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Association of
Indian Organic Industry

NEWSLETTER

Our aim is to meet the demands of global markets for organic agro products.

Shri Narendra Modi
Prime Minister of India
Global Investors' Summit 2014
in Indore, M.P.

INSIDE THIS EDITION

FROM THE CEO's DESK

Dear Friends,

Greetings from AIOI !

One of the most important learnings for people during this time of COVID 19 across the world has been the need to build 'strong immunity' with a possible protection by way of social distancing and hand hygiene against this deadly virus. Organic food being full of antioxidants and nutrients provides one of the best ways to boost immunity. Hence, instead of risking their health further, people are willing to buy organic food at a premium.

Going ahead with this momentum, people are clinging to harness this opportunity to fill in the supply and demand gap by venturing into organic business. Hence, healthy domestic and export markets will improve the profitability of Indian business. However, this requires strengthening the organic food sector in India and enhancing employment opportunities for making an ***Atmanirbhar Bharat.***

One of the aims of AIOI is to create valuable resources through skill development for enhancing employment opportunities in organic industry. We are working in this direction and plan to initiate an Entrepreneurship Development Programme in Organic Products by early 2021. This is being developed in line with the industry requirements.

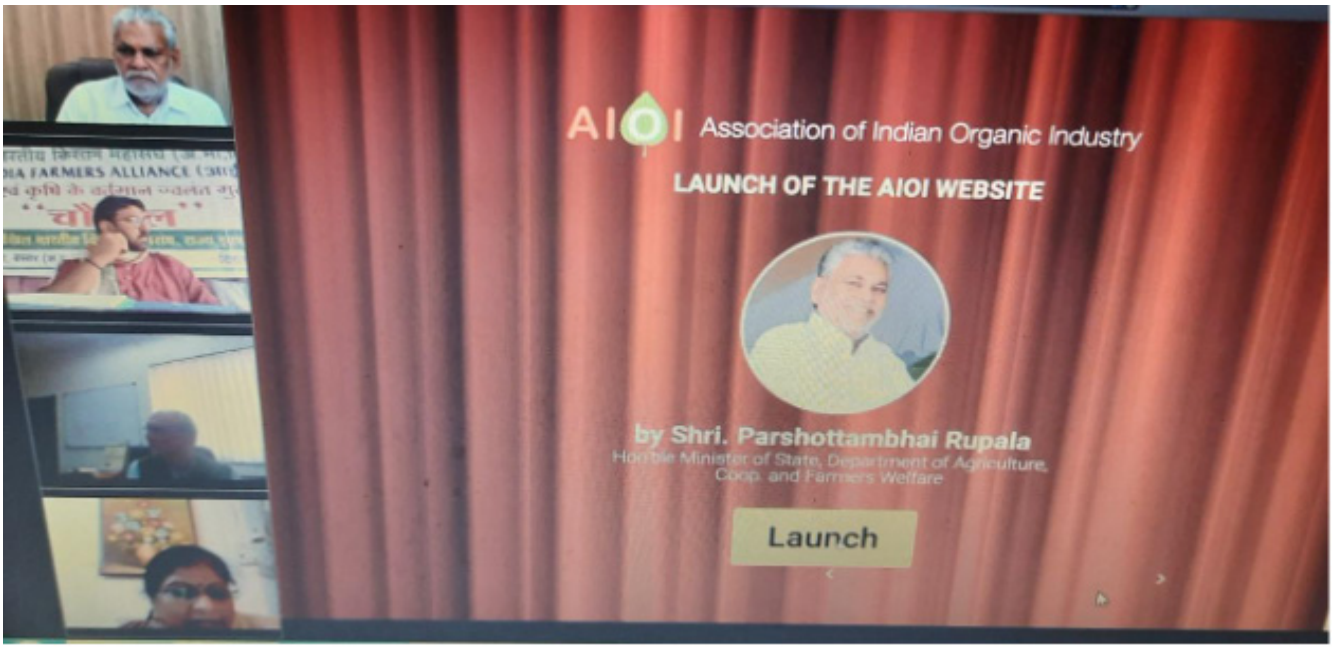
This edition of the newsletter covers issues relating to MRLs in organic products since traces of chemical residues affect the credibility of organic products. To instil confidence of consumers in organic foods, this is an important subject of the day, for which a consumer pays a premium over the conventional food.

