with a consumption of around USD 15 bn, followed by Germany and France with USD 4.2 bn and USD 3.5 bn respectively. There are other growing organic retail markets in the lesser prominent countries like Argentina, China, Turkey, Colombia, India and Brazil. It is estimated that in the coming years countries like China, India, Argentina, Morocco shall grow at significant growth rates of upto 20-30% in the packaged/processed food segments. The larger markets like USA, France and Italy shall continue to grow at 5-10%.

Country	Estimated size of organic packaged food (USD mn)	Estimated size of organic packaged beverages (USD mn)	Estimated total Market size-2015 (USD mn)	Share %
US	14,000	1200	15,200	38%
Germany	4,000	200	4,200	12%
France	3,000	500	3,500	8%
U.K	1,800	300	2,100	5%
Italy	1,800	100	1,900	5%
China	1,800	50	1,850	5%
Canada	1,000	400	1,400	4%
Netherlands	900	100	1,000	3%
Denmark	800	100	900	2%
Austria	700	100	800	2%

06. Global trade in organic products is growing. Data is not universally tracked but a snapshot of latest-trends indicate a positive outlook for exports from India:
- USA imported organic food amounting to nearly USD 1.3 bn in 2014. The major commodities include coffee, soybean, olive oil, bananas, wine and honey. Commodities like coffee, bananas, wine and mangoes have seen a significant downfall in the import value, while the import values of soybean, ginger, almonds and apples have significantly increased since 2011. India has been a major supplier to USA for tea, rice, ginger and soybean.
 - EU, the second largest market for organic products, is a major importer from 11 countries including Australia, New Zealand, Argentina, Costa Rica, India, Israel, Tunisia, Switzerland, USA, Canada and Japan. Germany is heavily dependent on imports and imported Dairy products, cereals, fruits & vegetable like banana, soybeans etc. France is EU's second largest market for organic food and roughly 25% of all consumed organic products are imported. Main imported products include dairy products, fruits and vegetables, both fresh & processed, wine, meat, eggs & beverages. Italy is the fourth largest market for organic food in the EU and imported products include soybean, wheat, rice, sugar, maize, tea, coffee, nuts etc.
 - U.S. alone exported USD 12.3 million to EU in 2014, an increase of 77% from 2011 to 2014. Fresh grapes singly reached USD 4.7 million in 2014.
07. In terms of overall per capita consumption of organic food, the leading countries are Switzerland, Denmark and Luxemburg with per capita consumption of around USD 273, USD 212 and USD 204 respectively.



4. A snapshot of individual global top markets

01. United State of America:

USA has the largest organic food market in the world with retail sales reaching USD 39 billion with a share of 43% of global market. The organic food segment is growing at a rate of 11 % and expected to grow at 12-14% CAGR during 2015-20. US consumers tend to perceive organic, especially USDA certified Organic as a premium product category and have a favorable opinion about the organic food. Thus, there is a growing preference for healthy, natural and safe food among the US consumer. Fresh fruits & vegetables is the major category with 38% of organic food sales. There is high dependency on imports to meet the local demand for organic food such as soybeans, coffee, fresh fruits & vegetables. US continues to be a major export market for Indian organic food processors and traders.

Market Overview: US	
Market Size	USD 39 billion
Growth rate	11 %
Expected Growth Rate	12-14% (CAGR 2015-20)
Distribution Channel	Hypermarket / Supermarket 66% Organic specialty stores 24%
Growth Rates Processed	Categories Baby Food (8-10%) Dairy & Dairy Products (5-6%) Fruits & Vegetable Juices (7-8%) Bakery Products (5-6%)
Product Categories-All % contribution	Fruits & Vegetables 38% Dairy & Dairy Products 21% Meat, Poultry & Eggs 7% Packaged food & Bread 26%

02. Germany:

Germany is the largest organic food market among European Union nations with retail sales of USD 11.2 billion. The organic food segment is growing at a rate of 5-7% and is expected to grow 9% CAGR during 2015-20. Organic food has gained popularity among German consumers as awareness level is high on the impact of chemicals. Germany has one of the strictest laws for cultivation of GMOs, which also lead to increase in organic food consumption. Milk and milk products is the major category with 24% of organic food sales followed by fruits and vegetables at 21%. Organic food has become a mass market product; Germany has to rely on imports to meet the local demand for organic food.

Market Overview: Germany	
Market Size	USD 11.2 billion
Growth rate	5-7%
Expected Growth Rate	9% (CAGR 2015-20)
Distribution Channel	Hypermarket / Supermarket 53% Natural food stores 33%
Growth rates Processed Categories	Ready meals (10%) Sweet & savory snacks (7%) Coffee (9%) Baby food (4%)
Product Categories- All % Contribution	Dairy & Dairy Products 24% Fruits & Vegetables 21% Bread & Bakery 15% Beverages 12%

03. France:

The French organic food market is valued at USD 6.7 billion growing at a rate of 10% and expected to grow 8-10% CAGR during 2015-20. French consumers have developed a strong understanding and acceptance for health & wellness food segment. Consumers are becoming increasingly proactive and looking for organic food. Milk & milk products is the major category with 21% of organic food sales followed by fruits & vegetables at 17%. There is a preference for organic food with label "Made in France". This can also be seen as organic imports have declined from 36% (2011) to 24% (2014).

Market Overview: France	
Market Size	USD 6.7 billion
Growth rate	8-10%
Expected Growth Rate	8-10% (CAGR 2015-20)
Distribution Channel	General retailer 45% Organic shops 34%
Growth Rates Processed Categories	Baby Food (4-5%) Oils & Fats (7%) Processed Meat (4%) Juices (8-9%)
Product Categories-All % contribution	Fruits & Vegetables 38% Dairy & Dairy Products 21% Meat, Poultry & Eggs 7% Packaged food & Bread 26%

04. Italy:

The overall organic food market is USD 2.9 billion growing at a rate of 7% and is expected to grow 11% CAGR during 2015-20. "Greener" & healthy segment is catching up fast in Italian market. There is a growing concern of overweight and obesity among age group of 15 and above. Fresh fruits & vegetables is the major category with 25% of organic food sales followed by milk & milk products at 18%.

Market Overview: Italy	
Market Size	USD 2.9 billion
Growth rate	6-7%
Expected Growth Rate	11% (CAGR 2015-20)
Distribution Channel	Organic specialized stores 45%
Growth Rates Processed Categories	Baby Food (5-6%) Rice (7-8%) Ready meals (4-5%)
Product Categories-All % contribution	Fruits & Vegetables 25% Dairy & Dairy Products 18%

05. Denmark:

Denmark is one of the well developed organic food market with 8% of all food sold being organic. The market size is USD 1.3 billion with growth rate of 6% and expected to grow at CAGR 5-6% (2015-20).

Danish consumers are more concerned about food sourcing and its impact on environment. Danish government has launched organic plan to double the organic cultivated area in order to meet rising demand for organic food by 2020. There is growing demand for sophisticated products such as convenience food, tropical fruits, ethnic food etc. Dairy & dairy products are the major categories with 38% of organic food sales.

Market Overview: Denmark

Market Size	USD 1.3 billion
Growth rate	6%
Expected Growth Rate	5-6% (CAGR 2015-20)
Distribution Channel	Hypermarket / Supermarket 66% Organic specialized stores 24%
Growth Rates Processed Categories	Processed Meat (7%) Rice (4-5%) Canned Food (5-6%)
Product Categories-All % contribution	Dairy & Dairy Products 38% Fruits & Vegetables 18% Groceries 34%

06. Spain:

Spain organic food market is experiencing a growth rate of 8% with market size of USD 1.5 billion and is expected to grow 10% CAGR during 2015-20. Organic food and beverages as of now is popular among niche segments. With increase in awareness level among consumers, organic food is gaining acceptance level across all consumer segments. Fresh fruits & vegetables is the major category with 35% of organic food sales.

Market Overview: Spain

Market Size	USD 1.5 billion
Growth rate	8 %
Expected Growth Rate	10% (CAGR 2015-20)
Distribution Channel	Hypermarket / Supermarket 36% Organic specialized stores 45%
Growth Rates Processed Categories	Baby Food (8-9%) Ready Meals (8%) Sweet & Savory Snacks (9%) Bakery Products (7%)
Product Categories-All % contribution	Fruits & Vegetables 35% Cereals 18% Meat, Poultry & Fish 18%

07. United Kingdom:

Recovering after a decade of recession, the Organic food market is at USD 2.9 billion with a growth rate of 3% and expected to grow at a low CAGR. The major challenge for UK market is to return to solid growth. The awareness campaigns by government and companies helped UK in last 2 years to regain the market. Dairy products were among few categories with high growth rate. Fresh fruits & vegetables is the other major category with 32% of organic food sales followed by dairy segment at 28%.

Market Overview: UK

Market Size	USD 2.9 billion
Growth rate	3 %
Expected Growth Rate	NA
Distribution Channel	Hypermarket / Supermarket 70% Organic specialized stores 15%
Growth Rates Processed Categories	Baby Food (6-7%) Confectionary (8%) Snack Bars (8%)
Product Categories-All % contribution	Fruits & Vegetables 32% Dairy & Dairy Products 28% Baby Food 11% Meat, Fish & Poultry 10%

08. Switzerland:

Switzerland with USD 273, has the highest per capita consumption of organic food globally. Organic food market size is USD 2.6 billion with a growth rate of 6%. Swiss consumers are the most health conscious people in Europe as Switzerland is considered to be a global leader in organic farming and organic products. As Swiss consumers purchase more and more food products for their perceived health benefits, the value they place on such products continues to grow. Egg is the major category with 21% of organic food sales followed by bread at 20% and fruits & vegetables at 19%.

Market Overview: Switzerland

Market Size	USD 2.6 billion
Growth rate	6 %
Expected Growth Rate	9% (CAGR 2015-20)
Distribution Channel	Hypermarket / Supermarket 73% Organic specialized stores 14%
Growth Rates Processed Categories	Coffee (9%) Green Tea (5%) Fruits & Vegetable Juices (6%) Frozen Processed Food (4%)
Product Categories-All % contribution	Eggs 21% Bread 20% Fruits & Vegetables 19% Dairy & Dairy Products 10%

09. Canada:

Canada organic food market size is USD 3.6 billion growing at 9% and expected to grow at CAGR 5-6% (2015-20). There is growing trend for fresh fruits & vegetables such as Banana, Apple, Citrus fruits etc for gluten free baby food and organic coffee with a growth rate of 9%. Fresh fruits & vegetables is the major category with 42% of organic food sales followed by organic beverages at 17%.

