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AN ANALYSIS ON THE FLORICULTURE EXPORTS OF INDIA

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INTRODUCTION

In a globalized environment, exports forms an important factor contributing to economic growth. For a developing country like India, agriculture and allied product exports constitute an important source of foreign exchange earnings. Hence, with stiff competition being faced from the similar developing countries in the export of agricultural product exports, identifying the product, provision of product innovation and adoption of proper marketing strategies in the international market may go a long way in helping the country to catch higher exports of such agriculture or allied products. Among such product that have immense scope of exports, floriculture is an important allied product of agriculture. India is one of the major exporters of floriculture. However, the country faces stiff competition from the neighboring countries in the exports of this product. The present paper attempts to understand the major countries of imports of floriculture from India and provides suggestions to improve the exports of floriculture from India.

SIGNIFICANCE OF FLORICULTURE IN INDIAN EXPORT SCENARIO

With agriculture still playing a vital role in the Indian economy, identifying a commercial crops for exports which has a continuous demand and also that could provide good earnings is one of the important activities of the export promotion councils. Accordingly, the product that has attracted the international market is the cut flowers. As a result, the multiple usage of this product has a continuous demand in both the

domestic as well as the international market. This creates higher employment, facilitates for higher foreign exchange earnings and above all provides a higher rate of return to the cultivators. (Abraham, 2002).

Initially, the floriculture did not attract much of the growers. This was grown only in small quantum in a small area and was sold only to known persons and the neighbors. However, with the increasing demand for the produce, the area under cultivation has grown gradually to satisfy only the domestic market (Oleg 2016). With the increasing demand for floricultural products in both the domestic and international markets, the area under this crop has also increased. (Alagumani, 1997)

In the case of floricultural exports, the liberalization policy of 1991 and the ensuing export import policy of 1995-96, 1999-2002 and the recent policies have given a fillip to the exports of floricultural products. (Geetha, et.al. 2018).

The common products of domestic sales and exports include, cut flowers, cut foliage, dried flowers or leaves, pot plants, rooted cuttings, seeds bulbs and tubers. The important floricultural crops in the international market includes, archilea, tulip, anthuriu, carnation, chrysanthemum, gargera, gladiolus, gypsophila, liastris, lilies, nerine, orchids rose, Floriculture crops like gerberas, carnation, etc. are grown in green houses. The open field crops are chrysanthemum, roses, gaillardia, lily marigold, aster, tuberose etc. to cultivate these floricultural crops, about 249 thousand hectares were allotted under Cultivation of floriculture in 2015-16. This increased to 305 thousand hectares in the year 2019-20.

PROBLEM DESIGN

The export of floricultural products provides a considerable foreign exchange reserves. As a result of increase in demand in both the domestic and foreign markets, supply is growing. However the changes in time, results in the changes in the preference for the variety. Hence, with the ample opportunities for export growth in the international market for India but also many countries are emerging into the market, fixing a competitive price and providing a quality product is the need of the hour. However, since the industry is unorganized and the support from the government is very minimum, the exporters have to adopt their own strategy to improve exports. It is also to be noted that the producers and the exporters are different. Hence, the expectations of the international flower consumers have to be properly taken to the knowledge of the farmers and encourage them to go for innovations in the product. This requires the activity involvement of

the government or its agency like APEDA. In the present paper it is attempted to examine the trends in the value and the growth of floricultural product over period of time. Such an analysis would help to understand the position of India in world floricultural exports and also India's strength in the exports of floriculture.

OBJECTIVES OF THE STUDY

The objectives framed for the present study are

- To know the major countries of imports of India's floricultural products.
- To understand the trends and the share of the major markets of India

MATERIALS AND METHODS

The present study aimed at examining the growth of floricultural exports to carry out this exercise, the study depends exclusively on the secondary data collected. The data on the countries of exports were collected from the Annual Reports of Agricultural and Processed Food Products Export Development Authority (APEDA).

The collected data were analyzed using the simple percentage method and annual average growth rates were worked out.

