

Round Table on Potential of Organic Produce in North East Region

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Delhi Haat, Pitampura

Round table on Potential of Organic Produce in North East-Challenges and Way forward

1. Background:

Organic agriculture offers the most sustainable solution for developing the agricultural sector and provides food security with least negative impacts on the environment. Organic farming offers solutions for sound rural development. It provides healthy food, maintains and creates jobs. High quality organic foods are market openers for both national and international markets. The demand for organic produce in global market is very high. Cost of organic products are 2-3 times higher than the conventional ones depending on the product and country. The Organic Products Market amounts to 40-45 billion EURO per year. The biggest consumers of organic produce are: USA and Canada - 13-14 billion; after European Union - about 16-17 billion EURO.

The traditional practices and an inclination towards organic agriculture in North East is a boon in disguise. This potential can be harnessed to improve the ecology and economy of the region. The total area under organic cultivation in North East is quite high as compared to rest of the country.

The land distribution is shown through the figure below:

Figure 1



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In North East products grown through organic cultivation are:

Spices:

- Ginger
- Turmeric
- King Chilli
- Cardamom (L)
- Pepper
- Naga Mircha
- Large Cardamom
- Cherry Pepper

Fruits:

- Pineapple
- Cashew
- Passion Fruit
- Citrus
- Kiwi Fruit
- Kiwi
- Plum

Vegetables:

- Potato
- French bean
- Cabbage
- Cauliflower
- Local vegetables

Cereals:

- Maize
- Paddy
- Buck wheat

Plantation:

- Tea

2. Opportunities across the Value Chain:

The North East Region offers immense opportunities across the value chain for private agribusiness companies as well as government. Owing to its strategic location, friendly government and untapped market potential for organic produce, there is immense scope for market development and investment.

2.1 Opportunities in market development

- Enhancing market accessibility of the belt
- Developing context specific aggregation model for forward linkage
- Developing trade centres / market specific to trade
- Brand Creation
- Backward integration through innovative supply chain
- Market trading through electronic spot exchange of spices like ginger, turmeric, chillies, etc. can be explored in North East.

2.2 Opportunities in infrastructure creation

- Cold chain, storage facilities, processing facilities like drying units for ginger & turmeric, pineapple etc
- Development of export zones
- Pack houses – Sorting, Grading, Packing
- Logistics & transport
- Creation of Marketing infrastructure in terms of special economic zones, food parks etc

3. Constraints and Challenges

NER region is undoubtedly a potential organic hub and various organisations including Government sectors, NGO's and Private sectors are putting their efforts in promoting this sector. However, its full potential is yet to be explored and this is due to various challenges as shown below:

3.1 Challenges in production and marketing of horticultural produce

- Producer's Share in Consumer's Retail Price - merely 25% to 60% depending on the commodity.
- Only 25% of produced food-grains utilize scientific storage
- Less than 2% of Fruits and Vegetables production is processed

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- Post-harvest Losses estimate 10% of Food Grain and 25% of Fruits and Vegetables Production
- Lack of implementation reforms suggested of Agriculture Produce Marketing Committee (APMC) Act
- Lack of branding
- Lack of certification of produce

4. Way Forward:

- Enable producers to undertake market-driven production planning.
- Facilitate integration of farm production with domestic and global markets.
- Attract investments for building post-harvest infrastructures
- Foster/Nurture through self sufficient juicing extraction at the grower's level in pineapple producing areas
- Promote contract farming in the region through a tripartite agreement with state as one party and farmer groups and buying houses as other parties. The state government can be represented by departments like State Agriculture Marketing Boards
- Facilitate branding of organic produce of North East to fetch better market value
- Facilitate certification of organic produce
- Primary processing which include design, procurement, operations and training of youth, so as to curb post harvest losses and create employment opportunity for youth
- Ensuring better connectivity through improved transportation for the bulky and perishable fruits and vegetables
- Encouraging investment into the processing of fruits and vegetables by providing attractive incentives and bringing policy reforms
- Cluster identification and integration
- Training & Capacity Building of farmers – Areas (Production, Market driven Production Planning, Aggregation, Primary Processing, Marketing etc)
- Production & process certification
- Facilitate aggregation of farmers through context specific group based models

5. Rationale for Roundtable:

The North East Region is one of the focus regions of Government of India owing to its strategic location, cultural diversity and extremely rich agriculture and horticulture resource. Though agriculture is the primary economic activity of the region and absorbs more than half of the labour force, the productivity is low (26% of GDP). The fact that process of cultivation is entirely organic is a boon in disguise. Despite the immense potential of organic produce in the region there are lot of structural challenges in the form of lack of post harvest technology, supply chain, branding and certification of produce, lack of private investment and appropriate aggregation model for marketing of produce.

In order to address the challenges in production and marketing of organic produce Central Institute of Horticulture (CIH) in association with National Skills Foundation of India (NSFI) with support from NHB is organizing a round table for promotion of organic produce.

6. Objective of Roundtable:

- To provide a platform to network, meet new partners and make new trade contacts in a region not easy to access.
- To provide a platform to discuss crucial issues related to production, post harvest management, branding, certification and marketing of organic produce of North East.
- To provide an ideal meeting point for all important stakeholders active in the organic sector in the targeted region.
- It offers the opportunity to learn from each other by reaching out to the leading personalities of the organic sector internationally and in the region.
- It provides an opportunity to have a direct interface with organic produce growers of the region.
- To have the deliberations near to market/ buyers.

7. Expected Outcome:

- Increased awareness about the variety, volume and quality of organic produce in North East Region.
- Possible solutions towards branding, certification and marketing of produce.
- Workable solutions to stream line supply chain of organic produce.
- Direct interface with growers so as to increase private participation in branding, certification and marketing of produce.

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- Tangible outcomes in terms of agreement between private sector and CIH towards effective supply chain solutions for organic produce.
- Address gaps in implementation of central government schemes and possible solutions to tackle the same.
- Evolve advocacy proposals to be taken to the government on what it should do to support such organic markets.

8. Structure & Deliberation Points:

The round table for two & a half hour amongst 40 participants. It would begin with a setting-the-tone presentation by Dr Akali Seema and Mr Sunil Kumar. The discussion would focus around:

1. Present scenario
2. Production and quality issues including certification in the NE
3. Market led production planning opportunities
4. Supply Chain Opportunities
5. Market Development – Branding, Consumer Awareness, Demand Generation & Product Development
6. Trading & Distribution – Pricing Opportunities
7. Institutional issues – Infrastructure & Manpower
8. Policy issues.
9. Any successful case sharing for North East organic linkage to Market (Retail Chain/ Export market)
10. Capturing, Preserving and Protecting inherent Organic nature of North East produce