This edition also covers the importance of herbs in our lives and its potential globally as well as a success story of a leading business model for sustainability taking into account the environmental, economic, social and agronomic dimensions.

I hope you will enjoy reading this edition of the newsletter having diverse topics of interest. We look forward to your feedback so that we can continuously add value to it. Best wishes to you and your families, safe and good health during this difficult Covid time.

AIOI FAMILY WISHES YOU ALL HAPPY DEEPAWALI !!!

Launch of the AIOI website and Release of First Newsletter



NEW CHAIRMAN JOINS APEDA

Dr. M Angamuthu (AM 2002) has been apponited as the next Chairman in October 2020. He is an agriculture graduate with a postgraduation in Pomology. AIOI welcomes his appointment and looks forward to greater progress in the export of Organic Products from India.

AIOI website (www.aioi.org.in) was launched and the first Newsletter was released by Shri Parshottambhai Rupala, Hon'ble Minister of State, Department of Agriculture, Co-operation and Farmers Welfare on 24th July 2020 on a digital platform.

MOS, in his address, acknowledged that India had the potential to increase business in organic products from one billion dollars to 10 billion dollars and added that setting up of the AIOI was much needed and a timely initiative to bring together stakeholders, industry experts, and farmers on one platform to make India as a main organic products hub for the global market. He congratulated AIOI members for taking this lead and expressed support to the organic industry to enable build capacity for strengthening the organic food sector in India and enhancing employment opportunities and for making an ***Atmanirbhar Bharat.*** He echoed the vision of our Hon'ble Prime Minister to double farmer income and exports of agricultural products. He informed that a scientific research institution had been set-up in Sikkim to work in the organic foods sector and that its work should be utilised. The keynote address was given by *Padma Shri* Dr. M H Mehta, Chairman, National Working Group on Eco-Agriculture.

The launch session was followed by a panel discussion comprising of Dr. S K Malhotra, Agriculture Commissioner & Additional Secretary in the Ministry of Agriculture; Shri Rajesh Maheshwari, CEO, National Accreditation Board for Certification Bodies *(Quality Council of India);* Dr. Rajaram Tripathi, National Convener, All India Farmer's Alliance; and, Shri T S Vishwanath, APJ-SLG Law Offices. Objective of the discussion was to come up with key action points for Govt's consideration. The panel discussion was moderated by Shri S Dave, former Chairman of Codex Alimentarius Commission and former Advisor to Food Safety and Standards Authority of India. The Concluding Remarks were given by Shri S M Acharya, former Secretary to the Government of India.

A number of recommendations emerged from the panel discussion for taking further initiatives to coordinate growth in the organic sector in the country. AIOI is following up on the recommendations.

Pesticide Residues in Organic Products: Evaluation and Assessment

Dr. (Mrs.) P V S M Gouri
CEO and Executive Director of AIOI
Former Advisor (Organic Products), APEDA

Background

It is common man's understanding that no pesticide residues should be detectable in organic products as the entire chain of the process flow right from farm to consumer (production, processing, handling, storage and retailing) are required to follow the concept of organic food production enshrined in Organic Standards. Even though sustainability of organic production is being perceived in different ways by various schools of thought, the ultimate goal is to provide the consumer completely organic food without any chemical residues. The consumer needs to be assured for such genuineness and for which a premium is paid by him/her. This objective is achieved by the commitment of farmers processors and handlers as well as by certification governed by certain don'ts and don'ts of the National Organic standards.

