TOKYO FLOWER SHOW

and

VISIT TO OHTA FLOWER AUCTIONS

(February 1995)

Prepared by:

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AgEnt Project

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TOKYO FLOWER SHOW
17TH-19TH FEBRUARY 1995

BACKGROUND

The Sri Lanka Export Development Board (SLEDB), made a request to the AgEnt project for assistance to partake at the Tokyo Flower Show scheduled to be held at the Tokyo International Fair Grounds between the 17th-19th February.

Over the past six years this show had attracted approximately 700 exhibitors and 611,000 visitors. Some 52% of all exhibitors successfully achieved their objectives and 15% of visitors came strictly for business. Each year newcomers to the show have regularly increased by more than 12%.

SLEDB proposed to have a Sri Lankan stall comprising of :

a) **4 participants of large scale involved in cut flower and foliage**

b) **7 participants of small and medium scale involved in cut flowers and foliage**

c) **2 participants of small to medium scale involved in coir products and other items affiliated to the Floriculture industry.**

SLEDB advertised details of this fair in the national news papers and received 19 applications of which 13 were selected.

The selected participants and their products range appears on Page 2.

SRI LANKAN PARTICIPANTS - PRODUCTS

NO	COMPANY NAME & ADDRESS	CONTACT PERSONS	VARIETIES
1	Jayaratne International (Pvt) Ltd 20 Wijesekera Mawatha Mirihena - Nugegoda Tel 852954 Fax 686990	Piyasiri Wijesekera	Orchid plants Net pots Flowering sized Orchid pots
2	Aqua Plant Lanka 55/6 Koralawella Moratuwa	W.E.J Fernando	Potted, Rooted and Loose Rooted aquatic plants
3	Intertex Enterprises (Pvt) Ltd 99/5 Subodarama Road Nugegoda Tel 854225 Fax 810989	M.H.M Zahir	Live Plants Rooted, Unrooted cuttings
4	Yasakula Orchids Kotapitiya - Dharga Town Tel 034 75059 Fax 034 75590	G.I.D.D Dharmaratne	Anthuriums Vandajokin Orchids
5	Mid Country Orchids Nursery Halipolany - Handessa Tel 08 88373 Fax 08 32343	Mrs. N.R Fernando	Hybrid and Mericloned orchid plants
6	Dutch Foliage Pvt Ltd P O Box 164 - Colombo	Mohan Fernando	Live Plants Rooted cuttings Canes
7	First & Three Dee (Pvt) Ltd 1 R A De Mel Mawatha Colombo 5 Tel 586434 Fax 589931	D Raja	Carnations Limonium Gypsophilla
8	Tropical Foliage & Flower Co Ltd 127 W.A.D. Ramanayake Mw Colombo 2 Tel 421356/438046 Fax 422443	A Subasinghe	Semifinished live plants
9	Mike Flora (Int) Pvt Ltd 56 Castle Street - Colombo 8 Tel 687610	Shiran Munasinghe	Cut leaves Stem cuttings Semi finished plants
10	Interlak Foliage Ethukala - Negombo Tel 031 2685 Fax 031 4319	K.J.C Fernando	Live plants Bushes Cuttings and Palms
11	Greenet Plants & Flowers (Pvt) Ltd 870/3 Negombo Road Mabole - Wattala Tel 530724 Fax 697619	T. S. Manuwendra	Cut Foliage
12	Uniceyl Marketing Services 200 Darley Road Colombo 10 Tel 685612/3	S. B. Kiridena	Coir Products Husk Chips Coir Matting Briquettes
13	Sunshine Fertilizer Manufacturers (Pvt) Ltd 2 Liyanagemulla - Seeduwa Tel 453613	Mrs. Padma de Silva	Coir Bales Coir Blocks Briquettes Coir Peat

Of the 13 above selected Nos. 2,4,5,6,8,9,11 & 12 were AgEnt clients some of whom had already been helped with Shared Grant assistance.

Against this back ground AgEnt decided to assist SLEDB in cost sharing part of the expenditure, the details of which are given below. AgEnt also decided to publish a country brochure (English/Japanese) to be distributed at the fair grounds (brochure annexed).

AgEnt also provided individual grant assistance to Aqua Plant Lanka, Yasakula Orchids and Dutch Foliage Farm (Pvt) Ltd to produce high quality Company brochures.

SCHEDULE OF COST BREAKDOWN

ITEM	SLEDB		AgEnt		TOTAL
Total cost of 7 (seven) Stalls	366,000	54%	309,000	46%	675,000
Furniture & Fittings for 7 Stalls			200,000	100%	200,000
Interpreters Charges (3)			150,000	100%	150,000
Airfare for all participants	255,000	100%			255,000
Cost of Accomodation	705,000	100%			705,000
Transport of Samples	65,000	100%			65,000
Contingency for extra interpreter			50,000	100%	50,000
Cost of local advertisements			15,000	100%	15,000
Cost of Country Brochure			100,000	100%	100,000
Miscellaneous	225,000	100%			225,000
Total (Projected costs)	1,616,000		824,000		2,440,000
By Percent .....>(100%)		66%		34%	

SLEDB was represented by Mr Sisira Gamage and AgEnt by Mr Gamini Kumarage.

Only at the time of participation was it realized that other than for Sri Lanka no other country was being represented. The only other outside participation was by the New Zealand Calla Lily Farmers Association. As there were no outside countries partaking, the genuine wholesale buyers nor marketers were present. Majority of the visitors who came were not retail nor wholesale buyers. However, there were individual inquiries for various types of cut leaves, aqua plants and rooted cuttings.

There was initial dissatisfaction among the Sri Lankan participants, specially those who did not have any Japanese contacts. Sri Lankan Companies that were already dealing with Japan had visits from their contacts, some of them who even assisted in translations and putting together future programmes. However, by the end of the 3rd day each participant felt a little more confident of establishing future marketing channels with Japanese buyers.

Most of the Sri Lankan participants who were out for the first time had an exposure of the Japanese products, grown locally. But had this been an International Fair they would have had better exposure seeing what the competing countries were exporting to Japan and the quality requirements (Eg: Anthuriums, Orchids and other Tropical leaves and Rooted plants).

However, the positive side of the picture was that the Sri Lankan stalls were adjoining that of the Flora International Co Ltd, whose Chairman, **Mr Susumu Sugiyama** also happens to be the President of the **Japanese Cut Flower Importers Association (JCIA)** which has 14 wholesale importers. Mr Sugiyama has had experience in Sri Lanka as he had done a Consultancy in 1991/92 on the Sri Lanka Flower Industry for the Japanese Market. This was done in collaboration with JETRO/JCIA and his report with recommendation had been forwarded to the SLEDB.

Mr Sugiyama and his association who sells 80% of their products through the OHTA flower auction invited the Sri Lankan delegation to the OHTA flower auctions on the 20th where he was to host us showing around the auctions and explaining strategies that should be adopted by Sri Lanka in the future.

Mr Sanath Manuwendra from Greenet Plants, **Mr Asoka Wettasingha** from First & Three Dee (Pvt) Ltd **and undersigned** visited the OHTA flower auctions on the 20th and spent the day with Mr Sugiyama who had taken a lot of time and pain to prepare statistics for us and then spent the day explaining the auction system, showing quality of products from competing countries, prices, quantities etc. The experience gained from this visit has been invaluable and reported here are some of my findings.

In April 1988 Tokyo-to-Central wholesale market established its first flower section in the Kita Adachi market and following this a "Flower Section" was also provided in the new OHTA market (Sept 1990) and Itabashi market (1993).

STATISTICS OF VOLUME HANDLED IN 1993

CATEGORY	VOLUME
CUT FLOWERS	598,272,954 STEMS
CUT LEAVES	46,758,266 STEMS
POTTED FLOWERS POTTED ORCHIDS	17,137,324 POTS
FOLIAGE PLANTS	6,055,618

OHTA MARKET

Located South of Down town Tokyo, the OHTA market is the largest in the Far East, handling some 2.5 million items daily. Of its 386,000 M^2 of floor space, flowers and plants occupy 40,000 M^2 with the remainder devoted to fruits and marine products.

Two Companies sell at OHTA market

a) Flower Auction Japan Co Ltd
b) OHTA Auction Co Ltd

STATISTICS OF VOLUME HANDLED IN 1993

MARKET	DATE OPENED	AMOUNT HANDLED IN 1993 (IN '000) .I ¥
KITA ADACHI	25-04-1988	13,847,236
OHTA	08-09-1990	36,023,138
ITABASHI	20-02-1993	9,439,928

PRODUCT MARKET INFORMATION

MARKET OVERVIEW

As a result of greater household demand Japans cut flower market continues to post steady growth in 1990. Per household expenditures on cut flowers amounted to Yen 2912 in 1993, up 1.8% from the previous year and more than double for 1980.

Wholesale value of cut flowers and foliage accounted for Yen 400.5 Billion up 9% from the previous year. In volume terms the market for cut flowers remained unchanged at 6,424,000 million flowers. Average wholesale price per flower moved up 7% to Yen 62.

In terms of wholesale volume, Chrysanthemums dominate the market with a 31% share, followed by Carnations 9%, Roses 7%, Lilies 3%, and Western Orchids with 2%.

In value terms Chrysanthemums lead as well with 31% followed by Roses 8%, Carnations and Lilies with 7% each and Western Orchids with 5%.

The retail market for floricultural products taking into account the ratio of off market distribution, transactions in non registered markets and inter market distribution is estimated at Yen 1.4 trillion, of this cut flowers represent Yen 1.17 trillion.

DEMAND TRENDS

Floricultural products can be divided into 4 categories:
Cut Flower
Bulbous Plants
Potted Plants
Flower Bed Seedlings

In the market for household flowers, the best selling products are low priced items selling for Yen 300 - Yen 500 bouquets.

CONSUMPTION PATTERNS

Highest demand was recorded for December which includes both Christmas and New Year holidays. Cut flower purchases in December amounted to some 14% of the total annual demand. March with the vern equinox season has a 8.6% share. These are followed by August with the Bon festival, September with the autumnal equinox and May when Carnation consumption rises with Mothers Day.

The industry wisdom is that no flower will remain popular for three years. Even with new varieties a five year life cycle is typically the best that can be expected. Notable among recent consumer trends is the popularity of Spray type cut flowers that even alone provide a sense of volume. Pale colored flowers are also popular with brisk sales seen for the small delicate Baby's Breath, which are light and pale white in color. Ikebana flowers have seen their market share slip, as fewer members of the younger generation take up flower arrangements.

DEMAND TRENDS BY USE

Due to decline in party demand and recession cut flower volume does not increase despite rising household demand. Judging from current economic trends no major increases can be expected in commercial demand. The market share for Ikebana flowers is also on the decline. Meanwhile household demand continues to grow although frequency of purchase remains low.

In 1993 the average Japanese household purchased cut flowers at an average of 10.9 times, virtually unchanged from the levels of late 1980. If prices of cut flowers could be reduced through a more streamlined distribution net work, the custom of frequently enjoying cut flowers might take deeper root among ordinary households. Household demand is critical to the future development of the cut flower market.

DOMESTIC PRODUCTION

Domestic production of floricultural products in 1993 amounted to Yen 601.8 billion up 2.3% from 1992. This figure grew from Yen 137.9 billion in 1975 to Yen 301.2 billion in 1980 and to Yen 414.5 billion in 1985. Since 1985 production has risen at an average annual rate of 6.5%.

Cut flower production in 1993 was valued at Yen 279.3 billion representing an increase of 2.3% from 1992. Currently cut flowers accounted for just under half of all production of floricultural products.

Cultivation of floricultural products in 1992 accounted for 46,000 hectares tended by 150,000 farmers. Floricultural products represent 5.4% of Japans total agricultural production and the farmers account for approximately 4.0% of the total. Producing districts are spread from Okinawa to Hokkaido. Aichi prefecture is Japans leader in Floriculture production with 12.5% total country's production, followed by Chiba with 12%, Fukuoka with 8.5%. Other well known producers include Shizuoka, Kagoshima, Saitama and Nagano prefectures.

PRODUCTION TRENDS BY PRODUCT

In terms of production the leading cut flowers are Chrysanthemums, Carnations, Roses, Lilies, Statice and Babys Breath. 1992 shipments of Chrysanthemums totalled 1,911,000 million flowers up 4% from 1991.

Leading producers are AICHI which grows large and small bloomed Chrysanthemums and Okinawa which grows the smaller variety. Together these 2 prefectures account for 3.5% of all Chrysanthemum shipments.

Carnation shipments totalled 667.20 million flowers in 1992 down 2% for 1991. This was attributed to a drop in acreage under cultivation coupled with a decline in shipment volume per hectarage. Production in major producing districts like Nagano and Shizuoka stagnated because of a labour shortage, the result of an aging farmer population. The leading districts are Nagano (20%), Aichi (14%), and Chiba (10%).

Rose shipments in 1992 totalled 495.80 million flowers up 10% over 1991.

Reflecting brisk demand acrerage under cultivation continues to rise. The main producers are Aichi and Fukuoka where farmers are converting fields with other crops into Roses. Shizuoka and Aichi (10% each), Fukuoka (7%), Kanagawa (6%) and Nagano (5%).

