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Export potential of Indian cut flowers

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Abstract

Cut roses have various uses ranging from decorative purpose to the medicinal uses. Generally, the cut roses of red, pink, yellow, white and orange colour are preferred. Each colour is symbolized to different emotions and thus, has varying demand. In India, larger area is under the cultivation of red and yellow roses.

Nearly 3/4th share in the world export of cut flowers is concentrated in Netherland (35%) Ecuador (24%) and Belarus (24%). About 70 countries exported cut roses but there aggregate share was only 5.75 percent. India's share in export of cut flowers is only 0.39 percent in the total world's export. The import of cut flowers also has a significant prominence in world trade as it gives the idea about market potential as well as future scope for the countries to establish strong base in major importing countries. Import of cut flowers is higher in European countries during winter while in summers it is higher in Japan and rest of the countries.

India is on the 18th rank with contributing 0.6 percent share in global floriculture trade. The domestic Indian market is growing at the rate of 25 percent per year in the country as a whole. The states like Karnataka, Tamil Nadu, Andhra Pradesh, West Bengal, Maharashtra, Rajasthan, Delhi and Haryana have emerged as major floriculture centres in recent times.

Main export destinations are European countries & USA and U.K. The major importing countries of cut flowers are Netherlands, USA, Germany, France, UK, Switzerland, Italy and Japan. The Indian Floriculture market was worth INR 157 Billion in 2018. Of the total exported cut flowers, more than 63 percent cut flowers are exported alone in Egypt followed by Ecuador (23.08%).

In India, demand of flowers are quickly increasing during Festival, Valentine day, Puja and wedding seasons, and Christmas. Due to inadequate supply chain and cold storage facilities seller cannot fulfill market demand and during these time flowers price has been increasing. About 80 percent of the total import of flowers by the EU takes place during the winter season i.e. November 1 to May 31. Only 20 percent flowers are imported in summer. The domestic market of India is increasing at a rate of around 15 to 20 percent per annum. India's commitment towards International market needs to be groomed. Production of roses, chrysanthemum, gerbera, and marigold is higher in India either as a cut flowers or loose flowers, having a huge demand. Roses are grown on a wide area in controlled conditions. Southern India is a major pocket of cut rose production in the country.

Keywords: Cut-roses, varieties, import, export, demand, supply, markets

Introduction

Cut roses have various uses ranging from decorative purpose to the medicinal uses. The various shades of colours, mild fragrance are the important characteristics of the rose. The rose is considered to be the symbol of love and care, hence having a huge demand during the valentine day and rose day. There are various varieties of roses having various colours which are cultivated either in open field or in the polyhouses. Generally, the cut roses of red, pink, yellow, white and orange colour are preferred. The varieties viz; Bordo, Top red, Grand gala, First red, Tropical passion, etc. are cultivated for production of red cut roses, while for pink roses, the varieties such as Noblesse, Ravel, Amroza, Buggati and for yellow colour, the varieties like Gold strike, Top sun, Golden gate, etc. are grown. The varieties viz, Bianca, Hollywood and Seria are preferred for white cut roses, whereas, for orange cut roses, the varieties viz; Tropical amazons, Eldorado are preferred to grow.

Among the different colours of cut roses, red coloured roses have maximum demand all over the world. Each colour is symbolized to different emotions and thus, has varying demand. In India, larger area is under the cultivation of red and yellow roses.

Many new varieties are being developed and commercially cultivated as cut roses. Bicolour roses were developed which are having higher price in markets.

Global scenario of cut flowers

World floriculture market is concentrated mainly in European countries, U.S.A. and Japan. The largest suppliers as well as consumers are situated in these countries. There is a tremendous potential within these countries for the growth in market of floricultural products.

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The protected floriculture, with the advancement of the technologies has achieved a significance importance in the world, making it as an important business of various countries. Dutch roses are now being considered as superior amongst all. The Dutch market is famous for its auction system for the flowers. Various factors play an important role in the demand for cut roses in international market which are price, availability, shape and colour of roses. Share of major countries in export of cut flowers is given in Chart 1.

