When you think of a florist, do you ever think about how many people are involved in providing the flowers? Where did they come from? How were they grown? The floral industry is worldwide, and it includes growing, harvesting, packing, shipping, marketing, and designing—not to mention the research and development of different species. Floral crops are grown in practically every country and transported worldwide.

**Objective:**
Describe the international flower market.

**Key Terms:**
- broker
- export
- import
- mass merchant
- perishable
- retail florist
- wholesale florist

**Floriculture**

Not long ago, nearly all cut flowers sold in the United States were grown within the borders of the United States. This practice was due to transportation limits, costs, and perishability. Flowers are *perishable* (inclined to degrade over time), meaning they have a short shelf life. The floral trade, once a regional type of market, has now gone global.
Many improvements have been made in transportation and post-harvest handling. Selection and cultivation methods of flower crops have also advanced. Now, flowers can come from all over the world in a matter of hours or days. Even so, there is now a renewed market for locally grown floral products. (California accounts for three-fourths of all US flower sales and is the nation’s largest producer of flowers, as well as many agricultural products.)

Regardless of where the product comes from, flower and floral-related sales are big business. In 2015, retail sales in floriculture were 31.3 billion dollars (according to Statista, [https://www.statista.com/statistics/463215/flower-retail-sales-in-the-us/]).

A bouquet of flowers purchased in the United States has often traveled a long way before landing in your vase. These days, South America is one of the most popular regions for floriculture. This is due, in part, to the continent’s ideal climate. Up until the 1970s, most flowers sold here were grown locally. Over time, rising energy costs and other unfavorable economic factors caused many American growers to leave the business. As US floriculture was taking a downturn, horticulturists discovered the near-perfect climate conditions for year-round flower growth in Central and South America, specifically near Bogota, Colombia. Yet, it would take some time for the Colombian floral industry to take off.

**THE SCOPE OF THE INTERNATIONAL FLOWER MARKET**

According to the USDA Economic Research Service, although flowers are produced throughout the world, the world’s cut-flower trade is concentrated in only a few countries. Cut flowers are important exports of some countries and important imports for others. An export is a good or commodity shipped from one country to another. An import is a good or commodity brought into one country from another.

**Importers**

In Asia, Japan is the main market for flower sales, third only to Europe and the United States. Japan imports many of its flowers, and with Asian countries, like Vietnam, starting to develop an export business, those sales will continue to increase. The United States is the number one importer. As of 2016, it imported 20% of the world’s cut flowers, followed by Germany, the Netherlands, the United Kingdom, and Russia.

In 1995, less than half of US cut flowers were imported, but America now imports more than three-quarters. Columbia and Ecuador have profited the most from the surge in US cut-flower imports. Mexico and Canada have also grown in the US market. Colombia cultivates 20,000 acres of flowers for export on about 300 farms. Columbian flowers are worth more than a billion dollars in US sales and have created nearly 225,000 jobs in the United States, according to August Solano, the president of the Association of Colombian Flower Exporters.
Exporters

The US government encouraged the growth of the Central and South American floral industries when it reduced tariffs on floral imports in the 1990s. As a result, business began to boom and bloom! South America soon surpassed the United States as a flower grower. The five main exporters of cut flowers and cultivated greens are the Netherlands (Holland), Columbia, Ecuador, Kenya, and Ethiopia. These five countries account for about 80% of all cut flowers exported worldwide. [NOTE: In English-speaking countries, the terms “Holland” and the “Netherlands” are often interchanged. “Holland” actually refers to the two main provinces (North and South Holland) on the west coast that are home to the largest cities within the country. The “Netherlands” refers to the country as a whole. Since the flower trade occurs in the area of Holland proper, you will see both terms referring to this country. The term, “Dutch,” refers to all people that live in the Netherlands.]

Fluctuating Market

As seen in FIGURE 2, Dutch exports were at 44% in 2016. These numbers, however, are constantly changing. For example, in 2005, the Netherlands had 55% of all exports, and 60% in 1995. Smaller, warmer countries have become fast-growing flower producers. Ethiopia had no share in the world’s flower production in 2005. Now it is in the top five of

FIGURE 1. Nearly two-thirds of all US imports are horticultural and tropical products. (Courtesy, Economic Research Service, USDA.)
producers. As more countries come into the flower market, numbers will go up and down (Ethiopia had 7.3% of the market in 2015, and then only 2.1% in 2016).

**Rising Export Countries**

Holland has been a major factor in international floral trade for a long time. It is the main supplier of cut flowers in Europe, especially to Germany, Switzerland, France, and the United Kingdom. However, four rising flower-growing countries—Colombia, Kenya, Ecuador, and Ethiopia—are steadily competing in the market. Although their exports have risen, it takes all four countries combined to compete with Holland.

