

## Environmental and Economic Aspects of Organic Food Consumption

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### ABSTRACT

*In the contemporary world, it is seen that people are again shifting towards the consumption of organic products, ignoring the inorganic or chemical products. These organic products range from the eatables such as cereals, pulses, fruits, vegetables, etc, to cosmetics, drinks, etc. The present paper envisages the environmental and economic aspects of organic food consumption by the people in Mumbai city. It highlights the fact that with growing awareness and increasing income, people are mostly likely shifting towards the consumption of organic products.*

*Keywords: Organic, Eco-friendly, Costly, Chemical, Healthy, Consumption pattern*

### 1. INTRODUCTION

Organic food, fresh or processed food is produced through organic farming methods. Organic food is usually grown without the use of synthetic chemicals like human made pesticides and fertilizers, and they do not contain any modified organisms. Organic food includes fresh meats and dairy products as well as processed foods such as crackers, drinks, and frozen meals. The market for organic food is growing rapidly.

Overall impact of organic agriculture is very much beneficial to the environment. Certified organic production methods do not allow using the synthetic fertilizers and pesticides, thus reducing chemicals and the pollution of soils. In smaller-scale organic farming there are significant environmental benefits such as farm inputs, fertilizers derived from compost created on site. By comparing, large-scale organic farms often require inputs generated from off-site. And may not employ integrated farming methods. There is a public belief that organic food is much safer, nutritious and tastes better. Consumers purchase organic food for various reasons. The main reason for purchasing organic food is the health giving properties and higher nutritional value. These beliefs are promoted by organic food industry. Organic agriculture has higher cost due to lower yields, higher labour cost and higher consumer prices. Many people think that organic is earth friendly even it's meaning often holds true it doesn't always. Organic regulations focus on farming practices and food production steps that can be monitored and controlled to decrease the risk of food contamination and to improve the food quality

### 2. LITERATURE REVIEW

**Wandel and Bugge (1997)** they state that age also seem to affect consumer attitudes towards organic food. Younger people are more environmentally conscious but less willing to pay more due to their lower purchasing power, were as older people are more health conscious and more willing to pay an extra price for organic food.

**Arvaniti and Zampelas (2006)** are of the view that Organic fruits and vegetables can be expected to contain fewer agro chemical residues that conventionally grown alternatives; but the significance of this difference is questionable, as the actual levels of contamination in both types of food are generally well below acceptable limits. They conclude saying that other factors rather than safety aspects seem to speak in favour of organic food.

**Rimal and Balasubramanian (2005)** another study on safety relating to organic food found three segments of consumers with different risk perceptions. The segments were found to be financial risk orientated, physical risk oriented, and performance risk oriented. Even the extent of risk perceived in different product categories differed.

**Verbeke and Huylenbroeck (2009)** tested the hypotheses that consumer prefer health over environment related quality traits; purchase intention is mainly driven by health related quality traits; Health and environment concerns influence purchase frequency, though to a different extent.

**Squires (2001)** concern for health, environmental protection, and concern for the chemical residues in conventional food products, pesticides, nutritional concerns, as well as improved taste and flavour in organic products are also some of the factors identified.

**Zanoli (2005)** he has given diversity of attributes, organic foods have been said to exist in both the rational and emotional spheres, and it is in this latter context that we find the most intangible aspects of quality perception in relation to consumer preferences.

**Lea and Worsely (2005)** he has studied that almost of the respondents believed that organic food healthier, tastier and better for the environment than conventional food.

**Fotopoulos (2002)** seem to be informed about environmental and health issues. They seek information about the nutritional value of food and demand for more products free from chemical residues. Most Greek consumers associate organic consumption mainly with fruits and vegetables.

**Worner and Meier- Ploeger(1999)** some studies also reveal a variety of purchase motivates that seem to reflect national interests , such as “ support to organic farmers” for German consumers or “animal welfare” for British consumers . Some other studies have tried to profile the organic consumer.

**Krystallis (2002)** income seems to affect mainly the quantity of organics bought and not general willingness to buy. However, despite high organic price premiums, higher household incomes do not necessarily indicate a higher likelihood of organic purchases.

**Hamzaoui and Zahaf (2008)** motivations and values are leading Organic food consumers to accept large price difference between organic and conventional food products. The presence of children in the household has also been regarded as a significant factor, which positively influences consumer's organic food attributes as well as buying behaviour.

**Wier (2003)** overall although there is conflicting evidence, those who are more likely to buy organic are females with children, in younger age groups, of higher education and income levels. Demand for organic food seems to be positively correlated to income.

### **3. OBJECTIVES OF THE STUDY**

1. To ascertain the extent of knowledge of the consumers about organic food and their level of awareness.
2. To know the consumers' willingness to pay for organic food.
3. To identify the factors affecting willingness to pay in urban areas.
4. To determine the relationship between level of awareness and willingness to pay.

