

The International Fresh Produce Association

The International Fresh Produce Association (IFPA) is the largest and most diverse international association serving the entire fresh produce and floral supply chain. We exist to create a vibrant future with your prosperity in mind.

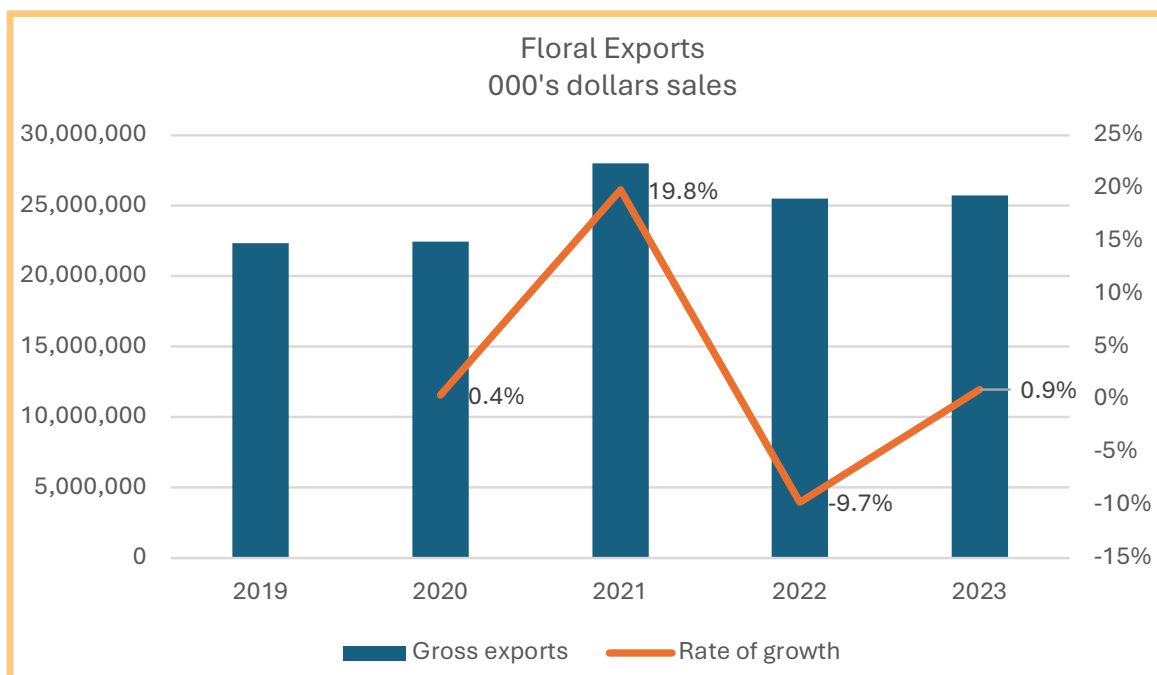
Introduction

IFPA reviews the industry and consumer trends that affect the global floral industry each year so you can identify and prioritize strategic issues and allocate resources to meet challenges and leverage emergent opportunities. Regardless of geographical borders, understanding these trends will help you lead your company and people to better serve customers now and in the future.

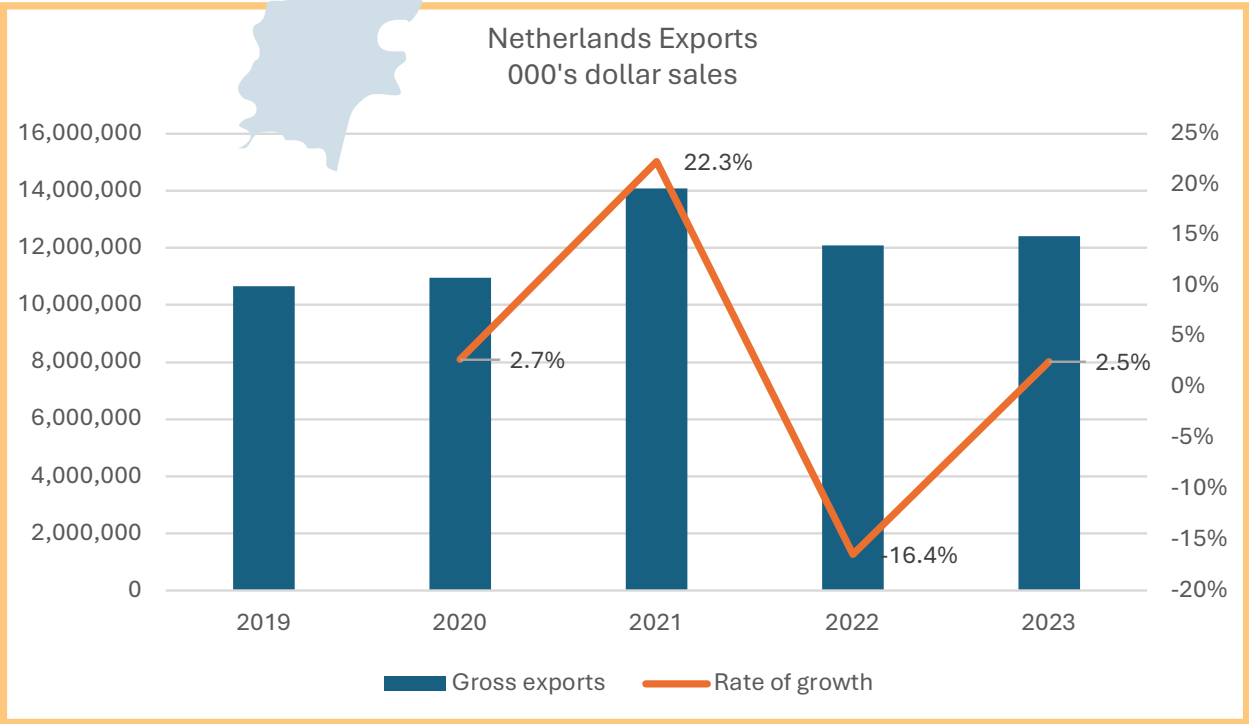
A Global Perspective

The floral industry is a vibrant global industry dependent upon fair market access to large consumer markets. By looking at the movement and production of cut flowers and potted plants we begin to understand the macro dynamics of the floral industry.

