

## **Why do Flowers Cost so Much During Holidays?**

With millions of flowers sold during holidays, the basic economic price theory of supply and demand says that higher supply equals lower prices. Well, not when it comes to holiday flowers. The reason? It's no easy feat getting them from the grower overseas to the United States and into the hands of the consumer, especially when you're dealing with moving double, even triple the normal volume of flowers in a limited amount of time as the flower industry does every holiday season. The additional shipping, clearance and labor costs throughout the distribution chain results in higher prices to the consumer – all in an effort to get double/triple the normal volume of quality flowers to consumers in a short period of time.

Approximately 4.27 billion flowers (2003) are imported annually into the United States, with roses one of the top imported flowers. Most of these flowers start their life in the Andes Mountains of Colombia and Ecuador. Harvesting is an intensive process, with each flower picked by hand, graded, packed in boxes and cooled to 33 degrees at the farm.

But planning for a holiday starts months before and requires a bit of jumping through horticultural hoops. For example, the average rose plant will provide a crop approximately every 50 days (or about five rotations per year). But in order to meet the demands during Valentine's Day, the normal supply just won't do, so the plants are "pinched" back in November, preventing them from blooming until it's time to harvest and ship in February. This pinching provides a bumper crop of roses at the perfect time of year, but prevents two other potential future harvests, resulting in the loss of future sales.

Once the horticultural hoops are jumped through, the logistical hoops begin. Within hours of harvesting, packing and chilling the flowers at the farms, flowers are taken to the airport via refrigerated trucks, loaded onto cargo planes and flown to Miami International Airport (MIA), generally arriving within 24 hours after being picked. Once the flowers are unloaded, they go into airline coolers and the planes are rushed back to South America, usually empty (doubling freight costs) to pick up yet another round of flowers.

At MIA, flowers arrive around the clock during the holiday rush and Customs & Border Protection and Agriculture Quarantine Inspection officers must work long hours (mostly on overtime at importer expense) to inspect double/triple the normal volume of flowers.

Once the flowers have passed the inspections, the importer retrieves the flowers in refrigerated trucks. The importer and their staff, who market the flowers to wholesalers, bouquet manufacturers, supermarkets and mass-market outlets, also have additional labor and logistics costs to handle this high volume and transport box after box of flowers by air and refrigerated truck to their customers around the country.

The roses then travel from the importer customers' warehouse to retail outlets until they finally reach the retailer. Once in the hands of a florist or any other retail outlet, huge numbers of beautiful arrangements are made in a very short timeframe. These arrangements include the costs of labor and the price of flowers and any other decorative foliage, fillers and hardware (i.e. vases).

All of the foregoing adds to the bottom-line cost of flowers during a holiday, so when consumers pay more, it's not all profit. Although there's a lot more cost, time and labor during holidays, it's truly a labor of love for an industry that brings such joy with each flower sold.