Market Overview: Canada

Market Size	USD 3.6 billion
Growth rate	9%
Expected Growth Rate	5-6% (CAGR 2015-20)
Distribution Channel	Hypermarket / Supermarket 45% Organic stores & online 29%
Growth Rates Processed Categories	Baby Food (5%) Confectionary (6%) Coffee (9%)
Product Categories-All % contribution	Fruits & Vegetables 42% Dairy & Dairy Products 13% Beverages 17%

10. Japan:

Japan is one of the most promising markets in Asia with market size USD 1.45 billion growing at a rate of 5% and expected to grow 9% CAGR during 2015-20. Japanese consumers are willing to pay a premium for organic products with JAS logo. There is growing trend for organic beverages such as tea and coffee. With the aging population, organic convenience food has picked up. Fresh fruits & vegetables is the major category with 72% of organic food sales followed by cereals at 20%. There is high dependency on imports (60%) to meet the local demand for organic food. Earth quake/ tsunamis are regular features of the nation so most of the consumer relies on imported food to meet the conventional and organic food consumption.

Market Overview: Japan

Market Size	USD 1.45 billion
Growth rate	5 %
Expected Growth Rate	9% (CAGR 2015-20)
Distribution Channel	E-Retail 40% Other retail stores 37%
Growth Rates Processed Categories	Fresh Coffee (5%) Green Tea (3%) Bakery Products (3%)
Product Categories-All % contribution	Fruits & Vegetables 72% Cereals 20% Green Tea 4%

11. Australia:

Australia is one of the fastest growing countries in organic food market with market size of USD 1.6 bn which is growing at a rate of 15-18%. The organic food market is expected to grow 15% CAGR during 2015-20. Australia is one of the fastest growing organic markets with the largest organic land under cultivation i.e. 40% of the global organic land. Australian consumers believe in ethical food habits and have environmental concern. There is a growing demand for organic food in supermarkets and modern trade. Dairy is the major category with 27% of organic food sales followed by meat & poultry at 25%.

Market Overview: Australia

Market Size	USD 1.6 billion
Growth rate	15-18%
Expected Growth Rate	15% (CAGR 2015-20)
Distribution Channel	Hypermarket / Supermarket 69% Independent groceries 16%
Growth Rates Processed Categories	Baby Food (11-12%) Dairy & Dairy Products (4-5%) Bakery Products(7-8%)
Product Categories-All % contribution	Fruits & Vegetables 15% Dairy & Dairy Products 27% Meat, Poultry & Eggs 25%

12. South Korea:

South Korea is predominantly dependent on imported organic products. Korean organic food market size is USD 578 million which is growing at a rate of 8%. The Korean consumer is health conscious, with high disposable income and is ready to pay a premium for organic food. Korean population is rapidly aging and considers healthy eating as a top priority. As per a study approximately 40% of the population buys organic food on regular basis. Milk & milk products is the major category with 45% of

organic food sales followed by rice at 32%. There is high dependency on imports to meet the demand for organic food. South Korea can be a major potential market for Indian organic food processors and traders for rice, cereals, dairy products and processed fruits & vegetables.

Market Overview: South Korea

Market Size	USD 578 million
Growth rate	8%
Expected Growth Rate	NA
Distribution Channel	Hypermarket 51% NACF mart 24%
Growth Rates Processed Categories	Dairy (12%) Rice (7-8%) Bakery (5-6%)
Product Categories-All % contribution	Dairy 45% Rice 32% Oils & Fats 5%

5. Snapshot of Indian Organic Sector

01. The latest estimates by APEDA indicate the total area under organic cultivation including wild area was 4.9 million hectares in 2014-15 (42,000 ha in 2003-04) of which the certified farm area was about 24 % or 1.18 million hectares (0.72 million ha in 2013-14, a growth of 64%) and the rest 3.7 mil. ha or 76% was wild collection area. The major organic food producing states in India are Madhya Pradesh, Karnataka, Maharashtra, Gujarat, Rajasthan, Uttar Pradesh and Odisha, with a combined share of 90% for the year 2014-15. The world's largest number of organic cultivators are in India and estimated at around 650,000. India has an inherent advantage in organic cultivation because of its varied geography and climatic conditions. Since, around 55% of the crops are cultivated under rain fed condition; India has potential to increase its area under organic farming. Hill regions in the N.E, Sikkim, HP & Uttarakhand are by default organic, as chemicals are rarely used here.

Top 10 States	Area Incl Wild (mil. ha)	Share (%)
Madhya Pradesh	1.93	39.4%
Himachal Pradesh	1.37	28%
Rajasthan	0.48	9.9%
Maharashtra	0.22	4.4%
Uttar Pradesh	0.11	2.2%
Andhra Pradesh	0.10	2.1%
Uttarakhand	0.09	1.9%
Karnataka	0.09	1.9%
Odisha	0.09	1.9%
Sikkim	0.08	1.6%

02. The estimated organic production for the year 2014-15 was 1.1 million MT which is slightly lower than the previous year production (2013-14) i.e. 1.24 million MT. Statewise breakup of wild vs farm production and contribution to total production is as below:

State	Farm (MT)	Wild (MT)	Total (MT)	Share
Madhya Pradesh	321586	377	321964	29%
Karnataka	254664	96	254761	23%
Maharashtra	217112	210	217323	20%
Gujarat	60621	5	60626	5%
Rajasthan	59449	667	60117	5%
Uttar Pradesh	50165	133	50299	5%
Odisha	28678	293	28972	3%

State	Farm (MT)	Wild (MT)	Total (MT)	Share
Uttarakhand	23695	19	23714	2%
Tamil Nadu	17218	380	17598	2%
Jammu & Kashmir	11234	3590	14824	1%
Others	51326	9044	60370	5%

Category wise breakup of organic crops is as below farm production 2014-15:

Category	Production (MT)	Share
Sugar Crops	338193	30.9%
Oil Seed crops	228414	20.8%
Fiber Crops	208931	19.1%
Cereals and Millets	159500	14.6%
Pulses	34717	3.2%
Plantation Crops	33930	3.1%
Medicinal/Herbal & Aromatic Plants	32663	3.0%
Fruits	20219	1.8%
Spices & Condiments	18176	1.7%
Vegetables	10824	1.0%
Dry Fruits	7348	0.67%

Around 99% of the production was from cultivated farms and wild collection was only 1% (14800 MT).

The top three states in the wild production are Chhattisgarh, Jammu & Kashmir, and Jharkhand, having a combined share of 81% of the total wild production for the year 2014-15.

The combined share of top 10 categories is around 99%. The top four categories (with a share of around 85%) include sugar crops, oil seed crops, fiber crops and cereals & millets.

03. Indian Exports of organic foods were estimated at INR 2100 crores in 2014-15 with total volume of 2.86 lakh ton and which is about 26 % of the total produced volume of around 11 lakh ton. It is assumed that most of the balance quantity is sold in local markets or sold uncategorized. The exports in the previous year were about Rs. 1328 crores.
04. The organized domestic certified organic market is estimated to be between Rs. 250 to Rs. 300 crores. Guesstimates put the other part of the irregular unregulated domestic 'unorganized-uncertified-unmonitored' organic market size range between Rs. 300 to Rs. 500 crores. Total domestic market¹³ estimates range widely from Rs. 500 crores to Rs. 1000 crores as no reliable estimation exercise was ever undertaken.
05. The major share of exports were oil seeds, cereals and millets, and processed foods with a combined share of around 87%. In the Oil seeds category, Soybean with exports of 1.46 lakh MT during 2014-15 had a share of around 91%. In cereal and millets category, rice, maize, wheat and millets are being exported. In the rice category the quantity of basmati rice exported was around 10300 MT.

¹³ International Competence Centre for Organic Agriculture (ICCOA) estimated that the domestic market for organic products in the year 2012 at Rs. 300 crore which grew to Rs. 600 crore in 2013 i.e. a growth rate of 100%. This was a very small study and involved wide projections/ assumptions.

Export Category	Quantity MT	Major destinations
Oil Seeds & Crops	160559	USA, Canada, European Union
Cereals & millets	63622	Canada, European Union, USA
Processed Foods	23626	European Union, USA, Canada
Sugar Crops	19450	European Union, USA
Tea	5488	European Union, USA, Japan
Pulses	2547	USA, Canada, European Union
Dry Fruits	2417	USA, European Union, Canada
Spices & Condiments	2403	USA, European Union, Switzerland
Medicinal, Aromatic & Herbal Prod.	1223	European Union, USA, Australia
Coffee	1214	European Union
Essential & Aromatic Oils	866	USA, European Union, Japan
Fibre Crops	397	Turkey
Tuber Crops	139	USA, European Union
Edible oils	130	Switzerland, USA, European Union
Fruits	124	USA, European Union
Vegetables	109	Canada, European Union, USA
Ornamental Plants & Flowers	78	USA
Plantation Crops (non tea & coffee)	32	European Union
Honey	18	Australia, USA, Malaysia
Others	1165	European Union, USA, New Zealand
Total	285608	

06. The major Indian export destinations were USA, European Union, Canada, Switzerland and Israel with a combined share of around 99% in volume terms (lakh MT). In terms of export value USA, European Union, Canada, Switzerland, and Japan have a combined share of 97%. Around 3000 MT of organic produce worth value around INR 55 Cr was exported to different Asian markets in 2014-15. The major Asian markets volume wise were Israel, Japan, Turkey, UAE, Singapore and Thailand. Japan with Rs. 26.5 crore tops the chart in value terms followed by Israel, Turkey and China.

6. Supply Chain issues in Organic sector

01. The following key points were highlighted as important in the area of supply chain by stakeholders during consultations at Mumbai, Delhi, Kochi, Bhopal and Kolkata:
- Organic seed varieties are not available in India- Proper research and development on organic seeds suitable for various agro-climatic zones is still lacking in India. State seed corporations do not have certified organic seed. This is leading to erratic supply of various organic crop seeds.

- b) Plant protection is a big challenge in organic industry- Due to lack of research and availability of organic plant protection, organic farmers are susceptible to utilize conventional products (weedicides, herbicides and fungicides).
- c) State-of-the-art residue testing labs are not available in India and most of the exporters are sending samples to Europe for testing leading to higher costs as well as time for export shipments increases, due to clearance from external labs.
- d) Dedicated warehousing and transportation facilities are absent in India for organic produce limiting the growth of the sector. Moreover contamination of organic commodities in conventional warehouses is also an issue.
- e) The North Eastern region is having abundant produce like large cardamom, pineapple, ginger, citrus fruits etc. but due to lack of post harvest, storage and logistics infrastructure, inherent strength of the region has not been realized.
- f) Commodity specific infrastructure for organic produce is missing from farm gate to processing centers. Ex: Silos for grains, Cold chain for perishables etc
- g) For Organic F&V, sufficient dedicated cold chain and logistics facilities are not available, thus hampering export of organic F&V, especially mango, grapes, pomegranate etc. Lack of dedicated logistics for organic sector increases cross contamination issues.
- h) Conventional processing technologies need to be redefined for organic produce. As existing SME players are unable to invest significantly in dedicated infrastructure, this is leading to quality issue in the finished processed products.
- i) Organic produce is highly prone to pest infestation during storage as no chemicals are used for fumigation. Conventional chemical based fumigation cannot be utilized for organic produce, and hence new technologies like CO_2 fumigation needs to be promoted and supported by grants.

