CHAPTER NO-V
PROMOTION AND OVERALL PERFORMANCE OF ORGANIC FERTILIZER INDUSTRIES

Introduction

This chapter provides the history of the organic industry and the socio-political and economic context within which it has developed. An overview of the global demand for supply of organic products is given with emphasis on the consumer characteristics and description of major producers. The chapter ends with a brief description of the future prospects and potential for organic products focusing on food products in the global and Asian market.

The SSI, since ancient days have been run on financial support from the king or government. This situation in India has been prevalent even up to late 70’s. The Government grants were/ are the major source of expenditure supporting infrastructural investment (non-recurring expenditure). And compensation paid to Field and office staff (recurring expenditure). These SSI have a practice to incriminate exorbitantly to Officers for their selling and awareness programme. Later on due to privatization of a large number of entrepreneurs entered into the SSI sphere and engaged them in earning income by manufacturing and marketing. The government, on subsidy basis, has found convenient to authorize the SSI to run the manufacturing and marketing of specific product. The people entering in the Organic Industry field realized the opportunities of eking the profit from this govt. decision and they prepare to shoulder to possible risk or losses. Infract, the risk-bearing, innovative and promotional approaches are regarded as Entrepreneurs in Organic
field is emerged since there are possibilities of earning profits despite the inherent risk.

ENTREPRENEURS EXERTION

In the development of Organic Industry the entrepreneur has to exert number of modalities i.e. legal, political, social, and financial and so on in given financial resources. The jobs of the entrepreneur for SSI are categorically discussed ahead

IDENTIFICATION OF PROJECT

The Organic Industry foundation process requires gathering information about its type, level of investment, customer demand, profitability etc. on par with any business unit conceived to be run on profit. Peter Druker says there can be three types of opportunities of business project which is applicable to Organic Industry which is run under motivation to earn profits

- According to first type, to make best use of available facilities of the existing SSI to start new SSI venture / enterprise which may be started without changing current formation of set up. However, the new SSI cannot do so since it has to create new infrastructure as per Norms.

- As per second type, a new SSI, say Organic Industry can be started by creating new academic infrastructure as per Govt. norms.

- According to third, the opportunities are such that the structure and formation both can be changed, if they are outdated or not useful to run the SSI or Organic Industry, fetching only losses.
There is less risk in the first option but more in the second and third, all the options may be permitted by the Government, provided the functional norms set for the organic industry are followed.

**STEPS IN ORGANIC INDUSTRY PROMOTION**

**Identification of Opportunities**

An entrepreneur like D.J. Malpani explored proper opportunities at proper time and place and established a new enterprise to be run to earn surplus and further the goals of the State. The experiences reveal that Entrepreneur has to identify proper opportunity, to analyze it and to find out which is the best decision for starting SSI. Truly, there are a number of opportunities for Entrepreneur to select an Organic Industry or such other SSI or technical Unit. In the process of starting new SSI the entrepreneur analyzes various course opportunities and scrutinizes every matter with reference to project on the matters Govt. policy, norms of the controlling authorities, nature of course structure, demand (market), technology, instruments, quantity and standard of deliveries, location of unit, time of period, encouragements, profitability, etc. Out of this analysis, he prepares for the best Organic project and commences the desired activity.

Various government agencies and ministry come out with publications containing latest information on the organic needs, various government schemes, financial encouragements, benefits, administrative process information, etc. the governments fertilizer ministry Publishes detailed information about SSI opportunities through DIC. Thus DIC or MSFC provides information about how to
establish and develop SSI unit, it also provides information about foundation of unit, their benefits, customer or industrial demand, required technology/infrastructure, etc.

**Capital Investment**

A professional Entrepreneur who must be skilled manager naturally desires to establish SSI unit with minimum investment. However, considering norms, it may not be less than Rs. 1 crores. As compared to Organic Industry promotion cost, promoting traditional SSI is less costly; one can gather finance for such project up to Rs. 1 crores or less through his own equities or from money lenders or banks, if necessary.

