

A study on the growth and challenges of India's cut flower export

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ABSTRACT

This study examines the growth trajectory and challenges of India's cut flower export sector, focusing on its development, market trends, and competitive potential on the global stage. India is becoming a major player in the global floriculture sector after seeing a sharp increase in cut flower exports. The study assesses the factors that have contributed to this increase, including as improvements in farming practices, the development of export infrastructure, government assistance, and the growing demand for floral goods around the world. The sector does, however, also confront significant obstacles, including poor infrastructure, uneven quality standards, climate risks, and fierce rivalry from other top exporters. The research also emphasises the sector's socioeconomic effects, especially its contribution to the creation of jobs in rural areas.

This report offers insights and suggestions to improve India's position in the global cut flower export market by examining the potential and challenges, guaranteeing long-term growth and a

larger market share. This study intends to offer suggestions for improving India's standing in the international floriculture market by identifying these growth factors and obstacles. According to the findings, the sector's performance might be greatly improved in the upcoming years by overcoming current obstacles, continuing innovation, and implementing strategic policies.

Keywords: Cut flower, Export, Floriculture, India and Market.

INTRODUCTION

India has become one of the major players in the worldwide floriculture sector thanks to its rich agricultural tradition and varied climate. The nation's cut flower export industry has grown significantly over the last few decades due to the rising demand for fresh flowers in foreign markets. India now has the chance to take advantage of its extensive agricultural base, modernise its farming methods, and join the global supply chain thanks to the billion-dollar global floriculture business.

India's cut flower export business has expanded as a result of several factors, such as better infrastructure, encouraging government policies, and developments in horticulture practices. The demand for fresh flowers for weddings, festivals, and business gatherings has increased, which has contributed to this expansion. Because of this, India is now a major exporter of cut flowers, especially to markets in the US, Europe, and the Middle East. Nevertheless, there have been difficulties in this sector's expansion. The sector confronts a number of obstacles despite its potential for growth, such as inadequate cold storage facilities, infrastructure constraints, varying quality standards, and unpredictable weather.



Cut-flower treatment in farm:

- + Wet harvest
- + Dry harvest
- + Preservative solution



Cut-flower package:

- + Paper box
- + Preservative solution
- + Temperature
- + Humidity
- + LED light (if applicable)



Transportation:

- + Impaction
- + Preservative solution
- + Temperature
- + Humidity
- + LED light (if applicable)

OBJECTIVES

1. To analyse the volume and value of cutflower exports from India.
2. To examine the role of major export markets for Indian cutflowers.
3. To identify key export barriers and challenges of cutflower exports.

REVIEW OF LITERATURE

Reddy and Nair (2016) found that India has become a major exporter of cut flowers, especially to the United States, the United Kingdom, the Middle East, and portions of Europe. Both the growing purchasing power and the cultural change towards flower décor and giving have contributed to this rising market need.

Salma Akter Laboni et al. (2019) point out that Bangladesh's natural assets, such as its excellent soil and pleasant climate, provide it a competitive edge in the flower industry and floriculture. In order to uncover the reasons impeding local production and marketing, the study looks at Bangladesh's flower export volume and potential value. Reducing these issues can guarantee continuous flower output, opening the door for exportation.

Nikhila Vaagdevi Anumala et al.'s research report from 2021 examines patterns in floriculture production, commerce, and area both domestically and abroad. It emphasises that there are 145 countries in the world, with India being the second-largest producer of flowers. But its percentage of worldwide exports is barely 0.40 percent, perhaps as a result of unorganised marketplaces and problems with quality standards.

RESEARCH GAP

Research on the effects of post-harvest infrastructural problems, like transportation and cold storage, on India's cut flower exports is

lacking. There are also few studies on how to adapt to climate change, how to compete with multinational firms, and how digital technology might help with export growth. In the studies now in publication, socioeconomic effects and trade agreements are also not sufficiently examined.

METHODOLOGY

The research methodology for a study on the growth and challenges of India's cut flower exports would involve a combination of both qualitative and quantitative approaches. Data would be collected through secondary sources such as industry reports, government publications, trade statistics, and market analysis from relevant agricultural and export authorities. To gain insights into the challenges, interviews or surveys with key stakeholders, including exporters, farmers, and government officials, would be conducted.

SIGNIFICANCE OF RESEARCH

This study is significant because it has the ability to offer a thorough grasp of the variables affecting the expansion and difficulties faced by India's cut flower export sector. The study can help industry players and policymakers make well-informed decisions by addressing issues including infrastructure constraints, climate change, and competition, as well as identifying important growth drivers like market demand and technical breakthroughs. The results may help develop strategies for increasing supply chain efficiency, export competitiveness, and the socioeconomic impact on rural communities, all of which would

contribute to the long-term expansion of India's export floriculture industry.

