CHAPTER VIII

SWOT ANALYSIS AND MARKETING STRATEGIES FOR EXPORT ORIENTED FLORICULTURE FIRMS
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Being highly perishable in nature, most of the floriculture products, particularly cut flowers, need to be handled very carefully during the post-harvest and transport phase. However, the concern for quality begins right at the planning and production stage. As majority of floriculture exporters are producers / growers, strategic planning and management of floriculture projects is essential. Labour productivity and total commitment on the part of management, is essential to get the best results, as floriculture is a full-time activity that needs continuous monitoring throughout the production and marketing processes. Being one of the highly perishable products, a small event of carelessness can have disastrous effect on the quality.

In the present chapter a SWOT analysis for the Indian floriculture industry has been done in the first part. The second part deals with the project related strategies for export oriented floriculture firms. In the third part, the infrastructure related strategies have been given. The fourth part relates to transportation related strategies, while in the fifth part, export related strategies have been formulated. The sixth part relates to other strategies recommended for the export oriented Indian floriculture industry.

8.1 SWOT Analysis For Indian Floriculture Industry

India’s share in the world floriculture trade is negligible inspite of its inherent advantages, such as suitable climate, abundance of good quality soil, low labour cost, government support and proximity to markets in Japan, Russia, South East Asia and Middle East countries, which have a large growing demand. Though Indian floriculture industry is growing at a fair pace, still it has to match its efforts with the capabilities it possesses and the opportunities that exist in the international
floriculture market arena, and overriding the bottlenecks that the industry faces. The fact cannot be neglected that other developing nations in Asia, Latin America and Africa, possessing similar advantages related to climate, soil, labour and infrastructural facilities and resources, are doing extremely well and competing to get a bigger bite of the world market share. It is thus necessary to analyse the corporate strengths, weaknesses, opportunities and threats that the Indian floriculture industry faces vis-à-vis other competing nations in world floriculture trade. Keeping this in mind a SWOT analysis of India floriculture industry has been performed and its details are given as follows:

(a) India’s Corporate Strengths

The Indian floriculture industry’s competitive advantages and other distinct competencies that can have a positive impact for the industry in the global market place are given as under:

(i) Climatic Conditions: India has diverse climatic regions, suited for growing a variety of flowering and foliage plants. Sunlight is available throughout the year in most of the places, resulting in lower energy costs while maintaining appropriate temperature for plant growth and flowering. According to a study by MVIRDC, World Trade Centre, Mumbai, the mild winters from November to February ensure that flower production peaks at the right time when there is a shortage of flowers in the global market, due to harsh weather conditions of European nations - the main import markets for floriculture products. While The Netherlands uses 50 tonnes of diesel per year and Israel uses 2 tonnes to warm their greenhouses. India needs no/negligible fuel to warm the greenhouses (MVIRDC, World Trade Centre, June 1995). In relation to European nations, India certainly has a clear advantage when it comes to growing flowers, particularly Roses during winters in the North and throughout the year in and around Bangalore and other areas of the South, which have a mild climate throughout the year.

APEDA has identified areas located close to major air points, for production of various floriculture products (Table 8.1). India has clear
advantage in growing Roses in areas around Bangalore and Pune / Nasik region, while Anthurium and Orchids can best be grown around Thiruvananthapuram, Coimbatore and the North East region. Bulbous plants can be comfortably grown in the foothills of Himachal Pradesh, while a host of various types of flowering and foliage plants can be easily cultivated in various regions of the country. However, India faces competition from certain South American, African and Asian nations possessing similar climatic conditions e.g., Malaysia, Thailand, Singapore, Indonesia and Sri Lanka in Asia; Kenya, South Africa, Zimbabwe and Uganda in Africa and Colombia, Ecuador and Costa Rica in South America.

Table – 8.1
Areas identified for setting up of Floriculture Projects in India

<table>
<thead>
<tr>
<th>S.No</th>
<th>Areas for production</th>
<th>Crops proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Area around Delhi, UP and Punjab</td>
<td>Rose, Carnation, Chrysanthemums and Gladiolus.</td>
</tr>
<tr>
<td>2.</td>
<td>Area around Bangalore</td>
<td>Rose, Carnation, Chrysanthemums, Gladiolus, ornamental foliage plants and seeds.</td>
</tr>
<tr>
<td>3.</td>
<td>Area around Thiruvananthapuram</td>
<td>Orchids, Anthurium &amp; foliage plants.</td>
</tr>
<tr>
<td>6.</td>
<td>Area around Calcutta.</td>
<td>Lotus, Tuberose, Jasmine, Chrysanthemums and Dahlia.</td>
</tr>
<tr>
<td>7.</td>
<td>Area around Srinagar.</td>
<td>Gladiolus Lillium, Carnation and Rose.</td>
</tr>
<tr>
<td>8.</td>
<td>Area around Solan (Himachal Pradesh).</td>
<td>Gladiolus and other bulbous plants and seeds.</td>
</tr>
<tr>
<td>9.</td>
<td>Area around Coimbatore including Willgiri</td>
<td>Jasmine, Tuberose, Chrysanthemums, Rose, Carnation and Orchids.</td>
</tr>
</tbody>
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(ii) Labour Cost: India possesses a vast resource of cheap labour, thus increasing the cost effectiveness of Indian companies in the international market. The per
day wage of an Indian labourer is as low as Rs. 80, as against a high of Rs. 3200 per day in some other countries. (Shukla, 1996). This advantage of low labour costs must be exploited fully. India can use this low cost advantage for generating cash flows to pay for know-how transformation and consultancy for floriculture projects (Reddy, 1996).

(iii) Soil and Water Resources: India is blessed with a vast area of fertile cultivated soil and availability of good quality water. Except for the Thar Desert, scores of perennial and seasonal rivers flow throughout the length and breadth of the country. These provide enough water for irrigation through channels and maintain underground water level, for pumping out water for human consumption and irrigation purposes. Commercial floriculture in India is now recognized as a lucrative business, as it has a higher potential per unit area than most of the field crops. Commercial floriculture in India has increased to around 60,000 hectares (Singh, 1999). However, area under export oriented hi-tech production is around 150 hectare (Laws, 1997). Ecuador’s hi-tech floriculture is spread around 1,000 hectares with plans to increase to 10,000 hectares within the next few years (Floriculture Today, November 1997: 38). The area under greenhouse production in Colombia was at 4,200 hectares in 1995 and in Israel at 1,052 hectares (Indian Export Bulletin, April 1998). In Zimbabwe, floriculture production under greenhouse is undertaken in 245 hectares (Haines, 1996). In South Korea, the area under floriculture production was 5,342 hectare in 1996, of which 3,274 hectare is under greenhouse covers (Jeong, 1998). As compared to other developing nations, India’s hi-tech floriculture is still in an infant stage and has a long way to go.