**Selection of Location for Organic Industry**

A new SSI Entrepreneur generally will establish his unit in his district at capital place like Pune, Nashik or any nearby centers, if the entrepreneur does in the backward area, he gets certain additional benefits including tax benefit etc. The Entrepreneur frequently looks for such location where he can attract high level staff and customer willing to pay higher cost for organic fertilizer. Besides this, the facility and availability of labourers, infrastructural facilities like land, transportation, water, govt. offices and administration are weighted high while selecting the location. In the metropolitan city like Nashik or Pune the units are housed away from the city, and hence the entrepreneur has to make heavy investments in transportation facilities to carry the raw material.
Machinery

The entrepreneurs follow the instruction of experienced experts while installing machinery. The entrepreneur does not compromise against quality; he emphasize on quality, effectiveness, utility rather than cost. He thinks in long-term benefits and not sort-term while planning for purchase of machinery.

Customer Availability

Customer availability is also being thought while selecting organic Industry location. Entrepreneur has to also consider competition from other Organic unit in initial stage. If there are un-limited number of customer and limited number of Organic industries, the customer availability related problems can be solved easily.

Adoption and foundation of the Best SSI concepts

The entrepreneur should select ideas which are the best for customer to get good fertility. It is possible to make the Organic unit profitable, capable and socially acceptable only when the passed to make farmers get the good profit or higher rates.

Analysis of Opportunities

After gathering detailed information about SSI project, it is checked and analyzed. Past demand supply condition should be checked for the organic unit to be started. The Decision to start Organic industry can be taken from the current trend and future demand. If the organic fertilizers have nationwide market, the analysis for the demand from the potential customer and upcoming Organic fertilizer Industry
(representing supply) should be done accordingly. But if the market is limited, the analysis should be done referring concerned states only.

Before assuming future prospects for the demand and supply of organic fertilizer, it is advisable to check capacity of existing Organic fertilizer producing unit, number of SSI.

Detailed study of available opportunities regarding organic unit should be done demand supply market, trends of competition, income expense profitability and all other concerned facets should be evaluated.

**Selection of Organic Product**

An entrepreneur selects the organic product which has wide spread market and goal profitability, hence it becomes necessary to opt for genuine and proper Organic product.

The organic fertilizer should be accepted everywhere, it should earn reputation for entrepreneur, and it should also get profit and market leadership. Therefore, the entrepreneur selects the Organic product very vigilant

Selection of an Organic industry will be beneficial if the educational entrepreneur has previous experience in administration and in selling of organic product. It is proven fact that all the existing successful entrepreneurs have had wide range of previous experience in marketing and its administration.

Following suggestions may be followed by the entrepreneur, while electing the Organic Fertilizer Industry
• The fertilizer with good surplus fetching merit should be opted. It enjoys many concessions and other benefits to customers.

• Current and future prospects for the organic fertilizer for local and foreign market should be inspected. Some specific gains can be obtained if organic unit are being install at some zones, i.e. industrial zones, agricultural zones etc.

• Besides this, the location is preferred where workers, non-technical people and customer are easily available.

**Process for selection of Organic Industry can be described as given.**

1. An entrepreneur thinks to set up Organic Unit, for this some positive and negative factors are responsible.

2. Information is gathered from the various sources about the organic product to be manufacture.

3. Gathered information about various Organic units and their products is arranged in sequence.

4. Useless and unnecessary details are eradicated.

5. Rest of the information is analyzed and arranged scientifically.

6. Every opportunity is being scrutinized keeping various standards in mind.

7. Micro inspection is being done of the every information and reviewed then after.

8. Gathered information is arranged in sequence according to profitability and benefit.

9. The best Organic product is selected out of all.
Setting up Organic Fertilizer Unit

This is a very significant matter. Success or failure of enterprise depends on this decision. Venture’s success depends on where and how entrepreneur establishes the Organic industry. He has to take note of processes and do proper planning for the establishment of Organic industry needs to take many decisions. Which product to be manufacture? Where and how many product to be manufacture? How to arrange finance? What should be the price and the manufacturing cost per Bag? How to attract the customer? etc.

Important Decisions Related with Establishment of Organic fertilizer Unit

An entrepreneur has to take various decisions while establishing organic unit and has to plan properly to apply these decisions. Following are the main decisions related with establishment of Organic Fertilizer Unit

(1) First of all an entrepreneur has to decide about which product to be manufacture. Entrepreneur will land on this decision after studying many facts. Entrepreneur produces the product having good demand and availability of customers. For this matter he consults experts. Rather than running the conventional organic fertilizer, he opts for the organic product having new structure as per industry requirement and different uses; analyses those products only and sees the market of farmer after producing organic product, and selects the organic product to be manufacture.

