

# ORGANIC VEGETABLE EXPORT BUSINESS

## 1. INTRODUCTION

The global shift toward healthier, sustainable lifestyles has increased demand for organic foods, especially fruits and vegetables. Organic vegetables are grown without synthetic pesticides, herbicides, or chemical fertilizers and are certified under recognized organic standards. They are nutrient-rich, safer, and environmentally friendly, appealing to health-conscious consumers worldwide.

India, with its abundant agricultural diversity and cost-effective organic cultivation practices, has emerged as a favorable hub for organic vegetable production. This report outlines the establishment of an Organic Vegetable Export Business, focusing on sourcing from certified organic farms or own cultivation, processing in a hygienic packhouse, and supplying to international markets such as the UAE, UK, Europe, and Southeast Asia.

## 2. PRODUCT AND ITS APPLICATION

The primary product in this business is fresh, certified organic vegetables, including leafy greens, gourds, legumes, root vegetables, chillies, okra, and tomatoes. These vegetables are grown under certified organic farming systems adhering to NPOP (India), NOP (USA), or EU Organic regulations.

Applications include:

- Direct sale in organic grocery chains and supermarkets
- Use in the hotel, airline, and cruise line food industry
- Institutional consumption in schools, hospitals, and wellness centers
- Online e-commerce and subscription-based organic delivery platforms
- Processing into salads, ready-to-cook meal kits, and frozen packs

By supplying traceable, safe, and chemical-free produce, the business caters to a growing global market that values health, sustainability, and quality assurance.

## 3. DESIRED QUALIFICATION FOR PROMOTER

Promoters should ideally have a background in agriculture, horticulture, international business, or food technology. Knowledge of organic certification systems (NPOP, NOP), global market regulations, export documentation, cold chain logistics, and quality control is beneficial.



Additionally, experience with agri-value chains, farm-to-market linkages, and basic business operations such as inventory, billing, and customer service is recommended. Promoters should also possess strong communication skills to interact with buyers, freight partners, and certification bodies.

#### **4. BUSINESS OUTLOOK AND TRENDS**

The business outlook for organic vegetable exports is promising. With global organic food sales exceeding USD 150 billion in 2023 and growing rapidly, fresh produce remains among the most traded organic items. Europe, the UAE, Singapore, and the UK are witnessing an increased demand for clean-label, traceable, and chemical-free vegetables.

Key trends include:

- Increased demand for certified organic vegetables among international supermarkets
- Expansion of farm-to-fork delivery models abroad
- Use of QR codes and blockchain for traceability
- Value-added organic products such as chopped vegetables and vacuum-packed greens
- Integration of cold chain and zero-waste packaging in export logistics

Governments and trade bodies like APEDA encourage organic exports by offering financial support and participation in international trade fairs, improving the ecosystem for new exporters.

#### **5. MARKET POTENTIAL AND MARKETING ISSUES**

Organic vegetables from India have immense export potential. Certified products are in strong demand in the UAE, UK, Germany, Singapore, and other regions where urban consumers are health-conscious and willing to pay a premium. India's ability to produce round-the-year, low-input-cost organic vegetables enhances its competitiveness.

However, marketing challenges include:

- Compliance with certification and food safety standards
- High perishability of vegetables and the need for a robust cold chain
- Price competition from other exporting countries
- Limited brand recognition of Indian produce
- Dependency on freight schedules and rising international shipping costs

Establishing long-term buyer relationships, investing in quality control and traceability, and participating in global trade events can help overcome these issues.



## 6. RAW MATERIAL

The key raw materials are:

- Fresh, certified organic vegetables sourced from NPOP-certified farms or our land
- Food-grade packaging materials (cartons, punnets, crates)
- Cleaning materials (potable water, organic sanitizers)
- Stickers and labels showing certification, traceability, and batch information
- Export documentation and phytosanitary compliance certificates

Reliable sourcing partnerships with farmer groups, cooperatives, or contract growers are essential to ensure year-round availability, crop planning, and volume consistency.

## 7. MANUFACTURING PROCESS (Processing & Handling)

Though the process does not involve manufacturing in the traditional sense, it includes crucial post-harvest steps:

1. Collection of freshly harvested vegetables from certified farms
2. Quality inspection and rejection of damaged produce
3. Washing and sanitizing using potable water or approved organic sanitizers
4. Grading and sorting based on size, quality, and appearance
5. Pre-cooling to reduce field heat and extend shelf life
6. Packing in food-grade, eco-friendly boxes with labels and QR codes
7. Cold storage until dispatch
8. Transport using reefer vans or airfreight containers
9. Documentation and customs clearance for export

Each step is done under hygienic, certified conditions following Good Handling Practices (GHP) and traceability protocols.



