CONSTRAINTS IN MARKETING OF FLOWERS: STUDY IN SOLAN AND SIRMAUR DISTRICTS OF HIMACHAL PRADESH

PROJECT REPORT

BY

PRIYA SHARMA

(H-2010-ABM-06)

Submitted in partial fulfilment of the requirements for the degree of

MASTER OF BUSINESS MANAGEMENT

(AGRIBUSINESS)

2010-2012

DEPARTMENT OF BUSINESS MANAGEMENT

COLLEGE OF HORTICULTURE

Dr. Yashwant Singh Parmar University of Horticulture and Forestry

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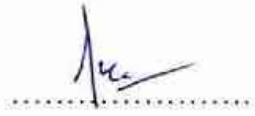
CERTIFICATE - I

This is to certify that the project entitled, **Constraints in the Marketing of Flowers-study in Solan and Sirmaur districts of Himachal Pradesh** has been submitted to Department of Business Management, College of Horticulture, Dr. Y.S. Parmar University of Horticulture and Forestry, Nauni, Solan (H.P.) by Priya Sharma, (H-2010-ABM-6) in partial fulfillment of the requirements for the degree of Master of Business Administration of this University. To the best of my knowledge no part of this project has been submitted for any degree or diploma elsewhere and the help received during the course of investigation and sources of literature have been duly acknowledged.



Place: Nauni, Solan
Date: 10th July, 2012

Dr. P. K. Mahajan
(Project Advisor)

CERTIFICATE - II

This is to certify that the project entitled, **Constraints in the Marketing of Flowers-study in Solan and Sirmaur districts of Himachal Pradesh** has been submitted to Department of Business Management, College of Horticulture, Dr. Y.S. Parmar University of Horticulture and Forestry, Nauni, Solan (H.P.) by Priya Sharma, (H-2010-ABM-6) in partial fulfillment of the requirements for the degree of Master of Business Administration of this University. The project has been approved by the Examination Committee after conducting an oral examination in collaboration with the external examiner.

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Dean, College of Horticulture

CERTIFICATE - III

This is to certify that all the corrections/modifications as pointed out by the external examiner have been incorporated in the project report entitled, submitted to Department of Business Management, College of Horticulture **Constraints in the Marketing of Flowers- study in Solan and Sirmaur districts of Himachal Pradesh**, Dr. Y.S. Parmar University of Horticulture and Forestry, Nauni, Solan (H.P.) by Priya Sharma, (H-2010-ABM-6) in partial fulfillment of the requirements for the degree of Master of Business Administration of this University.

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Dr. P.K Mahajan
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Dr Y. S. Negi
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Date- 10 July, 2012

Priya Sharma

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CHAPTER 1

INTRODUCTION

INTRODUCTION

Floriculture is a branch of Horticulture which deals with the cultivation of flowers and ornamental crops from the time of planting to the time of harvesting. It also includes production of planting materials such as seeds, cuttings, budding, grafting and marketing of flowers and flower produce. Floriculture began in the late 1800's in England where flowers were grown in large estates, and now it has spread all over the world. The floral industry today has grown too much larger proportions and offers a wide scope for growth and profits. In India, Floriculture industry comprises flower trade, production of nursery plants and potted plants, seed and bulb production, micro propagation and extraction of essential oils. Though the annual domestic demand for the flowers is growing at a rate of over 25 percent and international demand at around Rs 90,000/- cores, India's share in international market of flowers is negligible. (APEDA, 2005).India has a blooming future as far as floriculture is concerned enormous genetic diversity and varied agro climatic conditions. These conditions offer India a unique scope for judicious employment of existing resources and exploration of avenues yet untouched. Government of India has identified Floriculture as the sunrise industry and accorded it 100% export oriented status.

Owing to steady increase in demand of flowers, floriculture has become one of the important commercial trades in Agriculture. Hence commercial floriculture has emerged as a Hi-Tech activity, taking place under controlled climatic conditions inside Greenhouses as well. Floriculture in India is being viewed as high growth Industry and commercial floriculture is becoming important from the export angle. The liberalization of industrial and trade policies paved the way for the development of export oriented production of cut flowers. The new seed policy has already made it feasible to import planting material of international varieties. It has been found that commercial floriculture has higher potential per unit area than most of the field crops and therefore a lucrative business. Indian floriculture industry is shifting from dealing with traditional flowers to cut flowers for export purposes. The liberalized economy has given an impetus to Indian entrepreneurs for establishing export oriented floriculture units under controlled climatic conditions.

According to a report of the National Horticulture Board (NHB,2007), the total area under flower crops in 2007-08 was estimated around 160.7 thousand hectares which is second largest in the world and only next to China, though under cut flowers it is only 600 hectares. Production of flowers was estimated to be 870.4 MT of loose flowers and 43417.5 million (numbers) of cut flowers in 2007-08. Fresh and dried cut flowers dominate floriculture exports from India. Roses, Marigold, TubeRose, Orchids and Chrysanthemums are the main cut flowers exported from India.

It is estimated that there are more than 300 export oriented units (EOU) in India. More than 50 percent of these units are based in south zone mainly in Karnataka, Andhra Pradesh and Tamil Nadu. Also the states like West Bengal, Maharashtra and Rajasthan have large area under floriculture. Karnataka has 18,000 ha under flower cultivation and accounts to 75 of the total flower production, has the highest area under modern cut flowers and 40 flower growing and exporting units. The contribution of the floriculture to the national exports is percent (NHB, 1995). Still the northern zone though having a great potential, encompasses the small and scattered flower producing and marketing units that needs to be improved in order to add up to the national exports through floriculture in India.

As flowers are emerging as a potential product for domestic as well as international markets, there is need to organise the potential centres for marketing of flowers so that the producer's share in the consumer's can be increased besides adding to national income contributing to the growth of Indian economy. Marketing of cut flowers is still at the early stage of growth and development and it has always been an issue of concern in India. Agricultural and Processed Food Products Export Development Authority (APEDA), is responsible for export promotion of floriculture in India. The government of India offers tax benefits to new export oriented floriculture companies in the form of income-tax holidays and exemption from certain import duties. The grants, subsidies for establishing cold storage, precooling units, refrigerated vans and green houses, and for air freight subsidy to exports. It has been found that commercial floriculture has higher potential per unit area than most of the field crops and is therefore a lucrative business.

Floriculture in Himachal Pradesh

The growing of flowers is no more the domain of plain areas only. The hilly State of Himachal Pradesh has been bustling with the fragrance of flowers and the State has emerged as a pioneer in the cultivation of flowers during the last about a decade. It is quite amazing to note that in a State where there was hardly any activity of floriculture, is today generating an economy of about 28 crores annually even as more than 2,800 farmers are directly engaged in the avocation of commercial floriculture (NVO news, 2010). The flowers being grown in Himachal Pradesh are in great demand in the markets of Delhi apart from other parts of the country as well. The commercial floriculture has picked up very fast and the farmers are fetching remunerative prices.

Soon after the launching of Horticulture Technology Mission project in Himachal Pradesh, farmers had started switching over to the setting up of poly-houses in large numbers and the growing of flowers has caught their fancy. Several technical inputs and financial assistance, has helped to a great deal in the commercial floriculture in the state. The state Department of Horticulture made a humble beginning in 1993-94 by starting floriculture activities on 30 hectare of land. In the year 2008-09, the area under floriculture increased to 617.65 hectare. The flower produce in the State is being sold in the domestic market of the country, especially in Delhi (GoHP, 2010)

As floriculture development efforts in the state, the first Model Floriculture Centre was established at Mahog Bag near Chail in Solan District with 1706.5 sqm of green house area. The centre has also one handling unit for post harvest handling of flowers and three cool chambers for the storage of planted material. The centre is acting as nucleus for the proliferation of commercial floriculture, the source of acting improved germplasm to the commercial flower growers and nurseries, besides providing training to the commercial flower growers.

The Department of Horticulture has also established seven floriculture nurseries in different zones of the State. These include Nav Bahar, Chharabra, Mahog Bag, Parwanoo, Bajaura Dharamshala and Bhatoon Training and demonstration is being imparted to the commercial flower growers. Departmental extension staff and the nurseries are also source of motivation to the flower growers in order to improve their socio-economic lot. The other

services like introduction and multiplication of planting material, bulbs, seeds of improved flower varieties are also made available to the flower growers at these nurseries. The Horticulture Department has storage capacity of 4 lakh bulbs and 10 thousand cut flowers at. Providing of technical inputs is one of the important areas being handed by the floriculture wing of the Department to promote the growing of flowers in the State.

In Himachal Pradesh, the per capita cultivated land is only 0.12 hectares while per capita irrigated land is 0.02 hectares (GoHP, 2011). This situation necessitates a cropping pattern that would ensure highest income per unit area/ labour/ investment. Commercial floriculture caters to this necessity. The agro-climatic conditions prevailing in the State offer excellent opportunities for the development of floriculture both to serve the internal off-season market and also for exports. A large variety of floriculture products, viz., cut flowers, bulbs, seeds, live plants, etc. can be produced as economic cash crops. Although flowers from different agro climatic zones of the State can be made available all through the year for domestic market, export quality produce can be ensured only by cultivation under controlled environment conditions of greenhouses.

Commercial floriculture started picking up in the State during eighth Five Year Plan Period. Initially, the flower production was confined to Solan and Kangra districts, where growers mostly were growing some traditional flowers. Thereafter, exotic flowers like gladiolus, Carnation, Lilies, tulip, iris, chrysanthemum, etc. were introduced in the state. As a result, area under commercial floriculture steadily increased from 30 ha in 1993-94 to 682 ha in 2009-10 (Department of Agriculture and Cooperation, GOI, 2012).

Protected cultivation of flowers is picking up in the state and at present, area under protected cultivation stands at 74 ha with the involvement of 1340 farmers. Actively flower growing districts in the State are Sirmaur, Kangra, Mandi, Chamba, Shimla, Solan, Bilaspur and Kullu, where mainly gladiolus, marigold, chrysanthemums, Rose, Carnation, Lilies, etc are cultivated. However, the State considers Alstroemeria, Limonium, Zantedeschia, Iris, Strelitzia, tulips, Gerbera, Orchids as potential crops. It is estimated that floriculture crops worth Rs. 41.82 cores were grown during 2009-2010, benefiting about 2800 farmers, (Gorakh Singh, 2012). Given the interest of the farmers and the incentives given by the government the floriculture is going to flourish further in the state.

Government initiatives for promotion of floriculture in Himachal Pradesh

Promotion of Protected cultivation: Protected cultivation practices can be defined as a cropping technique wherein the micro climate surrounding the plant body is controlled partially/ fully as per the requirement of the plant species grown during their period of growth. Among these protective cultivation practices, Green house/poly house cum rain shelter is useful for the hill zones. Government of Himachal Pradesh is promoting the protected cultivation in the state to improve the earning potential of farmers.

