



British  
High Commission  
New Delhi

[Click here to  
access](#)



# Policy Paper on “Good Agricultural Practices (GAP): State of Play in India”

**Prepared by: KPMG Advisory Services Pvt Ltd**

April 2022

—

[home.kpmg/in](https://home.kpmg/in)





KPMG Advisory Services Private Limited  
Building No.10  
4th Floor, Tower-C  
DLF Cyber City, Phase II  
Gurugram - 122 002, India

Telephone: +91 124 336 9000  
Fax: +91 124 336 9001  
Internet: www.kpmg.com/in



## Disclaimer and Notice to Reader

1. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.
2. This report sets forth our views based on the completeness and accuracy of the facts stated to KPMG and any assumptions that were included. If any of the facts and assumptions is not complete or accurate, it is imperative that we be informed accordingly, as the inaccuracy or incompleteness thereof could have a material effect on our conclusions.
3. While performing the work, we assumed the genuineness of all signatures and the authenticity of all original documents. We have not independently verified the correctness or authenticity of the same.
4. We have not performed an audit and do not express an opinion or any other form of assurance. Further, comments in our report are not intended, nor should they be interpreted to be legal advice or opinion.
5. While information obtained from the public domain or external sources has not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information.
6. Our views are not binding on any person, entity, authority or Court, and hence, no assurance is given that a position contrary to the opinions expressed herein will not be asserted by any person, entity, authority and/or sustained by an appellate authority or a court of law.
7. Performance of our work was based on information and explanations given to us by the staff of the Foreign Commonwealth and Development Office. Neither KPMG nor any of its partners, directors or employees undertake responsibility in any way whatsoever to any person in respect of errors in this report, arising from incorrect information provided by the Foreign Commonwealth and Development Office's staff.
8. Our report may make reference to 'KPMG Analysis'; this indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented; we do not accept responsibility for the veracity of the underlying data.
9. In connection with our report or any part thereof, KPMG does not owe duty of care (whether in contract or in tort or under statute or otherwise) to any person or party to whom the report is circulated to and KPMG shall not be liable to any party who uses or relies on this report. KPMG thus disclaims all responsibility or liability for any costs, damages, losses, liabilities, expenses incurred by such third party arising out of or in connection with the report or any part thereof.
10. By reading our report the reader of the report shall be deemed to have accepted the terms mentioned hereinabove.

Ms. Jyoti Dutta  
Project Officer,  
Foreign Commonwealth & Development Office,  
South Asia Research Hub,  
British High Commission,  
Shantipath, Chanakyapuri,  
New Delhi, India - 110021

06 April 2022

**Subject: Submission of final Policy Paper as a part of the study “Good Agricultural Practices – State of Play in India”**

Dear Ms. Jyoti Dutta,

We appreciate the opportunity to assist Foreign Commonwealth & Development Office in providing consultancy services to undertake the study “Good Agricultural Practices – State of Play in India”.

Please find enclosed our final policy paper, which has been prepared in accordance with the scope and terms stated in our purchase order number 40128164 dated 21 October 2021.

It has been our privilege to have this opportunity to work with you, and we look forward to continuing our relationship.

Yours sincerely

Signature

Name: Srinivas Kuchibhotla  
Partner

Page 1 of 2

KPMG Advisory Services Private Limited, an Indian private limited company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee  
CIN U7140MH1999PTC122186

Registered Office:  
2nd Floor, Block T2 (B Wing)  
Lodha Exotica, Apollo Mills  
Compound, N. M. Joshi Marg,  
Mahalaxmi, Mumbai - 400 511



Page 2 of 2

## Acknowledgement

*KPMG India would like to thank the officials of South Asian Research Hub, Foreign Commonwealth and Development Office, Government of United Kingdom, for commissioning this study.*

*In this study KPMG India team has reached out to various key stakeholders and captured their insights through in-depth interviews and consultation workshops. We would like to express our gratitude to all the stakeholders for sharing their precious time and insights.*

