

SAMETI Training Programme on Agricultural Trade and FSSAI

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2021

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Export Opportunities and Strategies for Agricultural and GI Labelled Produce

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Export Opportunities

Under open trade, market responsive agriculture has now evolved to usher in its next stage where growth originates more and more from crop diversification and value-added production. There are many constraints like high cost of transport, low quality standards, poor post-harvest and lack of knowledge of quality parameters and standards affecting export growth. Tamil Nadu set a target to increase the share of processed food in the food market from 1 percent to 10 percent and value additions from 7 percent to 30 percent.

Example: Commodity Specific Export Opportunities including GI labeled

Non-Basmati Rice: Major export markets: Nigeria, Bangladesh, South Africa, UAE & Ivory Coast.

Opportunities: Ponni, Jeerakasamba and other non-basmati rise. Learning the examples of Kerala.

Export of Palakkad Matta rice and export price realization

Period	Quantity (in 000 Kg)	Export Price Realized Rs/kg
2014		
January	724.28	34.10
June	564.35	33.72
December	824.89	34.08

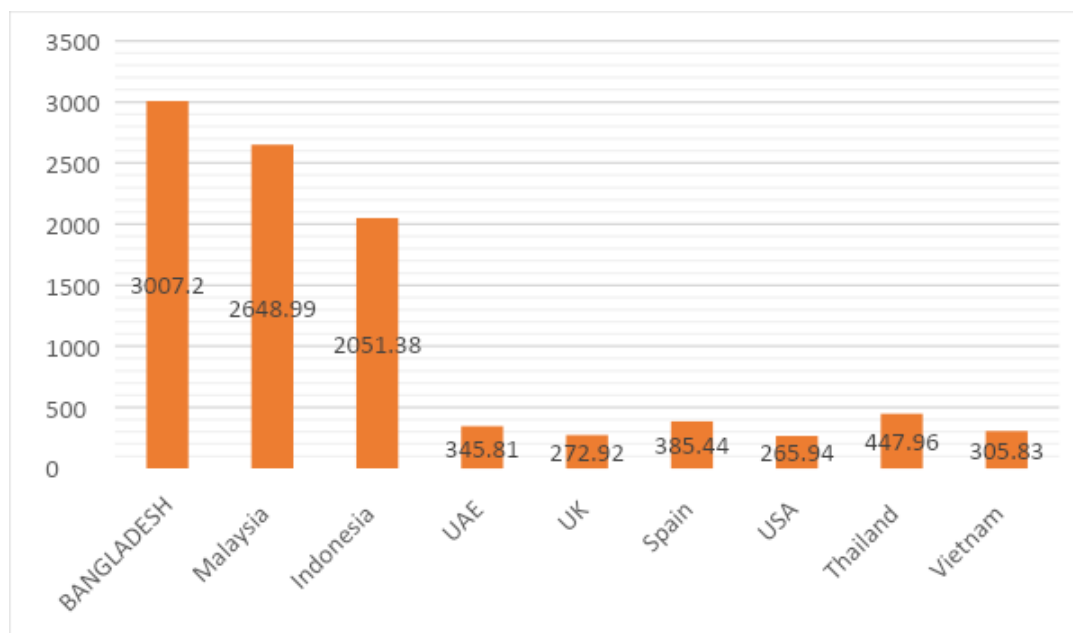
Period	Quantity (in 000 Kg)	Export Price Realized Rs/kg
2015		
January	841.25	33.98
June	929.75	34.67
December	749.67	33.34
2016		
January	652.68	32.62
June	696.21	31.83
December	293.06	59.39

Erode manjal (GI): Middle east and Europe

Kodaikanal malai poondu (GI): 07129020 HS) Dehydrated Garlic Powder, (21039010 HS)

Ginger Garlic Paste and Garlic Oil (33012947HS)

Garlic Export (07032000 HS) - MT



Ethamozhi tall coconut (GI): (Coconut fresh, Coconut dried, desiccated coconut, coconut oil – crude, Coconut Oil –refined and Oil cake)

Sirumalai and Virupakshi hill banana (GI): Tamil Nadu is second largest banana producer next to Maharashtra. Currently India exports only about 8000 tonnes, of which Tamil Nadu’s share is insignificant. Private exporters may be encouraged to take up banana exports by resorting to contract farming. Currently, Robusta is the most preferred variety world over. Tamil Nadu is well suited for cultivation of this variety. Market potentials also exist for varieties such as Cavendish, Red banana and Nendran.

Nilgiris orthodox tea: Focusing on organic tea cultivation taking the advantage of premium price

Year	Tea Rs/kg		Organic Tea Rs/kg	
	Rs/kg	CV (%)	Rs/kg	CV (%)
2014	139.12	12.66	354.87	19.29
2015	132.55	32.66	344.55	27.26
2016	150.16	37.96	285.66	30.37

Maduari Malli (GI): Efforts have been taken to export by APEDA.

Export Initiatives of Tamil Nadu

- **Agri -Export Zones (AEZ):** India (60). Tamil Nadu : Cut Flowers (Hosur), flowers (Nilgiris), Cashew (Cuddalore), mangoes Districts of Madurai, Theni, Dindigul, Virudhunagar and Tirunelveli
- **Flower Auction Centre:** Kavalkkinaru (Tirunelveli)
- **Market Complex with cold storage:** Onion(Pongalur),Coimbatore,tomato (Hosur), mango (Krishnagiri), Coconut (Pudukottai),Grape, (Theni).
- **Agro Processing Cluster in Industrial Park and Special Economic Zone:** Turmeric (Erode),sago (Salem), Banana(Trichy),Mango (Krishnagiri),Cashew (Panrutti), Grape (Theni) and Palm products and Medicinal plants (Tutucorin)
- **Special Agro Economic Zones**

- Scientific and High Tech cultivation of High Value Crops: Mega orchards of 50 acres and above exempted from Land Reform Act
- Setting up of new Agro Processing Industries: 50 per cent subsidy
- Power Tariff: Subsidy for agro processing industries
- Electricity Tax: 100 percent exemption
- Certification like HACCP and other international safety measures: Subsidy
- Tamil Nadu Supply Chain Management Project (TNSCM) and Extension of Supply Chain Management project: 10 and 8 districts, respectively.
- Primary Processing Centres: 64, 20 and 7 districts (2020-21 budget speech)
- Mega Food Park : At Gangaikondan, Tirunelveli district
- Food Processing Policy
- e-nam : In two phases -15 RMs in the I phase and 8 RMs in II phase
- Organic Certification

Foreign Trade, Agriculture Export Policy, Schemes and Benefits under FTP for Agriculture Sector and IEC Registration

Mrs.Vijayalakshmi, Asst Director Gen of Foreign Trade,
O/o. The JDGFT, Coimbatore

District as Export Hub is an initiative to implement the vision of Hon`ble PM to convert each District of the country into an Export Hub. Directorate General of Foreign Trade is implementing the program in collaboration with various agencies of Government of India, State Governments, local District Authorities and all the other stakeholders.

