

GROWERTALKS

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Floral Industry Braces for Tariffs

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On November 25, President-elect Donald Trump announced on Truth Social that he would sign an executive order on Inauguration Day to put a 25% tariff on products from Canada and Mexico, and an additional 10% tariff on imports from China, until those countries took meaningful action to stop the flow of drugs and illegal border crossings.

The announcement makes good on his campaign promise that included blanket 10% to 20% tariffs on imports from most countries and as much as a 60% to 100% tariff for China, revenue that Trump says would help offset tax cuts and increase American manufacturing.

U.S. importers pay tariffs which, if enacted, could shock the supply chain, decrease or stop imports of certain products, and/or raise prices and increase inflation, say experts.

Mike Black, president of Jet Fresh Flower Distributors in Miami, which relies heavily on Canadian-grown flowers, worries that U.S. importers will scale back purchases from Canadian and Mexican farms, as higher prices could make flowers from those countries less competitive compared to similar products from other countries.

“It’s going to be just as devastating to the growers in Canada as it is the buyers in the U.S.,” said Mike. “The Canadian growers are so focused on the U.S. that it’s going to be very painful for them.”

Frank Adams Wholesale Florist in Portland, Oregon, is already looking at sourcing some fresh products domestically.

“Our cut flower buyer is on the lookout for replacement product from vendors within the states, hopefully, with the same quality as we are accustomed to,” said GM Christy Hillman.

Here are practical tips on how to prepare and pivot if needed:

■ **Shore up your relationships:** Florists’ relationships with their wholesalers may be more important than ever if tariffs lead to decreased availability for certain products.

■ **Push up big purchases:** If you’re planning to buy a big-ticket item next year that could see a sizable price increase from higher tariffs—such as computers or a delivery van—buy it now. Even if the products are assembled in America, they could include imported parts that could drive up the purchase price.

■ **Review your event contracts:** If you don't already have a contract clause that says estimates can change based on market prices, or that you can substitute similar items based on price or product availability, now is the time to add one. If the price of proposed products increases significantly before the event date, ask customers how they'd like to proceed. Some may be willing to pay more for their favored flowers, while others may prefer to scale back or select less expensive blooms.

■ **Build relationships with your representatives:** Let them know how proposed tariffs or other legislation could affect your business and the industry.

■ **Be willing to change your prices:** If the cost of your materials increase 10% or 20% that should be added into the cost of your final product.

■ **Don't panic:** Panicking can lead to stockpiling hardgoods, which can cause artificial scarcity and can drive up market prices. Stay up to date on legislation and policy as they're announced.

■ **Look to past experiences:** If the proposed tariffs are implemented, raising the cost of imported flowers and/or hardgoods, producers and retailers should deal with them like you would any price increase from a supplier. Shop around, buy in bulk to take advantage of lower rates and seek out substitutes. Lean on your experience of surviving the pandemic shortages and inflationary price increases.

—*Laurie Herrera, Society of American Florists*

Court Grants Stay on Labor Rule

Judge Sul Ozerden, ruling in the U.S. District Court for the Southern District of Mississippi, issued a nationwide Section 705 stay in November, temporarily halting enforcement of certain provisions of the Department of Labor's (DOL) recently implemented H-2A Worker Protection Rule.

The court ruled that the DOL lacks the authority, under § 1188(c)(3), to regulate labor relations for H-2A employees. This ruling is broader than previous decisions, effectively ending the challenged provisions of the rule, marking a significant win, as it strengthens the legal precedent that the DOL lacks authority to implement such expansive labor regulations.

AmericanHort and co-plaintiffs argued that the regulation is both unconstitutional and exceeds the DOL's statutory authority. We contend that the rule imposes unlawful requirements on agricultural employers, resulting in significant disruption within the farming industry.

The court's ruling offers crucial relief to farmers nationwide who rely on the H-2A program for seasonal labor. The stay applies to specific provisions of the rule, which pertain to labor organization and labor rights. The plaintiffs maintained that these provisions infringe upon the First Amendment, impose undue burdens on employers, and have caused—and will continue to cause—irreparable harm to the delicate and essential balance within the American agricultural industry.

—*Matt Mika & Ken Fisher, AmericanHort*

A Look at Ag & DOL Cabinet Picks

President-elect Donald Trump has nominated Brooke Rollins, president and CEO of the America First Policy Institute, as Secretary of Agriculture. A Texas native with a background in farming and agricultural leadership through FFA and 4-H, Rollins brings a mix of grassroots and policy experience. She holds degrees in agricultural development and law and previously served as Trump's Domestic Policy Council director. She previously led the

Texas Public Policy Foundation for 15 years. While Rollins has limited public agricultural policy credentials, her conservative advocacy, including efforts to ban Chinese ownership of U.S. farmland, aligns with Trump's agenda. If confirmed, she will oversee the USDA's \$430 billion budget and collaborate on food and agriculture policy.

Trump has also chosen Rep. Lori Chavez-DeRemer (R-OR-05) to lead the Department of Labor (DOL). Rep. Chavez-DeRemer, who lost re-election a few weeks ago, is a one-term Republican congresswoman with a notable pro-labor stance. She supported measures like the PRO Act and protections for public-sector workers, gaining union approval uncommon in her party and was also active in the House Agriculture Committee's bi-partisan Agricultural Labor Working Group (ALWG) to address the worsening labor shortages in the agricultural sector, which are compounded by high production costs and thin profit margins.

If confirmed by the Republican-controlled Senate, Rep. Chavez-DeRemer could face challenges balancing her labor-focused record with the administration's corporate-leaning agenda while also navigating controversial issues such as immigration policy and labor statistics integrity.

—Matt Mika & Rachel Pick, AmericanHort

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