LIMITATIONS

This study's shortcomings include its reliance on secondary data, which could be out-of-date or lacking, which could compromise the accuracy of its market insights and trends. Furthermore, the findings may not be as broadly applicable due to the incomplete capture of regional differences in the cut flower export industry. Furthermore, because of the dynamic nature of global trade and environmental elements that affect production, the study may encounter limitations when evaluating real-time difficulties.

GROWTH AND CHALLENGES OF INDIAN CUTFLOWER EXPORTS

1. Growth of India's Cut Flower Export Industry

Historical Overview: With the construction of sophisticated greenhouses and improvements in flower-cultivation methods, the Indian floriculture sector started to attract notice in the 1990s. Rapid growth has been made possible by the opening of the export industry to international markets as well as rising demand for cut flowers from nations including the US, Europe, and the Middle East.

Market Growth and Trends: Roses, chrysanthemums, carnations, and gerberas are just a few of the flower varieties that India is currently a top exporter of. Due to shifting consumer preferences and the growing usage of flowers for

corporate events, festivals, and weddings, the demand for flowers in the global market has increased dramatically. This need has been further strengthened by the expansion of international e-commerce platforms.

Government Programs: Growth has been greatly aided by policies that favour floriculture, such as certification programs, export facilitation, and subsidies for greenhouse development. Production and export capabilities have been enhanced by the creation of floriculture parks and the National Horticulture Board (NHB).

Growing Domestic Production: Farmers now have more chances to export as a result of the increase in domestic demand for cut flowers. Modern cultivation methods, like greenhouses and polyhouses, have made production more efficient and resulted in a greater supply of high-quality flowers.

2. Challenges Facing India's Cut Flower Export Industry

Infrastructural Deficiencies: Cold storage, transportation, and packaging are three major infrastructural issues facing India's cut flower export sector. Reduced flower shelf life and significant post-harvest losses result from the absence of a national network for refrigerated transportation. Additionally, packaging regulations are inconsistent, which makes it challenging to meet global quality standards.

Quality Control and Standardisation: One of the key problems is still the uneven grading and

quality of flowers. The lack of uniform grading schemes and the variation in flower quality brought on by regional variations in farming methods have an impact on India's capacity to compete in global markets. A persistent difficulty is making sure flowers satisfy the strict quality standards of importing nations.

Climatic Vulnerabilities: The floriculture industry in India is susceptible to erratic weather patterns, such as droughts, excessive heat, and unseasonable rainfall. These weather-related issues have the potential to upset production cycles, resulting in variable quality or shortages of supplies. The absence of climate-resilient activities makes this problem even worse.

High Production Costs: Although India may be able to produce cut flowers more cheaply than other countries, the profitability of flower production is impacted by the high cost of labour, fertiliser, and high-quality seeds, as well as the absence of economies of scale in some areas.

3. Opportunities for Growth

Sustainability and Organic Floriculture: Demand for flowers farmed sustainably is rising on a global scale. By encouraging eco-friendly floriculture techniques and organic cultivation, India has the chance to benefit from this trend. In the global market, Indian producers may set themselves apart by using sustainable methods.

Export Market Diversification: Emerging markets like Southeast Asia and East Asia are showing increasing promise, even if established

markets like the US and Europe are still significant. India can increase its consumer base and lessen its reliance on a small number of markets by focussing on these areas.

Digital technology and e-commerce: Indian exporters now have the chance to directly access customers around the world without using conventional middlemen thanks to the growth of online flower sales platforms. Indian manufacturers may reach specialised markets and promote their goods internationally by leveraging e-commerce and digital marketing platforms.

Cultural Shift Towards Flower giving: The demand for cut flowers has been further stimulated by the expanding trend of utilising flowers for decorating, giving, and occasions such as weddings, festivals, and celebrations. In nations like the US and Europe, flowers are not just seen as ornaments but also as representations of affection, love, and gratitude.

4.Socio-Economic Impact

Employment Creation: The floriculture industry has helped farmers, labourers, and others involved in post-harvest handling and packaging by generating a large number of jobs, especially in rural areas. Since many women work in flower production and post-harvest operations, it has also created chances for women's empowerment.

Economic Contribution: The expansion of cut flower exports has helped rural communities' economies grow. It boosts local economies by

creating jobs in industries related to floriculture and gives small-scale growers revenue.

5.Strategies for Overcoming Challenges and Promoting Growth

Infrastructure Investment: To reduce post-harvest losses and guarantee the prompt delivery of flowers in ideal condition, a strong cold chain infrastructure, comprising cold storage and refrigerated transport systems, is essential for exporting cut flowers throughout the nation.

Quality Control and Standardisation: Creating internationally recognised certifications, standardised grading schemes, and quality control procedures can assist raise the uniformity of flower quality and increase Indian flowers' competitiveness in foreign markets.