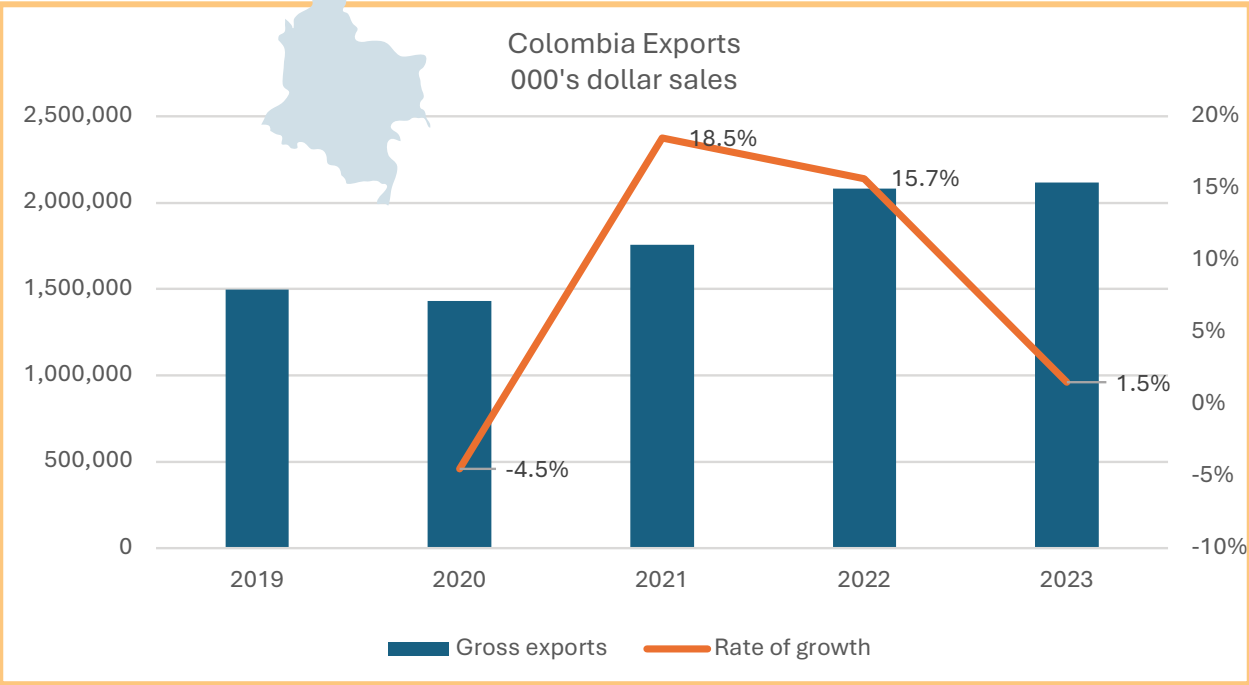
North America and Europe dominate the global floral market due to high consumer expenditures on floral products and well-established distribution networks. According to International Trade Centre, floral products worth over USD \$25.7 billion were exported around the world in 2023. The trade trends indicate the floral industry peaked in 2021 and managed to maintain part of that growth in 2022 while achieving modest growth in 2023.




The Netherlands is a top contributor to world floral trade. It drove the overall export trade behavior between 2020 and 2023 although it outperformed the overall market.



The second largest contributor to the overall floral exports was Colombia. Colombia’s exports grew in 2021, 2022 and minimally in 2023. It was able to maintain its growth as it predominantly served North America whose economy fared better after the pandemic than the European economy. The United States generally outperformed European economies in terms of GDP growth and labor market recovery. By late 2023 and into 2024, U.S. GDP had returned to and exceeded its pre-pandemic trend, while European nations like the U.K. and countries in the eurozone experienced slower rebounds, with GDP levels still trailing pre-pandemic trends.




TOP EXPORTERS IN 2023 OF FLORAL PRODUCTS



	2023	2022	Growth/Decline
Netherlands	\$12.413 B	\$12.098 B	3%
Colombia	\$2.115 B	\$2.082 B	2%
Italy	\$1.308 B	\$1.269 B	3%
Germany	\$1.058 B	\$1.110 B	-5%
Ecuador	\$1.008 B	\$1.045 B	-4%
Canada	\$813 M	\$740 M	10%

The Netherlands and Colombia remain the primary drivers of the floral export industries.

THE TOP EXPORTER DESTINATIONS IN 2023 FOR FLORAL PRODUCTS: (IMPORTERS)



	2023	2022	Growth/Decline
United States	\$4.001 B	\$3.950 B	1%
Germany	\$3.355 B	\$3.516 B	-5%
Netherlands	\$2.472 B	\$2.472 B	0
United Kingdom	\$1.812 B	\$1.907 B	-5%
France	\$1.386 B	\$1.433 B	-3%
Italy	\$967 M	\$693 M	40%

The United States and the EU remain the largest destinations for floral exports.



Cut Flower Trade

The global export market for cut flowers is estimated at USD \$35.0 billion in 2023 and is projected to reach USD \$50.1 billion by 2030, growing at a CAGR of 5.3% from 2023 to 2030 according to Research and Markets. Looking at export numbers, this growth rate may be a bit bold.

Cut flowers total export value was USD \$10.5 billion in 2023 slightly up from USD \$10.3 billion in 2022. This was down from the peak of USD \$11 billion in 2021, according to the International Trade Centre using code 0603. Eighty-seven percent of cut flowers were exported from Netherlands, Colombia, Ecuador, Kenya and Ethiopia in 2023. The United States imported over 26% of export cut flowers in 2023.

TOP EXPORTERS IN 2023 OF CUT FLOWERS:

	2023	2022	Growth/Decline
Netherlands	\$4.919 B	\$4.761 B	3%
Colombia	\$2.080 B	\$2.052 B	1%
Ecuador	\$987 M	\$1.017 B	-3%
Kenya	\$667 M	\$628 M	6%
Ethiopia	\$231 M	\$229 M	1%
China	\$152 M	\$162 M	6%

TOP EXPORTER DESTINATIONS IN 2023 FOR CUT FLOWERS: (IMPORTERS)

	2023	2022	Growth/Decline
United States	\$2.578 B	\$2.464 B	5%
Germany	\$1.282 B	\$1.321 B	-3%
Netherlands	\$1.112 B	\$1.073 B	4%
United Kingdom	\$762 M	\$876 M	-13%
France	\$383 M	\$402 M	-5%
Japan	\$321 M	\$329 M	-3%



Potted Plant Trade

Live plants had a total export value of USD \$11.5 billion in 2023, flat from 2022, according to the International Trade Centre using code 0602. Exports of plants declined 12% between 2021 and 2022.