## Disclaimer

*This report has been commissioned by South Asia Research Hub, Foreign, Commonwealth and Development Office , Government of UK. However, the views expressed do not necessarily reflect the official policies of the Government of UK.*



## Table of contents

Sr No.	Contents	Page No.
1	Introduction	3
2	Problem statements	5
3	Objectives	7
4	Potential Interventions	9
5	Merits and Demerits of the potential Interventions	11
6	Recommendations	13



*This report has been commissioned by South Asia Research Hub, Foreign, Commonwealth and Development Office, Government of UK. However, the views expressed do not necessarily reflect the official policies of the Government of UK.*



## 1 Introduction



Good Agricultural Practices (GAP) standards had come up in the context of increasing consumer concerns over food safety and sustainability of farming systems in the world. These concerns prompted organized retailers in high income (export destination) countries to develop farm practice standards, which shall be then adopted by producers in the sourcing countries. The gold standard for Good Agricultural Practices GLOBALG.A.P was thus developed and adopted by association of organized retailers (FoodPLUS GmbH) in Germany as a standard for their Agri and allied commodity supply chains.

### 1.1 GLOBALG.A.P.:

The GLOBALG.A.P. began in 1997 as EUREPGAP as an initiative by retailers belonging to the Euro-Retailer Produce Working Group. Major retailers and supermarkets in continental Europe become aware of consumers’ growing concerns regarding product safety, environmental impact and the health, safety and welfare of workers and animals.<sup>1</sup> In 2007, the change in nomenclature from EUREPGAP to GLOBALG.A.P. was made into effect to

reflect the global outlook and acceptance of the system.

GLOBALG.A.P. - Integrated Farm Assurance (IFA) is a voluntary farm assurance program which transforms the customer needs in developed and developing markets into production standards in agricultural, food production and processing processes. Currently, more than 130 countries have taken up GLOBALG.A.P. in their own versions. It ensures that the end agricultural product is safe and has been produced in a sustainable manner.

GLOBALG.A.P. IFA standard covers four elements of food production, namely i) Food safety; ii) Environment security; iii) Worker safety and welfare; iv) Farm management. The IFA standard has 228 standard compliance points.

GLOBALG.A.P. Certification is available for three scopes of production – Crops, Livestock and Aquaculture and consists of more than 40 standards. In order to give enough flexibility for different nations and geographic locations of the world, the

GLOBALG.A.P. has accepted the adoption of country/ region specific standards called localg.a.p.

### 1.2 Small holder farmer and GLOBALG.A.P.:

Majority of the farming activities in India happen in the small and marginal landholding. They rely on traditional farm management practices which involve manual labour and hence is not deemed to be a sustainable model of food production.<sup>2</sup> The lack of mechanization also implies minimal attention to safe management of food and associated by-products.

- In many of the export oriented developing countries (with many small and marginal farmers) implementation of a customized localg.a.p program had been envisaged as stepping stone for small holder producers to enter GLOBALG.A.P.
- The objective of above such localg.a.p programs are to graduate farmers towards GLOBALG.A.P. in a time phased manner giving sufficient time for producers to adapt.

1. [https://www.globalgap.org/uk\\_en/who-we-are/about-us/history/](https://www.globalgap.org/uk_en/who-we-are/about-us/history/)

2. [https://www.researchgate.net/publication/330242873\\_Problems\\_Associated\\_With\\_Traditional\\_Harvesting\\_Techniques\\_In\\_India](https://www.researchgate.net/publication/330242873_Problems_Associated_With_Traditional_Harvesting_Techniques_In_India)

