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## A study on analysis of retailing and competitive scenario of organic produce (Rice, Wheat, Major Millets) in Hyderabad city of Telangana state

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### Abstract

The modern agricultural practices led by green revolution technologies helped the country to achieve self-sufficiency in food production, but this led to many problems and one of the most important problems is the emergence of micronutrient deficiencies in humans, Organic farming was found to be one of the efficient methods to reverse all the ill effects of modern agriculture and produce food which is rich in antioxidants and with meager pesticide residues. The growing health consciousness among Indian consumers is a big driving force in the organic food sector. Consumers are becoming more concerned with their food's nutrient content and quality, which is increasing demand for organic products. They are also becoming more concerned about the potential health concerns linked with the use of chemicals and pesticides in traditional food production, which is driving the popularity of organic food alternatives. So, a study is done to know the retail and competitive scenario of organic produce to know the availability of quality produce to customers. For this, a sample of 60 retailers was purposively selected, A prefixed questionnaire was used to gather the entire data. Percentages and graphs were made use for carrying out the study more effectively.

**Keywords:** Retailing, competitive scenario, organic farming, purposive sampling

### 1. Introduction

Organic products can be referred to as pesticide or chemical-free products but a product that is grown under pesticide or chemical-free conditions cannot be termed as organic, since organic certification requires a set of approved practices to be followed. Participatory Guarantee System (PGS) and the National Program for Organic Production (NPOP) specify practices to be followed to get organic certification for the produce, especially in the case of small farmers (APEDA, 2022) [1].

India stands in 1<sup>st</sup> position in number of organic farmers and 9<sup>th</sup> position in area under organic farming. Sikkim of North East India is the first state to be the complete organic state in the world. The government of India also took initiatives like Mission Organic Value Chain Development (MOVCD) and Paramparagat Krishi Vikas Yojana (PKVY) to promote organic agriculture in India (Verma, 2022) [1].

In India, approximately 4.7 M ha area is covered by organic farming along with the area under organic farming conversion and wild harvest collection area is about 4.39 M ha with a total production of 3.43 M MT. Coming to exports, about 0.46 M MT of organic produce is exported from India. In the total production of organic products in India, cereals and millets account for 0.2424 M MT and their exports are about 0.05718 M MT, some major organic products grown in India are oilseeds, tea, coffee, dried fruits, millets, cereals, and spices. Sikkim, Uttarakhand, and Tripura are the major states to cultivate organic products in India. Other major states for organic farming are Madhya Pradesh, Rajasthan, and Maharashtra. In Telangana 0.039 M ha of the area is under organic cultivation, with production of 0.00387 M MT and the export quantity is about 0.0073 M MT. The major organic crops cultivated in Telangana are rice, maize, red gram, green gram, millet, sesame, castor, cotton, peanut, soybean, and black gram. (APEDA, 2022) [1].

- To analyze the retailing and competitive scenario of organic produce (rice, wheat, millets) in the study area.

**2. Materials and Methods**

For the study, the produce which is cultivated without the use of chemical fertilizer and pesticide *i.e.*, organic produce, and the produce which is cultivated in the farms which are in the transition stage to organic, will be taken into consideration. (PIB INDIA, 2021).

The study requires collecting data from local retailers and traders. From the five different zones of Hyderabad, 6 retailers and traders who sell exclusively organic produce (wheat, rice, millets), and 6 retailers who are not in the exclusive organic retail segment will be purposively selected. Hence, a total of 60 retailers will be contacted for the study.

**2.1 Analytical tools**

The data collected from primary and secondary sources will be tabulated and analyzed as per the set of objectives using Descriptive analysis.

**2.1.1 Descriptive Analysis**

The study is exploratory and descriptive in nature hence simple descriptive measures like percentages and mean will be used to present the findings of the study.

**2.2.2 Percentages**

Percentages were used to standardize size by calculating the number of people who would fall into a certain group if the total number of cases were 100.

**2.2.3 Graphical Approach**

A graph is a diagram that depicts the relationship between two variables, typically, in which each variable is measured along one of a pair of axes at right angles.

