CHAPTER VIII

MARKET AND MARKETING OF FLOWERS AND THE PRICE TRENDS IN MARKET

Flower markets are noted for their ubiquity. Strictly speaking it is an universal phenomenon which is infinite in scope and diversity. It is so inextricably integrated with human life that it remains always buoyant. As flowers are nothing but a bounty of nature, the flower industry has never had the misfortune of being treated as a beleaguered industry. Even during periods of boundless eruption of recessionary trends, India is proud of its ever growing national and international flower markets. The Thovalai flower market is a miniature replica of this global phenomenon. The discussion with ensues would lay bear the salient features of Thovalai flower market with meaningful allusions to the factors governing the lulls and swells in the supply and demand for flowers and a host of other factors related to them.

8.1 The Thovalai Flower Market – A Profile

The Thovalai flower market has been in existence from time
immemorial. It is a place where one can see the silent and smooth interactions between the local flower producers and flower merchants, both big and small from places far and near, who have their well established bases of operation. It bristles with business activities from 5 a.m to 8.30 a.m every day. It is spread over an area of nearly 25 cents of land. The flower producers bring into the market all kinds of flowers in headloads, and by means of vehicles such as cycles, autorickshaw, mini lorries, truckers and buses. As soon as flowers arrive in the market, the agents who operate on commission basis, orally communicate to the eagerly awaiting flower producers, the prevailing prices for their flowers. There is no bargaining. The deals are immediately clinched and the local merchants take their respective consignment of flowers to their respective flower stalls. Merchants from other places whisk away whatever they could procure to their respective distinctions in vehicles equipped with refrigeration facilities. The market is clear by 11 a.m every day. What is a unique about Thovalai flower market is that the producers are rendered helpless and left with no option other than taking prices as datum. Any casual observer of the Thovalai flower market can easily discern how bullish and bearish trends are unleashed by commission agents who are none other than the henchmen of leading flower merchants who network with leading local and global markets.
8.2 Marketing Chain

As flowers are perishable in nature they need to be collected and dispatched within a certain time limit. Therefore, a very good marketing chain is a major sine qua non.

In Thovalai the marketing chain between the production point and the market is functioning pretty well. Flowers from the remote growing centres reach the flower market through middlemen and in some cases with their own personal efforts. The following diagram would make these points sufficiently clear.

**MARKETING CHAIN**
A marketing chain is otherwise known as a distribution channel. It comprises a set of interdependent institutions and agencies. Their task is to move anything of value, from the point of production to points of consumption.

In the flower marketing system, those who form a marketing channel are the flower producers, wholesalers, retailers and middlemen. In getting the flowers produced on farms to the end users, a farmer must either assume all these functions, or shift some or all of them to channel intermediaries. In this chain there are certain pool markets, in these pool markets small growers generally sell their flowers to big growers or middlemen who in turn collect and bring the flowers to the main market in Thovalai.

8.3 Pool Market

In the following map the names of small hamlets which constitute Thovalai region are clearly marked. Jasmine (Pitchi) and Roses which are produced in plenty in Avaraikulam. They are brought to the wholesale market in Thovalai either by the middlemen or the growers themselves. The investigator could find out from his survey that 75 per cent of the flowers produced in this region come to the main market through the middlemen. But the growers bring only 25 per cent of flowers produced in
this region, by their own vehicles or vehicles hired for the purpose, to the main market.

Kumarapuram is another hamlet noted for Nerium (Arali). It is situated in the eastern part of Thovalai. There exists here an association of flower merchants who remains in operation from early morning at 4 a.m. up to 8 a.m. Flowers worth around Rs.1 lakh is procured from these hamlets. During peak seasons like the puja, marriages, temple festivals and other ceremonies the total quantity of flower produced and procured in these hamlet has been valued another Rs.1,50,000 every day. On the other hand in lean periods of July, August and September, it has been found out that the huge quantities of flowers are left unsold. Due to lack of storage facilities the unsold flowers are virtually lost. Similarly flowers such as Marigold, Crossandra, Bachelors Button, Merjoram which are produced in plenty in Pazhavoor, Koliangulam, Panagudi are straight away brought to the main market by the growers themselves. Flowers such as Tube rose, Jasmine (Malligai) and Cocks Comb (Kozhikondai) which are produced in abundance at Vallamadam, Uralvaimozhi, Chitamparapuram, Aralvoimozhi are brought to the main market by the commission agents. They have their bases of operation at Thovalai. As flower producers in this region are small scale in nature, their financial requirements are mostly taken care of by the commission agents. The investigator could see in the course of his survey,
that flower producers here depend on the commission agents for meeting their financial needs for setting in motion agricultural operations such as preparatory tilling and ploughing, pit formation, manuring and fertilizing irrigation and harvesting. The commission agents have their own trucks. They collect the flowers from the growers and take them to the main market for the final disposal to the local and distant wholesalers and retailers.

