



“Major Challenges Before the Floriculture Industry In India”

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ABSTRACT

Floriculture is the fast emerging and high competitive industry in India. India stands second in the world's production of floriculture produce and roses even after that India's share in the world trade is negligible that is 0.89percent. Floriculture industry in India face challenges regarding production, marketing and export. After adopting proper technique India's share in floriculture will be booming in the world floriculture trade.

KEYWORDS

Agri export zone, IPR, Hi-tech, GATT, Constraints, Challenges, EEC.

Introduction:

Post globalization, floriculture has become an important commercial activity in agriculture. Floriculture activity has evolved as a viable and profitable alternative, with a potential to generate remunerative self employment among small and marginal farmers and earn the much needed foreign exchange in the developing countries such as India. Indian floriculture industry stands the world's 2nd in production after China with 2,33000 hectare area under flower cultivation according to sources. India's ranking for flower buckeye export is 17th in the world with the share of 0.4% in 2015 [3]. The strengths of Indian floriculture include the favorable geographical situation, soil and environment, labor costs and the recent investment culture of Indian corporate. Even after that, India's share in world trade is only 0.61% in year 2014 and 0.89% in 2015.[2] India is rich in bio-diversity of ornamental crops. Its varied agro-climate, ample sunshine and proximity to the markets of Middle east and South Asian countries after great opportunities to harness potential in floriculture. As a result, floriculture is progressing rapidly in the country. In spite of the export potential, the performance of the Indian floriculture sector has not been encouraging.[10] Though, the exports of floriculture products are on growing in the last 7 to 8 years, the industry is not performing well and most of the units have been closed.

There are some major obstacles in flourishing the floriculture industry in India. The study is about to analyze the challenges face by the floriculture industry and some recommendations for improving the present status of floriculture industry in India around the globe. The international flower trade is governed by several codes of conduct, besides the phytosanitary obligations of the importing countries. The Dutch Milieu Programma Sierteelt(MPS) addressing to environmental quality issue, have become almost mandatory in the direct trade channels and prominent in the auctions. Other include, flower labeling programme (FLP), fair flowers fair plants label (FFP) and UPOV- protection of new varieties – for protection of breeder's rights. The international trade of flowers have its norms & quality issues for importing floriculture produce. Besides that, in India 97percent of production is under open cultivation and 2.11percent of floriculture cultivation is under Hi-tech cultivation.[6] So, the main obstacle in the floriculture export is leading to quality of flowers. Improving Export of floriculture produce from India is the prime motive of the study.

Challenges before the Industry:

The major challenges before the floriculture industry in India are classified as:

Environmental challenges.

Infrastructure related challenges.

Marketing & export related challenges.

i) Environmental challenges:

India is rich in bio-diversity and varied agro-climatic regions. There is great impact of climate change on flowering plants particularly in commercial production under open field conditions. The impact of excessive heat, cold, continuous or unpredictable rain fall with storm damage the flower production in the blooming span. The impact of climate change on flowering plants and crops is becoming apparent. Indigenous species in the natural habitat may not be proliferate and will be under threat of unfavourable agro-climatic conditions. Melting of ice cap in the Himalayan regions will alter temperatures, normally required for flowering of many ornamental plants like Rhododendron, Orchid, Tulip, Alstroemeria etc. Some of them will fail to bloom or flower with less abundance while the other will be affected differently. Unseasonal monsoon may deprive the western hilly regions and its surrounding regions of normal precipitation, affecting the species required high humidity and water. The plain regions also affected either by drought or flood and abrupt seasonal variations. Due to drastic changes in climate onset of new diseases, pest or even altered resistance to the existing pathogen is also expected resulting in low production or low quality of flowers. Drought could become a challenge in areas supposed to have high temperature and low rain fall, resulting in petals losses, colour fed in blooming flowers. The production in open cultivation of floriculture affects mainly due to these factors. Diseases, pests, nematodes and crops do co-exist in the cropping in the environment always challenges the successful cultivation and post-harvest handling of crops. Changing climate scenario increased incidence of soil borne pathogens, viral and phytoplasmal infection, nematodes, foliage and flower pests and re-emergence once of controlled pest and pathogens affecting the quantity as well as quality of production. Climate change is the unpredictable challenge before the Indian floriculture industry as India rich in biodiversity. Commercial floriculture product particularly open field conditions will be severally affected results in poor flowering, improper floral growth and color development, reduction in production. Water scarcity

results in drought could become a challenge in areas having high temperature and most of the areas are temperate and irrigation facility is only 30% to the gross cropped area in India. The floral petals losses and low yield occur due to change in temperature and humidity resulting to increase in pathogens and insects. In India the area under open cultivation is 97% while in Hi-tech (protected cultivation) cultivation area under floriculture is only 2.11%. So, the climate change is the main challenge faced by the Indian floriculture industry as it directly affects quality of flowers.

ii) Infrastructure related challenges:

The growing of real estate business around the cities results in smaller land holdings is a big threat to flower industry regarding production. As flowers are perishable produce, for better gain the flower market should be close to floriculture growers. The expansion of real estate business in nearby area of cities affects the growing of floriculture farms, observed from recent studies as growers sold their farms to builders for big amount and diverted towards different industries. The production related challenges are related to ground level obstacles which are unavailability of ample infrastructure, quality and improved species planting material, identical fertilizers and manures. Lack of knowledge regarding high yield varieties, soil testing and proper doses of pesticides and fertilizers is again a big obstacle in flower production. Unavailability of skilled labor for plant protection, harvesting and post

harvesting of floriculture produce affects the floriculture production. Ageing plantations are further adding to the woes of the flower producers in the country.

