House Foreign Affairs Committee Tom Lantos Human Rights Commission

Hearing on Promoting Labor Rights in the Cut Flower Industry

> June 5, 2025 - 2:00 p.m. 2255 Rayburn House Office Building

Statement of Christine Boldt Executive Vice President Association of Flower Importers of America (AFIA)

Good afternoon Co-Chair McGovern, Co-Chair Smith and everyone. Thank you for allowing me to be here today to speak on behalf of the cut flower industry.

Summary of Current Cut Flower Industry

The United States cut flower importing industry has come a long way since the late 1960's when a United States professor went to Colombia and determined that growing carnations there could be a big opportunity and it was close to ship to the US. Being close to the equator gives Colombia and other countries the advantage of having the same temperature all year long and provide ability to commercially grow flowers all year. Not only did Colombia have good growing weather, but it had available land and labor to work on the farms. Jobs on flower farms were legitimate jobs and opportunities for many including women who did not have employment opportunities especially in rural areas. A majority of these women are also head of households so, providing an ability to support their families.

Currently about 85% of the flowers that are imported into the United States come from two important trading partners, Colombia and Ecuador. In total we import more than 9 billion stems from countries all over the world. Colombia has about 10,500 hectares of production, Ecuador has over 5,000 hectares.

Worldwide there are other high production important growing regions such as the Netherlands, Kenya and Ethiopia. The Netherlands have been providing flowers to much of Europe and some come the to the US. African countries such as Kenya and Ethiopia provide most of their production to Europe with a small amount coming to the US.

The importing cut flower industry does not feel that we compete with the flowers that are grown in the US, but compliment them. In the US they grow specialty and novelty products that get put together with the flowers that are imported. California is the largest growing state in the US and over the past 10 years many US growers have expanded their operations to Mexico due to land, labor and water issues that they face growing in the US. These flowers are then trucked across the border and combined with the US flowers.

Over the years the cut flower industry has grown significantly and currently supporting about 200,000 formal jobs in Colombia of which 110,000 are direct positions. In Ecuador about 120,000 jobs of which half are direct jobs. Kenya has about 200,000 people directly employed in the floriculture sector and Ethiopia has about 200,000 direct and indirect jobs. In order to support these jobs most of the farms provide a lot for the employees such as: above minimum wages, social security, doctors and dentists who come to the farms, onsite daycare, transportation, education, etc. Associations such as Asocolflores in Colombia provide training to HR Managers and company leaders regarding ILO standards and provide guides for good practices in labor relations.

Industry Opportunities for Standards

Growing in countries such as Colombia, Ecuador and Kenya that are close to the equator can provide more sustainably grown flowers year round and has provided a business opportunity for those countries. Reviewing sustainable products is not just about the transportation, but it is about the entire growing cycle of the flowers.

Over the years there have been many sustainable labels that have been created to help provide guidance for the farms. For things such as environmental, labor and social issues.

In Colombia, Florverde was started more than 25 years ago for the farms to do the right thing before sustainability was even a topic and is now available as a 3rd party label to any farm worldwide. It is overseen by 3rd party certification bodies. Flor Ecuador was started more than 10 years ago to provide guidance for the farms in Ecuador. Wordwide there are several schemes such as Globalgap and others.

Because there were so many different labels available and a push from customers to be more sustainable many of the groups came together to provide industry worldwide information to all involved in one place, which started the Floriculture Sustainability Initiative (FSI). One thing that many in the industry knew was that it would be too hard to come up with one label that would fit all countries and circumstances. So, FSI provides a guide for not only the farms but the customers with information to make good business decisions.

In today's environment with major customers, supermarkets and mass markets, they are very focused on making sure that their suppliers are not only saying they are doing the right thing but they are also going to the farms to check on the processes to make sure that they are doing the right things. Many flower farms are so large and provide flowers to their major customers are not going to risk their commercial business so they are part of one or more of the certifications and comply with the requirements.

US Importing Requirements

All flowers that are imported into the United States must be marked with the country of origin. All boxes that arrive have to marked. For bouquets that are going to be sold in the supermarkets or mass markets the country of origin is required to be on the sleeve or label so that the ultimate purchaser is informed of where the flowers were grown. This is overseen by Customs and Border Protection regulations. See the included Marking Cut Flower Handout for details.

There are so many other things we could talk about, but the time is limited. So, I would be happy to answer any questions that you might have about this important topic.

Include attachments:

Marking Cut Flower Handout



U.S. Customs and Border Protection

Marking Cut Flowers

The trend of importing consumer-ready, fresh cut flower bouquets, or assembling such articles upon importation for sale directly to retailers, has increased in recent years, making it necessary to address the marking of this particular commodity. This fact sheet discusses the country of origin marking requirements applicable to fresh cut flowers imported into the United States.

