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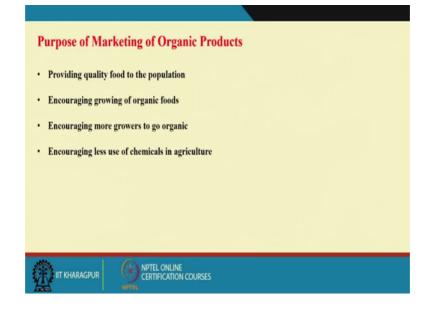
Lecture - 40 Marketing of Organic Products

So, welcome to the last lecture of this course that is Marketing of Organic Products so, is the final. So, as we have discussed earlier the production practices, how we can make the inputs we can enrich the inputs for specific crafts or the group of crafts and how you can take care of the insect, pest management doing organics, using the cow dung, cow urine.

And also you discussed about the homa farming as a parallel to the organic farming. And we discussed the health benefits of the organic products, antioxidants capacity of the organic products and why organic products has a better quality as compared to conventional products and, we discussed these standards organic standards, national standards for organic productions and the accreditation policy and the programmes. And this all do help for the marketing of this organic products.

So, marketing is a challenge and if the market rose by the market for the organic products, then the farmers will be interested for converting their lands to organic. So, how you can make the marketing very lucrative, very attractive and so that many and many farms can join for this organic production

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So, we will discuss here the some of the purpose of the marketing of the organic products and the providing quality food to the populations. So, that as we discussed the quality assurance can; we have discussed in details in the beginning lectures, the disadvantages of this chemical farming, because of the not only the food quality iterating, but also the environmental pollutions that also the water pollutions, air pollutions and the food pollutions that creates the human, because that has a concern for the human being, because we are exposed to as a poor quality of environment at the same time is a poor food quality.

So, by having proper marketing of the organic foods, that providing the quality food to the consumers to the population, then encouraging growing of organic foods, then encouraging more growers to grow organics, encouraging less use of chemicals in agriculture; that means, having the marketing strategy, we can decrease the environmental pollutions, the water pollutions and the air pollutions at the same time, we can increase the quality of the foods, because most of the disease are the chronic disease, you can see like a cancer as a becoming very common nowadays.

So, this comes from the quality of the food we take, because most of the foods are rich in insecticides specially the chlorinated hydro carbon groups of pesticides. So, they are highly persistent they remain in the food chains recently government of India has banned. So, many pesticides a good move by the governments and I hope that many of the toxicant pesticides should be banned and we should depend more on more and more on the organic way of managing the crops, the organic way of protections by using some of the natural creators, or the bio agents or the bio pesticides, they are produced from the plant origins. As we discussed in details those can be formulated can be used for protect the crop from many pests and diseases.

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And the challenges to marketing of organic products consumer levels; so, consumers lack informations about organic products and lack of consumer awareness therefore, much effort needed for the consumer educations regarding organic foods, organic products unable to competes with the conventional products as the most consumers are known to organic products are unknowns, they are ignorant about the health benefits of the organic products.

So, they just compare the prices only; then constant communications to customers should be ideal, but of course is time consuming number of organic consumers is very small and the operators are competing for this small people. So, so we have to increase the consumer levels. So, more and more consumers should be organic should buy the organic products.

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Challenges to Marketing of Organic Products
Market development:
Limited expertise in marketing.
Supermarket challenging - pricing, variety, global trends.
 Organic suppliers being smaller than conventional ones, wholesalers tend to discontinue slow moving items - continuous disruptive supply.
No labelling laws exist in the country
 Influx of pseudo-organic and "organic claims" (and a lack of regulations from government bodies)
Product (quality) development:
Lack of confidence in organic farming on the part of the farmer.
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Then another challenge the market development you know so, this linked to consumers so, if there is a consumer. So, there is a good market. So, that is limited expertise in marketing the super market is a challenge, because no the pricing and also appearance also matters for a super market and labeling of course so, this challenge for a super market how to how to sell the organic products in the super market.

Organic suppliers being smaller than conventional ones the whole wholesale trend tend to discontinue, or the slow moving item the continuous disruptive supply means a this a problem super market, super market needs the regular supply of this produce and the bulk amount should be there. And for the organic producers they not need the regularity, because there may be the disruption in the supply so, super market it is a challenge to sell the produce in super market.

So, no labeling laws exist in the country; proper labeling of the organic produce that is very important as you discuss. So, it should be labeled well if this organic that can be labeled as organic, or certified organic or made with organic ingredients. So, influx of pseudo organics or the organic claims that also challenge for the market development and lack of regulation from the government produced to checking the organic and the conventional products.