TOP EXPORTERS IN 2023 OF POTTED PLANTS:

	2023	2022	Growth/Decline
Netherlands	\$5.419 B	\$5.303 B	2%
Italy	\$950 M	\$930 M	2%
Germany	\$795 M	\$848 M	-6%
Canada	\$562 M	\$513 M	9%
Spain	\$529 M	\$513 M	3%
Belgium	\$503 M	\$476 M	6%

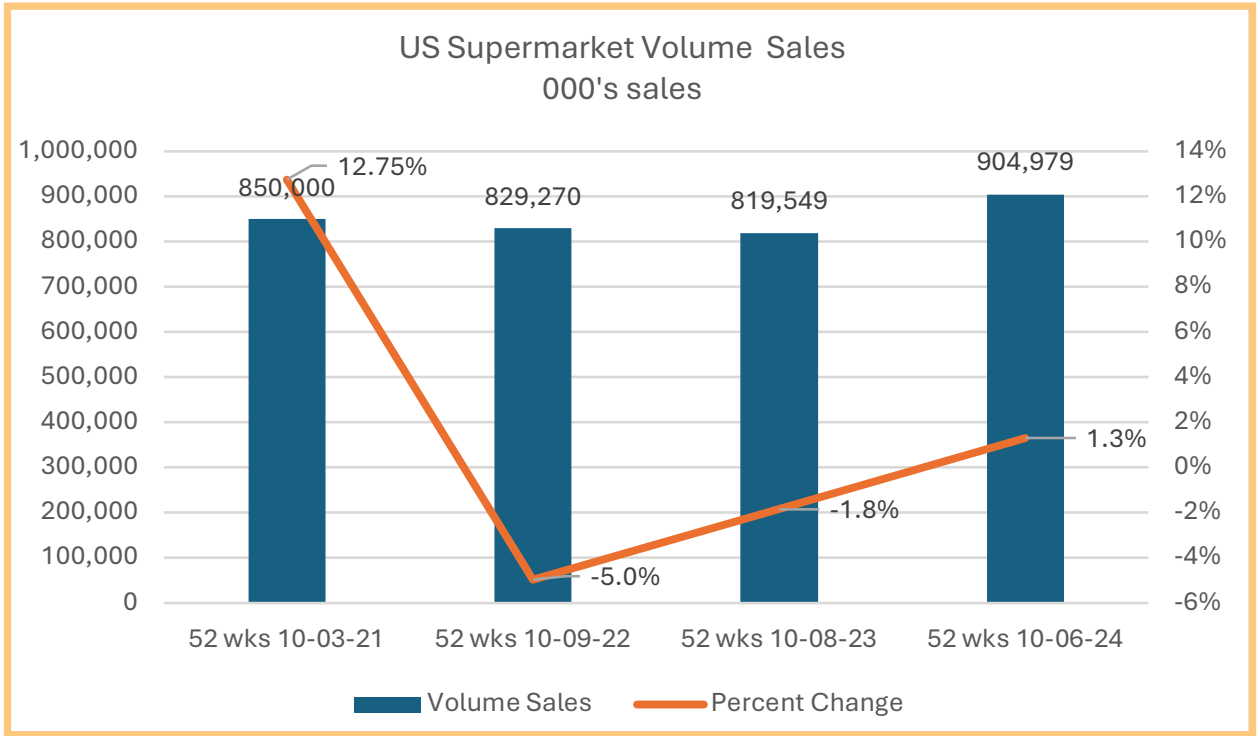
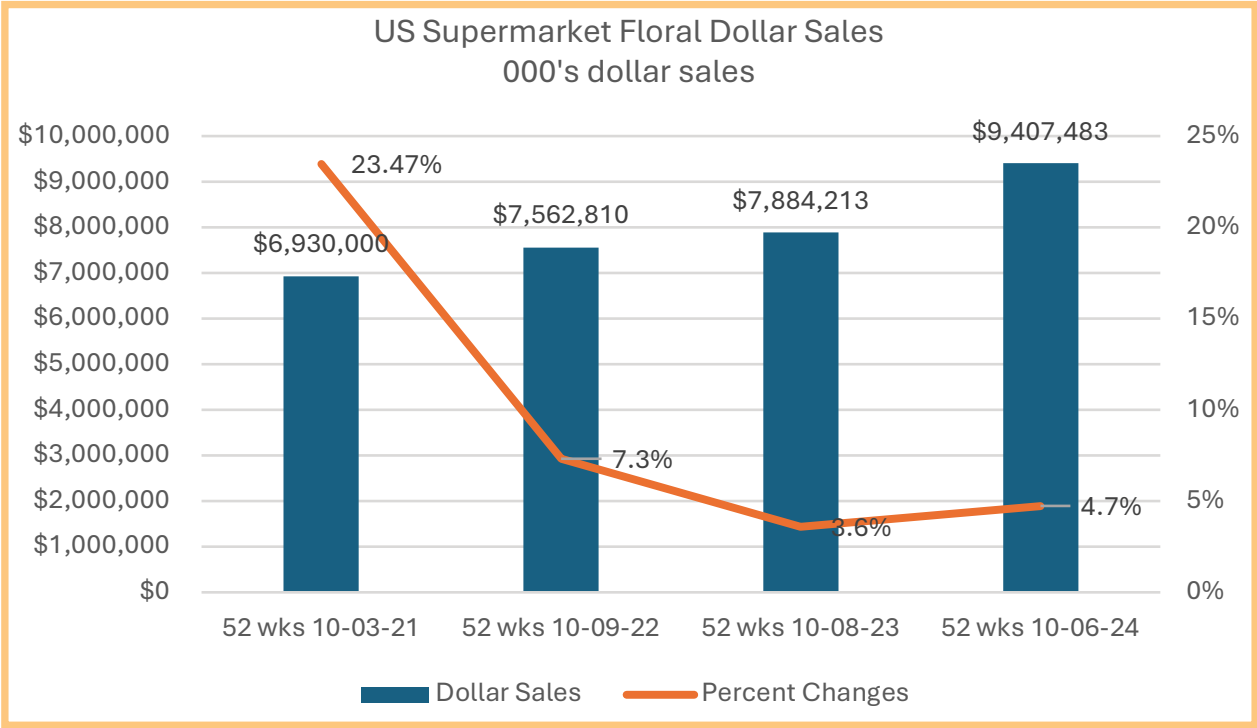
TOP EXPORT DESTINATIONS IN 2023 OF POTTED PLANTS: (IMPORTERS)

	2023	2022	Growth/Decline
Germany	\$1.382 B	\$1.501 B	-8
United States	\$938 M	\$957 M	-2
Netherlands	\$910 M	\$919 M	-1
United Kingdom	\$860 M	\$820 M	5
France	\$807 M	\$828 M	-3
Italy	\$574 M	\$397 M	44



