



California Association of
Flower Growers & Shippers

2018 Member Meeting

September 11, 2018

Westin Mission Hills

Rancho Mirage, CA

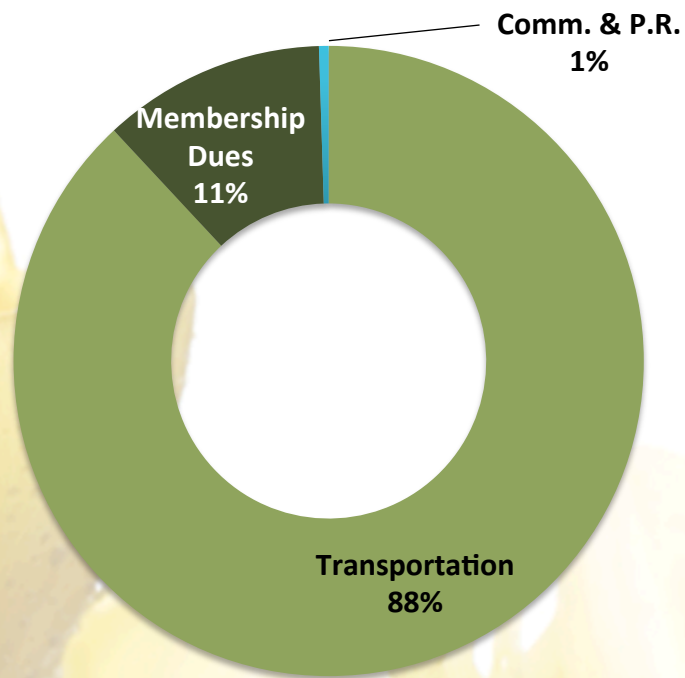
State of CalFlowers

- Consolidated Financial Picture (Assoc. & LLC)
 - Sources of revenue
 - Allocation of resources
- Member Profile 2018-19 (Current Year)
- Transportation Programs
- Marketing Program Plans for 2018-19
- Calls to Action

