**Floral Market 2018**

**Some Blooming, Some Wilting**

* According to the US Bureau of Economic Analysis (BEA), US consumers spent $35.173 billion for “flowers, seeds and potted plants” during 2017, a 6.0% increase from 2016’s total of $33.179 billion.
* The seasonally adjusted annual rate (SAAR) decreased during the first 3 quarters of 2018, compared to 2017’s first 3 quarters, or -1.3%, Q1; -5.4%, Q2; and -5.4%, Q3.
* Florists benefited from the overall increase for 2017, with total sales of $6.836 billion, a 4.5% increase from 2016’s $6.540 billion; however, florists haven’t performed as well during the first 9 months of 2018, compared to 2017.

**Total Monthly Sales at US Florists, 2018 vs. 2017**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Month | 2018 | 2017 | % Change | Month | 2018 | 2017 | % Change |
| January | $545 M | $580 M | -6.0% | June | $395 M | $579 M | -31.8% |
| February | $538 M | $572 M | -5.9% | July | $430 M | $608 M | -29.3% |
| March | $428 M | $587 M | -27.1% | August | $439 M | $566 M | -22.4% |
| April | $492 M | $565 M | -12.9% | September | $440 M | $577 M | -23.7% |
| May | $401 M | $560 M | -28.4% |  |  |  |  |

US Bureau of Economic Analysis, October 2018

**Wholesalers’ Take on Business Conditions**

* Following a good Mother’s Day for floral wholesalers, it’s not surprising that 69.77% of all respondents to the Wholesale Florists and Floral Supplier Association’s (WF&FSA) Mother’s Day survey expected their sales to increase during the remainder of 2018.
* 51.16% of wholesalers said their Mother’s Day 2018 sales were what they expected, with 25.58% experiencing better than expected sales. More than 70% said their inventories were almost totally sold at the end of holiday.
* Of those wholesalers responding to the WF&FSA survey, 50% said their Mother’s Day prices increased compared to 2017, while 42.86% said they were flat.

**Wholesale Florists’ Mother’s Day 2018 Fresh Flower Sales Performance, May 2018**

|  |  |  |  |
| --- | --- | --- | --- |
| Performance | Percent | Performance | Percent |
| Increased 20% or more | 2.33% | Decreased less than 5% | 9.30% |
| Increased 10%–19% | 13.95% | Decreased 5%–9% | 9.30% |
| Increased 5%–9% | 23.26% | Decreased 10%–19% | 6.98% |
| Increased less than 5% | 16.28% | Decreased 20% or more | 0.00% |
| Flat | 11.63% |  |  |

Wholesale Florists and Floral Supplier Association, June 2018

**Floral Products in the Produce Department**

* According to IRI data, floral departments sales at multioutlet retailers (supermarkets, mass merchandisers and warehouse clubs) totaled more than $4.7 billion for the 12 months ending August 12, 2018.
* The IRI research also revealed a 3.2% increase of average price per unit for all floral categories for the same 12-month period, with arrangements increasing 5% and outdoor plants 4.2%.
* During this same 12-month period, the floral departments at multioutlet stores in North Carolina, Tennessee, Kentucky, West Virginia, Virginia, Maryland and Delaware had the largest sales increases, or an average of 9.5%

**Multioutlet Retail Floral Sales Share, by Type, August 2018**

|  |  |  |
| --- | --- | --- |
| Type | Share | % Change |
| Outdoor plants | 19% | +9.0% |
| All potted plants | 18% | +4.5% |
| Roses | 17% | +9.0% |
| Bouquet | 16% | +10.2% |
| Fresh-cut | 13% | +1.9% |
| All other | 10% | -4.9% |
| Arrangements | 8% | +4.2% |

Winsight Grocery Business, October 2018

**Optimism Across the Retail Industry**

* With 68% of Society of American Florists members stating they experienced increased Valentine’s Day sales, and 60% increased Mother’s Day sales, it shouldn’t be surprising that 48% were optimistic and 16% very optimistic about their total 2018 sales.
* Among the survey respondents, 75% of growers were optimistic, 25% very optimistic; 71% of the wholesale/supplier/importer segment were optimistic, 14% very optimistic; and 46% of retailers were optimistic, 15% very optimistic.
* All sectors of the floriculture industry have reason to continue their optimistic outlook, as Arizton, a marketing research organization, has forecast the US floral gifting market will increase 6.02% annually through 2023, reaching a total of $15.79 billion.

