

Study on Ecological and Organic Markets for Smallholders farmers

STUDY REPORT



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TABLE OF CONTENTS

1. Introduction	5
2. Ecological Farming: Concept and Practice	5
3. The Macro Scenario: Policies, Institutions and Processes	7
4. Scope of the Study.....	11
5. Study Methodology and Tools	11
6. Survey Findings From Field	12
7. Findings from FGD and Secondary Data:	19
8. Profiling of Cases	23
9. Potential Ways Forward	27
10. High Level Policy recommendations.....	29
ANNEXURE 1: Sustainability Aims	31
ANNEXURE 2: Principles of Organic Agriculture	32
ANNEXURE 4: Inspection, Certification and Accreditation	34
ANNEXURE 5: Market Channels	35
ANNEXURE 6 : Questionnaires.....	36

EXECUTIVE SUMMARY

- **Study Purpose and Context:** This study investigates the challenges and opportunities for smallholder farmers in the ecological and organic markets across six Indian states, including Jharkhand, West Bengal, Odisha, Uttarakhand, Rajasthan, and Madhya Pradesh. With over 65% of India's population living in rural areas, and a significant number of farmers owning less than two hectares, smallholders face limited profitability and market access. The study, commissioned by the Center for World Solidarity under the "Boomi Ka" project, aims to evaluate market dynamics, infrastructure needs, and potential strategies to support smallholder farmers in the ecological /organic farming.
- **Methodology:** A mixed-method approach was used, incorporating quantitative surveys, focus group discussions (FGDs), and secondary data analysis. Surveys targeted 112 smallholder farmers and key stakeholders to capture demographic, agricultural, and market data. FGDs provided qualitative insights into farmers' experiences with ecological farming and market access. Secondary data on policies, organic market trends, and certification processes were reviewed to support findings.
- **Key Findings:**
 - **Farming Practices:** The study indicates a strong inclination towards organic or ecological farming practices, with 91.1% of respondents engaging in such methods, either fully or partially, with the highest adoption rates in Uttarakhand. Integrated Organic Farming is the predominant method, although challenges like high costs and labor intensity were frequently noted.
 - **Market Access and Sales Channels:** Most farmers rely on local traders for sales, with limited access to formal markets and support infrastructure such as cold storage. Farmer Producer Organizations (FPOs) are emerging as a valuable sales channel, particularly in states like Jharkhand and Uttarakhand.
 - **Certification Challenges:** Only 22.3% of respondents have organic certification, primarily due to high certification costs, lack of awareness, and logistical challenges.
 - **Consumer and Institutional Demand:** Demand for organic products is growing, especially among urban consumers and export markets. However, domestic demand remains limited, and farmers face challenges with authenticity and certification when selling to institutional buyers.

Challenges Identified:

- **Supply Chain Constraints:** Infrastructure limitations, long supply chains, and monopolistic practices in APMC-regulated markets hinder smallholders from accessing profitable markets.
- **High Input Costs and Certification:** Certification costs are prohibitive for many smallholders, and organic practices are perceived as labor-intensive and costly.

- **Limited Awareness and Demand:** Although demand for organic products is increasing globally, awareness in domestic markets remains low, with consumer knowledge and affordability being significant factors.

Recommendations:

- **Strengthen Farmer Producer Organizations (FPOs):** Support FPOs to aggregate produce, establish collective brands, and improve smallholder bargaining power.
- **Improve Supply Chain and Market Access:** Develop rural cold storage, decentralized processing units, and e-commerce platforms to connect farmers directly with consumers.
- **Expand Certification Accessibility:** Simplify certification processes and provide financial assistance to make organic certification affordable and accessible to more farmers.
- **Promote Direct-to-Consumer Sales Channels:** Increase farmers' revenue share by developing direct consumer sales channels like farmers' markets and community-supported agriculture (CSA) models.

Conclusion:

- The study underscores the need for targeted infrastructure, policy support, and market access to empower smallholders in the organic market. Strengthening FPOs, enhancing supply chain efficiencies, and providing accessible certification are critical to unlocking the potential of organic farming for rural livelihoods

1. INTRODUCTION

With 65.53% of the population living in rural areas, and 89.4% of agricultural households owning less than two hectares of land, the economic and social viability of farming is a growing concern. Despite engaging 44% of the workforce, agriculture's contribution to the GDP stands at just 13%, revealing the sector's productivity and income disparity challenges. Of late, the various issues pertaining to smallholder farmers has been widely in discussion as they have been getting marginalized by a variety of causes. This is to such an extent that 40% of farmers want to leave agriculture if some alternative is available (SAS). The reasons are mainly low income, growing inequity, poor safety nets, limited employment opportunities.

On contrary, The Agriculture in India Market size is estimated at USD 372.94 billion in 2024, and is expected to reach USD 473.72 billion by 2029, growing at a CAGR of 4.90% during the forecast period (2024-2029). The agriculture market in India is a critical industry, contributing significantly to the nation's GDP and employment.

In the recent time, the organic food and product market has been experiencing rapid growth worldwide, driven by increased consumer awareness of health, environmental sustainability, and ethical sourcing. The COVID-19 pandemic, in general, has made people realise the importance of good health, wellness, and nutrition. Organic food contains an absence of pesticides and is widely acknowledged for its nutritional benefits, lack of carcinogenic substances, and boosting immunity.

India's organic food market has witnessed exponential growth after the pandemic. According to the 2022 survey conducted in 187 countries practising organic agriculture by the international resource data from the Research Institute of Organic Agriculture (FiBL) and International Federation of Organic Agriculture Movements (IFOAM), organic food in India is cultivated in 2.6 Mn hectares, fifth largest in the world. The report further revealed that the share of land used for organic farming in total agriculture land is 1.5%, and in the last ten years, India increased its organic agriculture land under cultivation by 145.1%.The Economic Survey 2022-2023 mentions that India has 4.43 Mn organic farmers, the highest in the world.

In the above backdrop, a study has been commissioned under "Boomi Ka" project of Centre of World Solidarity to understand marketing aspects of smallholders in ecological context. The following chapters illustrate the methodology, scope and the details of the study.

2. ECOLOGICAL FARMING: CONCEPT AND PRACTICE

2.1 Concept of Ecological Farming

As detailed out in the meanings of key terms, ecological farming is the farming system in which usage of external particularly chemical inputs is minimal; financial investment is moderate (as against high investment, high income model); optimizing the yield rather than maximizing.

The replacement of external inputs by farm-derived resources normally leads to a reduction in variable input costs under organic management. Expenditure on fertilizers and sprays is substantially lower than in conventional systems in almost all the cases.

Studies have shown that the common organic agricultural combination of lower input costs and favourable price premiums can offset reduced yields and make organic farms equally or often more profitable than conventional farms.

2.2. Practice of Ecological Farming

The field scenario shows that there is no clear demarcation have been understood by the farmers on ecological, Natural and Organic farming in a defined and certified way. The survey reveals that **Integrated Organic Farming** is the predominant practice among respondents utilized by **75.9%** overall in 7 states.

Farmers are using mostly the organic matter like cow dung, compost, crop residues, and green manures and Bio stimulants made from animal dung and urine, and uncontaminated soil. Seeds are mostly Hybrid. Very limited use of Bio manure from market has been found and preferred by the farmers.

The common crops cultivated under the project area considering ecological/organic farming methods are

- Cereals: Paddy, Jowar, Bajra, Maize, Ragi, Millet, Barley
- Pulses: Pigeonpea, chickpea, blackgram
- Oilseeds: Soyabean, mustard, sesame
- Spices: Chillies, Jeera, Haldi
- Vegetables: Potato, Chilli

2.3 Meanings of the key terms

An effort, which indeed is very important step, is made to strike at the common meaning of key terms used in the assignment. Even if definitions are set for these terms in different forms, in different contexts and by different agencies, the attempt here is to elaborate their meaning in the study context i.e. production and marketing by smallholders in ecological and organic farming. And thus, this is the benchmark set for the study.

Following are the key terms in the study for which the meanings are elaborated.

A. Smallholder Farmer:

Small-holder farmers - defined as those marginal and sub-marginal farm households that own or/and cultivate less than 2.0 hectare of land - constitute about 78 per cent of the country's farmers. The common features of smallholder farmers across the regions of the state are that:

- They have low level of assets and the quality of the assets is also poor
- Low levels of investment
- Low to optimal returns
- High vulnerability to shocks

B. Ecological Farming:

Ecological farming is the farming system in which usage of external particularly chemical inputs is minimal; financial investment is moderate (as against high

investment, high income model); optimizing the yield rather than maximizing. In this farming, most of the production and consumption are localized and internalized for the contexts of ecological and techno-economic. Ecological farming is based much on the principles of sustainability.

C. Organic Farming:

Organic farming avoids synthetic inputs like chemical pesticides, fertilizers, and GMOs. It prioritizes maintaining soil fertility, protecting biodiversity, and producing healthy food.

Different practices under ecological farming include organic cultivation, integrated pest management, non-pesticide management, integrated nutrient management, seed banks, production of manures with locally available resources etc.

D. Sustainability:

Sustainability refers to continual meeting of the purpose (of livelihood enhancement) of the smallholders/ their institutions. The type and level of the purpose may vary with times and changing needs in long term.

In the process, this entails non-degradation of the natural resources to maintain the required level and status to sustain the livelihood. This also necessitates the sustenance in institutions and processes which support in meeting the livelihoods outcomes of not only smallholders but also the broad community as a whole; not only in short term but also for future generations.

Thus, sustainable production calls for no negative externalities particularly on the poor and optimal use of natural resources.

E. Marketing:

It is a process whereby smallholders offer their produce for particular market functionaries (who may vary but local trader/ money lender/ commission agent in most of the cases) to get the return to meet their profit expectations. The ultimate reach of the produce is to the final consumers where their consumption needs are met.

In the context, market serves an important institution, the access to and control over of which, influences the livelihood outcomes of smallholders. It spread from the point of local sale to international market. Even if all stages of the value chain i.e. from inputs, production are tied with the marketing process, for specificity, the stages after harvest i.e. processing, value addition, first sale to final sale and price realization can be considered.

3. THE MACRO SCENARIO: POLICIES, INSTITUTIONS AND PROCESSES

Marketing of produce, or agricultural marketing, is the process of supplying farm products to consumers with communicating the value of a product or service. Marketing of smallholder's produce is influenced by a variety of macro factors. They extend from village to international and they keep on influencing the livelihoods of smallholders in a continuous way by both micro and macro level factors. The main policies, institutions and processes that influence are described in the chapter.