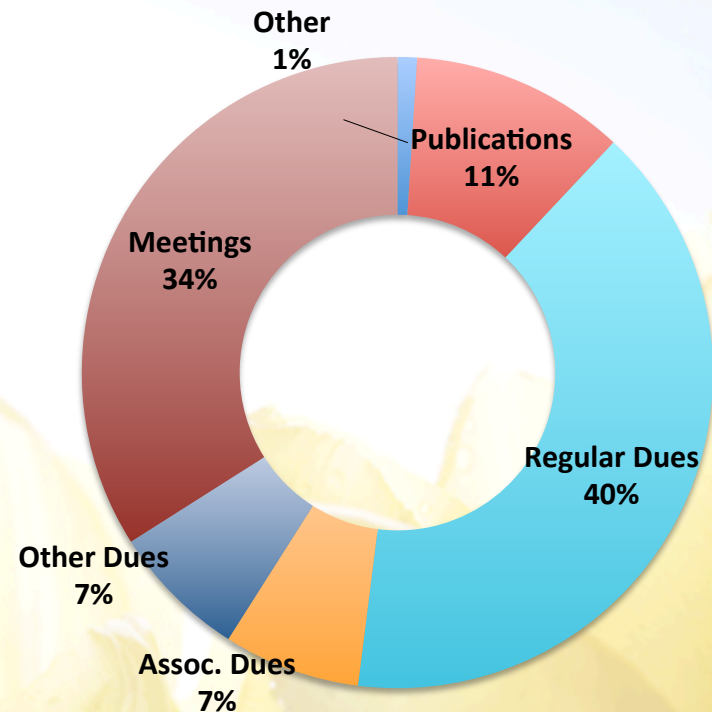
STATE OF FINANCIAL AFFAIRS

2017-18 Revenue Sources

CalFlowers & LLC



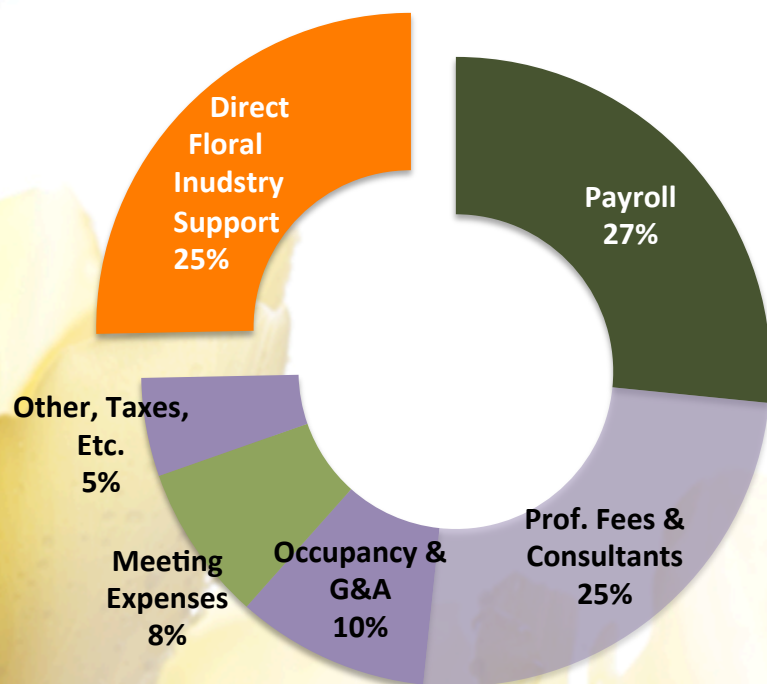
Industry Averages †



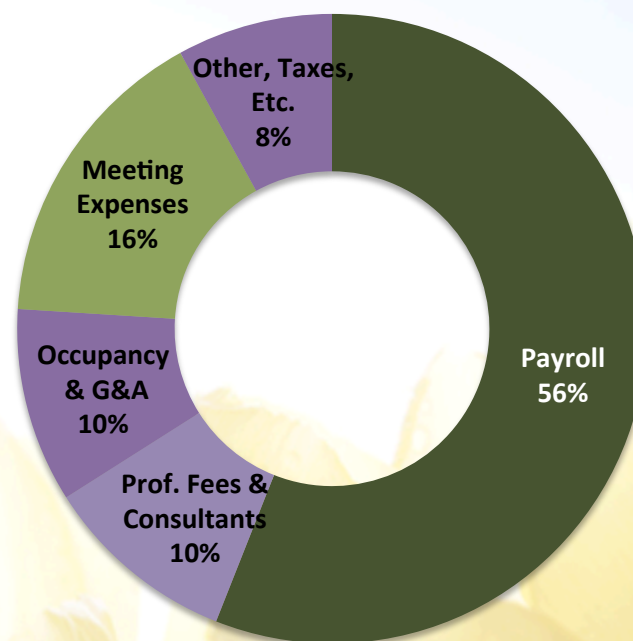
† 15th Edition, ASAE Operating Ratios; © 2016; 495 trade associations w/budgets between \$1M and \$2M