In India, the institutional mechanism is implemented by Agricultural and Processed Food Products Export Development Authority (APEDA) for exports, and by the Food Safety and Standards Authority of India (FSSAI) for the domestic market under the regulatory norms entitled, **"National Standards for Organic Production"**, in short, NSOP laid down under the framework of National Programme for Organic Production (NPOP). The title of the FSSAI regulation is **"Food Safety and Standards (Organic Foods) Regulations, 2017**", which came into force on 1st July 2018. The NPOP applies to all agriculture food crops, tea, coffee, animal products, spices, food ingredients, animal feed and aquatic products.

Nowadays, even plant inputs such as plant-based fertilizers, plant protection agents and cleansing agents are also certified as organic.

It is also a globally accepted fact that organic products cannot always be completely free of chemical substances. The rationale behind this understanding is that:

- Pesticides can get into the soil and ground water, and then into the plants from air and water;
- Pesticides used in the neighbourhood conventional farming fields can also occasionally drift on to the organic fields;
- Occasionally, conventional farmers unknowingly use pesticides that have long been banned;
- Sometimes, chemicals or pest-control products are used in the vicinity are applied for public health purposes and might contaminate the organic farms;
- Cross contamination through containers or storage boxes can take place;
- Contamination through imported organic ingredients can possibly creep in.

However, such chemical or pesticide contamination would generally be in very low quantity as compared to the conventional farms. Therefore, it is necessary that the farmers as well as organic food units define and monitor precautionary measures in order to protect organic production from unintended chemical substances. Such precautionary measures should be 'appropriate' and 'proportionate' to the risks involved. There is a greater responsibility with the companies that produce both organic and conventional products.

New Members of AIOI

- Ozone Ayurvedics, based in Gurugram (Haryana) has registered with AIOI as an associate member. It is a company engaged in R&D of ayurvedic products.
- Ms Ranjini Vincent, based in Bangalore has registered as an individual with interest in the business of organic products.
- Chennai Mattex Lab Private Ltd. based in Chennai has registered with AIOI as an associate member. This ISO 17025 laboratory accredited by NABL has also been recognized by APEDA for testing of organic products.
- M/s Navrit Marketing Private Ltd. based in Jaipur, Rajasthan has registered with AIOI as an associate member. It is a company engaged in trading of organic products.

Maximum Residue Limits (MRLs)

MRL is the permissible limit of residue allowed in conventional food products. This is fixed by countries based on risk assessment, usage, the level of protection and the tolerable level of intake defined by the country. There are defined MRLs for each molecule for each category of food product in the National regulatory framework.

Precautionary and preventive measures applied for organic products

A. Risk Assessment

Analogous to the HACCP concept, risk assessment requires a systematic handling of risks in order to avoid non-approved products and substances. These Organic Critical Control Points (OCCP) must be identified, control measures defined and these measures should be regularly reviewed. It is, therefore, a risk minimisation strategy and not a procedure for the complete exclusion of unauthorised substances and products. The Certification Bodies (CBs) for organic products are expected to assess the contamination risks during their unannounced audits, on a case-by-case basis, focusing on the question of whether there has been an infringement of organic standards or the production process and if the contamination was unavoidable.

B. Pesticide Residue Testing

Chemical pesticides constitute insecticides, fungicides, bactericides, herbicides, acaricides, molluscicides, plant growth regulators, etc. falling under different chemical groups based on the active ingredient and classification based on mode of action. Presently, there is no specific basis for testing organic food except depending on undefined Limits of Quantification (LOQs) and unspecified list of molecules. The residue screening is currently performed by GC-MS, LC-MS or by GC-MS/MS, LC-MS/MS with multi-screen protocols covering hundreds of molecules. The LOQ and the Limit of Detection (LOD) vary with screening procedures and the precision of screening devices used.

