

Rice flower information kit

Reprint – information current in 1997



REPRINT INFORMATION – PLEASE READ!

For updated information please call 13 25 23 or visit the website www.deedi.qld.gov.au

This publication has been reprinted as a digital book without any changes to the content published in 1997. We advise readers to take particular note of the areas most likely to be out-of-date and so requiring further research:

- Chemical recommendations—check with an agronomist or Infopest www.infopest.qld.gov.au
- Financial information—costs and returns listed in this publication are out of date. Please contact an adviser or industry body to assist with identifying more current figures.
- Varieties—new varieties are likely to be available and some older varieties may no longer be recommended. Check with an agronomist, call the Business Information Centre on 13 25 23, visit our website www.deedi.qld.gov.au or contact the industry body.
- Contacts—many of the contact details may have changed and there could be several new contacts available. The industry organisation may be able to assist you to find the information or services you require.
- Organisation names—most government agencies referred to in this publication have had name changes. Contact the Business Information Centre on 13 25 23 or the industry organisation to find out the current name and contact details for these agencies.
- Additional information—many other sources of information are now available for each crop. Contact an agronomist, Business Information Centre on 13 25 23 or the industry organisation for other suggested reading.

Even with these limitations we believe this information kit provides important and valuable information for intending and existing growers.

This publication was last revised in 1997. The information is not current and the accuracy of the information cannot be guaranteed by the State of Queensland.

This information has been made available to assist users to identify issues involved in marketing rice flower. This information is not to be used or relied upon by users for any purpose which may expose the user or any other person to loss or damage. Users should conduct their own inquiries and rely on their own independent professional advice.

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Queensland Government

4. Export requirements for rice flower

Australia's competitive advantage in world markets lies in its potential to constantly introduce and market new wildflowers. Higher prices are received when the flowering period coincides with the peak demand in overseas markets. For its part rice flower has enjoyed a strong market demand as a well timed and novel product, especially in Japan.

It is important to supply the flower, bunching and boxing requirements for each market. The requirements for rice flower stem length, and for the amount of flower for a given stem length, are different for each export market, although there may be some overlap. This difference provides growers with an opportunity to differentiate the product they harvest to meet the needs of each market.

The main requirement for export markets is a consistent supply to a known grading standard. A grading and branding system based on buyer requirements could be used to promote different grades of rice flower in Japan, Taiwan and the United States. Opportunities exist to develop a branding strategy to promote rice flower and other wildflowers in these and other export markets.

Following is a summary of the key requirements for the markets in Japan, the United States, Taiwan and Hong Kong. The information was obtained from surveys in overseas markets and from Australian exporters.

For all four markets

- Harvest at the correct stage of maturity.
- Grade to an Australian standard.
- Pack boxes correctly (not tightly packed but not too loose).
- Use forced air cooling on-farm.
- Maintain the cool chain.
- Check with your exporter prior to harvest about current stem lengths, bunch sizes and colour mix requirements for boxes for specific markets.

For exports to Japan

Summary—Japan

- Grow and export varieties with pure, clear colours.
- Grade stem lengths in ten centimetre increments: e.g. 50 cm, 60 cm, ... to 110 cm; bouquet lengths of 40 cm can also be acceptable.
- Pack bunches of 5 stems (≥ 80 cm) or 10 stems (≤ 70 cm).

Japan is the biggest and highest priced market for rice flower. Most rice flower is sold by florists who use it in arrangements for gift giving, for weddings and for foyer displays in hotels and businesses. In Japan it can be used as focal filler in arrangements, unlike other markets where it is seen as standard filler. The market for rice flower is likely to increase for the next two to five years, although prices are expected to decline. In particular, as the production season for rice flower in Australia is extended, opportunities exist for growers to supply active markets in November and December.

Australian flowers in Japan are perceived as interesting and as providing variety in arrangements. It appears that it not just their novelty value which is creating the interest and demand. The Japanese favour small and delicate flowers in their arrangements; rice flower, with its buds in clusters, provides a different shape and texture to flower arrangements, and both white and pink forms are appreciated. These inherent characteristics have helped create and are helping to sustain the demand for the flower in Japan.