(2) After deciding about which product to be manufacture, then he has to decide how to manufacture the same and by which means? This is also called factor planning means of production i.e. land, building, technology, workers etc.
what should be the required quantity and from where to gather these means, are to be decided and to be arranged be the entrepreneur.

(3) After this. An entrepreneur has to take important decision about the ownership of Organic Industry.

(4) After deciding formation an entrepreneur has to decide on source of finance. He has to finalize source and amount of required finance. Banks, relatives, money-lenders, friends and own savings are the sources of finance; Sometimes he may sale his real assets to raise the finance.

(5) An Entrepreneur has to decide location of unit. This is an important question in city hub or periphery with own transport facilitates Easy availability of workers and customers helps to prefer the location.

(6) After finding the solution of above, the question which comes in front is technology selection, because present is an age of technology. Hence, it is given sizable importance to decide about manufacturing technology required to maintain the standard.

(7) An entrepreneur has to think about the aids, subsidy encouragements provided by the government. Because there are certain conditions which are required to fulfill for financial, fiscal, structural aids. Hence effective planning with proper decision making is required to avail such benefits.

(8) What will be the manufacturing cost? What should be the price? How to charge price? What will be the profit? And what are the related problems? These are the questions need to be studied. Future prospects, problems and development are the factors to be planned out.

Thus, while setting up an enterprise, many decisions required attention.
Legal necessities

Today we believe the SSI industries have got freedom after liberalization and privatization policy as advocated by the various commissions subject to prescribed legal framework. But it is not true that there are no restrictions and controls, because, it requires to undergo a long legal process to set up an enterprise. An entrepreneur has to pass through the ministry, divisions and many departments of the government; numerous permissions are needed from various department; one has to go through these legal processes and Government acts and other related laws.

Registration Process

Every Organic Industry does require registration with the appropriate bodies. Moreover such registration is necessary to get the authentic support from the Govt. SSI must prefer to get registration for the benefit of government schemes like fiscal, financial, etc.

Permission from Municipal Corporation

If organic Industry to be started within the area limit of Municipal Corporation, it needs to take required permission from such bodies. The construction map/blue prints of the building duly approved by the architect have to be passed through municipal town planning department.

Some of these permissions are required according to various laws. The owner needs to pay fees and submit some documents to concerned authorities having concern to permission. Besides these, it is compulsory to register under Bombay shops and establishment Act, 1948 when organic unit has to run its own shop.
Permission from Municipal Corporation needs to be taken for this. The following are few of the permissions required by the bank before financing or by DIC before approving:

I. A registration under Shop. Act is required

II. Permission for electric connection and electric load capacity to be taken from state electricity board.

III. ISO certification may be taken for quality assurance.

**Finance for Establishment of Organic Industry**

*Sources of Finances*

The financing to organic unit is the most fundamental facet of the Entrepreneurs. Getting the financing of right amount and at the right time will help the entrepreneur have a healthy academic development, positive cash flows and ultimately a profitable wording of industry. The financing can ensue at any phase of development on commencement; an entrepreneur will need finance to start up and, later on, finance to expand. Finance can be obtained from many different sources. Some are more palpable and well-known than others. The following are just some of the means of finance that are available and with which entrepreneur can be facilitated.

* Bank loans and Overdrafts: - The first port of call that most Entrepreneurs think about when trying to obtain finance is their own bank. Banks are very active in this market and seek out businesses to whom they can lend money, Of the two methods of giving finance, the banks, especially in small and start-up situations, invariably prefer to give an overdraft or extend its limit rather than make a formal loan. Overdrafts are a very flexible form of finance.
ii. *Fixed Term Loans:* Many entrepreneurs appreciate the advantages of a fixed term loan. They have the comforting knowledge that the regular payments to be made on the loan which make cash flow forecasting and budgeting more certain. They also feel that, with a term loan, an overdraft can be called in but, unless entrepreneurs are failing to make payments on their loans the banks cannot take the finance away from them.

