



Marketing Management

Elixir Marketing Mgmt. 97 (2016) 42035-42038

Elixir
ISSN: 2229-712X

Future Prospects for Organic Agricultural Products

T.Sarathy and P.Tamilselvan
PRIMS, Periyar University, Salem-11.

ARTICLE INFO

Article history:

Received: 13 June 2016;

Received in revised form:
27 July 2016;

Accepted: 2 August 2016;

Keywords

Organic agriculture,
Organic farmers,
organic agricultural products.

ABSTRACT

Organic agriculture is the cultivation of crops without chemical pesticides, synthetic fertilizers or genetically-modified organisms. Organic farmers rely primarily on renewable resources and on-farm inputs such as compost, manure and bio-pesticides. The major objective of the research is to discover the future prospects for organic agricultural products. The non-probability convenience sampling was used for drawing samples from the universe. As per the review of literature and the results of present study, there exists a growing demand for organic agricultural products in India.

© 2016 Elixir all rights reserved.

Introduction

Soil fertility is maintained and pests are managed through alternative strategies, such as crop rotation, crop diversification, cultivation of legumes, and mechanical or biological pest control. Organic livestock is nurtured on organically grown fodder, without the use of antibiotics or growth hormones. In organic food processing, no ionizing radiations, food additives or growth promoters are allowed. More than an inventory of techniques, organic agriculture is intended as a holistic and systemic approach to agriculture.

Organic Farming

Organic Farming is a holistic way of practicing farming and agriculture to optimize the productivity and fitness of diverse communities within the agro-ecosystem, including soil organisms, plants, livestock and people. It is also referred to as low input farming and uses natural sources of nutrients such as compost, crop residues, and manure and natural methods of crop and weed control, instead of using synthetic or inorganic agrochemicals.

According to the USDA National Organic Standards Board (NOSB), organic farming is an ecological production management system that promotes and enhances biodiversity, biological cycles and soil biological activity based on minimal use of off-farm inputs and on management practices that restores, maintains and enhances the ecological harmony. Regarded as the most effective and most efficient type of farming adopted ever, organic farming promotes the use of crop rotations and cover crops, and encourages balanced host/predator relationship as depicted in the pictures.

Method of organic farming

Organic farming does not mean going 'back' to traditional methods used in the past are still useful today and hence organic farming takes the best of these and combines them with modern scientific knowledge. Organic farmers do not leave their farms to be taken over by nature rather they use all the knowledge, techniques and materials available to work with nature. In this way the farmer creates a healthy balance between nature and farming, where crops and animals can grow and thrive.

Advantages of organic farming

No matter how much a man progresses, agriculture is an occupation that was, is and will always be undertaken since it suffices one of the population-food. The reason why organic agriculture is enforced in many nations is because it minimizes the use of various harmful chemicals that have hazardous effects on crops in the field. Here, there is more focus on using natural ways to enhance the quality of soil and the cultivated crops. Organic agriculture is nothing more than a modernization in agriculture. It is a combination of science, technology and nature.

Principles of Organic Agriculture

Organic farming is based on attractive the natural life cycles in soil, crop and livestock; on building up soil fertility through the use of Nitrogen fixation by legumes and enhancing soil organic matter; and on avoiding pollution. Thus, the aim is to work with natural processes and not to dominate them, and to reduce the use of non-renewable natural resources such as the fossil fuel used for the manufacture of fertilizers and pesticides. Organic farming principles also encompass high animal welfare standards and the improvement of the environmental infrastructure of the farm.

Need of Organic Farming

Adverse effects of chemical farming practices adopted throughout the world in the second half of the last century accompanied with un sustainability of agriculture production and also the ill effects of conventional farming system on ecology has led to the emergence of the need of organic farming.

Organic Agriculture Concept and Scenario

Organic agriculture has grown out of the conscious efforts by inspired people to create the best possible relationship between the earth and men. Since its beginning the sphere surrounding organic agriculture has become considerably more complex. A major challenge today is certainly its entry into the policy making arena, its entry into anonymous global market and the transformation of organic products into commodities.

Tele:

E-mail address: tamil.tn100@gmail.com

© 2016 Elixir all rights reserved

During the last two decades, there has also been a significant sensitization of the global community towards environmental preservation and assuring of food quality.

Organic Agriculture in India

The growth of organic agriculture in India has three dimensions and is being adopted by farmers for different reasons. First category of organic farmers are those which are situated in no-input or low-input use zones, for them organic is a way of life and they are doing it as a tradition (may be under compulsion in the absence of resources needed for conventional high input intensive agriculture). Second category of farmers are those which have recently adopted the organic in the wake of ill effects of conventional agriculture, may be in the form of reduced soil fertility, food toxicity or increasing cost and diminishing returns.