The objective of the program is to convert each District of the country into an Export Hub by identifying products with export potential in the District, addressing bottlenecks for exporting these products, supporting local exporters/manufacturers to scale and find potential buyers outside India with the aim of promoting exports, promoting manufacturing & services industry in the District.

Need for exports

- Regional Authorities of DGFT along with other agencies of Central and State Government are involved in creating institutional mechanism in each District to prepare District Specific Export Action Plans for developing roadmap for export promotion in each District.
- To earn Foreign Exchange
- Foreign Exchange is vital for a Country's Economy essentially to settle the Import Bills and in order to maintain the Balance of Payment.
- A country's economy is determined by its foreign exchange reserves
- Global Trade has become inevitable with the signing of the World Trade Agreement. So it is imperative to project our Brand Image (Made in India) across the world in order to sustain in the international market.
- To play an increasing role in the *global value supply chain*

Evolution of International Trade in India

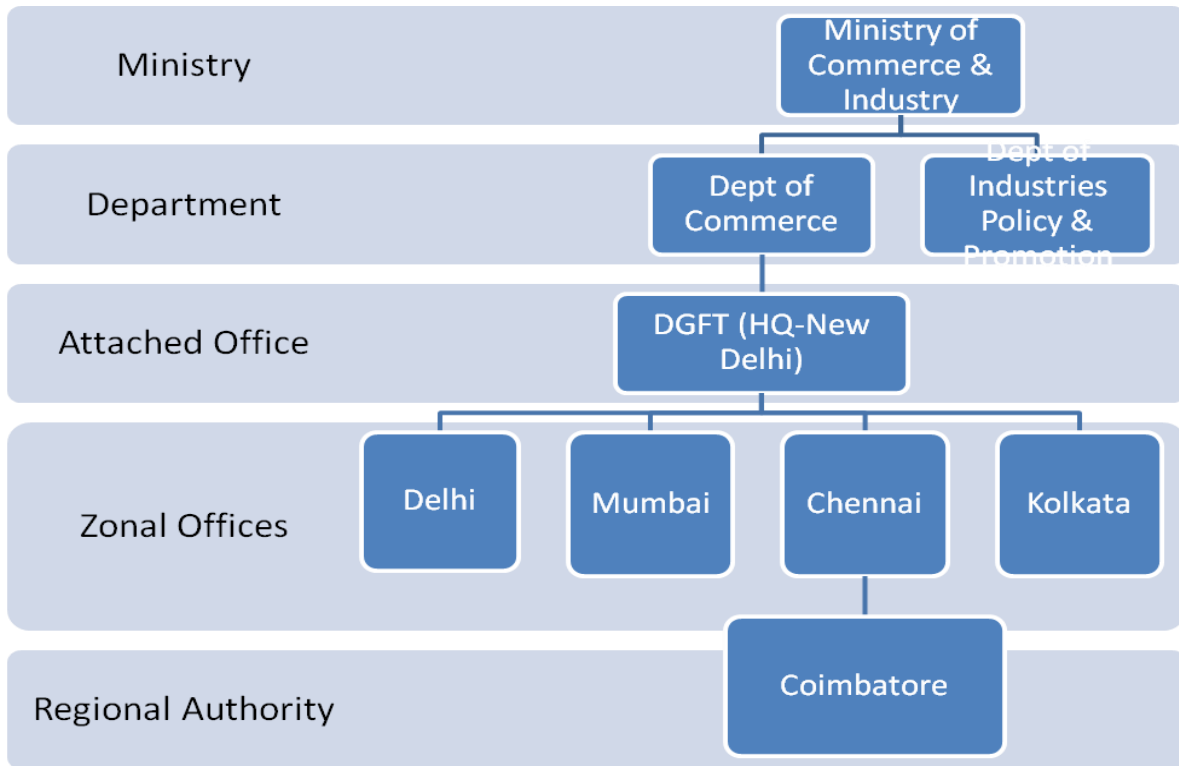
- Prior to 1991, we were in a Controlled Trade Regime. Exports & Imports were allowed only against Licences.
- After independence, Imports & Exports (Control) Act, 1947 governed the imports and exports of India.
- Lots of restriction, both qualitative such as CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) and quantitative namely quota were imposed.
- During this licensing era, DGFT was then known as Chief Controller of Imports & Exports and its role was mainly Trade Control.
- In 1991, a series of Economic Reforms were introduced in order to revive the Indian Economy and a Liberalised Foreign Trade Policy was formulated, thereby, removing the controls on Imports & Exports.
- This was necessitated due to a serious balance of payment crisis. We were unable to pay our essential import bills, ran a high deficit, borrowed from external sources to finance those deficits and inflation was on the rise.

Role of DGFT

- The present role of DGFT is more of a Trade Facilitator
- This Directorate, with Headquarters at New Delhi, is headed by Director General of Foreign Trade.
- DGFT is responsible for formulating and implementing the Foreign Trade Policy with the main objective of promoting India's Exports.
- DGFT derives its Powers from Foreign Trade (Development & Regulation) Act, 1992. [FTDR Act]
- DGFT issues scrips/authorisations to exporters and monitors its corresponding obligations through its Network of 25 Regional Offices and Extension Counter in Indore.

- DGFT HQ and many of its regional offices are ISO 9000:2008 certified Organizations.
- All regional offices provide facilitation to exporters in regard to developments in international trade, i.e. WTO agreements, Rules of Origin and anti-dumping issues, etc. to help exporters in their import and export decisions in an internationally dynamic environment.

ORGANIZATIONAL SETUP of DGFT



DGFT HIERARCHY

- DGFT
- Addtl. DGFT
- Joint DGFT
- Deputy DGFT
- Asst. DGFT

- FTDO
- Next level Officers.

Functions of DGFT

- DGFT is empowered to formulate the Foreign Trade Policy & entrusted to implement the Policy through its 37 Regional Authorities (RA) including 4 Zonal Offices.

FOREIGN TRADE POLICY

Foreign Trade Policy (FTP) is announced by DGFT in every five years. The current policy period is 2015-2020. Policy related to import and export is given in Foreign Trade Policy. It contains various export promotion schemes & eligibility. Amendments are issued in the form of notifications.

Vision

- to make India a significant participant in world trade by the year 2020.
- to enable the country to assume a position of leadership in the international trade discourse.