There is no scientific background to fix LOQ / LOD as acceptable limits for certified organic products.

The list of molecules and the LOQ levels are different for screening in any of the EU/US lboratories: For example, Eurofins SOFIA Germany screens 460+ molecules with different LOQs. GBA Group Food lab screens 669 molecules with a limit for LOQ between (0.001 and 0.01 ppm). In India, 39 pesticides molecules are covered at LOQ level (0.01 mg/kg) by GCMS/MS and 136 pesticides molecules by LC- MS/MS LOQ level (0.01 mg/kg).

Even when our organic export consignments clear all testing/screening process as per the specifications fixed by the customer in the importing country, there are still chances of detection of a molecule if the sample is screened in lab which can screen pesticides with LOQ limits even below 0.001 ppm. Considering this uncertainty, there should be an approved list of chemicals with defined LOQ levels for each molecule based on safety studies in respect of organic produce. Otherwise, the screening exercise conducted will have no relevance.

C. Sampling

Samples should be taken across the production and processing chain, based on the identified risks. In addition to food and feed, a substantial number of samples should also be taken from leaves and soil. This sampling approach can achieve an effective control because it extends the scope of the checks to the production process and help identify the weaknesses in the implementation of sampling procedures by staff of the Certification Body (CB). It is felt that at least, 10 to 15% sampling should be carried out by every CB based on the risk assessment or based on the suspicion of non-compliance. Absence of official procedures for sampling during the production process for organic products can pose risk to the final results.

As a precautionary measure, APEDA, responsible for exports, has made it mandatory that all consignments are required to be tested before export in ISO-17025 accredited labs recognized by APEDA. All labs. follow the tolerance limit of different chemicals at the LOQ level of 0.01 mg/kg (ppm) for organic foods. In 2018, when the domestic regulations for organic foods came into force, FSSAI specified a maximum limit of 5% of the maximum limits of residues of insecticides prescribed or the LOQ, whichever is higher.

Rejection of import consignments in Europe due to detection of pesticides

Many consignments of organic products exported to the EU market are rejected or are downgraded as conventional products due to the reported presence of traces of pesticides. It cannot be denied that, at times, this handle is used for price negotiations as well. Sometimes, the consignment is recalled from the EU, as the pesticide residue limits and testing are controlled by private initiatives *Association of Organic Processors, Wholesalers and Retailers (BNN) in Germany,* even if the legal limits are complied with.

BNN follows an orientation value of 0.010 mg/kg.This orientation value is not a legal limit for organic products and, therefore, they do not interpret it as an "organic MRL" or "critical limit". BNN takes into account an expanded measurement uncertainty or analytical variance of 50% (DG SANTE) value. The BNN argues that even in compliance with all legal regulations for organic farming, inadmissible substances can be detected in organic products during the legal assessment of pesticide residues, On the other hand, if the pesticide content of the product has changed as a result of processing (e.g., through drying), the content is recalculated back to the starting product.

BNN Methodology

If an organic product contains 0.020 mg/kg of a pesticide would still be marketable as "organic" by the members without restriction, taking into account the measurement of uncertainty. In addition, if a maximum of 2 pesticides are contained in this amount and the other factual investigation reports state that organic standards have been followed or have not been violated, such products are acceptable. Only starting from 0.021 mg/kg, the BNN orientation value would be seen as exceeded, taking into account the uncertainly measurement of 50%.

The orientation values are applied to all plant-based foods, animal feed, over the counter medicines and health remedies from organic agriculture. However, the scope of BNN does not include animal products like honey. It is, therefore, at the discretion of the food business operator or the CB whether this orientation value will also apply to honey.

Alliance for Organic Integrity (AOI) Workshops held during September 21 - 22, 2020

Two virtual workshops were hosted by the AOI on 21st and 22nd September, 2020.

