

NOTE ON ISSUES WITH APPLICATION OF NPOP SYSTEM OF CERTIFICATION FOR DOMESTIC MARKETS

It has been our experience that third-party certified farmers (with the NPOP regime) are not always able to sell their produce to the domestic market on the basis of their certificates. We try to explain the problem some more here.

All agricultural produce requires basic processing to be market-ready. For example, paddy to rice, flakes, flour or popped rice; millet grains to millet rice, rava, flakes or flour; raw turmeric, chili, coriander, cumin seeds to powder; wheat grain to dalia, sooji, flour; pulses to be de-skinned and split; nuts to be de-hulled and de-shelled; nuts to oil etc. etc. This level of processing can be termed as “raw” processing, as they do not involve mixing multiple-ingredients.

Meanwhile, it is also our reality that the domestic organic market is organised as between farmers or small farmer groups (production end players), and re-packers/retailers (handling end players, who take up some basic processing). Both are usually small entities and do not buy and sell in single consignments or in large bulk volumes. Neither do the re-packers and retailers own processing facilities. Both parties do not have refrigerated facilities therefore the raw material is kept in its unprocessed form to provide longevity. The products are bought throughout the year, freshly processed in small batches every month by these re-packer/retailers.

As per current APEDA regulations, the processing facility has to be certified as organic. There are hardly any independent organic certified processing facilities in most states (such certified organic processing facilities are attached to entities for their own processing in a dedicated manner), and even if available, there is no information in the public domain on who or where these facilities are. So, a farmer’s product from a certified farm, the moment it goes through basic processing in a local facility that is not certified, becomes conventional and loses its certification status.

Even if there is one processing facility anywhere in the state, it would be very difficult for an individual farmer to send small quantities for processing to long distances, and then supply further to the re-packer/retailer. The added cost and burden of transportation and requirement to get Transaction Certificates for each small volume is a deterrent and increases the cost of the food item for the consumer. The requirement makes even NOP/NPOP certified farmers unable to sell in the domestic market and the high cost and inconvenience will result in reduced uptake – as per the NOP compliance and FSSAI regulations, even certified farmers become non-certified including for domestic markets. This hampers the growth of the organic domestic market and harms the farmers by increasing their burden and reducing their market opportunities, while consumers also have to pay much more for organic food. In effect, this is penalising genuine organic farmers, despite being certified at the production end! Additionally, in states like Tamil Nadu where the state government provides low-cost third-party certification through the APEDA-accredited CB (certifying body) attracting numerous farmers under its umbrella, the government CB does not deal with TCs online. The farmers have to physically go to the office and apply for TC for every (small or big) consignment. This is simply unviable.

OUR PROPOSAL

1. In the long term, it is apparent that the government has to set up or subsidise/incentivise setting up of organic processing facilities as close to the farming regions and in as many places as needed.

2. In the short term: NPOP's domestic market requirements should be less onerous, when the players have no intention of exporting. This requirement of a certified processing facility came up in response to USDA requirement, and is meant for export markets. The solution lies in going back to the earlier system where the farmer or handler could sub-contract processing facilities for NPOP certificates. The onus of getting segregated 'handling' (of maintaining organic integrity) can be put on the FBO, if they procure unprocessed bulk material from certified organic farmers.

3. In the NPOP regime, the cost is dependent on the Transaction Certificates (TCs) to be generated and becomes unaffordable, since it is not just the certification cost of the production facilities that is charged to the operator, but on a per-transaction basis also. TCs should be allowed once in 3 or 6 months so that all TCs during that period can be applied for in a bunch, reducing the burden and cost. By this, an individual farmer who has sold 5 tonnes to 10 buyers across 3 months will have to pay for only one TC. This eases the burden and in case of government-run CBs, the farmer has to physically visit only once in 3 or 6 months. TCs have to be made free for farmers who are selling only in the domestic market.

4. There is a need to set up APEDA hubs and helplines whereby farmers can take help, free of cost. There is also a need to reduce documentation all round as the documentation for a medium sized entity requires one staff member at the venture level. The regime has to be made business- and farmer-friendly in the domestic markets.

If NPOP regime sees itself relevant for domestic markets too (which it should, given that even export-oriented organic farmers do have organic produce that requires domestic marketing channels), the regime has to be made affordable, less onerous, more farmer-friendly (especially individual farmers) and with possibility of offline systems and not just TRACENET as it exists today.

If NPOP regime continues to be designed mainly as an export-oriented regime, FSSAI should at least not consider it as a major regime that will provide certification for organic food and therefore, look more actively for solutions that apply for domestic market in the light of its notified regulations.

- This is a note submitted by Alliance for Sustainable and Holistic Agriculture (ASHA). For more information, please contact kavitha_kuruganti@yahoo.com