Export & Import Policy

Free	Export/Import is permitted without any authorization.
Restricted	Export/Import is permitted on production of authorization issued by Regional authority based on DGFT's recommendation
Prohibited	Export/Import is not allowed.

Who is an Importer or Exporter?

- One who imports and intends to import as well as one who exports and intends to export and holds a valid IEC Number, unless otherwise specifically exempted, is called an Importer or an Exporter.

VARIOUS EXPORT PROMOTION SCHEMES

- To promote exports, DGFT has formulated various export promotion schemes

FOR EXPORT OF GOODS

- MERCHANDISE EXPORTS FROM INDIA SCHEME (MEIS)
- DUTY EXEMPTION/REMISSION SCHEMES
- EXPORT PROMOTION CAPITAL GOODS SCHEME (EPCG)

FOR EXPORT OF SERVICES

- SERVICE EXPORTS FROM INDIA SCHEME (SEIS)

MERCHANDISE EXPORTS FROM INDIA SCHEME (MEIS)

Objective

- Objective of Merchandise Exports from India Scheme (MEIS) is to provide rewards to exporters and offset infrastructural inefficiencies and associated costs involved in export of goods/products, which are produced/manufactured in India, especially those having high export intensity, employment potential and thereby enhancing India's export competitiveness.

Entitlement under MEIS

- Exports of notified goods/products with ITC[HS] code as listed in Appendix 3B shall be rewarded under MEIS at the rates notified therein on the FOB value of Exports.

This scheme is extended to SEZs too.

SERVICE EXPORTS FROM INDIA SCHEME (SEIS)

Objective

- Objective of Service Exports from India Scheme (SEIS) is to encourage export of notified Services from India.

Eligibility

- Service Providers of eligible services shall be entitled to Duty Credit Scrip at notified rates (as given in Appendix 3D) on net foreign exchange earned.
- This scheme is extended to SEZs too.

EXPORT PROMOTION CAPITAL GOODS SCHEME (EPCG)

Objective

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services to enhance India's export competitiveness.

EPCG Scheme

Zero duty EPCG scheme allows import of capital goods (Machineries) at zero Customs duty, subject to an export obligation equivalent to 6 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from Authorization issue-date.

- *Eg. :* **CIF Value of Machinery** **- Rs.1,00,000**
- **Customs Duty (30%)** **- Rs.30,000**
- **Duty saved (DS) value** **- Rs.30,000**
- **EO to be fulfilled (6 times DS value) - Rs.1,80,000**
- **within a period of 6 years**

Second hand capital goods NOT permitted.

Eligibility:

EPCG scheme covers manufacturer exporters, merchant exporters tied to supporting manufacturer(s) and service providers.

Role of Tamil Nadu Organic Certification Department (TNOCD), in Organic Certification

Mrs. Krishnaveni

Deputy Director

Tamil Nadu Organic Certification Department, Coimbatore

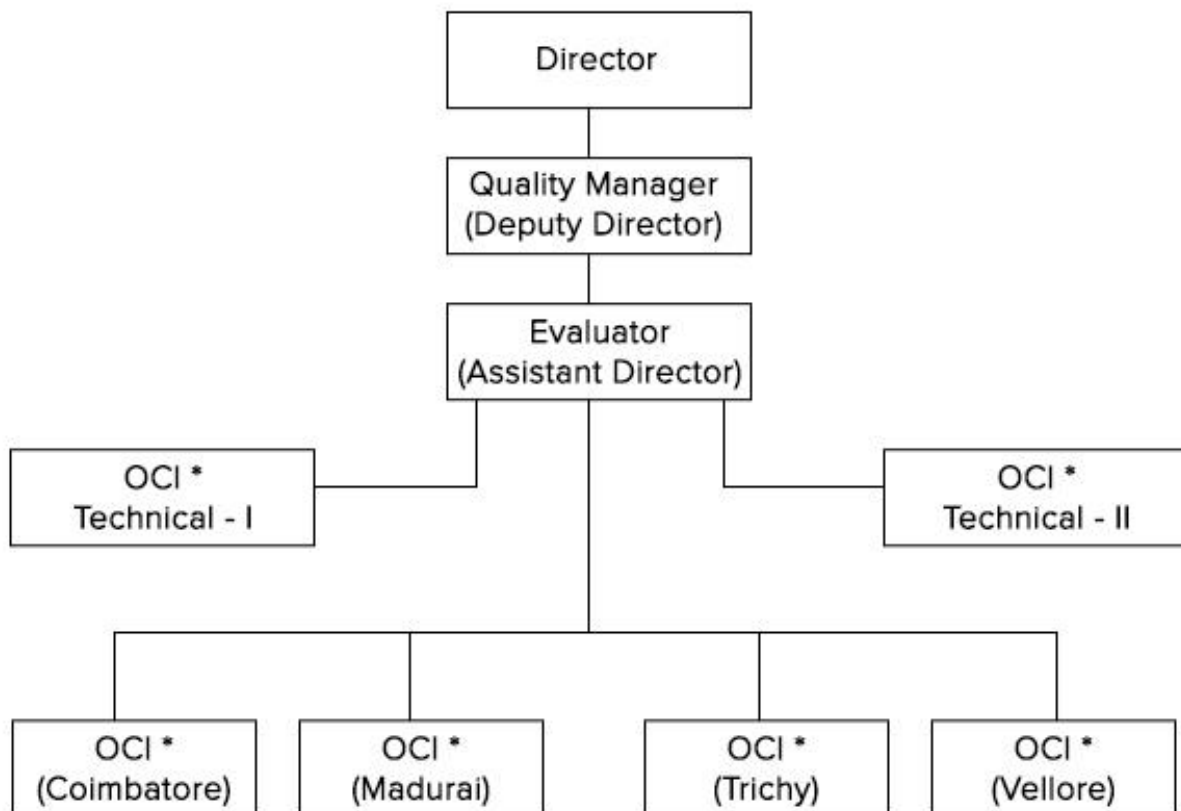
Tamil Nadu Organic Certification Department (TNOCD), Department of Organic Certification, Tamil Nadu, India, is a certification body for organic production which was established by Government of Tamil Nadu on 17 th May 2007 as a separate Department encovering the whole state. The Directorate is at Coimbatore in Tamil Nadu State, India.

The main aim of the organization is to promote all activities related to inspection and certification of the organic agricultural sector to serve the Nation in accordance with NPOP norms and imparting training. TNOCD is organic certification body accredited by APEDA, Ministry of Commerce and Industry, Government of India.

