

Introduction

Six months into 2025, the global floral industry finds itself navigating a landscape reshaped by geopolitical disruptions, evolving consumer preferences, and mounting economic pressures. In particular, the United States has emerged as a key disruptor, implementing sweeping tariffs on floral imports and related hardgoods that have rippled across global supply chains. These changes have introduced both challenges and opportunities for growers, retailers, and consumers alike.

At the same time, floral demand in the U.S. has remained resilient, driven by emotional and aesthetic appeal, especially among younger generations. However, persistent inflation, economic uncertainty, and shifting spending patterns have made value and affordability central to consumer decision-making. The tension between rising production costs and consumer price sensitivity underscores a new urgency for innovation across the floral sector.

This paper provides a mid-year snapshot of the global floral market in 2025, with a focus on U.S. trade policies, domestic production potential, evolving consumer sentiment, and the continued relevance of sustainability. By exploring these interconnected forces, we identify both the short-term adjustments and long-term strategies needed for the floral industry to remain vibrant, competitive, and relevant in a changing world.

A Global View of the Floral Industry

2024 GLOBAL EXPORTS OF CUT FLOWERS AND POTTED PLANTS – FINAL SALES NUMBERS NOW AVAILABLE!*



- **Floral EXPORTS** grew 4% from 2023 to 2024, coming close to the export peak in 2021.
- **Global IMPORTS** of floral products **increased** 3% in 2024.
- **The United States IMPORTED** \$2.702B of cut flowers (5% increase over 2023) and \$980M (4% increase over 2023) of potted plants in 2024.

*Information provided is from current data on 7/1/25



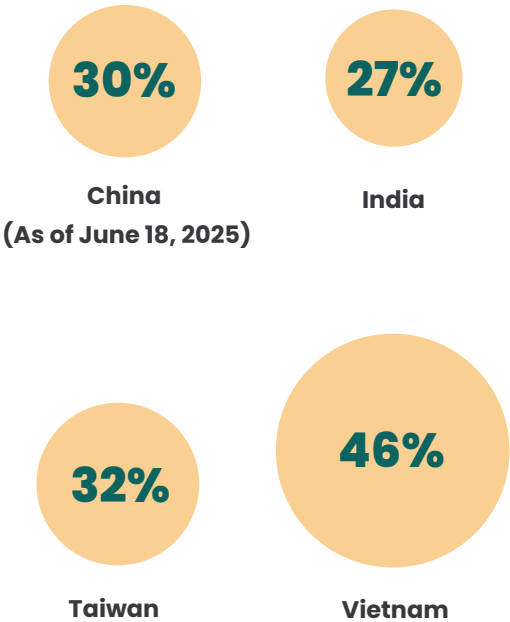
US Disruption of the Floral Industry

In early 2025, the United States disrupted global trade with tariffs on floral products. These impacts vary depending on country. The U.S. imports over 80% of its cut flowers, primarily from Colombia, Ecuador, Canada, and the Netherlands.

Country EXPORTING to the US	CUT FLOWER Tariff
Colombia	10%
Ecuador	16.8%
Canada	0%
Netherlands	28%
Mexico	0%

Country EXPORTING to the US	POTTED PLANT Tariff
Canada	0%
China	30%
Taiwan	32%
Costa Rica	10%
Guatemala	10%

Hardgoods such as glassware, plastic containers, floral foam, and design tools are also affected, **with significant increases on imports from:**



US floral producers who do not rely on imports, could stand to benefit from the Trump administration’s across-the-board universal tariffs as imported cut flowers become increasingly expensive. Tariffs may reduce foreign competition and create higher price floors. They can also incentivize investment in greenhouse technology, hydroponics, and expanded growing operations. But, it will take time for U.S. growers to scale. In the meantime, labor shortages and higher production costs (land, wages, energy) still make U.S. grown flowers more expensive than imports.

Over the course of the next year, if these tariffs remain in place, they will impact Valentine’s Day, birthdays, funerals, and more, with a flower tax totaling over \$210 million

US Chamber of Commerce






US Consumer Confidence

In May, consumer sentiment was unchanged from April, ending four consecutive months of plunging declines. Expected business conditions improved mid-month, likely a consequence of the trade policy announcement. However, these positive changes were offset by declines in current personal finances stemming from stagnating incomes throughout May. Overall, consumers see the outlook for the economy as no worse than last month, but they remained quite worried about the future.

