एपीडा
APEDA

India Organic

CRISIL
An S&P Global Company

August 2024

Study of Indian organic market and export promotion strategy

Title	**Study of Indian organic market and export promotion strategy**
Year	August, 2024
Copyright	No part of this publication may be reproduced in any form by photo, photoprint, microfilm or any other means without the written permission of CRISIL Ltd. and the Agricultural and Processed Food Products Export Development Authority (APEDA)
Disclaimer	This report is the publication of CRISIL Limited (CRISIL) and APEDA, so CRISIL and APEDA have editorial control over the content, including opinions, advice, statements, services, offers, etc., in this report. However, CRISIL and APEDA will not be liable for any loss or damage caused by the reader's reliance on information obtained through this report. This report may contain third-party content and third-party resources. CRISIL and APEDA take no responsibility for third-party content, advertisements or third-party applications printed on or through this report, or for the goods or services provided by advertisers, or for any error, omission, deletion, defect, theft or destruction or unauthorised access to, or alteration of, any user communication. Further, CRISIL and APEDA do not assume any responsibility or liability for any loss or damage, including personal injury or death, resulting from use of this report or from any content for communications or materials available on this report. The contents are provided for your reference only. The reader/ buyer understands that except for the information, products and services clearly identified as being supplied by CRISIL and APEDA, it does not operate, control or endorse any information, products, or services appearing in the report in any way. All other information, products and services offered through the report are offered by third parties, which are not affiliated in any manner to CRISIL and APEDA. The reader/ buyer hereby disclaims and waives any right and/ or claim, they may have against CRISIL and APEDA with respect to third party products and services. All materials provided in the report is provided on "as is" basis and CRISIL and APEDA make no representation or warranty, express or implied, including, but not limited to, warranties of merchantability, fitness for a particular purpose, title or non – infringement. As to documents, content, graphics published in the report, CRISIL and APEDA make no representation or warranty that the contents of such documents, articles are free from error or suitable for any purpose; nor that the implementation of such contents will not infringe any third-party patents, copyrights, trademarks or other rights. In no event shall CRISIL and APEDA or its content providers be liable for any damages whatsoever, whether direct, indirect, special, consequential and/or incidental, including without limitation, damages arising from loss of data or information, loss of profits, business interruption, or arising from the access and/or use or inability to access and/or use content and/or any service available in this report, even if CRISIL and APEDA are advised of the possibility of such loss. This study has been done basis a pre-decided scope of work between CRISIL and APEDA with the objective of achieving specified outcomes and does not cover all aspects/all opportunities pertaining to the organic sector in India.
Authors	Mr. Pushan Sharma, Director, CRISIL MI&A Ms. Priyanka Uday, Associate Director, CRISIL MI&A Mr. Saravanan P, Senior Research Analyst, CRISIL MI&A Mr. Venkatesh Thota, Senior Research Analyst, CRISIL MI&A

सुनील बड़थ्वाल
SUNIL BARTHWAL

सत्यमेव जयते

वाणिज्य सचिव
भारत सरकार
नई दिल्ली–110011
COMMERCE SECRETARY
GOVERNMENT OF INDIA
NEW DELHI-110011

MESSAGE

Today, one of the fastest-growing categories among agricultural products is the demand for organic products. As of 2022, global retail sales of organic products exceeded 140 billion USD. India stands in a favorable position to benefit from this emerging trend.

Organic farming holds great promise for farmers. This shift in consumer preferences presents a significant opportunity for organic producers to tap the market which is growing steadily both in the domestically and abroad. The economic benefits of going organic extend beyond farmers to include the entire value chain, encompassing producers, processors, traders and consumers.

Furthermore, organic agriculture supports the preservation of traditional farming practices and knowledge systems, which have been nurtured over generations. By integrating these practices with modern techniques, we can create a robust framework for sustainable agriculture that is both innovative and deeply rooted in our cultural heritage. This approach ensures that our agricultural progress is inclusive, benefiting smallholder farmers and marginalized communities.

The Ministry of Commerce and Industry is committed to supporting the growth of the organic sector, recognising its potential to improve farmers' livelihoods, promote ecofriendly practices, and capitalise on the rising global demand for organic products through targeted initiatives and policies.

As we move forward, we will continue to collaborate with industry partners and other national and international stakeholders to unlock the full potential of India's organic market. The Ministry is committed to fostering an enabling environment through supportive policies, capacity-building initiatives and market facilitation efforts.

I hope this report will be a valuable resource for all those involved in promoting organic agriculture and trade.

(Sunil Barthwal)

New Delhi
16th August, 2024

Room No. 426, Vanijya Bhawan, Akbar Road, New Delhi-110 011, Tel.: 011-23039251-55 / E-mail : csoffice@nic.in
Website : www.commerce.gov.in

Rajesh Agrawal
ADDITIONAL SECRETARY

सत्यमेव जयते

भारत सरकार
वाणिज्य एवं उद्योग मंत्रालय
वाणिज्य विभाग
वाणिज्य भवन, नई दिल्ली–110001

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
VANIJYA BHAWAN, NEW DELHI-110001

MESSAGE

Export of agriculture products plays a vital role in driving our growth, improving farmers' livelihoods and enhancing our global presence. In recent years, India has made significant strides in agricultural exports, reaching USD 48.77 billion in FY24, and is ranked 8th among global peers with a share of 2.24%.

However, we understand that there is immense potential for value addition and diversification in our export basket. The export of organic products holds significant promise in enhancing and enriching our offerings.

Organic farming not only aligns with our national priorities of sustainable agriculture and environmental conservation, but also offers a unique opportunity to tap into the growing global demand for organic products. By leveraging our rich biodiversity, favourable climate, and innate organic farming practices, we can create a niche for Indian organic products in the global market.

The organic sector has the potential to add significant value to our agricultural exports, fetching premium prices and opening new avenues for farmers' prosperity. Moreover, organic farming promotes eco-friendly practices, improves soil health and conserves biodiversity, aligning with our national goals of sustainable development.

This report provides a comprehensive analysis of the Indian organic market and its export potential and identifies opportunities, challenges and strategies for growth. I commend the efforts of APEDA as well as CRISIL's team and hope that this report will serve as a valuable resource for stakeholders across the organic value chain.

As we move forward, the Ministry of Commerce and Industry is committed to supporting the growth of the organic sector through targeted initiatives, policy support and collaborative efforts with industry partners and other stakeholders.

Together, let us unlock the full potential of India's organic exports, creating a new era of growth, sustainability and prosperity for our farmers, our nation and the environment.

(Rajesh Agrawal)

RIGHT TO INFORMATION

Tele : 91-11-23039360, E-mail : rajesh.agrawal@nic.in

एपीडा
APEDA

अभिषेक देव, भा.प्र.से.
अध्यक्ष
Abhishek Dev, IAS
Chairman

सत्यमेव जयते

कृषि और प्रसंस्कृत खाद्य उत्पाद
निर्यात विकास प्राधिकरण
(वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार)

Agricultural and Processed Food Products Export Development Authority
(Ministry of Commerce & Industry, Govt. of India)

FOREWORD

I am delighted to introduce our comprehensive report on 'Market Study of Indian Organic Market and Export Promotion Strategy".

Though India's agricultural exports have been growing steadily, with its share in the country's total exports currently over 10%, we see immense potential for value addition and diversification, particularly through the organic sector.

India's strength in organic farming lies in its vast arable land, favorable climate and rich biodiversity, making it an ideal location for organic cultivation. In fact, as of 2022, India has the second largest area under organic farming in the world, at over 4.7 million hectares. Moreover, the industry is being supported by strong domestic demand for organic products, driven by increasing consumer awareness and preference for healthy and sustainable food options. Globally too, the organic market has been growing rapidly. The organic market was estimated at USD 142 billion in 2022, growing at 8% CAGR since 2017.

India, with its rich biodiversity and innate organic farming practices, is well-positioned to tap into the growing demand. Though India's organic exports currently stand at ~USD 494 million, with less than 10% share in total global imports, the potential to increase this contribution does exist.

In this milieu, our report is a timely initiative that aims to identify opportunities, challenges and strategies for promoting Indian organic exports. It provides a comprehensive analysis of the Indian organic sector, including market trends, consumer behaviour and competitor analysis of major organic exporting nations. It also outlines a clear roadmap for promoting organic exports, including policy recommendations, market development strategies and initiatives to strengthen the 'India organic' brand.

The need for this study cannot be overstated. In the face of several challenges such as lack of awareness, limited market access and inadequate infrastructure, the report provides actionable insights and recommendations for stakeholders across the domestic organic value chain.

I believe this report will serve as a valuable resource for policymakers, industry leaders, exporters and farmer collectives, and help unlock the full potential of Indian organic exports.

APEDA is committed to supporting growth of the organic sector, and this report is a testament to our efforts. We will continue to work collaboratively with industry partners, certification bodies and other stakeholders to promote Indian organic exports.

I commend the CRISIL team for their diligent efforts in compiling this comprehensive report. I hope the report will inspire action, drive growth and promote Indian organic exports.

(Abhishek Dev)

चौथी मंजिल, एन. सी. यू. आई, बिल्डिंग, 3, सीरी इंस्टीट्यूशनल एरिया, अगस्त क्रांति मार्ग, नई दिल्ली–110 016
दूरभाष : +91-11-41486020 (निजी), 43451289, फैक्स : +91-11-26526187 / ई–मेल : chairman@apeda.gov.in, वेबसाईट : www.apeda.gov.in

4th Floor, NCUI Building, 3, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016
Tel.: +91-11-41486020 (D), 43451289, Fax : +91-11-26526187, E-mail : chairman@apeda.gov.in, Website : www.apeda.gov.in

Abbreviations

Abbreviation	Full form	Abbreviation	Full form
AMS	Agricultural Marketing Service	MT	Metric Tonnes
APEDA	Agricultural and Processed Food Products Export Development Authority	NCEL	National Cooperatives Export Limited
bn	Billion	NCONF	National Centre for Organic and Natural Farming
CAGR	Compound Annual Growth Rate	NCOL	National Cooperative Organics Limited
CAP	Common Agricultural Policy	NE	North East
CBs	Certification Bodies	NER	North East Region
CFTRI	Central Food Technological Research Institute	NMSA	National Mission of Sustainable Agriculture
COTA	Canada Organic Trade Association	NOP	National Organic Program
Cr	Crores	NPOF	National Project on Organic Farming
ECTA	Economic Co-operation and Trade Agreement	NPOP	National Programme for Organic Production
ETO	Ethylene Oxide	NRCS	Natural Resources Conservation Service
EU	European Union	NSA	Net Sown Area
EUDR	European Union Deforestation Regulation	ODMAP	Organic Dairy Marketing Assistance Programme
EUR	Euros	OECD	Organization for Economic Cooperation and Development
FiBL	Forschungsinstitut für biologischen Landbau - The Research Institute of Organic Agriculture	OMDG	Organic Market Development Grant
FMCG	Fast Moving Consumer Goods	OTA	Organic Trade Association
FPO	Farmer Producer Organisation	OTI	Organic Transition Initiative
FSSAI	Food Safety and Standards Authority of India	PACS	Primary Agricultural Credit Societies
FY	Financial Year	PCI	Per Capita Income
G2G	Government To Government	PGS	Participatory Guarantee System
GM	Genetically Modified	PKVY	Paramparagat Krishi Vikas Yojana
GOTS	Global Organic Textile Standard	R&D	Research and Development
ha	Hectare	RAPP	Regional Agricultural Promotion Program
IBS	IFOAM Basic Standards	RTC	Ready-To-Cook
IFOAM	The International Federation of Organic Agriculture Movement	RTE	Ready-To-Eat
Rs	Indian Rupee	SHG	Self Help Group
IT	Information Technology	TBC	Tea Bag Cut

Abbreviation	Full form	Abbreviation	Full form
JAS	Japanese Agricultural Standards	TCs	Transaction Certificates
mn	Million	UAE	United Arab Emirates
MOVCDNER	Mission Organic Value Chain Development for the North-Eastern Region	UK	United Kingdom
MPCE	Monthly Per Capita Expenditure	US / USA	United States of America
MRA	Mutual Recognition Agreements	USDA	U.S. Department of Agriculture

Contents

Market Intelligence
& Analytics

CRISIL
An S&P Global Company

Executive summary

Demand for organic products is on the rise globally, driven by growing awareness of the benefits of a healthy lifestyle, increasing urbanisation, knowledge of the hazards associated with the use of chemical fertilisers and pesticides in food production, and rising disposable income.

According to the 2024 IFOAM - Organics International report[1], the world had 4.5 million organic producers in 2022, cultivating 96.4 million hectares, or 2% of the total agricultural land.

Of the total land area under organic cultivation, Oceania had 55% share at 53 million hectares, followed by Europe (18.5 million hectare), Latin America (9.5 million hectare), Asia (8.8 million hectare), North America (3.6 million hectare) and Africa (2.7 million hectare). Among countries, Australia ranked first, followed by India and Argentina.

Of the total number of organic producers[1], 93% were in Asia, Africa and Europe. Among countries, India had the highest number of organic producers (55% of the total organic producers), but these producers accounted for only 2.8% of total farmers in the country. Uganda came in next with 9%, followed by Thailand with 3%.

On the global demand side, global retail sales of organic products stood at $142 billion in 2022[1], with North America ($67 billion) and Europe ($55 billion) together accounting for ~90%.

In terms of country-wise organic market size[1], the US ($61.7 billion) was the largest, followed by Germany ($16 billion) and China ($13 billion). In 2022, the North American organic market expanded ~17% on-year, mainly because the US dollar appreciated 11% against the euro in the foreign exchange market. However, Germany and France, the two largest markets in Europe, logged negative growth owing to inflation caused by geopolitical uncertainties.

India ranked second in global organic land area and first in organic producers (farmers) in 2022, as per a FiBL 2024 report. For fiscal 2024[2], the area under organic certification in India (excluding wild harvest areas) was estimated at 4.5 million hectare under the National Programme for Organic Production (NPOP), accounting for 2.5% of the country's total agricultural land.

In India, Madhya Pradesh (26%), Maharashtra (22%), Gujarat (15%) and Rajasthan (13%) together accounted for about 76% of the organically cultivated area. However, when considering the share of organic area relative to the net sown area (NSA) of each state, Sikkim led with 98% of its NSA under organic cultivation, followed by Uttarakhand with 39%. Notably, four northeastern states were among the top 10 states in terms of share of organic land in the country. On the production side of organic products, India clocked a compound annual growth rate (CAGR) of 7% between fiscals 2020 and 2024, driven by organic cotton. However, excluding cotton, the production declined at CAGR of 5.8%. This indicates that the overall organic food crop production is declining. During fiscal 2022, despite an increase in the area under organic farming to 4.7 million hectare from 2.3 million hectare in fiscal 2020, India's organic production — excluding cotton — declined 35% on-year. This decline was attributable to the withdrawal of the Organic Recognition Agreement by the US in 2021, which forced many operators to market their products as conventional. This discrepancy also underscores that production data (available in APEDA's portal) often reflects the commercial output recorded by certification bodies (CBs) for issuing transaction certificates (TCs), rather than actual production levels. Furthermore, the organic oilseeds category in India, which had been growing until 2020, witnessed a significant decline in production between 2021 and 2024, with a CAGR of -22%. This downturn was largely because of the US's anti-dumping policy on Indian organic soybeans. Overall, reported production in 9 out of 16 categories reduced drastically, primarily owing to the impact of the US's withdrawal of the Organic Recognition Agreement in 2021. Among the major organic crops, oilseeds production has declined at a CAGR of 26% from fiscal 2020 to 2024. On the demand side, based on comprehensive primary and secondary

[1] The World of Organic Agriculture 2024, Statistics and Emerging Trends; FiBL, IFOAM - Organics International
[2] APEDA

research[3] by CRISIL, the Indian organic market is estimated to have been valued at ~Rs 16,800 crore (~$2 billion) as of fiscal 2023. This represents 1.4% and 1.2% of the global organic market and the Indian fast-moving consumer goods (FMCG) market[4], respectively. Out of this, exports are estimated to have accounted for ~Rs 5,520 crore (32%), the organised domestic organic market for Rs 3,340 crore (20%), the unorganised domestic market for Rs 1,600 crore (10%), and organic produce sold as conventional products for Rs 6,340 crore (38%). This indicates significant untapped potential in organising the sector and redirecting organic produce sold as conventional back into either the export channel or the organised domestic channel. Since the domestic unorganised market and organic produce sold as conventional products are highly scattered, this study delves only into the organised domestic organic market and exports.

In the domestic organic market, the southern region leads with a 35% share, mainly attributable to higher per capita income (Rs 1.57 lakh/annum) and high awareness about organic products. The north (30%) ranks second, followed by the west (25%) and the east (10%).

As per CRISIL's estimate of the share of various organic categories, pulses (market value of Rs 750 crore) lead with a 22% share, followed by cereals and millets (Rs 700 crore) with a 21% share and spices (Rs 340 crore) with a 10% share. By contrast, dairy holds a share of 9%, fruits and vegetables 7%, and beverages (tea and coffee) and processed food 4% each.

Under cereals, wheat flour is the major selling product in the north and the east, whereas rice is the major selling product in the south and the west. Turmeric, coriander and chilli are the top three selling products within the spices category with a share of 45%, 20% and 20%, respectively. Consumption of turmeric is more due to its effective antioxidant, anti-inflammatory, and immunostimulatory properties. In the dairy category, organic milk, ghee and curd are the top three selling products, with a share of 60%, 20% and 10%, respectively. Within this category, organic ghee logged exponential growth at a CAGR of 40% over the last three years (FY20-23). Similarly, organic curd, considered a good source of probiotics, also saw significant growth, with a CAGR of 30% over the same period, within this segment. However, industry interactions indicate that low productivity in organic dairy, coupled with inadequate cold chain facilities, hampers growth in the overall organic dairy sector. In the organic fruits and vegetables category, onions, potatoes and tomatoes are the major selling products, each with a share of 15%. However, our primary interactions with industry and farmers indicate that for fresh fruits and vegetables, major brands prefer only NPOP certificates, whereas for the majority of fruits and vegetables, farmers hold PGS certificates. In the organic processed food category, ready-to-cook (RTC) breakfast items such as poha, oats, organic baby foods and snacks are the main growth drivers. Organic food manufacturers cater to domestic consumers' demand through various distribution channels such as modern trade, general trade and online platforms. As per CRISIL's interaction with industry experts, approximately 40% of organic product sales in the domestic market occur through modern trade channels, 35% through general trade and the remaining 25% through online platforms. Before the Covid-19 pandemic struck, the share of organic food sales through online platforms was less than 10%. However, after the pandemic abated, this share grew rapidly (to 25%) owing to technological advancements, a shift in customer buying preferences and the convenience of home delivery. Notably, platforms such as Amazon and Flipkart now feature separate 'Organic Store' categories, while BigBasket has introduced its own brand, 'BB Royal Organic'. Interestingly, sales of pulses and cereals through online platforms are lower than those of other product categories such as spices, beverages, sweeteners, and fruits and vegetables. This is

[3] CRISIL has estimated the market size of the Indian organic sector through extensive primary and secondary research. This involved interactions with industry leaders, leading exporters and industry associations to gather essential quantitative and qualitative data. Additionally, surveys covering 525 retailers and 1,207 consumers were conducted across 10 cities in India to collect data on sales, market trends, and consumer behaviour. Data related to area and production under the NPOP was sourced from APEDA, while data for PGS area was obtained from the National Centre for Organic and Natural Farming (NCONF). Production estimates for PGS were made in consultation with certification bodies.

[4] Post-COVID Boom: India's FMCG market to double by 2025 to $220 bn, Arnab Dutta, Feb 29, 2024, Business Today

attributable to the low 'value-to-weight' ratio of pulses and cereals. As per CRISIL's estimates, the Indian domestic organic market is expected to reach Rs 12,500 crore (~$1.4 billion) by fiscal 2033, at an estimated CAGR of 13-15%. Processed food products are projected to be the fastest-growing segment (share expected to improve from ~5% in fiscal 2023 to 11% in fiscal 2033), with a CAGR of 25%, followed by fresh fruits and vegetables expected to grow at 18%, and dairy at 16%. Domestic demand for organic products is driven by factors such as rise in health consciousness, urbanisation, changing consumer preferences, retail expansion, food safety concerns, and macroeconomic parameters such as increasing disposable income. To understand the consumer's perspective, CRISIL conducted a detailed consumer survey covering 1,207 respondents across 10 major cities of India. The following insights were derived:

- Around 66% of consumers look for an indicator of organic authenticity on the packaging in the form of a logo, certification or any other sign stating it is an organic produce
- Yet, ~55% of consumers are not aware of the difference between various logos such as NPOP/PGS/Jaivik Bharat
- Around 38% of consumers allocate less than 10% of their total grocery budget for organic purchases
- Around 79% of consumers said they are willing to increase their organic grocery share in the future; among them, 70% said they will increase the share up to 25% from under 10% currently
- Pulses are the most frequently purchased organic category as well as the first organic product tried by the majority of the consumers (21% of consumers), followed by tea (15%)
- Organic fresh fruits and vegetables are products consumers are willing to buy but cannot find in the market
- Around 85% of consumers said they learnt about organic products through social media
- Around 70% of consumers feel lower price of organic products would encourage them to buy more frequently
- More than half of consumers perceive that the benefits derived from organic products justify their higher price

In fiscal 2023, the domestic (branded) segment had a 20% share in the Indian organic market, while exports contributed a significant 32%; India's organic exports stood at Rs 5,525 crore ($0.71 billion).

Yet, in calendar year 2022, India had a share of only 6.2% of the organic imports by the key countries (as per data availability of14 country's import data), which were valued at ~$11.5 billion, as per FiBL report. This modest share presents a significant opportunity for Indian organic products to expand globally. Bananas, soybean and sugar were the leading globally imported organic products, comprising 46% of total organic commodity imports. The US, the Netherlands, France and Germany were the primary global importers, handling nearly 73% of organic commodity imports.

In fiscal 2024, India exported 2.6 lakh MT of organic products, with a total value of $0.49 billion. These exports were categorised into 19 groups. Cereals and millets accounted for the largest share by volume, comprising 34% of the exports. Processed foods followed closely with a 28% share (mainly processed soymeal exports). Sugar made up 18%, while oilseeds represented 6%. Spices, condiments, coffee, tea, fodder and medicinal plant products each contributed 2% to the total volume, while other categories made up the remaining exports.

In terms of products, non-basmati rice and rice products, ready-to-eat (RTE) items, honey, castor oil, sugar, coffee, and medicinal plant products saw significant growth in organic exports from fiscal 2020 to 2024. However, categories such as tea, oilseeds, spices and pulses — each with a healthy global import demand — saw negative growth in exports. Despite India's strong potential to expand in these categories, this decline highlights the focus areas to enhance the country's export performance.

Within overall Indian organic exports, the composition during fiscal 2020 to 2024 shifted modestly from bulk to retail products. In fiscal 2020, bulk exports made up 98-99% of the total, with retail products such as ready to eat products, pineapple juice, honey, cashew nuts, flour and tea bags comprising just 1-2% of the export basket. By fiscal 2024, retail exports accounted for 5-7% share of the total, driven by RTE food, honey, seed oils, cashew roasted, cooked/roasted corn, to name a few. RTE products alone clocked a CAGR of 63% during fiscal 2020-24.

By fiscal 2030, retail organic exports are projected to reach 12-15% share, fuelled by rising demand for convenience products such as RTE, RTC and health-focused products (e.g., cereal/millet healthy mix, snacks, fruit juices and medicinal items, to name a few).

As per our interaction with key Indian organic food exporters, Indian organic food manufacturing companies are strategically targeting the Indian diaspora[5] residing in regions such as the Middle East, (7.93 million Indians living in the UAE, Saudi Arabia, Kuwait, Qatar and Oman), Europe (22.8 million Indians), and the US (44.6 million Indians) to enhance their retail share in the total export basket. This population has growing demand for familiar and high-quality organic products from their home country, driven by health consciousness and a desire to maintain cultural culinary practices. Consequently, businesses are tailoring their marketing and distribution strategies to effectively reach these consumers, leveraging their preferences and purchasing power to expand market reach.

Though demand for organic products has been growing on both domestic and export fronts, several underlying issues remain – inadequate infrastructure, high certification costs, lack of customer awareness, limited supply-chain linkages and limited availability of wide range of organic produce, to name some. Addressing these challenges can help Indian organic sector achieve its full potential. In this milieu, the Indian government has taken several initiatives and started policy schemes to nourish the Indian organic ecosystem, from production to exports. In fiscal 2016, the government launched the Paramparagat Krishi Vikas Yojana (PKVY) and the Mission Organic Value Chain Development for the Northeastern Region (MOVCDNER) to support farmers — from production to processing, certification, marketing and post-harvest management — by providing training, capacity building and financial aid. The organic export to diverse geographies involves multiple certification systems, including NPOP for exports, EU for processed organic food, NOP for the US, JAS for Japan, GOTS for textiles, and COSMOS ORGANIC for organic cosmetics. Among the multiple certifications, most of the operators adopt NPOP (for exports), followed by PGS (for domestic). Through the PKVY and MOVCDNER schemes, the government supports the operators with financial assistance for certification during the initial conversion period, which reduces the entry barrier (cost of certification) especially for small and medium farmers.

Aggregation of organic products for export and domestic sales attains importance because the average organic landholding size in India is small (1.8 hectare) and scattered across the geography. To address this and to provide market linkage, the government has established National Cooperative Organics Ltd (NCOL) and National Cooperatives Export Ltd (NCEL), aimed at supporting farmers from certification to exports of organic products.

Additionally, APEDA has formed a dedicated division to promote organic products, serving as a central hub for organising initiatives to enhance the nation's organic export potential. To increase the visibility of the ‘India Organic’ brand, APEDA supports exporters' participation in various international and national events. Moreover, the Government of India and APEDA are in discussions with several countries, including Australia and South Korea, to establish Mutual Recognition Agreements (MRAs) for the export of organic products. A notable achievement in this regard is the recent implementation of an MRA with Taiwan in July this year.

[5] Population of Overseas Indians Data retrieved from Ministry of External Affairs, GoI (https://www.mea.gov.in/images/attach/NRIs-and-PIOs_1.pdf)

Complementing these government efforts, private-sector players are also promoting Indian organic exports by establishing distribution networks (collaborations with supermarkets such as Walmart and Kroger to name a few) in global destinations and promoting capacity building for organic farming through training programmes. These collective initiatives by both the government and private players aim to boost organic exports from India.

However, there are challenges in the organic value chain from the farm to the fork. Limited R&D in organic agriculture, non-availability of bio-agricultural inputs, and non-standardisation of processing and storage techniques are leading to low yield and more wastage of organic produce at the farm level. Lack of infrastructure facilities to store and process organic products is one of the major reasons leading Indian exporters to transact more in bulk rather than retail. Lack of consumer awareness about organic products and declining trust of customers on authenticity of organic produce due to the availability of 'chemical free', 'naturally grown' labelled products in the market are some of the major issues faced by domestic players. These challenges have been found to be structural in most countries that have adopted organic farming. Therefore, this report covers a few best practices used by the selected countries to overcome them. Countries such as the US have several initiatives — e.g., Organic Transition Initiative (OTI), Organic Certification Cost Share Program, Organic Market Development Grant Program, and Regional Agricultural Promotion Program — to support farmers during the conversion period and underpin organic exports. Similarly, the EU has a comprehensive organic action plan through which it aids the organic segment by supporting farmers, creating awareness among consumers and promoting EU organic products in global trade. Australia celebrates Organic Awareness Month every September to create awareness about organic farming, products and their benefits to consumers, farmers and the environment. Canada's Export Program, on its part, aims to identify target markets, products and key entry points to benefit the Canadian organic sector by identifying gaps in the supply chain, identifying new opportunities and innovations, and providing a coordinated approach to capacity development.

Considering these best practices and suggestions from industry players and policymakers, CRISIL has made some crucial recommendations in this report to boost India's organic market, both domestic and exports.

1. **Strategic products in focus**: We mapped potential export products using a three-part framework: **first**, evaluating India's existing strengths by analyzing products currently produced and exported in bulk, trends over recent fiscal years, and premium pricing in key export destinations. **Second**, identified high global demand products that are not yet widely produced in India. **Third**, considering how well products align with India's international brand image and their resonance with global consumers.
2. **Our study identified the below strategic focused products**

S. no.	Categories/products
1	Banana
2	Ginger
3	RTE/RTC (ready to eat/ready to cook)
4	Medicinal plant products
5	Millets
6	Fruits and vegetables

- Our rationale for selecting RTE food products lies in the consumption of organic packaged foods[6] in the US and EU, which clocked a CAGR of 3%, and 6%, respectively from CY'2019-23. Middle Eastern countries such as Saudi Arabia and Kuwait are also showing impressive growth rates of 14% and 12% CAGR (CY'2019-23) in organic packaged food consumption. Korea and the UAE as well clocked CAGR of 5% and 6% respectively during the same period.

3. **Strategic market based on premium and demand**: Based on the overall trend in global retail sales, per capita consumption of organic products, trend in consumer spending on food and beverages, and our primary interactions with the stakeholders, our study identified key focused markets those can pay premium and have healthy demand. These include the Middle East, Japan, South Korea, Switzerland and France, which are strategically viable for exports from a logistics perspective, given the current organic export trade with these countries. These markets are in addition to the existing biggest markets such as US and EU.

   The largest Indian communities are in the Middle East **(UAE, Saudi Arabia, Kuwait, Qatar and Oman)**, which have a strong preference for familiar products from home, including organic options – and that can drive demand for Indian organic products.

   France ranked fourth in global organic retail sales with $12.7 billion in 2022, clocking a 2% CAGR from 2018. In per capita consumption of organic food, France ranks 7th with $185 per person in 2022, at a CAGR of 4% from 2018.

   Switzerland had the highest per capita consumption of organic products, reaching $460 per person in 2022, at a CAGR of 6% (2018-22). Retail sales of organic products in Switzerland surged to $4.06 billion in 2022, up from $3.14 billion in 2018.

   South Korea accounts for 2% of the global imports and exhibited significant import growth (10% CAGR) between 2018 and 2022 — while its retail sales logged a CAGR of 7% to $0.51 billion.

   Japan is the fourth-largest country in terms of per capita expenditure on foods and beverages, which is estimated to reach ~$3,550 by CY2025. Organic retail sales in the country expanded to $1.71 billion in 2022, at a marginal 1% CAGR from 2018-22. Consumer behaviour shifted significantly with 32.6% of consumers purchasing organic foods at least once a week. Processed products accounted for 69% of the Japanese organic market in 2018, indicating a strong demand for ready-to-eat and value-added products in Japan.

4. **Focus on retail products for export**: India should transition from exporting loose products with no branding to establishing a strong country brand. By strategically positioning and branding Indian organic products, the country can command premium prices. A successful approach can be modelled on the sugarcane industry of Barbados, which targeted a niche market segment by identifying undeserved customers, selling to a select group of European tourists through only 1,400 stores in the UK.

   Similarly, India can emphasise its traditional organic farming heritage and focus on region-specific products that offer unique differentiation, such as hill garlic from Kodaikanal (Tamil Nadu), Khola Chilli from Goa, and Lakadong Turmeric from Meghalaya, to name a few. By marketing these products, India can compete based on value provided through quality product rather than price. This strategy can position India as a premium organic product provider, enhancing market share and fostering long-term consumer loyalty. Through effective branding and strategic differentiation, Indian organic products can gain a competitive edge in the global market, ultimately revitalising the export sector.

[6] Global organic trade

5. **Collaborative framework**: India needs to create a collaborative model where all stakeholders in the organic supply chain have access to real-time information about total expected yields, actual harvested volumes and quantities sold. This will enable organic food manufacturers and retailers to secure their supply and provide market linkage for farmers. If surplus produce remains unsold, cooperative organisations such as the NCOL can procure and distribute these products to consumers under the 'Bharath Organic' brand.
6. **Market linkage through SHGs:** Another important initiative would be creating a market linkage for the unsold organic products of FPOs through SHGs at prices slightly higher (5-10%) than conventional products (organised channel organic products are sold at a 25-50% premium to conventional products). This will make organic products accessible to the lower-middle-class segment and create a win-win for FPOs, SHGs and consumers.
7. **Strengthening certification processes:** Streamlining the current certification process through reduced paperwork and increased digitalisation is essential. Activities such as implementing IT-based analysis to strengthen regulatory oversight, providing training and capacity building for stakeholders involved in the certification process, including internal inspectors of grower groups as well as managers of the Internal Control System (ICS) of these groups should be conducted.
8. **Improving accessibility of testing laboratories**: Increasing the number of government labs doing organic testing will reduce testing charges. Labs should also be established in currently unserved areas such as the Northeastern States and major states such as Bihar, Himachal Pradesh and Odisha.
9. **Research and development (R&D):** It is also vital to boost R&D activity in organic agriculture in the entire value chain, including standardisation of organic farming practices of all crops across the nation, identifying the varieties of crops suitable for exports and domestic markets, and standardisation of storage and processing of organic produce.
10. **Training and capacity building for audit inspectors:** With approximately 6,000 ICS groups and 2.3 million farmers in the NPOP system, there is a need for 60,000 inspectors to meet regulatory requirements. CRISIL's interactions with certification bodies reveal a shortage of qualified inspectors. Current training efforts focus on producers and businesses, but to address this gap, specialised courses on organic farming and inspection should be introduced at all state agricultural universities in India.
11. **Support programmes for farmers and exporters**: Organic conversion support programmes should be conducted for farmers to help them during the initial conversion period.
12. **Awareness campaigns:** A key step would be establishing 'International Year for Organic' through which various awareness campaigns can be conducted for domestic as well as global consumers. The endorsement of the 'India Organic' logo by renowned personalities such as MS Dhoni or Neeraj Chopra could significantly boost its visibility and credibility.

In summary, enhancing India's organic export capabilities requires leveraging existing strengths, developing new product categories, and targeting premium markets. Strengthening market linkage, certification system, and improving testing facilities are essential steps. Additionally, increasing R&D, supporting farmers and exporters, and amplifying organic awareness will solidify India's position in the global organic sector. These efforts will boost exports and benefit all stakeholders in the organic value chain.

Market Intelligence
& Analytics

CRISIL
An S&P Global Company

Overview of organic agriculture

Rise of organic farming: Historical overview

Progress of organic farming at global level

As a system, organic agriculture follows the logic of living organisms wherein all the components, including soil, plants, farm animals, insects and farmers, are closely linked with each other. **The concept of organic believes in feeding the soil to feed the plants**. Thus, organic farming aims to make soil healthy and vital, which ultimately affects the plant.

The International Federation of Organic Agriculture Movement (IFOAM), the worldwide umbrella organisation for the organic agriculture movement, sets the standards for organic agriculture, production, and processing through its IFOAM Basic Standards for Organic Production and Processing (IBS). These standards are based on four main principles:

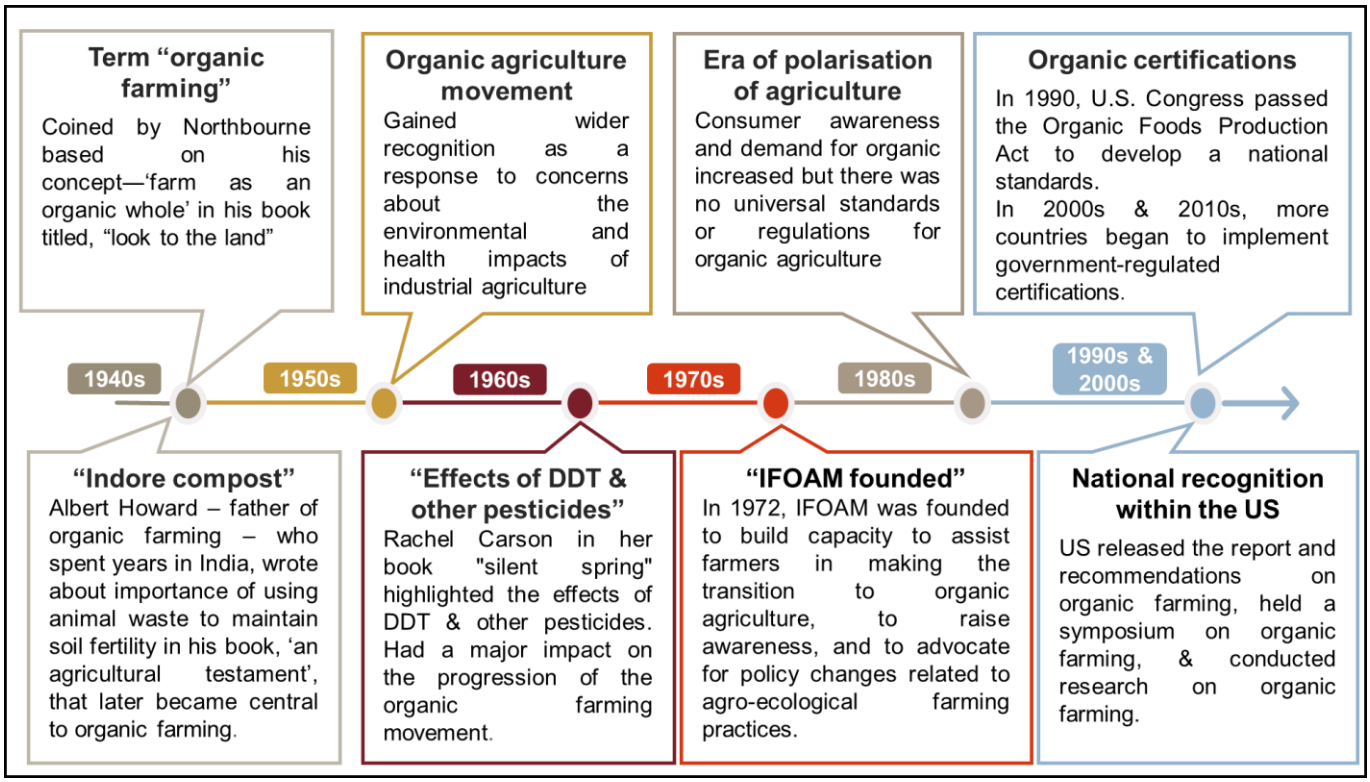
- The principle of health
- The principle of ecology
- The principle of fairness
- The principle of care

All generally accepted organic rules and standards worldwide are governed by these four principles. They prohibit the use of synthetic fertilizers, pesticides, growth regulators, and livestock feed additives, and require long-term soil management, emphasis on animal welfare, and extensive record keeping and planning. Certain activities, such as the use of genetically modified stock, application of sewage sludge to organic acreage, and food irradiation, are also prohibited.

According to the 2024 IFOAM – Organics International report[7], there were **4.5 million organic producers cultivating 96.4 million hectares globally in 2022**. This growth is rooted in the early 20th century when organic agriculture emerged as a response to soil erosion, depletion, limited crop varieties, and declining food quality. At that time, rapid mechanisation and increased reliance on synthetic fertilizers and pesticides led to significantly higher crop yields and reduced farming costs. However, the negative environmental impacts of these practices catalysed development of the organic farming movement. The key milestones in evolution of organic farming are illustrated in Figure 1 below:

[7] The World of Organic Agriculture 2024, Statistics and Emerging Trends; FiBL, IFOAM - Organics International

Figure 1: Major events in organic farming[8]



Source: Organic Farming: History, Timeline, and Impact; Rebecca Clarke

Progress of organic farming in India

Organic farming is not new to India; it has been practised since ancient times. However, the 1960s ushered in the Green Revolution, marked by a shift towards mineral-based farming and introduction of chemical and technological advancements in agriculture.

The revolution significantly increased productivity, alleviating food insecurity for India's growing population. However, it also led to ecological degradation, including soil health deterioration, new pest and disease outbreaks, the destruction of beneficial microorganisms, and the infiltration of toxic chemicals into the food chain. Recognising these adverse effects, there was a growing consensus on the need for an alternative farming system that could sustain agricultural production without harming the environment. Organic farming emerged as a viable solution, focusing on the optimal, balanced, and scientific management of land, water, biodiversity, and external inputs.

The evolution of organic farming in India has been marked by a series of government initiatives, policies and schemes aimed at promoting sustainable agricultural practices and boosting organic production. Here is a chronological overview of the significant steps taken by the Indian government to support and develop the organic farming sector:

1980-1990s: Early awareness and promotion

The organic farming movement in India gained formal recognition in October 1984 with the first conference organised by the Association for Propagation of Indigenous Genetic Resources (APIGR) at Wardha[9]. Subsequent

[8] Organic Farming: History, Timeline, and Impact; Rebecca Clarke; https://www.treehugger.com/organic-farming-history-timeline-and-impact-5189324
[9] Organic Farming in India : Relevance, Problems and Constraints; DR. S. Narayanan; NABARD; 2005

conferences in the late 1980s and early 1990s, such as the Bordi Conference in Maharashtra and meetings organised by the Rajasthan College of Agriculture, further advanced the cause. The United Planters' Association of South India (UPASI) also held national-level conferences in 1993 and 1995. In 1995, the Agricultural Renewal in India for a Sustainable Environment (ARISE) was founded at a national conference in Auroville. ARISE plays a crucial role in promoting organic farming through a network of regional groups focused on environmental sustainability and biodiversity protection.

2001: National Programme for Organic Production (NPOP)

The movement gained momentum when stricter European standards for food imports led to the return of consignments with pesticide residues. This prompted the **Indian government to support organic farming to boost exports, leading to the launch of the National Programme on Organic Production (NPOP) in 2001**[10] under the Ministry of Commerce and Industry. This programme, managed and operated by APEDA, aimed to establish standards for organic production, certification, and marketing. It provided a framework for the development and regulation of organic agriculture in India, ensuring that organic products meet international standards. In 2002, the Organic Farming Association of India (OFAI) was set up in Bangalore to promote organic farming, lobby with government agencies and departments to pay more attention to sustainable agriculture and assist farmers using chemicals and pesticides to convert successfully to organic farming methods. OFAI today remains the only membership-based national association of organic farmers, organic farming promoters and green stores.

2004: National Project on Organic Farming (NPOF)

In 2004, the National Project on Organic Farming was introduced by the Ministry of Agriculture and Farmers' Welfare[11]. The NPOF focused on promoting organic farming through capacity building, training, and demonstration programs. It also supported the development of organic inputs like bio-fertilizers and bio-pesticides.

2011: Participatory Guarantee System (PGS)

Initially, export-oriented organic certification schemes were costly, relying on European inspectors. Over time, Indian inspectors from accredited agencies took over. To simplify the certification procedure and reduce certification costs, the Government of India introduced the Participatory Guarantee System (PGS) in 2011. This system was developed by FAO and groups such as OFAI by taking inspiration from similar system in Brazil. This low-cost scheme has been successful, leading to the establishment of the PGS Organic Council (PGSOC), run by NGOs dedicated to sustainable agriculture. PGS-India is a decentralised, locally applicable quality assurance system for grower group certification implemented by local groups of farmers, traders and consumers under the supervision of Regional Councils.

2015: Introduction of two major policies to promote organic farming

In 2015, the government launched two major schemes to promote organic farming in India, i.e., Paramparagat Krishi Vikas Yojana (PKVY) and Mission Organic Value Chain Development for Northeastern Region (MOVCDNER). PKVY launched under the National Mission of Sustainable Agriculture (NMSA), aimed at promoting traditional organic farming practices by forming clusters of farmers and providing them with financial assistance, training, and certification support. PKVY emphasised community-based farming and encouraged the use of natural resources for sustainable agriculture. However, MOVCDNER focused on developing organic farming in the Northeastern states of India. This mission aimed to create a value chain from production to marketing, ensuring better market access and higher income for organic farmers in the region.

[10] Implementation of NPOP, PIB, Ministry of Commerce & Industry, 07-December-2016
[11] Guidelines on National Project on Organic Farming, MoA&FW

2017: Food Safety and Standards (Organic Foods) Regulations

The Food Safety and Standards Authority of India (FSSAI) has the mandate to regulate manufacture, distribute, sell or import “organic foods” as per the provisions laid under Section 22 of the Food Safety Standards Act, 2006. Organic foods are regulated by Food Safety and Standards (Organic Foods) Regulations, 2017, notified under the provisions of the Act. FSSAI has introduced the Jaivik Bharat logo to help customers identify authentic organic food. This initiative aimed to provide a unified logo for organic products, enhancing consumer awareness and confidence. It also ensured that all organic food products in India complied with the established standards.

2024: Organic Promotion Division, APEDA

In a significant move to bolster India’s organic export sector, APEDA has created a dedicated organic promotion division for the purpose. This division is now serving as a focal point for coordinating efforts to increase the country’s organic export potential.

Organic agriculture: Key indicators and leading countries

Organic agriculture has significantly expanded and is now **practiced in 188 countries, covering over 96 million hectare and managed by at least 4.5 million farmers.** 'The World of Organic Agriculture 2024', published by the Research Institute of Organic Agriculture (FiBL) and IFOAM — Organics International, provides a thorough review of recent developments in global organic agriculture that includes detailed statistics on organic farming, including the area under organic management, land use and crops, the number of farms and other operators, retail sales, and international trade data. Key indicators and the top countries for each are highlighted below.

Table 1: Organic Agriculture- Key indicators and leading countries[12]

Indicator	World	Top countries
Countries with organic activities	2022: 188 countries	
Organic agricultural land	2022: 96.4 million hectare (2000: 15 million hectare) **CAGR: 8.8%**	Australia (53.0 million hectare) India (4.7 million hectare) Argentina (4.1 million hectare)
Organic share of total agricultural land	2022: 2.0%	Liechtenstein (43.0%) Austria (27.5%) Estonia (23.4%)
Increase of organic agricultural land 2021/2022	20.3 million hectare; +26.6%	Australia: 17,328,259 ha (+48.6%), India: 2,068,825 ha (+77.8%) Greece: 390,223 ha (+73.0%)
Wild collection and further non-agricultural areas	2022: 34.6 million hectare (1999: 4.1 million hectare) **CAGR: 9.7%**	Finland (6.9 million hectare) India (4.4 million hectare) Zambia (3.2 million hectare)
Producers	2022: 4.5 million producers (1999: 200,000 producers) **CAGR: 14.5%**	India (2,480,859) Uganda (404,246) Thailand (121,540)
Organic market	2022: 134.8 bn euros[13] (2000: 15.1 bn euros) **CAGR: 10.5%**	US (58.6 bn euros) Germany (15.3 bn euros) China (12.4 bn euros)
Per capita consumption	2022: 17.0 euros	Switzerland (437 euros) Denmark (365 euros) Austria (274 euros)
Number of countries/ territories with organic regulations	75 (fully implemented) 14 (drafting)	

Source: The World of Organic Agriculture 2024

The 2022 global organic agriculture data from 188 countries presents a remarkable growth story. Organic farmland expanded to over 96 million hectare, or 26.6% on-year, driven largely by growth in Australia. The number of organic farmers increased by more than 20 percent, reaching 4.5 million producers. The following sections will provide a detailed analysis of the area under organic agriculture, the number of farmers, and organic consumption at both global and India levels.

[12] The World of Organic Agriculture 2024, Statistics and Emerging Trends; FiBL, IFOAM - Organics International
[13] 1 euro = 1.0530 US dollars in 2022 according to the European Central Bank.

Area Under Organic Agriculture

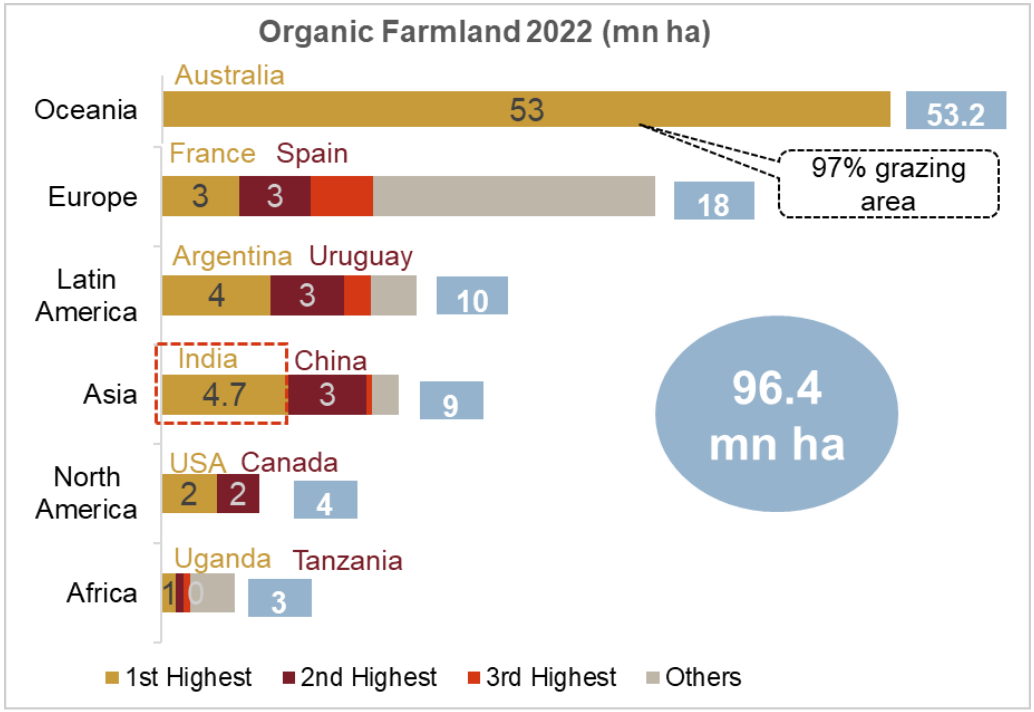
In 2022, 96.4 million hectare was managed organically worldwide, representing 2.0% of the total farmland. Organic farmland saw a significant increase of 26.6%, or 20.3 million hectares, in 2022. **Oceania led the regions with the most organic agricultural land, totalling 53.2 million hectares**, followed by Europe with 18.5 million hectares. Other regions included Latin America with 9.5 million hectares, Asia with 8.8-million-hectare, North America with 3.6 million hectare, and Africa with 2.7 million hectare. **Oceania accounted for more than half (55%) of the global organic agricultural land.** Europe, with consistent growth in organic land, held over 19% of the global share, followed by Latin America with nearly 10%.

Australia had the maximum organic agricultural land, with an estimated 97% of this land being extensive grazing areas. India ranked second, followed by Argentina in the third place. The ten countries with the largest organic agricultural areas collectively managed 79.3 million hectare, accounting for 82% of the world's organic agricultural land. In addition to organic agricultural land, there are organic wild collection areas, which cover approximately 35 million hectares.

In 2022, **only 2.0% of the world's agricultural land was organic**. Oceania led with 14.3% of its agricultural land being organic, followed by Europe at 3.7%, and Latin America at 1.3%. In other regions, the share of organic land was less than 1%.

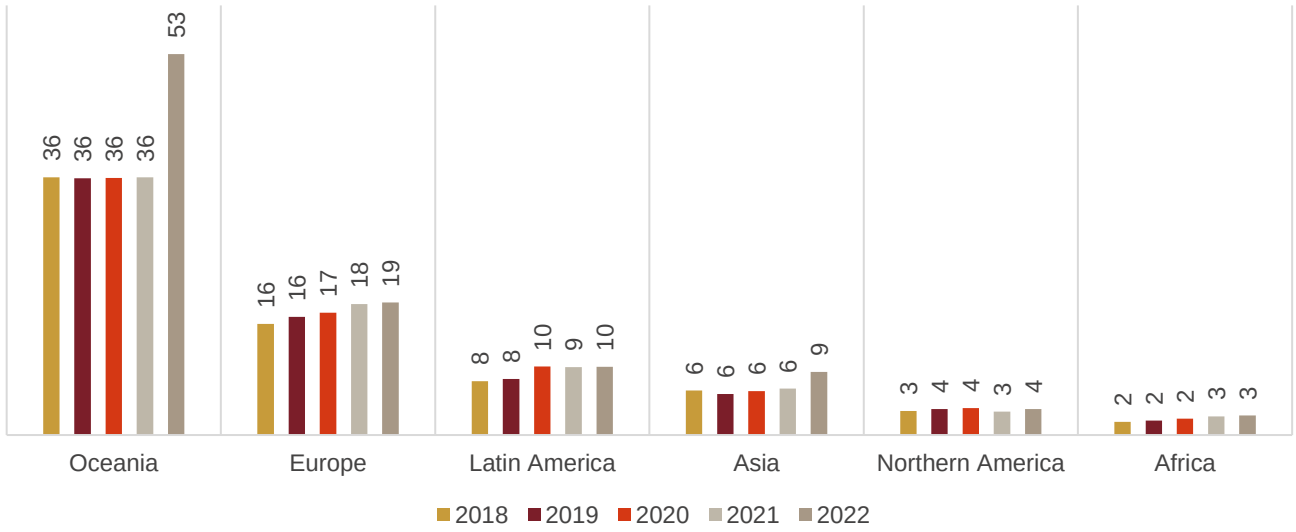
Despite these global averages, some countries have a much higher proportion of organic agricultural land. In 22 countries, mostly in Europe, at least 10% of agricultural land is organic (see annexure 1 for details). **Liechtenstein had the highest share, with 43% of its agricultural land managed organically**. However, in 97 out of 167 countries (54%) for which data is available, less than 1% of their agricultural land is under organic management.

Figure 2: Region wise organic farmland (mn ha)



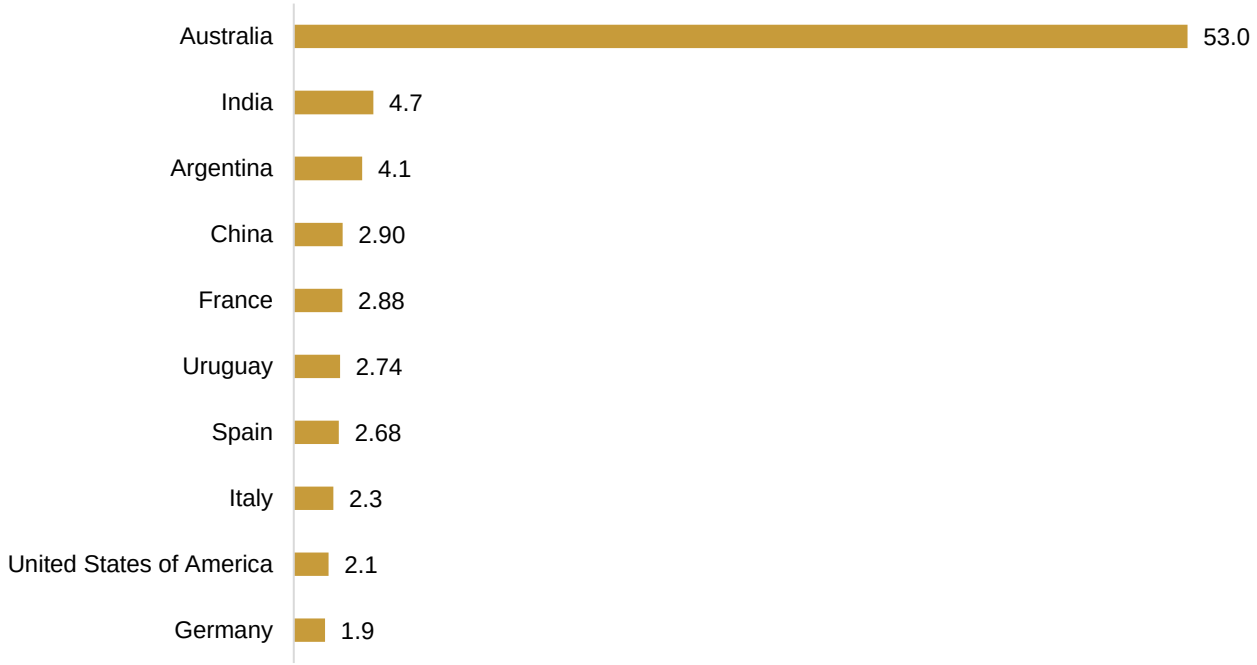
Source: The World of Organic Agriculture 2024

Figure 3: Organic agricultural land by region in mn ha



Source: The World of Organic Agriculture 2024

Figure 4: Top 10 countries with largest area under organic agriculture, 2022 (in mn ha)



Source: The World of Organic Agriculture 2024

Since 2000, when 20 million hectare was organic, the area of organic agricultural land has increased more than 4.5-fold by 2022. In 2022 alone, organic agricultural land expanded by 20.3 million hectare, or 26.6%, compared with 2021. Significant increases were reported in several countries, notably Australia (48.6% increase, adding over 17.3 million hectare), India (77.8% increase, adding almost 2.1 million hectare), and Greece (73.0% increase, adding nearly 0.4 million hectare). The big increase in Australian organic land from 36 million hectare to 53 million hectare was largely due to more accurate data submission. The Australian Organic Market Report 2023,

unveiled on May 2, was the first publication to include contributions from all four of Australia's largest certification bodies.

Organic agriculture area in India

The growth of organic agriculture in India can be categorised into three dimensions, each reflecting different motivations and adoption patterns among farmers:

1. **Traditional organic farmers:** These farmers are located in no-input or low-input zones where organic farming is a way of life and a long-standing tradition. They typically practice organic farming by default and are usually not certified. For instance, farmers of the North-Eastern Region of India (4.05 out of 146 million farmers in India)[14] traditionally follow organic farming by not using chemical fertilizers and pesticides.
2. **Reactive organic farmers:** This group has adopted organic farming more recently in response to the negative impacts of modern agricultural practices, such as reduced soil fertility, food toxicity and rising costs with diminishing returns. These farmers include both certified and uncertified organic practitioners and part of PGS farmers and natural farming proponents (4.2 out of 146 million farmers)[15] who wanted to move away from conventional farming practices due to lesser crop response to fertilizers and chemicals.
3. **Commercial organic farmers:** This category consists of farmers and enterprises that have systematically adopted organic farming to tap into emerging market opportunities and secure premium prices. The majority of the farmers in this group are certified and engage in organic farming as a commercial venture. These include NPOP farmers and part of PGS farmers (3.2 out of 146 million farmers)[16] who want to sell organic certified produces at premium price to global and domestic market.