3.1 Major Policies

A. APMC Act:

All the Study states have APMC and Agriculture marketing is regulated by state. APMCs regulate the sale of agricultural produce through licensing, collect market fees from such sale, and provide infrastructure within their markets to facilitate marketing of such produce. The Government of India created a model APMC Act in 2003 to reform agricultural markets. As an institutional innovation to protect the interest of the farmer against low prices, loss of produce and high marketing costs. However, over the years, the market regulation, the Essential Commodities Act and various other regulations passed by the state and central government curtailed the development of a free and competitive marketing system. Eventually, the institutional mechanism created to protect the interest of the farmers regressed into an exploitative regime. APMC gradually lost its democratic nature, licensing mandates for trading encouraged rent seeking behaviour and unfair competition stifling entry of new entrepreneurs. **The key issues with regulated markets were the (i) licensing bottlenecks, (ii) exorbitant market charges, (iii) poor state of market infrastructure, and (iv) long supply chain and low remuneration to farmers. The other concerns relate to lack of transparency, domination by political parties in APMC and asymmetry in market information (Gol 2013).** Owing to long supply chains and large number of intermediaries in the chain, the producers share in consumer's price is very low. It is estimated to be in the range of 32% to 68% in the case of perishables like fruits and vegetables, while in paddy, it is in the range of 56% to 89%, and for wheat, it ranges from 77% to 88% (Gol 2013). Selective provisions under the model APMC Act were adopted by a few states, however, the pace of reforms was slow. Several states have deregulated fruits and vegetables from the purview of APMC.

B. The Essential Commodities (Amendment) Act

The Essential Commodities (Amendment) Act, 2020 was passed by the Indian Parliament to amend the Essential Commodities Act, 1955. The Act empowers the central government to control the production, supply, distribution, trade, and commerce in certain commodities. The Ordinance seeks to increase competition in the agriculture sector and enhance farmers' income. It aims to liberalise the regulatory system while protecting the interests of consumers.

C. Regulation of food items:

The Act empowers the central government to designate certain commodities (such as food items, fertilizers, and petroleum products) as essential commodities. The central government may regulate or prohibit the production, supply, distribution, trade, and commerce of such essential commodities. The Ordinance provides that the central government may regulate the supply of certain food items including cereals, pulses, potato, onions, edible oilseeds, and oils, only under extraordinary circumstances. These include: (i) war, (ii) famine, (iii) extraordinary price rise and (iv) natural calamity.

D. Imposition of stock limit:

The Act empowers the central government to regulate the stock of an essential commodity that a person can hold. The Ordinance requires that imposition of any stock limit on certain specified items must be based on price rise. A stock limit may

be imposed only if there is: (i) 100% increase in retail price of horticultural produce; and (ii) 50% increase in the retail price of non-perishable agricultural food items. The increase will be calculated over the price prevailing immediately preceding twelve months, or the average retail price of the last five years, whichever is lower.

E. National Agriculture Market (e-NAM)

This scheme was launched in 2017 to create a unified web-based portal for inter-state and inter-market trading of agricultural produce. It aims to increase transparency and competition to help farmers get better prices for their produce.

F. National Programme for Organic Production (NPOP)

(NPOP) launched during 2001 laid the foundation for systematic development of organic agriculture sector in the country. NPOP, which provides for an institutional framework for accreditation and certification of various facets of organic agriculture processes has earned international recognition and enjoys recognition agreements with European Union, Switzerland and USDA -NOP. NPOP is being managed and operated by the APEDA under Ministry of Commerce and Industry, Government of India.

Realizing the benefits of organic food, consumers are also demanding organically grown food and fibre and are willing to pay premium prices. But to tap the market, to win the trust of consumers and to prevent consumers from fraud and cheating there is an inevitable need for effective regulatory systems backed by credible certification system, ensuring that the entire production and processing process has been done in compliance of the National Standards for Organic Production (NSOP).

3.2 Major Processes

A. Regulatory and Certification systems

With the growing demand for organic food in national and international markets, it became necessary to ensure that the agricultural products labeled as “organic” comply the basic standards of organic production and entire production process is verified by independent certification agencies. The National Programme for Organic Production (NPOP) launched during 2001 was the first such quality assurance initiative by the Government of India under Ministry of Commerce and Industry. The NPOP not only provided the institutional framework for accreditation of certification agencies and operationalization of certification programme through its accredited certification bodies but also ensures that the system effectively works and is monitored on regular basis. During 2004 the NPOP was brought under the ambit of Foreign Trade Development and Regulation (FTDR) Act wherein it was mandated that no organic products can be exported unless they are certified under NPOP.

To make the certification system affordable and accessible without the need for third party certification agencies a farmer group centric certification system was also launched by the Ministry of Agriculture and Farmers Welfare under PGS-India programme for local and domestic market. Both the programmes (NPOP and PGS-India) are independent of each other and products certified under one system cannot be processed or labelled under another system. While NPOP certified products can be traded in export and in domestic market including imports, PGS-India certified products can be traded only in domestic market.

B. Mandatory Requirements

No person shall manufacture, pack, sell, offer for sale, market or otherwise distribute or import any organic food unless they comply with the requirements laid down under these regulations.

C. Applicability of the systems

The organic food offered or promoted for sale shall also comply with all the applicable provisions of one of the following systems, namely:—

- i. National Programme for Organic Production (NPOP);
- ii. Participatory Guarantee System for India (PGS-India).
- iii. Any other system or standards as may be notified by the Food Authority from time to time.

The Organic food which is marketed through direct sales by the small original producer or producer organisation, as determined by the Food Authority from time to time, to the end consumer shall be exempted from the provisions of the systems referred above.

D. Labelling

Labelling on the package of organic food shall convey full and accurate information on the organic status of the product. Such product may carry a certification or quality assurance mark of one of the systems mentioned at (B) above in addition to the Food Safety and Standard Authority of India's organic logo.

All organic foods shall comply with the packaging and labelling requirements specified under the Food Safety and Standards (Packaging and Labelling) Regulations, 2011 in addition to the labelling requirements under one of the applicable systems mentioned at (b) above.

E. Traceability

Traceability shall be established up to the producer level as applicable under the systems mentioned at (b) above and it shall include any other requirements prescribed by the Food Authority to maintain the organic integrity of the food product.

F. Requirement to comply with the provision of the other regulations made under the Act

Without prejudice to the provisions of these regulations, all organic food shall comply with the relevant provisions, as applicable, under the Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011. The organic food shall also comply with relevant provisions, as applicable under the Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011 except for residues of insecticides for which the maximum limits shall be 5% of the maximum limits prescribed or Level of Quantification (LoQ) whichever is higher.

G. Display

The seller of organic food either exclusively or as part of his retail merchandise shall display such food in a manner distinguishable from the display of non-organic food.

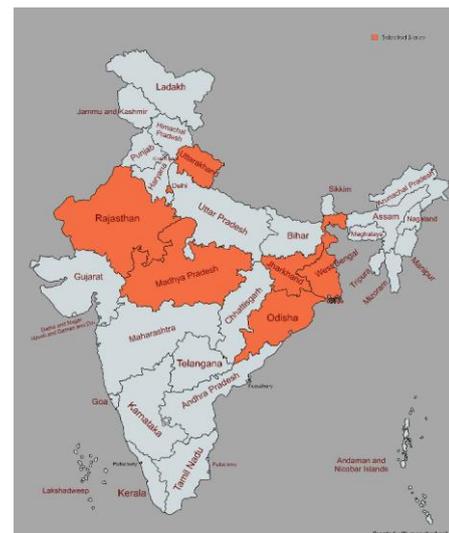
4. SCOPE OF THE STUDY

The scope of the study is to look into marketing aspects of smallholder farmers in ecological context in 6 states- Jharkhand, West Bengal, Odisha, Uttarakhand, Rajasthan and Madhya Pradesh . The study aim to analyse markets of ecological products produce by the smallholders' farmers. The study has been targeted to get insights and actional activities to improve small holders' farmers market challenges and opportunities in context of ecological farming. The study conducted with three major objectives:

- Analyse current market trends, opportunities, and challenges for ecological/organic smallholder farmers and FPOs to access markets.
- Assess the infrastructure and logistics requirements for smallholder farmers to access these markets.
- Recommend strategies to enhance market access and ensure fair pricing for smallholder farmers.

5. STUDY METHODOLOGY AND TOOLS

The study methodology includes both primary and secondary research to comprehend the meanings of the key terms, capture the relevant information and understand the complexities in marketing. The primary study include a questionnaire based interactive discussion with different stakeholders mainly farmers, FPOs/Aggregators, Suppliers, Institutional buyers, Exporters, Policy Makers. Consumer survey has also been conducted to get critical insights on behavior, preference and purchase motivations. The study has covered 6 states- Jharkhand, West Bengal, Odisha, Uttarakhand, Rajasthan and Madhya Pradesh in order to provide an overview of the conditions .The sample selection was made based on the access to market, kinds of crops grown and practice of ecological farming.



The survey was conducted across 6 regions: JH (Jharkhand), MP (Madhya Pradesh), OD (Odisha), RJ (Rajasthan), UK (Uttarakhand), and WB (West Bengal). The regions have varying numbers of districts, ranging from 1 district in OD (Odisha) and UK (Uttarakhand) to 4 districts in MP (Madhya Pradesh). The number of blocks ranges from 2 to 5, with MP having the most (5 blocks) and OD and UK having the fewest (2 each).

Total responses collected from all regions amount to 112. RJ (Rajasthan) provided the most responses (29, or 25.9% of the total), while UK (Uttarakhand) had the fewest (8 responses, or 7.1%). WB (West Bengal) and JH (Jharkhand) also contributed significantly with 22.3% and 21.4% of the responses, respectively. Other states like UK (Uttarakhand), MP (Madhya Pradesh), and OD (Odisha) have much lower shares of the total responses (UK having the least at 7.1%).

Survey Geography							
State	JH	MP	OD	RJ	UK	WB	Total
No. of Districts	2	4	1	3	1	2	13
No. of Blocks	3	5	2	4	2	3	19
No. of GPs	8	9	8	13	7	10	55
Total Responses	24	13	13	29	8	25	112
% of Responses	21.4%	11.6%	11.6%	25.9%	7.1%	22.3%	100.0%

Along with the smallholder farmers, 7 FPO Functionaries, 7 processors, 7 aggregators, 7 commission agents, 7 traders and 2 exporters (if available) have been selected for this study. The processors, aggregators, commission agents, traders and exporters have been selected for this study through the snowball sampling method. During the interview with smallholder farmers we gathered the information of other stakeholders.