ANALYSIS AND INTERPRETATION

TABLE:1
TRENDS IN INDIA'S QUANTITY OF EXPORTS OF FLORICULTURE TO TOP 10 COUNTRIES
(in Metric Tonnes)

Countries	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
U S A	7429.85	7559.21	6696.6	5158.7	5490	5166.27	3762.7	3489.02	4038.07	3276.08	3139.19
Percentage	25.70	24.44	24.69	22.94	23.92	22.77	17.09	16.85	20.47	19.33	20.00
Germany	4474.12	5256.69	3715.28	2841.16	2240.04	2338.56	2439.66	1347.9	1251.71	1112.52	1054.69
Percentage	15.48	17.00	13.70	12.64	9.76	10.31	11.08	6.51	6.35	6.56	6.72
U K	4298.72	3456.23	3191.89	2583.87	2557.24	2200.49	2457.84	2116.98	1530.01	1236.75	860.91
Percentage	14.87	11.18	11.77	11.49	11.14	9.70	11.16	10.23	7.76	7.30	5.49
Netherland	3149.47	3923.99	3099.15	1983.51	2060.74	1883.9	1809.32	1855	1518.92	1377.08	1603.87
Percentage	10.90	12.69	11.43	8.82	8.98	8.30	8.22	8.96	7.70	8.12	10.22
Italy	1255.42	1267.02	820.8	682.75	561.65	444.9	555.1	522.49	403.24	358.8	235.3
Percentage	4.34	4.10	3.03	3.04	2.45	1.96	2.52	2.52	2.04	2.12	1.50
UAE	822.69	816.85	1029.36	1026.05	1582.65	1550.28	1438.84	1211.45	1871.24	1499.07	1659.88
Percentage	2.85	2.64	3.80	4.56	6.90	6.83	6.53	5.85	9.49	8.84	10.58
Belgium	810	655.49	335.8	281.93	241.28	180.05	297.79	219.52	400.76	500.58	365.22
Percentage	2.80	2.12	1.24	1.25	1.05	0.79	1.35	1.06	2.03	2.95	2.33
Japan	639.75	736.65	801.35	727.07	608.91	421.97	365.05	284.04	310.37	205.46	114.16
Percentage	2.21	2.38	2.95	3.23	2.65	1.86	1.66	1.37	1.57	1.21	0.73
Canada	524.07	867.81	985.89	567.78	856.16	943.92	748.52	1133.35	878.99	393.05	485.65
Percentage	1.81	2.81	3.64	2.53	3.73	4.16	3.40	5.47	4.46	2.32	3.09
France	519.54	369.8	281.83	350.01	377.38	232.99	227.32	265.77	186.74	296.91	262.64
Percentage	1.80	1.20	1.04	1.56	1.64	1.03	1.03	1.28	0.95	1.75	1.67
Total of 10 countries	23923.63	24909.74	20957.95	16202.83	16576.05	15363.33	14102.14	12445.52	12390.05	10256.3	9781.51
Percentage	82.76	80.55	77.27	72.06	72.24	67.70	64.04	60.11	62.81	60.51	62.32

Total Exports	28906.81	30926.03	27121.9	22485.2	22947.25	22691.66	22020.33	20703.48	19726.57	16949.38	15695.31
Percentage	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Computed from the Annual Reports of Agricultural and Processed Food Products Export Development Authority (APEDA)

As seen in Table 1, in the case of India's exports to USA the volume of exports which stood at 7429.85 metric tonnes in the year 2010-11 and declined to 3139.19 metric tonnes in the year 2020-21. In terms of India's share of exports to USA to total floricultural exports, it stood at 25.70 per cent in 2010-11 and this declined to 20.00 per cent in 2020-21. Germany is the second largest exporter of India's floriculture and the volume of exports which stood at 4474.12 metric tonnes in the year 2010-12 also declined to 1054.69 metric tonnes in the year 2020-21. In terms of share of exports it stood at 15.48 per cent in 2010-12 and this also declined to 6.72 per cent in 2020-21. This indicates that the share of all the major European countries have declined. This implies that the country is losing its international market share.