(b) India’s Corporate Weaknesses

The weaknesses that inhibit India’s floriculture industry in gaining a distinctive advantage in the international market place are given as under;

(i) Transportation Bottlenecks: As floriculture products, particularly fresh cut flowers and cut-foliage are highly perishable in nature, the transit time from
the farm to the ultimate consumer should be as short as possible. The price realization particularly in overseas auctions depends upon the quality of flowers as received at the port of destination, with consideration of larger size, undamaged buds and foliage, freshness and a longer shelf life. Indian exporters face problems like non-availability of cargo space in major international airlines during peak seasons, resulting in delayed dispatch of consignments to different destinations and thus losing credibility of Indian floriculture exports. Most airline operators prefer other heavy consignments in comparison to floriculture products, which are more voluminous.

Also, if substantial quantities i.e. 500 kg or more of floriculture products are not available for overseas dispatch, the costs of transportation go up. Costs of transportation work out to approximately Rs. 2.50 per flower or Rs. 70 – Rs. 80 per kg for consignments above 500 kgs. And Rs. 120 or 80 for consignments below 500 kgs (MVTRDC, World Trade Centre, June 1995).

Further, India pays more air freight than other developing nations like for example, Kenya. Both India and Kenya require the same non-stop jet-air-time (about 9 hours) to reach Amsterdam. However, Kenya pays lower air freight than India. This has been possible due to combining of the flower air cargo at the Nairobi airport for the passenger airlines or by renting a charter flight. Spare cargo space in the passenger airline on route Mumbai to Amsterdam, is in greater demand than the cargo space on the route Nairobi to Amsterdam, thus Indian exporters pay more (Apte, 1998).

(ii) **Lack of Infrastructure Facilities:** The Indian producers / exporters face problems related to infrastructure, the most common being lack of cargo handling space for perishables at the major airports. Sometimes the exporters have to keep their refrigerated vans operating for hours till the cargo authorities accept the consignment. Another problem related to infrastructure is lack of proper maintenance of interior roads i.e. from the farms to the main high ways. Due to bad roads, floriculture products, particularly cut flowers get bruised on the way from the farm to the airport, thus resulting in poor price
realization and losing credibility in the eyes of the importers. The Government of India is doing much in this direction, by increasing cold room space at major airports, but much has to be done.

(iii) **High EU – Duty on Indian Floriculture Exports**: Indian floriculture products attract a high customs duty, when exported to European Union nations. A duty of 9.6 to 13.6 percent is levied in EU on Indian flowers, depending on the season (*Profile on Floriculture*, APEDA). Thus, this selective imposition makes Indian products uncompetitive in relation to other developing and least developed nations. The 10 ACP (African, Caribbean and Pacific) nations, the 10 Central and South American nations, the non-ACP least developed nations, European overseas nations and territories, Turkey and Malta pay no duties on flowers exported to the EU. There are also some nations like Israel, Cyprus, Jordan & Morocco, that enjoy full GSP benefits and pay no duty, but are subjected to quote restrictions on the basis of preferential bilateral arrangements with the EU (*Indian Export Bulletin*, March 1997).

(iv) **High Cost of Technology**: Indian growers / exporters have to pay a high royalty on planting material (particularly Roses) to the international plant breeders. The life period of most of the Rose plants which Indian companies import is 5 years and consumer preferences in the importing nations continuously undergo a change. Thus, Indian growers / exporters need to keep pace with the changing requirements and specifications of the import markets. The costs keep on increasing as the growers continuously have to invest in new varieties and pay royalty to international breeders. Indian growers have to import expensive chemicals for pest management and disease control, specialized equipment for greenhouses and consultancy, all these putting together increase the cost of production of Indian flowers.

As the Banks and Financial institutions had little experience in funding floriculture projects, to be on the safe side, they insisted that floriculture firms tied up in foreign collaborations. The foreign firms persuaded Indian partners
to source greenhouses, equipment and planting material through them, besides charging huge consultancy fees. Of late, there has been a debate over the issue of whether the Dutch technology really suited Indian conditions or the Israel technology, which is claimed to have more experience in Indian climatic conditions as it has a climate similar to India's. In India infrastructure and support industry is coming up as some small firms have started fabricating greenhouses to company specifications and suitably to Indian climatic conditions. However, much research has to be done in the area of developing planting material, so that India could produce exquisite flowers to suit consumer tastes and trends in the world market.

(c) Global Opportunities for Indian Floriculture Industry

The global opportunities collectively comprise of an attractive arena for an export-oriented industry, to enjoy competitive advantages. The Indian floriculture industry possessed with the following opportunities, can gear up to compete with the upcoming and existing players in the global arena:

(i) Proximity to Overseas Markets: India has easy access to developed and upcoming markets for floriculture products, in the South East Asia, East Europe and the Middle East. Since the East European nations are undergoing economic changes, India can foresee the growth of a potential market in these nations. India has close proximity to South East Asian, Central Asian and Far East nations like Japan, Hong Kong, Malaysia, Singapore, Taiwan and China. These nations import a considerable amount of floriculture products from India. Other existing import markets for Indian floriculture products, which are geographically close to India include Russia, Middle East nations like UAE, Saudi Arabia, Yemen and Oman; southern hemisphere countries like Australia and New Zealand and the SAARC nations like Sri Lanka, Maldives, Pakistan & Nepal.

(ii) Support from the Government: After liberalization, the Government of India identified floriculture as a sunrise industry and accorded it 100% export
oriented status. The Government of India has taken several steps to boost the export of floriculture products, these include:

- Provision of soft loans for setting up grading / processing centers, auction platforms, quality testing equipment etc.
- Providing financial assistance to exporters / growers / cooperative societies for development of infrastructural facilities, such as purchase of refrigerated vans, establishment of greenhouses / pre-cooling units / cold storage facilities. The Government of India is working with the industry for development of a cold chain to ensure the delivery of products in perfect condition, at their destinations.
- Granting financial assistance for improved packaging and strengthening of quality control.
- Arranging promotional campaign, such as buyer-seller meets and participation in important international fairs, flower shows and exhibitions.
- The plants, fruits and seeds (Regulation of Import into India) order, 1989 known as the New Seed Policy has already made it feasible to import planting material of international varieties and standards (Floriculture Today, May 1997).
- APEDA – a Government body responsible for export promotion and development of floriculture and floriculture products, is implementing a project for enhancing production and export of floriculture products, with the assistance of UNDP (Export-Import Times, November 1996).
- APEDA grants Air Freight subsidy for export of fresh floriculture products at the rate of 25 percent of the IATA freight rate for perishables or Rs. 10 per kg for export to Europe, USA, Canada and South Africa or Rs. 6 per kg for export to West Asia and South East Asia (Ram, 1998).
- Setting up of integrated cargo handling and cold storage facilities at various international airports. Recently the new terminals for
agricultural produce have come up in Bangalore and Delhi. The new
terminal has added on about 100 MT of cold room space from past
level of 20 MT space for all perishables (Singh, 1999).

