

FUNCTIONING OF THE FLORAL INDUSTRY

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The present day floral industry is a dynamic, global fast-growing industry, which has achieved significant growth rates during the past few decades. In recent years, the floral industry has grown eight percent annually, while the global trade volume in 2008 was 17,7 billion US dollars [1].

The floral industry essentially consists of three major components:

- ✓ the grower – where the flowers are grown;
- ✓ the wholesaler – the middle person who goes between the grower and the retailer;
- ✓ the retailer – the local flower shop.

Grower is a person who grows something. Horticultural-specialty grower propagates and grows horticultural-specialty products and crops, such as seeds, bulbs, rootstocks, sod, ornamental plants, and cut flowers. May be designated according to crop as bulb grower, flower grower, grass farmer, rose grower, seed grower, shrub grower, etc.

There is the list of basic grower's functions:

- ✓ to plan acreage utilization and work schedules, according to knowledge of crop culture, climate and market conditions, seed, bulb, or rootstock availability, and employable work force and machinery;
- ✓ to inspect fields periodically to ascertain nutrient deficiencies, detect insect, disease, and pest infestations, and identify foreign-plant growth, and selects, purchases, and schedules materials, such as fertilizers and herbicides, to ensure quality control;
- ✓ to hire field workers, to assign their duties according to scheduled activities (planting, irrigating, weeding, and harvesting) and oversee their activities;
- ✓ to maintain personnel and production records;
- ✓ to arrange with customers for sale of crop;
- ✓ to oversee activities, such as product cleaning, grading, and packaging;
- ✓ to provide customer services, such as planning and building planters, walls, and patios, and planting and caring for landscape and display arrangements;
- ✓ to bud or graft scion stock on plantings to alter growth characteristics;
- ✓ to develop new variations of species specialty to produce crops with specialized market-appeal, such as disease resistance or color brilliance;
- ✓ to cultivate out-of-season seedlings and crops, using greenhouse;
- ✓ to cultivate cover crop, such as hay or rye, in rotation with horticultural specialty to rejuvenate soil [2, p. 288].

The business of growing flowers is not vested in the hands of a few companies. It is controlled by thousands of independent growers located in many communities. Their problems and methods of operation vary according to the climate, size of the community and type of growing [3].

Wholesaling is defined as the sale of goods to retailers, to industrial, commercial or other professional business users, or to other wholesalers and related subordinated services.

Wholesale florists operate as distributors of all cut flower stock consigned or sold to them by growers. It has been estimated that about two-thirds of the flowers on the market are consigned to wholesalers and the remainder are purchased outright [3].

Most wholesalers obtain flowers from a number of growers, some of whom may be located in different parts of the world. The reason for this is obvious:

- ✓ it enables the wholesaler to have a steady supply at all times;
- ✓ when some varieties are not available locally, flowers are shipped in from distant growers [3].

Internationally there are hundreds of wholesale flower markets and auctions, the largest of which is located in Aalsmeer, Holland, the Bloemenveiling Aalsmeer. Other major markets include the fledgling Dubai Flower Centre and the Ota Flower Market in Tokyo, Japan.

Thus flowers from different growers all over the world find their way into the market through importers and wholesale buyers. These dealers then distribute the flowers to the retail florists (they offer fresh flowers and related products and services to consumers).

The retail florist receives great benefits from the facilities of wholesale florists: stock from many growers is accumulated for the retailer's selection, saving them innumerable trips to greenhouses and fields to secure the same flowers [3].

Competition among the retail florists encourages each one to offer specializations and expertise. This has led to the creation of various flower arrangements available for the customers to choose from. Some retail florists have transformed their businesses and gone to the next level by branding their products. They sell what are known as designer blooms. These retail florists have branches or franchises across the country, and even in other parts of the world [4].

Thus we can see that these three businesses are quite intermingled.

The retailers frequently will grow their own flowers in greenhouses and thereby omit using both the grower and the wholesaler. For example, most pot plant growers deal directly with the retail florist. One obvious reason for sale of pot plants direct to the retailer from the grower is convenience. Commercial growers of foliage plants also sell directly to retail florists, although some distribution of their stock is made through wholesale houses.

Some larger flower shops use flowers in such quantities that they will order directly from the grower, omitting the wholesaler.

The smaller shops will need to use both the grower and the wholesaler because they neither have the facilities for growing their own, nor could use enough flowers to fulfill the minimum order that is required by the wholesaler.

At the same time, taking into consideration the quantity of stock sold by growers to retailers, in addition to the quantity sold by retail growers direct to consumers, it is apparent that a substantial portion of all flowers sold move through regular wholesale channels.

Literature

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