Semi-Structured Interviews and Focus Group Meetings			
Guided Conversation in which topics are pre-determined and during which new questions and insights arise as a result of	Proper Interview Process	One to One Conversation and Group	Meeting with Groups will be more instructive and
Questionnaire			
Quantitative data will provide a more objective assessment and will facilitate large scale pattern, trends and relationships	Questions on What Value Chain actors are doing, Why they are doing and how they formulate their decisions		
Participatory Rural Appraisal Observation			
Fundamental to much qualitative research	Will leads the inquirer to a greater understanding of the characteristics of the situation being researched.		

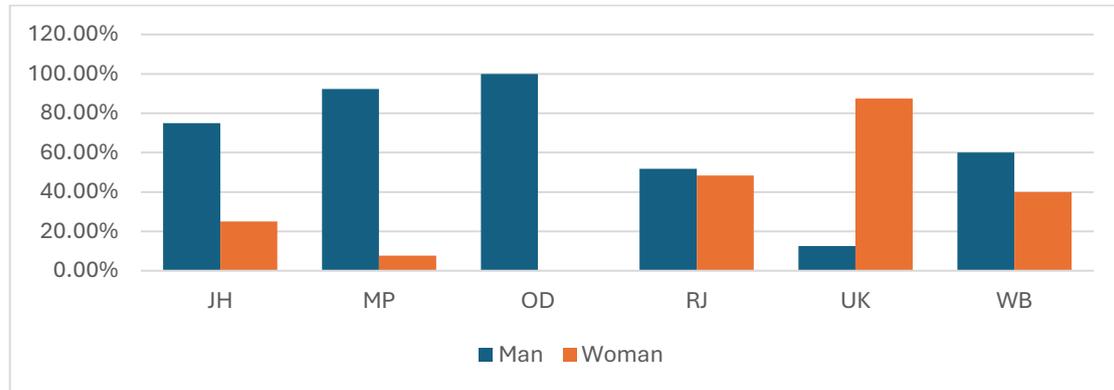
6. SURVEY FINDINGS FROM FIELD

6.1 Farmers Survey

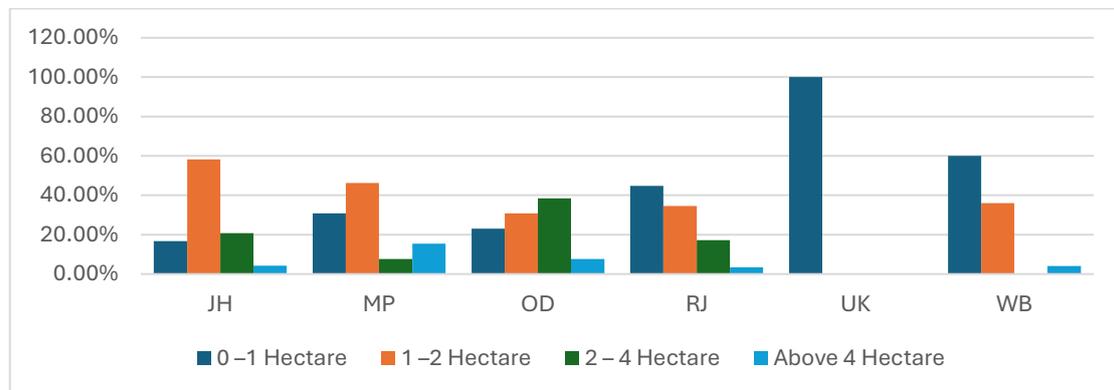
The farmer's survey was conducted across **6 regions**: JH (Jharkhand), MP (Madhya Pradesh), OD (Odisha), RJ (Rajasthan), UK (Uttarakhand), and WB (West Bengal). Total 122 farmers covered from 13 districts, 19 blocks and 55 GPs. RJ (Rajasthan) provided the most responses (29, or 25.9% of the total), while UK (Uttarakhand) had the fewest (8 responses, or 7.1%). WB (West Bengal) and JH (Jharkhand) also contributed significantly with 22.3% and 21.4% of the responses, respectively. The survey covers various aspects of agricultural practices, demographics, land ownership, market engagement, and challenges faced by farmers.

Key findings include:

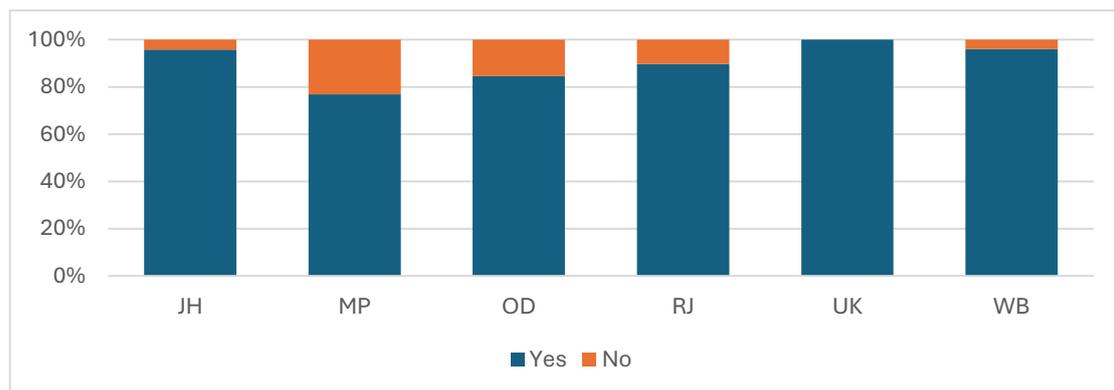
1. **Demographics:** Most respondents are aged 36-50, with a predominance of married individuals. Males dominate responses in most regions, except in Uttarakhand, where female participation is highest. This data highlights the predominance of ST respondents in certain regions, particularly JH and MP. A notable percentage of respondents are illiterate (13.4% overall), with the highest rates in Odisha (30.8%) and Rajasthan (20.7%).



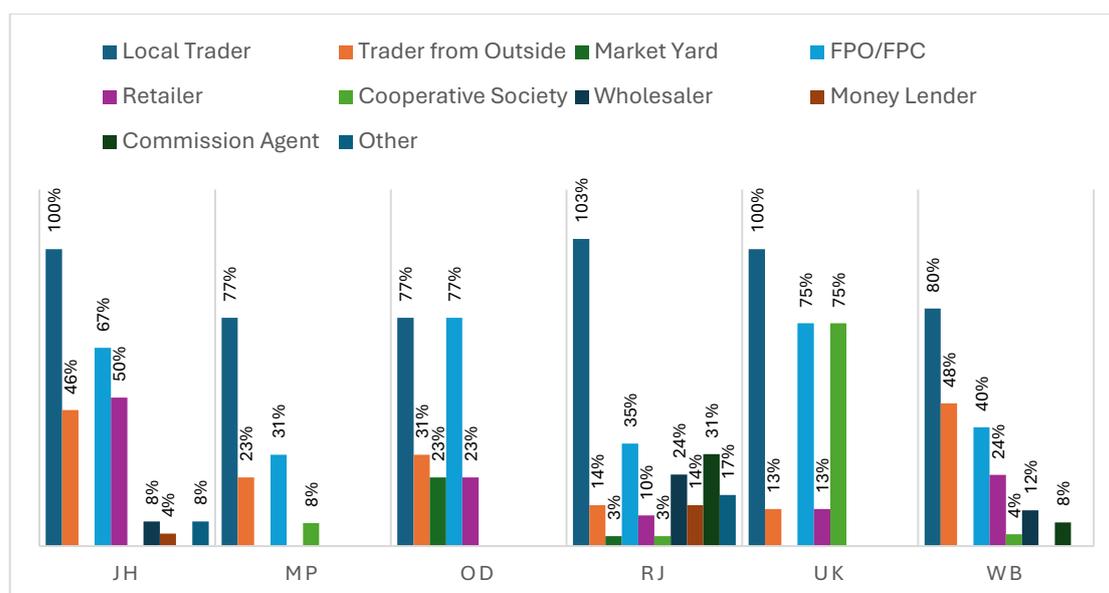
2. **Land Ownership:** Most farmers (76.4%) own less than 2 hectares, indicating small-scale agriculture. Overall, **42%** of respondents own **0-1 hectare** of land, reflecting a trend of small-scale farming and limited agricultural capacity. The survey data on irrigated landholding indicates that a majority of respondents across all regions have limited access to irrigation



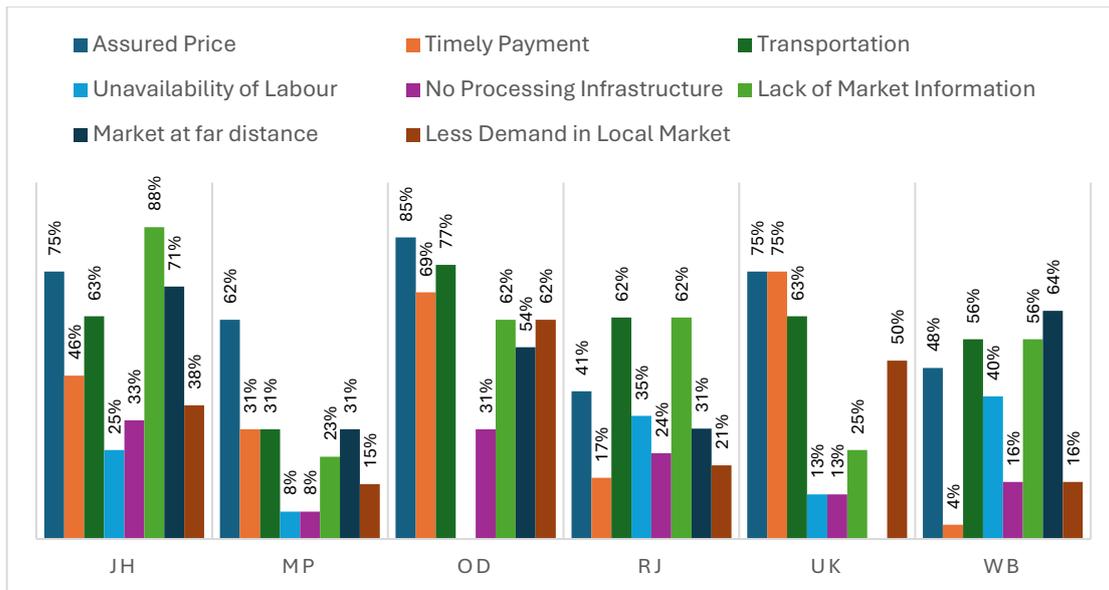
3. **Organic Farming:** A significant majority practice organic or ecological farming, especially in Uttarakhand. However, awareness and certification levels for organic products remain low.