## 8. MANPOWER REQUIREMENT

Position	Number	Monthly Salary (₹)	Annual Cost (₹)
Operations Manager	1	40,000	4,80,000
Packhouse Supervisors	2	25,000	6,00,000
Export Executive	1	30,000	3,60,000
Finance & Admin Officer	1	25,000	3,00,000
Packing & Sorting Workers	10	15,000	18,00,000
Logistics & Dispatch Staff	2	18,000	4,32,000
Quality Control Assistant	1	20,000	2,40,000
Total	18		₹42,12,000

## 9. IMPLEMENTATION SCHEDULE

Activity	Timeline
IEC, FSSAI, APEDA registration	Month 1
Tie-up with certified farms/land setup	Month 1–2
Packhouse and cold chain setup	Month 2–3
Recruitment and training of staff	Month 2–3
Organic certification finalization	Month 3
Packaging material procurement	Month 3
Trial shipments to buyers	Month 3–4
Commercial export launch	Month 4 onwards



## 10. COST OF PROJECT

Particulars	Amount (₹ Lakhs)
Packhouse & pre-cooling unit	12.00
Cold storage	10.00
Sorting & packaging unit	6.00
Certifications and licensing	1.50
Working capital (6 months)	10.00
Marketing and buyer acquisition	3.00
Miscellaneous and contingency	2.50
Total Project Cost	₹45.00 Lakhs

## 11. MEANS OF FINANCE

Source	Amount (₹ Lakhs)	Share (%)
Promoter's Equity	18.00	40%
Bank Term Loan / Credit	27.00	60%
Total	₹45.00 Lakhs	100%

## 12. LIST OF MACHINERY AND EQUIPMENT

Equipment	Purpose
Packhouse (washing, sorting line)	Primary handling of vegetables
Pre-cooling unit	Shelf life enhancement
Cold storage (5–8 MT)	Temporary storage pre-dispatch
Vacuum packers & sealers	Packaging leafy greens
Food-grade crates	Handling during washing/sorting
Refrigerated transport boxes	Cold chain maintenance



### 13. PROFITABILITY CALCULATION

Year	Export Volume (Tons)	Revenue (₹ Lakhs)	Operating Cost (₹ Lakhs)	Net Profit (₹ Lakhs)
1	100	100.00	90.00	10.00
2	180	180.00	145.00	35.00
3	250	250.00	200.00	50.00

### 14. BREAK-EVEN ANALYSIS

Parameter	Value
Total Capital Investment	₹45.00 Lakhs
Average Annual Net Profit (Year 2 onward)	₹20–₹25 Lakhs
Break-even Period	2 to 2.5 Years

### 15. GOVERNMENT APPROVALS REQUIRED

To operate an Organic Vegetable Export Business in India, the following statutory registrations and approvals are required:

#### 1. Import Export Code (IEC):

Issued by the Directorate General of Foreign Trade (DGFT), this is mandatory for all exporters.

#### 2. FSSAI License:

Required for handling, packing, and storing food-grade items, including fresh vegetables.

#### 3. APEDA Registration:

The Agricultural and Processed Food Products Export Development Authority (APEDA) supports exporters through training, subsidies, and trade facilitation. Registration is compulsory for availing export incentives and participating in trade fairs.

#### 4. Organic Certification:

Depending on the target market:

- NPOP (India) under the National Accreditation Body



- NOP (USA) for exports to the United States
- EU Organic Certification for exports to European Union countries

### **5. GST Registration:**

Mandatory for businesses with an annual turnover above ₹40 lakhs or for interstate trade.

### **6. Phytosanitary Certificate and Plant Quarantine NOC:**

Issued by the Plant Quarantine Authority at ports, verifying compliance with the importing country's standards.

### **7. Certificate of Origin (Optional):**

Required to avail trade preference benefits under FTAs (e.g., India-ASEAN FTA) for export to certain countries.

### **8. Cold Storage and Packhouse License (if applicable):**

Some states require approval for handling perishable food in commercial cold storage units.

- ✓ Many of these processes can be supported by APEDA and State Horticulture Boards.

## **16. TRAINING CENTRES AND COURSES**

To successfully manage operations in organic vegetable exports, the promoter and key staff are encouraged to undergo relevant training programs from the following institutions:

#### **1. APEDA Training Programs:**

Offers regular training in export documentation, organic certification, post-harvest handling, and packaging at regional centres.

#### **2. Krishi Vigyan Kendras (KVKs):**

Provide training on organic farming practices, soil health management, composting, pest control, and crop planning.

#### **3. Indian Institute of Packaging (IIP):**

Offers certification courses on food-grade packaging, export standards, and shelf life enhancement techniques.

#### **4. State Horticulture Departments:**

Conduct entrepreneurship development programs under the MIDH and PMFME schemes.

#### **5. NABARD-Sponsored Skill Programs:**

Training on agri-export business models, post-harvest infrastructure, and credit-linked project preparation.



#### 6. Online Courses (SWAYAM, MANAGE, NIFTEM):

Modules in food safety, agricultural marketing, value chain management, and export procedures.

Recommended course topics:

- Organic certification and standards (NPOP/NOP/EU)
- Good Agricultural Practices (GAP) and HACCP
- Export documentation and customs clearance
- Cold chain management
- Buyer-seller negotiations and global trade fairs
- Post-harvest technology and vegetable grading

Completing relevant training not only improves business efficiency but also builds credibility with banks, investors, and international buyers.

The Swayam portal (link: <https://swayam.gov.in/>) can also be accessed for enhanced learning on business commerce, accounting, production, marketing, and areas of entrepreneurship.

Entrepreneurship programs that help run businesses successfully are also available from institutes like the Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

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