[14] Agriculture census 2015-16

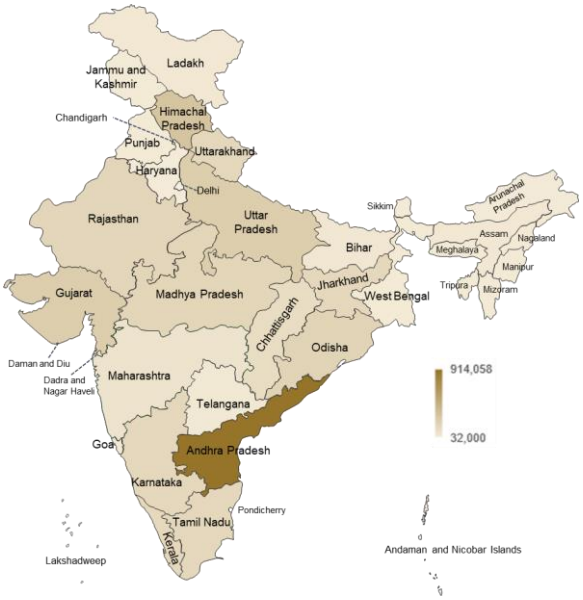
[15] PGS farmers of about 1.8 mn as per PGS data and another 3.2 mn farmers are estimated to be practicing natural farming by the study named "Natural Farming in India" conducted by Council On Energy, Environment & Water in 2021

[16] NPOP farmers based on APEDA's data

Figure 5: Categories of organic farmers in India

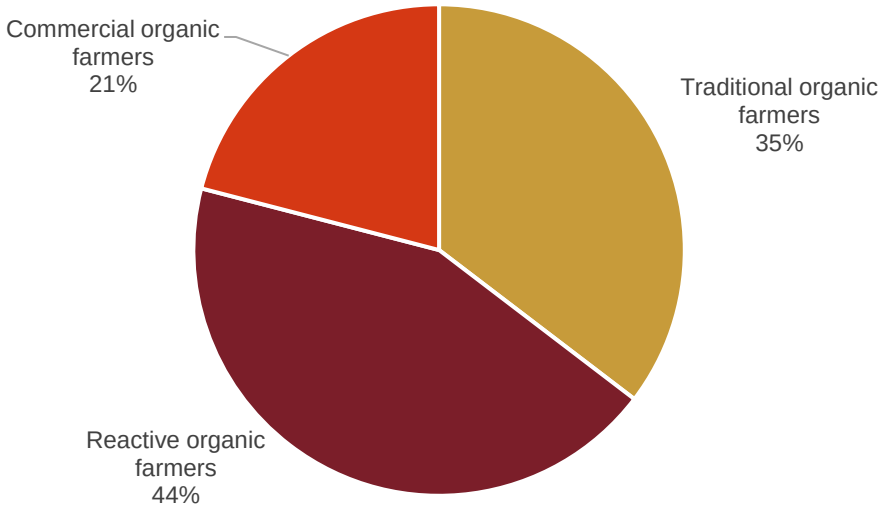
Traditional Organic Farmers

Reactive Organic Farmers



Commercial Organic Farmers

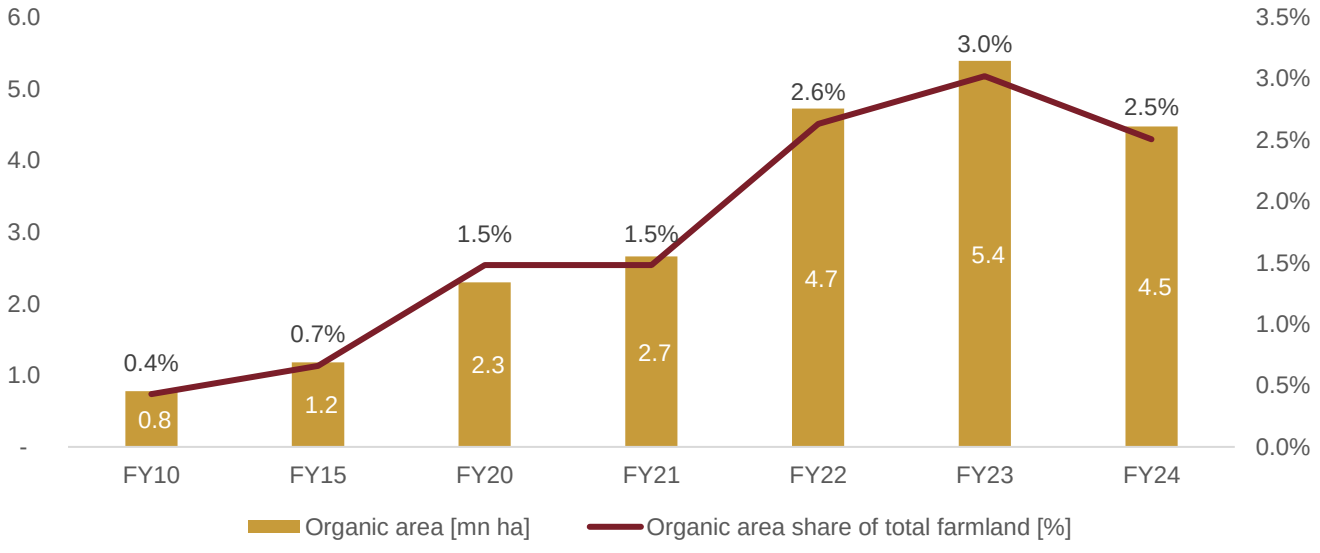
Figure 6: Estimated share of different category of farmers practicing organic farming methods



Source: CRISIL analysis and Agriculture census 2015-16

India currently boasts the largest number of organic producers in the world at 2.3 million[17]. As of 2023-24[18], the area under organic certification (excluding wild harvest areas) is estimated at 4.5 million hectare, accounting for just 2.5% of the total agricultural land in the country. The top four states — Madhya Pradesh (26%), Maharashtra (22%), Gujarat (15%), and Rajasthan (13%) — together represent nearly 76% of the total organically cultivated area in India.

Figure 7: Organic cultivated area and share in total farmland in India



Source: The World of Organic Agriculture 2024

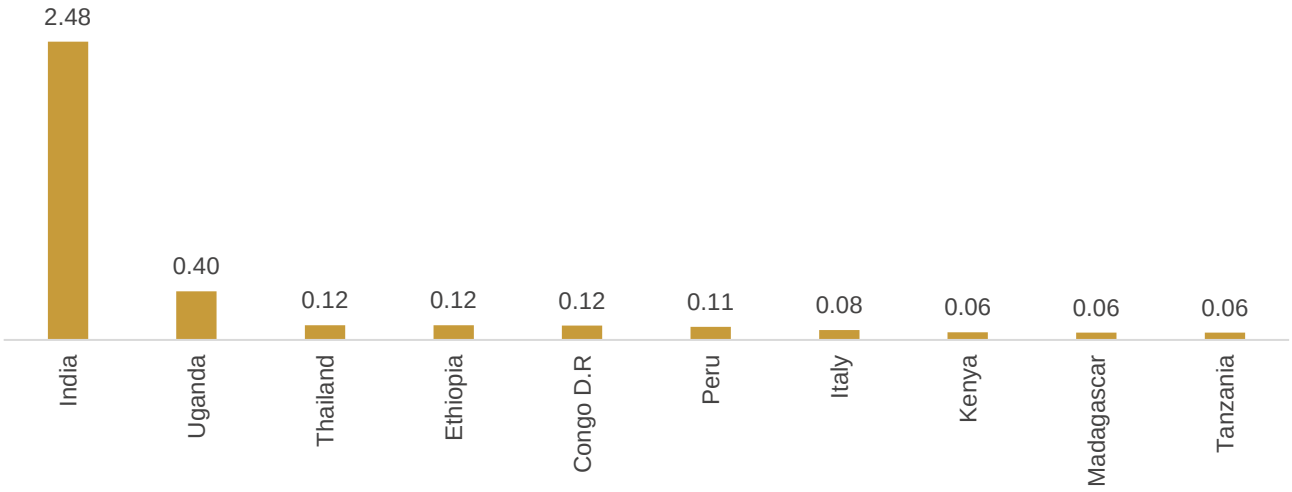
[17] The World of Organic Agriculture 2024, Statistics and Emerging Trends; FiBL, IFOAM - Organics International
[18] APEDA

Organic producers worldwide

In 2022, there were nearly 4.5 million organic producers worldwide[19]. Approximately 61% of them were located in Asia, 22% in Africa and 11% in Europe. India had the highest number of organic producers, followed by Uganda and Thailand. In India, as of 2022, nearly 2.4 million farmers are engaged in organic farming, which seems promising. However, this represents only 1.6% of the total 146 million farmers. In contrast, Uganda has nearly 0.4 million farmers involved in organic farming, a figure that has seen a significant boost due to the National Organic Agriculture Policy launched in December 2019[20]. Since the policy's introduction, the number of organic producers in Uganda has increased by 75%, rising from 0.23 million in 2019 to 0.4 million in 2022.

Compared with 2021, the number of organic producers, globally has increased by nearly 919,000, or 25.6%. This growth was observed in Asia, Europe and Oceania. However, Africa, North America and Latin America experienced a decrease in the number of organic producers in 2022. In Africa, there were almost 59,000 fewer organic producers in 2022 compared with 2021, a decrease of 5.7%, mainly due to a significant drop in the number of producers in Tanzania. African producers face major challenges in the international organic produce trade, including increased competition and declining profit margins, even as the number of operators and consumers worldwide is rising[21]. Additionally, poor or inefficient transport infrastructure and logistics further reduce the competitiveness of African organic products in the global market.

Figure 8: Top 10 countries with most organic producers 2022 (million)



Source: The World of Organic Agriculture 2024

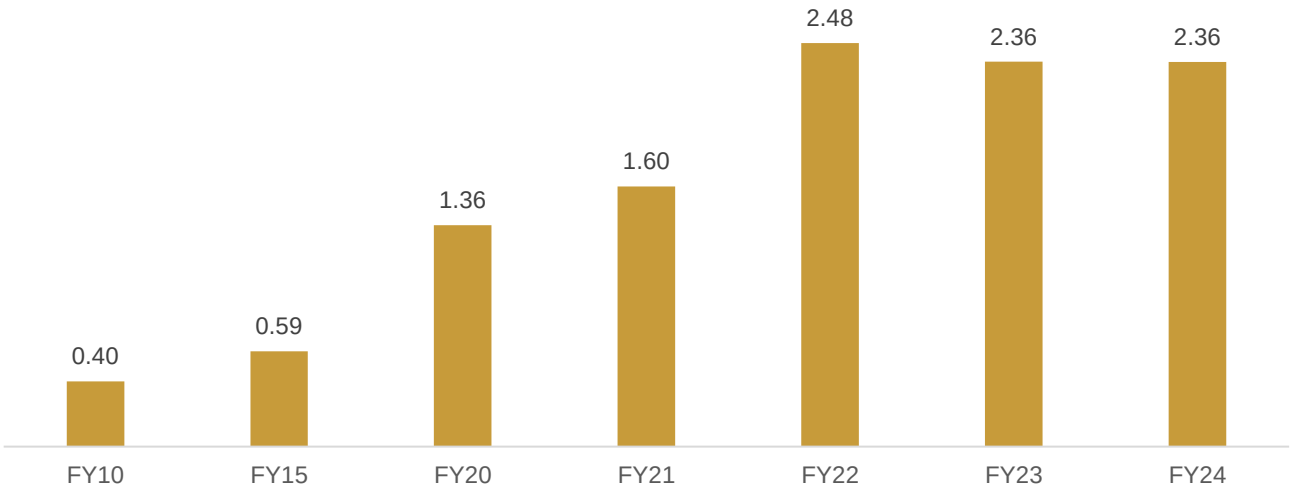
Organic producers in India

As of 2024, India has 2.3 million organic producers under NPOP. Among these, 2,358,267 farmers cultivate organic crops within producer groups, while 5,340 of them operate independently. In addition to these producers, India has 1,489 processors, 627 organic traders, and 136 wild operators, including 36,009 wild collectors. In addition to the 2.3 million organic farmers under the NPOP, India has 1.8 million farmers registered under the PGS. From 2015 to 2020, the number of organic producers in India increased by 171%, primarily due to the Mission

[19] The World of Organic Agriculture 2024, Statistics and Emerging Trends; FiBL, IFOAM - Organics International
[20] SECTOR BRIEF UGANDA: Organic Agriculture, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, 2021.
[21] SAFE POLICY BRIEF No. 5: Prospects for Organic Agriculture in Tanzania, Dept. of Agricultural Economics and Agri-business, Sokoine University of Agriculture, Tanzania

Organic Value Chain Development for Northeastern Region (MOVCDNER) scheme. This scheme promotes organic farming by providing technical and financial support to farmers and facilitating the formation of Farmer Producer Organisations (FPOs). These FPOs have played a crucial role in enrolling more farmers into organic ways and aggregating their produce to meet market demands. Additionally, the number of organic producers increased by 55% from 2021 to 2022, as more farmers shifted to organic farming after the COVID-19 pandemic to capture the rising demand for organic foods from global and domestic consumers.

Figure 9: Organic producers in India (million)[22]



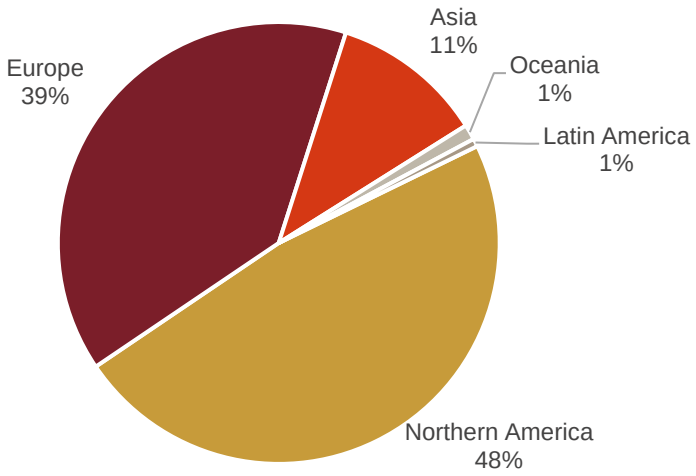
Source: APEDA

Global retail sales of organic products

According to the FiBL survey, total retail sales of organic products amounted to nearly $142 billion in 2022. Data on retail sales value was available for 45 countries, representing about one-quarter of the countries with organic farming activities. The largest single market for organic products was the United States ($61.7 billion), followed by the European Union ($55 billion) and China ($13 billion).

[22] APEDA

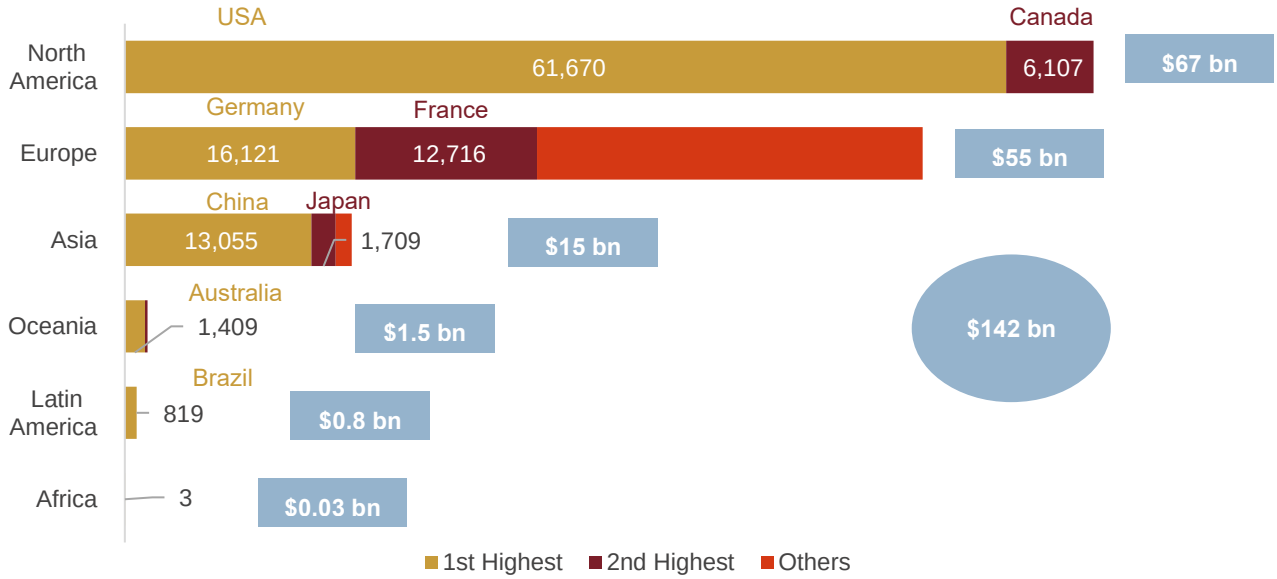
Figure 10: Regional share of organic retail sales 2022



Source: The World of Organic Agriculture 2024

North America and Europe together account for approximately 90 percent of global organic food sales, as illustrated in the figure above. North America's revenue share is increasing due to relatively higher growth rates compared with Europe and the strengthening of the US dollar. In 2022, the North American organic market was valued at $67 billion, marking a ~17% increase over 2021 with organic food and drink sales rising by about 4%. Another notable reason for this growth is the US dollar appreciating by 11% against the Euro. The bulk of North America's revenues come from the US, the largest market in the world, where consumer demand for organic products remains strong — as also in the Canadian markets.

Figure 11: Global organic retail sales 2022 ($ million)



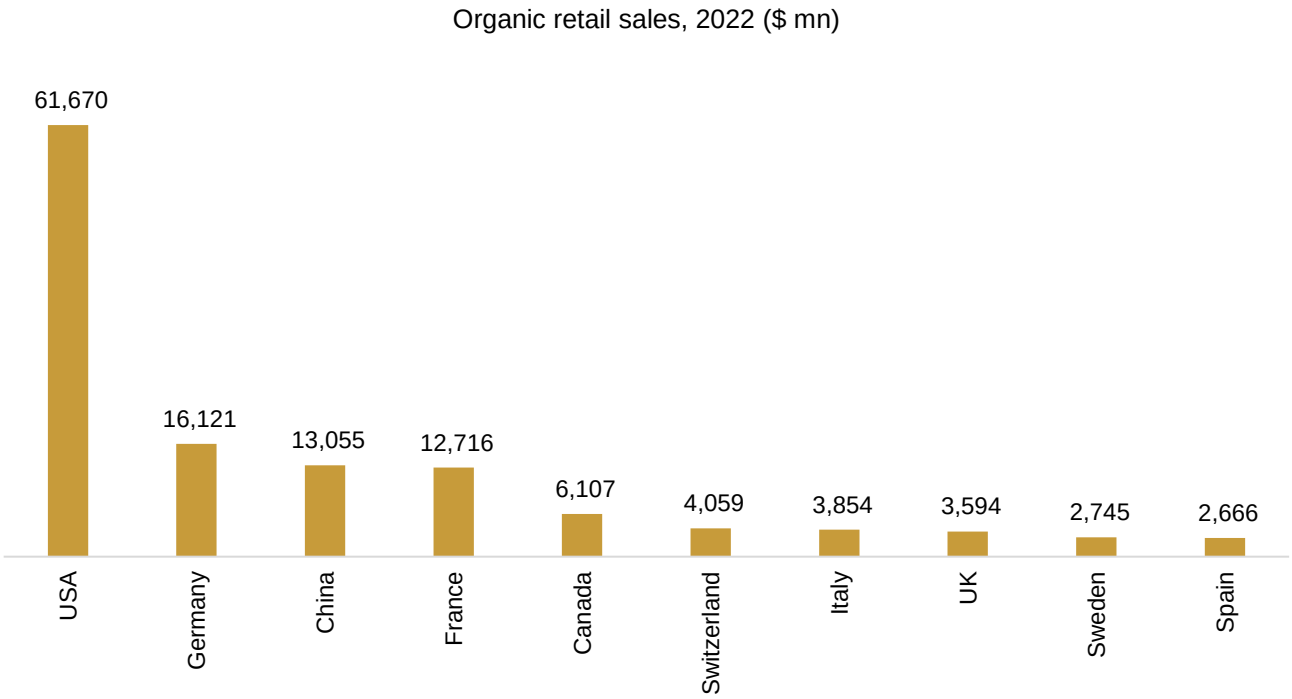
Source: The World of Organic Agriculture 2024

In Europe, the organic food and drink market was valued at approximately 53 billion euros in 2022. However, the two largest markets, Germany and France, experienced degrowth. **The ongoing conflict in Ukraine has led to increased production, distribution and retailing costs across Europe**, contributing to inflation since February 2022. European organic food retailers have been particularly affected by rising energy costs, food prices and labour

costs, with many reporting negative sales. **The Asian market is the third largest in the global organic sector.** Organic retail sales numbers for Asia are not sufficient. Only 10 countries with organic farmland provided organic retail sales figures. Of these, only China, Japan, Saudi Arabia and South Korea provided an update for 2022. Total organic retail sales reported in 2022 reached more than $15.0 billion. Among these Asian countries, China tops with $13 billion market followed by Japan ($1.7 billion)

The United States had the largest market for organic food at $61.7 billion, followed by Germany ($16.1 billion), China ($13 billion), and France ($12.7 billion). FiBL reported that the US registered the highest market growth rate of 20.5% over 2021 followed by Bulgaria (14.6%) and Japan (14.4%).

Figure 12: Top 10 countries having largest market for organic products 2022



Source: The World of Organic Agriculture 2024, Statistics and Emerging Trends; FiBL

In 2022, North America had the highest per capita consumption of organic products by region at $180. By countries, **Switzerland leading the way with the highest per capita consumption worldwide at $460.** Denmark followed with $384, Austria with $289, and Luxembourg with $272. In terms of **market share of organic products within the total market, Denmark was the leader with 12.0%,** followed by Austria with 11.5% and Switzerland with 11.2%. In Denmark and Switzerland, organic eggs have captured more than 30 percent of the market share (that is, of the total eggs consumed, 30% are organic). In terms of product groups, vegetables and fruits consistently attain the highest market shares, with more than 10 percent in many countries.

In the subsequent sections of this report, we comprehensively analyse the Indian organic sector. This includes a detailed examination of the state-wise area under organic cultivation, major crops grown under various certification systems and an estimation of the market size. We will also provide insights into the market's category-wise and regional shares, the current demand for organic products, and the perceptions of different stakeholders. Furthermore, we will explore the trends in organic product exports from India, identify strategic products and focus markets, and suggestions for promoting organic cultivation and consumption in the country. This thorough investigation aims to provide a holistic understanding of the Indian organic sector and its potential for growth.

Section A

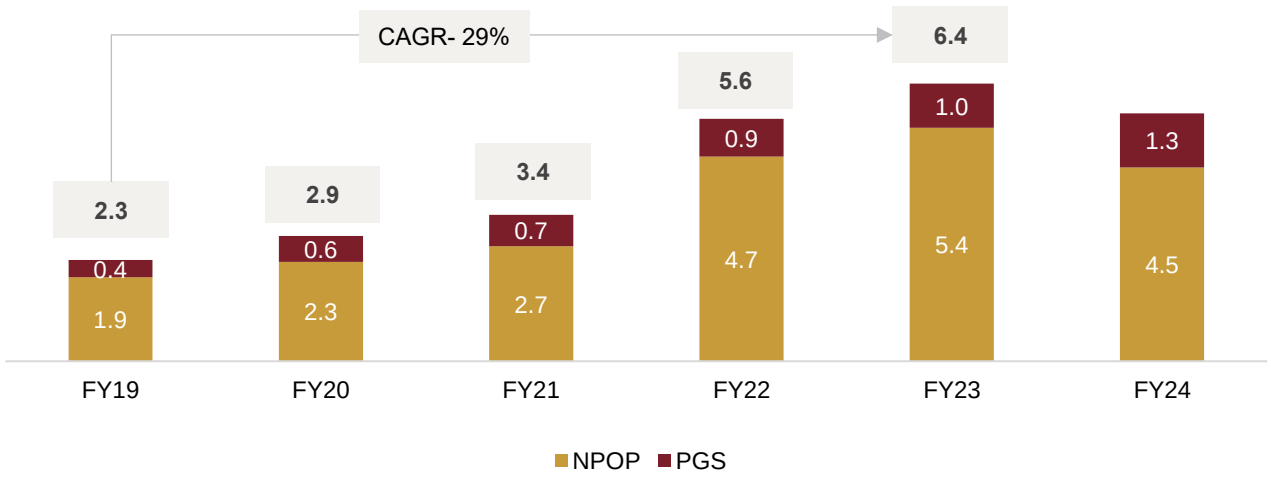
Indian domestic organic market

India's organic market

Area under organic cultivation

India has two major certifications system for organic cultivation —NPOP and PGS. As of fiscal 2023, the total area under organic cultivation in India (NPOP and PGS), including both organic and conversion areas, is approximately 6.4 million hectare[23]. Of this, 84% is certified under NPOP, while 16% is certified under PGS. In the past 4 years (FY19 to 23), overall area under the organic cultivation in India has logged a compounded annual growth rate (CAGR) of 29%, with NPOP area growing at 29% and PGS at 27%.

Figure 13: Last 5-year trend of area under organic cultivation in India (mn ha) (excluding wild harvest)



Source: APEDA & NCONF

Table 2: State-wise area under organic cultivation in India FY23

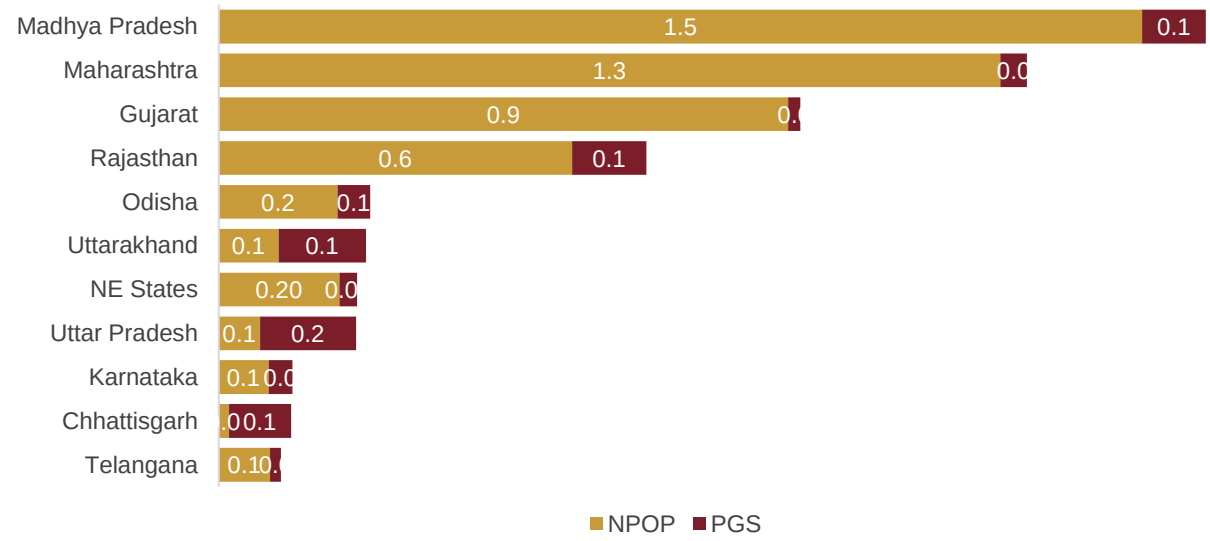
States	NPOP (ha)	PGS (ha)	Total (ha)
Madhya Pradesh	1,517,377	104,532	1,621,909
Maharashtra	1,284,314	43,892	1,328,206
Gujarat	935,931	19,824	955,755
Rajasthan	580,680	122,189	702,869
Odisha	195,079	53,635	248,715
Uttarakhand	98,394	143,855	242,249
Uttar Pradesh	68,007	157,478	225,485
Karnataka	82,016	38,866	120,882
Chhattisgarh	16,900	101,938	118,838
Telangana	84,474	17,879	102,353

[23] NPOP data sourced from APEDA and PGS data from National Centre for Organic and Natural Farming (NCONF). The NPOP data doesn't includes wild harvest area.

States	NPOP (ha)	PGS (ha)	Total (ha)
Jharkhand	54,120	32,445	86,565
Andhra Pradesh	62,916	22,201	85,117
Sikkim	75,475	-	75,475
Tamil Nadu	58,567	13,842	72,409
Bihar	32,748	32,277	65,025
Kerala	44,114	13,452	57,567
Assam	23,067	19,708	42,775
Jammu & Kashmir	32,605	3,177	35,781
Himachal Pradesh	11,065	21,518	32,583
Meghalaya	24,009	905	24,914
Goa	12,396	11,019	23,416
Mizoram	20,061	729	20,789
Tripura	19,614	1,000	20,615
Ladakh	121	19,497	19,619
Arunachal Pradesh	12,883	4,330	17,213
Nagaland	12,553	1,103	13,656
Punjab	9,893	3,591	13,483
Manipur	10,686	1,280	11,965
West Bengal	8,794	3,060	11,855
New Delhi	17	7,471	7,488
Haryana	2,895	1,439	4,333
Lakshadweep	-	3,076	3,076
Pondicherry	22	782	803
Daman & Diu	-	580	580
Andaman & Nicobar Islands	-	48	48
Total	**5,391,793**	**1,022,618**	**6,414,412**

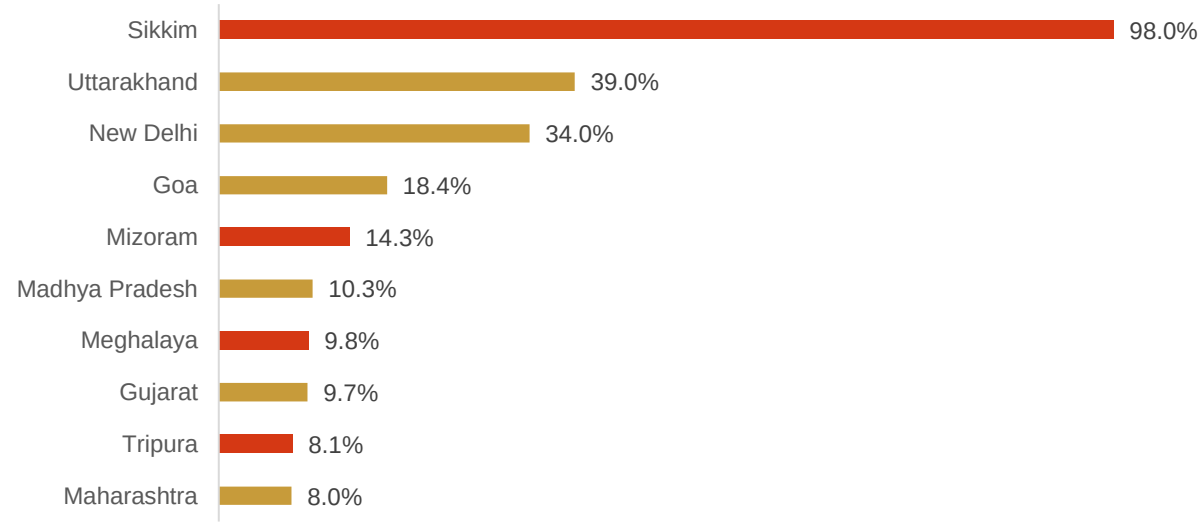
Source: APEDA & NCONF

Figure 14: Top 10 states having largest organic area FY23 (mn ha)



Source: APEDA & NCONF

Figure 15: Top 10 states having highest share of organic area to NSA (FY23)



Source: APEDA & Land Use Statistics - At a Glance 2023

Figure 16: Share of organic area in NSA (FY23)

Source: APEDA & Land Use Statistics - At a Glance 2023

In fiscal 2023, among the states in India, the top four — Madhya Pradesh (25%), Maharashtra (21%), Gujarat (15%), and Rajasthan (11%) — accounted for 72% of the total organic cultivation area (including NPOP and PGS). However, when considering the share of organic area relative to the net sown area (NSA)[24] of each state, Sikkim leads with 98% of its NSA under organic cultivation, followed by Uttarakhand with 39%. Notably, four North-Eastern states are among the top ten in terms of highest share of organic land in India.

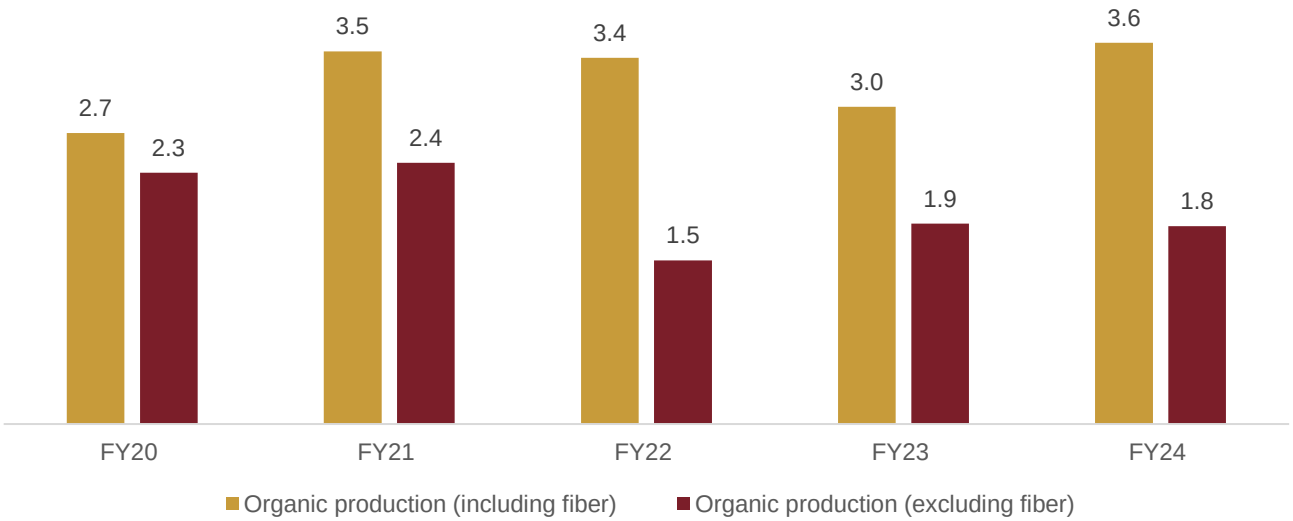
Production of organic products

India produced around 3.55 million metric tonne of organic produce (including in conversion production but excluding wild harvest)[25] during fiscal 2024 under NPOP certification system, which includes food categories such as cereals, pulses, millets, oil seeds, fruits, vegetables, sugar, dry fruits and processed foods, to name a few, and non- food categories such as fodder and fibre, to name a few.

India's organic production clocked a CAGR of 7% from fiscal 2020 to 2024, including organic fibres. However, excluding organic fibres, the CAGR declined to -6%. India is one of the leading producers of organic cotton globally and harvested 1.7 million metric tons of organic fibres, in addition to organic food products.

[24] NSA data of states taken from Handbook of Statistics on Indian States 2023; RBI
[25] Organic production given here is inclusive of organic certified production as well production from conversion area as well.

Figure 17: Total production of organic produces in India (mn MT)



Source: APEDA

India's organic production showed an increasing trend until fiscal 2021. However, in fiscal 2022, there was a slight decline of 1.7 percent in overall production — and a significant 37 percent decline excluding the fibre category. While at the same time, the area under organic farming increased from 2.7 million hectare to 4.7 million hectare.

This discrepancy highlights that the production data (as available on secondary source- APEDA) reflects the commercial output recorded by certification bodies (CBs) for issuing transaction certificates (TCs), rather than the actual production levels.

The decline in production was attributed to the withdrawal of the Organic Recognition Agreement by the US in 2021, because of which many operators had to sell their products in the market as conventional products.

Table 3: Category-wise organic production trend in past 5 years

Category	FY20 (MT)	FY21 (MT)	FY22 (MT)	FY23 (MT)	FY24 (MT)	CAGR (FY20 to FY24)
Fibre	370079	1037510	1885390	1087031	1708322	47%
Sugar	633728	797628	336933	729505	698222	2%
Cereals and Millets	271717	321273	242952	338406	411140	11%
Oilseeds	1069975	855297	478168	408330	322935	-26%
Spices & Condiments	57803	105130	95087	63620	75310	7%
Pulses	70991	91040	73789	66819	74986	1%
Fresh Fruits and Vegetables	64280	67350	85554	66359	73019	3%
Medicinal Plants Products	70823	80556	101193	75759	71987	0.4%
Tea	44771	42121	42845	39208	37823	-4%
Coffee	20359	22402	20071	34328	36355	16%

Category	FY20 (MT)	FY21 (MT)	FY22 (MT)	FY23 (MT)	FY24 (MT)	CAGR (FY20 to FY24)
Fodder	8733	11060	7896	16484	18513	21%
Others	2556	5797	10764	7168	8864	36%
Dry Fruits	8481	11500	14469	7730	7051	-5%
Processed Food	2944	4004	6269	6267	5144	15%
Flower	7226	13191	7330	4549	548	-48%
Tuber Products	4653	3135	1484	1363	262	-51%
Total Production (including fibre)	**2709120**	**3468992**	**3410195**	**2952926**	**3550481**	7%
Total Production (excluding fibre)	2339040	2431482	1524805	1865896	1842159	-6%

Colour legends indicate		Decrease in production compared to previous year

Source: APEDA

The oilseed category in India, which was growing until fiscal 2020, saw a series of production declines from fiscal 2021 onwards till fiscal 2024, marking a cumulative decline at a CAGR of -26%. This was primarily due to the US imposing anti-dumping duty on Indian organic soybeans. During the marketing year 2019-20, India supplied around 42% of the total US organic soybean and meal supplies, which was estimated to be double the soybean production of the US during the same period. In general, by analysing the reported production data, 9 out of 16 categories (56%) has decreased significantly due to the withdrawal of the organic recognition agreement by the US in 2021. This policy change has had a substantial impact on India's organic production landscape.

Although India produced 3.5 million MT of organic produce (inclusive of fibres) during fiscal 2024, the export volume during the period was only 0.26 million MT, representing just 7% of the total production. This raises questions about the remaining 93 percent of the production: Is it sold in the domestic market? To address these questions, this study undertakes a market size estimation of the Indian organic market. The subsequent section provides a detailed explanation of this estimation process and its findings.

Indian organic market size estimation

In fiscal 2023, the total Indian organic market is estimated to have been at Rs 16,800 crore (~$2 billion[26]), accounting for 1.4% of the global organic market in 2022 ($142 billion). In comparison with the Indian FMCG market, worth $167 billion[27], the organic market holds only a 1.2% share. Despite India ranking second globally in terms of land area under organic agriculture and first in the number of farmers engaged in organic farming, the market size remains relatively modest. The detailed methodology adopted for this market size estimation is explained below.

Methodology for market size estimation:

To estimate the total organic market size, a combination of primary and secondary research methods was employed. Key data points such as product-wise organic production, product prices, export volumes and values, and sales estimates by product and region were collected. Here is the detailed breakdown of the methodology:

1. Primary research:

- Stakeholder interactions: Data on domestic sales and prices were gathered through interactions with key stakeholders, including top organic product manufacturers, exporters, and regional players.
- Field survey: A field survey was conducted with 500 retailers who sell organic products. The sample included 80% of retailers who sell both organic and conventional products and 20% of retailers who exclusively sell organic products. This survey helped gather regional market information, prices, and trends.

2. Secondary research:

- Data collection from manufacturers: Average prices for organic products were obtained from the websites of major organic manufacturers.
- APEDA, NCONF and certification bodies: Data related to NPOP production was sourced from the Agricultural and Processed Food Products Export Development Authority (APEDA). Data on PGS area under each state over the past 5 years was sourced from NCONF. For PGS category-wise production, estimates were made in consultation with bodies that oversee NPOP and PGS certification.

3. Estimation process:

- Production and price calculation: Both NPOP and PGS production data have been considered for total market size estimation. While NPOP data has been provided by APEDA, PGS production data has been estimated basis inputs received from industry players and CBs. The total organic production (NPOP + PGS) was combined with the average organic product price to determine the domestic market size. This estimate was further validated with input from various organic food stakeholders. The major stakeholders included key organic branded players such as 24 Organic Mantra, Organic India, Just Organik and Suminter, to name a few that are into exports as well as sell in the domestic market across India.
- Unorganised market size: In this study, unorganised markets consist of regional brands that have very limited presence (in only one state or few chains in a city), local organic retail stores, exclusive retail outlets having limited presence. Due to limited data availability, the unorganised market size was estimated through interactions with stakeholders such as branded organic manufacturers, exporters, regional brands /retailers, exclusive retail outlets and certification bodies.

[26] 1 USD ($) = Rs 83.5782
[27] Post-COVID Boom: India's FMCG market to double by 2025 to $220 bn, Arnab Dutta, Feb 29, 2024, Business Today

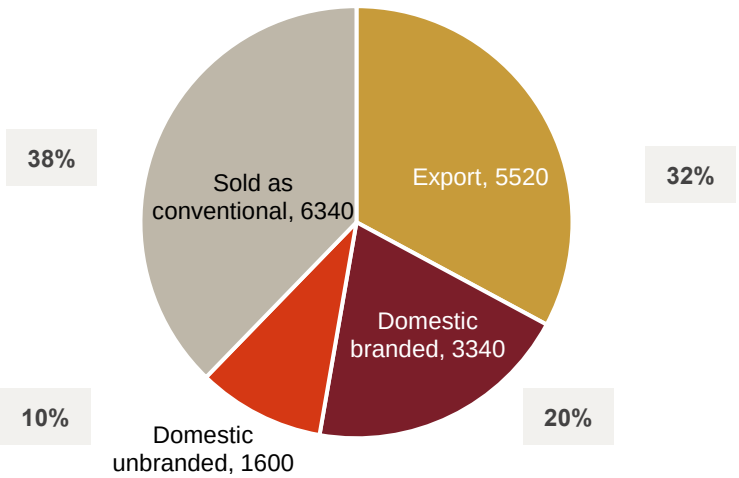
- Sold in conventional market: The value of organic products sold in the conventional markets was determined by considering the remaining portion after accounting for the exported value, domestic organised value, and unorganised value from the total market size. This figure was also validated with exporters, manufacturers, and certification bodies.

This comprehensive approach ensured accurate estimation of the organic market size, accounting for both organised and unorganised segments, and considering products sold through the conventional channels.

In fiscal 2023, the Indian organic market has been primarily driven by **exports amounting to about Rs 5,520 crore**. **The organised (branded) domestic organic market is estimated at Rs 3,340 crore.** The study also estimates that the unorganised sector will be equivalent to half of the organised market. The rise in exclusive retail outlets in the metro cities of India has grown after the pandemic. For instance, The Organic World, which started in 2017 in Bengaluru, now has 15 stores across the city and plans to expand to 100 stores in the next 18 months[28].

Thus, around **Rs 1,600 crore are attributed to exclusive retail stores, regional brands, and the unorganised segment.** Consequently, an estimated Rs 6,340 crore of organic produce is sold as conventional products, representing about ~38% of the total market size[29]. This indicates significant untapped potential in organising the sector and redirecting produce back into either export channels or the organised organic domestic markets. Through interaction with organic farmers, it is found that PGS certificates are not preferred by branded organic manufacturers, and hence weak market linkage and dependency on ICS group to sell the produce are few factors because of which farmers are selling organically grown produce in the conventional market. Understanding the challenges faced by operators that push them to sell their organically grown products as conventional is crucial, as their addressal could unlock additional value and contribute to the growth and sustainability of India's organic market.

Figure 18: Indian organic market size FY23 (in Rs cr)



Source: CRISIL estimates

[28] How The Organic World's Pledge to Reach 100 Stores in 18 Months will Disrupt India's Retail Landscape; Nandini Banerjee; Managing Editor, IndianRetailer.com & Retailer Media; Mar 01, 2024

[29] These findings are derived from interactions with industry leaders, major city retailers, and policymakers. However, a comprehensive survey is needed to accurately quantify the amount of organic products being sold as conventional products.

Due to the lack of availability of reliable sources and scattered distribution of the outlets of the unorganised sector and the category of organic products sold as conventional, this report will concentrate exclusively on the organised sector. Such focus will provide a clearer understanding of the domestic branded organic market in India.

Category-wise domestic organic market

The Indian domestic organic market can be classified into various categories, including cereals and millets, pulses, spices, edible oils, sweeteners, tea, coffee, dairy products, fruits and vegetables, processed foods, and medicinal plant products (supplements). While India produces and exports organic feed and flowers, these categories constitute only 2.2% and less than 1% of total organic production, respectively. Their export shares are similarly modest at 2% and less than 0.1%. Additionally, domestic demand for these products is negligible at less than 0.01%. Consequently, feed and flowers have been excluded from the analysis of the domestic organic market.

Figure 19: Categories under Indian domestic organic market

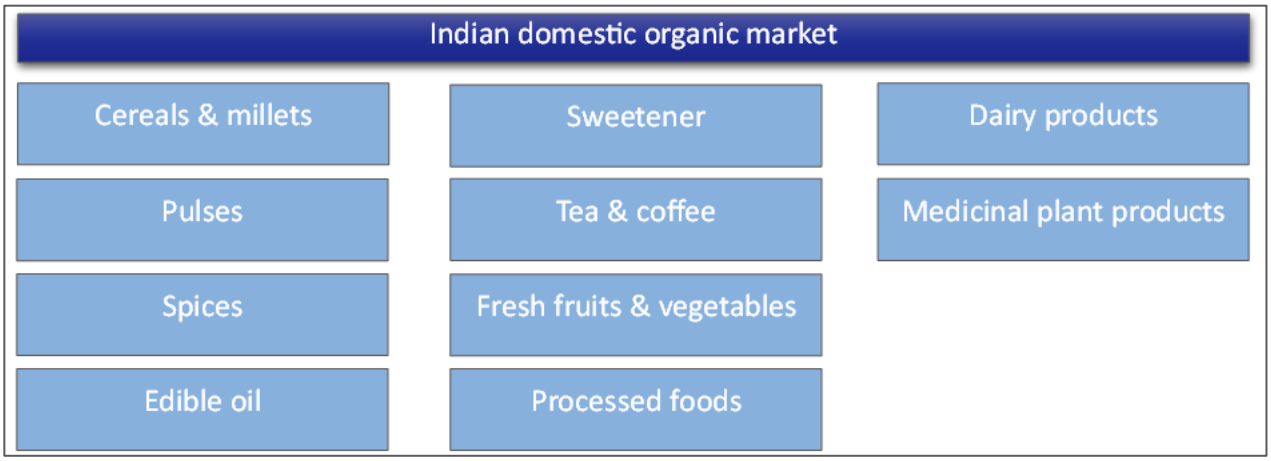
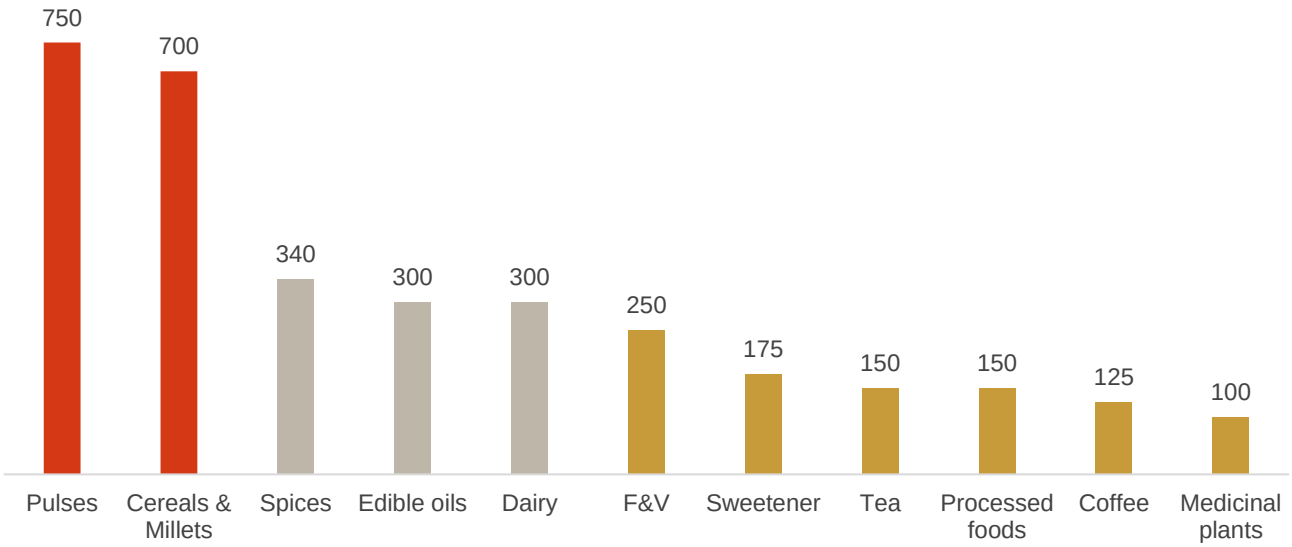
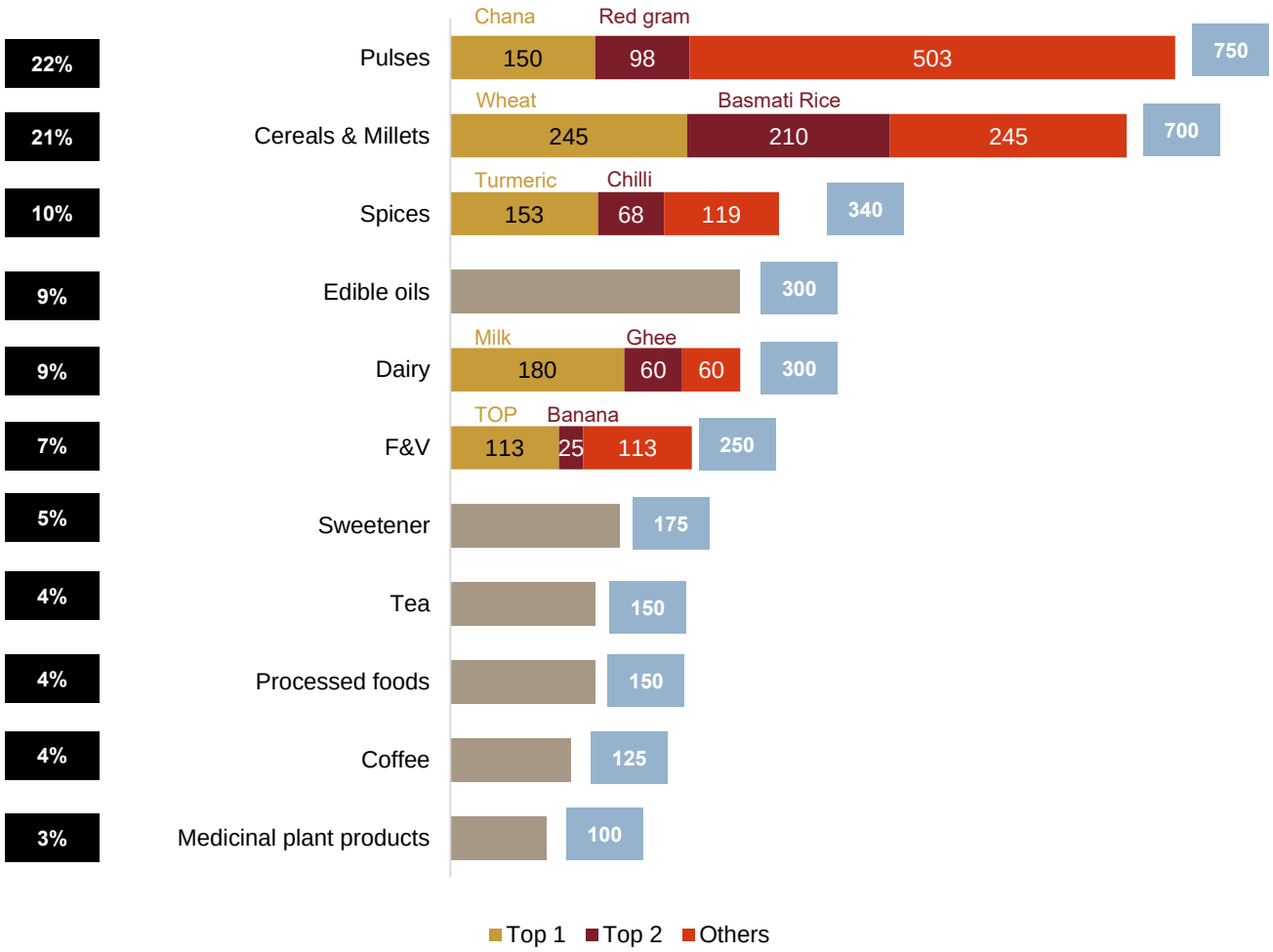


Figure 20: Category-wise domestic organic market FY23 (in Rs cr)



Source: CRISIL estimate

Figure 21: Category wise domestic organic market FY23 (in Rs cr)



Source: CRISIL estimate

In the Indian organic market, organic pulses lead with a market value of Rs 750 crore ($89.7 million), accounting for 22% of the total domestic market. India is the largest producer (26 million MT) and consumer of conventional pulses, which serve as a major protein source for the predominantly vegetarian population (43%). This trend extends to organic pulses, with over 90% of organic consumers purchasing them. From 2016 to 2020, the organic pulses category logged a CAGR of 20-25%, though growth has stabilised over the past two years following skyrocketing prices of conventional pulses.

Following closely, organic cereals and millets constitute the second-largest category, capturing 21% of the total domestic market share. Within this category, wheat atta has the highest share of 35% in the northern and eastern regions, while rice is predominant in the southern and western regions due to regional dietary preferences. Millets have experienced exponential growth of more than 25% annually, driven by increased post-pandemic consumption and government initiatives such as the 'International Year of Millets 2023'.

In the sweetener segment, products like jaggery and honey have grown at a CAGR of 15-20% in the past 3 years, with jaggery reaching sales of 5,000 MT annually in domestic markets.

Conversely, categories such as dairy, and fruits & vegetables hold smaller shares of 9% and 7%, respectively, in the total domestic market. Industry interactions indicate that liquid milk contributes approximately 65% of the dairy category. However, organic milk production averages 7-10 kg per herd, compared with 14 kg per herd for conventional milk. Low productivity, coupled with inadequate cold chain facilities, hampers growth.

Similarly, in the fruits & vegetables (F&V) category, most branded firms prefer NPOP certification. However, obtaining NPOP certification for seasonal crops is challenging and expensive for farmers. Additionally, inadequate availability of processing and cold chain infrastructure has resulted in low export share of fresh F&V at around 0.5%, and a modest 7% share in the domestic organised market. In contrast, the unorganised market for fresh F&V is estimated to have a share of more than 40%.

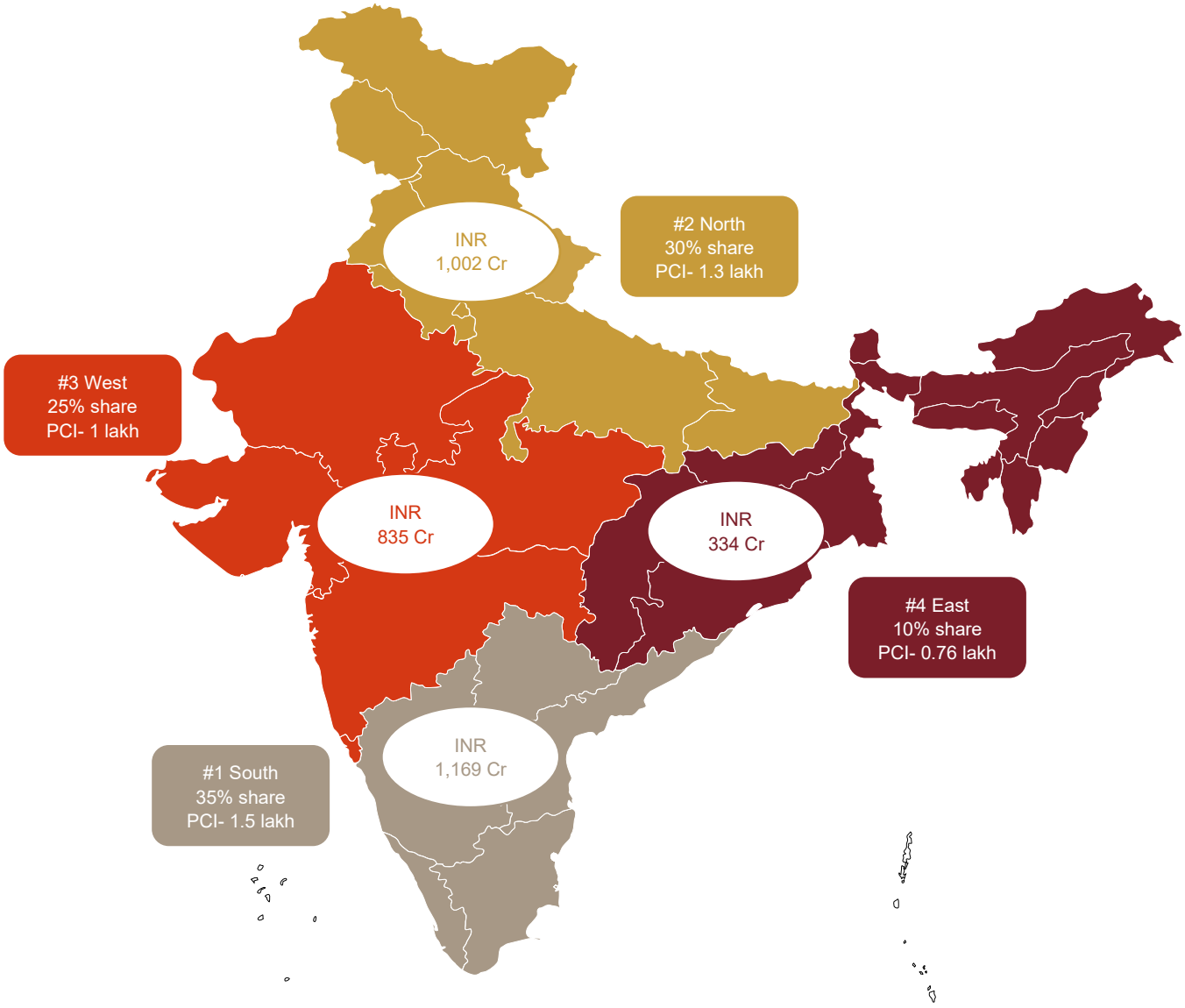
Region-wise domestic organic food products market

In 2023, the southern region emerged as the largest contributor to the domestic organic food products market revenue. Metro cities such as Bengaluru, Chennai and Hyderabad were the primary drivers of demand for organic food in this region, accounting for about 35% of the domestic market. This was largely owing to higher awareness about the benefits of organic products among the consumers and higher per capita income (PCI; Rs 1.57 lakh)[30].

