

Transforming 8 North Eastern States of India as Hub for Commercial Organic Farming in Value Chain Mode



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Public Sector Driven Promotion of Organic Agriculture in India

Return of Organic Agriculture in India (Milestones in History)

- 40 century organic farmers
- Onslaught of green revolution pushed it to wall
- Returned with demand in western world
- Conversion of Makaibari tea estate near Sikkim in 1986
- Organic cotton accelerated the movement in central India (1995)
- Spices and condiments in South India (1999-2001)
- Civil society organizations created awareness on its long term benefits, food safety and environmental sustainability (1998-2006)
- Practicing organic farmers innovated production technologies (1998-2004)
- **Till 2004 it was mainly export and export-industry driven**
Year 2004 – Area 42,000 ha for Cotton, tea, spices, basmati rice

Public Sector Interventions

Accelerating the movement since 2004

Quality Assurance

- National Programme for Organic Production (NPOP) – Third party certification system (2001)
- Civil society driven PGS (2006), Govt run PGS (2014)

Extension

- National Centre for Organic Farming (2004)
- Financial assistance schemes for conversion (for inputs, conversion expenses, ICS management and Technology transfer) – 2005

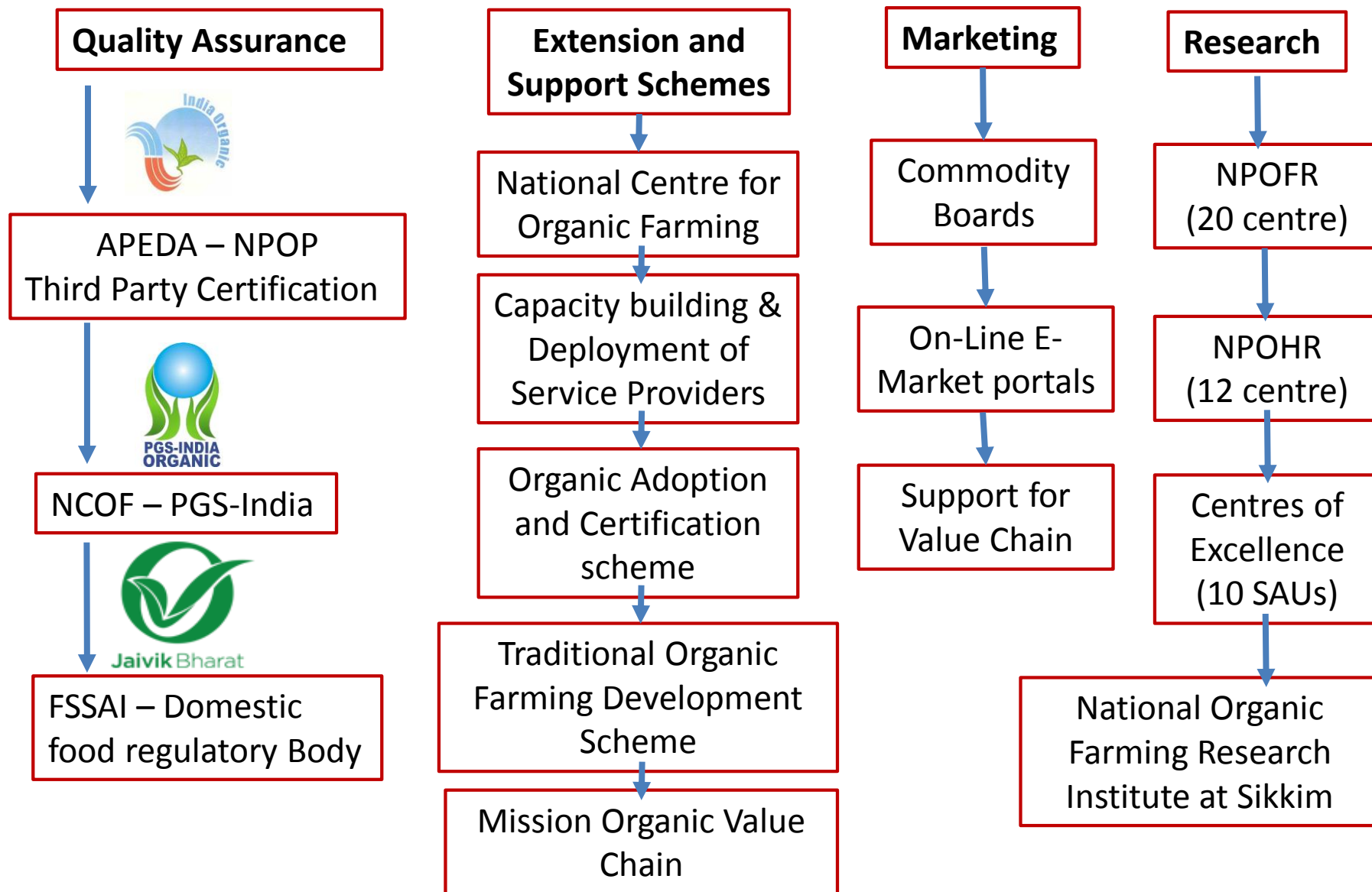
Research

- Network Project on Organic Farming Research (2004)
- Centre of Excellence on Organic Farming in 10 State Agricultural Universities (2006-2010)

Policies

- 13 states defined policies for promotion of organic farming
- Sikkim started its journey towards 100% organic
- North Eastern states identified as focus areas

