



Food • Farmers • Freedom

ALLIANCE FOR SUSTAINABLE & HOLISTIC AGRICULTURE

To:

March 18th, 2013

Shri K. Chandramouli,
Chairperson,
Food Safety & Standards Authority of India (FSSAI),
FDA Bhawan, New Delhi.

Dear Sir,

Sub: Concerns of organic farmer producer organizations/organic retailers and civil society groups promoting organic farming in the country, in the context of FSSAI regulations and standards – reg.

Greetings! At the outset, we would like to thank you for meeting with us readily upon our request following our brief introduction at the CSE Conference on Food Safety and Environmental Toxins and our request letter for a meeting subsequently.

In the context of the need to promote organic farming (a broad term for various agro-ecological approaches that shun the use of agri-chemicals in food production) for sustainable livelihoods and safe food, we would like to discuss certain points with you related to:

- why organic farming and within that, localized production and consumption models require a special enabling environment from your Authority;
- long-distance food models catering to urban areas and availability of organic produce;
- various regulations notified so far by FSSAI and specific requests from Alliance for Sustainable and Holistic Agriculture (ASHA) and Organic Farming Association of India (OFAI) in this regard;
- certain issues with a few of the standards laid down by the Authority.

We present a more detailed note attached herewith, to address these points and we urge you to consider our suggestions/requests and take them on board, since we believe that these are reasonable and justified in the context of the Authority trying to actualize the essence of the FSS Act, even as players small scale organic food sector need proactive support from the Authority.

Sincerely,

(Ashish Gupta, for OFAI)

(Kavitha Kuruganti, for ASHA)

Organic Farming Association of India, G-8, Britto's Apartments, Feira Alta, Mapusa 403507, Goa

Phone: 0832 2255913. Email: myofai@gmail.com. Website: www.ofai.org

Alliance for Sustainable and Holistic Agriculture, A-124/6, 1st Floor, Katwaria Sarai, New Delhi 110 016

Phone/fax: 011-26517814. Email: nishank.kianswarai@gmail.com. Website: www.kianswarai.in

FSSAI & Organic FPOs/Retailers and Organic Farming Movement in India

1. WHY ORGANIC AND AGRO-ECOLOGICAL PRODUCE AND LOCAL MARKETS REQUIRE SPECIAL, SEPARATE ENABLING PROVISIONS OF FSSAI:

Organic Farming (this term includes many other agro-ecological approaches going by the names of Natural Farming, Bio-Dynamic Farming etc.) is primarily about giving up harmful agro-chemicals and relying on Nature's processes and products for soil and crop ecosystem management, to bring down the costs for the farmers, to conserve and manage natural resources sustainably, and to improve safety and nutrition for the consumers.

Organic farming movement (development of organic farming within civil society, including forming producer collectives with some integration with the markets also) as well as the organic farming industry (emergence of a whole lot of players primarily seeing a commercial opportunity in organic farming and food systems) in a sense are naturally aligned to the goals of FSSAI, in terms of raising awareness on food toxins and healthy, safe, nutritious food even as they actually eliminate use of harmful synthetic chemicals in the primary food production process. The entire supply chain for organic is already segregated, and made traceable, from the farm to the retail end. Further, there is a lot of oversight/supervision that is already applied to the process of organic production in a variety of approaches – third party certification, participatory guarantee systems (PGS), retailers/civil society groups/brands standing guarantee for their production processes etc. Standards have been carefully evolved for different markets and these are strictly followed in a majority of cases. There are some entities which believe in "declared" organic, who also have their own traceability systems in place and suitable means of developing end-consumer trust in the produce. For example, certain producer FPOs and retailers invite consumers to visit the farms and work on farm initiatives to gain trust.

All of this involves cost and effort– in the recent past, some state government agencies are coming forward to use various schemes to subsidize organic certification. PGS is another approach that is gaining popularity and expansion all over the country, with recognition from National Centre for Organic Farming. Ironically, all of this is being followed with great effort/cost by a sector that has rid itself of chemicals, while the chemical-laden supply chain is not putting in any such efforts to declare the poisons present.