7. Human Resources issues in Organic sector

01. The following points were highlighted as important in the area of Human resources by stake holders-
- a) Lack of awareness on organic agriculture as a concept among farmers: This knowledge deficit leading to a gap between what is required by the consumer/ buyer and what is produced by the farmer leading to trust issues.
 - b) Lack of technical know-how leading to yield drops, contaminated output etc- divulging the farmers from organic agriculture.
 - c) Inadequate extension activities and non availability of trained trainers. No significant impact is being seen in up gradation of skills despite efforts from the government.

- d) Inadequate budgetary allocation for capacity building in organic farming is limiting the outreach and quality of capacity building.
- e) Limited research in organic sector remains unfruitful until it reaches the farms. A revolution in organic farming is possible only if the transfer is made efficient and its outreach is extended significantly
- f) Both the above areas reflect on most part a result on scattered nature of the sector, so efforts and investments so far too have not been useful. Lack on concentrated hubs and the ability to support these hubs is a very strategic gap in taking the sector forward.

Promotion & Branding of Organic Foods Internationally - Trends & Insights

Studying various research studies on organic consumer branding, trends and developments in the organic markets internationally and especially research by Nielsen, we feel India Organic should make a good note of the insight below:

"When adding health and wellness claims to products, sellers must first understand how consumers perceive their products. If the product is perceived as healthy, any claims regarding the health benefits of a product are likely to resonate with consumers. For semi-healthy and indulgent categories, however, manufacturers must be more selective and choose claims that address a particular product attribute. For example, while consumers may be skeptical of heart-health claims for potato chips, they may be more open to claims about low or reduced sodium because this is compatible with their view of chips as a salty indulgence."

–Susan Dunn, executive vice president, Global Professional Services, Nielsen

1. **The New Age Organic is Actually Organic Plus:** Branding Organic products is no longer simple. Organic certification faces competition from other green movements, like sustainability which many manufacturers are turning to. (PGS has an opportunity to go this route for domestic markets). Research indicates, the brand Organic is saturating and overlapping with other categories internationally. As the lines blur, it is important for Organic to conjoin with other/ kindred categories such as Fortified, Naturally Healthy, Vegetarian, Kosher etc. Fair Trade Certification for instance is practiced by Soap maker Dr. Bronner's etc. and the French beauty brand Nominoë retains the basic Organic value while propagating other claims such as Local Product/ Less Carbon Footprints etc. A new holistic approach is desirable in Organic branding.
2. **Additional dimensions to Organic positioning:** The organic certification of products highlights to consumers that the product offers perceived health, but more commonly, environmental benefits. However, other types of certification, such as Fairtrade and sustainability through the likes of the Forestry Stewardship Council (FSC) provide alternatives for manufacturers to highlight their corporate responsibility ideals. Organic players need to add the CSR/ sustainability dimension in their positioning

3. **Whole Foods Move:** Organic foods now face the challenge of being seen as prized food as against prized for Organic alone. The point is best illustrated by the case of Whole Foods Market in USA. By the early 2000's, Whole Foods had pretty much maxed out market share in the "organic and natural" customer segment, but were pursuing growth. Research indicated that 80% of first-time Whole Foods shoppers became loyal customers, and "Foodies" represented a highly prized customer segment with the most untapped growth potential.

Their challenge was how to appeal to this segment more effectively and inspire Foodies to try shopping at Whole Foods for the first time?

The answer was a shift in brand strategy. The strategy involved de-emphasizing the Organic/natural messaging, and developing a new brand strategy targeting Foodies (without alienating the "earthy-crunchies") captured in the tagline "Passionately Picky". The strategy was expressed in an ad campaign focused on getting Foodies excited about a specific food item.

4. **Dietary Claims:** Today the scientific evidence questions the efficacy of conventional dietary supplements, therefore Organic products branded with scientific dietary claims have potential to see strong growth. Whereas in food and drink, organics can be associated with health benefits, for many other industries, such as beauty and personal care, apparel and tissue and hygiene, the purchase has strong ethical connotations.
5. **Emotional claims a key:** Most successful Organic branding is leaning on developing a lasting emotional attachment with customers. This is the key ingredient in long-term customer loyalty and establishing a sense of authenticity among followers. Fostering emotional attachment helps build trust and gives customers a sense that 'we're in this together'. This can be a powerful tool. (- Dan Ratner, Foodmagazine July 15)
6. **Indian-ness in positioning:** India evokes powerful and deep emotions in the western psyche, but how do we leverage it? How do we develop a unique positioning which harnesses that? Where does brand "India Organic" go now on? There is tremendous scope to incorporate the "Ayurveda" and "yoga" platforms in Indian Organic branding. This is being used successfully in the developed markets, Pukka Health Ltd for instance has significant sales for herbal/traditional medicinal teas. It produces a wide range of organic bio supplements. The company ensures the brand follows its beliefs in ayurveda, and targets those consumers trying to achieve overall wellbeing, physically and mentally.
7. **Brand values On Organic Pack:** Packaging can be used to highlight brand values and features. Brands can consider this desire for naturally healthy food through the use of thoughtful packaging that reflects the brand's core values and key features. Many health food companies are generally opting for images that reflect this desire, such as nature, families and fresh produce. (Whole Kids, for example, uses this strategy)

8. **Messaging for Organic:** Message Strategies in branding need to take into account a few things. It's best to avoid consumer's skepticism and be more transparent about the contents and source of foods, providing stronger scientific support for health claims to build consumer trust. It helps if the health/wellness claims are clear and upfront. Transparency is key for health food brands looking to reinforce and communicate authentic healthy foods. Consumers want to know more about the products they're buying and it makes good business sense to oblige them.
9. **Packaging and Labels: Reliability for Organic:** Customers look for authenticity, transparency and reliability- safety in organic products. Thus it is important the packaging to reflect these values. The label 'certified organic' should authenticate this unambiguously. Customers are looking for transparent ingredient listings and ingredients, they believe are safe.
10. **Packaging material:** In Organic products packaging material too has important message to lend itself. Often, the design comprises fresh, pure images, where the environmental benefits, in particular, are easily recognized. The use of greener packaging is true not only for food, but increasingly for other organic products, including pet in the developed markets, Pukka Health Ltd for instance has significant sales for herbal/traditional medicinal teas. It produces a wide range of organic bio supplements. The company ensures the brand follows its beliefs in Ayurveda, and targets those consumers trying to achieve overall wellbeing, physically and mentally.
11. **Information on Organic packaging:** Packaging labels are a key source of information for Organic consumers. Globally the respondents say they read packaging labels carefully. Manufacturers and retailers need to provide easy-to-understand and clear nutritional information to help respondents take control of their health.
12. **Packaging Organic to aid informed decision:** It's also important to make it easy for consumers to cut through the clutter (nutritional content of foods as well as the environmental and social impact, production source and health benefits) and make informed decisions by helping them understand the benefits of particular ingredients and foods using out-of-store communications, in-store signage/displays and package claims.

Packaging for Organic should suggest an openness about the origins of the food and invites people to find out more about the brand.

NOTE: Data sources for part 1 are Industry Reports from- Fibl/ IFOAM/ Organic data network/ USDA/ OTA/ Global Organic Trade/Individual Country Trade Data/ Organic World / Trade Publications/Report by Govt. of Canada (www5.agr.ca)/Austro Organic Report/The Ministry of Agriculture, Food and Environment (MAGRAMA)/Italian Ministry for Agriculture (MiPAAF)/International Society of Organic Agricultural research/Intracen.org/ APEDA/GOI/ Others



Part 2 Recommendations

Recommendations

1. Identification of India Stars or Focus Products: Top 10+5

01. India today exports about 300- 400 products, mostly non value added commodities at the bottom of the value chain. Of these the major share are low value bulk commodities - oil seeds , cereals and millets with a share of over 55% of the volume, soybean alone having lion's share. Indian exports are basically a cheap low-cost source for organic companies that value value add or process and sell it further to companies that brand and market them to consumers.
02. Most of the value is thus lost and the country is unable to do anything about it given that the sector as well as individual companies have very low bargaining power and are also small. They do not have resources to do what is required to go up the value chain or break-into the markets at a higher level of value or price point. Small exceptions of course do exist but once again they are mere blips in the aggressive competitive global market place and are struggling with firms from other countries that are larger, more specialized and can also produce at lower costs having efficiencies of scale.
03. The sourcing, collection and other logistics and supply chain activities are scattered geographically and no industry concentration exists even at a micro level. Organic farming is spread across the nation and farm concentration in individual crops or clusters are difficult to come by. Farmers, thus do not have supply to authentic organic farm services, inputs and guidance on crop management. They face similar problems of poor productivity, inefficiency and inability to get the best market price possible though they produce a premium product.

04. Overall, across the value chain from the farmer to exporter, there is no specialization and inefficiency is common. Professionalism and efficiency can be brought in only if there is concentration and scale.
05. Organic is a **niche business** worldwide. Niche businesses strategy has *differentiation* at it's core and has two well established cardinal principles:
 - a. Specialization: Do something better than anybody else by investing in all forms of knowledge and specialization in selected market segments where you can do better than most others.
 - b. Closeness to customer: be as close as possible to the customer so that the player can react quickly to his needs and changing preferences. So sell as much higher up the value chain as possible.

This is the competitive strategy India needs to adopt and get the best price from the market which can thus go down the value chain up to the farmer.

