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FLORICULTURE: EXPORTS MUST BE ENCOURAGED

India's exports of floriculture products have been falling, even as domestic demand is estimated to be growing at 40 per cent annually. Use of technology, a strong infrastructure and proactive government assistance are all needed to turn India into a prominent producer and exporter of floriculture products.

Floriculture has emerged as a high growth segment within the agricultural sector. It includes cultivation of flowering and ornamental plants for sale, or for use as raw materials in the cosmetics and perfume industries. Floriculture products mainly consist of cut flowers, potted plants, cut foliage, seed bulbs, and dried flowers or leaves.

With changing lifestyles and increased urban influence, floriculture has assumed a definite commercial status. In fact, floriculture has become a viable agri-business option. In India, the diverse agro-climatic conditions permit production of a wide range of temperate and tropical flowers almost throughout the year in some part of the country or the other.

In recent years, emphasis has shifted from traditional flowers to cut flowers for export purposes. These flowers are also becoming more and more popular for use in home decoration, designing bouquets and flower arrangements. Rose is the principal cut flower grown all over the country, even though in terms of total area, it may not be significant. Given the present conditions in the agricultural sector, particularly the



presence of a large number of uneconomic holdings, value addition has special significance.

According to a reliable estimate, the sales of floriculture products in

2009-10 could touch Rs 10,000 million. The key markets for flowers include Bengaluru, Mumbai, Delhi, Chennai and Chandigarh.

Major floriculture states are Ma-

harashtra, Karnataka, Tamil Nadu, Andhra Pradesh, West Bengal, Uttar Pradesh, Haryana and New Delhi. While Tamil Nadu has the highest acreage under flowers, Bihar has the highest productivity (though it is a small producer), followed by Haryana.

There are a few factors contributing to the growing popularity of floriculture. Besides being a source of income, flowers are relatively easy to grow and inexpensive to produce. And the market for flowers is growing.

The potential for floriculture in India is tremendous. The domestic market of over 300 million households demanding exotic flowers, estimated at Rs 30,000 million, is growing at the rate of 40 per cent annually. Indian corporates like Reliance, ITC, Tata Tea, Bharti Group and Thapar Group are showing interest in this area. India holds the patents for two Aglaonema hybrid ornamental foliage plants. The Agricultural and Processed Food Products Development Authority (APEDA) has been playing an important role in boost-

The Global Scene

The world floriculture market is estimated at \$17 billion, with a growth rate of 15 per cent per annum. India's share is negligible at 0.25 per cent.

The global exports of floriculture products stood at \$12.39 billion in 2004. Rich countries in Europe, America, and Asia account for more than 90 per cent of the total world exports. According to some estimates, in 2004, Netherlands accounted for around 50 per cent of world exports. The world exports are experiencing a healthy growth of 8 per cent.

In 2004, the world imports of floriculture products stood at \$12.61 billion. Germany was the largest importer, followed by USA, the UK and France.

Holland, the global leader in floriculture products, is slowly losing its monopoly as its next generation is refraining from entering into the business. This is providing the way for new entrants like Indonesia, Colombia, Israel and Sri Lanka. India is the world's second largest producer of flowers, after China.

ing floricultural exports.

It is said that small farmers with a production capacity of 8000 to 10,000 stems cannot afford to grow latest varieties, which are in demand in the overseas markets, because the royalty is very high.

Floriculture exports

Dried flowers, cut foliage and cut flowers are among the major varieties that India exports. Roses make up 95 per cent of the cut flowers category.

Among all the ornamentals, cut flowers figure prominently in the global trade, followed by live plants, cut foliage, seeds, bulbs, tubers and corms. West Germany is the biggest consumer and importer of cut flowers, while the Netherlands is the biggest exporter.

Cut flowers and foliage of plants account for about 90 per cent of the total exports of floricultural products, followed by other tuber and plant cuttings,

etc. The important floricultural crops in the international cut flower trade are roses, carnations, chrysanthemums, gerbera, gladiolus, gypsophila, orchids, tulips and lilies.