2017-18 Allocation of Resources

CalFlowers & LLC



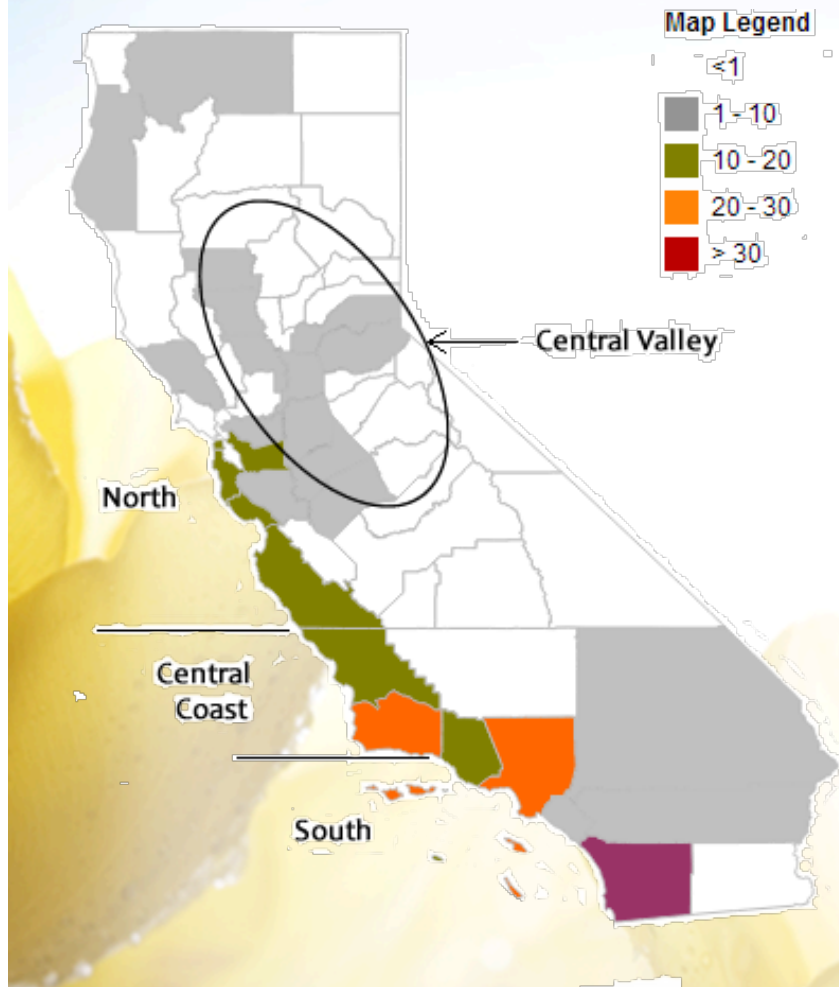
Industry Averages †



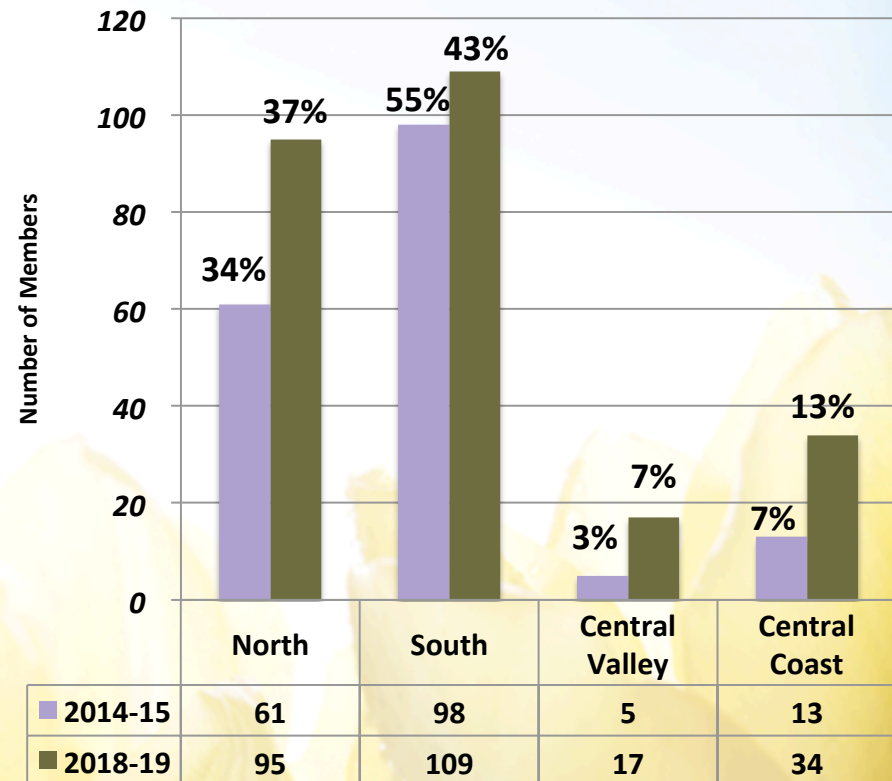
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MEMBERSHIP PROFILE: 2018-19

2018-19 Member Profiles – Floral



2014-15 vs. 2018-19 – Floral Members



2014-15 = 177

2018-19 = 255

44% Increase

2018-19 Associate Member Profiles

≈ 445 Nationwide

Alaska 23
Hawaii 3

In 47 states, not including California

25% Net Growth since 2016

Map Legend

- <1
- 1 - 10
- 10 - 20
- 20 to 30
- > 30

Map Legend

≤1

1 - 10

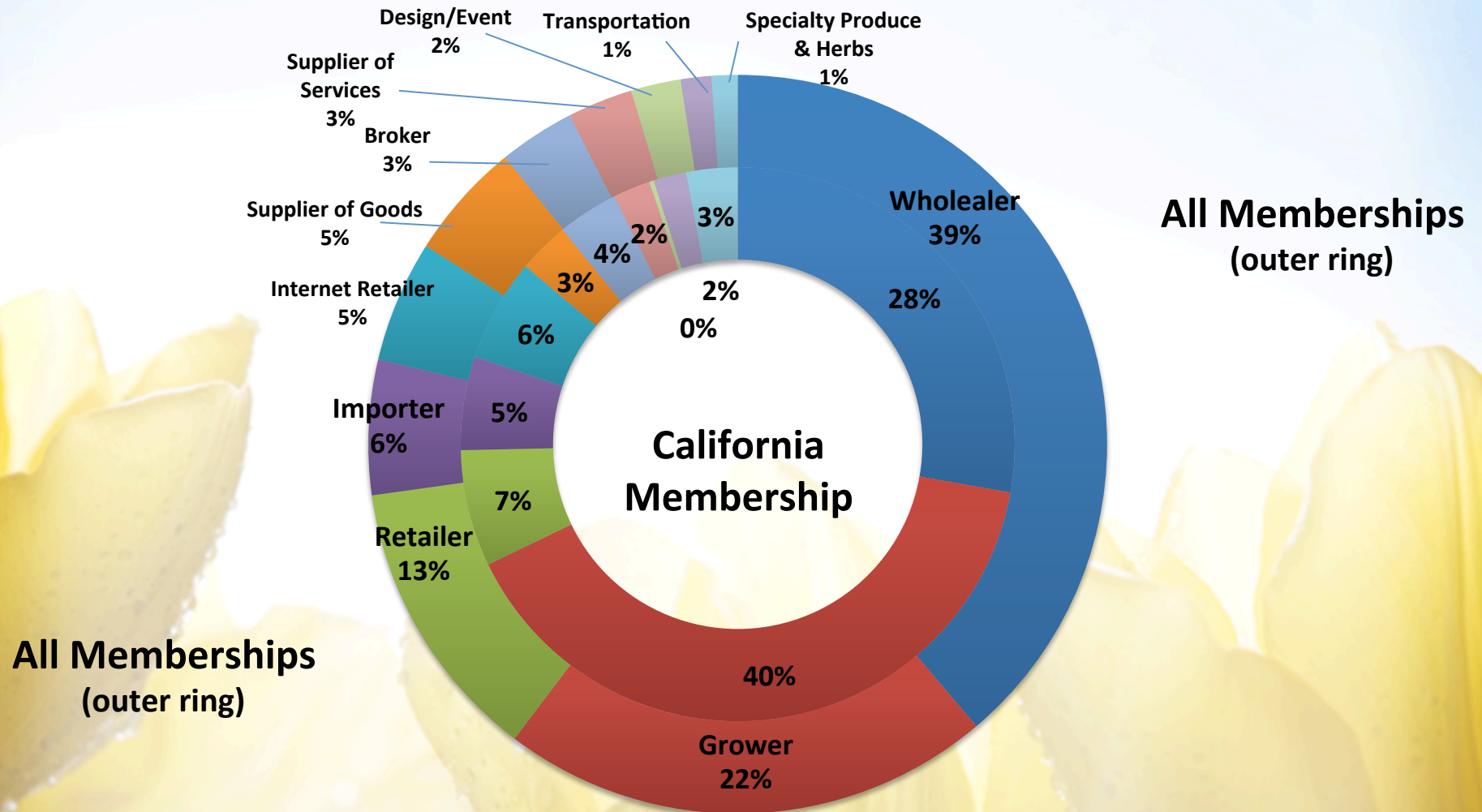
10 - 20

20 to 30

> 30

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Current Membership by Line of Business



