

Title Value chain improvement of liliium and marigold under contract farming system in Tamil Nadu, India

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Abstract

Floriculture is growing rapidly in India. In view of the importance of cut flower production under contract farming, an attempt was made to study the economics of Liliium and production under contract farming system during 2007-2008. More than 70 liliium growers have registered their name as liliium growers under Kotagiri Floritech Company (KFC) located in Nilgiris District and 15 growers were selected randomly and the data related to costs incurred in the production of liliium, returns and problems with regard to the production and marketing were collected from the KFC and liliium growers. The collected data were analyzed using percentage analysis. The cost incurred in the production of liliium was categorized into fixed cost and variable cost. Among the variable cost components, planting material (*i.e*) bulb which is imported from Holland occupied 71 per cent of total expenses. Interest on working capital and labour charge occupied second and third places respectively, which indicated that liliium production is capital intensive. High investment in production, poor availability of institutional finance and difficulties in securing high quality planting and seeding materials are the major constraints encountered by the cut flower growers. Another study was conducted at Sathyamangalam taluk of Erode district of Tamil Nadu, where marigold cultivation is highest accounting for 15 per cent of the total area in the state. Contract farming in marigold cultivation is carried out by M/s. AVT Natural Products Ltd., Sathyamangalam, which provides inputs namely seeds and pesticides, supervises the field, provides credits for purchasing seeds and also buys back the flowers from the growers. The study revealed that majority of the sample farmers (41.6%) belonged to the age group of 41 to 50 years; 77.7% of the farmers were illiterate; most of the farmers (42%) hold 1-2 acres of land and majority of the sample farmers (41.6%) have 1 to 5 years of experience in marigold cultivation.