Lilies in 1992 totalled 146.80 million flowers up 11% over 1991. The leading areas are Kochi (18%) and Niigata where they are switching from flower bulbs to the cultivation of cut lilies. Shipment of Statice in 1992 totalled 129.00 million flowers up 1% from 1991. Despite increase in acreage crop damage reduced production levels. Leading producers are Wakayama (17%), Nagano (16%) and Kochi (16%).

Babys Breath shipment in 1992 totalled 116.80 million flowers up 9% from 1991. The two leading producers are Wakayama (29%) and Keemamoto (18%).

A look at cut flower shipments by Japanese farmers shows healthy overall growth in production of Roses and Lilies. Chrysanthemum production continues to rise. Steady growth is also reported of Babys Breath. Statice registered a slight decline. Production of Carnations too has remained sluggish or fallen in the year since 1989.

IMPORT TRENDS BY COUNTRY

Netherlands is the largest supplier with 4067 tons of cut flowers in 1992 valued at 6,288.00 million. This represented 35% of the Japanese market for imported cut flowers. Imports from Netherlands have grown remarkably since 1980 increasing by 16 fold in the year 1985 - 1993. In value terms Thailand is the second largest supplier with a 20% share in the import market. Inports from Thailand grew steadily through 1991 before posting consecutive declines in 1992 and 1993. Other major suppliers are New Zealand and Singapore.

IMPORT TRENDS BY PRODUCT

The cut flower boasting the largest import market share is the Orchid. This import grew steadily through 1991 but fell in 1992. Other major imports include ferns, Chrysanthemums, Bear grass, Carnations, Lilies and Freesia.

Thailand is Japans leading supplier of Orchids with an import market share of approximately 80%, followed by Singapore which collects shipments from Malaysia and Indonesia for export to Japan.

U S A is the leading supplier of ferns accounting for 60% of imports, followed by COSTA RICA with exports of 8.90 million flowers in 1992.

Taiwan dominates the Chrysanthemum market with 85% of imports. Nearly all of Taiwan production is for Japan and producers have succeeded in boosting their exports by cultivating varieties as per consumer demand. Recently however Taiwan's economic growth has reportedly caused an increasing number of farmers to lose their enthusiasm for Chrysanthemums cultivation.

U S A accounts for 100% Bear grass imports to Japan. Colombia is the leader in Carnation supplies, followed by Netherlands, who are also the dominant suppliers of Lilies with an import market share of 90%. It also has a lock hold on the import market for Freesia with a share of Tulips, Gladiolus, Nerine, Anthurium, Wax Flower, Kangaroo Paw, Ruscus, Dracena, Calla, Leucadendron and Heliconias.

Japanese imports of bulb type cut flower may decline in coming years because domestic production of cut flowers using Dutch bulbs which were freed from the requirements of Postentry quarantine is on the rise and is expected to continue growing. As a result imports of Lilies and Tulips from the Netherlands may shift from cut flowers to bulbs.

IMPORT FORECAST

Recent demand for cut flowers has grown increasingly diverse and imports of new products and new varieties of cut flowers are expected to rise. For market segments enjoying steady year round demand such as commercial and ceremonial demand, imports from New Zealand and other Southern hemisphere countries can be expected to rise. Cut flower imports from Latin America have also been growing led by strong shipments of Carnations from Colombia. Imports of ferns from Costa Rica grew steadily through 1991 but import volume dropped in 1992.

Source - Tradescope March 1995
Expo News SLEDB April 1995

TOTAL IMPORTS OF CUT FLOWERS & FOLIAGE TO JAPAN
1980 - 1993

YEAR	CUT FLOWERS	FOLIAGE	TOTAL
	¥ Million	¥ Million	¥ Million
1980	3,978	333	4,311
1985	5,311	442	5,753
1990	16,644	1,290	17,934
1991	19,229	1,577	20,806
1992	16,164	1,596	17,760
1993	17,276	1,877	19,153
1994 (approx)	19,000	2,500	21,500
			(¥21.5M)

FLORICULTURE EXPORTS FROM SRI LANKA TO JAPAN

(Figures in Rs. Mn)

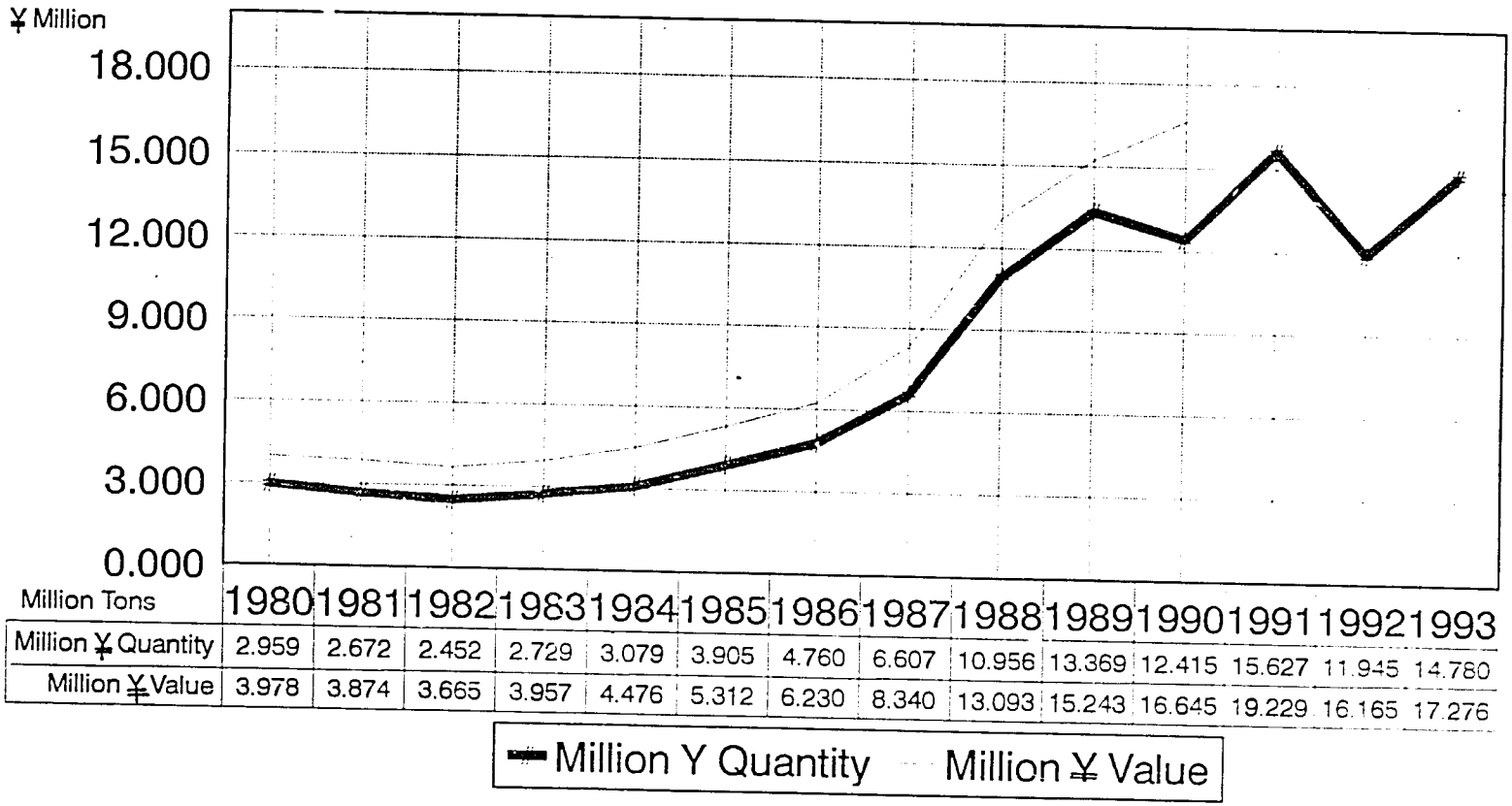
		1990	1991	1992	1993
0601	Bulbs/Tubers Tuberous Roots Crowns/Rhizomes	0.47	1.82	1.68	2.37
0602	Trees/Shrubs Bushes/Roots Cuttings & Slips	7.13	7.52	8.96	11.79
0603	Cut Flowers/Flower buds	6.027	7.78	5.81	8.45
0604	Foliage Branchs Mosses/Lichens Grasses	0.438	0.34	4.27	9.30
	TOTAL	**14.07**	**17.46**	**20.72**	**31.91**

Source (Sri Lanka Export Development Board)

Floriculture export (Percentage) to Japan 1990 - 1993

1990	1993
7.8%	11.04%

IMPORT QUANTITY VALUE



Million Tons	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Million ¥ Quantity	2.959	2.672	2.452	2.729	3.079	3.905	4.760	6.607	10.956	13.369	12.415	15.627	11.945	14.780
Million ¥ Value	3.978	3.874	3.665	3.957	4.476	5.312	6.230	8.340	13.093	15.243	16.645	19.229	16.165	17.276

IMPORTS TO JAPAN
1993

VARIETIES (Main Products)	COUNTRY	NO OF STEMS IN MILLIONS	TONS	VALUE ¥ MILLIONS
Carnations Freesias	Holland	81.382	4.033	6.213
Orchids	Thailand	101.855	3.837	3.732
Cymbidiums Sandersonia Callalillies	New Zealand	10.173	.999	1.896
Dendrobiums Oncidiums Dracenas	Singapore	29.899	1.016	1.547
Bear Grass	U.S.A.	33.585	1.378	1.112
Anthuriums	Australia	14.725	1.021	953
20 Million Chrysanthumums 5 Million Gladiolus	Taiwan	30.312	2.274	823
Native leaves for holy institutions	China	100.000	739	469
Carnations	Columbia	14,997	419	468
Wax Flowers Roses Carnations	Israel	5.508	187	224
Anthuriums	Mauritius	4.438	136	274
	Others	168.936	1.324	1.216
	Total	**595.810**	**18.649**	**19.153**

* 130 Million stems of Orchids from Singapore and Thailand
Sri Lanka will have a very tough time entering the Orchid market.

1993 - VARIETAL IMPORTS TO JAPAN

VARIETY	STEMS (Million)	COUNTRY
Dendrobium Orchids	109,645	Thailand
Chrysanthumums	35,640	Taiwan,Holland
Bear Grass	27,495	U.S.A
Carnation	24,736	Colombia, Holland
Dracenas/Oncidium	20,715	Singapore
Lily	19,473	Holland
Freesia	16,904	Holland
Nerines	9,896	Holland
Anthurium	9,592	Mauritius, Hawai
Gladiolus	8,327	Taiwan

Of the 20 million stems imported from Singapore, 10 million are Dracenas
60% of Japanese flower market is spray chrysanthemum, roses and carnations

LOCAL PRODUCTION & IMPORTS

(In millions of stems)

	LOCAL	IMPORT	%
Chrysanthemum - Standard Mum	1230	30	2.4
Chrysanthemum - Spray Mum	150	20	13.3
Carnation	700	25	3.6
Roses	450	15	3.3
Lily	140	20	14.3
Tulip	80	10	12.5
Gladiolus	70	10	14.3
Freesias	80	17	12.5
Orchids	29	120	413.8

SELECTED ADDRESSES OF CUT FLOWER IMPORTERS

IMPORTERS OF FRESH CUT FLOWERS

Allied Co Ltd
1001-1275 Honsanrizuka Narita
Chiba
Tel: (0476) 351 441 Fax: (0476) 353 050
Telex: 3762108 ALLIED J

The All Tokyo Florist's Association
5-47-11 Higashi-Nippori
Hilife Nippori 1003
Tokyo 116
Tel: (03) 802 7043

Bankoku Trading Co Ltd
1-3 Muromachi-Chome
Nihonbashi, Chuo-Ku
Tokyo 103
Tel: (03) 241 4021 Fax: (03) 241 6706
Telex: 02227334 BANKOK J

Classic Japan Ltd
7th Floor, Toyo Building
6-12-20 Jingumae Shibuya-Ku
Tokyo
Tel: (03) 797 4950 Fax: (03) 797 4998

Osaka Office
Tel: (0727) 216 466

Bangkok Office
Tel: (662) 236 9111

Dalseco Inc
7-6 Bakuro-Cho 1-Chome
Nihonbashi, Chuo-Ku
Tokyo 103
Tel: (03) 662 7111 Fax: (03) 661 4025

Flora International Co Ltd
3-13-12 Roppongi, Minato-Ku
Tokyo 106
Tel: (03) 470 5601 Fax: (03) 405 5906
Telex: J23922

Floramerica Enterprises
Tokyo Branch
C/o TGC Inc
4th Floor, Sonic Building
2-12 Nishiazabu 3-Chome, Minato-Ku
Tel: (03) 408 5331 Ext: 26
Fax: (03) 408 5505

M C Flora Co Ltd
Matsumura Building
6-16-20 Ueno, Taito-Ku
Tokyo

Toa Trading Co Ltd
1-12-1 Esaka-Cho
Suita City
Osaka 564
Tel: (06) 385 5022 Fax: (06) 385 4876

