

THE PRODUCE NEWS

COVERING FRESH PRODUCE AROUND THE GLOBE SINCE 1897

Outlook 2014: Fresh start after a year of industry challenges

by Christine Boldt | January 02, 2014

Last year brought many industry challenges that were beyond our control. The government sequester and shutdown created additional problems for the Customs & Border Protection staff for flower importing. The sequester reduced the number of staff members who were employed and cut back on overtime. The government shutdown added even more stress.

Fortunately, the importing process staff, especially for perishables, was not as affected because of the necessary nature of their jobs. Employees continued to work even though they were not being paid. When the temporary budget was passed, employees received their full pay.

Last year I talked about the pilot program that the Association of Floral Importers of Florida worked on with CBP, and the reduction that we proved would benefit the industry and CBP. The new, simplified entry program was supposed to begin after Mother's Day. However, the sequester, and the fact that the government wasn't ready for the flower industry changes, prompted the Miami port director to take steps to help the process.

Miami handles 90 percent of all air cargo flower imports. In the last few months of 2013, CBP, the flower cargo airlines and the Association of Floral Importers of Florida started working to speed up the process.

There was also the expiration of the Andean Trade Preference Drug Eradication Act and the Generalized System of Preferences on July 31, 2013. This meant Ecuador, the United States' second-largest supplier of flowers, had to pay duties on all of the products, an additional cost of 3.2 percent to 6.8 percent of their border values. The renewal of the GSP is not on the congressional agenda at this time. The GSP covers 127 countries and thousands of products, so it's not only affecting Ecuador.

AFIF worked with members of Congress to get extended hours of service from the U.S. Department of Agriculture. The industry receives 24/7 service from CBP, but the USDA had only worked 8 a.m. to 4:30 p.m. as regular time; other times were overtime and paid by the industry.

In October there was a change to this 66-year policy by the USDA. Longer hours were added, now 6 a.m. to 6 p.m. Monday through Friday, and an additional identifier on Saturdays from 8 a.m. to 4:30 p.m.

In January, Saturday should become a regular day of service for all USDA services. This has been a great and needed change since the floral industry relies on seven days a week of inventory movement.

Overall, the industry is focused on maintaining or reducing costs to be viable in the future. Being able to bring in volumes of products, and having inventory to fill orders, is very important to the entire flower supply chain.

Christine Boldt is executive vice president of the Association of Floral Importers of Florida in Miami. She can be contacted at 305/593-2383.