TRANSPORTATION PROGRAM ACTIVITIES (SHIPMENTS)

Existing Programs

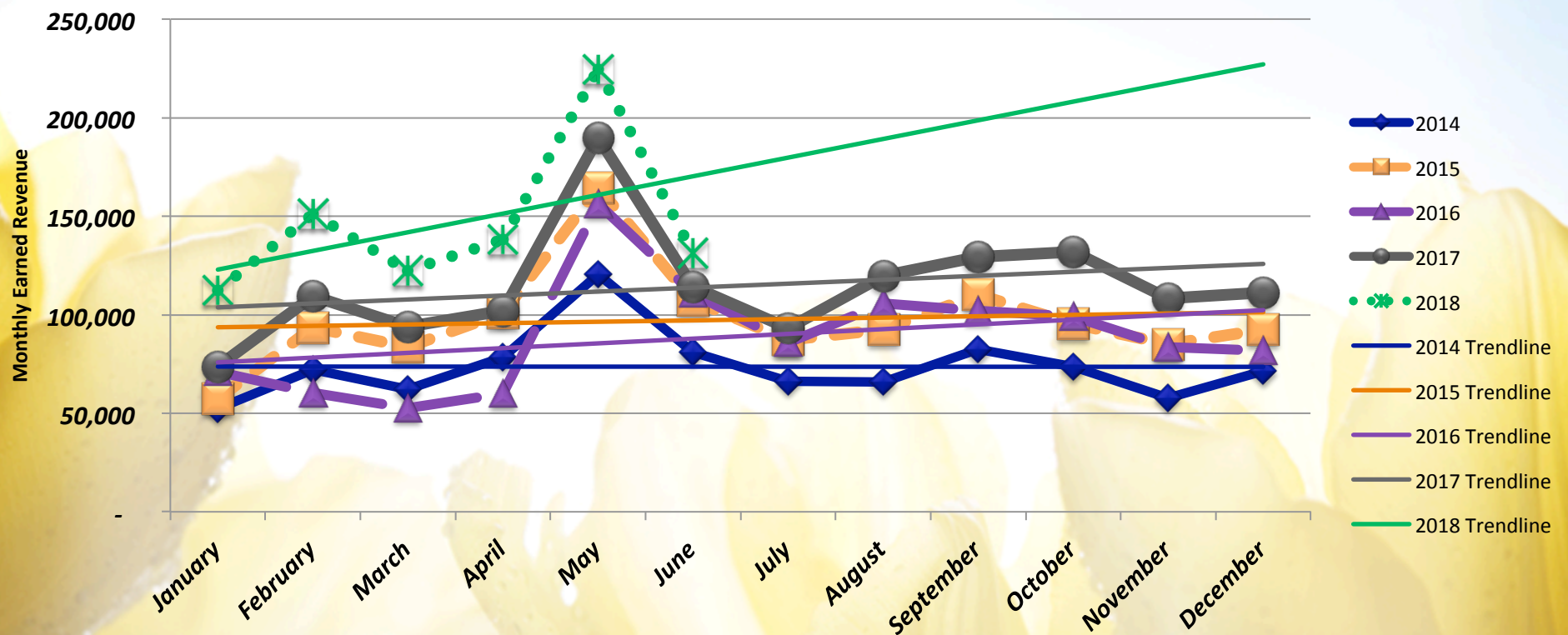
- FedEx – Domestic
- FedEx – IPD
- GSO
- OnTrac
- Airlines

FedEx® Program – Highlights

- CalFlowers' exclusive FedEx rates for FedEx Express® services with excellent discounts on FedEx Priority Overnight® and FedEx Standard Overnight® rates.
- Shippers discounts apply to inbound, outbound and 3rd party shipments. Discounted residential delivery is also included.
- Members enjoy special seasonal benefits such as Saturday pickup and delivery surcharge discounts.
- FedEx Ground® service is also available at a discount, depending on weight.
- A specifically negotiated DIM Factor enables CalFlowers members to price shipments closer to their actual weight, further reducing costs on FedEx Express.