Product quality development lack of confidence in organic farming on the part of the farm so, the farmers so, the conference building has to be generated for the regarding the quality of the organic produce.

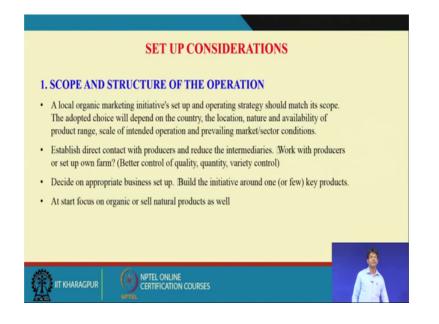


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So, as per the marketing usage channel if you go productions the site of the productions collections and go with collections and transports, then goes for the packaging and the storing, then if there is a processed products, then go for the processing of the products, then distribution to retailers, home delivery or the direct sales then compile demand quantity and inform farmers producers accordingly so, depending upon the supply and demands.

So, as if there is a demand is higher; then production has to be increased that to meet the demand. So, there should be a regular supply sometime the consumer gets no (Refer Time: 07:32) do not want to buy the when there is the supply is disrupted. So, regularity is very important to supplying to the market regular supply should be there. So, that can be possible by having the grower groups so, different groups are contracted. So, they can meet the demand of the market.

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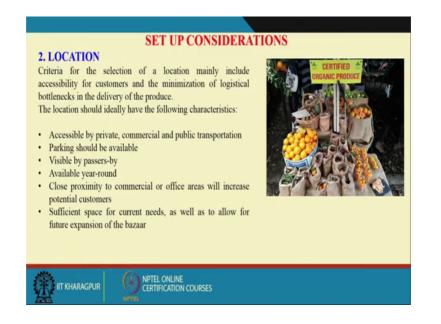


So, what we can do is the set of considerations, we can see the scope and structure of the operations how it can for the marketing, a local organic marketing setups and operating strategies should match its scopes. This other (Refer Time: 08:06) choice will depends upon the country, the locations nature and availability of product ranges scale of intended operations and prevailing market sector and conditions. So depending upon the demand so, that is way initiate local and regional initiative require for the better marketing, marketing network of this organic products.

So, that establishes the direct contact with producers and reduce the intermediaries. So, that has to be though should balance the intermediate persons. So, we have so, that the producers get the benefit the most benefit from this consumers by avoiding the mediators or the intermediate persons. Work with a producers or setup their own farms so, by having so you can have a better control of the quality and the quantity and the variety control. Then decide an appropriate business setup, because build the initiative around one or the few key products thus depending upon the demand of the market or the consumers.

At start focus on organic or sell the natural products, then you can the focusing only few items not so, many items depending upon the market demand, we can start one or two items can be focused and can be sent to the market.

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The locations so, say where the marketing locations as important criteria for selection of the locations mainly include the accessibility for customers and the minimization logistic bottlenecks and the delivery of the produce; that means, the locations should ideally have the following characteristics; that means, accessible by private commercial and public transportations.

And the parking should be available, visible passers-by, available the year around, close proximity to commercial or office areas will increase the potential customers, sufficient space for current needs as well as allow for future expansion of the markets; that means, know this location is very important as a marketing point of view. So, regular supply market should regular and the locations should be available year rounds for the marketing. And it should be close accessibles to the customers and also this should be the close proximaty to commercial area, or the official areas that can increase the marketing of this products.

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Then say marketing strategy see the interpersonal contacts are important for this marketing. So, that helps in getting the feedbacks know about the products; then also work with the grassroots for the farm visit means of the association community clubs and schools. So, so you have to go to the field sites and work with the farmers in association with the farmers. So, that there should be the quality should be maintained that is the quality assurance in the product that is very important having a good marketing. So, use the mass media internet or the interest of the mass media or the publicity or the publicize the new trends and issues in the organic farming.

So, base marketing strategy on knowledge of the culture and habit of the consumers, use logo for communicating the products and the company, then focus on both local and export market. So, as a local market and the export markets should be taken care so, export market as the money generator for the local market. So, usually the marketing strategy, if you see there is a the personality message promise and vision that should be taken into account personality means the customers who hold core value on health care about the importance of the natural.

And the organic product should be quality maintenance that is increase in the awareness among the consumers regarding the quality of the organic foods, message means quality and loyalty in store experience convenience and convenience, promise means healthy and quality organic foods, delivery and online shopping and whole indoor experience. The visions of this marketing should be seek out the finest natural and organic food available and maintain the strictest quality the quality should be assured that should be vision, because at any cost it should not compromise the quality of this organic products.