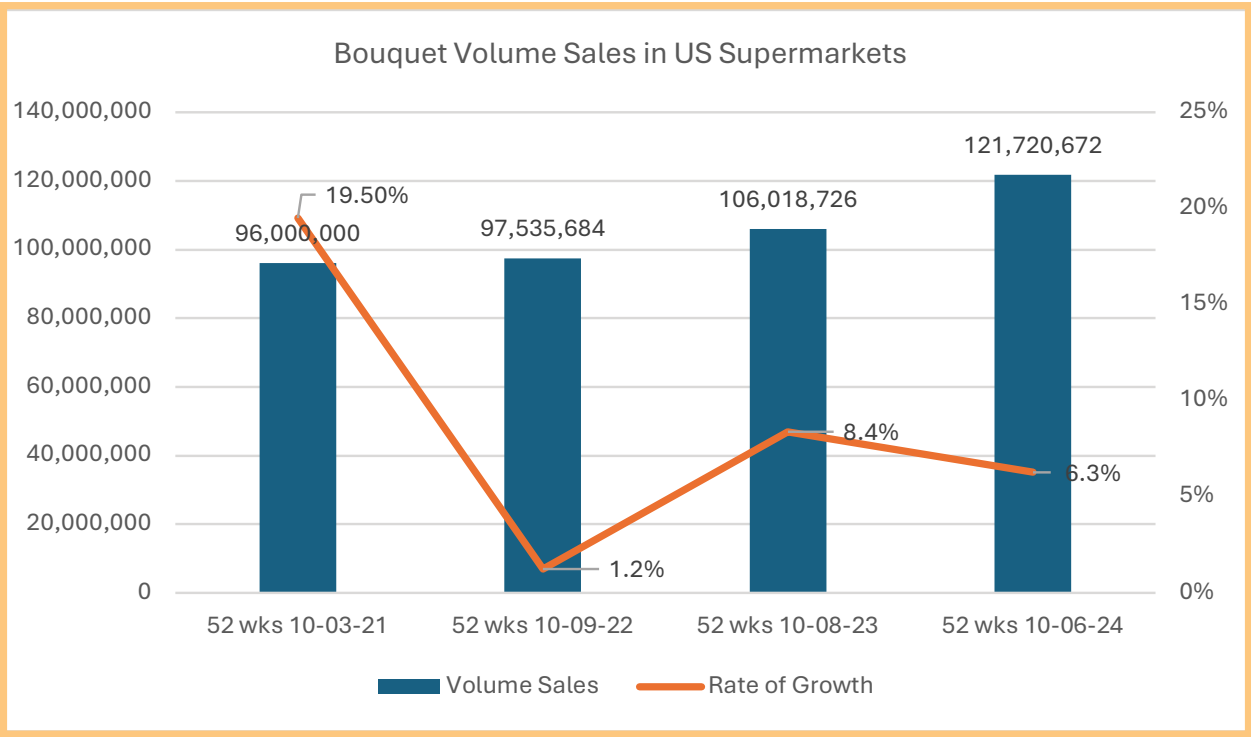
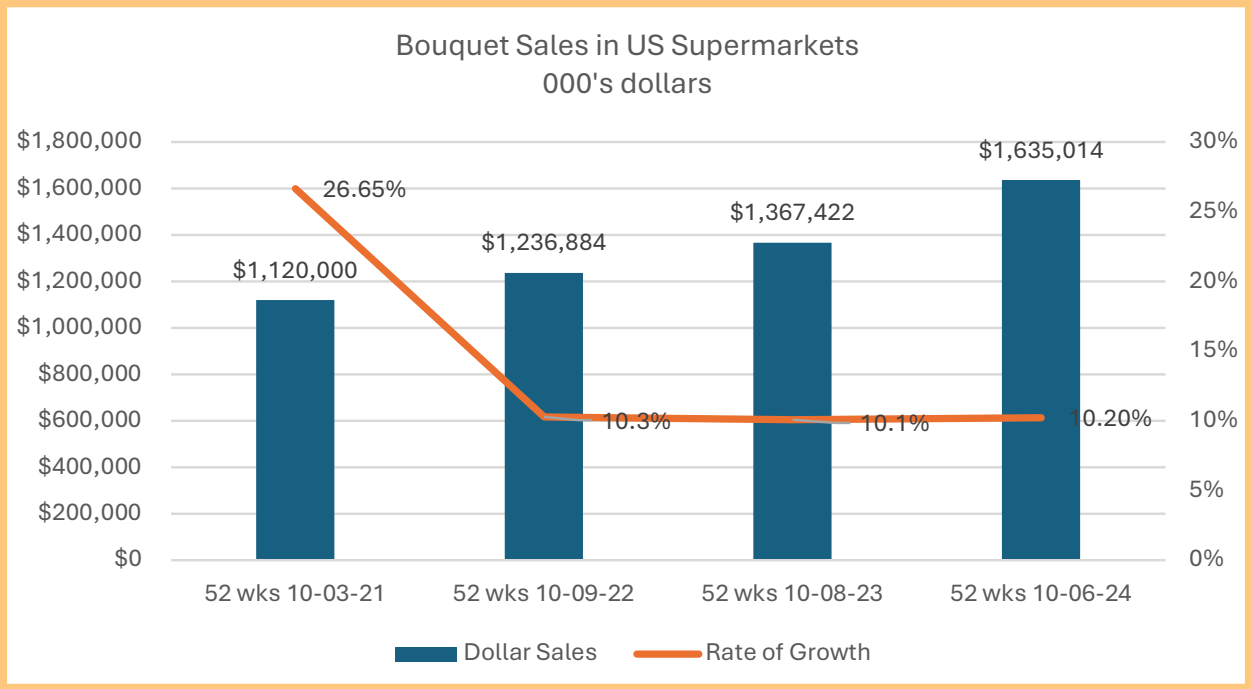
U.S. Perspective

According to Circana point of sale data, the US supermarket floral department achieved year-over-year dollar sales growth since 2021 due to price increases. There was a struggle to achieve volume growth in 2022 and 2023. US supermarkets are set to achieve both dollar and volume sales growth in 2024.



