

IMPORTS: AN UPDATE ON THEIR INFLUENCE ON DOMESTIC PRODUCTION

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Imports first started to make a little impact in the middle 1960s. Everybody brushed the situation off by saying: "Well, you know, all of the failures from California and the rest of the United States are going down to Colombia, but we don't have to worry about them. They couldn't make it here, and they won't make it there with the inferior labor."

Well, the story has changed quite a bit.

As you know, we began feeling the impact of the imports more and more. We began exerting pressure on the government to give us some help. We were told that there were a certain number of imports coming in, but our market

told us that there were a lot more flowers arriving from South America.

So, after much pressure, 1971 was the first year that the U.S. Department of Agriculture Market News Service started including the foreign imports on a weekly basis. But there's so much reading material included and the printing is so fine that I don't think most of us read it as well as we should.

What I'd really like to let you know is that the problem is getting worse. The volume of foreign imports is getting much bigger than many people realize. It won't be very long before California-produced dried materials are being produced in Israel or Colombia. I understand that Colombia is now concentrating upon gypsophila production. The growers there realize that it can be processed and shipped. And they're also concentrating upon statice and strawflowers.

I was talking to some people from Australia and New Zealand, and they're looking at dried arrangements, shipping them into the United States. These will be dried materials already arranged, so that they only have to be opened up and sold in supermarkets.

Wait until this free trade goes to arrangements that are manufactured in foreign countries with cheap labor, brought over here and sold very cheaply wherever they can be sold. This should teach us that we need to work together.

Before dealing with import figures and the like, I would like to cover one aspect of our activity of trying to get some help

AVERAGE WHOLESALE PRICE PER BLOOM STANDARD CARNATION		
YEAR	U.S. AVERAGE	CALIF. AVERAGE
1961	--	5.0¢
1962	--	4.9
1963	--	5.1
1964	--	5.0
1965	--	5.3
1966	--	5.4
1967	--	5.7
1968	7.6¢	6.0
1969	7.4	5.9
1970	7.3	6.1
1971	7.4	6.1
1972	8.2	7.0
1973	7.5	6.2
1974	7.3	6.1
1975	7.7	6.7
1976	8.8	7.6
1977	8.4	7.3

from the government on foreign imports. We had a hearing on our petition for relief under the Treasury Act, but we did not get the relief, because, after reviewing everything, the ITC, said that there is evidence that this industry is being injured by the foreign imports but not seriously enough to get relief under this act.

What do they mean by saying we are not injured seriously enough? Must we go bankrupt first? We have asked that question many times.

On the other hand, they're saying that the American flower growers are much more ingenious and intelligent, and they can switch crops a lot easier than growers in Colombia or other slower-developing countries. Therefore, they feel it's up to us to do the switching, and let those people in the other countries produce the kind of flowers they're producing, because it helps their economy, and helps to provide employment for unskilled labor.

What are we doing here? We've been furnishing employment for unskilled labor here, too. But the government doesn't seem to pay any attention to that. So we've been denied relief.

The Department of Commerce has adopted a system of preferences, which is, in theory, supposed to work very well. This system of preferences is to provide certain goods or products to come into the United States duty-free at a time when the U.S. needs them.

The flowers that come into the country now, as you know, have only a 10% duty. And we really don't know just how much is being collected. And if the 10% goes altogether, we will really be in trouble.

The governments of the Dominican Republic, Singapore and Panama have all filed petitions to have cut flowers included on the preference lists. Those of you who have been to Singapore know that there are no flowers being produced there. Neither is there that much floral production in Panama. And there's not much in the Dominican Republic, except for certain foliage plants.

So what are these countries going to do? They're going to collect the flowers from the outlying countries, siphon their profit off the top, and then send them into the United States, duty-free.

We felt that we must not give up. If we're going to stay in business, even with the 10% duty, we must let the government know that we are concerned as an industry, and that we are united in our fight for survival.

At the time we filed the petition, there wasn't enough communication between the various branches of the floral

COUNTRY	CHRYSANTHEMUMS (1,000 FLOWERS)						
	1971	1972	1973	1974	1975	1976	1977*
Colombia	4,031	5,015	9,705	13,767	12,233	9,614	15,596
Costa Rica		1,036	651	267	127		
Equador	1,848	2,735	2,823	3,595	1,064	77	45
Guatemala	4,290	6,809	9,137	7,456	3,375	2,387	2,601
Mexico				514	332	333	606
Netherlands		295	455			488	113
TOTALS	11,398	16,146	23,352	25,892	17,384	12,559	18,996

Year	ROSES*					Total Available Blooms
	Sales			Imported Flowers+		
	Calif.	U.S. Totals	Blooms	% of Mkt.		
1971	167.6	428.8	1.0	.2	429.8	
1972	170.9	431.6	1.7	.4	433.3	
1973	141.5	417.8	3.4	.8	421.2	
1974	174.5	442.6	3.6	.8	446.2	
1975	172.1	418.5	4.2	1.0	422.7	
1976	181.4	421.4	6.3	1.5	427.7	
1977	186.9	419.1	10.4	2.4	429.5	

*Million Blooms of Hybrid Tea and Corsage Blooms

Year	STANDARD CARNATIONS*					
	Sales			Imported Flowers		Total Available Blooms
	Calif.	Colo.	U.S. Totals	Blooms	% of Mkt.	
1971	341.6	146.7	589.2	33.2	5.3	622.4
1972	348.2	148.5	584.4	57.7	9.0	642.1
1973	382.0	165.1	616.1	132.2	17.7	748.3
1974	382.3	163.7	601.8	180.0	23.0	781.8
1975	380.7	154.9	561.4	163.3	22.5	724.7
1976	355.3	136.6	517.9	204.5	28.3	722.4
1977	351.3	129.5	501.8	284.6	36.2	786.4

*Million Blooms

industry. But, as a result of the petition, there was a widespread impact. Especially here in California, where we are growers, shippers and wholesalers, we felt that we just cannot afford to have a split within our industry. We are all one industry — the fresh flower industry.

Production of flower crops of all kinds is being expanded in many countries around the world. The rose growers in the United States must realize that there is a regularly scheduled increase in one million rose plants a year being planned in Colombia alone. You are going to find that a great many roses will also be coming in from Israel, where they have been doing a lot of work with this crop.

Furthermore, methods, such as the meristem culture of some flowers, are also being adopted by other countries. Colombia has started to use meristem culture of

anthuriums and cymbidiums, and the growers there are expanding both these crops. I'd been told by some of these Colombia growers that they are planning to have thirty acres of cymbidiums all in production at one time.

So look for a still greater increase in imports of foreign flowers in the future.

We all already have an investment in the flower business. We have our own market here. I would certainly hope that we can work together and use our domestic markets for the protection of our domestic producers and also our retail florists.

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