Table: 1.1 Policy incentives in Himachal Pradesh for the promotion of Floriculture

Sr. No.	Policies
1.	Up to 50% subsidy on the total cost of polyhouse to the farmers, which accounts to Rs.467 per metre square under Pandit Deen Dayal Kisan Bagwaan Samridhi Yojna.
2.	Up to 80% subsidy for a land up to 1000 sq meters on the total cost for creating irrigation structures like drip and sprinkler irrigation systems.
3.	Up to 50% financial assistance for creation of water resources like shallow wells, pumps and water-drawing systems.
4.	Weather Based Crop Insurance Scheme (WBIC) is introduced by the government oh the state. The premium shall be shared on 50:25:25 basis.the subsidy is raised for the small and marginal farmers from 10% to 50%

(GoHP, 2012)

NEED OF THE STUDY

Himachal Pradesh is a state with suitable agro climatic conditions and ample human resource for commercial farming. However, still the contribution of the state towards total production of flowers in India is less than one percent contributing very little to the demand fulfilment of domestic as well as international markets.

Also with 96 percent small and marginal farmers in the state, floriculture is still considered a risky proposition and the farmers need to be encouraged to take up the farm activity as floriculture is highly profitable. The officials reveal that although 70 hectares (Business Standard, 2008) of the floriculture area in Himachal is under poly houses but these are the ones with only basic facilities, but if farmers need better results good facilities should be provided. So it is important to understand the problems that farmers are facing in taking floriculture. Therefore to identify the constraints in the marketing of flowers is necessary to study the economic background of the farmers' relative importance of floriculture in their household incomes, assessing the marketing strategies being followed by the farmers along with the marketing costs and market margins to examine the efficiency of marketing channels. This is the subject matter of the present study so that the policies can be suggested for the improvement in production and marketing of flowers.

Objectives

1) To study the socio-economic status of flower growers of the study area.
2) To examine the channels of marketing for important flowers in the study area.
3) To identify the constraints faced by the farmers in the production and marketing of flowers.

CHAPTER 2

REVIEW

OF

LITERATURE

REVIEW OF LITERATURE

India has a long tradition of floriculture. References to flowers and gardens are found in ancient Sanskrit classics like the Rig Veda (C 3000-2000 BC), Ramayana (C 1200-1300 BC), Mahabharata (prior to 4th Century BC), Shudraka (100 BC), Ashvagodha (C 100 AD), Kalidasa (C 400 AD) and Sarangdhara (C 1200 AD). The social and economic aspects of flower growing were, however, recognized much later. The offering and exchange of flowers on all social occasions, in plakh of worship and their use for adornment of hair by women and for home decoration have become an integral part of human living. With changing life styles and increased urban affluence, floriculture has assumed a definite commercial status in recent times and during the past 2-3 decades particularly. Appreciation of the potential of commercial floriculture has resulted in the blossoming of this field into a viable agri-business option. Availability of natural resources like diverse agro-climatic conditions permit production of a wide range of temperate and tropical flowers, almost all through the year in some part of the country or other. Improved communication facilities have increased their availability in every part of the country. The commercial activity of production and marketing of floriculture products is also a source of gainful and quality employment to scores of people (Division of floriculture, IARI, 1995).

According to FAO Corporate Document Repository, in an article with title "Cut flower production in India'' by Dadlani (1996), "Marketing of cut flowers in India is very unorganised at present, especially in Hill as the farmers are still using the traditional measures for packaging, transportation and marketing of flowers, the he packaging and transportation of flowers from the production centres to the wholesale markets at present is very unscientific". In view of the unorganized set up, it is difficult to estimate the size of flower trade, both in terms of volume and value.

Mondal (2005), says that, "Dry flowers are the future of this industry. It will be the greatest foreign exchange earner for the industry." And hence need to be taken care of, so as to protect and promote farmers interest.

As per the NHB (2008), the total area under flower crops has been estimated around 160.7 thousand hectares which is second largest in the world and only next to China. The area under cut flowers though is only 600 hectares. Production of flowers was estimated to be

870.4 MT of loose flowers and 43417.5 million (numbers) of cut flowers in 2007-08. Fresh and dried cut flowers dominate floriculture exports from India. Roses, Marigold, Tube Rose, Orchids and Chrysanthemums are the main cut flowers exported from India.

According to a report by Exim Bank (2008) post globalization, floriculture has become one of the important commercial activities in Indian agriculture. Indian floriculture industry comprises the florist trade, nursery plants, bulb and seed production, apart from production of micro-propagation material, and extraction of essential oils from flowers.

Sharma, 2008 estimated against the export of flowers worth Rs 19.90/- crore in 2006, flowers worth Rs 22/- cores were exported in 2007, with the main marketing centres for Himachal flowers being Chandigarh and Delhi.

According Namqvi (2008) says " the state horticulture departments, particularly, would do well to take advantage of National Horticulture Mission's programmes and give greater attention to such areas like Himachal Pradesh as the state is well endowed to grow flowers and ornamental plants to meet the growing needs of both domestic and international market, having advantages as availability of labour, good water and soils and ample sunlight, given the proper incentives, the farmers there are ready to diversify their cropping patterns towards floriculture and thus sustain the growth of this sector, can be brought into fold of floriculture.

In the year 2008-09, the area under floriculture increased to 617.65 hectare. Today the estimated turnover of floriculture produce is around 27.33 crores. The flower produce in the State is being sold in the domestic market of the country, especially in Delhi GoHP (2010).

Northern Voice Online (2010) reported that the growing of flowers is no more the domain of plain areas only. The hilly state of Himachal Pradesh has been bustling with the fragrance of flowers and the State has emerged as a pioneer in the cultivation of flowers during the last about a decade. It is quite amazing to note that in a State where there was hardly any activity of floriculture. Floriculture today is generating an economy of about 28 crores annually even as more than 2,800 farmers are directly engaged in the avocation of commercial floriculture.

Dhaleta (2011) feels that floriculture in the queen of hills has turned out to be a profitable venture for unemployed people as "the business is providing maximum returns with marginal investment, also that floriculture is a good venture offering good returns recovering all costs of transportation and marketing."

Singh (2012) also estimated that floriculture crops worth Rs. 41.82/- crores were grown during 2009-2010, benefiting about 2800 farmers in Himachal Pradesh and as such proved to a profitable business rather than any other crops.

CHAPTER 3

RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

3.1 Selection of the study area

Solan and Sirmaur districts of Himachal Pradesh were purposively selected for the present study because out of the twelve districts of the state these two districts have substantial area under flower crops. The climatic conditions of these districts are most congenial for flower production especially Carnation and Rose.

3.2 Sample Collection

For the selection of the ultimate sample of respondents from the selected districts, random sampling technique was used. Out of the two districts, equal number of respondents is selected for data collection as per the concentration of the farmers and convenience. For the collection of the data from retailers a random sample of fifteen retailers was taken from Delhi and Chandigarh, the two major flower markets for flower producers of Himachal Pradesh exits.

Table: 3.1 Area-wise distribution of the sample farmers

Sr. No.	District			
	Solan		Sirmaur	
	Villages covered	Sample size	Villages covered	Sample size
1	Chail	15	Chakhal	9
2	Kandaghat	5	Chambidhar	4
3	Sadhupul	5	Rajgarh	10
4	-		Salogda	2
Total		25		25

3.3 Collection of Data

Both the primary and secondary data were collected and used for the present study. Primary data were collected through pre-tested questionnaires from flower growers, and retailers. The questionnaire included both the open ended and close ended questions. The information sought included sale prices, harvesting cost, packing cost, packing materials cost, transportation cost, commission agent fee and market charges and various problems of the producers related to marketing of the flower produce. Personal interview method was used to

collect the data. Secondary data was collected from all published sources viz., records of the state Department of Agriculture, Horticulture, Market Committee, reports of National Horticulture Board and relevant websites etc.

3.4 Analytical framework

3.4.1 Marketing margins

Marketing margins of each marketing channel were calculated as:

a. Producer's share in consumer's rupee

$$P_S = (P_f/P_r)*100$$

Where, P_S= producer's share in the consumer rupee

P_f= price received by the farmer/producer at the time of first sale of per unit produce, and

P_r = retail price per unit produce.

b. Middlemen's share in the consumer's rupee

To calculate the middlemen's share in the consumer rupee, the following measure was used:

$$P_{mi} = [\{P_{ri}-(P_{pi}+C_{mi})\}/P_{ri}]*100$$

Where, Pmi= % margin of middlemen per unit of produce,

P_{ri}= sale/retail price per unit produce,

P_{pi}= purchase price per unit produce, and

C_{mi}= marketing cost per unit produce

3.4.2 Multiple response %age method

$$P= (X/Y)*100$$

Where P is %age

X is individual factor, and

Y is the sum total of factors.

CHAPTER 4

RESULT AND DISCUSSION

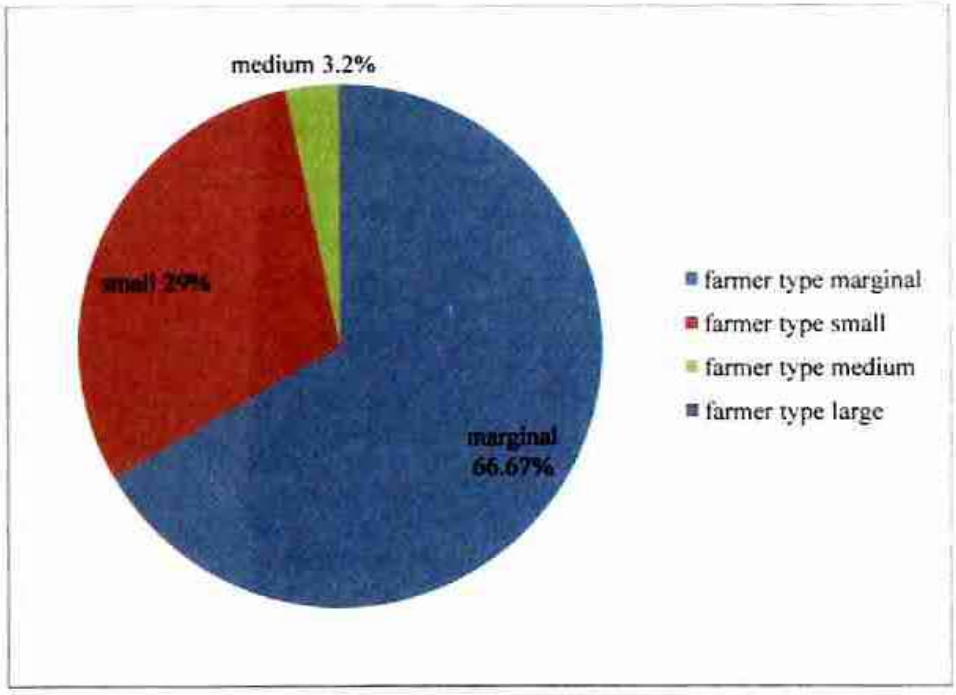
RESULTS AND DISCUSSIONS

In the study area the observations were made to identify the major flower crops based on their acreage and production under the particular crop. It was found that two major flower crops taken by the farmers are Rose and Carnation and some others being Chrysanthemum, Orchids and Lilies are also grow occasionally.