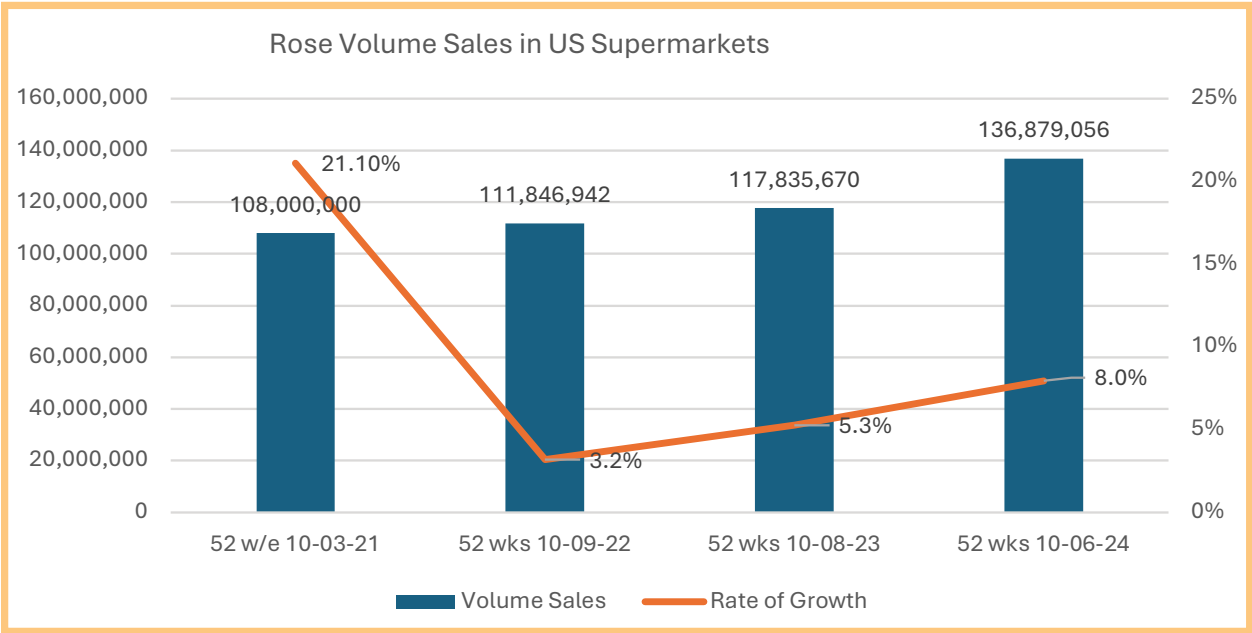
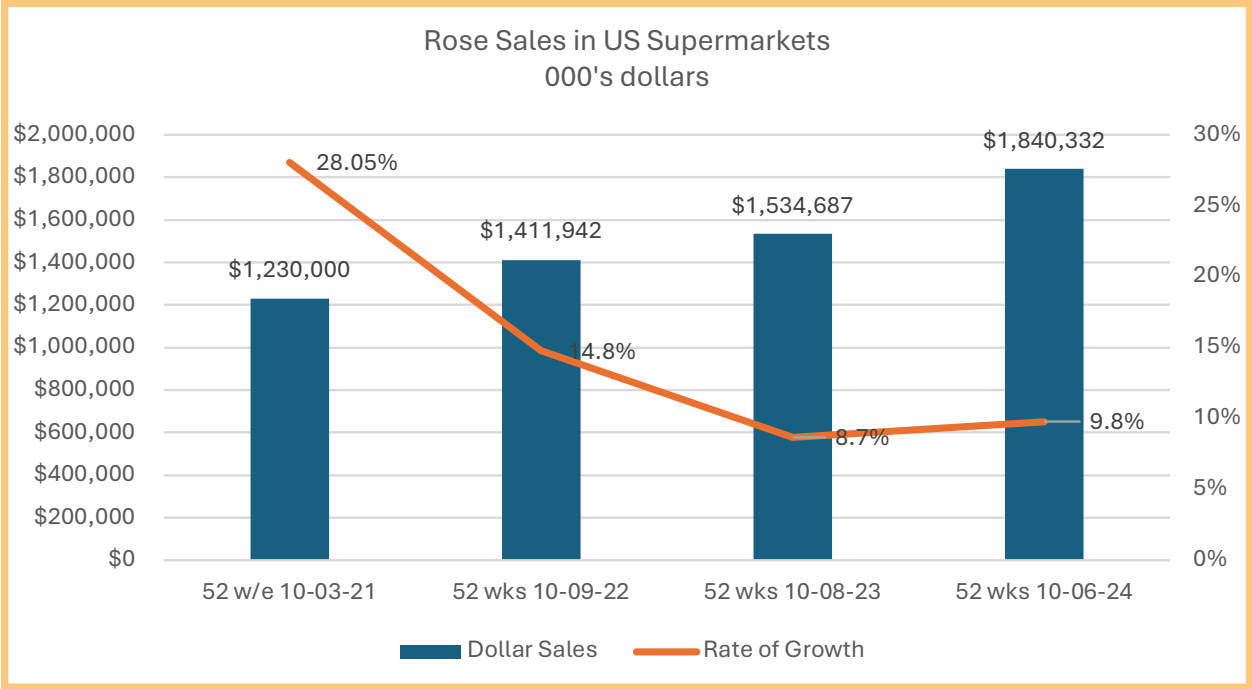
Bouquet Sales

Bouquet sales in US supermarkets remained strong after reaching double digit growth in 2021 although dollar gains outpaced volume gains in 2022 and 2023.