iii. *Small loans:* Many smaller loans will not require any security but, if more substantial amounts of money are required, then the bank will certainly ask for some form of security. It is common for business owners to offer their own homes as security although more risk-averse borrowers may prefer not to do this. So also the entrepreneurs during the subsequent stage they offer the properties of MI as securities. Any entrepreneur offering properties as security may consult with any co-owners or stake holders so that they are fully aware of the situation and of any possible consequences. Another source of security may be to get the loan guarantee.

iv. *Loan Guarantees:* - Start-up unit unable to provide any other form of security may be able to get a guarantee for loans up to Rs five lakhs. Under the scheme, units pay a 2% premium on the outstanding balance of the loan, and in return, the government guarantees to repay the bank (or other lender) up to 75% of the loan if it is in default.

v. *Saving and Friends:* - When commencing a new Industry, very often the initial money invested will come from the individual’s personal savings. The
tendency of entrepreneur at start-ups of institution to approach relatives and friends to help finance the venture is also a widespread practice. Entrepreneur may make it clear to them that they should only invest amounts they can afford to lose. They may show them their venture plan and give them time to think it over. If they decide to invest, entrepreneur may put the terms of any agreement in writing.

vi. *Retained Earnings and Drawings* :- Since ultimately the well-being is commented with the cash flow of that enterprise, if a entrepreneur would like more liquidity, then it is sometimes necessary to re-examine the amount of money they are withdrawing from the industry for their personal needs. In this way, additional funds earned can be retained for future use.

vi. *Factoring* – The big reputed SSI are often in step forward, the system of factoring is practiced. Factoring provided Industry with finance against invoices that the clients have not yet paid. Typically one can receive up to 85% of the value of the invoice immediately and the balance (less costs) when the client pays.

vii. *Hire Purchase (HP)*:- This is used to finance the purchase of equipment Unit buys the equipment but the re-payments of capital and interest are spread over an agreed period.

viii. *Money lender*:- They are ready to finance at any time without security or on personal guarantee. The rates of interest charged are often exorbitantly high.
**Need of finance at initial stage**

When an entrepreneur thinks to establish an enterprise and to form this concept properly, he needs finance to prepare project profile, to consult experts, to prepare necessary documents etc.

- An entrepreneur needs finance for research and development of the product structure including value addition in initial period.
- An entrepreneur needs money in the second stage for the working capital and expansion. He may depend upon banks,
- In the third phase finance is needed to take by an ambitious entrepreneur to take over another Industry

**Staff, space, Equipments and their cost/funding**

Staff, space, Equipment and their cost and subsequent funding which are the basic needs for promoting the Organic unit. For funding this, the entrepreneur has two main sources for finance, internal sources and external sources. One’s own capital, saving etc. can provide internal finance. After staring funds can be received from various reserve funds, re-investment of profits, etc. which are also from internal sources. Found can be raised from external sources like banks, money lenders.
OVERALL PERFORMANCE OF ORGANIC INDUSTRY

Crop grown without the use of any synthetically compounded chemicals (i.e. pesticides, growth regulators, defoliants, etc.) and fertilizers is considered as 'organic'. It simply means Crop cultivated using the organic farming methods. However, the Crop produced by using organic production techniques needs certification in order to be claimed as Organic.

Definition of Organic

India’s National Programme for Organic Production (NPOP) defines Organic Agriculture as a system of farm design and management to create an eco system, which can achieve sustainable productivity without the use of artificial external inputs such as chemical fertilizers and pesticides. In another definition FAO suggested that “Organic agriculture is a unique production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles and soil biological activity, and this is accomplished by using on-farm agronomic, biological and mechanical methods in exclusion of all synthetic off-farm inputs”.

Organic fibre is considered extremely important to Indian agronomy as organic cultivation is the only sustainable tool, available today, to revitalize the depleted / fast depleting agricultural lands of the country. India, is now the world’s largest producer of Organic, and also has a highly evolved end to end value addition chain, which no country possesses. It is essential to sustain this home grown advantage without loosing momentum and credibility.