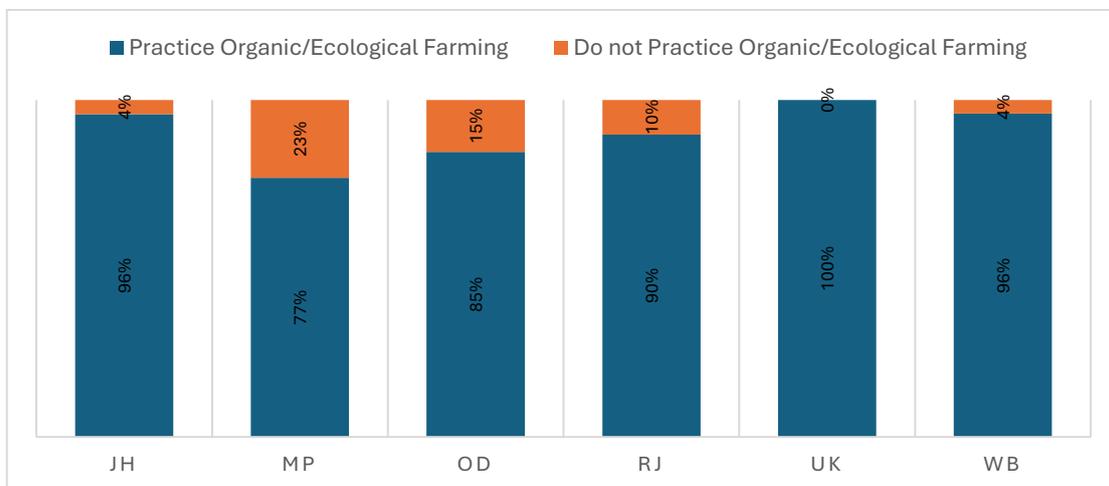
4. **Market Access and Support:** Farmers largely sell to local traders (86.6% of respondents indicating this as their primary sales channel), with limited access to formal support systems like minimum support price (MSP) and storage services. High transportation costs and lack of timely market information are notable issues. While some respondents engage with market yards, cooperatives, and wholesalers, these channels remain underutilized, indicating a heavy dependence on local trading networks for selling produce. FPOs are emerging as significant buyers (49.1% overall), particularly in JH (66.7%) and UK (75%).



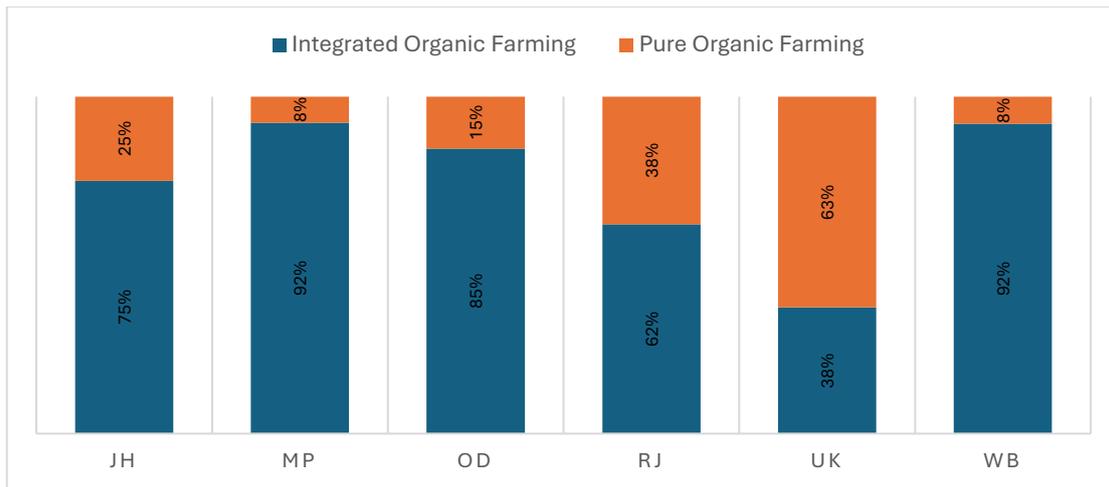
5. **Challenges:** The survey highlights several major challenges faced by farmers in marketing their produce. The most significant issue is the **lack of market information**, reported by 58.9% of respondents, with **Jharkhand (87.5%)** indicating the highest concern. Additionally, **assured price** issues affect 59.8% of farmers, particularly in **Odisha (84.6%)**. **Transportation** challenges are prominent for 58.9% of respondents, with notable concerns in **MP (30.8%)** and **Rajasthan (62.1%)**. **Timely payment** is another critical issue, affecting 32.1% of respondents, especially in **Uttarakhand (75%)**. Other challenges include **unavailability of labor (25.0%)** and **lack of processing infrastructure (22.3%)**. Furthermore, **market distance** is a problem for 47.3%, particularly in **Jharkhand (70.8%)**. Overall, these findings underscore the multifaceted obstacles farmers face, particularly concerning market access, pricing stability, and infrastructure support. Key issues include pricing stability, limited irrigation, and insufficient labor and infrastructure, highlighting the need for improved access to reliable market data and communication channels.



6. *Organic and Ecological farming:* The survey indicates a strong inclination towards organic or ecological farming practices, with 91.1% of respondents engaging in such methods, either fully or partially. Uttarakhand (UK) reports the highest adoption at 100%, followed closely by Jharkhand (JH) at 95.8% and West Bengal (WB) at 96%. In contrast, Madhya Pradesh (MP) shows the lowest rate of adoption at 76.9%, though still a significant majority. Overall, the data highlights a widespread commitment to sustainable farming practices among the surveyed regions.

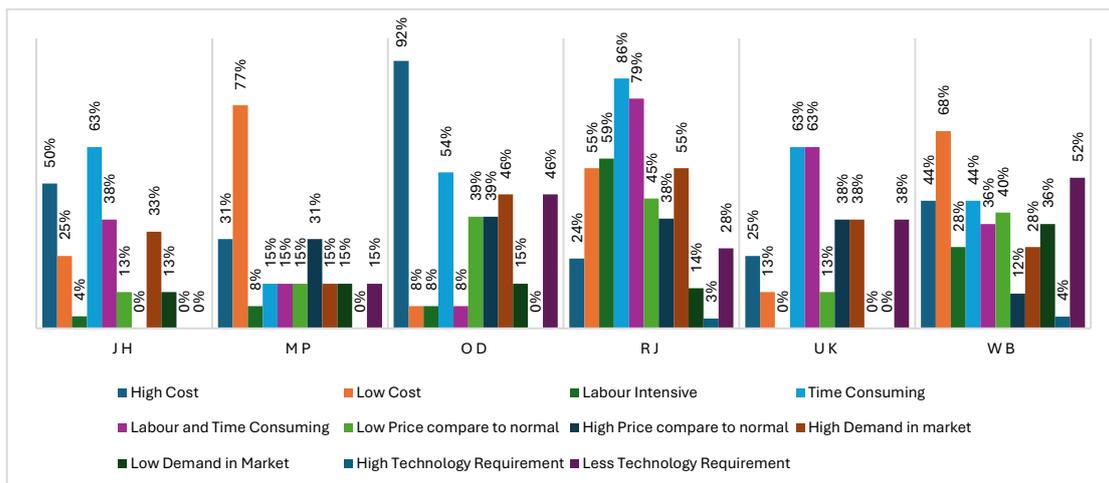


7. *Type of Organic/Ecological Farming:* The survey reveals that **Integrated Organic Farming** is the predominant practice among respondents, utilized by **75.9%** overall. The survey indicates that a significant majority of respondents practice organic or ecological farming on small plots, with **73.2%** farming between **0.0 – 2.5 acres**.



8. **Advantage / Disadvantage of Organic/Ecological Farming:** The assessment of organic/ecological farming reveals a mix of advantages and disadvantages among respondents. A key disadvantage noted is the **high cost**, particularly emphasized by **92.3%** of farmers in **Odisha (OD)**, while **58.6%** of respondents from **Rajasthan (RJ)** indicate it is **time-consuming**. Conversely, **low costs** were acknowledged by **76.9%** of respondents in **Madhya Pradesh (MP)**, highlighting variability in cost perceptions. Labour intensity is another concern, with **24.1%** of respondents reporting that organic farming is **labour intensive**.

On the positive side, **high demand in the market** is recognized by **37.5%** of respondents, especially in **Rajasthan (RJ)**, where **55.2%** indicate this benefit. The need for **less technology** is also noted by **46.2%** in **Odisha (OD)** and **52%** in **West Bengal (WB)**, suggesting that organic farming may be more accessible. Overall, the data reflects a complex landscape of organic farming, where while there are benefits like market demand and lower technology requirements, challenges such as cost and time commitments persist.

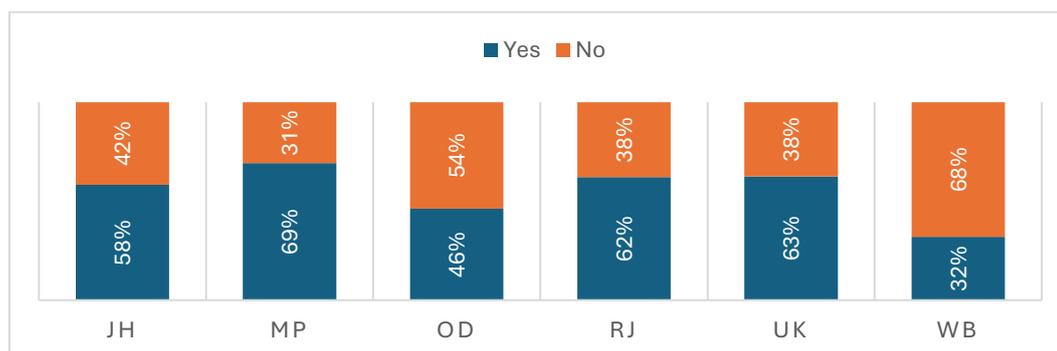


The survey indicates a notable disparity in perceptions regarding the price differences between organic crops and conventional crops. Overall, **38.4%** of respondents believe there is a price difference, with **51.7%** of those in **Rajasthan (RJ)** affirming this viewpoint, suggesting a strong recognition of the premium associated with organic produce in that region. In contrast, the majority of respondents, **61.6%**, across all

regions indicate that they do not perceive any price difference. This sentiment is particularly pronounced in **Jharkhand (JH)** and **Odisha (OD)**, where **70.8%** and **76.9%**, respectively, report no difference in price. The findings highlight a mixed understanding of organic pricing in the market, with significant regional variations in perceptions.