Climate-Resilient Farming Practices: Promoting the adoption of climate-resilient farming methods, such as polyhouse farming and greenhouse agriculture, can help reduce the hazards brought on by climate change and guarantee year-round output.

Encouraging Sustainable Floriculture: India's competitive advantage in the global market can be strengthened by encouraging sustainable and organic floriculture methods, since customers throughout the world want more environmentally friendly and sustainable goods.

6.Growth in Exports and Key Markets

With the United States, the United Kingdom, the Middle East, and European nations as major export

markets, India has emerged as a major force in the global cut flower market. India's contribution of the world's cut flower exports is still little when compared to top exporters like the Netherlands, Kenya, Ecuador, and Colombia, despite its enormous production potential. The volume and value of cut flower exports have been steadily rising, per current data from the Agricultural and Processed Food Products Export Development Authority, or APEDA. Specifically, the main cut flower types that India exports are lilies, gerberas, roses, and chrysanthemums. About half of India's entire floriculture output is exported to foreign markets, with the remainder being consumed at home.

7.Export value and quantity

India's cut flower export industry has experienced significant growth in recent years, both in terms of value and quantity.

Export Value: In the fiscal year 2023, India exported floriculture products worth over 7 billion Indian rupees.

Export Quantity: In the same fiscal year, the volume of floriculture products exported from India amounted to over 21,000 metric tons.

Global Standing: In 2023, India ranked among the top exporters of fresh cut flowers and buds globally, with exports valued at approximately USD 11.58 million and a quantity of about 4.63 million kilograms.

Key Export Markets: The United States accounted for the largest share of India's floriculture exports in 2023, followed by the Netherlands.

FINDINGS

- Due to rising demand for flowers like gerberas, chrysanthemums, and roses, India's cut flower export industry has grown significantly in recent years. A major factor in the rise has been the extension of the market reach, particularly to nations in Southeast Asia, the Middle East, and Europe. India has established itself as a leading exporter thanks to its varied climate, which encourages the cultivation of flowers all year round.
- India's inadequate infrastructure, including packing, transportation, and storage facilities, limits competitiveness by causing post-harvest losses and reducing flower quality. This hampers its ability to meet international standards.
- Inconsistent quality and lack of standardized grading schemes hinder India's ability to meet foreign market standards. Regional variations in growing methods contribute to these quality issues.
- The weather has a significant impact on India's floriculture sector. Flower production has been adversely affected by climate change, erratic monsoon patterns, and the rise in extreme weather events like droughts and floods.

- Floriculture exporters like the Netherlands, Colombia, and Kenya have a competitive edge over India due to economies of scale, better infrastructure, and advanced production methods. India's flower exports struggle with price and efficiency, highlighting the need for strategic upgrades in production and logistics.

SUGGESTIONS

- **Improve the Infrastructure After Harvest:** To stop flowers from spoiling while in transit, new cold storage facilities and refrigerated transportation networks should be developed.
- **Create standardised systems for quality control:** Put in place standardised grading, packaging, and quality control procedures to satisfy demands from global markets.
- **Promote Climate-Resilient Agriculture:** To counteract climate-related disturbances, encourage the use of polyhouses, greenhouses, and other controlled environment agriculture techniques.
- **Offer incentives and support from the government:** Provide financial aid for the floriculture industry's infrastructure development, export facilitation, and technology adoption.
- **Expand Your Export Markets:** To lessen reliance on conventional markets, target developing markets in Southeast Asia, Africa, and other areas where demand for flowers is rising.
- **Encourage Organic and Sustainable Floriculture:** To meet the rising demand for flowers grown ethically and sustainably around the world, concentrate on organic and eco-friendly cultivation methods.
- **Make Use of Digital Platforms to Expand Your Market:** Use digital marketing and e-commerce to directly reach customers worldwide, eschewing conventional distribution methods.
- **Fund Programs for Skill Development:** Plan training sessions on quality control, export procedures, and contemporary farming methods for farmers, exporters, and employees.
- **Encourage R&D (research and development):** To increase output and quality, concentrate on research in fields including flower breeding, pest control, and better farming methods.
- **Negotiate Better Trade Agreements:** To lower trade obstacles in global markets, work on lowering tariffs, streamlining export paperwork, and harmonising certification requirements.

CONCLUSION

India's cut flower export industry has witnessed notable growth, driven by favorable climatic conditions and increasing global demand. However, challenges such as inadequate infrastructure, inconsistent quality,

climate change, and stiff competition from established exporters remain significant barriers. To ensure continued growth, addressing these issues through investments in infrastructure, quality standardization, and climate-resilient farming practices is essential. Expanding into emerging markets, promoting sustainable floriculture, and utilizing digital platforms for global reach will further strengthen India's position in the global floriculture market. With strategic improvements, India can enhance its competitiveness and become a leading exporter of cut flowers globally.

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