

## Opportunities & Challenges for Organic Consumers in Punjab

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**Abstract:** The trend towards buying organic products is increasing very fast among people. The study would help to identify the various issues and problems faced by consumers of organic products in Punjab. Despite various heartening developments, it is surprising that organic farming has not yet managed to assume the centre-stage of Indian agriculture. This is due to a number of challenges faced by the agricultural sector at policy, commercial and infrastructural levels. The result of the research concludes that consumer feels that prices of the organic products are high but still they are ready to buy organic products with the premium price because they are satisfied with the organic products in terms of cost. Besides high prices, the main obstacle to the consumers of organic foods is difficulty in its availability. Even the organic food products are not promoted properly because of less supply. One of the foremost challenges for the consumers of organic food products is the lack of government support.

*Keywords:* Organic products, price, problems, consumers

### 1. Introduction

Organic farming is beneficial for farmers as well as consumers. As it is one of the most prominent occupation in Punjab. Most of the people in Punjab are engaged in farming. And few of them are in organic farming. To put the word 'Organic' on a food product is very valuable technique for the marketing of the product. It will become easy to sell that product in the market, to the various users. Organic farmers can earn more money through limited supply but with high price. There must be fair and ethical market for the organic products. Even it's a challenge for the organic farmers to establish a local market for organic products

because consumers are unaware about the benefits of organic products and moreover they just compare the price with the conventional products. Advertising campaigns on the organic products should be hosted by large corporations, companies and Government to create awareness among consumers about the various health benefits of organic products. Organic bazaars should be established, which must be easily assessable by consumers and visible by passers. The consumers are facing numerous problems as they are not having the open market for organic products. There must be supportive policies at state level and centre level to promote the organic farming. The government should provide research centres and labs for the testing and verification of organic products. There should be proper marketing arrangements for the organic products. Incentives and subsidies should be given to the organic farmers for the promotion of organic farming. Various courses must be introduced on organic farming. The state government should make some elaborative plans for the promotion of organic farming in Punjab. The demand of the organic products in Punjab has been increasing day by day. As demand of organic products is increasing but the organic farming is not increasing at such a pace. In Europe and North America, various studies show that a small consumer base is responsible for most organic food purchases. Research conducted by Agence Bio showed that although 89 percent of French consumers buy organic foods, only 37 percent of this segment purchases them on a frequent basis (weekly or daily). The majority of organic foods are bought on an irregular basis. More consumers need to buy organic products on a regular basis if the market is to become mainstream.

**2. Literature review:**The reviews of the various studies are discussed as follows:-

<b>Author</b>	<b>Place</b>	<b>Variables of study</b>	<b>Major findings</b>
<b>Gracia A.,Gil J.M., M Sánchez(2001)<sup>7</sup></b>	Spain	market segmentati on and willingnes s to pay for organic	The result shows that organic food consumers in both regions were larger than expected taking into account expenditure. Only feasible and certain organic food consumers showed positive attitudes towards organic food and were willing to pay a premium for their

		products	attributes.
<b>Garibay Salvador v., katkejyoti (2003)<sup>6</sup></b>	India	market opportunities and challenges of organic products	It has been concluded in the survey that Indian organic market has yet to be developed. At present India is in the nascent stage of organic farming. The major reason for the use of organic products was attributed to health consciousness. Lack of awareness is the main reason for non consumption of organic products. 85% of the total production is exported to other countries.
<b>Dr. Kaur Amandeep and Kaur Gagandeep(2014)<sup>3</sup></b>	India	analyses the factors and constraints in introduction of organic farming	It has been concluded in the research that India is lagging far behind in the adoption of organic farming. It has also been suggested by the author that government should make policies and support financially to promote organic farming
<b>A Narmilan and S Amuthenie (2015)<sup>5</sup></b>	Sri Lanka	general trends of demand of organic food products	Results revealed that the higher numbers of the respondents (70%) are interested to consume organic food produces and they believe that the market supply with the various products from organic agriculture is really at low level.
<b>Hamzaoui-Essoussi Leila and Zahaf Mehdi(2015)<sup>4</sup></b>	Thunder bay, Toronto, Ottawa &	current market structure and challenges	The result reveals that increasing number of organic consumers and the changes in organic product retailing still leads to an important disproportion between supply and demand, high operating costs as well

	Montreal	faced by organic food industry	as poor supply reliability
<b>R.Uma, Dr. Selvam V (2016)<sup>2</sup></b>	Tamil Nadu	factors which prohibits the people to buy organic food products	The results of the present study shows that, though women have intention to purchase organic products but they are reluctant to buy due to the cost factor and availability of the products. it's also concluded in the research,the organic food products will enlarge to grow by defeating the difficulties and problems on implementing agricultural market in India.

