



INDUSTRY CAPABILITY REPORT



SRI LANKAN FLORICULTURE SECTOR

Prepared by: Export Development Board (EDB), Sri Lanka December, 2019

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1. INTRODUCTION

Majority of floriculture exporters are producer exporters operating commercial farms. Apart from the Sri Lankan companies there are foreign direct investors and joint collaborations producing floriculture products for export. According to industry classifications in Sri Lanka, floriculture industry falls under the Small & Medium category.

There are farmer cluster organizations and out grower systems producing decorative foliage for exports under varied climatic conditions in the semi Urban and rural areas in the country.

2. KEY PRODUCTS AND VARIETIES

	Key Products	Varieties
01	Decorative Foliage	<i>Draceana sanderiana, Draceana massengeana, Cordyline, Aglaonema, Adiantum, Calathea, Maranta, Codiaeum, Monstera, Pothos, Pandanus, Thaloide, , Philodendron, Miscanthus, Anthuriums, Diffenbachia, Scindapsus, Caryota urens, Chrysalidocarpus, Diffenbachia, ,Aspidistra</i>
02	Rooted/ Un rooted young Plants & indoor pot plants	<i>Draceana sanderina, Draceana massengeana, Codiaeum ,Agloanema,Scindapsus ,Draceana marginata , Cordyline, Pleomele reflexa, Polyscias, Livistonia</i>
03	Cut Flowers	<i>Roses , Carnations , Gerbera, Chrysanthemum,Lilies, Gypsophila, Limonium, Anthurium,</i>
04	Landscaping plants	<i>Plumeria, Gardenia, Codiaeum, Ixora, Hibiscus, Cassia, Bouhinia, Bougainvella, Allamanda, Jasmine,Acalypha, Neem,</i>
05	Tissue cultured plants	<i>Ananas, Musa sp, Cordyline, Dracaena, Syngonium Philodendron, Ficus</i>
06	Aquarium plants	<i>Anubious, Cryptocoryne, Ceratophyllum, Echinodorus etc.</i>

3. SEASONAL VARIATION

Sri Lanka's climate is predominantly tropical and endowed with different climatic conditions caused by terrain enabling her to develop floriculture products ranging from tropical to temperature throughout the year. Therefore the supply could be assured throughout the year.

4. WORLD MARKET OVER THE PAST 35 YEARS.

The floriculture industry applies advanced cultivation technology. The products are grown providing optimum micro climatic conditions under poly or shade houses. The whole supply chain is operated by experienced nurserymen to guarantee quality products for export.

In order to facilitate safe movement of plants and plant products a well-equipped plant quarantine facility is available and quarantine officials make regular visits to the floriculture nurseries and closely supervise and advise on integrated pest management and disease control.

Export companies have obtained environmental and quality certifications such as GLOBALGAP, MPS and FAIR TRADE, GAP, GMP label to comply with requirements in the international market. The consistency of the product delivery is guaranteed.

GEOGRAPHICAL DISTRIBUTION ACROSS THE COUNTRY

a. Major Production Regions

Western province- Gampaha, Kaluthara and Colombo Districts
North Western Province- Kurunegala, Puttalam Districts
Central Province – Kandy, Kegalle, Matale, N' Eliya, Bandarawela

b. Possible Areas for Expansion

Southern Province
Sabaragamuwa Province



5. SIZE IN TERMS OF PRODUCTION (VALUE/QUANTITY)

Due to the highly scattered nature in this sector it is hard to find the size of production.

6. KEY PLAYERS IN THE SECTOR IN YEAR 2018

- Tropiflora Ltd
- Spado International (Pvt) Ltd
- Mike Flora International (Pvt) Ltd
- Star Flora (Pvt) Ltd
- The Leaf Company Pvt Ltd
- Ceylon Foliage (Pvt) Ltd
- Green Goddess (Pvt) Ltd
- Rathnasiri Fernando & Co pvt Ltd
- Asian Cuttings Lanka (Pvt) Ltd
- AMP Ceylon Pvt Ltd
- Omega Green (Pvt) Ltd
- T R Exports International Pvt Ltd
- River View Flora

The sector is capable of providing employment throughout the year at a rate of 5-7 workers per acre. There are around 5000 direct employment and over 15,000 indirect employments have been created as out growers supplying to the export companies.

7. GOVERNMENT POLICY AND SUPPORT AVAILABLE

- The floriculture sector has been identified by the Government as a potential sector for development and promotion for exports.
- Training for growers is provided by the Department of National Botanic Gardens
- The National Plant Quarantine service under the Department of Agriculture provides the extension services for pest & disease control.
- The government encourages Foreign Direct Investments (FDI) in Floriculture Sector.
- The Export Development Board provides the market intelligence and assistance for export marketing.

a. Legislations

Floriculture production & exports are regulated by the following Acts and legislations.