FedEx Domestic

FEDEX EARNED DISCOUNT REVENUE 2014, 2015, 2016, 2017 & 2018



FedEx IPD

(Int'l PriorityDirect Distribution®)

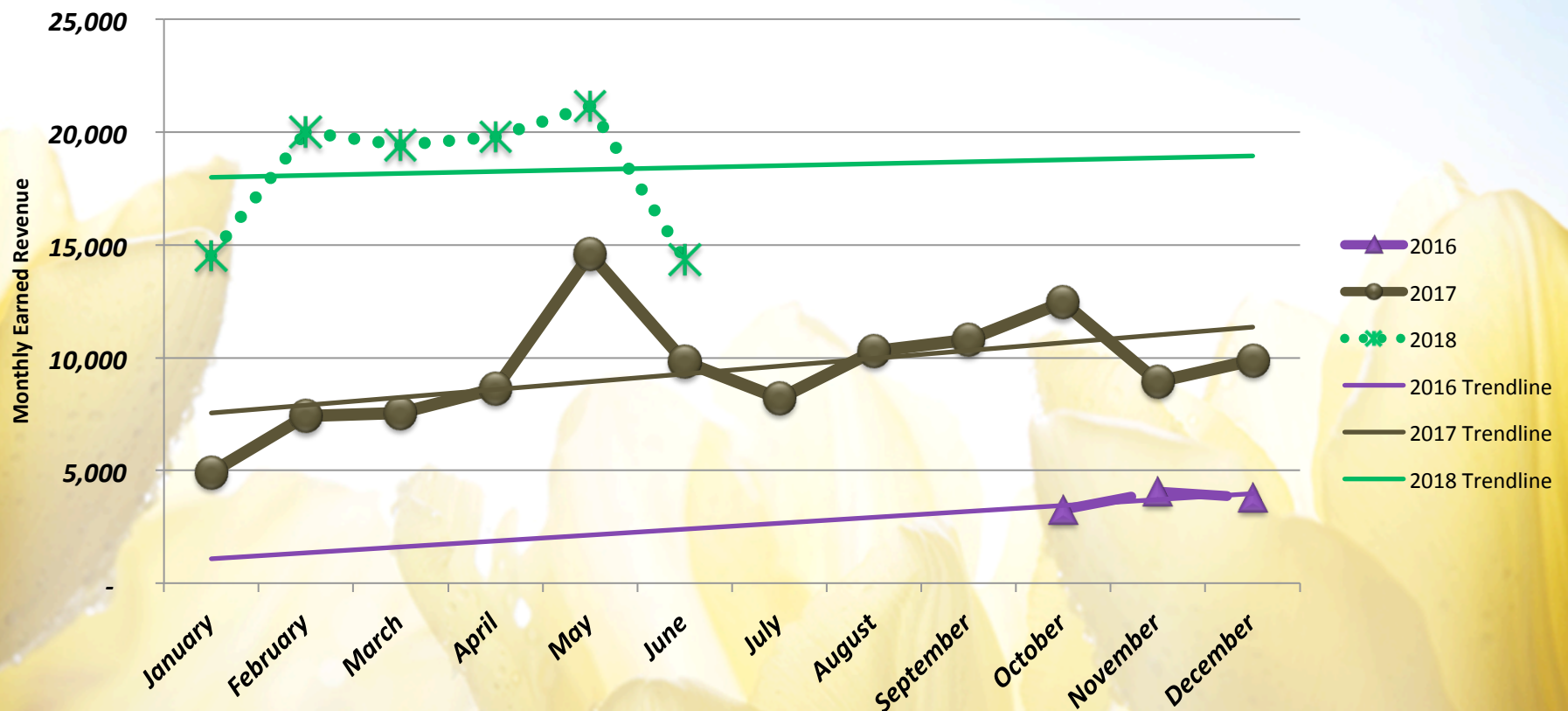
- Program is operational but is limited to experienced highly qualified member shippers
- FedEx IPD offers a 3-day D2D International service
- For more information please contact Chris Johnson to learn how to apply and participate.

Golden State Overnight (GSO)

- Comprehensive D2D ground service –overnight/2-day shipping within: CA, NV, AZ, NM; recently adding: ID OR, UT & WA – 8 Western States!
- Exclusive member rates discounted over 70%
- GSO owns equipment, terminals and retains their own employees. They do not subcontract out services of their tightly controlled network.
- This will also generate an earned rebate for the Association, much like FedEx and OnTrac today

Golden State Overnight (GSO)

GSO EARNED DISCOUNT REVENUE 2016, 2017 & 2018

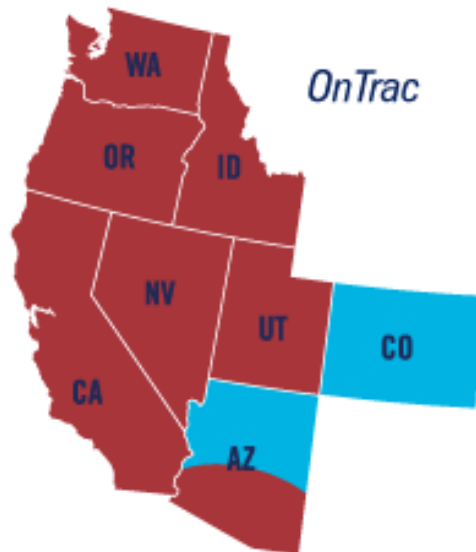


OnTrac

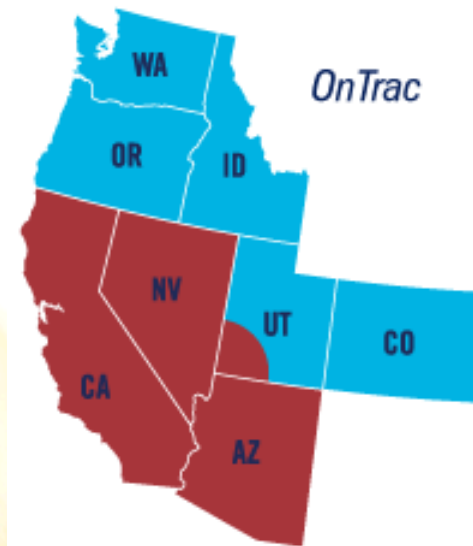
- Shipping rates discounted well over 70%