Minimised negative effect from farming on the environment and nature is considered
to be the most important benefit of organic production. By applying the best management practices of organic agriculture and use of biological products or bio-pesticides, etc. the negative impact of farming on nature and the environment are minimized. Organic cultivation has shown to improve microflora, restore fertility and successfully manage insecticide resistance, while reducing health and environmental risks of contamination. The pure nature of organically produced i.e. the fibre without chemical residue is another benefit of Organic. Further with no use of chemicals in the production process the production of the fibre has limited adverse impact on farm workers health.

The institutional benefits of Organic are in the form of improved market access, premium price in markets and also the benefit of the increasing demand for Organic in the world market. About 350,000 farmers were involved in cultivation of Organic (A grade plus in conversion) during 2007-2008 season. Farmers have been moving towards cultivation of Organic since it allows them to operate even with lack of resources. Therefore, promotion of Organic could lead to direct benefits for farmers. Given the institutional, ecological benefits of Organic production coupled with the fact that India has emerged as leading producer, it is important to promote and protect this fibre.

**WORLD ORGANIC SCENARIO**

According to the Organic Farm and Fibre Report of Organic Exchange, World output of Organic has increased from around 25,394 Mt in 2004-05 to around 1,45,865 Mt in 2007-08. Increasing awareness among the consumer and companies, especially in the developed economies, regarding environmental and social issues, has helped in sustaining the growth in Organic production. However, improved data
collection coupled with identification of previously existing unknown projects and inclusion of their production could also be responsible in part for the surge in Organic production.

**Table No 5.1**

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Year</th>
<th>Production (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2004-05</td>
<td>25394</td>
</tr>
<tr>
<td>2</td>
<td>2005-06</td>
<td>39860</td>
</tr>
<tr>
<td>3</td>
<td>2006-07</td>
<td>59750</td>
</tr>
<tr>
<td>4</td>
<td>2007-08</td>
<td>145685</td>
</tr>
</tbody>
</table>

Source: Organic Exchange, Farm & Fibre Report, 2008, D&B India

World over Organic is being produced by around 22 countries. Amongst these India, Syria, Turkey, China and Tanzania are currently the largest producers of Organic. In fact, according to the Organic farm and fibre report, almost 87% of the total Organic is produced in just three countries: India, Turkey and Syria.

**Table No 5.2**

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tanzania</td>
<td>1.94</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>5.04</td>
</tr>
<tr>
<td>3</td>
<td>Turkey</td>
<td>16.74</td>
</tr>
<tr>
<td>4</td>
<td>USA</td>
<td>1.83</td>
</tr>
<tr>
<td>5</td>
<td>Syna</td>
<td>19.2</td>
</tr>
<tr>
<td>6</td>
<td>India</td>
<td>50.33</td>
</tr>
</tbody>
</table>

Source: Organic Exchange, Farm & Fibre Report, 2008, D&B India

The demand of organic has also been growing over the past few years. As increasing
number of people are becoming aware of the environmental and sustainability issues the demand has been increasing. Products made from organically grown fibre are achieving greater penetration in the some developed markets such as the UK, Germany, Switzerland, Japan, and the United States. The biggest markets for organic are in Europe and the United States where big retailers have show interest to expand their existing organic initiatives.

The sustained rise in Organic demand could be attributed to

(a) Rising awareness of the benefits of organic fibre

(b) Companies aligning their businesses on the lines of sustainable and eco-friendly practices

(c) Increased access to knowledge regarding organic farming and development programs. These developments have been supported by extensive media coverage and promotional activities and like trade shows.

As the demand for products of Organic is gaining ground many companies are entering in the production and sale of products made from Organic. Some companies are also entering this space as a part of their corporate social responsibility. The 10 brands and retailers with organic programs were: Wal-Mart (USA), C&A (BE), Nike (USA), H&M (UK), Zara (ES), Anvil (USA), Coop Switzerland (CH), Pottery Barn (USA), Green source (USA), and Hess Natur (DE). They consume 67% of the fibre consumed by the retail segment (ibid). In 2007, the retail sales of organic figures had reached 2 billion USD and in 2008 these figures climbed to 3.2 billion USD (figure 1), at an annual growth rate of 63%. According to the Organic Exchange, there has been an increase in demand in organic fibre from 74,839 MT in 2007 to 92,998 MT,
in 2008 a growth of 124.2%. According to Organic Exchange, the demand for organic fibre in the world market to support brand programs will increase in 2010 to 147,926 MT in 2010, an increase of 25% from 2009.