9. Difference in Prices: The survey reveals that only **33.0%** of respondents perceive specific changes in prices paid by buyers for organic or ecological produce. Among the regions, **62.5%** of respondents from **Uttarakhand (UK)** report noticing price changes, indicating a more pronounced awareness of pricing dynamics for organic produce in that area. Conversely, a substantial **67.0%** of respondents across all regions assert that they do not observe any price changes, with **87.5%** in **Jharkhand (JH)** and **80.0%** in **West Bengal (WB)** strongly indicating stability in pricing. These findings suggest a general trend towards price consistency in organic markets, albeit with notable regional variations in perceptions.

10. Organic Certification: The survey indicates that **53.6%** of respondents are aware of organic or ecological certification. Awareness varies by region, with the highest at **69.2%** in **Madhya Pradesh (MP)** and the lowest at **32.0%** in **West Bengal (WB)**. Conversely, **46.4%** of respondents lack awareness, with **68.0%** in **WB** indicating significant gaps in knowledge about certification processes. These results highlight a generally moderate level of awareness about organic certification, suggesting a need for increased educational efforts, particularly in regions like West Bengal.



The survey reveals that only **22.3%** of respondents possess organic or ecological certification for their crops. The highest certification rate is in **Madhya Pradesh (MP)**, where **46.2%** of farmers are certified, while **Odisha (OD)** stands out with **0.0%** certified producers, indicating a complete absence of certification in that region. Overall, a significant **77.7%** of respondents do not have certification, highlighting a substantial gap in formal recognition of organic practices across most regions, particularly in **Odisha** and **West Bengal (WB)**. This underscores the need for initiatives to support farmers in obtaining certification, which could enhance marketability and access to premium prices. The findings emphasize the need for improved infrastructure, support for organic certification, and access to market information to better support these farming communities.

6.2 Aggregators

The survey of* 13 Farmer Producer Organizations (FPOs) across six Indian states highlights significant variations in membership, land area for organic farming, and regional farming practices:

1. **FPO Distribution:** Jharkhand and Rajasthan lead with three FPOs each, while Madhya Pradesh, Odisha, and West Bengal have two each, and Uttarakhand only one. Odisha and Jharkhand have the largest FPO memberships at 610 members each, while West Bengal has the smallest at 295 members.
2. **Organic Farming Area:** Rajasthan dedicates the most land to organic/ecological farming (1,610 acres), suggesting either larger individual farms or a stronger focus on organic practices. Odisha also has a considerable organic farming area (1,210 acres), followed by Madhya Pradesh (440 acres). Uttarakhand, with only 30 acres under organic cultivation, shows the least engagement in terms of area.
3. **Average Area per Member:** Rajasthan has the highest average organic farming area per member (3.43 acres), indicating larger plot sizes or greater dedication to organic practices. Conversely, Uttarakhand has the smallest average area per member at 0.10 acres, which could point to smaller farm sizes or lower participation in organic farming.
4. **Crops:** FPO regions produce 21 commodities, including paddy, pulses, bajra, maize, mustard, and sesame, all grown using organic or ecological methods.
5. **Awareness and Challenges:** Awareness of organic farming is gradually increasing among FPO members, but major challenges remain, such as low productivity, lack of technical skills, limited input availability, certification difficulties, and market access.
6. **FPO Roles:** Farmers rely on FPOs for extension services, including training and technical support, access to organic inputs, and help with produce aggregation and market linkage.

These findings reveal considerable regional disparities in organic farming engagement, with states like Rajasthan and Odisha demonstrating strong commitments to organic practices. This variation likely reflects differences in land size, support for organic farming, and resource availability across states.

6.3 Consumer

The survey of 20 respondents from various locations in India and Germany reveals the following insights about organic product consumption and perceptions:

1. **Awareness and Purchase Behavior:** All respondents are aware of organic farming, with 15 actively buying organic products and 5 opting not to.
2. **Health Perception:** The primary motivator for purchasing organic products is health benefits, with 18 participants agreeing that organic products are "good for health."
3. **Barriers:** Seven respondents find organic products expensive, five cite limited availability, and three view them as a luxury item primarily for wealthier consumers. Only one respondent perceives organic products as a marketing gimmick.
4. **Buying Preferences:** Most consumers prefer purchasing vegetables (17) and cereals (18) as organic items. Additional choices include daily consumables (7), herbal medicines (3), and dairy/self-seed products (2).

5. **Shopping Venues:** Local shops are the most common source of organic products (13), followed by supermarkets (11) and street vendors (5).
6. **Pricing Concerns:** Sixteen participants feel organic products are pricier than conventional ones, with feedback suggesting a need for more affordability and improved accessibility. Consumers also express concerns about verifying the authenticity of organic labels and emphasize the health benefits of organic items.

These findings suggest that while awareness and interest in organic products are high, affordability, accessibility, and trust in authenticity are key areas needing improvement to increase organic product adoption further.

6.4 Institutional Buyers

- Most of Institutional buyers reported that they buy produce directly from farmers and second preferred channel is sourcing from FPOs.
- Authenticity, certification, and distribution costs are major hurdles in the supply chain, particularly for FPOs and smallholder farmers trying to reach institutional buyers.
- As there are issues related to authenticity and certification, many times they get mixed produced.
- The cost of reaching consumer is very high as volume of sale is less.

6.5 Exporter

- Exporters are interested in trading of three categories in the organic export are Oil Seeds & crops, Cereals & Millets, and processed foods to export destinations USA, EU, Canada, Switzerland, Japan, Australia and Israel (share of more than 95% volume).
- The major issues raised are about standardization, certification and authenticity of produce.
- Following the certification and standardization process for both US and European countries appears to be challenging.

7. FINDINGS FROM FGD AND SECONDARY DATA:

7.1 Marketing of smallholders' produce:

The study reveals the current practices and challenges faced by smallholder farmers in marketing their ecological and organic produce. The agricultural marketing system in the state is beset with many constraints in view of many intrinsic as well as external limiting factors. Such constraints faced by smallholders are deliberated below.

A. MANDI : Across all the survey locations, the existing market whether regulated or unregulated, it is found that the lack of distinct recognition or identity for ecological/organic produce highlights systemic challenge. This issue stems from market actors, particularly traders and commission agent, treating ecological and conventional produce as interchangeable. This homogenization undercuts the efforts of farmers and organizations promoting ecological agriculture. In such scenario most of MANDI

stakeholders especially Commissioning agent and Traders don't give focus/attention to Ecological/organic produce and treating ecological and conventional produce as same.

Some of challenges for smallholder ecological farmers to get into the Mandi are mentioned as below:

- Most of the development was confined to wholesale markets. Rural markets remain out of development ambit.
- Ecological/organic produce often competes in the same market space as conventional produce, with no clear differentiation or incentives for consumers or retailers to prefer it.
- Inconsistent production and supply make it hard for ecological producers to build trust with buyers and secure long-term contracts.
- Absence of consistent quality and standards makes ecological produce less competitive.
- In initial years, ecological farming often incurs higher production costs, leading to higher retail prices and reduced consumer adoption.
- The purpose of state regulation of agricultural markets was to protect farmers from the exploitation of intermediaries and traders and also to ensure better prices and timely payment for their produce. Over a period of time, these markets have, however, acquired the status of restrictive and monopolistic markets, providing no help in direct and free marketing, organised retailing and smooth raw material supplies to agro-industries. Exporters, processors and retail chain operators cannot procure directly from the farmers as the produce is required to be channelised through regulated markets and licensed traders. There is, in the process, an enormous increase in the cost of marketing and farmers end up getting a low price for their produce. Monopolistic practices and modalities of the state-controlled markets have prevented private investment in the sector.
- Unorganised producers have limited bargaining power
- Institutional barriers, such as, scarcity of professional institutions capable of assisting the farmers throughout production, post-production and marketing processes
- The marketing channel for organic products in India has been confined primarily to exports with domestic marketing still in its infancy. Very few alternative marketing channels have been explored so far to promote domestic sales of organic products.

The FGDs with stakeholders have also brought significant insights and trends which are mention below:

1.Reliance on Local Traders: A significant 86.6% of smallholders primarily sell to local traders, with 100% of respondents from Jharkhand and Uttarakhand exclusively selling to them. This first-level sale (village/farm gate) limits farmers' earnings as they receive a minimal share of the value. Often, this sale is distress-driven, influenced by credit, input ties, or compulsion to offload produce quickly. There's little processing, storage, or value addition involved. Selling to commission agents at market yards is also common, though it exposes farmers to market imperfections such as poor information, exploitative practices, levies, and inaccurate weighment.

2.FPOs as Sales Channels: Selling through Farmer Producer Organizations (FPOs) is the second most preferred option, with notable success in states like Rajasthan, Odisha, and Jharkhand. Cross-selling between FPOs has also been observed, with products from Madhya Pradesh sold by FPOs in Rajasthan and vice versa, enhancing market reach.

3. Business-to-Consumer (B2C): This model is gaining traction alongside the organic market's growth. Some business units have established regular, direct sales channels with consumers. For example, "Farm & Field" in Ranchi currently serves 30-40 regular customers.

4.Exclusive Showrooms: NGOs and businesses have also set up exclusive showrooms to sell directly to consumers. However, customer loss during the COVID-19 pandemic led to shutdowns for many, due to high operating costs and inconsistent supply.

These findings highlight the need for structured market support, capacity building, and improved infrastructure for smallholders to ensure they receive fair value for their organic produce.