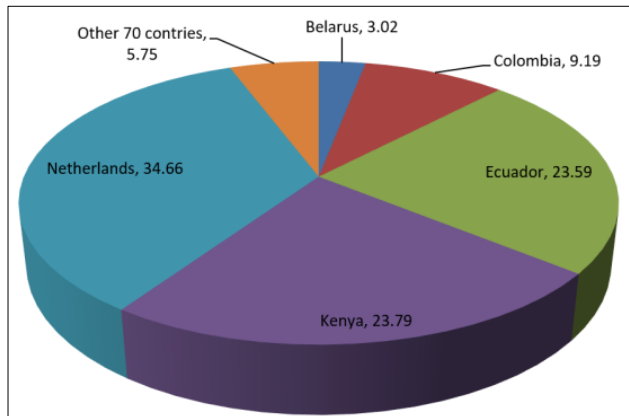


Chart 1: Major Countries exporting cut flowers (2017)

Nearly 3/4th share in the world export of cut flowers is concentrated in Netherland (35%) Ecuador (24%) and Belarus (24%). The Colombia stands third with 9.19 percent of World's total export. About 70 countries exported cut roses but there aggregate share was only 5.75 percent. India's share in export of cut flowers is only 0.39 percent in the total world's export. Thus, these countries are the major competitors for India in terms of quality and quantity of the cut roses. The use of modern techniques of cultivation, hi-tech mechanization and effective post-harvest management and marketing systems adopted by these countries make them major players in the export of the cut roses. Due to the higher production and improved quality as per the international standards the flowers from Netherland and Belgium are having more demand in world market. (COMTRADE, United Nations 2018) [6].

The import of cut flowers also has a significant prominence in world trade as it gives the idea about market potential as well as future scope for the countries to establish strong base in major importing countries. Annual flower consumption in various countries varies at a greater extent. Import of cut flowers is higher in European countries during winter while in summers it is higher in Japan and rest of the countries. The Chart 2 shows the share of major cut flower importing countries in the world during year 2017.