Future prospects

Although, commercial organic agriculture with its rigorous quality assurance system is a new market controlled, consumer-centric agriculture system world over, but it has grown almost 25-30% per year during last 10 years. In spite of recession fears the growth of organic is going unaffected. The movement started with developed world is gradually picking up in developing countries. But demand is still concentrated in developed and most affluent countries. Local demand for organic food is growing. India is poised for faster growth with growing domestic market. Success of organic movement in India depends upon the growth of its own domestic markets.

Review of Literature

¹**Ahuja Arunkumar & Kumar Raj (2015)** it is apparent from this research that there is an increasing concern of consumers about the health, quality, and safety issues, nutritional value of food products, environmental degradation, and about the residues of chemicals pesticides and fertilizers in the food products. Advantages about organic products are known to the consumers but when it comes to purchasing, not many people buy organic this is majorly because of the price availability factors. Well-educated and people earning high income frequently opt to purchase organic products. This is mainly due to the awareness among educated people regarding the extensive and sometimes excessive use of agro chemicals. This has resulted in more demand of organic agricultural products. Now days, farmers are also more concerned about Health hazards in conventional farming due to growing use of chemical pesticides and fertilizers and resultantly the continued deterioration in soil fertility.

²**D.Kumara Chayulu Subho Biswas(2010)** Organic farming has several major strengths than conventional farming. Organic farming provides safety, healthy and tasty organic food which lives up to its promise high comparative advantage in organic food production such as tea, spices, coffee, rice, wheat, cotton, and vegetables etc; low cost production; high quality and improved nutrition of organic food; improves the soil health; fetch premium prices for organic food; environmental sustainability; high water-use-efficiency; favorable government initiatives like NPOP and

¹ Ahuja Arunkumar & Kumar Raj (2015) market opportunities challenges and future prospects for organic agricultural product, -full thesis - Maharshi Dayanand University,Shodhganga.

² Kumara Chayulu Subho Biswas(2010) organic input production and marketing in india-CMA Publication No – 239.

NPOF for promotion organic farming in the country; it preserves traditional varieties and bio-diversity and increases self life of food.

³**Victor and Owusu, Micheal Anifori (2010)** Organic products are considered worldwide as superior in quality to conventionally produced products in terms of health and environmental benefits. Some policy measures need to be put in place by governments, nongovernmental organizations and other stakeholders to promote consumption of organic products. These include creating awareness on the relevance of consuming organic products through effective marketing and educational campaigns. Efforts should also be made to differentiate organic fruits and vegetables on the market. Since market potential for organic products exist in Ghana, producers and retailers should be assisted and provided with the technical expertise on how to maintain freshness and wholesomeness of their organic products so as attract the maximum price premium form consumers and also increase patronage.

⁴**A.K.Yadav (2010)** Organic agricultural has grown out of conscious efforts by inspired people to create the best possible relationship between the earth and men. Since its beginning the sphere surrounding organic agriculture has become considerably more complex. A major challenge today is certainly its entry into the policy making arena, its entry into anonymous global market and the transformation of organic products into commodities. During the last two decades, there has also been a significant sensitization of the global community towards environmental preservation and assuring of food quality. While there is continuum of thought from its original form it now has environmental sustainability at its core in addition to the founders concerns for health soil, healthy food and healthy people.

⁵**Sonja Brodt, Karen Klonsky, and L. Ann Thrupp(2009)** Potential for expansion of acreage varies among the three crops. Depending on consumer reactions to the pasteurization requirement, the organic food market overall appears to offer significant room for expansion of organic almond production. However, a few large-scale conventional producers appear poised to enter the organic market with relatively large acreages, a move that could potentially flood the market in the next few years. Further expansion of organic hay acreage in California is limited by competition for land from other higher value crops that can grow in most hay-growing areas.

³ Victor and Owusu, Micheal Anifori (2010) Measuring Market Potential for Fresh Organic Fruit and Vegetable in Ghana. 3rd African Association of Agricultural Economists (AAAE) and 48th Agricultural Economists Association of South Africa (AEASA) Conference, Cape Town, South Africa, September 19-23, 2010.

⁴ A.K.Yadav (2010), training Manual Certification and Inspection Systems in Organic Farming in India. Government of India Ministry of Agriculture Department of Agriculture and Cooperation National Centre of Organic Farming-Ghaziabad, UP – 201 002

⁵ Sonja. Brodt Karen Klonsky; Lori Ann Thrupp(2009),Giannini Foundation of Agricultural Economics; University of California (System). Division of Agriculture and Natural Resources. Berkeley: University of California, Agriculture and Natural Resources c2009

⁶Javad Shahraki and Samanesh sadat hamraz(2015) over time and increasing importance of the environment also increasing people's concern about tend the health of the individual, demand for healthy products have been increased and consumer's attitudes tend to use of organic products. The result of this study was indicating the high tendency to consumption organic products compared to common products. The importance of dealing with problems such types of allergies, food poisoning and other complications has occurred in the use of non-organic products. According to the results, factors such as older age, higher education and income are more intensify use of organic products. If the target is detected correctly, can be a production planning and supply these products to be profitable.