8.4 Selling Methods

Thovalai flower market is dominated by commission agents. They have their bases of operation all over the country. These commission agents operate mostly through their sub-agents in every flower producing centre. Such sub-agents have their own offices in and around Thovalai. They have opened an account with commercial banks in places around Thovalai. They have trade links with small, medium and large scale producers of flowers in and around Thovalai. Every day they get themselves briefed of the existing marketing prices for various kinds of flowers by the business partners operating from leading business centres. They quote these prices to the customers and buy from them flowers in bulk by making spot payments. The promptness with equal payments are made and the price quoted determine the size of wants of customers. One example could suffice to make this point clear. In the course of his survey the investigator could get into touch with a commission agent who is operating under his company named Jasmina. This
commission agent is advised by his business partner to peg up the price of Jasmine a little higher than what the other commission agents usually quote in the market. This strategy is scrupulously followed by him. He is noted for his prompt payment. This strategy has lured for himself nearly 70 per cent of the flower producers in Thovalai. This shows how there exists stiff competition among flower merchants who through the flower market for the various kinds of flowers.

A close analysis of the problem has made it clear to the investigator has sacrifices in the profit margins contribute to the growth of flower business carried on by flower merchants operating through the commission agents who have been integrate into the system as business partners. Though the flower producers in and around Thovalai are kept in the dark about the national and international prices of the flowers produced in the Thovalai region they are perfectly satisfied with the prices quoted by the local commission agents. They return home with the satisfaction of having done a big job as payments due for them reaches their hands without any delay. Deferred payments usually irk both the large and small producers. This disrupts in course of time the business contact of the commission agents with the local producers.
8.5 Financial Linkages between Flower Markets and Local Flower Producers

The investigator was virtually taken aback by the growing financial linkages between the flower producers and flower merchants. This trend has grown over the years. It could be seen from the following table.
TABLE No. 8.1

PERCENTAGES OF FLOWER PRODUCERS DEPENDING ON FINANCE FROM EXTERNAL SOURCES

<table>
<thead>
<tr>
<th>Year</th>
<th>Thovalai</th>
<th>Avairaikulam</th>
<th>Pazhavoor</th>
<th>Chithambarampuram</th>
<th>Aralvoimozhi</th>
<th>Uralvoimozhi</th>
<th>Vallamadam</th>
<th>Panagudi</th>
<th>Kolkangalam</th>
<th>Kurmapuram</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>4.5</td>
<td>5.6</td>
<td>7.5</td>
<td>5</td>
<td>7</td>
<td>9</td>
<td>7</td>
<td>8</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>2004</td>
<td>8.6</td>
<td>7.7</td>
<td>9.8</td>
<td>7</td>
<td>9</td>
<td>15</td>
<td>9</td>
<td>12</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>2005</td>
<td>12.4</td>
<td>13.6</td>
<td>18.6</td>
<td>13</td>
<td>16</td>
<td>19</td>
<td>16</td>
<td>19</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>2006</td>
<td>14.7</td>
<td>18.5</td>
<td>22.7</td>
<td>18</td>
<td>22</td>
<td>28</td>
<td>22</td>
<td>27</td>
<td>22</td>
<td>23</td>
</tr>
</tbody>
</table>

SOURCE: Survey Figures.
As it is evident from the above table, there exists a sizeable percentage of flower producers depending upon the financial support of the businessmen around. A close study of the figures contained in the table would make it clear that small producers depend exclusively on external finance. The large scale producers have started depending on external finance only recently. During the period 2003-2007 the inclination to depend on external finance has gone up considerably among the large, medium and small scale producers.