4.1. Socio-economic status of the farmers in the study area

4.1.1. Segmentation of the farmers on the basis of size of landholding

Figure 1 Type of farmers in the study area



Inference

The study area, being a hilly state the land holdings is small and scattered. As per the study in the sampled area the maximum number of farmers belong to a category of marginal famers (66.66%), followed by small farmers (29%), medium farmers (3.2%) and there are nearly no large scale farmers in flower cultivation in the study area. Hence floriculture is still considered a risky proposition and the farmers are not willing to invest huge amounts.

It has been observed that the agro-climatic conditions of Himachal Pradesh are quite conducive for raising two crops of exotic cut-flowers viz; one in the autumn season and the other in the late winter/ spring season. The output of cut-flowers was both flori-spikes as well as the planting materials (bulbs, corms/ corm lets and cuttings). The productivity of flori-spikes and planting material varied depending upon the type of flowers, quality/ quantity of planting material as well as the management practices adopted by the flower growers.

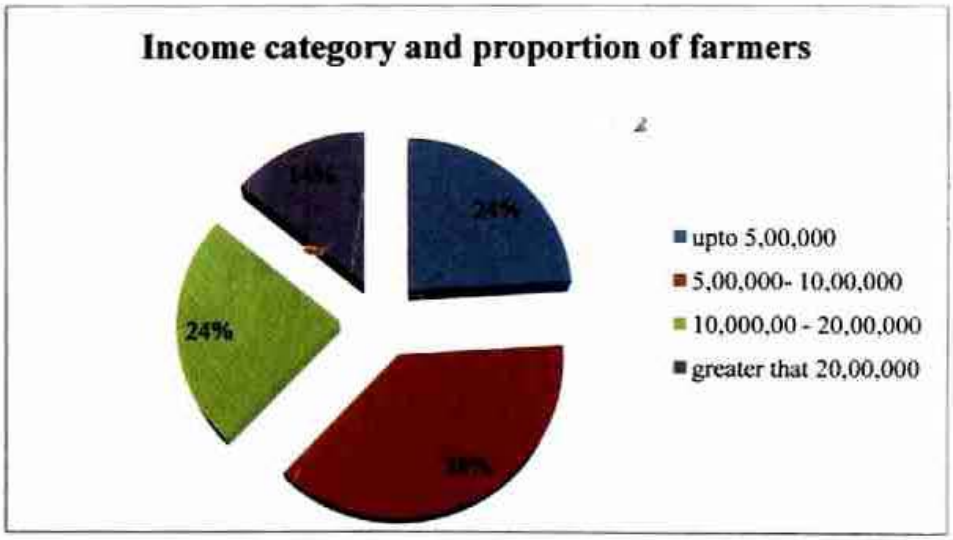
4.1.2 Economic status of the farmers

In this analysis annual household income has been taken approximately for the general economic status of the farmers. The categorization of the sampled farmers is given in the table 4.1 below.

Table: 4.1 Economic statuses of the farmers in the study area

Sr. No	Income group (Rs/annum)	Farmers in the category	
		No.	percenage
1.	up to 5,00,000	12	24
2.	5,00,000- 10,00,000	19	38
3.	10,000,00 - 20,00,000	12	24
4.	greater that 20,00,000	7	14
Total		50	100

Figure: 2 Income category and proportion of the farmers



Inference

The data shows that the maximum farmers in the study area belong to the income group of between 5 lakh to 10 lakh contributing 38% of the total sampled farmers in the study area followed by the group having an annual income less than 5 lakh contributing to 24% and a group with income between 10lakh to 20lakh per annum (24%) of the total sampled farmers. Farmers having income greater than Rs 20 lakh per annum account for 14% of the total number of farmers sampled in the study area.

4.2. Distribution of area and production of flower crops

Figure: 3 Area under the different flower crops

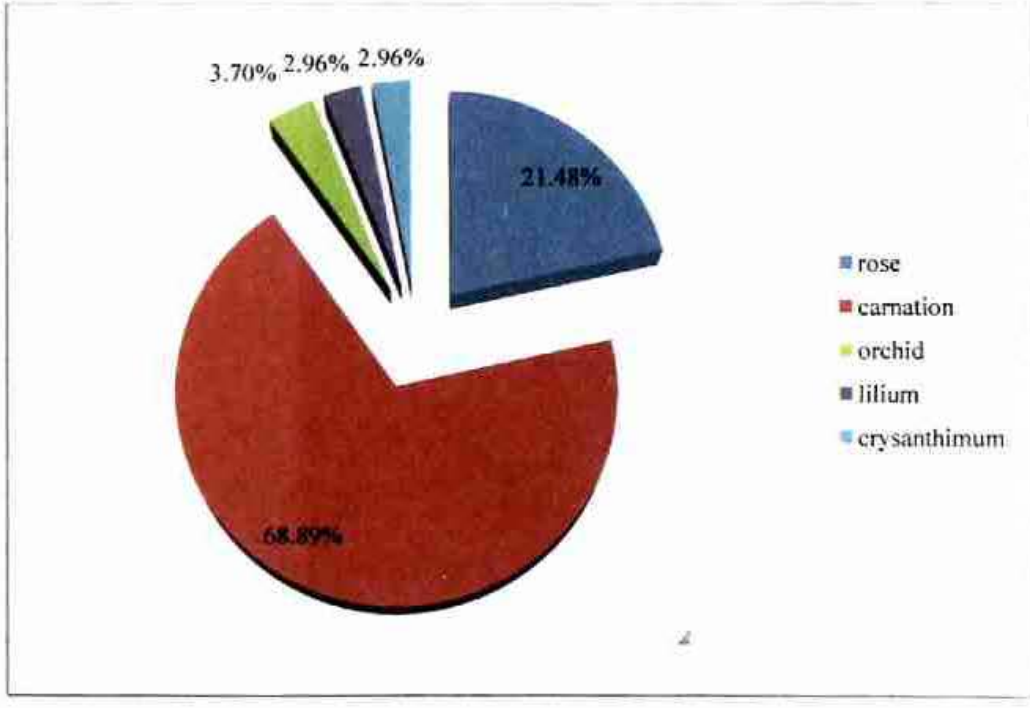


Table: 4.2 Acreages under the major flowers in the study area.

Sr. No.	Flower type	Area (Bigha) under the flower crop	
		Area	Percentage
1.	Carnation	13.78	68.89
2.	Rose	4.29	21.48
3.	Orchids	0.74	3.7
4.	Chrysanthemum	0.59	2.96
5.	Lily	0.59	2.96
6.	Total area	19.99	100

Inference

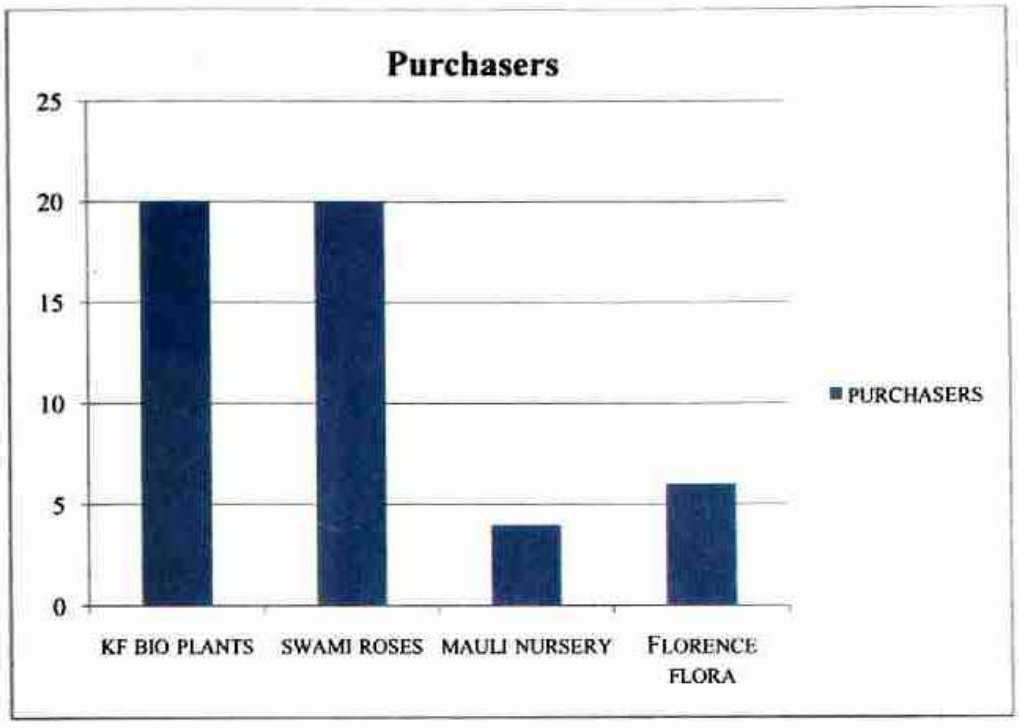
The area under the flowers and their production by the sampled growers was analysed and the results are presented in the table 4.2 the table reveals that on overall basis Carnation accounted for the highest acreage of 13.78 acres followed by Rose (4.29), Orchids (0.74), Lilies (0.54), and Chrysanthemum (0.54). Carnation covers around 68.89% of the total area sampled followed by Rose (21.48%), Orchids (3.70%), chrysanthemum (2.96%) and Lilies (2.96%). This clearly interprets that the major flowers grown by the farmers include Carnation and Roses while the high valued flower crops like Orchids and Lilies are taken on a comparatively smaller area.

4.3. Source of seedlings of the flower crops in the study area

Table: 4.3 Major Suppliers of the Planting Material in the study area

Sr. No	Suppliers	Purchasers	
		Number	Percentage
1	kf bio plants	20	40
2	Swami Roses	20	40
3	Mauli nursery	4	8
4	Florence Flora	6	12
Total		50	100

Figure: 4 Major suppliers of the seedlings in the study area



Inference

The data regarding the major sources of the seedlings to the farmers is shown in the table 4.3. It shows that there are four private sector organizations namely Kf Bio plants, Florence Flora, Mauli Nursery, and Swami Roses that are the major suppliers of the seedlings in the study area.

