



MEMBERS REFERENCE SERVICE
LARRDIS

LOK SABHA SECRETARIAT
NEW DELHI

REFERENCE NOTE

For the use of Members of Parliament

NOT FOR PUBLICATION

No.13/RN/Ref./June/2018

ORGANIC FARMING IN INDIA

Prepared by Dr. Ranbir Kumar, Additional Director and Smt. Vandana Chauhan, R.O. of Lok Sabha Secretariat under the supervision of Smt. Kalpana Sharma, Joint Secretary and Dr. P.J. Antony, Director.

The Reference Note is for personal use of the Members in the discharge of their Parliamentary duties, and is not for publication. This Service is not to be quoted as the source of information as it is based on the sources indicated at the end/in the context.

ORGANIC FARMING IN INDIA

Introduction

In India, Organic Farming is not anything new as it has been in practice from ancient times. With the shifting towards minerals-based farming and the chemical and technological advancements made in agriculture in the 1960s, India ushered in an era of Green Revolution. No doubt, the chemical-based agriculture process paid rich dividends in terms of higher productivity which helped in pulling the country out of food insecurity for the burgeoning Indian population. However, it brought a very negative cascading impact on our ecological plateau, creating new problems like degradation of soil health, emergence of new pests/diseases, wiping out of eco-friendly micro organisms and percolation of toxic chemicals into our food chain threatening the very existence of the biosphere of our nation.

It was, therefore, felt that to sustain agricultural production and productivity and to take this crucial Sector into new frontiers without damaging the resources and the environment, an alternate system of farming is required. In this context, organic farming, focussing on optimal, balanced, efficient and scientific management of land, water, biodiversity and external inputs has emerged as a solution.

Concept of Organic Farming

Organic Farming, broadly refers to the farming methods free from toxic pesticides, chemicals and synthetic fertilisers. It stringently follows cultivation methods that keep the soil healthy and avoid adverse impact on environment by using organic waste such as crop, animal and farm wastes including biological materials. According to the *Indian Council of Agricultural Research (ICAR)*, “Organic Agriculture is a unique production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycle and soil biological activity. This is accomplished by using on-farm agronomic, biological and mechanical methods in exclusion of all synthetic off-farm inputs”.

Organic Farming System lays great emphasis on crop rotation, use of crop residues, animal manure and off-farm organic wastes, mineral grade rock additives and biological system of nutrient mobilisation and plant protection techniques for sustaining the fertility of the land under cultivation.

Organic Farming: Present Scenario in India

At present, only 1.2 per cent of the world's agricultural land consisting of about 58 million hectares (ha) is considered to be organic. In India, the total area under organic certification is 5.71 million hectares which includes 26 per cent cultivable area with 1.49 million hectares and the rest 74 per cent covering about 4.22 million hectares is forest and wild areas for collection of forest produce. India is the leading organic farm producer, with 8,35,000 farmers out of a total 2.7 million global organic farm producers in 2016. There was an increase of 7.5 million hectares in organic farmland at the global level in 2016 from 2015 while in India it has increased by 0.3 million hectares over the same period. Total production of organic farm produce and export during 2016-17 is 11,80,105 MT and 3,09,767 MT respectively. Madhya Pradesh has covered the largest area under organic certification with 4,64,859 ha followed by Rajasthan with 1,51,609 ha. Sikkim has the distinction of being a fully organic State with a cultivated area of 56,000 ha.

Major Challenges for the Organic Farming Sector

Since the organised organic food segment is still at a nascent stage in India, many challenges, affecting their livelihood and income are faced by the organic producers. Some of the major challenges are as follows:

- The transition from conventional to organic farming is accompanied by high input cost and low yield in the initial years. The commercially available bio-manure products may not be completely organic and, therefore, the products sometimes gets disqualified at the certification stage.