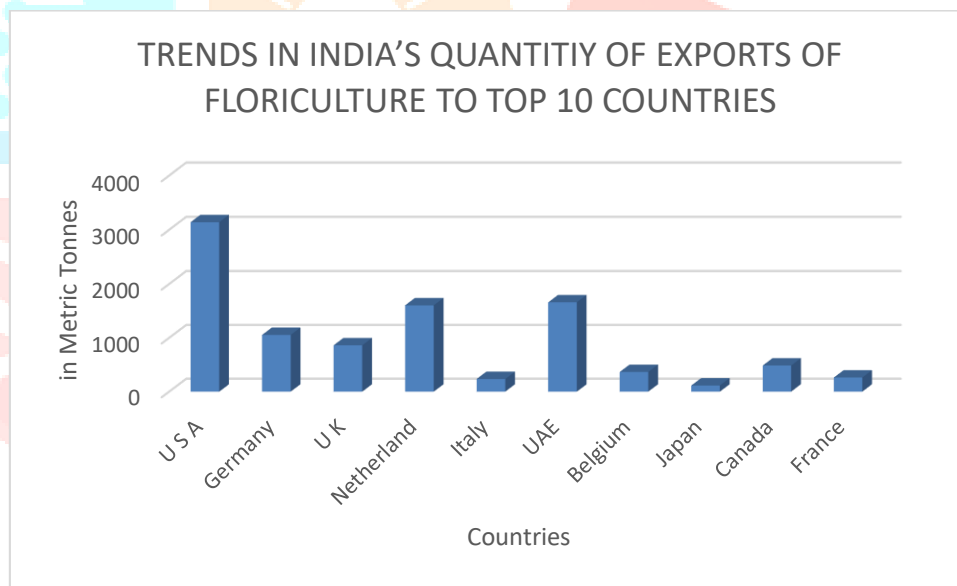


Fig.1. TRENDS IN INDIA'S QUANTITY OF EXPORTS

ANNUAL AVERAGE INCREASE IN QUALITY OF EXPORTS BY COUNTRY

TABLE:2
TRENDS IN INDIA'S VALUE OF QUANTITY OF EXPORTS OF FLORICULTURE TO TOP 10 COUNTRIES

(in Rupee Crores)

Countries	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
U S A	57.99	71.29	83.81	84.59	98.14	96.79	99.02	104.98	146.92	139.03	158.96
Percentage	19.59	19.52	19.79	18.55	21.30	20.02	18.11	20.69	25.71	25.67	27.60
Germany	43.32	57.52	56.75	59.29	55.47	56.93	62.42	36.68	39.39	40.93	32.13
Percentage	14.63	15.75	13.40	13.01	12.04	11.78	11.42	7.23	6.89	7.56	5.58
U K	35.3	38.56	45.68	55.13	59.48	56.03	68.39	53.2	44.71	40.92	33.12
Percentage	11.92	10.56	10.79	12.09	12.91	11.59	12.51	10.49	7.82	7.56	5.75
Netherland	45.27	54.13	59.7	66.15	51.25	55.68	57.5	65.63	77.89	78.52	109.3
Percentage	15.29	14.82	14.10	14.51	11.12	11.52	10.52	12.94	13.63	14.50	18.98
Italy	8.93	11.19	13.5	13.33	12.08	11.36	16.1	16.61	15.79	16.14	17.67
Percentage	3.02	3.06	3.19	2.92	2.62	2.35	2.94	3.27	2.76	2.98	3.07
UAE	9.96	11.26	15.45	17.01	22.04	27.84	34.49	29.3	34.34	33.11	34.43
Percentage	3.36	3.08	3.65	3.73	4.78	5.76	6.31	5.78	6.01	6.11	5.98
Belgium	8.05	7.78	5.43	7.51	5.52	4.9	6.56	5.73	7.94	7.25	5.32
Percentage	2.72	2.13	1.28	1.65	1.20	1.01	1.20	1.13	1.39	1.34	0.92
Japan	12.34	14.72	15.67	16.21	14.67	15.97	14.79	13.61	15.75	13.12	26.15
Percentage	4.17	4.03	3.70	3.56	3.18	3.30	2.71	2.68	2.76	2.42	4.54
Canada	8.11	12.03	16.19	13.65	15.38	17.36	17.93	21.28	23.42	20.12	23.01
Percentage	2.74	3.29	3.82	2.99	3.34	3.59	3.28	4.19	4.10	3.71	3.99
France	4.98	4.06	4.57	4.39	4.96	3.78	5.59	3.75	5.88	7.13	7.69
Percentage	1.68	1.11	1.08	0.96	1.08	0.78	1.02	0.74	1.03	1.32	1.34
Total of 10	234.25	282.54	316.75	337.26	338.99	346.64	382.79	350.77	412.03	396.27	447.78
Percentage	79.13	77.35	74.80	73.98	73.57	71.71	70.02	69.14	72.11	73.17	77.74
Total Exports	296.05	365.29	423.46	455.9	460.75	483.42	546.72	507.35	571.38	541.61	575.97
Percentage	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Computed from the Annual Reports of Agricultural and Processed Food Products Export Development Authority (APEDA)

