

IMPROVEMENTS NEEDED IN PGS-INDIA DESIGN & IMPLEMENTATION

PGS-INDIA is a quality assurance initiative for organic farming by the Ministry of Agriculture and Farmers' Welfare that is locally relevant, emphasises the participation of stakeholders including producers and consumers, and operates outside the frame of third-party certification. Most small organic farmers who are seeking domestic marketing opportunities would like to be certified under a system other than the expensive and onerous third-party regime (NPOP regime). It has to be noted that PGS regimes seek to verify compliance not just to production standards but also to institutional procedures of groups of farmers appraising and standing guarantee for each other. The PGS India system, as rolled out, has evolved into a much better system than its earlier rudimentary form, but continues to need reforms for it to become a robust, useful and farmer-friendly regime, and to be based on principles of stewardship, transparency, organic integrity, participation and trust.

The points given below have been raised by participants in a meeting convened by NCOF (National Centre of Organic Farming, which is anchoring the PGS India regime) upon the request of civil society members on February 6th 2019, and the note also captures some main responses of the NCOF Director to the suggestions provided. The meeting also discussed additional certification regimes to be put into place and supported by the Agriculture Ministry apart from improvements in PGS India regime.

Improvements sought in PGS India regime

1. Regional Councils – their selection, their accountability, funding etc.

- Many Regional Councils (RCs), especially hundreds of government agencies, are defunct and those that are functioning operate with serious constraints – mostly related to budgets and lack of trained human power. While the PGS system itself is a peer-appraisal system among the group members, in reality, the RCs have to deploy trained personnel to help in facilitating group meetings, peer-appraisals and do their own evaluation for the sake of validating the LG, given the lack of capacities amongst farmers to self-organise themselves and utilise this regime. As of now, RCs are using their own resources to register and bring farmers under PGS India certification. There is no funding made available to them directly as an RC, and they are forced to be dependent on various agencies, including Governments to access funds through PKVY wherever available. This is also not always possible, as for example in Kerala where Government is not very keen to work with NGO sector RCs. Meanwhile, most Government Department RCs have largely been ineffective in catering to certification requests from farmers. Moreover, RCs must not be agencies that will simply wait for farmers to come up with request for certification, but must be stewards, proactively operate in their region to help farmers convert to organic and help certify them. This process needs to be institutionalised in the RC.
- Many RCs registering with a national reach are not able to fully support their LGs, in doing physical cross checks, periodical validations etc. This makes the system vulnerable to fraud. Many RCs with national reach / multi-state reach also do not have staff in the States, and this makes the validation process very vulnerable to errors/wrong evaluation/validation.
- Many farmers who have been registered have not been able to update their data to make it current, as farmers / LGs need to be supported by the RC. Here, either due to RCs becoming inactive / non-funded or the group lead not taking the initiative due to lack of system knowledge or regular access to high speed internet, mandatory updation of information does not happen. Another reason is the complicated nature of the forms as well as other

requirements such as periodical meetings etc, which makes it difficult for farmers / LGs to use the online system on their own.

- Currently all RCs are dependent on their own funds. Many RCs are denying or delaying request from farmer groups to certify them, either because they don't have the funds to do the needful or do not want to take up the additional work without adequate manpower (again due to paucity of funding they are unable to hire people).

Recommendations:

- All current RCs must be asked to submit three-year action plans, with estimates of groups they will facilitate and update. Based on the plan and a performance reporting / validation by LGs, these RCs must be provided with funds to operate the personnel and the programme. This must not be connected to any other Government programme of promotion of organic farming, such as PKVY, so as to avoid conflict of interest and also to ensure robustness and integrity.
- This must also not be restricted by numbers, however small, but rather by the upfront estimations of the RC to be able to cater to the region/ groups.
- A redressal body and mechanism may be set up to facilitate the change of group or change of RC of particular farmer groups, wherever such need occurs due to a dysfunctional RC or an LG is not able to connect to an RC for various reasons including distance of their locations.
- The groups attached to defunct RCs should be allocated to new RCs with immediate effect and assistance provided to RCs to integrate and update the farmer group data, so that the farmers do not lose their organic status.
- NCOF may undertake an independent evaluation of the process including taking up social audit of the performance of RCs with the objective of improving their function, assessing their needs and empowering them to take up proper facilitation of certification.
- A fee structure of charging farmers, or performance-based remuneration from government should be put into place, so that RCs are able to provide prompt service to farmers and farmer groups. Budgets and resources are to be provided to RCs so that the process of certifying as many organic farmers can happen at a rapid pace.
- RCs should be provided with incentives and also to be reviewed to ensure that they are registering and reviewing farmers regularly and not causing delays in providing certificates to farmers.

