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Challenges and Obstacles in Indian Floriculture Industry

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Abstract:

Floriculture is the fast emerging and high competitive industry, with the continuous introduction of new cultivators and new cultural techniques are changing and hence new products and new technologies are developing with new challenges regarding production, marketing and export. The main obstacle for exports of flowers from India is quality of flowers. Even after that, India's share in floriculture is booming in the world floriculture trade.

Keywords: *Agri export zone, IPR, Hi-tech, EEC, Obstacles, Challenges, GATT, diversification.*

1. Introduction

Indian floriculture Industry stands 2nd in world's production of floriculture produce after China with 2,33000-hectare area under flower cultivation according to sources. But India's share in world trade is only 0.61% in year 2014 and 0.89% in 2015 according to Associated Chambers of Commerce and Industry of India (ASSOCHAM). It is growing at a compounded annual growth rate of about 30% and is likely to cross Rs.8000 crore mark in terms of value by 2015. 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. Though, the exports of floriculture products are on growing in the last 7to8 years, the industry is not performing well and most of the units have been closed. Indian floriculture industry is facing a number of challenges related to infrastructure, production, marketing and in export concerned. The challenges being faced by floriculture industry are enumerated here under.

The challenges are classified as follows:

- i. Production level challenges.
- ii. Climate related challenges.
- iii. Marketing and transportation related challenges.
- iv. Institutional related challenges.
- v. Obstacles in Export

2. Production Level 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 labour for plant protection, harvesting and post harvesting of floriculture produce is affect the floriculture production. Since India is a signatory to General Agreement on Tariff and trade (GATT), plant breeder rights will have to recognize and abided 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. In Hi-tech floriculture methodologies involving indiscriminate pesticide inputs results in development of pesticide resistance, contamination of soils and environment and damage to beneficial organisms. Domestic spread and movement of pests to pest disease free areas is again an obstacle in production. Post harvesting of produce is again toughest challenge in India as the

quality of flowers depends on the post-harvest technology. Picking of floriculture produce is either unprofessional or primitive, as the age old packing material are still used by many growers, results in accelerated growth of pathogens on delicate petals and other floral parts which causes damage to the floriculture produce.

3. Climate Related Challenge

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. Indigenous species in the natural habitat may not be proliferate and will be under threat of unfavorable agro-climatic conditions. 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, colored 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.

4. Marketing and Transport Related Challenges

The market related challenges is the main obstacle in improving economic status of floriculture producers from small growers to large. 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%. 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.

5. Institutional Related Challenges

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. 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 grower sit reveals from the recent studies.

6. Obstacles in Export of Floriculture Industry

India is 2nd largest production of flowers in the world even though India's share in the world trade of flower is negligible i.e. 0.89% this is very surprising fact of the floriculture industry. There are many obstacles related to floriculture exports which keep India's share in world trade negligible. Economic crisis has significantly affected the floriculture industry worldwide. Declining floriculture produce from major consuming countries affects the export levels and employment in flower sectors, particularly in developing country like India. The major problem faced by Indian flower exporters related to low level of product diversification and differentiation, vertical integration and innovation and challenges associated with quality and emerging environmental concerns. The main obstacle is the quality of flowers. International trade – Risk of incursion of pests and pathogens through import and export of pathogens free floriculture products meeting international standards. Post harvesting management is the toughest challenge in India which directly impacts quality of flowers.

The competition in the international arena has been increasing with the entry of new African countries in the global trade. Besides, a number of Asian neighbours are also emerging as competitors in the export market such as China, Nepal, Sri Lanka and Pakistan. The increasing involvement of supermarkets in flower trade, organizing logistics are also becoming a critical factor for the Indian flower exporters. Although there is vast scope for the floriculture industry, steps are necessary to develop the industry to meet the quality requirement of the International flower auction houses. There are six Agro-Export zones in 6 different states in the country even after that there are several issues in export of floriculture produce. Meeting international quality standards, requires adoption of modern technology and protected environment, which are very expensive in India. In the African countries like Kenya, Ethiopia have gone adopting Hi-tech cultivation at all costs due to land and labor are cheaper. So, it is necessary that India too watches out these imminent threats and takes timely measures to ward off the ensuring consequences. Another issues related to export from India are shortage of air freight capacity during pick period leads to a backlog at the airports. This is a serious disadvantage for perishable products like fresh flowers. Air cargo handling facility and cold storage facilities for perishables are almost non-existent at the international airports. Currently, export of flowers from India to the European Economic Community (EEC) are subject to custom duty at 15 percent during summer and 10.5 percent during winter. Countries such as Israel, Columbia, Kenya and Zimbabwe need not to pay this levy. Thus, this poses a great challenge to floriculture industry in India.

7. Conclusion

In spite of export potential, the performance of the Indian floriculture sector has not been encouraging. The floriculture exports dropped marginally in value terms during the recent years. The industry also facing by several challenges at the production level related to small size land holding day by day, unavailability of basic inputs and skilled manpower for harvesting and post-harvesting techniques. Pirated seeds and planting material are further adding to the woes of the flower producers in the country. Inadequate cold chain management is not only affecting the future of floriculture but also having a negative impact on it. At marketing stage, major challenges faced by Indian flower exporters are related to product diversification, differentiation, vertical integration and innovation, quality and environmental issues. With increasing involvement of supermarkets in flower trade, organizing logistic is also becoming a critical factor for the flower exporters. Considering the past experience, it is indigenizing green house technology for commercial production. Product diversification and value addition like extraction of oil, pigments, production of dry flowers should be encouraged. Some more agro export zone should be introduced by the Govt. of India for promoting export of floriculture. By adopting modern techniques with future sight by the floriculture growers and exporters definitely overcome this challenges and obstacles in the Indian Floriculture Industry in future.

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