Data also depict that out of the four organizations for the Carnation, the major supplier is Kf Bio plants and Florence Flora contributing 40 percent and 12 percent supply respectively also they supply Orchids, Chrysanthemums, lily and other flowers planting material followed by the Swami Roses supplying Roses to around 40 percent growers in the study area besides supplying Carnations also. Mauli Nursery as a supplier of the seedling plants of Carnation, Roses accounted to 8 percent of the supply. This also shows that among the sampled growers the major source for the planting material through the private sector organizations while none of the government organizations are involved is supplying planting material to the sampled growers. Around 65 percent of the total cost of cultivation is alone

attributed to the planting material. The farmers met out around 63 percent of this cost with their own resources, 10 percent through borrowings from banks and other sources and rest one fourth was acquired in terms of subsidy.

4.4. Marketing channels for the flower crops

The following marketing channels were prevalent in the study area-

Channel I: Producer → Consumer

Channel II: Producer→ Retailer→ Consumer

Channel III: Producer→ Commission Agent/Wholesaler→ Retailer→ Consumer

Channel IV: Producer→ Commission Agent/Wholesaler→ Mandi→ Retailer → Consumer

Marketing channels followed by the flower growers in the study area are presented in the table 4.4, 4.5 and 4.6. The data reveals that the most preferred channel in the sampled area is channel-IV for marketing of their produce followed by the channel-III, channel-II, and channel I.

The number of growers and quantity sold by them of different flowers through various marketing channels were analyzed and presented in the following tables. The data reveals that the growers who sold their flowers through channel- I ranged between 5 to 10 percent while flowers marketed through this channel ranged from 16 to 20 percent. This was followed by channel-III ranging from 22 to 25 percent and channel-IV ranging between 70 to 75 percent. The data shows that the channel-IV is the most preferred channel by most of the flower growers in the study area. One of the reasons behind the preference of farmers towards this channel is lack of market access in the vicinity. The farmers are not able to sell their produce directly in the market, being distantly located, lack of proper transportation facilities, and perishable nature of the produce. They prefer selling their produce through middlemen as middlemen are easily and approachable. Farmers believe that this channel can better supply their perishable produce to the markets at proper times.

4.4.1. Marketing channels used for Carnation in the study area

Table: 4.4 Marketing Channels used for Carnation in the study area

Sr. No	Channel	Grower numbers	Produce sold(Boxes)
1	Producer → Consumer	2 (5.00)	887 (3.04)
2	Producer→ Retailer → Consumer	6 (15.00)	1375 (4.72)
3	Producer→ Commission agent/wholesaler→ Retailer → Consumer	7 (17.50)	3387 (11.64)
4	Producer→ Commission agent/wholesaler→ Mandi→ Retailer → Consumer	25 (62.50)	23434 (80.57)
5	Total	40 (100)	29083 (100)

(Figures in the parentheses show percentage to respective totals)

4.4.2 Marketing channels used for the sale of Rose in the study area

Table 4.5 Marketing channels used for the Rose in the study area

Sr. No	Channel	Grower numbers	Produce sold(Boxes)
1	Producer →Consumer	1 (7.69)	320 (3.68)
2	Producer →Retailer →Consumer	2 (15.38)	425 (4.89)
3	Producer→Commission agent/ Wholeseller→Retailer→Consumer	4 (30.76)	2400 (27.66)
4	Producer→Commission agent/Whole seller →Mandi → Retailer→ Consumer	6 (46.15)	5530 (63.74)
5	Total	13 (100)	8675 (100)

(Figures in the parentheses show percentage to the respective totals)

4.4.2. Marketing channels used for Orchids in the study area

Table: 4.6 Marketing channels used for Orchids and Lilies in the study area

Sr. No.	Channel	Grower number	Produce sold(boxes)
1	Producer → Consumer	-	-
2	Producer → Retailer → Consumer	-	-
3	Producer→Commission agent/Wholesaler→ Retailer→Consumer	-	-
4	Producer→Commission agent/Wholesaler →Mandi →Retailer→ Consumer	4 (100)	50 (100)
	Total	4 (100)	50 (100)

(Figure in the parentheses shows the percentage of the respective totals)

4.5 Marketing Costs, Margins and Price spread

Price spread in relation to agricultural commodities refers to the difference between the prices paid by the ultimate consumer and the price received by the grower for an equivalent amount of farm produce. The price spread consists of marketing costs and margins of intermediaries. It is a method which indicates as to how much is actually received by the producer out of every rupee that is spent by the consumer and margins of the intermediaries for the performance of their functions. The study of the price spread carries the importance in the sense that, if goods move from producers to consumers directly then the marketing system would said to be efficient and it is very much required to know that how efficient a market channel is.

Price spread for the selected flower crops through the specified channels

4.6 Price spread for the selected flower crops through Channel-I

The marketing costs and price spread for the major flower crops produced in the study area for Channel-I (Producer → Consumer) and the data reveals that the producer's share in consumer's rupee was found to be higher in case of Lilies (97.25%) followed by Carnation (94.96%), Orchids (94.08%) and Rose (91%).marketing cost incurred by the producer was

found to be maximum Rs. 2200 in case of Lilies followed by Orchids (Rs.1420), Rose (Rs.720) and Carnation (Rs.610) respectively This shows that for all flower crops when marketed through the channel-1 offers excellent returns to the farmers, because of the non existence of the intermediaries in the channel. However it could have been increased further more if proper grading could have been done by the farmers at their level so that good quality product can be sold out at better prices than the rest of the produce. Also some of the produce is being wasted due to lack of storage facilities available with the farmers and poor transportation facilities. This indicates that emphasizing on arrangement of the proper transportation facilities along with promoting the practices of grading and standardization along the flower growers.

4.6.1 Price spread for Carnation

Table: 4.7 Price spread for Carnation through channel-I

Sr. No.	Functionary	Price spread	
		Rs.	percentage
1	Net price received by the producer	11390	94.91
2	Marketing cost incurred by producer	610	5.08
3	Packing charges	60	0.5
4	Transportation charges	220	1.83
5	Labour charges	100	0.83
6	Grading charges	230	1.91
7	Price paid by the consumer	1,2000	100

(Each box contains 40 bunch of flower sticks, each containing 20 flower sticks.)

4.6.2 Price spread for Rose

Table: 4.8 Price spread for Rose through channel-I

Sr. No.	Functionary	Price spread	
		Rs.	percentage
1	Net price received by the producer	7280	91
2	Marketing cost incurred by producer	720	9
3	Packing charges	70	0.87
4	Transportation charges	220	2.75
5	Labour charges	200	2.5
6	Grading charges	230	2.87
7	Price paid by the consumer	8000	100

(Each box contains 40 bunch of flower sticks, each containing 20 flower sticks)

4.6.3. Price spread for Orchids

Table: 4.9 Price spread for Orchids through channel-I

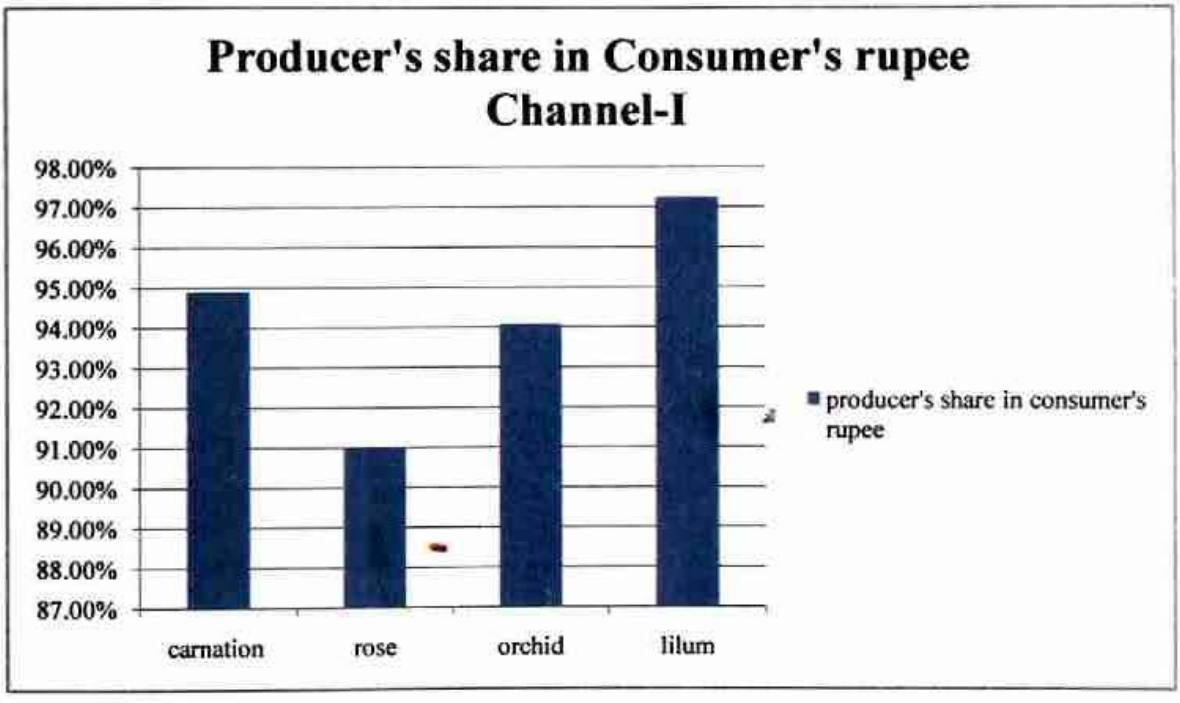
Sr. no.	Functionary	Price spread	
		Rs.	percentage
1	Net price received by the producer	22580 (94.08)	94.08
2	Marketing cost incurred by producer	1420 (5.91)	5.91
3	Packing charges	800 (5.88)	5.88
4	Transportation charges	190 (2.37)	2.37
5	Labour charges	200 (1.47)	1.47
6	Grading charges	230 (1.69)	1.69
8	Price paid by the consumer	24000 (100)	100

4.6.4 Price spread for Lilies

Table 4.10 Price spread for Lilies through channel-I

Sr. No.	Functionary	Price spread	
		Rs.	percentage
1	Net price received by the producer	77800	97.25
2	Marketing cost incurred by producer	2200	2.75
3	Packing charges	1500	1.87
4	Transportation charges	200	0.25
5	Labour charges	200	0.25
6	Grading charges	300	0.37
8	Price paid by the consumer	80000	100

Figure: 5 Producer's share in consumer's rupee for the selected flower crops in the study area through channel-I



4.7 Price spread in the marketing of selected flower crops through channel-II

The marketing of produce through Channel-II decreases the producer's share in consumer's rupee compared to when the produce is marketed through Channel-1 as shown in the concerned table no. 4.11 to 4.14. The figure shows that Lilies offers the highest returns to the producers (77.25) followed by Rose (72.5), Carnation (54.91%) and Orchids (54.91). The producer's share in the consumer's rupee is still greater than 50% for all the flowers, which can considered as good returns and this is because of the less number of intermediaries involved. Comparing the data obtained for channel-II and Channel-I, it is clear that the involvement of intermediaries in the Channel-II has resulted in decreasing the ultimate share of the producer and has increased the price spread. The margin of the retailer was also calculated for all the flower crops and found to be maximum in Orchids (35%) followed by Carnation (26.66%), Lilies (18.75%) and Rose (12.5%) respectively.