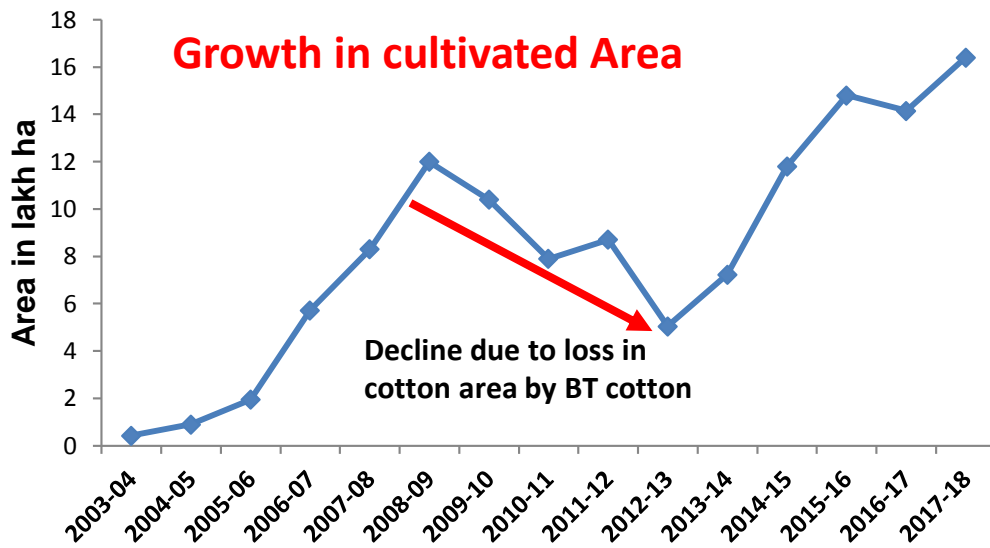
Institution Development



Contribution of Assistance schemes

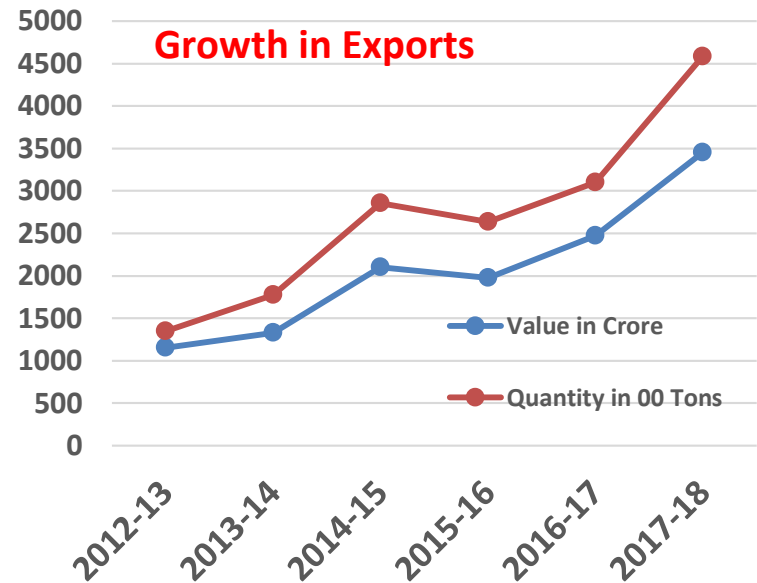
S. No.	Name of scheme	Financial allocation in INR crore	Allocation in US\$ million	Area converted In ha
1.	National Horticulture Mission	940	152	300,000
2.	National Agriculture Development scheme			
	A. For area expansion	1392	224	370,000
	B. For input infrastructure	715	115	-
3.	State Plan Schemes	950	150	150,000 (50% Sikkim)
4.	Traditional Agriculture Development Scheme (PKVY)	785	120	238,000
	Mission Organic Value Chain Development for NE Region			
	Phase 1	341	53	45,918
	Phase 2	350	54	50,000
	Total	5473	868	1,153,918

Growth Story



Market scenario (US\$ million)

Total market size	900
Export share	515 (57.55%)
Domestic retail	225
Farmers markets	150



Status as on April 2018 under NPOP

- Total Area 3.56 million ha
- Area under Cultivation 1.78 million ha
- Area Wild Harvest 1.78 million ha
- Total Organic Production 1.67 million ton
- Total Farmers 1.09 million

Status as on April 2018 under NPOP

- Total Area 0.24 million ha

Share in Global Scenario (in %)

In Cultivated Area	3.07
In Trade	1.0

Lessions learnt

- Farmers willing to adopt, feel pride
- But not willing to compromise productivity
- Economics is the driver (sustainability concerns not prime)
- Production technologies and inputs major constraint
- Thin distribution of clusters over large area – no market access, higher logistics cost
- Absence or low price premium for farmers
- Certification system costly, especially the management of ICS
- Value addition facilities not available
- Farmers are not owners of their enterprise
- Many farmers (approx. 400,000 ha area) returned to conventional – could not found suitable due to economical reasons

Crucial Interventions needed

- a. Access to market and premium prices