ORGANIC SCENARIO IN INDIA

According to the Organic Farm and Fibre Report of Organic Exchange, Organic production has registered a robust average annual growth of around 148.47% between 2005-06 and 2007-08. During 2007-08, India achieved the feat of being the largest producer of Organic in the world overtaking Turkey’s position. In fact India accounted for almost 50.53% of the world Organic production. A confluence of factors such as high cost of synthetic pesticides and fertilizers, and dissatisfaction with genetically modified (GM) production in certain regions could have led to considerable increase in Organic production. Farmers have moved towards cultivation of Organic since it allows them to operate even with lack of resources. Many of the farmers prefer growing Organic because of lower costs on account of reliance on inputs produced on the farm itself: carry over seed, farm yard manure, cow urine, various herbs. However, some part of the surge in Organic can be attributed to improved data collection coupled with more inclusive data-collection processes.

According to the data provided by APEDA, the production of Organic stood at 1,86,925.631 MT during 2008-09. Area of around 1, 28,751.733 hectares (ha) was under Organic production during the same period. Along with this an area of approximately 70,838.647 ha was in the in-conversion stage. Although the production of Organic has witnessed substantial growth in last few years, in value term it remains miniscule compared to the total production in India.
### Table No 5.3

**Organic Production in India**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>STATE</th>
<th>Organic</th>
<th>In-conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Quantity (M.T.)</td>
<td>Area (ha)</td>
</tr>
<tr>
<td>1</td>
<td>ANDHRA PRADESH</td>
<td>732.82</td>
<td>789.96</td>
</tr>
<tr>
<td>2</td>
<td>DELHI</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>GUJARAT</td>
<td>6411.55</td>
<td>5059.91</td>
</tr>
<tr>
<td>4</td>
<td>HARYANA</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>KARNATAKA</td>
<td>99.76</td>
<td>131.44</td>
</tr>
<tr>
<td>6</td>
<td>MADHYA PRADESH</td>
<td>106622.38</td>
<td>74946.79</td>
</tr>
<tr>
<td>7</td>
<td>MAHARASHTRA</td>
<td>37958.51</td>
<td>16567.68</td>
</tr>
<tr>
<td>8</td>
<td>ORISSA</td>
<td>34425.67</td>
<td>30341.33</td>
</tr>
<tr>
<td>9</td>
<td>RAJASTHAN</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>TAMILNADU</td>
<td>674.93</td>
<td>914.6007</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td>186925.63</td>
<td>128751.7</td>
</tr>
</tbody>
</table>

Source: APEDA, D&B India

Currently Organic is being grown mainly in the states of Madhya Pradesh, Maharashtra, Orissa and Andhra Pradesh.

State-wise Share in Organic Production during 2008-09 in India

**Graph No:-5.1**

**State-wise Share in Organic Production during 2008-09 in India**

Source: APEDA, D&B India
Majority of the Organic produced in India is processed in India and is exported only as textile. The demand for organic finished products in Indian is negligible, though its prospects for growth are tremendous. Despite having a fully integrated value chain, most of the finished products are exported. According to the data available from the office of textile commissioner and APEDA, of the 5 lakh bales produced in India, around 1 lakh bale is exported, while the remaining 4 lakh bales are consumed domestically for value added export products. The textiles and garments produced as organic are sold/ exported under the brand “Made from certified Organic”. Some private standards have been established internationally for certifying textile products as organic such as Global Organic Textile Standards (GOTS).

**Economics of Organic Cultivation:**

Many studies done by various Government as well as non-government organisations over the years have demonstrated the benefits and feasibility of the Organic production in India. It has been observed that in a span of few years, the soil productivity is built-up gradually and seed yield in organic farming reaches the level of non-organic farming. A gradual improvement in soil fertility parameters such as organic carbon content has also been observed. The technological properties of fibre grown under the organic cultivation such as micronaire (3.8-5.0), span length (25.5-29.9 mm) and fibre maturity remain comparable to fibres produced by conventional methods.