- High certification cost, lengthy procedures in the certification process and the inadequate supporting infrastructure for it are major problems the farmers have to contend with.
- Though the Government is subsidising farmers in Participatory Guarantee System (PGS-India), which is a self-certification process, these farmers are not allowed to export their products.
- There are no subsidies from the Government on agriculture inputs for organic farming, specially for the bio-fertilisers and bio-pesticides making the cost of cultivation for organic farming quite high.
- Due to the relatively low volume of organic production, the marketing and distribution chain of organic food products is relatively inefficient and very costly.
- Lack of an organic policy for the domestic markets and products, poses as a big hurdle for the organic sector. In the absence of regulation on labeling standards for organic production and logo, it is impossible to distinguish an organic product from a conventional product. This leads to fraudulent practices causing financial loss to the genuine players who are not getting their fair dues.

To overcome the adverse consequences of chemical-based farming, Government of India has launched the National Project on Organic Farming (NPOF)¹ with an outlay of Rs. 57.05 crores as a Pilot project with effect from 1 January 2004 (Xth Plan) and the same was continued during the XIth Plan with an outlay of Rs. 101 crores. However, later on in the middle of the XIIth Plan period, this scheme was merged with a Central Sector

¹ National Project on Organic Farming (NPOF) is a continuing central sector scheme since the 10th Five Year Plan. Planning Commission approved the scheme as a PILOT project for the remaining two and a half years of the 10th plan period with effect from 01.10.2004 with an outlay of Rs. 57.04 crore. The scheme is continuing in the 12th Plan. NPOF is being implemented by the National Centre of Organic Farming at Ghaziabad and its eight Regional Centres at Bangalore, Bhubaneswar, Panchkula, Ghaziabad, Imphal, Jabalpur, Nagpur and Patna.

Scheme – the 'National Mission on Sustainable Agriculture (NMSA)² with an outlay of Rs. 293 crores for the remaining period of the XIIth Plan.

Major Schemes for Organic Farming

Government has been promoting organic farming across the country through various schemes. Some of the main schemes are as follows:

Paramparagat Krishi Vikas Yojana (PKVY)

The *Parampragat Krishi Vikas Yojana (PKVY)*, launched in 2015, is the first comprehensive scheme launched by the Central Government as a centrally sponsored programme (CSP), where the Central and State Governments share the funding in varying ratio. It is 100 per cent in the Union Territories, 90:10 in the North-Eastern and Hilly States and 60:40 in the case of the other States. The scheme is implemented by the State Governments. It is implemented on a cluster basis of 20 hectare each. The farmer within the cluster is given financial assistance upto a maximum of 1 ha and the limit of assistance is Rs. 50,000 per ha during the conversion period of 3 years. The target is to promote 10,000 clusters covering 2 lakh ha over the period of 3 years (2015-16 to 2017-18). In order to implement the PKVY in the 2015-16, 2016-17 and 2017-18 an amount of Rs. 300 crore, Rs. 297 crore and Rs 350 crore respectively has been allocated to the States. Assistance is provided for cluster formation & capacity building, organic inputs, certification, labeling, packaging, transportation and marketing of organic produce. Till now 2,16,560 hectares have been covered under the scheme benefitting 5,41,400 farmers. (see **Annexure-I**)

PKVY is implemented in a time frame of three years in line with the Participatory Guarantee System (PGS-India) prescribed conversion period of 36 months from conventional farm to organic. Accordingly, PKVY promotes organic farming through a

² NMSA derives its mandate from Sustainable Agriculture Mission which is one of the eight Missions outlined under the National Action Plan on Climate Change (NAPCC). The strategies and Programmers Of Actions (POA) outlined in the Mission Document, was accorded 'in-principle' approval by the Prime Minister's Council on Climate Change (PMCCC) on 23.09.2010. NMSA aims at promoting location-specific improved agronomic practices through soil health management, enhanced water use efficiency, judicious use of chemicals, crop diversification, etc.

cluster approach to adopt PGS Certification³. It facilitates farmers to certify their organic produce, and to label and market their products domestically.

