



History of the California Flower Industry

Today's California flower industry stands on the shoulders of the thousands who began building it from nothing 138 years ago. It co-exists with other floral operations in the U.S. and throughout the world, including South America, Europe, Asia, and Africa.

Following are highlights of the flower industry in California, from its spontaneous beginnings to the position it holds today as the "flower garden" of the United States.

The history of California's flower industry is a story of immigration, experimentation, innovation, family, population growth, disruption, opportunities, and collaboration. Below is a very brief overview of the industry's history.

California Flowers In Three Eras

California had the perfect combination of ingredients to begin and grow its flower industry: Knowledgeable and motivated growers, an expanding consumer market, and a wide variety of excellent growing climates.

California's floral history consists of three distinct eras separated by major disruptions that challenged growers', transporters', and distributors' ability to remain competitive.

- The Early Era: 1870s to 1941
- The Middle Era: 1942 - 1993
- The Current Era: 1994 – Present



The Early Era: 1870s to 1941



Flower Market near Chronicle Building San Francisco - Out of business on account of fire Apr. 18, 1906. California

This era is characterized by the typical activities of any new industry: Trial and error, experimentation, and growth. Like many new industries in the still young United States, the floral industry was fueled by immigrants. Many 19th century immigrants to California were from agrarian cultures, a perfect match for the land and climate they found in their new home. Chinese, Japanese and Italian immigrants were among the early flower farmers in both Southern and Northern California.

There was a great deal of collaboration among California flower growers during this era, and many coops and associations were established, including the Southern California Floral Industry Association (1912); the Japanese Flower Market in Los Angeles (1912) the San Francisco Flower Growers Association (organized by Italian flower growers), and the California Chrysanthemum Growers Association (1931).

Noteworthy events in the Early Era

- **In 1876**, Los Angeles and San Francisco are linked by railroad.
- **In 1920**, the Mexican government introduces the Bracero Program, requiring that Mexican workers going to work in the U.S. be approved by immigration, and that workers from Mexico bring their families.
- **From 1921 – 1930**, California's population grows to 5.7 million, with the Los Angeles and San Francisco areas becoming population centers, pushing farming operations outside of city centers.
- **From 1921 – 1949**, Flower growing expands throughout Southern and Northern California, supplying mostly local markets, and starting emerging grower co-operatives leading to "flower markets" in San Francisco, Los Angeles, and other cities, still operating in 2019.
- **In 1941** CalFlowers incorporates as the Northern California Association of Flower Growers & Shippers.
- Nine current CalFlowers members start in business during the Early Era. The oldest operating member is Mt. Eden, founded in 1906, and still operated by relatives of the original owner.

The Middle Era: 1942 to 1993



The Middle Era begins with a solid foundation for the California flower industry, which includes numerous floral industry associations and well-functioning flower markets in Los Angeles and San Francisco.

However, the industry soon faces the biggest disruption to California since the discovery of gold in 1849. World War II transforms California from a rural and farming society to an urban society based on industry and technology.

Noteworthy events in the Middle Era

- **1941-45** World War II causes the forced relocation into internment camps of nearly 120,000 Japanese in the U.S. in 1942. Those with flower operations see their land and facilities leased to non-Japanese growers.
- **In 1948** the California State Floral Association forms.
- **In 1956**, all alien land laws are repealed by popular vote.
- **In the 1960s**, some growers begin relocating to Carpinteria (Santa Barbara County) and north San Diego County to escape the impacts of urbanization.
- **In 1980**, Latinos begin to participate in the Flower Market as growers and wholesalers.
- **In 1990**, the California Cut Flower Commission is established.

By the end of the Middle Era:

California is the most populous state in the Union with 31 million residents (12% of the U.S. population).

California accounts for approximately 80% of domestic flower production. 83 current CalFlowers members were founded in this era, representing 39% of 2019 membership. 45% of current CalFlowers grower members were founded in this era.

The Current Era: 1994 to Present



The Current Era begins with one significant milestone and one important disruption.

The milestone is that imported flowers, largely from Colombia and Ecuador, make up the majority of cut flowers consumed in the U.S. market. This shift was underway for more than a decade thanks to the consistent, hospitable Equatorial growing conditions for the U.S. market's three most popular flowers: roses, carnations, and chrysanthemums. Sales of these flowers would help grow the U. S. market to an unprecedented size.

The important disruption is the introduction of the Internet in 1993, which introduces a radically different way to promote, buy and sell flowers in the U.S. market.

California's population grows another 25% between 1993 to 2015 and remains more populous than the 22 least populous states in the U.S. combined.