University of Michigan

In 2024, unit sales of floral products in US grocery stores were up 1.2%. This minimal growth is continuing in 2025.

For the 52 weeks ending April 20, 2025, when compared to the prior 52 weeks:

-  Unit sales are down 0.5%
-  Dollar sales are up 2.8%.
-  Prices are up 3.3% per unit

February 2025 floral experienced a decrease in unit sales of 3.1% when compared to February 2024. (Circana)

About 73% of Americans purchase flowers, showing a strong and consistent demand for floral products. Half of these purchases are gifts for others, while the other half are self-purchases, as flowers continue to lift spirits, brighten spaces, and make people feel better. Gen Z and Millennials are particularly keen on giving flowers as gifts, which is a great sign for the floral industry. However, cut flowers are not yet a staple in American culture. Only 16% of Americans regularly include cut flowers on their shopping lists. The good news is that younger generations are more likely to have flowers on their lists. (IFPA Consumer Tracker)

American consumers are increasingly concerned about their families' well-being, physical and mental health, and finances. This is mixed news for the floral industry. While flowers contribute to mental well-being, Americans are most likely to cut back on fresh flowers, bakery items, and seafood when prices rise.

As consumers become more price-sensitive, they may seek lower-cost alternatives or opt for smaller, less expensive floral items. This presents an opportunity for industry to create more budget-friendly options. Additionally, highlighting the value and emotional benefits of flowers, such as their role in improving mental well-being and enhancing home environments, can be beneficial. Gen X and Baby Boomers are the most likely to give up flowers when prices increase.

Cut flowers are not on most Americans' shopping lists. This is an opportunity for the floral industry to continue promoting the benefits of having fresh flowers at home, such as improving mood, enhancing home decor, and creating a welcoming atmosphere. Retailers can also create attractive and eye-catching displays in high-traffic areas of grocery stores. Beautiful arrangements can inspire impulse buys and remind customers of the joy flowers bring.

As reported at the end of 2024, consumers are stressed by concerns about health, the environment, the changing global political landscape and personal financial constraints. Consecutive years of rising prices require them to be selective in their spend.



Consumers Need to Stretch a Dollar

Biotechnology played a significant role in developing new flower varieties that are more resistant to diseases, pests, and environmental stressors. Genetic engineering techniques create flowers with enhanced characteristics, such as improved color, fragrance, and longevity. There's also research into creating flowers that are more sustainable, such as those requiring less water or those resistant to specific pathogens. There is a growing emphasis on sustainable cultivation practices and eco-friendly floral products. Consumers are increasingly aware of the environmental impact of flower production and are demanding ethically sourced, organic, and locally grown flowers. IFPA hosts the Fresh Field Catalyst each year. It is an innovated accelerator program to help scale agriculture solutions and make a meaningful impact on the produce and floral industries. Solutions generated from this program will help keep floral production sustainable for years to come.

According to Reuters, U.S. retail sales growth slowed April 2025 as the boost from households front-loading motor vehicle purchases ahead of tariffs faded and consumers pulled back on spending. The U.S. economy contracted in the January–March period for the first time in three years.

Producer prices for goods excluding food and energy increased by the most in more than two years. While a recession is no longer expected over the next 12 months due to the recent reduction in tariffs, the U.S. economy is expected to experience several quarters of sluggish growth.

Retail sales edged up .02% in April after a 1.7% surge in March, the Commerce Department's Census Bureau said. Personal income jumped 0.8% and saving rate rose to 4.9% in April.

Economists view dining out as a key indicator of household finances. An analysis of Bank of America credit card data suggested most households remained financially sound, thanks to a resilient labor market characterized by low layoffs. Bank of America Institute, however, noted "we see some increase in the share of households making only the minimum payment on their credit cards, suggesting building pressures for some households."

Consumer spending ended the first quarter 2025 on a strong note, putting consumption on a higher growth trajectory heading into the second quarter. Nonetheless, the core retail sales drop in April posed a downside risk. US GDP contracted at a 0.3% annualized rate in the first quarter.