Since India is a signatory to General Agreement on Tariff and trade (GATT), plant breeder rights will have to recognize and abide by the Indian government. Pirating of foreign plants and violation of breeders right has become increasingly punitive at the international level. In the light of new intellectual property right (IPR) regime and plant variety protection, non registration/protection of indigenous cultivars and genetic resources may result in potential loss to floriculture.[5] In Hi-tech floriculture methodologies involving indiscriminate pesticide inputs results in development of pesticide resistance, contamination of soils and environment and damage to beneficial organism. The land holding are getting smaller day by day due to urbanization and industrial growth this affects the production in open cultivation area mainly.

Low level of awareness is the greatest hurdle in the downward dissemination of technical know-how and application of improved techniques in production process. Thus, emphasis should be laid on to improve the awareness level of the farmers through concerted

extension education efforts including demonstration trials. The production and marketing extension are not available in most of the areas of floriculture produce. Non availability of critical inputs at sale centers in again a big issue. There is not declared any support price for floriculture produce, farmers demand for the declaration of support price from government but there is still not any support price for the flower produce. So that, more farmers diverted towards the floriculture industry. Inadequate supply of quality planting material of improved varieties from recognized institute is create great loss to cultivars for improving their production as there are many more pirated seeds and planting material available at cheaper rate in market and most of the growers prefer it due to cheaper rate. Information management and brochures related to improved techniques of floriculture are not easily available to flowers growers in small town or at village level. There is no linkage between research and development labs and industry. [7] Most of the growers are not aware about the institutes even, which provides training programmers, government schemes and subsidy related benefit to them, as the concerned institutes are not in touch with most of the growers, it reveals from the recent studies.

Post harvest management is the toughest challenge in India. Due to absence of established standards or grades for produce, growers usually follow their own set of guidelines to meet the prevailing demands in the market. Packing of floriculture produce is either unprofessional or primitive, as the age old packaging material (paper cartoons, jute bags etc.) are still used by many growers. Improper transport & packing techniques involving poor temperature and air management, episodes of cooling and warming in the absence of proper pre cooling technique, results in accelerated growth of pathogens on delicate petals and other floral parts affecting quality of flowers.

iii) Challenges in Marketing & Exports:

Marketing of the flower is the main issue while calculating net profit of the produce. There are various stages in marketing of floriculture produce i.e. assembling, grading, packaging and transportation, there are various marketing channels from producer to consumer. These market related challenges affected the floriculture industry in India mainly. From marginal farmers to big exporters there are much more constraints regarding marketing and export of floriculture produce. At the marketing stage, major challenges faced by the Indian flower exporters are related to product diversification and differentiation, vertical integration & innovation, quality & environmental issue. With increasing involvement of super market in flower trade, organizing logistics is also becoming a critical factor for the Indian flower exporter. The economic crisis has significantly affected the floriculture industry worldwide with demand for floricultural products considerably declining in all major consuming countries. There are various market related challenges faced by floriculturist which are non availability of market, difficulties in transportation due to high perishable produce, commission agents, delayed in payment after sell of flowers, inadequate arrangements for grading and storage due to such factors growers have to sell their produce at very cheap prices to the wholesalers or commission agents. There are various marketing channels studied by the experts recently regarding floriculture produce it is observed that the producer's share in consumer's rupee is varies from 38% to 70% in various regions of India in open cultivation while it is somewhat improved in Hi-tech cultivation of flowers it may be 55% to 80%.[4] The low level of product diversification and differentiation, challenges associated with quality of flowers affects the marketing of floriculture produce in national and international markets. Various local taxes by the government on transportation of floriculture produce create a big issue for the growers so that most of the growers prefer spot sale to avoid such expenses and they sale their produce with a very low profit margin. Due to such challenges faced by the growers, every time during sale of produce the growers instead of using their future sight, satisfied in what they grab in their hand immediately after sale of their produce, due to inadequate market and transport facilities in India.

