



## ANALYSIS OF FLORICULTURE AS A BOOMING BUSINESS FOR INDIAN FARMERS

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### ABSTRACT

India is the second largest producer of floriculture and roses after China in the world. Scope of floriculture in India increased tremendously which is evident by exponential increase in area from 4000ha during year 1970 to 2,55,000ha during year 2013-14. Various past & recent studies show that floriculture is more beneficial than other ordinary crops. This study is about to introduce the present scenario & future scope of floriculture industry in India and its profitability as a booming business for farmers in India.

**KEYWORDS :** Floriculture, booming, marginal farmers, compound annual growth rate, Poly house.

### Introduction:

Floriculture is a discipline of Horticulture and is the study of growing marketing flowers and foliage plants for commercial use. Floriculture includes flowering and ornamental plants for sale or use as raw material in cosmetics, pharmaceutical and perfume industry. In India, floriculture trade comprises flower trade, nursery plants, potted plants, seed and bulb production, micropropagation. In India, floriculture industry has in demand throughout the year as consumption of flowers is on a daily basis by the people of all religions. As there is an increase in the standard of living of the people and adoption of foreign culture, the demand for flowers and its consumption increases day by day. The floriculture industry has a wide scope with an annual growth rate of 8 to 10% worldwide. There are more than 120 countries who are active in floriculture on a large scale. India is the second largest producer of floriculture and roses after China with an area of 2,33,000 ha. India's ranking for flower buckeye export is 17<sup>th</sup> in the world with a share of 0.4% in 2015. In floriculture, the total contribution of India to world trade is 0.61% in 2014 and up to 0.89% in 2015 according to Associated Chambers of Commerce and Industry of India (ASSOCHAM). Floriculture began in England where flowers were grown in large estates; later on, this was popularized all over the world. Floriculture in India is the sunshine with its wide genetic diversity. The flower cultivation in India is grown in both conditions: open as well as in high-tech cultivation. In recent years, there are much more changes in trends of floriculture growing in which high-tech floriculture is having a high profit margin.

According to the estimates of National Horticultural Board (NHB), total area under flower crops in the country during 2013-14 was 255,000 ha with production of 1754.0 and 543.0 thousand metric tonnes of loose and cut flowers, respectively. In loose flower production, Tamil Nadu (343.65 thousand metric tonnes) leads the chart, followed by Karnataka (211.5 thousand metric tonnes) and Madhya Pradesh (200.4 thousand metric tonnes). Whereas, in cut flowers, the lead position is occupied by West Bengal (145.2 thousand metric tonnes), followed by Karnataka (71.5 thousand metric tonnes) and Odisha (57.4 thousand metric tonnes). The loose flower production almost doubled during the last two decades. The area expansion during the same period was to the tune of 1.64 times. In India, nearly 98.5% of flowers are grown under open cultivation while hardly 1.5% are grown under greenhouse cultivation. The export basket of the Indian floricultural products comprises of dry flowers (77.1%), cut flowers (6.1%), bulbs and

rhizomes (0.8%), cut foliage (0.02%) and others (15.9%).

