CHAPTER V

GOVERNMENT ROLE IN THE PROMOTION OF FLORICULTURE PRODUCTION AND EXPORTS
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The present chapter has been divided into two parts. The first part relates to the Central Government’s efforts in promoting floriculture production & exports. This includes the establishment of APEDA – the prime Government body responsible for promotion of floriculture production & exports. The second part relates to the efforts by some of the State Governments, for promoting export-oriented floriculture production.

5.1 Governmental Measures to Boost Export of Floriculture Products

Endowed with rich resource reserves, skilled manpower and a strong industrial base, India—the fifth largest economy in the world in terms of buying power, is passing through a vibrant and dynamic phase of development. A series of ambitious economic reforms aimed at deregulating the economy and stimulating foreign investment has moved India firmly in the front ranks of the rapidly growing economies in the Asia Pacific region. In 1991, India embarked on a bold economic reform programme with a view to integrate its economy with the global economy and to increase with the pace of growth that had been attained by others developed nations (ECGC News, January-March 1999).

The horticulture sector was completely neglected during the first three five-year plans. In the fourth plan (1969-74), a modest sum of Rs. 34.78 million was allocated to this sector. This was enhanced to Rs. 319.56 million in the seventh plan (1985-90). Eighth plan (1992-97), was a period of turn-around, when the allocation to horticulture sector suddenly increased to Rs. 1047 million. According to Dr. H.P. Singh, Horticulture Commissioner, Government of India, the Indian Government has emphasized on production of quality planting material, expansion of cultivated area, infrastructure development and increase in horticultural productivity (Agriculture Today, October 1999). Among the several areas identified in the Horticulture sector for special emphasis, floriculture has been identified as one of the thrust areas. According to Mr. Bhaskar Barna, Secretary, Agriculture and Cooperation,
Government of India, the Indian Government is committed to the development of commercial floriculture, and has sanctioned a project at a cost of Rs. 19.9 crores to be implemented in an integrated manner to harness the potential of floriculture in India (Agriculture Today, October 1999).

The potential of floriculture had been examined by several committees, starting with a committee under the chairmanship of P.P. Trivedi, in 1988. This committee was constituted by the Ministry of Agriculture, Government of India. The committee suggested an action plan acknowledging the potential of floriculture for diversification in terms of production, employment, income and exports. As a sequel to the recommendations of P.P. Trivedi Committee, the Department of Agriculture & Cooperation, during the eighth plan launched a new central sector scheme on commercial floriculture, under which the major component was the establishment of a model floriculture center throughout the country, representing different agro-climatic zones to serve as a focal point. Floriculture was identified as the major focus of the thrust area for export, during the eighth plan (Kumar, 1999).

The new EXIM Policy 1997-2002 is quite liberal in approach and determines to help increase the export potential in the country. The new revised policy stipulates that exporters, who import duty-free capital goods, must meet their export commitments (Bhattacharyya, 1998). The important provisions of the EXIM policy which will benefit the commercial floriculture industry, are given as under:

(i) The minimum qualities of agricultural products including the floricultural products, are permitted for exports irrespective of the domestic prices.

(ii) Agriculture and allied sector Export Oriented Units / Export Processing Zones Units have been modified on positive net foreign exchange basis.

(iii) The export potential of floriculture and horticulture is unlimited. The developments in these sectors will provide & boost employment in rural areas.

(iv) The Government has assured that there will be no delay in the issue of Bank Guarantee system.
(v) Permit for import of seeds of vegetables, flowers & fruits, plants, bulbs &
tubers of flowers, cuttings, saplings, bud wood etc., granted under the plants,
fruits and seeds (Regulation of Import into India) order 1989.

(vi) Import of seeds, fruits and plants for consumption or other purposes is
permitted against a license or in accordance with a Public Notice issued in this
behalf as per the policy indicated in ITC (HS) Classification of Export &
Import items.

(vii) Though import of insecticides and pesticides not generally permitted, however,
any pesticide, insecticide, weedicide, herbicide, valenticide and miticide
which has been registered and not prohibited for import under the Insecticide
Act, 1968, and formulation shall be freely importable without an import
license.