ONTrac Service Networks:

From Reno, NV



From Los Angeles, CA



Transit Days

1

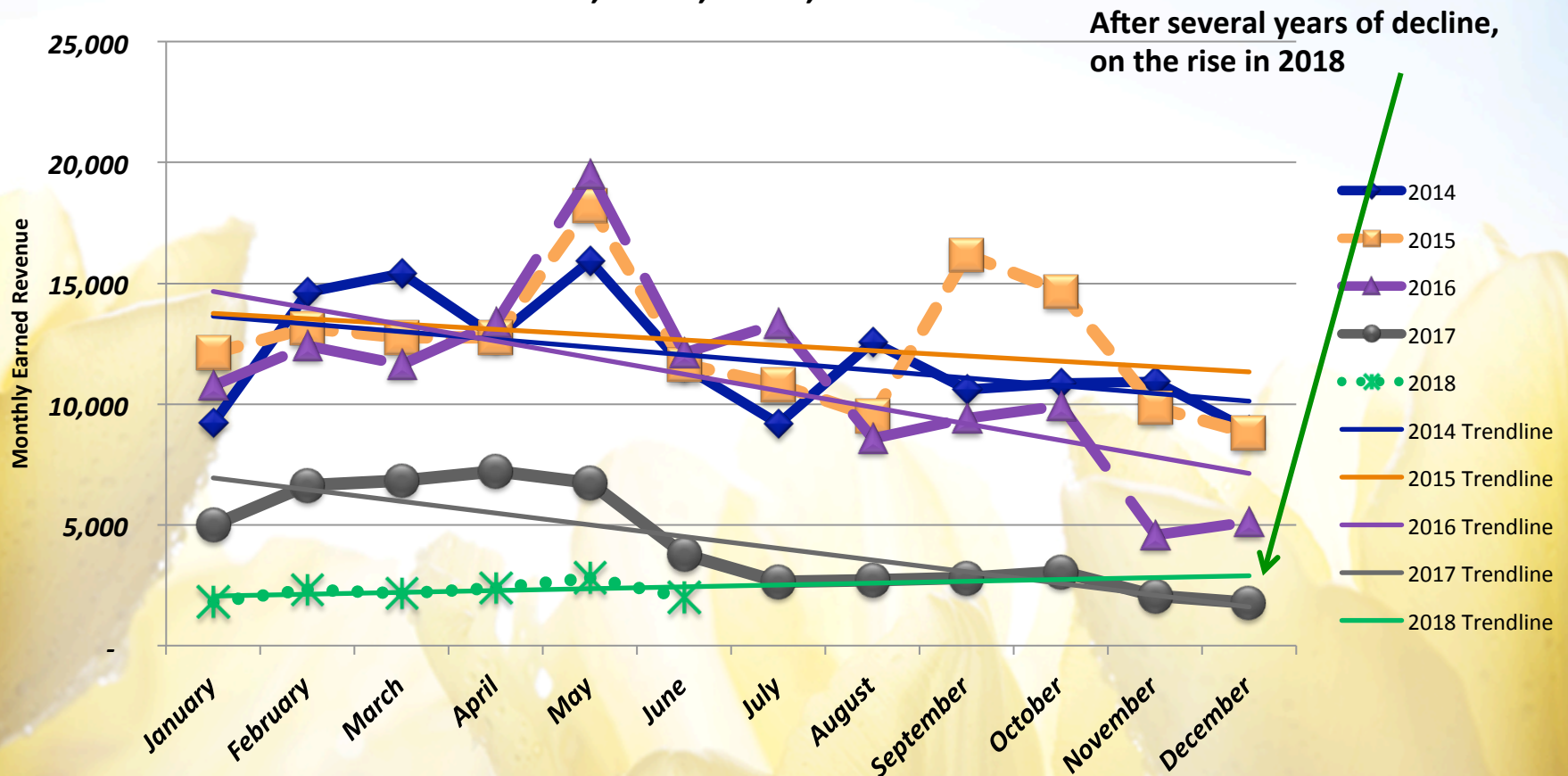
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3