Per hectare cost of production for Organic cultivation is 20-30% lower compared to conventional. Organic yield are most consistent and increases over time. The yield of Organic is more or less equal to that of conventional. In terms of ecological benefits, Organic cultivation has shown to improve microflora, restore
fertility and successfully manage insecticide resistance, while reducing health and environmental risks of contamination. Given the leading position that India has at the international level with regard to the production of Organic, it is very important to promote and protect this fibre. Organic cultivation is a good replicable model for other. Unlike the conventional farmers, who operates as a single entity, Organic farmers are a cohesive group operating under a well defined system of checks and balances, have direct linkage / access to marketing, (sans multi layered middlemen), technology, customer interface, etc.

**SOME INITIATIVE TAKEN TO PROMOTE ORGANIC IN INDIA**

Contract farming initiatives across the country has emerged as one of the major driver of growth in the Organic. The National Programme of Organic Production (NPOP) and The National Project on Promotion of Organic Farming (NPOF) have been two major initiatives taken by the Government of India for development of the organic farming in general.

**National Programme of Organic Production (NPOP) (2000) -**

National Programme for Organic Production (NPOP) was launched in the year 2000 by the Ministry of commerce and industry, Government of India to provide support for focused and well directed development of organic agriculture and quality products. It was formally notified under Foreign Trade Development and Regulation (FTDR) Act in October 2001, primarily for regulation and certification of organic commodities meant for export. However, it is also being used as de-facto domestic regulation and certification system in the absence of any separate domestic regulation. NPOP provides information on standards for organic production, system,
criteria and procedures for accreditation of inspection and certification agencies, the national organic logo and the regulations governing its use. It also provides institutional mechanism for the implementation of National Standards for Organic Production, through a National Accreditation Policy and Programme. It covers production, animal husbandry, food processing, labelling and storage and transport. NPOP has equivalency with the EEC 2092/91 regulation. Under NPOP, Ministry of Commerce has instituted a regulatory mechanism for fixing of standards for organic cultivation, accreditation of certification and inspection agencies. National Accreditation Body (NAB) is the sole accreditation body with Agricultural Processed Foods Export. Development Authority (APEDA) as its secretariat.

**National Project on Organic Farming (NPOF):**

The National Project on Organic Farming was launched as a pilot project in the Tenth Plan w.e.f. 01.10.2004 for production, promotion, market development of organic farming with an outlay of Rs. 57.05 crores. This scheme has been continued during the eleventh Plan period with an increased outlay of Rs.150 crores.

Under NPOF Department of Agriculture and Cooperation, Govt of India, has initiated systematic development of organic farming in the country in a project mode in specified areas. The National Centre of Organic Farming (NCOF) and its six Regional Centres of Organic Farming (RCOF) are operating the project. Some of the important strategies being implemented under the NPOF include capacity building through Service Providers, human resource development through training and demonstrations, financial support to organic input production industry, technology development, awareness creation and market development.
Achievements of the NPOF activities:

- Till March 2008, almost 1, 47,013 ha area and 2, 15,793 farmers were brought under organic certification by 421 Service Providers appointed under NPOF.

- The production capacity of Market waste compost, bio-fertilizers and Vermiculture was increased by 30,000 tons, 2500 tons and 85,500 ton respectively through production units supported during 2007-08

- Through various trainings, during 2007-08, more than 5600 trainers and 40,340 farmers were trained on different facets of organic farming. 1954 demonstrations were conducted to demonstrate the potential of organic management approaches and usefulness of various organic inputs to more than 97,700 farmers across the country.

- Through 164 model organic farms effort has been made to develop model centres of excellence on organic approaches.

- NCOF and RCOFs are the major source of mother culture supply and accounts for nearly 80% of total mother culture supply to production units.

- The notification of Bio fertilisers and organic fertilizers under FCO and regular authentic quality testing has led to quality improvement of these inputs.

Concluding Remark

There is a process of SSI or Organic Industry registration each and every unit has to register themselves under the SSI registration act, Bombay shop act. While selecting a particular enterprise and product manufacture the detail analysis of customer demand future prospect need to be done. During the finalization of the
process, also there are various factors we have to consider while seating of an organization, location, manpower availability, transport, raw material etc.

The performance of organic Industry in the World is good but still there is need to create the awareness about the importance of Organic product. In Indian context the situation is near about same, but in India the awareness is very low as compared to the world. So it needs to be highlighted.
References:


