

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 We advise readers to take particular note of the areas most likely to be out-of-date and so requiring further research: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- Financial information—costs and returns listed in this publication are out of date.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.

While every care has been taken in preparing this publication, the State of Queensland accepts no responsibility for decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained in this publication.



Queensland Government

8. Potential competitors⁵

At present there are no significant sources of rice flower other than Australia into markets in Asia (including Japan) and the United States in the August to October supply period. However, some countries have the potential to market the same product range as Australia and they can have the benefit of being closer to a market and of having tariff advantages and low labour costs. As well, many countries have well organised marketing channels. Other countries have limitations when competing with Australia in the short term; however, if they are able to overcome these constraints they are likely to become major players in the world outflow trade. The main concern to Australia is southern hemisphere producing countries with lower production and export costs. As for northern hemisphere producers, extended or year-round flowering could introduce cheaper rice flower into Australia's current market niche; however this is of less immediate importance.

The summaries provided below detail the main factors in a number of countries which are current or potential competitors with Australia in the world flower market. Information is provided for Colombia, Chile, Peru, New Zealand, the United States, Israel, Kenya, South Africa and Zimbabwe.

Colombia

- **cheap labour:** labour costs are low.
- **close to USA:** proximity to the big United States market.
- **export focus:** 85 per cent of production is exported.
- **marketing well organised:** there seems to be a well organised and structured marketing chain.
- **USA focus:** mainly focused on the United States market, although diversification of markets is expected in the short to medium term.
- **preferential tariffs:** the United States and the European Union give preferential tariff treatment.
- **little flower variety:** not very diversified in flower types and no sudden expansion is expected.

Chile

- **USA focus:** focus on the United States market as well as on South America and Japan.
- **no tariff concessions in USA:** has lost its preferential tariff treatment from the United States.
- **poor technology:** production technology and expertise are very poor.
- **freight:** subsidies apply.
- **climate and seasons:** very similar to Australia's; has potential to be a major competitor.

Peru

- **small industry:** not a large flower producer.
- **very poor infrastructure and transport:** industry dominated by very poor internal infrastructure and almost non-existent marketing channels, and lacking direct international flights.
- **USA focus:** main focus is on the United States (80 per cent of Peru's market), then Germany and Canada. The government is developing trade links with Japan and Malaysia.

⁵ The competitor country research for this section was carried out for DPI by Ms J. Kane-Potaka, K-P Marketing.

Potential competitors

- **cheap labour:** labour costs are low.
- **freight:** subsidies apply.
- **climate and seasons:** very similar to Australia's. Has potential to be a major competitor.

New Zealand

- **Japan focus:** 72 per cent of floricultural exports going to Japan; another 15 per cent are to other markets in the Pacific Rim region.
- **skilled labour:** work force is skilled and highly productive.
- **high costs:** input costs, freight and labour are relatively expensive.
- **like Australia:** has similar advantages to those of Australia in terms of southern hemisphere production and proximity to Asian markets.
- **high value flowers:** affluent markets are targeted for sales of high value exotic flowers such as cymbidium orchid, calla and sandersonia; along with some high value Australian natives such as waratah.
- **marketing ethos:** industry is export orientated and professional at grower, packhouse and exporter levels. Individual entrepreneurs and groups are active and successful in promoting flowers overseas.
- **expanding industry:** expansion in flower exports is predicted, supported by a strong technology base and company-initiated research.

United States

- **large producer:** \$US3.02b (\$A4.11b) of floriculture crops in 1995; \$US35.7m (\$A48.7m) value of cutflowers exported in 1995.
- **large consumer:** \$US13b at the retail level in 1996. This is the world's largest flower market, although annual per capita consumption is relatively low at \$US50.
- **infrastructure:** well developed and sophisticated.
- **Australian native flowers and proteas:** producing and researching Australian and South African flowers; potential for further development of the domestic market for these flowers, and of the export industry, particularly to Japan.

Israel

- **European focus:** close to Europe. Nearly all (about 98 per cent) of exports go to the European Union. Flights to Europe are frequent and freight is competitively priced.
- **increasing exports:** exports are expected to increase 4–5 per cent per annum in the foreseeable future. Israel is looking at expansion into Asian markets, particularly Japan; however this is currently limited by a lack of direct flights to the East.
- **Australian natives and proteas:** further, possibly rapid, expansion is expected. Israel has a large waxflower industry and a big interest in Australian natives and proteas. Israelis are very quick to take up new products, and have expressed a strong interest in rice flower. They are skilled at manipulating the flowering times of cutflower crops, and may eventually succeed in producing rice flower in Australia's spring season.

Kenya

- **European focus:** production is almost exclusively for export, with 99 per cent going to the European Union. Kenya has a good quality image in Europe and a close relationship with importers, mainly in Holland and Germany. Direct flights exist to the main flower destinations in Europe.
- **market expansion:** new markets are being developed in the Middle East, Eastern Europe and Japan.
- **cheap labour:** labour costs are very low (approximately \$US1 per day).
- **only large farms have the facilities:** the very largest farms (six companies account for 75 per cent of exports) have advanced production technology, transport and storage facilities; other farms seem to be very undeveloped.
- **few flower varieties:** there seems to be little variety in the flower types. The emphasis is on soft flowers, with some interest in Proteaceae.

South Africa

- **domestic focus:** 70 per cent of production is sold on the local market.
- **South African natives:** the main exports are proteas, leucospermums and leucadendrons. Product quality is not yet good, but is rapidly improving.
- **cheap labour:** labour is cheap (about \$A20 per day).
- **good infrastructure:** good infrastructure exists, which means the industry has good potential to expand.

Zimbabwe

- **European focus:** exports mainly to Europe.
- **preferential tariffs:** Taiwan and the European Union give preferential tariff treatment.
- **cheap labour:** labour is cheap and production costs low.
- **poor quality:** product quality needs substantial improvement.
- **poor infrastructure and freight:** infrastructure is poor; freight is expensive and freight capacity limited.