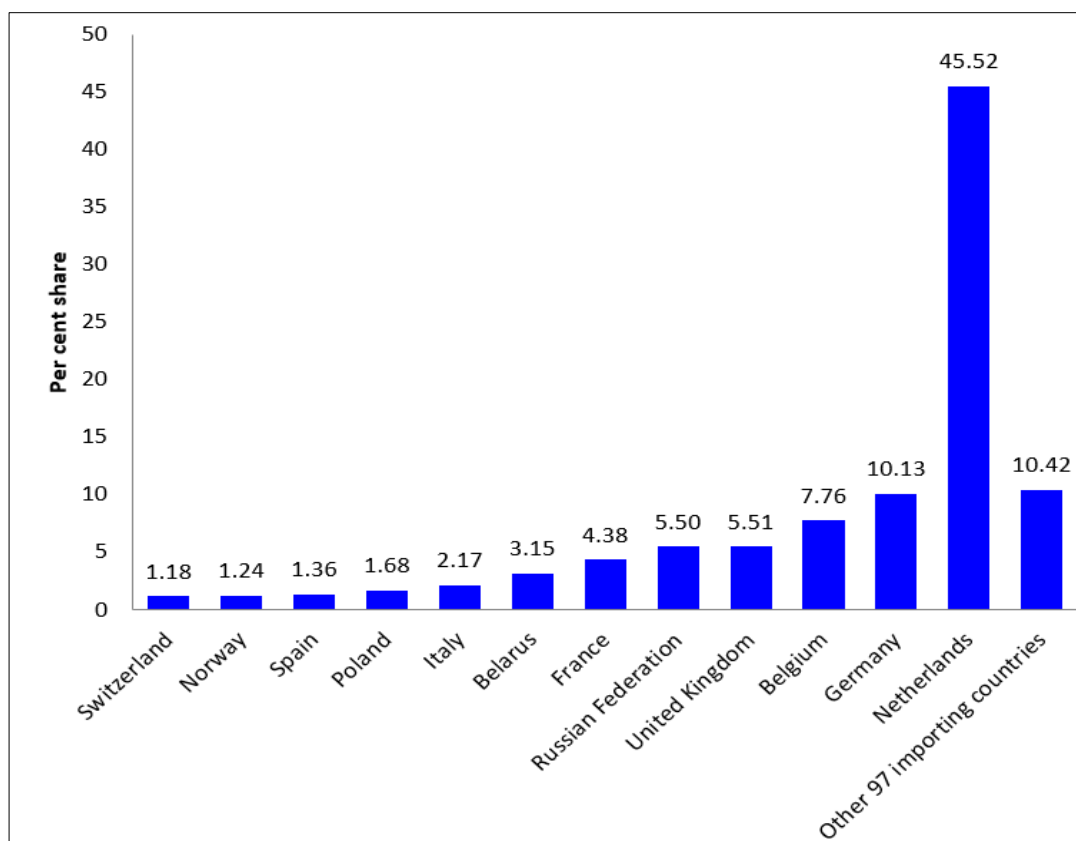


Chart 2: Major Countries importing cut flowers (2017)

Netherland is the major cut flowers importing country, alone imports nearly half of the quantity of cut flower (45.52%), and followed by Germany (10.13%) and Belgium (7.76%). Surprisingly, it is noted that Netherland has recorded about 34.66 percent export of cut flowers, still its share in import of cut flowers is more than 45 percent. This may be due to re-import and re-export trade policy. This controversial situation may also be attributed to the climatic conditions prevailing at the time of peak period for demand. The extreme cold during

winter period makes it difficult to take the production of cut roses on large basis. The demand is more during this period and as production is less, resulted in dependence on other countries to strive the demand of cut flowers. UK, Russia, France, Belarus, Italy etc. import a sizable quantity of cut flowers and have a good share in the imports. India is having a good potential to export cut roses to these countries if the quality is improved and, proper effective distribution channels are opened towards the ultimate users.

Indian floriculture scenario

India is on the 18th rank with contributing 0.6 percent share in global floriculture trade. During the last decade, export increased at a CAGR of 4.33 percent. The domestic Indian market is growing at the rate of 25 percent per year in the country as a whole. About 249 thousand hectares area was under cultivation in floriculture in 2014-15. The states like Karnataka, Tamil Nadu, Andhra Pradesh, West Bengal, Maharashtra, Rajasthan, Delhi and Haryana have emerged as major floriculture centres in recent times. The strength of floriculture development in India are varied according to different agro-climatic conditions in the country, availability of manpower and large demand for floricultural products in metropolitan cities. Emphasis has been shifting from traditional flowers to cut flowers for export purposes.

International Export Potential

Dutch Rose is primarily being exported from India. Main export destinations are European countries & USA and U.K. International trade for cut flower was estimated to be US\$ 2.78 billion¹. Bangalore is considered export hub with many export-oriented units in the nearby regions. The major importing countries of cut flowers are Netherlands, USA, Germany, France, UK, Switzerland, Italy and Japan. The five flowers namely Rose, Chrysanthemum, Carnation, Tulip and Lily account for 70-75 percent of the world trade. India has exported 22,086.1MT of flowers worth of Rs.548.74crore in 2016-2017. Netherland Exported Maximum in value and Germany imported maximum in value in year 2017 (www.trademap.org). USA and United Kingdom are two best destination of India in floriculture (www.apeda.gov.in)

The Indian Floriculture market was worth INR 157 Billion in 2018. The market is further projected to reach INR 472 Billion by 2024, growing at a CAGR of 20.1% during 2019-2024. Of the total exported cut flowers, more than 63 percent cut flowers are exported alone in Egypt followed by Ecuador (23.08%). (Chart 3).