Meanwhile, this sector also faces many challenges and problems. There is no support extended to the organic farming movement or to scale it up, in the face of the disproportionate emphasis and investment that goes into promoting chemical agriculture (less than 2% of RKVY funds were used for organic farming in the last plan period, for instance), and no APMC based mechanism to segregate organic and conventional produce in food mandis to help retailers gather produce – in short, there is no level playing field being created. The scale is still too low, comparable volumes too small and dispersed and all of this (including certification and segregation and traceability costs) results in higher retail prices for organic produce more often than not.

It is only now that collectivizing farmers into organic producer groups, to support them both at the production and marketing end till retailing (including branded retail) has begun to gain momentum. Many FPOs are being formed so that organic farming and marketing can bring in livelihood improvements in the lives of many smallholders, women farmers, tribal farmers, rain-

fed farmers and so on. This effort is sometimes being supported by various government and quasi-governmental agencies, incidentally.

It is in this context that the additional requirements of the FSSAI have to be understood as additional burden on the organic producer groups as well as retailers who deal with organic products. This will necessarily have cost implications also in several cases.

Hence, FSSAI is requested to consider special enabling provisions for Organic Producer Groups and retailers, in addition to "local markets" (any production, distribution and retail consumption chain that can prove that it is trying to create localized food miles, with traceability verifiable, with smaller the food mile, greater the ease of food safety regulators in case of any adverse impacts for any reason). Such enabling provisions should exempt these producers and retailers (and any processors who are an integral part dealing only with organic) from certain provisions of FSSAI, including some packaging and labeling regulation requirements, in addition to some registration/licensing conditions.

2. LONG DISTANCE FOOD MODELS, AVAILABILITY OF ORGANIC PRODUCE IN METROS, SMALL RETAIL ENTERPRISES:

As it stands, a small retail sector is currently catering to end consumers in urban centers incl. Metros by aggregating regionally available produce and ensuring that safe, natural and organic food is available in these locations. These small retail enterprises are manifested by privately owned or civil society based setups and Organic food shops (some of which are also not-for-profit). Large scale entities who manufacture, collect or brand organic produce are far and few. It will not be an overstatement to say that this sector is really in its infancy. Some of the characteristics of operations of this sector are –

- Run mostly by committed individuals or groups who are dedicated to the cause of enhancing production and availability of organic produce in the country.
- Sell only natural and organic food sourced from farmers or small producers. Mandate not to sell GMOs or conventional produce from their shelves. This is different from super markets which sell GMO and chemically grown produce from same shelves as organic produce.
- Lack of availability of range of produce near location and hence produce and products have to be sourced from a large distance to make a complete range of food available
- Large and Mid-size branded and organized organic food supply chain (processor and distributors) is still immature; hence, pressure on end-to-end supply chain still directly on the retailers. Here, the effort is to source from as close to the farm as possible to ensure fairness to farmers.
- Since most produce is available in far pockets of the country the cost of supply per kg is as high as 40% of the product price which puts huge pressure on their operational margins.
- Mostly small scale self-funded ventures with little or no level playing field in terms of capital and credit availability. No specific support from government for promotion of organic food space. Have limited capital in a highly skewed market require capital intensive investment in high real estate prices, expensive packaging and labeling regimes etc.
- Handhold weak consumer market and create self-funded consumer awareness to enhance market for safe and organic food.

In the face of all these impediments, these small scale retailers are stretching themselves and doing the best to ensure safe food is available in the cities despite lack of easy access to sources for organic and safe food.

