



INTERVIEW

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BioFach India and India Organic Trade Fair: Potentials and perspectives for the Indian organic sector

- **Interview with market expert Gerald A. Herrmann**

Gerald A. Herrmann, Director of corporate consultant Organic Services, has many years of experience of the international organic market and profound knowledge of the Indian market acquired over the last 10 years. He also toured India many times in his function as President of IFOAM, the International Federation of Organic Agriculture Movements, from 2005 to 2008. Together with Ramesh Harve, the founding President of ICCOA, the International Competence Centre for Organic Agriculture, he established Organic Services & Solutions India in 2005. We spoke to him about challenges, perspectives and potentials.

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Mr Herrmann, please briefly describe your work in India?

My work in India covers the whole spectrum relevant to the successful development of the organic sector, especially market development. I have been engaged in advising official organizations such as the Export Development Authority APEDA or the German development finance institution DEG, and also at the level of projects, training and seminars in cooperation with NGOs and companies. My involvement in the trade segment ranges from sourcing to product coaching.

Where do you see the biggest potential and the challenges for the organic sector in India?

The potential is clearly in the size of the country and the enormous variety – in terms of climate and crops. India also has a rich tradition of agriculture. A good basis! What is missing most, however, is an organic infrastructure, without which profitable marketing and the sale of the organic products produced is not easy. In my opinion, the setting up of value creation chains, the development of long-term trade relationships and the coordination of sales represent some of the greatest challenges for the Indian organic sector.

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Another major task for the Indian partners is recognizing the very high quality standards of Western customers and building a sustainable position here with top-quality products. As a late entrant to the organic sector, India has prospects but faces great competition.

Consumers are increasingly buying regional goods out of consideration for reduced CO₂ emission. Does India with its organic products still have prospects on the international organic markets?

Of course! India has specific products to offer like tea, an unbelievable variety of spices, rice, mangoes and many other raw materials such as cotton, which are in demand in Europe or the USA but often not obtainable at regional level. However, I always advise offering semi-finished products, processed products and products with added benefit for export business, as organic raw materials are available worldwide from cheaper and more competitive suppliers, especially from other Asian countries. In India itself, it is a matter of first developing structures for basic products and then for processed products as well.

Is there also a trend to organic in the Indian domestic market?

Definitely. Estimates refer to a well-funded middle class of 150–200 million people. These are young, modern, well-educated consumers who are concerned about the environmental problem and prepared to spend their money on healthy products like organic food. Companies like FabIndia, Sresta or Organic India have recognized this and not only market their products in specialist shops, but also try to place them in the premium retail trade.

The organic issue is increasingly being taken up by the mass media and politics, with an amazing number of local initiatives. Today, the central government in Delhi as well as federal state governments are very clearly taking a stance in favour of organic agriculture. What is still neglected, however, is the promotion of the marketing level and especially the structures along the value creation chain.

Organic cotton consumption has risen strongly. How do you assess the future of this segment?

India has overtaken Turkey as the biggest producer of organic cotton. But quality is also more important than quantity here and only processing in India provides value creation. India traditionally possesses enormous possibilities in the textile sector, which is highly developed. There are also still many small, craft structures, however. A real opportunity exists here, which should be used to build up a good reputation and defend India's top position, not only as raw material country, but also for sourcing semi-finished and finished goods. The already large share of genetically modified cotton under cultivation does, however, represent a big risk for this sector. Recent reports in the media that supposedly large quantities of genetically modified cotton had entered the European market as organic cotton in spring 2009 created quite a scare. Various large fashion labels were affected. This shows how quickly trust in the dependability of organic products can be endangered by genetic engineering.

BioFach India celebrated its premiere in Mumbai in November 2009. What must the exhibition in India achieve to push the organic sector and become established as sector get-together?

BioFach with its good international reputation can achieve exactly what is still missing in the Indian organic market. It focuses international aspects because it enjoys great credibility and outstanding respect among buyers worldwide. The decisive factor is that the exhibition must implement its quality standard and the organic issue in the Indian market too. It is also important to involve the roots of the movement – the farmers – to introduce them to organic more intensively and show them the market needs – this is assured by the cooperation with India Organic. It's the variety that makes BioFach successful.

About Gerald A. Herrmann:

Gerald A. Herrmann is a pioneer of the organic movement in Germany and internationally. On completion of his degree studies in agriculture (1985), he worked as organic agriculture consultant, in certification, marketing, PR and brand licensing, and had various teaching assignments (1986-1996). Following his appointment as President of the Board of Naturland, he became Executive Director of this organization (1996-2003). From 1989 onwards, he served in the German organic federation as Vice President and held various functions with IFOAM; from 1995 as Member of the World Board and Vice President, and as President from 2005 to 2008.



Gerald A. Herrmann is currently a partner and director of Organic Services, an international consultancy specializing in the organic sector and related fields like policy, markets, and business and organizational development. Organic Services also operates in China, India, Brazil and the USA. Gerald A. Herrmann is a noted writer and lecturer.

The exhibition duo of BioFach India and the India Organic Trade Fair lines up in the Bombay Exhibition Centre for the second time from **7–9 December 2010**.

Other BioFach events:

- BioFach and Vivaness, Nürnberg: 16–19 February 2011
- BioFach China, Shanghai: 27–29 May 2010
- BioFach Japan, Tokyo: 21–23 September 2010
- BioFach America, Boston: 14–16 October 2010
- BioFach America Latina and ExpoSustentat, São Paulo: 3–5 November 2010

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