(iii) Demand and Supply Gap: According to a study done by VEK Consultancy
Group of The Netherlands, the annual world consumption of cut-flowers is at
US $ 25 billion and ornamental plants at US $ 15 billion. International
competition is stiff, and the industry is growing at 10-15 percent. But, current
production facilities have failed to meet demand (Shukla, 1996). During
winters, Europe has little production and that too under glasshouse with
artificial heating arrangements, resulting in large energy costs. During winter
months, European nations are almost wholly dependent on flowers from South
Asia, Africa and South America. Moreover, the demand for floriculture
products has been increasing steadily throughout the world. The Flower
Council of Holland has made a study of 23 key flower-consuming nations. As
per the projections, the flower and plant consumption will increase 14 percent
by the year 2000, from US $ 36 million in 1995 to US $ 42 million in 2000
(Flora Culture International, February 1997). Though the global floriculture
industry is growing at a faster pace, still scope exists to bridge the demand and
supply gap.

(iv) Corporate Entry of Big Houses: Corporate houses in India have understood
the commercial benefits of entering this industry and have adopted the hi-tech
cultivation of ornamental plants and flowers inside modern greenhouses. The
major business houses that have entered this sector include the Tatas, Essar,
B.K. Birla, RPG & EID Parrys. The entry of corporate houses signals a drive
towards professionalism and availability of finance.

(d) Environmental Threats

The challenges posed on the Indian floriculture industry by unfavourable trends
and developments in the environment, can lead to erosion of corporate position in
the international market. The following threats have been identified:
(i) Increasing Competition from Developing and Least Developed Nations: Due to problems of increased cost of production, faced by the developed nations, new production centers have emerged in Asia, Africa and South America. These are Kenya, Zimbabwe, South Africa, Uganda, Zambia & Morocco in Africa; Colombia, Ecuador, Peru & Costa Rica in South America, and Israel, Thailand, Singapore, Malaysia, South Korea, Taiwan, Philippines and Sri Lanka, besides India in Asia. India has to face stiff competition with these and other developing and least developed nations like Jordan, Cyprus, Turkey, Malta, etc., which get special EU treatment in the form of quotas and exemption in duties on their products.

(ii) Natural Calamities and Disasters: Floriculture projects in India can be affected by natural calamities like Dust storms in North Indian plains, cyclonic storms in the coastal plains and extra cold and foggy conditions in North India, during the winter season. Seasonal rains during winter months increase the risk of disease attack on flowering plants.

After a thorough analysis of the Strengths and Weaknesses of the Indian floriculture industry, keeping in view the Opportunities and Threats that lay for the industry, the following strategies have been formulated:

8.2 Project related Strategies
(a) Careful Planning of Floriculture Projects

For an export-oriented project, quality standards are one of the most important factors for success in international markets. The project set-up should be such that all the risks associated with quality production are minimized to the lowest extent possible, even if one has to invest a little more towards management of quality standards. In floriculture projects, a variation in investment in the project set-up has very little influence on the internal rate of return. Because, it is the production costs, post-harvest handling costs, transportation costs and overseas marketing and handling costs, that are the factors, which determine the viability of export-oriented units.
It is most important for entrepreneurs in floriculture industry to first determine which plant species is best suited for a particular region, in order to avail the full advantage of natural climatic and soil conditions. Next, while planning to locate the unit, it is important to consider whether the particular location has easy connectivity to international airport; the existence of infrastructural facilities like good roads, which connect the farms to the main highways; fair availability of power supply, and support from the State Government towards creation of infrastructural facilities like Floriculture Infrastructure Parks and Flower Auction Centers etc.

(b) Economies of Scale

The size of the farm plays a very important role in the profitability and viability of floriculture units. Infrastructure facilities like packing & grading halls, pre-cooling units, refrigerated vans and cold-store rooms constitute a major portion of the total project cost. An increase in the farm size can be done upto the level where the capacity of these facilities reaches the maximum utilization limit. Thus the efficiency of a floriculture farm goes up with its size. A reasonable size also enables an exporter to make a consistent supply to the overseas markets.

In The Netherlands, many small floriculture units faced closure, as they could not keep pace with the new developments and environmental regulations, and were unable to make necessary investments. The present tendency in The Netherlands is to increase the size of the farms, either by taking over new farms or by expansion of the existing ones, as only the large farms with professional management are able to survive, in the long run. In Africa, Colombia and Ecuador, most of the farms are big and producing on a mass scale. These farms are owned by European or American companies, which are run by professional managers from Western Europe (Witmer, August 1997: 20).

As per the questionnaire relating to this research study, the responses indicate that the minimum viable size of a floriculture unit should be 2-5 hectares. There is no specific standard relating to the size of a floriculture unit. The existing export oriented units are unable to take out any budgets to support marketing expenses,
while majority of units are under-utilising their post-harvest handling, refrigerated transport and administrative infrastructure. According to Mrs. Nancy Laws (July 1997: 4), an international Floriculture Marketing expert from USA, the minimum size of a floriculture unit that can justify marketing expenses is 20 hectares. Even through such a large area may not be affordable for one single project, however if floriculture projects come up in clusters, they can share common infrastructure facilities to minimize the production costs.

(c) Selection of Suitable Plants / Varieties

India has varied agro-climatic regions, from the extreme hot and dry like Rajasthan to the extreme cold like the foot-hills of the Himalayas. Each and every plant cannot thrive well in all the regions. In order to exploit the advantages of nature, only those plants / varieties should be grown, which are best suited to that particular region. This will save considerably on the production costs. Many floriculture units are clustered around New Delhi, for proximity to the international airport and mostly Roses are grown under greenhouse covers. The climate for Roses in and around Delhi, is not as suitable as that of Himachal Pradesh in the North and Pune / Nasik region in the West or Bangalore in the South. Wrong selection of plant species / varieties for projects which were primarily located just to have a close proximity to the international airport, and ignoring other important factors relating to floriculture production, has resulted in many firms becoming unviable and ultimately they have to be closed down, particularly in North India. The reason being that firms were not able to match high costs with the meager profit or sometimes a loss from overseas realizations. It is time for Indian exporters to assess and realize which particular plant varieties they can competitively produce and how best they can take full advantage of the opportunities that exist for them.

