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Analysis on Structure of Flower Market in Beijing

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Abstract with the socio-economic development and people's living condition improvement, the requirement for environment is higher and higher and the mental demand is also more and more. For this, Beijing Municipal Bureau of Landscape and Forestry listed survey programs of consumption demands of flower market in Beijing in 2014, and provided several recommendations in line with current situations, problems and environment of the flower industry, for future reference of flower decision making of Beijing. In March 2014, the authors carried out survey in flower market of Beijing and participated in survey of management of flower industry. In May of the same year, combining this study, they visited ten districts (counties), including Dongcheng, Xicheng, Chaoyang, Fengtai, Shijingshan, and Daxing, together with relevant flower researchers, and carried out in-depth survey in several districts (counties) with better foundation of flower industry. Besides, with reference to China Flower & Gardening News and China Flowers & Horticulture, and relevant literature, it summarized and sorted out many years of various materials and statistical data of flower industry in Beijing. On the basis of surveying different flower markets and production areas and analyzing relevant data, the authors visited famous flower enterprises and large flower production and sales households in Beijing, elaborated current situations of Beijing flower industry in industrial foundation, development environment, industrial distribution, product type, and circulation field, and pointed out major problems in product type, market structure, production cost, service system, and logistics channels. Finally, it came up with practical and feasible solutions, hoping to provide certain reference for excellent development of flower industry in Beijing.

Key words Flower in Beijing, Flower market, Solutions

China's flower market started from the 1980s and has made outstanding achievement with more than 30 years of development. According to relevant data about China's flower production in 2000 issued by the Ministry of Agriculture authorized by State Statistics Bureau, the production area of flowers and trees for green purpose accounts for more than 50% of flower production area of the whole country, and only 10% are used for cut flowers, cut leaves and seed corns. However, with rapid growth of flower consumption in recent years, the production area of fresh cut flowers and potted flowers is rapidly increasing. Flower production types are mainly traditional famous flowers and green seedlings. Beijing is a political and cultural center of China. Its flower market is changing to diversity, becomes gradually mature, and flower consumption ability is constantly rising. In recent years, with holding of international conferences and events, such as Olympic Games and APEC, Beijing's flower industry gets unprecedented development opportunity, gradually manifests its characteristics and advantages, becomes one of the most important flower producing areas in China, and can satisfy basic demands of different consumers for flowers. To study current construction situations of flower market in Beijing, we made field survey, analysis and summary of flower types, market management modes, price, supply and demand of representative flower markets in Beijing in April-August of 2014, including Huaxiang Flowers & Plants Market in south of Beijing and Oriental Meidu Flower Wholesale Market in north of Beijing.

1 Current situations of flower market in Beijing

Combining with the program "Analysis of Consumption Market of Flower Market in Beijing", we selected several typical districts (counties) of Beijing as key areas, mainly including Huaxiang Flowers & Plants Market, Huaxiang Flowers & Plants exhibition and sales hall, Longtan Lake Flower Exhibition and Science Popularization Event, and Beijing Nature Flower Market and Oriental Meidu Flower Wholesale Market. We mainly adopted field survey, interview and visit, and consulting relevant materials and literature. Survey items include product types, management modes, and organization of source of goods, etc. In the survey, we interviewed managers, ordinary workers of flower markets and stall owners.

1.1 Product types of flower markets in Beijing Through visiting flower markets and exhibition and sales centers of Beijing, we found that flower markets in Beijing are multifarious and of great variety, and major types are as follows.

1.1.1 Potted flowers.

(i) Ornamental foliage plants: ornamental foliage plants are plants with stems and leaves as major ornamental position. They are sciophilous, suitable for indoor green, and are essential parts of indoor flowers. Ornamental foliage plants can be divided into two types according to shape of leaves: leaf shape plants, such as *Chrysalidocarpus lutescens* H. Wendl. and *Monstera deliciosa*; leaf color plants, such as *Solenostemon scutellarioides*, *Stromanthe sanguinea* Sond, *Fittonia verschoffeltii*, etc.

(ii) Flowering plants: mainly appreciating flower color and shape. Flowering plants can be divided into calyx appreciating plants, such as *Salvia splendens*, *Mirabilis jalapa*, and *Strelitzia reginae*, and petal appreciating plants, such as *Antirrhinum majus*, *Pharbitis nil* (Linn.) Choisy and chrysanthemum, and peri-

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anth appreciating plants, such as clivia, lily, and tulip.