Main Features of the PKVY

- The cluster chosen for Organic Farming shall be 20 ha or 50 acres in extent and in as contiguous a form as possible.
- Total financial assistance available for a 20 ha or 50 acre cluster shall be a maximum of Rs. 10 lakhs for farmer members and Rs. 4.95 lakh for mobilization and PGS Certification with a subsidy ceiling of one hectare per farmer
- Of the total number of farmers in a cluster, a minimum of 65 percent farmers should be allocated to the small and marginal category.
- At least 30 per cent of the budget allocations need to be earmarked for women beneficiaries/ farmers

Mission Organic Value Chain Development for North-Eastern Regions (MOVCDNER)

Realizing the potential of organic farming in the North Eastern Region of the country, Ministry of Agriculture and Farmers Welfare has launched a Central Sector Scheme entitled "Mission Organic Value Chain Development for North Eastern Region" for implementation in Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura, during 2015-16 to 2017-18. The scheme aims at the development of certified organic production in a value chain mode to link growers with consumers and to support the development of entire value chain starting from inputs, seeds, certification and creation of facilities for collection, aggregation, processing,

³ There are two ways of accreditation and certifying organic farming: one is Participatory Guarantee System (PGS-India) which is for domestic trade and the second one is the Agricultural and Processed Food Export Development Authority (APEDA) which is for third-party verification and certification of organic production processed for export under the Ministry of Commerce. PGS-India system supports domestic demand for organic produce and trains farmers in document management and adherence to other requirements of certification process. National Programme of Organic Produce (NPOP) notified in 2001 under the Foreign Trade Development and Regulation Act is primarily for the regulation and certification of organic commodities meant for export. All the importing countries in South-East Asia, Europe and U.S.A are accepting the NPOP certified products.

marketing and brand building initiatives. The scheme was approved with an outlay of Rs. 400 crore for three years for an area of 50,000 ha to be covered under the Organic Farming in North-Eastern Region. Till June 2017, 2406 Farmer Interest Groups (FIGs) covering an area of 45863 ha and 44604 farmers have been formed. (See Annexure-II,)

New Initiatives

Food Safety and Standard Authority of India (FSSAI) has recently operationalised its regulations on organic food which will regulate the manufacturing, sale, distribution and import of organic food, which will be effective from 1 July 2018. FSSAI has launched an "Indian Organic Integrity Data-Base" to help consumers verify the authenticity of the organic food. It has also introduced a common logo "Jaivik Bharat" for organic food. This would bring more small and marginal farmers under the ambit of certified organic markets.

Conclusion

Organic agriculture which emphasises on the sustainable use of locally available natural resources is a holistic food production system. For its sustained growth, ensuring quality, it is imperative for us to adopt a comprehensive approach by taking the support from all stakeholders adopting environment-friendly technologies, providing for marketing infrastructure and effective financial support. An environmentally sustainable system of agriculture like organic agriculture will be able to help maintaining a resource balance, avoiding the over exploitation of resources and conserving the soil nutritional quality and biodiversity in the country.

References:

1. Committee on Estimates, Standing Committee Report No. 22, 2016-17, page no.12,36,
URL:http://164.100.47.193/Isscommittee/Estimates/16_Estimates_22.pdf
2. Organic agriculture in India: A summary, International Journal of Agriculture, International Research,2017
URL:https://ijair.org/administrator/components/com_jresearch/files/publications/IJAIR_2411_FI_NAL.pdf

3. Present status and prospects of organic farming in India, European Academic Research, vol.3, dated July 15,
URL: https://www.researchgate.net/publication/282243181_Present_Status_and_Prospects_of_Organic_Farming_in_India
4. The world of Organic Agriculture: Statistics and Emerging Trends, 2018, FiBL & IFOAM, Organics International, Pg no. 51,58,66,191,
URL: <https://shop.fibl.org/CHen/mwdownloads/download/link/id/1093/?ref=1>
5. Lok Sabha Unstarred Question No. 2751 dated 12.03.2018.
6. Lok Sabha Unstarred Question No. 5772 dated 10.4.2017.
7. Lok Sabha Unstarred Question No. 551 dated 19.12.17.
8. The Indian Organic Market: A New Paradigm in Agriculture, ASSOCHAM, March 2018,
URL: [http://www.ey.com/Publication/vwLUAssets/ey-the-indian-organic-market-report-online-version-21-march-2018/\\$File/ey-the-indian-organic-market-report-online-version-21-march-2018.pdf](http://www.ey.com/Publication/vwLUAssets/ey-the-indian-organic-market-report-online-version-21-march-2018/$File/ey-the-indian-organic-market-report-online-version-21-march-2018.pdf)
9. The Financial Express, dated 19.9.17
10. Lok Sabha Starred Question No. 507 dated 3.4.18
11. ParamparagatKrishi Vikas Yojana, 2017,
URL: <https://darpg.gov.in/sites/default/files/Paramparagat%20Krishi%20Vikas%20Yojana.pdf>
12. India, Department of Agriculture and Farmers' Welfare, Annual Report, 2017-18, p.58,
URL: <http://agricoop.nic.in/sites/default/files/Krishi%20AR%202017-18-1%20for%20web.pdf>
13. URL: <http://www.downtoearth.org.in/news/organic-food-in-fssai-s-net-59110>