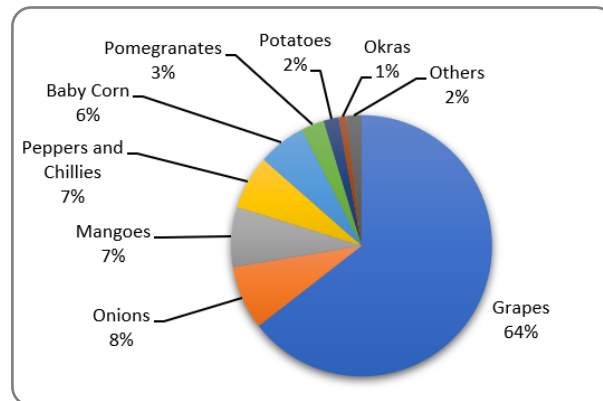


- In most of the countries, where private sector is effective- localg.a.p programs were championed by large private players
- In some export oriented countries like Vietnam, where government is effective- localg.a.p programs were championed by government

### 1.3 GLOBALG.A.P. agro supply chain in India

GLOBALG.A.P. as a standard is being widely adopted for fresh category agri commodities that are ready for end consumer consumption. This trend follows the fact that GLOBALG.A.P. certification mainly covers on-farm production processes and post-harvest process, limited to those in packhouse and storage.

As per the latest data available on the GLOBALG.A.P. website, there are more than 12,500 GLOBALG.A.P. certified farms in India.<sup>3</sup> Major fruits and vegetables that are being certified from India include grapes, onions, mangoes, chillies, baby corn, pomegranates, potatoes, and okras. As per the same database, there are about 67 products from India that are under GLOBALG.A.P. certification.



Product wise distribution of GLOBALG.A.P. certified farms in India

### 1.4 GLOBALG.A.P. ecosystem in the country:

Among different commodities under GLOBALG.A.P. certification, grapes have the largest share. The GLOBALG.A.P. ecosystem in grapes is well established and the export value chain actors have adopted the standard as it has been made mandatory for entry into European Union markets.

**Option 1 certification:** This form of certification is provided for individual large farms, wherein certifying agencies undertake 100% physical verification. This form of certification can be afforded only by large farmers, about 5-6% of the total farms under GLOBALG.A.P. certification falls under option 1 certification.

**Option 2 certification:** This is a recent option introduced to enable group certification, wherein certifying agency follow a square root sampling method for verification. The provision of group certification has enabled exporters to organize small holding farmers into groups (under contract farming model or otherwise) and implement GLOBALG.A.P. certification. These exporters who organize small farmers in to groups are called service providers, they absorb the additional cost of implementing GLOBALG.A.P. and build farmer capacities to ensure compliance to GLOBALG.A.P. standards. About 90-95% of the farms under certification in India fall under option 2.

### 1.5 GLOBALG.A.P. governance in India:

GLOBALG.A.P. is a private standard developed by organized retailer association in Europe. For GLOBALG.A.P. certification, National Accreditation Board for Certification Bodies (NABCB) is the accreditation body (AB) in India, to approve certification bodies.<sup>4</sup> NABCB<sup>5</sup> is an active member under International Accreditation Forum (IAF)<sup>6</sup> by signing MoU with FoodPLUS GmbH.<sup>7</sup> FoodPLUS GmbH is a limited liability cooperation managing all

activities worldwide under GLOBALG.A.P. Financial and legal ownership of FoodPLUS GmbH is held by the EHI Retail Institute.<sup>8</sup>

*Due to the strict private nature of the standard development, GLOBALG.A.P. does not fall under the purview of WTO-SPS agreement.*

- [https://www.globalgap.org/uk\\_en/what-we-do/GLOBALG.A.P.-certification/visiting-the-GLOBALG.A.P.-standards/index.html](https://www.globalgap.org/uk_en/what-we-do/GLOBALG.A.P.-certification/visiting-the-GLOBALG.A.P.-standards/index.html)
- [https://www.globalgap.org/uk\\_en/what-we-do/GLOBALG.A.P.-certification/five-steps-to-get-certified/](https://www.globalgap.org/uk_en/what-we-do/GLOBALG.A.P.-certification/five-steps-to-get-certified/)
- [https://www.globalgap.org/uk\\_en/what-we-do/GLOBALG.A.P.-certification/the-path-to-IFA-V6/index.html](https://www.globalgap.org/uk_en/what-we-do/GLOBALG.A.P.-certification/the-path-to-IFA-V6/index.html)
- [https://www.globalgap.org/uk\\_en/what-we-do/the-gg-system/certification/list-of-accreditation-bodies/index.html](https://www.globalgap.org/uk_en/what-we-do/the-gg-system/certification/list-of-accreditation-bodies/index.html)
- [https://www.globalgap.org/uk\\_en/who-we-are/governance/](https://www.globalgap.org/uk_en/who-we-are/governance/)