Table 2 shows the average annual growth rate of volume of the country's exports of floriculture. In the case of India's exports to U S A the percentage increase in exports between 2011 and 2010 stood at 1.74 per cent and this declined to a negative growth of -4.18 per cent 2020 over 2019. In the case of India's exports to Germany and to other developing countries also the same trend could be seen. This annual increase provided in the table indicates that the country is losing its share not now but over a period of ten years and it is disheartening that for these years there is not proper either production strategy or marketing strategy has been taken.

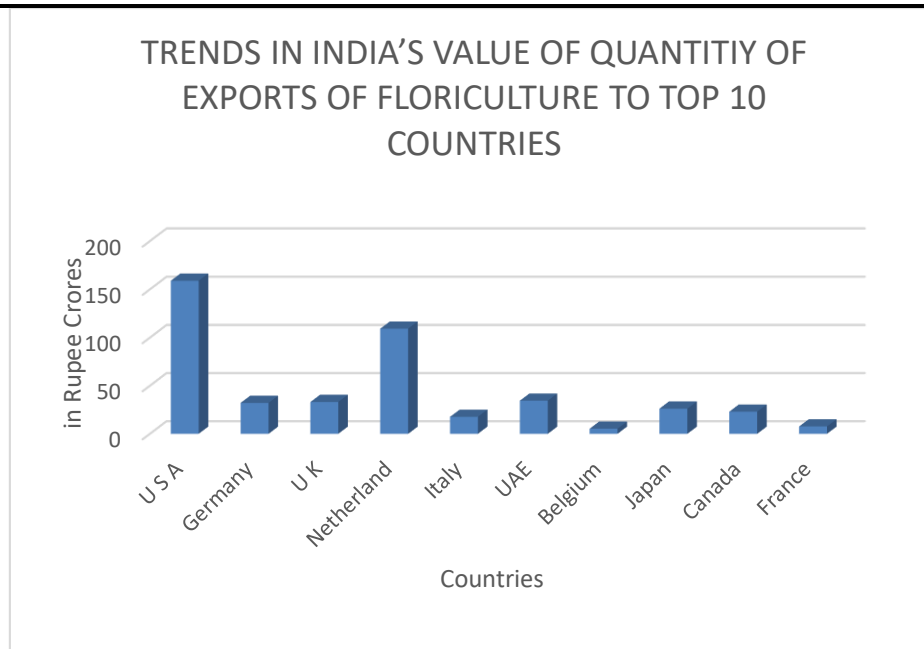


Fig.2. TRENDS IN INDIA'S VALUE OF QUANTITY OF EXPORTS

TRENDS IN THE GROWTH IN VALUE OF EXPORTS

TABLE:3

TRENDS IN THE ANNUAL CHANGE OF QUANTITY OF EXPORTS OF FLORICULTURE OF TOP 10 COUNTRIES

(in Metric Tonnes)