- Change: direct invoicing from OnTrac to our members

OnTrac

ONTRAC EARNED REVENUE 2014, 2015, 2016, 2017 & 2018



Airlines Partners





MARKETING INITIATIVES 2017-18

Fun 'N Sun: July 24 – 27, 2019

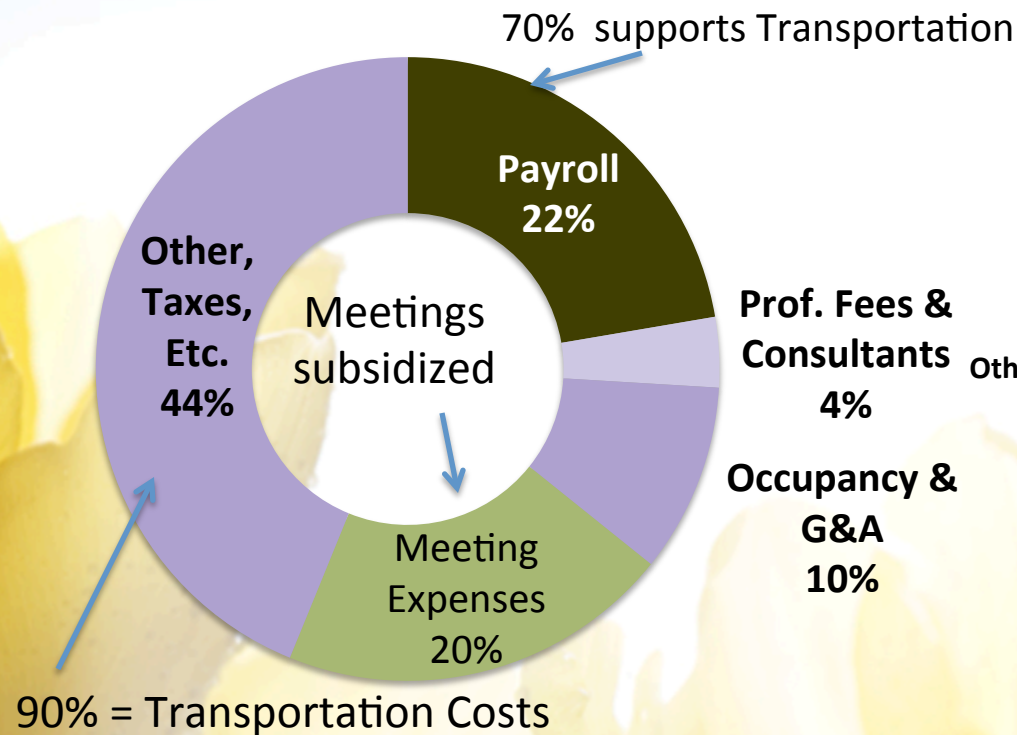
Hilton Santa Barbara Beachfront Resort
Santa Barbara, CA

The Committee meets regularly...

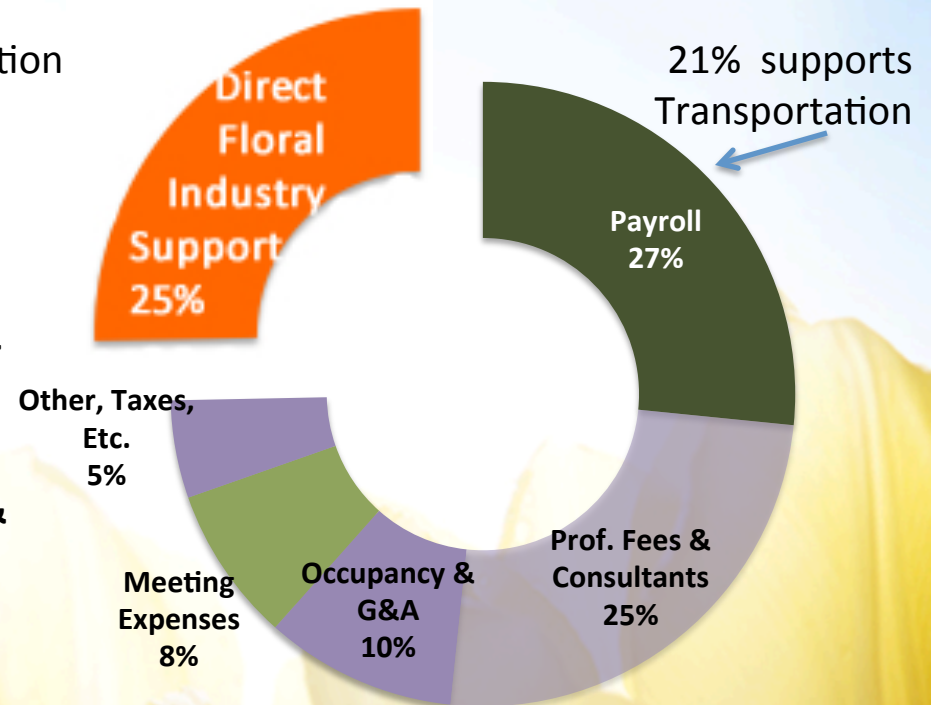
Interested to being part of the Fun 'N Sun Committee?

From discount buyers' club to “mission driven”

CalFlowers & LLC – 2013-14



CalFlowers & LLC – 2017-18



CalFlowers' Aspirational Theme:

More Americans, enjoying more
flowers, more often...

Momentum Builders...

- Women's Day Promotion
(in collaboration with Asocolflores)
- State Floral Association
Support Program – **New**
- Memorial Day Flowers
40 Nat'l cemeteries 2018 -> 80
by 2022 and shift to purchasing
2/3rds vs. donated flowers



More
under
consider-
ation in
coming
year



Momentum Builders...

Industry trade show support:

- Product Showcase, general sponsor and consistent attendance • co-locating this year's Member Meeting w/SAF
- WF&FSA – Floral Distribution Conf.
October 16 – 18, 2018 • Miami, FL
- World Floral Expo
March 20 – 22, 2019 • Dallas, TX



Momentum Builders...