Most of the Indian firms engaged in export oriented floriculture production grow Roses under greenhouse covers. A few firms have taken up production of other high yielding crops like Gerbera, Orchids, Anthurium etc., under climate controlled greenhouse covers. The energy costs of operating climate control
equipment inside hi-tech greenhouses run into lakhs of rupees. In order to compensate for the costs, floriculture firms should also undertake open field cultivation of improved varieties of those crops that grow naturally in that particular region. Floriculture crops like Gladiolus, Chrysanthemum, Bird of Paradise, Solidago and many varieties of Summer flowers can be conveniently grown to perfection in open fields, in many parts of India. Indian growers should offer novel varieties to the international market, instead of supplying the common varieties, which had in the past been sold by the foreign collaborators to the inexperienced Indian entrepreneurs. Indian exporters should continuously monitor the trend in international auctions and the R&D activities going around the world. Indian exporters can cooperatively source the latest varietal collections of planting material and always try to aim at the premium market.

(d) Commitment towards Productivity

Export oriented floriculture production is a hi-tech activity, under climate controlled greenhouses, that requires a high level of commitment on the part of labour as well as the top managers / entrepreneurs. Floriculture activity requires continuous monitoring during production as well as during post-harvest handling and transportation. This is because floriculture products, particularly cut flowers are highly perishable in nature and are easily affected by any variations in temperature, water availability, humidity, attack of pests and diseases, and suffer from bruising due to improper handling during grading & packing, and during transportation.

In floriculture, there is no room for postponement of work. If a work is delayed by a day, it means a disaster tomorrow i.e., if a pest is detected in the evening, one cannot wait till morning to carry out plant protection measures. Thus important tasks like spraying, pruning, harvesting and packing, cannot be postponed even by one hour. For a successful floriculture venture, it is important that the labour should be committed to their tasks and the managers should closely monitor the quality standards during various operations. It is very
important that managers should be well versed with all the operations in floriculture, and able to lead the team effectively and boost its morale.

In The Netherlands, success in floriculture has come because the owner along with the family, work daily on the farm and are the driving force in their company (Witmer, 1997). Mr. Alan Higginson (1999), a UNDP Consultant to the Government of India, under a scheme to promote floriculture, advises production managers to occasionally inspect the crops at night under torch-light. This is because a lot of pests, which go into hiding during day time, often come out in the open during night and can be easily detected and controlled in nights.

(e) A Diverse Product-line

India mainly exports Roses, even though other high value crops like Orchids, Carnations, Anthurium, Chrysanthemums etc., can successfully be grown under Indian climatic conditions. This is because Rose is the most traded flower in international markets and the Dutch, French & Israeli collaborators offered Rose projects and arranged Rose varieties from Breeders or their agents. Indian growers have to pay high royalty for the patented Rose varieties. Further, in the event of an over supply of Roses in the major markets, Indian exporters suffer due to the low price realizations. Thus, there is a need to diversify to other flowers, apart from Roses. Chrysanthemums, known as the holy flower in Japan is grown in some 5000 hectares, but still a large demand exists, as there is no out-door production in Japan, during the winter months (Witmer, 1997). This is the time when Chrysanthemum production is maximum in India. Japan is the largest importer of orchids, however, Indian floriculture industry is yet to tap this segment (Laws, 1997). Indian exporters should take on other high yielding crops apart from Roses, like Orchids (particularly Cymbidium), Gerbera, Solidago and Chrysanthemums, for which the demand has been found to increase in the Dutch auctions over the past years.

The coastal region of the Indian Peninsula has the natural advantage of growing Anthurium under natural / artificial shade. Firms should take up large-scale cultivation of the improved varieties of these highly priced flowers.
Carnation, which is a one-year crop, holds a good potential, as it requires short-term investment and commands a good price at international markets. Gerbera, Bird of Paradise and various cultivars of Lilies can easily be grown in various parts of India. These flowers have a good demand in overseas markets. A number of so called *Summer flowers* can be easily grown from seeds in open fields, during the period September to May. Some of the promising *Summer-flowers* are Achillea, Trachelium, Gypsophila, Molucella, Carthamus, Limonium, Aster, Astilbe, Celosia, Eryngium, Hypericum and Solidago. In Europe, *Summer flowers* are used in bouquets, which normally comprise of 3 leading flowers (Rose, Chrysanthemums and Carnation), Alstroemeria, some 5-6 *Summer flowers* and a few cut-greens, as fillers (Witmer, 1997). India has good climatic conditions to grow a large number of foliage plants, which are in great demand in the European markets, particularly Ficus species, Dracaena, Aglaonema, Dieffenbachia, Philodendron, Agave, Kalanchoe etc.

**(f) Commitment towards Quality Management**

Price realization of floriculture products, particularly cut flowers depend largely on the quality of the produce, when it reaches the import market / auction center. Being a product of highly perishable nature and extremely sensitive to climatic variations, cut flowers are handled most carefully in a scientifically determined manner, after they are harvested. The quality of flowers at the time of harvest is maintained as such throughout the post-harvest handling operations such as conditioning, grading, labeling, packing, storage, pre-cooling and throughout the transportation phase. Carelessness on the part of a few, during these operations, downgrade the flowers from grade “A” to grade “B”, and the whole consignment suffers by as much as 30% price drop (Laws, 1997). The common problem associated with inefficient handling during the post-harvest and transportation processes are, bruising of flowers / buds, damage to foliage, geotropic bending of flowers, deposits of plant protection chemicals on the foliage and de-hydration of flowers and foliage.
In Kenya, 90 percent of the Roses exported to European markets are quality-wise perfect. They grow Roses in open fields, but still command a better quality image than Indian Roses (Mirakhur, 1998). According to Mr. James Reece, Manager, Imports, Flora International Company Ltd., Japan, Indian exporters need to be more honest when it comes to quality. During his visit to India, along with a Japanese delegation in 1997, Mr. Reece cautioned Indian exporters not to mix quality flowers with substandard ones, as any single bad flower may lead to downgrading the whole lot, as the buyer remains no more sure of what is inside. He specifically pointed out that some companies do not grade strictly as per stem length and keep a margin of 5 cm, which is not acceptable to Japanese markets (Floriculture Today, July 1997). If Indian exporters have to sustain their business in the overseas markets, they must ensure that every possible caution has been taken by them in maintaining quality standards, and they send only the best flowers abroad. Indian exporters should keep it in mind that they have to cater to the premium market only, and then work hard towards achieving their goals.