7.2 Key trends and drivers of organic produce market:

- 1. Rising Demand for Organic Products:** Growing consumer awareness around health and safety concerns related to pesticides, GMOs, and food quality has driven demand for organic options, boosting growth in both domestic and global markets.
- 2. Premium Pricing:** Organic products command higher prices than conventional ones due to perceived health benefits and sustainable farming practices. This premium helps support smallholder farmers and encourages a shift toward organic production.
- 3. Growth of Online and Direct-to-Consumer Sales:** E-commerce and direct-to-consumer models enable organic smallholders and FPOs to bypass intermediaries, allowing farmers to earn better margins and directly cater to consumers' preferences.
- 4. Expansion of Certifications and Standards:** Certifications like organic, Fair-Trade, and non-GMO are becoming critical as consumers demand authenticity and traceability. These certifications are increasingly essential for smallholders aiming to access both domestic and international markets.
- 5. Sustainability and Climate Change Concerns:** The push toward sustainable and regenerative farming aligns with organic agriculture. Consumers seek products that not only avoid harmful chemicals but also contribute positively to soil health and climate resilience, reflecting a preference for environmentally beneficial farming practices.

These trends highlight the potential for growth in organic farming while emphasizing the need for infrastructure, market access, and certification support for smallholder farmers to fully capitalize on these opportunities.

7.3 Supply Chain Constraints, Major Value Chain Actors and their Capacity Building Needs

Supply chain development: Major Constraints		
S.N.	Issues	Action needed
1.	Predominantly marginal or small farmers – small	Aggregation of produce needed for value addition & bargaining power - farmers to have better market

	quantities of marketable surplus & limited bargaining power	access through SHGs, Cooperatives, Farmers' Companies etc. – Aggregation/ Collection/ Value Addition Centres to be set up near farm gate.
2.	Poor availability of markets & monopolistic tendencies of APMCs	Amendments in State APMC Acts to allow & facilitate alternate channels of marketing with an open choice to farmers – direct purchasing, farmers' markets, contract farming, private markets, modern terminal markets, e-trading etc.
3.	Inadequate infrastructure in wholesale markets/rural primary markets	Modernization of existing markets with public investment or through PPP & facilitating setting up of modern private markets
4.	Multiple and exploitative intermediaries – low returns	Encouragement to shortening of supply chain/vertical integration through direct marketing, organized retail chain, incentives to integrated cold chain infrastructure with an end-to-end approach.
5.	Lack of cleaning, grading, packaging & quality certification facilities	Promotion of aggregation/ consolidation in various ways, incentive to grading & quality assurance infrastructure and creation of awareness about quality & food safety standards.
6.	Multiple agencies involved in quality confirmation & regulation of exports	Creation of single window quality confirmation (Food Safety & Standards Law already in place) & export clearance systems.
7.	Limited access to market information and marketing opportunities available	Enriching Marketing Information Network, strengthen market intelligence delivery under PPP & activation of Common Service Centres (CSCs) in villages for easy access to information.

The agriculture value chain, particularly in ecological farming, involves a diverse range of stakeholders. These include Primary Stakeholders (farmers, Aggregators, consumers), Supporting Stakeholders (government bodies, policymakers, research institutes, and NGOs), Technological Stakeholders (technology providers and seed and input suppliers), and Regulatory and Certification Bodies. Each of these stakeholders requires targeted capacity-building initiatives to effectively promote and adopt ecological and natural farming practices. The specific scope of capacity building for each stakeholder is outlined in the table below.

Farmers/Producers	<ul style="list-style-type: none"> - Training in sustainable farming techniques. - Awareness of organic certification and market standards. - Access to tools and technologies for eco-farming.
Aggregators/FPOs	<ul style="list-style-type: none"> - Training on handling, storing, and promoting organic produce. - Awareness of supply chain sustainability and fair-trade practices. - Assistance in obtaining organic certifications.
Seed and Input Providers	<ul style="list-style-type: none"> - Development and promotion of organic seeds and inputs.- - Training on the advantages of biofertilizers and biopesticides. - Collaboration with farmers to assess product needs.
Technology Providers	<ul style="list-style-type: none"> - Development of tools tailored for ecological practices (e.g., renewable energy for irrigation). - Training in the application of low-cost, eco-friendly solutions. - Farmer outreach programs.

NGOs/Implementing Agencies	<ul style="list-style-type: none"> - Training on financial models to support ecological farming projects. - Knowledge sharing on global best practices.
Certification Agencies and Standardization Authorities	<ul style="list-style-type: none"> - Training on international organic benchmarks. - Assistance in aligning national standards with global norms. - Capacity building in auditing and compliance for organic standards. - Training for local farmers and businesses on achieving certification. - Development of fair and transparent processes.
Consumers	<ul style="list-style-type: none"> - Education on the benefits of ecological farming for health and the environment. - Awareness campaigns on identifying and supporting sustainable products.
Government and Policymakers	<ul style="list-style-type: none"> - Development of policies promoting agroecology subsidies. - Capacity building on international organic standards. - Training on monitoring and enforcing ecological standards.

8. PROFILING OF CASES

As outlined in previous chapters, although there is no clear demarcation between cultivation by smallholders particularly in rainfed conditions and ecological farming in a defined and certified way and the extent of recognized ecological farming particularly by smallholders in very less in proportion. However, there have been some efforts in the state by government and non-government agencies to promote ecological farming in the state. Although the scale and distribution of such intervention are not high, they provide certain valuable experiences from which lessons can be learnt.

Abhiram Bediya: The Organic Hero

Abhiram Bediya, a 38-year-old from the ST community in Machantand Village, Ramgarh district, Jharkhand, has made significant strides in ecological farming. Owning 2 acres of land, with 1.5 acres irrigated, he transitioned to ecological practices through support from CWS, where he learned about natural farming methods. Over the past 4-5 years, he has cultivated paddy, maize, and vegetables without synthetic fertilizers or pesticides, relying instead on natural manure and homemade pest solutions.

Initially, Abhiram faced lower yields than conventional methods, but since the second year, his production has stabilized. He has observed improvements in the quality of his produce, such as better appearance, shelf life, and reduced pest issues. This quality has fetched him higher prices in the local market of Korambe, with customers willingly paying ₹3-4 more per kilogram compared to other produce.

Abhiram's success has inspired around 100 neighboring households to adopt natural farming practices, earning him recognition as the "Organic Hero" both within his hamlet and at the block level. His recent focus has been on expanding vegetable cultivation, and he envisions opening a retail outlet for organic vegetables at the block headquarters in Gola. Additionally, he sees a need for a cold storage facility in his village to support his and other farmers' produce.

Abhiram has been an active member and Board of Director at the Baghlatta Farmer Producer Company (FPC), a venture supported by CWS under the Bhoomi-Ka initiative since its inception. His commitment to ecological farming and community leadership is fostering a growing movement toward sustainable agriculture in his area.



CASE STUDY: AUM EDHINI NATURAL FAMRS – PIONEERING SUSTAINABLE AGRICULTURE



Edhini (meaning mother earth in Sanskrit) is a visionary initiative championed by health-conscious individuals deeply connected with local farming communities. Through empowering farmers, we generate grassroots employment while providing wholesome, chemical-free, locally sourced farm produce cultivated using traditional farming practices. Our mission is to foster a sustainable ecosystem for healthy food sourcing and to make organic/natural food affordable to common people. We are working on to improve the health of the soil by practicing through permaculture concept keeping in mind the biodiversity of the area. Our goal is to become self-sustainable within the farm itself,



R Sridhar



R Venkat & R Sridhar

in term of everyday usage of milk, vegetable & grains with concept of self-produce & consume with less dependability from outside world. At the same time, any excess production to be sold, as part of market linkage to known people & online customers, thereby generating some revenue for self-sustainable model. We want to give back our profit to farmers communities after take care of our overhead expenses. We want more & more farmers to be part of our mission and work closely on the concept of permaculture practices. We are also developing branding of these produce under **“edhini”** brand for pulses & spices. This initiative will help those farmers who are working in natural farming by assuring buy back of its produce. Our farm is located out of Keolari Kalan village in Kesli block of Sagar district, Madhya Pradesh and marketing office in Delhi.

Challenges:

The challenges are many but few of the key important one are:

- a) Convincing labour force & nearby villagers to work as per the permaculture practices, which they think is not a correct practices – they have seen only conventional way of farming which is led by chemical fertilizer & pesticides and permaculture is just a waste of time & money. To make them understand & result to be seen will take 3-4 years minimum.
- b) At the consumer end – pricing of the produce are key challenges, as its very costly compare the conventional produce. To justify why it is costly is very laborious & time taken process as farming understanding and its implications very few customer understand.
- c) One of the key ingredient of natural farming is cow manure, over the period it has become availability issue at farm/village location as various govt scheme are pushing for other scheme in order to generating revenue from cow manure (eg) bio gas, Vermicomposting. Also for a large farm, the requirement of cow manure is major concern/challenges on timely availability.

- d) Timely availability of labour is one of biggest challenges, many of them are moving to big/small cities for better livelihood with regular income. In addition, many govt free scheme for social upliftment of bottom of these people are creating shortage of labour force, as many feel that without work they are getting paid by govt.
- e) For the organic/naturally produce products does not have any separate buying mandi, its generally goes to normal mandi where you don't get any additional benefit to producer. Many of the organic growers are trying to reach directly to buyer in big cities but then they face the logistic issue, as cost of transport is very high compare the conventional crop. Therefore one is not able to increase productivity due lack of market linkage.
- f) Certification costing need to be relook by govt agency as cost of certification is very high and many farmers who wants to work on the concept of permaculture are not able to do because of certificate costing.

Solutions & Results

To make it sustainable we worked on following strategy:-

- a) Keep working on the soil health, as we have seen the difference clearly visible to us (see below pictures as a proof of our achievement from barren land to greenery in 2 years' time.



Before - Barren land

After 2 years, based on permaculture output

- b) Keep cost expenses bare minimum with practices of simple packaging but yet eye catching branding and work on the eco centric Kraft paper based packaging.



- c) Long-term strategy is to outsource the work to FPOs (farmer producer organization) and self-help group communities, which will generate employment to nearby farming areas.
- d) Use of social media as a brand extension & visibility, apart from our social connect in the society. Avoid traditional channel to secure the bottom line. To participate regularly in exhibition or communities based event for direct interaction with customers.
- e) Focus & maintain quality produce at the farm level by daily interaction with farmers, at the same time profit is also shared with them as part of incentive & motivation to the farming communities eco systems.

Conclusion

Awareness around organic and natural products is steadily growing due to rising health issues like obesity and diabetes. Through Edhini, we are actively addressing these concerns while nurturing a sustainable and inclusive agricultural model.