06. Unless there is a concerted effort in a few focused selected areas, India cannot go up the value chain, have specialization and build an efficient supply chain. India can succeed in the organic business if it specializes and gives the best deal to the farmer, earn valuable foreign exchange and build a thriving export business for the country as a whole. Product focus is 50 % of the strategic battle.
07. The study team went through a comprehensive exercise to identify areas where India's organic business should focus on:
 - a. Develop specialization
 - b. Develop concentrated pockets of organic farm clusters
 - c. Build common primary farm processing and storage in those organic farm clusters
 - d. Develop superior technology in selected focus areas in processing and handling
 - e. R&D in product development
 - f. Industry /consolidation for efficiency
 - g. Common India thrust under which firms can operate for marketing in these selected product groups.
 - h. Developing new export markets and access for sustainable global trade Ex: Russia, Australia, Korea etc
08. Focus products were selected through a comprehensive exercise. Five parameters were used to arrive at the final scores for selecting top prospects for 2025:
 - a. Global Organic Market Size
 - b. Market Growth - Current and projected
 - c. Future Prospects in the Category and derived Value Added Products and value added products

- d. India Fit & Competitive ability
- e. Momentum Developed so Far

Seasoned exporter's opinion, rating on prospects and future potential were also taken in context of current export value and growth rate for each individual category and scores were also used.

09. **Top 10+5 Focus Products:** Extensive analysis and stakeholder consultations have resulted in the following recommended products as the top organic product categories for development and promotion. These categories and their derivative products should form the basis of India's organic food product export growth till 2025.

The product categories are as follows:

INDIA HERITAGE	VOLUME DRIVERS	UNTAPPED STARS	FUTURE DIRECTIONS	NEXT 5 PRODUCTS
1. Rice 2. Spices and Condiments 3. Tea & Herbal Beverages	4. Soybeans 5. Pulses and Legumes 6. Sesame, flaxseed, safflower & other oil seeds 7. Sugar & Sweeteners	8. Fruits and Fruit Products 9. Nuts and Dry fruits	10. Processed Packaged Foods & Ingredients	11. Groundnut 12. Herbs/Medicinal plants 13. Minor Millets (Plain & Hill) 14. Animal Feed 15. Coconut & Other niche opportunities

The next category of growth products for future development are as follows:

2. Identification of Focus Markets

01. Top Markets: Based on the market potential, size, growth rate and exporter's confidence levels of doing well in that market following were selected as focus markets. North America and EU markets were voted as most important which was not surprising.
02. The individual countries Japan, Australia, South Korea and Israel are relatively new markets for India and there is a need for initiating trade shows here immediately.

Countries	Market Size (USD Million)	Growth Rate	Exporter's Current Confidence
North America	39,000	11%	High
Germany	11,200	7%	High
France	6,700	10%	Medium
UK	2,900	3%	High
Netherlands	1,093	5%	Medium
Switzerland	2,100	12%	Medium
Canada	3,600	9%	Medium
Australia	1,250	15%	Medium
Japan	1,300	5%	Medium

Competition in these markets is likely to be less intense and if India can enter these markets in a planned manner putting value added products and brands may be relatively easier though the process could be slower than the largest markets.

	Countries	Market Size (USD Million)	Growth Rate	Exporter's Current Confidence
	South Korea	578	8%	Medium
	Israel	65	8%	Medium
	China	4,500	20%	Low
EU	Italy	2,900	6%	Low
	Sweden	1650	12%	Low
	Austria	1,600	6%	Low
	Spain	1500	8%	Low
	Denmark	1300	6%	Low
	Brazil	1000	20%	Low
	New Zealand	107	11%	Medium
	Russian Fed.	180	12%	Low
	South Africa	15	16%	Low
	UAE	20	9%	Low

03. Other Markets for Development: The markets listed above are most likely untapped by the Indian exporters, therefore showing up low current confidence in dealing with them. But it is to be noted that some of them have very high growth rates and maybe an early entrant advantage is possible here since no established trade relationship need to be overcome. These markets will be looking for new suppliers.
04. There is a need for a country wise sales plan for the focus products as well as promotional plan for the focus product categories identified earlier.
05. Detailed country wise survey may be required in the next stage to make the above plan.

3. Promotion & Branding India Organic

01. Organic foods are premium and sensitive foods. They need to be carefully differentiated. Today saying it is organic is not enough, it has to be articulated well and there is a need to create a 'organic-plus' identity to bring the brand into consideration set of an organic consumer both domestically and internationally. The label which certifies it as organic needs to have a strong recall and be associated with some brand properties. Credibility, authenticity and trust are mandatory to Organic product category and advertising, packaging and labeling has to communicate these to the consumers.

Brand India with her rich ethnic and culinary culture is a big puller but ironically brands from India aren't. This is because the basics of branding and brand promotion are not being followed for the category when marketing them internationally.

02. When it comes to India Organic brand, other than a logo, there is no coherent Brand promotion strategy for promotion for near or far term. Key communication premises for India Organic brand need to be developed and positioning statements and relevance-salience in importing markets tested. Extensive and consistent communication (using multi-media vehicles) of brand values in line with the international expectations outlined above need to be done to achieve desired perception for "Brand India Organic" in global markets.

A comprehensive Brand Personality/ Identity/ Communication plan needs to be charted out. Goals must be set for the brand & budget allotted in order to achieve awareness targets in different audiences and the same implemented through professional agencies.

03. India organic is likely to grow its products and markets and become a flagship of Indian organic produce internationally, thus an umbrella branding needs to be created for India organic brand, and after that a strategy to establish linkages between Umbrella and Individual Indian Organic Company brands developed.

04. It may be prudent for the national brand India Organic to use shared communication platforms and undertake joint promotion of India Organic and individual brands so that individual brand can be supported as vehicle to take India Organic brand values as against non targeted- non carrier generic promotion.

Different brands of different exporter companies could be used via joint promotion to communicate core values of India organic brand.

05. The sensibilities of international markets are inclined towards testimonies and referrals. Once there is a foothold, penetration of the brand is relatively easier. It may therefore be useful to create avenues for business of India Organic brand with leading and reputed global retail houses and organizations globally and ride on these testimonies for further growth.

06. Aggressive promotion strategy using a strong branding theme in all vehicles including trade fairs etc should be linked branding strategy and sales plan. It is necessary to allocate communication budget/ expenses with clear sales targets in each focus product and focus country. Promotion plan must have all elements. Other initiatives must include: Trade missions and business meetings, Assistance in fairs, congresses and other events abroad, Market studies for TM, changes in trends and allied Market access problem identification, studies and execution of possible solutions.

07. A domestic branding and promotion strategy should be done hand in hand which dovetails into the international positioning. Urban customers buying premium products especially organic products may be similar to international. The Domestic Market for Organic products is still in nascent stages and the government could expedite the process through Consumer education on organic foods, this is of critical importance. Promoting organic category locally and creating awareness of organic foods among all stakeholders, especially consumers is a must. (Healthy foods, natural foods, pesticide free foods, organic foods, zero residue foods are few categories that occupy super market shelves.) AIOTI could facilitate this promotion for a pan India consumer campaign/ education program on the lines of Milk/ Egg Promotion initiatives. The same could be overseen by APEDA/ GOI. The government could sponsor the consumer awareness campaign in the media and fund the same. The domestic campaign will have cascading effect on the supply chain- farmers as it will enable pride in being an organic farmer as well.

08. A medium and long-term marketing strategy including recommendations for branding is required and the financial and technical resources required need to be identified to implement the strategy. The overall marketing strategy will include a detailed short-term marketing and promotional program for the first five years, outlining activities, targets and cost estimates on a yearly basis.

A study needs to be commissioned immediately to evaluate this critical area of branding with following objectives:

- a) Map consumer needs and concerns in both domestic and top international markets to find out relevant positioning platforms.
- b) Test most relevant platforms and identify the best position that India Organic should adopt
- c) Fix communication goals for each segment
- d) Enable a 5 year marketing plan with year wise budget requirements to meet above communication goals
- e) Enable a brief to an advertising- creative agency to develop an advertising campaign for above

4. Standards-Regulations-Certifications

01. Credibility and 'organic integrity' are key to the success of India's organic effort. Any doubt or shadow will set India's efforts back by years. The Indian third party certification system is felt to be generally good where established relationships with sound parties exist, but overall credibility needs to be built up and made more acceptable widely. Exporters are nervous about dilution of 'Indian Organic Certification' by a few bad apples being allowed to operate within the system, these need to be weeded out urgently.
02. There is also a feeling that PGS may be allowed to use the established Organic label to accede to demands of NGO's leading the PGS movement. This is a matter of grave concern because PGS being less stringent and self-certifying claim is an untested label and can dilute the authenticity of entire Organic category both domestically and internationally. This could derail all the work of building credentials of Indian Organic products so far. This is also against International norms in the largest global organic markets like USA & EU.
03. The PGS system is recognized by IFOAM as most suitable for 'local' markets which are described as markets where the farmer and consumer interact directly or know of each other. Local does not mean 'domestic distant' markets in cities far away from the farms. The word 'local' is being confused in India to connote domestic market (as against international market). Consumers in city markets in India are very concerned about non-adulteration, authenticity and genuineness of claims and require certification in no uncertain terms. So it's recommended that Organic label and PGS label be kept apart and not get mixed up.
04. Certification costs more money and is very stringent. The certification processes are stringent and cost money, but they offer the consumer the watertight assurance he seeks. Higher incentive should be given for farmers going in for organic certification in comparison to PGS, so that the two are clearly set apart as deserved. Both the domestic customer who is willing to pay more and the farmer who works harder both deserve protection from lower quality checks.
05. PGS should be used to educate & encourage farmers to take up sustainable farming. The farmers could then migrate to certified organic. As such calling it as "Organic" would be misleading.

06. Today in the market place it is not enough to have just an Organic premise, it's necessary to make an **Organic +**, branding with other certifications. Other certifications needed and sought by the consumers in the international market include Fair-trade, Gluten free, Vegetarian, Halal, Kosher, Humane etc.
07. To streamline the current certification process the following needs to be done immediately:
 - a) Three month study to be commissioned for understanding and receiving suggestions on in TraceNet through commodity wise stakeholder meeting across India.
 - b) To review and streamline TraceNet which otherwise is good for the industry, a Task Force needs to be set up immediately with members from the industry, CBs and APEDA to review, streamline and make it practical for industry requirement. This should be accomplished within time line of three months.
 - c) Review of equivalence of Indian standards with USA, EU and other countries. Resume the equivalence for processed products in EU, obtain equivalence for all products of USA and emerging markets like S. Korea, China, Japan etc.
 - d) Moderation in paper work and increase in digitization is needed since it is very inefficient and requires huge documentation (Takes almost one month from packing to shipping for preparing documentation. There is no flexibility for adding new products- the policy is rigid and impractical)
- 08 Other recommendations:
 - a) APEDA to Institutionalize Annual Participative Dialogue (APD) with Cb's & industry for more effective ownership and role clarity. ii) APEDA and FSSAI to institutionalize annual National Pesticide Residue Testing (NPRT) to build trust in consumers and help genuine organic operators. iii) Review of CBs role and independent monitoring of their functioning. iv) Propose a new organic trade regulatory body similar to TRAI to protect interests of stakeholders. APEDA can continue to function in policy making and licensing etc. v) study required to investigate certification costs./ processes in other countries, to put quality control mechanism in place so as to avoid penalty measures/ bans, analysis costs which are highly prohibitive needs to be drastically reduced. The certifying agencies are just scared of regulatory system which is viewed as business unfriendly. TC costs need to be regularized and made reasonable. vi) Dairy and Livestock Certification: As on date no CB has been accredited for livestock and dairy certification, this is the need of the hour and urgent steps for accreditation of the CBs to be taken up.