It is hence requested to the FSSAI that relaxations should be provided to allow such retailers time and space till a level playing field is created for them. Currently, licensing and registration mandates in-house technical experts, which such small retailers can ill-afford. In addition, long distance availability of quality organic goods implies costs, and if the demand to purchase only from FSSAI registered entities exists, a lot of produce may not be available for sale. Considering this we request that, if the Authority mandates licensing and registration for such retail FBOs, at least a moratorium of 5 years from date of registration be provided to allow these FBOs to build business and markets to have a level playing field.

3. IMPLEMENTATION OF REGULATIONS NOTIFIED SO FAR

The FSSAI has so far put out its regulations related to Registration and Licensing; Packaging and Labeling; Food Product Standards and Food Additives; Prohibition and Restriction on Sales; Contaminants, Toxins and Residues; and, Laboratory and Sampling Analysis. A perusal of these notifications reveals that nothing has been specified with regard to Organic Foods in particular so far and we are happy to note the same. The Organic FPOs (Farmer Producer Organizations) and Retailers will have to meet the Registration and Licensing requirements laid down, in addition to follow notifications around packaging & labeling, and standards & food additives like all other food businesses as of now.

However, confusions remain on this front. For instance, it appears that multiple players along the supply chain will all need separate registration/licensing and not just the food businesses at the retail end. This is unnecessary duplication and also tedious, not just for organic producers but for everyone, we feel.

WE PROPOSE THE FOLLOWING IN THIS CONTEXT:

- (a) If the Authority ever decides to notify anything related to Organic Farming, as two of the largest networks involved in promotion of ecological farming, OFAI (Organic Farming Association of India) and ASHA (Alliance for Sustainable & Holistic Agriculture) would like to be involved in the discussions right from the beginning and we hope that the FSSAI would inform us of the same and allow us to participate on behalf of lakhs of producers and their groups.
- (b) To make registration easier for our members, we request the Authority to kindly accept all the names of FPOs associated with us and allow us to provide the list to one designated person in the Authority, making it easier both for the Authority and groups associated with us to take care of registration/licensing. There could be a Committee set up for this purpose, to register all such entities with our networks facilitating the collection of information on ones associated with us.

- (c) Once registration of an entity is made with the Authority, the requirement that they trade only with or through another registered/licensed entity is not justified since the onus of retailers and others registering with the Authority cannot be on FPOs and their livelihood opportunities cannot be jeopardized for this reason. We urge the Authority to waive this requirement straightaway.
- (d) Small scale Primary producers who enter into some degree of processing or value addition should be exempt from the requirements of registration and licensing, in fact. We urge you to apply the registration and licensing requirements only to food businesses at the retail end.
- (e) There are multiple requirements being put forward by different departments and lack of coordination within the authorities cannot be translated into additional requirements for livelihood ventures of the poor: for instance, packing section of an organic farming unit needs clearance both from the FSSAI officials and the Labour Department people! There has to be better integration so that one-time clearances that meet the requirements of multiple agencies can be met by the enterprises at the ground level.
- (f) It is also found that rubber stamps used for printing content details of a product, or eco-friendly packaging materials are not always acceptable to the Authority. Printing with high-tech machines is not an option available for all enterprises, as you would kindly agree. Similarly, packaging in eco-friendly materials, especially in farmer-consumer cooperatives and weekly markets should not be curbed, since none of this defeats the purpose of actualizing the objectives of Food Safety and Standards Act. In the process of implementation, the nation should not end up penalizing small enterprises and livelihoods which have to shut shop in the end, while only big enterprises thrive without any competition. This kind of "food safety and standards" atmosphere is good for neither small producers nor small consumers nor for the environment.
- (g) Requirements related to labeling and packaging should be commensurate with Food Miles that are established. Such requirements should be able to keep alive local traditions, many of which are proven and time-tested to be healthy and nutritious. For instance, loose sale (unpackaged) of cold pressed oils through traditional oil expellers.
- (h) Instead of expecting additional infrastructure like laboratories and additional human resources like technical experts to be inducted into small enterprises to meet legally defined regulations on food standards, the FSSAI should set up labs in all districts, which should be made accessible to FPOs and organic retailers at a nominal cost. Otherwise, this is practically impossible, making it cost-prohibitive and uncompetitive, which will only wipe out small enterprises, including small organic enterprises which already face cost disadvantages compared to conventional chemical laden produce.