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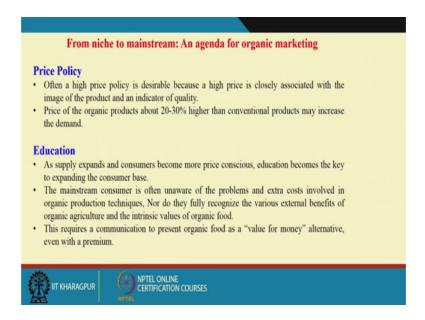


So, this you can say the marketing and sale management promotions. So, by further proper marketing so, be pro active with certifications, because that is must because when we go for the organic food marketing it should be properly certified. So, organization certification is must it is expensive, but essential to build the consumer trust.

Good packaging with clear identity and labeling. So, the packaging should be attractive the package should be attractive. So, that should follow the organic norms and also the labeling should be very proper as discussed; whether it is a organic food or the certified organics or made with organic ingredients. So, labeling should be proper, then use the media at the TV, radio, newspaper, it is for publicity of organic food quality.

So, product development in mature market consumer has more and more products should come. And strategies benefit of organic agriculture and that should be publicized, collaboration with other inorganic sectors for generations of promotion of activities just doing the publicity and about the organic food health benefitted organic foods consumer awareness, that is should be promoted for the better marketing of the organic foods.

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So, I will give examples from that is we are seeing from niche to mainstream, how the organic food can gain the market in India, because this has gained market in developed countries like, you know Europe and Australia, US even Asia some other country like Japan also. They are so, organic market is well developed and the consumers are well aware about the organic foods. So, in India it is now niche at how you can bring the organic market to mainstream.

I can give in Europe how the organic market could develop in Europe from 1920 to 1970 the organic market in Europe was mostly know the supply induced market there is more of supply, but less of the consumer. And if you see from 1970 to early 1980 this was mostly the demand induced market; that means, there has more demand by the publics, by the consumers for the organic foods, because of the health concerns and the quality of the foods.

So, people become more and more awareness about the health to have a better health and to live in a better society in a good environment better environment. So, that help the for the organic producer to produce more and more organic food, because there was demand and after 1980 there was a policy induced market; that means, it took initiative from the government, government took initiative to promote the growers or the farmers to convert their land to more and more organic products.

So, the premium price because the compensation was paid by the government to the farmers for the conversion, that could happen because in Europe or Europe so, that there

is a big jump there is a good jump in the organic food market in Europe. So, there is because the consumers have the awareness about organic foods and there is a demand by the consumers. And there is a support from the government levels that is why so, organic market is reaching in the top stage in the Europe.

So, how this how by learning from their experience and their organic food market how this can be implemented in Indian conditions. So, that so organic market should grow once there is a demand increases, then price may also come down for this organic foods. So, what is the (Refer Time: 16:29) price policy so, what should be the price policy.

So, that there should be better marketing of the organic foods. So, price policy often a high price policy is a desirable, because a high price is closely associated with the image of the product and an indicator of quality. So, if you see if you have the two products side by sides you know, because one is of the lower price other the higher price definitely the as a consumer the higher price means that may be of better quality.

So, price gives a quality tag more over of course, it is very obvious that organic farming that production cost is higher as compared to chemical farming, because the if you consider the yield and the input you are using and the labor also you are you are using now. So, that increases the cost of productions of organic produce as compared to conventional produce. As cost of production is higher definitely you should get a higher price tag and moreover, there should be limit, because for gaining the market how much price tag should be there, how much organic produce should be higher as compared to the conventional produce.

So, this has been from the study it is shown that the price of the organic products about 20 to 30 percent higher than conventional products may increase the demand. So, you should keep the limit actually if excessive the increase in the price may not attract the consumers, at the same time keeping in the same level of price he may not give a quality tag. So, to have a better quality tag among the consumers so, the price may be around 20 to 30 percent higher than this conventional products, then come the educations, educations means know as supply expands and the consumer becomes more price conscious education becomes the key to expanding the consumer (Refer Time: 18:20), because no when there is a increase in supply, because people becomes more price concerns, they do not think of the future health benefit.

Because you know what you say the as you say example I am seeing the cancer or may be the heart attack, heart disease. So, many of the cancer diseases know sometimes know this is not detected at the earlier stages know at because, when it is the accumulations of the insecticides of the toxicant in your body. And as you know the periodicals there is a regular formation of radicals in a body and the body does not get the antioxidant to neutralize the (Refer Time: 19:05), we need external supply and we are not getting the proper external supply of the antioxidants.

So, so free radicals they cause the damage of the DNA and slowly there is accumulations of the effect of the free radicals. And finally, when there is a increases piles of then there is a toxic and the adverse effect, we see as a cancer or may be the many cardiovascular diseases.