Core goods prices rose 0.4% in April 2024, the largest gain since January 2023, indicating goods producers were passing on the tariffs. But margins received by wholesalers and retailers fell 1.6%.

The core PCE price index (Personal Consumption Expenditures) is one of the inflation measures tracked by the Federal Reserve for its 2% target. It was forecast to have increased 2.6% in May 2025 on a year over year basis, 2.5% in April after rising 2.6% in March.

Consumers will continue to be price sensitive in 2025. The floral industry will be challenged to increase volume without unwarranted discounts

AMERICANS ARE RETHINKING SHOPPING.

- 87% of American consumers **changed how they shop to manage expenses.**
- 82% are **seeking lower prices**
- 67% are **reducing overall spending**
- 66% are **switching products or brands**
- 56% are **changing stores**
- 50% **adjusting product sizes**

NIQ

The floral industry should evaluate promotional strategies to avoid overpromoting and eroding growth potential. With consumers being more discerning with their dollars, affordability and value are driving spending decisions. This isn't to say that consumers are averse to spending for quality, rather the floral industry could offer value products as well as premium products.

Achieving volume growth continues to be a priority for the floral industry with unit sales down .5% the 52 weeks ending April 20, 2025 when compared to the prior 52 weeks. The challenge is to get higher volumes without overpromoting and undervaluing offerings in an environment where rising costs is the number one issue for consumers.

Cross-category trade-downs—trading down in one category to afford something in another— is prevalent. In the first half of 2025, more than one-third of consumers traded down in one category while planning to splurge in another. More striking is the fact that 19 percent of consumers globally plan to cut back in a nondiscretionary category but splurge in a more discretionary category.

McKinsey



Sustainability is Not Dead

At a macro level, the environmental policies of the Trump administration are characterized by a shift away from environmental protections, a focus on deregulation, promoting energy development on federal lands, canceling funds for clean energy projects and environmental justice grants; laying off scientists and researchers in related fields; and a withdraw from the Paris Agreement on Climate Change.

The rollback of environmental regulations may offer short-term operational flexibility for farmers, such as fewer restrictions on land use and pesticide application. However, the weakening of conservation programs and climate initiatives could lead to long-term challenges, including increased vulnerability to climate change impacts, water scarcity, and soil degradation, which are critical concerns for floral growers in the US.

While Trump's executive orders indicate deregulation on the horizon, the Make American Healthy Again movement advocates for regenerative ag to combat chronic disease, environmental degradation, and corporate influence in food and health systems. While MAHA is talking about the US food supply, regenerative ag principles just as important for floral growers.

And while the current US administration is sidelining sustainability issues, almost 25% of American consumers think about sustainability issues when purchasing floral products with pesticides and packaging being top issues.

Clear labeling about the sustainability of floral items, including information on pesticide use and growing methods, can help consumers make informed choices. Marketing campaigns can emphasize the ethical considerations of sustainable products.

Packaging matters! Half of Americans are willing to pay a premium for recyclable and compostable packaging. Companies that adopt eco-friendly packaging can differentiate themselves from competitors and build stronger brand loyalty. As regulations around packaging waste become stricter, adopting sustainable packaging can help companies stay compliant and avoid potential fines.

Key Takeaways

The floral industry must innovate, diversify offerings, and educate younger generations to expand regular use. Future success depends on agile pricing and strategic promotions. Consumers are redefining what value means to them, which is influencing how they shop. Perceived value due to the emotional benefit of flowers will continue to attract consumers across age groups and income levels.

Consumer sentiment is no longer neatly aligned with consumer spending. The floral industry needs to leverage new capabilities, such as AI-powered social-listening tools as well as leverage IFPA consumer insights and POS data to generate both predictive and prescriptive analytics.

Consumers have become more price aware and deal oriented, and they evaluate trade-offs in broader ways than they did in the past. Offering the right product at the right price at the right time has become more important and harder to do than ever. Having floral offerings at different price points is more important than ever.

While the current administration in the US is sending conflicting messaging regarding sustainability and regenerative ag, American consumers consistently support sustainable products. Aligning with evolving expectations around packaging and environmental impact can secure market share and even command price premiums.

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