(g) Cost Saving Efforts

According to a study by NABARD, covering 16 rose units, seven of which had established greenhouses with indigenous technology, while the remaining had collaboration with Dutch & Israeli firms for erection of greenhouses. The analysis of the updated costs (1996-97 prices), revealed that the project cost per hectare was Rs. 209 lakhs for units with indigenous greenhouse and Rs. 325 lakhs for units with imported greenhouses. No decisively superior advantages were observed in units with imported greenhouses, either in terms of greenhouse environment or with regard to productivity (Floriculture Today, January 1999).

The NABARD report further added that the project cost also rose due to locational differences. In comparison to Bangalore / Pune, which needs simpler greenhouse structures, the units located at Haryana / Punjab required 40 percent more costs due to additional cooling & heating equipment. The plant material cost per hectare varies within a range of Rs. 43 lakhs to Rs. 60 lakhs. The cost of plant material and the greenhouse construction are the two major components,
accounting for about 60-70 percent of the total project cost (Floriculture Today, April 1999).

Cut flowers can be grown from the foot-hills of the Himalayas to the hot region like Rajasthan, however it is the input costs that make all the difference. Floriculture entrepreneurs must realize that low input costs are the key to the viability of export oriented floriculture units. Therefore, it is advisable to select ideal climatic regions like Pune, Bangalore, Hyderabad and a part of Southern and Western Maharashtra, which do not require additional greenhouse accessories. Growers in a particular region can cooperatively avail of infrastructure facilities like pre-cooling chambers, refrigerated transport and air-cargo space, in order to save on the operational costs. In response to the questionnaire relating to this research study, Mr. Ali Mohamed, Vice Chairman & Managing Director of Bangalore based Goodwill Technologies Ltd., feels that the Bank interest rates should be brought to the international level, so as to make the industry economically viable.

(h) Adoption of New Technologies

Floriculture entrepreneurs, particularly those who aim for the overseas markets, should be innovative in adopting new technologies. They should have a long-term vision and should not go only for the immediate gains. The successful floriculture firms in The Netherlands are the ones who invest in new technologies, take risks of growing newly introduced varieties, have their own marketing arrangements, keep pace with technological developments and invest a considerable amount on research activities at their farms, in order to avail innovative advantages (Witmer, 1997). Thus, Indian firms should keep pace with technological developments that are taking place throughout the globe, in order to successfully compete and grow. Indian firms can cooperatively establish research and development centers and can take useful services of a vast resource of scientific experts available in India. These research centers should undertake need-based research work, particularly in the fields of production technology,
planting material, post-harvest handling of flowers, cold chain linkage and plant protection.

(i) Careful Monitoring Post-harvest Handling

Floriculture exporters should pay more attention to the proper training of post-harvest handling and packing staff. Inefficient handling and improper packing results in bruising of flowers. Each of the processes during post-harvest handling should be carefully monitored, as one wrong step results in downgrading the whole consignment, at the importers end. Proper conditioning helps the flowers remain turgid and increases the shelf life. Grading is the second most important step and should be strictly adhered to the international norms. The third most important handling operation is the proper packaging, which should follow packaging norms of individual markets. Packaging should be strong enough to withstand handling during transportation and should have labels with directions to keep it upright, as many flowers bend due to geotropism. It is necessary for exporters to make sure that the packaging complies with the waste management policies in the target markets.

Mr. James Reece, Manager Imports, Flora International Co. Ltd., Japan, during his visit along with a Japanese delegation to New Delhi, complained that Indian growers even put smaller stemmed roses in high stem length bunch. On the other hand, he gave an example of Colombia, where an 80 cm stem rose normally has 83 cm, leaving 3 cm extra to be cut. Mr. Sugiyama, Director, Flora International Co. Ltd., Japan, asked Indian growers to form some sort of association and develop a grading system, which shall grade flowers as per international norms (Floriculture Today, July 1997). It is thus very important that any carelessness during grading should be strictly avoided and a better image of Indian flowers be built for a perspective period.
8.3 Infrastructure related Strategies

(a) Infrastructure Development and Quality Standards by the Exporters

Floriculture firms located in a particular region can cooperatively work towards establishment of infrastructure facilities, rather than blaming the Government of not doing anything to solve their problems. Growers should work together and try to find creative solutions to their problems. Some State Governments like Tamil Nadu, West Bengal and Karnataka are actively undertaking works relating to establishment of Floriculture Infrastructure Parks & Flower Auction Centres at some particular regions. But firms located in other regions and States should work closely to establish such facilities like common grading & packing halls, pre-cooling units, refrigerated transport and cold storages, so that there is full capacity utilization of these infrastructural facilities and the overhead and transport costs are minimized to the best possible extent. The growers in a particular region can establish small cooperative centers / wholesale markets. In The Netherlands and Japan, a number of such cooperatives have developed into large auction centers. The auctions attract a large number of buyers, as they have a wide range of floriculture produce i.e., flowers, foliage, pot-plants etc.

Quality is the keyword for competing in the global market. Indian floriculture firms need to follow a cooperative approach in maintaining quality standards at their farms and throughout the post-harvest and transport phase. Growers can form groups and organize monthly sessions in each other’s farms and bring about new ideas towards Total Quality Management. They can learn from each other’s experiences and jointly seek solutions to their problems. In response to the questionnaire relating to this research study, Mr. Ramesh Poojary of the Lonavala based Essar Agrotech Ltd., feels that Indian growers should cooperatively monitor quality and packaging standards, and export through the cooperative. In response to the questionnaire Mr. K.V.N. Murthy, President, Sri Vasavi Florex &
Industries Ltd., Bangalore, suggests that every grower and exporter of flowers must improve the quality and adhere to international quality standards. He calls upon growers and exporters to follow APEDA's slogan, *Improve Quality – Boost Exports*.

**(b) Formation of Committee for Project Implementation & Maintaining Quality Standards by the Government**

The potential of floriculture in India has been examined by several committees, starting with a committee under the chairmanship of P.P. Trivedi in 1988, constituted by the Ministry of Agriculture, Govt. of India (Kumar, 1999). But floriculture firms are not very much satisfied with the results and the manner in which projects are being implemented and promotional activities are being undertaken. The dissatisfaction is particularly with regard to infrastructure, R&D, availability of inputs and subsidies.