2. Speeding up Approval of RCs

- There are numerous RC applications from credible groups waiting to be approved by the NAC.
- States like Tamil Nadu barely have any good, credible RCs and farmers are waiting to get certification, leaving many farmers in a limbo.

Recommendations:

- The pending RC applications should immediately be taken up.
- The applications from existing RCs who have applied for extension for other states can be approved quickly, this would help many farmers/farmer groups to initiate their certification process.
- When approving RCs, it should be ensured that they can show staff deployed for that state with a reference office / personnel address in that state.
- State level recommendations can be obtained from long-standing organic farming resource organisations to speed up the process of registering civil society RCs.

3. Re-packers/Processors as stakeholders not included in PGS-India system

- Farmers are certified for raw material like paddy, sugarcane, raw turmeric, whereas the products they sell are rice, jaggery and turmeric powder all processed locally either in the

homestead or small processing facilities nearby. It is not clear either in the PGS regulations or the FSSAI regulations how processors and retailers can use the PGS status of the farmers/farmer groups who supply to them. The PGS regulations are designed to take care of farm level certification mainly, and many farmers are not interested in pursuing the value chain themselves till the retail point. That leaves a gap at the value addition and handling stages.

- The major marketing means for many small organic farmers and organic farming groups and FPOs is through handlers like re-packers. These entities buy from farmers in bulk and repack at their end. The way for these groups to add the PGS India certificate, for products procured by them from PGS certified farmers is not in place. Such handlers can of course show records-based proof of their inflows and outflows of produce so that fraudulent mixing up of organic and inorganic does not happen.
- Processor certification system under PGS India needs to be included immediately. Otherwise, it is difficult for a farmers' federation to sell processed produce under PGS India Label (refer to the section 5.5 stating that Only PGS Local groups and their duly authorized federations are allowed to use PGS Logo on the products, produced, processed and packed under their supervision). For instance, there are many women's groups working as processors (ready to prepare and ready to eat category of products like spice powders, snacks, millet mixes, porridge mixes). These groups who are associated with NGOs procure organic produce from the farmers groups and do processing, either in the NGO premises or home. It is not clear how these products are to be certified under the PGS India system.

Recommendations

- PGS India to be expanded to provide identity numbers to retailers/processors that can be linked to PGS producers and processors through the PGS India portal, enabling them to procure from PGS farmers.
- PGS India to put together and publish the guidelines for minimal processing (paddy and millet milling, raw cane sugar, spice powders, flours etc.) by entities outside the LG.
- Have a module so that re-packers can register in the PGS India website and have a six month or one-year reconciliation of quantity of items procured and invoices paid to the farmer groups to ensure authenticity.
- Include processors and handlers attached with particular LGs into the system right from the production stage, so that they are part of the LG in the non-production phase.
- Have easier inter-regime operability between different systems at whatever stage required in the value chain, with each system recognising the other as a valid system.

4. Website, Software, Database Requirements, Rules & regulations & System-related bottlenecks and problems

- Validity of Scope Certificate: The validity of the certificate is for one year from the date of generating the certificate. However, it will be difficult to sell all produce of a farmer within one year. This is all the more so for FPOs who deal with larger volumes.
- UID of Farmers an Onerous System: Currently PGS India certification demands UID of farmer to be put on the label. For FPOs, cooperatives and processors, it is difficult to separate the stock for each farmer for a cooperative/FPO of 100-10000 farmers. Similarly, there are FPOs who procure from 500 or 1000 farmers raw stock like paddy, the stock is cumulated variety-wise and not segregated farmer-wise for further processing including parboiling, de husking etc. In this case the current system of UID will not be feasible at all.