⁷(Rehber and Turhan, 2002)Agriculture has changed in a more mechanical and yield orientated way in the twentieth century. Over dependence on chemicals and intensive farming techniques have caused food safety and environment problems. As a result, countries started to search for new methods in agriculture and organic farming has got the challenge to develop all over the world.

⁸(Eyhorn 2005: 74; Jishnu and Sood 2013)The organic food retail scenario in Indian metropolitan areas is going through a phase of dynamic development accompanied with the recent increase in organic production volumes and number of organic companies. Some analysts even speak of "a real boom".

Statement of the Problem

Organic agricultural products are clean when comparing with other, even the variety of sales dimensions is very low significantly other agricultural products, the leading reason for this concern is people those who are retail the agricultural products in household markets, they are not getting proper knowledge related to organic agricultural products and their benefits, if they know about the futures of organic products absolutely they will purchase the products, so the crucial aim of the study to find the ways to develop the organic markets.

Objectives of the study

The major objective of the research is to discover the future prospects for organic agricultural products. The study aims to accomplish the objective by studying the following sub-objectives:

1. To observe the product-wise tendency, pricing formation and supply system for organic agricultural product
2. To discover the factors influencing production and marketing of organic agricultural products in the domestic market

Research Methodology

Research methodology is the systematic method/process dealing with enunciating or identifying a problem, collecting facts or data, analyzing the data and reaching at a certain conclusion either in the form of solutions towards the problem

⁶ Javad Shahraki and Samanesh sadat hamraz(2015), Estimate the potential demand for organic products case study households residing in Shiraz . International Journal of Farming and Allied Sciences. ISSN 2322-4134

⁷ Rehber and Turhan, (2002), Prospects and challenges for developing countries in trade and production of organic food and fibers: The case of Turkey. British Food Journal- ISSN: 0007-070X

⁸ Eyhorn 2005: 74; Jishnu and Sood (2013), organic food marketing in urban centers of india-Organic Food Marketing in Urban Centres of India. Bangalore: ICCOA.

concerned or certain generalization for some theoretical formulation (Hasounch, 2003). It also comprise of a number of alternative approaches and interrelated and frequently overlapping procedures and practices. Since there are many aspects of research methodology, the line of action has to be chosen from a variety of alternatives. The choice of suitable method can be arrived at through the assessment of objectives and comparison of various alternatives. Research methodology used in the present study was as under:

First step of the present research was the literature based study to give out the current situation of organic farming and consumers in general. The specific literature research on India was carried out to figure out the recent situation and consumers' preferences in the country. Besides, literature on worldwide studies conducted in this regard was also looked upon. Second step was a quantitative data collection. Quantitative methods were chosen in this research as the results were quantified and statistically analyzed to make a general overview.

Research Design

Research design is a blue print of any research work. It covers strategic issues concerning to research process. The vital decision relating to sampling design, data collection methods and statistical tools to be applied in the study is decided.

Sampling

Since the present study had focused on the future prospects for organic agricultural products, therefore the population of the study was the producers/farmers and the consumers of organic products. The study is based on two surveys. The producers from four districts of Tamil Nadu viz. Salem, Namakkal, Erode, Coimbatore were approached due to geo-climatic conditions suitable to organic agriculture. Customers were mainly targeted from Salem, Coimbatore and Erode districts. The selection of Salem city for potential consumers has been decided on the basis of highest literacy rate in Erode and the other city i.e. Coimbatore has been selected as its adjoining city having highest literacy rate. Targeted (only organic consumers) but random sampling is applied. As the questionnaire was targeted to organic consumers only, people who were contacted were asked first if they had bought/consumed organic products in the past and after the positive reply, questionnaire was delivered. In the same way only, the producers/farmers were contacted. To determine the characteristics of the Indian domestic organic agriculture market, primary research and secondary research was carried out. The primary research involved gathering data from producers/farmers and consumers of organic products. Self-designed questionnaires (manual and electronic) were used to collect the information. The non-probability convenience sampling was used for drawing samples from the universe.

Main Findings of the Study

As per the review of literature and the results of present study, there exists a growing demand for organic agricultural products in India. The main objective of the study was to explore the future prospects for organic agricultural products. In order to answer the above question, this research was conducted. The survey was carried out with the help of self-designed questionnaires and following were the results:It was

explored in the study that 54% respondents bought the first organic product more than five years ago. This fact also gets confirmed when it was compared with the purchase time of frequent purchasers. 60% of the frequent purchasers bought first organic products five year ago. Only 5% of the respondents were not able to recollect their first time of purchase of organic products. At the same time, the purchase frequency of 71% of the total respondents was less than or equal to monthly. Therefore, it can be concluded that our respondents are the regular consumers of organic products.