It is thus proposed that a committee under the Ministry of Commerce should be constituted, having Agriculture Marketing experts, members from the floriculture industry, floriculture scientists, and representatives from the Customs and the Airport Authority of India, on its panel. The committee should review the implementation of various projects and promotional schemes, and occasionally meet to assess the results and make perspective plans. A Government body could be constituted to monitor the quality standards in export oriented floriculture units, so that all the units start producing quality flower and plants, conforming strictly to the international standards and to increase the overall image of Indian floriculture products in overseas markets. In response to the questionnaire relating to the research survey, Mr. Atul Vashisth, Managing Director of New Delhi based Samak Farms & Nuseries, strongly feels that the Government should set up R&D facility in collaboration with the growers, so that need-based research could be undertaken. Mr. Vashisth emphasizes that Agriculture Universities should provide practical training to students, in commercial floriculture.
8.4 Transportation related Strategies

(a) Quality Maintenance during Transit & Cold Chain Linkage

Cut flowers are one of the most highly perishable commodities and their shelf life deteriorates by every passing hour. Thus, floriculture exporters should ensure that the transportation phase up to the target market is as short as possible. Air cargo space should be booked well in advance, so that the storage period at the airports is minimised. Floriculture exporters in a particular region can cooperatively pursue the State Governments for the upkeep of roads from the farms to the airport, so that easy transit is possible and flowers are not bruised due to bumpy roads.

According to Mrs. Nancy Laws (1997), a small bruise on an “A” class rose may push it back to “B” class, which results in a drop of price, by as much as 30 percent. She suggested that the Farm managers should take precautions to avoid quality loss, such as not to bring a car or truck near the storage-place of flowers, as the ethylene gas released by these vehicles cause damage to the flowers. Airports are yet another place with plenty of ethylene released by aeroplanes. Thus, it is emphasized that flowers be kept at the airport for as much minimum a period as possible. Further, during the cold storage at the airport, flowers should be well separated from other perishables like fruits and vegetables. The fruits are more hazardous to flowers as they respire too vigorously.

(b) Reduction in Transit Time

Time is a vital factor and all operations are time bound. India’s first Prime Minister, Pandit Jawahar Lal Nehru once said that anything can wait, but agriculture cannot wait, as it is seasonal and time bound (Venkataratnam, 1997). This applies equally to the commercial floriculture of the present times. One of the most perishable of the high value horticultural crops, cut flowers have specificity in their harvesting, post-harvest handling and transportation. The market losses of cut flowers in India, due to inefficient post-harvest handling is estimated to be around 20-40 percent (George, T., 1999). The longevity or shelf life of a flower is a genetically determined factor. Flowers like Orchids or
Anthurium have a large shelf life but most of the other flowers, particularly summer flowers have a very short shelf life. In order to increase the shelf life and reduce the post-harvest losses, it is necessary to reduce the transit time, so that the flowers reach the final customers in their best form.

Exporters generally face problems like inadequate cold-room space at the airports or non-availability of cargo space in major airlines. In order to make the system quick and efficient, exporters should pursue the Government to depute officials round the clock, particularly for perishable cargo, at the airports. Currently the cargo is accepted during the normal timings, and the complex is closed in the evenings. This not only hampers quick movements arriving in a day but also creates storage problems. Indian Government should follow the model from The Netherlands, Colombia or Ecuador, as these countries have a very good export cargo movement and are very successful in perishable commodity exports (Laws, 1997). Delays and cancellations of flights are also a cause of worry for Indian exporters. Moreover, airlines are also reluctant to pick up voluminous cargo, like flowers, as it does not give the kind of return to the airlines as the other heavy cargo gives. This would obviously require certain changes in the legislation, in order to effectively compete with other fast developing nations. However, Indian exporters should try to avoid indirect flights and book airspace well in advance.

8.5 Export related Strategies

(a) Up-to-date Information on International Requirements / Regulations / Trends

In order to be competitive for the global market place, Indian exporters need to keep themselves abreast with the latest information relating to:

- International regulations, particularly with regard to product and packaging specifications.
- Environmental regulations, particularly information regarding prohibition in the use of certain chemicals for plant protection / fumigation.
- Customs regulations of the major importing nations and amendments thereof.
- Consumer profiles, behaviour, trends, life style / living standards and general economic conditions in the major importing nations.
- Varietal demand and turnover at the major international auctions.
- Current statistics of the world trade and the strengths and weaknesses of the competing nations.
- Schedule of the major floriculture trade fairs and exhibitions, held world wide.
- Latest developments in floriculture research, introduction of new commercial varieties and assessment of their potential demand in international markets.

Floriculture exporters can maintain contact with official information sources in the concerned importing nations. Exporters should also maintain contact with the Economic Development & Trade Promotion offices in various Embassies. The responsible officers in these embassies have in addition to their other responsibilities, that of providing the most recent texts of the relevant regulations to the attention of the exporters. In response to the questionnaire relating to the research survey, Mr. Vijayan N.G., Director of New Delhi based UT Agro Products Ltd., believes that Strategic Management of demand and supply can improve the price realizations at international auctions.

(b) Exploration of New Markets

Indian exporters have to pay 9.6 to 13.6 percent import duty when they send the flowers to the European Union markets (Profile on Floriculture, APEDA). Most of the Indian floriculture firms send their produce to traditional European markets, particularly The Netherlands, UK and France. Industry experts in the EU are optimistic that developing nations like India have the potential to become major players in the EU market. However, they strongly feel that in order to achieve a high degree of success in market penetration, Indian exporters must directly target all the major markets like Germany, instead of routing their products to these markets through The Netherlands (Floriculture Today, March 1997). Indian exporters have to face an unfair tough competition from the established players in floriculture trade, like Colombia, Kenya, Ecuador, Zimbabwe and Israel. All these nations pay no duties on flowers exported to the
EU, only Israel is subjected to quota restrictions, otherwise it also enjoys full GSP benefits and flowers are exempted from import duties (*Indian Export Bulletin*, March 1997).

Thus, Indian floriculture firms must explore new markets. Japan is increasingly becoming an important market for Indian roses, orchids and chrysanthemums. The Gulf market can also be aggressively tapped by Indian producers, currently it is being catered to by The Netherlands and East Asian countries. Russia and the East Europe nations are becoming an important growing market for floriculture products. The southern hemisphere nations like Australia, New Zealand and South Africa can be catered to successfully, as the flowering seasons of these countries greatly differ with India.

(c) **Formation of Exporter’s Cooperatives**

Indian exporters in a particular region should cooperatively market their produce under strict quality control, through a common brand name, and try to build a long-term brand image and market share for their products. Export oriented floriculture units in a particular region can cooperatively use infrastructural facilities like, pre-cooling units, grading & packing halls, cold storage and refrigerated vans, to benefit from the economies of scale. Exporters can also jointly book air-cargo space, and during peak demands, can also charter planes to the main markets.

