



# FLORAL BOARD

**BEAUTIFUL POSSIBILITIES**

We're all stronger when we grow together.

# **WELCOME!**

Michelle Castellano Keeler  
Mellano & Co.

Ben Dobbe  
Holland America Flowers





# BACKGROUND

## 1. Proposed U.S. Floral Board.

Industry members are proposing a Marketing Order that allows importers and domestic growers to collaboratively create demand for and value of cut flowers and greens in the U.S.

## 2. A Formation Committee was established.

The Committee includes members that cross the industry of the voters.

## 3. Your voice has been heard in initial discussions.

And it will continue to be heard. Major discussions with equal representation (domestic, importers) have led to what we believe is a fair and advantageous package for domestic growers.



# FORMATION COMMITTEE

## DOMESTIC PRODUCERS

- Michelle Castellano Keeler (Mellano & Co.)
- Val Schirmer (Three Toads Farm)
- Mike Mooney (Floral Union Farms)
- Erik Hagstrom (Albin Hagstrom & Son)
- Ivor Van Wingerden (Ocean Breeze Farms)
- Rita Jo Shoultz (Alaska Perfect Peony, Chair of Certified American Grown)

## IMPORTERS

- Harrison “Red” Kennicott (Kennicott Brothers)
- Oscar Fernandez (Equiflor-Rio Roses)
- Tim Dewey (DV Flora)
- Mauricio Jaramillo (Sole Farms)
- Eric Fernandez (Continental Flowers)
- Yvette Speziani (Colour Republic)

- An attorney was hired to lead the discussions.
- Group met 6 times over 4 months to discuss and debate the viability of a national Marketing Order.
- Many perspectives were heard in order to agree upon the following elements.

# THE ELEMENTS



# PRODUCTS SUBJECT TO ASSESSMENT

The range of products that will be subject to assessment include “cut flowers” and “cut greens.”

- a) Fresh cut flowers* are defined as “all cultivated or noncultivated flowers cut from growing plants that are used as fresh-cut flowers and that are produced under cover or in field operations for the purpose of being sold or used in floral presentations, but not including foliage plants, floral supplies, tubers, bulbs, or flowering plants.”
- b) Fresh cut greens* are defined as “all cultivated or noncultivated decorative foliage cut from growing plants that are used as fresh-cut decorative foliage (except Christmas trees) and that are produced or foraged under cover or in field operations for the purpose of being sold or used in floral presentations, but not including foliage plants, floral supplies, tubers, bulbs, or flowering plants.”



# ENTITIES INCLUDED IN THE DRAFT ORDER

- a. Domestic producers* are defined to include any individual, group of individuals, firm, partnership, corporation, association, society, cooperative, or any other legal entity that grows and/or harvests cut flowers or cut greens in the U.S. for the purpose of selling such products to individuals, retailers, wholesalers, or distribution centers in the U.S.
- b. Importers* are defined as any individual, group of individuals, firm, partnership, corporation, association, society, cooperative, or any other legal entity that imports cut flowers or cut greens from outside the U.S. for sale in the U.S. as a principal or as an agent, broker, or consignee of any person/entity or nation that produces cut flowers or cut greens outside the U.S. for sale in the U.S., and who is listed in the import records as the importer of record for such products

# DE MINIMUS LEVEL

Domestic producers and importers that do not meet a de minimus threshold of \$250,000 in annual gross sales receipts are exempt from paying assessments.



# BOARD COMPOSITION & NOMINATIONS

Increased and significant representation of Domestic Growers is highly important to us, vs. representation based on market share. The Draft Order establishes a board comprised of twelve (12) total members. The members will each serve a term of three (3) years, rotating off the board on a staggered basis.

## **Composition**

*(1) Five (5) members shall be Domestic Producers.*

*(2) Six (6) members shall be Importers.*

*(3) One (1) member shall be an “at large” member that is not a Domestic Producer or Importer.*

*(4) No two members shall be employed by a single corporation, company, partnership or any other legal entity.*

## **Nominations**

- a. Domestic producers, importers and organizations representing domestic producers and/or importers may submit nominations for initial board members, which will be appointed by the Secretary of the USDA from the nominations received.
- b. For subsequent nominations, the board will conduct outreach to solicit nominees and then select at least two nominees to recommend for each vacant seat. The Secretary of the USDA will appoint the new board members from the nominations received.

# REFERENDA

**Each company will receive 1 vote.**

In order to receive USDA approval and become effective, the Draft Order must be approved by a simple majority (50% + one vote) of domestic producers and a simple majority (50% + one vote) importers voting in the initial referendum that collectively represent a majority of the volume of cut flowers and cut greens sold in the United States during a period determined by the USDA. Subsequent referenda will have the same standard of approval.

**A shorter trial period** (4 years vs. 7 years). *Not later than four (4) years after this Order becomes effective and every seven years thereafter, to determine whether Domestic Producers and Importers favor the continuation of this Subpart. This Subpart shall continue if it is approved by a simple majority (50% + one vote) of Eligible Domestic Producers and a simple majority (50% + one vote) Eligible Importers voting in the Subsequent Referendum that collectively represent a majority of the volume of Cut Flowers/Greens sold in the United States during a Representative Period. Each Eligible Domestic Producer and Eligible Importer may cast one vote in Subsequent Referenda.*

# ASSESSMENTS

Under the provisions of the Draft Order, each domestic producer and importer will be required to pay an assessment to the board in the amount of one percent (1%) of the gross sales price of their cut flowers and/or cut greens either sold or imported for sale in the United States. Domestic producers will be required to remit payment to the board on a quarterly basis and importer assessments will be collected by U.S. Customs. This assessment rate may only be modified if approved during an industry referendum.

