

Lesson B2–1

Exploring the International Flower Market

Unit B. Floriculture

Problem Area 2. Floral Design

Lesson 1. Exploring the International Flower Market

New Mexico Content Standard:

Pathway Strand: Agribusiness Systems

Standard: VI: Use sales and marketing principles to accomplish an AFNR business objective.

Benchmark: VI-A: Conduct market research.

Performance Standard: 1. Evaluate methods of marketing products and services. 2. Apply economic principles to marketing (e.g., supply and demand). 3. Research products and service design(s).

Student Learning Objectives. Instruction in this lesson should result in students achieving the following objectives:

1. Describe the scope of the international flower market in the florist industry.
2. Explain the international flower distribution system.

List of Resources. The following resources may be useful in teaching this lesson:

Recommended Resources. One of the following resources should be selected to accompany the lesson:

Biondo, Ronald J. and Dianne A. Noland. *Floriculture: From Greenhouse Production to Floral Design*. Danville, Illinois: Interstate Publishers, Inc., 2000.

Other Resources. The following resources will be useful to students and teachers:

Behe, Bridget K. et al. *The Retail Florist Business*, Fifth Edition. Danville, Illinois: Interstate Publishers, Inc., 1994.

List of Equipment, Tools, Supplies, and Facilities

Writing surface
Overhead projector
Transparencies from attached masters
Access to the Internet

Terms. The following terms are presented in this lesson (shown in bold italics):

Domestic market
Exporters
Hydroponic greenhouses
Mass market
Perishable
U.S. Customs Department

Interest Approach. Use an interest approach that will prepare the students for the lesson. Teachers often develop approaches for their unique class and student situations. A possible approach is included here:

Lead a discussion about why flowers are imported from foreign countries. Have the students guess as to the percent of flowers that are produced outside of the United States for the cut flower industry.

Summary of Content and Teaching Strategies

Objective 1: Describe the scope of the international flower market in the florist industry.

Anticipated Problem: How big is the international market to the cut flower industry?

- I. Ninety percent of the carnations, 71 percent of the roses, and 89 percent of the chrysanthemums sold in the United States are produced in other countries. The largest amounts of these flowers are grown in the Netherlands. These flowers are often produced in **hydroponic greenhouses**, where the flowers are grown in a nutrient rich water solution versus soil. The Netherlands is about 20 years ahead of everyone else in the field of horticulture. Another leading country in cut floral production is Columbia. Its flowers are grown in the outdoors in the mountain regions located in South America. Latin America is an area that is expanding in the cut flower industry. The international portion of the cut flower market is constantly increasing. Partly due to the fact that labor in foreign countries is often cheaper than in the United States and flowers are a labor intensive crop to produce.

The **domestic market**, that is found in the United States is on a decline. At the same time, the international market is expanding. Although distances involved in the international market are great, distance seems far less important than the amount of time it takes to get flowers from a grower to the retail consumer. Regular air traffic linking the world today makes an international market possible. A variety of countries throughout the world sell flowers to the International Flower Auction in Aalsmeer, Netherlands, a primary international outlet for the product.

Lead a small discussion on this topic with the class. The students need to have an understanding as to what is happening in the cut floral market, and that market's importance to and impact on the global economy. This objective will help in getting students to consider production and economics on a global scale. Use TM: B2-1A and TM: B2-1B to help in your discussion.

Objective 2: Explain the international flower distribution system.

Anticipated Problem: How do flowers get from a grower in Columbia to a retail florist in the United States?

- II. With the use of the Internet, it is possible for a retailer to contact a grower in Columbia and order direct from that grower. However, it is important to remember that the flowers must go through inspection by the USDA and by the U.S. Customs Department. The **U.S. Customs Department** is part of the government that imposes international tariffs on products produced outside the United States. Therefore, most flower wholesalers and retailers still prefer traditional methods to acquire product.