The Director of Organic Certification Department is also the Director of the Seed Certification Department of Tamil Nadu State. The Deputy Director of Agriculture is posted as a Quality Manager for the whole Department, Assistant Director of Agriculture posted as an Evaluator in the Department. Agricultural Officers are posted as Organic Certification Inspectors with specific jurisdictions inside the State of Tamil Nadu.

All certification decisions are overseen by a central Certification Committee which is made up of a range of representatives of the organic sector. The Certification Committee also acts as the stakeholder body of the organisation in terms of overseeing and review of policy and effective implementation of the quality system. Tamil Nadu Organic Certification Department has a programme of registering operators for crop production, food processing and handling, in supporting the broad based Agriculture.

STRUCTURE OF ORGANIZATION
TAMILNADU ORGANIC CERTIFICATION DEPARTMENT (TNOCD)



* Organic Certification Inspectors

** Head Quarters of Organic Certification Inspectors

QUALITY POLICY

Tamil Nadu Organic Certification Department (TNOCD) is committed to provide its customers i.e. Organic Operators with stringent procedures to enhance the quality, endurance and reliability of the system of production and there by ensures quality of final Organic products, employing trained & qualified professionals to provide efficient state-of-the-art platform, complying with all applicable regulatory requirements and continually improving the Management System. Moreover, it co-ordinates with the seed

and Agriculture Department of the State Government to facilitate trade and better market for the operators in the line with State Government policy.

Inspection and Certification

Inspection and Certification of Organic Farms are carried out in accordance with NPOP norms which was launched by the Government of India in the year 2000 and notified in October 2001 under Foreign Trade (Development and Regulation) Act.

Scope Certificate

TamilNadu Organic Certification Department shall issue scope certificate to the Organic farmer/operator/handler/exporter who comply with National Programme for Organic Production (NPOP). This Department has issued Scope Certificate for Production, Processing and Trade to benefit the registered operators/farmers.

Transaction Certificate

1. Transaction certificate shall be issued to the specified lot or consignment of goods which have been derived from production and or processing system that has been certified.
2. This certificate shall be essential for export of Organic products.
3. Transaction Certification is an authorization given by TamilNadu Organic Certification Department stating that the products / stocks mentioned in transaction certificate has been produced and or prepared in compliance with National Programme for Organic Production norms.

Statement of Compliance

Statement of Compliance is issued to the operator on the products after necessary inspection on each consignment.

Schemes for Agriculture Sector and Export Finance

AGM&SME sub Head, UCO Bank, RS Puram, Coimbatore
Standardised Common Loan Application Form for Agriculture
UCO Food & Agro-Processing Unit

Objective

1. Financing New Agro & Food Processing units.
2. Financing for expansion/modernization/renovation/improvement of existing Agro & Food Processing units.

Type of Facilities

- Term Loan
- Working Capital

Eligibility Criteria for Borrower

- Individuals, Proprietor/Partnership concerns, Corporate companies etc.,
- Co-operatives, Federation of Co-operatives, Self Help Groups (SHGs), Farmer Producer Organizations. Entities promoted by the State Governments.

Sector

Priority Sector- Ancillary

Special Feature

Up to Rs.2 Crores Collateral Free on availability of CGTMSE Coverage Finance/
Services to Exporters

UCO GOLD Card for Exporters

UCO launches Gold card for creditworthy exporters - Simplified access to export credit on very good terms:

Better terms of credit including rates of interest than those extended to other exporters by the Bank.

Processing of applications for credit faster than for other exporters. Simpler norms, subject to specific requirements in each case, if any. 'In-principle' limits for a period of 3 years with a provision for automatic renewal, subject to fulfillment of the terms and conditions of sanction. Preference for grant of packing credit in foreign currency (PCFC), subject to availability of foreign currency funds. Lower charges schedule and fee-structure than those provided to other exporters.

Relaxations in the norms in respect of security and collaterals, wherever feasible. Other facility/benefit to the exporters, subject to the fulfillment of extant rules and regulations applicable to export finance.

[Download Application Form for UCOGOLD CARD FOR EXPORTERS](#)

Types of Facilities for Exporters

a) Rupee Export Credit (pre-shipment and post-shipment):

UCO provides both pre and post shipment credit to the Indian exporters through Rupee Denominated Loans as well as foreign currency loans in India. Credit facilities are sanctioned to exporters who satisfy credit exposure norms of UCO. Exporters having firm export orders or confirmed L/C from a bank are eligible to avail the export credit facilities.

Rupee Export Credit is available generally for a period of 180 days from the date of first disbursement. In deserving cases extension may be permitted within the guidelines of RBI. The corporates may also book forward contracts with UCO in respect of future export credit draws, if required, as per the guidelines/directives provided by RBI.

b) Pre-shipment Credit in Foreign Currency (PCFC):

UCO offers PCFC in the foreign currency to the exporters enabling them to fund their procurement, manufacturing/processing and packing requirements. These loans are available at very competitive international interest rates covering the cost of both domestic as well as import content of the exports.

The corporates/exporters with a good track record can avail a running account facility with UCO for PCFC. PCFC is generally available for a period of 180 days from date of first disbursement. In deserving cases extension may be permitted within the guidelines of RBI.

Features :

(The forward covers can be booked in respect of future PCFC draws.)

In the PCFC draws permitted in a foreign currency other than the currency of export, exporter bears the risk in currency fluctuations. The foreign currency draws are restricted to major currencies at present. In case, the export order is in a non-designated currency, PCFC is given in US\$. For orders in Euro, Pound Sterling and JPY, PCFC can be availed in the respective currencies or US\$ at the choice of exporter.

Multi-currency draws against the same order, are not permitted at present due to operational inconvenience.

Repayment:

PCFC is to be repaid with the proceeds of the export bill submitted after shipment. In case of cancellation of export order, the PCFC can be closed by selling equivalent amount of foreign exchange at TT selling rate prevalent on the date of liquidation.

The PCFC in foreign currency are granted at our various branches through our Integrated Treasury Branch in Mumbai.

c) Negotiation of Bills under L/C

UCO's Authorised Forex Branches are active in negotiation/discounting of sight/usance international export bills under L/Cs opened by foreign banks as well as branches of Indian banks abroad. UCO offers the most competitive rates. These transactions are undertaken by our branches within the Bank/Country Exposure ceilings prescribed by UCO.

d) Export Bill Rediscounting:

UCO provides financing of export by way of discounting of export bills, as a post shipment finance to the exporters at competitive international rate of interest. This facility is available in four currencies i.e. US\$, Pound Sterling, Euro and JPY.

The export bills (both Sight and Usance) drawn in compliance of FEMA can be purchased/ discounted.