**3. Results and Discussion**

**3.1 Overview of retail outlets selling organic produce in Hyderabad**

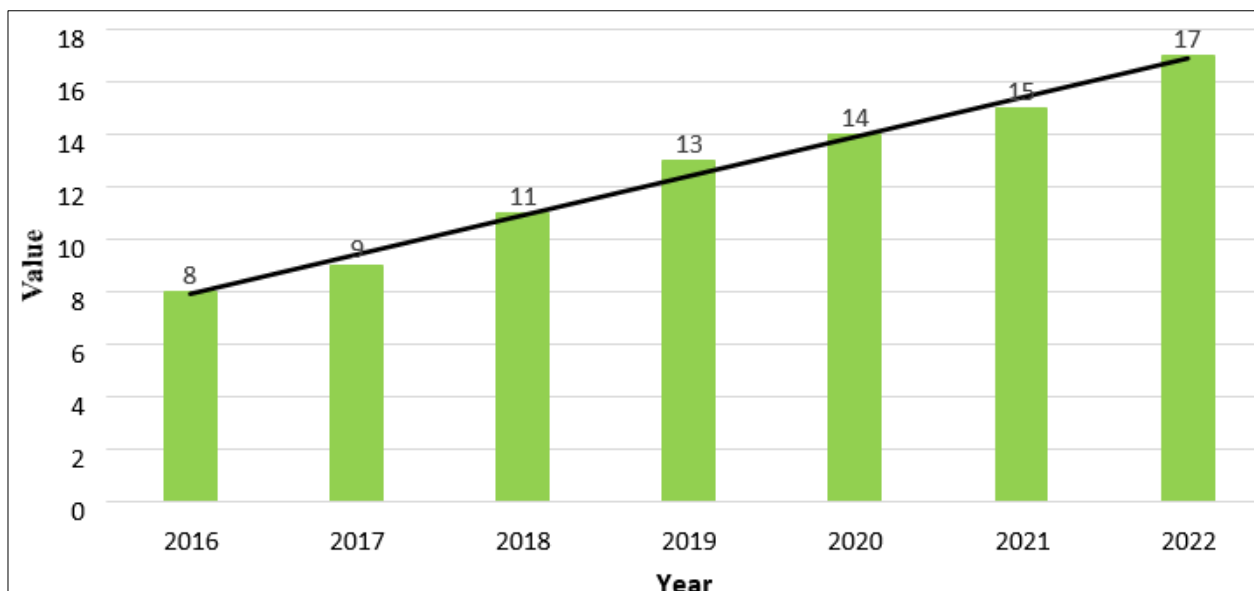
The global shift towards healthier and more sustainable lifestyles has increased demand for organic produce, and Hyderabad is no exception. Consumers in Hyderabad are increasingly seeking organic alternatives to conventional food as they become more aware of the environmental and health benefits of organic farming. (Reshmi, 2022)<sup>[4]</sup>

To know the trends in the consumption of organic food, secondary data about the consumption value of organic packaged food has been gathered, and the same is depicted in Table 1.

**Table 1:** Consumption value of organic packaged food across India (2016 to 2021), with a forecast for 2022-23

S. No	Year	Total value (Million U.S. Dollars)	Change over the previous year (Million U.S. dollars)
1	2016	\$ 8	---
2	2017	\$ 9	12%
3	2018	\$11	22%
4	2019	\$13	18%
5	2020	\$14	7%
6	2021	\$15	7%
7	2022	\$17	13%

(Statista,2022)



(Statista,2022)

**Fig 1:** Consumption value of organic packaged food across India from 2016 to 2022.

This data reveals a trend of increasing total value over the years, with fluctuations in annual increases. The consumption value was at \$8 million in 2016 and steadily increased each year, with the largest increase being \$2 million (from \$11 million in 2018 to \$13 million in 2019 and from \$2021 to \$2022). This analysis with regard to organic packaged food

against the industry growth trends, can be used by various firms to assess their performance.