Indian exporters can cooperatively target important auctions in Germany like:

- **NBV. Niederrheinische Blumenvermarktung eG. Hammer Landstrasse 103, 41460 Neuss, Germany**
- **UGA. Union Gartenbauliche Absatzmarrkte Niederrhein. GmbH. Hans-Tenhaefi-Strasse 44, 47638 Straelen, Germany**

Indian exporters should offer high quality products at the major trade fairs and auctions in Germany, which in turn would help them get into the choice set of the German (importer) wholesalers (*Floriculture Today*, April 1997). The major French auctions that Indian exporters could use in penetrating the French market, include;
Auctions in France are gaining importance as being very useful for mass-exporters from developing nations (Floriculture Today, June 1997). Access to the Hong Kong market, the third largest in Asia after Japan and Singapore is comparatively easy. There are no restrictions on imports and exporters are not required to pay custom duty or produce phyto-sanitary certificates. All the Indian exporters need, to penetrate this market, is to establish high quality standards and competitive pricing policy (Floriculture Today, December 1996).

In response to the questionnaire relating to the research survey, Mr. Ramesh Poojary, Dy. Manager, Essar Agrotech Ltd., Mumbai, strongly feels that Indian floriculturists should form a cooperative and export through it. However, Mr. Poojary further adds that the growers are trying to market their produce individually, without looking at the benefits of common brand / collective marketing. Mr. Poojary believes that consistent quality and continued supply form the very basis of successful marketing and create a sense of reliability with the importers. Responding to the questionnaire, Mr. Vijayan N.G., Director of New Delhi based UT Agro Products Ltd., feels the need for cooperative marketing, which is a must for the survival and growth of the Indian floriculture industry.

(d) Promoting Common Brand Name

Israeli producers comprising more than 2500 are mainly small growers, who cooperatively export flowers to major European nations like UK, Germany, France, USA, Switzerland, Sweden, Norway, Japan, Finland, Italy, Spain and other nations. These flowers are marketed by Agrexco Ltd., under the well-established brand name, Carmel. During the period October 1996 to September 1997, US $ 50.1 million worth of Israeli flowers were marketed to the above mentioned nations under the Carmel brand, which constituted 18.6 percent of the total exports of flowers from Israel, during this period (Vliet, 1998). In the past Indian exporters have faced problems relating to price realizations, particularly
when some of the growers sent sub-standard flowers to the major markets and Indian products got a bad name. As some of the non-serious players tarnished the image of flowers coming from India, the importers gave Indian flowers a backseat at the international auctions. As a result the more serious players in the industry suffered due to the negative acts of a few.

It is thus proposed that the genuine players should come under a common umbrella, form an association and promote their flowers under a common brand name. With regard to quality there should be no compromise and the association members should strictly adhere to the grading and packaging standards. The association should work towards building a long-term brand image and aim at the premium market, with a consistent supply of high quality products. The association should continuously search for new markets and promote their products at the major floriculture trade fairs and exhibitions, organized globally. Trade Fair participation is regarded as crucial in penetrating the French market. The major trade fairs are;

- Florrissimo, (Cut-flowers, World Orchid Festival) held every 3 years.
- Parc des Expositions et Congres de Dijon, 3, Cedex, France, held annually.
- Hortiflor (Florist’s trade fair), held annually.
- BEPP – Bureau European de Presse et de Publicite, 44, avenue de George V, 75008 Paris, France.

An international exhibition of Professional Ornamental Horticulture, Equipment and Accessories, Applied Technology & Services in Europe, is held every year in Milano, Italy, by the name MIFLOR. Which offers golden opportunity to exporters from India and other flower producing countries to penetrate this highly developed cut-flowers market (Floriculture Today, April 98).

India has had a very good trade relationship with Russia, and Indian exporters should make their presence felt at the Flower Trade fairs, organized by the Russian Ministry of Agriculture, at Moscow. Most of the Russians prefer to
communicate in Russian only and English is generally not spoken. It is best to consult the Commercial section of the Indian Embassy in Moscow, who have their own panel of interpreters.

Mr. Rohit Bhatia, Marketing Officer, Century International, Mumbai in response to the questionnaire relating to this research study, feels that a lot of promotional activity must be undertaken cooperatively along with improvement in quality, price reduction, improved packaging and good R&D, in order to improve the overall image of Indian floriculture products.

(e) Indian Exporters should Aim at the Premium Market

In floriculture, the quality of the same variety of flowers can vary even in one particular location, having similar climatic conditions and under similar greenhouse facilities and other inputs. The reasons for this variation are the differences in intentions, dedication or commitment. Many growers just feel happy by sending their flowers abroad in the name of export. What exactly is the price realization and how much profit they could have earned had they sent high quality flowers, is something they are not very much worried about, as many of them had already got their investments back through different sources. This is because many promoters raise capital through public issue of shares or through loans, and always aim for Government concessions and subsidies. Flowers of such projects are marketed abroad along with flowers, which are a result of hard work & sincerity. If one project can grow good flowers, why can't the other do, with similar resources? The importers see all flowers coming from India as Indian flowers and do not distinguish good firms from the bad ones.

The UK market accepts lower grades of flowers than other European markets like Switzerland, The Netherlands and Germany. However, shelf-life and freshness is equally important to the UK market and it pays premium for high quality flowers. Indian exporters should supply quality flowers to the UK market since quality standards are improving in UK and many developing nations like Kenya, Zimbabwe, Thailand and Morocco increasing their share in the UK's imports (Floriculture Today, January 1997). The Swiss consumers with their high
average standard of living are particularly highly conscious for quality. The Swiss market is noted for its stringent requirements in terms of freshness and uniformity of colour and size. Competition in Swiss market is intense and high prices are obtained for the very best grades of flowers. Moreover prices always rise during holiday and festival seasons. Exporters are advised to check for packaging and product specifications for particular flowers with their importers, well in advance. As labour costs in Switzerland are quite high, the importers prefer prepared bouquets and sleeve wrapped bunches of flowers from the specialist developing country producers.

According to Mr. Susumu Sugiyama, Director, Japanese Cut-flowers Association & President, Flora International Co. Ltd., Japan, the cut-flowers market in Japan is divided into four classes. The upper most class is the up-market florist who sources the best quality flowers and pays a premium price of 180 yen per rose stem. This segment prefers flowers from home production or from The Netherlands. The second class of florist sources rose flower @ 100-135 yen per stem. The third class of florists source rose flowers @ 70-95 yen per stem, while the fourth segment pays @ 40-70 yen per rose stem, and is currently accommodating most of the Indian produce. Mr. James Reece, Manager Imports, Flora International Co. Ltd., Japan, during his meeting with Indian growers in 1997 in New Delhi, pointed out incidents where sub-standard flowers were mixed among the upper grade ones. Mr. Reece advised Indian growers to be careful while grading and bunching, keeping uniform bud size and uniform stem thickness (Floriculture Today, July 1997). It is thus in the interest of firms which put their best efforts in quality management, to join hands and market their produce under a common brand name, and always aim at the premium market.

