ABSTRACT:
The California Cut Flower Commission is a state government agency created to promote California-grown cut flowers and foliage. CCFC is responsible for representing all of California's cut flower and green farms. California flower farmers' largest competitors are South American farmers, particularly Colombian and Ecuadorian, who have benefitted from the 1991 Andean Trade Preference Act. The law cut import tariffs from South American nations on a range of goods, resulting in Colombia capturing 75% of the U.S. flower market. Meanwhile California's market share has decreased from 64% to 20%.

This paper evaluates the California cut flower industry's current transportation practices and investigates the feasibility and cost of establishing a shipping consolidation center in Oxnard, California. The problem is formulated using a Mixed-Integer programming model. The model estimates a 34.8% shipping cost decrease, $20M, if all California farms participated in the consolidation center. Our analysis of estimated cut-flower trade flows originating from Miami shows that the magnitudes of these flows are relatively sensitive to shipping cost, controlling for market size.

SPEAKER BIO:
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