The Current Era is noteworthy for how attractive it is for California floral start-ups. Of CalFlowers' current 215 voting California members, 57% of all current members started in the Current Era (see Chart #1). 51% of 139 CalFlowers grower members in the state started business in the Current Era (see Chart #2), suggesting that it is an inviting market

By the end of the Current Era:

- **In 2006**, Dahlias make the list of million-dollar producers on the Santa Barbara County Agricultural Production Report.
- **In 2014**, the Certified American Grown program is launched.
- **In 2016**, California voters pass Proposition 64, legalizing the growing and production of marijuana for recreational use beginning 2018, presenting yet another alternative use of land to grow flowers.
- 123 current CalFlowers California members started in business during the Current Era, representing 57% of today's membership. 51% of CalFlowers California grower members started in business during this era.

Chart #1: All California Members Based on Year Founded

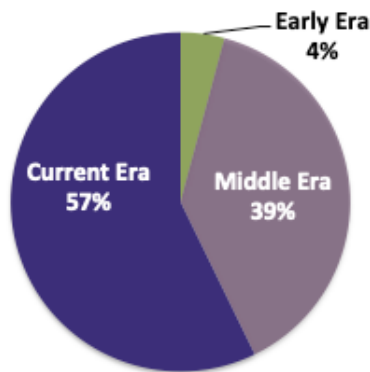
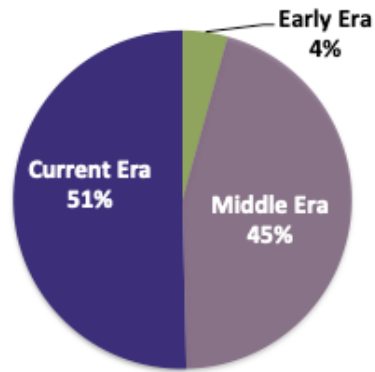


Chart #2: California GROWER Members Based on Year Founded



Market Expansion Since the 1990s

Chart #3 below illustrates the dramatic expansion of the U.S. floral market over the past 30 years. From the perspective of the domestic cut flower grower, this expansion has been unbalanced between imports and domestic production. In fact, the domestic wholesale market grew by 22% between 1993 and 2015. This growth is clearly not as dramatic as the 168% growth over the same period for the wholesale value of imported flowers.

The trend in Chart #3 reveals U.S. consumers being drawn to floral products previously unavailable or too expensive for them. Imported stems were, and are, available year-round and conveniently accessible thanks to the higher volumes that can be grown in equatorial climates.

One might argue that the presence of imports, year-round and in high volumes, created purchasing opportunities to consumers throughout the year that domestic producers were simply not able to provide, thus creating year-round sales opportunities for the entire floral industry.

**Chart #3: Wholesale Value of Cut Flowers – Domestic vs. Imports
1989-2015**

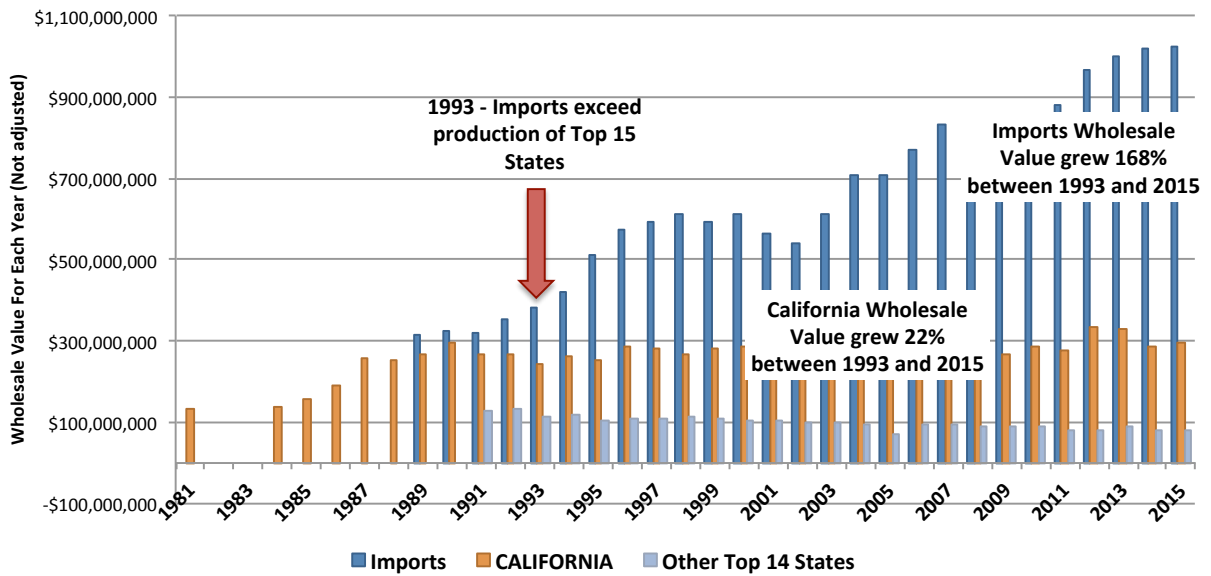


Chart sources: US Department of Commerce – International Trade Administration (imports)
US Department of Agriculture Floriculture Crops Reports 1993 - 2016