(iii) Cactus and succulents; stems and leaves have developed water storage tissue and have succulent, including *Aizoaceae Martinov*, *Euphorbiaceae*, *Cactaceae*, *Asteraceae*, and *Agaveamericana*.

1.1.2 Cut flowers.

(i) Fresh cut flowers; flowers, flower branches, fruit branches, leaves, and dry branches cut from flower plants. They are source materials of flower arrangement and are called flower materials, such as *Asparagus setaceus*, chrysanthemum, and *Dianthus caryophyllus*.

(ii) Dry flowers; dry flowers are made using natural flower materials through drying process, can be stored for a long time, and have unique characteristics. There are painted and unpainted dry flowers. Making dry flowers should select flowers containing little water. Dry flowers mainly include *Camellia japonica* L., *Hydrangea macrophylla*, *Viola tricolor*, *Gomphrena globosa* L., *Helichrysum bracteatum*, *Limonium sinense* (Girard) Kuntze, Chinese rose, winter jasmine, *Gypsophila paniculata* L., *Dianthus caryophyllus*, sunflower.

1.2 Current situations of production and sales of flowers in Beijing

In recent years, the flower industry of Beijing keeps rapid development speed. According to statistics of Ministry of Agriculture in 2008, the sales amount of flowers reached 7 000 million yuan in Beijing, accounting for about 1/10 of the whole country. The production scale of flower industry in Beijing is constantly increasing. Planting area has become certain scale and relatively centralized. The consumption of flower market in Beijing grows rapidly. For example, the sales volume of flower sci-tech park in Zhongguancun Science and Technology Park Zone reached 15 million in 2002, the flower enterprises realized sound development and flower types involve clean energy, the type is rich, marketing network is constantly expanding, and flower industry has become a rising industry with characteristics of market economy and being able to promote increase of farmers' income. In the end of 2013, the flower production area of Beijing reached 60 000 mu and the output value reached 920 million yuan. These include sightseeing agriculture type flower production, gardening and green seedling flower production, and many urban green and production scientific research base type flower production enterprises. There are 37 flower markets and 1 500 flower retail shops in Beijing.

The size of entire flower consumption market in Beijing is increasing constantly. In 2008, the production of parterre flower in Beijing accounted for 90% and high-grade potted flowers accounted for 30%. Annual demand of flowers grows rapidly. For the entire flower market of Beijing, flowers with highest sales volume are *Pachira aquatica* and *Epipremnum aureum* from Fujian and Guangdong, potted flowers such as chrysanthemum and azalea, and fresh cut flowers of Kunming such as carnation and rose. The number of flower sales sites in Beijing reached 1 500 by 2007, including 24 large flower wholesale markets. There are also some small private flower enterprises and households. The entire flower market of

Beijing takes on diversified development pattern.

1.3 Management modes of flower market At present, management modes of flower market in Beijing are mainly retail, while there are few wholesale markets. Basically, flowers management is separate household management and no operation of large enterprises. In the wholesale management, fresh cut flowers take up a great portion. The survey indicates that flowers are mainly purchased from Guangzhou, Fujian and Kunming. Beijing flowers are mainly purchased by domestic agents from flower production areas and sold through flower markets. In flower supermarkets, azalea, *Anthurium andraeanum* and *Bromeliaceae* plants have highest sales volume.

2 Existing problems in Beijing flower market

2.1 Weak government support Government department lacks specialized support policy and technical guidance for flower industry. It only provides support for infrastructure, but no great support for building flower brands, high efficient logistics delivery, breeding and cultivation of new varieties, flower material production and use, and propaganda of flowers.

2.2 Low scientific production level There is still a great gap between Beijing and advanced areas both at home and abroad in flower production facilities, flower breeding, cultivation technology, and technology innovation. Major problems are excess of supply over demand for low level flower varieties, while high level of flowers are in short supply; flower industrial structure and products are similar and lack difference and innovation; high quality seeds, seedlings and seed corms rely largely on import; the popularization of advanced production method is inadequate, and product quality is relatively low.