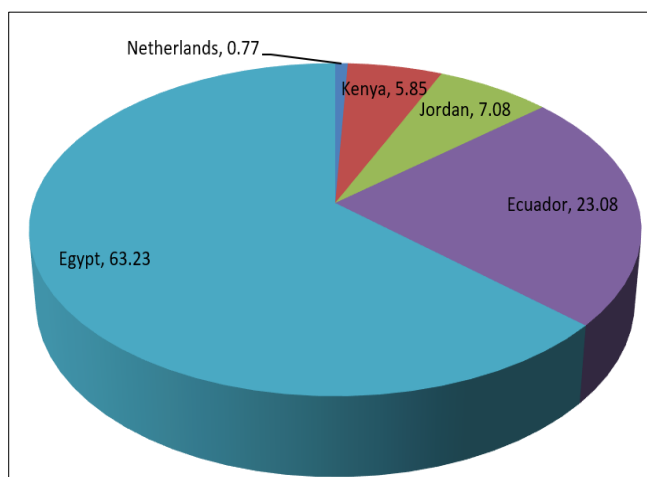


Chart 3: Cut flower export of India (2017)

India is importing cut flowers from 28 countries. United Kingdom ranks at the top amongst the countries exporting cut flowers to India with 30.79 percent of total import of cut flowers in India, followed by Malaysia (24.28%), Maldives (11.34%) and Japan (10.28%). (Chart 4)

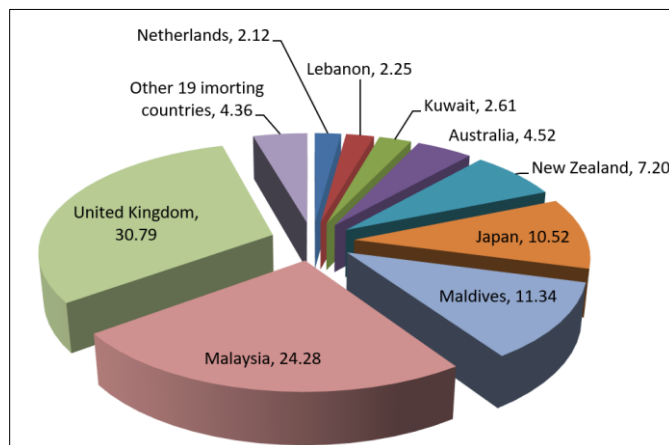


Chart 4: Imports of cut flowers in India (2017)

The country's first and the only Digital Flower auction Centre is located in Bengaluru, running by Karnataka Agro Industrial Corporation (KAIC) at Hebbal. www.rosebazar.com is the first and the only online flower auction facility at Bangalore initiated by Karuturi Floritech Ltd (Karuturi Networks Ltd.), started in March 2000. Flowers are categorized into cut flowers and loose flowers

- Cut flowers:** Cut flowers are fresh flower harvested in clusters / spike or in single along with their stem. like, Rose, Carnation, Gerbera, Tuberose, Gladiolus and Orchid sp. Major cut flowers are exported in European countries. West Bengal is number one in cut flower production, may be due to "Festivals, weddings, large scale political functions and other special occasions are driving demand for cut flowers as they are mostly used for decorative purposes, as gifts/bouquets for formal events
- Loose Flowers:** The flowers which are usually harvested without stalk and used for Gajara, Veni and Garland. like, Jasmine, Crossandra, Marigold, Gaillardia and Chrysanthemum. Tamil Nadu is number one in Loose Flower productions may be due to aesthetic preference of women for their hair.

The estimated area under flower growing in the country is about more than 65,000 hectares. The major flower growing states are Karnataka, Tamil Nadu and Andhra Pradesh in the South, West Bengal in the East, Maharashtra in the West and Rajasthan and Haryana in the North. It must, however, be mentioned that it is extremely difficult to compute the statistics of area in view of the very small sizes of holdings, which very often go unreported. This perhaps would be the reason for unrealistically small areas reported for floriculturally active states like Maharashtra, Uttar Pradesh and Madhya Pradesh

More than two thirds of this large area is devoted for production of traditional flowers, which are marketed loose e.g. marigold, jasmine, chrysanthemum, aster, crossandra, tuberose etc. The area under cut flower crops (with stems) used for bouquets, arrangements etc. has grown in recent years, with growing affluence and people's interest in using flowers as gifts. The major flowers in this category are rose, gladiolus, tuberose, carnation, orchids and more recently liliams, gerbera, chrysanthemum, gypsophila etc.