Common themes in these four rising countries are low production costs, favorable climates, large farm sizes, and increases in efficiency and quality. These countries are poorer and less industrialized than Holland, which creates issues, such as very little domestic demand, limited airfreight capacities, volatile exchange rates, and high transportation costs. There are also challenging political and social circumstances.
COLUMBIA

In Columbia, the last few years have seen a more stabilized economy. This has increased investments in newer rose varieties and technological advancements, including the use of more sophisticated greenhouses to counter the effects of rising temperatures. Colombia has a wide product range. It is the largest exporter of chrysanthemums and the second largest exporter of carnations. A large percentage of the cut flowers sold in the United States originated in Columbia.

ECUADOR

Ecuador has also stood out as a top flower-producing country, especially where roses are concerned. Most of their flower exports are roses. This is largely due to the country’s specific altitude, which is ideal for growing popular rose varieties. This allows a flower more time to soak up nutrients, resulting in a larger bloom and a longer stem—perfect for the lovers of long-stem roses.

INTERNATIONAL FLOWER IMPORTS TO THE UNITED STATES

As transportation systems have grown, systems of international flower distribution have too. In the United States, international imports come through a few major ports of entry. Cut flowers travel into our country through a few different paths, depending on whether they are purchased through brokers or directly ordered from crop growers.

Ports of Entry

Of the fresh-cut flowers entering the United States, 80% to 90% pass through Miami International Airport, making flowers the largest single commodity that the airport handles. According to US Customs and Border Patrol (CBP), on Valentine’s Day, 2015, Miami Air Cargo handled 875,427,727 cut flowers. A large variety of flowers, including flowers from Africa, arrive at New York (JFK), Chicago (O’Hare), and other airports—but none compete with Miami. Other ports of entry include Delaware, California, Louisiana, and multiple locations in Texas.
CBP agricultural specialists inspect all imports for pests and diseases at US air and border ports. Pests and diseases carried by cut flowers are a concern, because of their ability to spread into American crops.

**Purchase Through Brokers**

Cut flowers and cultivated greens can be purchased by wholesalers internationally through brokers. A broker is a person who purchases and trades on behalf of a company. A broker will generally handle shipping and serve as an authenticator of a company’s validity. This is important when wholesalers are purchasing a large number of flowers from unknown, international sellers that may be in another part of the world. Brokers often buy flowers at wholesale auctions.

**Florists**

The wholesaler (wholesale florist) somewhat becomes the broker that sells to a retail florist. A wholesale florist is a florist that purchases cut flowers, cut foliage, and hard

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**Understanding the International Floral Auction**

The Aalsmeer Floral Auction (Aalsmeer, Holland) has been the center of the global flower trade since the early 20th century. To this day, Aalsmeer supplies the world with more than half of all flowers bought at auction.

Traditionally, buyers examine the flowers in cooling rooms, before the auction starts at 6:00 in the morning. Brokers use a computer during the auction to bid on a dazzling array of flowers, including the amaryllis, orchid, gerbera, kangaroo paw, rose, and Holland tulip species. These are transported by a trolley system across the stage. Carefully, the buyers watch the enormous clock counting down the price of the flower per stem. The first buyer to bid tells the auctioneer how many flower lots they wish to purchase. A large screen shows sales and remaining stock. If a buyer waits too long to bid, the product could sell out to those willing to make an offer. The flowers cut that morning are shipped that same day all over the planet.

See the following sites for interesting behind-the-scenes looks and other information.

- “Martha Stewart Visits Aalsmeer” on the Martha Stewart website at https://www.marthastewart.com/918460/aalsmeer-flower-auction-amsterdam
goods in bulk for resale to retail florists. A **retail florist** is a florist that sells directly to the consumer. Retail florists generally provide floral design services, cut flowers, foliage plants, and potted flowering plants to the general public. Some retail florists also act as brokers and wholesalers. A **mass merchant** is a company that sells a wide variety of products to a large group of people. Mass merchants (e.g., Lowe’s, Target, and Wal-Mart) often broker their own flower deals. Since they have a large number of stores throughout the country, they become a type of wholesaler, providing product to each individual retail store.

**Route of Brokered Flowers**

The Netherlands’ auction house system is a good example of the purchase of cut flowers through a broker. This pathway involves floral auction houses located in the Netherlands. Through this route, crops move from the producer to an exporter, to a wholesaler, to a retailer, and finally to the consumer.

The route below shows a crop moving from its producer to an exporter, wholesaler, retailer, and US consumer.

- **Monday**: Gladioli grown in Israel, tulips grown in Holland, and carnations from Italy are harvested and shipped to auction houses.
- **Tuesday**: Brokers representing wholesale florists in the United States inspect and buy flowers at early-morning auctions. Once purchased, the flowers are quickly packed and shipped (usually by air) to the United States. The flowers arrive later that same day and are trucked to the wholesale house.
- **Wednesday**: The wholesaler sells to retail florists, garden centers, grocers, and mass merchants.
- **Thursday**: The wholesalers repackage and deliver the product to retailers.