### 3. Research Objectives

The objectives of the research are as follows:

1. To identify the barriers towards purchasing organic food
2. To study the key factors that hinders the development of organic food market.

**4. Research Methodology and Data Collection:** The data has been collected from consumers or buyers of organic products in the form of questionnaire from the four selected districts of Punjab viz Fatehgarh Sahib, Mohali, Patiala, Sangrur. Apart from this, Secondary data from various Government publications, reports, and statistical abstract of Punjab, international and national journals has also been used in the research. A survey of 400 consumers of organic products was conducted. The study will make use of non probability sampling technique that is stratified sampling. Descriptive statistics such as percentage, average, tabular techniques will be used to describe demographic variables.

#### 4.1 Sample Design

In order to understand the problems and challenges faced by consumers of organic products in Punjab, the following sample size has been used to collect the primary data.

**Table 1: Table showing different cities Identified for Collection of Data**

	frequency(f)	%age
Fatehgarh Sahib	100	25.0
Mohali	100	25.0
Patiala	100	25.0
Sangrur	100	25.0
Total	400	100.0

*Source: Primary survey conducted for this research (2018).*

#### 5. Results & Discussions

The demographic profile of the sample of the study are presented in Table 1 which reveals that more number of men population (64.8%) is interested in buying organic products as compared to the women and most of the respondents were from the age 26 to 40. To be precise 166 out of 400 respondents belongs to this age category. This shows that middle aged people are more interested in buying organic food products. It can also be clearly seen from the table that major portion of urban population is more concerned and prefer to buy organically produced products. The results depicts that education plays an influential role in buying organic food products because most of the respondents were well qualified. Next very significant variable in the study was that, for how long they are purchasing organic food. It can be seen from the results that almost 44 percent of the respondents buying organic food from last 1 – 2 years. 110 out of 400 respondents buying organic food from last 3 -5 years and 94 respondents from last 1 year. So it can be concluded from the results that majority of the consumers were purchasing organic from last 2 years. The result also reflects that

consumer used to buy organic food products once in a week or we can say 3 to 4 times in a month.

*Table 2: Demographic profile of the consumers n=400*

<b>Particulars</b>	<b>Variable</b>	<b>Frequenc y</b>	<b>Percentag e</b>
<b>1. Gender</b>	Female	141	35.30%
	Male	259	64.80%
<b>2. Please indicate your Age</b>	18 – 25	85	21.30%
	26 – 40	166	41.50%
	41 – 55	98	24.50%
	56 and above	51	12.80%
<b>3. Area of Habitation</b>	Rural	62	15.50%
	Semi – Urban	147	36.80%
	Urban	191	47.80%
<b>4. Income Group</b>	Rs. 0 – Rs 99000	36	9.00%
	Rs 1,00,000 to Rs - 299999	112	28.00%
	Rs 3,00,000 to Rs - 699999	174	43.50%
	Rs.7 lakh or more	78	19.50%
<b>5. How many people lives in your household?</b>	0 – 2	91	22.80%
	3 – 4	238	59.50%

	5 – 6	67	16.80%
	7 and more	4	1.00%
<b>6. Please indicate your level of education</b>	Any other (please specify)	9	2.30%
	Diploma	5	1.30%
	Doctorate degree	32	8.00%
	Graduation	121	30.30%
	Matriculation	29	7.30%
	Post Graduation	199	49.80%
	Pre-matriculation	5	1.30%
<b>7. What is your employment status?</b>	Professional degree	89	22.30%
	Retired	23	5.80%
	Service class	140	35.00%
	Student	20	5.00%
	Unemployed	28	7.00%
	Working at home	100	25.00%
<b>8. For how long have you been purchasing organic food?</b>	1 - 2 years	176	44.00%
	3 - 5 years	110	27.50%
	Less than 1 year	94	23.50%
	More than 5 years	20	5.00%
<b>9. What is your buying pattern towards “Organic food products”?</b>	1-2 times in a week	75	18.80%
	3-4 times in a month.	144	36.00%
	5-7 times in a week	16	4.00%

	Less than once in a month	69	17.30%
	Once in a month	96	24.00%

Source: Primary survey conducted for this research (2018).