2.3 Lack of auxiliary facilities for flower production The industrial chain of flower industry includes breeding research and development, production and packaging, treatment after picking, logistics delivery, and after-sale services. Auxiliary facilities for all these processes perform practically no function. Taking logistics delivery as an example, there is still no complete cold chain transport system for flowers in Beijing and it lacks flower wholesale market and delivery system. For after-sale services, the retail terminal lacks cultural creative, failing to fully explore cultural value of flowers and satisfy individual demand of high end consumers. These are extremely not matching international metropolis image of Beijing.

2.4 Insufficient standardized management and guidance

In Beijing, there is no complete and standardized technological system for flower production. It is difficult for advanced technologies to extend in flower planting farmers. It lacks high standard flower varieties and there is no breakthrough in export market all the time. The relevant management and guidance are inadequate for establishing market, product quality standard, and environmental protection certification of flower industry. Extensive production and management modes will die out in the development of modern flower industry. Thus, it is urgent to further strengthen

management and realize transformation of industrial mode from extensive to intensive type.

3 Solutions for flower market in Beijing

3.1 Strengthening government support Government support plays a key role in development of flower industry. With support of government at all levels, establishment and management of flower market may realize sound and stable development. Survey indicates that flower markets with certain scale have support of government. The only difference lies in support strength. Even for private flower markets, they also make effort to seek government support. Most flower markets are township-run enterprises, the most successful flower enterprise Laitai Flower is district-level enterprise. It not only has support of Chaoyang District, but also is listed in model enterprises.

3.2 Improving flower production and management system

It is recommended to energetically develop cultivation and large-scale production of seed corms for characteristic flower varieties, such as lily, Chinese rose, *Phalaenopsis aphrodite* Rehb. F., *Anthurium andraeanum*, ornamental ferns, and ornamental seedlings. Besides, it is recommended to actively promote and implement standardized production of fresh cut flowers, such as cut lily, cut chrysanthemum and cut *Anthurium andraeanum*. In addition, it is recommended to further expand production scale of export oriented flowers, to realize large-scale effect of export-oriented flower production. Also, it is recommended to optimize specialized production of characteristic potted flowers, herbaceous flowers and ornamental flowers, and further strengthen development of various high-end fine flowers. Government should support development of primary processing products of functional flowers such as tea chrysanthemum, rose, marigold and dry flowers, and fully explore internal and external functions of functional flowers and realize production in production area. Finally, it is recommended to research and develop deeply processed products such as rose refined oil and marigold food coloring; explore application of medical and edible flowers in food industry; encourage development of functional flower foods and drinks.

3.3 Improving research and development and innovation ability

It is recommended to cultivate and improve seed corms, seedlings and seed production of superior flower varieties, and actively promote substitution of imported seed. Besides, it is required to attach importance to regional distribution planning, bring into play advantages of natural resources and species, and give full play to superior flower varieties of Beijing, increase comparative benefit of flowers, and realize no reliance on southern and foreign flower products.

3.4 Enhancing circulation system of flower market

Through guiding construction of flower brand garden center, it is

recommended to carry out cultural creative project of flower products, flower materials and flower design. Besides, it is recommended to support and guide construction of chain operation of flowers and fruits stores, to realize compound operation of characteristic agriculture and forestry products, such as flower products, fruits, and bee products. In addition, it is required to encourage development of terminal retail transaction oriented towards individual consumers and small size consumption groups, regulate and support flower renting service, garden supermarket, flower workshop, and energetically promote joint and combined sales of flower products with other products. Further, it is required to support first level flower transaction market to build specialized cold chain logistics system, and packaging and transport tracking service system. It is recommended to improve auxiliary system construction for flower market, regulate management of logistics and delivery, and constantly improve operation and management and service level.

4 Conclusions

As capital of China and also a political and cultural exchange center, Beijing has relatively developed economy and high purchasing power of consumption market, especially the quality of mental pursuit. Flower industry is a superior industry with high benefit and market potential. The flower market in Beijing has formed certain scale and the development situation is excellent. Sites of flower markets are generally located in centralized place of customers, stable consumption groups and supply channels. However, there is still a great gap with developed countries in research and development ability and innovation. Through survey and analysis, we concluded that it is required to make effort to develop leading flower brands of Beijing. Analysis of flower market structure of Beijing is helpful for obtaining better market management environment, better development prospect, and realizing further development and walking to the world.

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