YMS Co Ltd
10-10 Soneminamimachi 3-Chome
Toyonaka City
Osaka 561
Tel: (06) 866 8133 Fax: (06) 866 8135
Telex: 5286145 YMS J

TRADE & GOVERNMENT INSTITUTIONS

Japan Cutflower Importers Association
Room 202, 1-5-29 Azabujuban
Minato-Ku
Tokyo 106
Tel: (03) 796 1838 Fax: (03) 796 1360

Japan External Trade Organization (JETRO)
Information Service Department
2-5 Toranomon 2-Chome
Minato Ku
Tokyo 105
Tel: (03) 582 5511 Fax: (03) 582 0656, 587 0219
Telex: 24378 JETRO J

PER CAPITA CONSUMPTION OF FLOWER STEMS

COUNTRY	ROSE	CARNA-TION	TULIPS	CHRY SANTHE MUM	FREESIA	OTHERS	TOTAL
Holland	37	19	14	30	16	34	150
Germany	7	3	4	0	0	40	54
Switzerland	14	13	0	3	0	23	53
Belgium	13	7	0	3	0	29	52
U.K.	1	7	2	4	0	36	50
Australia	9	9	2	5	0	19	44
Japan	3	5	0	14	0	18	40
France	7	3	0	3	0	13	26
Norway	3	5	,3	0	0	9	20
U.S.A.	3	6	0	3	0	2	14

Source (Rabobank Nederland 1990)

JAPAN CUTFLOWER IMPORTERS ASSOCIATION

Name Of Company	**President / G Manager**
Flora International Co Ltd	Susumu Sugiyama (Chairman of JCIA) 3-13-12 Roppongi,Minato-Ku,Tokyo 106 Tel 03-3470-5601 Fax 03-3405-5906
Ocean Trading Co Ltd	Tachio Yoneda (Vice-Chairman of JCIA) 25 Hiramachi Saiin,Ukyo-Ku, Kyoto 615 Tel 075-314-8720 Fax 075-313-6150
Toa Trading Co Ltd	Tatsuo Sakai (Director of JCIA) 1-12-1 Esakacho,Suita-shi,Osaka 564 Tel 06-385-5022 Fax 06-385-4876
Florimex Co Ltd	Masayuki Aoki (Director of JCIA) 861 Maebayashi, Daieicho, Chiba 287-02 Tel 0478-73-4777 Fax 0478-73-6631
Create Co Ltd	Takaaki Kayano (Director of JCIA) 2F 1-20-30 Yoshino, Fukushima-ku,Osaka 553 Tel 06-446 6651 Fax 06-446-6652
Showa Boeki Co Ltd -International Division-	Genzo Sone 1-18-27 Edobori, Nishi-ku, Osaka 550 Tel 06-441-8121 Fax 06-444-6060
Togiku Trading Co Ltd (Taiwan Only)	Toshiaki Kurokawa 1-4-8 Tsukiji, Chuo-ku, Tokyo 104 Tel 03-3543-8783 Fax 03-3545-6956
World Flower Co Ltd	Takamitsu Nakamura 72-6 Hagiwara,Inbamura,Inba-gun,Chiba 270-16 Tel 0476-98-0437 Fax 0476-98-2289
YMS Co Ltd	Yoko Sakamoto 3-10-10 Soneminamimachi,Toyonaka-shi 561 Tel 06-866-8133 Fax 06-866-8135
Mitsui OSK Kogyo Kaisha Ltd -Project Business Dept-	Keizo Doi 3-1-20 Muromachi, Nihonbashi, Chuoku,Tokyo 103, Tel 03-3231-6982 Fax 03-3245-1399
Art Vahno Corp.	Hiroshi Nobayashi 3-13-7 Asagaya Kita,Suginami-ku,Tokyo 166 Tel 03-5373-4541 Fax 03-3223-0393
Kirin Brewery Co Ltd -AgriBio Business Division-	Yoshio Enomoto 6-26-1 Jingumae,Shibuya-ku,Tokyo 150-11 Tel 03-5485-6210 Fax 03-3498-4618
Yoshikawa Corp	Shotaro Yoshikawa Haitsu Niyagama 301,1855-16 Niyamacho,Akashi 673 Tel 078-913-1661 Fax 078-913-1813
Palport Company Ltd	Nobuyuki Shudo 10-2, 3-Chome,Sone-Minamimachi,Toyonaka-City 561 Tel 06-866-3951 Fax 06-866-3896

ADMINISTRATIVE SECRETARY OF JCIA - Yuka Tachikawa
2-1-5-324 Omori-minami
Ota-ku Tokyo 143
Tel 03-3796-1838 Fax 03-5411-5295

ANTHURIUMS

Local production is low hence 90% of the consumption is imported. Annual imports are 10 million stems per year.

4 million stems Mauritius
4 million stems Hawaii
2 million from Philippines, Malaysia and Australia

C & F — Large Red should be less than US Cts 60
Medium Red should be less than US Cts 40

White & Bi colors will obtain 20-30% higher prices
Green Anthuriums will be double the price of White and Bi colored

There is no demand for leaf but long stemmed flowers are given priority.

Present Air Fares : Malaysia/Singapore/India US $ 1.80-2.00/ Kg
Columbia/Morocco/Kenya/Zimbabwe US $ 3.00-4.00/ Kg

SRI LANKA- If Sri Lanka produce the same quality flowers it has the freight advantage over the other countries

Recommendations are that mother plants of those flower varieties presently exported should be imported to Sri Lanka - Technology should be obtained from experienced growers/exporters/consultants. Presently Japanese Agronomist work as short term Consultants in helping to establish farms and maintain quality.

Marketing should be arranged through the Japanese Cut Flower Importers Association.

Sri Lanka should establish its production base with the required varieties. This can only be achieved through nucleus farms and closely supervised outgrower schemes.

CARNATIONS

Local Productions 700 million stems
Import 25 million stems
Only 3.6% of the demand is imported

Presently Columbia, Holland supplies at

C.O.P	12 US Cts
Transport	08 US Cts
Total	20 US Cts

60% of market is for the Pink varieties. Demand is 50/50 for Standard/Spray
C & F should be US Cts 20 or less

Sri Lanka should be able to produce throughout the year and be consistent.

Local sale price is Yen 40 per stem and therefore the wholesale import price has to be within Yen 20 (US Cts 20).

Quality per stem should be as follows :
Weight 35-40 Gms
Length 60 Cm

Presently the Japanese complain that Sri Lankan Carnation stems are short weight (20 Gms or less).

With proper technical advise Sri Lanka should be able to make a significant impact on the Japanese Carnation market. If quality and price can be competitive the demand for Carnations can be 10 fold more. Japanese do not like to continue growing Carnations but import from other Countries. Advanced countries per capita consumption of Roses is high and it is likely that Japanese will tend to use more Roses in the coming years.

ROSES

Local Production	450 million stems
Imports	15 million stems
% of imports	3.3

It is not advised for Sri Lanka to compete in the Japanese Rose market due to supplies of high quality product from Israel, Holland etc.

India with Dutch collaboration has commenced large commercial Rose farms (100-200 Ha) and this production is also targeted for the Japanese market. 100 acres of Green Houses are under construction.

Use of Roses in Japan is increasing by 5-10% annually.

SPRAY CHRYSANTEMUMS

Total Local Production (Spray/Standard) 1380 million stems
Total Imports 50 million stems

Quality should be
Length 60-80 Cm
Weight 75 Gms

Average price F.O.B US Cts 20/Stem (Yen 35-40)
Average price CIF US Cts 35 (Yen 35-40) Sale Price Yen 60-80
Presently South Africa supplies at US Cts 35-40

Imports are mainly varieties from Fides (Holland). Demand in March and August are big, double the quantity of a normal month.

Mr Sugiyama is confident that Sri Lanka could successfully undertake the cultivation of high quality Chrysanthemums. He could give confirmed orders for 300,000 stems per week, but this quantity will be more than 20 tons. Sri Lanka may not have freight facilities to move these amounts to Japan.

300,000 stems/week could be 15.5 million stems per year, at a stem price of US Cts 20 per (C & F US$ 0.35) stem it would bring a revenue of US $ 3 million/year.

Mr Sugiyama requests that Sri Lanka commence the cultivation of 2 Ha of Chrysanthemums which would result in a maximum production of 670-730,000 per crop and 1,675,000-1,825,000 for 2.5-3 crops per year.

However, it is likely that only 87-90% of the total production will be exportable which results in about 1.5 million exportable flowers per year. This would be a exportable quantity of 28-30,000 stems per week. Total anticipated income per year is expected at 300,000 US $. The 2nd grades could be sold locally.

An independent project report for cultivation of Chrysanthemums has been obtained by AgEnt and is available at the BIC.

ORCHIDS

Local Production 29 million stems
Imports 120-130 million stems

Main suppliers are Singapore and Thailand and the varieties are

Phalaenopsis
Dendrobiums
Oncidium

Weekly quantities depend on price and quality. Required lengths are 40,50,60 and 70 Cm.

With Thailand and Singapore providing 130 million stems of Orchids Sri Lanka will have a very tough time entering the Japanese Orchid market.

CUT LEAVES/FOLIAGE

Keen interest was shown on

Dracena Godsifana
Dracena Florida Beauty
Dracena Sandriana White
Dracena Sandriana Green
Dracena Saidu Yellow

Imports at present are from Singapore and Malaysia ranging for 5-8 million cuttings per year.

PHILODENDRON KOOKUBURA

Japanese comment that Sri Lanka could make a winner out of the above product. At present it is supplied from Holland and Malaysia. Mother plants will need to be imported and central production units established. Importers are willing to purchase large quantities.

LILIES

Sri Lanka should also concentrate on production of lilies in the up country of the 20 million lily stems imported 15 million were from Holland and the balance 5 from New Zealand, Mexico and South Africa.

EXPORT OF CUT FLOWERS FROM HOLLAND TO JAPAN

MONTH	1991	1992	1993	1994	1991	1992	1993	1994
	IN 1000 GUILDERS				IN 1000 KILOS			
JANUARY	2,934	3,481	3,789	4,807	83	95	120	211
FEBRUARY	2,285	3,021	2,988	3,817	63	96	93	158
MARCH	2,841	3,368	4,886	7,651	84	94	179	323
APRIL	3,697	4,551	5,397	8,470	115	142	215	381
MAY	3,384	3,590	2,710	2,339	124	132	136	116
JUNE	1,196	2,353	2,345	2,068	47	110	160	134
JULY	2,731	1,310	2,999	3,452	145	66	222	318
AUGUST	5,507	2,448	7,572	8,744	293	109	535	617
SEPTEMBER	11,123	10,066	16,134	18,002	434	459	902	993
OCTOBER	16,479	8,772	15,875	14,924	567	408	777	552
NOVEMBER	15,285	8,324	12,688	11,294	475	389	525	447
DECEMBER	6,659	5,958	9,016	9,246	175	274	322	360
TOTAL	**74,121**	**57,242**	**86,399**	**94,814**	**2,605**	**2,374**	**4,186**	**4,610**

* Due to rounding errors the total sum may differ from the sum of the separate months.
* In the turnover about 5% freight cost are included.
* The number of kilos concerns the nett weight.

Source : J Lanning

Tel : 31 2977 21955
Fax : 31 2977 22033
Dutch Floricultural Wholesale Board

EXPORT OF CUT FLOWERS FROM HOLLAND TO JAPAN
COMPARISONS 1993 - 1994

	PER MONTH			CUMULATIVE		
	1993 In gld.x1000	1994 In gld.x1000	Change in %	1993 In gld.x1000	1994 In gld.x1000	Change in %
JANUARY	3,789	4,807	+ 26.8	3,789	4,807	+ 26.8
FEBRUARY	2,988	3,817	+ 27.7	6,777	8,624	+ 27.2
MARCH	4,886	7,651	+ 56.6	11,664	16,275	+ 39.5
APRIL	5,397	8,470	+ 58.9	17,061	24,744	+ 45
MAY	2,710	2,339	- 13.7	19,772	27,083	+ 37
JUNE	2,345	2,063	- 11.8	22,118	29,151	+ 31.8
JULY	2,999	3,452	+ 15.1	25,117	32,603	+ 29.8
AUGUST	7,572	8,744	+ 15.1	32,689	41,347	+ 26.5
SEPTEMBER	16,134	18,002	+ 11.6	48,823	59,349	+ 21.6
OCTOBER	15,875	14,924	- 6	64,699	74,273	+ 14.8
NOVEMBER	12,688	11,294	- 11	77,387	85,567	+ 10.6
DECEMBER	9,016	9,246	- 2.5	86,403	94,813	+ 9.7

Source : J Lanning

Tel : 31 2977 21955
Fax : 31 2977 22033
Dutch Floricultural Wholesale Board

EXPORT OF CUT FLOWERS FROM HOLLAND TO JAPAN
IN NUMBER OF STEMS (X 1000)