9. POTENTIAL WAYS FORWARD

Overall, the status of marketing of smallholders offer many challenges. The markets for certified products are not still well established, the transaction costs are still high in view of infancy of such markets, very less scale, very few interventions to learn from and scale-up and the critical influence on the livelihoods of smallholder farmer.

To enhance market access and ensure fair pricing for organic smallholder farmers, strategic initiatives are needed across organizational, technological, and policy domains.

Mass awareness about ecological farming: Such Large-scale adoption requires awareness campaigns that educate farmers about the benefits of ecological practices, how to reduce input cost, access institutional buyers and also sharing infrastructure cost.

The "**market first**" concept is crucial for ecological agriculture to be sustainable and profitable. Aligning production with market demand can help ensure that ecological products meet consumer expectations, prevent oversupply, and secure fair prices for farmers. Regularly assessing consumer trends, preferences, and willingness to pay for ecological products can help farmers and FPOs choose the right crops and products to cultivate.

Collaboration with Buyers and Retailers: Building direct relationships with eco-conscious retailers, food processors, and restaurants can help farmers get real-time insights into what the market needs, aligning their production and quality standards accordingly. This collaboration also opens pathways for pre-season contracts, securing demand before planting.

Niche and Segmented Marketing: With rising demand for organic, locally sourced, and specialized products, smallholder farmers can benefit by tailoring their products to these niches. However, doing so requires effective branding, packaging, and certification to establish credibility with consumers. Collective organizations can manage these aspects more efficiently and enable farmers to reach consumers who value authenticity and traceability.

Market Intelligence and Consumer Insights: Integrating tools to track consumer preferences, trends, seasonality, and demand could help farmers and agricultural institutions plan production more effectively. Access to these insights would allow FPOs and cooperatives to anticipate demand patterns and prioritize high-value crops, reducing the risk of unsold inventory and price drops due to oversupply.

Promotion and Consumer Awareness: Consumer education is vital in promoting ecological produce. Emphasizing the health and environmental benefits of ecological products can build a loyal customer base, ensuring consistent demand. Collective FPO marketing campaigns can amplify this message and increase consumer awareness.

FPOs as Sales Channels: Selling through Farmer Producer Organizations (FPOs) is getting traction and most preferred option. Cross-selling between FPOs has also been getting most preferred sale channel.

Business-to-Consumer (B2C): This model is gaining traction alongside the organic market's growth.

Cold Chain Infrastructure: Investments in rural cold storage facilities help maintain organic produce quality, reduce spoilage, and expand access to distant markets.

Decentralized Processing Units: On-site processing units add value and save transportation costs, enabling farmers to capture more of the final sale price.

Market Access Platforms: Digital and e-commerce platforms connect farmers directly with consumers, enhancing pricing transparency and market reach.

Simplified Certification Processes: Group certification schemes can reduce costs and simplify processes for smallholders.

Subsidies for Certification: Financial support for certification encourages more farmers to transition to organic practices.

Capacity Building for Compliance: Training on certification standards helps farmers maintain organic status and reach premium markets.

Blockchain and Traceability Systems: Blockchain creates transparent supply chains, verifying product origins and assuring consumers of organic authenticity.

Mobile Payment and Financing Solutions: Mobile money ensures prompt, direct payments to farmers, and mobile financing provides access to necessary inputs and infrastructure.

Fair Trade Certification: Programs guaranteeing minimum prices shield farmers from price volatility, while sustainable practices fetch higher premiums.

Ethical Sourcing Partnerships: Collaborating with businesses committed to ethical sourcing offers farmers long-term contracts with fair pricing and reliable demand.

Warehousing: Proper warehousing prevents contamination and maintains the integrity of organic certification, especially for sensitive non-perishable products like grains and pulses.

Sorting and Grading Centers: To achieve high-quality standards and market readiness, sorting, grading, and packing infrastructure are necessary, helping farmers secure better market prices.

Cold Chain Logistics: A cold chain system, including refrigerated transport and cooling hubs, is vital, especially for perishable products targeted at urban or export markets.

Networking among Farmer Producer Organizations (FPOs): By creating a collaborative network, FPOs can support each other in multiple ways: Cross-selling Opportunities, Shared Knowledge and Resources, Bulk Purchases and Reduced Costs, Consumer Awareness and Branding, Policy Advocacy.

Technology Integration

Digital agriculture: Crop planning to marketing (See Annexure 3: Digital Agriculture: A visualisation)

CWS and Bhumika Network needs to put in place a digital platform that will enrol ecological and organic growers, map their assets (land, water, etc.), help prepare crop plans, generate indents for inputs, provide PoP reminders, assess crop growth, provide harvest forecasts and record marketing transactions (physical and financial). In short, a digital platform that connects the ecological grower to the FPOs seamlessly.

Digital marketing: A platform for connecting buyers with FPOs

A digital platform that connects buyers with CWS promoted FPOs to discover price, product and quantity in real-time would rapidly open new marketing channels to FPOs.

Digital Market Intelligence System: Provides daily market updates from a set of markets

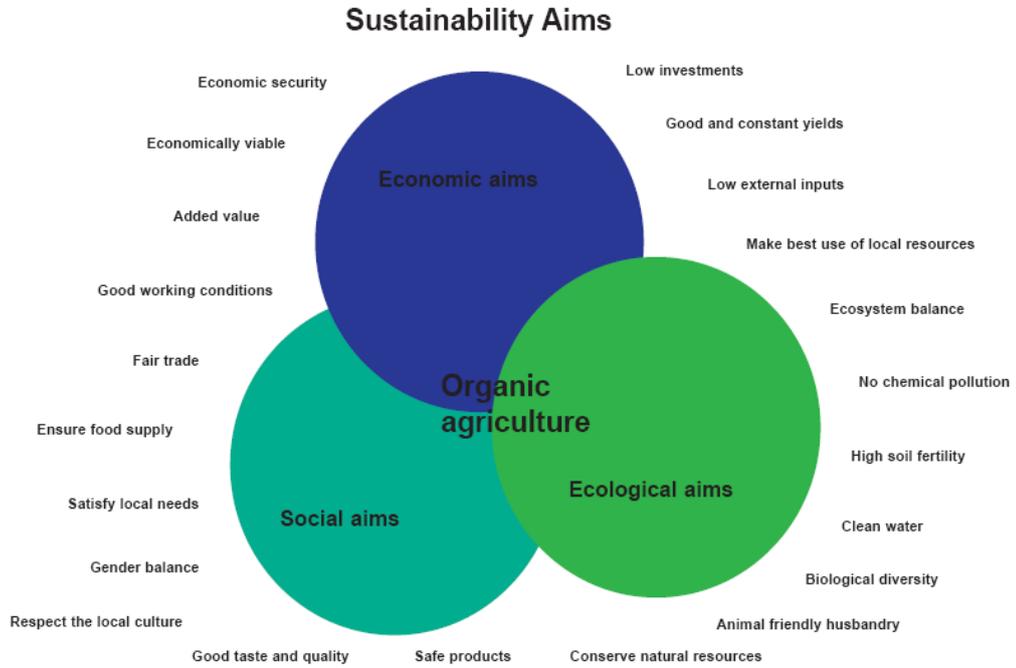
Regular and frequent price, arrival and other market information for ecological products of interest from a variety of markets is very important to decide on initiating a trade or even deciding on the crop/extent of crop.

10. RECOMMENDATIONS :

1. India needs to relook at the organic certification process and this needs to be more farmers and market centric.
2. Flexibility in standards for quality testing and certification based on local context (e.g land terrain of Uttarakhand and Madhya Pradesh have different features so time duration for conversion can't be same) .
3. Incentivise farmers on production loss during conversion from chemical to natural farming. Set in place production linked incentive system supports
4. Separate mandi/buying house for organic produce should be promoted, only then the issue of availability can be address
5. The certification cost need to be rework and more lab center to be open at district/block level for easy access to farmers
6. One window approach for marketing of the organic produce.
7. Utilize the e-commerce platforms and social media to reach global consumers.

8. Encourage direct marketing/linkages by farmers groups with end user institutions such as schools, hostels, hotels, hospitals, Ayurveda centres, SHG's making food products and food-based industries in the State.
9. Declare MSP for organic produce
10. Govt should provide financial and other supports to organic promoting organisation especially engaged in marketing of organic produce.
11. Need to work on consumer psychology/ behavioural change on pricing of organic products; awareness and campaign needs to be conducted on benefits of organic products on consumer health .

ANNEXURE 1: SUSTAINABILITY AIMS



Source: IFOAM Training Manual

ANNEXURE 2: PRINCIPLES OF ORGANIC AGRICULTURE

Principles of Organic Agriculture

On a general level:

- Improve and maintain the natural landscape and agro-ecosystem
- Avoid over-exploitation and pollution of natural resources
- Minimize consumption of non-renewable energy and resources
- Produce sufficient quantities of nutritious wholesome and high quality food
- Provide adequate returns, within a safe, secure and healthy working environment
- Acknowledge indigenous knowledge and traditional farming systems

On a practical level:

- Maintain and increase the long-term fertility of the soil
- Enhance biological cycles within the farm, especially nutrient cycles
- Provide nitrogen supply by intensive use of nitrogen fixing plants
- Biological plant protection based on prevention instead of curing
- Diversity of crop varieties and animal species, appropriate to the local conditions
- Animal husbandry appropriate to the needs of the animals
- Ban on synthetic chemical fertilisers, plant protection, hormones and growth regulators
- Prohibition of Genetic Engineering and its products
- Ban on synthetic or harmful methods, processing aids and ingredients in food processing

Source: IFOAM Training Manual

ANNEXURE 3: IMPORTANT ORGANIC STANDARDS REQUIREMENTS

Important Organic Standards Requirements

Nutrient Management

- Shall be based on organic material, with defined maximum amounts
- Mineral fertilizers (e.g. ground rock) only to be used as a supplement
- No synthetic fertilizers allowed (e.g. no urea)



Plant Protection

- Use preventive methods to maintain plant health
- Botanical pesticides only to be used as a supplement
- No synthetic pesticides allowed



Animal Husbandry

- Animal friendly keeping with sufficient free move
- Organic fodder (with exceptions)
- No use of preventive antibiotics or growth promoters



Source: IFOAM Training Manual

ANNEXURE 4: INSPECTION, CERTIFICATION AND ACCREDITATION

Inspection, Certification and Accreditation

Accreditation



Guarantees that the certification program is competent to carry out inspection and certification.

Certification



Procedure in which a certification body assesses a farm or company and assures in writing that specified standards are met.