- b. Value addition infrastructure
- c. Farmers institutions to deal with market

North Eastern Region as hub for commercial organic farming

Strength

- Six states largely organic by tradition
- Two states have fertilizer consumption below 50kg/ha/year
- Ideal for conversion to organic
- All states defined policies for conversion to organic
- 4 states intended to convert to organic fully
- Sikkim realized the goal of 100% organic
- Home to niche products such as specialty spices, fruits and rice
- High acceptability in national market
- Literacy rate is good, fear of loss in productivity minimum

Limitations

- But geographical isolation increase logistic cost
- Commercial production not a practice
- Agriculture still a way of life and not production enterprise

Federal Government decided to make these 8 states hub for commercial organic production mainly for specialty rice, spices and fruits

**Mission Organic Value Chain
Development for North Eastern
Region (MOVCDNER), India**

Mission Goals

- Institutional system for promotion and development
- Create replicable models of end-to-end value chain
- Empower farmers with institutions in the form of Farmer Producer Companies (FPCs)
- Transform subsistence farming to commercial enterprise
- Improve production systems for quantity and quality
- Create farmer owned, farmer operated value chain from production to marketing with their own state specific brand
- Funds earmarked – 120 million US\$ in 2 Phase (INR 8 billion)

Target

- a. 150 Farmer producer companies**
- b. 80,000-100,000 farmer members**
- c. 100,000 ha area certified**
- d. 150 enterprises with end-to-end value chain**
- e. 16-20 small processing units with all support structure**

Mission Components

Institutional structures

- a. Mission headquarter at Delhi
- b. Organic Missions at each state
- c. Service facilitation agencies

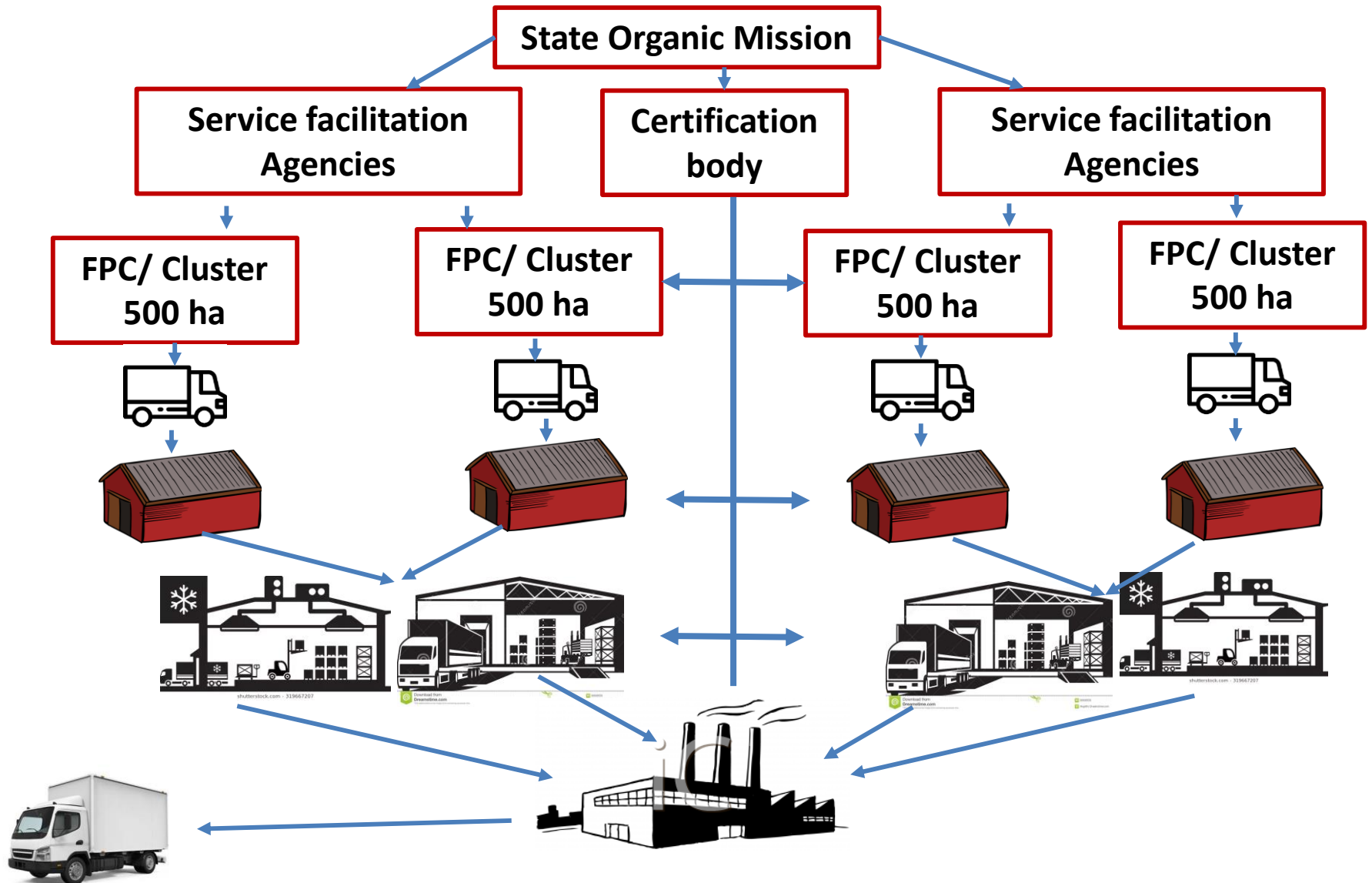
Value Chain components

- i. Value chain farmer institutions (FPCs)
- ii. Value chain production
- iii. Value chain processing
- iv. Value chain marketing

Financial Assistance Pattern from Mission

a. FPC creation	100%
b. Capacity building, ICS & Certification	100%
c. Production activities (seed & inputs)	50%
d. Collection centre, warehouses, Cold room	75%
e. Transport vehicle	50%
f. Integrated processing unit	75% to FPC 50% to Private