8.6 Other Strategies

(a) Continuous Research and Development Efforts

The choices of consumers across the globe keep on changing like fashion. Therefore, it is very important to grow the latest varieties, in order to effectively
cater to the changing floriculture requirements of the world. At present, the bulk of Rose varieties grown by Indian firms are produced worldwide on a large scale and there is no doubt, a continuous demand for these varieties. But when there is an over supply in the market, these varieties are the first to suffer. Moreover, if South American and African firms offer a somewhat bigger bud or nicer foliage, these will be the first to be picked up in the market. Therefore, Indian producers should offer something special to the market, besides, the common varieties.

Many European firms are constantly evolving new varieties to suit the global demands. These firms promote new potential varieties in the major markets and supply these to the developing nations for flower production and thus, reap a rich amount of royalty. India has a rich resource of scientific personnel. Indian firms can jointly, if not individually create R&D facilities and employ some of the best brains in plant breeding and molecular genetics, to develop long-stemmed, large-bud varieties. Indian firms can jointly get their varieties patented through a cooperative and promote them at major international floriculture trade fairs and exhibitions, around the globe.

(b) Establish Strong, Organized Domestic Market

An infant export oriented floriculture industry, like the one in India needs a strong, well organized domestic market to absorb its non-exportable stuff and thus for the viability of the units. The domestic floriculture market in India is very large, but is still unorganized, particularly at the retail level, which lacks modern display and storage facilities. Majority of florists in India are unprofessional and lack proper knowledge relating to handling and enhancing the shelf-life of flowers. The florists can play a pivotal role in promoting the use of flowers and creating awareness among consumers, relating to the better display of flowers. The growers can cooperatively promote the export-oriented varieties by organizing training camps and sponsoring flower arrangement classes and competitions. Consumers are in general not aware of the quality differences between an international class variety of flower and a common variety.
According to Dr. T.V. Reddy (1999) of the Karnataka Agro Industries Corporation, the marketing of flowers is not well organized at present in India. Most of the flowers are marketed through wholesalers, with or without commission agents as intermediaries. In order to provide higher returns to the growers, the best possible link is from the grower direct to the retailer, and this is how a large proportion of trade is done in Japan, USA and Europe. However, it is not very practical, as the retailer needs a wide assortment of flowers. Thus, it is proposed that the growers should form cooperatives, so that they can coordinate their selling and transport operations.

(c) Determination of Competitive Advantages for a Particular Region and then exploiting them properly

India has varied climatic conditions for growing a large variety of flowers, but at the same time the conditions are not very outstanding either. In many areas the soil and water is of marginal quality with either low organic matter content, too much of bicarbonates, too high or too low pH. In many areas, it is either too hot, too humid or too dry during part of the growing season. This can be partly overcome by investments in growing medium and investments in climate control equipment. But these higher investments and running costs, together with costly air-freight, selective duties on Indian flowers by the EU, overseas handling costs, high capital costs, and natural calamities like climatic variations and pests / diseases, make export oriented floriculture a marginal venture.

Thus Indian entrepreneurs before going in for projects relating to any of the products having a growing demand in the international market, should first determine as to which of the climatic regions are best suited for growing that particular plant variety, under the minimum requirements of artificial shade and climate control equipment. While determining the best place for growing a particular variety, other variable have also to be considered, like easy and quick access to the international airport, good road connections, direct flights, regular electric supply and a favourable attitude of the State Government, to support the industry.
(d) Constant Assessment and Comparison with the Better Competitors in the World by Indian Exporters

It is necessary for any export oriented industry to keep track of the strengths & capabilities of the competitors in the international market place and determine as to whether the competitors would be able to carry out their strategies more effectively for achieving their goals, in the face of their inherent weaknesses and intense competition in international markets. Every nation possesses certain advantages that place it in a comfortable position to have an edge over its competitors. This is particularly in relation to having a vast resource of raw material, naturally available bio-resources, technological advancement through continuous R&D, skilled manpower with a high level of commitment towards productivity and a patriotic zeal of top managers to create a good name for the nation, by supplying superior quality products to the global market.

India does certain possess the natural advantage of having varied agro-climatic conditions to grow a large number of commercial crops, still India’s share in the world floriculture trade is insignificant, as such advantages have not been fully exploited by export oriented floriculture units that have sprung up during the past decade. Wrong selection of plant varieties and species for projects which were primarily located just to have a close proximity to international airports, and ignoring other important factors relating to floriculture production has resulted in many firms becoming unviable, particularly in North India. The reason being that firms were not able to match high costs with the meager profit or sometimes a loss from overseas realizations.

Though Indian floriculture industry is growing at a fair pace and during the period 1988-89 to 1998-99, exports have registered a considerable rise i.e. from Rs. 4.67 crores to Rs. 105.96 crores, respectively. However, it has still to match its efforts with the capability it possesses and the opportunities that exist in the global market place. The fact cannot be ignored that other developing nations in Asia, South America and Africa, possessing similar type of advantages are doing extremely well and have made a much larger share than India in the global
floriculture trade. It is time for Indian exporters to assess and realize which products they can competitively produce and how best they can take advantage of the opportunities that exist for them.

In response to the questionnaire relating to the research survey, Mr. Rohit Bhatia, Marketing Officer, Century International, Mumbai, strongly believes that the Indian floriculture industry will be able to stabilize its foothold within the next five years or so. In response to the questionnaire, Mr. Rohit Eswaran, owner, Jayasiri Agro Products, Coorg, Karnataka, is quite optimistic that India can project itself among the top five in floriculture trade, if the freight costs are reduced by half and Indian exporters market their produce cooperatively.

(e) Need for Increasing the Share in the World Floriculture Market

Competition for the future is competition for the opportunity share, rather than market-share i.e. a competition to maximize the share of future opportunities, that can be potentially assessed within the broad opportunity arena (Hamel, 1996). In recent years South American and African nations are fast expanding their floriculture exports, and India has to compete with these and other nations having similar climatic and soil conditions, and availability of inexpensive labour. The least developed nations that have entered this trade are the potential competitors, as they enjoy the natural advantages of climate and soil, and the preferential tariff concessions by the EU markets.

In order to compete globally, the Indian floriculture industry should consider organizing and enhancing their capacities and capabilities, in addition to enjoy the advantages of natural resources. Indian floriculture firms must realize that economies are developing globally and competition is intensifying very fast. Indian floriculture industry must gear up to gain the opportunity share in the potential global floriculture trade. In response to the questionnaire relating to this research study, Mr. Ramesh Poojary of the Lonavala based, Essar Agrotech Ltd., calls upon floriculture firms to first unite in order to survive and then lay foundation for a healthy growth.
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