## 1.6 Government Agencies and Regulations:

The introduction of GLOBALG.A.P. into the country was originally introduced by Agricultural and Processed Food Products Development Authority (APEDA) and then taken up by Quality Council of India (QCI) to align Indian farm production to export markets in European Union countries. APEDA had worked on aligning horticulture farms in the country to GLOBALG.A.P. standards to make them globally competent. QCI had formed a National Technical Working Group (NTWG) and signed an MOU with GLOBALG.A.P. for promotion of good agricultural practices throughout the country (2008).

Initial momentum created by the Government agencies on GLOBALG.A.P. adoption is now being sustained by the market forces. The current GLOBALG.A.P. ecosystem in India is largely driven by established export houses, supplying packaged agro commodities to organized retailers in European union countries

Considering the difficulty of adopting GLOBALG.A.P. in Indian farming context, Quality Council of India (QCI) and the Bureau of Indian Standards

(BIS) later launched IndGAP in the year 2009. IndGAP standard is being developed considering the domestic production systems. QCI has identified 12 export-oriented production clusters in the country and accordingly initiated implementation programs to promote adoption of IndGAP. Simultaneously QCI has also started an exercise to benchmark IndGAP with GLOBALG.A.P., this exercise intends to make IndGAP at par with GLOBALG.A.P. and eventually to build consumer acceptance of IndGAP at global markets.



## 2 Problem statements

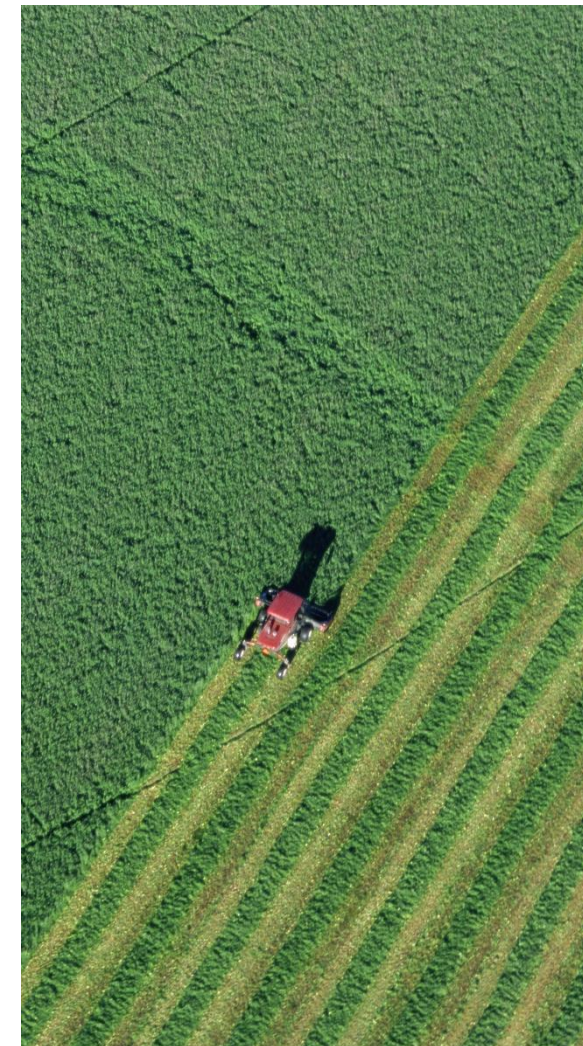


Analysis of the above GLOBALG.A.P. context in India, reveals that even though the standard got introduced in 2008 but there is only a lukewarm growth rate in adoption of GLOBALG.A.P. standard among farmers. The following are seen as the major challenges behind the slow growth.