For export of flowers, air freight rates are very exorbitant compared to other countries this is also an obstacle in transportation. The competition in an international arena has been increasing with the entry of new African countries in the global trade. The major marketing challenges faced by the Indian flower growers and exporters are related to low level of product diversification and challenges related to quality concerns. Increase in involvement of super market in flower trade, organizing logistics are also become a critical factor for Indian flower exporters. Shortage of air freight capacity especially in pick period leads to blockage at the airport. This is the serious disadvantage to perishable product i.e. Flowers. High freight rate for export also affect the floriculture trade as air freight rates for transporting flowers from India are very exorbitant compared to other countries. Currently, export of flowers from India to the European Economic Community (EEC) are subject to custom duty at 15% during summer and 10.5% in winter. Countries such as Kenya, Israel need not to pay this levy. This levy is the great challenge in the floriculture industry in India. Further, the competition in International arena has been increase with the entry of new African countries in

global trade. Besides, a number of Asian neighbors are also emerging as competitors in the export market such as China, Nepal, Srilanka & Pakistan. For export of floriculture produce, meeting international quality standards, adoption of modern techniques which is greatly required and protected cultivation which is very expensive in India as compared to other African countries is also a major challenge before the floriculture industry in India.

Conclusion and Recommendations:

From the present study it is concluded that although the vast scope floriculture industry going through a very hard challenges regardless of the good produce. Today the industry faces many issues as discussed above. But apart from the primary infrastructural issues, which have constrained its growth potential. The industry face major problem regarding marketing and export of floriculture produce, post harvest techniques . For overcome these challenges regarding marketing and export of floriculture produce, steps are necessary to develop the industry and adoption of Hi-tech(protected) cultivation is very much important for flourishing the industry in India.

Recommendations:

The government of India has introduce many developmental programmes mainly through the Ministry of commerce(APE-DA) and ministry of agriculture(NHB),etc. The expert committee set up by Govt. of India for promotion of export oriented floriculture units has identified at Bangalore, Pune, New Delhi and Hyderabad as the major areas suitable for such activity especially for cut flowers.

The suggestion regarding increase in production of floriculture are adoption of organic farming in open as well as in Hi-tech cultivation by the cultivators to avoid soil contamination and maintain the environmental balance. Less but skilled labor should be used during plant protection and post harvest measures. Seeds and planting material should be used by authorized breeders only. Links between R&D lab and Industries should be maintained by growers & Exporters. Modified agronomic practices also acquired by producers and under changing water availability, growers need to consider both short term and long term cropping.[9] The higher marketing efficiency and better returns to producers through direct retailing is a clear indicator for developing farmer's markets in the region. This will also increase competition in flower marketing for the benefit of both producers and consumers. The farmers should be encouraged to form their own marketing cooperative societies in order to reap the benefit of scale economies (low cost of handling, transportation, packaging and storage) and better bargaining and collective strength. There is need to explore new market outlets within and outside the state as well as export to other countries. More funds should be earmarked for improving infrastructures and modern facilities and amenities. The village level collection/procurement centers should be established in potential areas. Research support for identification of native and novelty flowers and cut foliage plants from indigenous flora for commercialization, post harvest technology, variety improvement, standardization of modern techniques for exotic and domestic flowers under open and green house needs priority attention.

To develop floriculture as a viable sector, more strategies need to be adopted to consolidate the strengths of India in this sector and create an efficient backward and forward linkage. The first & foremost requirement is to develop a Integrated Cold Chain for flowers right from the producers to consumers. The freight cost disadvantage can partially be overcome by achieving economic of scale.[8] To minimize the time taken and damages caused during handling, emphasis should be given on improvement of cargo handling facilities and making internal container depots suitable for floricultural products. Efforts may be taken to increase the frequency of international flights and chartered flights handling floriculture cargo. The Government of India takes efforts towards encouraging private sector for co-investment in the supply chain infrastructure. Shifting of Integrated supply Chain Model by integrating small and

medium scale growers in to large scale producer supply chains may help in attaining economies of scale in the industry.

In order to ensure regular supply of quality inputs such as planting material, efforts should be made to develop and propagate varieties indigenously. Periodic re-plantation with appropriate re-plantation support from Government is necessary in order to maintain good variety and quality. The floriculture industry in India is unorganized so very first efforts are taken to organize the market. Marketing initiatives should be suitably designed to meet the market requirements and yet to remain competitive. Efforts are required for achieving the flower labeling and certification requirements, besides maintaining international quality standards throughout the production chain. Indian floriculture exporters should emphasize developing other diversified products and marketing them through dedicated outlets, thus, expanding the definition of floriculture from just fresh flowers to products & accessories manufactured from flowers.

Indian exporter should adopt customize marketing strategies while targeting various markets. There is need to intensify marketing efforts for direct sales to emerging markets and expand markets outside the traditional markets. Promoting strong brand recognition for Indian cut flowers and flower accessories through designated outlets at the foreign markets and advance product positioning in those markets would help Indian flower exporters to compete in international markets effectively.

To address the import duty disadvantage faced by India in the international markets such as Europe, it may enhance its efforts in negotiating preferential tariff regimes with such countries and for an efficient implementation of its developmental initiatives attempts may be made in creating National Export Promotion Council (NEPC) for development of modern floriculture. For enhancing export, there are 6 new agro export zones are introduced in 6 different states for the convenience of exporters.[1] The new export policy is introduced with various advantages to exporters. The foreign trade policy of 2015-2020 will helps in improving international trade of floriculture definitely.

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