
EVOLUTION OF FLORAL INDUSTRIES ACROSS THE INTERNATIONAL BORDERS



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Abstract

Floriculture is emerging as an important commercial crop. A lot of importance has been given to this sector due to its multiple uses, satisfying the aesthetic needs of the people, creating more employment, ensuring higher rate of returns to rural people and facilitating earning more foreign exchange. The authors have tried to elucidate the contemporary changes in the floriculture sector after globalization. The production of flowers is an age-old occupation. Till the last decade, the growing and selling of flowers was family business, they grew a variety of flowers on their land which was sold to the neighbour house. This was mostly carried out in small scale and it is unorganized in nature and moreover Small and medium farmers who cultivate flowers are unaware and have very less technical knowledge about effective ways of that lead to the production of quality products. Now a days private players have started showing interest in the production and export of flowers in large scale and in a systematized way. Therefore, flowers which were, confined to domestic markets are now move to long distances through airfreight with hi-tech cooling systems. Hence, flowers are in demand all year round both in domestic and foreign markets.

Introduction

Floriculture is fast emerging as an industry with high potential for the domestic as well as export market. The industry involves the cultivation and distribution of buds, cut flowers, foliage and plants in greenhouses or fields and distributing it to both local and international markets.

We all know flowers play an essential role in people's celebrations and everyday lives. Roses, chrysanthemums, carnations, marigold, jasmine, gerberas and the like

Flowers are used extensively for prayer, marriage, birth ceremony, expressing love, honoring someone, and even in death rituals. Delhi and Mumbai are major consumers of cut flowers. German, Dutch, UK, US, Japan and Italian markets are distinctive export destinations when comparing to Bangalore, Kolkata, Chennai, and Pune. There are several thousand-different species of flowers and plants which are grown as commercial crops by the cultivators. Jasmine, Lilly, roses and the like are some seasonal flowering plants which are important in our traditions culture.

In recent years, large importance have been given to floriculture sector, due to its multiple advantages, of satisfying the aesthetic needs of the people, creating more employment opportunity, ensuring a higher rate of returns to the rural people and facilitating foreign exchange. The flowers cultivated are being used as the raw materials for the manufacturing some products like essence, perfumes and confectioneries for direct consumption by the society.

The economic reforms and liberalization policies is introduced in the year 1991 and it is modified in the EXIM policies during the year 1995-96. After liberalization, the Government of India has identified floriculture industry as a sunrise industry and accorded it with 100 per cent export-oriented status. Many authors and writers have mentioned the industry as "Rosy Business sector", "A Global Concern", "Blossoming Industry", "Thrust Area" and "Money Spinning."

Floriculture Industry in India

The Indian flower such as **Roses, Jasmine, Orchids, Lilium, Carnations, and Anthurium** have received global recognition and the Globalization has also offered a great opportunity to the Indian floriculture. The growth and development of floriculture sector in India is by the replacing the traditional food crops such as wheat and sugarcane with the flower crops which are marketed as cut flowers. Many Floriculture units were established in India for cultivating and exporting flowers to overseas countries during the last ten years, with the incentives offered by the Government

Most of the sector are in and nearby Mumbai, Bangalore and Delhi and they also obtain the technical know-how from Dutch and Israeli Consultants. Almost all of them are capital intensive and made some large investments in the greenhouse and other infrastructure for the floricultural. Currently, the floriculture industry in India is composed at about Rs 3,700 crore with a share of a 0.61% in the global which is likely to reach 0.89% in the upcoming future.

As per the Handbook on Horticulture Statistics 2014, the total area in the year 2012-13 under flower crops was 232.70 thousand hectares in India, which is the second largest in the world. Production of flowers was estimated to 1729.2 MT of loose flowers and 76731.9 million (numbers) of cut flowers in the year 2012-13. In India, Fresh and Dried Cut flowers dominate floriculture exports.