Carnations from Columbia, roses from Israel, and tropical flowers from Hawaii are flown to the flower auctions in Holland by **exporters**, companies that ship products to companies in other countries. Buyers from around the world inspect and buy flowers at the auctions. Once

purchased, the flowers are shipped by air or road to wholesalers. They must be bought and shipped very quickly for flowers are a **perishable** product, one which degrades over time.

Field workers in Columbia will cut flowers in the fields early in the morning; The flowers will arrive at the auction the same day. The next day a buyer will purchase the flowers and ship them to, for example, Chicago, where they will arrive at a wholesaler's facility and be conditioned. They will be shipped to a retail florist the next day. Often a wholesaler will purchase direct from a grower, eliminating one full day and allowing the florist to obtain the product a day earlier. The wholesaler of today sells to retail florists, garden centers, other retail outlets, and the mass market. A **mass market** is a setting where the general public can acquire particular goods.

Cover the information with the class; have the students create a flow chart showing how the flowers get from the producer to the consumer. Use TM: B2–1C through TM: B2–1F to help summarize the content of this objective. Use classroom discussion to identify any concepts that need to be covered again.

Review/Summary. Without today's international market, the United States would not be able to keep pace with the demand for cut flowers. Understanding and appreciating the concept of the global marketplace is what is important for the student. Then the process of how flowers get from grower to retailer can be fully appreciated.

Application. If your school has Internet capabilities, it is suggested that you contact a grower in the international market and find out more about their end of the process. Many of the growers have their own web page. Once you find one, compare their prices to what you would pay a wholesaler for flowers. Also, determine the amount of money the grower charges to get the flowers to a wholesaler or to you. Options on using the Internet are endless. An exercise should be formulated to enhance this learning opportunity.

Evaluation. Evaluate the students several different ways on this lesson. For example, evaluate the flow charts created by the students under the Objective 2. You might also consider evaluating the amount of information collected from the Internet project suggested in the Application section. A sample written test is also attached.

Answers to Sample Test:

Part One: Matching

1. c, f
2. a
3. d, i, j
4. b, e
5. g, h

Part Two: Completion

1. Hydroponic
2. U.S. Customs
3. domestic
4. perishable
5. mass
6. International Flower
7. Regular air
8. Netherlands
9. increasing
10. labor

Part Three: Short Answer

Answers will vary but should include the producers, exporters, international auction, buyers, wholesalers, and retail florist.

Test

Lesson B2–1: Exploring the International Flower Market

Part One: Matching

Instructions. Match the term with the correct response. Write the letter(s) of the flower next to the region in which it is commonly produced.

- | | | |
|--------------------|------------------|---------------|
| a. roses | e. chrysanthemum | i. eucalyptus |
| b. carnations | f. iris | j. ti leaves |
| c. tulips | g. sprengeri | |
| d. tropical ginger | h. leatherleaf | |

- _____ 1. Netherlands
_____ 2. Israel
_____ 3. Hawaii
_____ 4. South America
_____ 5. North America

Part Two: Completion

Instructions. Provide the word or words to complete the following statements.

1. _____ greenhouses are used in the Netherlands to produce cut flower crops.
2. The USDA and the _____ Department inspects floral shipments into the United States.
3. Flowers produced in the United States are considered _____.
4. Items that quickly degrade overtime are called _____.
5. Retail florists, garden centers and _____ markets all buy from wholesalers.
6. Aalsmeer, Netherlands is the site of the _____ Auction.
7. _____ traffic has allowed the international flower market to expand.
8. The _____ produces over 55 percent of the cut flowers in the world.
9. The international production of cut flowers is _____.