The AOI identified the following main project areas:

1. Harmonize national regulations globally;

2. Forensic tools to assist and improve control measures;

3. Build competence through training, qualifications and continuing professional development;

4. Combat fraud (early warning and communication systems);

5. Develop an Organic Hub (an information centre). The Alliance for Organic Integrity is a non-profit organization registered in the US. It was founded in 2019. Its aim is to strengthen organic assurance globally.

The Association of Indian Organic Industry (AIOI) has joined hands with AOI as a partner in this global mission.

Recommendations

1. The organic farms should establish and follow systematic processes for controlling the risk of contamination;

2. The CBs should conduct risk assessment of the farm production, specially of those under group certification;

3. Every CB should include a testing program in their procedures/SOPs as a tool for ensuring compliance with three areas for testing, namely, (i) pre-harvest residue testing, (ii) post- harvest residue testing, and (iii) testing for unavoidable residual environmental contamination;

4. For exports, there should be an approved list of chemicals with defined LOQ levels for each molecule based on safety studies in respect of organic produce;

5. Detection of pesticides at LOQ level helps in appropriate enforcement. This approach ensures that irregularities/ infringements of similar nature and seriousness are treated uniformly. During the investigations, the certification process for organic produce should be blocked;

6. The orientation value for pesticides should be at 0.001mg/kg so that pesticides present in traces also can be detected. In case low levels of residues (e.g. 0.01 - 0.02 mg/kg) are detected, an advisory letter to the organic operator can be sent informing them of the result, and asking for an explanation;

7. The food operators should develop a method to examine the raw materials for possible pesticide residues upon receipt into their facility. This will help India defend a possible safeguard measure on consignments of organic products. In the absence of precautionary measures, especially the application of the orientation value, there will always be a risk of rejection by the importing counties;

8. There should be specific guidance on procedures for testing organic produce, including sampling and adequacy of precautionary measures. This will help CBs in investigating pesticide residue detections individually. These guidelines should also provide general principles on how to proceed with such investigation. Due to lack of clear guidance on compliance criteria, a consistent treatment of pesticide detection cannot be ensured.

VSPL developing agro ecology in rural regions of MP and Rajasthan

Mr Atul Mittal, Director, Vasudha Swaraj Pvt Ltd. (Agriventure of Pratibha Syntex)

With the world grappling with outbreak of pandemic and unequivocal communication across all platforms that building strong immune system can thwart the disease, organic food is an undisputed remedy. Consumption of organic food help to improve an immune system naturally by avoiding intake of poisonous pesticides and develop antibodies for any dreaded disease be it the Corona virus, cancer, diabetes or blood pressure. However, to source authentic and certified organic produce is an Achilles heel.

Vasudha Swaraj Pvt Ltd (VSPL), an agriculture venture of Pratibha Syntex Ltd, brings a solution by engaging around 17,000 farmers into organic farming. With organic farming, VSPL develops agroecology that translates into sustainable impact on environmental, economic, social, and agronomic dimensions.

Vasudha Organic, a brand of VSPL, was incepted in the year 1999 with a great demand for organic cotton in textiles processes. While organic cotton was a need for textile industry, with time, the VSPL concept evolved into an inclusive business idea that surrounds not only around organic cotton farming but also towards holistic development of farming community, generation and market linkage of organic food and environment conservation through initiatives for soil health and water conservation.

Firmly engaged in Madhya Pradesh and Rajasthan, VSPL has been closely associated with farmers and imparting them training about organic ways of cultivation in remote regions. It is also providing them affordable organic seeds and training them to prepare organic manure and organic pesticides on farm. With the evolution of technology, VSPL developed training modules and taught the farmers about organic ways of cultivation through videos on its Youtube channel. With continuous efforts, VSPL has been successful in converting around 17,000 farmers into organic farmers, which eventually has converted 65,000 acres of land into organic farms. Owing to adoption of organic farming, today the soil health has improved substantially. *"Soil of my farms had turned hard owing to adoption of conventional ways of farming by my father"*, said Papu Patidar, a farmer from Motapura village. However, when the team from VSPL met them with the organic concept, they adopted it in small part positive results on the soil health, they have now converted the entire area into organic farm. Encouraged by the reaping results of the farms, many other farmers in the region have converted their lands into organic farms. VSPL has provided drip irrigation system to hundreds of farmers, thus saving a tremendous amount of water.