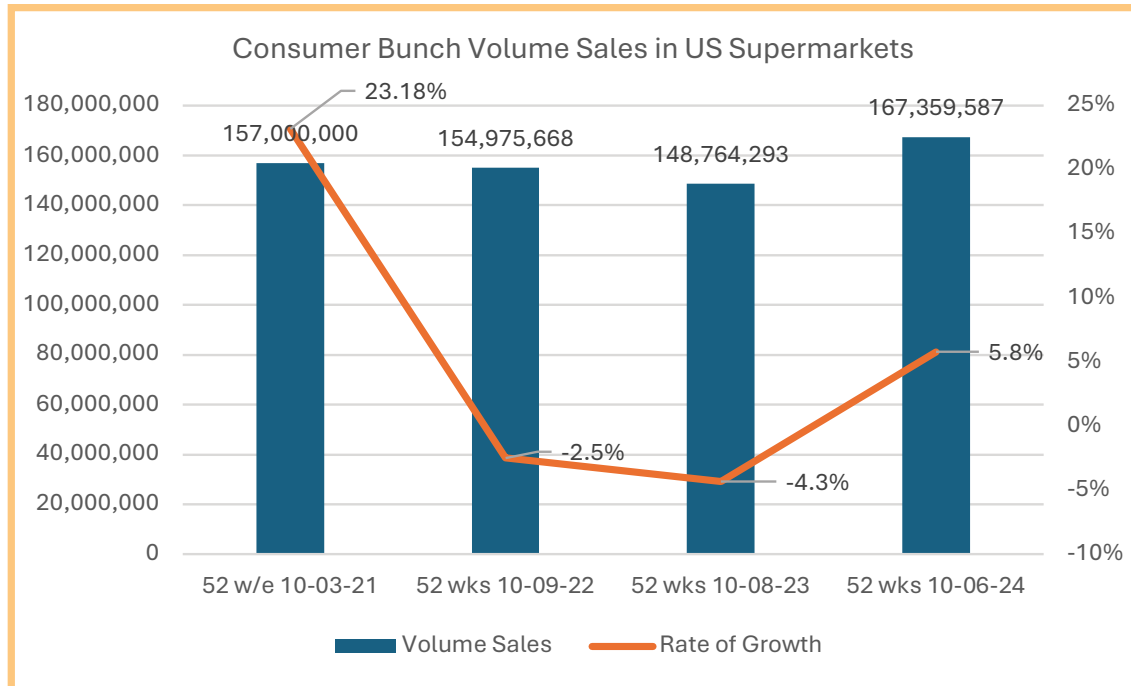
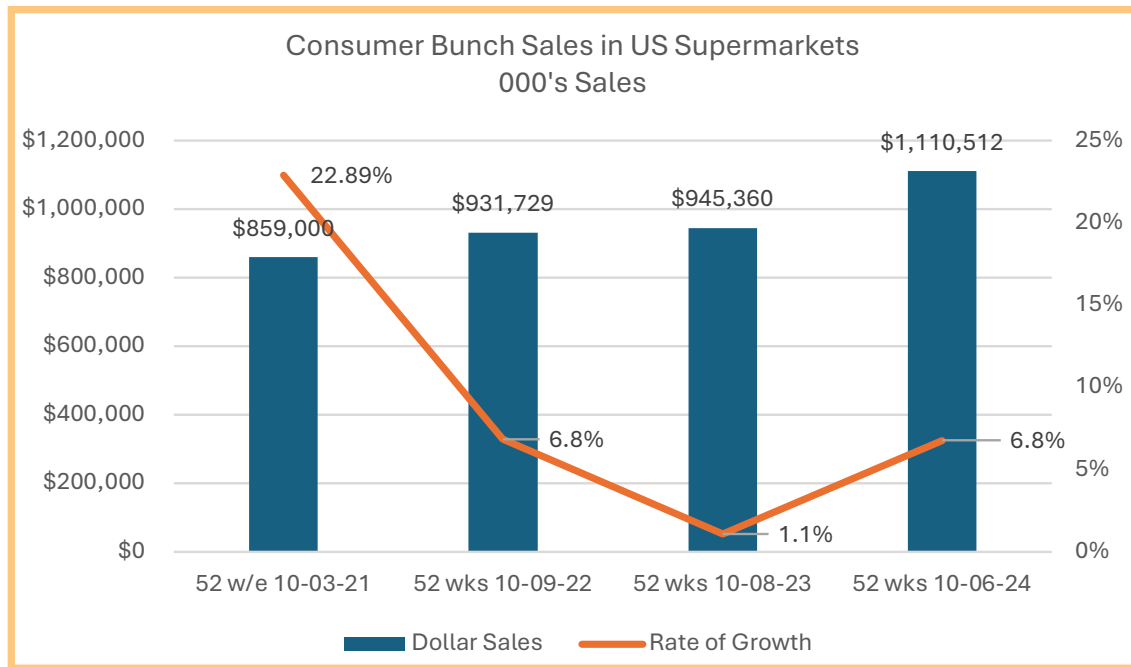
Rose Sales

The rose category remains the strongest category in US supermarkets with the largest contributor to the floral department and smaller gaps in growth between dollar sales and volume gains over the past few years.



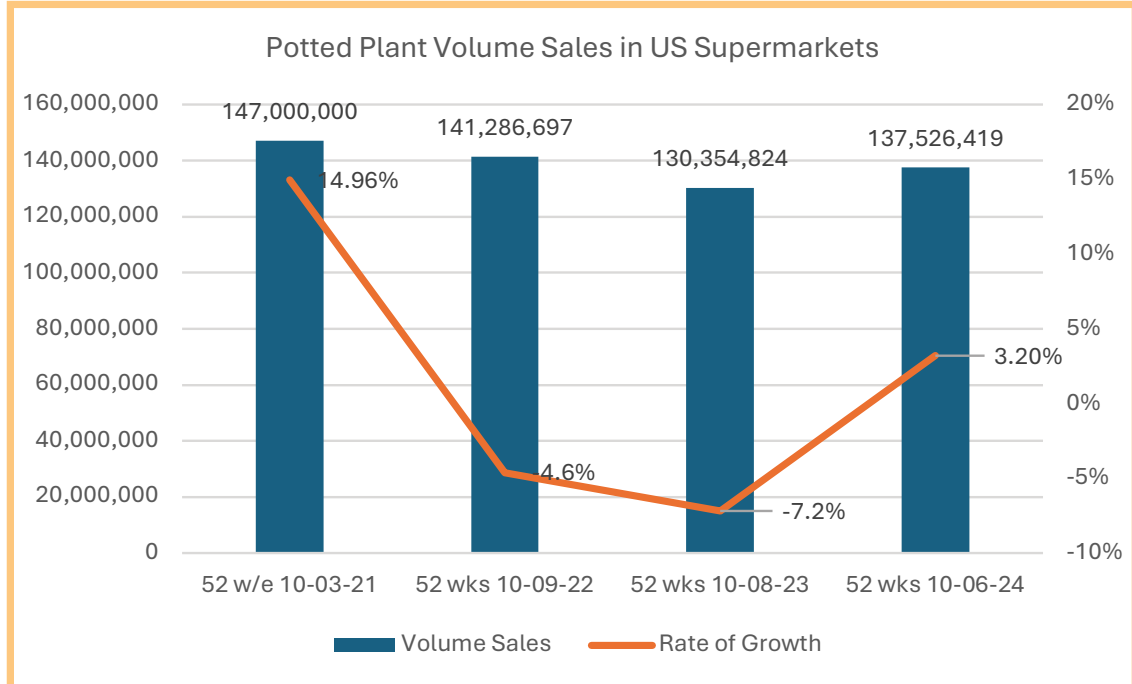
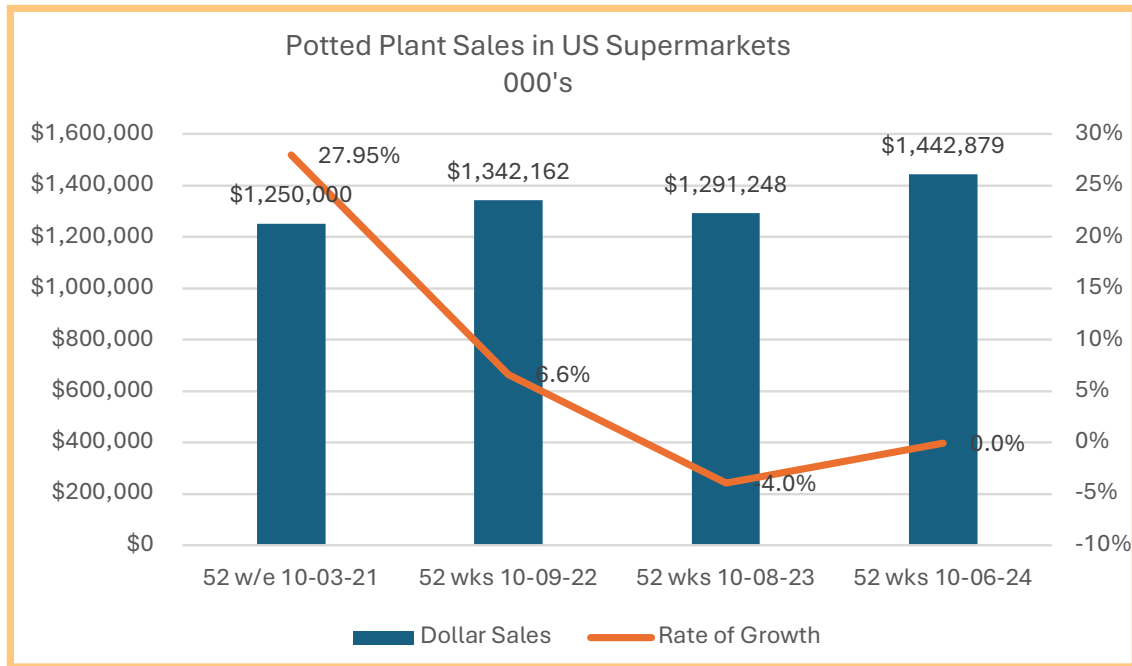
Consumer Bunches