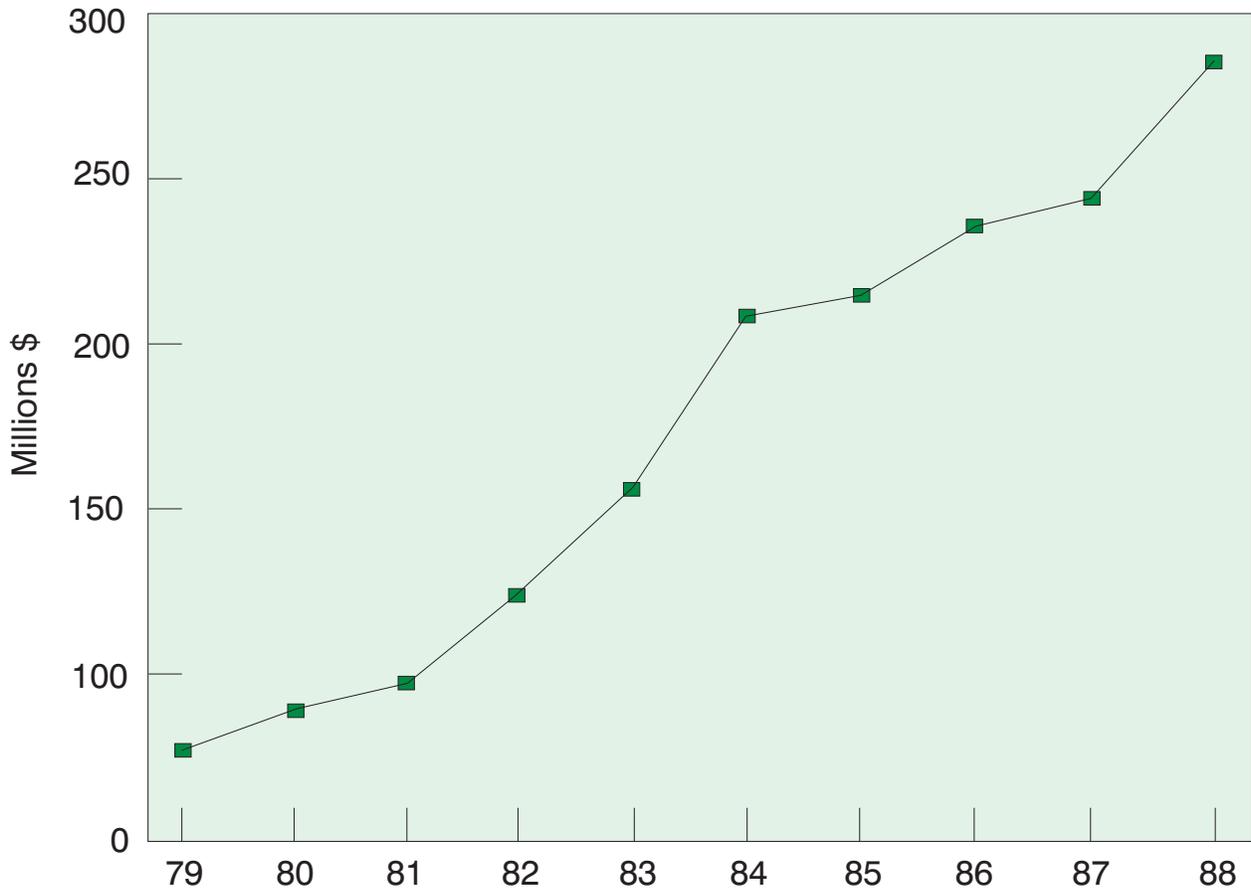
10. One of the reasons that the cut flower market is expanding in Latin America is because the _____ is far cheaper.

