

# **India's Bio Fertilizer Firms on High as West Stresses Organic Foods**

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It could be boom-time for Indian bio fertilizer companies from next year as they get set to tap the huge organic fertilizer and fertilizer market in UK and the rest of the Western world.

While one domestic company has struck a \$10 million deal with RTC, UK (for 2005-06) for supply of liquid bio-fert in UK/Europe, others organizations such as the Morarka Foundation have also received SGS (the internationally renowned Finland-based certification and standards verification organization) mark for their produce.

One reason in the near future for the high expectations is the passage of the UK Organic food and farming targets Act 2004.

The legislation provides for not less than 30 percent of the agricultural area in England and Wales to be certified as organic or in the process of being converted to organic by 2010. More crucially, it provides for not less than 20 percent by volume of food consumed in the UK is certified as organic.

Trade sources stress "that is a key reason we are expecting a huge demand of our bio fertilizers in the UK. Currently, more than 80 percent of all organic fruits and vegetables sold in the UK are imported. In addition, other countries such as Italy, Germany, France and Turkey are already pro-actively into organic farming and foods." Some estimates peg the organic fertilizer and foods market in Europe at \$100 million by 2010.

One significant move has already been made by International Panacea (IPL India), a bio-technology company, which recently entered into a tie up with RTC UK (Reliance Trading Corporation), a \$100 million fertilizer trading company.

The \$10-million contract is to supply 2 lakh litres of natural High CFU count liquid bio fertilizers for UK and Europe's organic farming and agriculture in 2005-06 alone. According to IPL India's Dr Prasad, the Commonwealth Agricultural Bureau International (CABI), UK, has already got the approval from the UK government to provide microbial strains.

To be used in temperate climates in Europe, the new technology was developed by IIT, Delhi, in collaboration with IPL and US-based NRI bio-technologist Dr Vedpal Malik to produce liquid bio fertilizers based on naturally occurring bacteria "with no side effects whatsoever".

The technology is new to India although it has been used for sometime now in countries such as Japan, contributing substantially to higher yields per acre.

Bio fertilizer firms also perceive a huge market within a country in the near future in the wake of a massive organic farming initiative driven by the Centre.

Uttaranchal and Sikkim, for instance, have declared themselves wholly organic farming states while other north-eastern states are expected to go organic within a timeframe. The movement is also picking up through a variety of NGOs and other organic produce firms in states such as Himachal and even parts of Rajasthan.

International verification, inspection, testing and certification agency (Finland-based) SGS, which has certified the bio fertilizer produce from Panacea, also recently recognized as organic producers farmers of the Shekawati region, where organic farming methods were facilitated by the M R Morarka-GDC Rural Research Foundation.

Armed with the SGS certification, organic produce from the region is now expected to tap into highly quality-conscious foreign markets as well. The Foundation, which has expanded its activities to 15 states to in 2000-01, is now pursuing new collaborations in Thailand and expects to make a breakthrough in the European market in the next few months.

The Foundation's focus areas include vermiculture, organic farming, R&D for biotech application in agriculture, scientific waste management and recycling, farm eco-tourism and value addition in agriculture and food processing.

Contends a Foundation official, "Since we have yet to develop a standards certification for international quality, we decided to go apply for the SGS verification directly. The certification from SGS opens up fresh, lucrative frontiers to farmers from the area for exporting their organic produce to western countries including the top markets in Europe, USA and Japan."

However, trade sources point out that a hampering factor to the big boost in domestic trade remains the fact that there is yet no national policy on organic farming, nor even a single licensing agency for organic produce, in consonance with international quality certifiers.

Only the commerce ministry has issued a notification on a program, including standards for organic farming. And only those foods processed and packed by agencies certified by APEDA can be considered as certified to be genuine organic produce.