5. Policy

01. Domestic Organic policy especially certification and standards should be made subsidiary to international market development and export requirements. This ensures Indian export credibility is not impacted in any way (till such a time organised sector domestic market sales near exports- correctly domestic to exports is 200-2100 cr), additionally Indian customer also gets the global quality product.

02. NPOP- should be the only standard for both domestic and international market and enforced strictly. Only one body should oversee one quality and one national standard. Clear-cut organic labelling laws like USDA & EU as international practice need to be implemented for India for both domestic and international markets.
03. Two separate bodies are suggested for the development of Indian organic sector, one for uniform regulation and other for promotion and awareness of organic (for promotion, Domestic and Exports should be handled separately).

6. Support

Incentive policy framework for organic with following 6 principles:

01. Incentives support to individual companies meeting criterion for infrastructure support as against creation of common facilities, except in very special cases like North East.
02. For the North Eastern region - a common Organic Food Park is proposed for common infrastructure. AIOI is prepared to take up responsibility to maintain and run the same as a JV/Other with the Govt. under a special purpose vehicle.
03. Encourage and incentivize globally accepted certification agencies and labs to set up India operations so that Indian organic is found acceptable in International markets. Work simultaneously to set up global standard India lab in collaboration with world majors and work towards acceptability. AIOI is to help facilitate this.
04. Extension fund for ICS managers based on number of farmers to be provided for providing organic training. ICS managers working directly with exporters should be given access to this fund.
05. Integrate all incentives into market-linked supply chains & incentivize linkages. Need to discourage stand-alone non-sustainable programs which are not market-driven leading to farmer distress.
06. MEIS scheme to be made available to all organic exports. Organic Commodity and Processed food products to be given a separate identity from Conventional products. Export Promotion for Organic Products accompanied with an APEDA issued Transaction Certificate may always be exempt from any bans or restrictions from Export. MEIS of 5% may be made available on all Certified Organic Product exports.
07. No Bans or restrictions in exports. Commodity stocking limits also should be lifted.
08. Others: Stakeholder Support System (3S) platform for the industry covering the following aspects to be available : incentives for exports, incentives for new product and market development, infrastructure set up under private ownership, trade facilitation in new export destinations, incentives for sustainable eco-packaging and packaging innovations, brand building for new product categories and new export destinations

7. Infrastructure & Supply chain

01 Advanced Food Testing Laboratories: (FTLs)

- a) To be set up at 4 strategic locations with an aim to be on par with (equivalence) EU labs.
 - Subsidized FTLs for consumer level sampling and residue analysis at key metros. Reverse bidding process to be adopted to set up FTLs with a cost target of INR 500 per microbial, chemical and toxicity analysis. This would encourage genuine operators of the sector.
 - Setting up of world class food testing laboratories in a three tier system at farm level, processing and consumer market level and port levels for unbiased food testing and transparency. Low cost food testing innovations to be encouraged through global tendering.
 - Organic Food Parks (OFPs) to be set up in key organic food production clusters with assistance from MoFPI for common infra. Tenders should be invited with active participation of Indian exporters, global buyers and FTLs as partners.
 - Supply chain control by operators: Entire farm-gate handling to processor supply chain should be under the ambit of organic processors and exporters. This will ensure proper focus by the farmers on quality production on the farm.

8. Skilling & HR

- 01 Organic farming to be included in the National Skill Development Mission. AIOI can be made the nodal agency for this.
- 02 Credit course on organic agriculture to be developed and implemented in all agricultural universities.
- 03 Recommendations from private sector (from Indian and global stakeholders) for the curriculum design
- 04 Active NGOs, grass root level institutions and Certification Bodies can also become partners for education. Corporate CSR funds should be made available under “alleviation of rural poverty” theme.
- 05 Training the trainers- Training modules to be prepared after consultation with industry players as well. Impact assessment to be done periodically for the organic extension activities
- 06 Seeing is Believing- Demonstration farms to be set up for organic farming- Support private sector to set up organic demo plots. Use existing organic farms as success stories. Farmers, who are already practicing organic agriculture can also be selected as demonstrators.
- 07 Extension activities should take place in a PPP mode, wherein the service provider identifies a cluster for his work and proposes his work methodology
- 08 Increasing Budget Allocation: Allocations for promotion of organic farming be scaled up substantially to meet the intended objective of sustainable agriculture
- 09 Formation of Self Help Groups and Farmer Producer Companies: Better planning and management of resources, value addition and marketing is possible through formations of SHGs/ICS groups/FPCs

9. Product Specific

Category (key products)	Sector specific recommendations
All Products	<ol style="list-style-type: none"> 1. MEIS scheme 2. Organic farmer development- PKVY to be given via all operators, especially market linked supply chains. Extension fund for ICS managers based on number of farmers to be provided for providing organic training. ICS managers working directly with exporters should be given access to this fund 3. Common infrastructure - In areas where organic acreage is well developed, common infrastructure for storage and post harvest processing to be created. 4. Multiple inspection agencies to be removed, especially in Fruits & Processed food as it is closely monitored (export inspection agency).
Rice and rice products (Basmati, non basmati rice, rice bran and products, rice protein, rice syrup, rice powder, poha, puffed rice, rice cakes etc)	<ol style="list-style-type: none"> 1. Technology for organic rice bran oil extraction to be developed in association with IICT, DRDO etc. 2. Market development for specialty rices- red rice, joha rice, sticky rice in export destinations 3. Duty for non basmati rice to be worked upon with EU. 4. Alternative fumigation methods- support for subsidizing cost for CO2 fumigation facility at the ports and at primary processing level. 5. Subsidy and grants for establishing specialized fumigation facilities for organic rice, grains. 50% of cost as grant could be provided with maximum cap of support at 1 crore per beneficiary. 6. Subsidy on cold warehousing for grains. Organic grains to be classified as perishables through a request to MoFPI. 7. Extension fund for ICS managers based on number of farmers to be provided for providing organic training. ICS managers working directly with exporters should be given access to this fund.
Tea and herbal beverages (Conventional and herbal teas and beverages)	<ol style="list-style-type: none"> 1. Subsidy on the tea packaging machinery, brand promotion and market development of tea (Ex: Organic Darjeeling, organic Assam teas etc) 2. Special fund for development of organic market in domestic and export markets
Nuts and dry fruits (Cashew, walnuts, value added products)	<ol style="list-style-type: none"> 1. Value added cashew processing machinery subsidy
Soybean and products (Soymeal, soybean, lecithin)	<ol style="list-style-type: none"> 1. Merchandise Export Incentive Scheme (MEIS) to be reintroduced for certified organic products.
Processed, packaged products and ingredients (Ethnic / specialty foods Gourmet meals)	<ol style="list-style-type: none"> 1. Testing subsidy for GMOs, Pesticides etc to be provided for processed foods till globally equivalent Food Testing Laboratory is set up in India.

Category (key products)	Sector specific recommendations
Sugar and sweeteners	1. Govt should remove quantitative restrictions on organic products as long as TC (Transaction Certificate) is accompanying the consignment.
Fruits and processed fruit products (Mango, guava, papaya, passion fruit, pineapple, kinnow (citrus) (pulp, purees), dehydrated, frozen products)	<ol style="list-style-type: none"> 1. RCAC generation should be enabled in TraceNet. 2. Fruit specific markets and production zones to be developed. 3. NE common processing facility to be set up to benefit domestic and export marketers. NE to scale up production quantities of export crops through free seedlings and using extension funds. 4. A production hub may be set up at Guwahati/ Siliguri with aseptic pulping, pack house, dehydrated F&V unit as common facility. – AIOI as discussed earlier will join. 5. Each identified exportable crop to be grown in at least 10,000 Ha as target area across Indian organic clusters. All major organic F&V processing clusters should be supported by subsidies for primary and secondary processing.
Pulses and legumes (All dals and beans in value added forms for Vegan, Gluten free markets)	1. MEIS scheme for pulses exports to be introduced. Pulses are net Foreign exchange positive if organic dals are exported and import conventional dals. This will enable market competitiveness. It could be in the form of Market / Product Development Fund.
Sesame, flaxseed and other seeds, safflower, oil seeds	1. To be encouraged with the support of Market & Farming development fund.
Spices and condiments	<ol style="list-style-type: none"> 1. Steam sterilization facility subsidy to be provided for spices. 2. 75% grant to be provided for NE processing facilities for spices and all other fruits, vegetables processing. 3. Organic Food Park to be set up exclusively in NE including other key products of NE origin.
Processing aids (Coloring agents, natural dyes)	1. A special study to be commissioned on this category
Peanuts	<ol style="list-style-type: none"> 1. Post harvest techniques for organic groundnut handling are to be developed in association with ICAR and other key research institutions. 2. Key organic ground nut clusters in KN, AP, GJ, MH, TN to be developed for on farm and off farm management of Aflatoxins. 3. Village level storage facilities for storing groundnut
Herbs/ medicinal plants (Extracts, raw herbs)	1. Whole category needs special study for identification of product selection and strategy
Hill millets (Amaranth, foxtail)	1. To be supported through Market & Farming development fund.
Animal feeds (Meals, DOCs, DOB)	1. Soybean needs special monitoring, instead of sending raw material, formulated feed to be exported, using all cakes and other crops as feed ingredients.
Coconut based products (Oil, milk, desiccated coconut, flour, water)	1. Market and technology development for Indian coconut products.



Vision 2025

1. Way Forward

The global organic food market-currently at USD 90 bn shall reach close to USD 230-280 bn by 2025 at the current growth levels. The Indian organic sector at USD 415 million (Rs.2700 Cr) is not even 0.5 % of it, constituting both negligible domestic component and exports.