The Cabinet note on floriculture industry prepared by the Ministry of
Commerce had been submitted to the Cabinet Committee for Economic Affairs, for
approval. The Cabinet note proposed sweeping policy changes, including retiring of
old loans alongwith defaulted amounts and penal interest. The note also suggested
that the Secretariat for Industrial approvals should treat floriculture as an agricultural
activity while according approvals as hundred percent export-oriented units, in order
to enable these units to avail the benefits on account of lower electricity tariffs and
exemption from application of Labour laws. The note also recommended that pre and
post shipment credit should be worked out on the basis of an acceptable norm based
on average annual export earnings of the previous years. In the area of power tariff
rationalization, the note stated that normative basis be worked out for consumption of
diesel by those units, and diesel be provided to them on a reimbursement basis. The
quantum of diesel to be provided to them without the payment of excise duty, would
be determined on a case-to-case basis, on the basis of data provided by the units on
exports and consumption of diesel (Floriculture Today, January 1999). The Union
budget for 1999-2000 presented by Mr. Yashwant Sinha, Finance Minister,
Government of India, extended the tax holiday benefits for operating cold chains. The
proposal provides a 100 percent tax holiday for 5 years to companies operating cold-
chain facility. The new proposal should help commercial floriculture, as inadequacy of cold chain facility is often cited as a bottleneck in floriculture exports (*Floriculture Today*, March 1999).

The other measures taken by the Government of India for promoting the development and exports of floriculture products are given as under:

**(a) Central Government Measures for Promotion of Floriculture**

(i) The import duty on some bulbs, roots, cut flowers and ornamental foliage etc., falling within Chapter 6 of the first schedule to the Customs Tariff Act, 1975, has been reduced from 55 percent to 10 percent vide notification No. 31/92 dated March 1, 1992. The Seed, tubers, bulbs, cuttings or saplings etc. for sowing / planting are exempted from the whole of the customs duty as per notification No. 265/BB-CUS dated 28.09.1988 (Agarwal, 1998).

(ii) The Government of India has allowed duty-free import of items for 100 percent EOU, in floriculture sector, including cooling equipment, power generating sets, refrigeration and air conditioning equipment and spare parts for these equipment (*Floriculture Today*, October 1996).

(iii) As per the notification No. 126-CUS/94 dated June 3, 1994, the 100 percent EOU s in some of the agricultural related activities including floriculture have been granted exemption from the requirements of customs bonding with the permission for duty-free import of specified goods for being used in connection with the production / manufacturing or packing (Agarwal, 1998).

(iv) The export oriented floriculture units can avail the benefits of duty free imports even if they export 50 percent of their production. They can sell the remaining 50 percent in the fast growing domestic market. Besides, the procedures for import of planting material have been simplified and streamlined (*Floriculture Today*, October 1996).

(v) The Ministry of Agriculture introduced a scheme on commercial floriculture with an outlay of Rs. 10 crores, covering all the 32 States and Union
Territories. The new scheme envisages establishment of 9 model floriculture centers in public sector areas at Lucknow, Mohali, Pune, Bangalore, Thiruvananthapuram, Gangtok, Ooty, Kolkata and Srinagar. The scheme also envisages establishment of 8 model floriculture units in private sectors at the same locations except at Srinagar, and 20 small tissue culture units in private sector in 20 different states and union territories. 5 post-harvest handling centers had been proposed under the private sectors in the states of Andhra Pradesh, Delhi, Maharashtra, Tamil Nadu and West Bengal. Moreover, farmers would be provided incentives for growing traditional as well as non-traditional floriculture crops in an area of 1/10th of a hectare, throughout the country (Agarwal, 1998).

(vi) Soft loans at 4 - 5 percent are available from the National Horticulture Board (NHB), upto a maximum limit of Rs. One crore for establishing infrastructural facilities like cold storage, pre-cooling units, packing & grading sheds and refrigerated transport. Subsidy is given by the Government for drip irrigation, upto Rs. 15,000 per hectare or 50 percent of the cost for drip irrigation (Raghava, 1996).

(vii) National Bank for Agricultural & Rural Development (NABARD) is also assisting entrepreneurs in setting up floriculture projects (Narasimhan 1997). NABARD has extended refinance support for forty nine percent in EOU's in floriculture sector (Floriculture Today, January 1999). The Bank's ninth plan strategy (for 1997-2001) estimated that an investment of Rs. 200 crores could flow into such hi-tech enterprises that involve institutional credit (Floriculture Today, October 1996).