Exporters can avail this facility from UCO to cover the bills drawn under L/C as well as other export bills.

e) Bank Guarantees:

UCO, on behalf of exporter constituents, issues guarantees in favour of beneficiaries abroad. The guarantees may be Performance and Financial. For Indian exporters, guarantees are issued in compliance to RBI guidelines.

In Mechanism No foreign currency can be involved



- In a nut shell, payments received by Importer importing Oil from Iran are used to pay the Indian exporter, exporting non Sanctioned goods directly from India to Iran. All the payments are in Indian Rupees and no foreign currency is involved. UCO Bank is only acting as an agent of the Iranian Bank while making the payment and acts at the instruction of the Iranian Banks holding the account with us. The payment is from the deposits of the Iranian Bank available with our bank **and no credit facility is involved.**

3

The India-Iran Rupee Payment Mechanism-Gist



- On account of Sanctions on Iran, an International Banking operation with Iran came to a standstill resulting in virtual stoppage of trade payments for a long time. Our Bank with the support of the Government of India and the Reserve Bank of India, took the initiative of setting up a Rupee Payment Mechanism through which payment of the oil imports of Indian oil companies are settled in INR. The mechanism became operational in February 2012.
- Under the mechanism, a few Iranian banks have opened Indian Rupee Vostro Accounts with our Bank. The payments towards imports of crude oil are paid by the Oil Importing Companies of India are credited to this account.
- The payments towards Exports of non-sanctioned goods directly from India to Iran (as per DGFT/RBI guidelines) are paid from this account.

2

Farm management skills in transforming FPO in to FBO

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India is an agriculture powerhouse, but has performed much below its potential when it comes to agricultural exports. In spite of being the number one producer of dairy, mango, banana and second largest producer of cereals, fruits and vegetables, India ranks 10th among the countries with highest agricultural exports. Small countries like Belgium, Italy, Netherlands, etc. export much higher value of agricultural goods than us.

The coronavirus outbreak and the subsequent lockdown has spurred structural reforms in the Indian agricultural sector. However in order to get real success out of these reforms Indian Agriculture needs a greater integration with global market and consequently enhanced agricultural exports.

Paradigm Shift in Agriculture :

Food Security has often been conceived merely in terms of having sufficient food for the population. With renewed understanding on meaning of food security has broadened the scope of agriculture for feeding nine billion people expected in 2050 and economy surrounding it.

The UN Food and Agriculture Organization (FAO) has redefined food security in the following terms “Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life.

Challenges in Indian Agriculture :

Agriculture is the primary source of livelihood for about 58% of India’s population. Gross Value Added (GVA) by agriculture, forestry and fishing was estimated at Rs. 19.48 lakh crore. Today the number of small and marginal farmers are rising in the country. India has identified 9 crore farmer families through PM – Kisan.

Opportunity for Indian Farmers :

The Indian experience shows that small farmers are more productive than large farmers. Small farmers use more inputs, use their land more intensely and adopt more technology. Yet, despite this efficiency, farm incomes remain poor.

India is among the 15 leading exporters of agricultural products in the world. Agricultural export from India reached US\$ 38.54 billion in FY19 and US\$ 35.09 billion in FY20. The agri export from India is projected to reach the target of US\$ 60 billion by the year 2022.

To transform the efficiency of small farmers into economic success in individual farmers livelihood farmers collectives like formation of FPOs for economical benefit could be useful. At the local level, FPOs can contribute to alleviating agrarian distress if they are able to function as imagined.

FPOs and Indian Farming :

An FPO is a legally registered institution formed by a group of farm producers as shareholders to utilize the strength of collective for their benefit through the business activities related to their farm produce.

Forming a collectives of farm producers as Farmer Producer organization and evolving themselves to function as an Food Business Operator will certainly bring more returns to the individual share holding farm producer.

The idea of FPOs is appealing because it is predicated on the belief that if hundreds of small and marginal farmers can collectivise, they can pool their resources (i.e. capital) together to undertake processing and trading of agricultural commodities more effectively, leading to an increase in income and ultimately a reduction in distress and vulnerability

A 2020 study by the Azim Premji University found that as of March 31, 2019, a total of 7,374 have been registered under companies act with 4.3 million small farmers as shareholder as and Tamilnadu has 528 legally registered producer companies (7% of Total producer companies in India)

Of them only 6,926 producer companies in India are in active status and among them around 6,391 producer companies are agriculture allied producer companies.

Hurdles in Success of FPO :

But in reality it has been found that merely establishing the FPOs is not working. There is no pooled data available in public forum to ascertain economic viability of the FPOs already existing.

However emerging feedback from established ones indicate that these producer organisations face multiple challenges ranging from low capital base, poor credit facility, lack of business know-how and skilled manpower.

But with government handholding they have the huge potential to change the fortunes of small and marginal farmers enhancing **farmers'** livelihood opportunity. The government has allocated around Rs 6,865 crore for establishing another 10,000 FPO before 2028.

Even then after getting financial hand holding as grant and subsidy through Central and State Government and through Bank loans supported by Credit Guarantee most of FPO are not performing to their expectation. This brings more introspection and understanding on commercial success of FPOs and FBOs.

Skills for Transformation of FPO in to Successful FBOs :

Producer organization can succeed as commercial FBOs in the market economy only if the share holding farmers in the collectives acquire new skills of competitiveness for successful FBOs . In the emerging consumer demand driven market economy food safety and sustainability has become an important value parameters for successful food business.

Unlike the conventional food business operators the FPOs who have elevated themselves into FBOs are at clear advantage. Share holder farmers by taking up additional role as part of Quality Control System in the farm to fork supply chain model can comply the food safety and sustainability standards effectively.

Food Safety as Farm skill:

The recent report from World Health Organization (WHO) suggests that each year, foodborne illnesses cause almost one in 10 people on the planet to fall ill. Around 420,000 deaths a year are believed to result from food borne illnesses, a significant proportion of these in children less than five years old. These data suggest that for a successful FPO, production of food at competitive cost alone does not suffice but production of nutritious and safe food is needed for its advantage in the consumer driven market economy.

FSSAI and Food Business:

With growing importance of food safety and nutritious food among the consumer multiple independent quality standards and systems started emerging in food business around world.

In India **FSSAI** was **created** for laying down one food standard for whole of India. These are science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption.

As per Section 31(1) & 31(2) of FSS Act, 2006 every Food Business Operator in the country is required to be licensed/registered under the Food Safety & Standards Authority of India. The licensing and registration procedure and requirements are regulated by Food Safety & Standards (Licensing and Registration of food Business) Regulations, 2011.

From November 2020 “FSSAI has launched its cloud based, upgraded new food safety compliance online platform called FoSCoS as one point stop for all engagement of a food business operator (FBO) with the department for any regulatory compliance transaction.