- GLOBALG.A.P. is an export driven standard and it requires high infrastructure and human capacity for implementation at farm level, hence farmers (especially small and medium farmers) are unable to adopt these standards on their own.
- Limited agencies are there in the Indian ecosystem to champion GLOBALG.A.P. implementation at farm level, currently exporters/service providers champion the implementation with farmers (through contract farming model or otherwise) as it helps the exporters to fulfill their customer demand.
- Exporters consider GLOBALG.A.P. certification as a passport to access organised retailers in European Union markets, however there is a ceiling to such demand and

therefore there is a need for additional market to fuel rapid adoption of GLOBALG.A.P. at farm level.

- Additional demand for G.A.P certified products can come from domestic markets, however there is limited awareness about G.A.P certified products among domestic consumers and organized retailers in India.
- From the ecosystem perspective, there is no institutional arrangement to promote an active G.A.P ecosystem, which in turn can champion large scale adoption of G.A.P. standards among Indian farmers.



## 3 Objectives



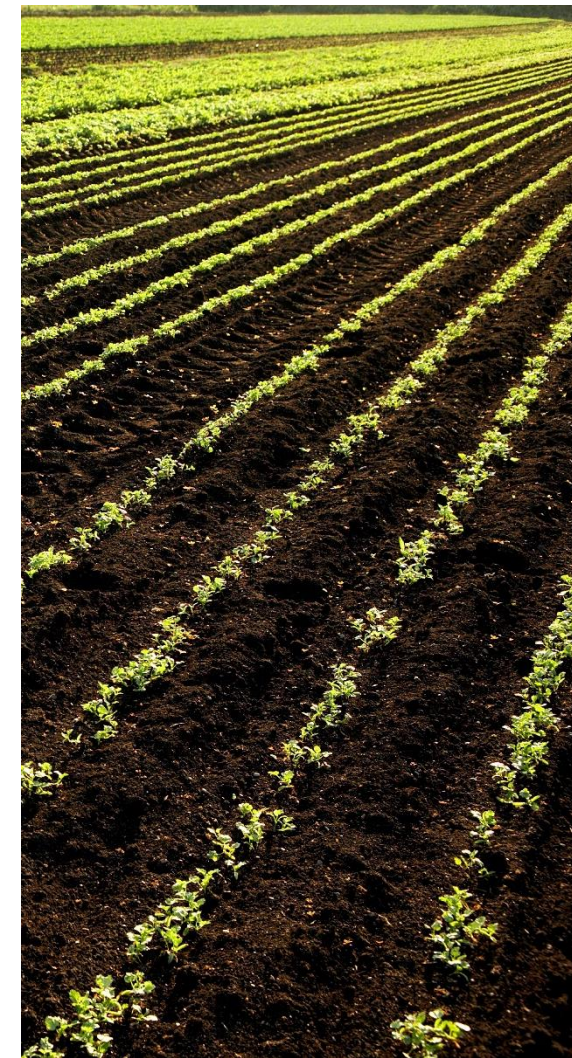
As discussed earlier, dependence on export markets had created a ceiling for GLOBALG.A.P. adoption in the country. Additionally different countries have developed different standards for their market entry, this has created multiplicity of food safety and sustainability standards. Lack of uniform standard across different global markets has become a challenge for large scale implementation of G.A.P programs among producers in India, hence the situation had called for development of IndGAP.

Basis the stated limitation, QCI is now positioning IndGAP as the uniform standard to be followed at farm level. QCI has also started the process of benchmarking IndGAP with GLOBALG.A.P. to make them equivalent. In future QCI may undertake different benchmarking exercise to make IndGAP a globally recognized standard.