With a share of about 65 percentage, Rose flower industry in India accounts for over Rs 2,400 crore of the overall floriculture industry and it accounts for 75 per cent of the global floriculture industry. There is a rising demand from Tier II and III cities apart from the urban centres during the Valentine's Day for roses as price of export quality cut rose is likely to quadruple from its current average ruling price of about Rs 15 to Rs 20 per stem.

Demand for roses has facing a upward trend over 25 per cent in domestic market and about 30 per cent in international markets at the time of Valentine's Day comes closer. Besides, majority of flower growers has also stated that they hope for about 30 per cent increase in terms of revenue during the month of February alone with a turnover of about Rs 10 crore.

Among states in India, Karnataka is the leading state in floriculture with about 29,700 hectares in floriculture cultivation. Other major flower growing states are Tamil Nadu and Andhra Pradesh in the South, West Bengal in the East, Maharashtra in the West and Rajasthan, Delhi and Haryana in the North.

The expert committee which was set up by the Government of India for promotion and development of export oriented floriculture units has identified the cities such as Bangalore, Pune, New Delhi and Hyderabad as the major areas which are suitable for floriculture, especially for cut flowers. Out of the four zones identified as potential centers for flower cultivation the areas around Bangalore and Pune have got the advantage of ideal climatic conditions where the temperature ranges between 15 to 30°C. Due to this advantage many units have established in these locations since it does not require either cooling or heating system. Thus, maximum number of units has been established in these locations. In India, there are more than 300 export oriented units. APEDA (Agricultural and Processed Food Products Export Development Authority) is the registering authority for such units.

Constraints Offloral Industry in India

- Lack of specific information regarding the production of different flowers which is a hindrance in planning process of production.
- Lack of information on new or current varieties which continuously keep changing in the International markets.
- Lack of information on the advanced cultivation practices such as high density planting, fertilizer, and irrigation management, plant protection, proper grading, and the like.
- Lack of infrastructure facilities like Greenhouse or Glass house and Poly house and Cold chain.
- There is no direct cargo flight in the cities like Bangalore and Pune which is the major production centers due to this there is a double shipment which increases the cost and there is also more scope for spoilage due to long transportation.

- Due to the high freight rates in India the products become uncompetitive in the International markets.
- There is no organized co-operatives marketing bodies to take care the floriculture trade in India.
- Lack of Research and development in floriculture, no recent development in techniques, no advanced cultivation method, and the like.
- No detailed economic feasibility studies by reference to establishment, maintenance and cost of production in glass house conditions / protected cultivation.
- Pot plants are produced in soil based container, which is not allowed in most middle-East and European markets.
- Lack of streamlined quality control mechanism and poor co-ordination between the Government and private agencies involved in Import and Export of floriculture products.
- Exemption from Import duty is needed in India, as some countries like Columbia, Mauritius etc. are exempted from such tariffs.
- Phytosanitary certificates are given only in selected cities like Delhi, Kolkata, Mumbai and Chennai.
- Lack of appropriate planting materials and production technologies for export.
- Lack of knowledge about importing and exporting countries.
- Lack of quality awareness of the produce which affects the floriculture industry as a whole.
- Lack of sale promotion activities in India.
- Lack of market intelligence regarding leading varieties, selling price and the like.

Export Constraints

- Lack of proper infra-structural such as bad interior road, inadequate refrigerated transport and storage facilities.
- Lack of professional backup of delivery and supporting companies, which resort into high cost of technology for Indian entrepreneurs.
- Tedious Phytosanitary certification and unorganized domestic market.

Government Policies in India

Department of Agriculture and Cooperation under the Ministry of Agriculture is the nodal organization responsible for the development of the floriculture sector. It is responsible for formulation and implementation of national policies and programmes which aim at achieving rapid agricultural growth through optimum utilization of land, water, soil and plant resources of the country.