- Current Needs of Uncertified Farmers Not Met: From the point a farmer gets into the process it takes three years for him/her to become organic, therefore it is impossible for all organic farmers to be brought under the FSSAI organic food regulations in a short while.
- Website and Software related issues:
 - Website is slow and needs to be improved. The speed of entries onto the portal can be increased significantly.
 - The PGS India software has to be refined. The Local Group has to receive simple material in vernacular language on how they can move from one RC to another RC, or how they can re-set their password if it is lost etc.
 - Similarly, there are many shortcomings in the portal and the other mechanics of registering the groups including auto-save not working for already-fed information etc.
 - The online system is in English and does not allow local groups to become independent in this regime.
- Burdensome Data Mining: PGS India is a regime that seeks compliance to both organic production standards as well as institutional procedures, which include periodic meetings and proof that such meetings have indeed taken place etc.. It is seen that a lot of data is being asked to be uploaded onto the centralised database system, which is not required to be monitored centrally at all, and needs to be verified only upon receiving complaints for further inquiries. There is a need for great data rationalisation in PGS India system.
- Volumes based tracking-forward traceability unnecessary for domestic market: It is unclear why the traceability system of PGS India should be a volumes-based tracking-forward system, that too online. The TCs system which has just been introduced is unneeded for domestic markets in an online fashion. Instead of online traceability systems, offline records can be made a requirement at all stages of the value chain.

Recommendations:

- It is proposed and submitted that the period of certification validity should be increased to at least two years, provided the RC is able to ensure validation seasonally.
- A system to have a batch ID for particular local group or Local groups of farmers is required so that FPOs and co-operatives can procure from their certified members and process it as part of batch process.
- Extension to be granted for three years for the FSSAI regulation to come into effect to facilitate the entry of all interested and eligible farmers into the PGS network.
- Many more servers are required to handle the current traffic and increased traffic in the near future.
- Undertake a database system rationalisation process where the online system at the most asks for minimal information on number of farmers, area, location specific details, area and crops sown, volumes being dealt with. All other data requirements, including of compliance to institutional procedures for the local groups have to be removed from the online system, and many data fields are not required to be collected centrally at all.
- For traceability, offline records may be mandated on the participating farmers to maintain records of all sales transactions, volume wise, to be accessible for verification at any point of time. The same is applicable to other players in the value chain.

Dr Krishan Chandra, Director, NCOF, in response to the issues raised, clarified the following:

- a. To strengthen the system, there is already a proposal to provide funding to RCs, at around Rs. 1000/per farmer. However, this is not just for PGS-India certification but more than that, including for providing marketing avenues for the farmers, and for testing etc.
- b. After 3 years of making the PGS India system work at a scale, we are able to recognise the non-functioning RCs. We also know that the government RCs are not registering non-PKVY farmers. We know that some RCs are charging farmers for services being provided and the charges across RCs are wide-ranging. RC status will not be renewed for non-performing RCs.
- c. It is possible to rationalise fee structure of RCs if they are charging any farmers, and get them to inform the same to NCOF periodically, to be then put up on the portal transparently like in the NPOP regime and we will look into this.
- d. The suggestion to have periodic reviews of RCs, including reviews by LGs is a good one and NCOF will explore this possibility.
- e. For getting more RCs registered, PGS India is willing to recognise FPOs, SHGs and their federations as RCs. *The same was firmed up in the last PGS India NAC meeting.*
- f. NCOF is agreeable to creating State Advisory Committees or SLSCs (state level screening committees) that will screen and send recommendation to NAC for RC registration. This will make the selection of RCs more rigorous too. Leading NGOs or farmers' groups can host the SLSCs or SACs as the case may be.
- g. If a process flow is visualised and worked out, that is based on either Transaction Certificates, or subsequent value chain players joining as Peers in the LGs of farmers in PGS India, the issues of aggregators/processors/re-packers in the PGS India regime can be resolved, in a manner that farmers still have control over the process, but other players also get to support them with better marketing possibilities. NCOF will explore the possibility of registering such aggregators / re-packers / processors with separate IDs issued to them, through the PGS India regime, so that transparency and traceability will act as a strong counter-mechanisms against farmer or consumer being taken for a ride.
- h. NCOF will explore the possibilities of wild harvest-related PGS through simple authentication regimes, if complete suggested formats and other community-based mechanisms are given to NCOF, for various MFPs, commodity-wise, with standards, formats and authentication system options specified.
- i. About the validity of a scope certificate for a period longer than one year, this is certainly possible if TCs system is institutionalised, where until the stocks get diluted, the scope certificate can be considered valid.

In the February 6th 2019 meeting in NCOF with civil society representatives, it was also agreed that a field-by-field database rationalisation will be undertaken along with some of the participants, so that unnecessary information is not sought to be collected in a centralised online system in the hope of monitoring through such a DBS.

NCOF also agreed to look into the proposals related to supporting alternative/additional certification regimes, anchored by the Agriculture Ministry.

- This is a note submitted by Alliance for Sustainable and Holistic Agriculture (ASHA). For more information, please contact kavitha_kuruganti@yahoo.com