



# INDUSTRY CAPABILITY REPORT



## Sri Lankan Floriculture Sector

Prepared by:  
Export Development Board (EDB), Sri Lanka  
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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
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>
Rooted/ Un rooted young Plants & indoor pot plants	<i>Draceana sanderina, Draceana massengeana, Codiaeum, Agloanema, Scindapsus, Draceana marginata, Cordyline, Pleomele reflexa, Polyscias, Livistonia</i>
Cut Flowers	<i>Roses, Carnations, Gerbera, Chrysanthemum, Lilies, Gypsophila, Limonium, Anthurium, Orchid</i>
Landscaping plants	<i>Plumeria, Gardenia, Codiaeum, Ixora, Hibiscus, Cassia, Bouhinia, Bougainvella, Allamanda, Jasmine, Acalypha, Neem</i>
Tissue cultured plants	<i>Ananas, Musa sp, Cordyline, Dracaena, Syngonium, Philodendron, Ficus</i>
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.

#### 5. 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 Districts

##### b) Possible Areas for Expansion

- Southern Province
- Sabaragamuwa Province



#### 6. 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. In 2021 Sri Lanka has recorded a revenue of USD 16 Mn by exporting floriculture products.

## **7. KEY PLAYERS IN THE SECTOR IN YEAR 2021**

- Quality Seeds Co. Limited
- Mike Flora Pvt Ltd
- The Leaf Company Pvt Ltd
- Ceylon Foliage Pvt Ltd
- Hayleys Agro Biotech Pvt Ltd
- Spado International Pvt Ltd
- Mike Flora International Pvt Ltd
- Star Flora Pvt Ltd
- Borneo Exotic Pvt Ltd
- Tropiflora Pvt Ltd

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.

## **8. GOVERNMENT POLICY AND SUPPORT AVAILABLE**

- The floriculture sector has been identified by the Government as a potential sector for development and promotion for exports and four year strategic plan has developed.
- 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
- National Plant Quarantine Service - NPQS
- Department of National Botanic Gardens
- Department of Forests
- Department of wildlife conservation
- Department of Commerce
- Sri Lanka Customs

### **9. 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.

## 10. 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
- Modern technology at affordable rate
- Availability of required inputs without shortage

## 11. 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.

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.

## 12. EXPORT PERFORMANCE AND MAIN MARKETS

### Exports (Value In US\$)

Description	2019	2020	2021
Foliage	15,475,849	10,642,623	14,020,009
Floriculture Seeds	1,235,721	1,312,246	1,107,216
Aquatic plants	688,967	572,527	905,068
Cut Flowers	103,523	94,598	162,140
<b>Total:</b>	<b>17,504,060</b>	<b>12,621,994</b>	<b>16,194,433</b>

Source: Sri Lanka Customs

## Exports (Value In US\$)

Description	2019	2020	2021
<b>Foliage</b>	<b>15,475,849</b>	<b>10,642,623</b>	<b>14,020,009</b>
Netherlands	4,517,292	3,812,030	4,860,953
Japan	3,122,373	2,132,640	2,675,549
Saudi Arabia	1,756,103	836,347	1,289,092
Australia	695,449	536,829	1,153,569
United Kingdom	584,147	410,129	802,090
Others	4,800,486	2,914,652	3,238,758
<b>Floriculture Seeds</b>	<b>1,235,721</b>	<b>1,312,246</b>	<b>1,107,216</b>
Japan	544,077	541,455	743,282
Denmark	400,913	185,011	222,773
United States	91,207	218,238	113,912
Czech Republic (Czechia)	-	-	13,280
Hong Kong	740	2,440	6,357
Others	198,785	365,102	7,611
<b>Aquatic plants</b>	<b>274,996</b>	<b>276,137</b>	<b>647,951</b>
Germany	434,621	278,193	386,872
Singapore	62,121	119,580	191,481
United States	35,554	41,855	113,700
United Arab Emirates	5,102	21,093	46,175
Netherlands	38,849	28,729	37,585
Others	112,714	83,077	129,252
<b>Cut Flowers</b>	<b>151,205</b>	<b>89,338</b>	<b>100,388</b>
Portugal	-	-	67,166
Netherlands	82,846	73,791	66,964
Maldives	5,162	254	12,809
Japan	2,204	17,021	8,925
Qatar	5,521	1,777	1,562
Others	7,790	1,756	4,741
<b>Total :</b>	<b>17,504,060</b>	<b>12,621,994</b>	<b>16,194,433</b>

Source: Sri Lanka Customs



### **13. 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. Tissue Cultured ornamental plant export has immerring potential with the advantages such as,

- Ability to produce disease free plants
- Uniform plants in large quantities
- Ability to multiply good characteristics using small plant part
- Easy to predict the production and
- Low space consuming in transportation and it reduce cost

### **14. 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 educated, 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
- Unavailability of National Policies

## 15. INSTITUTIONS RELATED TO FLORICULTURE PRODUCE EXPORTS

- Relevant Divisional Secretariat Office / Registrar of Companies

<http://www.drc.gov.lk/intro/>

- Inland Revenue Department

<http://www.ird.gov.lk/SitePages/Default.aspx>

- Sri Lanka Customs

<https://www.customs.gov.lk/>

- National Plant Quarantine Service

<https://doa.gov.lk/npqs-home-en/>

### **Prepared by:**

Mr. Gayan Weerasinghe - Export Promotion Officer, Export Agriculture Division, EDB, Sri Lanka

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