**Direct Orders**

A large number of flowers are purchased from growers and shipped directly to the United States. Most of the flowers bought from Columbia and Ecuador are shipped to the United States through Miami. Airport delivery services transport flowers directly to the retail florist, skipping the broker.
The retail florist can place direct orders with the wholesaler, who has a contract with the producer. The wholesaler sends the order to the producer, eliminating one full day from the purchasing/delivery process. This allows the retail florist to obtain a fresher product.

The following example traces fresh-cut roses from Columbia to a retail floral shop in the United States.

- **Monday**: The grower receives an order. Roses are cut early in the morning while well-hydrated and moved quickly to coolers. Later, the roses are graded by color, stem length, and stem thickness. They are bathed in a weak bleach solution to retard bacterial and fungal growth.

- **Tuesday**: Early in the morning, roses are boxed, sometimes with ice, and trucked to the airport in Bogotá. By 9:00 a.m., roses arrive in Miami. The flowers arrive at the wholesaler’s local warehouse through air, truck, or railroad shipping. They are unpacked, conditioned, repackaged, and shipped.

- **Wednesday**: The roses reach the retail florist and are sold to the consumer.

Direct orders can also be made from local growers. A local grower can supply cut flowers seasonally. Wholesalers or retailers can purchase from these locally grown flowers. For the retailer, it allows them to provide consumers with consistently fresh flowers.

**Summary:**

The floral trade, once a regional type of market, has now gone global. Transportation limitations, costs, and perishability were all factors that created a regional-only market. Flowers are perishable (inclined to degrade over time), meaning they have a short shelf life. Many improvements have been made in transportation and post-harvest handling. Selection and cultivation methods of flower crops have also advanced.

An export is a good or commodity shipped from one country to another. An import is a good or commodity brought into one country from another. The five main exporters of cut flowers and cultivated greens are the Netherlands (Holland), Columbia, Ecuador, Kenya, and Ethiopia. The United States is the largest importer.

As transportation systems have grown, systems of international flower distribution have too. In the United States, international imports come through a few major ports of entry. Cut flowers travel into our country through a few different paths, depending on whether they are purchased through brokers or directly ordered from crop growers.

**Expanding Your Knowledge:**

Create a flowchart that explains how flowers get to the consumer. Choose one of the pathways from the text as inspiration. Research updated import and export statistics and professional floral brokers.
Checking Your Knowledge:

Part One: Matching

Instructions: Match the term with the correct definition.

a. broker  e. perishable  
b. export  f. retail florist  
c. import  g. wholesale florist  
d. mass merchant

_____ 1. a company that sells a wide variety of products to a large group of people  
_____ 2. inclined to degrade over time  
_____ 3. a person who purchases and trades on behalf of a company  
_____ 4. a good or commodity shipped from one country to another  
_____ 5. a florist that sells directly to the consumer  
_____ 6. a good or commodity brought into one country from another  
_____ 7. a florist that purchases cut flowers, cut foliage, and hard goods in bulk for resale to retail florists

Part Two: Multiple Choice

Instructions: Circle the letter of the correct answer.

1. Which country is recognized as the leader of the cut flower trade?  
   a. Columbia  
   b. Holland  
   c. Germany  
   d. United States

2. Which country is the greatest importer of cut flowers?  
   a. United States  
   b. Germany  
   c. Japan  
   d. Thailand

3. Which country is the primary supplier of fresh-cut flowers to the United States?  
   a. Kenya  
   b. Italy  
   c. Columbia  
   d. South Africa
4. Columbia is a large exporter of roses, chrysanthemums, and _____.
   a. tulips
   b. amaryllises
   c. carnations
   d. lilies

5. Ecuador’s specific altitude is ideal for growing _____.
   a. orchids
   b. carnations
   c. roses
   d. decorative plants

6. Brokers often buy flowers at _____.
   a. discounted rates
   b. wholesale florist companies
   c. wholesale auctions
   d. none of the above

7. Which state produces the most flowers and floral products?
   a. Texas
   b. California
   c. Florida
   d. Hawaii

Part Three: True/False

Instructions: Write T for true or F for false.

_____ 1. Cut flowers are perishable, meaning they have a short shelf life.
_____ 2. Until the 1970s, most US flowers were produced locally.
_____ 3. A wholesale florist sells directly to the consumer.
_____ 4. The four rising stars in flower exports are Colombia, Kenya, Ecuador and Ethiopia.
_____ 5. Most of Ecuador’s flower exports are roses.
_____ 6. The US government encouraged the growth of the South American floral industry when it reduced tariffs in the 1990s.
_____ 7. The US is the world’s second largest importer of cut flowers.
_____ 8. Of the flowers entering the United States, a large percentage pass through Miami International Airport.
_____ 9. Colombian flowers have created nearly 500,000 jobs in the United States.
_____ 10. Direct orders are made from florists to the flower auction houses.