

# Organic cooperation

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## **New multi-State entity can boost organic exports**

National Cooperatives Organic Ltd (NCOL), a national multi state cooperative society, was established to make India a global leader in organic products. NCOL will act as an umbrella organisation by managing the entire supply chain of organic products through aggregation, branding and marketing the products of various cooperatives.

India has the highest number of organic farmers in the world at 44.3 lakh with 59.1 lakh ha under organic and natural farming.

The burgeoning middle class with higher disposable incomes, rapid urbanisation and an awareness for safe and quality food are factors driving domestic organic food consumption. The market size of organic food was worth about ₹22 billion in FY21, which is likely to touch about ₹64 billion by FY25.

International trade in organic foods is also rapidly increasing and many retail chains and supermarkets in advanced countries as well as in India have special shelf space for the organic category. India produced about 2.9 million tonne of organic produce which included both edible and non-edible produce like cotton.

### Cooperative success

India's strength lies in collectivisation of farmers into cooperative societies and producer companies, which have a federated structure that enable the farmers to access agri inputs, aggregate the produce and take advantage of post-harvest management practices and supply chains to connect the market. The success of Amul in export of milk products is a beacon to the potential of exports in the cooperative sector. Amul milk is exported to Bhutan, the US and Singapore.

Central Areca nut and Cocoa Marketing and Co-operative Society (CAMPCO), a multi state cooperative society in Karnataka, procures areca nuts and cocoa grown by member cultivators. The cooperative has been processing, promoting and marketing the areca nuts and cocoa beans domestically and also has international buyers from China and Africa.

Sikkim has taken a lead in becoming fully organic. The Sikkim State Co-operative Supply and Marketing Federation Ltd (SIMFED) is an apex marketing federation for undertaking bulk marketing of agricultural and horticulture produce through a network of 40,000 farmers of various cooperative societies. The Federation facilitates the farmers to comply with the norms and reach out to consumers through multipurpose cooperative societies and consumer cooperatives.

The challenges

The potential for organic produce is immense, especially in nutraceutical and health care sector which use spices as major ingredients. The scope for exporting ginger, turmeric, large sized cardamom is huge. Organic turmeric is produced in Sikkim and Tamil Nadu but farmers are unable to realise a premium price for their produce because of high post harvest losses and lack of organised markets that are suitably designed to handle organic produce.

A similar picture arises for other spices, medicinal plants, fruits, black rice, etc. which suffer from lack of marketing channel, certification, packaging, branding, transportation and adherence to sanitary and phyto sanitary protocols, resulting in rejection of consignments.

NCOL's primary task is to link primary cooperative societies and producer organisations by enabling registration. There will also be a need to undertake market research on products which have potential, identify markets, understand the right product mix, create clusters and provide incentives to cooperatives.

A well-defined market entry strategy for organic products will also require product compliances and standardisation to be adopted by the growers, processors and traders. Training, market information system and technology enablement will unleash the potential of organic produce cooperative marketing societies.