### **4. DATA AND METHODOLOGY**

**DATA** – For the present study I have used both secondary and primary data sources. The secondary data for the study was obtained from newspapers, magazines, journals and even from various web sites. Literature review was done from the sources such as shodhganga online portal, research papers published online and even published books were also utilized Primary data for the study is collected from questionnaire method , interview method and observation method. To fulfil the objectives of the study and come to a specific conclusion close ended questionnaire was prepared and interview of the respondents were taken with the help of google forms.

**METHODOLOGY** – The study was first conducted by starting with the literature review. Secondly thus objectives of the study was framed a structured questionnaire was prepared. This questionnaire was given to the 30 number of respondents after that the information from the questionnaire was tabulated in excel sheet and raw table was prepared followed by this the process tabled were prepared and each

question in all the questions was analysed with the help of graphical method after the analysis the overall conclusion of the study was drawn.

**5. RESEARCH FINDINGS**

<b>Table 1: Age Group</b>		
Category	No .of respondents	Percentage
BELOW 20 YRS	6	20
20-30	5	16.67
30-40	4	13.33
40-50	4	13.33
ABOVE 50	11	36.67
Total	30	100

<b>Table 2: Educational qualification</b>		
Category	No. of respondents	Percentage
UNDER MATRICULATE	8	26.67
GRADUATE	13	43.33
POST GRADUATE	9	30
Total	30	100

<b>Table 3: Monthly Income</b>		
Category	No .of respondents	Percentage
LESSS THAN 10,000	7	23.33
20-30,000	7	23.33
30-40,000	3	10
ABOVE 40,000	13	43.33
Total	30	100

<b>Table 4: Eating Habits</b>		
Category	No. of respondents	Percentage
VEGETARIAN	5	16.67
NON VEGETARIAN	25	83.33
Total	30	100

<b>Table 5: Buying of organic products</b>		
Category	No. of respondents	Percentage
SEVERAL TIMES A WEEK	4	13.33
ONCE A WEEK	2	6.67
ONCE A MONTH	3	10
FEW TIMES A YEAR	21	70
Total	30	100

<b>Table 6: Choosing of organic products</b>		
Category	No. of respondents	Percentage
ETHICAL REASONS	2	6.67
PROTECT THE ENVIRONMENT	9	30

PREFER THE TASTE	7	23.33
QUALITY OF PRODUCT	12	40
PEACE OF MIND	0	0
Total	30	100

**Table 7: Place of buying organic products**

Category	No. of respondents	Percentage
SUPER MARKET / RETAILER	7	23.33
ORGANIC/ HEALTH STORE	4	13.33
ONLINE	6	20
PRODUCER / FARM	13	43.33
Total	30	100

**Table 8: Types of organic products**

Category	No. of respondents	Percentage
FOOD / DRINK	5	16.67
COSMETICS	9	30
CLOTHING/FABRIC	3	10
CLEANING PRODUCTS	5	16.67
HOMEWARE	8	26.67
Total	30	100

**Table 9: Economic effect on organic purchases**

Category	No. of respondents	Percentage
INCREASE SPEND	7	23.33
STAYED THE SAME	10	33.33
REDUCE SPEND	13	43.33
Total	30	100

**Table 10: Products purchased the most**

Category	No. of respondents	Percentage
FRUITS	9	30
VEGETABLES	5	16.67
DAIRY PRODUCTS	9	30
COFFEE	0	0
MEAT	7	23.33
Total	30	100

**Table 11: People's opinion on purchase of organic products on increase in prices**

Category	No. of respondents	Percentage
YES	18	60
NO	2	6.67
NOT SURE	10	33.33
Total	30	100

**Table 12: Trust building Information on the products**

Category	No. of respondents	Percentage
SCIENTIFIC EVIDENCE ON PACKAGING	9	30

CELEBRITY ENDORSEMENT	0	0
SUSTAINABLE INVESTMENT MADE BY THE BRAND	11	36.67
GOVERNMENT REGULATION OR OFFICIAL STAMP	9	30
Total	30	100

**Table 13: Information Publishing To Believe In Organic Advantages**

Category	No .of respondents	Percentage
AGREE	12	40
DISAGREE	7	23.33
SOMETIMES	11	36.67
Total	30	100

#### 6. CONCLUSION

- ✓ The research shows that the age group of above 50 mainly purchases organic products.
- ✓ People who purchase organic products their income is more than 40,000.
- ✓ Customers are mostly non vegetarian.
- ✓ Research shows that mainly people buy inorganic food only.
- ✓ Mainly people purchase organic food fewer times a week.
- ✓ People say that main reason to purchase organic items is the quality of the product and to protect the environment.
- ✓ People usually buy organic products from producer / farm or online mainly.
- ✓ People mostly buy organic products like food, drinks, cosmetics etc.
- ✓ People mostly buy items such as fruits, vegetables, dairy products etc.
- ✓ People mostly think organic products are healthier .
- ✓ People mostly consider their self as ecofriendly.
- ✓ People experience is good with organic products.
- ✓ People experience with inorganic food is the best.

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