The northern region followed, with a 30% market share, driven mainly by cities such as Delhi and Gurugram, which also have high per capita income levels (Rs 1.34 lakh). The western region ranked third, contributing 25% to the domestic organic food product market revenue, with significant demand from cities such as Mumbai, Pune and Ahmedabad. The eastern region accounted for a smaller share, just 10%, with Kolkata and Bhubaneshwar leading the consumption.

[30] State-wise data on per capita income, Ministry of Statistics & Programme Implementation, 24 Jul 2023

Figure 22: Region-wise share of domestic organic market (FY23)

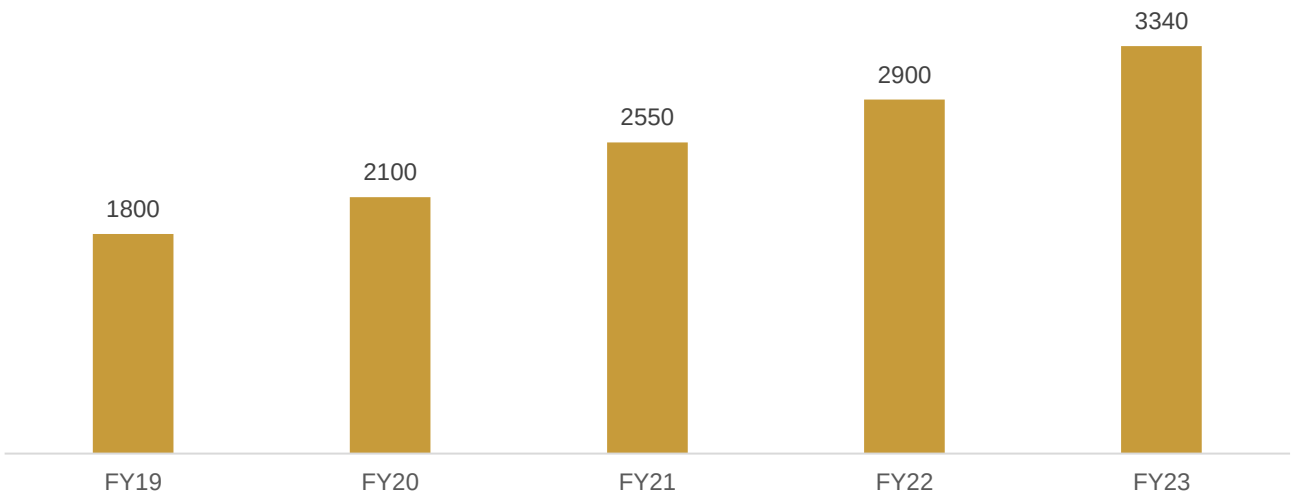


Source: CRISIL estimate

Domestic market growth trends

The domestic organic market experienced a healthy 17% CAGR from Rs 1,800 crore in fiscal 2019 to Rs 3,340 crore in fiscal 2023. The increase in popularity was also driven by the increasing global awareness of the environmental impact of conventional agriculture. The growing health-conscious consumer base and a preference for chemical-free produce and sustainable farming practices are bolstering the growth of organic farming in India. The sector's growth is bolstered by these factors, highlighting the increasing demand for healthier lifestyles and sustainable farming practices.

Figure 23: Domestic organic food products market over FY19-23 (Rs crore)



Source: CRISIL estimate

In fiscal 2021, the domestic organic farm products market grew 20% on-year, driven by increased health consciousness during the pandemic, as more people adopted healthier lifestyles and food choices. However, in fiscals 2022 and 2023, growth decelerated reportedly led by customers' trust issues with the authenticity of organic products. Multiple nomenclatures, logos, labels (for example products labelled pesticide-free, grown naturally and safe food, to name a few) created confusion among customers, impacting their trust. This indicates that consumers are facing challenges in identifying the authentic organic produce.

Though there are logos and traceability systems on the packages of certified organic food products, awareness about the differences between the certified products and others requires to be increased. Policy-level interventions are also required to address these trust issues and support the continued growth of the organic farm products market.

Did you know?

The CRISIL survey of 1,207 organic products consumers[31] revealed a significant gap in awareness about the logos. When asked **whether they were aware of the organic logos that are a prerequisite for a product to be sold as organic, 55% of the respondents answered in negative.**

Comparative growth rates: Global vs Indian organic food products markets

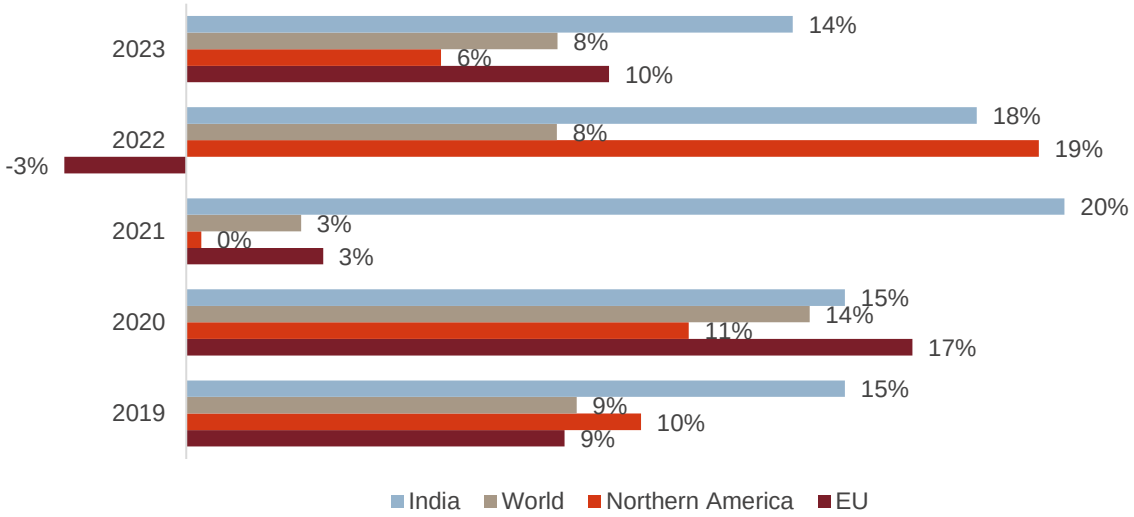
The Indian organic food products market has grown faster than major global markets such as North America and the EU. During calendar 2019-2023[32], global organic products retail sales increased from $103 billion to $154 billion, logging a CAGR of 8%. North America's organic products market increased from $46 billion to $72 billion, achieving a CAGR of 6%. Similarly, the EU market grew from $37 billion to $52 billion, with a CAGR of 10%.

The Indian organic products market, meanwhile, experienced a remarkable CAGR of 17%, significantly outpacing the global average, owing to a very low base. The market grew from $0.2 billion to $0.4 billion during the period.

[31] As part of this study, CRISIL conducted a consumer survey with sample size of 1,207 across 10 major cities of India.
[32] The World of Organic Agriculture 2024, Statistics and Emerging Trends; FiBL, IFOAM - Organics International

The chart below illustrates the year-wise growth rates of the global and Indian organic products markets, underscoring the country's standout performance.

Figure 24: Comparative growth rates of global vs Indian organic products market



Source: CRISIL estimate and the World of Organic Agriculture 2024

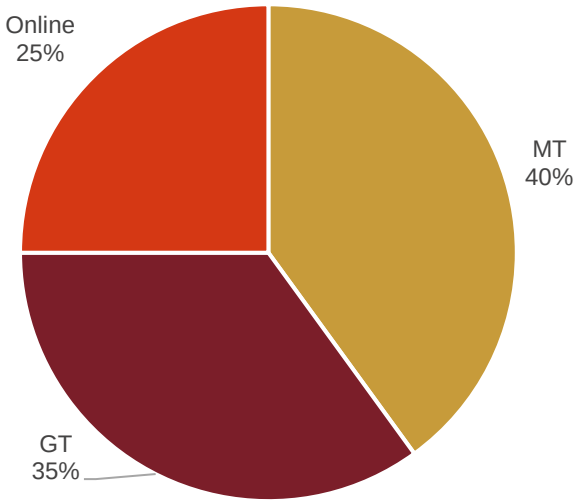
Market channels of organic products in India

Organic foods and farm products are available to Indian consumers through three distribution channels — modern trade (MT), general trade (GT) and online platforms (e-commerce and quick commerce). While many of these channels have remained stable over the years, significant changes in food purchasing habits emerged in 2023 owing to the consumer behavioural change after the Covid pandemic, increased e-commerce penetration, urbanisation and evolving consumer preferences.

Traditionally, most grocery purchases were made in-store, driven by factors such as the cost of delivery fees and perceived freshness of fruits and vegetables when personally selected. However, the expansion of the e-commerce industry, fuelled by deepening mobile internet penetration and increased smart device usage, has significantly boosted the online grocery market.

Currently, about 40% of the organic product sales occur through MT, 35% through GT and the balance 25% through online platforms. The growth of the online grocery market is propelled by urbanisation and technological advancements in recent years, offering consumers the convenience of home delivery. We learnt from our industry interactions that during pre-Covid the share of online sales was less than 10% but post-Covid it has increased to nearly 30%. The shift has pushed up the demand for organic products, making them more accessible to a broader audience. As a result, the online grocery market for organic products is growing strongly, reflecting a significant transformation in consumer buying behaviour.

Figure 25: Share of organic products market by distribution channels in FY23 (%)



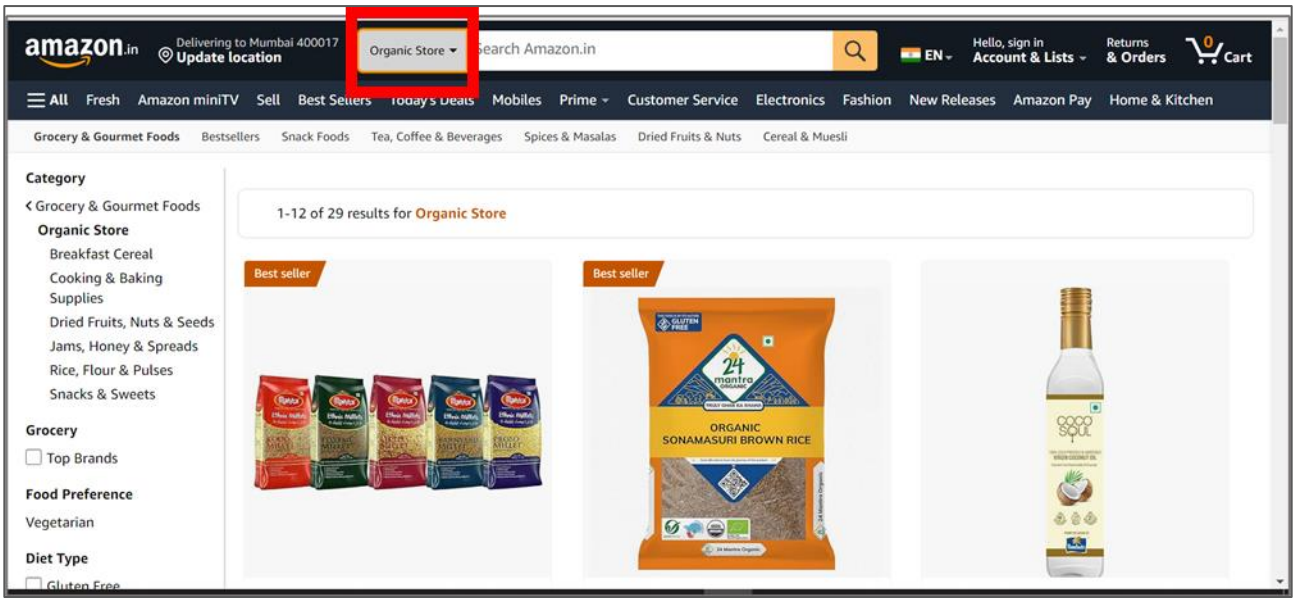
Source: CRISIL estimate

Owing to the increasing demand for organic products many e-commerce players have started sourcing materials directly from farmers/FPOs which eventually increased their turnover and farmers' income. E-commerce players such as Amazon and Flipkart have started a separate 'Organic Store' category in their product categories. BigBasket, one of the leading online grocery platforms, has launched its own organic brand, BB Royal Organic, to cater to the needs of its customers.

Reportedly, sales of pulses and cereals through online platforms are comparatively lower than other product categories such as spices, beverages, sweeteners and F&V (fruits & vegetables), owing to their value-to-weight ratio[33]. This ratio indicates that these items, being bulkier than their value, incur higher transportation costs and logistical challenges, which can make them less attractive for online purchases compared with lighter, higher-value products.

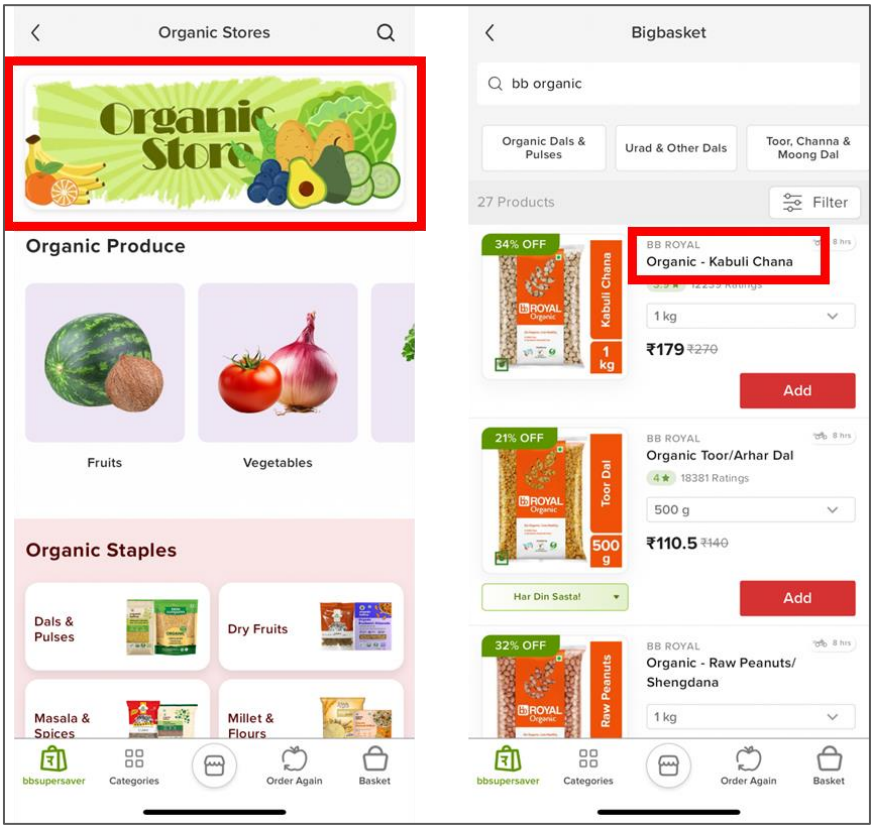
[33] In supply-chain management, the value-to-weight ratio helps determine the efficiency and cost-effectiveness of items based on their value relative to their weight or size. Items with a high value-to-weight ratio are considered efficient as they offer a higher value per unit of weight or size.

Figure 26: Amazon's Organic Store



Source: Website of Amazon India

Figure 27: BigBasket's Organic Store & BB Royal Organic brand

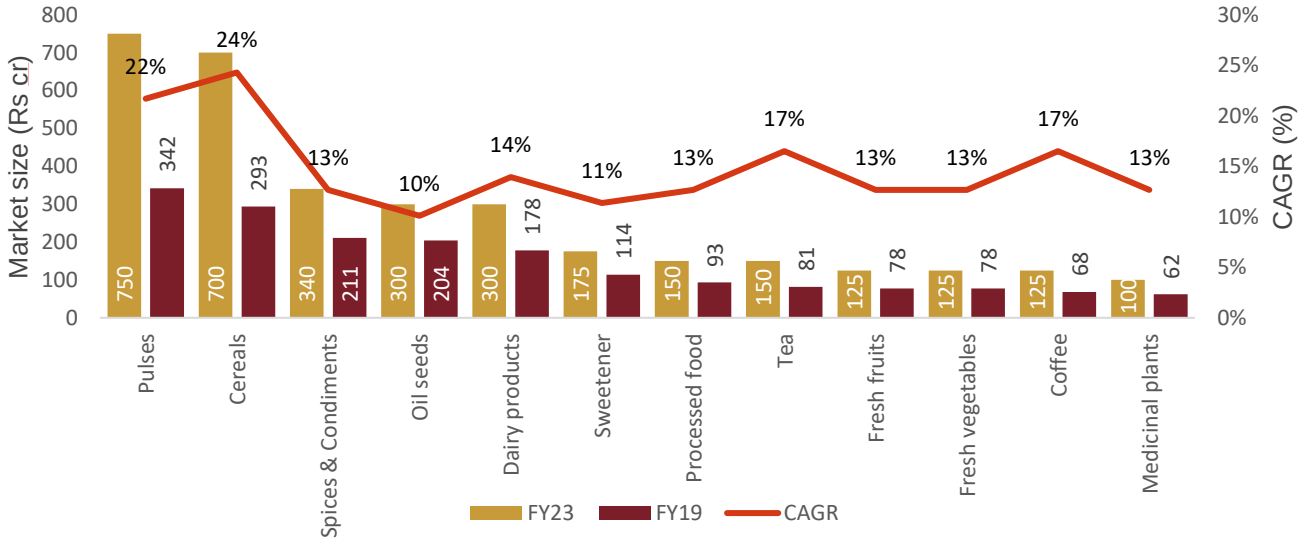


Source: Website of BigBasket

Composition of Indian organic products market

The graph below shows the growth trend for fiscal 2019-2023 in category-wise domestic organic products market. Cereals and pulses saw substantial CAGRs of 24% and 22%, respectively, attributable to increasing consumer awareness about the health benefits of organic produces and a consumer shift towards healthier eating habits. Both tea and coffee categories logged a CAGR of 17% during fiscals 2019-2023, indicating a strong demand for organic beverages. In the sweetener segment, products such as jaggery and honey logged a CAGR of 15-20%, as these products are considered a better alternative to conventional sugar. All other categories showed moderate to healthy growth rates ranging from 10% to 13%.

Figure 28: Category-wise growth of Indian organic products market over fiscals 2019-2023

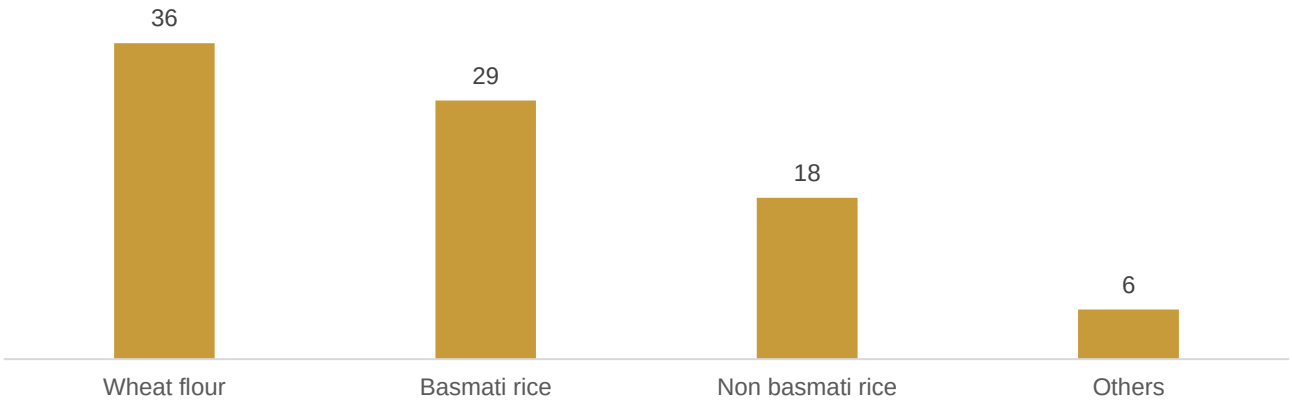


Source: CRISIL estimate

Top selling products under major category

Organic cereals: As of fiscal 2023, the overall size of organic cereals category was estimated at Rs 700 crore. In the cereals category, wheat flour (atta), basmati rice, and non-basmati rice were the top three selling products, commanding significant market shares. Specifically, wheat flour accounted for 36%, basmati rice 29% and non-basmati rice 18% of the overall cereals market. Geographically, the southern region showed a higher preference for non-basmati rice than other regions. Millets saw an exponential growth of more than 25% annually, driven by increased post-pandemic consumption and because of the United Nations declaring 2023 as the International Year of Millets.

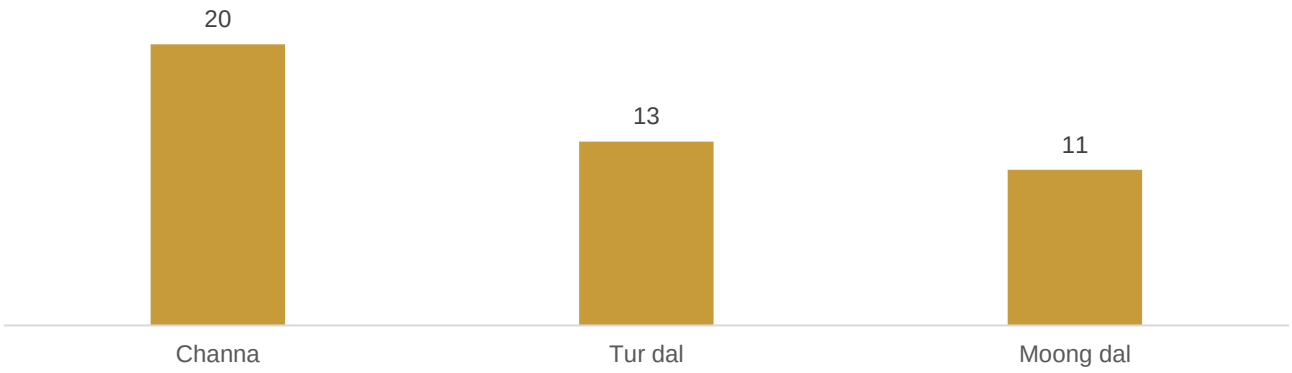
Figure 29: Top selling products in cereals in FY23 (%)



Source: CRISIL estimates

Organic pulses: The domestic branded pulses market size was estimated at Rs 750 crore in fiscal 2023. Chana, tur dal and moong dal were the top three selling products in the pulses category with a share of 20%, 13% and 11%, respectively. The pulses segment logged a CAGR of 20-25% over fiscals 2016-2020. The growth stabilised over the past two fiscals as the pulses prices skyrocketed and consumers started exploring other organic options such as millets and non-wheat flours.

Figure 30: Top selling products in pulses in FY23 (%)



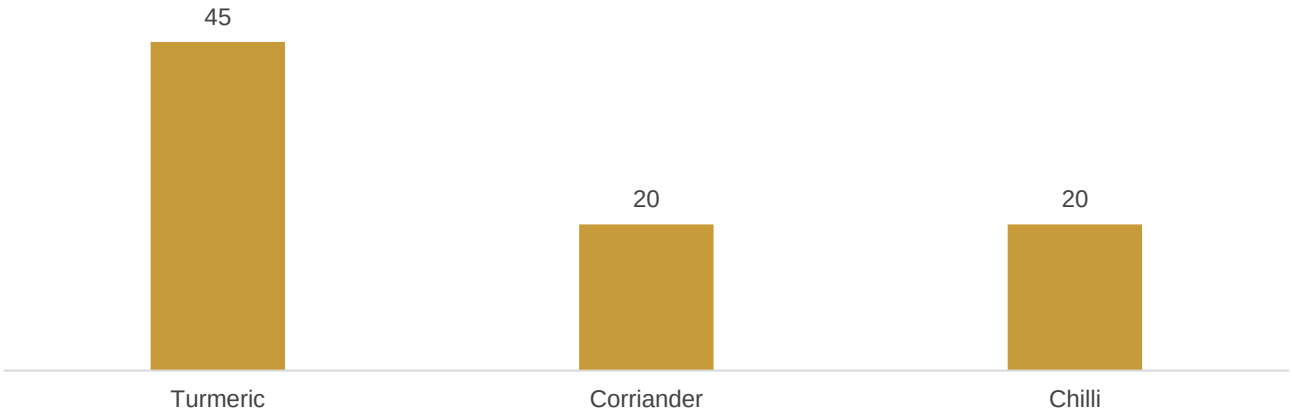
Source: CRISIL estimates

Did you know?

The CRISIL survey of organic products consumers revealed that **pulses were the first product category tried by approximately 21%** in the organic segment. This was followed by **tea at 15% and sweeteners and vegetables at 10% each**. These findings indicate that **pulses are the most common entry point for consumers into the organic products market**.

Organic spices: The domestic spices were estimated at Rs 340 crore in fiscal 2023. Turmeric, coriander and chilli were the top three selling products in the spices' category with a share of 45%, 20% and 20% respectively. India is the largest producer, exporter and consumer of turmeric. The high consumption of turmeric can be attributed to its potent antioxidant, anti-inflammatory and immunostimulatory properties.

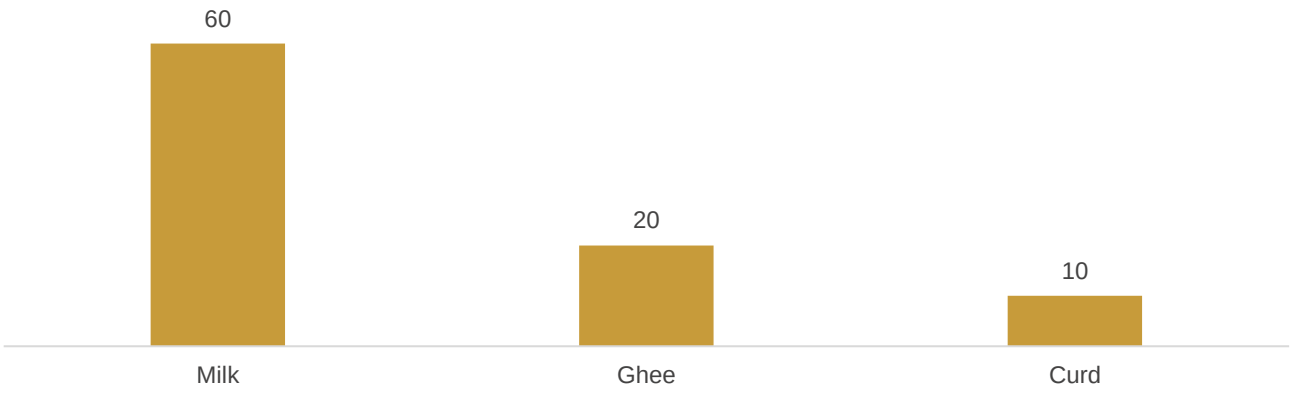
Figure 31: Top selling products in spices in FY23 (%)



Source: CRISIL estimate

Organic dairy: The domestic dairy market was estimated at Rs 300 crore in fiscal 2023. As per our interactions with key players in the organic dairy segment, organic milk, ghee and curd were the top three selling products in the dairy category, with shares at 60%, 20%, and 10%, respectively. Organic ghee saw an exponential growth within the category, logging a CAGR of 40% over the previous three fiscals (from FY20-23). Similarly, organic curd, considered a good source of probiotics, also witnessed a significant growth, logging a CAGR of 30%.

Figure 32: Top selling products in dairy in FY23 (%)



Source: CRISIL estimate

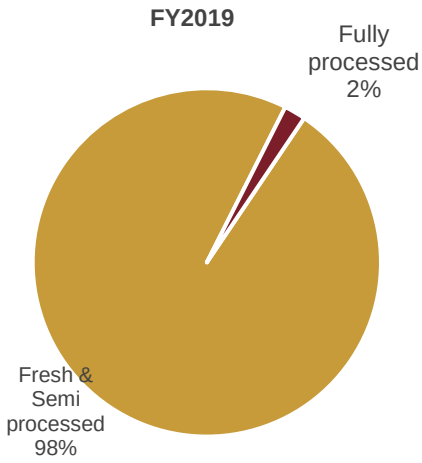
In the organic fruits and vegetables category, onions, potatoes and tomatoes were the major selling products, each with a 15% share. These were followed by bananas (10%) and leafy vegetables (5%). In the organic processed foods category, ready-to-eat (RTE) and ready-to-cook (RTC) products and snacks were the major products. In RTC, breakfast items such as poha, oats and organic baby foods and energy bars grew nearly 40% on-year every year in the last three years (FY20-23). However, currently, domestic organic products sold in India are predominantly non-value-added products.

Processing in domestic organic products market

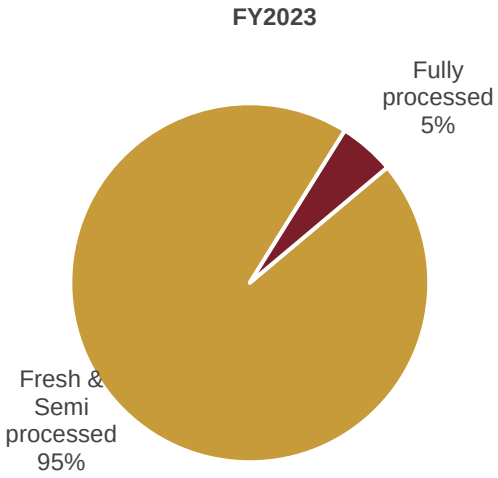
Industry estimates suggest currently, in fiscal 2023, only 5-10% of the total organic domestic market consists of processed or value-added products**.** Products such as RTE, RTC, snacks, energy bars and baby foods come under this category. The balance 90-95% is fresh or semi-processed. However, the scenario has improved slightly over fiscal 2019 when nearly 98% of the products were semi-processed and 2% were fully processed. Market

opportunities for value-added organic produce are expanding rapidly as consumer preferences shift towards healthier, convenient and sustainable food options.

Figure 33: Share of processed products in Indian organic products market



Source: CRISIL estimates



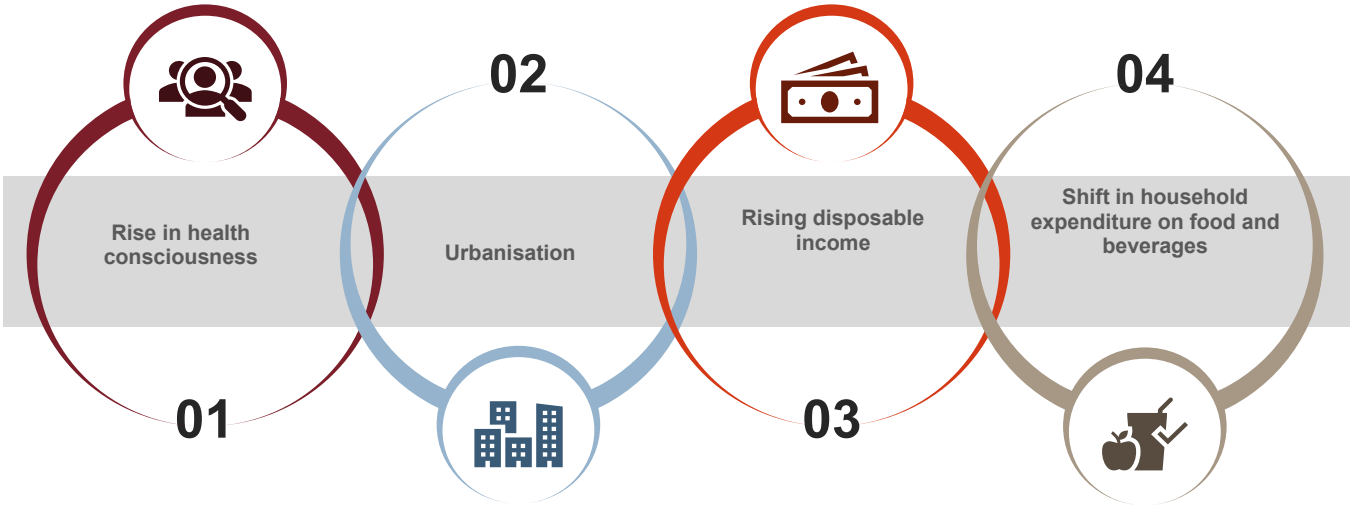
Source: CRISIL estimates

However, handling organic produces poses unique challenges owing to their vulnerability to spoilage, limited use of synthetic preservatives and strict certification requirements. Factors such as climatic conditions, supply-chain inefficiencies and lack of appropriate infrastructure can further exacerbate these challenges.

Assessment of domestic demand

The domestic demand for organic products is driven by multiple factors such as rise in health consciousness, urbanisation, increasing popularity of alternative market channels (e-commerce), changing consumer preferences, retail expansion, rising food safety concerns and a few macro-economic parameters such as nations' GDP growth and disposable income in the hands of the consumers, to name a few. In this study, we have analysed and used the above factors to estimate the future demand for organic products in India.

Figure 34: Factors that drive demand



Increasing health consciousness: In 2022, India was home to nearly 130 million health-conscious individuals (HCIs)[34]. Health-conscious individuals are people who prioritize and actively seek to maintain and improve their physical, mental, and emotional well-being. They are mindful of their lifestyle choices and make intentional decisions that contribute to their overall health and wellness. This number would increase to 176 million by 2026 and 317 million by 2033 logging a CAGR of 9%[35]. One of the primary drivers of the global organic food market is the increasing health consciousness among consumers. In recent years, there has been a growing awareness about the health benefits of consuming organic food in India. Organic products are those that are free from synthetic pesticides, genetically modified organisms (GMOs) and artificial additives, making them a healthier choice.

Consumers are becoming more informed about the potential health risks associated with conventional agricultural practices, such as the use of chemical pesticides and antibiotics in animal farming. As a result, they are willing to pay a premium for organic foods that are produced using natural and sustainable methods. The trend is particularly prominent in developed countries, where consumers have greater access to information and more disposable income to support their preferences for organic products. With India, too, witnessing a similar increase in disposable income (discussed in the subsequent section) and access to information, scope for organic food products will increase going forward.

[34] Indian Habit of Being Healthy; RedSeer
[35] India to become a $30 bn market for health food by 2026: Avendus; Ratna Bhushan; ET Bureau; Mar 03, 2022

Did you know?

In the CRISIL survey of organic product consumers, an overwhelming **91% of respondents cited health benefits as the primary factor influencing their decision to buy organic products**. This emphasises the growing health consciousness among consumers and underscores the critical role of health considerations in driving the demand for organic products.

Urbanisation: Of the 130 million HCIs in India as of 2022, 54% resided in metro and tier-1 cities, which form the major markets for organic products. With the increasing urbanisation, this number is likely to rise in the future. Currently, only 31.2% of the Indian population is considered urban[36]. However, by 2036, Indian towns and cities are expected to be home to 600 million people accounting for 40% of the population[37].

The rapid urbanisation will lead to lifestyle changes and higher demand for convenient, healthy and high-quality food products. The expansion of urban retail infrastructure, along with the growth of e-commerce, will make organic products more accessible. This shift will further drive the demand for organic products, as more consumers in urban areas seek healthier and more sustainable food options.

Rising disposable income: As of 2024, 60 million people in India, or around 4% of the country's working-age population, earned more than $10,000 annually, a significant increase from 24 million in 2015[38]. It is estimated that by 2027, around 100 million people in India will become "affluent" earning an annual income exceeding $10,000. This number is expected to reach 165 million by 2030[39].

With income levels rising, premium organic products will become more affordable for consumers, leading to a shift towards higher spending on quality and healthy food options. The increase in disposable incomes, combined with growing health consciousness and urbanisation, will further drive the demand for organic food products in India. As consumers prioritise their health and well-being, the organic foods market is poised for substantial growth, reflecting the changing preferences and economic capabilities of the Indian population.

Shift in household expenditure on food and beverages: In recent years, the average monthly per capita expenditure (MPCE) in India increased significantly, reflecting rising incomes and changing consumption patterns. According to the latest survey by the National Sample Survey Office (NSSO), the MPCE in rural areas rose from Rs 1,430 in fiscal 2012 to Rs 3,773 in fiscal 2023, marking 2.6 times increase. In the urban areas, meanwhile, the MPCE increased from Rs 2,630 to Rs 6,459, up 2.5 times.

Urban households allocate 39% of their MPCE to food. Beverages, refreshments and processed food lead the way with a 10.64% share, followed by milk and milk products at 7.22% and fruits and vegetables each accounting for 3.8%. The data reveals that both rural and urban households are shifting their expenditure towards processed foods and animal products such as milk, eggs, fish and meat, as well as horticultural products such as fruits and vegetables.

[36] Measuring Urbanization: Why India Needs to Re-think its Methodology; Sudeshna Chatterjee, Raj Bhagat Palanichamy, Rejeet Mathews and Shahena Khan - August 08, 2023; WRI India

[37] Gearing up for India's Rapid Urban Transformation; Auguste Tano Kouamé; World Bank; January 30, 2024

[38] India's consumption growth is set to accelerate as Goldman predicts 'affluent' Indians to nearly double; JAN 18 2024; CNBC

[39] India economic outlook, April 2024; Dr. Rumki Majumdar

Did you know?

The CRISIL survey of organic products consumers revealed that 38% (460) of the respondents allocated 10-25% of their grocery budget to organic products and 16% allocated 26-50%. When asked if they were willing to increase their share of organic products in their grocery budget, approximately 80% (959) responded in affirmative. Of 80%, 44% (425) expressed a willingness to increase their share of organic product purchase in grocery budget by 10-25% and 21% (199) wanted to increase the share by 26-50%. This demonstrates a significant potential for growth in the organic foods market, as a substantial number of consumers are open to allocating a larger portion of their grocery budget to organic products.

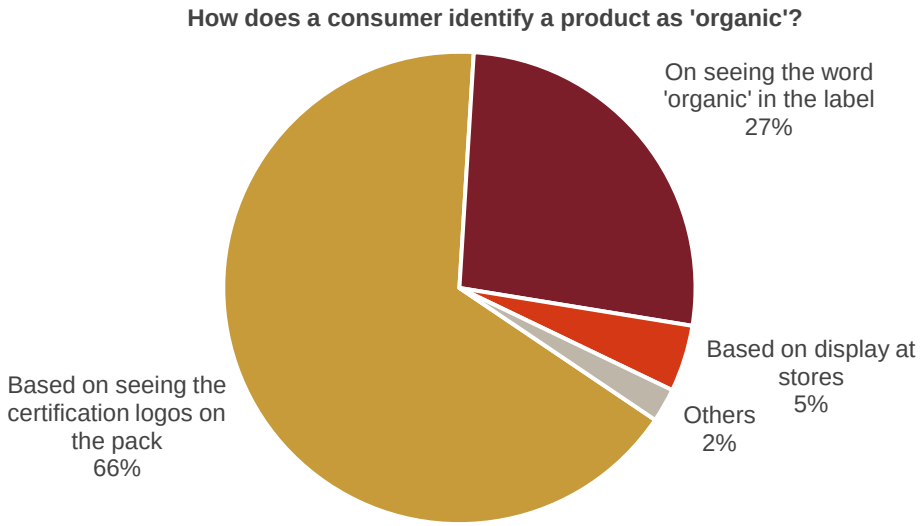
Understanding consumer perspectives on organic products: Insights from the survey

The detailed consumer survey conducted by CRISIL covered 1,207 organic products consumers across 10 major cities in India. The survey was conducted as part of this study to understand consumer perspectives, preferences and behaviours. Of the respondents, 65% were male and 35% were female. Around 75% of the surveyed had consumed at least two organic categories in the last two years and 80% were graduates and above. A significant 91% were in the 25-54 age bracket, 7% were less than 24 years and 2% were above 64 years. The major findings from the field survey are given below.

Identifying organic product:

When asked how they identify whether a product is organic or not, nearly 66% said they look for the certification logo on the packaging. Another 27% rely on seeing the word ‘organic’ on the pack or label. A small 2%, who selected ‘other’, indicated they trust specific brands and retail shops from where they have been purchasing for a long time. They do not feel the need to check for organic certification or labelling.

Figure 35: Identifying organic products



Source: CRISIL consumer survey findings

Awareness about ‘organic’ logos

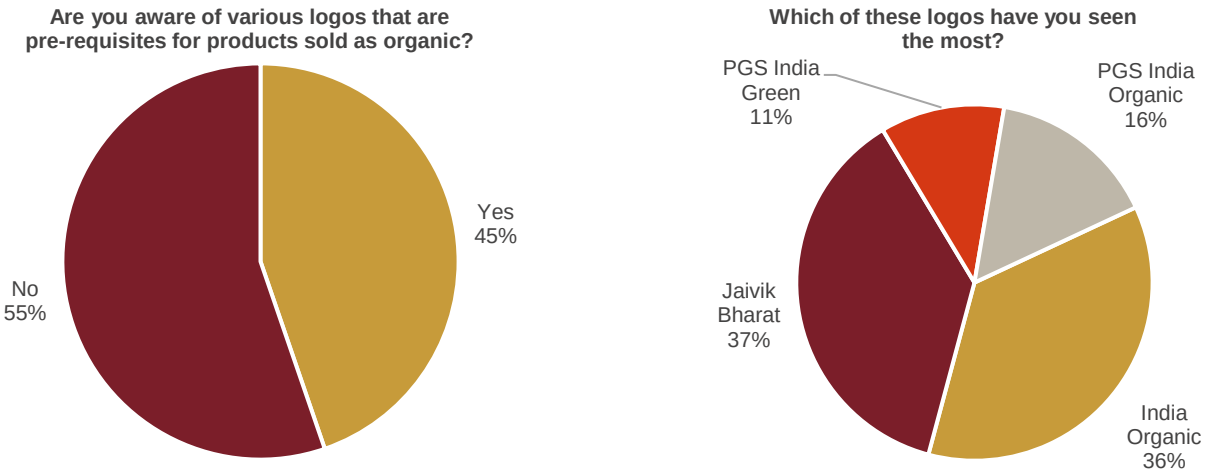
There is little awareness about various ‘organic’ logos among consumers. Nearly 55% of the consumers surveyed did not know that the logos were pre-requisites for organic products. Of the remaining 45% of consumers who were

familiar with the logos, 37% had often seen the ‘Jaivik Bharat’ logo followed by ‘India Organic’ on packs of organic products.

Various organic logos in India:

The Jaivik Bharat logo for organic food is an identity mark to distinguish organic products from non-organic ones. The logo is supported with the tagline "Jaivik Bharat", at the bottom, which signifies organic food from India. This is the unified logo launched by FSSAI. The red and blue “India Organic” logo indicates the product has been officially certified as organic under NPOP certification system. The PGS-India Green logo means the product has been obtained from farms which are under conversion into organic under PGS certification system and have already stopped using chemicals. The PGS-India Organic logo indicates the product has been obtained from farms that have successfully concluded conversion and are now officially organic under PGS certification system.

Figure 36: Awareness about ‘organic’ logos

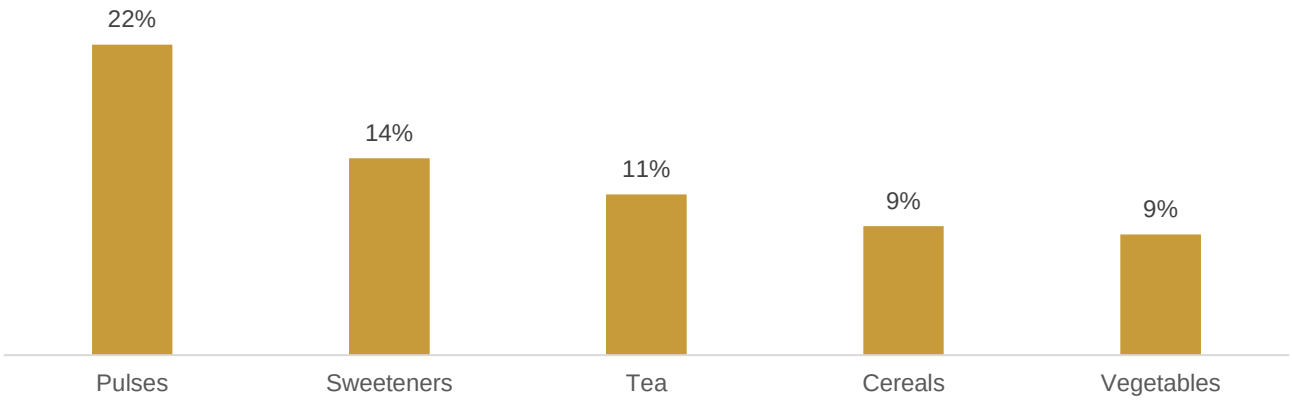


Source: CRISIL consumer survey findings

Most frequently purchased organic product:

Pulses emerged as the most frequently purchased category of organic products, chosen by 22% of the consumers surveyed. Sweeteners, particularly jaggery and honey, followed closely at 14% and tea at 11%. Both cereals and vegetables were cited by 9% of the respondents as the organic products they most frequently bought.

Figure 37: Organic products bought most frequently by consumers

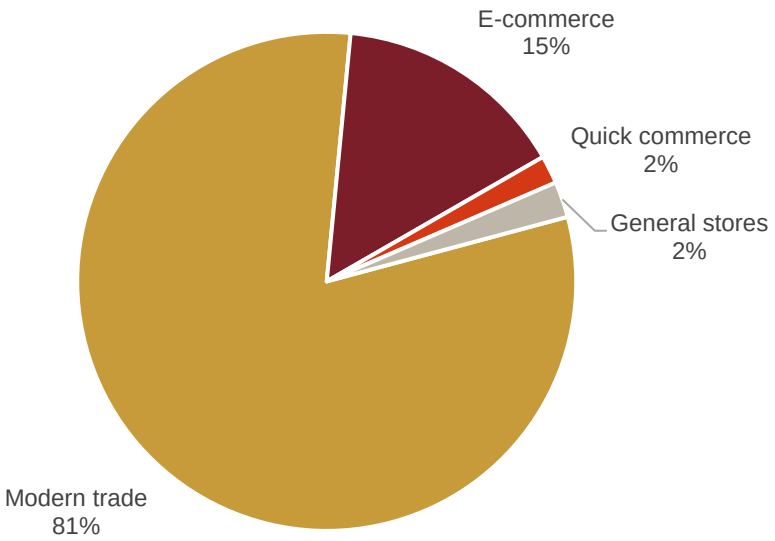


Source: CRISIL consumer survey findings

Preferred channel of purchase:

Modern trade was the most preferred channel of purchase for 81% of the consumers surveyed, followed by e-commerce (15%) and quick commerce and general stores at 2%.

Figure 38: Channel of purchase



Source: CRISIL consumer survey findings

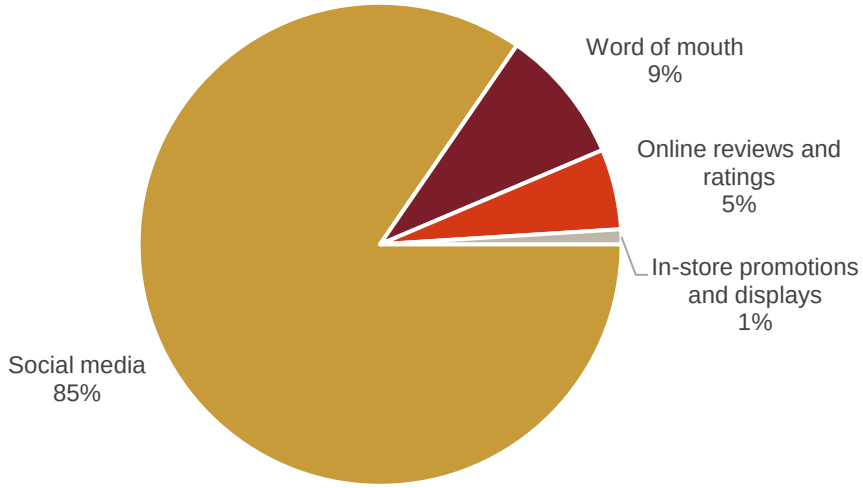
Organic products customers are willing to buy, but are not available in the market

Asked about organic products consumers were willing to buy but could not find in the market, they primarily listed fruits, followed by vegetables. This demand reflects a gap in availability that industry leaders and retailers experience, particularly in ensuring consistent supply of authentic organic fruits and vegetables. Meeting this demand presents a significant challenge to the organic food market.

Source of information about organic products and their benefits:

Social media is the medium that 85% of consumers prefer to use to get information about organic products; it is followed by word of mouth.

Figure 39: Gathering information about organic products

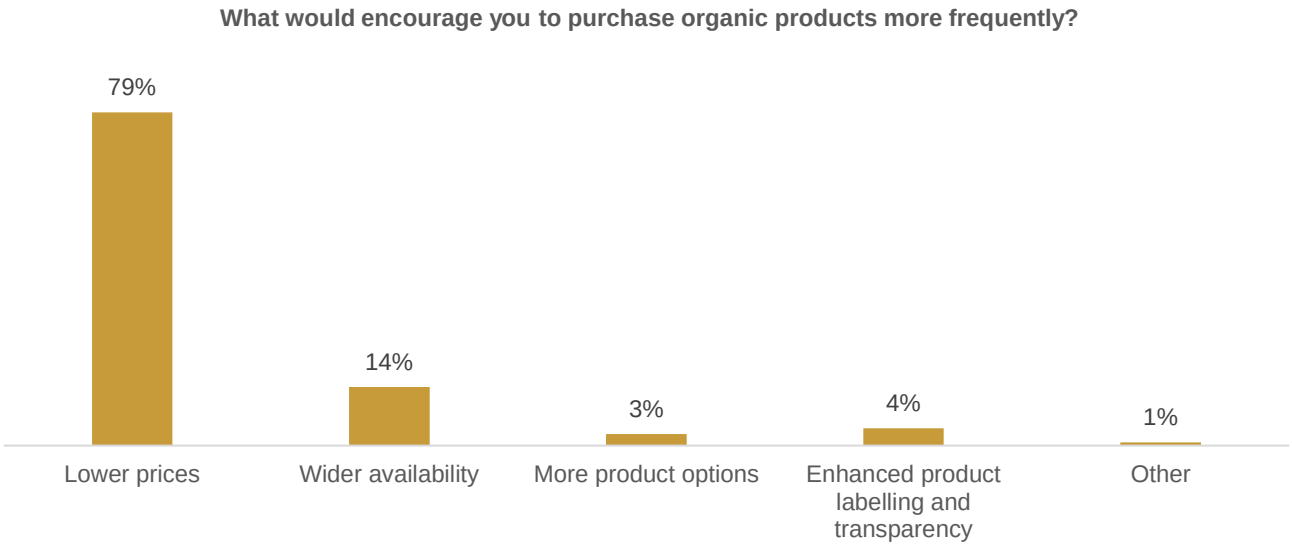


Source: CRISIL consumer survey findings

What encourages customers to buy more organic products

Price plays a major role in the penetration of organic products among Indian consumers. Nearly 79% of the respondents feel the less the price of an organic product, the more they would feel encouraged to buy it frequently. This is followed by the availability of a range of products to choose from (14%).

Figure 40: Factors that encourage customers to buy more organic products



Source: CRISIL consumer survey findings

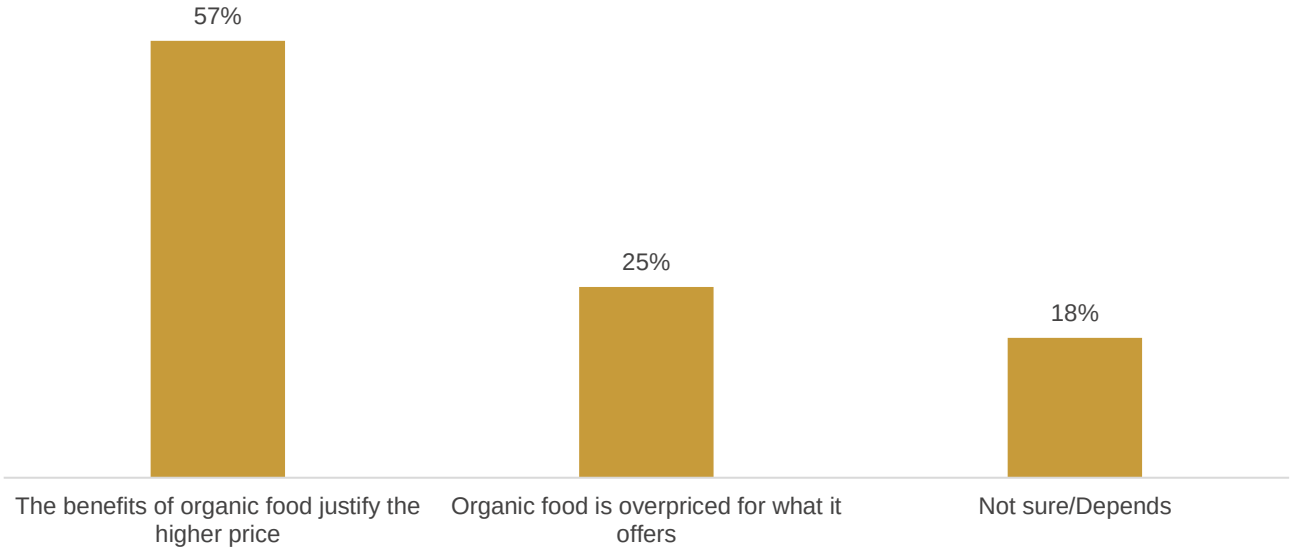
Did you know?

When purchasing organic products, you are paying the genuine cost of food production. In contrast, non-organic products come with hidden costs known as agricultural 'externalities' that we all indirectly bear. The externalities encompass damage to water sources, soil, wildlife, ecosystem, biodiversity and human health due to pesticide exposure. Considering these factors, along with the numerous personal health and environmental benefits of organic products, it becomes evident that organic food offers a superior value proposition.

Value proposition of organic products to price

More than half of the consumers surveyed believe benefits derived from organic products justify their higher prices while one-fourth of the respondents feel otherwise.

Figure 41: Value proposition of organic products to price:



Source: CRISIL consumer survey findings

Consumers surveyed are satisfied with the quality, pricing and availability of organic products. That said, challenges surrounding trust in a product's authenticity and awareness of diverse organic logos and certification standards persist. A focused plan on creating consumer awareness and other aspects such as health consciousness and key demand-driving factors suggest a promising future for the domestic organic market.

Price difference between organic and conventional products:

Table 4: Price difference between organic and conventional products

Category	Product	Unit	Organic (Rs)	Conventional (Rs)	Premium (%)
Cereals	Basmati rice	1 kg	250	150	67%
	Non-basmati rice	1 kg	100	55	82%
	Wheat atta	1 kg	75	50	50%
Pulses	Tur dal	1 kg	280	200	40%
	Kabuli chana	1 kg	300	200	50%
	Green gram	1 kg	270	170	59%

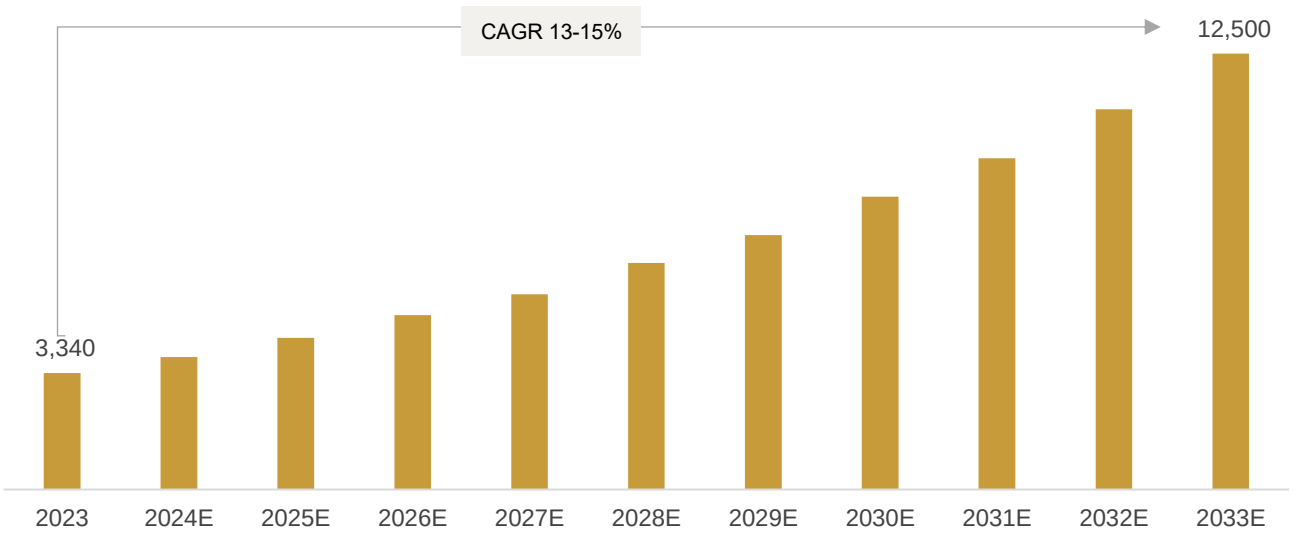
Oils	Mustard oil	1 litre	250	150	67%
	Groundnut oil	1 litre	350	250	40%
Sweetener	Jaggery powder	1 kg	180	90	100%
	Honey	1 kg	700	350	100%
Spices	Turmeric	100 grams	60	40	50%
	Chilli	100 grams	70	30	133%

Source: Secondary research

Domestic market outlook

The India's domestic organised organic market, valued at Rs 3,340 crore ($400 million) in fiscal 2023, is projected to clock CAGR of 13-15% until fiscal 2033. India's FMCG sector, on the other hand, is expected to grow 8.3%. The domestic organic market is expected to reach Rs 12,500 crore ($1.4 billion) by the end of fiscal 2033.