While engaging with farmers, VSPL introduced them with the techniques of multi-cropping and inter-cropping to increase their produce there by multiplying the income from same land. With the multi-cropping and intercropping methods, fertility of the soil improved, insects were controlled, and the farm produce survived in the adverse climatic conditions. Weed population was also controlled with the methodology, said Mr Atul Mittal, Director of VSPL. Additionally, farmers' income per acre also increased with intercropping. With the help of intercropping, farmer income significantly increased without affecting their current crops. Now, with the cotton, farmers are growing pulses, spices, soya, wheat, maize etc.

Implementation of EU Organic Regulation 2018/848 being postponed until January 2022

The new EU organic regulations are slated to come into enforce in January 2022. The EU Parliament and the member states will first have to give their approval. This will give time to the exporting countries to align their standards for meeting the EU conditions. *(Source: Organic - Market Info)*

Action for India: NPOP mitigating measures need to be initiated APEDA, FSSAI and MOA. This requires them to:

1. Review the NPOP standards taking into account the upcoming EU Regulations. India has an equivalence arrangement with the EU and Switzerland. It will be helpful to engage with the stakeholders including AIOI, Certification Bodies, operators and exporters;

2. Build capacity of Assessors, Certification Bodies and operators.

Working on the similar concept, VSPL has recently ventured into regenerative organic farming in Petlawad region. Regenerative organic farming is a complete farming ecosystem that encompasses all stakeholders in farming including soil health, animal welfare, social fairness etc in the region, he added.

a)While working around economic, agronomic, and environmental dimensions, VSPL has tried to touch their lives with social development. Some of the initiatives taken were as follows: ensure basic necessities accessible to the farmers residing in remote regions, VSPL has also developed education infrastructure, godowns, toilets, cattle feeding tanks at karahi region.

b) To spread the light of education in rural region, VSPL, in association with Fairtrade, has set up Vasudha Vidhya Vihar School. It is an English medium school that provides quality education to around 500 children from Class 1 to 12. Children of farmers associated with the project are being provided education at a highly subsidised fee structure.

c) Construction of community toilets was another initiative by VSPL that has not only assured proper sanitation in the village but also solved the issue of open defecation, hence protecting the integrity of women in that region.

d) Karahi village was once experiencing dark nights. With the installation of solar lights, villagers' life has got enlightened.

e) Through construction of warehouse in Karahi village, VSPL has given a sigh of relief to the farmers, who had no other option but to dump their crops in open. This was leading crop damage and denting into their income.

f) Taking one step further, VSPL introduced crop insurance facility to check crop damage due to changing climatic conditions.

g) VSPL also established stitching centre for entrepreneurship development, considering socio-economic upliftment of the rural women. The effort proved to be a confidence booster for women, who are now supporting their families, ensuring quality life.

Indian Herbs - Perfect Recipe for Global Health and Global Wealth

Krishan Gupta, Founder MD
Organic Wellness Products Pvt. Ltd

India is home to 7% of world biodiversity. It is home to over 17,000 flowering plants and over 3,500 species of herbs in trade, with many traded with huge volumes within India as well as exports.

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Covid-19 has further given momentum to the growth with consumers focusing on natural ways of living, healing and trusting the nature. This is one big opportunity for India to collaborate and find the right solution and take a lead to arrive on world map. But it seems that we lack the focus and energy/synergy at all levels. There is a lot of noise about many options and solutions. World needs evidence and data. This can be done with focused research, which requires a lot of commitment at the centre.