While development of IndGAP as a domestic standard makes it convenient for large scale adoption by Indian farmers, on the other hand multiple benchmarking is expected to make IndGAP certified produce competitive

in the global markets. These two interventions will increase export led G.A.P adoption, nevertheless the approach of creating a supplementary domestic market for IndGAP certified products is explored in this policy paper. This additional domestic demand is envisaged to complement existing export demand and will help in driving large scale Good Agricultural Practices (G.A.P) adoption at the farm level. Accordingly, the Policy paper objectives are constructed to be as follows

- I. Create additional demand for G.A.P certified products from India
- II. Create a domestic market for G.A.P certified products in India
- III. Increase adoption of G.A.P standards among Indian farmers



## 4 Potential Interventions



### 4.1 Demand side intervention

#### Awareness generation among end consumers in domestic market:

Awareness generation on the importance of safe food which is traceable and certified (IndGAP or Global GAP or any other standard) among domestic consumers of fruits and vegetables is a necessary precursor for generation of domestic demand for G.A.P certified products

#### Engagement with Organized retailer in India:

Organized retailers, who handle fruits and vegetable categories, need to be engaged and incentivized for creation of separate G.A.P certified product category.

#### Enabling regulatory environment for domestic sale of G.A.P certified products:

Increasing FSSAI's ambit and capacity to regulate sale of G.A.P certified commodities will motivate organized retailers to invest in building separate product categories.

### 4.2 Supply side interventions

#### Capacity building of farmers:

There is a requirement for increasing capacities at all levels across supply chains starting from farmer to end retailer. Farmers need to be educated on implementation of Good Agricultural Practices standards and its benefits on food safety, farm sustainability and worker welfare. This supply side intervention should go hand in hand with demand side interventions.

#### Farmer schemes and subsidies to reduce G.A.P implementation and certification cost:

Apart from farmer capacity, the cost of implementing G.A.P- processes and infrastructure pose a major challenge to farmers. This challenge can be addressed effectively by creating schemes and subsidies to reduce the cost as Certification Bodies (CBs) price their services depending upon the number of farms covered in a single visit, the scope of phasing out subsidies will eventually arise when large number of farmers adopt G.A.P certified production.

#### Large scale farmer programs to increase G.A.P implementation at farm level:

There is a conspicuous gap in terms of G.A.P implementation in the country, any market led standard would require buildup of critical mass before market forces can take over. The same would apply in the case of G.A.P certified production, there is a need to design and implement large scale program to promote G.A.P implementation at farm level.

### 4.3 Ecosystem creation

In a market led activity, there is always the dilemma of who acts first. In the case of G.A.P certified products there is a dilemma of whether production increase should precede market development or vice versa. This dilemma could effectively be addressed by creating institutions which will act as

- Market makers
- Conveners of ecosystem
- Platforms enabling concerted efforts- partnerships and collaborations
- Platforms to create and sustain momentum



## 5 Merits and Demerits of the potential Interventions:



The history of GLOBALG.A.P. implementation in the country (since 2008) and elsewhere offer valuable insights into establishment of a G.A.P standard.