(viii) The plant quarantine procedures have been streamlined and simplified to a considerable extent, to provide expeditious clearance to the import of seeds, plants, tubers and cuttings. Tissue culture consignments are now cleared within six hours and other consignments requiring PEQ are cleared within two days (Agarwal, 1998).
(ix) The Government of India has authorized the Plant Protection Advisor, Ministry of Agriculture, New Delhi, Officer-in-charge, Plant quarantine & fumigation stations and the Directors of Agriculture / Horticulture of various State Governments to issue certificates of origin in respect of horticultural exports, including floriculture products (Raghava, 1996).

(b) Establishing of APEDA and it's Role in Promoting Floriculture Production & Exports

The Agricultural and Processed Food Products Export Development Authority (APEDA) was established under the Agricultural and Processed Food Products Export Development Authority Act 1985 (2 of 1986) (Ex Imp Times, November, 1996). APEDA, established in 1986 with the aim to boost Indian agro-based products through optimum utilization of the enormous resource base of the country in terms of agro-climatic regions, fertile soil and abundant sunlight (Dube, 1999). APEDA is a multivalent agency under the Ministry of Commerce Government of India, that links Indian exporters to global markets with products besides flowers, such as fresh and processed fruits and vegetables, chutneys, guar gum, poultry, meat and dairy products, confectionary, food grains and cereals and other Indian delicacies (Floriculture Today, May 1999).

APEDA is playing an active role in boosting Indian floriculture exports with the objective of making India a leading player of floriculture products in the international market. Since APEDA is responsible for export promotion and developing of Floriculture and floriculture products, the following assistance and promotional efforts have been made for Export Oriented Floriculture units:

(i) **Scheme for development of infrastructure and services**: Under this scheme assistance is available for purchase of specialized transport units such as refrigerated / insulated vans for transport of floriculture products. The quantum of assistance under the scheme, at present is 25 percent of the cost
of the vehicle, subject to a maximum of Rs. 1.5 lakhs per unit (Floriculture Today, December 1996).

(ii) **Scheme for Development of Post-harvest Infrastructure**: Under this scheme assistance is available for setting up of facilities such as pre-cooling and cold storage units. Usually assistance is a direct subsidy up to 50 percent of the cost of the unit, subject to a ceiling of Rs. 5 lakhs (Floriculture Today, December 1996). The scheme also provides financial assistance for setting up mechanized post-harvest handling facilities and sheds for grading, sorting, quality control and packaging, and for establishing fumigation machines (Ex Imp Times, November 22, 1996).

(iii) **Scheme for Packaging Development**: APEDA in collaboration with the Indian Institute of Packaging, Mumbai, is constantly involved in developing packaging standards and design for various products. APEDA is taking steps to encourage the development of bio-degradable packaging material (Dube, 1999: 21). Under the scheme, subsidy is given to the exporters for utilizing improved packaging developed by APEDA, up to 30 percent of the cost of packaging material subject to a ceiling of Rs. 1 lakh per exporter. APEDA also assists exporters for developing their own packaging by providing a grant of 60% of the cost of development of new packaging, subject to a ceiling of Rs. 1 lakh (Floriculture Today, December 1996).

(iv) **Scheme for Export Promotion and Market Development**: APEDA provides financial assistance for; (a) Supply of product samples for test marketing, (b) Preparation of product literature, publicity material, films etc., (c) Brand publicity through advertisements, and (d) Participation in International Trade Fairs / exhibitions (Ex Imp Times, November 1996). Under this scheme, reimbursement may be made of the air freight / or the cost of samples to be dispatched to the foreign buyers, up to a ceiling of Rs. 50,000 per exporter. Separately APEDA also reimburses the cost of any brand publicity activity undertaken in foreign countries and bear up to 40% of the cost subject to a ceiling of Rs. 50,000 (Floriculture Today, December 1996: 47). APEDA also
undertakes surveys and feasibility studies for the identification and penetration of new markets and for the expansion of the product range in the existing market (Dube, 1999).

(v) **Scheme for Survey, Feasibility, Consultancy and Database**: Under this scheme APEDA assists exporters in preparing product literature and publicity material by reimbursing upto 40% of the cost. This also includes preparation of audio-visual material (*Floriculture Today*, December 1996).