Consumer bunches struggled to get the dollar sales growth in 2023 mostly due to the hesitancy of supermarkets to raise the prices of consumer bunches. Even with the lag in price increases, consumer bunches declined in volume in 2022 and 2023, but they are set to make a comeback in 2024.



Potted Plants

U.S. Supermarkets struggled to maintain the volume gains in potted plants that they achieved in 2021 during 2022 and 2023. While 2024 is set to have volume growth over 2023, it will still be below its peak in 2021. Canadian exports of plants going into the United States increased 9% between 2022 and 2023 to USD \$561 million in 2023.



Average U.S. Supermarket Benchmarks

IFPA works with Circana POS data and member surveys to determine the health of the US supermarket floral department. As you can see by the numbers below, the floral department continues to be profitable in the United State although year over year growth declined from its peak in 2021.

	Average annual floral sales per store**	% growth over prior year**	Floral sales as % of store sales**	Average sq ft.	Sales per sq ft.	Avg dollars per trip**	Gross margin	Labor % of sales	Shrink	Contribution estimate (% of sales)*
Calendar year ending Sept 29, 2024	\$72,385	3.2%	1.3%	712	\$102	\$15.74	46%	10%	9%	27%
2023	\$92,194	5.8%	1.2%	762	\$121	\$15.15	48%	12%	9%	27%
2022	\$87,134	4.4%	1.2%	523	\$167	\$15.02	46%	12%	9%	25%
2021	\$83,429	23.7%	1.2%	720	\$116	\$14.32	46%	14%	10%	23%

*computed as gross margin minus labor costs minus floral shrink

** Circana POS system

Production

According to the USDA, US farm gate sales of floral products like bedding plants, cut flowers, and potted plants were worth about \$6.7 billion dollars in 2023. This was unchanged from 2022. There was 851 million square feet in production in the US compared with 833 million square feet in 2022.

U.S. Farm Gate

Sales of U.S.-grown cut flowers increased in 2023 over 2022, as did the number of floriculture operations, according to USDA’s National Agricultural Statistics Service (NASS). While 2023 cut flower sales at the farm gate were up nearly USD \$350 million, sales are down from USD \$357 million in 2021. California accounted for 60% of cut flower sales with \$211 million (a 3.5% increase).

U.S. FARM GATE SALES

Category	Farm Gate Sales	Growth/Decline 22-23
Annual bedding/garden plants	\$2,476 B	+0.3%
Herbaceous perennial plants	\$1,038 B	-5%
Potted flowering plants	\$1,002 B	-10.1%
Foliage plants	\$919 M	+11.2%
Propagative floriculture materials	\$514 M	-0.1%
Cut flowers	\$350 M	+5.1%
Cut cultivated greens	\$98 M	-3.5%

The total number of U.S. floriculture producers increased by 14.2% (1,267) to 10,216 in 2023. While there was an increase in small operations, some large farms closed due to economic or generational changes. From 2021 to 2023, floriculture operations with sales of \$100,000 or more declined 9.4%. The U.S. floriculture industry has many small and medium players.

TOP FIVE FLORICULTURE PRODUCTION STATES

State	Farm Gate Sales	Growth/Decline 22-23
Florida	\$1.208 B	+3.2%
California	\$983 M	+2.6%
Michigan	\$695M	-2.3%
Texas	\$319M	+14.1%
New Jersey	\$319M	+14.1%

U.S. IMPORTS OF FLORAL PRODUCTS

According to International Trade Centre, the United States increased imports of cut flowers in 2023 but decreased imports

	2023	2022	Growth/Decline
Cut Flowers	2.588 B	2.464 B	5%
Live plants	938 M	957 M	-2%
Foliage	274 M	305 M	-10%
Bulbs	210 M	223 M	-6%

IFPA is your partner in understanding the import/export and sales of floral products. Go to **freshproduce.com** to explore point of sale data on floral products in the United States and the United Kingdom.

Production in 2024

Now, let's turn from looking at the floral industry's numbers to looking at what is driving the floral industry. Innovations in production improved the efficiency and yield of growing flowers and plants. Precision agriculture, automated harvesting techniques, and blockchain-enabled supply chains created efficiency, transparency, and traceability. Additionally, e-commerce platforms and digital marketing strategies expanded market reach.

The Influence of AI

AI makes it simpler to keep plants in good condition by early detection of illnesses and pests. These tools are based on picture recognition to pick up problems in the preliminary stage before they become a real threat. As a result, growers can respond promptly.

- Sensors powered by neural networks offer real-time updates on surface conditions. These metrics include moisture, nutrients, and pH levels. This means growers can make precise adjustments to watering and fertilizing, helping plants get exactly what they require at a particular moment.
- AI is helping to predict yield by looking at past data, weather patterns, and current plant conditions.
- AI-driven inventory management is helping to fine-tune market plans to better fit target consumers, update growers on the latest trends, and track which goods are losing popularity. This allows for sales optimization.

