

## **Multi-state cooperative organic society**

The total size of world organic food market by retail sales in 2020 was around ₹10 lakh crore of which USA, Germany and France contributed to 64%. There are around 34 lakh organic producers in 190 countries with land coverage of 749 lakh hectares<sup>1</sup> (1.6% of total agricultural land of the world) of which Australia has largest land coverage of 357 lakh hectares.

India ranks 4<sup>th</sup> with 27 lakh hectares of organic land of which 7.6 lakh hectares is in Madhya Pradesh, 3.5 lakh hectares is in Rajasthan and 2.8 lakh hectares is in Maharashtra. Out of total 34 lakh organic producers in the world, 16 lakh are from India. Certified Indian organic product retail sales market is around ₹27,000 crore which includes export of ₹7,000 crore. India accounts for only 2.70% of world organic market and thus has a huge potential to expand. Growing health and environmental consciousness are the key drivers of demand for organic products which are unique and have niche market among global consumers. Despite having largest number of organic producers in the world, our contribution in organic product market is less due to smaller land holding per producer and inadequate yield

India is bestowed with lot of potential to produce all varieties of organic products due to its diverse agro climatic conditions. In several parts of the country, the inherited tradition of organic farming is an added advantage especially in North Eastern Region (NER), where Sikkim was declared as fully organic state in 2016. There are 9 states having more than 5% of their net sown area under organic farming. Six of these states are from NER and other three are Madhya Pradesh, Uttarakhand and Goa.

Absence of effective institutional mechanism to promote organic products on sustainable basis, lack of testing and certification facilities at close proximity at affordable cost, scattered & fragmented producer base, inadequate logistic infrastructure facilities, lack of knowledge repository, lack of innovative research & development, lack of concerted efforts to replicate the successful models of organic farming on all India basis and lack of identification & development of organic cultivation clusters and linking it with markets are main challenges which needs to be addressed.

There are 8.54 lakh registered cooperatives in the country having more than 29 crore members especially from the rural areas engaged in activities related to agriculture and allied sector. This strength of the cooperative sector can be utilised for development of organic clusters and its entire supply chain.

Three leading cooperatives viz., Gujarat Cooperative Milk Marketing Federation Limited (GCMMF), National Agricultural Cooperative Marketing Federation of India Limited (NAFED), National Cooperative Consumers' Federation of India Limited (NCCF) and other two national level organizations viz., National Dairy Development Board (NDDB) and National Cooperative Development Corporation (NCDC) have resolved to contribute ₹20 crore each and become promoter members for establishing a national level multi-state cooperative society for organic products. The proposed society will have an authorized share capital of ₹500 crore and will be established with initial paid-up share capital of ₹100 crore. It will

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<sup>1</sup>Source: Research Institute of Organic Agriculture (FiBL) & iFOAM Organics International

have area of operation all over the country. Initially, the registered office will be at NDDDB, Head Office, Anand, Gujarat

The proposed society will provide institutional support for aggregation, certification, testing, procurement, storage, processing, branding, labelling, packaging, logistic facilities, marketing of organic products and arranging financial assistance to the organic farmers through its member cooperatives including Primary Agricultural Credit Societies (PACS) / Farmers Producer Organizations (FPOs) and will take up all promotion and development related activities of organic products with the help of various schemes and agencies of the Government. It will empanel accredited organic testing labs and certification bodies who meet the criteria specified by the society to bring down the cost of testing and certification.

The proposed society will manage entire supply chain of organic products produced by cooperatives and related entities through member cooperatives. It will adopt various business models by utilizing brand and marketing network of AMUL and other agencies on chargeable basis and will develop the same simultaneously on its own. It will utilize the services of national level multi-state cooperative export society being set up under MSCS Act, 2002 for export marketing and thereby enhance reach & demand of organic products in global market. It will facilitate in providing technical guidance, training and capacity building of organic producers and developing & maintaining dedicated market intelligence system for organic produce. While promoting organic farming, balanced approach will be maintained between regular mass farming and organic farming.

The proposed society will provide thrust to organic products from cooperative sector by acting as an umbrella organisation for managing various activities related to organic sector. By providing certified and authentic organic products, it will help in unlocking demand and consumption potential of organic products in domestic as well as in global markets. This proposed society will also help cooperatives and ultimately their member farmers, in getting benefits of high price of organic products through aggregation, branding and marketing at large scale by facilitating testing and certification at affordable cost alongwith utilization of various related schemes and policies of different ministries of Government of India in a focussed manner through the 'Whole of Government Approach'. This will also help in achieving the goal of "Sahakar-se-Samriddhi" through the inclusive growth model of cooperatives, where the members would benefit both by realization of better prices of their organic goods and also by dividend distributed out of the surplus generated by the society.

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