**3.2 Types of Retail Formats Selling Organic Produce in Hyderabad:** The broad retail structure that supports Hyderabad's organic food sector is observed and presented in

this section. Many retail venues, such as supermarkets, hypermarkets, farmers' markets, specialty organic stores, and online platforms, where consumers may get a broad variety of organic fruits, vegetables, grains (such as cereals and millets), dairy products, and other items have their presence in Hyderabad. A brief description of the various retail formats in which the selected sample can be categorized is described below. The sample stores selling organic produce fell into 3 categories i.e., farmers markets, exclusive organic markets, and supermarkets.

### 3.3 Platforms used by the sample retailers to sell the organic produce

Data has been gathered from the 43 stores that are selling organic produce to know the platforms they use to sell their produce. The same is shown in the table 2.

**Table 2:** Number of stores using various Platforms to sell their produce (n=43)

1	Only offline mode	26	60%
2	Only online mode	0	0%
3	Both online and offline mode	17	39%

Table 2. indicates that the majority of the stores (60%) are focused on selling organic produce through only in offline mode i.e., in retail outlets. Surprisingly, none of the stores exclusively rely on online sales. However, a significant portion (39%) adopts a multi-platform approach by selling their organic products both through offline stores and online platforms.

Out of 60 stores considered as sample, 43 stores are selling organic produce. The details of the stores selling organic produce is depicted in the following table.

**Table 3:** Types of Retail Formats Selling Organic Produce in Hyderabad (n=43)

S. No	Retail format	Name of the store	Category of organic products sold
1	Farmers market	Pracheena organics	Cereals, millets, fruits, vegetables.
2	Exclusive organic stores	Sahasra organics	Cereals, millets
		Anika organics and naturals	Cereals, millets
		Siri Dhanya millets	Millets
		Infinity Green Farm	Vegetables
		Eco Fresh Organics	Vegetables
		Ishva-The Organic Wholesale Store	Cereals, millets
		Sahaja Aaharam	Cereals, millets
		Sanathana org farms	Cereals
		Prakruthi organics	Millets
		Organic and Organic	Cereals, millets
		Padmavathi Natural Oils & Foods,	Cereals, millets
		Aarogya Rahasya	Cereals, millets
		Green pi	Vegetables
		Yogitha organics	Cereals, millets
		Kisan Kutir	Cereals, millets
		Padmas Pudami organics & naturals	Cereals, millets
		Lakshya natural foods	Cereals, millets
		Sri Organic and Natural Foods India	Snacks
		Purity Prayag	Cereals, millets
		Green station	Cereals, millets
		Organic 42	Cereals, millets
		Shatabdhi Organics	Cereals, millets
		Millet zone	Millets
		Prakruthi Swach Organic Foods	Cereals, millets
		Daman organic living	Cereals, millets
		Nature O Organics	Vegetables
		YB naturals	Cereals, millets
		Govis Organic Foods	Snacks
Swachh Organic Farms	Vegetables		
3	Supermarkets	Shilpa stores	Cereals and millets
		P store	Cereals and millets
		Hill Mart supermarket	Cereals and millets
		Swan Fresh mart	Cereals and millets
		One stop supermarket	Cereals and millets
		Sri Balaji supermarket	Cereals and millets
		G mart	Cereals and millets
		PSK Supermarket	Cereals and millets
		Sri Dhruva super market	Cereals and millets
		we mart	Cereals and millets
		Big Value Super Market	Cereals and millets
		Spencer's	Cereals and millets
Ratnadeep	Cereals and millets		

Out of the 43 stores selected as a sample 2% percent are selling only cereals and 7% percent are selling only millets whereas 74% percent are selling both organic cereals and

millets. whereas snacks made out of organic produce are being sold by only two of them.

**3.4 Major brands in the organic food market in the study**

**area:** In the Hyderabad market, several firms sell organic cereals and millets on their brand name through various retail formats, it is noticed from the survey conducted that among

the exclusive organic stores, 23% sell their own brand produce whereas 77% among the sample stores are into selling various other brands of organic products.