Annexure-I

All India Status under *Paramparagat Krishi Vikas Yojana (PKVY)* scheme

| S.No. | Name of the State | 2015-16 (Rs in lakh) 1st year | | | 2016-17 (Rs in lakh) 2nd year | | | 2017-18 (Rs in lakh) 3rd year | |
|-------|----------------------|-------------------------------|------------|----------|-------------------------------|------------|----------|----------------------------------|------------|
| | | No of clusters | Allocation | Release | Expenditure | Allocation | Release | Expenditure | Allocation |
| 1 | Andhra Pradesh | 433 | 1854.47 | 1100.15 | 0 | 1308.50 | 798.17 | 0 | 759.88 |
| 2 | Bihar | 327 | 1400.49 | 1050.37 | 0 | 988.17 | 664.26 | 0 | 573.86 |
| 3 | Chhattisgarh | 188 | 805.17 | 603.88 | 249.65 | 568.12 | 314.78 | 314.78 | 329.92 |
| 4 | Gujarat | 100 | 428.28 | 178.45 | 0 | 302.19 | 238.83 | 17.4 | 175.49 |
| 5 | Goa | 4 | 17.13 | 7.14 | 0 | 12.09 | 0 | 0 | 7.02 |
| 6 | Haryana | 20 | 85.66 | 53.53 | 0 | 60.44 | 45.98 | 0 | 35.10 |
| 7 | Jharkhand | 100 | 428.28 | 321.21 | 178.45 | 302.19 | 203.14 | 0 | 175.49 |
| 8 | Karnataka | 545 | 2334.15 | 1945.12 | 1945.12 | 1646.96 | 815.27 | 785.268 | 956.43 |
| 9 | Kerala | 119 | 509.66 | 382.22 | 355.296 | 359.61 | 0 | 0 | 208.83 |
| 10 | Madhya Pradesh | 880 | 3768.90 | 2826.67 | 2826.67 | 2659.31 | 1787.6 | 526.379 | 1544.33 |
| 11 | Maharashtra | 932 | 3991.61 | 2598.51 | 2598.51 | 2816.45 | 2957.59 | 0 | 1635.58 |
| 12 | Odisha | 320 | 1370.51 | 1027.88 | 1027.88 | 967.02 | 650.03 | 650.03 | 561.57 |
| 13 | Punjab | 50 | 214.14 | 160.6 | 160.6 | 151.10 | 0 | 0 | 87.75 |
| 14 | Rajasthan | 755 | 3233.55 | 2373.69 | 2082.27 | 2281.56 | 1491.13 | 597.78 | 1324.96 |
| 15 | Tamil Nadu | 112 | 479.68 | 399.73 | 295.97 | 338.46 | 207.2644 | 0 | 196.55 |
| 16 | Telangana | 300 | 1284.85 | 1070.71 | 0 | 906.58 | 448.77 | 0 | 526.47 |
| 17 | Uttar Pradesh | 575 | 2462.64 | 2052.2 | 2002.16 | 1737.62 | 1270.64 | 402.438 | 1009.08 |
| 18 | West Bengal | 120 | 513.94 | 214.14 | 214.14 | 362.63 | 393.66 | 0 | 210.59 |
| 19 | Assam | 220 | 1413.34 | 576.39 | 20 | 997.24 | 0 | 0 | 579.12 |
| 20 | Arunachal Pradesh | 19 | 122.06 | 51.41 | 51.41 | 86.13 | 81.08 | 0 | 50.02 |
| 21 | Mizoram | 34 | 218.43 | 89.08 | 89.08 | 154.12 | 138.65 | 0 | 89.50 |
| 22 | Manipur | 30 | 192.73 | 107.07 | 0 | 135.99 | 0 | 0 | 78.97 |
| 23 | Nagaland | 24 | 154.18 | 153.33 | 153.33 | 108.79 | 0 | 0 | 63.18 |
| 24 | Sikkim | 150 | 963.64 | 409.105 | 201.63 | 679.94 | 0 | 0 | 394.86 |
| 25 | Tripura | 50 | 321.21 | 133.84 | 133.84 | 226.65 | 308.83 | 308.83 | 131.62 |
| 26 | Meghalaya | 45 | 289.09 | 144.55 | 144.55 | 203.98 | 296 | 0 | 118.46 |
| 27 | Himachal Pradesh | 110 | 706.67 | 395 | 345.005 | 498.62 | 0 | 0 | 289.56 |
| 28 | Jammu & Kashmir | 28 | 179.88 | 74.95 | 74.95 | 126.92 | 87.81 | 26.79 | 73.71 |
| 29 | Uttarakhand | 550 | 3533.35 | 1962.97 | 1902.21 | 2493.10 | 2019.4 | 1641.29 | 1447.81 |
| 30 | Andman & Nicobar | 68 | 485.39 | 130 | 0 | 342.49 | 0 | 0 | 198.89 |
| 31 | Other admin. charges | | | 24.85 | 0 | | 0 | | |
| | Total | 7208 | 33763.09 | 22618.75 | 17052.72 | 23822.96 | 15218.88 | 5270.99 | 13834.58 |