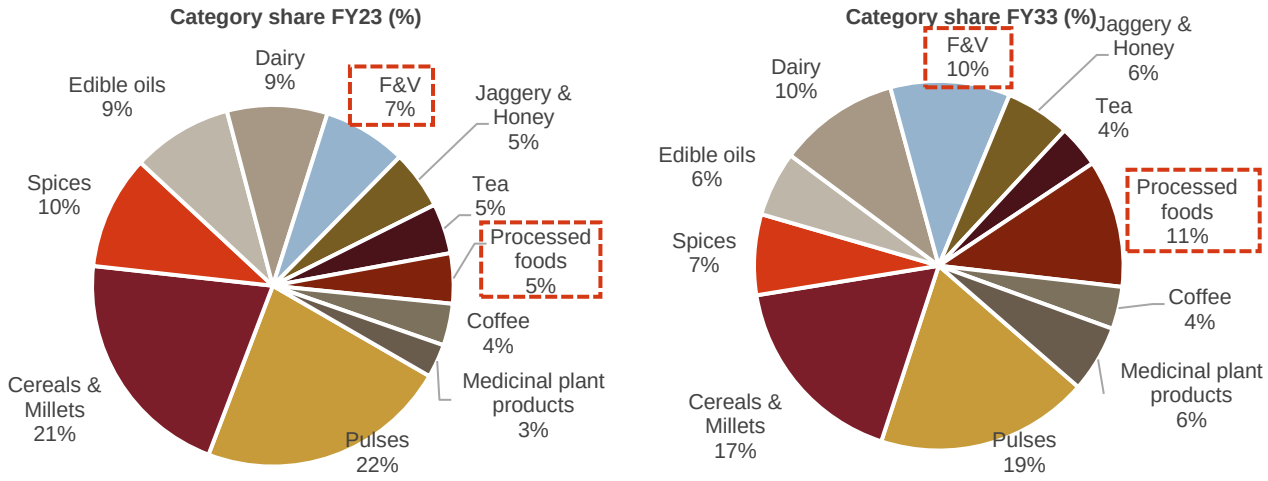
Figure 42: Domestic branded organic products' market in Rs crore (2023-2033)



Source: CRISIL estimates

Categories such as processed food products are projected to be the fastest-growing segment, with an estimated CAGR of 25%. This will be followed by fresh fruits and vegetables at 18% and dairy at 16%. Within the processed food category, items such as breakfast cereals (including oats and poha), ready-to-cook (RTC) products (such as organic pasta and kids' food) and ready-to-eat (RTE) products (such as organic snacks and energy bars) are expected to drive growth. This trend can largely be attributed to consumers' increasing preference for healthy and convenient foods, alongside rising disposable incomes. While major categories like pulses and cereals may see a reduction in market share, they are expected to remain dominant in terms of value in the domestic organic market.

Figure 43: Category-wise share



Source: CRISIL estimates

Organic farming in northeast India

Indigenous farming practices have been followed in northeast (NE) India for centuries. Relying on traditional technical knowledge systems, these practices are predominantly organic in nature. The region's climate, characterised by rain-fed conditions, is highly conducive to organic farming. The low use of synthetic fertilisers (less than 12.0 kg/ha) and chemicals, along with abundant availability of biomass and animal manure, creates favourable prospects for organic agriculture.

Recognising this potential, the government has identified the NE as a hub for promoting organic farming. Sikkim was declared the first fully organic state in the country in 2016 and other northeastern states are also transitioning to organic farming. A total of 1,98,348 hectare in the NE has been utilised for organic farming, including almost 1,38,328 hectare under NPOP-certified organic farming and 60,020 hectare currently under conversion. Sikkim leads with the highest area of 75,475 hectare dedicated to organic farming, while the other seven states are gradually adopting organic practices.

The region is expected to see an improvement in crop output with the adoption of completely organic production technologies. Northeast India is the centre of origin for many citrus species, including the extensively cultivated Khasi mandarin and the sweet orange that is commercially grown in the region. Vegetables, including solanaceous, cucurbitaceous, leguminous, leafy, cole, root, rhizomatous and bulbous crops are majorly cultivated in the northeast. Chilli is commonly grown in the warm, humid conditions of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. The bhut jolokia, known as the world’s most pungent chili, originated in Nagaland and is widely cultivated in the state. Cucurbits, among the largest collections of vegetable crops, are extensively grown in all NE states along with a range of indigenous leafy vegetables such as amaranth.

Given the scope for organic farming in the region, the Ministry of Agriculture and Farmers’ Welfare launched the Mission Organic Value Chain Development for Northeastern Region (MOVCD-NER) scheme in 2015-16. This scheme, implemented in all the eight states in the region, is aimed at achieving certified organic production through a value chain approach. The scheme connects growers with consumers and supports the entire value chain—from inputs, seeds and certification to the creation of facilities for collection, aggregation, processing, marketing and brand-building initiatives.

According to the farm ministry, the MOVCD-NER scheme brought 1.73 lakh hectare under organic farming and covered 1.89 lakh farmers as of July 15, 2023. As part of the scheme, 379 Farmer Producer Organisations (FPOs) and Farmer Producer Companies (FPCs) were established, leading to the creation of 205 collection, aggregation and grading units, 190 custom hiring centres and 123 processing units and packaging houses. Additionally, seven brands have been developed.

Challenges facing organic agriculture in northeast India:

- **Lack of awareness about certification processes:** Farmers in the NE often lack awareness and technical knowledge about the documentation requirements for organic certification
- **Logistics issues:** Due to fragmented land holdings, aggregating produce from member farmers in a timely manner is challenging for FPOs. The lack of logistics connectivity further complicates the supply of produce. Consequently, farmers are often obligated to sell their produce in local markets or to traders in West Bengal. Despite the shift to organic cultivation, the abundant supply in local markets limits growers' ability to fetch premium prices. Additionally, price competitiveness of neighbouring countries hampers the sale of organic produce internationally. Interactions with 15 FPOs from Assam, Meghalaya and Sikkim revealed only 5-10% of the produce sold is certified as organic, while the rest are conventional products.
- **Lack of infrastructure facilities**: Northeast India lacks the infrastructure necessary for exports, including testing laboratories, exclusive storage spaces for organic produce and adequate airports. Export consignments are currently airlifted from Mumbai after a long road transit from the NE. There is also a shortage of equipment, such as sterilising units, required for the primary processing of produce for export. For instance, exporters have to send ginger to Bengaluru for sterilisation and bring it back to the NE for packing and shipping.
- **Topographical disadvantages**: The NE faces topographical challenges, such as heavy rainfall leading to frequent flooding and crop loss. Farmlands near the foothills are often damaged by animals amid human-animal conflict. For instance, by wild elephants entering farms.

Despite these challenges, there is ample potential for organic agriculture in northeast India. It is endowed with rich biodiversity, fertile soil and unique crops that can be exported to global markets. Addressing infrastructure, market access and topographical issues could unlock this potential, providing substantial benefits to farmers and the broader agricultural landscape of the northeast.

Case study: Organic pineapple from Meghalaya finds a place on the shelves of Abu Dhabi mall

The successful export of pineapples from Meghalaya to Abu Dhabi is a notable achievement accomplished by the Jamge Integrated Village Cooperative Society (IVCS) from the Songsak community and rural development block of East Garo Hills district. This initiative was carried out in collaboration with the Department of Agriculture and Farmers' Welfare and the Meghalaya Basin Management Agency.

The Jamge IVCS comprises over 250 farming households from four villages, producing nearly 100 tonne of pineapples. These less sour and significantly sweeter pineapples have a Brix value of 16-18. The cooperative effort exemplifies how successful collectivisation can significantly enhance farmers' incomes. Previously, farmers were earning a meagre Rs 10 per pineapple, regardless of the fruit's weight. However, through collectivisation and establishing market linkages with international buyers, the farmers now earn Rs 16 per kg.

With the average exported pineapple weighing 1.3 kg, this translates to Rs 21 per fruit, more than double the previous earnings. This intervention demonstrates the substantial financial benefits of cooperative efforts and market access for farmers, which could significantly improve their livelihoods.

Market Intelligence
& Analytics

CRISIL
An S&P Global Company

Section B

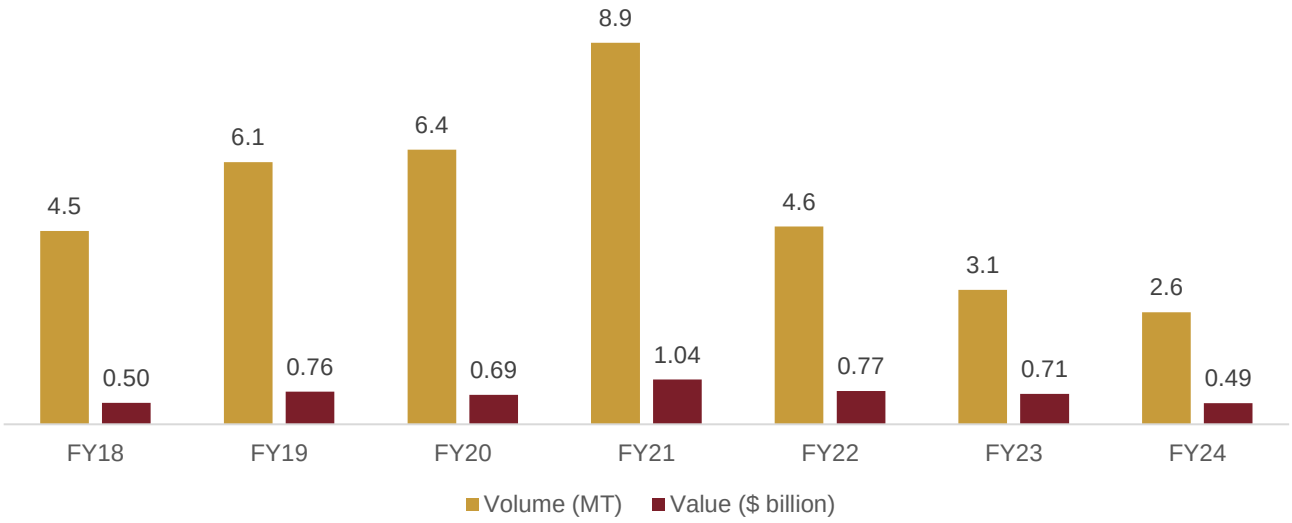
India’s organic exports

India’s organic exports market

Trends in India’s organic exports

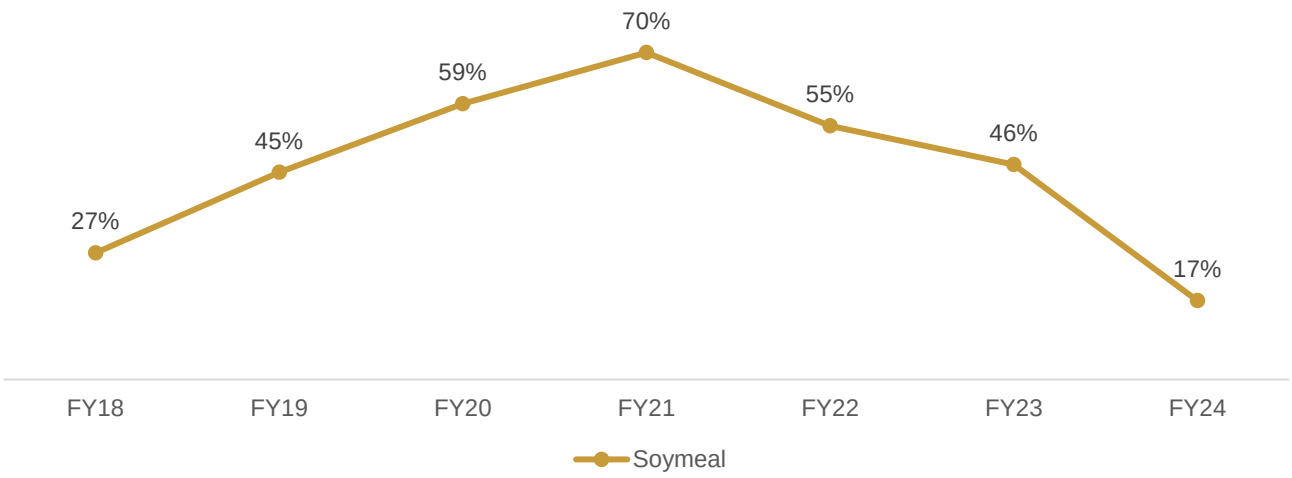
India's organic exports have experienced noticeable fluctuations over the past seven fiscal years. In fiscal 2021, exports reached a peak of 8.9 lakh MT, valued at $1.04 billion. However, in subsequent three years, exports declined sharply, reaching 2.6 lakh MT with a value of $0.49 billion in fiscal 2024. This translates to a compound annual growth rate (CAGR) decline of 9% in volume and 0.2% in value between fiscals 2018 and 2024. Several factors contributed to this trend, such as trade regulations which played a crucial role. These include export bans on wheat and sugar. Additionally, the US implemented an anti-dumping policy on Indian soymeal, and in 2021, withdrew the recognition agreement, which further impacted exports. Such temporary regulatory changes have majorly influenced the dynamics of India’s organic product exports.

Figure 44: Indian organic product export trends



Source: APEDA

Figure 45: Share of soymeal in organic exports



Source: APEDA

In fiscal 2018, soymeal accounted for 27% of India's organic product export volume. By fiscal 2021, this share had surged to 70% and subsequently slumped to 17% in fiscal 2024. Between fiscals 2018 and 2023, sugar exports accounted for 3% and 5% of the total export volume, respectively. However, the share of sugar exports surged to 18% of the total export volume in fiscal 2024. The significant increase is attributed to a decline in overall organic export volumes, particularly of soymeal, coupled with a sharp rise in sugar exports to Sri Lanka and Thailand.

Regulation

In May 2022, the government announced a **ban on conventional and organic wheat exports**, citing the sudden spike in global wheat prices and resulting food security risks to India.

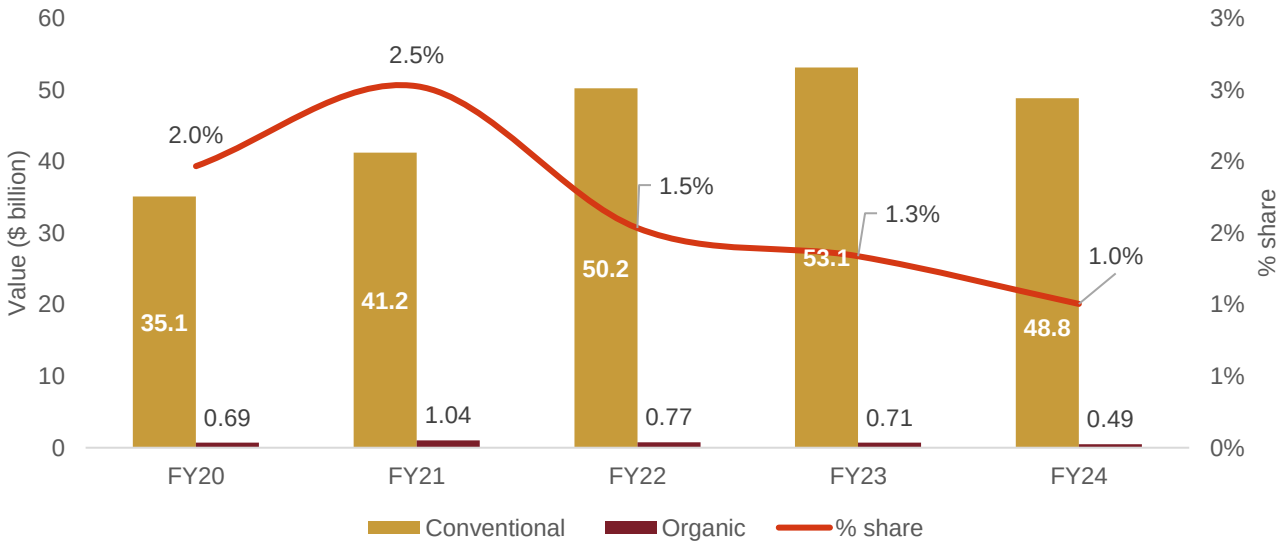
India has **banned sugar exports indefinitely. The ban was first imposed in June 2022** amid fears of poor crop yields and rising prices. In October 2023, the ban was extended to organic sugar as well.

In July 2023, India imposed a ban on the export of conventional non-basmati rice. This policy shift led to a significant increase in the export of organic non-basmati rice, as buyers turned to organic options to meet their needs. This changes boosted demand for organic rice, highlighting the market prospects for organic agricultural products globally.

Regulatory decisions such as the US' anti-dumping policy on Indian soymeal and the **withdrawal of a recognition agreement by the US in 2021** had a substantial impact on India's organic product exports.

Conventional vs organic exports in India

Figure 46: Conventional vs organic exports



Source: APEDA

India's agricultural exports reached approximately $48.8 billion in fiscal 2024. Organic products contributed $0.49 billion, making up just 1% of this total. The primary conventional exports included marine products, basmati rice, non-basmati rice, spices, buffalo meat and sugar, which together constituted 60% of the exports. Cereals and millets, along with processed foods and sugar, dominated the organic sector. They collectively accounted for 80% of India's organic exports. This highlights the potential for expanding organic farming practices to new products and destinations to meet international demand.

Organic imports of key countries vs India’s share

The global organic products market has been growing consistently, driven by increased consumer awareness about health benefits and environmental concerns. According to the World of organic agriculture 2024 report by the Research Institute of Organic Agriculture FiBL and IFOAM, organic product imports was approximately $11.5 billion in CY2022*. This figure, based on data from FiBL, encompasses import values from 14 prominent countries, including the US, EU, Canada, China, Australia, New Zealand, Saudi Arabia, and the Republic of Korea.

Notably, India's organic product exports totaled $0.71 billion in FY2022-23, accounting for a modest 6.2% share of these 14 countries import. This relatively small export share presents a significant opportunity for Indian organic products to expand their presence in the global market.

In 2017-2021 (before bans and restrictions), key countries imports clocked a CAGR of 10.3%. India's exports, on the other hand, experienced a CAGR of 11.5%. However, growth has decelerated with regulatory issues, leading to a CAGR of 7.2% (2017-22) for Indian exports against the global growth of 11%.

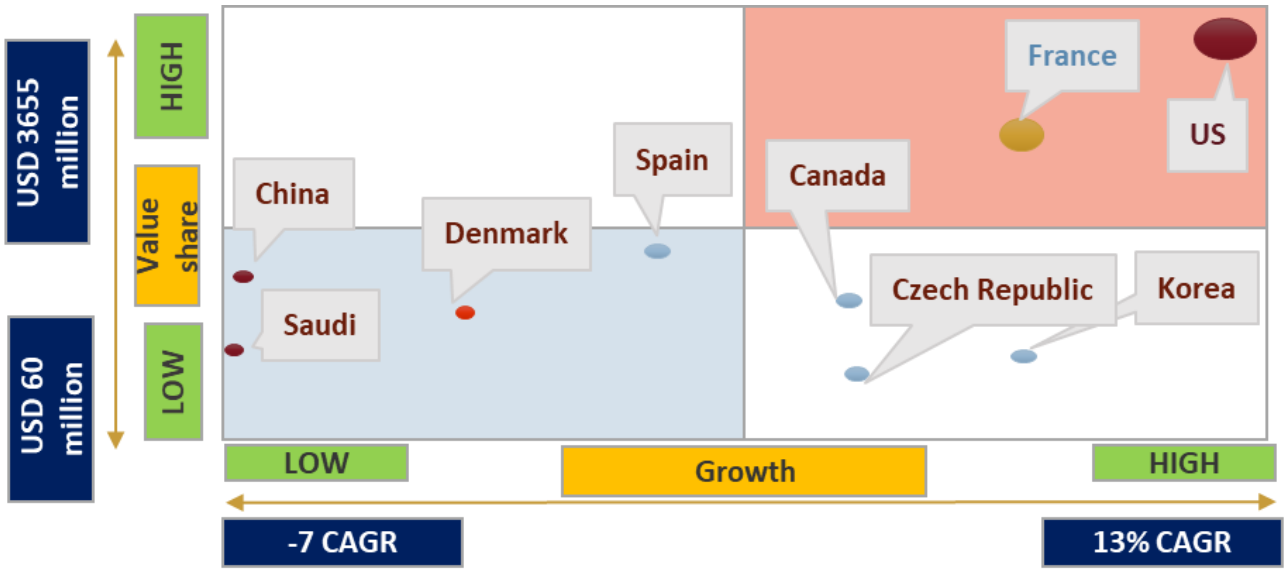
In 2022, bananas, soybean and sugar were the leading imported organic products, comprising 46% of the total organic commodity imports. Organic banana imports amounted to 1.2 million MT, soybean to 0.5 million MT and sugar to 0.44 million metric tonnes.

The US, the Netherlands, France and Germany emerged as the primary importers, handling nearly 73% of organic commodity imports[40]. The US made up 44% of the imports at 2.2 million MT. The Netherlands followed with 1.0 million MT (20%) and Germany with 0.45 million MT (9%). This data reflects significant demand in these regions, driven by consumer preferences for organic products and growing emphasis on sustainable agriculture.

[40] Organic World 2024

** Disclaimer: Global calendar year 2017 is considered as India’s FY2017-18. CY2022 is considered as India’s FY2022-23.*

Figure 47: Matrix based on retail sales value and CAGR of imports (CY 2018-22)



Note: The top nine countries in the above matrix have an import value of more than $100 million.

Source: FiBL and CRISIL analysis

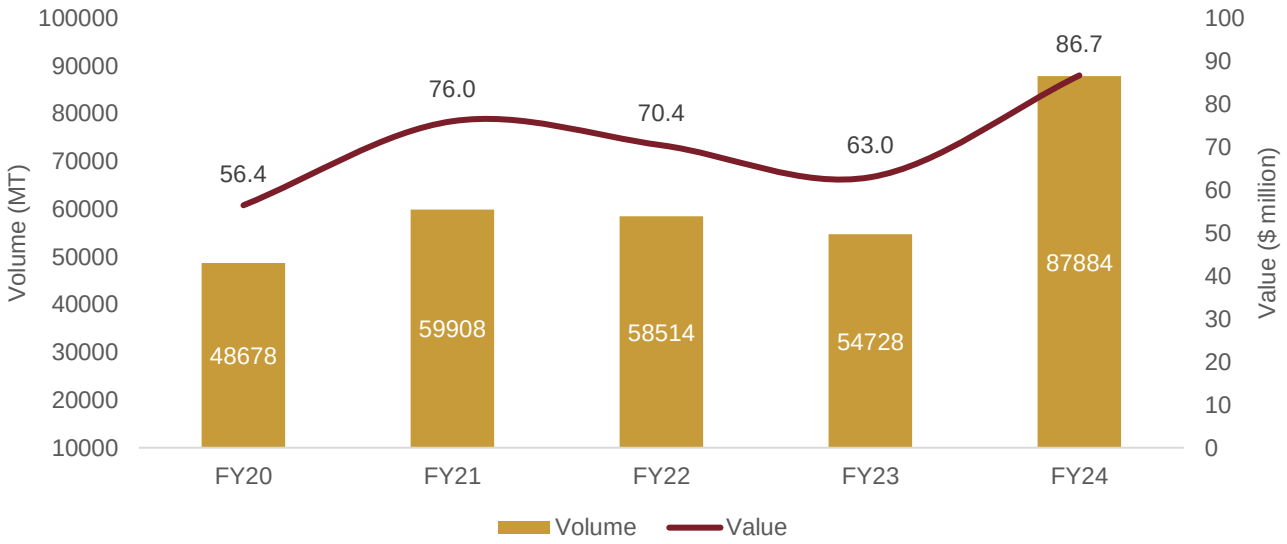
The above matrix provides insights into retail sales value and CAGR of organic imports among the top nine countries from 2018 to 2022.

- **High value – high growth:** The US and France are in this quadrant, indicating strong market presence and greater organic import growth prospects
- **Low value – high growth:** Korea and the Czech Republic show potential with high organic import growth, but they currently have a lower market share.
- **High value – low growth:** None of the top countries are in this quadrant
- **Low value – low growth:** Saudi Arabia falls into this category. Despite organic imports showing a negative CAGR of -7% from CY2018-22, the steady growth in organic retail sales over the past 3 years indicates potential for organic exporters in the medium to long term. Retail sales increased from $332 million in 2019 to $343 million in 2022.
- **Moderate performers:** Spain and Canada are in this category, showcasing balanced retail sales value and import growth.

Category-wise export trends in last five fiscal years

Cereals and millets

Figure 48: Export trends in cereals and millets



Source: APEDA

Among the 19 key organic categories exported from India, cereals and millets constitute a significant 34% of the total export volume in fiscal 2024. Volume of exports in this category clocked a CAGR of 16% between fiscals 2020 and 2024 but declined marginally in fiscal 2023.

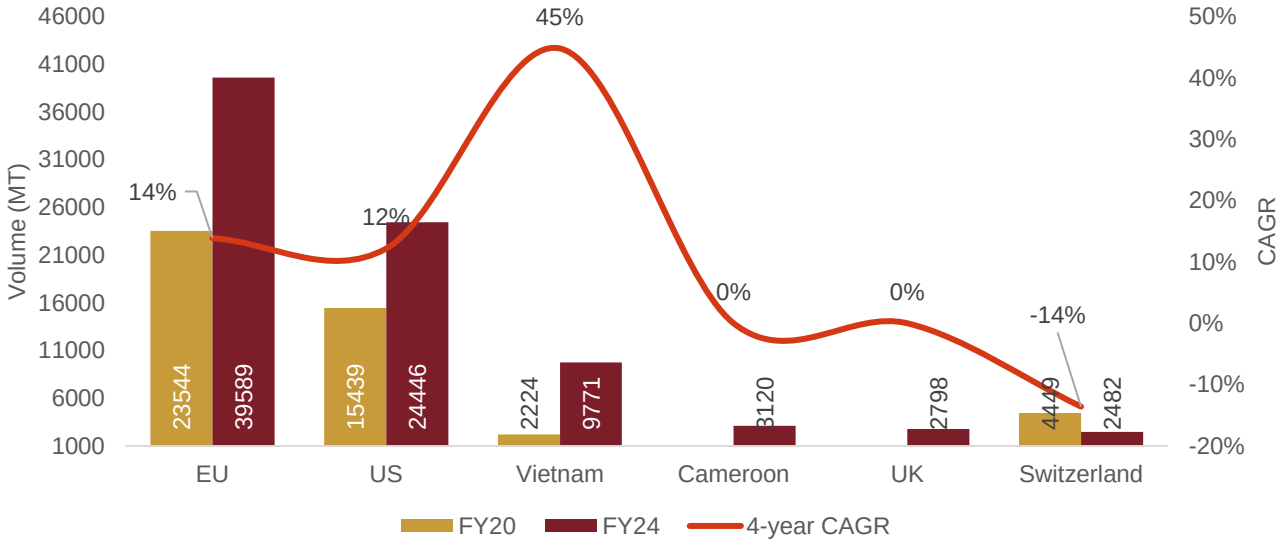
In fiscal 2024, exports in this category surged 60% on-year in volume terms. Non-basmati rice accounted for 51% of total exports in this category, other rice and rice-related products for 22%, and basmati rice for 19%.

In July 2023, the Indian government **imposed a ban on exports of conventional non-basmati rice.** This decision was prompted by production constraints and the urgent need to tame rising domestic prices. India is a major player in the global rice market, contributing over 40% of the world's conventional rice exports.

The export ban led to a shift in market dynamics. With exports of conventional non-basmati rice banned in Jul'2023, exports of conventional basmati rice and organic non-basmati rice increased considerably. This allowed India to maintain its strong presence in the global rice market, despite restrictions on non-basmati varieties.

Exports of cereals and millets are concentrated in a few key markets. The EU (45%), the US (28%), Vietnam (11%), Cameroon (4%), and the UK (3%) together accounted for 91% of these exports in fiscal 2024. Notably, exports to Vietnam in this category logged a strong CAGR of 45% between fiscals 2020 and 2024. Exports to the EU and the US also clocked a substantial CAGR of 14% and 12%, respectively. Ban on conventional non-basmati rice provided a fillip to exports of organic non-basmati rice to new destinations as well in fiscal 2024, such as Cameroon (7% export share) and Madagascar (4% export share).

Figure 49: Destination-wise export trends in cereals and millets

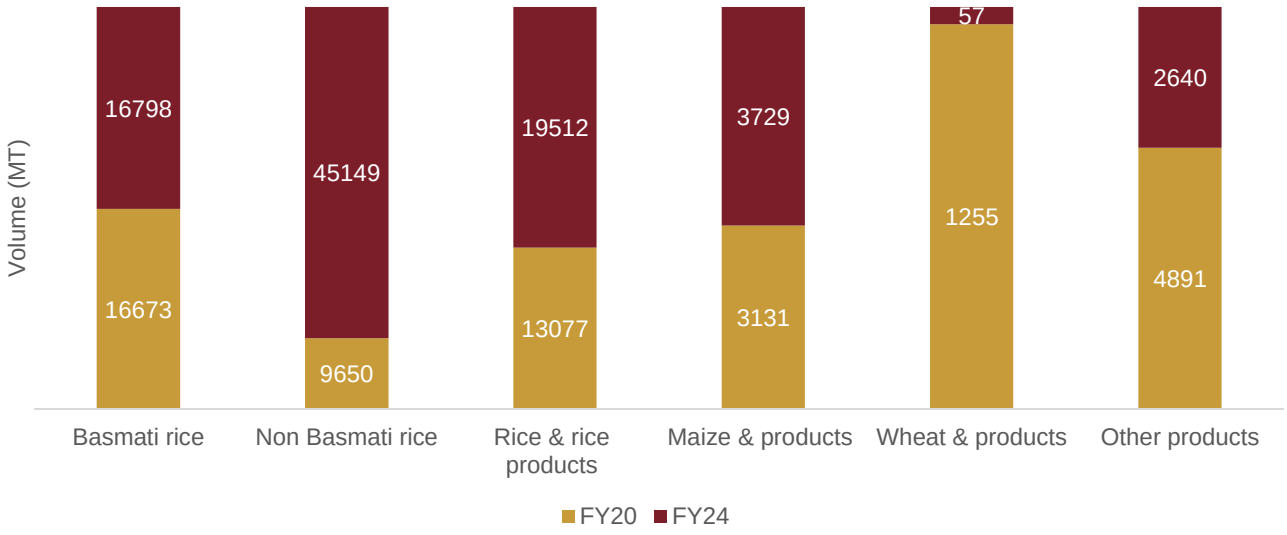


Note: The UK was part of the EU until fiscal 2020, so separate data is available starting from fiscal 2022. Additionally, Cameroon became a new destination for non-basmati rice exports in fiscal 2024.

Source: APEDA

In the cereals and millets category, maize and wheat represent a 4% export share in fiscal 2024. Other products in this category hold a 3% share. While maize exports clocked a CAGR of 4% between fiscals 2020 and 2024, wheat exports declined a noticeable 54% in CAGR terms due to export restrictions. Demand for organic maize is high from Israel and Vietnam; however, organic maize production is limited. A negligible 57 MT of organic wheat was exported in fiscal 2024.

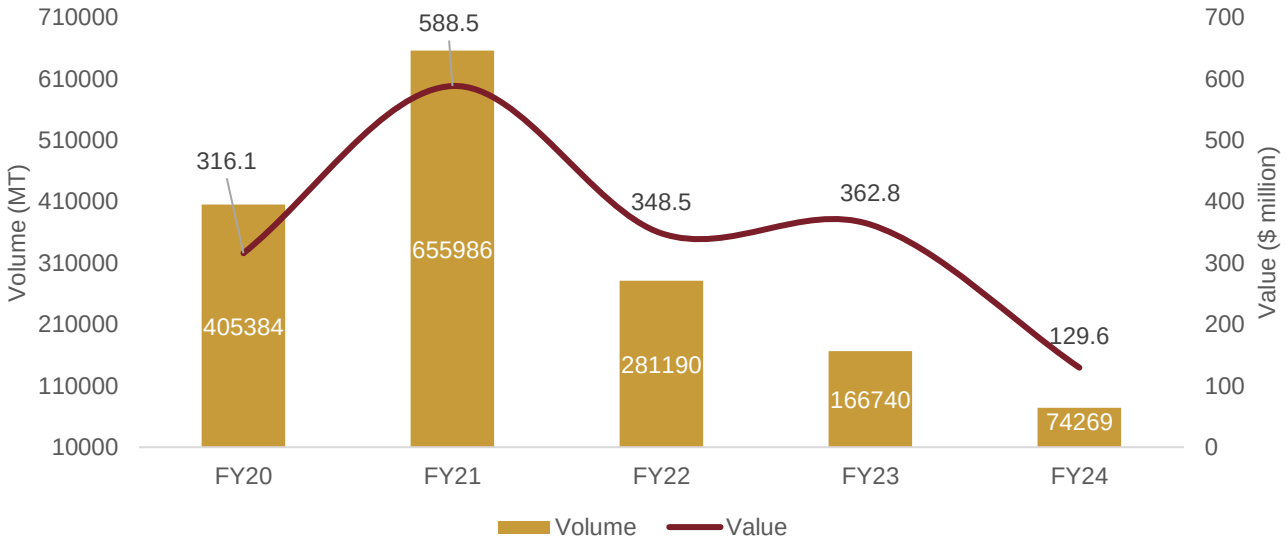
Figure 50: Product-wise export trends in cereals and millets



Source: APEDA

Processed food

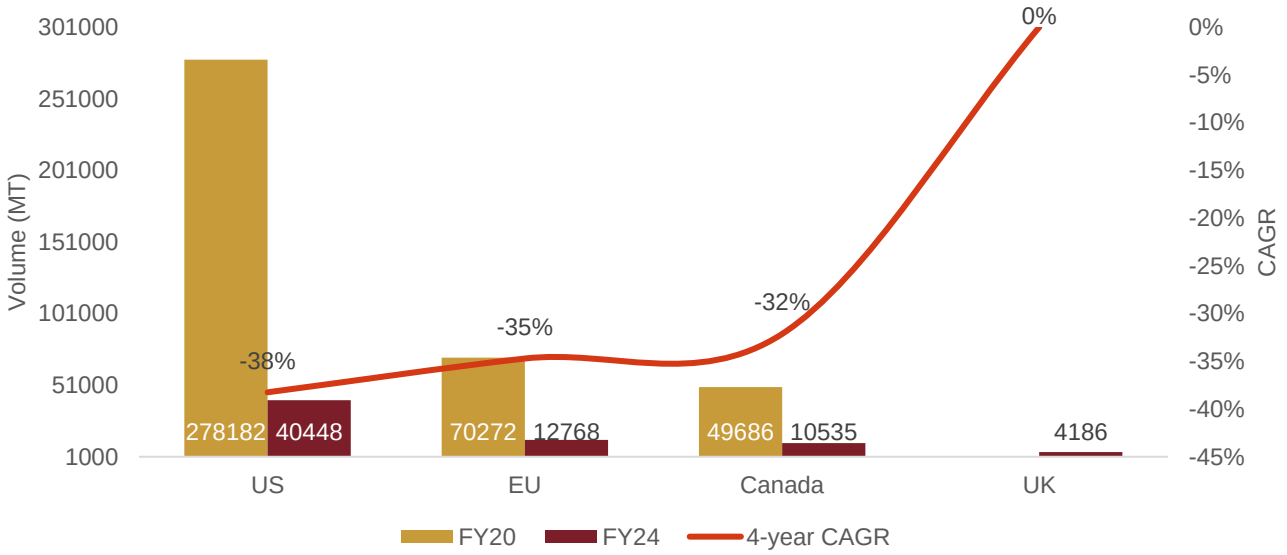
Figure 51: Export trends in processed food



Source: APEDA

In fiscal 2024, the processed food category constituted 28% of the export portfolio. Between fiscals 2020 and 2024, exports in this category declined a substantial 35% in CAGR terms. A sharp decline in the export share of soymeal, which dominates in this category, to 60% in fiscal 2024 from 93% in fiscal 2020 has significantly impacted the overall performance of the processed food sector. Policy actions, such as the US imposing anti-dumping measures on Indian soymeal and withdrawing the recognition agreement in 2021 and the EU delisting four certification bodies for the processed food category in 2022, have considerably affected India's processed food exports. The EU, the US, Canada and the UK are the major markets for processed food products.

Figure 52: Destination-wise export trends in processed food

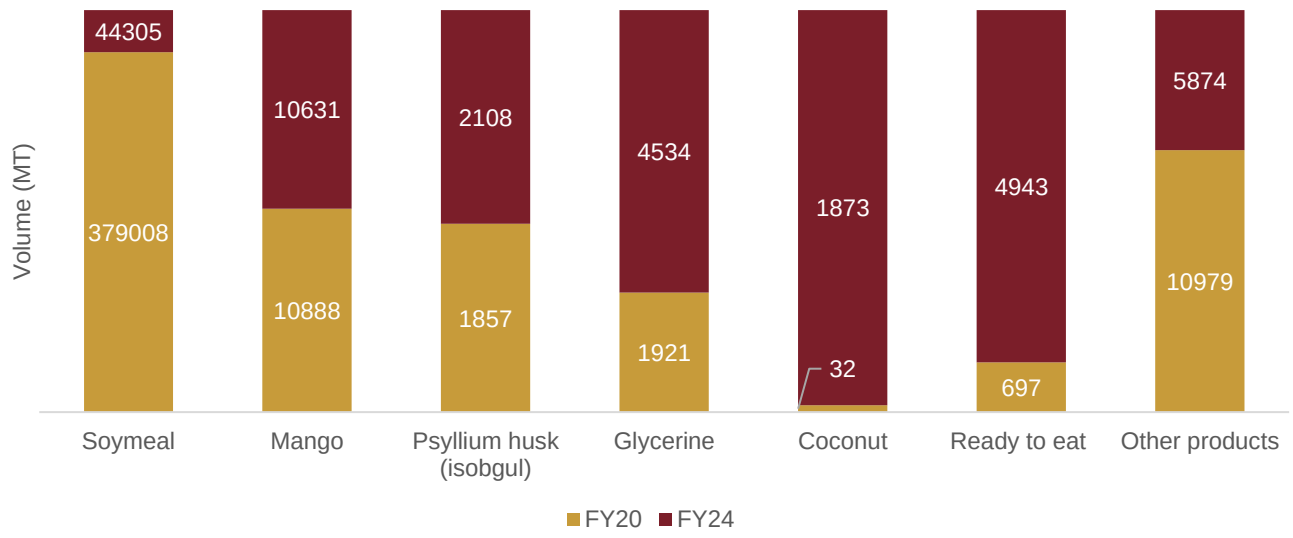


Note: The UK was part of the EU until fiscal 2020, so separate data is available starting from fiscal 2022.

Source: APEDA

Apart from soymeal, the other notable products in this category include mango products (14% export share), ready-to-eat products (7%), glycerine (6%), and psyllium husk and coconut (each 3%).

Figure 53: Product-wise export trends in processed food



Source: APEDA

The above chart presents the top 6 products in the processed food category, which constitute 92% of exports (other products account for 8% share). Among these, export volume of ready-to-eat products, coconut products and glycerine logged a strong CAGR of 63%, 176% and 24%, respectively, between fiscals 2020 and 2024. In contrast, exports of mango products and other products declined 1% and 14%, respectively, in CAGR terms.

Ready-to-eat products are majorly exported to the US, where consumption of packaged food products is growing at a healthy rate (explained below). Demand for coconut products such as coconut milk, oil and meat (kernel) from the US and EU markets has surged. The EU market is paying a premium over the US market for coconut oil ($7,500 per MT vs $6,412 per MT). Though volume is low, exports of virgin coconut oil (29 MT in fiscal 2024) logged a CAGR of 153% between fiscals 2020 and 2024.

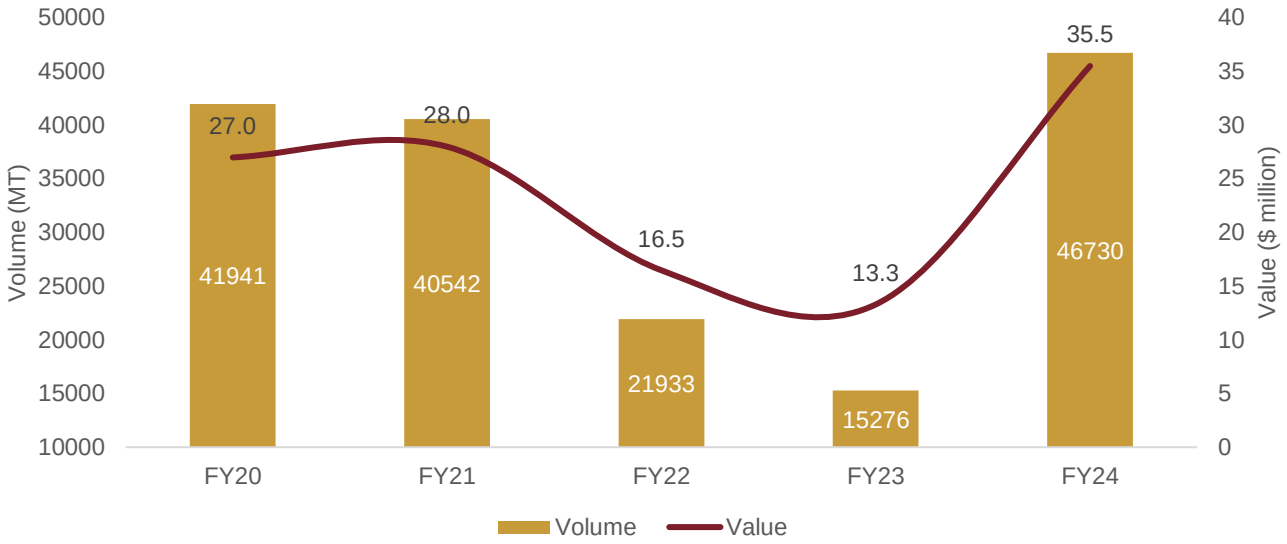
Growth in consumption of ready-to-eat products

As per the global organic trade data[41], consumption of organic packaged food in the US and the EU clocked a CAGR of 3% and 6%, respectively, between calendar years 2019 and 2023. Middle Eastern countries Saudi Arabia and Kuwait also logged an impressive CAGR of 14% and 12%, respectively. Korea and the UAE recorded a CAGR of 5% and 6%, respectively. Preference is growing for ready-to-eat meals, snacks and other processed food that cater to fast-paced lifestyles without compromising on health and wellness standards. This shift in consumer behaviour is anticipated to substantially enhance retail opportunities for India's organic exports.

[41] Global organic trade guide (US and EU organic packaged food and beverage consumption data)

Sugar

Figure 54: Export trends in sugar

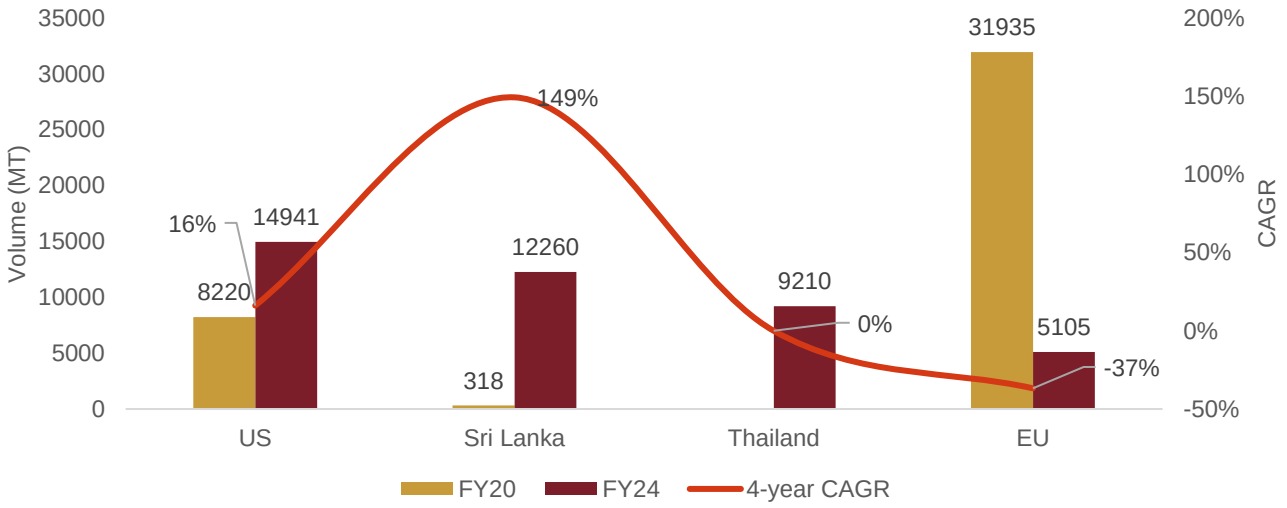


Source: APEDA

Sugar constitutes 18% of the export portfolio in fiscal 2024. However, its exports declined significantly in fiscal 2023 due to an indefinite ban on export of conventional sugar imposed in June 2022, prompted by concerns over potential poor crop yields and rising domestic prices. The ban was extended until October 31, 2023, and exports for the 2022/23 marketing year (Oct-Sept) were capped at 6.1 million metric MT, compared with 11.1 million metric MT the previous year.

In fiscal 2022, the EU and the US were the major importers of Indian organic sugar. The overall EU sugar imports declined 14% in CY2021 and 10% in CY2022. Meanwhile, India's sugar exports to the EU declined 24% in fiscal 2021 and 55% in fiscal 2022. During the pandemic, sugar consumption decreased in the EU. India's organic sugar exports to the US also declined by 32% in fiscal 2022 compared to the previous year.

Figure 55: Destination-wise export trends in sugar



Source: APEDA

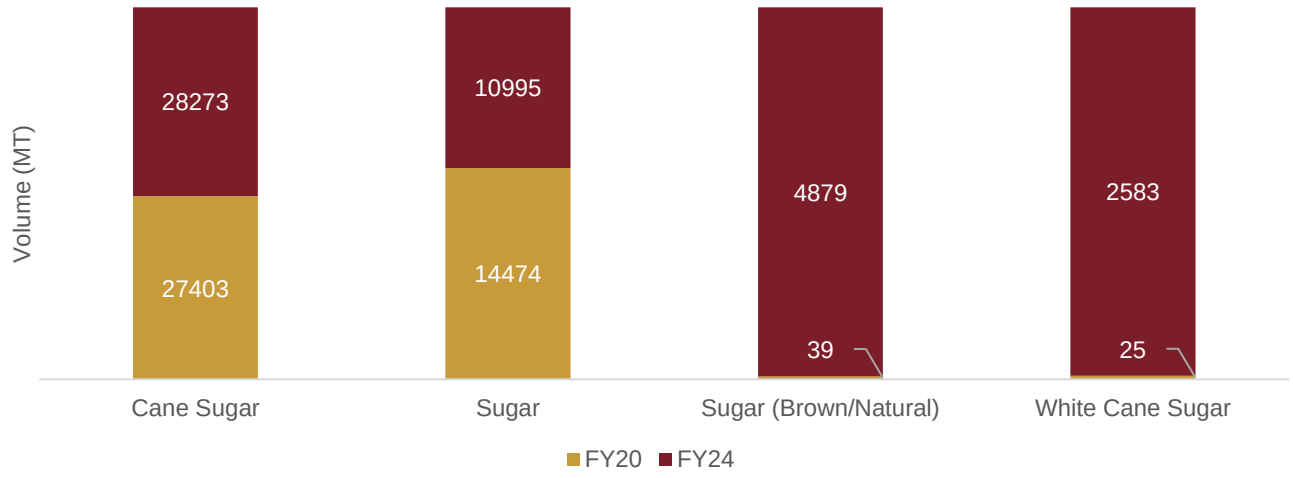
In fiscal 2024, exports of organic sugar surged, with new destinations such as Thailand and Sri Lanka added. Sugar production in Thailand fell 20% in fiscal 2023 due to lack of rainfall and water shortage. Sri Lanka is a major importer of sugar from Thailand. The decline in sugar production in Thailand and import disruptions in Sri Lanka enabled India to start supplying sugar to these countries.

Government-to-government (G2G) deals

In the last two years, India approved exports of 1.93 million MT of non-basmati white rice, broken rice, sugar, wheat and onion to Bhutan, Bangladesh, Côte d'Ivoire, Egypt, Kenya, Nepal, Sri Lanka, the Philippines, the Republic of Guinea, Singapore and the UAE under G2G deals.

Major products exported in the sugar category

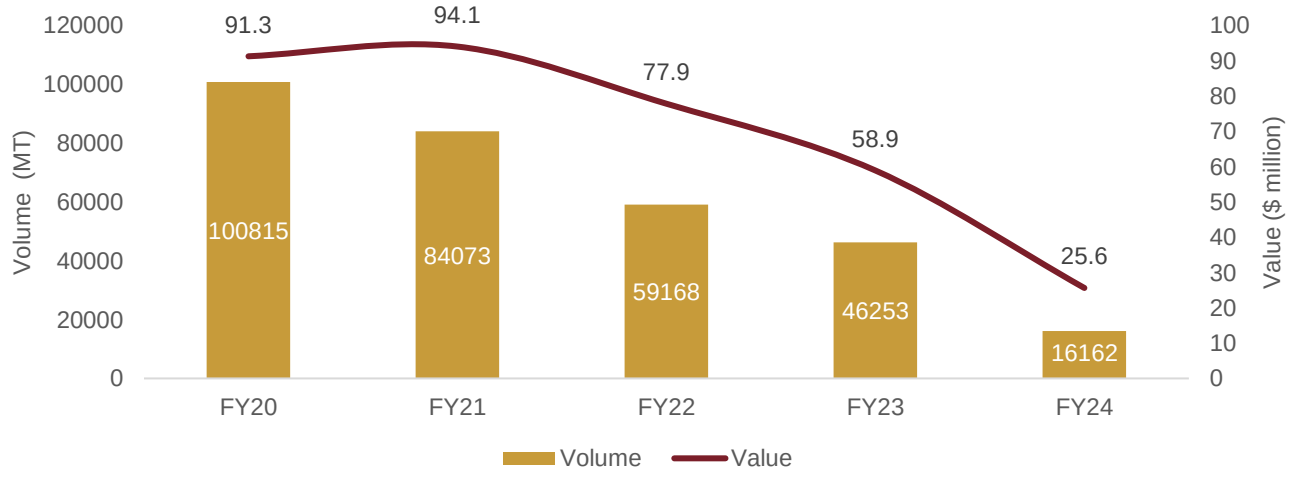
Figure 56: Product-wise export trends in sugar



Source: APEDA

Oilseeds

Figure 57: Export trends in oilseeds

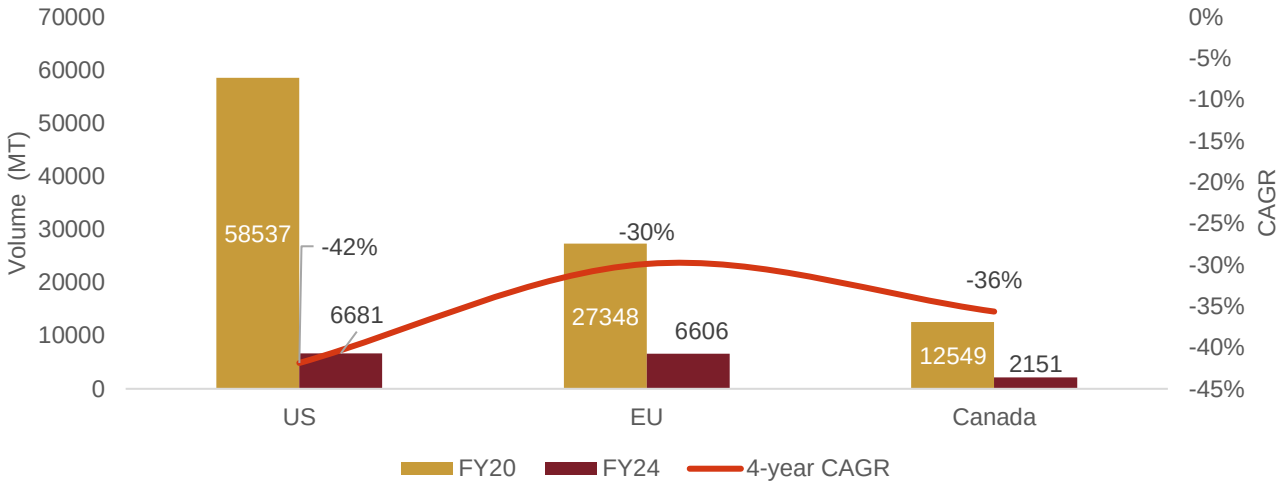


Source: APEDA

The oilseed category constitutes 6% of the export basket in terms of volume. Export volume of oilseeds declined 37% in CAGR terms between fiscals 2020 and 2024. The overall export volume decreasing 84% from 1 lakh MT in fiscal 2020 to 0.16 lakh MT in fiscal 2024.

The decline in exports in the oilseed category was driven by soybean, whose export share in this category has decreased from 69% in fiscal 2020 to just 1% now. Flaxseeds now dominate the category, accounting for 71% of oilseed exports in fiscal 2024. Meanwhile, castor seeds accounted for 17%, mustard seeds for 8% and sesame seeds for 2%.

Figure 58: Destination-wise export trends in oilseeds

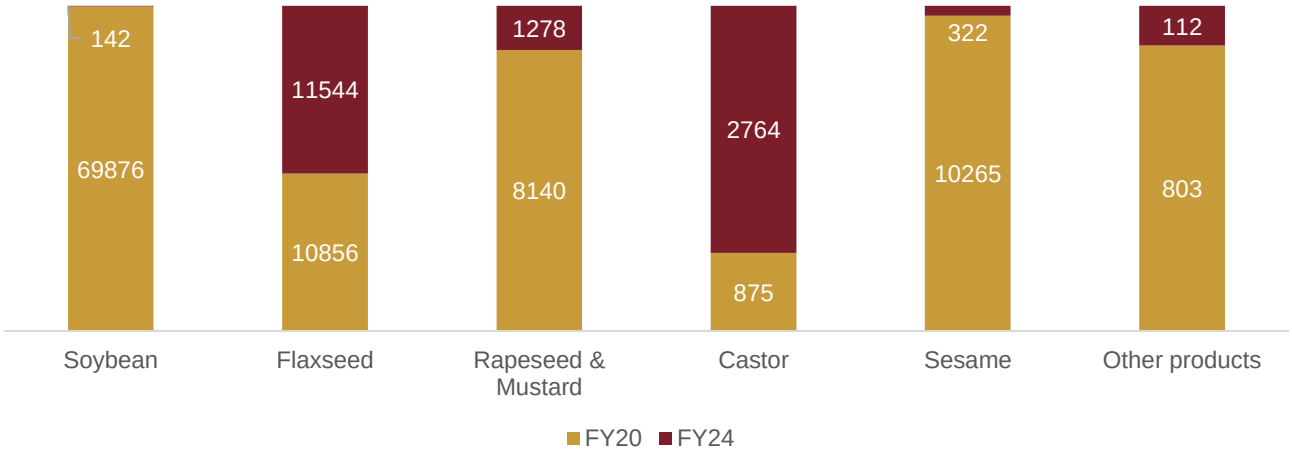


Source: APEDA

Oilseed production decreased significantly from 10.7 lakh MT in fiscal 2020 to 3.2 lakh MT in fiscal 2024. A few projects of organic soybean cultivation have been closed due to reduced export demand from the EU and the US. The presence of ethylene oxide (ETO) in multiple consignments of sesame seeds led to the delisting of four certification bodies by the EU. This has resulted in a decline in production of oilseeds.

Major products exported in the oilseed category

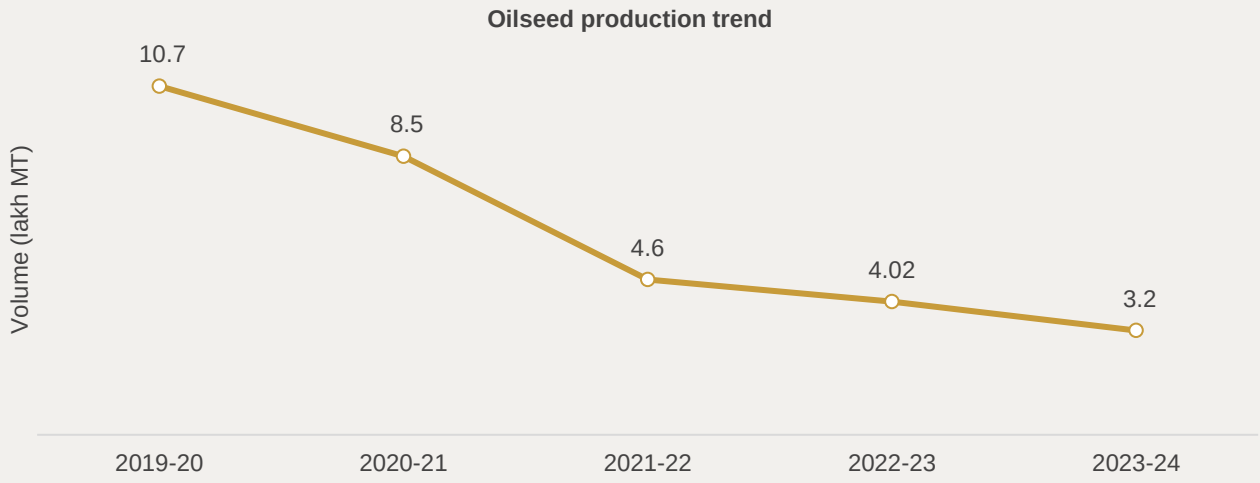
Figure 59: Product-wise export trends in oilseeds



Source: APEDA

Production decline

Oilseed production declined from 10.7 lakh MT in fiscal 2020 to 3.2 lakh MT in fiscal 2024

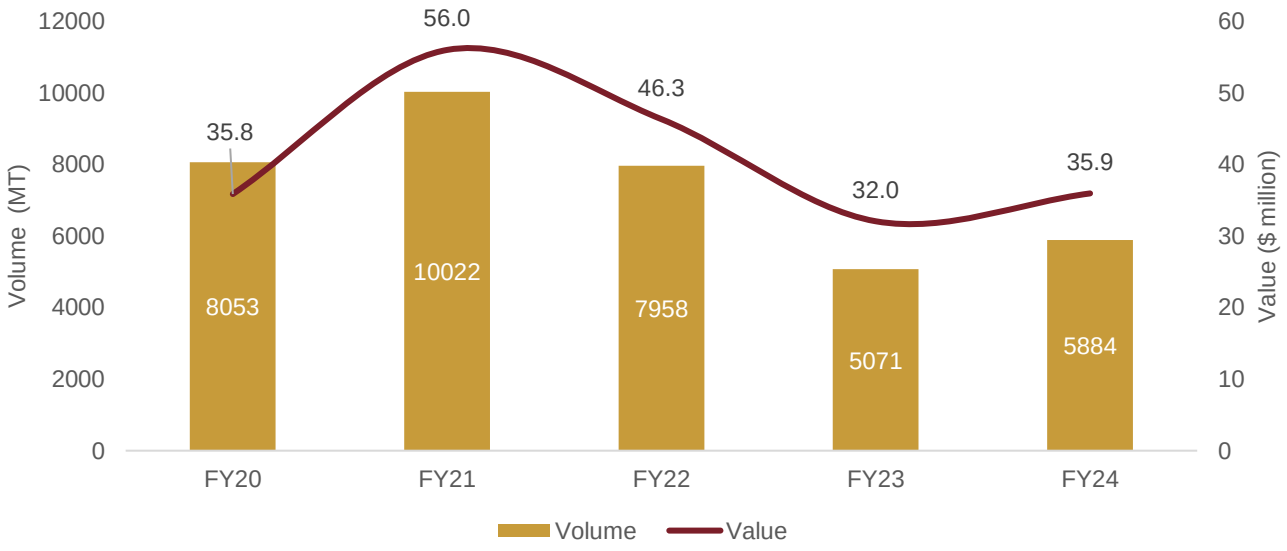


Between fiscals 2020 and 2024, exports of castor seeds clocked a strong CAGR of 33% in terms of volume. Demand from Canada and Australia surged in fiscal 2023, driven by growth in the pharmaceuticals, cosmetics and biofuels industries. Meanwhile, exports of flaxseeds logged a low CAGR of 2% in terms of volume.