So, this comes with time as time progress and the you do not take care of the health's and initially the consumers may not be aware about the health at that moment, but we have to educate them need the proper educations to the specially for the group of peoples, educated peoples for the health benefits of the organic foods.

And so, that is what the mainstream consumer; you see the mainstream consumers is often unaware of the problems and extra costs involved in the organic production techniques. So, now, do they fully recognized the various external benefits of organic agricultures and the intrinsic value of the organic foods. So, how the organic food is, important the importance of organic foods has to be properly convey to the consumers and the so, that we can grow the market.

So, this periodically the awareness; consumer awareness has to done, every the school level also the children has to be must educated about this organic foods, because sometimes parents do learn from the children also. So, you need to educate the farmers and also the consumers and children also. So, this type of the approach should be taken. So, that the more and more people should be attracted towards the organic foods, if the there is demand in the market. So, more and more farm can be converted to organic farm in slowly and slowly.

So, this requires a communications to present the organic food as a value for money, alternative even with the premium. So, even though we are paying the higher price so, you should keep a premium very small margin with that margins. So, that is value for

money for paying the money then we are getting the return the quality. So, that is assurance of the quality you are paying the price tax the price tag, that indicate the quality the quality you are getting that should be assurance among this consumer.

And there should be educations at the school levels the children must be educated about the food quality the organic foods. And the consumers also public awareness has to be increased about the quality of this organic foods and, health benefits of the organic foods not only health benefit the environmental benefits as you are going for organics, the way you are living with the organic production systems. So, there is a less pollutions the environments and as water pollutions or the air pollution can be minimized by having organic way of productions.

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From niche to mainstream: An agenda for organic marketing	
 Forward contracting To increase supply, producers need to be confident about long-term future of the market. Forward contracting between producer and Processor/ Industry is a way to de this. It demonstrates commitment and provides a secure market for the producer Cooperative Marketing Group marketing by producer co-operatives is a means of co-ordinating supply and overcoming problems of fragmentation and discontinuity of supply. 	
 By co-operation, producers are not only able to endure adequate and reliable supply but also offer greater variety and strengthen their bargaining position. This is particularly important when supplying to the supermarkets 	
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Then there is no the farmers can be encouraged, either they can they can convert their lands to organic, if there is a assurance that their product will be sold with a premium price at the good price. So, that means the forward contracting; that means, to increase the supply the producer needs to be confident about long term future of the market, forward contracting between the producers and the processors or the industry is a way to do this.

So, it demonstrate the commitment and provides a secure market for the producer; that means, the industry, if suppose some industry is going for the organic products from the field level to the processing, then usually industry comes to the farmers the group of

farmers the contract group of farmers. And that is a agreement between the producers and this the processors, that whatever produce can be taken up by the industry.

So, accordingly the price also agreement is fixed the price policy also fixed and the farmers can get a assured market; the market fluctuates market price may go very high, or may fall down in that case farmers get a comfortable price, and also for the processor the industry that is also beneficially the market price goes up. So, he gets the produce with the as a negotiated price.

So, that way mutual benefit for the producers and the processors for processors in that way the you can go ahead with the organic production, because farmers gets confidence, because assured about the market of this produce, then you can go for the cooperative marketing.

So, you see the cooperative marketing means the group marketing by producer cooperatives is a means of coordinating supply and overcoming the problems of fragmentation or the discontinuity of the supply. So as you discussing earlier because having the cooperatives so, that you can have a continuity of the supply can be maintained the market. So, that is a advantage having the cooperative the producer cooperatives.

And the by cooperations producers are not only able to endure adequate and reliable supply, but also of course, greater variety and strengthen their bargaining positions. So, this is particularly important for the supermarket as discussion supermarket, they need the regular supply of a particular produce. So, they do not like to have a discontinuity of particular items. So, that should be possible by (Refer Time: 24:32) the cooperative systems they produce cooperative can be formed and, they can meet the demand of the markets like know example of supermarkets.

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Then another is the product presentation in supermarket. So, that is a very important, if for the organic produce is sold in supermarket how the product can be presented in the supermarket. So, if careful attention is paid to appropriate presentations and packaging organic food can be distinguished more clearly from the conventional produce. And consumers are attracted for buying the organic produce.

So, that is the presentation the product presentations so, well packaged of the organic foods that can be nicely presented. So, that it can attract the consumers for this organic, the other is the introducing shop in shop systems in supermarket, where the organic food is displayed separately. So, this has the advantage that the produce does not suffer from direct comparisons of price or the; that means, know if you are selling if you go to supermarket, because suppose example potato the same place, if you keep the organic and conventional potato.