VARIETIES	1994		1993		1992	
ABIES	1		0		0	
ACACIA	81		60		15	
ACHILLEA	15		0		0	
ACONITUM	5		4		0	
AGAPANTHUS	6		5		0	
AGASTACHE	2		0		0	
AGERATUM	5		27		0	
ALCHEMILLA	196		0		0	
ALLIUM	412		287		199	
ALOE	2		1		0	
ALSTROEMERIA	2,058		2,455		860	
AMARANTHUS	15		8		3	
AMMI	487		362		225	
ANEMONE	120		76		5	
ANETHUM	4		14		0	
ANIGOZANTHOS	27		11		3	
ANTHURIUM	4		6		0	
ANTIRRHINUM	3		0		0	
ARACHNIODES	1		0		0	
ASCLEPIAS	105		35		31	
ASPARAGUS	171		110		64	
ASTER	94		104		36	
ASTILBE	652		620		678	
ASTRANTIA	107		132		44	
ATRIPLEX	2		0		0	
BERZELIA	21		23		0	
BEUCARNEA	3,618		0		0	
BLOOMERIA	2		0		0	
BORONIA	1		0		1	
BOUVARDIA	8		7		50	
BRODIAEA	1		0		0	
BRUNIA	8		11		1	
CALATHEA	4		4		0	
CALLISTEPHUS	1		0		0	
CAMPANULA	10		3		2	
CARTHAMUS	26		34		21	
CELOSIA	19		8		9	
CENTAUREA	9		6		8	
CHAMELAUCIUM	543		626		525	
CHELONE	1		0		0	
CHRYSANTHEMUMS	18,617		13,669		2,469	
CONVALLARIA	24		55		14	

CORTHAMUS	1		0		0	
COSMOS	1		0		0	
COTINUS	5		4		2	
CRASPEDIA	68		55		9	
CRYTANTHUS	3		0		0	
CYMBIDIUM	405		13		0	
CYRTANTHUS	25		11		2	
DANAE	962		902		917	
DELPHINIUM	457		261		187	
DIANTHUS	8,107		4,312		3,523	
DIDISCUS	2		0		0	
ECHINOPS	5		0		15	
EREMURUS	34		0		0	
ERICA	10		2		0	
ERYNGIUM	197		28		18	
EUCALYPTUS	9		4		0	
EUCHARIS	109		67		87	
EUPATORIUM	1		0		0	
EUPHORBIA	216		208		236	
EUSTOMA	11		14		10	
FORSYTHIA	16		22		9	
FREESIA	15,455		16,907		11,355	
FRITILLARIA	76		86		96	
GALAXY	61		18		5	
GERBERA	405		392		337	
GILLEA	2		3		0	
GLADIOLUS	985		444		176	
GLORIOSA	12		21		22	
GOMPHRENA	24		6		2	
GRAMINEAE	15		0		0	
GYPSOPHILA	26		13		37	
HAEMANTHUS	1		1		0	
HEDERA	2		2		0	
HELENIUM	2		1		0	
HELLEBORUS	16		13		3	
HIPPEASTRUM	297		299		103	
HOUTTANNIA	1		0		0	
HYACINTHUS	3,435		1,946		441	
HYDRANGEA	23		5		1	
HYPOCOLIMA	1		1		0	
IBERIS	8		4		4	
IXIA	415		575		719	
KOCHIA	123		133		72	

LATHYRUS	5		0		0	
LAVANDULA	6		14		1	
LEPTOSPERMUM	1		0		0	
LEUCADENDRON	24		32		19	
LEUCOCORYNE	96		93		73	
LEUCOJUM	5		5		0	
LEUCOSPERMUM	1		0		0	
LEUCOTHOE	1		0		1	
LIATRIS	422		870		128	
LILIUM	15,713		17,842		11,760	
LYSIMACHIA	23		17		12	
MATRICARIA	429		315		204	
MATTHIOLA	1		0		0	
MENTHA	1		3		0	
MOLUCCELLA	14		1		8	
MONARDA	1		0		0	
MONTBRETIA	5		1		5	
MUSCARI	678		99		0	
NARCISSUS	815		1,449		509	
NERINE	8,446		9,124		6,680	
NIGELLA	7		9		0	
ORIGANUM	1		3		0	
OTHERS	0		365		794	
OXYPETALUM	6		10		0	
PHLOX	120		73		45	
PHOTINIA	1		0		0	
PITTOSPORUM	26		19		16	
PROTEA	2		2		0	
PRUNUS	10		17		16	
QUERCUS	1		0		0	
RANUNCULUS	286		572		451	
ROSA	10,703		8,803		6,820	
RUDBECKIA	7		1		5	
RUSCUS	464		820		1	
SANDERSONIA	9		17		28	
SARRACENIA	1		5		0	
SCABIOSA	6		4		2	
SCHIZOSTYLIS	15		12		10	
SCILLA	92		55		47	
SEDUM	1		0		0	
SHORTIA	3		0		2	
SKIMMIA	18		6		1	
SOLIDAGO	84		22		15	
SOLIDASTER	177		80		18	
SPIRAEA	4		0		3	

SYRINGA	925		978		618	
TRACHELIUM	37		28		16	
TRITELEIA	551		420		192	
TUBEROSE	1		0		0	
TULBAGHIA	5		3		7	
TULIPA	10,765		8,608		7,924	
UMONIUM	57		10		20	
VALLOTA	8		0		4	
VERONICA	190		155		167	
VIBURNUM	310		175		191	
XANTHORRHOEA	17		3		2	
XEROPHYLLUM	221		165		130	
ZANTEDESCHIA	26		6		3	
TOTAL	111,361		96,847		60,599	

EXPORT OF CUT FLOWERS FROM HOLLAND TO JAPAN
IN NUMBER OF STEMS (DECEMBER)

VARIETIES	1994	1993	1992
FREESIA	2,388,680	1,700,852	1,128,410
TULIPA	1,504,360	1,685,212	1,343,090
ROSA	1,138,700	731,950	474,600
LILIUM	1,020,585	1,359,630	760,640
DIANTHUS	569,730	422,100	86,220
IRIS	562,170	317,968	36,600
CHRYSANTHEMUM	435,050	650,393	9,015
NERINE	390,510	579,200	413,690
CYMBIDIUM	196,174	132,191	65,719
NARCISSUS	177,570	135,678	103,000
BUPLEURUM	168,850	151,970	34,855
HYACINTHUS	133,485	135,145	111,225
DANAE	123,350	0	0
SYRINGA	114,170	122,200	128,120
ALSTROEMERIA	80,420	74,040	25,480
KOCHIA	66,030	42,350	48,150
RANUNCULUS	53,830	18,550	3,100
ERYNGIUM	49,840	19,250	425
HIPPEASTRUM	44,549	37,857	63,625
MUSCARI	42,700	46,050	64,600
LIATRIS	39,500	0	0
ANEMONE	38,890	2,750	5,400
ORNITHOGALUM	33,680	82,210	27,240
TRITELEIA	27,980	0	0
EUPHORBIA	18,830	13,260	22,380
LEUCADENDRON	18,660	580	0
ACACIA	15,826	5,000	4,985
MATRICARIA	14,175	20,225	15,000

HELLEBORUS	13,000	10,920	8,870
ASTILBE	11,190	7,590	10,450
BERZELIA	10,990	3,100	2,200
CHAMELAUCIUM	9,725	27,375	22,925
GLADIOLUS	8,840	1,850	950
ALLIUM	8,300	4,650	15,100
DELPHINIUM	7,050	43,080	119,165
ASPARAGUS	8,750	4,500	530
AMMI	6,700	16,250	13,640
SKIMMIA	5,585	10,740	3,755
ASCLEPIAS	5,330	5,835	8,320
SOLIDASTER	5,265	21,075	0
BRUNIA	4,670	1,200	3,740
SOLIDAGO	3,900	2,175	900
GERBERA	3,827	20,077	17,126
ASTER	3,750	5,350	0
RUSCUS	3,000	323,600	3,100
EUCHARIS	2,940	2,340	950
TULBAGHIA	2,780	0	0
EUCALYPTUS	2,640	4,210	0
LIMONIUM	2,500	4,625	700
PRUNUS	2,370	2,800	3,880
CALATHEA	2,030	0	0
VERONICA	1,980	2,470	2,400
FORSYTHIA	1,470	6,570	360
CARTHAMUS	1,400	0	0
PHLOX	1,380	12,610	4,410
VIBURNUM	1,070	2,320	1,590
ANTHURIUM	1,001	192	838
HYDRANGEA	670	0	0
CONVALLARIA	650	2,910	100
ZANTEDESCHIA	530	725	1,195
LYSIMACHIA	460	0	0
GOMPHRENA	450	0	0
ABIES	410	40	16

DRACAENA	400	0	0
LEUCOCORYNE	400	0	0
ANIGOZANTHOS	390	1,080	600
EUSTOMA	330	0	0
SCHIZOSTYLIS	300	0	0
RUDBECKIA	240	0	0
STRELITZIA	223	0	0
CYRTANTHUS	200	0	0
ACHILLEA	200	1,500	0
GINSTER	200	0	0
MOLUCCELLA	150	2,660	6,870
EREMURUS	120	60	0
TRACHELIUM	110	980	0
CRYPTOMERIA	110	0	0
HELIANTHUS	80	0	0
GLORIOSA	75	0	0
PITTOSPORUM	75	9,600	5,200
ILEX	40	0	0
OTHERS	0	32,310	95,000
TOTAL	9,616,490	9,085,980	5,328,449

SRI LANKA

AN EMERGING, NEW QUALITY SOURCE FOR A WIDE RANGE OF FLORICULTURE PRODUCE AND RELATED SECTOR PRODUCTS!

Sri Lanka is a verdant tropical Indian ocean island with a superb myriad of floriculture growing climates. The country is already a highly successful exporter (mainly to the European market) of a wide range of floriculture produce (i.e. foliage, aquatic plants, flowers) and is just 9 hours flying time from the Japanese market.

The Sri Lankan floriculture produce and related sector products exporters participating at the Tokyo Flower Show listed overleaf are committed to either increasing their present business with Japan or developing first time exports to the market.

Many of the exporters overleaf have the capability to grow new species/varieties in line with the specific needs of Japanese importers.

On stand at the Tokyo Flower Show are representatives from the following two export development organisations who would be most happy to discuss the structure and development plans of the fast expanding Sri Lankan floriculture export sector.

Gamini Kumarage
Agri-Business Advisor
USAID AgEnt Project
5th Floor, 86, Galle Road,
Colombo 3,
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Telephone: 94-1-446447
446420
Fax: 94-1-446428

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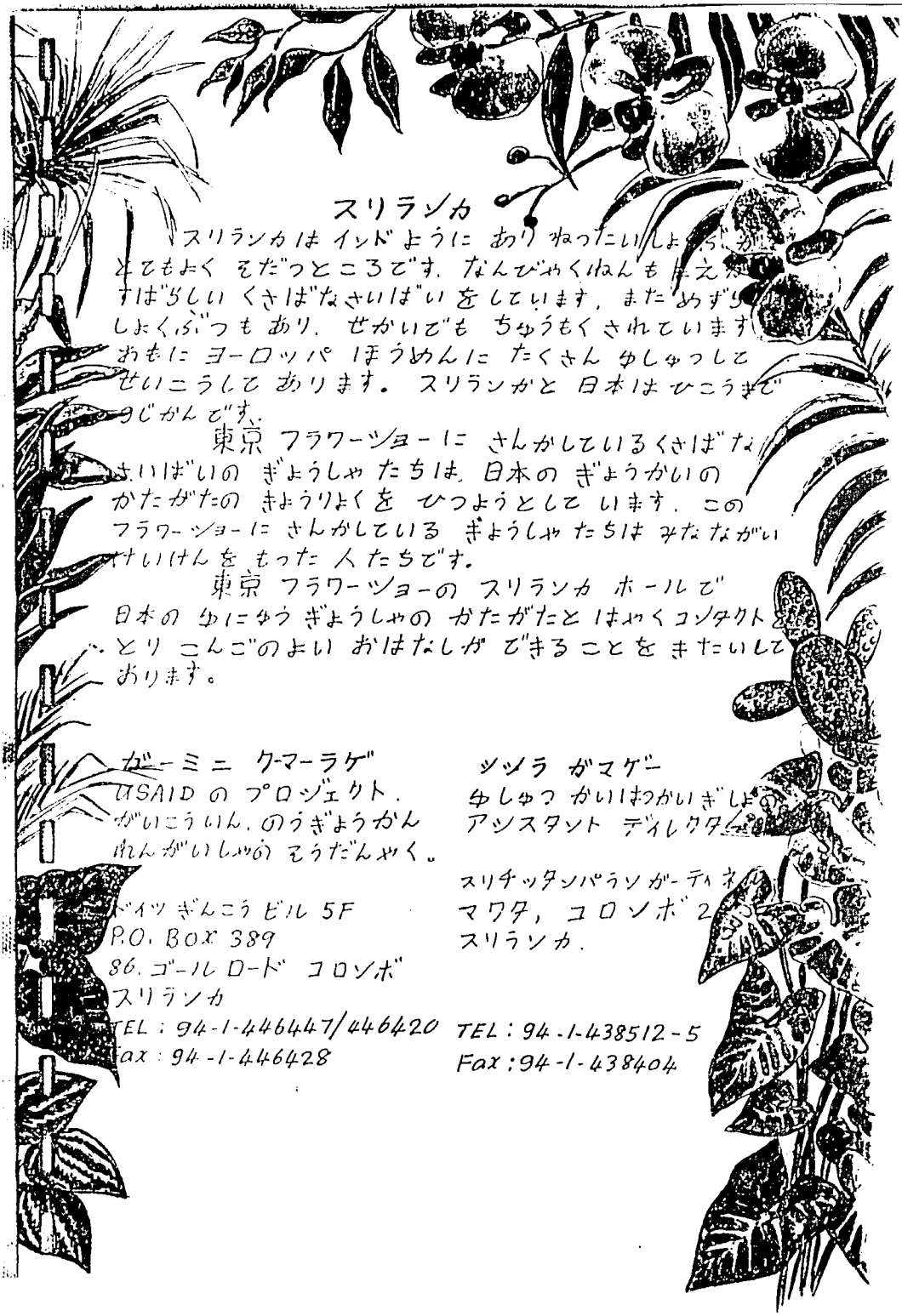
Assistant Director
Sri Lanka Export Development Board
115, Sir Chittampalam Gardiner Mawatha,
Colombo 2,
Sri Lanka.