Stem length is an important factor in Japan. Longer stems are perceived as more desirable and attract higher prices. Boxes of shorter stems can yield similar prices per box, but they incur extra labour costs per carton. Greater numbers of stems must be harvested and processed to fill a box, thus reducing net returns per carton. Interestingly, the florists interviewed in Japan indicated a preference for a stem length of 50 cm.

Florists have also indicated an interest in rice flower in a range of other colours such as cream, yellow, orange, and purple, as well as all shades of pink. The key issue is purity and clarity of colour—off-whites and ‘muddy’ colours should definitely not be sent to the Japanese market. The flower colour also needs to look good under the fluorescent lighting used where the flowers are offered for sale.

The quality of all Australian flowers, including rice flower, continues to be a concern in Japan. Importers commented that quality was inconsistent—sometimes high and sometimes very poor. Some importers and wholesalers reported problems with product damage due to heating. This can be caused by ineffective on-farm cooling, but is often a result of delays at the departure airport or of being left in the sun on arrival. The lack of FAC after arrival in Japan lowers the quality of the product delivered to the final consumer. Repeat demand is what is required, and this will be enhanced where flowers can be seen at their best in an arrangement.

Another concern was that different growers use different grading systems. The draft industry standards being considered by Standards Australia (see Section 3) should help overcome this problem.

There is some interest by Japanese wholesalers in buying dyed flowers, bouquet arrangements, and boxes with a mix of colours. However, there were mixed opinions from importers, wholesalers and florists on value-adding opportunities; the price increment received for the extra work involved would need to be carefully considered.

For exports to the United States

Summary—United States

- Grade in stem lengths of 50 cm and 60 cm, though bouquet lengths of 40 cm are also acceptable.
- Use bunch sizes of 400 or 450 g. There is also a market for bunches of 225 and 300 g.
- There may be a market for two-stem bunches for the supermarket trade.
- Supply boxes of mixed colours for specific orders.
- There may be opportunities to dye flowers to match the colour requirements of specific holidays.
- Grade separately for the niche market of Japanese customers in the United States.

Florists still account for 53 per cent of sales, but other outlets have been increasing in importance in the United States. Florists compete on the basis of service and quality and with related gift lines. Supermarkets and other mass market outlets are subject to severe purchasing constraints. Bouquet

makers rarely pay more than \$US0.30 per stem, although occasional novelty stems are included at \$US0.50. Component prices can be as low as \$US0.08 for filler (\$US0.05 for foliage), and a downward price trend is expected.

Rice flower is widely perceived as a filler flower in the United States. If the price is too high, other fillers will be used instead. As a filler, the main demand for rice flower is for bunches of 50 cm or 60 cm stems. Bunches sold are generally 400 or 450 g, but markets also exist for 225 and 300 g bunches. There may also be potential to supply two-stem bunches for supermarket and mass market outlets.

It is important to realise that there is a niche market of Japanese customers in the United States. The cultural factors that favour rice flower in Japan, (see page 14) also apply to these customers. Specific marketing could help achieve a premium price for rice flower tailored to the requirements of this group.

The quality of Australian-grown rice flower was seen as mostly good. However, Australian rice flower has to bear comparison with locally produced product available from March to May. United States rice flower grown in California is generally perceived as being in larger and fresher bunches for the same price, and is the preferred product in this market. The Californian rice flower industry is of a similar size to that in Australia. Harvesting occurs in the northern hemisphere spring, and the flower is used predominantly as a dried filler by the domestic market.

Dehydration and blackening of foliage are issues that Australian growers and shippers need to address, initially through the choice of varieties and later with postharvest handling procedures, to ensure that a high quality product reaches the market.

It is important that the correct balance of flowers to stem length is achieved. Some importers and wholesalers in the United States reported that although stem length was consistent, the proportion of flowers to stem length was only average to poor. Considerable attention should be paid to this when packing for the United States market.

Importers in the United States indicated that there may be opportunities for value-added product. For all flower types there is an increased demand for flowers with colours to match the requirements of various holidays. Australian exporters also see opportunities for sending boxes of mixed colours, both natural and dyed, to the United States market.