According to flower producers, the financial support of flower merchants could be treated as a bonanza for all practical purpose. The reason attributed to this state of affairs is relatively very simple. The farmer who depends on external finance can make all the necessary investments on all kinds of agricultural operations right from tilling down to flower harvesting, out of the funds obtained from external sources. So nothing is spent out of their personal funds by the flower producers, on flower production. Once the flowers are sold in the open market, whatever is obtained in excess of the money borrowed from external source which are mostly interest free, could be treated as profit or net gain. So the farmers’ argument is that though the flower industry is nothing but a gamble on the monsoon, they have nothing to loose because the fund they utilize are mostly from external sources. The businessmen in turn have a similar argument in support of their policy aiding
flower producers. Their financial support goes to them in small and affordable instalments. But when the question of down right purchase arises, they quote a price which would allow them a profit margin over and above the expenditure already incurred by them towards financing their agricultural operations. So in the final analysis both the producers and the flower merchants stand to gain out of such a mutual dependence.

8.6 Flower Prices

As it has been pointed out earlier, prices are usually taken as a datum by most of the producers. Their bargaining capacity is deplorably poor. However, it can not be denied that there are bound to be bursts of frequent ups and downs in the prices, depending on seasonal changes. It could be seen from the following table and bar diagrams corresponding to them.
### TABLE No. 8.2

**PRICE VARIATION OF FLOWERS DURING 2007**

(Rose Rs. per Packet Others Rs. Per Kg)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the Flower</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Jasmine (Pitchi)</td>
<td>105</td>
<td>102</td>
<td>78</td>
<td>87</td>
<td>53</td>
<td>37</td>
<td>48</td>
<td>105</td>
<td>127</td>
<td>75</td>
<td>38</td>
<td>45</td>
</tr>
<tr>
<td>2.</td>
<td>Jasmine (Maligai)</td>
<td>98</td>
<td>66</td>
<td>48</td>
<td>25</td>
<td>20</td>
<td>25</td>
<td>22</td>
<td>84</td>
<td>117</td>
<td>73</td>
<td>98</td>
<td>44</td>
</tr>
<tr>
<td>3.</td>
<td>Rose</td>
<td>10</td>
<td>22</td>
<td>18</td>
<td>17</td>
<td>27</td>
<td>21</td>
<td>18</td>
<td>22</td>
<td>18</td>
<td>24</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>4.</td>
<td>Bachelors Button (Vadamalli)</td>
<td>15</td>
<td>30</td>
<td>25</td>
<td>15</td>
<td>30</td>
<td>18</td>
<td>18</td>
<td>30</td>
<td>25</td>
<td>35</td>
<td>31</td>
<td>28</td>
</tr>
<tr>
<td>5.</td>
<td>Marigold (Krenthi)</td>
<td>15</td>
<td>27</td>
<td>35</td>
<td>20</td>
<td>35</td>
<td>20</td>
<td>30</td>
<td>37</td>
<td>40</td>
<td>31</td>
<td>36</td>
<td>34</td>
</tr>
<tr>
<td>6.</td>
<td>Crossandra (Kanakambaram)</td>
<td>34</td>
<td>42</td>
<td>55</td>
<td>45</td>
<td>38</td>
<td>56</td>
<td>44</td>
<td>56</td>
<td>59</td>
<td>55</td>
<td>56</td>
<td>60</td>
</tr>
<tr>
<td>8.</td>
<td>Nerium (Arali)</td>
<td>31</td>
<td>42</td>
<td>42</td>
<td>70</td>
<td>75</td>
<td>58</td>
<td>55</td>
<td>57</td>
<td>38</td>
<td>30</td>
<td>34</td>
<td>66</td>
</tr>
<tr>
<td>9.</td>
<td>Tube Rose (Champanki)</td>
<td>25</td>
<td>47</td>
<td>25</td>
<td>50</td>
<td>75</td>
<td>50</td>
<td>27</td>
<td>50</td>
<td>81</td>
<td>50</td>
<td>80</td>
<td>40</td>
</tr>
<tr>
<td>10.</td>
<td>Cocks Comb (Koli Kondai)</td>
<td>7</td>
<td>14</td>
<td>17</td>
<td>7</td>
<td>12</td>
<td>14</td>
<td>22</td>
<td>14</td>
<td>21</td>
<td>14</td>
<td>24</td>
<td>14</td>
</tr>
</tbody>
</table>
FIGURE No. 8.1
PRICE VARIATION OF JASMINE (PITCHI) DURING 2007