**Table 4:** Organic brands available in various retail stores taken as sample. (n=43)

S. No	Name of the brand	Number of stores selling that brand	Percentage of stores selling the brand in the entire sample
1	24 Mantra	11	25%
2	Organic India	8	18%
3	Safe Harvest	6	14%
4	Terra Greens	5	11%
5	True Elements	4	9%
6	Millet Bank	3	6%
7	Phalada Pure and Sure, Pro Nature	2	5%
9	Health sutra, Eat millet, Organic tattva, Inner being, kapiva, Tata Sampan, Coca Mama, Jivika Organics, Akshaya Kalpa- organic.	1	2%

Among the 33 stores selling organic produce of other brands, major brands being sold by most of the retailers taken as sample are 24 Mantra, Organic India, Safe Harvest, Terra Greens, True Elements, millet Bank, Phalada Pure, and Sure, Pro Nature, and lastly comes Health Sutra, Eat Millet, Organic Tattva, Inner Being, kapiva, Tata Sampan, Coca Mama, Jivika Organics and Akshaya Kalpa- Organic.

**3.5 Pricing of organic rice, wheat, and millets among major brands in sample stores:** Organic produce sold in various retail outlets of Hyderabad carries different price tags for the same kind of products. The retail stores that are selling organic produce will determine their price based on various factors. The factors affecting the pricing of organic products as given by Deepak *et al.*,<sup>[10]</sup> are discussed in the following section.

**3.5.1 Factors Affecting Pricing of Organic Products:**

According to Deepak, the perception of consumers about organic produce influences their willingness to pay premiums this in turn affects the pricing strategy of the firms. The quality of products and sources from which they are procured by the firm is also a factor that influences the pricing. Other factors that influence is the number of intermediaries involved and the certification the sourcing partners have. (Deepak *et al.*,2019)<sup>[10]</sup>

**3.5.2 Pricing strategy of competitors**

Pricing strategy says a lot about the company. If a company has a successful pricing plan, it will soon gain a reputation for being fair and ethical. To ensure a reasonable profit margin, organic manufacturers assess production costs and add a price margin. Some prices are based on local market prices. Most farmers will most likely utilize a combination of both methods. The price of a product is also affected by elements such as harvesting costs, product quality, and selection, location and market, client income/demographic, sales volume offered, supply and demand in your market, and market pricing in the area. (NCAT, 2019)<sup>[7]</sup>

**3.5.3 Comparison of prices of various categories of organic products:**

A comparison is made between the prices of organic rice (brown rice, Sona masoori), wheat (dahlia, flour), ragi flour, jowar flour, and bajra flour of various organic brands. Their average is also calculated, to know the price of various brands that are close to that value and this also reveals both extremes of prices for a particular product. This in turn also shows whichever brand is selling at high prices and which one at low price along with those brands selling their products nearly to the average values.

These brands are selected not only from the stores considered as sample but also from the secondary data collected from various online stores selling organic products.

**Table 5:** Comparison of prices of various categories of organic products (June 2023)

S. No	Brand name	Rice (1 Kg)		Wheat (1 Kg)		Ragi (1Kg)	Jowar (1Kg)	Bajra (1kg)
		Brown rice (Rs)	Sona masoori white (Rs)	Dahlia (Rs)	Flour (Rs)	Flour (Rs)	Flour (Rs)	Flour (Rs)
1	24 Mantra	₹107	₹ 115	₹115	₹70	₹122	₹132	₹110
2	Terra Greens	₹130	₹ 130	₹260	₹99	₹220	₹260	₹ 120
3	Safe Harvest	₹110	₹ 110	₹104	₹74	₹120	₹125	₹ 92
4	One basket	₹105	₹ 105	₹100	₹105	₹122	₹128	NA
5	Nature Land	₹211	₹ 103	₹98	₹60	₹126	NA	₹100
6	Pro Nature	₹103	₹ 100	₹110	₹86	₹152	₹120	₹96
7	Organic India	NA	NA	₹110	NA	NA	NA	NA
8	Prakritik	NA	NA	NA	₹170	₹420	₹220	NA
9	Organic Tattva	₹125	₹ 106	₹96	₹50	₹112	₹136	₹112
10	Phalada Pure & Sure	₹145	₹ 125	NA	₹72	₹122	₹120	₹NA
11	Aadya Organics	₹199	₹ 89	NA	₹90	NA	NA	₹85
12	Avadata Organics	NA	₹110	NA	₹85	₹60	NA	₹60
13	Conscious Foods	₹85	NA	NA	₹67	NA	NA	NA
14	Daman Organic Living	NA	₹ 94	₹105	₹80	₹118	₹118	₹95
15	Kalagura Gampa	NA	₹ 188	₹96	₹89	₹150	₹140	₹70