(vi) **Scheme for Air Freight Subsidy**: Air Freight Subsidy Scheme for selected floriculture, horticulture products was first introduced by APEDA for the period 19.9.1993 to 31.03.1996, however this scheme was not operational during the period 1994 - 95 (*Ex Imp Times*, November 1996). APEDA re-introduces the scheme each year for selected floricultural products. The Government vide its Order No. 11/12/97-EP (Agri IV) dated 28th October, 1998 has approved a scheme for grant of air freight subsidy, by APEDA for selected floricultural products as given in table 5.1. The benefit of the same to be available for exports during the period 1.4. 1998 to 31.03.1999 (*Floriculture Today*, January 1999).

The rate of air freight subsidy for the eligible products shall be as under:

- For export to West Asia, South east Asia and Confederation of Independent States (CIS countries), at the rate of Rs. 10 per kg or 25 percent of the Air freight rate approved by IATA or one-third of the FOB value, whichever is the least.

- For exports to Europe, other than CIS countries, North America or Far East, at the rate of Rs. 25 per kg or 25 percent of Air freight rate approved by IATA or one-third of the FOB value, whichever is the least.

Subsidy shall be paid to the exporters only when a certificate of realization of foreign exchange processed has been furnished. FOB realization of the products shall be maintained in US $ terms. Subsidy shall be payable on
gross weight basis only. The items which are air freighted by special / chartered flights shall not be eligible for subsidy (*Floriculture Today*, January 1999).

**Table 5.1**

*Air Freight Subsidy for Floriculture Products, Eligibility Criterion (Financial Year 1998-99).*

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Items covered under this scheme</th>
<th>H.S. Code</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Fresh Cut Flowers</td>
<td>0631000</td>
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</table>
| 2.    | Live Plants                           | 06021000  
|       |                                       | 06022000  
|       |                                       | 06022001  
|       |                                       | 06022002  
|       |                                       | 06023000  
|       |                                       | 06024000  
|       |                                       | 06029000  
|       |                                       | 06029002  
|       |                                       | 06029009  |
| 3.    | Bulbs (including tissue culture products) | 06011000  
|       |                                       | 06012000  
|       |                                       | 06012009  
|       |                                       | 06029003  |

Source: APEDA, reproduced in Floriculture Today, New Delhi, January 1999, p. 28.

(vii) **Scheme for assistance to promote Quality Control and Quality Assurance:** APEDA has launched a Total Quality Management (TQM) Programme to assist the Indian Floriculture Industry, to focus on both, Quality Control & Quality Assurance. Highlights of the programme include, developing pre and post harvest manuals for agricultural produce, assisting exporters to install quality and Risk Management Systems (RMS), devising Pesticide Management Programme (PMP), assisting exporters to set up in-house Quality Control Labs and developing export specifications for post-harvest handling of perishable products (*Floriculture Today*, May 1999). In addition to this APEDA provides assistance in the cost, subject to the ceiling of Rs. 5 lakh. And 50 percent of the cost subject to the ceiling of Rs. 2 lakhs is provided for installing
quality assurance and quality control system such as ISO 9000 (Dube, 1999).

(viii) Research & Development: Many research gaps have been identified by APEDA. In order to bridge the gaps and to bring out need-oriented research, APEDA is in constant touch with many research institutions of repute like, Indian Council of Agricultural Research (ICAR), Council of Scientific & Industrial Research (CSIR) etc. (Dube, 1999). The research work on floriculture, which started in the late fifties/early sixties, picked up later, and now there are separate departments for this discipline in major agricultural research institutes and universities. While the emphasis on the initial years was on gardening related aspects, the thrust later shifted to commercial floriculture (Raghava, 1999).

(ix) Programme for promotion of exports to Japan: APEDA has undertaken a programme for promotion of exports of floriculture products from India to Japan in association with Japan External Trade Organisation (JETRO). In the first phase of this programme, one member delegation from Japan visited India in October 1993. As second phase of the programme, a delegation of six representatives of the Indian floriculture industry visited Japan to study cut-flowers production and marketing (Agarwal, 1998). In the first half of 1997, a Japanese delegation visited India on invitation from APEDA, to attend a seminar organized by APEDA and also to visit farms in Bangalore, Pune areas. The Japanese delegation was led by Mr. Susumu Sugiyama, Director, Japanese Cut-flower Importers Association (JCFIA). The seminar acted as a forum to bring together the Importers and Exporters. Several issues were raised by the Japanese delegation, like wrong/substandard packaging, uneven grading, damaged leaves etc, particularly by new Indian exporters. As Indian floriculture exports to Japan are on a rising trend, it was necessary to call some experts from Japan to tell the Indian exporters exactly what the buyers wanted (Floriculture Today, July 1997).
Registration of Growers / Exporters: As per section 12(1) of the Agricultural & Processed Food Products Export Development Authority Act, 1985 (2 of 1986) read with rule 9 of the Agricultural and Processed Food Products Export Development Authority Rules, 1986, every person exporting any one or more items covered by the schedule to the APEDA Act, 1985 shall apply to the Authority to be registered as an exporter of the scheduled product or products (Ex Imp Times, June 1997).