4.7.1 Price spread for Carnation

Table: 4.11 Price spread for Carnation through channel-II

Sr. No.	Functionary	Price spread	
		Rs.	Percentage
1	Net price received by the producer	6590	54.91
2	Marketing cost incurred by producer	610	8.42
3	Packing charges	60	0.83
4	Transportation charges	220	3.05
5	Labour charges	100	1.38
6	Grading charges	230	3.19
7	Price paid by the retailer	7200	60
8	Margin of the retailer	3200	26.66
9	Marketing cost incurred by the retailer	1600	13.33
10	Price paid by the consumer	1,2000	100

4.7.2 Price spread for Rose

Table: 4.12 Price spread for Rose through channel-II

Sr. No.	Functionary	Price spread	
		Rs.	percentage
1	Net price received by the producer	5800	72.5
2	Marketing cost incurred by producer	1000	12.5
3	Packing charges	70	0.87
4	Transportation charges	230	2.87
5	Labour charges	200	2.5
6	Grading charges	500	6.25
7	Price paid by the retailer	6800	85
8	Margin of the retailer	1000	12.5
9	Marketing cost incurred by the retailer	200	2.5
10	Price paid by the consumer	8000	100

4.7.3 Price spread for Orchids

Table: 4.13 Price spread for Orchids through channel-II

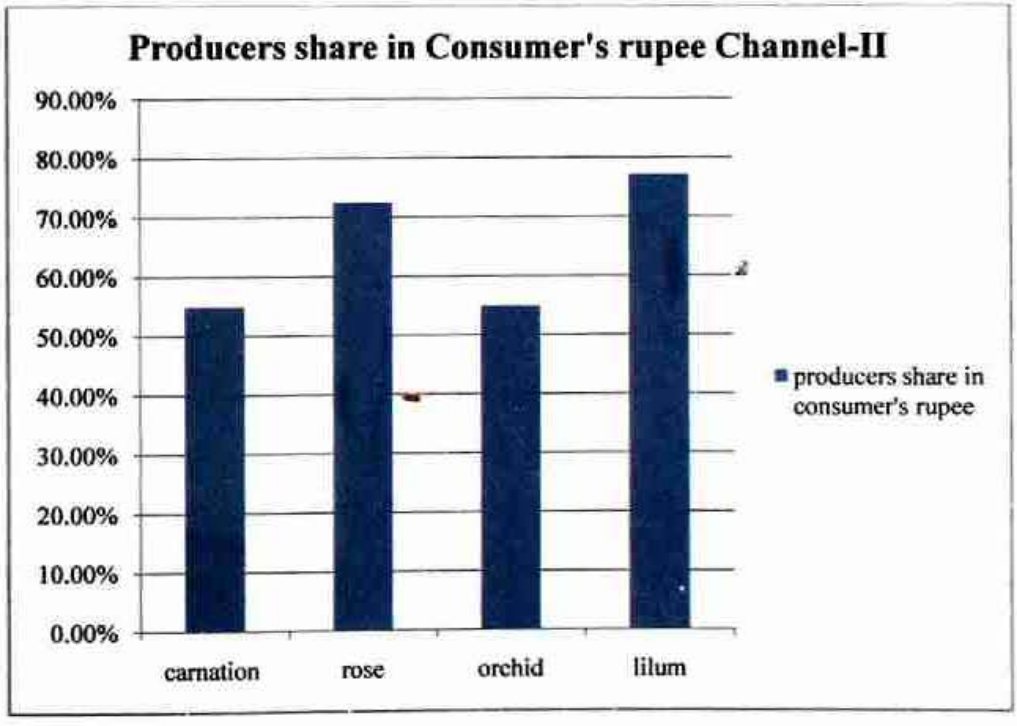
S. no.	Functionary	Price spread	
		Rs.	Percentage
1	Net price received by the producer	13180	54.91
2	Marketing cost incurred by producer	1420	5.91
3	Packing charges	800	3.33
4	Transportation charges	190	0.79
5	Labour charges	200	0.83
6	Grading charges	230	0.95
7	Price paid by the retailer	14600	60.83
8	Margin of the retailer	8400	35
9	Marketing cost incurred by the retailer	1000	4.16
10	Price paid by the consumer	24000	100

4.7.4 Price spread for Lilies

Table 4.14 Price spread for Lilies through channel-II

Sr. No.	functionary	Price spread	
		Rs.	Percentage
1	Net price received by the producer	61800	77.25
2	Marketing cost incurred by producer	2200	2.75
3	Packing charges	1500	1.88
4	Transportation charges	200	0.25
5	Labour charges	200	0.83
6	Grading charges	300	0.38
7	Price paid by the retailer	64000	80
8	Margin of the retailer	15000	18.75
9	Marketing cost incurred by the retailer	1000	1.25
10	Price paid by the consumer	80000	100

Figure: 6 Producer's share in consumer's rupee for the selected flower crops in the study area through channel-II



4.8 Price spread in the marketing of selected flower crops through channel-III

The crop wise price spread of the different flower crops for channel–III (Producer→ commission agent→ retailer→ consumer) is depicted in the tables 4.15 to 4.18. The tables revealed that the producer's share in the consumer's rupee further decreases as compared to that through Channel-I and Channel-II due to the involvement of more number of intermediaries in this channel as a result of which the price spread further increases. However, If we compare the producer's share in consumer's rupee for the different flowers through channel-III the producer gets the maximum share in case of Orchids (50.75%) followed by Rose (49%), Lilies (45%) and Carnation (43.33%). Net price received by the producer was maximum in case of Orchids and minimum in case of Carnation.

Cost incurred by the producer for marketing was maximum in Lilies followed by Orchids, Rose and Carnation. The price paid by the commission agent for the selected flower crops was maximum for Rose (58%) followed by Orchids (56.66%), Carnation (48.40%) and Lilies (47.75%).whereas, the price paid by the retailer was maximum for Lilies(80%) followed by Orchids (66.66%),Rose (25%) and Carnation (24%) respectively. Margin of the wholesaler/commission agent was observed to be highest in Lilies (30.87%) followed by Carnation (18.33%), Rose (13.75%) and Orchids (8.5%) respectively.

Marketing costs incurred by the commission agents was found to be highest in Carnation (6.58%).comparing the marketing margin of the retailer was found to be maximum in Lilies (29.1%) followed by Rose (25%), Carnation (24%) and Orchids (18.75%).out of the marketing costs incurred by the retailers for the different flowers maximum was for Orchids (4.16%) and minimum for Lilies (1.25%). Similarly the price paid by the consumers was also accessed for the selected flower crops through channel-III and found to be maximum in case of Rs. 80,000/box in Lilies followed by Orchids (Rs 24,000/box), Carnation (Rs.1,2000/box) and Rose (Rs.8000/box) respectively.

4.8.1 Price spread for Carnation

Table: 4.15 Price spread for Carnation through channel-II

Sr. No.	Functionary	Price spread	
		Rs.	Percentage
1	Net price received by the producer	5200	43.33
2	Marketing cost incurred by producer	610	5.08
3	Price paid by the commission agent	5810	48.40
3	Margin of the commission agent	2200	18.33
4	Marketing cost incurred by the commission agent	790	6.58
7	Price paid by the retailer	8800	73.33
8	Margin of the retailer	2880	24
9	Marketing cost incurred by the retailer	320	2.66
10	Price paid by the consumer	1,2000	100

4.8.2. Price spread for Rose

Table: 4.16 Price spread for Rose through channel-III

Sr. No.	Functionary	Price spread	
		Rs.	%age
1	Net price received by the producer	3920	49
2	Marketing cost incurred by producer	720	9
3	Price paid by the commission agent	4640	58
4	Margin of the commission agent	1100	13.75
5	Marketing cost incurred by the commission agent	60	0.75
7	Price paid by the retailer	5800	72.5
8	Margin of the retailer	2000	25
9	Marketing cost incurred by the retailer	200	2.5
10	Price paid by the consumer	8000	100

4.8.3 Price spread for Orchids

Table: 4.17 Price spread for Orchids through channel-III

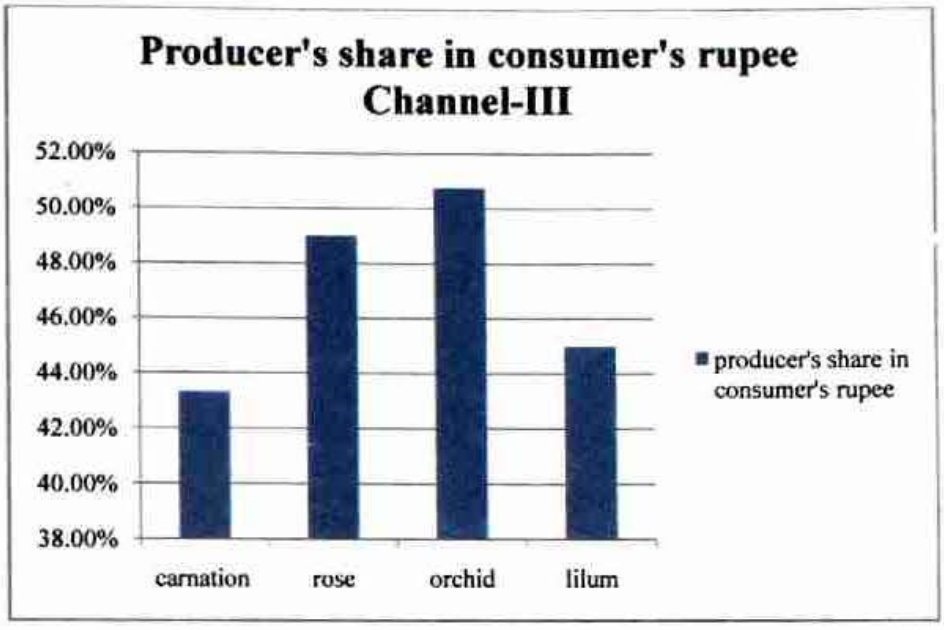
Sr. No.	Functionary	Price spread	
		Rs.	%age
1	Net price received by the producer	12180	50.75
2	Marketing cost incurred by producer	1420	5.91
3	Price paid by the commission agent	13600	56.66
4	Marketing cost incurred by the commission agent	360	1.5
5	Margin of the commission agent	2040	8.5
6	Price paid by the retailer	16000	66.66
7	Margin of the retailer	7000	29.1
8	Marketing cost incurred by the retailer	1000	4.16
9	Price paid by the consumer	24000	100