Cananda's flaxseed production is estimated at 2.7 lakh MT for fiscal 2024, down 42% from 4.73 lakh MT in fiscal 2023 due to lower seeded area and reduced yields[42]. Even key flax producing countries such as Russia and Kazakhstan saw lower flaxseed production, thereby supporting India's opportunities in these countries.

Spices and condiments

Figure 60: Export trends in spices and condiments



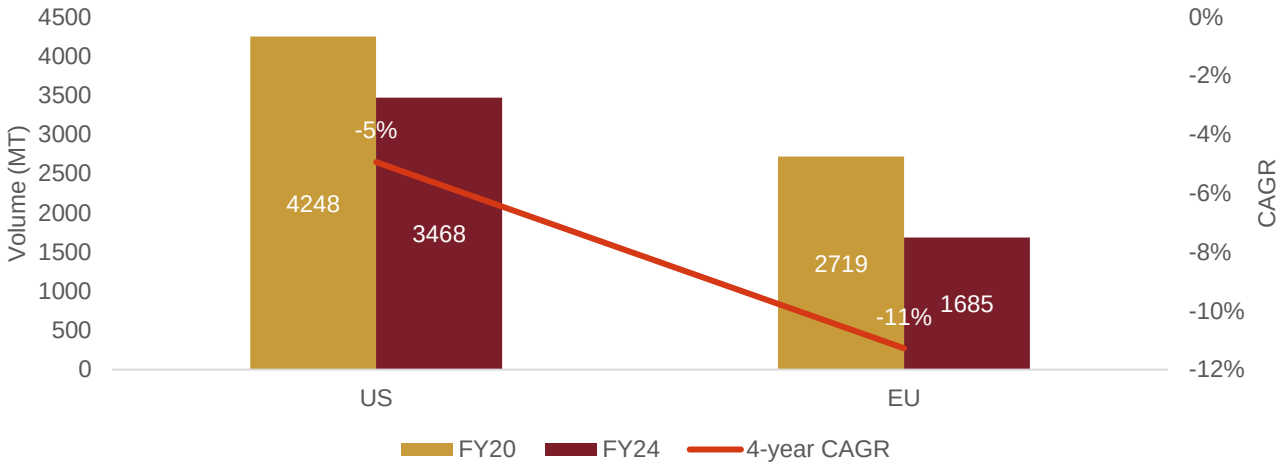
Source: APEDA

[42] https://agriculture.canada.ca/en/sector/crops/canada-outlook-principal-field-crops-2024-02-16

Spices and condiments represent 2% of the Indian organic export basket. Exports in this category declined steadily from fiscal 2022 and fiscal 2023. However, exports rose slightly in fiscal 2024. Export volume declined 8% in CAGR terms between fiscals 2020 and 2024. The key products in this category include chili, turmeric, ginger and cumin.

The primary reason for the decline in exports was a decrease of 32% on-year in the category's production in fiscal 2023. This decrease in production can be attributed to several factors that affected yields of major commodities: chili faced issues due to black thrips infestations, ginger suffered from damping-off disease in Sikkim, and turmeric and cumin saw reduced acreages leading to lower production levels.

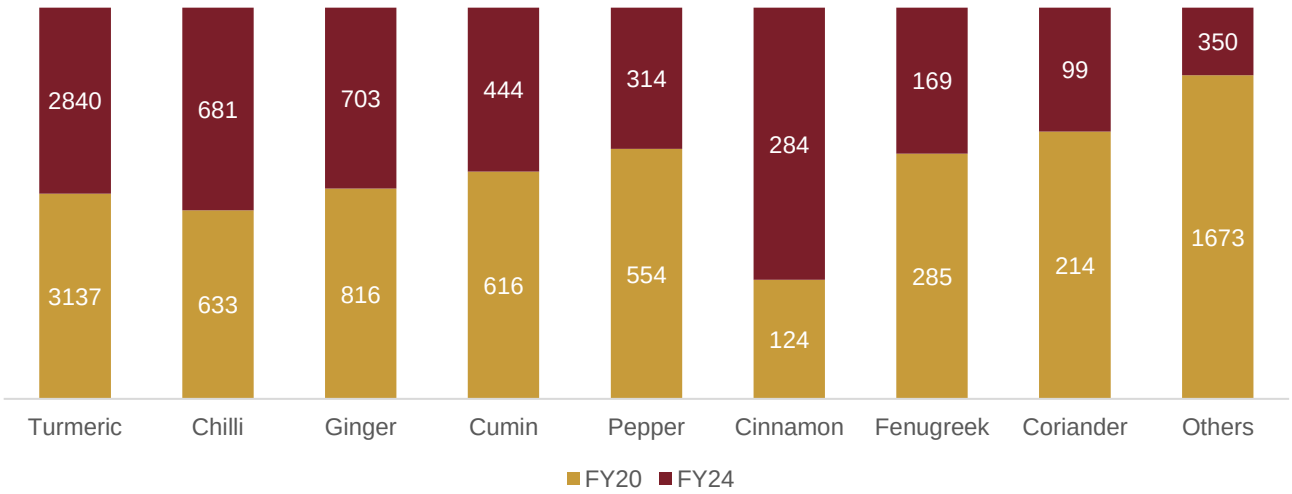
Figure 61: Destination-wise export trends in spices and condiments



Source: APEDA

Exports of conventional cumin declined a sharp 31% in the first half of fiscal 2024 compared with the previous fiscal. The competitiveness of Indian cumin in the export market is low because cumin from Syria and Turkey is available at more competitive rates. Exports of organic cumin followed a similar trend, declining a sharp 19% (in volume terms) in fiscal 2024 compared to fiscal 2023. Additionally, security issues in the Red Sea exacerbated the export situation, impacting the spices market and leading to supply-chain disruptions and increased costs.

Figure 62: Product-wise export trends in spices and condiments



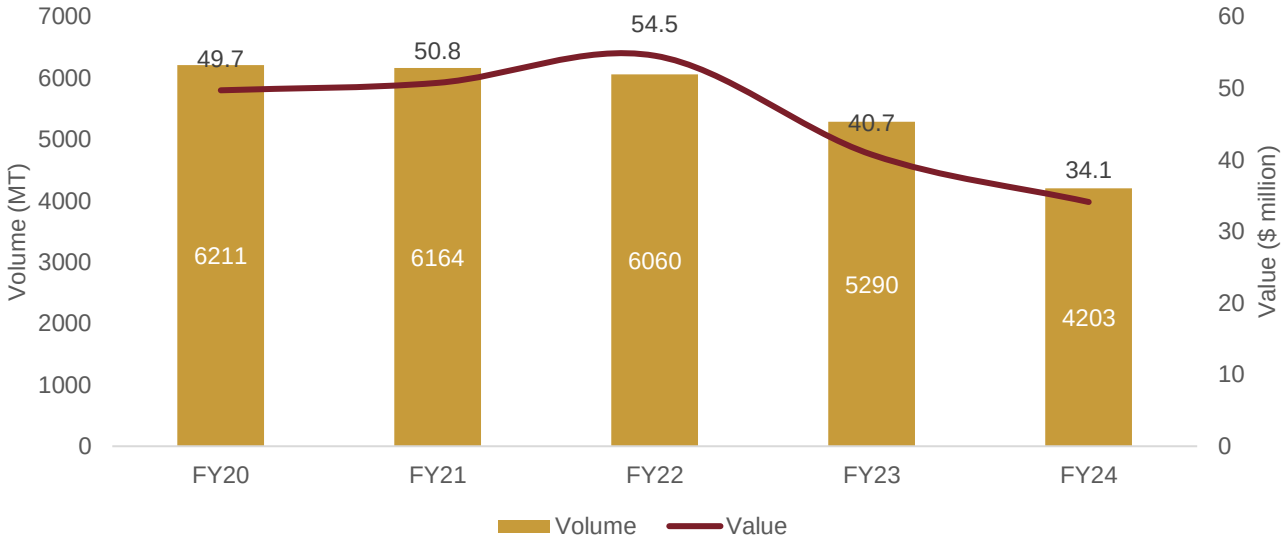
Source: APEDA

In fiscal 2024, turmeric led export volume in the spices and condiments category (a 48% share), followed by ginger and chilli (12% each) and cumin (8%). Export volume of turmeric, chilli and ginger increased 21%, 24% and 9% on-year, while that of cumin declined 19% on-year.

The primary export destinations for these spices are the US (59%) and the EU (29%). In the EU market, the major exports include turmeric powder, whole cumin, ginger and turmeric TBC. In the US market, the key exports are turmeric powder, steam-sterilised turmeric, ginger TBC, cumin powder and chili powder.

Tea

Figure 63: Export trends in tea

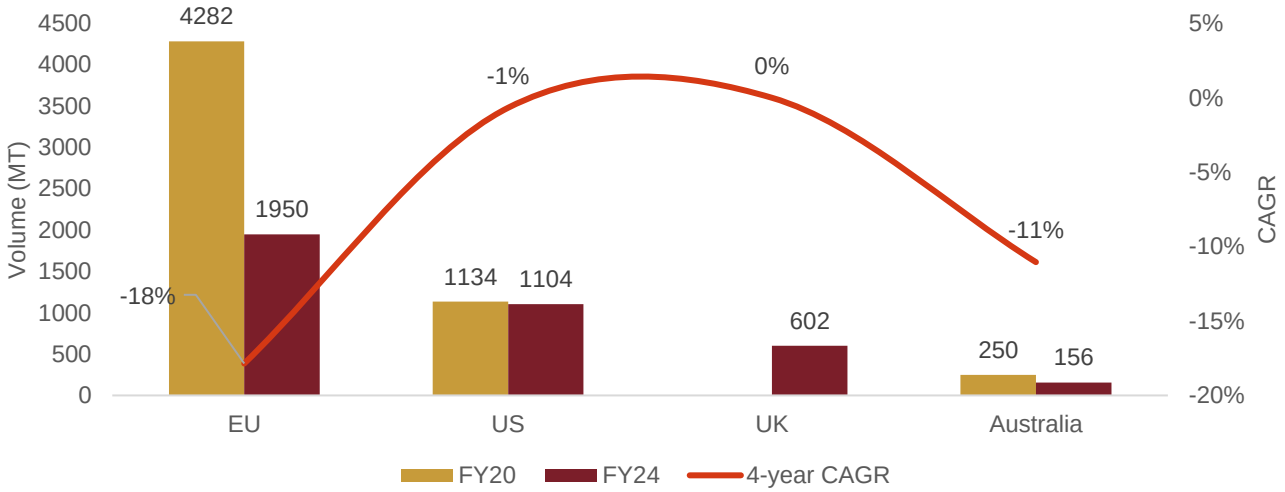


Source: APEDA

Tea represents 2% of the export market. Tea exports declined 9% in CAGR terms between fiscals 2020 and 2024. In the tea category, black tea and green tea are the two major products exported globally. Black tea accounted for 65% of exports in this category in fiscal 2024. Between fiscals 2020 and 2024, exports of black tea decreased a significant 12% in CAGR terms. During the same fiscal years, overall tea production decreased 16% leading to a decline in total tea exports by 32% in volume terms.

The quality of Indian tea has also deteriorated due to climatic factors. Competition from countries such as Kenya, Sri Lanka and China have intensified in global markets. Price sensitivity in the major EU and US markets is also influencing competitiveness of Indian organic tea. China's tea exports to the EU jumped 34% on-year in volume terms in fiscal 2022.

Figure 64 Destination-wise export trends in tea

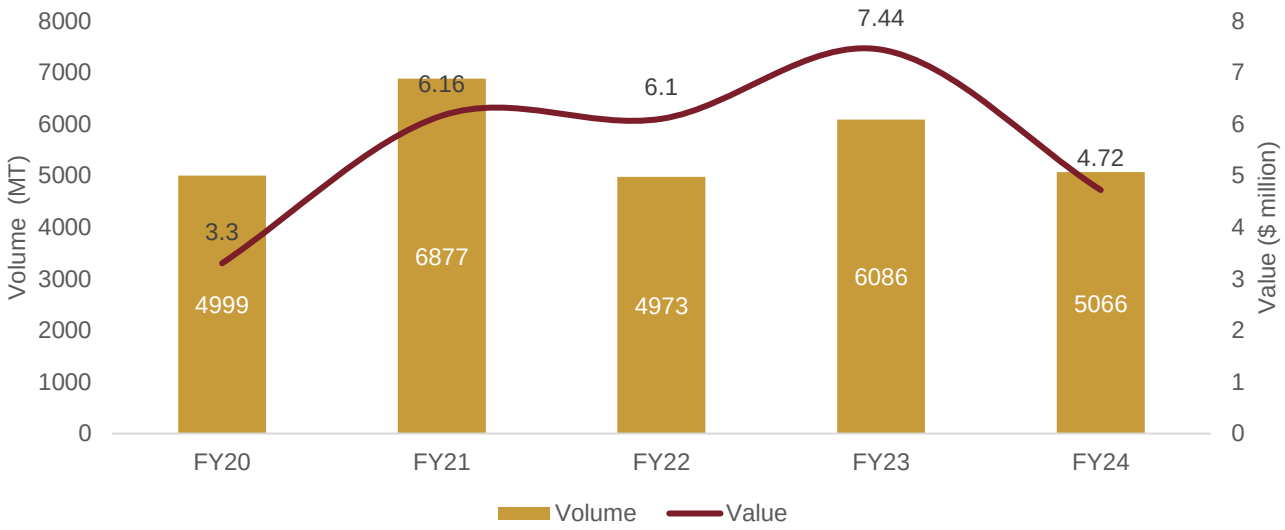


Source: APEDA

In fiscal 2024, the EU and the US together accounted for 73% of tea exports from India in terms of volume, followed by the UK (14%) and Australia (4%). Exports to all the destinations declined in fiscal 2024. Between fiscals 2020 and 2024, exports to the EU declined a significant 18% in CAGR terms.

Fodder exports

Figure 65: Exports trends in organic fodder



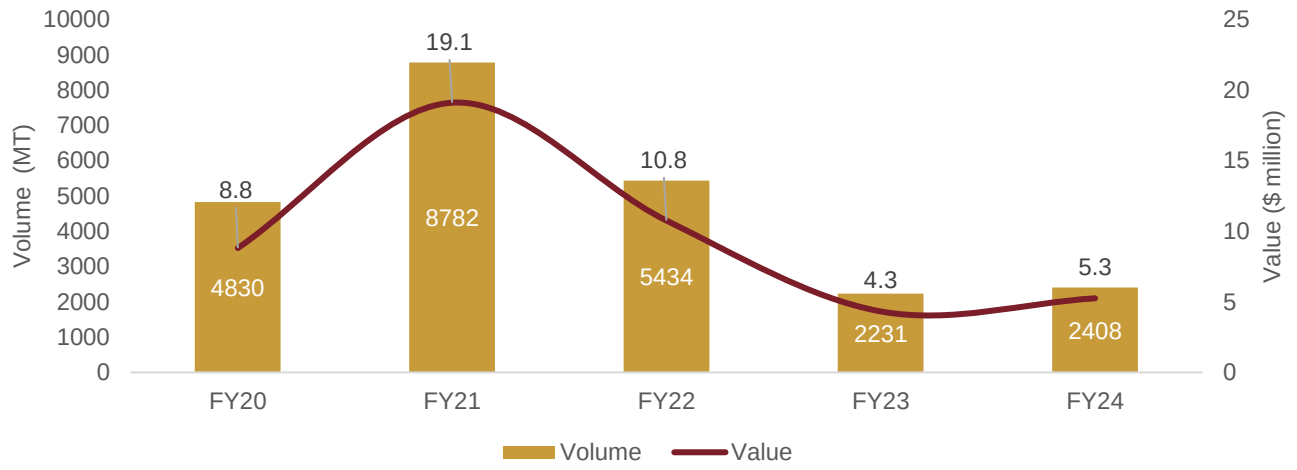
Source: APEDA

Fodder constitutes 2% of the export market, with guar meal being the predominant product in this segment. The UK is the primary export destination for this category, accounting for an impressive 98% of total volume. Over fiscal 2020-24, export volume to the UK remained stable, ranging from 4,800 to 4,900 MT annually.

Demand for organic protein sources is high in global markets, highlighting the significant export potential for fodder, primarily as animal feed. As awareness of sustainable and organic farming practices grows, the market for organic fodder is poised to expand, offering new opportunities for producers and exporters.

Pulses

Figure 66: Pulses export trends



Source: APEDA

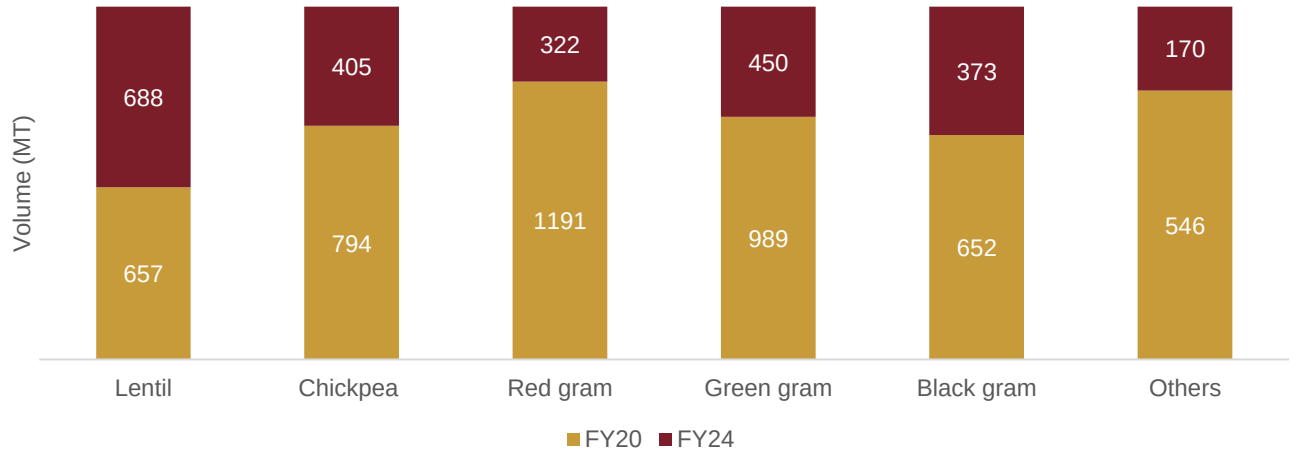
Pulses constitute a small portion of India's total export portfolio, accounting for just 1% share. Between fiscals 2020 and 2024, pulses exports fell at 16% CAGR. The decline was primarily due to reduced production levels, impacting overall export capacity. The main types of pulses exported include red gram, green gram, lentils, chickpeas and black gram.

During fiscal 2021-2024, the production of organic pulses decreased 26%, dropping from 1.01 lakh metric ton to 0.74 lakh metric ton. In contrast, conventional pulse production declined a smaller 5%.

Lentils hold a significant 29% share of the organic pulses market, followed by green gram at 19%, chickpeas 17%, black gram 15% and red gram 13%. This distribution highlights the varied preferences and demands within the organic segment. The overall downturn, majorly led by climatic uncertainties, underscores the challenges faced in both organic and conventional pulse production, affecting export growth.

Major products exported under the pulses category

Figure 67: Pulses products exports



Source: APEDA

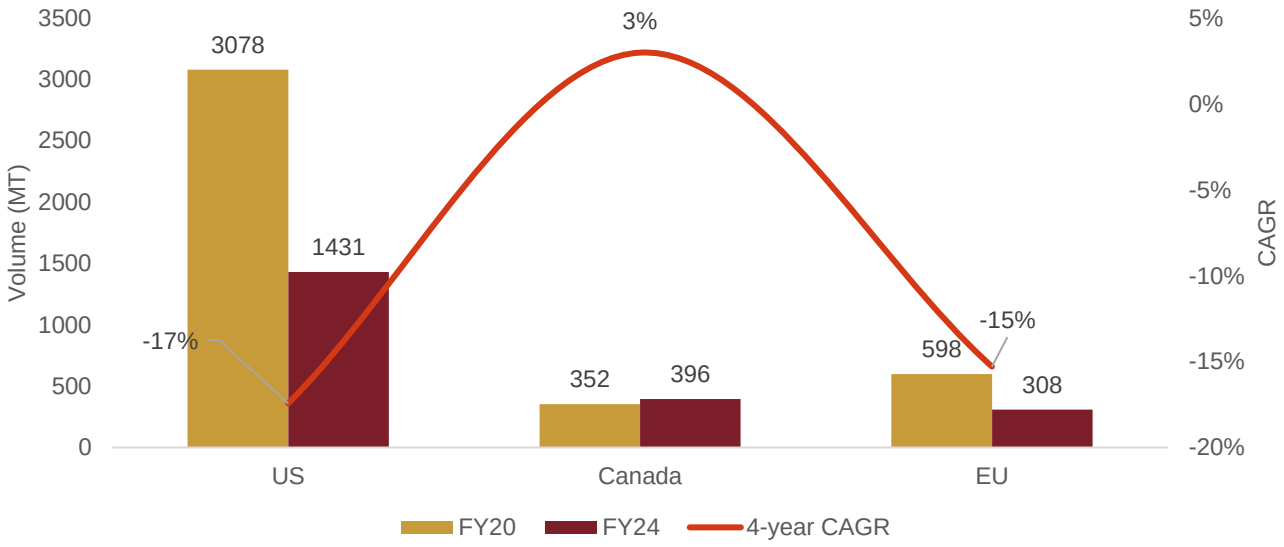
Net importer of conventional pulses

India is a net importer of conventional pulses, primarily red gram, green gram, black gram, lentils and peas. Over the past three years, the country has faced a shortage of pulses, **leading to imports of nearly 4.6 million metric ton in fiscal 2024, an all-time high**. Domestically, the prices of conventional pulses reached an all-time high and the price parity between conventional vs organic remained 25-50%. **Organic pulses dominate the Indian organic market, valued at Rs 750 crore ($89.7 million), constituting 22%** of the total domestic organic market.

This trend reflects the growing demand for organic pulses within India, prompting a focus on meeting local needs. The alignment in pricing between conventional and organic pulses also suggests a shift in consumer preferences toward healthier options, despite higher costs. This underscores the importance of enhancing domestic production capacities to reduce reliance on imports and meet the rising demand sustainably.

Major importers of pulses include the US, the EU and Canada. The US occupies 59% of the export share, followed by Canada (16%) and the EU (13%). The export volume CAGR of pulses declined 17% for US and 15% for EU during fiscal 2020-2024 but increased by a marginal 3% for Canada.

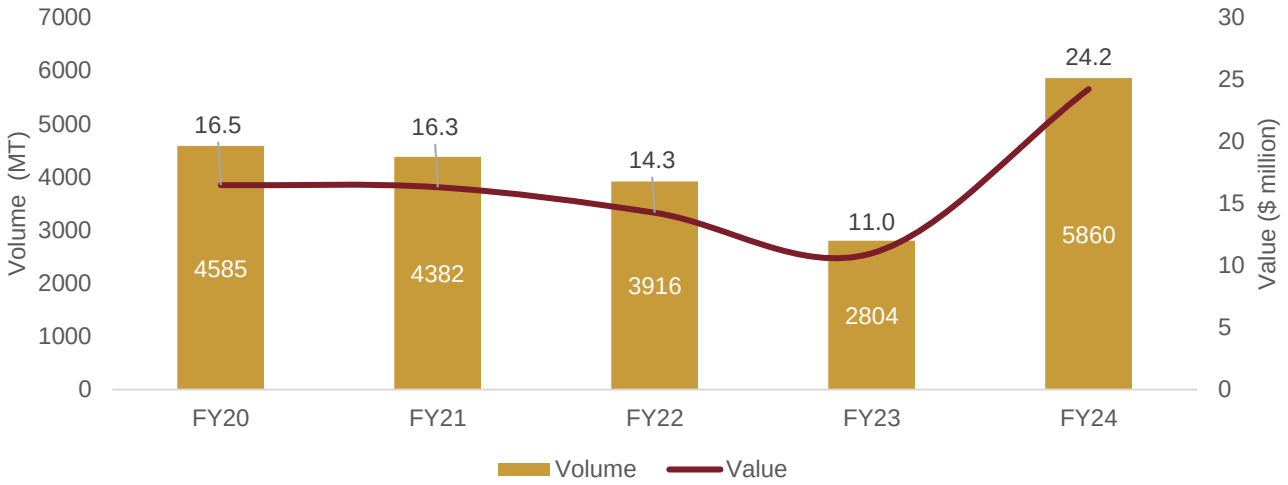
Figure 68: Destination-wise pulses export trends



Source: APEDA

Coffee

Figure 69: Coffee export trends

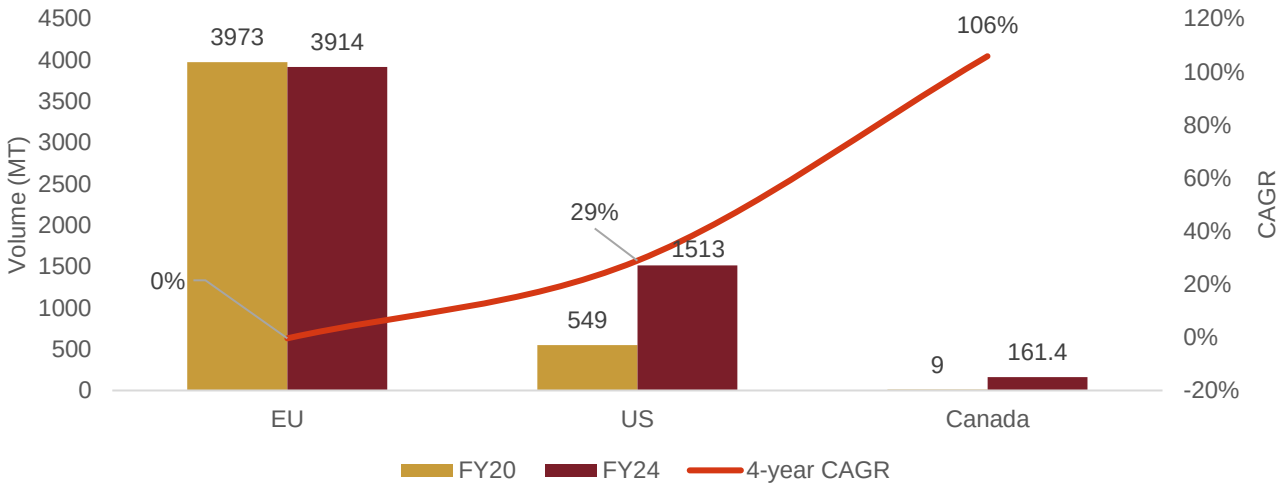


Source: APEDA

Coffee constitutes 2% of the total export share. In fiscal 2023), organic coffee exports dropped a significant 28%. Despite this decrease, coffee export prices were 23% higher. Notably, exports to the European Union fell 50% during the period. During fiscal 2020-2024, the organic coffee category grew at 6.3% CAGR in volume. However, coffee exports surged 110% on-year in fiscal 2024, with imports from the EU rising 160%. The price competitiveness has been a critical factor affecting export dynamics of coffee. The robusta variety dominates the Indian export market, making up 92% of total coffee exports.

In the first half of the current fiscal, the volume of conventional coffee exports from India declined marginally, mainly attributed to reduced demand for green coffee beans. However, the total export value has increased. The weakening economic conditions in certain parts of the European Union, the largest buyer of Indian coffee, have impacted the demand for green beans. Some buyers have shifted their preferences to instant coffee due to its value.

Figure 70: Destination wise Coffee export trends



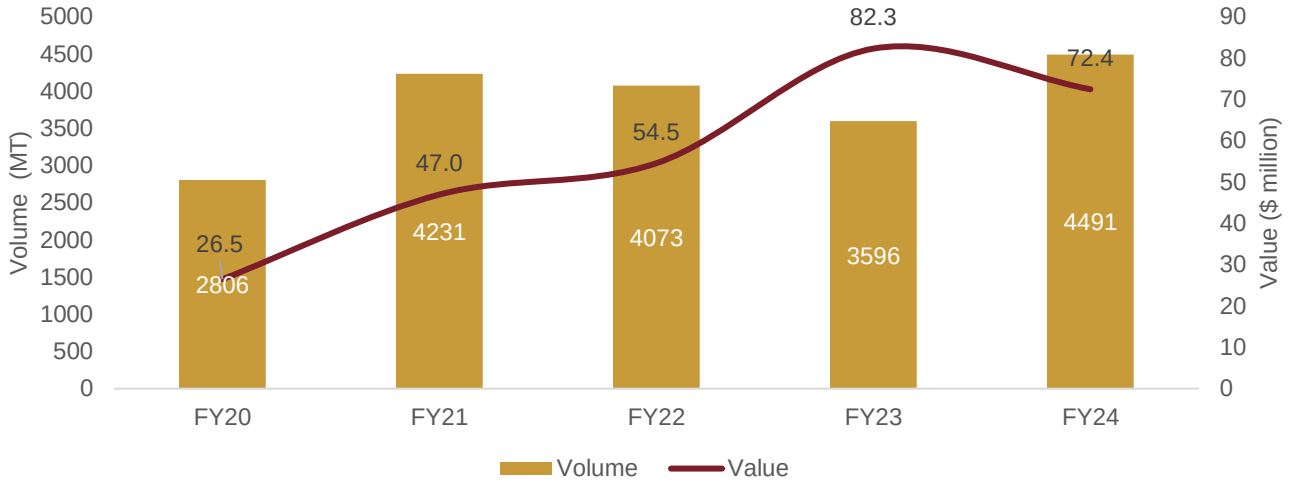
Source: APEDA

Sustainable coffee futures in India

Coffee cultivation in India is grown under an agro-forestry system, which contributes to the unique cup quality of Indian coffee by inducing volatiles from other plants. This is especially important in the current global climate scenario, where climate change is gaining significance. Shade-grown Indian robusta is attracting global coffee customers due to its premium cup quality and the shortage of arabica in the global market. With the upcoming EU Deforestation Regulation (EUDR), As a preferential trade, Indian coffee from non-deforested regions may receive additional benefits.

Medicinal plant products

Figure 71: Medicinal plant export trends



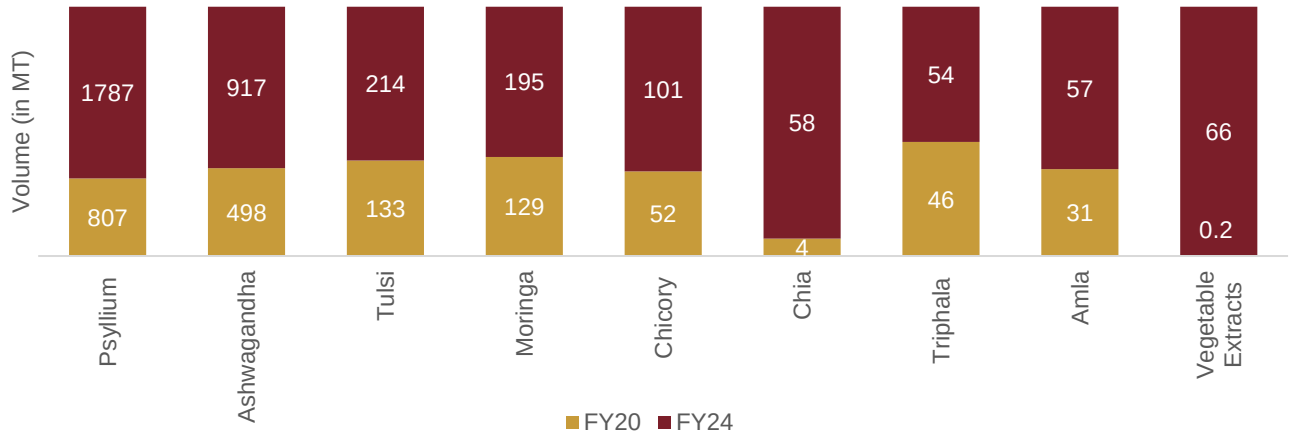
Source: APEDA

Medicinal plant products represent 2% of the export share and have increased at 12% CAGR during fiscal 2020-2024 in volume terms. However, exports shrank in fiscal 2023 due to a 26% drop in production, from 1 lakh MT the previous year to 0.75 lakh MT with a major decline in psyllium seed, mentha and peppermint. Despite this setback, the category rebounded in fiscal 2024 with a 25% on-year growth in export volume. Nevertheless, the overall value decreased 12% due to the increasing proportion of lower-value commodities such as psyllium husk, which grew 21% in the export mix.

In fiscal 2024, India exported some 256 products in this category. Key products included psyllium husk, holding a 40% share; ashwagandha at 20%; tulsi at 5%; moringa at 4%; chicory at 2%; and chia seeds, triphala, amla, and vegetable extracts at 1% each.

Major products exported under medicinal plant products

Figure 72: Medicinal plant product export trends



Source: APEDA

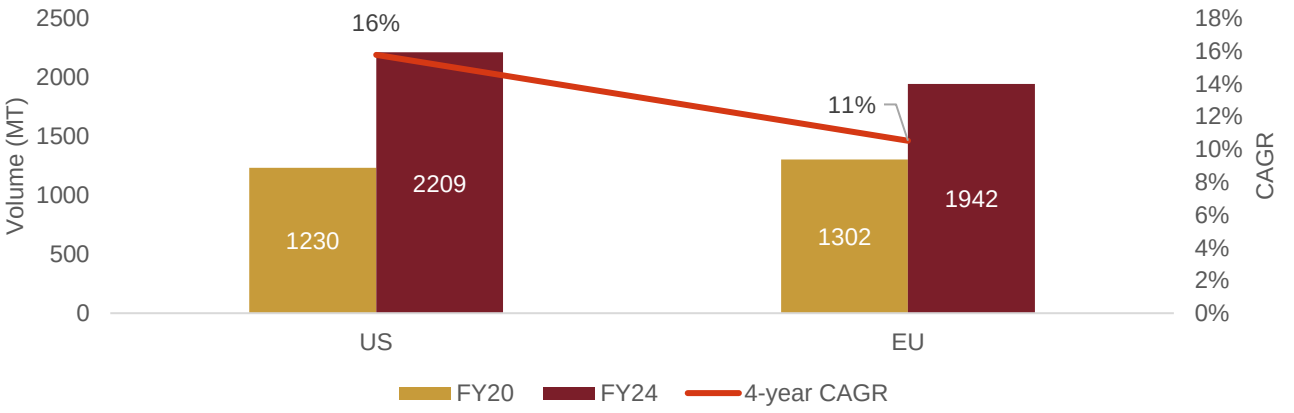
Leading producer

Ashwagandha exports has increased at 17% CAGR over the past four years (fiscal 2020-2024) due to its high medicinal value. The EU offers the highest premium for these products. Ashwagandha is marketed in 11 different forms, with the highest premium for capsules at $188,820/MT from the EU and $49,438/MT from the US. Root extract ranks second in terms of both volume and value, with the EU offering $72,829 and the US $86,957/MT. Other products include extracts, TBC (tea bag cut), powder, and tablets.

Tulsi, with a 5% share in the export basket, has grown at 13% CAGR over the period. It is sold in 147 different forms, with capsules, extracts, powder, detox, and cleansers achieving the highest value. The EU offers a premium of $38,899/MT with a 30% market share, followed by the US at $30,000/MT with a 43% share. Other markets include Australia at $27,907/MT and Canada at $23,407/MT.

There is increasing demand for high value products such as extracts of ashwagandha, tulsi, moringa capsules, triphala capsules and extracts, amla extracts and caplets, vegetable saps extracts and neem capsules.

Figure 73: Destination wise medicinal plant product export trends



Source: APEDA

Chia seeds case study[43]

The transformation of Mysuru farmers through chia seed cultivation

Mysuru farmers, traditionally cultivating rice, sorghum, ragi, pulses, sugarcane, and tobacco, faced unstable incomes. The introduction of chia seeds has revolutionised their agricultural practices, offering a more profitable and stable income source.

Introduction of Chia Seeds

Central Food Technological Research Institute (CFTRI) began research on chia seeds in 2012. By cultivating chia on their 38-acre campus in Bengaluru, they developed high-yielding pure lines of chia seeds with specific traits such as blue flowers and white seeds, and white flowers with white seeds. By 2014, CFTRI's All India Farmers' Empowerment Programme distributed chia seeds and gave cultivation guidelines to hundreds of farmers.

Success story

A Mysuru farmer, Madappa, initially sowed chia on a quarter-acre, reaping 80 kg of seeds. Encouraged by the returns, he expanded to five acres, harvesting nearly four quintals per acre. Chia brought him Rs 200 per kg, reaching Rs 300 per kg in the off-season. This income far surpassed that of traditional crops.

Formation of Raithamitra Farmer Producer Company

With assistance from the CFTRI, chia growers in Mysuru formed the Raithamitra Farmer Producer Company in 2014. The FPC promotes chia cultivation with a buyback offer, ensuring a market for the produce. Raithamitra has expanded to include 1,200 members and has recently launched chia seeds in supermarkets, with plans to introduce chia oil.

Rising production and global demand for organic chia seeds

During fiscal 2024, the production of organic chia seeds in India reached an impressive 804 metric ton (MT). This represents a remarkable 47% CAGR from the fiscal 2020-2024 period, highlighting the rapid expansion and increasing adoption of chia cultivation among Indian farmers.

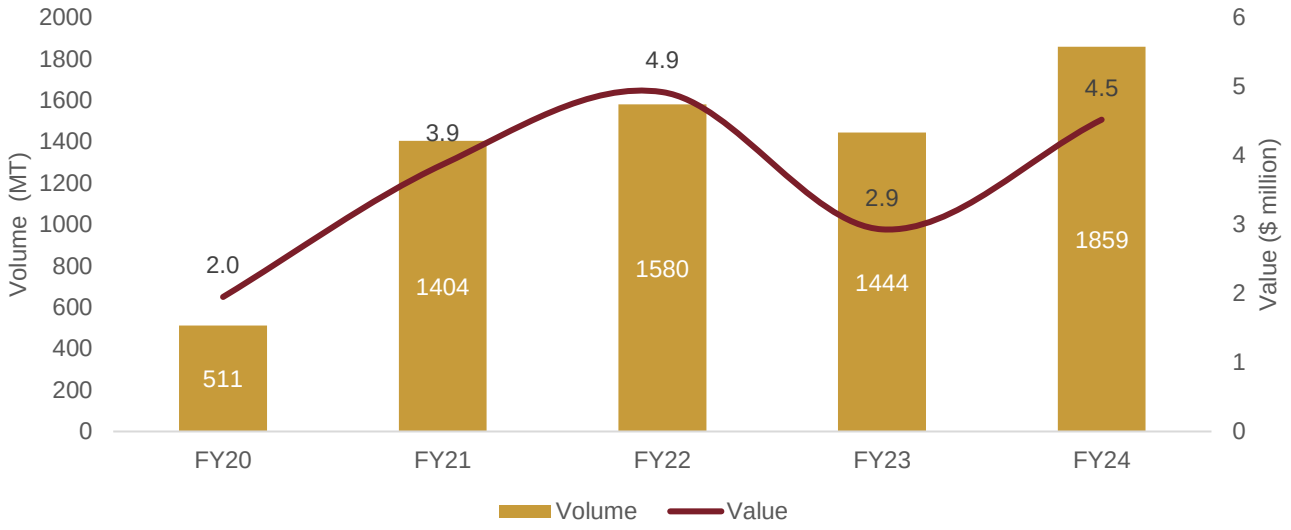
In fiscal 2023, India exported ~150 MT of organic chia seeds, with the majority of exports directed towards the European Union (EU) and Australia. These regions have shown a strong demand for organic chia seeds, driven by increasing consumer awareness of health and wellness benefits associated with organic and superfoods.

The robust growth in India's organic chia seed production, coupled with the rising domestic and global demand, underscores the crop's potential in enhancing the income of farmers.

[43] https://www.thenewsminute.com/karnataka/how-cultivating-chia-seeds-helping-mysuru-farmers-boost-agricultural-income-101637

Fruits and vegetables

Figure 74: Fruits and vegetables export trends

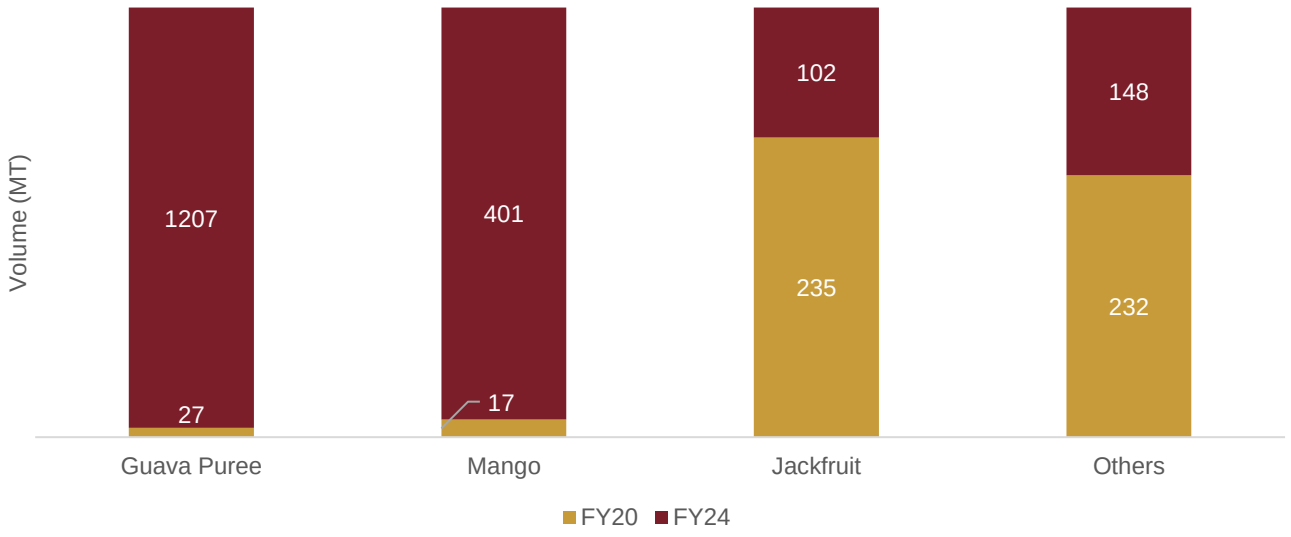


Source: APEDA

The fresh fruits and vegetables category represents 1% of total exports and has expanded at 38% CAGR over fiscal 2020-2024. Key products in this category include guava puree, mango and jackfruit. Guava puree and mango grown significantly, at 159% and 120% CAGR, respectively. Conversely, jackfruit exports have declined 19%. Combined, the US and EU represent 91% of the volume share for fresh fruits and vegetables exported from India. The US is the largest importer of guava puree, accounting for 96% of the volume share. The EU predominantly imports mango chunks and mango pulp, comprising 90% of the volume share.

Major products exported under fruits and vegetables category

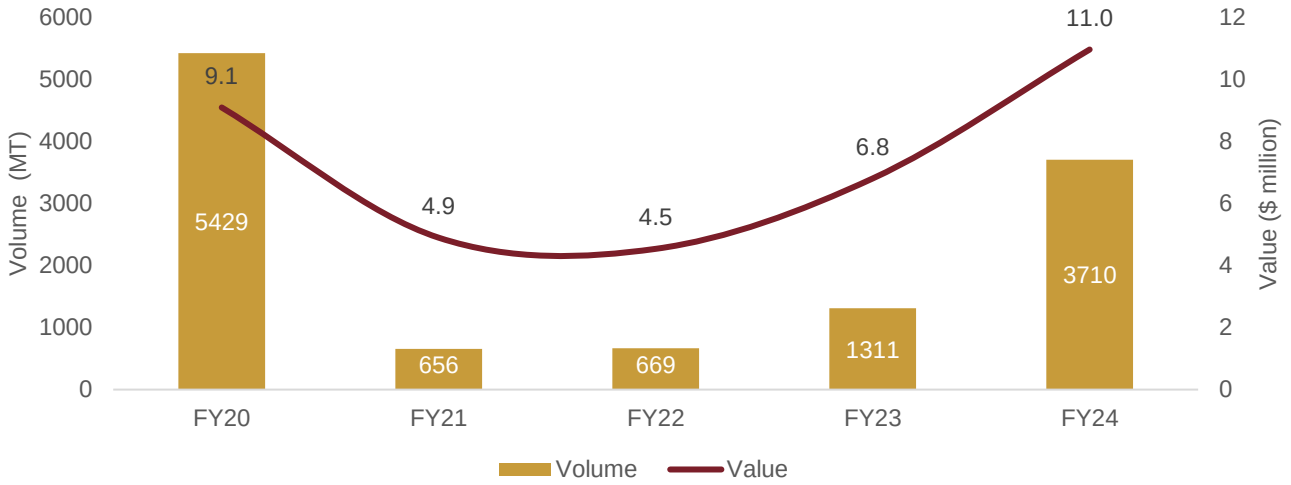
Figure 75: Fruits and vegetable product export trends



Source: APEDA

Other organic exports

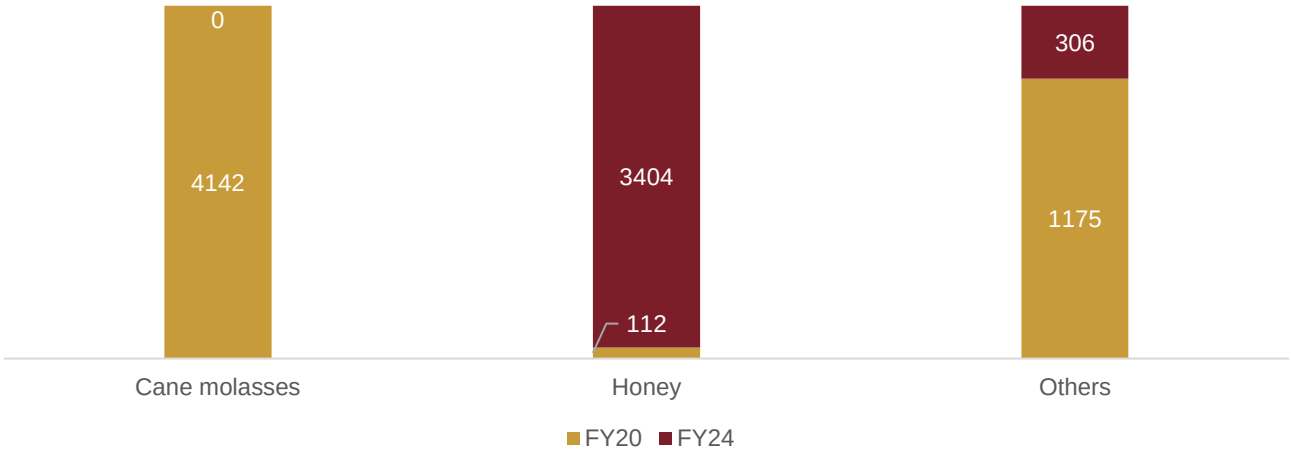
Figure 76: Other organic exports



Source: APEDA

The other product category accounts for 1% of the total exports. Cane molasses was the major product during fiscal 2020. However, it has stopped in fiscal 2021. Natural honey became the leading export product in this category, with the US being the major importer.

Figure 77: Other organic product exports



Source: APEDA

US import demand

US is the second-largest honey consumer in the world, behind China. Domestic honey consumption has continued to increase as consumers move towards organic and non-chemical sweeteners. US honey production hit an all-time low in 2021, as reportedly bees could not sustain because of extreme heat. However, US per capita consumption of honey grew 3% from CY 2016-2021. As a result, import of organic honey has significantly increased and is likely to maintain the momentum going ahead as well.

Composition of exports

India's organic export compositions are diverse and expanding, reflecting the country's capacity to cater to the growing global demand for organic products. This section analyses the composition of India's organic exports in detail, categorising them into raw ingredients and semi processed and finished products. The analysis also considers the ratio of bulk to retail products.

Methodology for estimating bulk versus retail

To analyse the proportions of bulk versus retail organic products, we examined export data across 19 product categories, each comprising 900-1,200 distinct products. Our study used fiscal 2020 fiscal year as the base year and fiscal 2024 as the latest year, while extrapolating the analysis up to fiscal 2030.

We systematically assessed each category and its commodities to determine the ratios of bulk to retail products. This involved categorising products by their form of composition. We mapped the product-specific ratios of bulk and retail items for each year by conducting primary research with key stakeholders, including manufacturers and exporters. Based on this data, we analysed on-year trends and growth rates for each product and category. Using these growth rates and insights derived from the interactions, we forecast future ratios of bulk versus retail products for fiscal 2030. For example, products such as rice, pulses and oilseeds are classified as bulk products, while finished products such as RTE (ready-to-eat) items, health mix honey, fruit juices, oils, TBC, flours and extracts, to name a few, are categorised under retail products.

Evolving trends of Indians organic retail products

During fiscal 2020 to fiscal 2024, there has been a modest shift in the composition of India's organic exports, particularly in the balance between bulk and retail segments. In fiscal 2020, bulk exports dominated the market, accounting for 98-99% of the total exports, with retail products such as roasted cashew nut, canned/bottled fruits, medicinal plant capsules, tea bag cut, etc., constituted a mere 1-2%.

During fiscal 2024, the retail segment grew at a moderate 5-7% of the total exports. The key products include RTE products, wild and natural honey, seed oils, roasted cashew and cooked/roasted corn, among others. This shift highlights the growing consumer demand for packaged and RTE organic products, reflecting a broader trend towards convenience and direct consumer engagement in the global organic market. RTE food products have grown at 63% CAGR over the period.

Indian brand positioning

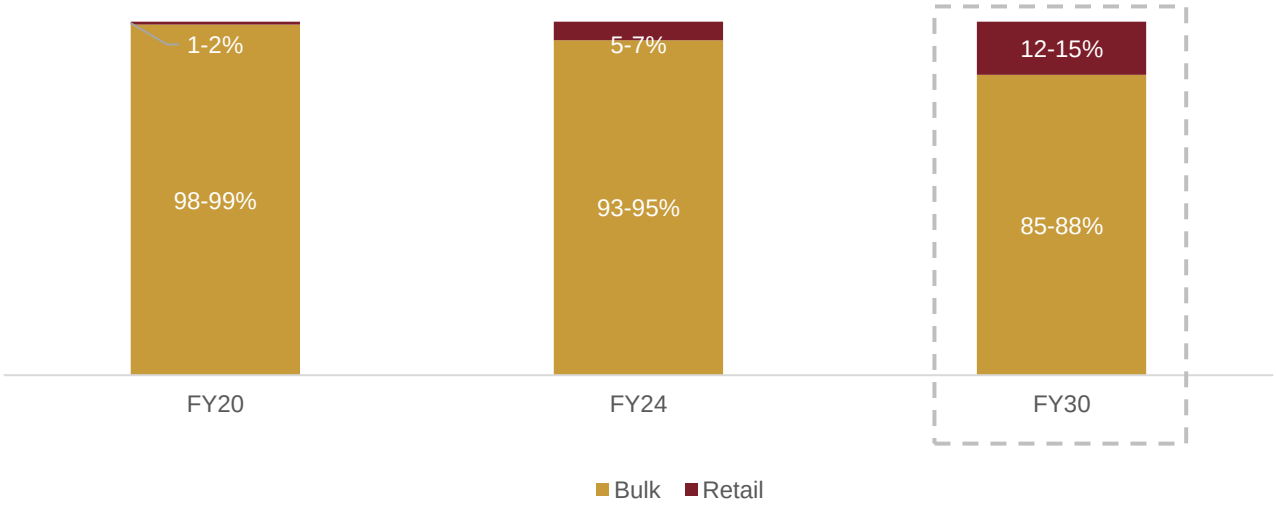
Indian brands are focusing on increasing the RTE product segment in exports. The consumption of packaged food and beverages is increasing.

Several leading Indian companies are expanding their organic product ranges and shifting export strategies, aiming to increase the retail segment of RTE and ready-to-cook items, cereals, mixes, snacks, superfoods, and medicinal products in major markets such as the US, EU and the Middle East. This is even as they currently focus on bulk exports of staples such as rice, pulses and oilseeds, with plans to increase consumer packaging by fiscal 2030. **Middle East is the major focus for most of the companies.**

By considering key insights from retail brands, we have forecast that the composition of India's retail organic exports is expected to rise to 12-15% by fiscal 2030. It will be driven by increasing global demand for RTE foods, snack items, health mixes, processed foods such as fruit juices, edible oils, wild honey, spices and medicinal plant

products. This anticipated growth reflects significant shifts in consumer preferences towards convenient, health-focused organic products.

Figure 78: Outlook of bulk vs retail (volume share)



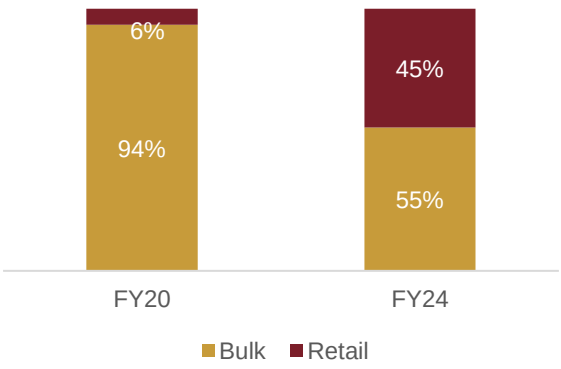
Source: APEDA

Major shift in composition (fiscal 2020 to fiscal 2024)

Among the 19 categories of organic exports, five categories have grown at a more robust pace when compared with their fiscal 2020 figures:

Dry fruits

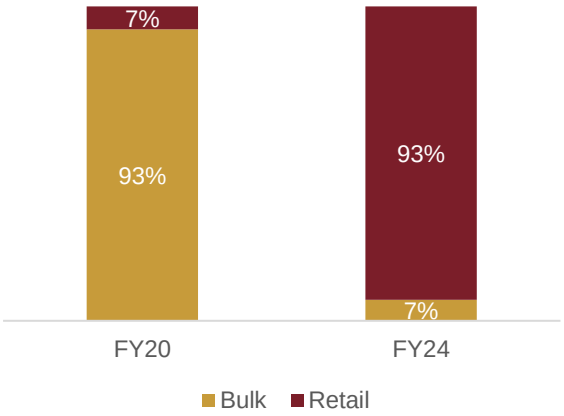
Figure 79: Dry fruits compositions



The retail segment of dry fruits has grown significantly, from 6% in fiscal 2020 to 45% in fiscal 2024. This surge is driven by the growing popularity of healthy snacking options and the increased availability of premium, organically certified dry fruits. One major product with substantial export growth in this category is roasted cashew nuts, which have increased 232% from 224 MT to 743 MT, bound for the US market.

Source: APEDA

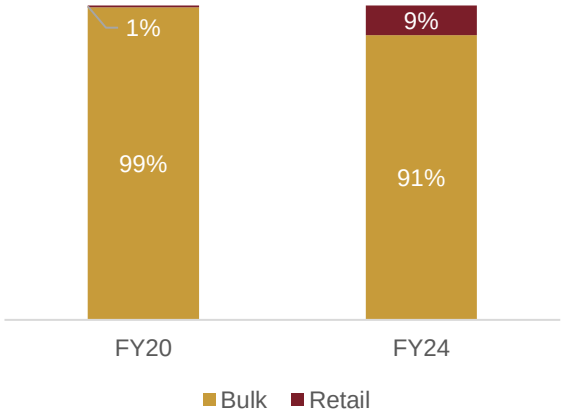
Figure 80: Other product compositions



Source: APEDA

The retail segment of the other product category that grown substantially, from 7% in fiscal 2020 to 93% in fiscal 2024. A key product driving this growth is natural honey, which surged from 111.6 MT to 3,403 MT over the period. This remarkable increase can be largely attributed to demand from the United States, which has emerged as the major buyer of natural honey from India.

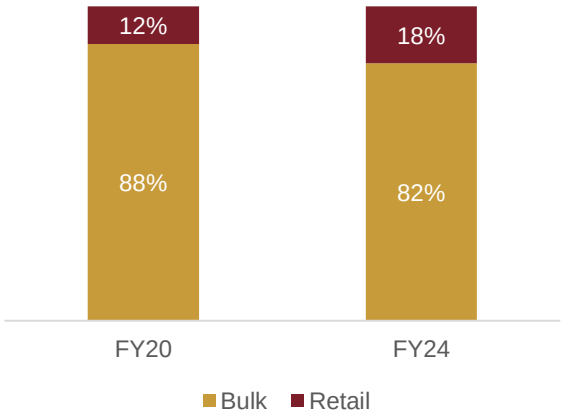
Figure 81: Processed food products compositions



Source: APEDA

The retail segment of the processed food product category has experienced notable growth, increasing from a market share of 1% in fiscal 2020 to 9% in fiscal 2024. This impressive growth has been primarily driven by the rising demand for RTE products, such as RTE rice and wild honey. A substantial portion of this growth is attributed to increasing demand from the US, which has shown a strong preference for these convenient and natural food options.