Food Labels and Farming System :

Farming system is an approach for developing farm- household systems, built on the principles of productivity, profitability, stability and sustainability. The farming system approach emphasizes understanding of farm household, community inter linkages, reviews constraints and assesses potentials

As Food standards has become a statutory requirement in food business to protect the consumers interest on food safety and nutrition the importance of farming system gained importance. The Foods were valued labeled based on the System of production. The value of the food was appraised depending on the type of farming system. Foods were categorized based on type of farming system as IPM Grown, Sustainably grown, Organically Grown, Pesticide Free, GAP certified under Sustainable sytemOrganic System and GAP Certified and given specific food labels for protecting consumer demand and producer getting price premium for the farming system they adopt.. Food labels were able to get a price premium due to increased patronage by the consumers.

Organic Foods Farming System and Cluster Approach :

Organic foods are products of holistic agricultural practices focusing on bio-diversity, soil health, chemical free inputs etc. with an environmentally and socially responsible approach that have been produced in accordance with organic production standards.

People are wary to purchase organic food due to lack of confidence about its genuineness. The problem of fraud and mis-labelling occurs when a Food Business Operator (FBO) marks a product as organic while it contains non-organic ingredients or where the organic production standards are not adhered to in the production process.

Therefore, it becomes important to check if the food labelled as "organic" is genuinely organic. The Food Safety and Standards (Organic Foods) Regulations, 2017 are based on the standards of National Programme for Organic Production (NPOP) and Participatory Guarantee System (PGS-India). The customer will be assured of the genuineness after the Regulations are notified.

As the organic food segment in India is expected to grow at a CAGR of 10% during 2015-25 and is estimated to reach Rs.75,000 crore by 2025 from Rs. 2,700 crore in 2015. FPO have clear advantage over other FBO gathering in Organic Food segment as FPOs are structurally advantageous in getting the organic food label.

PKVY and Organic Food Label

The Paramparagat Krishi Vikas Yojana (PKVY), launched by GOI in 2015, as an extended component of Soil Health Management (SHM) under the Centrally Sponsored Scheme (CSS), National Mission on Sustainable Agriculture (NMSA). PKVY aims at supporting and promoting organic farming, through Participatory Guarantee System (PGS) a form of organic certification that is built on mutual trust, locally relevant and mandates the involvement of producers and consumers in the process of certification. The Scheme has brought nearly two lakh hectares of agricultural area under organic farming system.

GOI has come out with clear guidelines and provided matching funds to bring farmer clusters under PGS Organic Certification. The manual for PKVY District functionaries 2017, provide a detailed information on how the farm cluster has to be promoted to adopt a farming system, the monitoring mechanism for adopting of the farming system and providing support to clusters to obtain organic food label to get price premium in the consumer driven market economy.

In spite of Government intervention to double the farmers income through Farming System Approach through PKVY farm groups formed by State run Agriculture or Horticulture Department could not raise into a potential organic agriculture producer group.

The program failed to bring behaviour change among farmers to practice farming with discipline which is one of the prime objective in farming system. Though the farmers are individually skilled they lack skills needed for cluster approach to address farm sustainability and soil health.

Farm Management System for Successful Cluster:

With increasing awareness on environment and health people are in search for food labels that would provide them an opportunity to shoulder larger mission of food security. Its time to formulate a new strategy to impart the skills for farming system management among the farm clusters to make India an agriculture power house.

The FPO has to be skilled to manage and document the farming system. The work done by farmer member in the field through a farming system needs to be translated in to a food label through digital documents like Barcoding that provide traceability of the activities carried over in the farming system.

The poor documentation by clusters about the activities their farmer carried over in the field will erode consumer confidence on the food labels in the consumer driven market economy. Loss of consumer confidence will not attract demand for the food labels and the work done by the farmers in the field would be lost without gaining any economic benefit to farmers in spite of value addition through a farming system.

Quality assurance and inspection and FSSAI Certification procedure for agricultural produce

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What are **Angel Investors**?

- Invest in companies during the high risk seed stage and very early stage
- Tend to be individuals investing their own money as opposed to VCs that manage the money invested in by multiple people
- Fill in the gap between “friends & family” and VC

What is **Venture Capital (VC)**?

- A type of private equity typically provided to early-stage, high- potential, growth companies in the interest of generating a return
 - Initial Public Offering (IPO)
 - Sale of the company
- Venture capital fund is a pooled investment vehicle that primarily invests the capital of third party investors in enterprises that are too risky for standard capital markets or bank loans

Incubator: Program designed to support successful development of start ups by providing business resources.

- business, marketing, and networking advice
- computing resources (computers, net access, servers)
- financial advisors
- management teams
- access to loans and banks

- access to angel investors and/or venture capitalists
- legal advisors (such as for intellectual property rights)
- Examples: TBI

PRINCIPLES OF QUALITY

- Customer focus
 - Leadership
 - Involvement of people
 - Process approach
 - System approach to management
 - Continual improvement
 - Factual approach to decision making
 - Mutually beneficial supplier relationship

What Is A Quality System Management?

A framework of management and technical practices that assure that environmental data used to support decisions are:

- Of adequate quality and usability for their intended purpose
- Defensible

Common Steps in Quality System Design

- Prepare an overview of the current organization and its environmental data operations
- Identify existing Quality System components or tools
- Document existing procedures as appropriate
- Develop procedures where necessary
- Document the Quality System design