- (i) Participatory Guarantee System (PGS) and other certification mechanism by small FPOs be expressly recognized by FSSAI as a viable mechanism for farm certification for Organic Produce, since it is recognized by NCOF (National Centre for Organic Farming).
- (j) Authority can define a small-scale retailer in metro/urban context in a manner to include those Small retail FBOs rather than exclude.

3. SPECIFIC CHANGES SOUGHT IN SOME REGULATIONS NOTIFIED SO FAR (not specific to Organic alone):

(i) **Refined Vs Unrefined/Cold Pressed Oils:** As is well-known, refined oils are more for enhancing the shelf life and standardization of product for market rather than for nutrition and good health. Cold-pressed oils, or virgin oils, on the other hand are known to be wholesome, packed with nutrition and fatty acids. Ghani or traditional expeller-pressing method uses lower temperatures and is considered better than refined oils where the temperature goes above 300 degrees Celsius at least thrice in the processing.

We are dismayed that the FSSAI, in its notification related to Prohibition and Restrictions on Sales Regulations 2011, dated 1st August 2011, laid down the following: *2.3.14. (Restrictions related to conditions for Sale)(10) All edible oils, except coconut oil, olive oil, imported in crude, raw or unrefined form shall be subjected to the process of refining before sale for human consumption.* This condition is unclear in whether it applies to all edible oils, or all imported edible oils. If it is the former, it is a matter of concern. As you would be kindly aware, the Codex is also right now discussing separate standards for cold pressed oils, after first acknowledging that these are more beneficial. In such a context, the Authority's restriction limiting all oil sales to only refined oils is questionable. We urge you to do away with this unjustifiable clause.

(ii) **Open/Bin Sales Vs Packaged:** As you are kindly aware, in countries like the USA, there are separate regulations laid down for bulk or bin sales, in addition to exemptions given to small enterprises and Cooperatives¹. Here, such lack of differentiation and imposing of uniform requirements irrespective of the nature or scale of the enterprise is worrisome. There are enterprises that would like to sell their edible oils (unblended, unadulterated) in the traditional system of open sales with customers bringing their own containers etc. to promote environmental consciousness, for instance. We do not believe that such systems of loose sales should be prohibited by the FSSAI. However, the FSSAI's notified regulations related to Prohibitions and Restrictions has laid down the following: "2.3.15: Special provisions relating to sale of vegetable oil and fat (1) No person shall sell or expose for sale, or distribute, or offer for sale, or dispatch, or deliver to any person for the purpose of sale any edible oil – (b) Which is not packed in a container, marked and labelled in the manner as specified in FSSAI regulations".

¹ <http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodLabelingNutrition/FoodLabelingGuide/ucm064904.htm>

(iii) There are some instances when the packaging and labeling requirements notified have not dealt with the need for full disclosure of ingredients and circumventing any suppression of information: for instance, E301 etc., which do not help consumers in any way in making informed choices. It would also help to have the ingredients listed in the local language in addition to English and Hindi.

(iv) Cotton seed oil, canola oil and soy oil which are mostly genetically modified and also imported are going into various foods as ingredients without being disclosed expressly as such. Processed foods such as baby foods, popcorn, breakfast cereal, wafers, chips, nachos etc. directly imported from other countries should be checked for traces of GMOs. Full disclosure of GM and the exact oil used has to be made mandatory.

While we are for some degree of standard-setting and its enforcement towards ensuring food safety, we believe that Western or modern scientific notions around safety and hygiene are not to be used to inadvertently wipe out the rich traditions of food production and consumption in this country, especially in the small enterprise sector and in the organic supply chains.