Part Three: Short Answer

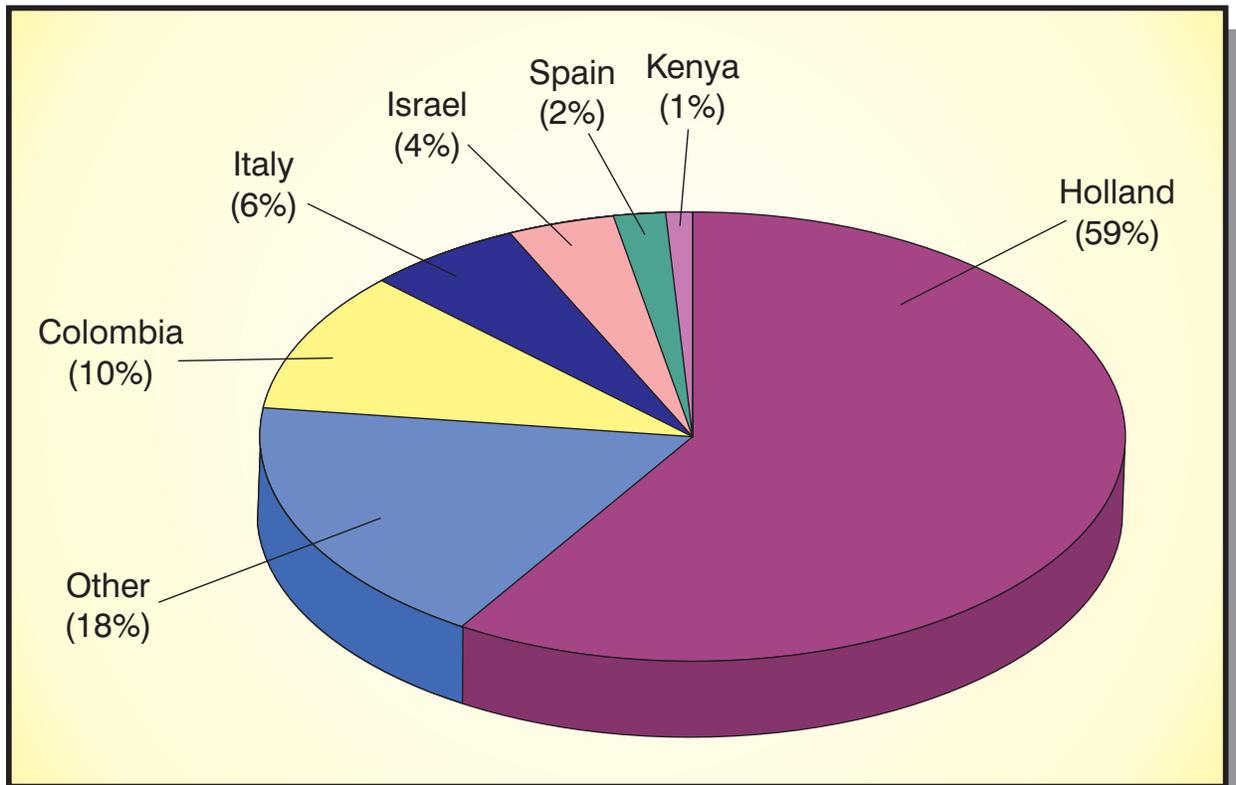
Instructions. Provide information to answer the following questions.

Describe the international market of cut flowers from the producer to the retail florist