The number of variables has been selected to analyze the problems faced by consumers. All the respondents have been asked to rate the different variables selected for the problems on five point likert scale. The result of the research shows (See Table 2) that consumer feels that prices of the organic products are high but still they are ready to buy the organic products with the premium price because they are satisfied with the organic products in terms of cost. Besides high prices, the main obstacle to the consumers of organic foods is difficulty in its availability. Majority of the respondents are facing problems while accessing organic food products in shops and markets. Even the organic food products are not promoted properly because of less supply. As the supply is not at such a pace, therefore variety in organic food products is not available and moreover we cannot access the organic products in all seasons due to low availability. It has been seen in the results that most of the respondents agreed on the view that all the information about origin, authentication, certification, official stamp, logo and ingredients should be clearly define on the packaging of the organic products. So that customers can ensure about its credibility. Majority of the respondents have complained that the information about origin and authentication of organic products is not clearly defined on the packaging. One of the foremost challenges for the consumers of organic food products is the lack of government support.

Table 3: Problems faced by Consumers n=400

	Frequency	%age	Mean	Mode
<b>Availability of organic products</b>				
P1 Insufficient markets for organic products.	173	43.3	4	5
P2 Less access to organic shops & markets.	181	45.3	4	5



P12 Variety of Organic products not available.	179	44.8	4	5
P20 Organic products not accessible in all seasons.	178	44.5	4	5
P3 Online availability.	133	33.3	3	3
P4 Availability in the super market.	134	33.5	3	3
<b>Willingness to pay</b>				
P5 Have to pay more for the organic products.	336	84	5	5
P7 Dissatisfied in terms of cost.	329	82.3	2	2
P22 Refrain from buying due to higher price	209	52.3	2	2
<b>Authentication</b>				
P6 Doubtful about the quality	372	93	5	5
P13 Origin and source is not credible and trustworthy	260	65	4	4
P8 Lack of information about Origin and Authenticity	256	64	4	4
P9 Packaging and labeling should be self explanatory	250	62.5	4	4
P25 Labels are not informative	129	32.3	3	5
P24 Official stamp and logo on packaging is must	330	82.5	5	5
<b>Awareness &amp; Promotion</b>				
P10 Ample number of channels used for marketing.	194	48.5	4	5
P11 Not promoted properly	204	51	4	5
P23 Lack of awareness about the availability	184	46	4	5
<b>Lack of Government support</b>				

P14 Labs not available	184	46	4	5
P15 Lack of access to necessary information on organic products	200	50	4	5
P16 Suitable Places for supply not available	192	48	4	5
P17 Necessary standards not available	189	47.3	4	5
P18 Appropriate custodian for monitoring not available	184	46	4	5

*Source: Primary survey conducted for this research (2018).*

## 6. Findings of the study

The study reveals that a number of problems and challenges are faced by respondents while purchasing organic products in the market. The finding of the study are as follows:

1. There are insufficient markets and variety for organic products and supply of organic products is also very limited.
2. Consumers have to pay more for the organic products, but at the other extreme, they also accepted that organic products have to bear more cost. Thus they are ready to pay premium price for organic products.
3. Consumers are very doubtful about the quality of organic products as there is no available information on origin and authenticity of organic products and if available it's not trustworthy.
4. As there are number of channels available but still organic products are not promoted properly.
5. There are no labs available to check the authentication of the products.
6. There does not exist necessary standards and custodian for monitoring organic products.

## 7. Suggestions

1. Government support is required for the proper custodian and monitoring of organic products.
2. There must be regulated market for organic products as more customers are interested to buy organic and they are also ready to pay premium price for organic products.
3. The labs must be available to check the authentication of organic products.
4. In addition, organic foods products should be easily available in food shops so that consumers can reach these products during their everyday shopping
5. Packaging and labeling should be self explanatory.

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