

Rice flower information kit

Reprint – information current in 1997



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 We advise readers to take particular note of the areas most likely to be out-of-date and so requiring further research: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- Financial information—costs and returns listed in this publication are out of date.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

1. Introduction

A life farming in the country seems an attractive proposition—yet Australia's farmers are under pressure. Diversification is seen as a possible escape from the malaise and lack of profitability experienced by many rural industries. Cultivating wildflowers has a romantic appeal for plant lovers. It seemingly offers low inputs and start-up costs, as well as the prospect of a huge world market for the aesthetically pleasing harvested product. Native flower crops are also reputed to be drought tolerant.

However, to be an internationally competitive flower grower requires a combination of crop management skills, business acumen and consumer focus. These abilities take time to develop. For most new growers the first few years present a sharp learning curve, with mistakes and negative returns which must be budgeted for. Unless they have an exceptional product, new growers can find themselves at the mercy of the market as 'price-takers', not 'price-makers'.

What can be done to ease the burden of these early years and to ensure that a new enterprise is a good long term investment? Two factors stand out above the others. Firstly, production must be driven by the needs of the market place. Secondly, to make a profit in an industry where low profit margins are the norm, cost containment is crucial and this involves knowing how to grow the crop efficiently on a sustainable basis.

Market-driven production

When going into a new farming business it is tempting to grow what you personally like, or a plant that you have been advised is likely to do well on your site. But these choices are focused on your own needs, and harvest time is not the right moment to start thinking about whether there is a market for your flowers. This approach can lead to a selling crisis: flowers may have to be disposed of below cost.

Market-driven production is one of the best ways for flower growers to minimise their risks and ensure a return on their investment. But it may not be easy. Meeting the needs of the domestic market can be difficult enough; overseas markets present a real challenge. Conventional marketing wisdom says that customers want quality, service and value for money. It is also known that the perception of what constitutes quality, service and value for money varies from market to market and from one customer to another.

How can growers find out what sort of product overseas customers really want? One method is to go directly to the market. But for a single grower this is an expensive procedure which can yield little information without the right contacts. A better option is to tour with other growers. Government-sponsored market access programmes for organised grower or industry groups can help defray costs. In addition, some written information is available in the form of newsletter and journal articles and market research reports. Workshops and conferences also provide venues for information exchange.

Export-orientated flower grower groups are a valuable resource. Strong industries are built on unity and mutual trust, and external competitors and international market forces are far greater threats than other Australian growers. You will lose little by freely sharing information with colleagues and will gain much from your enhanced relationship with them.

In the flower industry, only an elite few have visited their overseas customers. Flower exporters act as *de facto* industry coordinators and, for most growers, a primary source of overseas market intelligence.

The relationship established between grower and exporter is thus essential to meeting the specifications of the market. Growers need to find an exporter who is willing to provide feedback on their performance in the critical areas of product, service and correct documentation. Exporters give preferential treatment to growers who implement changes in response to market needs.

Cost containment

All input costs need to be examined with a view to gaining the same or an improved result more cheaply. Fundamental to cost containment is not to try to grow an inappropriate species or variety on an unsuitable site, employing good growing techniques, and the use of sustainable production practices. Producing and packaging to meet the needs of the targeted market should maximise returns and minimise waste at the destination point. By agreement either the grower or the exporter should take out insurance for loss or damage to the product in transit.

Growers need to bear in mind the major effects that currency variations can have on export viability. For example, growers with a product returning \$A0.50 per stem, which costs \$A0.35 to produce, can quickly lose their profit margin if there is an appreciable strengthening of the Australian dollar (see Table 7, page 27).

Production, marketing and profits are inextricably linked. In this book we discuss how to combine market and production driven approaches. This will be illustrated by way of an intensive case study of rice flower.

Rice flower as a crop

Rice flower (*Ozothamnus diosmifolius* syn. *Helichrysum diosmifolium*) is a spring flowering perennial woody shrub from the Asteraceae plant family¹. An Australian native, it has a natural distribution, (according to Chris Puttock from the National Herbarium in Canberra), from the Wide Bay region in Queensland, south to around Goulburn and Tathra in New South Wales. Coastal broad-leafed forms, finer-leafed inland forms and intermediate mid-leafed forms are recognised.