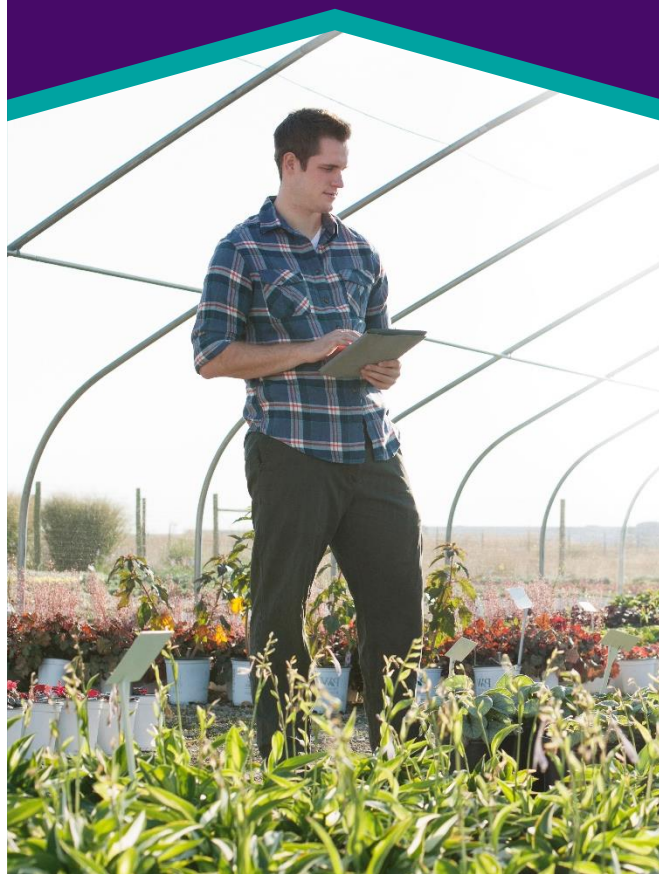
- a) GLOBALG.A.P. has been a private standard developed strictly through private participation in most of the countries.
- b) Except for Thailand, Vietnam and Japan, in other places private players especially organized retailers have championed standard implementation.
- c) The consumer confidence on the GLOBALG.A.P. certification has been preserved because of the stringent governance mechanisms for Certification Bodies (CBs) and the Certification process.
- d) Benchmarking and harmonization of Indigenously developed standard with global market standards have shown mixed results in terms of consumer acceptance

Taking in to account these above insights, the following concerns need to be addressed for positioning IndGAP as a uniform G.A.P standard for Indian produce.

- a) IndGAP is being developed and owned by a government entity, hence there is need for participatory approach to get buy in from market players
- b) The participatory approach would be required predominantly for arriving at the governance model for certification process and the certification bodies
- c) A strong governance model is also required to establish confidence of end consumer
- d) Building consumer confidence require consistency and takes multiple glitch free transactions, this takes time and hence transitioning period would be slow.
- e) Domestic market building process will also go through similar process and hence would be time consuming and will face systemic resistance.



## 6 Recommendations



### 6.1 Demand side:

#### 6.1.1 Domestic Food safety Policy legislation

Looking at the history of legislations around the world, there has been a legislation in the U.K. in 1981 which introduced a regulatory framework for retail food safety. From a policy perspective, a similar act can be initiated in India. As of now, food safety comes under FSSAI's purview at the national level, whereas at the state level, there are the Department for Food Safety and Drug Control Administration. Both these institutions should be empowered to govern food safety of unpacked agricultural commodities sold in the country.

#### 6.1.2 Strengthening of Food safety and monitoring capacities

FSSAI operates with about 800 food inspectors spread across the country, the food inspectors are responsible for inspection of packhouse facilities. For a country so diversified both in terms of production as well as consumption of food, there is a need to strengthen the whole monitoring and inspection capacities

FSSAI can be supported with the desired resource to build capacities as per changing ecosystem and also in extension of food safety testing services to consumers

#### 6.1.3 Benchmarking of prices for consumer reference

In the retail market, there is no benchmark for premium pricing of certified and organic products. Sellers apply mark-ups of anywhere from two times to five times of non-certified conventional product. Lack of benchmarking and large price differential range are making customers doubt the sanctity of the mark up. Hence, there should be a benchmarking for the price of G.A.P. certified products with respect to the cost of conventional products. An agency should be identified or established to calculate cost of production of certified products and publish these prices. As mentioned earlier, currently, there is no price ceiling that exists for GAP certified products. Thus, it leads to exorbitant pricing of the commodities which can lead to erosion of customer trust over the whole brand.

### 6.2 Supply side:

#### 6.2.1 Training and extension services for farmers:

There is a requirement for increasing awareness at all levels across value chains starting from farmer to end consumer. Farmers can be reached out through extension activities (with special focus on farmer collectives like FPOs) around good agricultural practices leading to food safety as well as social and welfare aspects. This supply side intervention should go hand in hand with demand side interventions.