Countries	Growth in										Total increase	Average Annual Increase
	2012 over 2011	2013 over 2012	2014 over 2013	2015 over 2014	2016 over 2015	2017 over 2016	2018 over 2017	2019 over 2018	2020 over 2019	2021 over 2020		
U S A	1.74	-11.41	-22.97	6.42	-5.90	-27.17	-7.27	15.74	-18.87	-4.18	-73.86	-7.39
Germany	17.49	-29.32	-23.53	-21.16	4.40	4.32	-44.75	-7.14	-11.12	-5.20	-116.00	-11.60
U K	-19.60	-7.65	-19.05	-1.03	-13.95	11.70	-13.87	-27.73	-19.17	-30.39	-140.73	-14.07
Netherland	24.59	-21.02	-36.00	3.89	-8.58	-3.96	2.52	-18.12	-9.34	16.47	-49.54	-4.95
Italy	0.92	-35.22	-16.82	-17.74	-20.79	24.77	-5.87	-22.82	-11.02	-34.42	-139.01	-13.90
UAE	-0.71	26.02	-0.32	54.25	-2.05	-7.19	-15.80	54.46	-19.89	10.73	99.50	9.95
Belgium	-19.08	-48.77	-16.04	-14.42	-25.38	65.39	-26.28	82.56	24.91	-27.04	-4.15	-0.41
Japan	15.15	8.78	-9.27	-16.25	-30.70	-13.49	-22.19	9.27	-33.80	-44.44	-136.94	-13.69
Canada	65.59	13.61	-42.41	50.79	10.25	-20.70	51.41	-22.44	-55.28	23.56	74.37	7.44
France	-28.82	-23.79	24.19	7.82	-38.26	-2.43	16.91	-29.74	59.00	-11.54	-26.66	-2.67
Total of 10 countries	4.12	-15.86	-22.69	2.30	-7.32	-8.21	-11.75	-0.45	-17.22	-4.63	-81.70	-8.17
total exports	6.99	-12.30	-17.10	2.05	-1.11	-2.96	-5.98	-4.72	-14.08	-7.40	-56.60	-5.66

Source: Computed from the Annual Reports of Agricultural and Processed Food Products Export Development Authority (APEDA)

As seen in Table 3, an examination of the value of exports of the country to major importers indicate that India's exports to USA the value of exports which stood at Rs.57.99 crores in the year 2010-11 increased to reach Rs.158.96 crores in the year 2020-21. In terms of share of exports to USA to total floricultural exports of the country, it stood at 19.59 per cent in 2010-11 and this increased to 27.60 per cent in 2020-21. In the case of exports to Germany the value of exports which stood at Rs.43.32 crores in the year 2010-12 declined to reach Rs.32.13 crores in the year 2020-21. In terms of share of exports to Germany it stood at 14.63 per cent in 2010-12 and this declined to 5.58 per cent in 2020-21. In the case of other countries, the value of imports and the share have experienced a decline between 2010-11 and 2020-21 for the countries like UK and Belgium.

For other countries, both the value and the share in exports have increased. These countries include, Netherlands, Italy, United Arab Emirates, Japan, Canada and France.