4.8.3 Price spread for Lilies

Table: 4.18 Price spread for Lilies through channel-III

Sr. No.	Functionary	Price spread	
		Rs.	Percentage
1	Net price received by the producer	36000	45
2	Marketing cost incurred by producer	2200	2.75
3.	Price paid by the commission agent	38200	47.75
4	Margin of the commission agent	24700	30.87
5	Marketing cost incurred by the CA	1100	1.37
7	Price paid by the retailer	64000	80
8	Margin of the retailer	15000	18.75
9	Marketing cost incurred by the retailer	1000	1.25
7	Price paid by the consumer	80000	100

Figure: 7 Producer's share in consumer's rupee for the selected flower crops in the study area through channel-III



4.9 Price spread in the marketing of selected flower crops - Channel-IV

Channel-IV (Producer→ middlemen/commission agent→ Mandi→ Retailer→ Consumer) was the very important channel prevailed in the study area. The unit marketing costs and margins of selected flower crops through channel IV reveals that more than 70 percent of the flower growers preferred this channel to sell their produce. The data pertaining to channel-IV is presented in the tables 4.19 to 4.22.

The tables revealed that in case of Carnation, while marketing through channel-IV, the producer's share in the consumer's rupee was found to half or less that 50 percent in all the crops and it was maximum (50.70%) in case of Orchids, followed by Rose (48.87%), Lilies (44.98%) and Lilies (44.98%) and this reveals that the net price received by the growers was maximum in case of Orchids. Marketing cost incurred by the producer was observed to be maximum in case of Rose (9%) and minimum case of Lilies (2.75%). Margin of retailer was found to be maximum in case of Orchids (29.1%) and lowest in case of Lilies (18.75). However, the price paid by the consumers is Rs. 10/stick for Rose, Rs.15/stick for Carnation, Rs.30/stick for Orchids and Rs.100/stick for Lilies respectively

The producer's share in the consumer's rupee can be increased substantially which needs to be done especially in case small and marginal farmers because for them the initial investment share is much higher and accordingly the producer's share in the consumer's rupee is much lesser because it is tough for them to achieve the economies of scale, eliminating the intermediaries in the channel will help them to have around 20 percent to 30 percent higher income levels. Also because having lower income levels the farmers basically prefer the Rose and Carnation flower crops which shows lower share of producer in the consumer's rupee as compared to the high valued flower crops like Orchids, Lilies which are basically cultivated by the economically sound farmers.

4.9.1 Price spread for Carnation

Table: 4.19 Price spread for Carnation through channel-IV

Sr. No.	Functionary	Price spread	
		Rs.	Percentage
1	Net price received by the producer	5190	43.25
2	Marketing cost incurred by producer	610	5.08
3	Price paid by the commission agent	5800	48.33
3	Margin of the commission agent	2200	18.33
4	Marketing cost incurred by the commission agent	790	6.58
5	Market (Mandi) charges	10	0.08
7	Price paid by the retailer	8790	73.25
8	Margin of the retailer	2880	24
9	Marketing cost incurred by the retailer	320	2.66
	Market charges incurred by the retailer	10	0.08
7	Price paid by the consumer	1,2000	100

4.9.2 Price spread for Rose

Table: 4.20 Price spread for Rose through channel-IV

Sr. No.	Functionary	Price spread	
		Rs.	Percentage
1	Net price received by the producer	3910	48.87
2	Marketing cost incurred by producer	720	9
3	Price paid by the commission agent	4630	57.87
4	Margin of the commission agent	1100	13.75
5	Marketing cost incurred by the commission agent	60	0.75
6	Market charges incurred by the CA	10	0.13
7	Price paid by the retailer	5790	72.37
8	Margin of the retailer	2000	25
9	Marketing cost incurred by the retailer	200	2.5
10	Market charges incurred by the retailer	10	0.13
11	Price paid by the consumer	8000	100

4.9.3 Price spread for Orchids

Table: 4.21 Price spread for Orchids through channel-IV

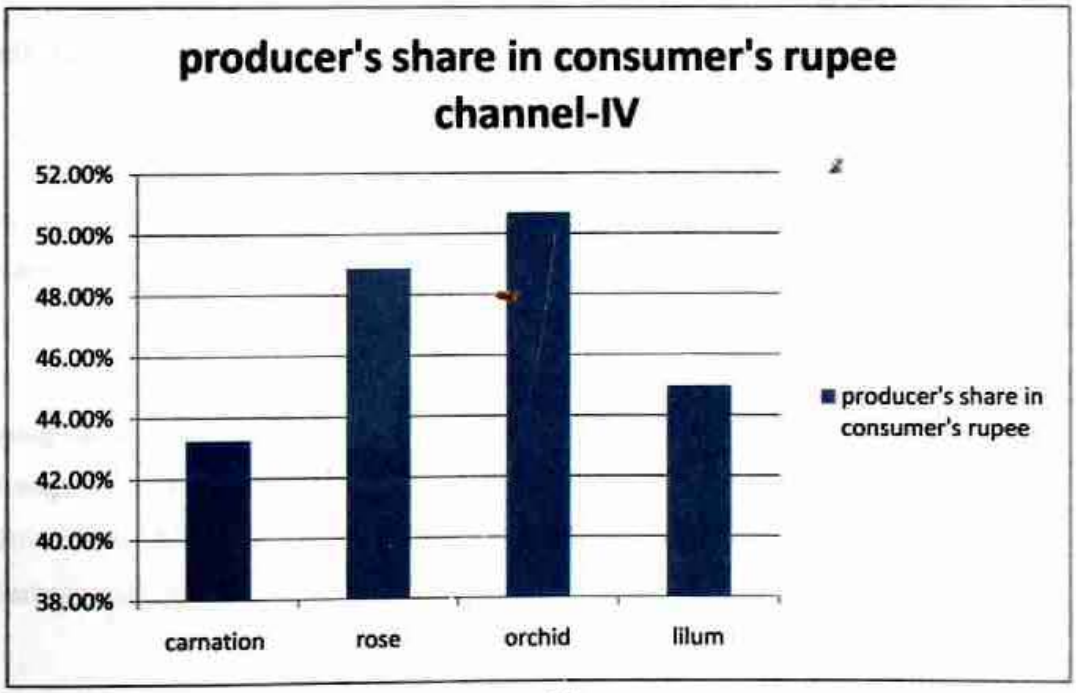
Sr. No.	Functionary	Price spread	
		Rs.	Percentage
1	Net price received by the producer	12170	50.70
2	Marketing cost incurred by producer	1420	5.91
3	Price paid by the commission agent	13590	56.62
4	Marketing cost incurred by the commission agent	360	1.50
5	Margin of the commission agent	2040	8.5
	Market charges incurred by the CA	10	0.04
6	Price paid by the retailer	15990	66.62
7	Margin of the retailer	7000	29.1
8	Marketing cost incurred by the retailer	1000	4.16
9	Market charges incurred by the retailer	10	0.04
10	Price paid by the consumer	24000	100

4.9.4 Price spread for Lilies

Table: 4.22 Price spread for Lilies through channel-IV

Sr. No.	Functionary	Price spread	
		Rs.	Percentage
1	Net price received by the producer	35990	44.98
2	Marketing cost incurred by producer	2200	2.75
3.	Price paid by the commission agent	38190	47.73
4	Margin of the commission agent	24700	30.87
5	Marketing cost incurred by the CA	1100	1.37
6	Market(mandi) charges incurred by the CA	10	0.01
7	Price paid by the retailer	63990	79.98
8	Margin of the retailer	15000	18.75
9	Marketing cost incurred by the retailer	1000	1.25
10	Market(mandi) charges	10	0.01
11	Price paid by the consumer	80000	100

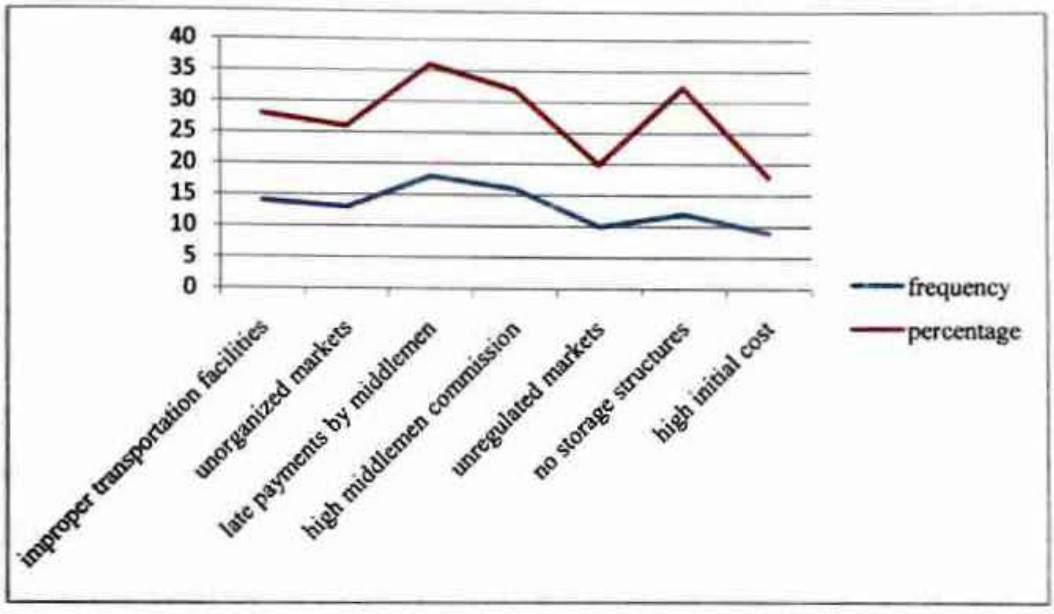
Figure: 8 Producer's share in consumer's rupee for the selected flower crops in the study area through channel-IV



4.10. Problems specified by the flower growers in the study area

There were various problems specified by the flower growing farmers in the study area. The various problems along with the number of the farmers facing the specific problem are specified in the table 5. It shows that the various problems specified by the growers are- improper transportation facilities, unorganized markets, late payments by middlemen, high middlemen commission, unregulated markets , no storage structures and high initial cost.