Telephone: 94-1-438512-5
Fax: 94-1-438404

Company Name and address	Contact Person	Product	Present Production
Orchids Jayaratne Ltd (Pvt) Ltd 20, Wigneteera Mawatha, Mirihana, Nugegoda, Sri Lanka Tel: 94 - 1 - 852954 Fax: 94 - 1 - 686990	Piyasiri Wigneteera	Purple, White & Mauve, Dendrobium Orchids, Flowering size Orchid plants	2000 spikes per week 15,000 plants per week
Aqua Plant Lanka 55/6, Kotalawella, Moratuwa, Sri Lanka Tel: 94 - 1 - 647877, Fax: 94 - 1 - 647877	W.E.J. Fernando	Potted aquatic rooted and loose plants Hygrophila, Cryptocoryne, Aponogeton, Agalandra	5000 potted plants and 10,000 loose plants per week
Interex Enterprises (Pvt) Ltd 99/5 Subhatrarama Road, Nugegoda Tel: 94 - 1 - 854225, Fax: 94 - 1 - 810989	M.H.M. Zahir	Dracaenas, Philodendrons, Pleomele, Ficus, Plumeria, Polyscias, Croutons, Syngoniums, Scindapsus	10,000 per week
Yasakula Orchids Kotapitiya, Dharga Town, Sri Lanka Tel: 94 - 34 - 75059, Fax: 94 - 34 - 75590	G.I.D.D. Dharmaratne	Pink, Orange & Red Anthuriums	1200 flowers per week
Mid Country Orchid Nursery Hapugastara, Handessa, Sri Lanka Tel: 94 - 8 - 88373, Fax: 94 - 8 - 32343	Mrs. N.R. Fernando	Tissue Cultured or meristemed Phalaenopsis, Dendrobium and Cattleya Orchid Plants	15,000 plants per week
Dodangoda Foliage Farm (Pvt) Ltd P.O. Box 164, Colombo Tel: 94 - 1 - 448480, 94 - 1 - 3372712 Fax: 94 - 1 - 448964	M.N. Fernando	Live Plants, Rooted Cuttings, Canes Crotons, Polyscias, Dracaenas, Cissus, Hoya, Ophiopogon, Aglaonema, Bamboo, Pleomele, Song of India, Palms	2500 cuttings per week
Ferd A. Three Dee (Pvt) Ltd No. 1A, R.A. de Mel Mawatha, Colombo 3, Sri Lanka Tel: 94 - 1 - 586434, Fax: 94 - 1 - 589931	D. Raja	Pink, Red, White, Yellow Spray and Standard Carnations, Gerberas Limoniums, Statice, Gypsophillias and Ferns	10,000 flowers per week 2500 per week
Tropical Foliage and Flower Co., Ltd 127, W.A.D. Ramanayake, Mawatha, Colombo 2 Tel: 94 - 1 - 421356/436046 Fax: 94 - 1 - 422443/436050	Alfred S. Subasinghe	Semi finished live plants, cut foliage Schefflera Gold, Capella/Worthy, Ficus Natascha/Benjamina, Dracaena Sanderiana Wh. s/Gold, Cordyline Glauca Codiaeum aucubaefolia/Gold King, Croton Sunny Star/Eucurrens, Polyscias Philodendron, Scandens, Scindapsus Aureus/Marble Queen, Eucciana, Pleomele Reflexia, Aglaonema, Miscanthus, Dracaena, Sanderiana Conthiarum, Calathea Ornata/Insignis/ Vanderbeckei/Makoyana/Arpenez, Aiglaonema, Cordyline, Pothos, Monstera Maranta, Pleomele Thalioide,	50,000 plants per week 200 Boxes per week
Mac Flora Intl (Pvt) Ltd 56, Castle Street, Colombo 8 Sri Lanka Tel: 94 - 1 - 683610, Fax: 94 - 1 - 862039	Shiran Munasinghe	Scindapsus - Aureus, Marble Queen, Philodendron Scandens, Pleomele, Song of India, Cordyline, Purple Compacta, Dracaena, Sandriana (White) Dracaena, Sandriana (Gold), Aglaonema (Pseudo/Silver Queen), Miscanthus (White, Green) Cordyline Red edge, Polyscias stems, purple compacta stems	94,000 per week
Heritak Foliage Lake Garden, Ettukala, Negombo, Sri Lanka Tel: 94 - 31 - 2685, Fax: 94 - 31 - 8319	K.J. Lakshman Fernando	Miniature plants of Aglaeema a. Silver Queen, b. Maria Pencil Cactus, Dracena a. Sandriana, b. Song of India, c. Song of Jamaica, Croton Bushes, Palms Lucuala, Rotondifolia	8000 plants per week
Greenet Plants & Flowers (Pvt) Ltd B.W.3 Negombo Road, Mabole, Wattala Sri Lanka Tel: 94 - 1 - 580724, 94 - 072 - 41342 Fax: 94 - 1 - 699512	Sanath T.S. Manawendra	Palms, Cordyline Dracena, Calatheas, Anthurium, Asparagus, Philodendrons, Miscanthus, Differnbachia, Areca, Croedium	300,000 cut leaves per week
Unicey Marketing Services (Pvt) Ltd 20/1, Dudley Road, Colombo 10, Sri Lanka Tel: 94 - 1 - 685612/3, Fax: 94 - 1 - 699369	S.B. Kandena	Cocopeat, Coir Products, Soil Erosion Carpets, Coir Moss Poles, Coir Husk Chips, Coir Yarn, Coir Matting & Garden articles	6 Nos. 20' containers of mixed products per week
Sunshine Fertilizer Manufacturers (Pvt) Ltd., 2, Liyanagemulla, Seedawa, Sri Lanka Tel: 94 - 1 - 453613, Fax: 94 - 1 - 453613	Mrs. Padma de Silva	Cocopeat, Coco briquette, coir bales	5 Nos. 20' containers of mixed products per week



スリランカ

スリランカは インドようにあり ねったいしょくぶつが
とてもよく そだつところです。なんびゃくねんも まえから
すばらしい くさばなさいばいを しています。また めずらし
しょくぶつも あり、せかいでも ちゅうもくされています。
おもに ヨーロッパ ほうめんに たくさん ゆしゅつして
せいこうして あります。スリランカと 日本は ひこうきで
9じかんです。

東京 フラワーショーに さんかしているくさばな
よいばいの ぎょうしゃたちは、日本の ぎょうかいの
かたがたの きょうりょくを ひつようとして います。この
フラワーショーに さんかしている ぎょうしゃたちは みなながい
けいけんを もった 人たちです。

東京 フラワーショーの スリランカ ホールで
日本の ゆにゅう ぎょうしゃの かたがたと はやくコンタクト
とり こんごの よい おはなしが できる ことを きたいして
おります。

ガーミニ クーマーラゲ
USAIDの プロジェクト、
がいこういん、のうぎょうかん
れんがいしゅの そうだんやく。

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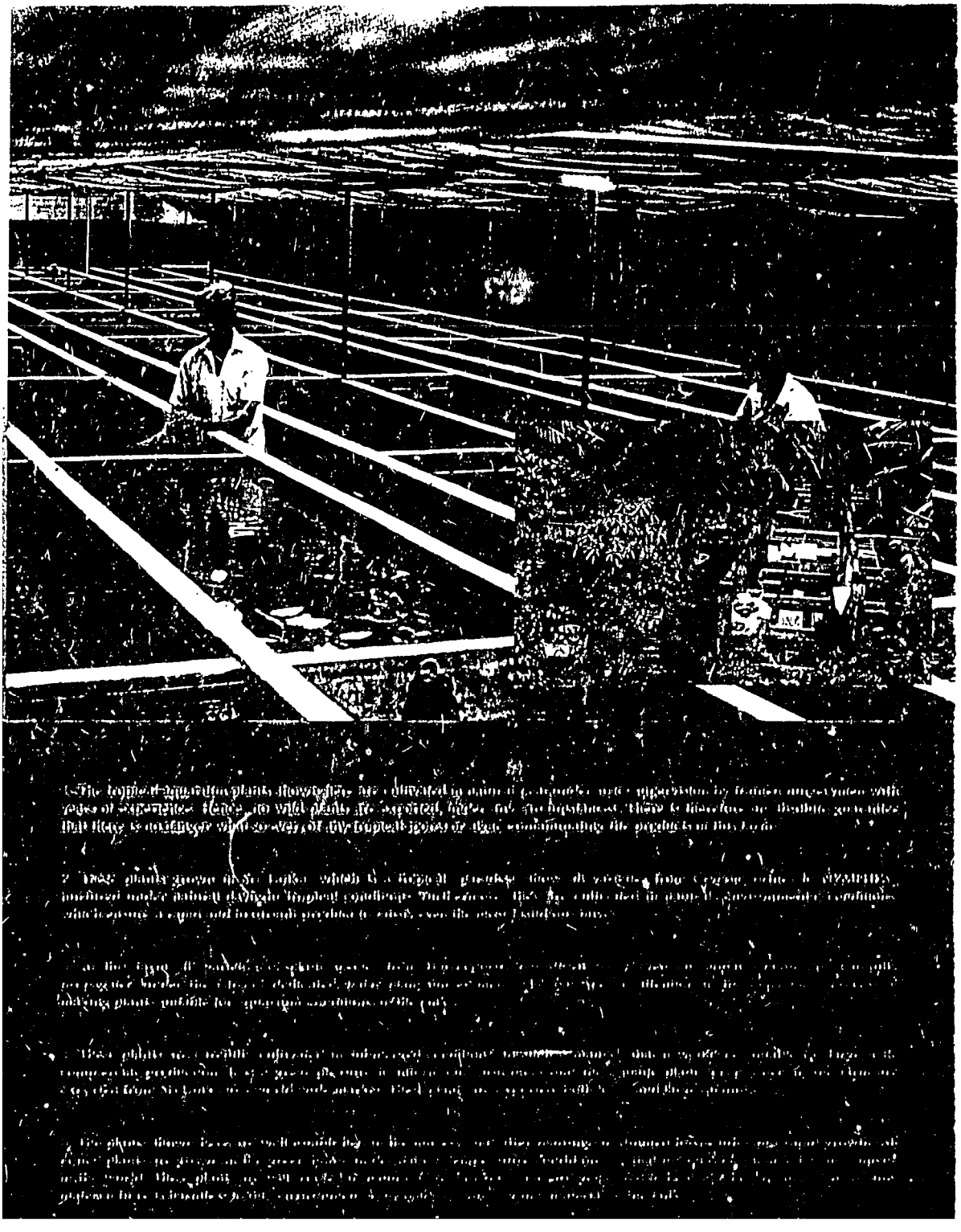
RUVINI AQUATIC PLANTS LANKA
AQUA PLANTS LANKA

AQUARIUM PLANTS OF SRI LANKA

1. HYGROPHILA SPEC.

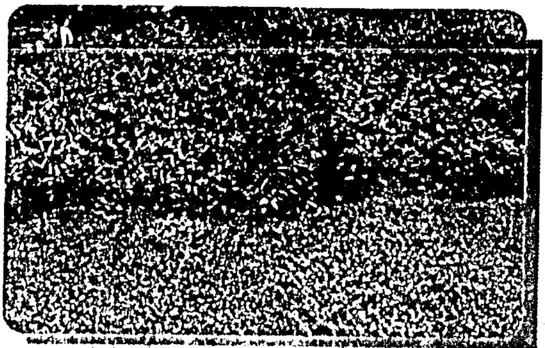
2. NYMPHAE SPEC/ HYDRECOTYLE/ BACOPA MONNIERI
-SRI LANKA-

GREEN HOUSE OF AQUA PLANT LANKA

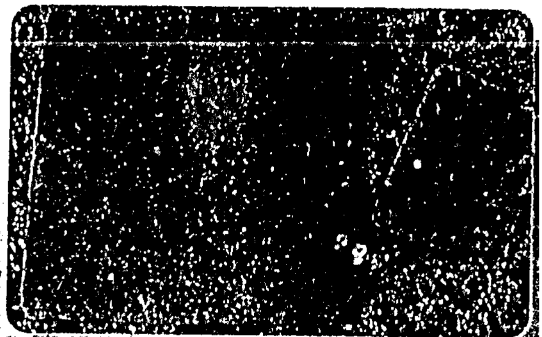


1. ECHINODORUS [illegible] RBLE QUEEN

2. AQUATIC PLANTS SPEC.



3. MOTHER PLANT NURSERIES OF AQUA PLANTS LANKA ARE SPECIALLY DESIGNED TO CATER TO THE COMMERCIAL WORLD, AND EQUIPPED WITH THE RESOURCES TO MEET THE BULK REQUIREMENTS OF ITS CUSTOMERS.