Implementation of UNDP Project: In April 1994, the Government of India signed a document with UNDP for enhancing production and export of floriculture products (Narasimhan, 1997). The project entitled "Promoting Export of Floriculture Products", is being implemented with the assistance of UNDP, through the Ministry of Commerce & APEDA. Some of the activities to be undertaken in this project include, preparation of production manuals for major cut-flowers produced in India, provide market information on a regular basis, give direct technical assistance to 10-12 exporters through international experts and holding seminars and arranging buyer seller meets (Ex Imp Times, November 1996).

Establishment of Cold Stores at major International Airports for Perishables: Six walk-in-type cold storages have been set up in Delhi, Mumbai, Bangalore, Chennai, Kolkata and Thiruvananthapuram airports. To cater to the increasing volumes, a separate dedicated perishable cargo terminal on a 5000 sq. mt. area is proposed to be set up in Mumbai (Ex Imp Times, September 1997). APEDA is setting up cold storage facilities in Hyderabad, Chennai and Thiruvananthapuram airports, to provide better supporting system for exporters of floriculture products and other perishables. The Airports Authority of India (AAI) has already earmarked about 500 sq. mt. area at Hyderabad and Chennai and 1000 sq. mt. area at Thiruvananthapuram, near respective airports for setting up cold stores. The capacity of the cold store at Hyderabad and Chennai will be 50 MT, while Thiruvananthapuram will have a slightly higher capacity
Bangalore and Delhi airports have added cold storage facility with specially designed cargo terminals for agri-products. In Delhi the cold storage facility has already been strengthened to cover an area of 1000 sq. mt., while in Bangalore an additional area of 500 sq. mt. is being provided (Ex Imp Times, September 1997). The new cargo terminal at Delhi would add about 100 MT of cold room space to the paltry 20 MT cold room space available for all perishables in the past (Singh, 1999).

(xiii) **Promotion through Export Awards:** APEDA presents Export awards for outstanding achievements to floriculture exporters, each year. For 1998, Ramesh Flowers Ltd., Tuticorin, got the APEDA award of “Silver Trophy for overall Export & Quality upgradation of Dry Flowers”. Indo-American Hybrid Seeds, Bangalore, the leading seed company in India received APEDA Silver Trophy for Export Promotion of Seeds of Horticulture Crops. Deccan Florabase Ltd., Mumbai also received APEDA Silver Trophy for Export Promotion of Cut Roses. Namdhari Seeds, Bangalore received APEDA Bronze Trophy for Export Promotion and Market Development of Vegetables and Flower Seeds. Zygo Flowers Ltd., Bangalore received APEDA Bronze Trophy for Export Promotion and Market Development of cut flowers. Sri Vasavi Florex Ltd., Bangalore was awarded APEDA Certificate of Merit for Export Promotion and Market Development of fresh cut flowers (Floriculture Today, December 1998).

(xiv) **Scheme for establishment of Auction Houses for Flowers:** APEDA has planned setting up of international market cum auction centers in New Delhi, Mumbai, Pune, Bangalore & Chennai. These centers are to be modeled on the lines of the Aalsmeer Auction House in The Netherlands. Japanese conglomerate, Mitsubishi Corporation & European consortium have been shortlisted from 31 bidders for setting up the auction centers (Floriculture Today, December 1996). In Delhi, Agriculture Marketing
Board (AMB) has been given the responsibility of setting up the auction center with 49 percent participation from AMB and 51 percent of participation from APEDA (Floriculture Today, October 1996). The Delhi project to be developed on 10 Acres of land at village Bamnoli in South Delhi, at a cost of Rs. 10 crores with all modern facilities like auction hall, receiving area, climate controlled high humidity cold storage and air conditioned grading and packing space, space for wholesale commissioned agents, ancillary services such as bouquet making and sufficient space for parking (Floriculture Today, October 1996).

