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# Beyond Compliance: Why Human Rights and Environmental Due Diligence Now Define Market Access for Indian FPOs

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27 May 2026

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# Beyond Compliance: Why Human Rights and Environmental Due Diligence Now Define Market Access for Indian FPOs

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## INTERVIEW ANGLE

*"If EU and global supply-chain laws now require demonstrable human-rights and environmental due diligence at the producer level, can India's 10,000 FPO mission survive without baking these standards into FPO governance from day one?"*

## DOWN TO EARTH

| Opinion | May 27, 2026

Indian producer organisations —

### FARMER PRODUCER ORGANISATIONS (FPOs)

, cooperatives, federations — can no longer treat human-rights and environmental due diligence as a regulatory tick-box. With **EU CSDDD (2024)**, **EU Deforestation Regulation (2023)**, **CBAM (transitional from 2023, full from 2026)**, **California SB 657** and similar global frameworks tightening, **voluntary “beyond compliance” practice is now a market-access and ethics imperative**. The editorial argues that India’s 10,000-FPO mission must bake these standards into FPO governance from formation, not retrofit later.

## THE ARGUMENT IN ONE LINE

Producer organisations cannot rely on the lightness of Indian disclosure norms when their end-buyers are bound by stringent EU, US and UK due-diligence laws — embedding human-rights and environmental due diligence into FPO governance is now an export-survival question, not a CSR question.

## THE GLOBAL DUE-DILIGENCE STACK — WHAT CHANGED

INSTRUMENT	JURISDICTION	YEAR	EFFECT
<b>UN Guiding Principles on Business and Human Rights (UNGPs)</b>	Global	<b>2011</b>	“Protect, Respect, Remedy” framework
<b>OECD Due Diligence Guidance for Responsible Business Conduct</b>	OECD	<b>2018</b>	Operational framework
<b>EU Conflict Minerals Regulation</b>	EU	<b>2021</b>	Tin, tantalum, tungsten, gold
<b>EU Deforestation Regulation (EUDR)</b>	EU	<b>2023</b> (application postponed to <b>December 30, 2026</b> for large operators; <b>June 30, 2027</b> for SMEs)	Soy, palm oil, beef, cocoa, coffee, rubber, wood — must be deforestation-free
<b>EU Corporate Sustainability Reporting Directive (CSRD)</b>	EU	<b>2023</b>	Mandatory sustainability disclosure
<b>EU Corporate Sustainability Due Diligence Directive (CSDDD)</b>	EU	<b>2024</b>	Mandatory human-rights + environmental due diligence across supply chains
<b>CBAM (Carbon Border Adjustment Mechanism)</b>	EU	Transitional <b>Oct 2023</b> ; full <b>Jan 2026</b>	Carbon tax on imports of iron, steel, cement, aluminium, fertilisers, hydrogen, electricity
<b>California SB 657 / Transparency in Supply Chains Act</b>	US (CA)	<b>2010</b>	Disclosure of anti-trafficking measures
<b>US UFLPA (Uyghur Forced Labor Prevention Act)</b>	US	<b>2022</b>	Rebuttable presumption of forced labour for Xinjiang-linked goods
<b>UK Modern Slavery Act</b>	UK	<b>2015</b>	Slavery-and-trafficking statements

INSTRUMENT	JURISDICTION	YEAR	EFFECT
Germany <b>Lieferkettensorgfaltspflichtengesetz (LkSG)</b>	Germany	<b>2023</b>	Supply-chain due diligence

## WHY FPOS NOW — THE INDIA-SPECIFIC LOGIC

India is committed to growing FPOs as the **default vehicle for small-farmer market access**.

FPO SCHEME	DETAIL
<b>10,000 FPOs scheme</b>	Launched <b>February 2020</b> ; <b>₹6,865 crore</b> outlay; implemented through NABARD, SFAC, NCDC
Status (March 2026)	<b>~8,500 FPOs registered</b> ; <b>~40 lakh farmer-members</b> ; <b>~60% in five states</b> (UP, MP, Maharashtra, Karnataka, Gujarat)
FPO mandate	Aggregation, input procurement, output marketing, value-addition
Legal forms	Producer Company (Companies Act, Part IX-A), Cooperative, Society

The export markets these FPOs need to access are **precisely** the jurisdictions now imposing due-diligence laws.

## THE SPECIFIC RISKS FOR INDIAN PRODUCERS

CROP / SECTOR	RISK	WHAT IT MEANS
<b>Coffee</b> (Karnataka, Kerala)	EUDR (now applicable from <b>Dec 30, 2026</b> for large operators) requires deforestation-free coffee	Plot-level geolocation + traceability
<b>Cocoa</b> (Andhra, Kerala)	EUDR	Same
<b>Soy / soya meal</b>	EUDR	Traceability to plot
<b>Rubber</b> (Kerala)	EUDR + LkSG	Worker rights + plot traceability
<b>Cotton + textiles</b>	UFLPA + EU CSDDD	Forced-labour due diligence; cotton-traceability
<b>Spices, basmati, fruits</b>	CSDDD + CSRD	Multiple-tier supply-chain mapping
<b>Marine</b>	EU IUU Regulation	Catch-traceability
<b>Steel, aluminium, cement, fertilisers</b>	CBAM	Carbon intensity reporting + tariff equivalent