And the conventional potato may be 20 rupees a kilo and the organic potato, you are selling 30 rupees a kilo probably consumer may not be interested to spend 30 rupees 10 rupees extra, in case of the organic potato while the conventional potato available the lesser price and there is no change in appearance may be looks same. So, it is obvious that they will be tempted to buy the conventional products not this organic products.

So, that is why to so, this organic product should be displayed in a separate stall this inside supermarket, there should be a separate space only for the organic products. So,

that can be named as a organic. So, there so the only all the products not only potato whatever the products are organic origin, they can be placed there so, that way also that is a shop in shop.

So, inside supermarket there is a separate corner the separate place a marked place only the organic product can be sold. So, that way so the marketing can be better because consumer can be attracted, because this only organic maybe the higher price, but still the consumer can buy this ones, because of they do understand, they have the idea of the because high price means definitely there is a quality so, assurance of the and instead of better as per the from the health those are the health concerns. And also we have to be bringing the awareness among the consumers. So, it can a better marketing approach.

Then local and regional initiatives so, as say though so, this is as we discuss is very important to local levels local shops or the farm shops or the food cooperatives, with the strong commitments to direct marketing should be encouraged encourage to promote the regional marketing network. So, this can be done as a local basis to have the organic farming.

So, you know so, by these doing this I can give another example in German and UK. So, there is a no beginning of the organic food marketing in Germany it was very successful, but UK it was quite unsuccessful, because in German. So, there is like in a supermarket so, your shop in shop systems. So, you are having organic produce in a particular the space or the particular locations, but in a inside supermarket a special shop, where you have the only organic shops only organic produce.

In there was not there because if you mix the organic produce with the conventional produce. So, the consumers may or may not be attracted towards the organic produce. So, having a distinguishable having a separate space for the organics. So, that helped in marketing this was introduced in the German what they are doing and also they have a branded shop for the organic. So, only the shop (Refer Time: 28:40) not only vegetables, whatever the organically heath products everything organic produced that can be available in that nature shops nature organic shops. So, that branding was done.

So, there (Refer Time: 28:54) UK there is a supermarket they are displaying the product a supermarket only and the because the farmers they were not able to supply continuously the product to the supermarket. So, there was a failures in the as a centralized market system, but we go for decentralized market. So, there is a special branch branded as a organic products and this can be displayed as a particular name for the organic products.

This can be displayed and can be organic products can be marketed in a particular locations, in a together at a particular area. So, consumers will be attracted and it should not be mixed with the conventional produce, by mixing with the conventional produce the consumers are attracted towards conventional produce, because of the price because of the lower price.

So, by doing so by following this methods either by the price policy, or by having the proper educations to the consumers and increasing awareness among the consumers. And the product presentation especially in the supermarket the shop in shop systems and the having the cooperative marketing system cooperative producers. So, it can they regular supply of the produce to the markets. And the local and the regional network so, you can have a better marketing of the organic produce. So, having the better market that is a link is the output is more; then more and more farmers can join hence for the organic productions.

So, this is how so, I am concluding the last lectures as a for this subject organic farming, for sustainable agriculture productions I hope we have delivered as per your expectations and this course will be helpful specially those who are the students in agricultural engineering, or the agricultural science graduate final year graduates, or those who are doing the post graduation programmes in this discipline even the entrepreneurs.

So, those who want to become entrepreneur in organic farming. So, this will help them the how to think or how to plan for this the organic production system, if you are going for the business for if going for the production of vermicomposting again. Now, there is a huge demand for the vermicompost if you want to go for the organic farming. So, there is a demand of the inputs of the vermicompost organic the bio pesticides. So, those we can have a good industry good entrepreneur and you can grow up in that one.

So, like conventional factory fertilizers, you can come up the organic fertilizers, because the now the framers are also interested by having a good market by giving the proper price to the farmers or the producers. So, this market has a potential this there is a growth potential of this organic foods by having. So, those entrepreneur they want to enter the fields to have a business.

They can be very successful and with some dedications and with some sincerity in their work with hard work and with good, if the with the sincere reports I do not think there will be any failure they must achieve the success in organic farmings. And regarding this no certification programme as a so, they will be appearing for the exams as for the or also assignments as you are going through different assignments.

And we are also giving you some of the numericals as for the input managements I hope you will be comfortables and if you are attending the subjects very sincerely. And if you are going through the lecture you will be able to make it and you will definitely, I am sure you will qualify as per the certification course so, with this I wish you all the best and hope that you have enjoyed the lectures and also I wish you all the best for a successful and the brighter future.

Thank you very much.