### 1. Scope of floriculture in India:

Scope of floriculture has increased tremendously in India which is evident by exponential increase in area from 4,000 ha during 1970's to 2,55,000 ha during 2013-14 and production of loose flowers 2,33,000 MT (1993-94) to 17,54,000 MT (2013-14) and also increase in cut flower production from 555 million number (1993-94) to 76,731 million number (2012-13). Considering the present growth rate, the area under flower crops is expected to further increase to 9 lakh hectares by 2050. The estimated production of loose flowers will be 5.7 million tones and cut flowers 27,273 million numbers by the end of 2050 from 1.46 million tones of loose flowers and 8750 million numbers of cut flowers at present (NHB, 2012-13). The total monetary worth of both loose flowers and cut flowers is estimated to rise from ₹ 40840 million to ₹ 263784 million. Considering the present growth rate, the area under flower crops is expected to further increase to 9 lakh hectares by 2050. The global floriculture trade is estimated to be at US\$ 70 billion at present. The floriculture industry is growing at the rate of 8-10 percent per annum. Globally more than 145 countries are involved in the cultivation of ornamental crops and only 50 countries are active in floriculture production on a large scale. India ranks second in flower cultivation next to China. Though, India's present share in the global floricultural export market is negligible (~0.61%) as compared to the Netherlands (58%), Columbia (14%), Ecuador (7%), Kenya (5%), Israel (2%), Italy (2%), Spain (2%) and others (10%). According to the latest estimates from Associated Chamber of Commerce and Industry of India (ASSOCHAM), the floriculture industry in India is poised at about ₹ 3,700 crore with a share of a meagre 0.61 per cent in the global trade which is likely to reach 0.89 per cent by 2015. It is growing at a compounded annual growth rate of about 30 per cent and is likely to cross ₹ 8,000 crore of value by 2015. Europe continues to be the prominent destination for Indian floriculture exports. However, in the recent years India has been exporting floriculture products to the Japanese and Australian markets. Export of floriculture products has been growing at 12 per cent over the past decade. The present export of floricultural produce from India stands at ₹ 455.90 crore (2013-14) which rose from a meager level of ₹ 14.6 crore (1990-91).

### 1.1 Export from India:

The Indian floriculture industry has been growing at a compound annual growth rate (CAGR) of 25 percent over the past decade and is currently worth US\$230 million. It comprises the florist trade.

Tamilnadu is the largest loose flower producing state, while West Bengal is the leading cut flower producing state in India. Rose is the principal cut flower grown all over the country. Other most important cut flower crops in the country are Gladiolus, Tuberose, Asters, Gerbera, Carnation, Anthurium, Liliun and Orchid.

Export is the prime motivator for Indian flower cultivators, the demand in the domestic market is also on the rise. Marketing of cut flower in India is much unorganised at present. To facilitate flower trade, two auction center have been established at Bangalore & Mumbai. A numbers of Export oriented unit (EOU) have been set up in the country in floriculture segment. Most of the EOUs in the country largely dependent on foreign collaborations for technological support. For the Indian entrepreneurs, the joint venture are more like turn key collaborations. A number of large corporate houses such as ESSAR group, TATA group, Reliance, Bharti, ITC have invested in the flower sector.

India's export of floriculture products in the year 2007-08 decreased by 48% to US\$ 84.5million. from US\$144 million in 2006-07 and further decreased by 5.18% in the year 2008-09 to US\$80.19 million. In the recent years, dried flowers and foliage have been forming a large part of floricultural product exports from India. During 2008-09, dried flowers constituted over 60percent of cut flowers exports, and dried foliage constituted around 99percent of total foliage exports from India. Europe continues to be the largest destination for Indian floriculture exports. However, in the recent years Indian exports of floriculture products have also extended to the Japanese & Austrelain markets.

India is the fifth largest exporter of dried foliage in the world accounting for around 7% of world's exportin dry flowers and foliage. The main export is from west Bengal that is 70% of dried flowers export from India. India is second largest exporter of essential oil and largest exporter of jasmine oil in the world accounting for over 40percent of total world exports in jasmine oil.

#### 1.1.1 Government assistance for floriculture:

In the recent past, floriculture has been considered as a viable option for much needed diversification in cereal-based agriculture in the country. Within the floriculture sector there are a number of diversification avenues such as hi-tech/protected cultivation, flower seed production, nursery industry, dry flowers, essential oils, natural dyes and pigments, pharmaceuticals and turf culture, etc., which need to be expanded further. Emerging market trends as a result of changing lifestyles in general and outlook towards life in particular, economic boom in the country and increasing affluence, particularly among the middle class population has transformed the flower industry from infancy into a flourishing industry there are various government authorities involved in this regard.

A paradigm shift in government efforts to strengthen research and development would be required. The Directorate of Floricultural Research (DFR), Pune will play a proactive role in this direction. In the context of changing floriculture scenario in the country added emphasis on handling, production, value addition and protection technologies would be required. The growing domestic market of flowers, floral products, potted plants and florist greens in big cities provide visibility to the impact of Research and Development (R&D) of flowers related subjects. The R&D has been provided strength by different funding agency of Government of India such as Agricultural and Processed food Products Export Development Authority (APEDA), National Horticultural Board (NHB), National Horticulture Mission (NHM) etc. These efforts have provided ample avenues of employment and entrepreneurship among the rural unemployed youth and small farmers. Above all, the risks of climatic changes are lurching large for which a strategic planning for sustainable floriculture industry in the country would be required.