#### 6.2.2 Online Capacity building platform:

An online platform, which can host videos on best practices in local languages, may be established. It will help in disseminating knowledge and build capacities among different stakeholders, especially among farmers.

This G.A.P best practice portal can be extended through existing digital infrastructure available with ICAR, Central and State Agri department, and State Agriculture Universities

## 6.2.3 Schemes and Subsidies:

Central and state governments may introduce schemes and subsidies to incentivize GAP adoption in India. The Maharashtra state government had introduced a subsidy scheme to support GAP certification cost. Similar subsidy programmes can be introduced in tandem with demand side interventions to encourage farmers to adopt GAP standards.

Blend of subsidy and policy intervention similar to that of Sub-Mission on Agri Mechanization can also be worked out wherein G.A.P compliant equipment like pesticide sprayer, storage container, Personnel Protection Equipment (PPEs) be provided under subsidy.

## 6.2.4 Single window portal for farmers:

An online portal which clearly depicts all the requirements for of G.A.P. assessment criteria for India farmers

should be established. It can act as a one-stop solution for farmers, helping them in acclimatizing and adhering to GAP systems. APEDA has already established GRAPENET, ORANGENET and VEGNET for registration of farmers undertaking production for export, similar portals for GAP can help register, track and engage with farmers adopting GAP standards.

## 6.3 Ecosystem creation:

### 6.3.1 Market maker at the state level

There is an urgent need to identify and facilitate agencies at the national and state levels to champion GAP adoption in India. These agencies can be the flagbearers for GAP practices and their potential benefits to consumers, market players and farmers. These institutions will have to play the role of both the market maker as well as an ecosystem convenor, like the role played by the National Research Centre for Grapes.

Since agriculture is a state subject in India, nodal agencies should be created at the state level. National agencies, such as APEDA and QCI, are driving the adoption at national but there is also a need for the creation of state-level nodal agencies, which can create partnerships, ecosystems and provide platforms for convergence of multiple efforts.

### 6.3.2 National- and state-level round tables for retailers

A round table of retailers may be held at regular intervals to synchronize efforts and mobilize retailers for promoting GAP certified products. This round table can create awareness at the retailer level which can then percolate as market demand to farmers and producers.

Joint partnerships retail players in PPP mode can be explored for the creation of GAP certified product category.



## Concluding Remark:

The above set of recommendations intend to create the much-required market pull, which in turn can fuel the large-scale production of G.A.P. certified commodities in the country. Government can legislate policy, create institutions, design & implement farmer programs, and finance activities to buildup initial critical mass and momentum, so that market forces can then take it up on a sustainable basis.





# KPMG in India contacts

**Srinivas Kuchibhotla**

**Partner**

E: [kuchibhotla@kpmg.com](mailto:kuchibhotla@kpmg.com)

**Harish Chandra**

**Technical Director**

E: [harishchandra@kpmg.com](mailto:harishchandra@kpmg.com)

**Vivekanandhan T.**

**Manager**

E: [vivekanandhant@kpmg.com](mailto:vivekanandhant@kpmg.com)

[home.kpmg/in](https://home.kpmg/in)

**Follow us on:**

[home.kpmg/in/socialmedia](https://home.kpmg/in/socialmedia)



This proposal is made by KPMG Advisory Services Private Limited, an Indian limited liability company and a member firm of the KPMG global organization of independent firms affiliated with KPMG International Limited (“KPMG International”), a private English company limited by guarantee. This proposal is in all respects subject to the negotiation, agreement, and signing of a specific engagement letter or contract including agreement of the scope of services and to the satisfactory completion by KPMG Advisory Services Private Limited of applicable client and engagement acceptance procedures, including independence and conflict of interest checks and, where applicable, audit committee/board of directors approval.

KPMG International and its related entities provide no services to clients. No member firm has any authority to obligate or bind KPMG International, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International or any of its related entities have any such authority to obligate or bind any member firm.

© 2022 KPMG Advisory Services Private Limited, an Indian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.