Source: Lok Sabha Unstarred Question No. 346 dated 18.07.2017

Annexure-II

Status of the Scheme MOVDNER

Physical progress:

As on 01.06.2017, against a target of 50000 ha area, 43747 ha area is brought under the Organic Farming. Against the target of 2500 FIGs, 2333 FIGs have been formed mobilising 47089 farmers.

Financial Progress

| S. No. | States | No. of FPCs | Area covered in ha | Amount released | Amount released | Total Fund released (A+B) | Utilized Fund | Utilization % | Budget allocation | Amount released |
|--------|-------------------------|-------------|--------------------|-----------------|-----------------|---------------------------|---------------|---------------|-------------------|-----------------|
| | | | | (A) | (B) | | | | | |
| 1 | Assam | 10 | 5000 | 2207.32 | 231.98 | 2439.30 | 1448.10 | 59.37 | 1423.47 | - |
| 2 | Manipur | 10 | 5000 | 803.73 | 736.79 | 1540.52 | 1088.56 | 44.71 | 1788.42 | 894.21 |
| 3 | Meghalaya | 12 | 6000 | 1293.22 | 463.05 | 1756.27 | 1167.72 | 66.48 | 940.71 | - |
| 4 | Nagaland | 12 | 6000 | 627.86 | 1244.85 | 1872.71 | 1426.74 | 50.30 | 1927.75 | 963.87 |
| 5 | Mizoram | 14 | 7000 | 913.34 | 969.09 | 1882.43 | 679.344 | 36.09 | 583.44 | - |
| 6 | Arunachal Pradesh | 10 | 5000 | 779.31 | 522.65 | 1301.96 | 779.31 | 59.85 | 1181.45 | - |
| 7 | Sikkim | 28 | 14000 | 4216.08 | 0 | 4216.08 | 1789.00 | 42.43 | 687.88 | - |
| 8 | Tripura | 4 | 2000 | 370.13 | 594.24 | 964.37 | 361.38 | 37.47 | 491.88 | - |
| | Total | 100 | 50000 | 11210.99 | 4762.65 | 15973.64 | 8740.15 | | 9025.00 | 1858.08 |
| | Project management Unit | - | - | - | 105.77 | - | - | - | 975.00 | - |
| | Grand Total | 100 | 50000 | 11210.99 | 4868.42 | 15973.64 | 8740.15 | | 10000.00 | 1858.08 |

Source: Lok Sabha Unstarred Question No. 346 dated 18.07.2017