4. FURTHERMORE, THE COIR BRICKETS MADE OUT OF NATURAL [illegible] THAT ARE USED AS PLANTING MATERIALS WHICH ARE SAFEGUARDE[D] FROM ENVIRONMENT POLLUTION.

AQUA PLANTS LANKA [illegible] PERSONAL SUPERVISION BY ITS DIRECTORS [illegible] DISPATCHED FROM THE [illegible]

AQUA PLANTS [illegible]

AQUA PLANTS LANKA

55/6,KORALAWELLA,MORATUWA,SRI LANKA
BUSINESS REG. NO: H308
E.D.B.-REG.NO: 173932
FAX:94-1-647877
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BANKERS: BANK OF CEYLON- KATUBEDDE,SRI LANKA.

*ASSOCIATION OF LIVE TROPICAL FISH EXPORTERS OF SRI LANKA.
*ORNAMENTAL FISH BREEDERS ASSOCIATION.

* MEMBER

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Your Ideal Choice For Orchids & Anthurium


Y:O: - A. 105
Y:O: - A.E.L.-L-M-S 105


Y:O: A 107
Y:O: A 107

Yasakula Orchids

Vanda Jokim

Anthurium Cultivation by Yasakula Orchids

Introduction : The A[illegible] has become lucrative [illegible] Lanka. It is observed [illegible] become one of the l[illegible] Kalutara Di[illegible] Which [illegible] Tourist resort area to C[illegible] The cultivators who [illegible] vast ex[illegible] this field have understood the [illegible] establishing in this area solely due [illegible] climatic conditions and [illegible] cing anth[illegible] lity. The [illegible] he ma[illegible]

The Location of Cultivation

[illegible]

[illegible]

Yasakula Orchids

[illegible]


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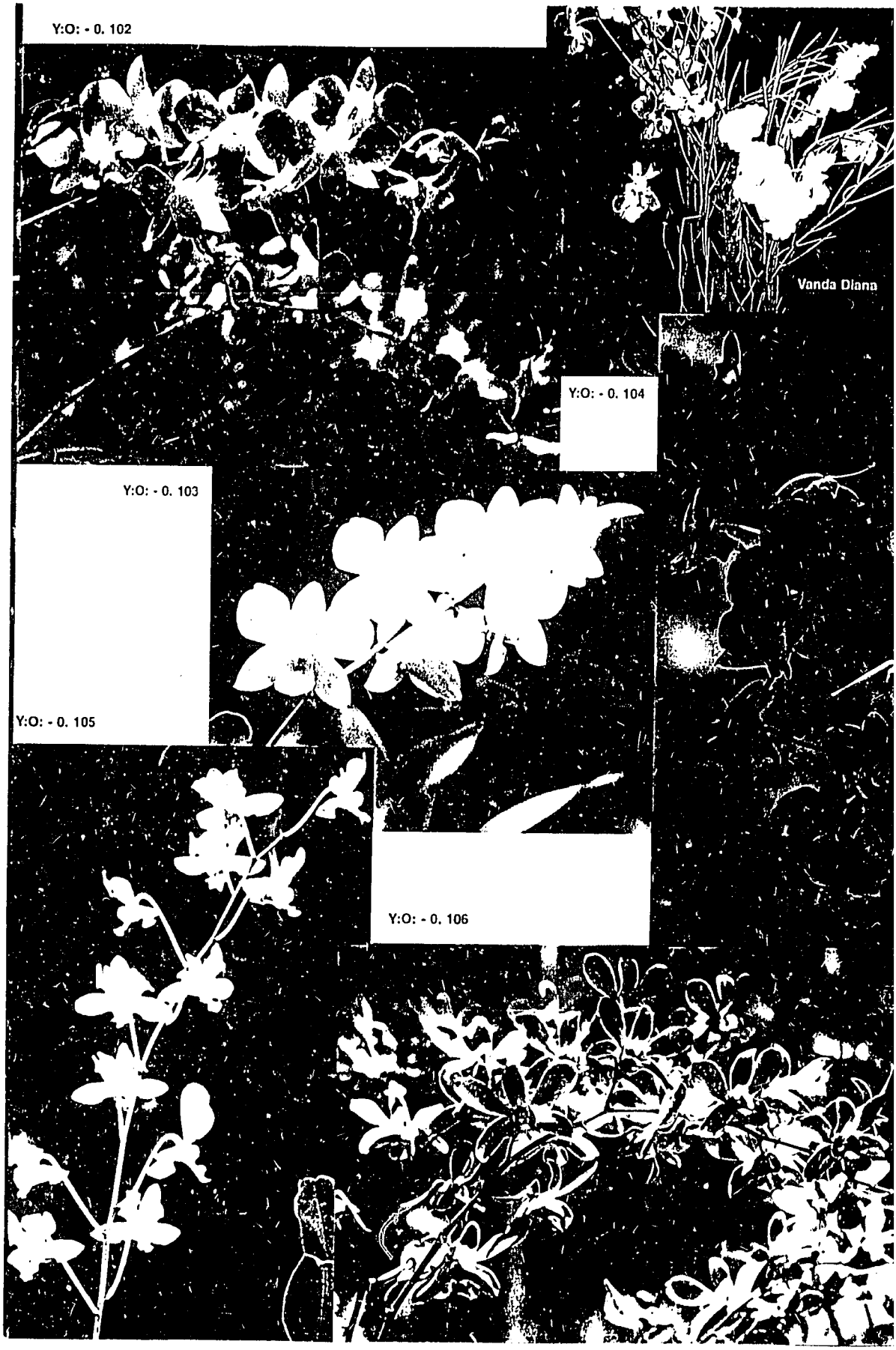
Y:O: - 0. 102
Vanda Diana
Y:O: - 0. 104
Y:O: - 0. 103
Y:O: - 0. 105
Y:O: - 0. 106


Vanda Jokim

FRESH CUT FLOWERS

A study of the market in Japan

Financed by the Government of Norway

ITC

INTERNATIONAL TRADE CENTRE UNCTAD/GATT

FRESH CUT FLOWERS:

A study of the market in Japan

ITC

INTERNATIONAL TRADE CENTRE UNCTAD/GATT

GENEVA

1991

ABSTRACT FOR TRADE INFORMATION SERVICES

1991 SITC 292.71/HS 06.03
FRE

INTERNATIONAL TRADE CENTRE UNCTAD/GATT
Fresh cut flowers: a study of the market in Japan
Geneva, 1991. iv, 17 p.

Study of the Japanese market for **fresh cut flowers** - reviews supply and demand; describes consumer preferences, trade structure, importers' requirements; discusses competition on the market, prices, market access and market opportunities (particularly for Malaysia and Thailand).

English (Free to developing countries)

Palais des Nations, 1211 Geneva 10, Switzerland

The preparation and publication of this study was financed by a grant to the International Trade Centre UNCTAD/GATT from the Government of Norway

ITC/139/B3/91-VI

Contents

Abbreviations

All references to dollars are to United States dollars.

The following abbreviations are used:

CIF	Cost, insurance, freight
EEC	European Economic Community
GATT	General Agreement on Tariffs and Trade
ITC	International Trade Centre UNCTAD/GATT
UNSO	United Nations Statistical Office

cm	Centimetre
ha	Hectare
n.e.s.	Not elsewhere specified

A. Background

The trade in cut flowers and plants is an important segment of international trade, and one in which developing countries already have a substantial share. World imports (CIF) of floricultural products amounted to $US 4.8 billion in 1988, with cut flowers alone accounting for about $US 2.5 billion. The share of developing countries in world flower exports was close to 20% in 1988. It is considered, however, that developing countries could substantially improve their market position in this product sector by improving their production and marketing techniques and with better information on markets and contacts with importing countries.

The International Trade Centre UNCTAD/GATT (ITC) has over the last decade assisted in the development of exports of floricultural products from developing countries through individual country projects and regional projects benefiting more than one country. The most recent example of the latter is the project **Export Development of Flowers, Foliage and Decorative Plants from Selected Developing Countries,** which is financed by the Government of Norway. The project was started at the end of 1985 with research on demand and supply, case studies on joint ventures and export opportunity surveys. The results of these activities were presented in the ITC publication *Floricultural Products: A Study of Major Markets* (Geneva, 1987) and disseminated through 13 seminars in developing countries organized during 1988 and 1989. Since the end of 1989 the project has concentrated on the provision of assistance to specific enterprises in a number of developing countries, including Malaysia and Thailand. The study is part of this assistance. It deals with Japan, one of the most interesting nearby export markets for both countries.

While the study contains recommendations of specific interest to producers of fresh cut flowers in Malaysia and Thailand, it is being published in view of its potential interest to growers of fresh cut flowers in other developing countries seeking export markets.

B. Supply and demand

1. Flower consumption

Japan constitutes a huge market for flowers. According to a survey carried out by the Flower Council of Holland in 1989, annual per capita consumption of flowers in Japan amounted to the equivalent of 86 Netherlands guilders (f.) - about $50. This was the fourth highest level in the world, exceeded only in Italy (f. 129), Norway (f. 114) and Switzerland (f. 108). With a considerably higher population than these three countries taken together, Japan is a market worth around $6 billion at consumer prices. With the United States of America, Japan is thus the largest national market for cut flowers in the world. However, it must be remembered that, although total consumption is the same in both countries, the population of the United States is double that of Japan.

On the basis of figures for local production and imports (exports are minimal), it is estimated that 5,113 million flowers were bought in 1989. The average price of each flower (nearly $1.00) is high and reflects the fact that a considerable proportion of sales is made in the form of flower arrangements. There is thus an important element of labour included in the value of the consumer market.

2. Domestic production

Japan consists of four major islands and many small islands. Owing to variations in climate from the temperate to the tropical, a large number of different flowers can be grown outdoors at any time somewhere within the country. Of the 15,300 ha under flower production in 1988, over two thirds (9,900 ha) were used for open-air production.

Domestic flower production has grown steadily in recent years. In value terms, production increased from ¥29 billion in 1970 to ¥112.9 billion in 1980, and ¥140.9 billion in 1984, ¥174.3 billion in 1987 and ¥191.7 billion in 1988 (10% higher than in the previous year). One reason for the increase is the fact that rice growers are being encouraged to switch to flower production. It is said that consumption has continued to grow at the same pace as production.

The International Garden and Greenery Exposition held in Osaka in 1990 is said to have had a very positive effect on consumption owing to the extensive media coverage given to the event, including many articles on how to enjoy flowers in everyday life.

According to a survey on floricultural production undertaken by the Ministry of Agriculture, Forestry and Fisheries, the principal species produced in 1988 were as follows:

Chrysanthemums	1,763 million stems
Carnations	690 " "
Roses	364 " "
Matthiola	113 " "
Gypsophila	103 " "
Statice	101 " "
Other flowers (including gladioli, freesia, irises and small quantities of foliage)	1,652 " "
Total	**4,786**

The total value of production was estimated at close to ¥192 billion.

The main production areas are:

- for chrysanthemums, Nagoya, followed by Fukuoka;
- for carnations, Nagano, followed by Nagoya;
- for roses, Shizouka, followed by Aichi;
- for gypsophila, Fukuoka, followed by Wakayama.

Production of cut flowers in Japan takes place throughout the year, with no dramatic seasonal variations. In 1988, monthly production averaged 399 million stems, ranging between 314 million stems in June and 511 million stems in December.

3. Imports

According to the UNSO/ITC Comtrade Data Base System, Japan is only the seventh largest importer in the world of fresh cut flowers. Total imports are higher in six other industrialized countries, all with lower flower consumption levels: Germany, the United

States, the United Kingdom, France, the Netherlands and Switzerland. Developing countries supply a high proportion of Japan's imports - 69% in 1985 and 46% in 1989 according to the same source.

The countries of origin of the imports are shown in table 1. Total imports between 1985 and 1989 increased almost five times (490%) in dollar value terms to reach $110.29 million in 1989. This was to some extent due to the strengthening of the yen during the period; in terms of the national currency, imports increased less than three times (from ¥5.3 billion in 1985 to ¥14.9 billion in 1989). Total imports during the first five months of 1990 (January - May) were 12% higher than during the same period in 1989, reaching ¥5.4 billion.