For planning growth, scaling up and for the overall economic development of a business sector, it is necessary to have a threshold size and critical mass. This should be the basis for all future visioning, plans, investment & establishing infrastructure. *Unfortunately the Indian Organic sector lacks this critical mass.*

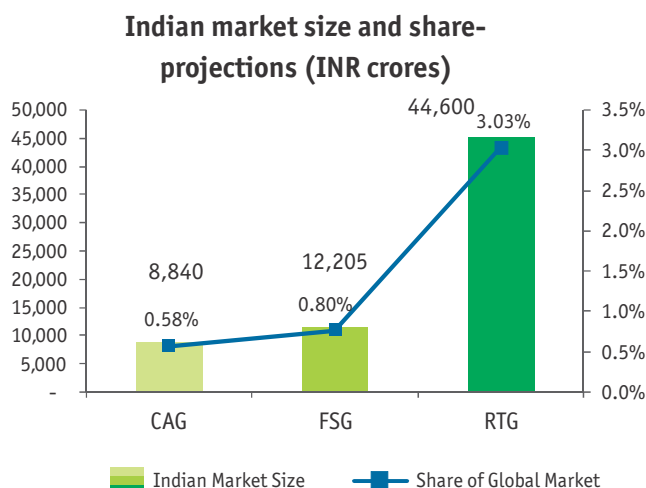
While a straight line vision and growth plan may seem logical and way to go about, in actuality it will neither make any difference nor enable sustainable success. Only a radical vision can bring the Indian Organic sector to achieve this threshold, and also make it forward-looking.

Based on the extensive assessment of the domestic sector, the international markets and India's current position in it, we are outlining three scenarios for the future of Indian organic sector.

The choices and decisions made on these scenarios will determine the way forward.

2025: The Three Scenarios

- I. CAG-Conventional Assisted Growth-
Straight Line Normal
- II. FSG-Focused Sectoral Growth-
Strategic Focus Intervened
- III. RTG-Radical Transformational
Growth- Exponential Planned



Targets- Projections¹⁴ for the three different Scenarios

Scenarios	Current	2025 Projections* Constant Prices		
Product Category	2015	CAG	FSG	RTG
Vaule Add-Processed Food	110	440	1,525	10,000
Soybean & S.bean Products	757	3,100	3,100	6,000
Rice-Basmati	124	500	750	4,000
Rice-Non Basmati	48	200	500	3,000
Tea	320	900	1,500	2,500
Spices & Condiments	54	220	750	2,000
Fruits	1	50	50	1,000
Oil seed crops	181	470	470	750
Dryfruits	157	650	650	750
Sugar	97	250	250	500
Pulses & Legumes	23	60	60	100
Indian Top 10 TOTAL	1,869	6,840	9,605	30,600
Next 5 Products	100	400	1,000	12,000
Other Organic Products	400	1,600	1,600	2,000
Total	2,369	8,840	12,205	44,600
%Share of World Market		0.58	0.80	3.03

* **Initial provisional Scenarios.** Each category would need detailed study to arrive at ratified figures. At present no official study nor data available for the organic sector, this is the first such attempt.

01. In this Conventional Assisted Growth approach the projections are based on aiding the “natural growth” rate trend and boosting it a few points to about 15 to 20% per annum with a consideration that incentives and schemes are provided and identified issues, problems and policy bottlenecks are smoothened. This is a highly conservative model and neither farmers nor exporters will stand to benefit appreciably through this approach.

**CAG- CONVENTIONAL
ASSISTED GROWTH
(Straight Line Normal)
(8,840 Cr by 2025)**

¹⁴ Initial provisional Scenarios: Each category would need detailed study to arrive at ratified figures. At present no official study nor data available, this is the first such attempt.

The Indian organic exports can reach the Rs. 8,840 mark if all policy hurdles are removed and current incentives asked for are provided. However, no distinctive change in global market share is visible here. It shall remain below 1%.

India remains static in the world market even though there is four times jump in revenue.

02. Under the Focused Sectoral Growth strategy the growth is strategically planned for chosen product categories of higher value and the composition of exports is changed deliberately through planned interventions. The chosen focus categories include – Rice, Tea, Value Added Processed Foods & Spices. These need to be specially supported for sectoral growth given their higher value.

**FSG-
FOCUSED SECTORAL
GROWTH (With Strategic
Focus Interventions)
(11,750 Cr By 2025)**

Growth of 25% to 30% per annum is targeted in this approach for specially picked categories with higher value as well as market potential and support is provided to achieve the higher growth rates. An additional Rs.3500 crores exports are possible with this strategy.

The effort required is very different from the first approach. Here the export has to focus on including new value-added product options, ingredients and processed products as against exporting primary processed products or commodities. The products and markets related to the chosen categories need to be developed and special schemes formulated to ensure growth in each. Selling value-added products involves overseas marketing activity as against exporting commodities, it is quite different from the mechanics of a low-level supplier. Overseas importers are reluctant to buy ready-processed foods or even semi-processed value-added foods even if it is to another brand, unless some conditions are met. Some of these conditions pertain to quality assurance and some with liability in their own domestic markets. The right policies need to be framed and requisite support provided on all these counts. Needless to state R & D and technology development is an integral part of this approach.

This approach is in line with the current thinking of the government and the global market share achievable through this approach is only 1% of the world market. *The strategic advantage derived for India Organic through this approach remains small on the whole in spite of focused efforts as the market share obtained is small.*

03. The third approach is one of Radical Transformational Growth planned exponentially. This is a massive step-up over the second scenario. In this approach, the selected focus products are studied in depth, product by product, assessing the global market for them, the competition analysis, product attributes and marketing strategies etc. In effect, there will be a dozen comprehensive plans for chosen products offering maximum export revenue and an overall plan that brings competency to the whole Indian Organic sector.

**RTG-
RADICAL
TRANSFORMATIONAL
GROWTH
(Exponentially Planned)
(45,000 crores by 2025)**

¹⁵ 5% of Conventional Exports in 2025. Projections done using CAGR of last few years.

Here, after studying the international market, we determine a share we wish to aggressively accomplish for the chosen products and go about putting in place plans to achieve these numbers. This requires serious unrelenting commitment of business strategy, professionalism and global-level swift policy making.

In this RTG plan, the target is estimated at Rs. 45, 000 crores . This figure was computed by adding up projections of individual products at 4- 5% of the Indian conventional exports. Most exporters felt that India has an inherent advantage in conventional exports and this advantage can be translated to organic.

RTG's figure of Rs.45,000 crores is about 3% share of the world market. At this level the Indian organic sector will now have a critical mass.

This critical mass will make India Organic sustainable and competent to take a 'competitive position' as a serious player in the international market. But it would require very high level of commitment of putting in whatever effort and resources required to achieve a set target.

An integral part of this strategy is to develop the domestic market for organic foods through lucrative incentives for farmers to go Organic and all the necessary technical assistance in addition to increase awareness and usage, making India among the top Organic using nations.

The sector as a whole has to be grown generically at a primary level. The thinking has to transcend to a new pace and plane. India needs a critical threshold if it has to operate sustainably and with "strategic competitive advantage" in the long term.

The way to go about in this approach is to work backwards from the figure determined for each category and find out how to achieve it. This process can be outlined in steps as under:

- a) Determine volume targets for products to be exported by individual category as well as for domestic consumption
- b) From the volumes above, determine sales/share targets for individual/country markets
- c) From the Volumes in 1 above, determine India's own supply and farm production plans
- d) Determine the number of farm acreage by crops and even the varieties (thus planning farm clusters and processing hubs)
- e) Roll out plan for the next 5-10 years by components.

Some of the preliminary projections given in the table above may appear to be high. In a few individual categories e.g. Darjeeling tea, it is quite likely the target may have to be stepped up to 10% of conventional.

For a large country like India taking a 3% global share is a right beginning, and the RTG approach shall enable this. This is the most recommended approach.

2. Impact on Farmers

Farmer will be the ultimate beneficiary in the process of the govt. integrating the farmer with these market-led growth plans. Historically the farm sector has prospered only when the farmers have become an integral part of the market-linked value chains. This vision can ensure that there is someone continuously buying farmer's Organic produce at a premium price, thus driving the economy bottom-up as well as top-down.

Five million farmers and six million ha can benefit from Organic farming

We have examples from the past, wherein product such as tobacco, tea, coffee, seeds, sugar, PDS procured Grains etc., which have ushered in farm stability and prosperity. An integrated value chain from farmer to the consumer which enabled commitment of purchase and price stability was a distinctive characteristic in the marketing of these products. This kind of integration has not been available to other commodities and led to uncertainty and chaos in the farm economy due to vagaries of the APMCs (market yards).

Unless the market targets are significant, impact at the farm level can not be felt in a large country like India. Similarly, if the farmers are encouraged to produce large quantities without them being made a part of a market-led supply plan and a value chain, they are unlikely to find buyers who will buy their produce at the right price.

Considering both export and domestic market projections, the following is likely to be the impact at farmer level:

- About 6.3 million ha with 5.3 Million Ha rain-fed & 1 million ha irrigated land will be included in the organic value chain under these projections. (current organic cultivation is around 100,000 ha)
- Approximately 5 million farmers will be benefited. Increased incomes, food security and farm prosperity will ensue
- Given the fact cattle are integral to organic farming, bringing "the cow" back into the farm household will broaden their enterprise

Taking the example of Rice, to illustrate farm level impact, the number projected here of Rs.8000 crores translates to only about 500,000 ha - a miniscule fraction of national rice area 44 m.ha. If India is serious about organic farming, RTG target is also quite small.

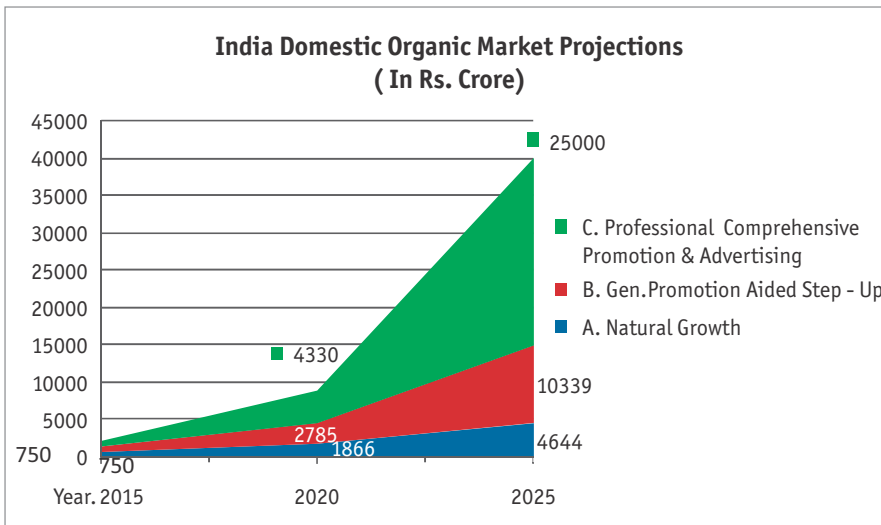
While this plan is focused on providing a larger vision to achieving a value target, eventually the same growth platform must be used to convert at least 2% to 3% of national acreage into organic farming.

