REBUILDING FLORICULTURE

Food and Agriculture Organization of the United Nations

SUSTAINABLE DEVELOPMENT GOALS

The devastating impact of COVID-19 on the flower sector in India is visible even in areas where the virus has not affected people. This has been caused by the complete collapse of the market as a result of the nationwide lockdown in the wake of the pandemic. The lockdown, in two phases (Phase I - 25 March to 14 April 2020 and Phase II – 15 April to 3 May 2020), restricting all social gatherings, cultural activities, religious institutions and the closing of the hotel and hospitality industry, has destroyed the demand for flowers. The Government of India (GoI)'s decision to partially open retail shops from 25 April 2020 with some restrictions will help resume the supply chain though to a limited extent; thus some states like West Bengal have allowed flower markets to open for few hours. But it is unlikely that the demand would build up to pre-lockdown levels. This is mainly due to the fact that currently customer spending is limited to essential items such as food items, and not flowers.

Commercial floriculture deals with loose flowers, cut flowers and greens as well as exotics and ornamentals. The highly perishable nature of the produce (every day the value reduces by about 15%) requires quick sales or a cold chain for distant markets. The closure of air and surface transport has brought the flower industry to a standstill. This break in supply led to a closure of the local flower *mandis,* neighbourhood flower shops and flower deliveries, whether through street vendors or online platforms in urban areas.

The flower industry in India caters to a huge domestic market and provides livelihoods to workers and farmers in rural areas for several months in a year. As per IMARC, a market research company, the Indian floriculture market was worth INR 18,870 crores* in 2019. The market was projected to reach INR 55,790 crores by 2025, with a compound annual growth rate of 19.8% during 2020-2025. However, the growth prospects appear quite bleak now, as the sector confronts disaster.

The Ministry of Commerce and Industry (MoCI), promotes floriculture as an export-oriented industry. In 2018-19, 19,726.57 MT of flowers worth INR 571.38 crores* were exported from India through Agricultural and Processed Food Products Export Development Authority (APEDA). A COVID-19 advisory from APEDA has suggested that Indian exporters could exploit the supply gap of flowers from African countries to European markets and increase. However, the losses from the domestic market have a greater impact since an estimated 99% of

COVID-19 ORDERS

GoI's MHA allowed all horticultural
- activities 20 April 2020
- research institutes 21 April 2020

GoI's MoA&FW:
Launched 'Kisan Rath' Mobile App 17 April 2020
Advised States to use Market Intervention Scheme for Horticultural Produce 9 April 2020

ICAR-DFR Advisory to Flower Growers

NHB extended star nursery certificates till 30 September 2020

Pre-COVID-19 Existing Sectoral Framework

All India Coordinated Research Project (AICRP) on Floriculture

National Seed Policy, 2002 calls for free imports of seeds & saplings of flowers, bulbs, saplings & tubers

Flowers are imported under the Foreign Trade Act, 1992 in line with the EXIM Policy

Mission for Integrated Development of Horticulture (MIDH), 2014-15:
GoI 60% & States 40% sharing,
GoI 90% contribution in NE States & Himalayas

*100 crores is equal to 1 billion.

the flowers grown in the country are traded domestically. In fact, the intra-country unorganised retail sector accounts for a larger market share. Due to the livelihoods involved some of the state governments like West Bengal and Odisha have opened their flower sector despite the lockdown, much before the other states.

GoI policies over time have largely been supportive of high value crop diversification. This has encouraged many growers to move out of food grain production towards flower cultivation. A dedicated National Horticulture Mission was initiated in 2005-6. Going forward, the NITI Aayog in its *Strategy for New India @ 75,* advocates encouraging diversification to high value crops (HVCs). However, the policies will need to include a well-defined mechanism to mitigate the possible risks and enhance the resilience of HVCs such as flowers.

The Ministry of Agriculture and Farmers' Welfare (MoA&FW) has an existing Market Intervention Scheme (MIS) to protect farmers from distress sales of perishable agriculture and horticulture crops, which have no guaranteed Minimum Support Price. Post COVID-19, GoI has advised the states to implement the scheme with loss sharing by GoI. Although, floriculture comes under the horticulture sector with a percentage share of 1.1% since 2015, still the flower farmers do not get benefits from the MIS scheme. In the absence of sales and no shelf life, such a scheme is not feasible. The South India Floriculture Association has also acknowledged the sufferings of the flower growers in the wake of COVID-19, as flowers are regarded as 'non-essential commodities'. In response to the farm distress, the GoI has launched a farmer-friendly mobile application to facilitate farmers and traders in searching for transport vehicles during lockdown for the movement of their perishable produce, such as flowers, to the market. The Indian Railways has also started 109 timetable parcel trains to supply essential commodities including perishable horticulture produce. However, the issue is not simply about transporting but ensuring a market and demand for the produce. Thus, the states will have to provide active support till the market recovers post-lockdown.