## WHAT “BEYOND COMPLIANCE” LOOKS LIKE AT THE FPO LEVEL

LAYER	PRACTICAL STEP
<b>Governance</b>	Board includes a “due diligence officer”; women, SC/ST, smallholder representation
<b>Documentation</b>	Plot-level GPS records, satellite-imagery verification (Sentinel, Bhuvan, ISRO platforms)
<b>Labour</b>	Written contracts; minimum-wage compliance; no child labour; grievance redress
<b>Environment</b>	Pesticide register; water use audit; soil health card tracking
<b>Disclosure</b>	Public report; third-party verification (e.g., Rainforest Alliance, Fairtrade, IndGAP)
<b>Buyer-facing</b>	API-ready data for buyer due-diligence queries

## THE INDIAN POLICY HOOKS

INDIAN INSTRUMENT	RELEVANCE
<b>Companies Act 2013, Section 135</b>	CSR mandate for large companies; can flow down to FPO partnerships
<b>Business Responsibility and Sustainability Reporting (BRSR)</b>	SEBI mandate for top 1,000 listed companies since FY 2022-23 — increasingly cascades to suppliers
<b>Rights of Forest Dwellers (FRA, 2006)</b>	Critical for deforestation traceability claims
<b>Wildlife (Protection) Act, 1972</b>	Trade in NTFPs traceability
<b>MSP + PM-KISAN + PM-AASHA</b>	Convergence opportunities
<b>NCMP (National Convergence Mission for Producer organisations) framework</b>	Coordination across SFAC + NABARD + NCDC

## WHAT'S ALREADY WORKING

- **Sikkim's organic-state status (2016)** — first fully organic state; basis for premium pricing.
- **Andhra's ZBNF + Community-Managed Natural Farming** — over 8 lakh farmers (2024-25).
- **PGS-India (Participatory Guarantee System)** — domestic organic certification.
- **APEDA AGMARKNET + AGRINEXT** — trade data + traceability digitalisation.
- **NABARD's Producer Organisations Development Fund (PODF)** — financial support.
- **Madhya Pradesh's wheat-export traceability pilot** — for EU markets.

## WHAT'S NOT YET WORKING

- **Smallholder data capture** — most FPOs lack digital infrastructure for plot-level records.
- **Verification cost** — third-party audit costs of USD 5,000-15,000 per FPO are prohibitive.
- **Skill gap** — few rural professionals trained in CSDDD/EUDR documentation.
- **Buyer pass-through** — premium for compliance often captured by intermediaries, not paid to farmers.
- **Cross-cutting coordination** — Ministry of Agriculture, Commerce, MoEFCC, MoCAFPD silos.

## WIDER SIGNIFICANCE

- **Export competitiveness** — India’s agri-export target of **USD 100 billion by 2030** depends on EU/UK/US market access.
- **Labour standards** — due-diligence laws will improve domestic conditions as a byproduct.
- **Climate alignment** — EUDR + CBAM align with India’s Nationally Determined Contributions (NDCs); CoP30 (Belem 2025) raised the bar.
- **Federal-state cooperation** — agriculture is a state subject; central frameworks need state buy-in.

## COUNTER-ARGUMENTS

COUNTER	SUBSTANCE
Sovereignty	EU/US laws extending into Indian supply chains raise sovereignty concerns
Cost	Compliance + audit costs are real, especially for small FPOs
Trade tactic	Critics argue these are protectionism dressed as ethics
Market alternatives	China + ASEAN can absorb Indian exports without these demands — but at lower prices

## WAY FORWARD

- **Mainstream due-diligence training** in NABARD/SFAC FPO certification.
- **National Traceability Platform** — single back-end for plot-level + worker-level data.
- **Bridge financing** for FPO certification costs (₹5–15 lakh per FPO).
- **Bilateral mutual-recognition** with EU regulators on existing Indian standards (PGS-India, IndGAP).
- **State-of-the-art remote sensing** — leverage **ISRO Bhuvan** + private platforms for plot-level monitoring.
- **Skill mission** — Krishi Vigyan Kendras (KVKs) trained in CSDDD/EUDR documentation.

## UPSC RELEVANCE

### GS Paper 2 — Governance / IR:

- Government policies and interventions for development.
- Effect of policies and politics of developed and developing countries on India’s interests.

**GS Paper 3 – Indian Economy / Environment:**

- Major crops, cropping patterns, e-technology in the aid of farmers.
- Food processing and related industries.
- Environment – conservation, environmental pollution and degradation.

**Analytical hooks for Mains:**

- Global due-diligence regimes – opportunity or trade barrier?
- FPO governance – quality vs scale.
- ESG and Indian agriculture.

**FACTS CORNER**

10,000 FPOs scheme: Launched February 2020; ₹6,865 crore outlay.

FPOs registered (March 2026): ~8,500; ~40 lakh farmer-members.

EUDR: Application postponed (December 2025) to December 30, 2026 for large operators; June 30, 2027 for SMEs; applies to coffee, cocoa, soy, palm oil, beef, rubber, wood + derivatives.

EU CSDDD: Adopted April 2024; phased applicability through 2027-29.

CBAM full applicability: January 1, 2026 (transitional from Oct 2023).

UFLPA (US): Enacted December 2021; effective June 2022.

UK Modern Slavery Act: 2015.

BRSR (SEBI): Mandatory for top 1,000 listed companies since FY 2022-23.

UNGPs: Adopted 2011 by UN Human Rights Council.

India agri-exports target: USD 100 billion by 2030.

Sikkim organic-state: Notified 2016.

PGS-India: Domestic organic certification scheme.

*Editorial source: Down to Earth, May 27, 2026 | Cross-link: Daily India-China WMCC, May 27, 2026*

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