

*Organic Foods*  
*Manufacturing & Processing*  
– ***The New Way of Life***

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# Organic Agriculture

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- **Organic Agriculture**
- **is a holistic production management system which promotes and enhances**
- **agro-ecosystem health,**
- **including**
- **biodiversity, biological cycles**
- **and soil biological activity.**

**-IFOAM**

# Leading Processors

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**Australia, North America, Europe are  
the *leading processors* of Organic  
Food**

**Upcoming leading processors are  
China, Brazil and India**

# Where's the world's most valuable organic market?

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- **It's *Western Europe.***
- Thanks to a series of nightmarish food scares, a strong euro and what politicians call “a favorable policy environment,”
- Unconfirmed reports peg the European organic market at a ***whopping €20.7 billion***, with projected continued expansion in the double digits.

# Wide range of organic products

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- Stroll down the aisles of an average supermarket in UK and you will likely find:

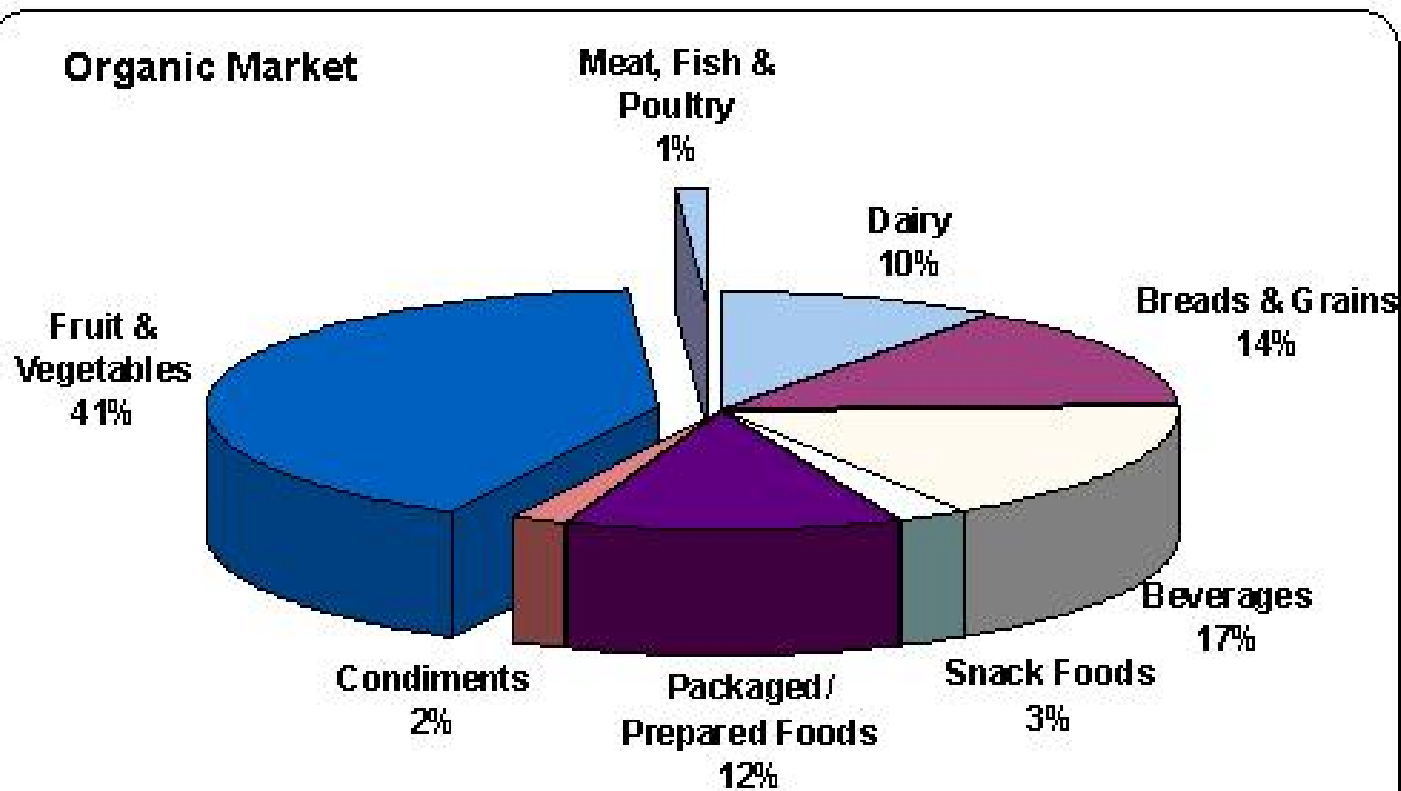
- Lipton's organic tea, brought to you by Unilever

Kenco organic instant coffee, brought to you by Kraft

Billington's organic sugar, brought to you by Associated British Foods

# Organic Market composition

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Source: Nutrition Business Journal

# Natural Food, Super-natural growth !

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- Sales of organic food in the UK
- **increased by 30%** in 2005 to almost £1.6bn,
- an average weekly gain of £7m, according to a recent report by the Soil Association.
- For comparison, the current annual growth for **all UK food and drink** sales is **around 3%**.

# Organic Food goes mainstream

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- In UK you can now buy pasta sauces and other packaged organic foods under the Seeds of Change label (owned by **M&M Mars**, one of the largest food and beverage companies in the world).
- **Heinz** -Organic ketchup,canned tomato soup
- In most of the European countries (as in the United States),**mainstream supermarkets now carry organic foods and this has been critical to the overall expansion of organics.**





# Growing demand, growing shortages

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- **Organic is the fastest growing sector of the food industry** with global sales approaching US \$40 billion in 2006.
- High market growth rates are leading to supply shortages in sectors like organic meat, dairy and ingredients.

The largest increases in organic food production have been in Asia, Africa and Latin America. All three regions have reported triple-digit growth in organic farmland since 2000.

# Organic Food Coloring

- The truth is, colors sell – especially to kids. But parents are watching labels to **avoid artificial colorants**.

**Certified organic caramel brown colors** –from **organic sugar cane** and one from **organic rice**

- Organic processors desiring **orange color** are using **carrot** and **pumpkin** juice concentrates



# It is getting harder and harder to find organic ingredients.

- **Stonyfield Farm Yogurt, in US** owned by the French food giant **Groupe Danone**
- There simply aren't enough organic cows in the U.S.
- **Nor are there sufficient organic strawberries, sugar, or fruit pulp -- some of the other ingredients that go into the world's best-selling organic yogurt.**
- Importing organic milk powder from New Zealand. Stonyfield already gets **strawberries from China**, fruit puree from Turkey, **blueberries from Canada**, and bananas from Ecuador.



# Emerging Markets

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- Markets projected to show rapid growth rate:
  - Japan and Singapore
- Important factors for global market growth:
  - **Growing health-consciousness**
  - **Support of governments** through subsidies for organic farm conversion, organic research, marketing, & consumer information campaign
  - **Official interest in OA by international organizations such as the FAO**, import promotion organizations

# India and Africa – natural partners

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- **India and Africa** can together drive synergies in organic food processing
- We need to have closer tie-ups for **sourcing organic ingredients** from each other
- Joint initiatives in **R&D** can result in major benefits for both regions together



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**Thank You !**