In production, smart systems take care of essential tasks like planting, watering, and harvesting. Automated planters space seeds perfectly and set them at the right depth. Special watering robots adjust water levels based on real-time soil moisture, ensuring flowers get just the right amount without waste. When it comes to pruning and pest control, robots can trim plants with precision cutting down on manual labor. Sensors and AI detect pest infestations and eliminate them precisely where needed, minimizing the use of toxic chemicals. Robots are also managing harvests, sorting flowers by size and quality and drones are assessing plant health and delivering treatments with surgical-like accuracy. Automation reduced errors, reduced manual labor, and improved results with faster turnaround times and consistent quality.

Biotechnology

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.

Consumer Psyche in 2025

Consumers are the ultimate drivers of any industry. As such, it is important to understand their psyche going into 2025. Consumers are stressed by concerns about health, the environment, the changing global political landscape and personal financial constraints. As a result, they are taking more control of their spending. According to NIQ, consumers are faced with consecutive years of rising prices requiring them to be selective in their spend. According to NIQ, in late 2024, consumers were spending 17% more than they were for the same goods in 2022. As inflationary pressures continue to subside, we expect consumers to worry a little less about increasing everyday bills in 2025 offering opportunities for the floral industries.

According to World Data Lab, global consumer spending is set to rise by nearly 6% in 2025, adding approximately \$3.2 trillion in new spending. Globally just over \$300 will be added to 'wallets' (modest growth of +2.4%), with essentials like housing, food, and transportation gaining the most from increased expenditures (49% of spending growth)," said Wolfgang Fengler, CEO of WDL. The average U.S. consumer is expected to add nearly \$2,000 to their spending in 2025, leaving more room for spending on discretionary categories like flowers.

The spending ability of consumers is polarized with consumers in the "highest" and "lowest" spending categories differing in terms of contribution to spending.

- **Lower Middle consumers** (those who spend \$12-\$40/day) represent 35% of consumer headcount but account for 21% of spending.
- **Upper Class consumers** (those who spend \$120+/day) represent 3% of consumer headcount but will account for 33% of spending.

This polarization in the ability to spend highlights the need to understand who we are serving with our products, what motivates our customers, and how to best capture them with our products. For instance, are we highlighting consumer bunches in mainstream supermarkets or exotic bouquets in niche supermarkets?

Consumers Need to Stretch a Dollar

Consumers will continue to be price sensitive in 2025. According to McKinsey Consumer Wise 76% of consumers reported trading down in the third quarter of 2024. According to NIQ, Americans are rethinking shopping. 87% of American consumers changed how they shop to manage expenses. This includes seeking

lower prices (82%), reducing overall spending (67%), switching products or brands (66%), changing stores (56%), and adjusting product sizes (50%). In 2025 the floral industries will be challenged to increase volume without unwarranted discounts.

Perceived Discounts

According to Circana, discount promotions was the preferred saving strategy of consumers in 2024. In 2025, the floral industry must ensure they evaluate promotional strategies to avoid overpromoting and eroding growth potential. With consumers being more discerning with their dollars, different views of "discount" will drive 2025 spending decisions. According to NIQ, affordability and value are the baseline factors shaping consumer decision making. Thus, combining what consumers value with affordability is a win. This isn't to say that consumers are averse to spending for quality rather the floral industry will have to prove what makes our products premium in a way that speaks to consumers.

Pricing Tiers

According to NIQ, different tiers of regularly priced products is another dimension of discount options. "Economy" products, selling at 10% or more below the average price for the category, are seeing the fastest growth. The global pricing structure experienced a small shift in favor of "economy" or "discount" price tiers. Although the lift is small (0.38 share point globally), that increase represents approximately \$6.11 billion in incremental share growth captured by "Value" players. Conversely, in the same period, NIQ reports premium tiers ceded nearly \$4.59 billion. Value products within floral can lure consumers to purchase new and different products as well as a gateway for new customers.

Health and Wellness

The shift towards proactive healthcare and wellness, transformed perspectives on well-being. The health and wellness evolution revolutionized medical industry and is changing how we view healthy. It also places a renewed emphasis on mental well-being. Flowers are now part of the healthcare system as a key component of self-care and mental health. Flowers enhance mood, reduce stress, and promote mindfulness, aligning with the growing focus on holistic wellness.

Sustainability

While affordability always wins against sustainability, consumers are still looking for sustainable products. The floral industry is increasingly adopting sustainable bouquet sleeves to reduce environmental impact. This should be touted to consumers. Innovations like sleeves made from water-resistant paper and recycled plastic help the floral industry demonstrate to consumers their sustainable practices.

Consumer trust in government and large global brands and companies is declining because of the focus on corporate profits over consumer benefits, unfair profit distribution and greenwashing. It's important for the floral industry to practice integrity and transparency regarding pricing and environmental promises. Younger consumers especially distrust corporate actions for the environment. As consumers seek reassurance that what they buy is worth the price and aligns with their values it becomes even more important that the floral industry begin forming a relationship with consumers.

Authentic Connections

Consumers are appreciating close connections, nature, and real experiences. They are seeking activities that are genuine, meaningful, tangible and secure. We expect more socializing to take place at home creating opportunities for everyday purchases of floral products. Holidays and entertaining events also remain important. What unites these occasions, big or small, is the need for an emotional uplift or mood shift of some sort. This is the perfect backdrop for the floral industry's products.

Power of Social Media

According to NIQ, one in three surveyed global consumers are willing to purchase via social commerce. Social media shifted how consumers discover, shop, and interact with brands on their path to purchase. Social media has a massive influence on product choice. Nearly one-third (31%) said they would change brands if a social media influencer suggested they do so. This brand malleability is especially notable among younger consumers (44% and 40% for Gen Z and Millennial shoppers, respectively). Despite this opportunity, social commerce leaders must address the barriers to consumer adoption. Currently, over half (53%) of surveyed consumers don't trust the security of paying via social media and 60% admit they ignore or skip ads on social media. Nearly half of Gen Z (46%) and Millennial (48%) consumers would use AI to automate or speed up their everyday shopping decisions, while just 34% of Gen X and 20% of Boomer respondents feel the same. While influencing and selling via social media is nothing new, it is time for the floral industry to embrace it.

In Closing

IFPA is your partner to increase your floral sales. We keep our fingers on the pulse of the industry, track consumer trends, advocate on your behalf, and provide you opportunities to network with business partners. We look forward to expanding on this information at our Floral Conferences, online, and in our newsletter.

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