**Society of American Florists Members’ 2018**

**Sales Expectations, by Region, January 2018**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Region | Very Optimistic | Optimistic | Neutral/ Uncertain | Pessimistic |
| New England | 8% | 58% | 29% | 5% |
| Midwest | 15% | 40% | 37% | 8% |
| South | 26% | 45% | 21% | 8% |
| West | 13% | 44% | 27% | 12% |

Society of American Florists, January 2018

**Colorful Trends to Attract More Shoppers**

* According to *Florist Review*’s American Floral Trends 2018–2019, a major floral trend is “hanami,” or Japanese for “flower viewing.” It refers to the enjoyment of flowers’ beauty, especially cherry blossoms and sometimes those from plum trees.
* “Crescendo” is another trend in the report, which relates to a subdued color palette of gray-lavender with complementary natural elements, such as organics, light wood tones and herbals, such as basil.
* Flower Trends Forecast is highlighting the colors and elements of the forest, with ferns, fungi, pods, berries and mushrooms. Textured flowers, such as anemones, orchids and yarrow can be added to this trend palette.

**Comparison of Valentine’s Day and Mother’s Day 2018 Floral Purchases**

|  |  |  |  |
| --- | --- | --- | --- |
| Valentine’s Day | Percent | Mother’s Day | Percent |
| Roses | 84% | Cut flowers | 83% |
| Other than roses | 41% | Outdoor bedding, garden or container plants | 43% |
| Mixed variety of flowers | 36% | Flowering household plants | 40% |
| Plants | 24% |  |  |

Society of American Florists, January and May 2018

**Additional Analysis**

The Florist Business Trends Survey in the January 2018 issue of *Florist’s Review* found 75% of surveyed respondents said the use of Instagram positively impacted their business during 2017, and they expected it to be a primary social media platform during 2018.

Almost two-thirds (66%) of survey participants said “retail florists are disappearing or downsizing in my market,” with many transitioning to being a studio florist.

A majority of florists (57%) said their customers are increasingly interested in locally grown/American-grown flowers. Some cite difficulties with their supply chains as a primary reason they turn to local suppliers, both to support the local economy and receive shipments faster.

According to Winsight Grocery Business and the IRI data it published, there are opportunities for multioutlet retailers to market and sell outdoor and potted plants during other than peak seasons, such as the spring. The following table shows which floral products provide these opportunities, and when.

**Total US Multioutlet Floral Dollar Sales Trends, January–August 2018**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date\* | Arrangement | Bouquet | Fresh Cut | Outdoor Plant |
| 1/28/18 | $15.74 M | $32.08 M | $33.80 M | $4.12 M |
| 2/25/18 | $76.37 M | $95.46 M | $66.14 M | $11.30 M |
| 3/25/18 | $20.12 M | $46.43 M | $51.49 M | $34.92 M |
| 4/22/18 | $26.53 M | $60.64 M | $64.01 M | $93.45 M |
| 5/20/18 | $64.87 M | $148.68 M | $84.82 M | $312.87 M |
| 6/17/18 | $23.80 M | $59.27 M | $52.73 M | $208.49 M |
| 7/15/18 | $18.08 M | $44.07 M | $41.56 M | $74.74 M |
| 8/12/18 | $19.86 M | $38.14 M | $39.20 M | $22.08 M |
| Date\* | Potted Plant | Rose | Other Floral |  |
| 1/28/18 | $29.59 M | $35.74 M | $18.75 M |  |
| 2/25/18 | $85.86 M | $191.45 M | $43.96 M |  |
| 3/25/18 | $63.69 M | $40.25 M | $50.87 M |  |
| 4/22/18 | $108.29 M | $42.81 M | $57.00 M |  |
| 5/20/18 | $151.21 M | $141.07 M | $77.62 M |  |
| 6/17/18 | $59.79 M | $50.17 M | $39.37 M |  |
| 7/15/18 | $43.55 M | $39.51 M | $21.18 M |  |
| 8/12/18 | $36.22 M | $39.31 M | $17.50 M |  |

Winsight Grocery Business, October 2018 \*for 4 weeks ending date

*Sources:* US Bureau of Economic Analysis Website, 11/18; Wholesale Florists and Floral Supplier Association Website, 11/18; Winsight Grocery Business Website, 11/18; Society of American Florists Website, 11/18; *The Produce News* Website, 11/18; Flower Trends Forecast Website, 11/18; FTD Website, 11/18; Debra Prinzing Website, 11/18.

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