Typical Value Chain Model



Value Chain Production

- Commodity centric concentrated clusters and transformation of clusters into Farmer Producer Companies.
- Replacement of seed and planting material for quality improvement
- Creation of on-farm input production infrastructure and support for inputs
- Service Providers for capacity building, training and certification facilitation



Value Chain Processing for setting up of

- Collection and aggregation centers
- Small transportation vehicles for collection and aggregation
- Warehouse, pack houses and packaging centers
- Cold chain components such as cold store, pre-cooling, ripening chambers, refrigerated vans and walk-in cold chambers, wherever needed
- Integrated processing unit



Collection and Aggregation

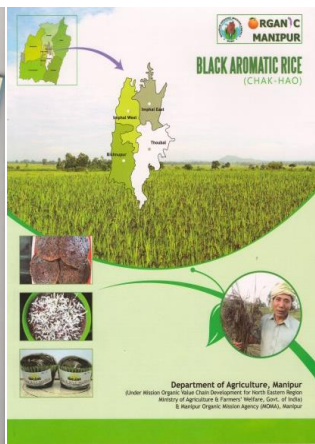


Turmeric Processing by FPC workers



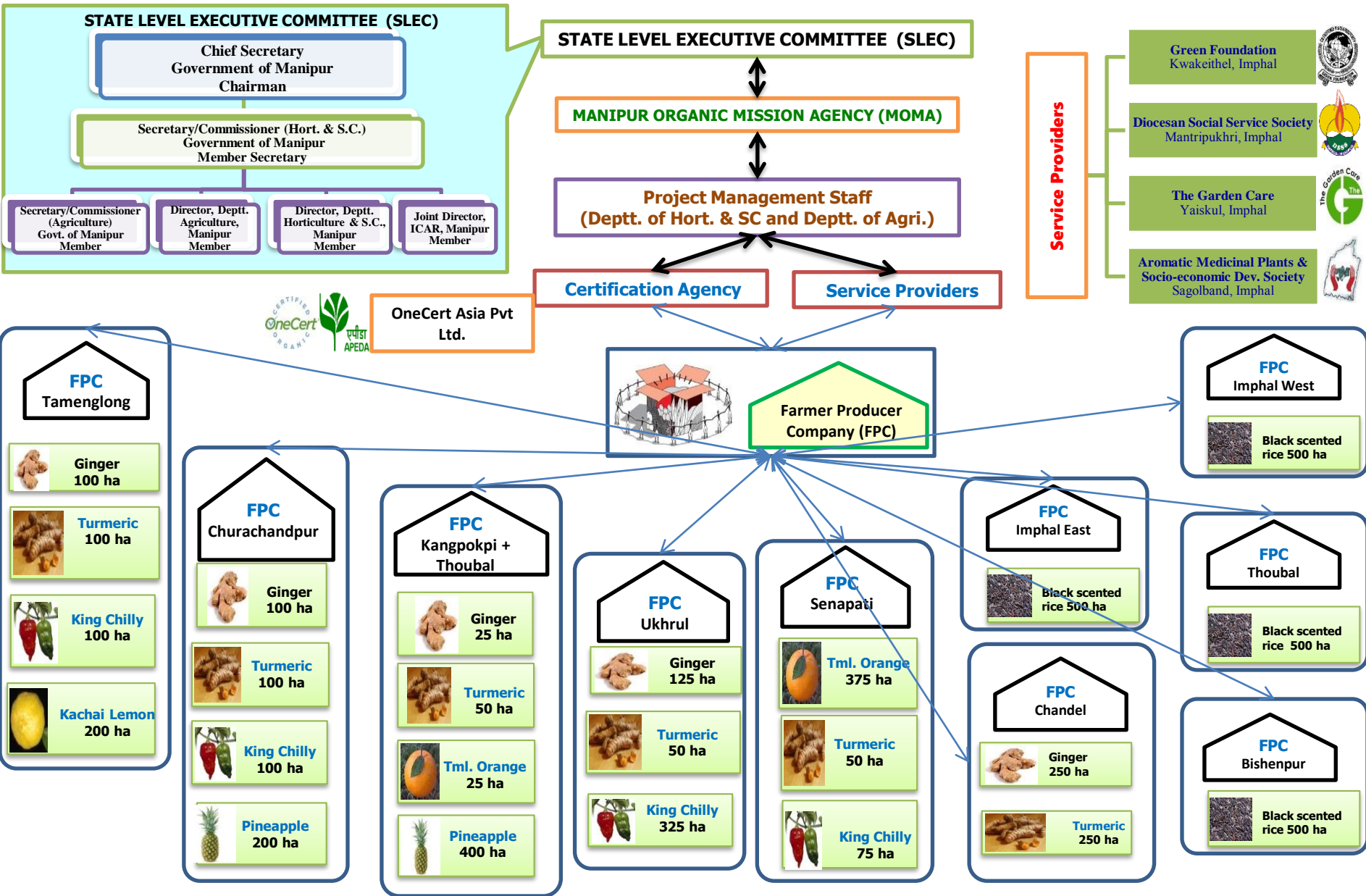
Value Chain Marketing

- Branding, labeling, packaging, publicity and certification of processing and handling facilities
- Participation in seminars, conferences/ workshop, national and international trade fairs, auction meetings and organic food festivals
- Consumer awareness and information dissemination
- Temporary hiring of space in premium markets for promotion of brand NE Organic Food.



Mission Organic Value Chain Development in Manipur

Model Implementation Structure



Airlifting of Pineapple and e-Auction of Black Aromatic Rice under MOVCDNER in Manipur



Opening of Angel Organic Outlet in Mizoram



Mobile Organic Vegetable markets at Aizwal, Mizoram



Glimpses from Nagaland



Collection & Aggregation centre

Loading from Aggregation

Washing of Ginger



Organic Outlets in Nagaland

Producers as entrepreneurs

- Farmers are being converged under FPCs
- Management trained at entrepreneurship development institutes
- Exposed to functioning of FPCs in other states
- Exposed to trade fairs
- Buyer-seller meets are arranged
- FPC offices started running and entire staff is from members and their families
- All processing facilities are being set up under FPC ownership