- Forest Ordinance
- Wild Life Protection Act
- Convention for International Trade of Endangered Spices (CITES)
- Pesticides Control Act
- Regulations under the Pesticides Control Act
- Enactment of New Plant Variety Protection Act
- Seed Act
- Regulations under the Seed Act
- Plant Protection Act
- Regulations under the Plant Protection Act

b. Related Institutes

- Department of Agriculture
- Department of National Botanic Gardens
- Department of Forests
- Department of wildlife conservation
- Department of Commerce
- Sri Lanka Customs

8. R&D AND PRODUCT DEVELOPMENT FACILITIES AVAILABLE

- EDB by its Action Plan 2016-2020 is assisting the growers/ exporters to promote new/innovative products to the international market.
- By achievement of the GSP+ concessions from the EU market, floriculture sector is subjected to receive zero duty benefits for the export products.
- A World Bank project received to Sri Lankan government for agriculture sector modernization includes export oriented floriculture sector as a potential area to be assisted.
- National Botanical Gardens is engaged in developing new floriculture varieties and EDB is assisting the grower/exporters to commercialize these products aiming the international market.
- A National Committee for Floriculture Research & Developments consisted of public & private industry stakeholders has been established to streamline the resources and set up research priorities for the industry.
- An Annual Symposium is organized by the Council for Agriculture Research Policy (CARP) providing an opportunity to present important floriculture research done by the scientists attached to universities and research institutions to the industry stakeholders.

9. INFRASTRUCTURE/LOGISTICS REQUIRED/AVAILABLE FOR THE SECTOR

a. Available

- International Airport
- Highways for easy transportation
- Availability of Coco peat as a growing media
- Electricity at Industrial Tariff category

b. Required

- Cultivable Land to expand cultivation.
- Cold storage facilities at the Airport.
- Direct flights to major floriculture market, the Netherlands.
- Competitive Air Freight rates

10. AVAILABILITY OF TECHNOLOGY AND SKILLED LABOUR

Technology on production is mainly available with the private sector. The exporters are assisted by the EDB to access state of art technology from overseas (if required) to improve production, quality, packaging, storage and transportation. (Foreign experts to Sri Lanka / Floriculture growers/exporters overseas to Technology Exposure Prorammes)

Availability of a skilled workforce is a key strength of the industry.

Floriculture is included in the curriculum of Universities to produce efficient and knowledgeable man power for the industry.

11. EXPORT PERFORMANCE AND MAIN MARKETS

Description	2017	2018	2019 (January To November)
	Value USD	Value USD	Value USD
Foliage	15,426,605	15,134,027	14,718,966
Floriculture Seeds	886,305	754,973	1,235,044
Aquatic plants	274,996	276,137	647,951
Cut Flowers	151,205	89,338	100,388
Total :	16,739,110	16,254,474	16,702,349

Description	2017	2018	2019 (January To November)
	Value USD	Value USD	Value USD
Foliage	15,426,605	15,134,027	14,718,966
Netherlands	4,803,231	5,219,831	4,277,272
Japan	2,631,950	3,169,409	2,978,552
United Arab Emirates	1,378,672	806,112	1,921,684
Saudi Arabia	2,109,590	1,940,123	1,646,987
Australia	300,839	404,439	677,970
Others	4,202,323	3,594,112	3,216,500
Floriculture Seeds	886,305	754,973	1,235,044
Japan	418,932	181,398	544,077
Denmark	74,920	383,461	400,913
Thailand	60,288	98,663	181,757
United States	975	5,295	91,207
Korea South (Korea, Republic of)		1,661	6,663
Others	331,191	84,494	10,428
Aquatic plants	274,996	276,137	647,951
Germany	133,544	96,049	416,595
Singapore	2,599	47,923	56,762
Netherlands	29,106	20,712	33,477
United States	9,473	25,039	31,637
Sweden	24,554	23,422	26,405
Others	75,719	62,993	83,075
Cut Flowers	151,205	89,338	100,388
Netherlands	82,140	65,927	81,078
Qatar	18,276	6,529	5,206
Maldives	1,825	2,525	4,915
Bahrain	92	491	3,823
Brazil			1,819
Others	48,872	13,865	3,547
Total :	16,739,110	16,254,474	16,702,349

12. POTENTIAL FOR EXPANSION IN THE SECTOR

Potential available to develop supplies of existing varieties in demand and expand the product assortment with the introduction of new varieties

13. STRENGTHS AND WEAKNESSES OF THE SECTOR

a. Strengths

- Climatic variations and diverse topography which enables to cultivate a range of products from tropical to temperate.
- Geographical location of the country facilitates to supply products within 24 hrs to any destination in the world.
- Knowledge & technology to finish products according to international standards. Availability of skilled & trainable labour force.
- Availability of coco peat as a growing media.
Reputation built up as a supplier of quality products.
Institutional support.
- Application of Good Agricultural Practices to protect the environment, safeguard workers and sustainable use of natural resources.

b. Weaknesses

- Limited product assortment
- Lack of R&D to develop new products.
- Relatively small production units.

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