Figure: 9 Major problems faced by the producers in the study area



Inference

The data shows that out of the growers sampled late payments by the middlemen is the major problem specified by maximum growers (29.73%) followed by the high commission of the middlemen specified by (24.32%) of the total growers followed by another important problem of improper transportation facilities specified by the growers (18.92%) following an another problem of unorganised markets accounting to (16.22%) and unregulated markets (8.11%) of the total growers sampled following the problem of no storage structures and high initial cost specified by (13.51%) and (5.41%) whereas the data also shows 18.92% of the total flower growers as satisfied with the prevailing production, marketing and transportation conditions.

Table: 4.10.1 Problems specified by the flower growers in the study area

Sr. No.	Problems	Response	
		No. of growers	percentage
1	Lack of proper transportation facilities	14	28.00
2	Unorganized markets	13	26.00
3	late payments by middlemen	18	36.00
4	High middlemen commission	16	32.00
5	Unregulated markets	10	20.00
6	No storage structures	12	32.43
7	High initial cost	9	18.00

1. Lack of proper storage structures in the study area compels the farmers to sell their perishable produce even at the unfavourable prices. The farmer loses the bargaining power once the produce is unloaded in the market. This affects the pricing efficiency in the agricultural markets. Because of the perishable nature of the produce and poor grading of the flower produce by the farmers, physical inspection by the buyers need to be facilitated in order to ascertain just what was being brought. In this regard, improved techniques of refrigeration and storage along with improved grading procedures in the producing areas needs to be introduced. Farmers should not only be trained and educated in respect of opportunities for value additions to their produce but also be trained in the scientific storage methods and grading procedures.

2. Malpractices in buying and selling affect the marketing system. The commission agents normally remain with the buyers, who are their regular clients, rather than the individual farmer. Many unauthorized deductions are made from the farmers even in the regulated markets. Malpractices are more frequent when farmers have low status, poor education, and weak bargaining power. These malpractices need to be curbed through strict enforcement of market laws.

Table: 4.24 Response of the farmers to the problems related to middlemen

Sr. No.	Problems	Flower growers (in %)			
		Severe	Moderate	Normal	No problem
1.	High middlemen commission	70	12	12	6
2.	Late payments by the middlemen	22	5	5	2
3.	Other malpractices				
	a. In terms of product	45	25	15	15
	b. In terms of product prices	50	35	15	0
	c. Discrimination among the farmers	45	35	5	20

Table: 4.25 Response of the flower growers related to problems faced in the market

S. no	Problems	Flower growers (in %)			
		severe	moderate	Normal	No problem
1.	Problem of space to unload the truck	12	56	12	20
2.	Sometimes climatic conditions does not allow to unload the truck	16	16	60	8
3.	Malpractices by traders at the time of auction	64	20	12	4
4.	Others such as storage facilities	70	8	16	6

Table: 4.26 Multiple responses of flower growers related to market information

Sr. No.	Source of market information and its effectiveness	Flower growers (in %)	
		Yes	No
1.	Village trader	64	36
2.	Neighbour farmer	40	60
3.	Radio/ T.V	20	80
4.	Trunk call from wholesaler/ CA	76	24
5.	Telegram/postcard	32	68
6.	Personal visits to important market	72	28

3. Non-availability of sufficient market information also affects operational efficiency of the flower markets (table4.15). Farmers often remain deprived of the latest information about prices prevailing in different markets, changes in demand, and prospective prices of the crops, etc. Thus, they miss the opportunities to sell their produce at the right time and place so as obtain the most remunerative prices. Therefore, emphasis should be given to develop a mechanism through which latest market information is displayed and made available to the growers on daily basis.

Table: 4.27 multiple responses of the flower growers related to problems faced in Getting market-related information

Sr. No	Problems	Flower growers (in %)		
		Yes	No	Somewhat
1.	Late information	64	20	16
2.	Information available for limited markets	36	24	40
3.	Misleading information	28	60	12
4.	Inadequate information	50	40	10

Table: 4.28 Multiple responses of the farmers related to the problems of transportation

Sr. No.	Problems	Flower growers (in %)				
		Severe	Moderate	Normal	No problem	Total
1.	Improper road networks	70	20	10	0	100
2.	Improper timings	55	25	10	10	100
3.	High cost of transportation	40	40	10	10	100

4. The conditions of the market yard are not always good. Problem of protection of the produce from sun and rains, etc. Always adds to the problems of wastage and quality deterioration. In market sanitary conditions must also be give due attention.

5. Though flower crops are relatively more profitable as compared to cereals and other crops, yet lack of irrigation, high yield instability, uncertain and fluctuating prices limit their widespread cultivation. The higher price variability of flowers due to weak vertical linkage between production, marketing and processing. There must be development of institutional arrangements for minimizing the price uncertainty.

6. Infrastructure like market access to the motor able roads, transport and communication facilities, market yards, irrigation, rural literacy, etc. has enabled efficient flower marketing, even in the remote areas. This resulted in improved income status, enlarged employment, improved structure and conduct of agricultural marketing. There is still more scope to expand and improve infrastructural and other facilities, so that the farmers residing in the interiors can also is benefitted.

7. It has also been found that cut-flowers cultivation is highly capital intensive. The per hectare capital investment on planting material, farm structures, machinery and implements and investment on irrigation structure varied from Rs. 33 lakh in case of Carnation. On an average, the total capital investment per farm was estimated at Rs. 1, 01,785 in which planting material alone accounted for about 64 percent of the total investment. The flowers growers met about 63 percent of the total capital investment

from their own resources, 11 percent through borrowings from the banks while around one fourth was acquired in terms of subsidy.

8. Being delicate and highly valued, cut flowers require large quantities of good quality fertilizers, insecticides, fungicides and growth hormones and assured irrigation facilities which increases the cost of cultivation of flowers. Also the cut-flowers require intensive care and management as such, floriculture is highly labor intensive.

9. It has been observed that the agro-climatic conditions of Himachal Pradesh are quite conducive for the cultivation of flowers. However productivity of the planting material depends upon the type of flowers, quality/ quantity of planting material as well as the management practices adopted by the flower growers for raising the crop. The maximum net returns were realized from the cultivation of Carnation under poly/ green house condition. Roses were found to be the next best cut-flower followed by chrysanthemum. In terms of returns per dozen, it was observed that Lilies and Orchids offered remunerative prices in different markets.

10. The marketing of cut-flowers was found to be complex and more critical than production. As the timely supply of planting material and remunerative sale of the output in the right form, place and time were so crucial that these may affect the entire process of flori- business.

11. It has been found that the marketed surplus varied from 97 to 98 percent of the total production i.e. entire produce of cut-flowers formed the marketable surplus. Only those spikes were retained that were having some deformities or otherwise and those which could not be marketed.

12. The major cut-flowers' markets are in big cities and have been recently established, however, till now no primary market has been established in the producing area (Himachal Pradesh). The main markets are located in Delhi and Chandigarh, besides a few more markets at Ludhiana, Amritsar, Jallandhar and Pathankot are also coming up. The markets are not strictly regulated and no open auction of the flowers is conducted. Various intermediaries increases the price spread. Recently the mandi has been established in the Delhi market but still the producers face the problems of high commission by the middlemen and late payments by the middlemen.

About 80 percent of the total output of cut-flowers in the study area was sold in Delhi market. However, some growers were also sending their produce for sale to Chandigarh markets and nearby markets.

13. The marketing system of cut-flowers was found inappropriate, lacking in proper amenities and infrastructural facilities. Based upon the opinion survey, the farmers were facing many problems in marketing their produce. The main problems were instable prices, improper transportation facilities, malpractices and high market charges and lack of established regulated markets/open auction centers. The flower co-operative societies also reported delayed payments from commission agents that affected the financial performance of the society as well as the growers.

CHAPTER 5

SUMMARY, CONCLUSIONS AND SUGGESTIONS

SUMMARY

Problems relating to Agricultural development of hill areas are different from that of the plains; therefore the policy planners of the country have made their mindset to provide a powerful thrust to change the uneconomical traditional crops from the crop-mix of the farmers by introducing high value ventures. Cut-flowers have immense scope of enhancing income and employment generation for the hill farmers. Realizing this importance of cut-flowers, the present study, "constraints in marketing of flowers – study in Solan and Sirmaur districts of Himachal Pradesh", was undertaken to examine the production potential, economics, marketing systems and constraints of important cut-flowers. The present study deals with the two major cut-flowers (Carnation, Rose) that are commercially grown in the state. It needs to be mentioned that Orchids and Lilies did not gain much popularity at the farm level in the concerned districts being highly capital intensive in nature. The study is based on both the primary and secondary data. The primary data is collected from the selected flower growers through the sample survey and personal interview method. Random sampling procedure was adopted to select the villages and flowers growers in the study area. Solan and Sirmaur districts have been selected for the study out of these two districts a total of 50 flower growers was drawn for the study, equal numbers from each district. Similarly, for the collection of data from market functionaries a random sample of ten retailers from the two most preferred markets viz., Delhi and Chandigarh was taken for the detailed study.

The secondary data related to the study were collected from various publications and records of different government organizations, namely, state agriculture department, National Horticulture Board, Market committee and various other published journals and other sources of government and semi government organizations. The data was analyzed using appropriate statistical tools.

CONCLUSION AND SUGGESTIONS

1. In the study area the observations are made to identify the major flower crops based on their acreage and production under the particular crop. Hence found that two major flower crops taken by the farmers are Rose and Carnation contributing to 68.89% of the total sampled land holding followed by Rose (21.48%).

2. The study shows that (66.66%) of the total sampled flower growers were marginal farmers followed by small farmers (29%), medium farmers (3.2%) and there were no large scale farmers observed in the study area. The income generated by the flower cultivation is greater than what is achieved by growing any other crop and the average annual income is around 5lakh to 8lakh per annum depending upon the size of landholding, quality of produce and prevailing prices in the market but still the number of flower growers is low therefore efforts should be made to encourage these small scale farmers to practice flower cultivation for enhancing their income and employment avenues. For this cause location and approach of farm, distribution of quality planting material, easy term loans from institutions and assured market outlets, need to be strengthened.

3. The study reveals that around 65 percent of the total cost of cultivation is contributed by the planting material alone and the major source of the planting material is private sector while none of the government organizations are involved. This results in high cost of planting material and high cost of cultivation. Government involvement in supplying quality planting material can help the farmers to procure low cost quality planting material, decreasing the total cost of cultivation.