Production of cut flowers for exports is also a thrust area for support. The Agricultural and Processed Food Products Export Development Authority (APEDA), the nodal

organization for promotion of Agri-exports including flowers, has introduced several schemes for promoting floriculture exports in the country. The 100% Export Oriented Units are also given benefits like duty free imports of capital goods. Import duties have also been reduced on cut flowers, flower seeds, tissue-cultured plants, etc. Setting up of walk-in type cold storage has been allowed at the International airports for storage of export produce.

Several schemes have been initiated by the Government for the promotion and development of the floriculture sector including "Integrated Development of Commercial Floriculture" which increase the production and productivity of traditional cut flowers, availability of quality planting material, production of off-season and quality flowers through protected cultivation, improvement in post-harvest, handling of flowers and training of persons for a scientific floriculture. Many state governments have set up separate departments for promotion of floriculture in their respective states.

SWOT Analysis

SWOT analysis of Indian floriculture industry has been performed and the details are given below.

Strength

- Climatic Condition in India is suited for growing a variety of flowering and foliage plants; India has varied climate and soil conditions, which are favourable to the production of cut flowers. In south India, winters are not severe and there is abundant sunlight therefore production of flowers throughout the year is possible.
- Availability of labor at low costs.
- In India, the introduction of new technological developments to the industry is high. This had given them a competitive advantage by reducing labor cost and finally reducing the price of the plant.
- Established infrastructural facilities.
- The Governments have identified floriculture as a sunrise sector and are providing strong support through various policies and schemes.

Weakness

- As this industry deals with perishable products, there will be a quick deterioration in the quality which leads to high wastage of the flowers.
- Air cargo handling capacity and cold storage facilities for perishables are almost non-existent at the international airports.
- Shortage of air freight capacity especially during the peak period leading to a backlog at the airports. This could be a serious disadvantage for a perishable product like cut flowers.

- The perishable nature of flowers precludes storing the end product. Both lead to pressure on the price.
- Floriculture is a capital-intensive industry. Financial institutions have hardened the rates of interest. Due to this the cost of capital is much higher in India than in the developed countries.
- Under-developed marketing system with poor MIS (Management Information System) for farmers and traders. Lack of an integrated and comprehensive data and information management system. Difficulties in accessing accurate data and market information and dependency on exchange rates. There is the absence of marketing network and co- ordination.
- Lack of R&D (Research & Development) activities, low level of innovation.

Opportunity

- At present floral decoration is the growing social trend. Many are investors are ready to invest on exterior decorations and interior decorations using fresh green plants. This is an opportunity to the floral organization.
- Due to the development of information technology, companies are now moving on to online marketing which gives an opportunity to reduce the cost by eliminating the middle man from the business.
- Increasing world Market demand and Market Growth
- Able to target both the local market and foreign markets.

Threats

- The freight cost charged is considerably higher when compared with some of the other countries producing same products. This has seriously affect over the exports of floriculture.
- The production and exports of floriculture requires many infrastructure facilities such as availability of storage facilities, insurance, Pre-shipment & Post- shipment facilities and the like. The inadequate of such facilities has stood a serious problem for the traders.
- Exchange rate fluctuation is one of the biggest difficulties in the floral export market. Due to this, the profitability of many companies is unstable.
- Health risk is also arises due to the higher use of Agro-chemicals. So necessary steps should be taken to reduce that risk and making it safer for the employees involved.
- Failure to control diseases and pests in the farms.

Suggestions

- The Government can reduce import duty on planting material and equipment.
- Air-freight should be reduced at a reasonable rate. Sufficient cargo space must be provided in airlines. Establishment of model nurseries for supplying genuine planting material.
- Training may also be provided for the entrepreneurs, in order to bring out the skilled labors to upgrade themselves with the technology, harvesting management, pests and disease control and the like.
- National coordination can be increased to maximize the effective promotion in exports.
- The Government can invest in setting up auction centres, as well as organized floral shops with better storage facilities to prolong the life of the flowers.

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