Average price	₹132/-	₹114.5/-	₹119.4/-	₹85.5/-	₹153.6/-	₹150/-	₹94/-
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From the above Table 3.6. The average price of Organic brown rice is 132/- and the price range among the various brands ranges from 85/- to 211/-. Terra greens and Organic Tattva has a price very near to the average value of these products with a difference of less than 10 rupees. In Sona masoori average price is 114/-, and brands 24 Mantra, Safe Harvest, and, Avadata Organics are very near to the average price. In Wheat Dahlia, none of the brands except 24 Mantra are near to average value. In wheat flour, except the brand prakritik all other brands are very near to average value with a difference in the price of less than 20/-. The average price of ragi and jowar flours is around 150/- and except for kalagura Gampa in both the flours and pro Nature in ragi flour all the brands have their prices with a difference of more than

20rupees lastly, in bajra flour all the brands have their prices very near to average value with a difference of less than 30 rupees. The brands 24 Mantra, Safe Harvest, Organic Tattva, One Basket, and Daman Organic Living have their prices less than average prices in almost all the selected product categories. Organic India brand which is one of the top most organic products brands is selling none of the selected categories of products except wheat in dahlia form.

**3.6 Marketing and promotional activities**

Since Promotions are the final step in the marketing process, and they provide the necessary incentive to convert visitors into purchasers, they play a key role in the entire value chain of an organic product. (Julia, 2022)<sup>[8]</sup> (Saniya et al., 2021)<sup>[9]</sup>.

**Table 6:** Marketing and promotional activities used by exclusive organic retailers in the study area (n=30)

S. No	Marketing activity or promotional tool used.	The number of stores using them.	Percentage of tool/activity being used.
1	Distribution of Brochures	15	50%
2	Arranging customer meetings	20	66%
3	Quality maintenance and fresh product delivery	8	26%
4	Providing discounts	10	33%
5	Home delivery	17	56%
6	Concentrating completely only on one product	11	36%
7	Coupons	5	16%
8	Lucky draws	5	16%
9	Pamphlet distribution	25	83%
10	Providing Ready-to-eat snacks made of organic ingredients.	2	6%

Table 6 Provides insights into the marketing activities and promotional tools used by stores in the organic food supply industry. Pamphlet distribution and arranging customer meetings are among the most popular methods, emphasizing the importance of personal interaction and informative materials in promoting organic products. Home delivery and discounts are also commonly employed to attract and retain customers. These marketing activities reflect efforts to meet customer needs and promote the benefits of organic food products.

**3.7 Constraints faced by various retailers in selling organic produce:** By addressing these challenges and leveraging positive perceptions, retailers can play a vital role in promoting organic products and contributing to the growth of the organic food market. Some of the challenges faced by retailers are supply and sourcing, high costs, limited availability, education and consumer awareness, labelling and certification, perceived competition with that of conventional products, perishability of products, marketing and promotions lastly shelf space and display.

**4. Conclusion**

There is very good scope for organic rice, vegetables, and millets in Hyderabad only if quality is maintained and most of the customers are looking for certifications. It is also noted that the availability of organic vegetables, fruits, and snacks made of organic ingredients is very low in the city. Pricing of the products also plays a key role in the purchase of organic produce by the customers.

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