

A study on organic farming opportunities and the consumer preference of organic food

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Abstract

Chemical used in pesticides has been hazardous to the human health and hence, there is a need to evolve out of the traditional way to farming. Organic farming is one natural way to overcome this issue. However, it is not easy to transform the farming methods without understand about the consequences. This study attempts to identify the opportunities for organic farming. Further, it attempts to examine the consumer perception towards organic food. It is found out that consumers do appreciate organic food and it is a niche market.

Keywords: Consumer preference, organic food, farming, opportunities.

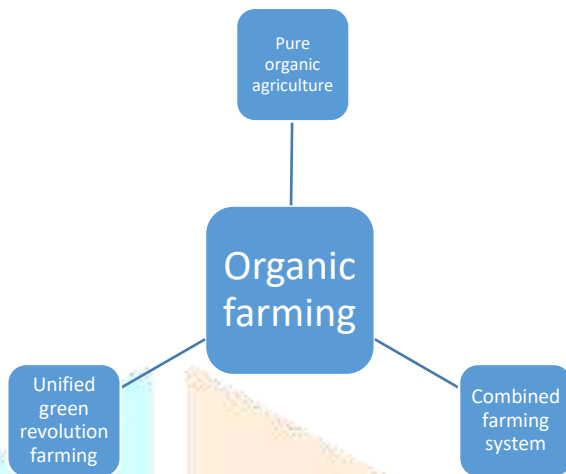
Introduction

The tactic and outlook towards agriculture and marketing of foodstuff has seen a significant change globally in few decades. While earlier the seasons and the environment of a region set about the crop to be grown, today it is the "market" that regulates what it wants and what should be grown. The attention is now largely on quantity and appearance rather than essential or nutritional quality, also called "vitality". The chemicals used Chemicals used in food have made way to various disease. This massive commercialization of agricultural products has also had a very negative consequence on the environment. The usage of hybrid seeds and the practice of monoculture have led to an acute danger to local and aboriginal varieties. The food served are not up to the mark as far as nutrients are concerned.

To counter this situation, organic farming comes as a solution. Organic farming has capability to tackle these situations. Besides the obvious instant and constructive effects organic farming has on the atmosphere and quality of food, it also significantly benefits a farmer to become self-sufficient in his necessities for agro-inputs, and lessen his expenditures. Organic farming is based on the principal of maximum production with high quality without affecting the soil fertility and environment. Organic farms while produce on an average 10-15% less than conventional farms, the lower produces are well-adjusted by lower input costs and greater margins. There has been a substantial growth in its use (Lotter, 2003)

Classification of organic farming

Organic farming has been categorised in 3 classifications as below (agrifarming.in, 2015)



1. Pure organic agriculture is a method where the use of chemical pesticides and the fertilizers has completely replaced the use of organic fertilizers and the bio-pesticides.

2. Unified green revolution farming It is a method where production yield increased by using the hybrid variety of seeds, proper and sufficient irrigation, using the farm equipment, involvement of skilled labour, and consideration of least harm to the atmosphere and human health.

3. Combined farming system is a classification of farming where farming totally depends on local and natural resources like recycled farming waste, tree leaves, crop remains, food waste etc. for the progress of food harvests without exhausting the ecosystem

Objectives:

- To identify the opportunities for organic farming
- To examine the consumer perception about the organic food

Methodology

The current study has secondary data collected from various journals and news articles and magazines. A detailed study of these data is done to comprehend the subject under study.

Opportunities in organic farming

Cost-benefit concerns

Organic farming has now been tagged not only for minimizing externalities but also for its cost effectiveness. Model estimates indicate that organic methods have potential to produce enough food to sustain current human population and an even a larger population without increasing the agricultural land area while reducing the detrimental effects of conventional agriculture (Badgley et al., 2007). Indian organic farming industry is practically totally export oriented, working as contract farming under financial contract with contracting companies. Further, the majority of farmers in India are choosing this practice motivated by lucrative market and price margins (Sharma, 2001).

Job opportunities

One of the main concerns of emerging countries is the problem of unemployment especially for a big sector of less skilled group. Organic farming needs over 15% more labour than old-style farming and hence offers rural employment opportunities (Pimental et al., 2005). Organic farming can produce job opportunity for an immense section of rural people. In India, women make an important constituent of labour work force in agriculture.

Demand in local market

The domestic market for organic products is as yet not as developed as the export market. There is a huge scope for this market to expand and this creates a large opportunity to be tapped by the local producers. There is a decent chance that India's organic opportunity could scale from \$500 million to about \$2 billion — approximately \$1 billion supplying to the domestic market and \$1 billion for export marketplaces by 2020 (Deborah Keller, n.d.).

Consumer preference

For successful penetration of the products in the market, it is very important to understand how the consumers would behave to such innovations. There have been many research conducted to assess the behaviour of the consumer to organic food and farming.

Consumer are willing to pay premium for goods produced out of organic farming. There could be a niche market where people specifically go to buy organic food (Wang, Qingbin & Sun, Junjie, 2003).

If consumers go to a retail store to purchase organic food, the advertising message of the retail store conveyed to consumers might highlight the significances of selecting (or not selecting) organic food. Consumers with an advertising -focus and tougher trust tendency or self-confidence will show more positive attitudes and a larger intention to procure organic food (Hsu & Chen, 2014).

The attitude of the modern buyers is greatly swayed by the increasing occurrence of lifestyle diseases, such as heart ailments and depression. The necessity to buy organic food to improve the quality of life will have enormous implications for the retail, supply and marketing functions of business (Rana J. & Paul J., 2017).

Conclusion

Organic farming indeed is a positive step towards healthy food and improves the land fertility. Yet, it has quite a few barriers to get adopted in the market. Awareness is still a challenge which advertisements and branding can help to overcome. Awareness is slowly increasing among the consumers about organic food, hence, there will be a big untapped market for the farmers who will produce the organic food. Retail stores can be of help to create awareness and make the organic food accessible to consumers. Organic farming is a win-win situation to both consumers and the farmers.

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