## **Estimated Assessments:**

- \$15 million paid by Importers
- \$4 million paid by Domestic Growers

No cap on assessments.



# TWO-PRONGED PROMOTION FOR DOMESTIC GROWERS

The U.S. Floral Marketing Order will provide:

- Overall general and generic marketing for flowers and greens.
- No country-of-origin reference or specific products or flowers will be promoted.
- Funds will be used only for marketing and promotion, as industry research is covered through American Floral Endowment (AFE).

## **Additionally, Domestic Growers will Benefit from a 2<sup>nd</sup> Domestic-Only Campaign:**

The Board will allocate annually an amount from the total assessments collected on all Cut Flowers/Greens during the prior calendar year, which amount shall be between two percent (2%) and three percent (3%) of the projected total assessments collected, to one or more domestic organizations to be used for local, regional, State, and/or national programs that promote Cut Flowers/Greens. Amounts allocated by the Board for such programs will be based on requests submitted to the Board by domestic organizations that the Board determines meet the goals and objectives stated in the Act and Order.





# **WHY COLLABORATE?**

**SPUR INNOVATION.**

**INCREASE VALUE.**

**DRIVE DEMAND.**

# CASE STUDY: CHRISTMAS TREE PROMOTION BOARD

Marketing Order started in January 2015.

Represents Domestic Growers and Importers. 12 Member Board.

Referendum: No later than 3 years, then every 7 years.

1 vote per company.

De Minimis: 500 Christmas trees.

Assessment: 15 cents per tree.

2019 collected: \$1.730 million.

2020 collected: \$1.938 million.

**Results: \$1 dollar invested = \$13 in grower profit in the short term;  
\$21.70 in the long term.**

Purchases of Christmas trees rose over the study period of 2016-2019.



# CASE STUDY: HASS AVOCADOS

Marketing Order started in 2002.

Represents Domestic Producers and Importers.

12 Member Board (7 domestic and 5 importer)

Assessment: 2.5 cents per pound.

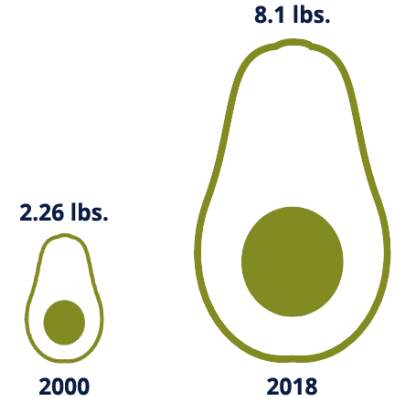
Average collections: \$60m+

**Results: 1.6-3.6 benefit-to-cost ratio delivered.**

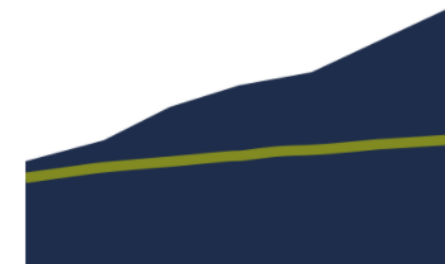


## Our Vision

Fresh Hass avocados will be America's most popular and desired fruit by 2025. The average annual increase in the value of the fruit consumed on a per person basis in the U.S. will be 6%.



PRICE DEMAND



Expansion of sales in U.S. market **achieved primarily through rising demand** not lowering prices.

## The “HAB Effect”

/the hah' b ə' fekt/ (noun):

1. The ability for members to do things they wouldn't be able to do without the collective power of the Hass Avocado Board (HAB) and for all members to amplify the work done by others for their own growth.





**WHY NOW?**



**MOMENTUM**



**The demand surge  
created by the 2020  
pandemic revealed new  
consumer behaviors –  
and opportunities.**



A close-up photograph of a flower, likely a gerbera, with vibrant yellow and orange petals. The petals are layered and have a soft, painterly texture. The background is a soft, out-of-focus light blue. The text "PROVEN ROI" is centered over the image in a bold, dark green font.

**PROVEN ROI**





**Econometric studies of other Marketing Boards show that for each dollar spent on advertising and promotion by APG promotions, stakeholder returns ranged from \$2 to \$15.**

**“Moving the needle with any promotional program requires two key success factors -- a compelling message and funds to affect a critical mass of consumers. Both are necessary conditions for positively influencing the elasticity of flower demand.”**

Dr. Charles (Charlie) Hall  
Ellison Chair in International Floriculture  
Texas A&M University


**“Extensive research provides broad evidence that generic commodity advertising by agricultural promotion groups in the U.S. effectively enhances net revenues of their respective stakeholders and generates high rates of returns.”**

U.S. National Economic Contribution of Generic  
Food and Agricultural Product Advertising, (2017)

**WE ARE STRONGER  
TOGETHER.**



# KEY STEPS TO FORMING

- 
1. Decide to collaborate. Get input from industry.
  2. Gain wide industry support.
  3. Cast your vote for the Marketing Order in the initial referendum (date TBD).
  4. USDA establishes the Order and Board Members are appointed.
  5. USDA provides ongoing oversight and support.
  6. Measure ROI, report results and – together – choose to grow our industry.

A close-up, artistic photograph of the petals of a pink flower, likely a tulip, on the left side of the frame. The petals are layered and show soft gradients of pink and light purple. The background is a solid, light lavender color.

**FLORALBOARD.ORG**





# CONTACT US

- We'd love your feedback. Please respond to the email survey we're sending to you.
- For more information, contact: [info@floralboard.org](mailto:info@floralboard.org)

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**QUESTIONS?**

**THANK YOU!**