Inspection



Evaluates and verifies the production process based on farmer's or processors documents and on a field visit.

Source: IFOAM Training Manual

ANNEXURE 5: MARKET CHANNELS

Market Channels

Channel	Conditions	Advantages	Disadvantages
Direct on-farm selling or market stalls	<ul style="list-style-type: none"> • Close to an agglomeration • Building a farm shop or a stall • Sense for serving clients • Storage facilities needed • For market: vehicle needed 	<ul style="list-style-type: none"> • Direct contact to consumers • Building personal trust • Higher prices by avoiding middlemen • Independence • Permanent income 	<ul style="list-style-type: none"> • Small potential of clients • Requires a lot of work • Necessary to offer a broad range of products • Investments for shop, transport and storage facilities • No guaranties
Regional marketing (shops, hotels, processors)	<ul style="list-style-type: none"> • Good quality • Reliable service • Sufficient quantities 	<ul style="list-style-type: none"> • Direct contact to buyers • Contracts for purchasing yields are possible • Adaptation of the production to the demand 	<ul style="list-style-type: none"> • Lower prices • Irregular demand?
Large retailers and supermarkets	<ul style="list-style-type: none"> • Top quality • Very reliable service • Large quantities • Specialisation on few products 	<ul style="list-style-type: none"> • Large quantities can be sold • Regular demand • Collection of products from the farm? 	<ul style="list-style-type: none"> • No contact to consumers • Risk of dependency • Low prices • Few loyalty of partners? • First supermarkets must be convinced
Export	<ul style="list-style-type: none"> • Top quality and reliability • Professional management • Know how of intern. trade • Very large quantities • Specialisation on few products • Recognised certificate 	<ul style="list-style-type: none"> • Possibly high price level • Access to large and growing market 	<ul style="list-style-type: none"> • No contact to consumers • Risk of dependency • Very high competition, both in quality and prices • Certification requirements • Few loyalty of partners?

Source: IFOAM Training Manual

ANNEXURE 6 : Questionnaires

Small farmers agriculture (Ecological and Organic) – Marketing Study

Farmer Interview

Date:	District:	State:
Name of the farmer (including the surname):		
Community (SC-1; ST-2; BC-3; OC-4)		
Village/ habitation:		
Panchayat:		
Mandal:		
Distance of the nearest market place? (km) (mention both MANDI and Local Market)		

1. What is the total landholding (in acres) ? _____

2. Of the total landholding, how much is the irrigated land (in acres)? _____

3. Details of the crops grown during last year

1	Name of the crop	1.	2.	3.	4.
2	Area under the crop (in acres)				
3	Season				
4	Irrigation (Irrigated-1; Unirrigated-2; Partly irrigated-3)				
5	Total Yield (In Qt)				
6	Of the total yield, how much produce is sold				
7	Average price received of surplus sold (Per Qt.)				

4. Are you tied up with somebody to sell your produce? (Yes/ No) _____

5. In which place you sell your produce? _____

- a) Village
- b) Outside the village (specify which place)
- c) Both

6. To whom you sell your produce? (tick whichever is applicable)

- a) Trader
- b) Moneylender
- c) Commission Agent
- d) Wholesaler
- e) Retailer
- f) Market Yard
- g) Cooperative society
- h) FPO/FPC
- i) Any others (specify)

7. In case sale happen in market yard, what services/ schemes that are offered by the market yard?

- a. _____
- b. _____
- c. _____

8. What support services you received in marketing of your produce?

- a. _____
- b. _____
- c. _____

9. What is the cost of marketing of your produce?

S.No.	Particular	Cost (Rs.)
1	Transportation	
2	Packing	
3	Loading & unloading labour	
4	Storage	
5	Incidentals (food, accommodation etc)	
6	Market fee/ commission	
7	Any others (specify)	

10. What are the major problems that you face in marketing of your produce?

- a. _____
- b. _____
- c. _____

11. What is the source of market information? _____

12. Is the market information available on time? (Yes/ No) _____

13. What price you got for your produce? _____

14. What should be the preferable price for profits? _____

15. Did you receive any price support service? (Yes/ No) _____

16. If yes, what service? _____

- 1. Minimum support price
- 2. procurement price
- 3. any others (specify)

Organic farming

17. Do you practice organic farming (either fully or partly) in your land? (Yes/ No) ____

18. If yes, you practice organic farming in how many acres? _____

19. What are the crops you cultivate under organic farming?

20. What manures, pesticides that you use in the organic farming?
21. What specific practices that you adopted in organic farming?
22. What are the reasons for which you chosen organic farming?
- a. _____
- b. _____
- c. _____
23. What problems did you face while cultivation of organic produce?
24. How much you have to spent on cultivation of the organic produce? High/Less(
23. What is the estimated Or price received (last year) of your produce ? (Per Qt./Or Per Kg)
25. Is there any price difference from normal crop ? Y/N
26. If Y, what is the difference in price?
27. Is there any specific changes in prices paid by buyers for organic produce ?(Consider last year price)
28. If Y, What is the % change?
29. What are major constraints/Difference while selling the produce?
30. Are you aware about the organic certification?(Y/N)
31. Do have organic certification for the crop you grow ?
32. Any challenges/Issues related to organic certification ?
33. What are your suggestion for marketing of organic produce/product ?
-

Small farmers agriculture (Ecological and Organic) – Marketing Study

Farmer Interview

Date:	District:	State:
Name of the farmer (including the surname):		
Community (SC-1; ST-2; BC-3; OC-4)		
Village/ habitation:		
Panchayat:		
Mandal:		
Distance of the nearest market place? (km) (mention both MANDI and Local Market)		

1. What is the total landholding (in acres) ? _____

2. Of the total landholding, how much is the irrigated land (in acres)? _____

3. Details of the crops grown during last year

1	Name of the crop	1.	2.	3.	4.
2	Area under the crop (in acres)				
3	Season				
4	Irrigation (Irrigated-1; Unirrigated-2; Partly irrigated-3)				
5	Total Yield (In Qt)				
6	Of the total yield, how much produce is sold				
7	Average price received of surplus sold (Per Qt.)				

4. Are you tied up with somebody to sell your produce? (Yes/ No) _____

5. In which place you sell your produce? _____

- d) Village
- e) Outside the village (specify which place)
- f) Both

6. To whom you sell your produce? (tick whichever is applicable)

- j) Trader
- k) Moneylender
- l) Commission Agent
- m) Wholesaler
- n) Retailer
- o) Market Yard
- p) Cooperative society
- q) FPO/FPC
- r) Any others (specify)

7. In case sale happen in market yard, what services/ schemes that are offered by the market yard?

a. _____

b. _____

c. _____

8. What support services you received in marketing of your produce?

- a. _____
- b. _____
- c. _____

9. What is the cost of marketing of your produce?

S.No.	Particular	Cost (Rs.)
1	Transportation	
2	Packing	
3	Loading & unloading labour	
4	Storage	
5	Incidentals (food, accommodation etc)	
6	Market fee/ commission	
7	Any others (specify)	

10. What are the major problems that you face in marketing of your produce?

- a. _____
- b. _____
- c. _____

11. What is the source of market information? _____

12. Is the market information available on time? (Yes/ No) _____

13. What price you got for your produce? _____

14. What should be the preferable price for profits? _____

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16. If yes, what service? _____

- 1. Minimum support price
- 2. procurement price
- 3. any others (specify)

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17. Do you practice organic farming (either fully or partly) in your land? (Yes/ No) ____

18. If yes, you practice organic farming in how many acres? _____

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21. What specific practices that you adopted in organic farming?

22. What are the reasons for which you chosen organic farming?

- a. _____
- b. _____
- c. _____

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 28. If Y, What is the % change?
 29. What are major constraints/Difference while selling the produce?
 30. Are you aware about the organic certification?(Y/N)
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 32. Any challenges/Issues related to organic certification ?
 33. What are your suggestion for marketing of organic produce/product ?
-

Small farmers agriculture (Ecological and Organic) – Marketing Study

Consumer

Date:	District:	State:
Name of Consumer		
Location , Contact no (If possible)		
Are you buying organic product	Y/N	

1. Are you aware of natural farming /organic farming products (Y/N)
2. What are your thoughts on natural/organic farming
 - Expensive /Not affordable
 - Just a gimmick/don't believe
 - Good for health
 - Not easily available
 - Meant for rich people
 - Easily available these days
 - Don't see any immediate benefits
3. How likely are you to purchase these products if they are available in the market
 - definitely will buy
 - I may buy
 - Not sure
 - I may not buy
 - Definitely will not buy
4. What items most preferred
 - Daily consumables (e.g Toothpast , Hair oil...)
 - Vegetables
 - Cereals (Rice, Pulses)
 - Herbal Medicine
 - Any otherspecify
5. From where you buy these products
 - Street vendors
 - Local shops in market
 - Marts/Super stores in cities
6. Do you feel that organic produce are costlier then normal?
7. Any specific remarks/comments.

Small farmers agriculture (Ecological and Organic) – Marketing Study

Input Supplier

Date:	District:	State:
Name of the Input supplier/Dealer		
Dealing with	Chemical/Organic/ Both	
Location		

1. Do you keep agri inputs related to Organic farming (Y/N)
 2. What are major Agri inputs you keep related to Organic farming(Name three at least)
 3. Is there any price difference compare to chemical based agri inputs ?
 4. Do all type of items available in market to succeed in organic farming (e.g organic fertilizer/organic pesticides/organic seeds/organic fungicides etc.)
 5. Do you think farmers are aware about organic/ecological farming ?
 6. What are the challenges/issues/Constraints related to organic farming ?
-

Small farmers agriculture (Ecological and Organic) – Marketing Study

Institutional Buyer

Date:	District:	State:
Name of the Institutional Buyer		
Major commodities (Dealing with)	Cereals/ Pulses/Milletts/Vegetable	
Name of major commodities		

1. What are the major crops you trade?
 2. Do you buy organic products/Produce ?
 3. Whom you sell the produce ?
 4. Do you undertake any value addition activities ? if Y, specify.
 5. What are the major issues/challenges with organic products ?
 6. Do you see any problem related to marketing of organic produce/product/s?
 7. If any how to resolve ?
 8. Any policy level issues related to marketing of organic produce ?
 9. Any logistics/ Infrastructure related aspects which need to address ?
 10. What are the major challenges related to marketing of organic produce ?
 11. Any suggestion for promoting organic produce/product ?
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