Industry trade show support, continued:

- AIFD 2018 National Symposium Sponsor
July 2018 • Washington, D.C.
- California State Floral Association
CaliFloral Annual Convention, and
California State Fair • Summer 2018
- Texas State Floral Association
Various state conferences 2017-18



Momentum Builders...

Education & Scholarships:

- CalFlowers Scholarship
- Management Institute
Summer 2018
- Texas State Floral Association
Support to grow # of qualified high school
teachers to grow their successful high school
floral programs around the state



Momentum Builders...

Research & Governmental Relations:

- Thrips & Botrytis Research Project
- Legislative Advocacy in California Sacramento
- Congressional Action Days Washington, D.C.



Momentum Builders...

Market Research – Consumer:

- Why do consumers buy flowers?

Commissioned consumer market research firm to conduct studies to better understand the motivations of consumers who buy flowers;

- Results expected by end of month
- Will consider engaging firm to develop creative campaigns
- Fully intend to share what we learn with floral industry



Summary since 2014...

- Net growth of 29% in Membership
- Net growth of 33% in Annual Revenue
- Net growth of 17% in Reserves
- Re-investing in Floral Industry with at least 26% of annual operating revenue!

Calls to Action...

- Committee opportunities for making a difference:
 - Fun 'N Sun Committee
 - Marketing Committee
 - Transportation

Round Tables – how they'll work

Transportation & Issues



Fun 'N Sun 2019

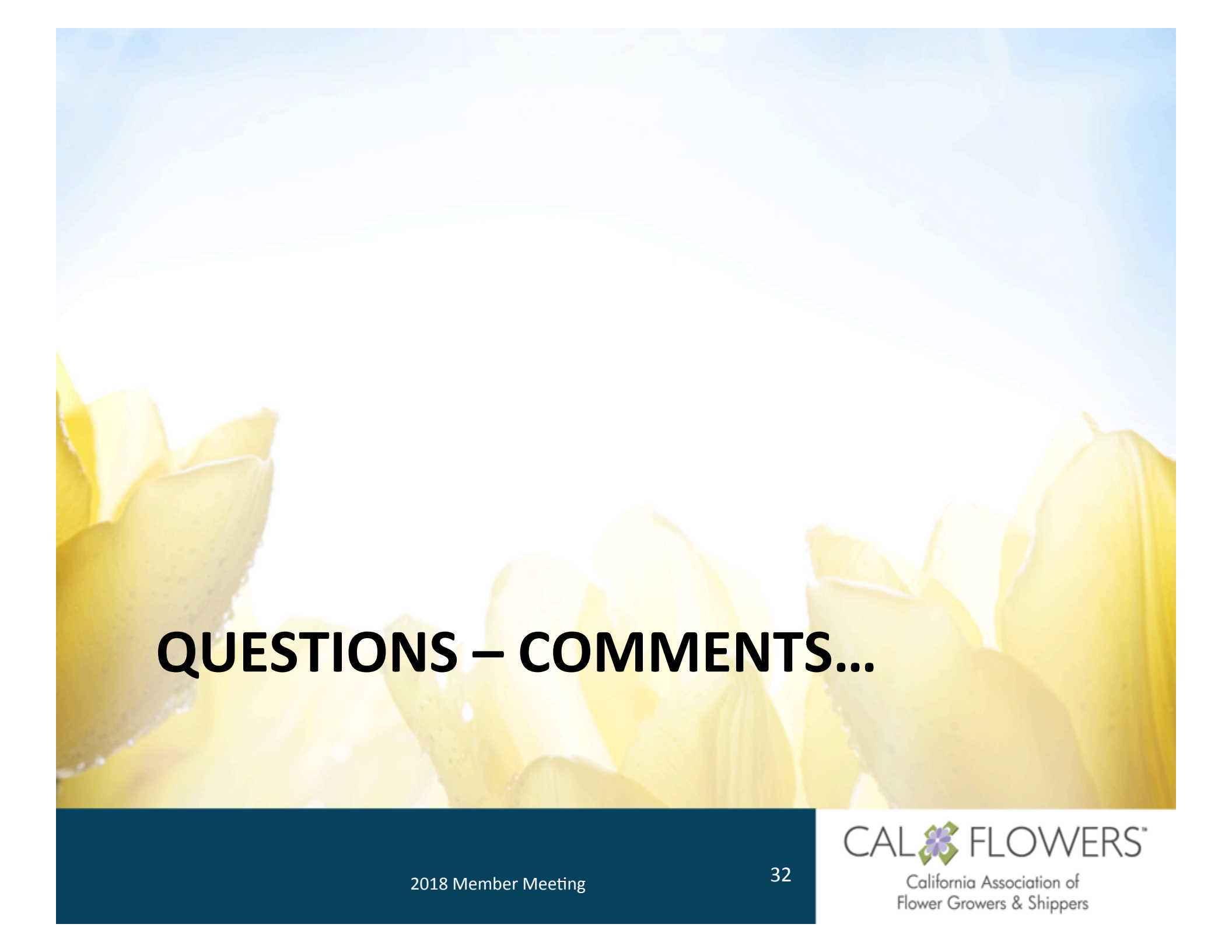


Promotions & Programs



Choose 2:

- Each table has a moderator and a scribe.
- After 30 minutes, switch tables;



QUESTIONS – COMMENTS...

STRATEGIC PLAN: 2014 - 2018