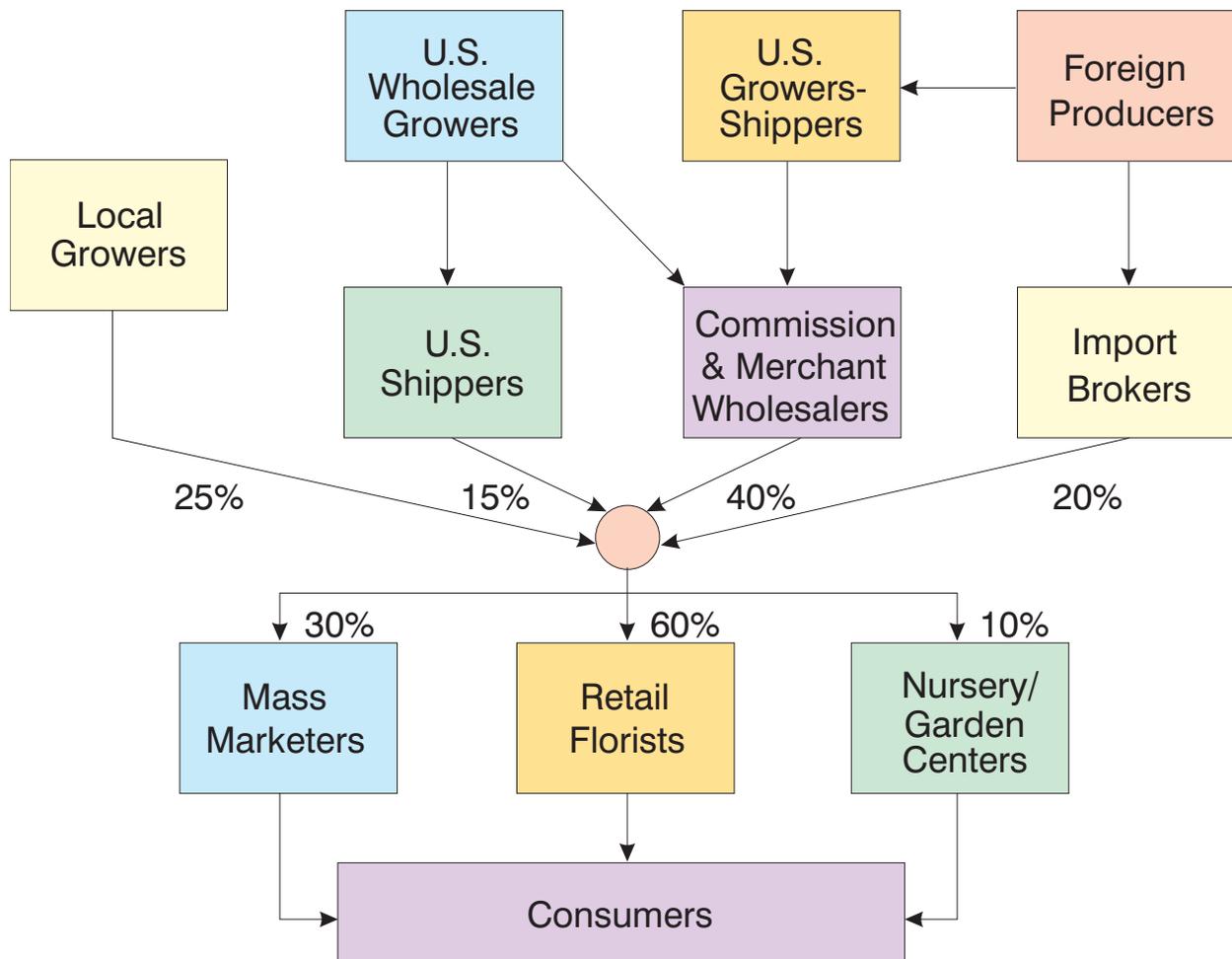
GROWTH OF SALES IN THE CUT FLOWER MARKET



PERCENTAGE OF WORLD FLOWER EXPORTS BY COUNTRY



FLOW OF FLOWER PRODUCTS FROM PRODUCERS TO CONSUMERS



REGIONS AND COUNTRIES THAT PRODUCE FLOWERS FOR THE INTERNATIONAL MARKET

<u>Region</u>	<u>Countries</u>
North America	United States—California, Florida, Hawaii
Europe	Netherlands, France, Italy, Spain
South America	Columbia
Middle East	Israel
Asian	Australia, Singapore
Africa	South Africa, Kenya, Ivory Coast
Central America	Mexico, Jamaica, Guatemala, Costa Rica, Honduras, Ecuador

GROWERS AND PRODUCTION FARMS IN SOUTH AMERICA

- **Continental Farms**
- **CFX**
- **XL Group**
- **Elite Farms**
- **Everflora Miami**
- **Flower Trading**
- **Selecta Farms**
- **Maxima Farms**

CUT FLOWERS AND PRODUCTION REGIONS

<u>Flower</u>	<u>Region of Production</u>
Roses	Israel
Carnations	South America
Tulips	Netherlands
Tropical Ginger	Hawaii
Chrysanthemum	South America
Iris	Netherlands
Sprengeri	North America
Leatherleaf	North America
Eucalyptus	Hawaii
Ti Leaves	Hawaii