Of the Rs 6326.9 million floriculture exports in 2006-07, around Rs 4000 million was accounted by dry flowers; fresh cut flowers generated about Rs 1000 million, and fresh seeds accounted for the balance.

Floriculture exports from India are expected to see a 20 per cent decline in 2009-10. Global recession has had its impact on this sector also. Of course, the country has 20,000 nurseries engaged in flower production, including high value orchids. India is gradually becoming a net importer of cut flowers and plants.

Floriculture exports suffered a setback in 2007-08 when they fell to Rs 3380.1 million from Rs 6526.9 million in 2006-07. This is because a number of small producers in the sector were hit by rising input costs. The reluctance to grow latest varieties was another factor contributing to sharp fall in exports in 2007-08. However, there was recovery in 2008-09 as exports stood at Rs 7500 million.

The poor performance of floriculture business on the export front is attributed to many constraints, like non-availability of air space in major airlines, which generally prefer heavy consignments. The number of

Table I

Area and Production of Flowers in India

Year	Area ('000 ha)	Production (loose flowers) ('000 MT)	Production (cut flowers) (million)
1993-94	53	233	555
1994-95	60	261	519
1995-96	82	334	537
1996-97	71	366	615
1997-98	74	366	622
1998-99	74	419	643
1999-2000	89	509	681
2000-01	98	556	804
2001-02	106	535	2,565
2002-03	70	735	2,060
2003-04	101	580	1,793
2004-05	118	659	1,952
2005-06	146	NA	NA
2006-07	154	886	NA

Table II
**India's Exports of
 Floricultural Products**

Year	Exports (Rs million)
2001-02	1,274.3
2002-03	1,807.9
2003-04	2,504.5
2004-05	2,600.0
2005-06	3,044.0
2006-07	6,526.9
2007-08	3,380.0
2008-09	7,500.0

flights during the peak season is also not adequate for export purpose.

Recent initiatives

The APEDA is spending over Rs 1000 million in setting up flower auction centres in Bengaluru, Kolkata, Noida and Mumbai. An amount of Rs 500 million was spent on building a perishable cargo complex at Kochi. Another Rs 1800 million has been spent on handling facilities at Goa,

Calicut, and Coimbatore airports. Gujarat has allocated Rs 1440 million for schemes relating to floriculture. Uttar Pradesh is also setting up 200 new cold storage facilities. Maharashtra's export facility hubs will increase from 10 to 15 with an investment of Rs 600 million.

Cold stores and cargo handling facilities have been created at some major airports like the ones at New Delhi, Mumbai, Hyderabad, Bengaluru, Chennai, Thiruvananthapuram and Cochin, to handle perishable items like flowers.

The government has also offered some incentives to floriculture. The import duty on seed development machineries and specified goods for green houses has been brought down from 36 per cent to 25 per cent. Floriculture units can now avail themselves of the benefits of duty-free imports if they export 50 per cent of their production.

Also, the government has plans to set up model floricultural regional centres at Chennai, Bengaluru, Thiruvananthapuram, Pune, Luc-

know, Kolkata, Mohali, Srinagar and Gangtok. The objective is to conserve important varieties of regional significance and arrange for large-scale multiplication.

Six Agro Export Zones, besides a large number of flower clusters under the National Horticulture Mission, are expected to provide further fillip to trade in floriculture products.

Agro technology, along with the planting material, needs to be transferred to the farmers for its commercialisation. New and novel cultivars have to be developed by using the broad genetic base available in the germplasm collection.

For proper delivery, good packaging and post harvest management systems have to be developed. There must be good linkage among farmers/retailers, florists, researchers and industry people. The export market needs to be properly assessed. Exporters have over invested in projects, and over borrowed. This is responsible for the present crisis on the export front. ■