Likewise for Bangalore, APEDA has tied up with Karnataka Agro Industries Corporation (KAIC). APEDA would be contributing nearly Rs. 9.26 crores (50 percent of the project cost) of which Rs. 5 crore would be in the form of equity and Rs. 4.26 crore in the form of grant. The remaining 50 percent would consist of Rs. 5.15 crore in the form of land from KAIC, Rs. 1 crore by way of share capital from South Indian Floriculture Association and Rs. 3.11 crore from the Karnataka State Government (Floriculture Today, February 1999). The auction center at Chennai is to be taken up by APEDA and Tamil Nadu State Agriculture Marketing Board at a cost of Rs. 24.02 crores. The auction center is to come up on 30 acres of land at Pallikaranai with 50 percent of the cost to be provided by APEDA, while Tamil Nadu State Agriculture Marketing Board would contribute Rs. 7.01 crore and the State Government would provide land free of cost (Floriculture Today, November 1998).

5.2 State Government’s Efforts for Promotion of Floriculture Production & Exports

(a) The Ministry of Agriculture has sponsored a Central Sector Scheme, Use of Plastics in Agriculture, during the eighth plan for the promotion of the use of plastics for greenhouse construction. Based on the scheme the
Government of the National Capital Territory of Delhi is providing 40 percent subsidy, up to a maximum limit of Rs. 12 lakh, provided the plastics are used in the construction of medium cost greenhouses, on an area of 500 sq.mt (Floriculture Today, February 1998: 43).

(b) The Tamil Nadu Industrial Development Corporation (TIDCO) decided in 1997 to establish a hi-tech Floriculture Infrastructure Park (FIP), estimated to cost about Rs. 220 crores. The FIP will be spread over an area of over 200 acres and will be located at Hosur. Hosur has been identified as the ideal area for cultivation of a wide variety of cut flowers like Roses, Gerbera, spray Carnations, Chrysanthemum, Lilies and Gladiolus. The project is aimed at overcoming the problems of infrastructure and soaring overheads, which will affect viability of floriculture units (Floriculture Today, February 1997). The FIP was designed with in-built facilities like Plant Protection, common grading, packing, pre-cooling, cold storage, plant quarantine, customs clearance etc., in one place. These facilities would also be available for the units that exist in the Hosur-Doddaballpur region. The park will be provided with facilities like land, water, technical advice, research & development, demonstration farm, laboratory facilities, guest house, commercial complex, stores for agriculture inputs like pesticides, tools, shade-nets etc. The representatives of the FIP would be placed in strategic locations of the floriculture world, like Frankfurt, Amsterdam, Japan, Singapore, Dubai etc., to ensure logical completion of the logistics chain and prompt feedback on individual products on a daily basis regarding market trends (Manivannan, 1997). With large volumes expected to be generated, air-freight rates would become more affordable. The feasibility of purchasing an aircraft exclusively for flower exports for this region, will also be examined (Floriculture Today, February 1997).

(c) The Tamil Nadu Government has also formulated a policy to boost traditional and hi-tech floriculture in the state. The State Government was to set up flower auction centers for the domestic and international markets.
The auction centers were proposed to be established in Chennai, Madurai and Coimbatore. These centers were proposed to be run by autonomous committees consisting of professionals and entrepreneurs. Improvement of link roads, connecting production units to the main roads, would be supported by the local bodies, concerned. Common irrigation facilities would be organized in the floriculture zones. Mobile units would be made available to carry out various certification and export related procedures at the production centers. This would help avoid prolonged delay at the airports (Floriculture Today, February 1997). A capital subsidy at the rate of 20 percent with a ceiling of Rs. 20 lakh was made available for greenhouse structures, irrigation and fertilization equipment, cold rooms, grading rooms, mobile refrigerated vans and mother plants etc. Sales-Tax Concessions have been provided at the rate of 3 percent on the purchases of raw materials, inputs and imported components. The floriculture units are subjected to only low-tension tariff rates. This concession is available only upto 10 hectares. In case of new units, the cases would be dealt by the Tamil Nadu Electricity Board as per the guidelines issued on the subject (Floriculture Today, March 1998).