4. The major government support to the flower growers is in the terms of subsidy, i.e. Up to 50 percent of the total cost of the greenhouse structure and up to 80 percent on the total cost of installing the irrigation system. The subsidies must be continued and intensified so that even the small farmers can also take up the highly capital intensive flora-business.

5. The marketing costs and the price spread of the major flower crops was analysed for different marketing channels which reveals that the producers' were 90 to 97 percent

of the consumer's rupee in different flower crops in channel-I. The producers' expenses varied from 3 to 9 percent of the consumer rupee for channel-I. For channel-II producer's share in the consumer's rupee ranged between 55 to 80 percent. The retailer's expenses ranged from 2 to 13 percent of the consumer's rupee in this channel for the selected flower crops. Similarly for the channel-III producer's share in consumer's rupee ranged between 44 to 50 percent for the selected flower crops in the study area. Intermediaries' margins in case of channel-III indicate that the margins of retailers and commission agents were high and ranged between 18 to 30 percent and 8.50 to 30.87 percent respectively. The pattern for price spread shows that the price spread was maximum for Carnation and minimum for Orchids. Producer's share for the Carnation and Orchids in channel-III was 43.33 percent (minimum) and 50.57 percent (maximum) of the consumer's rupee. However, Channel-IV is the most important channel as 50 percent to 80 percent of the total flower produce is sold through this channel. In the channel-IV the producer's share in the consumer's rupee was similar to that in channel-III and ranged between 44 to 51 percent, with retailers margin ranging between 19 to 30 percent. The marketing cost incurred by the producer was in a range of 2 to 9 percent. This indicates that intermediaries play an important role in the marketing of flower crops in the study area and incur higher marketing margins. The study stresses on the fact that marketing efficiency of the selected flower crops can be increased through reduction and elimination of the market functionaries.

6. Due to the scanty and scattered production, the cut-flowers' marketing is also unorganized and under developed. The high price-spread, high margins, no specialized packaging due to lack of packing material, less number of market functionaries in the market, few markets and no existence of primary market in the producing area results in the worst conditions of flower marketing in the state. It is suggested that flower marketing must be regulated and controlled. Establishment of producers' co-operatives, primary markets and export promotion units (EPU) in the producing will help in the marketing and export of the flowers in the state. Moreover the flower growers' co-operative societies in the state need to be strengthened both financially as well as functionally so that these could operate in the remote and far-flung areas to expand flowers' cultivation.

7. During the study it was realized that the flower growers were not aware of the appropriate scientific technology and management practices relating to flower cultivation, resulting in to over as well as under utilization of inputs, wrong selection and use of costly pesticides and chemicals, besides the improper post-harvest handling of the produce. In this regard, the R&D institutions should take suitable measures to standardize and spread technical-know –how through adequate field demonstrations and trials regarding the proper cultivation techniques, scientific storage methods and grading, standardization and value addition to the produce. Also the varieties resistant to pest and diseases and suitable for the hills must be introduced to the farmers.

8. Good packing material must be made available to the farmers /producers so that the produce can be protected from being wasted due to its highly perishability also the different and scientific packaging must be promoted for the different types of flowers so that their quality can be maintained to fetch higher prices in the market.

9. Malpractices in the market need to be curbed through the strict enforcement of the market laws.

10. Communication network between the growers and the market needs to be enhanced. The concept of e-marketing can be introduced to the farmers in this regard.

11. The flori-business has been found to be highly capital intensive and risky, the flori-business needs to be insured.

12. There should be appropriate infrastructural facilities like proper storage structures both at the farmer's level as well as in the market to reduce the distress sale of the produce.

13. Proper institutional arrangements must be there for minimizing the price uncertainty in order to avoid the higher price variability of flowers. This can be supported by introducing the minimum support price for flowers also as in the other agricultural commodities.

14. There must be timely and adequate availability of the transportation facilities so that the produce can reach the consumers in good conditions. Transportation services like refrigerated vans will not only reduce the transportation costs but also will help the producer in assured sale of their produce in good quality fetching higher prices in the market.

CHAPTER 6

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CONSTRAINTS IN THE MARKETING OF FLOWERS:

A study in solan and sirmaur districts of Himachal Pradesh

Questionnaire for farmer

1. Name of the farmer/respondent .....

Gender : male/female Age.....years.

2.Village.....District.....

3. Educational qualifications ☐ Primary ☐ Middle ☐ High

☐ Graduate ☐ Any other

If any other please specify.....

4. Occupation- ☐Agriculture ☐ervice Bu☐ness

☐ Any other

If any other please specify.....

5.Land holding .....in bighas.

6. Annual income(approximate) : Agriculture..... floriculture..... service..... business.....

Any other.....

If other please specify.....

7. family members

Name	Relation	education	age	Occupation

8. Cropping pattern regarding flower crops

Name of the flower crop	Area	Sowing time	Harvest time	Yield	Income

9. Cropping pattern regarding other crops:

Sr. No.	Name of the crop	area	Sowing time	Harvest time	Yield	Income
1	Wheat					
2	Rice					
3	Maize					
4	Barley					
5	Millets					
6	Vegetables					
7	Any other					

10. Costs involved

crops	Costs	Production cost			After harvest cost			Transport-tion cost	Cost incurred by middlemen	Market charges
		inputs	Intercut-ure operations	Harve-sting cost	Proces sing cost	Packaging cost	Preservat ion cost			

11. Total cost of cultivation

Kharif	Rabi	Summer

12. Source of purchasing inputs (seeds)

inputs	Source							
	Local market		Distributor		Company		Ag. Deptt.	
	Quantity	Rate	Quantity	Rate	Quantity	Rate	Quantity	Rate
seeds								
fertilizers								
others								

13. Mode of purchase cash/credit

14. sources of credit Bank/SHG/cooperatives/retailers/local lender/other

If other specify the name.....

15. Beneficiary of any government subsidies yes/no if yes specifies the name.....

16. Beneficiary of the National horticulture mission yes/no

17. Method of cultivation open/polyhouses/greenhouses/other if other specify the name.....

18. Cost incurred in setting structures for protected cultivation.....

Actual percentage of subsidy received if any.....

19. Where do you sell the produce within the village/ local market/cities/international market/other

Specify the name.....

20. Distance of the market from farmers

Place.....km.....

21. Means of transport adopted.....

22. Channel of marketing directly/through middleman/marketing agencies/NGOS/cooperatives

Specify the name

23. Marketing of flowers

Flower crop	Marketing agencies							
	Local market		Regional market		National market		International market	
	Quantity	Rate	Quantity	Rate	Quantity	Rate	Quantity	Rate

24. Are you satisfied with the prevailing market conditions in terms of prices of the produce

Yes/no

If no explain.....

25. Problems and specific description

Sr. No.	Problems	Description
1.	Production	
2.	Processing	
3.	Packaging	
4.	Transportation	
5.	Marketing	

26. Any other problems faced by the farmers.....

27. Views and suggestions of the farmers.....

CONSTRAINTS IN THE MARKETING OF FLOWERS:

A study in solan and sirmaur districts of Himachal Pradesh

Questionnare for Retailers

1. Name.....
2. Age.....
3. Educational qualifications.....
4. Place of the retail outlet.....
5. Sell flowers as i) bouquets..... ii) loose flowers..... iii) cut flowers.....
   any other .....
6. Which flowers do you prefer i) carnation..... ii) Rose..... iii) chrysanthemum.....
   iv) Orchid..... v) Lilies.....
   any other.....
7. Place from where you procure flowers.....
8. Channel for procurement.... directly from farmers/middlemen/marketing agencies
   Any other.....
9. Prices

S.No	Name of the flowers	Prices for purchase(cost price)
	rose	
	carnation	
	orchid	
	chrysanthemum	
	Lilies	
	Any other	

10. Present prices of the flowers (selling price)

S.No	Name of the flower	Loose flowers	Cut flowers	Bouquets	Any other
1	rose				
2	carnation				
3	chrysanthemum				
4	Lilies				
5	orchid				
6	mixed				
7	Any other				

11. Profit margin.....
12. Maximum profit margin is in which flowers and in which forms or arrangements.....
13. Do you have any refrigeration facility .....
    Or any other source of preserving flowers.....
14. Are you satisfied with business.....
15. Do you want to continue it further.....
16. Any other suggestions regarding improvements.....

RESUME

Priya Sharma

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Specialization: dual specialization in Marketing and Finance

Objective: To start my management career by joining a well settled and highly professional organization and grab good career advancement through large efforts and innovative work techniques.

Professional Qualifications:

- Bright academic records with absolute performance consistency
- Through understanding of the fundamental principles of business administration and their practical usage.
- Highly organized thought process and well structured problem dealing attitude with an edge of innovativeness.
- Profound managerial qualities and skills to handle multiple teams simultaneously.
- Ability to handle both, the internal activities of an organization as well as the external dealings with customers, vendors, government bodies, etc.
- Uncommon command over spoken and written English
- Very strong in handling the MS office tools and web search tools

Academic Education:

- Completed high school from Campus School , Pantnagar, Uttarakhand, CBSE board with 66.7% in 2003
- Completed ser. secondary from Campus School , Pantnagar , Uttarakhand, CBSE board with 67.9% in 2005
- Graduated in Agriculture Science from Govind Ballabh Pant University of Agriculture and Technology, Pantnagar, Uttarakhand. (2010) with 7.59 grade point average.
- Post graduation, MBA (Agribusness) from Dr. Y.S Parmar University of Horticulture and Forestry, Nauni, Solan with 7.8 grade point average.

Academic Projects Undertaken:

- "Constraints in the marketing of flowers" final project completed during post graduation
- "Reasons for micro stoppages in noodle line ", this was my post graduation project during summer internship from "Nestle India Pvt. Ltd" under "Industry Performance Department".
- "Analysis of the Production plant" this was my graduation project I completed from "Parle Biscuits Pvt. Ltd" under "production department".
- Professional Training in "Seed Production Technology" during my graduation.
- "Plant Clinic" where I gained knowledge about various plant diseases and their identification in various districts of Uttarakhand under Rural Agriculture work experience during my graduation.
- Experience of field visits and village attachment during my gradation.

Computer skills:

Working Knowledge of basic computer tools of MS office and proficient with using internet.

Extra Curricular Activities:

- Participated in the National social service camp organized at the university and acquired 'B' AND 'C' level certificates in written examinations.
- Participated in a NGO named TEAS working in Himachal Pradesh during my post graduation.
- Earned a certificate of training in agribusiness management under social entrepreneurship programme of MANAGE.

Interests and Hobbies:

- singing
- cooking
- listening music

Personal Details:

- Date of Birth: 30 / 08 / 1987
- Marital status: Single
- Expected employment status: Full time
- Nationality: Indian

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Priya Sharma

Place: Nauni, Solan
Date: 10 July, 2012