It is however important to note that creating market demand precedes expanding farm supply which is being spoken of.

We can draw a lesson from parallel models like Hy. Rice penetration in understanding the dynamics of diffusion of organic farm technology. While it took about 10 years to reach 3 % of total rice acres in India, in the case of China, hybrid rice reached over 30 % to 40% in a similar time frame.

China used RTG model and converted over 70% of all rice to hybrid whereas in India it is still 5% using the CAG model though nearly 20 yrs have passed.

3. Domestic Market



Domestic Market can reach Rs.25,000 crores mark by 2025.

(Overall Indian food and grocery market is the world's sixth largest- projected to grow at the rate of 104 per cent, touching US\$ 482 billion by 2020-IBEF).

Research shows there is high demand for the Organic product, but unfortunately very low awareness. Organic category as a whole needs to be promoted and consumers made to see Organic products in association with their sorely felt requirements for healthy foods. The individual brands operating locally are and will be unable to grow, in absence of promotional budgets, unless they find themselves in an 'Organic-aware nation'. The brands will grow at a steady pace, but the impact would be radically enhanced if the Government invests in promotion.

Need For National Organic Category Promotion Budget

"Make Organic Aware Nation"

This is the task the government should undertake since Organic-awareness will lead to Organic-readiness for business, thereby promoting its own national India Organic brand and also subsidize the other brands thus operating symbiotically. National-level awareness on Organic will also motivate the farmers and give them a sense of pride in growing Organic products. They will feel they are a part of the premium consumer movement in the urban India as against being left out in rural anonymity.

The campaign promoting "India Organic" may be managed by the Industry association- AIOI overseen by GOI. National Brand promotion requires an annual budget. Successful brands spend 12% of projected sales in first year to develop a new category in a five year plan. We are projecting Indian market will reach between Rs. 20,000 to Rs. 25,000 crores, this is a necessary investment that the Nation will benefit from. The entire supply chain from farmer to consumer will continue to reap the benefit from the India Organic Promotion campaign for years to come.

4. Game Changers for India Organic

- 01. Make in India:** Landmark change can be brought about and Organic revolution in India expedited by encouraging Global Organic companies to set up India processing base for which Indian companies and farmers can become suppliers initially, making it a win-win for all. This can increase. Indian Organic farm area manyfolds. The basis for setting up these would be (1) Strong regulation & clear quality environment (2) Providing an international Organic ecosystem via a food park or similar system (3) Giving access to Indian domestic market to incentivize.

02. **India Soil Carbon mandate:** Indian Organic soil content is dismal, the green revolution and cheap fertilizer chemical availability being the prime reasons. Fertilizer companies enjoying subsidy need to be made partners in reviving soil health. Therefore, India needs to adopt India Soil Carbon mandate, like the E2/ E5 and B10 biofuel mandates to the gigantic fertilizer companies, to make available Organic manures/inputs as a percentage of their turnover/ subsidy and convert a given acreage to organic in a year. Fertilizer companies have the logistic infrastructure available to handle the huge quantities of organic matter required and make it available to the farmers.

Organic inputs are scarce and more of a cottage industry in India, making such mandate will enable aggressive and structured availability of inputs. Mandates need to be ramped up every three years (say starting from 0.5%). The same will take a century if left to the cottage industry. Rs.3400 crores annual effort by organized agriculture companies can happen by a stroke of the pen/single policy if 5% of the fertilizer subsidy bill of 68,000 crores is mandated to making organic acres.

03. **Developing Organic Hubs:** Organic hubs of minimum sizes will help integrate the dissipated and dispersed Organic acreages into manageable concentrated pockets. All needed support infrastructure can easily be provided both at farmer as well as output/processing ends, to achieve economies of scale and efficiency needed to compete on global standards. States governments and organic companies can work in these hubs primarily.

Develop a Comprehensive National Organic Strategy and Implementation Plan for each category on the lines of typical business plan of a multinational, adapted to a country, outlining:

- Markets by Product Groups
- Market Targets in each
- Share and Volume Objectives & Profitability Goals
- Strategies to achieve the above
- Processing Infrastructure required
- Value added products and technologies to be developed
- Farm Supply, Acreages and location
- Incentives, training, extension, inputs, support and farm plans

5. Other Elements required for Organic Vision 2025

01. **Promote one certification standard which is simple and credible.** Customers whether in India or abroad expect Organic products to be free of pesticides, harmful chemicals and GMO's, follow high food safety standards are produced in a sustainable manner and are fair to the farmers. Having multiple standards can cause confusion, ultimately affecting the farmers and wasting of valuable financial and human resources.
02. **Skill India:** Training of rural youth in Organic farming under skill India mission. AIOI is willing to take up the responsibility of implementing this.
03. **Financial support to farmers:** Organic farmers receive limited subsidy and support or support. Amount equivalent to fertilizer subsidy should be given to organic farmers to generate on farm organic inputs, purchase bio fertilizers, bio pesticides, certification and other cultivation tools. This could be done through JAM mechanism.
04. **Technology Mission for Organic Agriculture:** The current efforts of research through the wide network of Institutions are weak and ineffective. ICAR should create a separate division headed by

Deputy Director General to develop appropriate technology including varieties, agronomy, plant protection and post harvest technologies. The funds to go into actual research and not R&D infra which is more than required. R&D should be monitored by user bodies.

05. **Organic Food Parks:** Organic requires specialized storage and processing infrastructure so that the produce is not contaminated. Given that the industry is at a nascent stage, having decentralized primary storage & processing parks at district level and a few central Organic Food processing parks will help in achieving the goals. Liberal grants will help in this regard. The Association through its members will be willing to form Special Purpose Vehicles (SPVs) for this. To start with one immediately for North East Region at a central place may be formed.
06. Create Organic Farming zones in various states and the state governments should be encouraged to implement a model policy in terms of providing, extension, infrastructure and financial support to the farmers.
07. **Testing & Monitoring infrastructure:** There is a need to create 2 or 3 labs which can be of international standards on PPP mode and a regular testing and monitoring mechanism for organic produce to maintain the quality levels.
08. **Organic Certification & Promotion Board:** This could comprise of senior officials from various related ministries, representatives of the industry and farmers' associations. The board could be tasked with the mandate to develop and promote organic in the country.

6. Conclusion

The International organic market is quite big and consumer demand is growing for health and wellness foods. The World Organic food market is USD 90 billion today and will grow manyfold to USD 230-280 billion by 2025 thus becoming increasingly mainstream. The packaged food category will reach about USD 70 billion by 2025. The Indian organic sector, driven primarily by exports, is estimated at 415 Million USD which does not comprise even 0.5% of the global business. Though domestic organic market in India is nascent, there is a mature and developed market for packaged products and increasing demand for healthy foods.

The Indian organic sector has developed the ecosystem which can catapult India into a global player provided a concerted effort, wide vision and support of the government provides a common umbrella for the currently small value chains/robust companies to make a bid for these lucrative markets.

India needs to plan aggressively to reach threshold levels for the business to be sustainable. This document provides alternative scenarios that will unfold depending on the pathway the country adopts.

- If there is no radical transformational intervention in the sector, India can at best reach about Rs. 8000 crores in exports and a domestic turnover of Rs. 3000 crores in the domestic market by 2025.
- But should India take the gauntlet and decide to transform itself and become a meaningful player in the organic business, the sector turnover can reach between Rs.50,000 to Rs.75,000 crores including domestic and exports by 2025. Even this target will prove small if the nation decides to target conversion of 2% of the national acreage into organic.

Farmer will be the ultimate beneficiary in the process of setting this vision. Historically, the farm sector has prospered only when the farmers have become an integral part of a market-linked value chain. This vision can ensure that there is someone continuously buying farmer's Organic produce at a premium price, thus driving the economy bottom-up as well as top-down.

Annexure 1

- During the survey the following individual products were listed as having good potential/opportunity areas for exports from India. The focus products mentioned above were shortlisted from these.

Top India Stars	Stars	Emerging /Potential Stars
Nominated by highest number	Next cluster	Other Cluster
1. Tea All types	1. Cotton based products	1. Dust Tea
2. Spices Category	2. Cumin	2. Herbal tea
3. Rice-all/speciality	3. Edible Oil	3. Hill Millets
4. Sugar	4. Oil Seeds	4. Maize
5. Basmati rice	5. Snacks	5. Marine products
6. Soybean & products	6. Honey	6. Oleoresins
7. Pulses-	7. Herbal extracts	7. Organic Flour
8. Medicinal Plants	8. Spices extracts	8. Packaged Products
9. Cereals	9. Beverages & drinks	9. Processed Specialty Products
10. Coffee	10. Cashew	10. Soya meal
11. Fruits fresh and processed	11. Cosmetic/Spa	11. Specialty rice
12. Dry fruits	12. Mango	12. Green Tea
13. Pepper	13. Millets processed	13. Black Tea
14. Turmeric	14. Green tea	14. Clove
15. Chilli	15. Ayurvedic products	15. Darjeeling Tea
16. Condiments	16. Branded Products	16. Desi Cow Ghee
17. Ready to Eat	17. Breakfast cereals	17. Flavoured Tea
18. Ginger	18. Brown Sugar	18. Food Ingredients//Flavours
19. Fresh & Processed vegetables	19. Coriander	19. Nutraceutical products
20. Baby Food	20. Dehydrated Vegetables	20. Tea - Flavoured

Annexure 2

Snapshot of key products

Category:	Rice	Top Ten- 1
Key production states	Uttar Pradesh, Uttarakhand, Jammu & Kashmir, Andhra Pradesh, Haryana	
Key production areas/ clusters	Northern Belt, Andhra Pradesh	
Export statistics (2014-15)	19,965 MT	
Top Destination countries (by volume)	<ol style="list-style-type: none"> 1. EU 2. USA 3. Switzerland 4. Australia 5. Israel 	
Present export categories (as per HS codes)	Basmati Rice: Brown traditional, Organic white Traditional, Brown, white pusa, Brown Pusa etc Non basmati: Brown fast cooking, Broken, parboiled, Tarai, Red rice etc	
Top sub categories (from survey)	Basmati, Sona-masuri	
Responses from Industry	Key Enabler: <ul style="list-style-type: none"> • Largest basmati producer, lot of varieties Hurdles: <ul style="list-style-type: none"> • Competition from countries like Thailand, Pakistan: Thai rice & other aromatic rice. • Consistent supply is a issue which leads to creating a gap in market which other like Thai rice fills in. Things to be done: <ul style="list-style-type: none"> • Strong promotion & building up brands image like Quinoa & Chia seeds: collective branding of basmati and non-basmati rice • Stringent checks before dispatch to keep a check on pesticide residue, in turn, reduces the rejection. 	