In addition to the above, nature has gifted India with huge network of research labs/institutions focusing on medicinal research.

Despite all above, India has almost miniscule presence in the global market. In my view, following are the challenges as well as possible solutions for India to emerge on the world map strongly.

a) Move from Wild craft to Cultivation – Many herbs are still wild crafted/collected, thus creating challenges in collection, quality, volumes and sustainability. We must identify these herbs and move to cultivation.

b) Move from Bulk sales to Value added products – Yes, export of bulk herbs is easier, but the returns are minimal too. Also, it is the buyer who commands the market and prices, thus leaving the local farmers with little to gain. With value addition, everyone in the chain stands to gain. However, requires initial energy and investment. Need to find the right mechanism.

c) Research/documents and data: Still getting product registration is a major challenge in many countries despite these herbs being in use for over 5,000 years. This is also a challenge which needs to handle now before it is too late. The world is looking up to India and India must make its presence felt. This is a huge challenge and India, as a county, must stand and overcome this challenge. Certainly, government has to play a major and lead role.

Ministry of Commerce, Govt, of India concerned with disruption in export of Organic Products to Canada

Export of India's organic products to Canada have suddenly come to a halt after Canada stated that the US recognition to India is not included in the scope of the Canada-US Equivalence Agreement that was signed in 2009. Indian products certified as per US NOP standards were accepted by Canada until August 2020.

This decision caused a disruption in export of organic products to Canada. Many shipments are held up at the Canadian ports while some are in transit. The Trade Facilitation Agreement of 2017 requires that a period of three months should be allowed by the trading partners so that shipments in transit can be cleared. AIOI requested the Ministry of Commerce, Govt. of India to take this up this matter with the Canadian authorities so that the shipments that have either reached Canada or are in transit can be accepted in Canada until November 2020 to avoid any disruption in business.

The Additional Secretary in the Ministry held a virtual meeting with the AIOI where officials from APEDA were also present. The matter is being expeditiously taken up with the Canadian Government.

d) One department or association – Time to focus and take the lead. Create one ministry or department or association with complete support/resources and accountability. Today we have many departments, and all are doing a good job but with little impact globally. Major time consuming and confusion in many certifications/approvals/cost and least value addition.

e) There are multiple ministries at Centre and State level home, external, agriculture, defence, aviation etc. It is worth having one for Medicinal plants. We have AYUSH but there are different challenges, requirements, certifications etc. to get this industry its due attention. May be, this could be an option for focus on the strengths of Indian herbs. This can be done at district level in each state by creating a network/supply chain attracting entrepreneurs, jobs and lead to India's presence at the global level as a Wellness Leader.

Imagine what it can do? It will motivate youth of villages to stop exodus to big towns and cities in search of job. If we need consumers in urban areas, we need growers as well. No one wants to do farming, thousands of farmer's children are selling their lands and moving to cities.

Medicinal herb farming is one such solution, it will provide jobs to village youth and less load on urban infrastructure. Can be a step towards balancing of urban and rural population begin?

Well, a beginning has already been done by our Prime Minister 'Vocal for Local' but let it not remain just a slogan. This is one area still untouched and un-explored to its potential. Now it is for us Indians to get smart and have a reasonable and respectable share.

Global market for herbs is projected to be at US $ 5 trillion by 2050. It is everybody's responsibility and need of the hour to make a self-reliant India.

This is possible with coming together of like-minded people and industry !

APEDA Organises Virtual Promotional Programmes

Due to the Covid pandemic when export promotion programmes were difficult due to travel limitations, APEDA organised a virtual Buyer-Seller Meet with the support of Indian Missions in Indonesia, UAE, Kuwait, Belgium, Switzerland, among others. Exporters, importers, and trade associations participated in the programme. More such events are being planned. A virtual trade fair is also planned shortly to enable exporters showcase their products at their virtual stands for promoting exports.

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