Figure 82: Spices and condiments compositions



Source: APEDA

The retail segment within the spices and condiments product category has grown moderately over the past few years. Specifically, the market share increased from 12% in fiscal 2020 to 18% in fiscal 2024. This growth can be largely attributed to the rising demand for certain key spices, including ginger, turmeric and crushed red chili. Notably, the US and EU markets have driven this demand, reflecting a growing consumer preference for these spices in both regions.

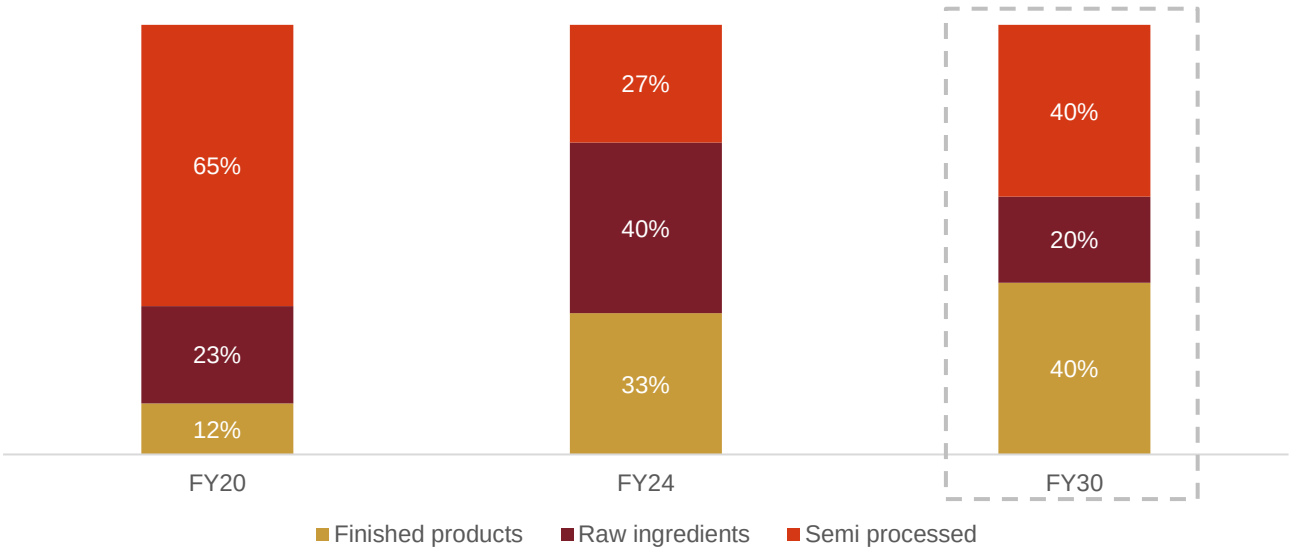
Outlook for raw ingredients, semi-processed and finished products

Our methodology for estimating raw ingredients, semi processed and finished products

To analyse the proportions of raw ingredients, semi processed and finished products, we examined data across 19 product categories, each comprising 900-1,200 distinct products. Our study uses fiscals 2020 and 2024 as the base and latest years, respectively, and extends forecasts up to fiscal 2030.

While we identified 1,190 products across 19 categories in the base year (fiscal 2020), the number dropped to 881 by the latest year (2024). We systematically assessed each category and its commodities to determine the raw ingredients, semi-processed and finished products by categorising them based on their form of composition, level of processing and primary research undertaken with key stakeholders, including manufacturers and exporters. We mapped the product-specific ratios of raw ingredients, semi-processed and finished products for each year. Based on the data, we analysed on-year trends and growth rates for each product and category. Using these growth rates and insights derived from interactions with stakeholders, we estimated the raw ingredients, semi-processed and finished products by fiscal 2030. For example, rice, wheat and maize are considered as raw ingredients, while rice flour and wheat flour is categorised as semi processed. Value-added final products, such as roasted corn, cashews, wheat pasta, honey, ragi flakes and other RTE products are considered as finished products.

Figure 83: Outlook of raw ingredients, semi-processed and finished products (volume share)



Source: APEDA

In fiscal 2020, India's organic exports were predominantly composed of semi-processed products, which constituted 65% of the total exports. Raw ingredients and finished products accounted for 23% and 12% of the exports, respectively. However, by fiscal 2024, there was a significant shift in both volume and composition of these exports. Overall, the volume of organic exports from India sharply decreased 59% from 6.4 lakh MT to 2.6 lakh MT between fiscals 2020 and 2024.

The composition of exports also changed notably during this period. Finished products substantially increased to 33% of the total exports. Meanwhile, the proportion of raw ingredients surged to 40%, overtaking the previously dominant semi-processed products, which now accounted for only 27% of the exports. The shift indicates a trend towards exporting more raw ingredients and finished products, while the share of semi-processed organic products has declined considerably.

For instance, in fiscal 2020, soymeal was considered as a semi-processed product, with a share of 60% of the total organic export basket. However, in fiscal 2024, it declined to 17%. The considerable shift in the semi-processed segment changed the composition of products from 65% to 27%, largely due to change in dynamics of organic soymeal exports.

As discussed above, Indian brands are focusing more on value-added and retail products during the projected period. Considering the key insights from retail brands, by **fiscal 2030, we anticipate the composition of India's organic exports to undergo further transformation**. The export of finished products is expected to rise to 40% from 33% in fiscal 2024, driven by the increasing global demand and shifting consumer preferences for ready-to-use and packaged items. Semi-processed products are projected to make up for 40% of the exports. In contrast, the share of raw ingredients is likely to decrease to 20% from 40% in fiscal 2024.

The projected change reflects a growing trend in the organic market, where consumers are increasingly opting for convenience foods that require minimal preparation. This is encouraging producers to focus more on finished and semi-processed goods. As a result, the export landscape for India's organic products is likely to see a more balanced distribution between finished and semi-processed products, while raw ingredients will constitute a smaller portion of the overall exports.

Reasons for change in composition

Key growth drivers

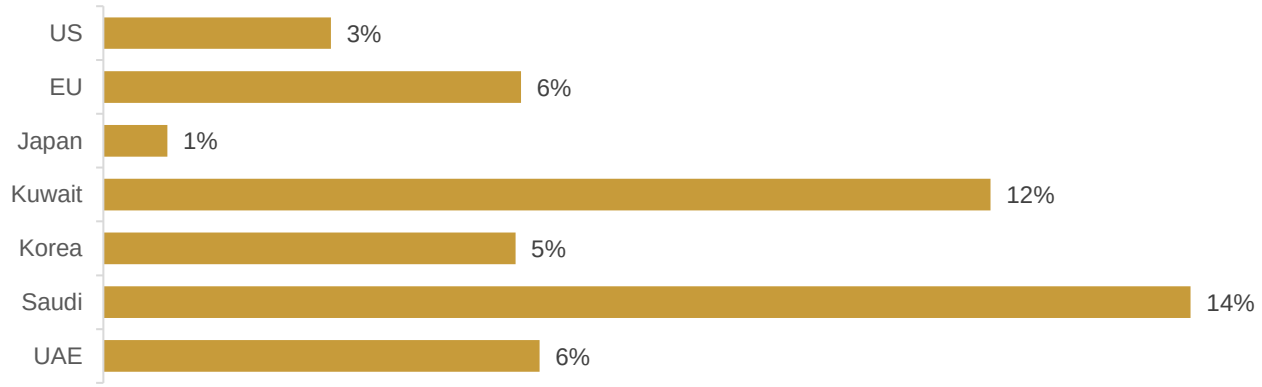
Increasing demand for convenience foods

There is an increasing demand for ready-to-eat (RTE) meals, snacks, and other processed foods that align with consumers' fast-paced lifestyles while meeting high wellness standards. This shift in consumer behavior is expected to significantly boost the retail segment of India's organic exports, as more consumers seek convenient options.

While the EU and US lead in packaged organic food consumption, Middle Eastern countries, such as Saudi Arabia and Kuwait have logged a CAGR of 14% and 12%, respectively, between 2019 and 2023.

Korea and the UAE registered a CAGR of 5% and 6%, respectively, during the same period. The robust growth is expected to continue fuelling expansion in India's organic food exports.

Figure 84: Organic packaged food and beverage consumption CAGR (CY2019-23)



Source: Global organic trade

Expansion into new markets

Indian companies are strategically investing to expand their presence in key global markets, such as the US, EU and Middle East. The investments include developing robust supply chain networks, establishing distribution channels and forming retail chain tie-ups. These efforts ensure that Indian organic products are readily available to consumers in these regions, facilitating smoother market entry and expansion.

Major organic products for export include snack items, pulses, spices, dry fruits and medicinal plant-based ones. Companies are strategically targeting the Indian diaspora in regions, such as the Middle East, (7.93 million Indians living in the UAE, Saudi Arabia, Kuwait, Qatar and Oman), Europe (22.8 million), and the US (44.6 million)[44]

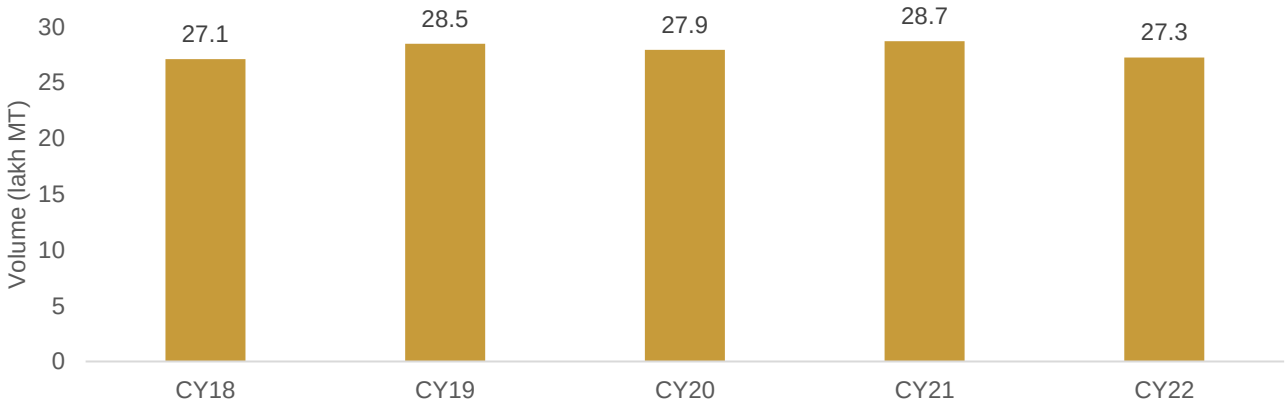
The Indian populations in these regions have shown a growing demand for familiar and high-quality organic products from their home country, driven by health consciousness and a desire to maintain cultural culinary practices. Consequently, businesses are tailoring their marketing and distribution strategies to effectively reach out to these consumers, leveraging their preferences and purchasing power, expanding their market reach.

[44] Indian population in overseas, Ministry of External Affairs (https://www.mea.gov.in/images/attach/NRIs-and-PIOs_1.pdf)

Country-wise mapping of key products

EU organic market

Figure 85: EU organic import volumes



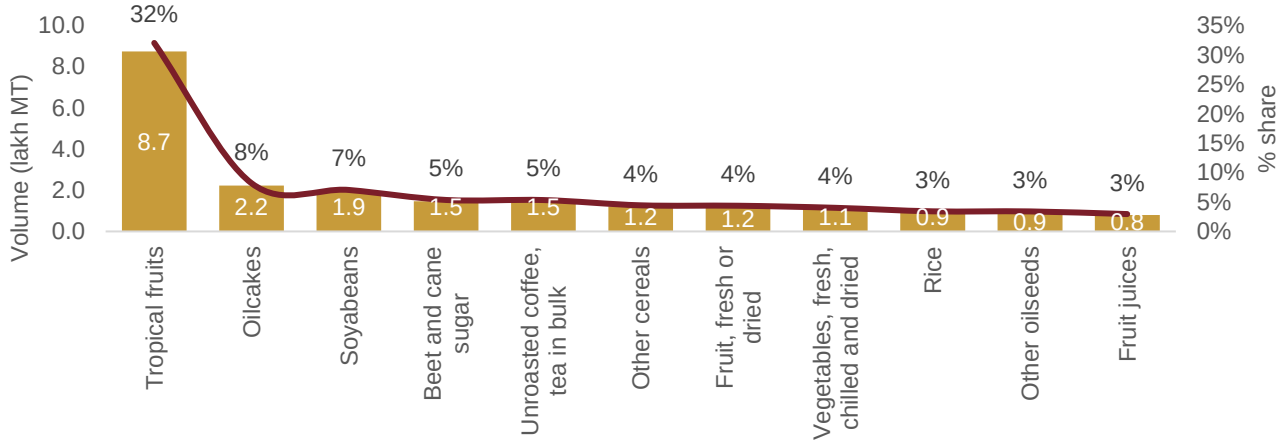
Source: EU Traces

The EU is one of the largest importers of organic products globally. In CY2022, the total volume of organic products imported by the EU decreased 5%, dropping to 27.3 lakh MT from 28.7 lakh MT the previous year. The decline likely indicates a reduced demand, attributable to the significant rise in food prices during the period. The sharp increase in the cost of food may have led consumers to prioritise more affordable options, which impacted the overall demand for organic products within the EU market.

The decline in demand can be mainly attributable to reduced imports of various key organic products, including F&V, sugar, olive and palm oils, sunflower seeds and pet food. While there was an increase in the imports of certain organic commodities, such as soybeans, oilcakes, citrus fruits, rice and honey, these upticks were insufficient to offset the overall reduction. This imbalance highlights the impact that the decreased imports of major categories, such as F&V, had on the total import volume, outweighing the gains made in other areas.

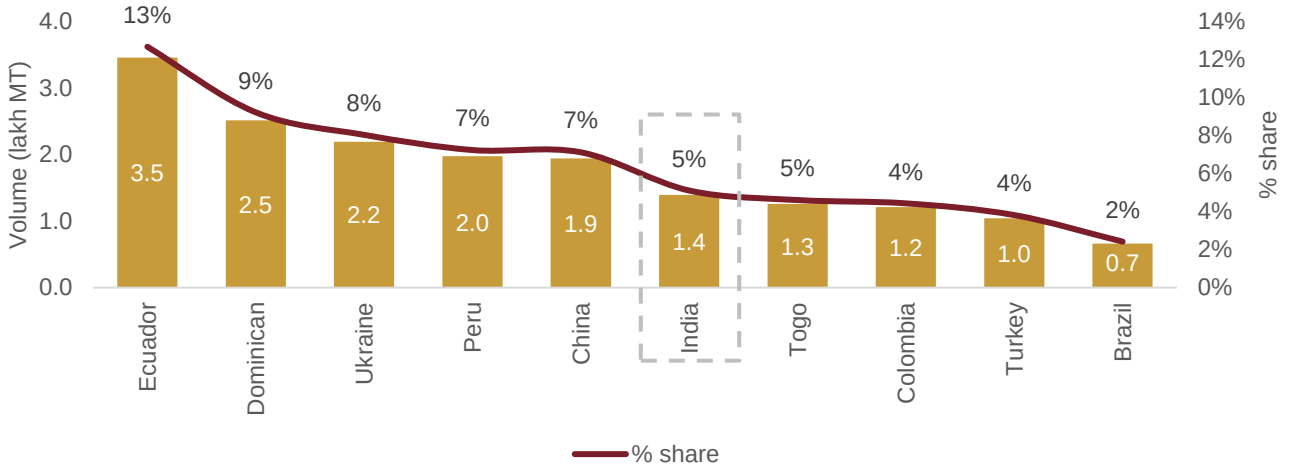
With in tropical fruits, particularly bananas, are the leading product category, contributing a ~7 lakh MT. Ecuador, the Dominican Republic and Peru are key exporters.

Figure 86: Top category products imported by the EU (CY2022)



Source: EU Traces

Figure 87: Top 10 exporters to the EU (CY2022)



Source: EU Traces

Disclaimer: India's exports to EU in fiscal 2022 was 1.70 lakh MT. According to the EU traces (CY2022), India's exports stood at 1.4 lakh MT.

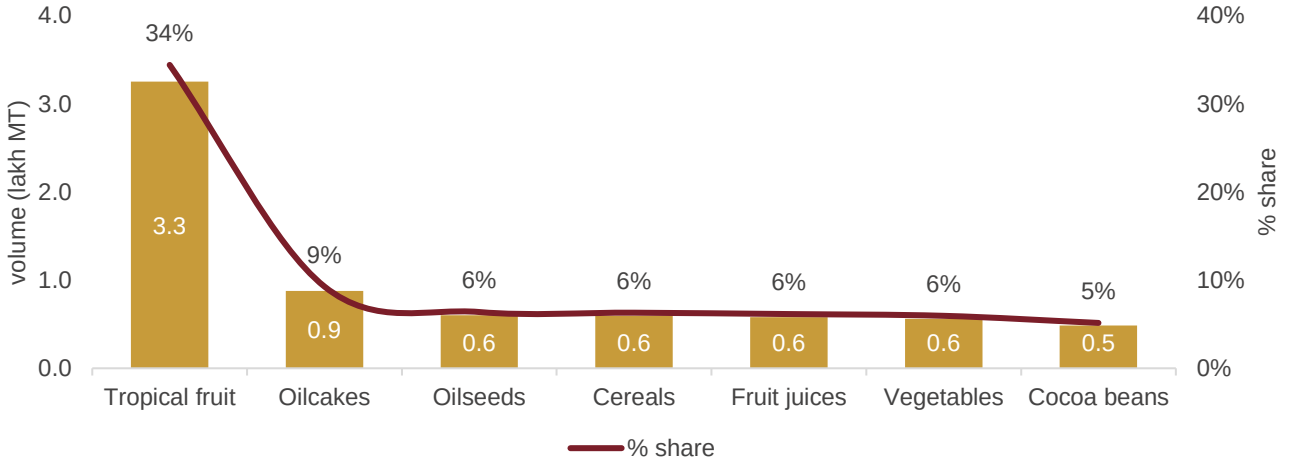
Major importing EU countries:

In CY2022, the largest importers of EU (based on import volume) are the Netherlands (1.0 million MT), followed by Germany (0.45 million MT) and France (0.27 million MT). Together, they accounted for ~60% of the total EU imports. Tropical fruits constituted the major product category for Netherlands and Germany. However, soybean was the leading commodity for France.

In CY2022, Germany ranks second globally in organic retail sales value, following the US. Germany's organic market is valued at $16.13 billion, representing an 11% share of the global market. France occupies the fourth position, with organic retail sales amounting to $12.7 billion, capturing 9% of the global market share. In contrast, the Netherlands has a smaller presence, with organic retail sales totalling $1.5 billion.

Netherlands

Figure 88: Netherlands' top imported product categories (CY2021)



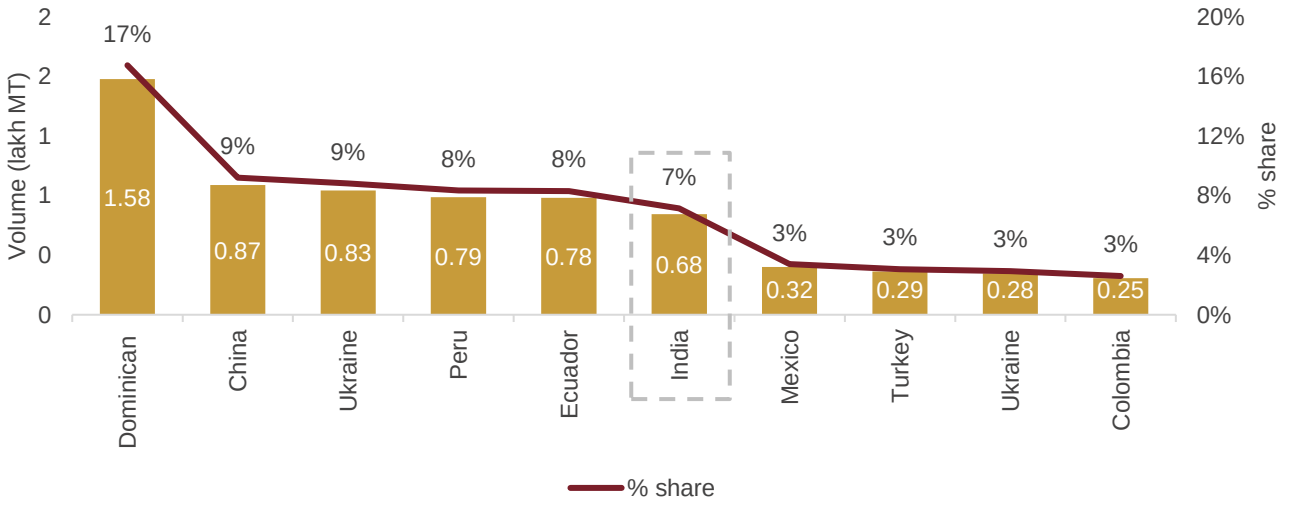
Source: EU Traces

Disclaimer: The latest country and category wise import data for the EU's is available till CY2021.

Tropical fruits dominate the Netherlands market, capturing 34% of the total share. Between CY 2018 and 2021, the volume of tropical fruits increased significantly at a CAGR of 27%. In contrast, the categories of oilcake, oilseeds and cereals declined at a CAGR of -6%, -16% and -27%, respectively. Meanwhile, the market for fruit juice and cocoa beans showed robust growth at a CAGR of 21% and 13%, respectively.

Data indicates strong consumer preference and expanding demand for tropical fruits, while traditional staples, such as oilcake, oilseeds and cereals have a reduced market presence. The rise in fruit juice and cocoa beans suggests a growing trend towards value-added and diversified products in the market.

Figure 89: Top 10 exporters to Netherlands (CY2021)

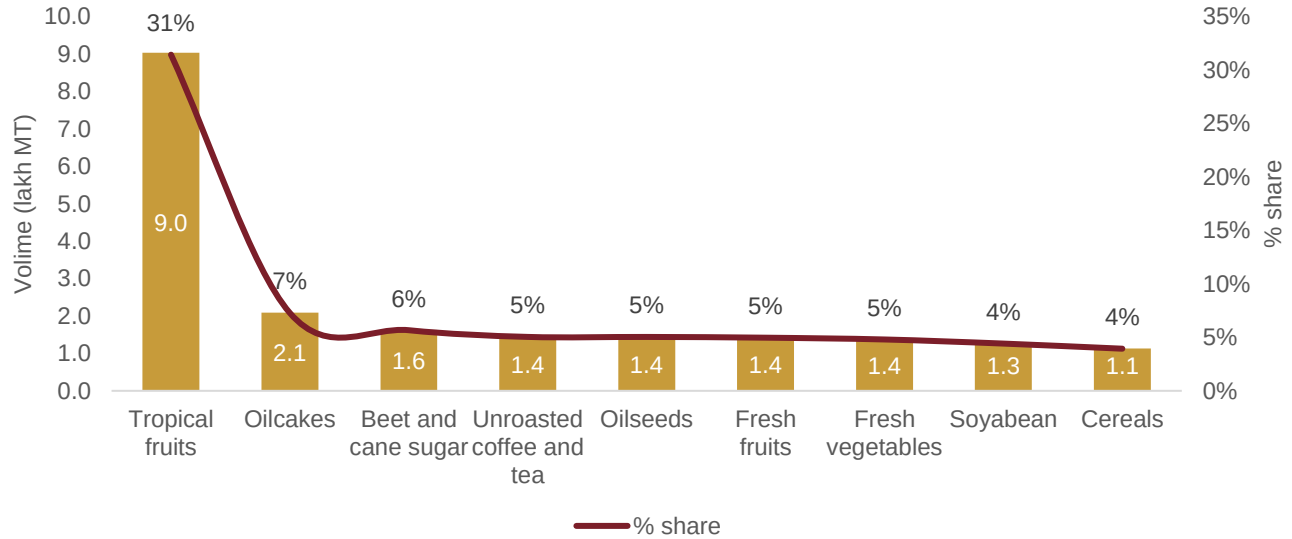


Source: EU Traces

Disclaimer: The latest country and category wise import data for the EU's is available till CY2021.

Germany

Figure 90: Germany's top imported product categories (CY2021)

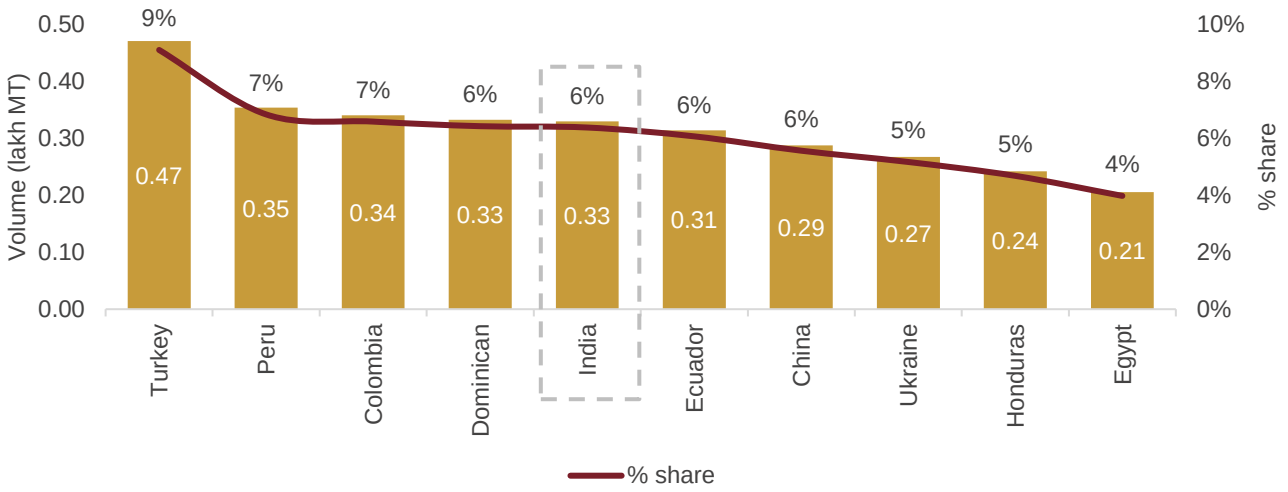


Source: EU Traces

Disclaimer: The latest country and category wise import data for the EU's is available till CY2021.

Tropical fruits dominate Germany's market, capturing 31% of the total share. From CY 2018 to 2021, the volume of tropical fruits rose significantly, achieving a CAGR of 11%. In contrast, oilcake, oilseeds and cereals declined, logging a CAGR of -7%, -9%, and -20%, respectively. Meanwhile, the market for coffee and tea, and fresh F&V and soybean showed moderate growth by recording a CAGR of 2-7%.

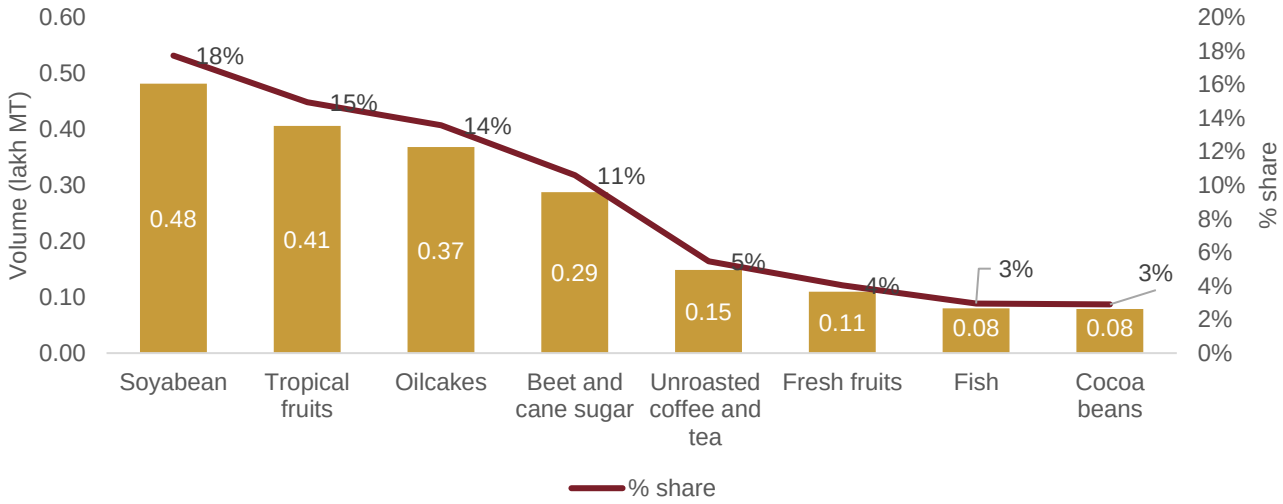
Figure 91: Top 10 exporters to Germany (CY2021)



Source: EU Traces

France

Figure 92: France's top imported product categories (CY2021)

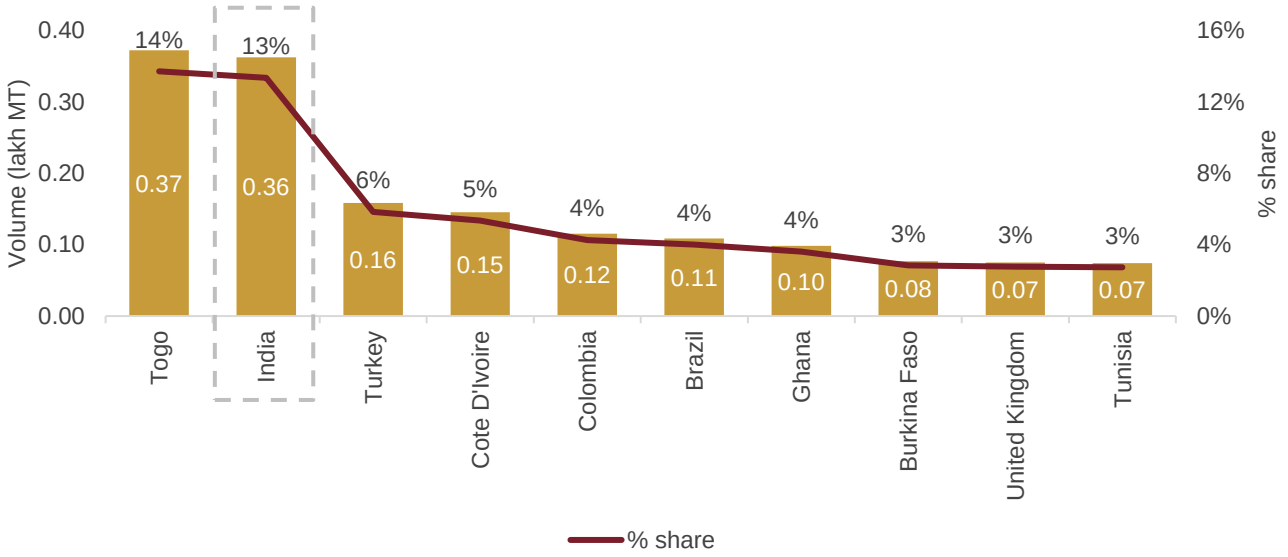


Source: EU Traces

Disclaimer: The latest country and category wise import data for the EU's is available till CY2021.

Soybeans are a leading market segment, holding 18% of the total share. From CY 2018 to 2021, the volume of soybean experienced a substantial increase, at a CAGR of 20%. Tropical fruits hold 15% of the market share, logging a CAGR of 10%, while oilcakes accounted for 14% of the market share, at a remarkable CAGR of 15%. Additionally, coffee and tea, fish, and cocoa beans jointly accounted for 11% of the total imports, exhibiting exponential growth rates of 29%, 30%, and 81%, respectively.

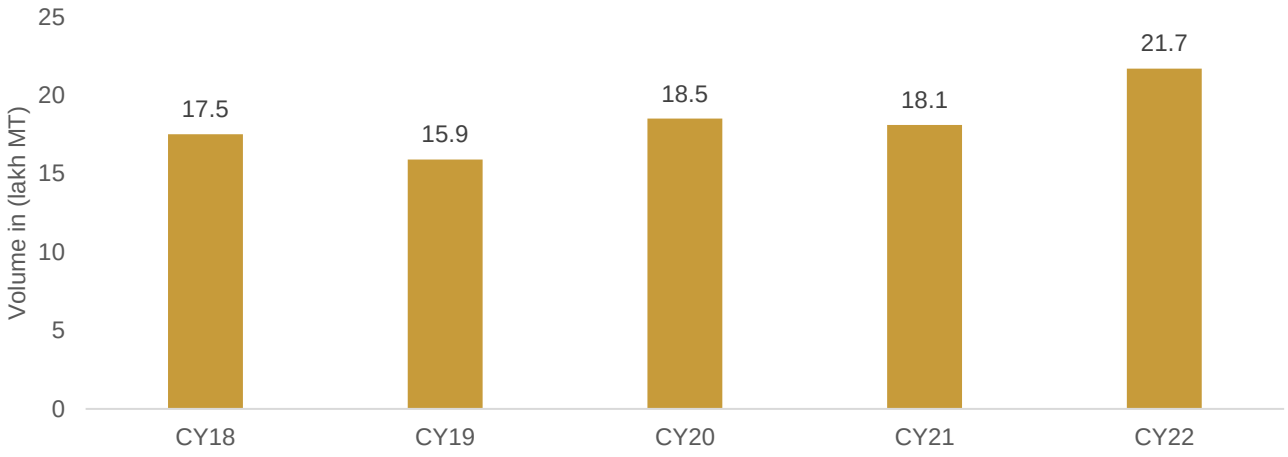
Figure 93: Top 10 exporters to France (CY2021)



Source: EU Traces

US organic market

Figure 94: US import volumes



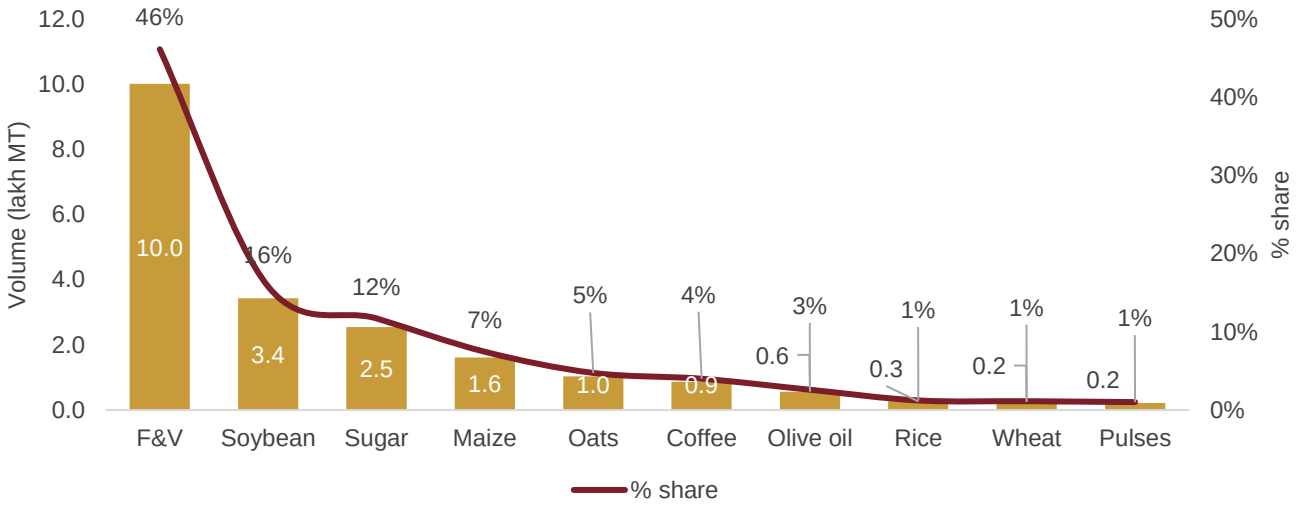
Source: Foreign Agricultural Service (FAS)/ Global Agricultural Trade System (GATS)/ US Department of Agriculture (USDA)

The US is the second-largest importer of organic products globally. In 2022, the US imported 21.7 lakh MT of organic produce, which is nearly 20% higher from 18.1 lakh MT the previous year. Over 2018-2022, the US organic market registered a steady CAGR of 5-6%.

The growth is particularly notable in various commodity segments, including soybean, sugar, oats, strawberries, blueberries, coffee, and beverages, such as white wine and apple juice. The sharp increase in these specific commodities underscores the expanding demand for organic products in the US market.

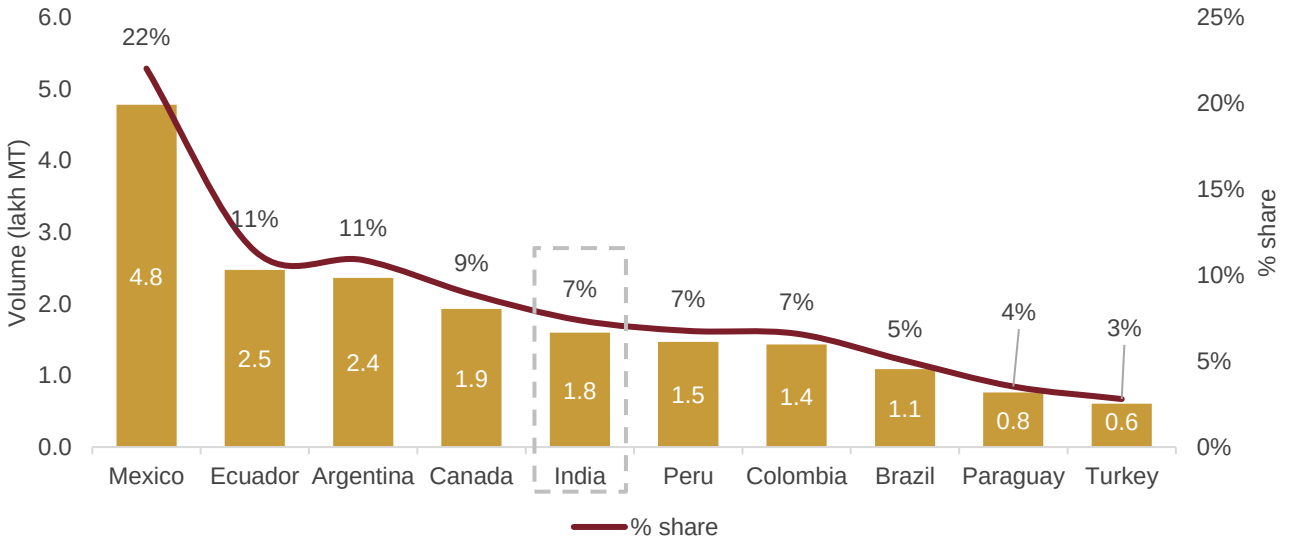
Tropical fruits, particularly bananas, are the leading category, contributing a 25% share. Ecuador, Mexico, Colombia and Peru are key exporters.

Figure 95: Top product categories imported by the US (CY2022)



Source: FAS GATS/ USDA

Figure 96: Top 10 exporters to US (CY2022)



Source: FAS GATS/ USDA

Disclaimer: US imports do not cover all products. According to the FAS GATS/USDA (2022), India's exports are at 0.36 lakh MT. However, Indian's exports to US during FY'21-22 is 1.8 lakh MT.

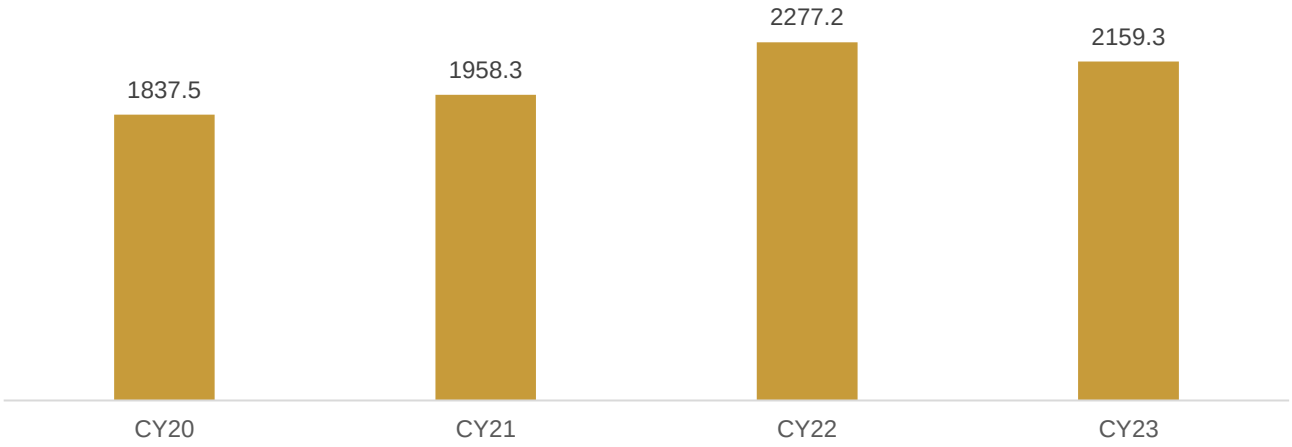
Canada organic market

Canada remains a net importer of organic products globally, primarily due to the robust domestic demand that outpaces current production capabilities. Despite this, Canada maintains a prominent position among the top 10 global exporters for various commodities. The country's organic equivalency arrangements play a crucial role in facilitating seamless market access for both imports and exports. Canada has established new equivalency agreements with Taiwan, South Korea, Mexico and the UK. Additionally, it has broadened its agreement with Japan to encompass alcoholic beverages and meat products. The agreements are instrumental in ensuring that Canadian

organic products meet the standards of international markets, thereby promoting trade and enhancing market opportunities.

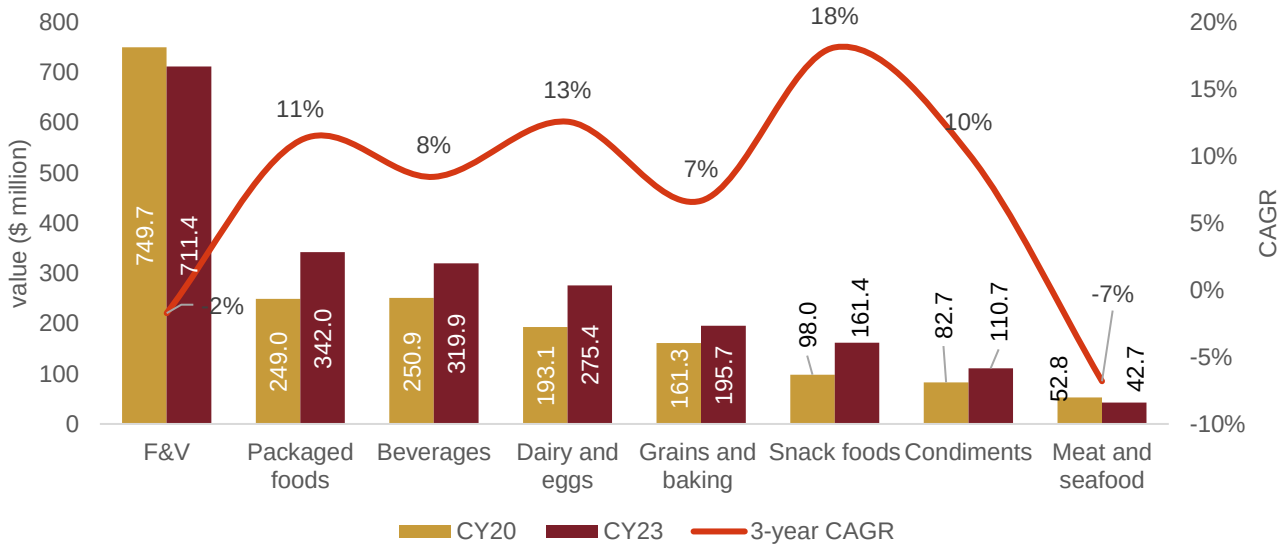
Canada's organic sales value grew consistently at a CAGR of 6% over 2020-23. However, in 2023, it moderately declined 5%, from the previous year, mainly due to a 10% drop in the fruits and vegetables category and 6% drop in bread, grain and baking aids. In contrast, condiments and snack items experienced a slight increase of 1-2%.

Figure 97: Canada organic sales value ($ million)



Canadian Organic Trade Association

Figure 98: Top categories imported by Canada



Canadian Organic Trade Association

F&V emerged as the dominant category, constituting 33% of organic sales through mainstream retailers, despite a slight decline in the market share over the years. The category remains a cornerstone of organic offerings, underscoring consumer preferences for fresh, wholesome produce. Fresh produce outperforms dried, frozen and pre-packaged produce, representing 97.4% of the total F&V sales.

Section C

Initiatives taken to promote organic farming

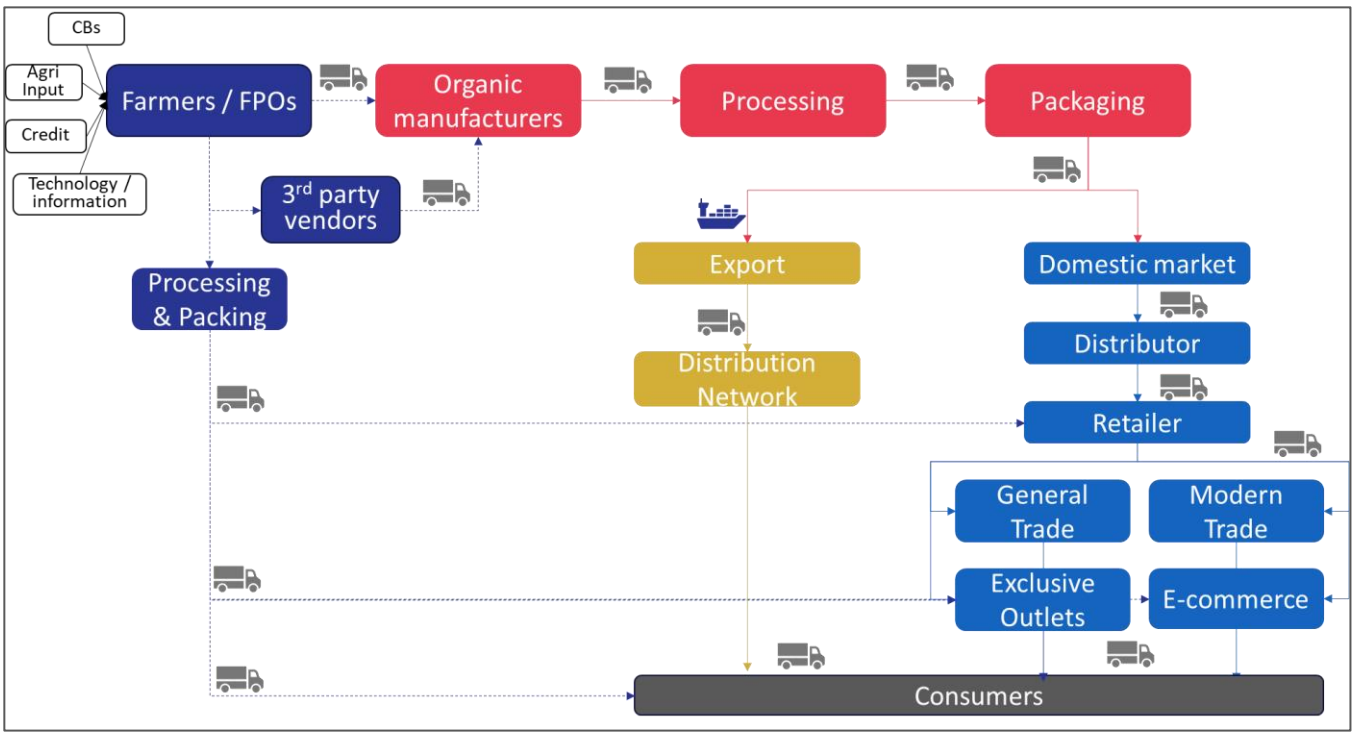
Initiatives taken by public and private sectors to promote Indian organic agriculture

This section explores the promotional and branding initiatives undertaken by the government and private players to boost organic exports. It checks for gaps in the current efforts and introduces strategies employed by developed countries for an organic ecosystem. Additionally, the section examines the economics of retail packaging and suggests how India can leverage it to enhance the 'India Organic' brand in the global market. The case studies and recommendations covered provide insights into what India can learn and adopt from leading organic-consuming and exporting countries.

Current government efforts

The figure below illustrates the value chain of organic produce in India. It helps understand the government's efforts for branding and promotion of organic production and exports across key stages.

Figure 99: Value chain of organic produce in India



Policy initiatives that support farmers from production to marketing

The government has been promoting organic farming as a priority in the country since 2015-16 through the Paramparagat Krishi Vikas Yojana (PKVY) and Mission Organic Value Chain Development for North-Eastern Region (MOVCDNER). Both schemes emphasise end-to-end support to farmers engaged in organic farming — from production to processing, certification, post-harvest management and marketing. Training and capacity building are also an integral part of the schemes.

PKVY: The PKVY is implemented in a cluster mode with a minimum land size of 20 ha. States have been advised to implement the scheme in cluster sizes of 1,000 ha in plain areas and 500 ha in hilly areas to facilitate marketing

of organic produce. While all farmers are eligible for the benefits, one farmer within a group can avail benefits for up to a maximum of 2 ha of land. Additionally, the assistance provided is capped at Rs. 50,000 per ha. Of this, 62% or Rs 31,000 is provisioned as incentive for organic conversion, inputs and production infrastructure, among other things, and is paid through the direct benefit transfer (DBT) during the conversion period of three years.

Table 5: Pattern of assistance in PKVY

Component	Rate/ha/ for 3 years
Cluster formation and capacity building	Rs 3,000
Deployment of manpower, management of implementation	Rs 4,500
PGS certification - service charges to RC and residue analysis	Rs 2,700
Incentive to farmers as DBT or as inputs	Rs 31,000
Marketing, packaging, space rent, transportation	Rs 1,500
Value addition infrastructure	Rs 2,000
Brand building, trade fairs, publicity, marketing support	Rs 5,300
Total	**Rs 50,000**

Source: Schemes For Promotion of Organic Farming, MoA&FW, GoI

MOVCDNER: The scheme aims to develop commodity-specific, concentrated and certified organic production clusters in a value chain mode in the Northeast. It provisions linking growers with consumers and supporting the development of the entire value chain, starting from inputs, seeds and certification to the creation of facilities for collection, aggregation, processing, marketing and brand building. The scheme focuses on export of organic produce from the region.

Major components:

- **Institution development**: Creation of FPOs/FPCs
- **Value chain production**: Support for inputs, seeds, certification and commodity-specific production and for setting up custom hiring centres
- **Value chain processing**: Supporting FPOs/FPCs to set up collection and aggregation centres, integrated processing units, pack houses, transportation vehicles and cold chain components
- **Value chain marketing and support services**-: Market facilitation, handholding, brand building, brand promotion and contract production

Table 6: Pattern of assistance in MOVCDNER

Components	Rate for 3 years	Total per cluster of 500 ha /FPO
FPO formation	Rs 4,075/farmer	Rs 20.37 lakh
Support for inputs to farmers	Rs 15,000/ha	Rs 75.00 lakh
Seed supply	Rs 17,500/ha	Rs 87.50 lakh
Custom hiring centre		Rs 10 lakh/FPO
Training, handholding & certification	Rs 10,000/ha	Rs 10 lakh
Collection and aggregation centre	Rs 11.25 lakh/FPO	Rs 11.25 lakh
Transport vehicle	Rs 6.0 lakh (50% subsidy)	Rs 6.00 lakh

Components	Rate for 3 years	Total per cluster of 500 ha /FPO
Integrated processing units	1-2 per state	Rs 600 lakh
Pack house, cold chain	Need-based	Rs 18.75 lakh
Marketing, branding, publicity	state government	Rs 19.00 lakh
Project management: 5% to states and 0.5% at national level		

Source: Schemes For Promotion of Organic Farming, MoA&FW, GoI

Launched in fiscal 2016, MOVCDNER has helped bring 1.73 lakh ha under organic farming, benefiting 1.89 lakh farmers. As many as 379 FPOs/FPCs were formed till July 2023, which involved the creation of 205 collection, aggregation and grading units, 190 custom hiring centres and 123 processing units and pack houses. The scheme has also helped develop seven organic brands into established names.[45].

Policy initiatives in certification process

India employs two major certification systems for organic farming:

1. Third-party certification (NPOP):

- **Governing body:** Agricultural and Processed Food Products Export Development Authority (APEDA), Ministry of Commerce and Industry
- **Focus:** Primarily for export markets

2. PGS-India certification:

- **Governing body:** Ministry of Agriculture and Farmers Welfare
- **Focus:** Mainly for the domestic market

Exporters to specific countries must also obtain other certifications, such as NOP for the USA, JAS for Japan, EU for processed organic products, GOTS for textiles, and COSMOS ORGANIC for organic cosmetics

Challenges in the current certification system:

- **Multiple certifications:** Exporters need multiple certifications, each with complex processes and stringent regulations
- **Limited certification bodies (CBs) for foreign certification:** There are limited CBs for foreign certifications, which adds to the cost of NPOP certification

Government initiatives to alleviate certification issues:

1. Cost subsidies:

- **MOVCDNER and PKVY** provide certification cost subsidies to farmers to ease the financial challenges during the conversion period

2. Modernisation of NPOP IT infrastructure:

- **Oversight IT mechanism:** Enhanced IT infrastructure offers optimum oversight, focusing on certification bodies and their certified operators

[45] Review progress of Phase-III of Mission Organic Value Chain Development for North Eastern Region; PIB; MoA&FW; 14 JUL 2023

- **Geo-tagging and Geo-locating:** The system includes provisions for geotagging farms and geolocating inspection visits to streamline the certification process

3. NPOP 2024:

- NPOP standards are being revised. For simplification, a separate procedure manual has been developed, which will be reviewed periodically

These policy initiatives aim to balance the requirements of importing countries with the need to reduce certification issues for farmers and operators, thereby promoting export growth of organic products

Policy initiatives for logistics

To address logistical challenges and improve connectivity and market linkages, the government has launched several initiatives:

1. PM Gati Shakti National Master Plan:

- **APEDA collaboration:** APEDA is working with railways, roadways and other ministries to enhance connectivity for faster transportation of agricultural products. Given the perishable nature of these goods, quick and efficient delivery from production points to destinations remains crucial
- **Cold chain development:** Efforts are underway to establish and improve cold chain logistics to ensure that products like bananas can reach export markets in optimal condition

2. Northeastern region initiatives:

- **Collaborative efforts:** State governments in the northeast, in collaboration with the Ministry of Agriculture's MOVCDNER, the Department of Railways, the Road Transport Department, and the Airports Authority of India, among others, are developing new logistical infrastructure facilities to aid exports from the region
- **Common infrastructure:** This initiative aims to create shared logistical infrastructure that can be used by all northeastern states

These policy initiatives are critical for reducing transit losses, improving the efficiency of the supply chain, and ultimately enhancing the competitiveness of India's organic exports in the global market

Establishment of co-operative society

India's organic farming sector as of fiscal 2024 comprises 2.3 million farmers cultivating 4.4 million hectare of land, resulting in an average landholding of 1.8 hectare per farmer. Despite the growing interest in organic farming, an estimated ~40% of the market consists of organically grown products sold as conventional due to weak market linkages, small landholdings, and difficulties in aggregation.

To address these challenges, the government launched the country’s first multi-state co-operative society for organic product, National Cooperative Organics Ltd (NCOL), in 2023. Promoted by the National Dairy Development Board, Gujarat Cooperative Milk Marketing Federation, National Agricultural Cooperative Marketing Federation of India, National Cooperative Consumers' Federation of India Limited, and the Cooperative Development Corporation, NCOL aims to provide comprehensive support to organic farmers.

Key Functions of NCOL:

- Aggregation: Facilitate the aggregation of organic produce from small farmers, enabling them to achieve economies of scale

- Certification and testing: Assist with the certification and testing processes to ensure compliance with international organic standards
- Procurement and storage: Establish efficient procurement and storage facilities to minimise wastage and preserve the quality of organic products
- Processing and packaging: Invest in processing and packaging infrastructure to add value to organic products and make them market ready
- Branding and marketing: Promote organic products under the 'Bharat Organics' brand to enhance visibility and appeal in global markets
- Logistics and distribution: Develop logistics and distribution networks to ensure timely and efficient delivery of organic products to export destinations
- Financial assistance: Arrange financial assistance for organic farmers through member co-operatives, including Primary Agricultural Credit Societies (PACS) and FPOs

Through these services, NCOL aims to address the critical issues organic farmers face, including market access and financial constraints. Moreover, the co-operative ensures about 50% of the profits from the sale of organic products are transferred directly to member farmers, thereby improving their incomes and in turn incentivising organic farming practices. Currently, NCOL sells six organic products — tur dal, chana dal, sugar, rajma, basmati rice, and Sona masoori rice — through Mother Dairy's Safal outlets and online platforms. The establishment of NCOL represents a significant step toward strengthening the organic farming sector in India and enhancing the country's presence in the global organic market.

