

will not make you more successful than others. This is a lie we can see in advertising.

Think about how brands earn money when consumers buy new cell-phones, go to restaurants, or check into hotels. One can avoid being a brand victim by choosing affordable products that sufficiently meet one’s needs, rather than making purchases solely based on brand names.

**Danyltsiv O.
Lylchak Z., research supervisor
National University «Lviv Polytechnic»**

GLOBAL FLORA MARKET: CURRENT STATE AND TRENDS

Global flora industry is one of the most dynamic industry which has achieved significant growth rates during the last few years. Within this industry a distinction can be made between the main 4 groups: cut flowers, foliage, plants and young plant material. Exact figures about the worldwide production of flowers and plants don’t exist. According to AIFH estimates, the total production value reaches about €25 billion annually. Other sources tend to make higher estimations ranging from €30 billion to €50 billion per year.

Analyzing flora producer market the trend of internationalization is noted. Since, the 1980s, production of flowers has started to shift from countries that have traditionally been consumers and growers (Japan, USA, Germany, Netherlands) towards other new producing states (Colombia, Ecuador, Kenya). The main reason of it is that new growers provide lower labour costs, availability of land, good climate and fiscal incentives. Nevertheless, European producers are capable of producing top-quality products, investing in high-tech cultivation techniques.

Table 1

World production of flowers and potted plants (in million euro) [1]

Country/area	2012*	Share	Country/area	2012*	Share
EU	11.292	42.6%	S. Korea	598	2.3%
China	4.096	15.5%	Ecuador	514	1.9%
USA	2.931	11.1%	Brazil	454	1.7%
Japan	2.512	9.5%	Kenya	368	1.4%
Colombia	902	3.4%	Others	2.176	8.2%
Canada	657	2.5%	Total	26500	100.0%

*most recent available year

Today, a vast majority of flower and plants growers, supplying Europe, are increasingly required to document their compliance with different social and environmental standards. Consumers are no longer only concerned about price, quality, products safety, but also about conditions under which products are produced. On the one hand, most growers from highly developed countries participate in one or more certification schemes to comply with buyer requirements and business partners demands. On the other hand, growers in developing countries tend to focus on sales and production, reducing costs, but not on getting some certification.

Table 2

Overview of social and environmental standards in the flower industry [2]

Kind of standard	Aspect covered		
	Social	Environmental	Quality
1	2	3	4
Consumer labels			
EU Ecolabel / national ecolabels (Milieukeur)			
EKO			
Fair Flowers Fair Plants			
Fairtrade labelling Organization			
Flower Label Programme			
Rainforest Alliance – Flowers and Ferns			
B2B standards			
Ethical Trade Initiative			
GLOBALGAP			
ISO 14001			
MPS family: MPS-ABC			
MPS family: MPS-SQ			
MPS family: MPS-GAP			
MPS family: MPS-Florimark			
SA:8000			

Talking about world consumption of cut flowers and plants it's estimated from €40 to €50 billion. A strong correlation exists between the national average purchase power and the consumption of flora production. Due to this characteristic, the market can be divided into 2 groups: growing and mature market. In the most growing markets, spending per person is low and the main purchasing motive is buying flowers for special occasion. In fact, most flowers are gifts for a birthday, Valentine's Day, Mother's Day (around 50-60 %). The main products competing with flowers are chocolates, wine, jewellery, as they tend to be bought for the same purpose. Mature market is characterized by relatively high level of per capita expenditure on flowers and plants. Consumers of this market usually buy flora product for own use, brightening up their home, offices and creating a pleasant environment (Germany, The Netherlands, Austria, Sweden). As a conclusion we should emphasize that new patterns of consumption, media and campaigns pressure have made flora industry more eco-friendly. Today flower's trades are dominated by south-north flows with Europe and North-America housing the world's largest customer markets, while the producer are located close to equator.

References:

1. The European market for fair and sustainable flowers and plants [Electronic resource]. - Mode of access: [http:// www.proverde.nl](http://www.proverde.nl) 2. Working document Flower and Ornamental plants [Electronic resource]. - Mode of access: http://ec.europa.eu/agriculture/fruit-and-vegetables/product-reports/flowers/statistics-2013_en.