Table 1 **Japan: Imports of cut flowers, by origin and by value,1985-1989 (In millions of United States dollars)**

	1985	1986	1987	1988	1989
Total	22.50	37.47	57.65	102.07	110.29
of which from:					
Netherlands	1.72	5.22	11.77	29.88	40.70
Thailand	9.90	16.73	23.12	32.95	27.92
Asian countries, n.e.s.	3.44	3.37	6.25	11.83	12.73
New Zealand	1.55	3.72	5.15	7.96	7.74
Singapore	1.41	1.68	2.84	4.88	6.35
Australia	.40	.85	2.37	6.19	4.56
United States	2.88	3.90	3.79	4.40	3.99
Countries of the Southern African Customs Union	.05	.28	.25	.82	.85
Malaysia	.21	.21	.17	.47	.63
Spain	.12	.53	.63	.56	.62
Colombia	.05	.14	.20	.38	.56
France	.02	.03	.06	.18	.55
Brazil	.26	.13	.13	.06	.40
Israel	.02	.05	.22	.46	.31

Source: UNSO/ITC Comtrade Data Base System.

In spite of the high rate of increase in imports during recent years, imports of flowers cover only a small part of consumer demand in Japan. In 1988, 325 million stems were imported. This was only 6.8% of total flower consumption.

The Netherlands is by far the largest foreign supplier of fresh cut flowers in Japan in terms of value. From a modest start in 1985, imports increased quickly during the following years to reach $40.7 million in 1989, representing close to 37% of total imports. However, in terms of volume, the Netherlands was only the third biggest supplier. During 1989, exports to Japan amounted to little over 60 million stems of a wide variety of species, as can be seen from the following table:

Table 2 Netherlands: exports of fresh cut flowers to Japan, 1987 and 1989 (In thousands of stems)

	1987	1989
Freesia	4,505	11,408
Tulips	1,918	10,642
Lilies	2,782	10,238
Roses	725	7,077
Nerines	2,943	6,619
Summer flowers	1,163	3,433
Chrysanthemums	349	2,599
Carnations	2,948	2,348
Alstroemerias	321	580
Syringa	256	579
Irises	59	345
Gladioli	41	335
Amaryllis	94	197
Gypsophilas	7	95
Narcissi	35	91
Orchids	12	78
Anthuriums	9	72
Anemones	16	51
Gerberas	19	16
Other flowers	1,148	3,388
Total	**19,351**	**60,191**

Source: Commodity Board for Floricultural Products, The Hague, Netherlands.

As can be seen from the above figures, the main flower imported into Japan from the Netherlands is the freesia. The only source of imports of this flower is, in fact, the Netherlands. This is also the case with tulips, which are in second position. The Netherlands is also the main source for lilies; however, small quantities are also imported from Taiwan Province (China). The fourth most important flower exported to Japan is the rose. Here, too, the Netherlands seems to be the only foreign supplier of any significance; this is also true of nerines, the next on the list. Finally, the Netherlands exported close to 2.6 million stems of chrysanthemums in 1989 - a small amount compared with production in Japan (1.8 billion) in 1988 and even with imports from Taiwan Province (China), which totalled almost 40 million stems in 1989.

Thailand was the second biggest source of imports in terms of value in 1989, with a high but declining share in total imports (44% in 1985, a little over 25% in 1989). In terms of volume, Thailand has consistently been the principal exporter to Japan. Total exports (101 million stems) were made up almost exclusively of orchids but also included some ferns (1.6 million stems) and a few hundred thousand short-stemmed roses.

Imports from "Asian countries not elsewhere specified" (see table 1) are believed to be made up primarily of flowers from Taiwan Province (China). As mentioned above, Taiwan Province (China) is the main foreign source of supply of chrysanthemums (nearly 40 million stems in 1988). It also supplies gladioli (6.3 million stems) and some carnations and other flowers (1 million).

New Zealand has a small but increasing share in the Japanese flower market. Several species are exported, including orchids, carnations, nerines, lilies and leucadendrons.

Singapore is next on the list. As one would expect, this country's exports consist almost exclusively of orchids (mainly dendrobium), some of which originate in Malaysia. Statistics show exports of 600,000 carnations in 1988, which probably originated from the Cameroon Highlands in Malaysia.

Australia is a comparatively new source of supply. Small quantities of a wide variety of high-quality flowers are being shipped to Japan. The main type of flower exported is anigozanthos (2.4 million stems), which is being offered in several varieties, in soft pink and yellow. Australia also supplies small quantities of wax flowers (1.3 million), carnations (1.2 million) and leucadendrons (0.3 million).

The United States - a small but steady supplier - ships anthuriums produced in Hawaii as well as small quantities of ruskas and bear grass used in flower arrangements. The small quantities of flower imports from Mauritius in 1988 and 1989 consist entirely of anthuriums.

C. Consumer preferences

1. Species and colour preferences

As mentioned above, by far the most popular flower in Japan is the chrysanthemum. In 1988, 35% of all flowers sold were chrysanthemums, 97% of them locally grown and the balance imported - mainly from Taiwan Province (China).

The second most popular flower is the carnation, representing in 1988 around 14% of all flowers bought. Most carnations are locally grown; less than 2% are imported (mainly from the Netherlands).

The rose is the third most sought-after flower, accounting for around 7% of total consumption. Apart from 7 million stems imported from the Netherlands in 1989, all roses sold are grown locally.

Next on the popularity list are gypsophila and statice, both produced locally. Then follow a wide range of other flowers, mostly comparatively new to the Japanese consumers. As a result of effective marketing and promotion by Netherlands exporters, freesias, tulips, alstroemerias and many other species are now becoming popular.

Colour preferences differ from those in most other countries. The main preference appears to be for white - the dominant colour at weddings and on many other occasions. Soft pastel colours are considered much more desirable than dark colours (such as dark red, which is a favourite colour in Europe). Pink and light purple are thus popular. Flower arrangements have a large part of the market (probably about 20%). For that reason, colours and shapes which allow for easy combination with other flowers are in high demand.

2. Seasonal patterns of demand

Flowers are bought all year round. However, there are, as in other countries, periods of peak demand, as can be seen from the following figures on monthly expenditure by household in 1988:

	Yen	% of yearly consumption
Total	9,329	100.0
of which:		
January	502	5.4
February	620	6.6
March	1,075	11.5
April	695	7.4
May	742	8.0
June	602	6.5
July	643	6.9
August	1,011	10.8
September	861	9.2
October	598	6.4
November	530	5.7
December	1,450	15.5

Source: Statistics Bureau Management and Coordination Agency, *Annual Report on the Family Income and Expenditure Survey.*

The effect of seasonal ceremonies on cut flower consumption can clearly be seen in the high levels of sales in March, August, September and December. Seasonal celebrations include those at Christmas and New Year in December-January and the Bon Festival (a Buddhist memorial service) in August. During the vernal equinox in March and autumnal equinox in September (when Buddhist ceremonies are performed to ensure the repose of ancestors), demand for chrysanthemums increases substantially. May is also a period of high demand, partly because of Mother's Day. The most popular flower for that occasion is the carnation. St. Valentine's Day in February has little or no effect on sales of flowers, but a great effect on sales of chocolate. Father's Day, which also gives rise to peak sales of fresh flowers, falls on the third Sunday in June.

D. Trade structure

In contrast to Japan's many well-developed industries and high technologies, the distribution system for fresh flowers is not well structured to handle imported flowers. However, changes for the better are taking place.

There are as many as 24,000 retailers in Japan. Average sales per outlet are in the region of $150,000 per year, which is low. Sales of flowers in supermarkets are low compared with similar sales in other developed countries (probably less than 5% of total sales).

Retailers usually buy flowers at auctions and occasionally from wholesalers. There are as many as 340 auctions in Japan. Most of them are small and they are old-fashioned and scattered all over Japan. The clock auction system found in Western Europe does not exist. (The first clock auction is being planned.) All flowers (including imported ones) have traditionally had to be sold at the auctions. It is not uncommon for an importer to have to sell at 20-30 auctions at the same time. This often results in excessive distribution times, handling and costs of distribution. The system is well suited for the many small local growers, but unsuitable for handling the increasing quantities of

imported flowers. However, changes are taking place. For instance, the 800 members of the All Tokyo Florists' Association have started to place direct orders with exporters abroad.

Many large corporations in Japan, in such diverse industries as steel, electronic parts and beer brewing, have begun branching out into the flower business. These companies often set up their own efficient distribution systems. Daiseco Inc., for instance, buys locally grown flowers, not only from the auctions but direct from the growers as well. Imported flowers are at times bought direct from the exporter. The flowers are made into bouquets and arrangements and are sold on the basis of a colour brochure through supermarkets and convenience stores such as petrol stations. Thus, customers buy the flowers on the basis of a colour photograph and do not actually see them until they are delivered by Daiseco. The supermarket or petrol station receives a commission from Daiseco but is not responsible for handling the flowers.

Since an estimated 50% of all flower consumption in Japan takes place in the Tokyo metropolitan area, most imported flowers arrive at the Tokyo international airport Narita. In 1988, 56% of all imported flowers (183 million stems) arrived at Narita airport. A further 18% (57 million stems) arrived at Osaka airport; other airports in Japan accounted for the remaining 26% (85 million stems).

There are approximately 30 importers in Japan. Twenty of them are members of the newly formed Japan Cutflower Importers Association. Addresses and other details are given in annex I.

E. Importers' requirements

1. Quality standards

The Japanese market is noted for its stringent requirements in terms of freshness and uniformity of colour and size. The flowers must be absolutely free of insects, pests and diseases. Every shipment is thoroughly inspected upon arrival in Japan.

It should be stressed that a shipment is considered contaminated even if only one insect (for example, an aphid) is found in it. This means that the flowers have to be fumigated. About 30% of all cut flower imports are treated. The consequences of fumigation are delayed entry to the markets and damage to certain flowers. In extreme cases, fumigation can be so damaging that the flowers either have to be thrown away afterwards or sold at, say, 10% of their normal price.

Imported floricultural products must be accompanied by a phytosanitary certificate, which should be obtained after export inspection by the plant quarantine authority of the exporting country. As this certificate is required at the time of import inspection, it must accompany the shipment or be mailed in advance.

2. Pre-shipment inspection

A system has been established whereby pre-shipment clearance can be given in the exporting country by Japanese plant quarantine inspectors. The system operates in the following manner. Prior to shipment, the Japanese plant quarantine inspectors carry out inspections, using the same methods as at the point of landing, to confirm the inspection by the exporting country and to take measures to prevent diseases and pests from recontaminating the flowers. Cut flowers imported under this system receive only

cursory inspection at entry ports in Japan and can be distributed rapidly. The inspection has to be paid for by the exporters, and can be costly if continuous inspection by one or two inspectors takes place.

Exporters in the Netherlands have accepted the system; this is no doubt one of the main reasons for their success in entering the Japanese market.

3. Grading and packaging requirements

On the whole, grading and packaging standards in Japan are identical to those in Europe. Reference is made to annex II which gives an outline of the European Economic Community standards. It should be noted, however, that the Japanese importer often requires longer stem lengths than are usual in Europe. It is thus common to stipulate that chrysanthemums must have a stem length of not less than 90 cm. Chrysanthemums grown in other Asian countries usually have shorter stem lengths.

F. Competition and prices

New suppliers will meet strong competition, first of all from local producers, whose flowers do not have to pass the stringent phytosanitary inspection imposed upon imports. They also have the advantage of having at their disposal a distribution network which is geared to look after their interests rather than those of foreign suppliers, with many small auctions located near producing areas.

New suppliers in developing countries will also meet fierce competition from exporters in the Netherlands. Not only have the latter introduced the pre-shipment inspection system described earlier; they have also invested heavily in promotion in Japan. For three years up to 1989, the Flower Council of Holland had a representative in Tokyo to look after the interests of Netherlands exporters and to promote sales of their flowers. Having established a market, the Flower Council of Holland has had since 1989 a representative who spends half his time in Tokyo to continue looking after interests of the Netherlands flower industry.

As in other countries, prices vary considerably at all levels in the distribution chain. Imported flowers frequently cost only half the price of the same flowers grown locally, and sometimes even less. Prices of imported flowers vary according to origin. For example, flowers from the Netherlands which have been cleared by Japanese quarantine inspectors prior to being sent to Japan command much higher prices than the same flowers from other foreign suppliers. On occasion roses from the Netherlands have been sold in flower shops in Tokyo at the same price as locally grown roses (¥500-¥600 per stem) owing to their high quality.

Some 98% of all flowers are sold at auctions. Table 3 gives average annual auction prices during the 1983-1988 period. Since these prices are averages for a whole year, they should be interpreted with care. The following example illustrates this. On one particular day in 1989, carnations from the Netherlands were being sold at ¥40-¥50 per stem, whereas carnations of the same variety and stem length from Malaysia were only able to command a price of ¥5 - hardly enough to cover the cost of freight. The fumigation had badly damaged the flowers.