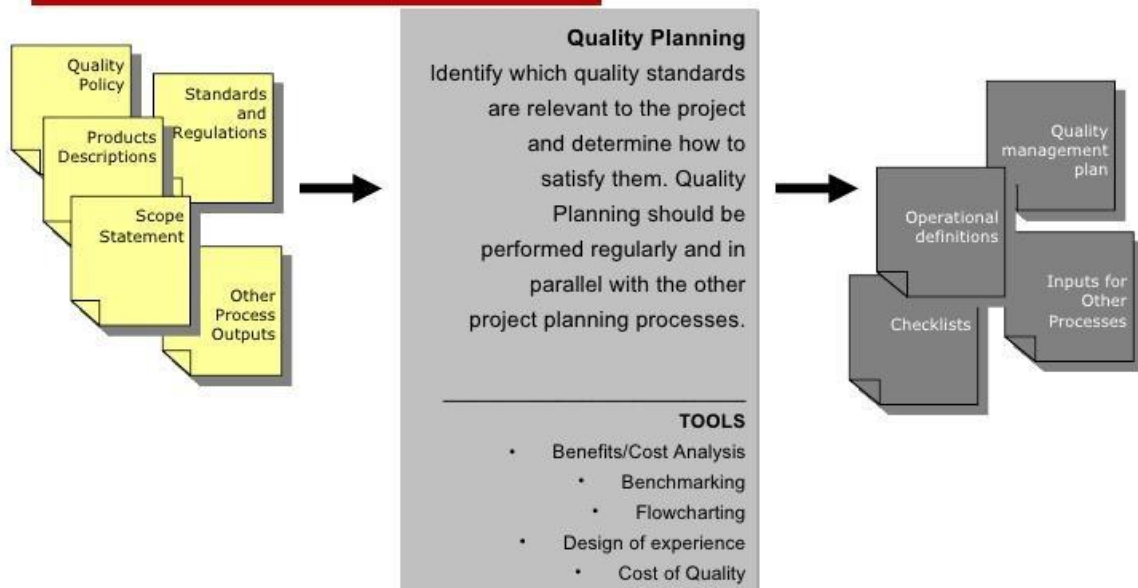
10 QSM Requirements

1. Management and Organization
2. Quality System Components
3. Personnel Qualifications and Training
4. Procurement of Items and Services
5. Documents and Records
6. Computer Hardware and Software
7. Planning
8. Implementation of Work Processes
9. Assessment and Response
10. Quality Improvement