FIGURE No. 8.2
PRICE VARIATION OF JASMINE (MALLIGAI) DURING 2007
FIGURE No. 8.3

PRICE VARIATION OF ROSE DURING 2007

FIGURE No. 8.4

PRICE VARIATION OF BACHELORS BUTTON (VADAMALLI) DURING 2007
FIGURE No. 8.5

PRICE VARIATION OF MARIGOLD (KRENTHI) DURING 2007

FIGURE No. 8.6

PRICE VARIATION OF CROSSANDRA (KANAKAMBARAM)

DURING 2007
FIGURE No. 8.7
PRICE VARIATION OF MERJORAM (MARIKOLUNTHU)
DURING 2007

FIGURE No. 8.8
PRICE VARIATION OF NERIUM (ARALI)
DURING 2007
FIGURE No. 8.9

PRICE VARIATION OF TUBE ROSE (CHAMPANKI)

DURING 2007

FIGURE No. 8.10

PRICE VARIATION OF COCKS COMB (KOZHIKONDAI)

DURING 2007
As it could be seen from the above table and their corresponding bar diagrams, flower prices keep changing from month to month depending on swings in the supply and demand for the same. As far as Jasmine (Pitchi) is concerned its price stood at Rs.105/- per kg in January 2007 and reached an all time high of Rs.127/- per kg in the month of September 2007. The price of Jasmine (Pitchi) was found to be Rs.37/- per kg in June. It went up and down in the succeeding months and stood at Rs.45/- in December 2007. In the case of Jasmine (Malligai) its price stood at Rs.98/- per kg in the month January 2007. After frequent ups and downs it is reached an all time high of Rs.117/- in September 2007. Once again the prices tumbled down, went up and halted at Rs.44/- per kg in December 2007.

In the case of Roses it is surprising to see that its prices which stood at Rs.10/- per packet in the month of January 2007 price fluctuations gathered momentum during the succeeding month, and stood at Rs.21/- per packet in December 2007. The peak price was thus, Rs.27/- per packet in the month of May 2007.

Bachelors Button (Vadamalli) was selling at the price of Rs.15/- per kg in the month of January 2007. Its price went up to Rs.30/- per kg in February. It came down to Rs.15/- in April 2007. It reached an all time high of Rs.35/- in October. However it once again went down to Rs.28/- per kg in December 2007.
Marigold was selling at a deplorably low price of Rs.15/- per kg in January 2007. It went down and climbed up and registered an all time high of Rs.40/- per kg in September 2007. Once again it tumbled down and entered Rs.34/- per kg level in December 2007.

Crossandra (Kanakambaram) was priced at Rs.34/- per kg in January 2007. After frequent ups and downs and it reached an all time high of Rs.60/- per kg in December 2007.

Merjoram (Marikolunthu) was selling at a price of Rs.15/- per kg in January 2007. It reaches an all time high of Rs.27/- per kg in May 2007. It hit Rs.12/- per kg in October 2007 in the months of November and December it remains in the price of the same Rs.15/- per kg.

Nerium which is otherwise known as Arali was priced of Rs.31/- per kg. After a series of ups and downs it reached its peak level of Rs.75/- per kg in May 2007. Once again it went down and climbed up during the succeeding months and entered its rock bottom level of Rs.66/- per kg in December 2007.

Tube rose which is also known as Chembanki was available at the price of Rs.25/- per kg in January 2007. After frequent lulls and swells it went up to Rs.75/- per kg in May 2007. Once again is suffered whole fluctuation in the succeeding months of June, July and August and reached all time high of Rs.81/- in September 2007. However it come down to Rs.50/- in
October. Then it increased to Rs.80/- in November and dropped down to Rs.40/- in December 2007.

Cocks Comb is otherwise known as Kozhikondai. It was selling at the price of Rs.7/- in January 2007. It went up and down and reached its peak level of Rs.24/- per kg in November 2007. Once again it tumbled down and stood at Rs.14/- in December 2007.

The peak period with respect to Jasmine (Pitchi) was September. It has been found to be September for Malligai. At the same it has been found to be May for Roses, October for Bachelors Button, September for Marigold, September for Crossandra, May for Merjoram and Nerium, September for Tube rose and November for Cocks comb. Similarly June has been found to be a slack season for Jasmine (Pitchi) in the case of Jasmine (Malligai) it is May it is January for Roses, January and April for Bachelors Button, January for Marigold and Crossandra, October for Merjoram and Nerium, January and March for Tube rose and January and April for Cocks comb.