Figure 100: NCOL's 'Bharat Organics' logo

The government has also launched National Cooperative Export Limited (NCEL), which aims to assist farmers fetch a higher price for their products in export markets. It functions as an umbrella organisation for exports of the entire co-operatives sector. NCEL aims to promote exports through various activities, including procurement, storage, processing, marketing, branding, labelling, packaging, certification, research & development, and trading of goods and services produced by co-operative societies. It aims to assist co-operatives in increasing their focus on export competitiveness through activities such as:

- Value addition and improvement in product quality relevant to international standards
- Assistance with export certification and logistics
- Obtaining funds, providing technical guidance, and assisting in capacity building and training

- Conducting international/national market research and building a market intelligence system
- Providing export-related consultation services
- Establishing a knowledge repository for co-operative sector exports
- Facilitating market positioning through branding, labelling, and packaging support

Dedicated organic promotion division

In 2024, APEDA established a division to specifically promote organic exports. This division acts as a central hub to organise initiatives aimed at increasing the country's potential for organic exports. These initiatives include:

- Supporting stakeholders, primarily exporters, to participate in international events and organic product fairs such as BioFach (Germany), Natural Product Expo West (USA) and Gulfood (Dubai). Additionally, APEDA organises and supports buyer-seller meets in key markets to facilitate direct interaction between Indian exporters and international buyers

Table 7: List of fairs in which APEDA participated in FY2024

Name of the fair	Month	Type	Category
SIAL Food Canada and BSM, Canada	May, 2023	International fair	Conventional
Seoul Food & Hotel, Korea	May - June, 2023	International fair	Conventional
Big Seven, Johannesburg, South Africa	June, 2023	International fair	Conventional
Summer Fancy Food Show, New York, US	June, 2023	International fair	Conventional
Food & Hotel Show, Jakarta, Indonesia	July, 2023	International fair	Conventional
Vietfood & Beverage, Ho Chi Minh, Vietnam	August, 2023	International fair	Conventional
Buyer Seller Meet and Road Shows, Indonesia	September, 2023	International fair	Conventional
Buyer Seller Meet and Road Shows, Japan	September, 2023	International fair	Conventional
Fine Food, Sydney, Australia	September, 2023	International fair	Conventional
World food Moscow	September, 2023	International fair	Conventional
Anuga Food Fair, Germany	October, 2023	International fair	Conventional
Saudi Agro Food, Riyadh, Saudi Arabia	October 2023	International fair	Conventional
Gulfood 2024, Dubai, UAE	February 2024	International fair	Conventional
Natural Product Expo West, Anaheim, USA.	March 2024	International fair	Organic
International Food and Drink Event (IFE), London, United Kingdom	March 2024	International fair	Conventional
Biofach India 2023, IEML, Greater Noida, Delhi-NCR, India.	September 2023	Other fair	Organic
APEDA'S Participation in SIAL India 2023	December 2023	Other fair	Conventional
7th Edition of IndusFood, IEML, Greater Noida, Uttar Pradesh	January, 2024	Other fair	Conventional
The 38th Edition of Aahar - The International Food and Hospitality Fair	March, 2024	Other fair	Conventional

Source: APEDA

- APEDA's new division is focused on strengthening the organic sector in Uttarakhand and Sikkim through a comprehensive strategy. The plan encompasses features like improving farming practices, streamlining certification procedures, and identifying key export products. Building upon Sikkim's status as India's first fully organic state, APEDA is crafting a strategic roadmap to further diversify exports and strengthen sustainable practices. The promotion body aims to enhance the state's visibility and impact on the international stage. APEDA envisions replicating these strategies in more states, targeting regions with substantial organic farming potential to establish a nationwide network of organic export hubs
- In collaboration with the Spice Board of India, Coffee Board, Tea Board and other stakeholders, APEDA conducts training and capacity-building programmes for farmers, exporters, and certifying bodies. These programmes aim to enhance the capabilities of certifying bodies to ensure adherence to global organic standards
- APEDA's 'India Organic' brand signifies the quality and authenticity of certified organic products from India. To promote these products, APEDA utilises online platforms and social media to reach a wider audience
- Investment in developing the necessary infrastructure to support organic farming and exports is also a key focus. This includes establishing pack houses with facilities for grading, packing, and storage of organic products, and developing cold storage and transportation facilities to maintain the quality of perishable organic products

Efforts for collaboration with trade partners

A mutual recognition agreement (MRA) is a formal arrangement between two or more countries that recognises each other's conformity assessments, standards, and certification processes. This means that products certified as compliant with the regulations in one country are accepted in the partner country without additional certification.

MRA with Taiwan implemented in July 2024:

On July 8, 2024, India and Taiwan implemented an MRA for organic products. This agreement allows agricultural products certified as organic by either country's system to be exported and imported for sales in the other market

Future MRAs:

APEDA is actively engaging in talks with Australia and South Korea to establish MRAs for the export of organic products. The implementation of MRAs and continued efforts to establish new ones are crucial to promote India's organic products in global markets, ensuring compliance with international standards, and facilitating smoother trade processes

Organic foreign trade agreement:

India has intensified its engagement with trade partners and is negotiating free trade agreements with the United Kingdom, European Union, Peru and Oman, among others. Further some earlier agreements like India-ASEAN, India-Sri Lanka pacts are also being renewed. This presents a good opportunity to include provisions for MRAs, like in the case of the India-Australia pact (ECTA), which will boost organic trade between both countries

Awards and recognition

Jaivik India Awards: The Jaivik India Awards organised by the International Competence Centre for Organic Agriculture recognise contributions to the organic sector in India. The fifth edition in August 2024 marks 20 years since the inception of the awards. The awards honour a range of stakeholders, including farmers engaged in organic and natural farming (with cash prizes), government bodies, state governments, exemplary exporters, domestic organic brands, FPOs, and certification bodies

Haldar Organic Farmer Award: Instituted by the Indian Council of Agricultural Research (ICAR) in New Delhi, the Haldhar Organic Farmer Award acknowledges outstanding contributions of organic farmers. The annual award, which includes a cash prize of Rs 1 lakh, is presented to certified organic farmers excelling in the cultivation of horticultural and medicinal crops, milk production, and related activities

Padma Shri: The government also recognises exceptional organic farmers through the Padma Shri

These awards and recognitions also serve as motivation for others to adopt and promote organic farming practices. They highlight the importance of community support, innovation, and dedication in advancing India's organic farming industry.

Branding and promotion by the private sector

Private sector entities are actively promoting and branding organic products through various initiatives, partnerships, and innovative business models. Examples include:

24 Organic Mantra[46]:

24 Mantra Organic, under Sresta Natural Bioproducts Pvt Ltd, collaborates with over 45,000 farmers to produce kitchen staples, packaged food, and beverages. Serving more than a million customers in India and another million in 50 other countries, the brand has established a significant presence in the organic market.

- **Historical development:** The brand was launched in 2004 in Hyderabad. The initial period from 2004 to 2010 involved extensive groundwork, convincing farmers to adopt organic practices and undergoing necessary certifications. By 2007, 24 Mantra Organic achieved organic certification for Euro 2092/91 standards, US NOP, and Indian NPOP standards. In 2008, the brand entered the retail market, starting with an exclusivity contract with Spencers and exporting to Europe under its own brand
- **Farming model:** The company's farming model is organised into about 30 projects, each spanning a few hundred to a thousand acres. For every 150-200 farmers, a trained field associate is assigned for support. Direct procurement from farmers is carried out at dedicated centres, eliminating middlemen. The produce is then transported to nearby processing units and finally to the production and packaging units in Hyderabad
- **Innovations and infrastructure:** Initially, 24 Mantra Organic used imported equipment for nitrogen flushing to prevent infestation. Over time, the company developed its own natural processes and technology for grain treatment. For pulps, purees, and juices, its facility is certified for aseptic pulp lines with a capacity of 10 MT/hour. The company's community spans 225,000 acres in 15 states, including Rajasthan, Andhra Pradesh, Karnataka, and Maharashtra
- **Market presence:** 24 Mantra Organic dominates the US market, with its products available in Indian stores in the US, Walmart, and Kroger. The brand plans to expand into contemporary food items like organic pasta to appeal to the younger generation
- **Impact:** The direct procurement model not only ensures fair pricing for farmers, but also maintains product integrity. The company's commitment to innovation in organic farming and processing methods has supported its reputation as a leader in the sector

Organic India: Organic India promotes organic farming through its range of herbal teas, supplements, and food products. The company works directly with farmers, providing them with education and resources to adopt organic farming practices. Its branding emphasises holistic wellness, sustainability, and fair trade

[46] Palak Agarwal, Interview of Rajashekhar Reddy on April 05, 2021.

Nature Bio Foods: A subsidiary of LT Foods, Nature Bio Foods works with over 60,000 organic farmers across India. It exports organic products like rice, lentils, and spices to international markets. The branding highlights ethical sourcing, high quality, and traceability of the company's organic products

Reliance Fresh Organic: Reliance Retail has also entered the organic market with its Reliance Fresh Organic range. It sources organic fruits, vegetables, and other food products, promoting them as healthier and more nutritious options. The branding emphasises freshness and quality of the products, and the benefits of organic farming

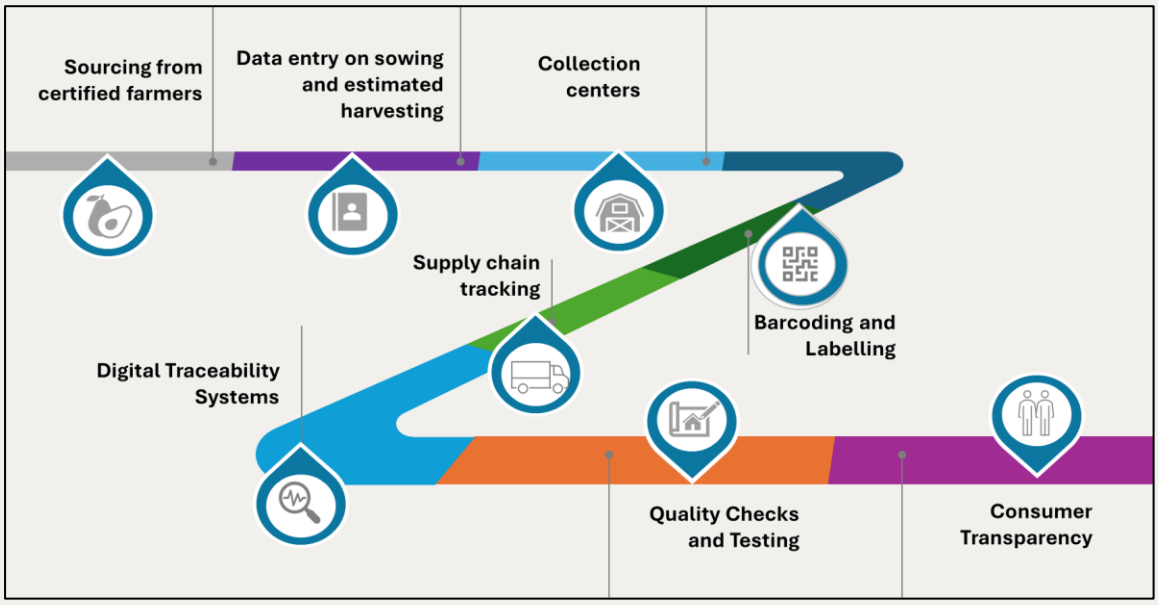
ITC's Aashirvaad Organic: ITC Limited has launched a range of organic products under its Aashirvaad brand, including staples like rice, atta (wheat flour), and spices. It highlights the rigorous certification process, health benefits, and the company's commitment to sustainable agriculture

These companies employ various strategies to promote organic farming, including direct partnerships with farmers, fair trade practices, educational programmes, and rigorous certification processes. Their branding efforts focus on the health benefits of organic products, sustainability, and ethical sourcing, aiming to appeal to environment and health-conscious consumers.

BigBasket: Robust traceability to win customers' trust[47]

Online retailer BigBasket specialises in organic produce. It has reportedly developed a strong product traceability system that allows consumers to track the origin and journey of their organic purchases. This system ensures transparency and builds trust among customers by providing detailed information about the source, farming practices, and supply chain processes involved in delivering the organic products.

Figure 101: BigBasket's traceability system



Process:

- **Sourcing from certified organic farmers:** BigBasket sources organic products from certified organic farmers and FPOs. These farmers must adhere to organic farming standards set by certification bodies

[47] Through primary interaction with representative from BigBasket

- **Data entry on sowing and harvesting:** Farmers update the sowing and harvesting dates in BigBasket's app or digital platform. This information helps in planning and ensuring the freshness of the produce
- **Distribution centres:** Organic products are sent to BigBasket's distribution centres, where they are inspected, sorted, and stored under appropriate conditions to maintain their organic integrity
- **Barcoding and labelling:** Products are barcoded and labelled with unique identifiers, including the product's origin, the farmer or producer, and batch details
- **Supply chain tracking:** Each batch of organic produce is tracked through the supply chain. This involves recording information at each stage, from harvesting to transportation, processing, and storage
- **Digital traceability systems:** BigBasket employs digital systems to record and monitor the movement of organic products
- **Quality checks and testing:** Regular quality checks and lab testing are conducted to verify that the products meet organic standards. These tests check for the presence of pesticides, chemicals, and other contaminants
- **Consumer transparency:** Consumers can access information about the product's journey by scanning the barcode or QR code on the packaging. This information often includes the farm's location, farming practices, certification details, and sometimes even farmers' stories

Gaps and challenges in organic farming in India

Production-related challenges

Based on interactions with organic farmers and FPOs, several key challenges have been identified in the organic production process.

- **Organic seed varieties:** One of the primary challenges in India's organic agriculture sector is the limited availability of certified organic seed varieties. A lag in research and development for organic seeds that will be suitable of various ago climatic zones of India, identification of variety of seeds that will suit for export market to name a few are key challenges. Besides, the organic seeds varieties are often scarce in both the market and state seed corporations, further compounding the issue
- **Plant protection:** Plant protection remains a significant challenge. Due to the lack of research and unavailability of effective organic plant protection products, there is often loss of yield due to pests and disease infestation
- **Bio-agricultural inputs:** Reportedly, there is an inconsistency in the availability of certified bio-agricultural inputs, such as bio-fertilisers, bio-pesticides, and soil conditioners, which also leads to yield loss in organic crops
- **Conversion period challenges**: The transition from conventional to organic farming, known as the conversion period, presents multiple challenges. During this time, the yield and quality of marketable produce are often lower compared with conventional farming, leading to reduced prices and returns. Higher cultivation costs, and certification and inspection fees add to farmers' financial cost. During this period, farmers cannot sell their produce as organic and thus miss out on premium prices, making the transition financially strenuous
- **Technical knowledge:** Many farmers lack adequate technical knowledge on organic crop production and post-harvest technology. This gap in knowledge can lead to suboptimal farming practices, affecting both yield and quality of the produce. Training and extension services are crucial to equip farmers with the necessary skills and knowledge for successful organic farming

- **Market intelligence**: Farmers often do not have access to reliable information on market prices and demand for organic produce. Additionally, India lacks specific markets for the sale of organic produce, making it difficult for farmers to find appropriate channels to sell their goods. Improved market intelligence systems and the establishment of dedicated organic markets are essential to help farmers gain better market access and fetch fair prices for their produce

Gaps in certification processes

- **Certification processes:** Certification processes are seen as complex, involving excessive paperwork and limited oversight of the certifying agencies. There is a need for an urgent revamp and digitisation to streamline the process. APEDA is already tackling this in the latest draft of NPOP 2024 by enhancing Tracenet with an analytical layer, introducing a geotagging feature in the mobile app used by ICS inspectors during inspections and more digital features to address these issues
- **Multiple certification systems**: Exporters face challenges with multiple certification systems (NPOP for export from India, EU for processed organic food, NOP for the USA, Organic JAS for Japan). Manufacturers often need to work with different certifying bodies, doubling the certification costs

Logistical challenges

In fiscal 2024, India exported 2.6 million MT of organic products. However, the lack of adequate logistics infrastructure, including road, rail, air, and water connectivity, posed challenges for exporters. For example, bananas are one of the most traded organic products globally. Although India is one of the largest producers of conventional bananas, exporting them is a challenge owing to the inadequate cold chain connectivity to international markets.

In the northeastern states, inadequate logistics network results in high wastage as organic produce is reportedly transported by road to Mumbai and then airlifted to global destinations. For instance, out of a 10 MT shipment of organic ginger sent from Meghalaya, 2 MT was spoiled by the time it reached Mumbai airport.

Promotional gaps

- A consumer survey conducted as a part of this study revealed that 55% of consumers were unaware of the difference between the various organic logos on a packaging. Organic labels now compete with other labels highlighting ethical or sustainability attributes, such as "chemical-free", "naturally grown", and "safe food". Herein lies the gap with respect to awareness; hence, programmes should be conducted to educate consumers about authentic organic products
- Another key gap observed during our interactions with stakeholders was the lack of concrete efforts to develop the overall domestic organic food segment, instead of building individual brands. Organic food companies prioritise promoting their own brands over the organic category as a whole, which prevents educating consumers about the overall benefits of organic products
- APEDA often participates in organic food expos and fairs, supporting Indian agricultural exports. To further enhance India's organic brand positioning, providing incentives to key exporters for participation in major global trade fairs could be beneficial

Case study: Strategic promotion of Zespri Organic Kiwi[48]

Background: Founded in 1997, Zespri International Ltd was set up to address global market challenges for New Zealand kiwifruit growers. Since then, Zespri has provided sustainable returns to growers and premium-quality kiwifruit to consumers globally.

Growth and impact: Zespri's 'Organic SunGold' and 'Green Kiwifruit' saw sharp growth of 92% CAGR in North America over four years. Both varieties have become top-selling organic kiwis in the region, driven by strategic marketing and consumer engagement.

Promotional strategies:

- **Taste-and-try invites:** Zespri promotes its kiwis through taste-testing events, allowing consumers to experience the flavour firsthand
- **Trade shows and expos:** It participates in global trade fairs to enhance brand visibility and connect with potential buyers
- **Consumer campaigns:** Notable campaigns, such as "A Real Snack, for Real Life", target busy mothers through digital platforms, in-store demonstrations and geo-targeted coupons. These campaigns increased brand awareness by a notably 41% nationwide
- **Product positioning:** Zespri markets its kiwis as the perfect snack, emphasising their nutritional benefits and tropical-sweet taste

Innovation and research:

Zespri continuously invests in research to develop products that meet evolving consumer needs. Their proprietary Organic SunGold variety has been particularly successful in driving the category's growth and establishing kiwifruit as a staple in the American diet.

India can take note of Zespri's strategic promotion, engaging consumers directly through taste-and-try events, similar to Zespri's sampling initiatives. Active participation in global trade shows and expos can enhance brand visibility as well. Also, implementing targeted digital campaigns will increase awareness, particularly focusing on health benefits and quality. Furthermore, educational programmes to differentiate organic labels and a branding strategy for organic products can build consumer trust and boost the market presence of India's organic produce globally.

[48] Zespri drives organic kiwifruit growth, June 27, 2024, bluebook.

Organic promotion initiatives of leading organic markets

USA's initiatives

1. Organic Transition Initiative for supporting farmers[49]

Before crops can be certified organic, farmers must manage their land without using prohibited inputs such as synthetic pesticides for 36 months. During this transition period and the initial years post-certification, farmers often face significant technical (organic production practices, certification, conservation planning) and market (business development, regulations and access to market) challenges. To support this critical transition and bolster the organic space, the US Department of Agriculture (USDA) launched OTI in 2022, a $300 million multi-agency effort. The USDA's Agricultural Marketing Service (AMS) and Natural Resources Conservation Service (NRCS) play major roles in this initiative.

- **Mentoring and advice:** The Transition to Organic Partnership Program (TOPP) by AMS offers regionally based farmer training and education. Partner organisations in six regions (the Mid-Atlantic/Northeast, Southeast, Midwest, Plains, Northwest, and West/Southwest) connect farmers with local mentors and provide education in agronomy, certification, conservation planning, business development, regulations and marketing
- **Direct farmer assistance:** The NRCS provides financial and technical assistance to farmers adopting new organic standards. NRCS also enhances its organic expertise by appointing organic experts at regional support centres to train the NRCS field staff. Support includes conservation planning, practice implementation and financial aid. USDA is partnering with Oregon Tilth and Organic Farming Research Foundation to provide the latest in organic research and training. These organizations will establish six organic specialists who will develop regional networks, provide hands-on organic training for producers, and support NRCS staff who assist farmers transitioning to organic.
- **Risk management assistance**: The Risk Management Agency supported the Transitional Organic Grower Assistance Program, which offered assistance to producers purchasing crop insurance for transitioning or for certified organic crops. This programme ran from July 1, 2022, to June 30, 2023, reducing crop insurance premiums and promoting organic systems
- **Organic market development:** The AMS's Organic Market Development Grant Program (OMDG) aims to improve key organic markets requiring more supply or processing capacity. OMDG funds businesses transitioning to or starting new organic production, supporting market access, increasing processing capacity and undertaking product development for domestically produced organic products

Together, these programmes help reduce the risk for farmers who want to grow and market organic crops, while expanding opportunities for US producers to enter new markets. With initiatives such as OTI, OMDG and TOPP, US farmers can transition towards organic agriculture safely, thereby contributing to growth of the organic sector.

2. Organic Certification Cost Share Program[50]

The USDA's Organic Certification Cost Share Program (OCCSP), administered by the Farm Service Agency (FSA), offers financial assistance to organic producers and handlers to offset certification costs. The programme is reimbursing 75% of the certification expenses for the 2024 programme year or up to $750 per certification, which includes crops, livestock, wild crops, handling, and State Organic Program fees.

[49] USDA, Organic Transition Initiative. https://www.farmers.gov/your-business/organic/organic-transition-initiative
[50] Organic Certification Cost Share Program, FAS, USDA: https://www.fsa.usda.gov/programs-and-services/occsp/index

OCCSP also assists producers and handlers obtaining or renewing their certification under the NOP. Eligible applicants include certified organic producers and handlers who have incurred fees to USDA-accredited certifying agents. The cost share covers expenses such as application fee, inspection cost, equivalency agreement fee, inspector travel, user fee, sales assessment and postage. The maximum reimbursement is $750 per certification category.

3. OMDG programme[51]

The OMDG programme fosters growth of organic markets by increasing the consumption of domestic organic agricultural products. It supports the expansion of capacity in certified organic production, aggregation, processing, manufacturing, storage, transportation, wholesaling, distribution and consumer market development. OMDG aims to boost the availability and demand for domestically produced organic commodities and address critical market gaps.

The programme prioritises projects targeting specific needs, such as organic grains and livestock feed, dairy, fibres, legumes and ingredients, currently unavailable in organic form.

Project funding types

OMDG provides three types of funding:

- 24-month simplified equipment-only, with funding between $10,000-100,000
- 3-year market development and promotion, with funding between $100,000-3,000,000
- Processing capacity expansion, with funding between $100,000-3,000,000

Project awards

In May 2024, the USDA's AMS awarded ~$24.8 million to 23 grant projects through OMDG. These projects will support the development of new and existing organic markets to increase the consumption of domestic organic agricultural products and are expected to benefit over 49,000 producers and 118 million consumers. With this announcement, AMS has awarded a total of $75.2 million to 93 projects nationwide, with additional funds of $10 million made available through the programme.

Recently, in May 2024, a round of awards for simplified equipment-only, market development and promotion, and processing capacity expansion projects was funded by the Commodity Credit Corporation. Some of the recipients were:

- **North Country Smokehouse:** It will use the OMDG funds to introduce two new organic pork products, procure new processing equipment, develop packaging and enhance retail visibility. This project is expected to increase production capacity by 175,000 pounds of organic meat annually
- **The DeLong Co, Inc.:** It will invest in infrastructure, equipment and transportation to overcome storage and quality control challenges. This project aims to create demand for over 36 million pounds of organic corn by expanding storage capacity, improving segregation from conventional corn and adding railcars

[51] Organic Market Development Grant, AMS, USDA: https://www.ams.usda.gov/services/grants/omdg

4. Regional Agricultural Promotion Program[52]

Launched in 2023, the $1.2 billion Regional Agricultural Promotion Program (RAPP) by the USDA aims to diversify US agricultural exports beyond traditional markets, such as Canada, Mexico, the EU and China, which make up nearly 60% of US agricultural export sales. RAPP focuses on emerging markets in South and Southeast Asia, Latin America, and the Middle East and Africa, where demand for high-quality food and agricultural products is rising due to a growing middle class. This initiative helps US exporters withstand global economic fluctuation and enhances their competitive edge.

RAPP provides funding to US agricultural trade organisations, regional trade groups, cooperatives and state agencies for expanding exports, overcoming trade barriers and promoting American agricultural products in new markets. On May 21, 2024, the USDA allocated its first $300 million from RAPP to 66 US organisations to boost demand for American food and farm exports in high-potential global markets.

The OTA received $2.5 million to explore and develop new export markets for US organic products. This grant supports activities from June 1, 2024, to September 30, 2029, focusing on Southeast Asia, Africa, the Middle East, Latin America and the Caribbean. OTA's efforts include consumer-focused retail and educational campaigns, participation in trade shows, trade missions and market research to promote USDA-certified organic products and understand consumer preferences in these regions.

5. Organic Economic and Market Information[53]

The USDA offers extensive data on organic agriculture for producers, processors, consumers and researchers. This includes domestic and international price reporting, economic analyses, census data and other pertinent information on organic production and marketing. Such data supports informed decision-making and promotes growth of the organic sector. Key databases and sources include:

- **Organic Integrity Database:** Managed by the Agricultural Marketing Service's National Organic Program, this database lists certified organic farms, ranches and food handlers in the US and globally. Historical annual lists and monthly updates are available for download
- **Organic production surveys**: Conducted by the National Agricultural Statistics Service, these surveys provide data on acreage, production, sales and marketing practices for various organic crops and livestock
- **Economic research service:** This service offers economic information on organic products, including commodity trends, historical price data, certified organic farmland acreage, and comparisons of production cost vs revenue
- **Market news service:** Provided by the Agricultural Marketing Service, this service reports on prices, volume, quality and other market data related to farm products, including fruits, vegetables, livestock, poultry, grain, dairy, cotton, tobacco and specialty crops. Reports cover both domestic and international markets
- **Foreign Agricultural Service:** The agency offers trade data and market analysis for global organic product markets

6. Organic Dairy Marketing Assistance Program[54]

Organic Dairy Marketing Assistance Program (ODMAP) aims to address market volatility, rising input and transportation costs, and volatile feed supplies and prices that have challenged the organic dairy industry. In 2023,

[52] Regional Agricultural Promotion Program (RAPP), FAS, USDA https://fas.usda.gov/programs/regional-agricultural-promotion-program#:~:text=RAPP%20aims%20to%20diversify%20and,of%20U.S.%20agricultural%20export%20sales.
[53] Organic Economic and Market Information, USDA https://www.usda.gov/topics/organic/organic-economic-and-market-information#:~:text=The%20USDA%20has%20a%20wealth,on%20organic%20production%20and%20marketing.
[54] Organic Dairy Marketing Assistance Program, FAS, USDA

the USDA's FSA allocated $104 million to support organic dairy operations by covering marketing costs based on 2022 expenses. ODMAP offers a one-time cost-share payment determined by the marketing costs associated with the volume of organic milk sold in 2022. This financial assistance is designed to provide immediate support to certified organic dairy operations, helping them remain sustainable until market conditions stabilise.

EU's initiatives

The European Green Deal places strong emphasis on creating a sustainable food chain. Central to this is the farm-to-fork strategy, which aims for at least 25% of the EU's agricultural land to be under organic farming and a substantial increase in organic aquaculture by 2030. The European Commission has introduced a comprehensive organic action plan to meet the target.

Building on the achievements of the 2014-2020 action plan and incorporating insights from public consultations, the new plan is organised into three interconnected axis:

1. **Increasing demand and ensure consumer trust:** This focuses on increasing consumer demand for organic products and building confidence in organic labels and standards
2. **Increasing conversion and reinforce the entire value chain:** This aims to encourage more farms to transition to organic practices and strengthen the entire organic supply chain, from production to distribution
3. **Organics leading by example: Improve the contribution of organic farming to environmental sustainability:** This emphasises enhancing the environmental benefits of organic farming and setting a model for sustainable agricultural practices

Figure 102: Three axis action plan of the EU

The plan includes 23 specific actions designed to support these axis, with several key initiatives outlined under each.

Axis-1: Increasing demand and ensure consumer trust[55]

Collecting and disseminating data on organic production: The Action Plan prioritises a comprehensive collection and dissemination of data on organic production to support informed decision-making by consumers and producers of organic products. A significant development in this area was the introduction of the new Regulation on Statistics on Agricultural Input and Output, published on December 7, 2022. This regulation greatly enhances the availability of statistics related to organic agriculture, thereby strengthening Eurostat's regular publications. Key publications and data include a general market overview on organic production, detailed market briefs on organic product imports, short- and medium-term outlook reports encompassing organic markets, continuously updated price information on various organic products, and meta-analyses on environmental and climate impacts of organic farming.

Measuring and raising consumer awareness of organic production: A regular consumer survey is undertaken via regular Eurobarometer surveys to measure consumer awareness of organic production and of the organic logo, and to understand why consumers purchase organic products and how they perceive those. Given that Eurobarometer surveys show that there is scope for further raising of consumer awareness in the area of organic production and organic logo, the EU has engaged in various awareness-raising activities.

One significant effort is the establishment of an annual 'EU Organic Day', initiated on September 23, 2021, through a joint declaration by the European Parliament, the Council of the European Union and the European Commission. Additionally, the EU recognises outstanding contributions in the organic sector through the EU Organic Awards, which honours exceptional organic farmers, cities, regions, bio-districts, small and medium enterprises, food retailers, and restaurants.

Promoting organic products to consumers in the EU and globally: To expand the agricultural area dedicated to organic farming, the EU is actively working to develop the market through various strategies. This includes implementing EU-wide marketing campaigns aimed at boosting the consumption of organic products. For the years 2021, 2022 and 2023, a dedicated budget of ~EUR 50 million annually was allocated for these campaigns. In addition to promoting domestic consumption, the EU is also focusing on enhancing export opportunities for organic producers. This effort supports the creation of fair, healthy and environmentally friendly food systems beyond the EU. Strategies include media promotion, participation at international fairs and negotiations with 13 countries[56] to establish trade agreements for organic products.

Promoting green public procurement of organic products: The Green Public Procurement (GPP) initiative aims to significantly increase the demand for organic products by encouraging local, regional, national and EU-level authorities to procure organic goods for their various institutions, such as canteens, nurseries, schools, hospitals, elderly homes and prisons. The goal is to boost the growth of organic production through expanded demand. The ongoing review of the EU School Scheme, which supports the distribution of fruits, vegetables and milk, is set to increase the proportion of organic products and enhance educational activities related to organic production. A pilot project has also been established to gather data on the extent of and barriers to implementing GPP for organic products.

Maintaining consumer trust: To sustain and expand the market for organic products, it is crucial to ensure that consumers continue to trust the EU Organic logo and its assurances. The Action Plan addresses this by implementing several key measures:

[55] Action Plan for the Development of Organic Production What Has Been Achieved So Far? September 2023; European Commission https://agriculture.ec.europa.eu/farming/organic-farming/organic-action-plan_en
[56] Argentina, Australia, Canada, Costa Rica, India, Israel, Japan, New Zealand, South Korea, Tunisia, the United States, Colombia and Mexico

- **Audits and reporting:** Conducting audits and analysing annual reports from member states and third-country control bodies and authorities
- **Fraud prevention**: Collaborating with the European Anti-Fraud Office and the EU Agri-Food Fraud Network to investigate and address suspected fraud cases
- **Compliance monitoring**: Regularly discussing non-compliances with organic legislation with member states to ensure adherence
- **Import control**: Providing guidance on import controls to prevent fraudulent or non-compliant products from entering the EU
- **Database and digital tools**: Establishing a comprehensive database of operators and introducing the electronic signature (e-seal) in the Traces database for certificates of inspection to accompany imports of organic goods
- **Traceability:** Conducting traceability exercises and funding research and innovation projects to improve traceability systems

These actions collectively aim to uphold the integrity of the EU organic certification system and reinforce consumer confidence in organic products.

Axis-2: Increasing conversion and reinforcing the entire value chain

Supporting farmers converting to organic farming: To expand the area of agricultural land under organic farming, it is essential to incentivise farmers to transition to organic methods. This involves providing support during the conversion period and for the initial years of organic farming implementation. The Common Agricultural Policy (CAP) plays a crucial role in this process by offering financial and advisory support to farmers who voluntarily switch to and maintain organic farming practices.

Organic farmers can benefit from various forms of support, including knowledge transfer, innovation actions, advisory services, quality schemes for agricultural products and foodstuffs (including promotion and information measures), investments, animal welfare, and cooperation.

For the CAP period 2023-2027, following the adoption of the legal framework, the European Commission issued recommendations to member states. These countries then submitted draft national strategic plans, which included their proposed support for organic farming. CAP 2023-2027 marks a significant progress compared with the previous programming period. It is estimated that the area of EU agricultural land supported by CAP measures targeting organic farming will increase from 5% under the previous CAP to 10% under CAP 2023-2027.

Addressing organic farming production bottlenecks: Organic farming faces several production bottlenecks. For organic livestock, challenges include a shortage of protein feed, which the EU is addressing through funded research and innovation projects. Additionally, regulations for the use of insects in feed and an algae initiative have been introduced to address these issues. In crop farming, challenges include limited availability of seeds and lower yields compared with conventional farming. Other areas requiring improvement include intercropping and weed management. The Action Plan includes targeted research and innovation actions to tackle these production challenges.

Strengthening the position of the organic farmer in the supply chain: As organic production expands, it is crucial to enhance and sustain the position of farmers within the supply chain to ensure they receive a fair income. This can be achieved through direct and indirect measures. Directly, the European Commission has addressed the farmer's position in the value chain through discussions and has permitted member states to support organic farming within producer organisations. Additionally, the Commission monitors unfair trading practices in the organic

sector. Indirectly, the new organic legislation introduces group certification, which reduces the administrative burden and costs associated with certification, thereby strengthening the position of organic farmers.

Developing the complete organic supply chain – going beyond the farm gate: At the micro-level, enhancing the position of farmers and advancing both the consumption and supply of organic products can be achieved through short supply chains and bio-districts.

- **Short supply chains:** Direct sales from farmers to consumers can create a win-win situation, allowing farmers to retain a larger share of the value while offering consumers lower prices
- **Bio-districts:** Bio-districts are collaborative initiatives between public authorities and organic operators that focus on green public procurement, tourism and other areas. These districts aim to strengthen local organic supply chains and provide mutual benefits for both producers and consumers

Axis-3: Improve the contribution of organic farming for environmental sustainability

The third axis of the Action Plan focuses on further enhancing the sustainability of organic production. This is done via several actions, including research and innovation, focused on:

- Minimising the climate impact of organic farming
- Developing alternatives to contentious inputs
- Minimising the use of plastics in organic farming
- Further increasing animal welfare in organic farming

UK's initiatives

The Organic Conversion Scheme[57]

The Organic Conversion Scheme offers area-based support to farmers in Wales who wish to transition from conventional to organic farming. Designed to assist farmers during the two-year conversion period, the scheme aims to deliver positive environmental benefits and is funded for the first two years of a five-year contract. The scheme supports various farming sectors, including arable land, beef, dairy, goats, horticulture, pigs, poultry, sheep and apiculture. To qualify, all land under the scheme must remain continuously certified by an organic control body for the entire five-year contract period.

Participants receive a contribution of £500 per year towards certification costs during the two-year conversion period. However, applicants who already hold organic certification and are only adding additional land are not eligible for this certification cost contribution. There is no limit to the area of land that can be included in the scheme. The maximum payment will be capped according to the following:

Area	Payment
0 - 200 ha of eligible land	100% of the payment rate
200 – 400 ha of eligible land	50% of payment rate
400 ha +	10% of payment rate

[57] Organic Conversion Scheme: guidance; 15 July 2022; Wales government

Australia’s initiatives

Organic Awareness Month

Australia’s National Standard for Organic and Bio-Dynamic Produce regulates exports, enabling the country to access significant global markets. The government focuses on exports and engages in negotiations regarding organic recognition and free trade agreements, rather than regulating the domestic market. Consequently, Australia is the only Organisation for Economic Cooperation and Development country without domestic organic legislation, despite organic retail sales surpassing AUD 2.1 billion (approximately EUR 1.3 billion) in 2022.

In September, Australia celebrates Organic Awareness Month to promote awareness about organic farming, products, and their benefits to consumers, farmers and the environment. Various activities, such as workshops, educational events, farm tours and promotions, are organised to highlight the importance of organic agriculture, sustainable practices and healthy living choices. This month-long event serves as a platform to engage the public, encourage organic consumption and support the growth of the organic industry in the country.

Canada’s initiatives

1. **Export programme**

The Canada Organic Trade Association (COTA), with assistance from Agriculture and Agri-Food Canada, has developed an international marketing strategy to promote the growth of Canada's organic sector. COTA's export programme aims to identify target markets, products and key entry points to benefit the Canadian organic sector by identifying gaps in the supply chain and new opportunities, and encouraging innovations, thereby providing a coordinated approach to capacity development. Key aspects include:

- Trade show and trade mission support
- Market information service and technical regulations
- Buyer missions- a bespoke meeting program, connecting Canadian organic producers with buyers from the international market.

2. **Domestic programme**

COTA and its members regularly attend and participate in domestic trade shows and business networking events. COTA organises exhibits, information sessions and business-to-business meetings to promote the Canadia Organic brand, and help members establish business contacts.

Domestic shows include:

- Canadian Health Food Association Natural Organic Wellness shows (Toronto and Vancouver)
- SIAL Canada (Toronto and Montreal)
- Guelph Organic Conference
- Organic Connections

COTA members benefit from increased visibility at the domestic shows as well as networking opportunities at trade shows, conferences and socials.

3. Organic Promotion Fund

The Organic Promotion Fund is a resource pool set up to empower and encourage members to engage in activities that boost sales within the domestic organic market. This fund is designed to support creativity, strategic thinking and community engagement, driving the growth of the organic sector.

50% reimbursement: The fund provides a 50% reimbursement for qualifying domestic activity expenses, ensuring that financial support is accessible for successful applicants.

Eligible activities: A broad range of activities qualify for support, including:

- Innovative marketing campaigns
- Sales presentations, including attendance at trade shows
- Customer loyalty initiatives

Requirements:

- Direct relation to sales growth: Activities must directly contribute to the growth of organic sales in the domestic market
- Mandatory survey: To receive funding, applicants must conduct a survey to track domestic sales resulting from the supported activities

4. Consumer education

COTA educates consumers about the values of Canada Organic through national campaigns and an active media presence. Key initiatives include:

- **Organic Week (September):** Canada's largest annual celebration of organic food, farming and products, featuring cooking demos, food workshops, webinars, farm tours and product promotions
- **Choose Canada Organic Campaign:** A national brand strategy to build consumer recognition and trust in the Canada Organic logo. The campaign promotes the benefits of choosing organic and engages consumers, farmers, food manufacturers, retailers, chefs and communities to support the Canadian organic sector. These initiatives collectively aim to enhance both the domestic and international presence of Canadian organic products, fostering growth and sustainability within the sector

Apart from these initiatives, another important element that plays a vital role in the organic products trade is organic recognition agreements. Organic recognition agreements are crucial for the trade of organic products, enabling countries to recognise each other's certification standards. These trade agreements allow differing standards, regulations or procedures in each country to be treated as equivalent, provided these achieve the same results and policy objectives.

An organic recognition arrangement involves an import-export agreement, where both the foreign country's conformity assessment system and its standards are considered equivalent to domestic regulations. This means an imported product certified through the foreign country's system to its standards would be deemed to meet the importing country's requirements.

Organic recognition agreements

Agreements of EU[58]

- From 2025, the new requirements of EU organic regulations will apply to third countries (Country/ies outside the European Union). All imported products must comply with EU regulations. And organic recognition specifications will only be recognised within the framework of bilateral trade agreements or other existing agreements. There will be a transition period between the two systems. The EU has given itself five years to negotiate such agreements with its partners. The European Commission will have the possibility of granting specific authorisations for the use of products and substances in third countries and its outermost regions, considering differences in ecological balances in production, particular climatic conditions, traditions and local conditions. These specific authorisations may be granted for two years, following which it needs to be renewed. Trade agreements have already been concluded with Chile and Switzerland, and a mutual agreement has been reached with the UK, guaranteeing continuity of the existing agreement. A renegotiation with these three countries is, therefore, not necessary. Negotiations are underway with other third countries that currently have organic recognition agreements with the EU and are expected to continue until 2026. These comprise Argentina, Australia, Canada, Costa Rica, India, Israel, Japan, New Zealand, South Korea, Tunisia and the US. Negotiations have also been initiated with Mexico and Colombia
- The bilateral agreement between the US and the EU, which came into force on June 1, 2012, is restricted to export of animal products to the US from the EU. To import apples and pears into the EU, a certificate of absence of use of antibiotics is required from both countries
- The European Commission has included San Marino among the organic recognition states for organic certification. Organic products from San Marino can, therefore, be exported freely to the EU and use the EU Organic logo
- The agreement between Japan and the EU only concerns plant products (excluding wine)

Agreements of US

- Besides an agreement with the EU, the US also has organic recognition agreements with Canada, the UK, Switzerland, Japan, South Korea and Taiwan
- The restricted bilateral agreement between the US and the UK entered into force on January 1, 2021. It is similar to that concluded between the US and the EU
- The US agreement with South Korea only covers processed products
- The agreement between the US and Taiwan, which was previously unilateral[59] , became bilateral in 2020. The US is Taiwan's largest source of organic imports, accounting for 30% of the total
- Early 2021, the US ended its organic recognition agreement with India (similar to New Zealand and Israel)

Agreements of Canada

- Besides agreements with the US and the EU, Canada has agreements with the UK, Switzerland, South Korea, Japan, Taiwan[60], Costa Rica and Mexico
- In 2023, Canada expanded the scope of its agreement with Japan to include alcohol
- The organic recognition agreement between Canada and the UK came into force on January 1, 2021. It incorporates the terms of the agreement signed in 2009 between Canada and the EU
- The agreement signed with Mexico in early 2023 is restricted. It concerns Canadian and Mexican agricultural and processed plant-based products, Canadian livestock and livestock products, and products whose final processing or packaging took place in one of these two countries

[58] Organic Sector Worldwide, 2024 edition, International publication by Agence BIO
[59] It allowed the USA to sell its organic products to Taiwan.
[60] Canada is the second origin of organic products imported to Taiwan.

Agreements of Japan

- Besides agreements with the US, the EU and Canada, Japan has agreements with Switzerland, Taiwan, Vietnam, Argentina, Australia and New Zealand
- In 2020, Japan extended its agreements with the US, Canada and Australia to include livestock products. In August 2023, Japan and Canada expanded their organic recognition agreement on organic products to include alcoholic beverages
- The agreement concluded in 2020 between Japan and Taiwan only concerns plant production, unprocessed and processed (excluding alcohol, seeds and plants)

Agreements of Taiwan

- Besides agreements with the US, Japan and Canada, Taiwan has agreements with Australia, New Zealand, Paraguay and India
- The MRA between India and Taiwan was implemented effective July 8, 2024

Agreements of the UK

- The UK has several agreements with the EU, the US, Canada, Switzerland, Argentina and Tunisia, among others

Agreements of Switzerland

- Switzerland has an organic recognition agreement with the US, Canada, Japan and Chile

Agreements of New Zealand

- New Zealand has agreements with the EU, the US, Japan, Taiwan, China and Australia

Agreements of India

- The NPOP standards for production and accreditation system have been recognized by European Commission and Switzerland for unprocessed plant products as equivalent to their country standards.
- India is also actively negotiating with Australia and South Korea for an organic MRA
- An agreement between India and Taiwan to facilitate trade in organic products came into force on July 8, 2024

In the increasingly competitive global market for organic products, India has an opportunity to boost its competitive edge by expanding its organic recognition agreements, similar to those of other nations. Currently, India's organic exports are predominantly in bulk, which limits the country's ability to establish a strong brand presence and connect directly with consumers. To enhance India's position and boost its organic exports, a strategic shift is necessary. Moving from bulk exports to retail packaging will not only increase brand visibility but also build consumer trust and loyalty. By focusing on retail packaging, India can effectively showcase the quality of its organic products, differentiate itself from competitors, and ultimately secure a larger share of the international market.

Retail products in organic exports

Currently, India's organic product exports are predominantly in bulk packaging rather than retail. While bulk packaging offers substantial value to exporters, profitability can be significantly enhanced through retail packaging. Exported Indian organic products are often repackaged by importing nations into retail packs and sold at higher margins, resulting in Indian exporters and producers missing out on a share of higher profits.

To address this, it is crucial to differentiate Indian organic products in the global market. Establishing a distinct position in consumers' minds will enable them to easily distinguish Indian organic products from those of competitors. Brand differentiation can be undertaken in several ways, as outlined below:

Table 8: Types of brand differentiation

Types	Explanation	Example
Loose export with no branding	When the agribusiness exporter is a bulk commodity exporter and competes on price	Most countries and their commodity exports
Certification-based brand	When the agribusiness exporter uses consumer recognised certifications as a source of differentiation to show quality, provenance, or sustainability	Fair Trade Rain Forest Alliance Better Cotton Initiative
Company brand	When a country has one or several large companies exporting the commodity under consumer recognised brands	Sri Lankan tea: • Akbar Brothers • Dilmah • Finlays • George Steuart Tea
Country brand	When a country owns the commodity category in the consumers' mind and there is a clear positive association which creates a higher perceived value	• French wine • Cuban tobacco • Greek olives • Madagascan vanilla • Italian coffee

As we move down the table, the degree of execution risk increases significantly and so does the reward, measured by the price paid per tonne. In 2019, export value per tonne (export value/export quantity), which serves as a measure of perceived value and the ability to capture a larger portion of the retail price, varied considerably among countries for a few key products:

- **Wine:** France $6,312/tonne, Toga $1,144/tonne and Madagascar $3,689/tonne
- **Roasted coffee:** Italy $7,511/tonne, Laos $1,507/tonne and Uganda $1,507/tonne
- **Vanilla:** Madagascar $253,790/tonne, Papa New Guinea $95,022/tonne and India $103,116/tonne

Currently, Indian organic products fall into the type 1 category, where bulk organic consignments are exported at competitive prices. These consignments are largely repacked into retail sizes under different brands and sold in the importing country by the buyer.

How to move down the table?

- **Targeting the end consumer:** In today's market, consumers' preferences guide the pricing leverage, contingent upon whether the end buyer perceives added value. Instead of focusing solely on immediate buyers, directing brand-building and marketing efforts towards the end consumer can yield better results
- **Digital opportunities:** The rise of digital marketing offers unprecedented access to targeted consumer segments worldwide. Ironically, while hyper-precise targeting and brand-building through digital platforms are core strategies for many industries, agribusinesses have underutilised this potential, often allowing their customers to capture majority of the profit pool
- **Importance of positioning and brand building**: To avoid becoming commoditised, there's a growing need for agribusinesses to differentiate through strategic positioning and robust brand-building efforts

Case of Barbados sugarcane

Small-scale production of sugarcane in Barbados meant it could not compete on price in the world market against industrial producers such as Brazil. In 2007, West Indies Sugar & Trading Company Ltd (WISTCO) was formed to build a brand and positioning strategy where its high relative production costs could be passed to consumers through premium pricing.

After careful analysis, the firm found an underserved market segment and built itself a niche position. The firm supplies to over 1,400 stores in the UK, including Waitrose and Harrods, while also targeting 500,000 European tourists every year. The table below shows how planned positioning and branding can help relatively inefficient smallholder countries outperform industrial producers.

Confectionary sugar	Export quantity (tonne)	Export value ($)	Export value/tonne
Barbados	25	$152,000	$6,080
Brazil	78202	$138,278,000	$1,768

India should strategically focus on targeting end consumers by introducing organic products in retail packaging adorned with Indian brand names and the Indian organic logo. This approach will enhance visibility and brand recognition in international markets. Initially, the key step involves identifying suitable retailers for partnerships and establishing a robust distribution network for Indian retail organic products. Simultaneously, promoting Indian organic products should showcase their quality, authenticity and associated benefits directly to consumers. This outreach can be effectively executed through diverse promotional activities, leveraging digital tools for precise targeting and widespread reach. By communicating the unique attributes and health benefits of Indian organic products, and ensuring transparency in sourcing and production processes, India can build trust and preference among global consumers.

This comprehensive strategy not only aims to differentiate Indian organic products in competitive markets but also aims to capture higher value and foster long-term consumer loyalty. Through these efforts, India can position itself as a reliable source of premium organic products, contributing to the growth of its organic farming sector and enhancing its global market share.

Economics of retail packaging

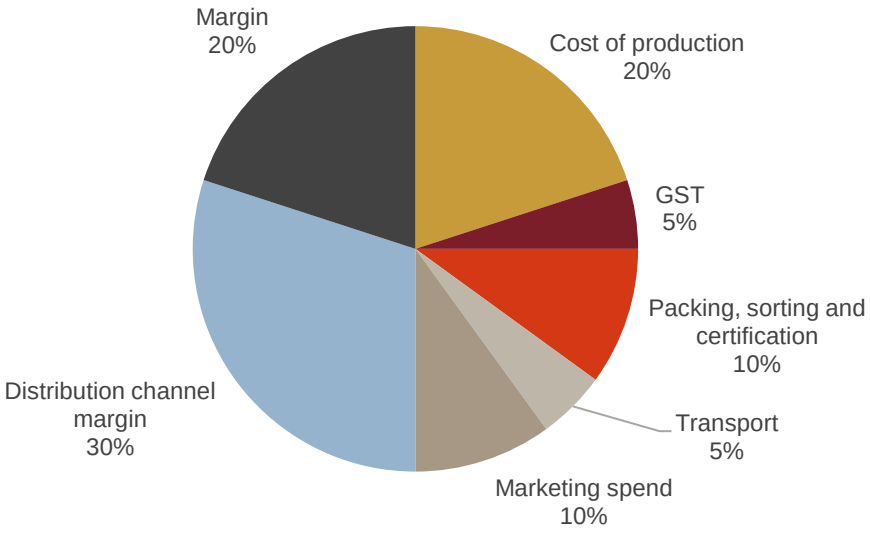
Importance of packaging: In a recent retailer survey, 97% of respondents confirmed that packaging plays a crucial role in consumers' decisions to purchase organic products. Specifically, 65% of retailers emphasised that packaging design and labelling are "very important" in attracting consumers. Additionally, 95% of retailers noted

that consumers prefer eco-friendly packaging options, though 22% indicated that convenience packaging still holds significant importance.

Impact on pricing and profitability: When asked about the influence of packaging on pricing and profitability, 61% of retailers acknowledged its significant impact. Proper packaging not only protects the product but also enhances its appeal, justifying higher prices and potentially increasing profitability.

Cost breakdown: Industry insights reveal the cost structure for a 1 kg branded organic product, highlighting the key factors contributing to its retail price:

Figure 103: Unit economics of 1 kg SKU of an organic product



Source: CRISIL MI&A Research estimates

Market Intelligence
& Analytics

CRISIL
An S&P Global Company

Recommendations

Recommendations and the way forward

Focus on strategic products

Our methodology for mapping the potential export products

We analysed potential export products using a three-part framework:

India's strength vs global demand

- Assessed products that India already produces and exports in bulk
- Examined export trends and CAGR over fiscals 2020-2024
- Identified key export destinations and evaluated the premium pricing achieved for these products

Untapped potential vs high global demand

- Identified products with high global demand but not yet widely produced in India
- Evaluated opportunities for India to expand its production to meet demand

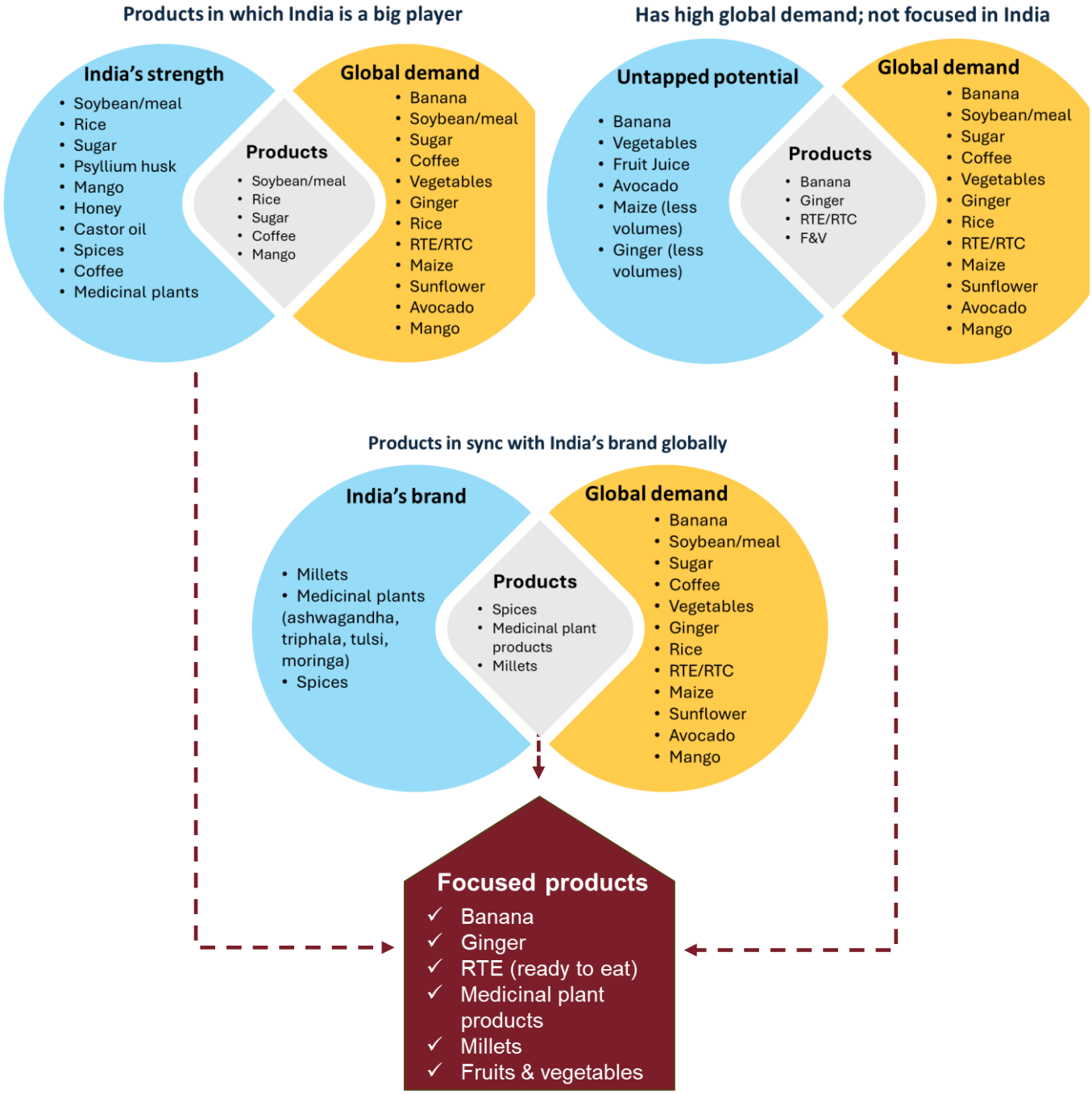
India's brand vs global demand

- Considered products that align with India’s international brand image
- Focused on how these products resonate with global consumers and fit within the existing perceptions of Indian exports

Other indicators considered for the assessment

- Overall trends in global retail sales
- Per capita consumption of organic products
- Consumption of organic packaged food
- Trends of consumer spending on food and beverages
- Incorporated insights from secondary research and direct interactions with stakeholders to determine the product potential

Figure 104: Matrix for selection of products



Key insights

Based on our interactions with key stakeholders and various indicators, our study identified several promising products which has high global export demand. The global market is witnessing a significant surge in demand for convenient, healthy and organic food options. Consumers increasingly prefer RTE meals, snacks and processed foods that suit their fast-paced lifestyle.

Coconut products such as milk, oil and kernel have seen a sharp increase in demand, especially in the US and the EU. The EU is offering a premium price for coconut oil, at $7,500 per tonne compared with $6,412 in the US. Despite lower volumes, demand for virgin coconut oil has increased at a CAGR of 153% over fiscals 2020-2024.

In the spices segment, turmeric leads with a 48% volume share, with the EU and the US as major buyers. Products such as turmeric powder, steam-sterilised turmeric and turmeric TBC are in high demand.

There is also a substantial demand for organic protein sources, particularly in the form of fodder for animal feed. As awareness of sustainable and organic farming practices grows, the market for organic fodder has been expanding, offering new opportunities for producers and exporters.

Based on our analysis and survey, the following products/categories were identified as the areas of strength and areas to increase long-term focus for exports. The focused products mentioned in the below table are selected from the matrix discussed above.

Table 9: Focused products for exports from India

S. no.	Categories/products
1	Banana
2	Ginger
3	RTE/RTC (ready to eat/ready to cook)
4	Medicinal plant products
5	Millets
6	Fruits and vegetables

Products in focus

Banana

Approach for selecting the product

India is the world's largest producer of conventional bananas, with an output of 35.26 million tonne in fiscal 2023, accounting for 26.5% of global production. Despite this, India only contributes ~1% to global banana exports, equivalent to 360,000 tonne in fiscal 2023. During the same period, India's organic banana production was just 205 tonnes. This disparity highlights India's lag in organic banana cultivation despite its strength in conventional production.

The global demand for organic bananas[61] is strong (~1.24 million tonne in 2022), making it a top import product. Currently, Ecuador leads the market with a 43% share, followed by the Dominican Republic (18%), Peru (13%), Colombia (11%) and Mexico (11%). These countries have capitalised on the rising demand for organic products through advantageous agricultural conditions, strategic locations for exporting to the EU and the US, and supportive export infrastructure.

[61] Considered only imports of the EU and the US as these two accounted for more than 77% of global imports in 2022.