Category:	Tea	Top Ten- 2
Key production states	Assam, Kerela, West bengal, Karnataka, Uttarakahnd, Chennai, Meghalaya, Tripura	
Key production areas/ clusters	North-east, southern region,	
Export statistics (2014-15)	5,488 MT	
Top Destination countries (by volume)	<ol style="list-style-type: none"> 1. EU, 2. USA 3. Japan 4. Australia 5. China 	
Present export categories (as per HS codes)	Darjeeling tea, Tea leaves, Black tea, Green tea, CTC tea, Specialty tea-oolong	
Top sub categories (from survey)	Herbal tea, green tea, black tea, Darjeeling tea, flavor tea	
Responses from Industry	Key Enabler: <ul style="list-style-type: none"> • India is largest tea producer with number of varieties like Darjeeling, nilgiri and other premium quality. Hurdles: <ul style="list-style-type: none"> • High cost of production as yield issues and labor intensive. • Tracenet is time consuming and not so user friendly Things to be done: <ul style="list-style-type: none"> • Quality lab for analytical testing of products. • APEDA + Tea board should extensively promote the category by participation into trade fair, Bio Fach etc. 	

Category:	Processed foods & Ingredients	Top Ten- 3
Key production states		
Export statistics (2014-15)	2,3626 MT	
Top Destination countries (by volume)	<ol style="list-style-type: none"> 1. EU 2. USA 3. Canada 4. Switzerland 5. New Zealand 	
Present export categories (as per HS codes)	Flour (Rice, Wheat, Maize, Soybean, Bajra, Bengal gram, Black gram, Buckwheat, White rice), Pulp & Puree (Alphonso, Totapuri, Kesar, Papaya, Rajapari), Soybean (meal, roasted, lecithin), Wheat bran, rice syrup, Extract (Annatto, Guava, Pomogranate), Sauce (Chili, Tomato), Dehydrated Manhgo and Frozen mango, Ginger (Granules & candy), Pea powder, ready to eat rice, flattened rice, roasted chicory, Onion granules	
Top sub categories	RTE, Frozen food, Indian frozen cuisine, snacks	
Responses from Industry	<p>Key Enabler:</p> <ul style="list-style-type: none"> • Growing demand for processed and packaged food category along with convenience factor. • India can provide gluten free ingredients <p>Hurdles:</p> <ul style="list-style-type: none"> • Indian food industry needs to adopt international standards to handle the growing competition. • High input cost for industry such as power requirement for frozen food segment. <p>Things to be done:</p> <ul style="list-style-type: none"> • Need to develop market linkages and common processing facilities 	

Category:	Spices & Condiments	Top Ten- 4
Key production states	Karnataka, Kerela, Madhya pradesh, Maharashtra, Rajasthan, Odisha, Gujarat, Uttarakhand	
Export statistics (2014-15)	2,403 MT	
Top Destination countries (by volume)	<ol style="list-style-type: none"> 1. EU 2. USA 3. Canada 4. Switzerland 5. New Zealand 	
Present export categories (as per HS codes)	Ajwain, Turmeric, Amla Powder, Cumin Powder, Cumin, Ginger TBC, Black Pepper, Fenugreek, Nutmeg, clove etc	
Top sub categories (from survey)	Black Pepper, Turmeric, Chili Powder, Cumin	
Responses from Industry	<p>Key Enabler:</p> <ul style="list-style-type: none"> • India is the origin of spices, blessed with huge species reserves and varieties. <p>Hurdles:</p> <ul style="list-style-type: none"> • Lack of proper infrastructure facilities for proper storage, drying for spices. • Highly competitive market esp from china, Vietnam, Spain, turkey. <p>Things to be done:</p> <ul style="list-style-type: none"> • Marketing effort to promote spices in international market promoting brand such as Malabar, Waynad, Coorg etc. • Improvement in intrinsic and extrinsic quality of the spice Farmer support to cover production/price risk based on Indian standards 	

Category:	Soybean (Oilseed)	Top Ten- 5
Key production states	Maharashtra, Madhya Pradesh, Rajasthan, Uttarakhand, Gujarat	
Key production areas	Central India	
Export statistics (2014-15)	1,46,070 MT	
Top Destination countries (by volume)	<ol style="list-style-type: none"> 1. USA 2. Canada 3. EU 4. Switzerland 5. Malaysia 	
Top sub categories (from survey)	Soybean: white, whole, soyabean, seed	
Top sub categories	Soymeal, soyabean, soy	
Responses from Industry	<p>Key Enabler:</p> <ul style="list-style-type: none"> • There is a huge demand in international market and Indian soya has high protein content. <p>Hurdles:</p> <ul style="list-style-type: none"> • Normally, Low yield when produced organically, high cost of production <p>Things to be done:</p> <ul style="list-style-type: none"> • There is a high premium for the organic soya in the market, need to go for soya based value added products. 	

Category:	Sugar	Top Ten- 6
Key production states	Karnataka, Maharashtra, Uttarakhand, Gujarat	
Export statistics (2014-15)	19,450 MT	
Top Destination countries (by volume)	<ol style="list-style-type: none"> 1. EU 2. USA 3. New Zealand 4. Israel 5. Croatia 	
Present export categories (as per HS codes)	Sugar, Cane Sugar, Palmyra Sugar, Sugar White Cane	
Top sub categories (from survey Q-3)	Sugar	
Responses from Industry	<p>Key Enabler:</p> <ul style="list-style-type: none"> • Well organized sector with huge production base and best available technology as India ranks 2nd in global sugar production. <p>Hurdles:</p> <ul style="list-style-type: none"> • Standards should be set up local market. • There is a supply constraint at times. <p>Things to be done:</p> <ul style="list-style-type: none"> • APEDA should negotiate with EU to re-export product back to EU after import of EU certified products. • Standard should be high to target EU market. 	

Category:	Pulses and Lentils	Top Ten- 7
Key production states	Karnataka, Kerela, Madhya pradesh, Maharashtra, Rajasthan, Odisha, Gujarat, Uttarakhand	
Key production areas	Central India, Western ghats, Garhwal	
Export statistics (2014-15)	2,547 MT	
Top Destination countries (by volume)	<ol style="list-style-type: none"> 1. USA 2. Canada 3. EU 4. Singapore 5. UAE 	
Present export categories (as per HS codes)	Arhar dal, Split pigeon Pea, Toor dal, Black gram, Urad dhuli, Green gram, Red Kidney bean, Chick pea, Lentil, Cow pea red	
Top sub categories (from survey Q-3)	Toor dal, Chick pea, Rajma	
Responses from Industry	<p>Key Enabler:</p> <ul style="list-style-type: none"> • Pulses and lentils is rich in protein content, gluten free and can be a major ingredient for various products. <p>Hurdles:</p> <ul style="list-style-type: none"> • Rising cost of production and unavailability of proper infrastructure for storage and handling. • Awareness level about pulses and lentils is limited to a section of society. <p>Things to be done:</p> <ul style="list-style-type: none"> • Targeting Asian Diaspora in EU and USA ,market. • Dedicated branding, promotion and participation in Expos. 	

Category:	Oilseed & Crops (except soybean)	Top Ten- 8
Key production states	Maharashtra, rajasthan Gujarat, Uttarakhand	
Key production areas	Vidharbha, Saurashtra, Garhwal	
Export statistics (2014-15)	14,489 MT	
Top Destination countries (by volume)	<ol style="list-style-type: none"> 1. EU 2. USA 3. Switzerland 4. Canada 5. Israel 	
Present export categories (as per HS codes)	Flaxseed, linseed, Hulled Sesame, Natural Sesame, Mustard Oil (Crude & Refined), Safflower	
Top sub categories (from survey Q)	Flax seed, Mustard, Safflower, Sunflower, Sesame,	
Responses from Industry	<p>Key Enabler:</p> <ul style="list-style-type: none"> • Availability of key oilseed cash crop and comparatively less competitive market. • India Oilseeds have high content of protein and oil. <p>Hurdles:</p> <ul style="list-style-type: none"> • Market is not very regularized • Post harvest technology as well as handling of product at farm level. <p>Things to be done.</p> <ul style="list-style-type: none"> • Flaxseed, Linseed, Safflower oil need to be branded and promote in EU and US markets 	

Category:	Fruits & Fruit products	Top Ten- 9
Key production states	Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Odisha	
Export statistics (2014-15)	124 MT	
Top Destination countries (by volume)	<ol style="list-style-type: none"> 1. EU 2. USA 3. Australia 	
Present export categories (as per HS codes)	Totapuri Mangoes, Guavas Fresh, Mango Kernel, pomegranate arils	
Top sub categories (from survey Q-3)	Mango, Guava, Papaya	
Responses from Industry	<p>Key Enabler:</p> <ul style="list-style-type: none"> • One of the world's largest fruit producing nations with wide varieties of fruits. • Bestowed with lot of potential to produce varieties of fruits. <p>Hurdles:</p> <ul style="list-style-type: none"> • Farmer is not aware about proper handling of the product as well as there is a poor market linkage due to perishable nature of the product. • Value added products are limited to pulps. <p>Things to be done:</p> <ul style="list-style-type: none"> • Training should be imparted from the farm level about: sorting , grading and basic handling of the products. 	

Category:	Dry Fruits	Top Ten- 10
Key production states	HP (Almond), Maharashtra, Kerela and Karnataka (Cashew nut), Karnataka (Pea nut), J & K (Walnut)	
Export statistics (2014-15)	2,416 MT	
Top Destination countries (by volume)	<ol style="list-style-type: none"> 1. USA 2. EU 3. Canada 4. Japan 5. Australia 	
Present export categories (as per HS codes)	Almond: Shelled , Kernel ; Cashew Kernels: Shell Broken, Shell Whole, W240, W320, LWP, NW, split, whole, Roasted , salted; Walnut: Kernels & Shelled	
Top sub categories (from survey)	Cashew, Almond, raisins, walnut	
Responses from Industry	<p>Key Enabler:</p> <ul style="list-style-type: none"> • Huge base for raw and processed dry fruits. Large number of varieties such as cashew, walnut, almonds etc. <p>Hurdles:</p> <ul style="list-style-type: none"> • Basic infrastructural support is not available to farmers. <p>Things to be done:</p> <ul style="list-style-type: none"> • Focus promotion of dry fruits with high nutritive value. • Incentivize the farmers and should work on reduction of pre & post harvest losses 	



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ingénus Strategy