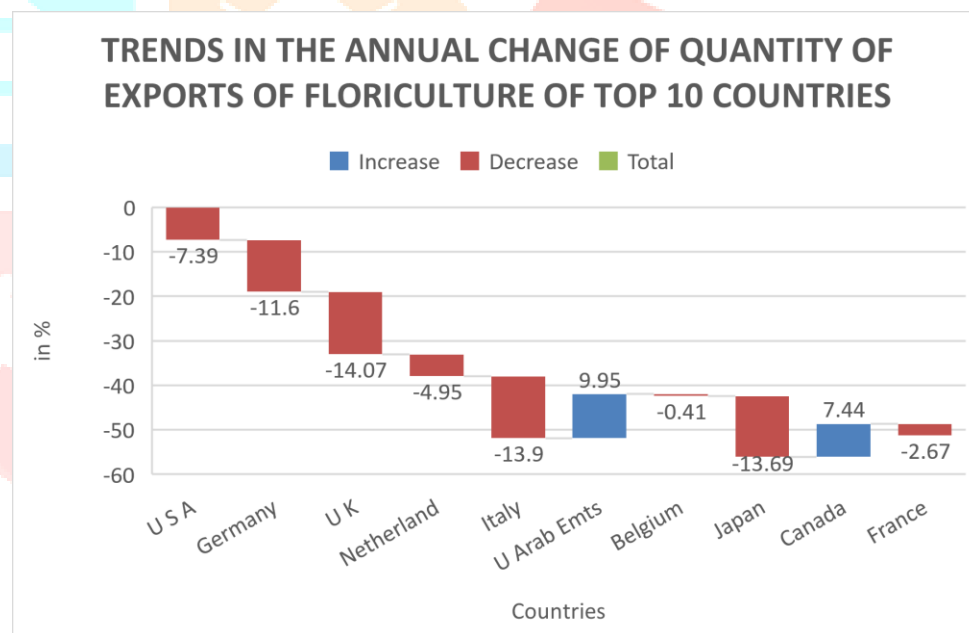


Fig.3. TRENDS IN THE ANNUAL CHANGE OF QUANTITY

TRENDS IN THE PERCENTAGE MOVEMENT OF VALUE OF EXPORTS OF INDIA TO SELECTED COUNTRIES

TABLE:4
TRENDS IN THE ANNUAL CHANGE OF VALUE OF EXPORTS OF FLORICULTURE OF TOP 10 COUNTRIES

(in Rupee Crores)

Countries	Growth in										Total increase	Average Annual Increase
	2012 over 2011	2013 over 2012	2014 over 2013	2015 over 2014	2016 over 2015	2017 over 2016	2018 over 2017	2019 over 2018	2020 over 2019	2021 over 2020		
U S A	22.93	17.56	0.93	16.02	-1.38	2.30	6.02	39.95	-5.37	14.34	113.31	11.33
Germany	32.78	-1.34	4.48	-6.44	2.63	9.64	-41.24	7.39	3.91	-21.50	-9.69	-0.97
U K	9.24	18.46	20.69	7.89	-5.80	22.06	-22.21	-15.96	-8.48	-19.06	6.83	0.68
Netherland	19.57	10.29	10.80	-22.52	8.64	3.27	14.14	18.68	0.81	39.20	102.88	10.29
Italy	25.31	20.64	-1.26	-9.38	-5.96	41.73	3.17	-4.94	2.22	9.48	81.01	8.10
UAE	13.05	37.21	10.10	29.57	26.32	23.89	-15.05	17.20	-3.58	3.99	142.69	14.27
Belgium	-3.35	-30.21	38.31	-26.50	-11.23	33.88	-12.65	38.57	-8.69	-26.62	-8.50	-0.85
Japan	19.29	6.45	3.45	-9.50	8.86	-7.39	-7.98	15.72	-16.70	99.31	111.52	11.15
Canada	48.34	34.58	-15.69	12.67	12.87	3.28	18.68	10.06	-14.09	14.36	125.07	12.51
France	-18.47	12.56	-3.94	12.98	-23.79	47.88	-32.92	56.80	21.26	7.85	80.22	8.02
Total of 10 countries	20.61	12.11	6.48	0.51	2.26	10.43	-8.36	17.46	-3.82	13.00	70.67	7.07
total exports	23.39	15.92	7.66	1.06	4.92	13.09	-7.20	12.62	-5.21	6.34	72.60	7.26

Source: Computed from the Annual Reports of Agricultural and Processed Food Products Export Development Authority (APEDA)

As provided in Table 4, the trends in the movement of the country's exports to other countries indicate that between the growth in 2011 over 2010 and between the growth in 2020 over 2019 indicate that the growth in the value of exports for the countries like, USA, Germany, UK, Italy, United Arab Emirates, Belgium and Canada have shown a net decline in the growth. However, only for the countries like, Netherland, Japan and France the growth is found to be positive. It could also be seen in the table that for all the countries, the imports of India is not smooth, indicating a high volatility in the growth in exports of India.