Although rice flower grown in the United States is established as a dried product line, Australian dried rice flower is unlikely to be competitively priced in this market.

The demand for non-traditional cutflowers has been increasing in the United States for the last 10 years. This will help increase the demand for Australian cutflowers, including rice flower.

For exports to Taiwan

Summary—Taiwan

- The main market is for traditional flowers and Australian wildflowers are not well known.
- The preferred stem lengths for rice flower are 60 to 80 cm.
- Bunch sizes for rice flower are 400 to 500 g or 10 stems per bunch.
- Both white and pink rice flower are sought by the Taiwanese.

- There may be opportunities for mixed bunches of dyed fresh and dyed dried rice flower.
- Supply boxes of mixed colours for specific orders.
- Importers are very price conscious.

In Taiwan the use of non-traditional flowers such as Australian native flowers and proteas is quite limited. The main demand is for traditional flowers, and Australian flowers are only occasionally used by florists. Taiwanese florists are relatively unaware of Australian flowers or how they can be used.

Importers in Taiwan tend to buy on price. Florists and other buyers expect high quality at very competitive prices. The price of Australian flowers in Taiwan is higher than that of local flowers and other imported flowers. Specific niche markets therefore need to be identified for profitable trading in this market.

Currently there are about 15 main importers in Taiwan and four of these handle most of the imports.

Both white and pink rice flower are sought by the Taiwanese and there may be an opportunity for mixed bunches of dyed fresh rice flower. Boxes of mixed colours could be trialled for specific orders. Further opportunities may exist for the supply of dried dyed rice flower.

The preferred stem lengths for rice flower are from 60 to 80 cm. The demand seems to be for shorter lengths. Most importers expect large bunch sizes, well filled out and weighing between 400 and 500 g or having 10 stems.

For exports to Hong Kong

Summary—Hong Kong

- This is a very quality-conscious and price-sensitive market, mainly for traditional flowers.
- Australian flowers are now being used more widely, but importers require only small consignments.
- Hong Kong is an entry point for the mainland China market.
- Rice flower is used as a filler flower, especially in foyer arrangements.
- Preferred stem lengths are 50, 60 and 70 cm.
- The demand for white rice flower is the strongest, although pink is also acceptable.
- There is potential to supply boxes of mixed colours.
- Dyed fresh rice flower may have some potential.

The main demand for flowers in the Hong Kong market is for traditional flowers. The consumption of other types of flowers such as Australian native flowers and proteas is quite limited. Australian flowers are used occasionally by florists—banksias, kangaroo paw and proteas are imported in regular shipments.

Hong Kong is a very price-sensitive market. As in Taiwan, buyers expect high quality at very competitive prices. The price of Australian flowers in Hong Kong is reported by importers to be higher than that of flowers supplied from the United States or South Africa, because the quality is generally more consistent and the flowers more highly regarded.

A difficulty in supplying the Hong Kong market is that there is no central auction or large importer. Importers often find that the minimum shipment size required by their Australian suppliers is too high for the expected demand. Most importers are reluctant to handle some products, such as waxflower, rice flower, leucadendron and waratah, because of irregular demand. Although these species are known by most florists, they are not readily available on the market.

Importers said that the main use for rice flower is in foyer decorations for businesses and hotels. Rice flower is also used in home arrangements and as a filler flower in 'modern' arrangements. As a filler, demand depends on price. For larger volumes it is important to supply importers who have a large customer base, such as those supplying the business and service sector in Hong Kong and in mainland China.

There is demand for rice flower with stem lengths varying from 50 to 100 cm; the preference seems to be for stems of 50, 60 and 70 cm. Generally lighter, softer colours are preferred for filler flowers. Hong Kong buyers saw white as the preferred colour and the one with the greatest potential over the next two to five years, but pink is also acceptable. The preference for white is not in line with expectations, as white is usually viewed as a funeral flower and pink and red are associated with good luck.

The greatest potential for value-adding with rice flower is for mixed colours or different stem lengths in the one box. This may be due to the importers' need for small consignments. There may also be some potential for dyed fresh rice flower in the Hong Kong market.