In the wild the shrub can attain a height of up to 2.5 metres, although less vigorous specimens are more common. Terminal flower heads are normally white or cream, with pink forms occurring less frequently in nature. In spring the stems are wild-harvested for the domestic flower market. Historically the short harvest period and poor product quality limited export shipments of bush-sourced product, and threatened the future of rice flower as a cut flower. Postharvest leaf blackening and head shattering were frequent.

The inland finer-leafed form was brought into commercial cultivation by Graham and Esther Cook of Helidon in 1988. Wild types were selected on the basis of flower colour, form, postharvest qualities and production season, along with overall yields and plant survival. The combination of varietal selection and improved postharvest handling minimised (but did not entirely eliminate) the problem of leaf blackening.

In south-east Queensland rice flower proved to be a high yielding, healthy plant—producing an average of ten stems in the first twelve months. Three to five year old bushes average around 30 to 35 stems. Under good conditions these figures can be far higher (15 stems per bush in year 1 and 60 stems in

¹ Other plants, such as *Pimelea*, share the common name rice flower; however all references to rice flower in this book apply to *Ozothamnus diosmifolius*.

year 3). However, annual productivity is strongly influenced by plant survival. Plant losses, associated with a range of pests, diseases and disorders, commonly range from 10 to 20 per cent per year. Severe continuing losses and a deterioration of stem quality over time can reduce the economic life of the crop to three years or less. Information on enhancing the productivity of rice flower is contained in the DPI publication *Rice flower—production guidelines for growers* by Peter Beal, Cynthia Carson, Lois Turnbull and Leif Forsberg due to be published in 1998.

Rice flower as a product²

The flowering stem of rice flower is made up of an array of corymbs, which in turn consist of hundreds of capitula (buds) each containing approximately 20 florets (see 'Corymbs and capitula at three stages', page 10). The stems are picked when the capitula are well filled out, like rice grains, (in bud but with closed bracts) and prior to floret extension and maturation. The papery bracts form the outermost visible part of the bud. For a given variety these are white, cream or a range of colours from champagne pink to dark pink, salmon and burgundy.

Stem lengths sold vary from 40 to 110 centimetres. The colour range and texture complement other Australian wildflowers, South African Proteaceae and traditional flowers. In floral arrangements rice flower acts as a focal filler, enhancing the feature flowers. A versatile product, fresh rice flower transports well, and has an excellent vase life (7 to 10 days are routinely achieved) at its destination point. It can also be dried, bleached, dyed and preserved.

In south-east Queensland the three main commercial cultivars, 'Cook's Tall Pink', 'Cook's Snow White' and 'Redlands Sandra', all fine leafed, provide a three to six week flowering season, from late August to early October. In some cooler southern areas of Australia Cook's cultivars can flower two weeks earlier than in Northern Australia, although in Victoria the flowering time of the same fine-leafed cultivars is generally four weeks later than in Queensland. Mid-leafed cultivars usually flower later than fine-leafed cultivars.

Rice flower has intrinsic floral characteristics that are attractive selling features. However, its place on the world floriculture scene needs to be secured by the adherence to basic product standards, as it is a crop where too little effort can quickly lead to poor returns. It is easy to fall into the trap of grading-out poor quality material, rather than setting the objective of trying to make every stem grown a good one. A range of factors conspire to reduce product quality, including site problems, unsuitable varieties, poor crop management, weather, incorrect harvesting and postharvest handling problems.

The issue of basic marketing requirements and how to achieve them is addressed more fully in Section 3.

² Data on flowering times was obtained from: *Development of rice flower as a cut flower crop. 127A Final Report* by Peter Beal, Lois Turnbull and Leif Forsberg, RIRDC, 1995 and 'Riceflower assessing environmental influences' by Tony Slater, Peter Beal, Jean Howell, Bret Henderson and Leif Forsberg, *Australian Horticulture*, 1997, 95(9):35–40.