On 14 March 2020, the Ministry of Home Affairs (MHA) declared COVID-19 as a "notified disaster" under the Disaster Management Act, 2005. This makes it possible for States to use the State Disaster Response Fund (SDRF) to respond to the crisis. GoI contributes 75% of SDRF allocation for general category States/UTs and 90% for special category States/UTs [Northeast (NE) States, Sikkim, Uttarakhand, Himachal Pradesh, and Jammu and Kashmir]. The National Disaster Response Fund (NDRF), constituted under the same law, supplements the SDRF of a state, in case of a disaster of severe nature and provided that adequate funds are not available in SDRF. The 15th Finance Commission has approved 28,983 crores for the states for 2020-21, of which 80% is for SDRF. Out of this, States may sub-allocate 40% for response and relief, and 30% for recovery and reconstruction. This fund could be utilised to provide relief to the flower farmers and sellers who have suffered losses. According to the Director of the Ghazipur Flower

IMPORTANT INSTITUTIONS

National Horticulture Board

(NHB)

Directorate of Floricultural Research,

Indian Council of Agricultural Research

(ICAR-DFR)

Division of Floriculture & Landscaping,

Indian Agricultural Research Institute

(IARI DFL)

under Ministry of Agriculture & Farmers' Welfare

(MoA&FW)

Agricultural and Processed Food Products Export Development Authority

(APEDA)

under Ministry of Commerce & Industry

TOP FIVE FLOWER MARKETS IN INDIA

1. Ghazipur, Delhi
2. Dadar, Mumbai
3. Huvina, Bengaluru
4. Dal Lake, Kashmir
5. Mullik Ghat, Kolkata

Market Traders Association, flowers worth several crores had to be dumped, since the lockdown came into effect (Hindu Business Line, 10 April 2020). Unlike many other crops, flowers have practically no use for the growers themselves and have zero salvage value. Yet the maintenance costs of polyhouses/greenhouses, plants and rootstocks remain and pose significant challenges to the loss-bearing farmers. Many of them even have bank loans for polyhouses. As explained by the President of Himachal Pradesh Fruit, Vegetables and Flowers Growers Association, the flower growers are not registered for income support under GoI's flagship PM-KISAN Scheme.

The drudgery of floricultural operations that include plucking and packing falls mostly on women. Women are also primarily involved in value addition activities such as garland making. This indicates the significant gender dimension of the downturn in the sector. Moreover, GoI has been promoting floriculture as a livelihood option for tribal farmers, and small and marginal growers in NE states. As per the Agriculture Census 2010-11, quoted in MoA&FW's *Horticultural Statistics at a Glance, 2018,* the total number of holdings practicing floriculture was 8,97,077. Out of these 7,99,709 holdings were marginal (0.5 - 1 ha) and 58,196 were small (1-2 ha) in size. Thus, relief is critically needed for the already marginalised communities, who are particularly vulnerable to financial risk. The Departments of Horticulture in some states are starting to undertake surveys to assess the losses in this sector. A detailed impact assessment of COVID-19 on the floriculture sector is urgently required.

Recommendations

1. Immediate registration of flower farmers under PM KISAN Scheme (for example, in Himachal Pradesh) should be done to initiate the direct benefit transfer to these farmers.

2. GoI must consider amending the assistance guidelines for agriculture under SDRF/NDRF to provide immediate input subsidy to flower farmers, for loss of income from continued disability to both sell produce and maintain present infrastructure.

3. Compensation must be immediately provided to the labour affected. Women labourers engaged in plucking and packing must be redressed for the working days they have lost, possibly through work under Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) scheme.

4. Floriculture has not been a part of the subsidised agriculture crop insurance. Speciality crops like flowers need protection under *Pradhan Mantri Fasal Bima Yojana* (PMFBY).

5. Quick damage control is needed; the ICAR-DFR has already advised drying petals for *gulal* and using desi roses for *gulkand,* instead of discarding flowers. Potential opportunities for bio energy from flower plant waste could be immediately explored; and other ideas for alternative uses could also be invited.

6. Not all states/UTs are equally affected; those areas that need priority attention need to be identified. GoI may constitute a task force with interested state governments.

7. Depending on the peak season in each region, efforts to rebuild the sector will need to be put in place well before the seasonal cycles; support for technical and other inputs, like seeds, will be necessary.

8. The interim shift away from flower farming to growing vegetables/medicinal plants/edible flowers must be considered. Those willing to transition out from floriculture will need to be supported.

9. Any future floriculture development plans must be revisited; willing growers must be given easy credit (such as interest-free loans) with insistence on both public safety measures and environment-friendly technologies.

KEY STATES/UTS

Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Telangana, Uttarakhand, West Bengal

---

As per the International Flower Trade Association, due to interdependence...*the worldwide floriculture industry has been one to feel the greatest impact with the escalation of the COVID-19 crisis since mid-March. An unprecedented and massive 'domino effect' is now in progress throughout the floriculture industry across the globe.*

- Union Fleurs Statement, 15 April 2020

Food and Agriculture Organization of the United Nations in India

55, Lodi Estate, New Delhi – 110003

Tel: 011 4653 2201

E-mail: fao-in@fao.org

Web site: www.fao.org/india/en/