In the age wise analysis, it was found that 87% respondents were from the age group between 26-40 years. When they were categorised into frequent and infrequent purchasers, the same age group was dominating in case of frequent purchasers, which also came out to be 87%. Similarly, it was found that 76% of the respondents who were purchasing organic products were post graduate and 22% were having graduate degree. This fact gets further support, when it was compared with frequent purchasers. In case of frequent purchasers also, 78% respondents were having post graduate qualification. Thus, there is enough evidence to conclude that consumers of organic products belong to younger age group and have higher education qualification.

93% respondents were willing to pay premium price for purchasing organic products. Organically grown products gain importance because of high quality and their health benefits besides being free from toxic residues of chemical pesticides and fertilizers. This confirms good future prospects of the organic products as the consumers are willing to pay higher price for organic products.

Supermarkets/Shopping malls were figured out as the most preferred place of shopping for organic products followed by Organic speciality stores. The general retail stores were found least preferred place of shopping for organic products.

Conclusion

It is apparent from this research that there is an increasing concern of consumers about the health, quality, and safety issues, nutritional value of food products, environmental degradation, and about the residues of chemicals pesticides and fertilizers in the food products. Advantages about organic products are known to the consumers but when it comes to purchasing, not many people buy organic. This is majorly because of the price availability factors. Well-educated and people earning high income frequently opt to Purchase organic products.

Reference

- ❖ Alvares, Claudia (2009): the Organic Farming Sourcebook. Mapusa: Other India Press and Third World Network.
- ❖ Backer, S. (2004): "Mapping the value driving organic food choice –Germany vs the UK." *British Food Journal*. 38(8), 995 – 1010.

- ❖ Bhattacharyya, P. and Chakraborty, G. (2005): "Current Status of Organic Farming in India and other Countries." *Indian journal of Fertilizers*. 1 (9): 111-1233.
- ❖ Chadder, M. (1997): "Organic Farming: Towards Sustainable Agricultural Development." *Social Action* 47 (1): 216-230.
- ❖ Eyhorn, Frank (2005): *Success Story: Organic India*. In: Willer, Helga and Yussefi, Minou (Eds.). *The World of Organic Agriculture: Statistics and Emerging Trends 2005*. Bonn and Frick: IFOAM and FiBL, 74-75.
- ❖ Funtilana, S. (1990): "Safe, inexpensive, profitable, and sensible." *International Agricultural Development*. March-April 24.
- ❖ Gupta, S.K. (2008): *Organic Vegetable Production*. New Delhi: Rajat Publications.
- ❖ Harper, G. C. and Makatouni, A. (2002): "Consumer perception of organic food production and farm animal welfare." *British Food Journal*. 104 (3/4/5): 287-299.
- ❖ Kyriakopoulos, K. and van Dijk, G. (1997): "Post-purchase intentions for organic foodstuff: A conceptual framework based on the perception of product value." *Journal of international Food and Agribusiness Marketing*. 9 (3): 1-19.
- ❖ Narayanan, S. (2005): *Organic Farming in India: Relevance, Problems and Constraints*. Department of Economic Analysis and Research. Mumbai: NABARD.
- ❖ Prabu, M.J. (2009): A farmer develops an herbal pest repellent after suffering from chemical pesticides: The farmer suffered a severe paralytic stroke for nearly three years. *The Hindu*. February 26.
- ❖ Ramesh, P; Singh, Mohan; Rao, A. Subba (2005): "Organic Farming: Its relevance to the Indian context." *Current Science*. 88 (4): 561-568.
- ❖ Rao, Kishore; Supe, Raj; Menon, Manoj Kumar and Partap, Tej (2006): *The Market for Organic Foods in India: Consumer Perceptions and Market Potential. Findings of a Nation Wide Survey*. Bangalore: ICCOA.
- ❖ Singh, Jagdish (2004): *Organic Farming and Agribusiness for Food Security in India*. In: Singh, Tapeshwar (Ed.). *Resource Conservation and Food Security: An Indian Experience*. Vol. I. Concept Publishing: 277-288.
- ❖ <http://www.agrocoop.nic.in> (Department of Agriculture and Cooperation, Ministry of agriculture, GOI)
- ❖ <http://www.iccoa.org>
- ❖ <http://www.ifoam.org>
- ❖ <http://www.ncof.dacnet.nic.in>
- ❖ <http://www.reportlinker.com/p01361158/India-Organic-Food-Market-Forecast-Opportunities.html>
- ❖ <http://www.organic-world.net/yearbook/yearbook-2016.html?L=0>