- FPC started marketing within their states and opened many outlets
- Transfer of responsibilities for ICS management is being done
- FPCs are confident of running their enterprise after closure of Govt run programme
- Plans are there to expose heads of FPCs to international trade fairs and other programme

Aiming High


(Achievements so far)

- 100 FPCs formed
- 50,000 ha area under In-conversion II stage
- Commercial crops are: Ginger, Turmeric, King Chilli, Red and Black Rice, Pineapple, Oranges, Lemon, Kiwi, Cashew nut
- Production levels and quality improved
- Collection and aggregation facilities setup at all FPCs
- Transportation vehicles have been given
- Local marketing started
- Branding, packaging and value addition activities identified
- DPRs for pack houses, cold stores, ware houses under way
- Assessments are being done for setting up of processing facilities

Biofach India 2018

- 25-27th October 2018 at Pragati Maidan, New Delhi
- APEDA and NurembergMesse are jointly organizing
- Include exhibition, trade fair and international conference
- Series of Buyer-seller Meets
- 50 buyers invited from major importing countries
- Opportunity to meet entire organic food industry with major importing country buyers
- Launching of e-Organic Market for certified organic producers

All are Invited




BIOFACH INDIA
into organic
Pragati Maidan, New Delhi, India
October 25 – 27, 2018
www.biofach-india.com

International patron: **IFOAM ORGANICS INTERNATIONAL** Co-located with: **NATURAL EXPO INDIA** Organizers: **NÜRNBERG MESSE** Trade connect partner: **APEDA** **AIOI**

Biofach India 2018

- Buyers will be treated as APEDA guests
- Four days local hospitality free to buyers
- Sponsorships are available for digital media reporters
- Witness innovations by organic farmers and farmers organic markets
- Glimpse of the seed savers community
- Technical sessions on market potential, regulations, biodynamics, farmers innovations and Import/ Export opportunities

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Thank You

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