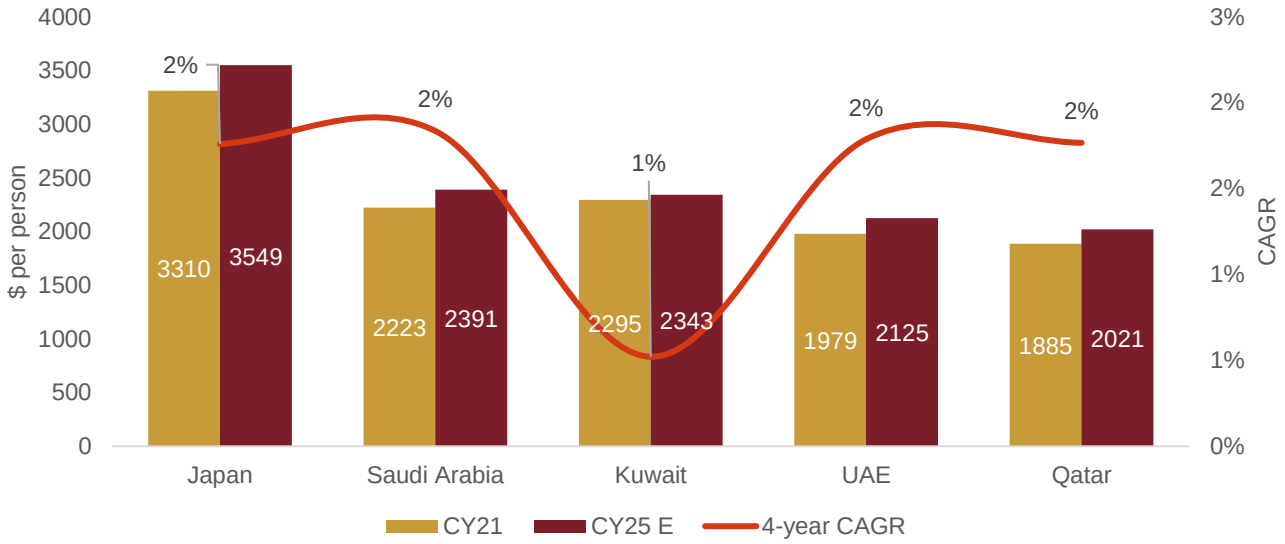
Strategic pathways for enhancing India's banana exports

Middle Eastern countries are big importers of India's conventional bananas. Qatar, Bahrain, Kuwait, Saudi Arabia, and the UAE are premium markets, offering price premiums ranging from $600 to $900 per tonne. India has already established a strong supply chain with these countries. By developing a dedicated value chain for organic bananas, targeting premium markets and promoting organic bananas in these countries can enhance the banana export profile significantly.

Japan and Russia are emerging as potential premium markets with increasing demand for organic products. APEDA has been instrumental in facilitating the export of conventional bananas from India to Moscow, Russia via sea in 2024. In fiscal 2018, APEDA collaborated with the National Research Centre for Banana (NRCB) to develop a sea shipment protocol for banana exports. This partnership has enabled successful exports of bananas to the UAE. By adopting best practices from successful supply chain facilitations, India has the potential to bolster organic production and exports to the Middle East, Japan and Russia. Strengthening these efforts could significantly enhance India's presence in the premium markets and increase banana exports.

The chart below indicates that consumer expenditure per capita on food and beverages in the targeted countries is projected to increase at a CAGR of 1-2% over fiscals 2021-2025. This trend suggests increasing potential and affordability of the consumer to purchase organic products. Higher spending reflects a growing market opportunity for organic products, indicating consumers in the regions are likely to invest more in the quality food options.

Figure 105: Consumer expenditure per capita on food and beverages



Source: Global organic trade

Ginger

Approach for selecting the product

Globally, demand for organic ginger was nearly 60,000 tonne in 2022. During that year, India exported 1,026 tonne, accounting for roughly 2% of the global imports. From 2018 to 2022, global organic ginger imports (majorly for the EU and the US) increased at a CAGR of 25%. India has significant potential to expand its production and enhance exports of organic ginger. Currently, the leading exporters are China (34%) and Peru (28%).

Indian organic ginger is exported in ~22 product forms, with ginger TBC, ginger powder, ginger sliced (dried), ginger TBC steam sterilised, tulsi ginger and ginger extract making up over 90% of the market. Among these, ginger extract has the highest value at $379,464 per tonne, with the US being the sole market. Tulsi ginger holds marginal 1% share with highest premium product at $60,000-76,000 per tonne. Ginger TBC holds a 45% share in exports, with Morocco being the highest premium market at $11,238 per tonne, followed by the US at $9,248 per tonne and the UAE at $8,000 per tonne. Ginger powder accounts for 28% of the market share, with Australia offering the highest premium price at $8,666 per tonne, followed by Saudi Arabia at $6,000 per tonne. Ginger sliced (dried) makes up 12% of the market, with Australia as the premium market at $30,000 per tonne and Switzerland at $7,547 per tonne. Ginger TBC steam sterilised makes up 3% share, with the EU and the US as the premium markets at $5,200-8,500 per tonne.

Unlocking value realisation in ginger exports

Between fiscals 2021 and 2024, India's organic ginger production declined 50%, from 29,284 tonne to 14,681 tonne. To capitalise on market opportunities, India should focus on increasing production and developing value-added products that fetch high market prices, such as ginger TBC, ginger powder and ginger extracts. Australia offers a higher premium compared with the EU, and the US remains a major import market, offering premium prices.

Establishing organic food parks in north-east India for the processing and value addition of spices (ginger, cardamom, turmeric), fruits (pineapple, passion fruit) and other major crops can significantly enhance the agricultural sector. These food parks will focus on sustainable processing and packaging of organic produce, ensuring that the products meet high quality standards. Additionally, they will provide farmers with access to modern facilities and expertise, fostering the growth of the organic farming community and creating new employment opportunities in the region. This initiative will also contribute to the overall economic development and sustainable agricultural practices in north-east India.

RTE products

Approach for selecting the product

The consumption of organic packaged foods in the US, EU, Middle Eastern countries and Korea is projected to grow at a CAGR of 3%, 6%, 12-15% and 5%, respectively, over CY2019-23. This trend reflects a global increase in demand for convenient food options. Consumers are increasingly opting for RTE meals, snacks and other processed foods that fit their busy lifestyles without compromising health and wellness. The change in consumer behaviour is expected to significantly boost India's organic exports.

The rise of Indian RTE product exports

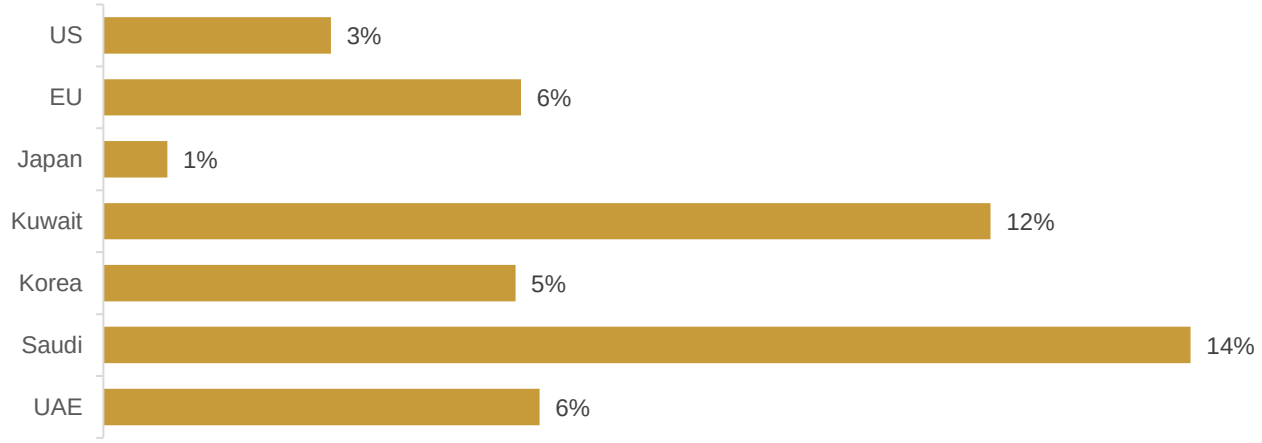
India has experienced a significant rise in the exports of RTE products, at a CAGR of 63% over fiscals 2020-2024. The US leads with 99% export share, while Australia and Israel collectively account for 1%. The US market offers a lower premium price at $2,530 per tonne compared with Israel at $4,713 per tonne and Australia at $4,503 per tonne. Given increasing consumption in the EU, Korea and Middle Eastern countries, India has the opportunity to expand its reach in these regions.

Conventional value-added products have grown steadily over the years, at a CAGR of 3% over fiscals 2019-2023. The US, the UAE, Canada, Australia, the UK and Middle Eastern countries are the key importers of Indian conventional value-added products. Our primary interactions with Indian organic food manufacturers (especially of breakfast cereals, healthy mix and RTE) revealed they are focusing on the Middle East (7.93 million Indians live in

the UAE, Saudi Arabia, Kuwait, Qatar and Oman), Europe (22.8 million Indians) and the US (44.6 million Indians)[62]. The Indian population has a growing demand for familiar and high-quality organic products from their home country, driven by a desire to maintain cultural culinary practices.

To expand India's presence in the organic product segment, it is essential to build on the existing customer base for conventional value-added products. By leveraging the established supply chain networks in these countries, we can organise buyer-seller meetings to introduce the current organic offerings as well as new products. Strengthening branding and promotional activities in global markets will be crucial to enhance visibility and drive growth in this sector.

Figure 106: Organic packaged food and beverage consumption CAGR (CY2019-23)



Source: Global organic trade

Medicinal plant products

Approach for selecting the product

India is a leading producer of medicinal plant products. The sector experienced strong export growth at a CAGR of 12% (volume) over fiscals 2020-2024. In fiscal 2024, India produced ~75,000 tonne of medicinal products and exported 4,491 tonne, i.e. 6% of production. The US and the EU are the primary export markets. Despite a decrease in production from 101,000 tonne in fiscal 2022 to 72,000 tonne in fiscal 2024, export demand continues to rise, highlighting significant growth potential for the sector.

In fiscal 2024, India exported ~256 different medicinal plant products. Key exports included psyllium husk (40% export share), ashwagandha (20%), tulsi (5%), moringa (4%), chicory (2%), and chia seeds, triphala, amla and vegetable extracts at 1% each. Although the export volume increased 25% in fiscal 2024, the total value decreased 12% on-year due to a rise in the exports of lower-value commodities such as psyllium husk, which saw a 21% growth in its share.

Enhancing our capabilities in products offering higher premium

Ashwagandha has witnessed a CAGR of 17% over the past five years (fiscals 2020 to 2024) owing to its high medicinal value. The EU offers the highest premium for these products. Ashwagandha is marketed in 11 different forms, with the highest premium for capsules being $188,820/MT from the EU and $49,438/MT from the US. Root

[62] Population of Overseas Indians Data retrieved from Ministry of External Affairs, GoI (https://www.mea.gov.in/images/attach/NRIs-and-PIOs_1.pdf)

extract ranks second in terms of both volume and value, with the EU offering $72,829/MT and the US $86,957/MT. Other products include extracts, tea bag cut (TBC), powder and tablets.

Tulsi, with a 5% share in the export basket, has grown at a CAGR of 13% (fiscals 2020 to 2024) over the past five years. It is sold in 147 different forms with capsules, extracts, powder, detox and cleansers achieving the highest value. The EU offers a premium of $38,899/MT with a 30% market share, followed by the US at $30,000/MT with a 43% share. Other markets for tulsi are Australia at $27,907/MT and Canada at $23,407/MT.

Strategic approach to focus on destinations and products

Focused products

- **Ashwagandha:** Priority forms – capsules and root extract. Provides highest premiums and strong market growth
- **Tulsi**: Priority forms – capsules and extract. Offers consistent growth and strong market presence
- **Other high-value products**: Moringa capsules, triphala capsules and extract, amla extract, vegetable sap extract, neem capsules. Has unique demand and potential for premium pricing

Target destinations

- **The EU** offers the highest premiums for both ashwagandha and Tulsi. (Strong health and wellness market)
- **The US** has a significant market share and high premiums, especially for ashwagandha root extract
- **Australia and Canada** are seeing growing demand for natural and organic health products

Millets

Approach for selecting the product

- India is a major producer of millets (17.6 million MT out of 94 million MT); accounted for ~19% of global production in 2023
- The global consumption of millets was estimated at 93.5 MMT in 2023, a y-o-y increase of 6.1%
- Millets have a low glycaemic index, which helps in managing blood sugar levels. Hence, consumption of millets is increasing
- As global concerns over climate change and environmental degradation grow, there is a shift towards sustainable food practices. Millets, being resilient to climate variations and requiring fewer resources, align well with these practices

Enhancing our capabilities in products offering higher premium

- Nearly 60% of our organic millet exports are to the EU (2024)
- Products such as amaranth and quinoa should be focused on
- Nearly 83,000 ha land is under certified organic millet cultivation in India, millets are predominantly grown as organic products.
- India should bring the non-certified but organically grown millet areas under certification

Fruits and vegetables

- Fruits and vegetables are a major category in organic imports, with the USA leading at 46%, followed by the EU at 40% and Canada at 33%.
- The consumption of organic fruits and vegetables is rising in the US and the EU. During CY2018-22, the US saw an 11% CAGR increase in fruit and vegetable consumption, while the EU experienced a 5% CAGR increase.

Enhancing our capabilities in products offering higher premium

- According to certification bodies and industry experts, the area dedicated to organic fruit and vegetable cultivation is relatively larger under the PGS certification system compared to the NPOP certification system.
- Area under fruits and vegetables should be increased under the NPOP system and products should be exported to global markets
- Apart from fresh fruits and vegetables, the products should be processed as fruit juices, jams, candies to name a few and should be exported in retail packs

Strategic focused markets with respect to premium price and demand

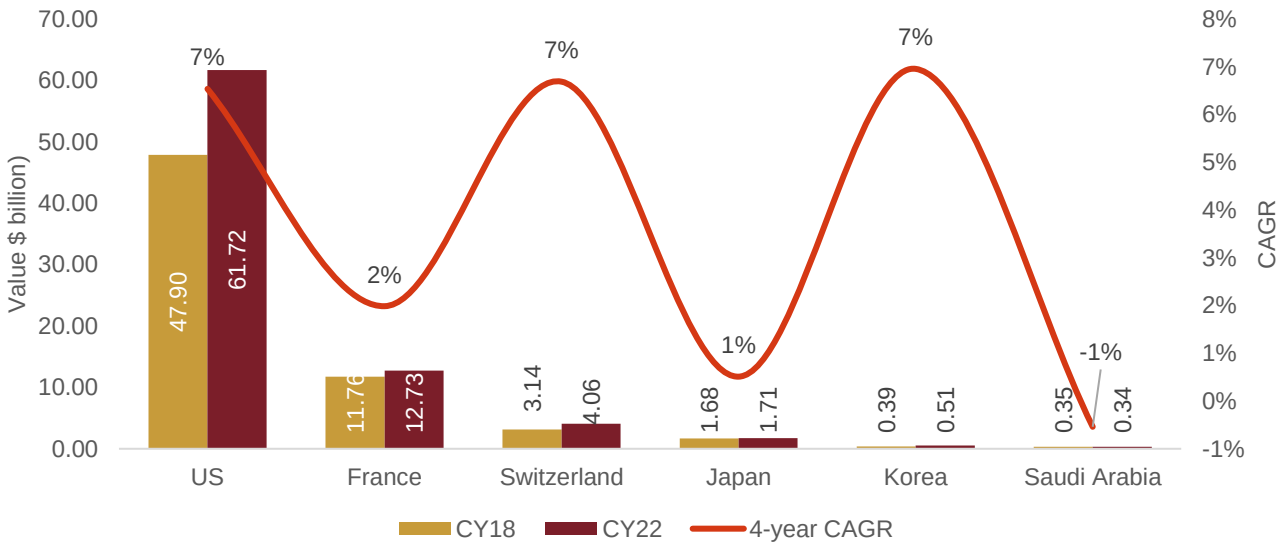
Our methodology

As outlined in the previous section on methodology, we conducted an in-depth analysis of the critical indicators used to identify premium markets. These indicators include factors such as:

- Overall trend in global retail sales
- Per capita consumption of organic products
- Consumption of organic packaged food
- Trend in consumer spending on food and beverages
- Incorporated insights from secondary research and direct interactions with stakeholders to determine the strategic-focused markets

Country-wise retail sales trend (2018-22)

Figure 107: Retail sales trend

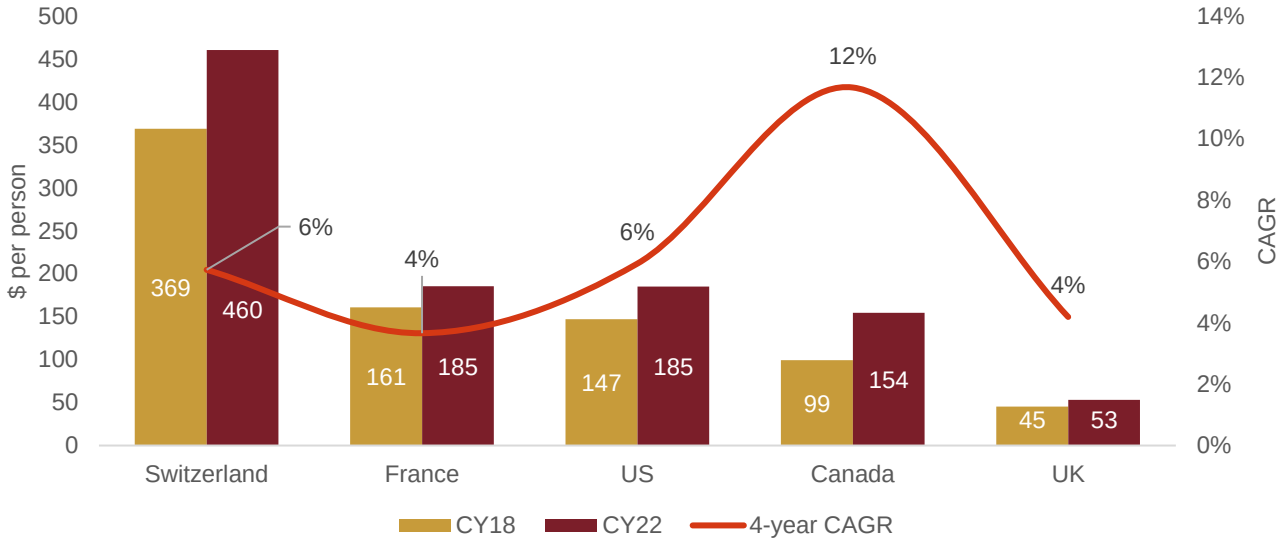


Source: *FiBL stats*

Between 2018 and 2022, the retail sales trend of organic products has shown significant variation across different countries. The US led the market, logged $61.7 billion in 2022 with a 7% CAGR since 2018. France ranked fourth with $12.7 billion, growing at a 2% CAGR from 2018. Switzerland, in the sixth place, recorded $4 billion at a 7% CAGR from 2018. Japan, Korea, and Saudi Arabia each held a nominal 2% share of the total retail sales in 2022, with $1.71 billion, $0.51 billion and $0.34 billion, respectively.

Trend in organic food consumption (2018-22)

Figure 108: Countries with highest per capita consumption ($/person)



Source: FiBL stats

As of 2022, Switzerland led the world in per capita consumption of organic food, with each person spending $460. The US and France ranked seventh and eighth, respectively, with per capita consumption at $185 each in 2022, at a CAGR of 6% and 4%, respectively, from 2018 to 2022.

Products in demand in key countries include:

Switzerland: There is high demand for fresh fruits and vegetables, eggs, cheese and processed staple food (sugar, flour, oil, spices).

United States: Organic fruits, vegetables, dairy products and grains are in high demand, driven by consumer preference for health and sustainability.

Canada: Consumers favour organic dairy, meat and fruits and vegetables, reflecting a growing preference for organic options across various food categories.

European Union: There is significant demand for organic dairy, vegetables and processed foods, driven by stringent organic standards and consumer awareness about food quality.

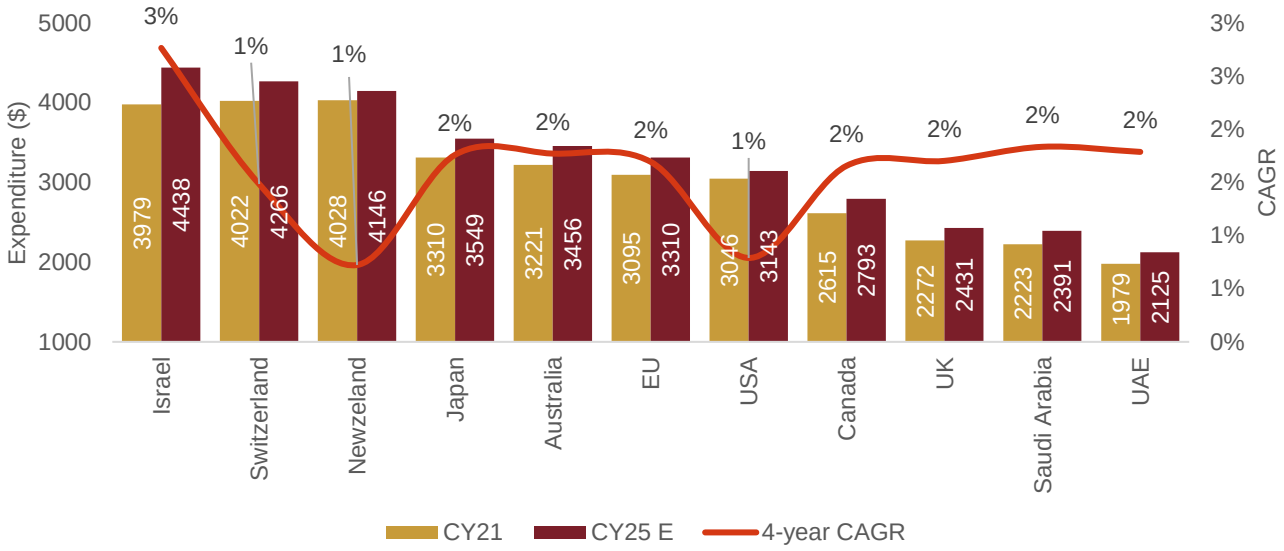
Australia: Popular organic products include fruits, dairy, grains and meat, with increasing interest in organic beverages and snacks.

United Kingdom: Organic fruits, vegetables and dairy products are in demand, supported by consumer interest in ethical farming practices and healthier food choices.

These trends highlight a shift towards organic products globally, driven by health consciousness, environmental concerns and increasing availability of organic options in retail markets.

Consumer expenditure per capita (food and beverages) of key countries

Figure 109: Consumer expenditure per capita on food and beverage



Source: Global Organic Trade

In terms of consumer expenditure per capita on food and non-alcoholic beverages, Israel leads globally with $4,438, supported by a robust 3% annual growth projected from fiscals 2021 to 2025. This reflects a strong consumer preference for quality and diverse food options, influenced by Israel's cultural diversity and high standard of living.

Switzerland follows closely with $4,266 per capita, reflecting its reputation for premium food products and a high standard of living. New Zealand, ranking third at $4,146, benefits from its emphasis on organic and sustainable food choices, catering to health-conscious consumers.

In the next tier, countries like Japan, Australia, the EU and the US maintain solid per capita expenditure ranging from $3,549 to $3,143. These nations prioritise quality and variety in their food consumption patterns.

Further down the spectrum, Canada, the UK, Saudi Arabia, and the UAE exhibit expenditure ranging from $2,793 to $2,125 per capita. Despite their economic strength, these countries show a slightly lower spending range, influenced by factors such as varying cost structure, consumer price sensitivity and dietary habits shaped by cultural diversity.

Based on these indicators, we have selected the focused markets with respect to premium price and demand.

Table 10: Strategic focused markets

Category	Country	Category	Country
Cereals and millets	EU	**Oilseeds**	US
	UK		Australia
	Japan		Japan
	Saudi Arabia		EU
	Thailand	**Processed food**	Singapore
Tea	Saudi Arabia		Taiwan
	New Zealand		US
	EU		Japan
	UAE		EU
	US		UK
	Australia	**Medicinal plant products**	Singapore
Sugar	Saudi Arabia		UAE
	US		New Zealand
	EU		EU
	Singapore		Switzerland
Spices	US		Japan
	UK	**Coffee**	US
	EU		UK
	New Zealand		EU
	Australia		Japan
			New Zealand

Out of the total markets mentioned above, below are the five key focused markets for premium price and demand.

Table 11: Key focused markets

S. No	Country
1	Middle Eastern countries (UAE, Saudi Arabia, Kuwait, Oman and Qatar)
2	France
3	Japan
4	Switzerland
5	South Korea

Mapping countries based on premium price and demand

Middle Eastern countries

UAE and Saudi Arabia: The large Indian diaspora in these countries have a strong preference for familiar products from home, including organic options, which can drive demand for Indian organic products. The Indian population is over 3.4 million in the UAE and 2.6 million in Saudi Arabia[63].

France

France ranked fourth in global organic retail sales with $12.7 billion in 2022, growing at a 2% CAGR from 2018. In terms of per capita consumption of organic food, France ranked seventh with $185 per person in 2022, logging a CAGR of 4% from 2018 to 2022. The import CAGR of tropical fruits, unroasted coffee, tea, and cocoa beans during CY2018-21 are 10%, 29%, and 81% respectively.

Switzerland

In 2022, Switzerland had the highest per capita consumption of organic products globally, reaching $460 per person. This represents a CAGR of 6% (2018-22). Retail sales of organic products in Switzerland surged to $4.06 billion in 2022, up from $3.14 billion in 2018. This growth underscores the strong and increasing demand for organic goods within the country, highlighting Switzerland's leading role in the global organic market.

South Korea

South Korea accounts for 2% of the global organic imports, exhibiting a significant import growth (10% CAGR from 2018-22). Since the Covid-19 pandemic, local consumers have increasingly opted for a healthier lifestyle and are paying more attention to various ingredients and their impact on their overall health and wellbeing. Retail sales of South Korea stood at $0.51 billion, growing at a CAGR of 7% (2018-22). The US remained the leading supplier of imported organic foods to Korea in terms of value, accounting for 19%. Bananas ranked third in terms of import value

Japan

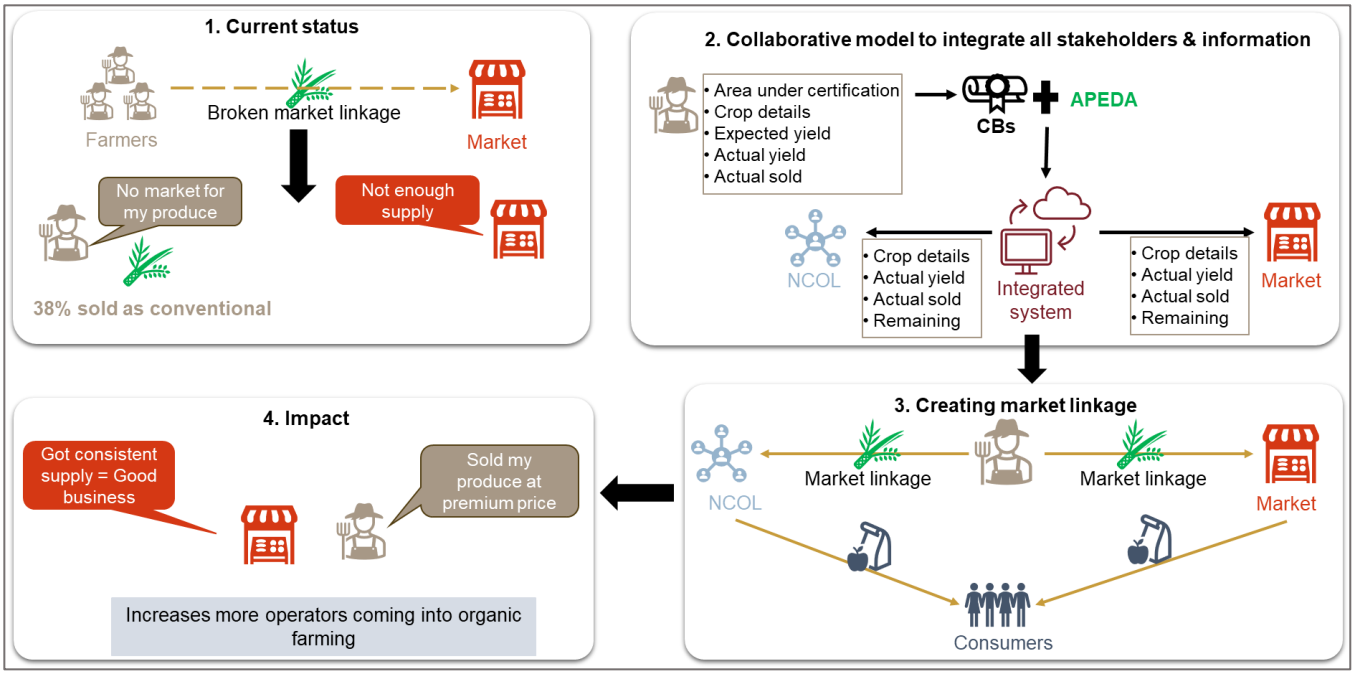
Japan is the fourth-largest country in terms of per capita expenditure on foods and beverages, which is estimated to reach ~$3,550 by CY2025. Organic retail sales in the country expanded to $1.71 billion in 2022, at a marginal 1% CAGR from 2018-22. Consumer behaviour shifted significantly with 32.6% of consumers purchasing organic foods at least once a week. Processed products accounted for 69% of the Japanese organic market in 2018, indicating a strong demand for ready-to-eat and value-added products in Japan.

[63] Data on population of overseas Indians retrieved from Ministry of External Affairs, GoI (https://www.mea.gov.in/images/attach/NRIs-and-PIOs_1.pdf)

Strengthening organic supply chain using collaborative model

To address the significant supply chain gaps in the Indian organic market, a collaborative model is essential. Currently, farmers often sell organically grown produce as conventional produce due to insufficient market information, while manufacturers and retailers struggle to secure consistent supply of organic products. The solution lies in creating a collaborative framework wherein all stakeholders in the organic supply chain have access to real-time information. This includes total expected yield of organic produce across regions, actual harvested volumes and quantities sold. Certification bodies play a pivotal role in collecting and disseminating this data through transaction certificates for each lot.

Figure 110: Strengthening organic supply chain using collaborative model



By making this information readily available, manufacturers and market players can better anticipate the availability of organic produce in different regions. If surplus produce from producer groups remains unsold, cooperative organisations such as the National Cooperative Organics Ltd (NCOL) can step in to procure and distribute these products under their brands. Timely sharing of updated information is critical to ensure effective utilisation of organic produce and reduce the volume sold in conventional markets. This collaborative approach not only enhances transparency in the organic supply chain, but also supports farmers in securing fair market access for their organic products.

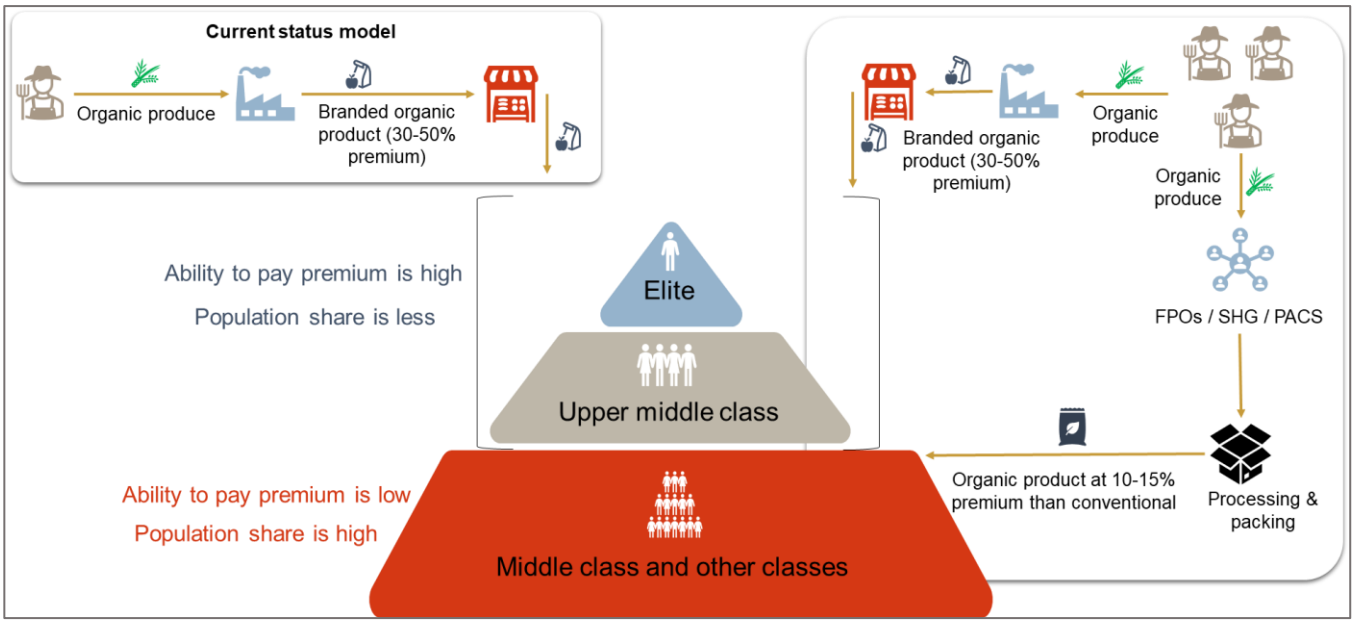
Making organic products accessible to everyone

Currently, organic products are predominantly consumed by those at the top of the socioeconomic pyramid due to their ability to pay premium price for organic products, while many farmers selling organic produce struggle to fetch premium prices in the conventional markets.

The proposed solution involves SHGs playing a pivotal role as intermediaries. Farmers who do not have direct market access to sell their organic produce at premium prices can instead sell to local SHG members at a slightly higher rate than conventional prices. These SHGs, with their established networks in local communities, can then

distribute these organic products at a nominal mark-up, making them accessible to lower-middle-class consumers who aspire to consume healthy and safe food.

Figure 111: Making organic products accessible to everyone



This model creates a "win-win" scenario:

- **Farmers/FPOs** benefit by accessing a market for their organic produce at better prices than conventional markets
- **SHGs** benefit by expanding their role in community development and enhancing their members' access to nutritious organic food
- **Consumers** benefit from affordable access to organic products, promoting healthier lifestyles

By increasing the demand for organic produce through this inclusive model, India can potentially expand its organic farming area and production. This growth not only meets domestic demand but also strengthens India's position in the global organic market. Ultimately, it lays a foundation for building the ‘India Organic’ brand, leveraging the country's substantial organic cultivation areas and promoting sustainable agricultural practices nationwide.

Promoting Indian brand akin to Korean model of culture promotion

India can take inspiration from South Korea’s model of culture promotion, known as the Korean Wave (Hallyu), to globally enhance India’s brand. Initiated by the Korean government in 1999, Hallyu promotes Korean culture, entertainment and lifestyle, with a strong focus on K-pop, K-dramas, K-movies and K-food. The Ministry of Culture, Sports, and Tourism, established in 2008, coordinates these cultural promotion efforts, including funding for events. The Korean Food Globalization initiative, launched in 2010, aimed to globalise Korean cuisine by opening restaurants overseas and promoting Korean ingredients such as kimchi. Additionally, K-culture festivals worldwide help build familiarity with Korean culture among millennials. Collaborations with influencers and the diaspora further strengthen this effort.

Similarly, India should focus on highlighting the unique value of its products rather than competing on price. India's offerings, such as Wayanad pepper with high piperine content, Nagaland chili with high capsaicin content, Lakadong turmeric with over 7% curcumin, Byadgi chilli with high colour value and sweet smoky flavour, and

aromatic Gobindobhog rice, are examples of products that can be positioned in global markets. These products already command a premium of 10-60% over their conventional counterparts in domestic markets. A concerted effort to brand and position these products globally can create a demand pull, allowing India to compete on value rather than price.

Strengthening certification processes

Credibility and 'organic integrity' are crucial to the success of India's organic sector, as any doubts can significantly set back the progress. While the Indian third-party certification system is generally well-regarded in established relationships, there is a need for broader acceptance and credibility. To achieve this, streamlining the current certification process through reduced paperwork and increased digitalisation is essential. The following activities can be undertaken to strengthen certification processes:

- **Enhancing regulatory oversight:** Implement IT-based analysis to strengthen regulatory oversight
- **Training and capacity building:** Provide training and capacity-building initiatives for stakeholders involved in the certification process, including internal inspectors of grower groups and managers of the Internal Control System (ICS) of these groups
- **Intensifying mutual recognition agreements (MRAs):** Develop and intensify MRAs with major trading partners to simplify export processes

Increasing testing facilities

While organic certification is a process certification not a product certification, certain importers insist on lab testing of consignments. Further, NPOP Standards require risk-based testing as well. While there has been significant expansion of organic testing infrastructure across the country, particularly in terms of private labs, there is a need to have more government labs doing organic testing, which will reduce testing charges and also establish labs in presently unserved areas such as the Northeastern States and some major states like Bihar, Himachal Pradesh and Odisha.

Training and capacity building for audit inspectors

Currently, there are approximately 6,000 ICS groups within the NPOP system, encompassing about 2.3 million farmers. Regulations stipulate a minimum of 10 inspectors per ICS to conduct necessary inspections, resulting in a demand for 60,000 inspectors. CRISIL's discussions with certification bodies have highlighted a significant shortage of qualified inspectors. Currently, training and capacity-building efforts in the organic sector primarily target producers and businesses. To address the growing need for inspectors, it is essential to introduce specialised courses at all state agricultural universities in India. These courses should familiarise students with the fundamental concepts of organic farming and provide comprehensive training to prepare them for inspection roles.

Research and development in organic agriculture

Research and development (R&D) activities in organic agriculture are not progressing as extensive as in conventional agriculture. To bridge this gap, R&D should be prioritised at various levels right from identifying unique varieties of commodities and crops that possess higher quality attributes suitable for the global market, to processing them. For example, the multiple varieties of Assam lemon — ranging from sour to sweet, seeded to seedless, and varying in size, shape, and colour — necessitate detailed R&D. Such research would help determine which varieties are best suited for export and which ones are meant for domestic consumption. Without this

targeted approach, farmers may grow a mix of varieties, leading to issues with economies of scale and market demand.

Value addition is another critical area requiring extensive R&D. Standardising various levels of processing and identifying suitable packaging materials to extend shelf life are essential steps. For instance, developing efficient processing techniques and appropriate packaging solutions can ensure that organic products maintain their quality over longer periods, making them more appealing to both the domestic and international markets.

By focusing on R&D, India can optimise its organic agricultural practices, improve product quality, and enhance the marketability of its organic produce. This, in turn, will support the growth of the organic sector and increase export potential.

The need for an organic sector database in India

India's organic agriculture sector has immense growth potential, but to fully harness it, a robust organic sector database is crucial. This database should capture comprehensive data on organic farming and trade, including the area under certification, number of operators, expected and actual yields, sales, consumer behaviour, export data, and global market trends. Such data is vital for farmers, policymakers, researchers, traders, and consumers to make informed decisions that support the development and sustainability of the organic segment in India. An organic sector database in India would increase transparency, build trust among consumers and international buyers, and ensure product integrity. Access to detailed data would enable better crop planning for farmers, optimise operations for processors and ensure more effective policy development. It would also help identify lucrative export markets and support sustainable agricultural practices. By implementing such a system, India can empower its organic sector, facilitate market expansion, and ensure long-term agricultural productivity and environmental conservation.

Addressing commodity bans and restrictions for enhancing organic exports

India's organic export sector encounters challenge due to occasional bans and restrictions imposed on certain agricultural products. While these measures aim to regulate the industry, they may inadvertently impact the growth of organic exports, allowing global competitors to gain market share.

Given that organic products represent only 1% of India's overall foodgrain production, a strategic approach could involve exempting organic products from bans affecting conventional agriculture. This would ensure the continued growth of India’s organic sector and maintain its credibility in international markets.

Rebuilding market share and trust, if lost, would be a challenging and time-consuming process. Therefore, it is crucial to adopt policies that specifically support and promote organic exports, safeguarding India's position in the global organic market from broad regulatory measures.

Organic conversion scheme support

Farmers transitioning to organic cultivation often face higher production costs, reduced yields and lower market prices for their produce. These challenges deter many from making the shift to organic farming. To support farmers during this critical initial conversion phase, the government can offer conversion support similar to programmes in the US, EU and UK. This support could come in the form of income support during the conversion period.

An effective approach would be to provide farmer incentives linked to established value chains and businesses that are connected to markets and organic consumers. This strategy ensures that support is directly aligned with market

demands and can help integrate farmers into the organic supply chain more seamlessly. By channelling incentives through businesses that already have market linkages, farmers can receive targeted assistance that promotes sustainable organic farming practices and improves market access.

Organic awareness programme

India should enhance the promotion of organic products and their benefits by establishing an 'International Year for Organic Products', similar to the successful millets campaign. We have seen in the past how roping in actor Amitabh Bachchan for tuberculosis, polio and the Reserve Bank of India's consumer awareness campaigns has helped create awareness on those issues. Similarly, the endorsement of the 'India Organic' logo by renowned sportspersons such as MS Dhoni or Neeraj Chopra could significantly boost its visibility and credibility.

Additionally, India can adopt an Organic Awareness Month to promote understanding and appreciation of organic farming, products and their benefits for consumers, farmers and the environment. During this month, various activities such as workshops, educational events, farm tours and promotions can be organised to emphasise the significance of organic agriculture, sustainable practices and healthy living choices. This initiative can serve as a platform to engage the public, encourage organic consumption and support the growth of the organic industry in India.

Additionally, for mass promotion in India and abroad, APEDA can tie up with events/ institutes such as American Pie Council, Master Chef shows to name a few, through which a trend of exclusive organic culinary range can be promoted at several restaurants, creating newer avenues for scaling up.

Infrastructure development for export facilitation

Establishing organic food parks in the northeastern region for the processing and value addition of spices (ginger, cardamom, turmeric) fruits (pineapple, passion fruit) and other major crops can enhance the agricultural sector. These food parks will focus on the sustainable processing and packaging of organic produce, ensuring that the products meet high-quality standards. By leveraging advanced technology and infrastructure, these parks aim to increase the shelf life, marketability, and export potential of organic products. Additionally, they will provide farmers with access to modern facilities and expertise, fostering the growth of the organic farming community and creating new employment opportunities in the region. This initiative will also contribute to the overall economic development and sustainable agricultural practices in northeastern India.

In conclusion, enhancing India's organic export capabilities requires a multifaceted approach that addresses both immediate and long-term challenges. India can compete better in the global market by capitalising on its existing strengths while strategically developing new product categories and markets, focusing on retail packaging and building strong brand recognition. Additionally, targeting premium markets such as the UAE, Saudi Arabia, Switzerland, New Zealand and Japan will leverage India's organic produce potential. Creating a collaborative framework for real-time information sharing among stakeholders, improving market linkage through SHGs, and establishing a unified certification system aligned with global standards are critical steps. Enhancing testing and quality standards, increasing research and development activities and supporting farmers and exporters through targeted programmes will further solidify India's position in the organic sector. Finally, comprehensive organic awareness programmes and strategic endorsements will amplify the visibility and credibility of Indian organic products on the global stage. Through these concerted efforts, India can significantly boost its organic exports, benefiting farmers, businesses and consumers alike.

Annexures

Annexure-1: Share of organic land in total agricultural land by country/territory 2022

Rank	Country/Territory	Organic share
1	Liechtenstein	43.9%
2	Austria	27.5%
3	Estonia	23.4%
4	Sao Tome and Principe	21.1%
5	Sweden	19.9%
6	Uruguay	19.6%
7	Portugal	19.1%
8	Italy	17.9%
9	Switzerland	17.9%
10	Greece	17.6%
11	Samoa	16.7%
12	Czech Republic	16.0%
13	Latvia	15.3%
14	Finland	15.0%
15	Australia	14.8%
16	Dominica	11.6%
17	Denmark	11.5%
18	Germany	11.2%
19	French Guiana (France)	11.1%
20	Spain	10.9%
21	Slovenia	10.7%
22	France	10.0%
23	Lithuania	9.0%
24	Croatia	8.6%
25	Slovakia	8.5%
26	Timor-Leste	8.5%
27	Faroe Islands	8.4%
28	Dominican Republic	8.1%
29	Belgium	7.4%
30	Solomon Islands	6.5%
31	Luxembourg	6.2%
32	Hungary	5.9%
33	Cyprus	5.7%
34	Sierra Leone	4.9%
35	French Polynesia	4.8%

Rank	Country/Territory	Organic share
36	Norway	4.70%
37	Réunion (France)	4.60%
38	Fiji	4.50%
39	Romania	4.30%
40	Netherlands	4.20%
41	Togo	4.20%
42	Uganda	3.50%
43	Poland	3.50%
44	Martinique (France)	3.40%
45	Egypt	3.00%
46	United Kingdom	2.80%
47	Falkland Islands (Malvinas)	2.80%
48	Guadeloupe (France)	2.70%
49	Argentina	2.70%
50	Canada	2.70%
51	India	2.60%
52	Sri Lanka	2.40%
53	Republic of Korea	2.40%
54	Tunisia	2.30%
55	Singapore	2.20%
56	Bulgaria	2.20%
57	Ireland	2.10%
58	Honduras	2.00%
59	Channel Islands	2.00%
60	Philippines	1.80%
61	Guatemala	1.80%
62	Taiwan	1.70%
63	Papua New Guinea	1.70%
64	Montenegro	1.50%
65	Benin	1.50%
66	United Arab Emirates	1.40%
67	Tajikistan	1.40%
68	Grenada	1.30%
69	Moldova	1.30%
70	Vanuatu	1.20%

Rank	Country/Territory	Organic share
71	Peru	1.20%
72	Chile	1.20%
73	Ecuador	1.10%
74	Bhutan	1.10%
75	Thailand	1.10%
76	Mayotte	1.10%
77	Palestine	1.00%
78	Tonga	0.90%
79	Israel	0.80%
80	Türkiye	0.80%
81	Azerbaijan	0.80%
82	Tanzania	0.80%
83	New Zealand	0.80%
84	Burkina Faso	0.80%
85	Kosovo	0.7%
86	Serbia	0.70%
87	Eswatini	0.70%
88	North Macedonia	0.70%
89	Costa Rica	0.70%
90	Ukraine	0.60%
91	Ethiopia	0.60%
92	Nepal	0.60%
93	Kenya	0.60%
94	Malta	0.60%
95	Nicaragua	0.60%
96	Cook Islands	0.60%
97	Cambodia	0.60%
98	China	0.50%
99	Paraguay	0.50%
100	Comoros	0.50%
101	USA	0.50%
102	Ghana	0.50%
103	Lao P.D.R.	0.50%
104	New Caledonia	0.40%
105	Brazil	0.40%
106	Iceland	0.40%
107	Mexico	0.40%
108	British Virgin Islands	0.40%
109	Côte d'Ivoire	0.40%
110	Democratic Republic of the Congo (DRC)	0.40%
111	Bahamas	0.30%
112	Japan	0.30%
113	Bolivia	0.30%
114	Belize	0.30%
115	Rwanda	0.30%
116	Madagascar	0.30%
117	Kyrgyzstan	0.30%
118	Vietnam	0.30%
119	Panama	0.30%
120	Georgia	0.20%
121	Lebanon	0.20%
122	Haiti	0.20%
123	Colombia	0.20%
124	Trinidad and Tobago	0.20%
125	Pakistan	0.20%
126	Saint Lucia	0.20%
127	Jordan	0.10%
128	Liberia	0.10%
129	El Salvador	0.10%
130	Indonesia	0.10%
131	Bosnia and Herzegovina	0.10%
132	Sudan	0.10%
133	Nigeria	0.10%
134	Russian Federation	0.10%
135	Myanmar	0.10%
136	Belarus	0.10%
137	Albania	0.10%
138	Suriname	0.10%
139	Morocco	0.10%
140	Kazakhstan	0.10%
141	South Africa	0.10%
142	Mali	0.04%
143	Mozambique	0.04%
144	Armenia	0.04%
145	Senegal	0.04%
146	Zambia	0.04%

Rank	Country/Territory	Organic share		Rank	Country/Territory	Organic share
147	Cuba	0.03%		158	Uzbekistan	0.01%
148	Burundi	0.02%		159	Zimbabwe	0.01%
149	Kuwait	0.02%		160	Jamaica	0.01%
150	Cameroon	0.02%		161	Algeria	0.003%
151	Malaysia	0.02%		162	Namibia	0.002%
152	Bangladesh	0.02%		163	Mongolia	0.001%
153	Iran	0.01%		164	Iraq	0.001%
154	Mauritius	0.01%		165	Oman	0.001%
155	Saudi Arabia	0.01%		166	Afghanistan	0.0003%
156	Venezuela	0.01%		167	Turks and Caicos Islands	0.0002%
157	Andorra	0.01%			**World**	**2.0%**

Source: FiBL Statistics

Annexure-2: RAPP funding allocations 2024

Organisation	2024 allocation
Alaska Seafood Marketing Institute	$4,041,000
American Feed Industry Association	$800,000
American Hardwood, Plywood, Softwood, and SFPA	$3,680,000
American Peanut Council	$2,970,000
American Pecan Council	$1,000,000
American Pistachio Growers/Cal-Pure Produce, Inc.	$5,000,000
American Sheep Industry Association	$1,200,000
American Soybean Association	$28,500,000
American Sweet Potato Marketing Institute	$330,000
Blue Diamond Growers/Almond Board of California	$10,000,000
Brewers Association, Inc.	$2,000,000
California Agricultural Export Council	$1,000,000
California Cherry Marketing and Research Board	$750,000
California Fresh Fruit Association	$1,000,000
California Olive Committee	$600,000
California Prune Board	$4,200,000
California Table Grape Commission	$3,350,000
California Walnut Commission	$7,000,000
Cherry Marketing Institute	$450,000
Cotton Council International	$19,000,000
Distilled Spirits Council	$300,000
Food Export Association of the Midwest USA	$15,500,000
Food Export USA Northeast	$17,500,000
Ginseng Board of Wisconsin	$455,000
Hazelnut Marketing Board	$455,000
Hop Growers of America	$1,200,000
Leather and Hide Council of America	$5,500,000
Mohair Council of America	$117,000
National Association of State Departments of Agriculture	$5,000,000
National Confectioners Association	$1,600,000
National Industrial Hemp Council	$745,000
National Potato Promotion Board	$6,500,000
National Watermelon Promotion Board	$300,000
New York Wine and Grape Foundation	$1,300,000

Organisation	2024 allocation
North American Renderers Association	$3,300,000
Northwest Wine Promotion Coalition	$2,400,000
Organic Trade Association	$2,500,000
Pear Bureau Northwest	$4,025,000
Pet Food Institute	$2,045,000
Raisin Administrative Committee	$1,245,000
Southern United States Trade Association	$9,380,000
Sunkist Growers, Inc.	$1,450,000
Synergistic Hawaii Agriculture Council	$1,000,000
The Cranberry Institute	$1,000,000
The Popcorn Board	$250,000
U.S. Dairy Export Council	$10,000,000
U.S. Dry Bean Council	$1,500,000
U.S. Grains Council	$17,000,000
U.S. Highbush Blueberry Council	$1,300,000
U.S. Livestock Genetics Export, Inc.	$4,752,000
U.S. Meat Export Federation	$21,000,000
U.S. Wheat Associates	$13,000,000
USA Dry Pea and Lentil Council, Inc.	$4,700,000
USA Poultry and Egg Export Council	$9,025,000
USA Rice Federation/US Rice Producers	$7,550,000
Washington Apple Commission	$7,000,000
Washington State Fruit Commission	$900,000
Welch Foods, Inc.	$1,300,000
Western United States Agricultural Trade Association	$6,035,000
Wine Institute	$13,000,000
Total	**$300,000,000**

Source: RAPP Funding Allocations - FY24, USDA, FAS

Annexure-3: Category and country-wise major products exported to EU

Tropical fruit, fresh or dried, nuts and spices		Fruit, fresh or dried	
Bananas	**Volume (in MT)**	**Fruit of species vaccinium**	**Volume (in MT)**
Ecuador	314,204	Ukraine	8128
Dominican Republic	231,253	Argentina	2065
Peru	96,836	Chile	3266
Colombia	34,646	**Raspberries**	**Volume (in MT)**
Cote D'Ivoire	23,628	Ukraine	2033
Ghana	20,290	**Pears**	**Volume (in MT)**
Avocado	**Volume (in MT)**	Argentina	8651
Peru	12,084	**Dried apricots**	**Volume (in MT)**
Kenya	7,323	Turkey	4268
Mexico	4,869	**Fresh cider apples**	**Volume (in MT)**
Ginger	**Volume (in MT)**	Ukraine	3400
China	20,289	**Vegetables (volume in MT)**	
Peru	16,806		
Soybeans (volume in MT)		Turkey	33858
Togo	63302	Egypt	26491
Ukraine	17239	Israel	18731
Kazakhstan	14525	China	13193
India	7785	Russian Federation	11028
Uganda	7387	South Africa	6802
Benin	6296	Argentina	4323
Oilcake (volume in MT)		**Rice (Volume in MT)**	
India	111289	Pakistan	37020
China	61170	India	26402
Ukraine	13150	Cambodia	6743
Ethiopia	7754	Thailand	8330
Beet and cane sugar (volume (in MT)		Argentina	7534
Colombia	48456	**Oilseeds**	
Brazil	29318	**Sunflower**	**Volume (in MT)**
India	17479	Moldova	12816.342
Argentina	15956	Ukraine	6807.324
Costa Rica	12708	United Kingdom	18341.33351

Tropical fruit, fresh or dried, nuts and spices		Fruit, fresh or dried	
Coffee (volume (in MT)		**Linseed**	**Volume (in MT)**
Honduras	45373	India	7018.9218
Peru	36497	Kazakhstan	13594.522
Mexico	11363	**Sesamum**	**Volume (in MT)**
Ethiopia	8420	Egypt	2815.605
Nicaragua	5585	Pakistan	2301.375
India	5421	Paraguay	3575.447
Other Cereals		Uganda	5786.618
Maize	**Volume (in MT)**	**Groundnut**	**Volume (in MT)**
Ukraine	85127	China	11358.1
Quinoa	Volume (in MT)	Egypt	8822
Bolivia	7431	**Fruits juices**	
Peru	6273	**Apple juice**	**Volume (in MT)**
Fruit, fresh or dried		Turkey	14316.718
Sultanas	**Volume (in MT)**	**Orange**	**Volume (in MT)**
Turkey	15986	Mexico	22970
Argentina	222	Brazil	2567.63437
Fresh apples	**Volume (in MT)**	Morocco	3302.08
Argentina	3771	**Fruits/vegetable juice**	**Volume (in MT)**
Chile	6599	Philippines	2181.05824
Strawberries	**Volume (in MT)**	Sri Lanka	2587.87779
Turkey	7286	Turkey	6192.6657
Ukraine	610	**Pineapple**	**Volume (in MT)**
Frozen fruit and nuts	**Volume (in MT)**	Benin	827.964
Turkey	1839	Costa Rica	1558.36
Ukraine	4811	Togo	2481.2632
Fresh kiwifruit	**Volume (in MT)**		
Argentina	1128		
Chile	2237		

Source: EU Traces

Annexure-4: Category and country-wise major products exported to US

Fruits & vegetables		Soybean	Volume (in MT)
Bananas	**Volume (in MT)**	Argentina	109,497
Ecuador	243273	Ukraine	54,032
Mexico	139796	Turkey	49,954
Colombia	98751	Togo	34,792
Peru	55171	Russia	32,175
Tomato	**Volume (in MT)**	Canada	27,319
Mexico	56223	**Sugar**	**Volume (in MT)**
Canada	4648	Brazil	83,311
Blueberries	**Volume (in MT)**	Paraguay	76,427
Peru	25877	Colombia	36,410
Mexico	10932	Argentina	36,265
Chile	10420	**Corn**	**Volume (in MT)**
Chile	9728	Argentina	63,301
Strawberries	**Volume (in MT)**	Canada	61,344
Mexico	28861	Romania	36,167
Turkey	860	**Oats**	**Volume (in MT)**
Avocado	**Volume (in MT)**	Canada	49,299
Mexico	52882	Estonia	37,627
Peru	8905	**Coffee**	**Volume (in MT)**
Cucumbers/Gherkins	**Volume (in MT)**	Peru	23,775
Mexico	20116	Honduras	17,476
Canada	8796	Indonesia	7,494
Mango	**Volume (in MT)**	Mexico	6,752
Mexico	32388	**Olive oil**	**Volume (in MT)**
Peru	5935	Italy	26,019
Ecuador	4094	Tunisia	9,259
Bell pepper	**Volume (in MT)**	Spain	6,397
Mexico	39416	Spain	5,117
Canada	2100	Tunisia	3,562
Rice	**Volume (in MT)**	**Pulses**	**Volume (in MT)**
India	12354	Russia	13,022

Fruits & vegetables		Soybean	Volume (in MT)
Thailand	7027	Turkey	7,958
Argentina	4380	India	2,085
Wheat	**Volume (in MT)**	Canada	1,319
Canada	21957		

Source: FAS GAT

Agricultural and Processed Food Products Export Development Authority (APEDA) is an organization under Ministry of Commerce, Govt. of India, to promote the export of agricultural commodities and processed food products. More than 42000 registered member exporters, and 700 + Agro based products, are promoted for exports through us. The export drive spearheaded by an intense thrust towards standardization and quality, has enabled APEDA to achieve an export turnover of about US$ 27527million during the year in 2022-23 for our scheduled products.

APEDA, plays the role of a catalyst in making Indian products globally competitive. APEDA's multi-pronged strategy lays emphasis on quality upgradation and creating infrastructural facilities. The organization attempts to provide backward and forward linkages ranging from farm practices to marketing to end consumer. The regular interaction with the manufacturers and exporters and providing inputs to the Government in the formulation of policy and India's position in international negotiations, are a few of our trade related functions.

India's huge resource base and a host of natural advantages make it a chosen destination for a variety of agricultural products. With 5 Regional Offices spread over India, and capitalizing on country's strengths, APEDA facilitates not only in improvement of Indian Agri Products but also provides a platform to showcase India's quality produce, thus securing its rightful place in the global market.

About CRISIL Market Intelligence & Analytics

CRISIL Market Intelligence & Analytics, a division of CRISIL, provides independent research, consulting, risk solutions, and data & analytics. Our informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies.

Our strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, make us the partner of choice for public & private organizations, multi-lateral agencies, investors and governments for over three decades.

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the United States (US), the United Kingdom (UK), Argentina, Poland, China, Hong Kong, Singapore, Australia, Switzerland, Japan and the United Arab Emirates (UAE).

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: LINKEDIN | TWITTER | YOUTUBE | FACEBOOK | INSTAGRAM

CRISIL Privacy Notice

CRISIL respects your privacy. We may use your personal information, such as your name, location, contact number and email id to fulfil your request, service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com/privacy.

एपीडा
APEDA

India Organic

CRISIL
An S&P Global Company