Retail prices vary considerably. In general, they are very high. Sometimes they are as much as 10 times the auction prices, reflecting high distribution costs and high trade

Table 3 Japan: average auction prices of cut flowers, 1983-1988 (In yen per stem)

	1983	1984	1985	1986	1987	1988
Large and medium chrysanthemums	51	45	53	44	50	56
Small chrysanthemums	27	22	29	23	28	29
Carnations	40	37	41	40	40	44
Roses	55	54	58	60	62	67
White trumpet lilies			86	100	83	90
Other lilies	57	56	63	67	76	
Tulips	63	56	58	56	65	
Freesias	28	26	27	26	28	
Gladioli	43	43	50	42	44	
Irises	43	35	38	37	38	
Gentians	39	40	45	37	39	
Gypsophila	75	57	85	71	77	97
Peonies	56	49	55	59	58	
Statice		32	37	39	42	45
Den Phalaenopsis		60	58	49	63	
Cymbidiums		398	383	369	385	
Cattleyas		578	547	501	493	
Lisianthus					49	63
Other Western orchids		118	112	105	124	

Source: Japan Wholesale Flower Market Association.

margins. Since, as mentioned above, the average flower shop is small in terms of volume of sales, the retail margin has to be high - sometimes 300-400%. Flower arrangements are particularly expensive owing to the high cost of labour. The following prices were observed in May 1990:

	¥ per stem
Typical flower shop in Tokyo	
Pink carnations from the Netherlands	250
Spray carnations from Taiwan Province (China)	250
Large cymbidium orchids	3,000
Delphinium	2,000
Roses (from the Netherlands and of local origin)	500-600
Large bouquet of white chrysanthemums for funeral	20,000
Medium-priced arrangements "Hospital" and "Birthday"	10,000
Top-quality shop in central Tokyo (*Gotoh*)	
Alstroemerias, 80 cm	500
Roses (medium size)	600-1,000
Roses (large - 100 cm)	1,500
Lily, long stem, white	4,500

G. Market access

Fresh cut flowers normally enter Japan duty free; there are no quantitative restrictions. However, imports from those very few countries that have not signed the GATT agreement may be dutiable at the rate of 10%.

The fact that total imports only account for less than 7% of total consumption is no doubt due to the strict phytosanitary regulations and also to other factors that place imported flowers at a disadvantage compared with locally produced ones. The main obstacles to imports are given below.

1. Zero-tolerance policy

Most countries in the world, especially advanced industrialized countries (including many island nations) practise a selective plant quarantine system whereby only insects that are not indigenous to the importing country and that are considered dangerous give rise to rejections. Cut flowers are generally considered to be no-risk items; it is understood that none of the cut-flower importing countries have ever recorded any outbreak of pest as a result of flower imports. In contrast, Japan's Plant Protection Service rejects even insects that are abundant in the country without producing scientific evidence on the kind of damage they have caused or might cause to local agriculture.

2. Problems at Tokyo airport (Narita) and other ports of entry

Narita airport is congested, and exporters frequently complain about low efficiency and poor co-ordination between different authorities, which lead to persistent delays in the clearing of incoming perishable cargo. The situation is aggravated by the limited cold-storage facilities available and their high cost.

3. Cost and speed of fumigation

Fumigation of rejected shipments is carried out by private operators appointed by the authorities. The cost of fumigation is around three times the customary rates at other international airports. Same-day fumigation (especially in the case of methyl-bromide fumigation) is not guaranteed. To improve standards of service, fumigation companies should be exposed to free competition.

H. Market opportunities

1. General

During the 1985-1989 period, imports of fresh cut flowers increased almost three times in value terms, from ¥5.3 billion in 1985 to ¥14.9 billion in 1989. This expansion was due to more liberal import policies after years of protectionism together with the strengthening of the yen and the effective marketing methods used by the Netherlands exporters. These exporters were prepared to finance quality inspectors from Japan in the Netherlands and also to invest in sales promotion activities in Japan. Imports continued to increase in 1990, but at a slower rate; this was partly due to the weakening of the yen, which made imports more expensive.

Imports are expected to continue to increase. With total imports accounting for only a small part of total consumption, the high standard of living in Japan and the high costs of land and labour there, extremely promising opportunities should exist for exporters in

developing countries. However, phytosanitary regulations need to be brought more into line with those of other developed countries. Conditions at points of entry (in particular at the congested Narita airport in Tokyo) would also need to be improved.

Opportunities exist in Japan for sales of a wide range of flowers. The flowers must satisfy the taste of Japanese consumers, and there is no room for anything but the very best quality. In the short term, flowers for which there is little or no local production, such as dendrobium and other spray tropical orchids, nerines, freesia, lilies and anemones, will have the best chances.

2. Opportunities for Malaysia and Thailand

Thailand is already the leading source of supply of tropical orchids, which are very popular in Japan. Demand is expected to continue to expand. Producers and exporters in Thailand can expect increased competition from other countries, even from the Netherlands. With regard to the temperate flowers grown in the Chiang Mai area, the problem seems to be the lack of direct air connections. Transshipment in Hong Kong may be complicated and damaging to the flowers but could be tried.

Malaysia is already the second largest source of tropical orchids. In the case of temperate flowers grown in the Cameroon Highlands, the few shipments that have been made were not successful, since in several cases the flowers had to be fumigated and sold at very low prices. Since then quality has improved considerably. However, there is still a need to improve the packaging of flowers.

It is recommended that the authorities in Malaysia and Thailand request that advance clearance inspectors from Japan be stationed in their respective countries to facilitate their export trade in flowers with Japan.

Annex I

Japan: selected addresses

A. Importers of fresh cut flowers

Allied Co., Ltd
1001-1275 Honsanrizuka Narita
Chiba 286-01
Tel: (0476) 351 441
Telex: 3762108 ALLIED J
Fax: (0476) 353 050

The All Tokyo Florist's Association
5-47-11 Higashi-Nippori
Arakawa-ku
Hilife Nippori 1003
Tokyo 116
Tel: (03) 802 7043

Bankoku Trading Co., Ltd
1-3 Muromachi 1-chome
Nihonbashi, Chuo-ku
Tokyo 103
Tel: (03) 241 4021
Telex: 02227334 BANKOK J
Fax: (03) 241 6706

Classic Japan Ltd
7th floor, Toyo Building
6-12-20 Jingumae Shibuya-ku
Tokyo
Tel: (03) 797 4950
Fax: (03) 797 4998
Osaka office
Tel: (0727) 216 466
Bangkok office
Tel: (662) 236 9111

Daisoco Inc.
7-6 Bakuro-cho 1-chome
Nihonbashi, Chuo-ku
Tokyo 103
Tel: (03) 662 7111
Fax: (03) 661 4025

Flora International Co., Ltd
3-13-12 Roppongi, Minato-ku
Tokyo 106
Tel: (03) 470 5601
Telex: J23922
Fax: (03) 405 5906

Floramerica Enterprises
Tokyo Branch
c/o TGA Inc.
4th floor, Sonic Building
2-12 Nishiazubu 3-chome, Minato-ku
Tokyo 106
Tel: (03) 408 5331 ext. 26
Fax: (03) 408 5505

M.C. Flora Co., Ltd
Matsumura Building
6-16-20 Ueno, Taito-ku
Tokyo

Toa Trading Co., Ltd
1-12-1 Esaka-cho
Suita City
Osaka 564
Tel: (03) 385 5022
Fax: (06) 385 4876

YMS Co., Ltd
10-10 Sonominamimachi 3-chome
Toyonaka City
Osaka 561
Tel: (06) 866 8133
Telex: 5286145 YMS J
Fax: (06) 866 8135

B. Trade and government institutions

Japan Cutflower Importers Association
Room 202, 1-5-29 Azabujuban
Minato-ku
Tokyo 106
Tel: (03) 796 1638
Fax: (03) 798 1360

Japan External Trade Organization (JETRO)
Information Service Department
2-5 Toranomon 2-chome
Minato-ku
Tokyo 105
Tel: (03) 582 5511
Telex: 24378 JETRO J
Fax: (03) 582 0656, 587 0219

Annex II

EEC quality standards for fresh cut flowers (Annex I of EEC Regulation No. 316/68)

I. DEFINITION OF PRODUCE

These standards shall apply to fresh cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, falling within subheading No. 06.03 A of the Common Customs Tariff.

II. QUALITY REQUIREMENTS

A. Minimum requirements

Produce must have been carefully cut or picked, according to the species, and have reached an appropriate stage of growth.

B. Classification

(I) Class I

Produce in this class must be of good quality. It must have the characteristics of the species, and where appropriate, of the variety (cultivar).

All parts of the cut flowers must be:

- Whole,
- Fresh,
- Free of animal or vegetable parasites and from damage caused by such,
- Free of residues of pesticides and other extraneous matter affecting the appearance,
- Unbruised,
- Free of defects of development; for carnations a split calyx is not considered a defect of development.

However, in respect of American carnations, flowers with a split calyx must be ringed, put up separately in uniform lots and the packages marked accordingly.

The stems must, according to species and variety (cultivar) be rigid and strong enough to support the flower(s).

(II) Class II

This class shall include all produce which does not meet all the requirements of Class I.

All parts of the cut flowers must be:

- Whole,
- Fresh,
- Free of animal parasites.

The flowers may, however, have the following defects:

- Slight malformation,

- Slight bruising,
- Slight damage caused, for example, by disease or by animal parasites,
- Weaker, less rigid stems,
- Small marks caused by treatment with pesticides.

The permitted defects must not impair the keeping quality, appearance or utility of the products.

C. Extra Class

Produce which qualifies for Class I without the aid of any quality tolerance may be marked EXTRA. However, this classification may not be used for American carnations with a split calyx.

III. SPECIAL PROVISIONS

The special provisions for certain types of flowers set out in Annex I A[a] shall override the provisions of this Annex.

IV. SIZING

For cut flowers, sizing must comply at least with the following scale:

Code	Length
0	Less than 5 centimetres or flowers marketed without stems
5	5 - 10 centimetres
10	10 - 15 centimetres
15	15 - 20 centimetres
20	20 - 30 centimetres
30	30 - 40 centimetres
40	40 - 50 centimetres
50	50 - 60 centimetres
60	60 - 80 centimetres
80	80 - 100 centimetres
100	100 - 120 centimetres
120	More than 120 centimetres

These lengths include the flower head.

The difference per unit of presentation (bunch, bouquet, box and the like) between the maximum and minimum lengths of the flowers in the unit may not exceed:

- 2.5 centimetres for flowers in codes 15 and below,
- 5.0 centimetres for flowers in codes 20 (inclusive) to 50 (inclusive),
- 10.0 centimetres for flowers in codes 60 and above.

This difference may be doubled for flowers presented in fan shape. For chrysanthemums with large flowers presented in fan shape, this difference may go up to 20 centimetres for flowers in codes 20 to 50 (inclusive).

The size scale and the uniform lengths set out above are not applicable to mimosa.

The minimum length for branches of mimosa shall be fixed at 20 centimetres. However, bundles and bouquets composed exclusively of small sprigs of a length less than 20 centimetres may be permitted subject to the words 'short stem' or an equivalent term being marked on the packages.

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a Not reproduced here.

V. QUALITY TOLERANCES

Quality tolerances shall be permitted in each unit of presentation as follows.

(I) Class I

Five per cent of the cut flowers may have slight defects, on condition that the uniformity of the flowers in a unit of presentation is not affected.

(II) Class II

Ten per cent of the cut flowers may vary from the requirements of the class. Half of this percentage may have been attacked by parasites of animal or vegetable origin.

The defects in question must not impair the utility of the products.

VI. PACKAGING AND PRESENTATION

A. Presentation (Regulation (EEC) No. 802/71)

A unit of presentation (bunch, bouquet, box and the like) must consist of 5, 10 or a multiple of 10 pieces.

However this rule does not apply to:

(a) Flowers normally sold singly,

(b) Flowers normally sold by weight,

(c) Flowers for which seller and buyer agree expressly to derogate from the provisions concerning the number of flowers in a unit of presentation. This derogation is admissible solely for transactions outside wholesale markets on condition that:

- The goods are the subject of a direct sale, based on a fixed selling price per unit of presentation, at wholesale level to a retailer or a person acting on behalf of a retailer,
- The goods are accompanied by a bill, delivery note or similar document showing the above-mentioned selling price,
- The unit of presentation is in the packaging required by the buyer for the ultimate purchaser. This packaging must be such as to permit identification of the goods.

B. Uniformity

Each unit of presentation (bunch, bouquet, box and the like) must contain flowers of the same genus, species or variety (cultivar) and of the same quality class, and must have reached the same stage of development.

Mixtures of flowers or mixtures of flowers with foliage of different genus, species or variety (cultivars) are, however, permitted so long as products of the same quality class are used and that they are appropriately marked.

C. Packaging

Packaging must protect the produce adequately. Paper or other materials in direct contact with the cut flowers must be new.

VII. MARKING

The following particulars must accompany the goods:

A. Identification

Dispatcher or Packer) Name and address or code mark

B. Nature of produce

- Genus,
- Species or variety (cultivar) or colour of flowers,
- Where appropriate, the word 'mixture' (or equivalent term).

C. Origin of produce (optional)

Region of origin, or national, regional or local name.

D. Commercial specifications

- Class
- Size (length code) or minimum and maximum lengths (optional)
- Number or net weight

E. Official control mark (optional)

F. Presentation (Regulation (EEC) No. 802/71)

If the number of flowers per unit of presentation does not correspond to the provisions of Section VI A, packages must be marked to show the exact composition of the units of presentation contained therein.