(d) The Kerala Government prepared a Rs. 40 crore scheme for development of commercial floriculture, in order to increase the area under commercial floriculture through intensified micro-propagation of plants by tissue culture. The scheme envisaged establishment of a Model Floriculture Centre (MFC) with a tissue center unit at Thiruvananthapuram (one of the nine centers planned nationally), and also area expansion of ornamental plants. The MFC would be the focal unit for procurement and multiplication of elite varieties / hybrids for commercial use, distribution of planting material and training to farmers and entrepreneurs. The target was to increase the area under floriculture by 2000 hectares during the eighth plan period. Each cultivator would receive an assistance of Rs. 6,000 per unit of 0.1 hectare. Production and distribution of ornamental
plants was carried out in 54 farms maintained by the Agricultural Department. Important species include Roses, Orchids, Jasmine, Gerbera and foliage plants such as Philodendron, Maranta, Codieum and Aglaonema (*Floriculture Today*, November 1996).

(e) The Federation of Indian Export Organisations (FIEO) submitted in 1997 a detailed project report to the West Bengal Government for setting up a floriculture park along with a *flower exchange*, in 230 acres of land in Siliguri district of North Bengal. The on-site infrastructure for the project was expected to be created out of the funds, to be received from the Ministry of Commerce, Government of India, under the recently launched Critical Infrastructure Balancing (CIB) scheme. The proposed funding under the CIB scheme was part of the new exercise to provide incentives to encourage floriculture in the five major flower producing states of Tamil Nadu, Karnataka, Maharashtra, West Bengal and Andhra Pradesh (*Floriculture Today*, June 1997). The floriculture park would be a public limited company, with participation from financial institutions, APEDA, growers and exporters. The park would have common infrastructure such as a cold storage, grading and packing area, consumable stores, a training and trading center, water storage and dedicated power supply. The park would export Roses, Gladiolus, Lilies and Orchids, among others. The cost of the whole project was expected to be around Rs. 12 crore (*Floriculture Today*, August 1997).

(f) The Karnataka Agro Industries Corporation Ltd. (KAIC) has established a separate Floriculture Division to cater to the needs of the growing floriculture industry. Realising the need for a market, especially to deal with high quality flowers, KAIC started the India’s first flower auction center on October 15, 1995 at Bangalore, in association with South India Floriculture Association (SIFA) and Karnataka Flower Growers Marketing and Processing Cooperative Society. The auction being held thrice a week with more than 35 varieties of polyhouse grown Roses,
about 20 varieties of Gerbera, 10 varieties of Chrysanthemum, several varieties of Carnation and more than 20 varieties of Gladiolus available for auction. Apart from this, occasionally, Anthurium, Bird of Paradise, Lilies & Tulips also arrive at the auction center. The volume of transaction ranges between 20,000 to 60,000 flowers worth about Rs. 25 thousand to Rs. One lakh per auction day (Reddy, 1997).

(g) The KAIC planned setting up a floriculture park near Bangalore, where units of one hectare would be allotted to private entrepreneurs capable of cultivating good quality cut flowers. The necessary common infrastructure facilities such as roads, electricity, water, cold storage, grading and packing halls, refrigerated van facility, would be provided by KAIC. The Floriculture Division of KAIC assists various growers in the proper sourcing of inputs (seeds / plants, water soluble fertilizers, high value plant protection chemicals), which are vital for high quality flower production. The Division is importing plant protection chemicals required for floriculture units. The Floriculture Division also provides consultancy services, right from conception, design and execution in flower production; greenhouse and polyhouse construction; soil fumigation; drip irrigation and post-harvest operations etc. (Reddy, 1997).

(h) The Karnataka State Financial Corporation (KSFC), the premier finance organization in the state has introduced a scheme designed to promote Tissue Culture & Floriculture in the State. KSFC will provide financial assistance to entrepreneurs to begin the venture with ease and confidence. Any company, firm or a proprietary unit, which owns land can avail of the assistance to erect greenhouse, acquire equipment as well as initial planting material. The amount of assistance is upto 75 percent of the fixed assets cost, subject to a maximum of Rs. 240 lakhs for companies and Rs. 90 lakhs for partnership firms and proprietary units. The security margin is 25 percent of the cost of fixed assets and the repayment period is between
6-8 years with a moratorium of 1-2 years (Floriculture Today, October 1996).

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