

Peirone Floral

To: Floral Managers
From: Kristina Miller
Date: April 2, 2021
Subject: Shortage

To our valued members:

What a strong year 2021 has proven to be for floral sales, last week sales in total US increased 48% year over year; and over the last 13 weeks our member retail sales are pacing more than 12% ahead of 2020. The floral industry has seen tremendous shift in demand over the past 8 months! What a difference one year makes; coming out of summer, 2020, there was increased demand in foliage and now this spring we are seeing significant shopper demand and tight market conditions affecting blooming and fresh cuts. Moving forward through June we are anticipating disruptions within the industry that will affect availability of product in many categories. Strong demand has been coupled with lower yields due to inclement weather in South America (for fresh cuts). Planting schedules were disrupted last spring which is causing further issues in blooming and foliage availability. We are also facing a lack of adequate air-lift capacity out of Colombia for fresh cuts. When taken together, these events have produced a near perfect storm of interruption within the floral industry.

Simply put there is a demand exceeds supply situation affecting the entire marketplace. Historically our fill rates have been near 100%; ability to source has rarely if ever been affected by market conditions like we are seeing now. Peirone is fully committed to mitigate supply disruptions and working to secure as much product as possible. Working together as one our members are positioned favorably sourcing as we continue to leverage the co-op sourcing position and lean in with existing suppliers and search options for new suppliers to fill member needs.

With that said, we are anticipating that we will experience product shortages and cuts to some orders over the next several months. Areas of concern in the near term includes roses as well as mixed flower bunches, we anticipate some shortages and numerous substitutions. These substitutions will be made in an attempt to keep the recipe integrity, but may be limited due to the flowers available at the time of the substitutions. On the blooming and foliage side we are seeing severe shortages of most crops due to interruptions with available cuttings and reduced planting last spring. We are fulfilling orders with new vendors and substitutions as they are available. Many farms have capped volume at prior year levels, so we are working to secure additional product to meet members increased needs.

We appreciate your partnership and understanding as we go thru this unprecedented time in the floral industry. Peirone will endeavor to keep you well informed and work with each member one on one to fulfill your orders to the best of our ability and offer alternatives wherever possible to capture additional sales.

Please feel free to reach out to me directly for more information.

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