Government of India promotes, assists and facilitates the setting up of Agri Export Zone (AEZ) in association with the state government

with the objectives of providing remunerative returns to farming community in a sustained manner and to increase their competitiveness. There are at percent six operational Agri Export Zones for floriculture development in India.

#### 2. Importance of floriculture in India:

The main importance of floriculture cultivation is it gives better income as compared to other traditional and ordinary crops. Past & recent studies shows that floriculture in Hi-tech cultivation as well as in open cultivation gives much more income to the growers than that of ordinary crops. Various recent and past study shows that floriculture is the profitable business for marginal farmers mainly as they have less scope for cultivating different crops due to small land holdings. According to Denchev (1990) studied Economic efficiency of the intensification of green house. It is revealed from the study that greenhouse conditions allow for regulation of microclimate and the possibility of high efficient flower production in Bulgaria. Under intensification of production costs. According to Deshpande S.D. and Deshmukh C.M. (2002) studied the economics of production and marketing of selected floriculture plants under Hi-Tech growing. They studied the cultivation of floriculture plants viz. Gladiolus, Gerbera, Carnation, Tuberose and Roses. Their study revealed that flowers According to Ghadge *et al.* (2002) conducted an experiment on medium-deep soil during 1997-98 to 1999-2000 to determine the most economical floriculture based cropping systems under irrigation conditions of Ahmednagar area in Maharashtra. Selected crop sequences Chrysanthemum (April planted) – wheat, chrysanthemum (April planted) – winter season onion and chrysanthemum (June planted) – groundnut were evaluated and compared with the established crop sequence groundnut – wheat in scarcity zone of Maharashtra. Among the eight cropping systems, the chrysanthemum (April planted) – onion and marigold –onion cropping sequence were found to be the most remunerative and profitable. The monetary returns recorded by these sequences were Rs 1, 34,667 and Rs 1,24,391 per hectare and benefit-cost ratio was 5.18 and 5.21 respectively. are economically advantageous for their high profit margin capacity and that too in a short period, as compared to other horticulture enterprises i.e. pomology. The study of Alagumani *et al.* (1997) in Madurai district of Tamilnadu shows that the income obtained from flower was Rs.9.47 lacks/ha in case of Crossendra followed by Rose Rs.8.4 lacks/ha in open condition. These incomes were higher as compare to other crops such as Sugarcane Rs.24928/ha. The income generation of fruits and vegetables are 20,000/ha and Rs.15,000/ha respectively and from Paddy Rs.15000/ha and Ragi hardly Rs.4000/ha (GOK1993:9). Jitendra B K (2007) studied that Roses under Hi-tech cultivation gives much more profit than that of open cultivation of roses (6). According to Tilekar S N (2002) the different types of cut flowers are produced under polyhouse conditions. Among those roses, gerbera & carnations are most common. Gerbera & Carnations cannot produced under open field condition. By making use of polyhouse technology, the production of rose cut is done very intensively. In other words, abundant inputs are used in cultivation of roses under polyhouse or protected cultivation. (4) Naturally, the unit or per hectare cost of cultivation is likely to be very high, compared to open cultivation. It is observed that there is great difference in all estimates. Cost of cultivation in polyhouse is 7 times greater than in open cultivation. Cost of marketing is also 6 times more in polyhouse. If one examines the net profit, it is Rs50,000/ hectare in open cultivation while it is Rs.11lakh/hectare in polyhouse.

#### Conclusion:

In conclusion, it is seen that there is vast scope for floriculture industry in India in open as well as Hi-tech cultivation. It is a booming industry & adoption of floriculture with commercial crops gives financial stability with fast economic growth to even marginal farmers in India. It is also necessary to emphasize that cooperation and commitment, in terms of education, research, funding, and communication from government is necessary for Indian flower industry to succeed in commercial floriculture worldwide.

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