



AlterOrganic: Local Agendas for Organic Agriculture in Rural Development

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8. Developing Markets for Tribal Organic Products – Experiences from Nilgiris, India

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8.1. Description of the area

The Nilgiris are a part of the Western Ghats, a mountain range that stretches all the way down peninsular India. It is a diverse area with numerous flora and fauna, and goes up to a height of 2600 metres. There are a number of distinct tribal communities, which are a part of this system.

The project is located in South India, in the North-western part of Tamil Nadu, on the border of the States of Kerala and Karnataka. Land holdings are very close to the forested areas at middle elevations of 800-1000 meters. The area is in the humid/semi humid tropics.

8.2. Description of the problem

The Nilgiris consist of one of the most ecologically fragile areas in India. The hills are steep. Traditional forests have been depleted and are under further threat, because of the increase in large tea plantations and substantial destruction of natural vegetation by the Forest department, through introduction of exotic commercial tree plantations. Consequently, soil erosion is rampant. Tea and coffee plantations have replaced large parts of its original vegetation and marshes have been converted into agricultural fields. 50% (30,000 ha) of all cultivated area consists of tea plantations. Although no hard figures are available, it is common knowledge that conventional tea plantations make heavy use of chemical fertilisers and pesticides and reduce the water retention capacity of the soil. Such conditions have also brought attention to it and recently, it has been declared a hot-spot under the Man & Biosphere Programme of UNESCO.

Keystone has begun work with these communities in 1995 and one of the primary concerns has been to provide support on the marketing front. Our entry point for work was bees - the Kurumba and Irula communities are traditional hunter-gatherers and slash and burn agriculturists. Honey hunting is an important part of their tradition and nearly 2-3 months in a year are spent in this activity.

The immediate concern was to help raise the procurement prices as the rates being offered by traders and middlemen was very low. Coupled with that was irregular payments and measurements. However, the tribal people slowly started trickling in with their products and pretty soon there were a whole range of products - coffee, pepper, mustard, silk cotton and bees wax.

All the food products were organic but there was no certification for these products. As with problems very similar to those small growers face in many parts of the world of high costs, accessibility, no documentation, etc., these same hurdles stood in the way.

8.3. Potentials

There is a tremendous market for these products within the country. Since these items are not produced in very large quantities, the potential to develop niche markets exist. More and more consumers are aware of the uniqueness and quality of such products and are willing to pay the extra premium for the availability of such products.

Presently, only the immediate local market in the towns is being addressed. Slowly, neighbouring towns and cities have the potential to absorb such products. Due to the local nature of the products and an association of the products with the area - there is an immediate appreciation of such products and the value of these products is recognised.

One of the main issues that need to be tackled is value addition. The first step that has happened with the effort here has been the first level of cleaning, processing, hygiene, labelling and packing. This has taken place. However, there needs to be many more levels of value addition so that these products take maximum advantage of low volume and high value.

8.4. Constraints

As soon as we started marketing honey, the local market appreciated it immediately - they knew it was genuine, unadulterated honey. The cool temperatures at this elevation meant that honey was a part of their traditional diet. However, for many other outside customers, they raised questions whether it was certified by AGMARK (an agriculture certifying agency of the Government). Their standards were for processed honey and not wild honey. These standards of moisture content (i.e. 18%) would have meant that we would have to heat the honey to reduce the moisture. This would also kill the bacteria, which meant a change in

the character of the honey. Honey naturally available in the tropical temperature has a moisture content ranging above 20% depending on the area, rainfall, humidity and other factors.

If honey is harvested hygienically, there are historical records, which show that honey can stay for years without getting spoilt. We have continued to market the honey without heating, on the basis of its quality. We do not mix different batches of honey and so are able to take advantage of different flavours.

For organic certification, we got in touch with a certifying agency, but again problems of cost, accessibility, migratory behaviour of wild bees became an issue and the matter rests there.

“Organic by default” - a definition that is applicable to most small growers. We tried again to certify these products but these problems remain:

- ▶ costs are too high in proportion to value of products sold
- ▶ fields are spread out and in different places
- ▶ no documentation
- ▶ ownership may not be watertight - land may be community lands

Another primary constraint that remains with smaller organisations is that focus has to be continually on procurement, quality control, and packaging, designing, labelling and continuing all the way to marketing. Since the volumes are lower, it creates problems that the effort put in is not commensurate with the volumes generated.

With the general downturn in raw material prices for products like coffee, pepper and many other agricultural products - finding a market for niche products, which will allow us to give higher procurement costs without compromising on quality, remains a concern.

Investment also becomes an issue - there are two issues here. Firstly, most equipment/machinery is always for larger volumes and one doesn't have access to information on how to get machinery, which is appropriate but also suit one's requirements. Secondly, it is difficult to justify costs to meet smaller volumes - it means payback periods go up.

8.5. Solutions

One of the immediate steps has to be some sort of quality check, which is applicable across a range of products and at least provides some assurance to the consumer about meeting basic standards. If this is not done soon, there will be a backlash from consumers and then all marketing will suffer.

We developed an internal monitoring system to check the quality of products where the 4 main features were:

- ▶ raw material
- ▶ processing
- ▶ packaging and distribution
- ▶ consumption & disposal

Though this did not specifically look at the organic aspects it was an attempt to control the entire process and put in place a system of checks and balances to improve the quality of products. However, due to lack of feedback and a continuous review, the system has fallen into disuse and we have not used it further to evaluate ourselves.

Another aspect that has to be looked at is the development of such markets. For all organisations, to look at markets, makes it a difficult job. Here, I am not talking of export markets but of own internal markets within the country. It will provide not only support for other products but also bring together products under a common umbrella.

8.6. Main Questions

Such efforts have left us with a lot of questions - what are the kinds of products we are looking at, what kind of standards do we want to set, on what basis, if different from world standards, why, is there scientific basis/rationale to our standards, if we want to start exporting, will this mark stand ground. The standards should take into account small groups who are very critical in such ventures, their economic viability is crucial and export procedures should be handled in such a manner that there is complete transparency and understanding between accreditation agencies and importing countries. It should not end up that producers have to get certificates from different agencies to send products to different places.

A similar effort has to be put in for developing a transparent but simple system in place to encompass the wide range of small growers around the world.