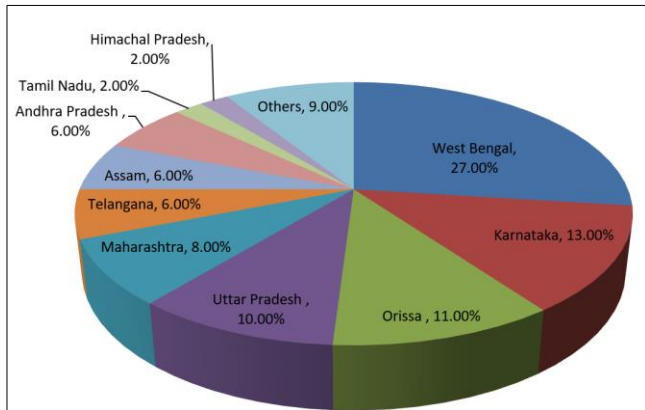


Chart 5: Leading Cut flowers producing States in India (2014-15)

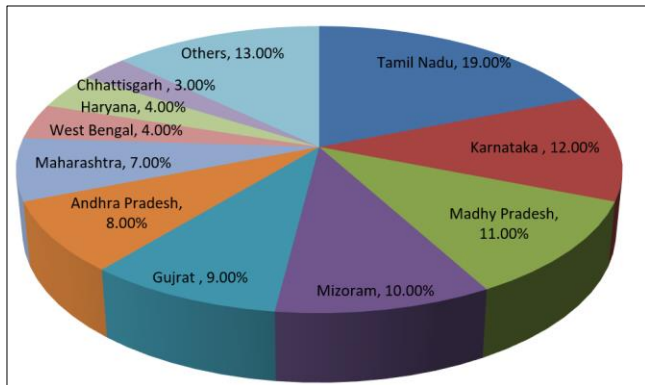


Chart 6: Leading loose flowers producing states in India (2014-15)

Demand and supply for flowers

In India demand of flowers are quickly increasing during Festival, Valentine day, Puja and wedding seasons, and Christmas. Due to inadequate supply chain and cold storage facilities seller cannot fulfill market demand and during these time flowers price has been increasing. Seasonal demand in European markets: According to a report by APEDA, 80 percent of the total import of flowers by the EU takes place during the winter season i.e. November 1 to May 31. Only 20 percent flowers are imported in summer (www.producenews.com). The domestic market of India is increasing at a rate of around 15 to 20 percent per annum. India's commitment towards International market needs to be groomed. Production of roses, chrysanthemum, gerbera, and marigold is higher in India either as a cut flowers or loose flowers, having a huge demand. Roses are grown on a wide area in controlled conditions. Southern India is a major pocket of cut rose production in the country.

Conclusions

Nearly 3/4th share in the world export of cut flowers is concentrated in Netherland (35%) Ecuador (24%) and Belarus (24%).

About 70 countries exported cut roses but there aggregate share was only 5.75 percent. India's share in export of cut flowers is only 0.39 percent in the total world's export.

Of the total exported cut flowers, more than 63 percent cut flowers are exported alone in Egypt followed by Ecuador (23.08%).

Import of cut flowers is higher in European countries during winter while in summers it is higher in Japan and rest of the countries.

About 80 percent of the total import of flowers by the EU takes place during the winter season i.e. November 1 to May 31. Only 20 percent flowers are imported in summer.

The domestic Indian market is growing at the rate of 25 percent per year in the country as a whole. The states like Karnataka, Tamil Nadu, Andhra Pradesh, West Bengal, Maharashtra, Rajasthan, Delhi and Haryana have emerged as major floriculture centres in recent times.

Main export destinations are European countries & USA and U.K. The major importing countries of cut flowers are Netherlands, USA, Germany, France, UK, Switzerland, Italy and Japan.

Due to inadequate supply chain and cold storage facilities seller cannot fulfill market demand and during these time flowers price has been increasing.

India's commitment towards International market needs to be groomed. Production of roses, chrysanthemum, gerbera, and marigold is higher in India either as a cut flowers or loose flowers, having a huge demand. Roses are grown on a wide area in controlled conditions. Southern India is a major pocket of cut rose production in the country.

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