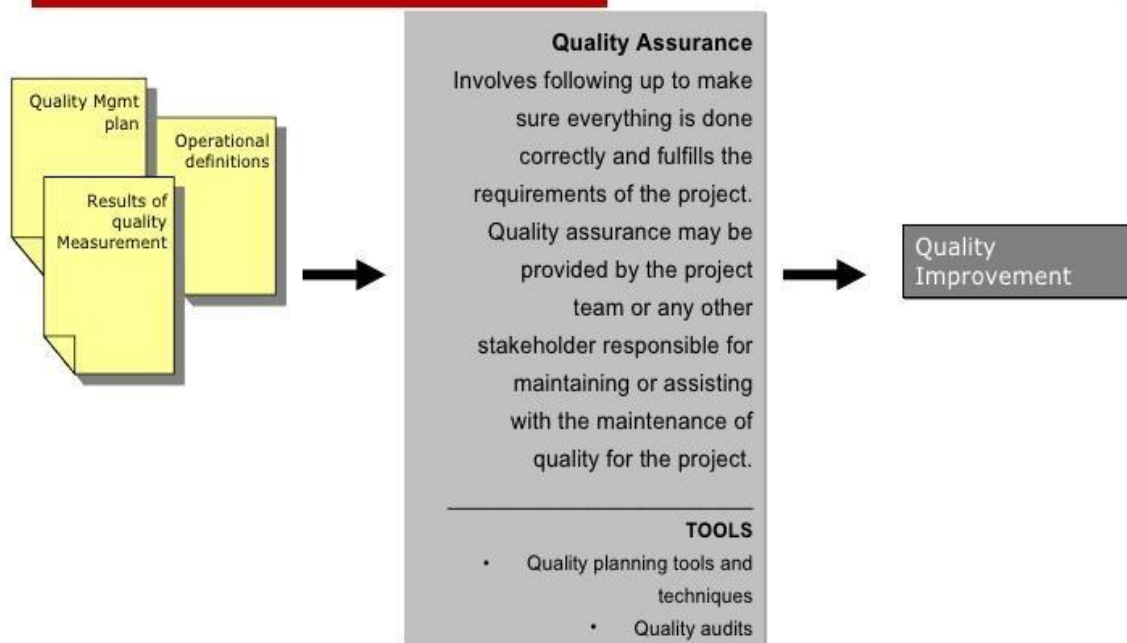
Quality Management



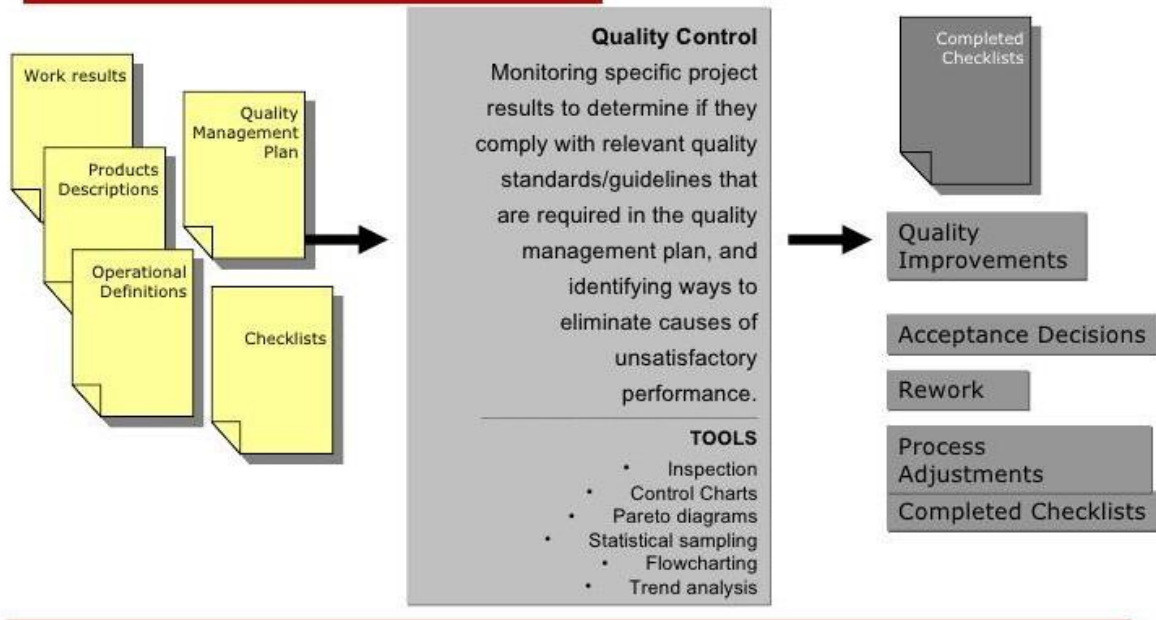
Quality Planning



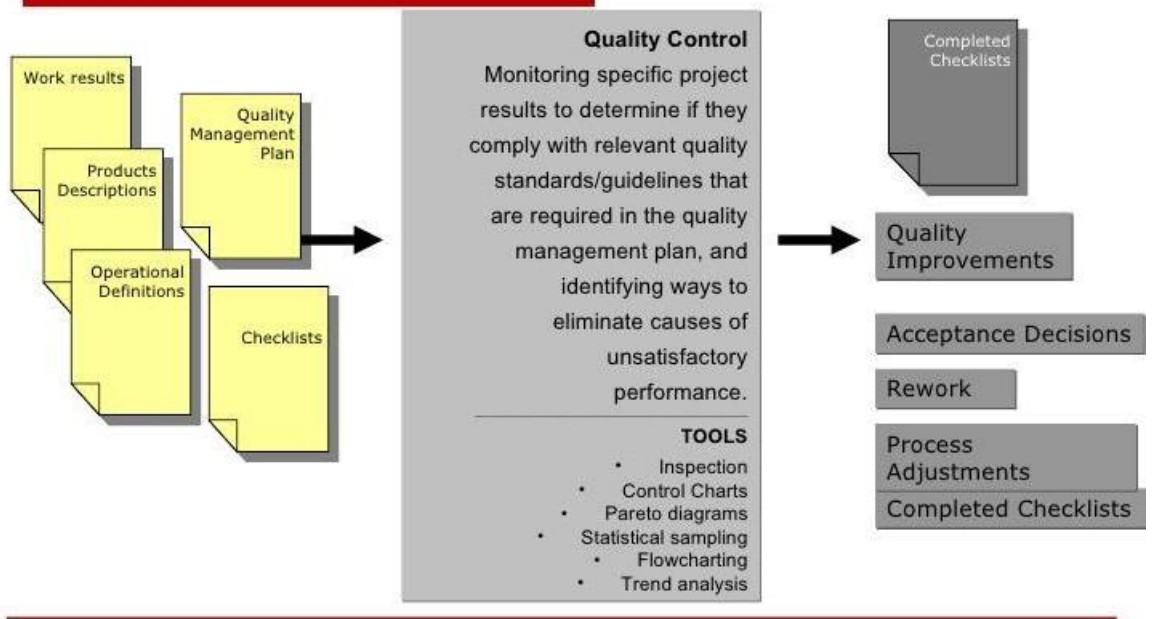
Quality Assurance



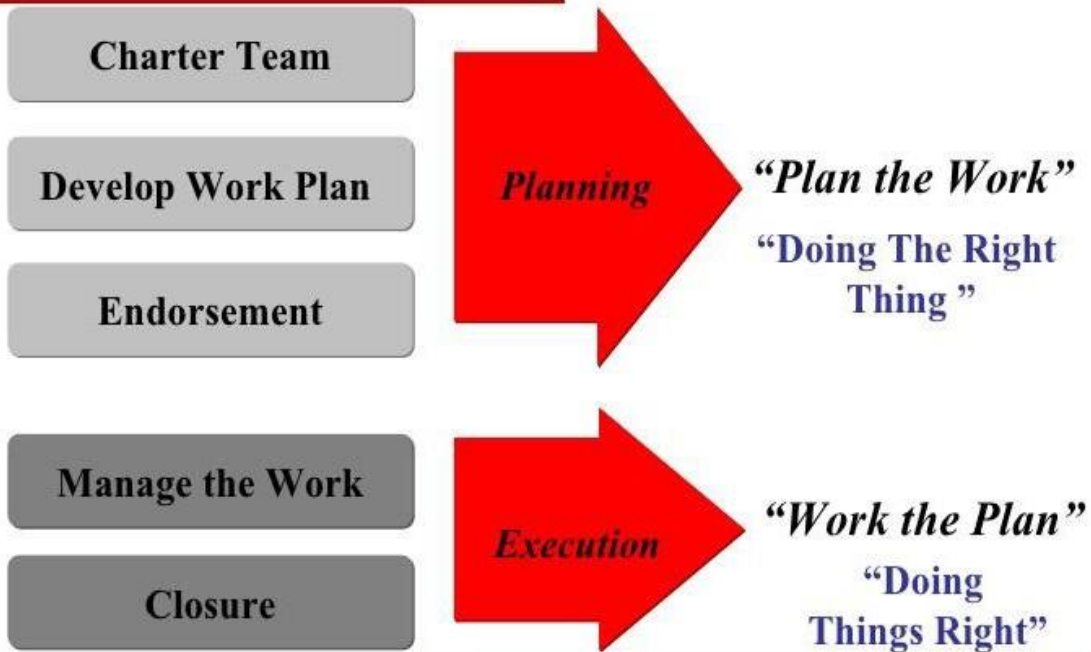
Quality Control



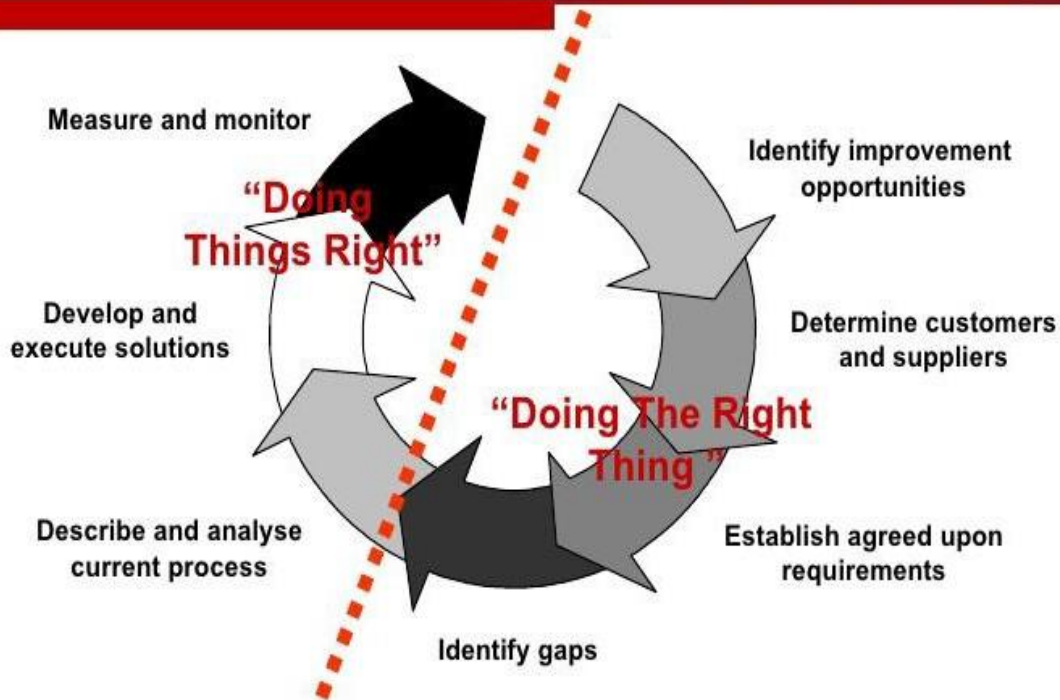
Quality Control



Build Quality into Project Deliverables



Quality Blueprint Process



Importance of Quality Assurance & Control