General Requirements for Marking

All commodities imported into the United States must be marked with the country of origin. The country of origin is the country in which the commodity is manufactured, produced or grown. The purpose of marking is to inform the 'ultimate purchaser' in the United States of the country in which the imported article was made. The ultimate purchaser is generally the last person in the United States who will receive the article in the form in which it was imported. It is imperative that the marking be in a conspicuous place, as legibly, indelibly and permanently, as the nature of the article (or its container) will permit, and in such a manner as to indicate to the ultimate purchaser in the United States the English name of the country of origin of the article. (See 19 U.S.C. § 1304 and 19 CFR Part 134.)



Reasons for Marking

- The consumer has a right to know.
- Allows the consumer to be selective about purchasing certain products made in certain countries.
- Allows CBP to maintain commodity statistics of import volumes.
- Allows U.S. manufacturers to analyze competition.
- Allows U.S. manufacturers and/or distributors of licensed commodities to track counterfeit goods.

Marking is required by law (19 U.S.C. § 1304 and 19 CFR § 134.11); however, there are exceptions to the rule. 19 CFR § 134.33 lists certain commodities which are excepted from individual country of origin marking. This list is known as the J-List. "Cut flowers" are excepted articles set forth on the J-List. Thus, if fresh cut flowers are imported in bulk and are not sold to retail customers in a pre-packaged outermost container, they are not required to be individually marked, but some marking is still required.

For any J-List article, for example cut flowers, which is imported in a container, the outermost container (shipping carton) in which the article ordinarily reaches the ultimate purchaser is required to be marked to indicate the origin of its contents. If an article on the J-List is repacked in a new container for sale to an ultimate purchaser after its release from CBP custody (for example, the fresh cut flowers are put together into bouquets), or if the Center of Excellence and Expertise (Center) director has reason to believe such article will be repacked after its release, the importer must certify to the Center director that:

- If the importer does the repacking, the new container will be marked to indicate the country of origin of the article according to the marking requirement.
- If the article is intended to be sold or transferred to a subsequent purchaser or repacker, the importer will notify such purchaser or transferee, in writing, at the time of sale or transfer, that any repacking of the article must conform to the aforementioned requirements.

In any instance in which the above scenarios may occur, the importer, or its authorized agent, must sign a statement certifying that the commodity was repacked in a new container while in the importer's possession, and the new container, unless excepted, must be marked in accordance with the requirements of 19 U.S.C. § 1304 and 19 CFR Part 134. Furthermore, the importer, or its authorized agent, must certify

that if the commodity is intended to be sold or transferred to a subsequent purchaser or repacker, the party will be notified in writing, at the time of sale or transfer, of the marking requirements.

The certification statement (example on right) may appear as a typed or stamped statement on an appropriate entry document or commercial invoice, or on a preprinted attachment to such entry or invoice; or it may be submitted in blanket form to cover all importations of a particular product for a given period (e.g., calendar year). If the blanket procedure is used, a certification must be filed with CBP, either at the port of entry or electronically.

Advance Ruling Program

In order to help facilitate legitimate trade, CBP recommends requesting a binding advance ruling. Any person or business that plans to import a particular product into the United States may request a binding ruling from CBP. A ruling is a written decision in the form of a letter issued by Regulations and Rulings pursuant to 19 CFR Part 177 that informs the requester how CBP will treat a good or conveyance when it is imported into or arrives in the United States. In other words, the ruling letter may discuss the appropriate tariff classification, country of origin marking of the good, the country of origin for purposes of determining the duty rate of a good, etc., for a prospective shipment. The purpose of a ruling letter is to enable the trade to make business decisions that are dependent on how the goods will be treated upon importation. Once issued, a prospective ruling is something members of the trade can rely and depend on wherever the goods are imported into the United States.

CERTIFICATE OF MARKING BY IMPORTER-REPACKED ARTICLES SUBJECT TO MARKING (Port of entry)

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Image of Certification of Marking by Importer Statement



Trade stakeholders are encouraged to submit ruling requests electronically via the Electronic Ruling (eRuling) Template, which is transmitted directly to the National Commodity Specialist Division (NCSD) in New York. Please visit <u>https://erulings.cbp.gov/s/</u> to start your request. To learn more about the requirements for filing a ruling request, please visit <u>https://www.cbp.gov/trade/rulings/eruling-requirements.</u>

e-Allegations

If you suspect there are companies engaging in illicit trade activities and not abiding by the rules, you are encouraged to visit U.S. Customs and Border Protection's e-Allegations portal. The portal provides a means for the public to report to CBP any suspected violations of trade laws or regulations related to the importation of goods into the United States. These types of violations include misclassification of merchandise, false country of origin markings, health and safety issues, valuation issues, and counterfeiting. When filing an allegation, please be as specific, detailed, and concise as possible to help expedite the complaint. Please visit https://eallegations.cbp.gov to report the allegation.

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