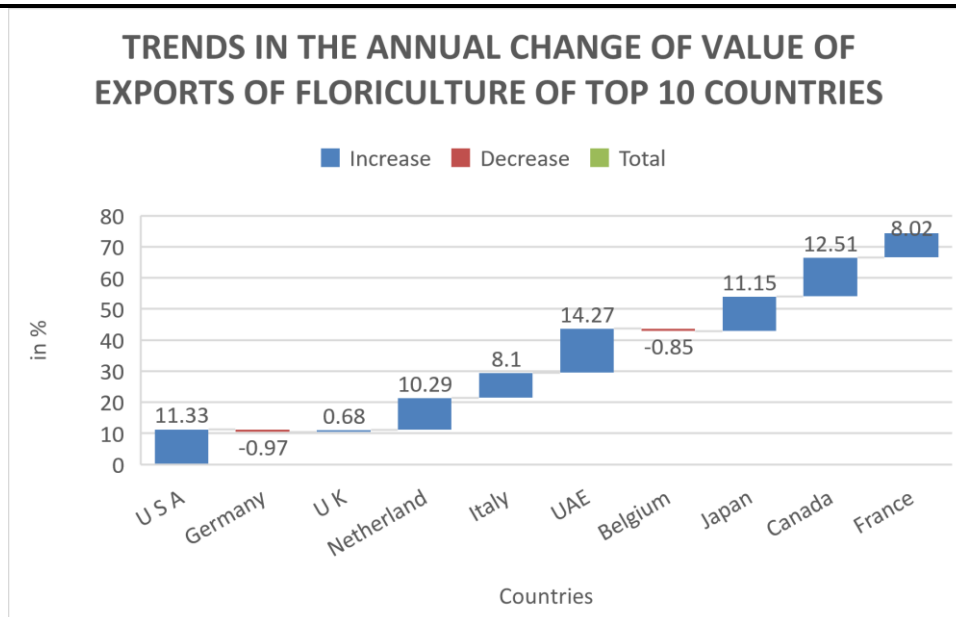


Fig.4. TRENDS IN THE PERCENTAGE MOVEMENT OF VALUE OF EXPORTS

SUMMARY AND CONCLUSION

The above discussion on India's exports of floriculture to various countries of the world indicated that though it exports for more than 170 countries of the world, the exports to 10 countries considered in the analysis constitute around 80 per cent of the countries' exports. Also, among these 10 countries, the value of exports has declined in two countries and only in the remaining eight countries the value of the exports for the 11 years period has increased that too with a volatility. It can also be noted that the volume of exports during the same period has declined almost for all the countries indicating that the real value of exports has declined. Hence, the declining volume of exports to all the countries by increasing value of exports cannot be considered as the real increase in exports as the value increase may be either due to global inflation or may be increase in price due to supply demand gap or shortage of supply. This needs a separate analysis.

The probable reason for a decline in the volume of exports of the country is both internal and external. Internally, the floriculturists could not produce flowers efficiently and the technology is obsolete. This increases the cost of production leading to failure to fix a competitive price in the international market. Externally, the increasing competition from the similar developing countries in the international market has reduced the export of this product considerably. Also, the government's assistance at the cultivator's level and to exports is very poor to this unorganized sector. Hence, with higher scope for increasing the exports of the country, a proper strategy at the cultivators' level and at the international market in terms of technological

and marketing strategies would go a long way in a higher export orders. A long list of 170 importing countries with a meager share of country's import is an ample testimony to the higher scope of increasing the country's exports of floriculture to these countries in the future provided strategies are proper.

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