

PRESS RELEASE

Floral Industry & Flowers Central Faces Logistics Challenges

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Faced with challenges created by diminishing airline service out of South America coupled with substantial fuel surcharges, Flowers Central, like floral distributor across the country, is experiencing delays and substantial challenges in receiving fresh flower deliveries. Flowers Central is a importer of fresh cut flowers, then distributes the fresh flowers throughout the United States. Their market is independent retail florists in rural America who needs the ability to fill their boxes specific to *their* needs versus buying a whole box of the same product which tends to be wasted at a huge cost to the florist when they are only able to sell a fraction of a full box of one item. By breaking down a box to fit the florists' specific needs for the week or for an upcoming event, it allows the florist to reduce their inventory on hand which benefits their bottom line.

Airlines that are bringing fresh flower freight out of Bogotá and Medellín, Colombia and Quito, Ecuador are cutting back on service due to their lack of profitability out of those airports. This has created a major “domino” effect on wholesalers like Flowers Central in the form of late arrivals in Miami, delayed port-of-entry inspections and missing important deadlines on refrigerated trucks heading north.. Some of the airlines are discontinuing all flights and others are reporting up to 75% of their flights experiencing delays.

Even with changing to “day ahead” service where Flowers Central requests that South American farms take the product to the airports a day earlier in hopes of meeting the strict Miami trucking deadlines, product still can get held up in government-run inspections. The Dept. of Agriculture, Customs and Border Protection as well as the Dept. of Homeland Security all play a role in inspections, making the time that it takes boxes to get through the system longer and longer. These challenges result in product arriving late at our facility, making for delays in deliveries to you, the retail customer. It is estimated that over 40,000 boxes per day move through the Miami inspections system industry-wide.

In addition, fuel service charges are steadily increasing due to the fluctuating price of crude oil, both from the airlines and the trucking firms. Like with any supply and demand situation, the remaining airlines that haul out of South America are raising their rates now that many others have discontinued service, in hopes of making their routes more profitable. Trucking firms are feeling the pressure at the fuel stations and seek more revenue by adding surcharges. These added expenses will put pressure on prices throughout the floral industry.

Is there a light at the end of the floral tunnel? We hope so! Flowers Central is a member of Premier Floral Distributors (PFD), one of the largest consolidations of fresh flower product coming out of South America. PFD has a finger on the daily pulse of shipping flowers out of South America and is doing everything possible to lessen the challenges. Hopefully, the airline rate increases will make the remaining airlines more profitable, which should result in more planes being assigned to those routes; this should mean less delays. As far as inspections are concerned, Flowers Central is monitoring the situation in hopes that all the agencies involved are aware of the delays and work towards better, more efficient inspections.

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