

The Horticulture Industry in China: Situation and Trends

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Keywords: Chinese nurseries, international horticulture, nursery exports, nursery imports, *Photinia*.

Abstract

The Nursery Stock Branch of the China Flower Association was founded in 2009 and is one of 14 branches of the CFA. The Nursery Stock Branch focuses on its 300 corporate, nursery stock-producing members and covers almost 62% of the horticulture business in China. In China, the government and society play quite different roles. The government focus on the policy making, which is a powerful section and takes active position. Society helps the government to standardize industry development without

any authority and simply links business partners together by activities, conferences, exhibitions, etc., which is passive behavior. Since 2015, China has changed the approach from a government-led position to a market-leading position and provided policies to meet supply-side reform. The horticulture industry has much room for further development. The Chinese government pays much attention to environment protection, including water, soil, and even air improvement. A greening industry will be more prosperous.

TYPES OF NURSERIES IN CHINA

Most nurseries in China are privately owned, except for forestry nurseries, which belong to the state government. China has different kinds markets than do other countries, but only the horticulture production nurseries provide products to the final customers; these are the retail and wholesale garden centers, which may also market plants via an e-commerce platform. The other types of nurseries are all wholesale

businesses, but with different types of marketing distribution. The storage nurseries provide plants to their own landscape construction projects. The business nurseries focus on production for cash-and-carry business. The investment nurseries pursue high quality and high value products to maximize their property, such as large bonsai plants of *Podocarpus* introduced from Japan and container-grown plants of special varieties from

the United States. Under a changing approach, China has started public-private partnership programs upon which many characteristic towns are being built and includes some specialized nurseries around these areas. These nurseries attract some tourists from the small town and enhance the landscapes.

PLANT PRODUCTION IN CHINA: AN EXAMPLE

I would like to use an example to explain plant production in China and help you to understand how incredible the market is in China. *Photinia* 'Red Robin' was introduced from the United States and Japan in 2002 by the Senhe Company. At that time, I was working in the international trade business. The president of the Senhe Company was Mr. Zheng Yong Ping, (his English name is Paul), and he had a chance to visit the American state of Florida in 2001. During his trip, he noticed some red-leaved plants growing in gardens and along the streets, some grown as specimen shrubs and some grown as hedges. "This plant is fantastic!" Paul said to himself. "I want to buy these plants!" he told his friend Dr. Alan Lang, who worked for Speedling in Florida.

Something magical then happened in China in the winter of 2002. The Senhe Company imported one 40-foot shipping container of *Photinia* seedlings. One hundred workers were waiting at the company's nursery warehouse and made cuttings as soon as the container arrived at midnight at the nursery. The next year, millions of young plants were produced, although the survival rate was not good because Senhe was not very experienced with this variety. However, a new variety was successfully introduced and promoted in the China market in 2004. The price was 5 RMB per plant (about one Australian dollar). Madam Yang, one of the growers in Xiaoshan of Hangzhou, who bought some of these plants, stated excitedly, "I have earned the first pot of gold in my life."

In 2005, *photinia* started to be used in the landscape and the market gradually began to accept the new plant. A local grower wanted to grow this plant, but it was expensive, so the grower had some workers cut branches for propagation, since the variety was not covered by intellectual property protection and the Senhe Company could not protect this variety.

Over the next few years, Senhe began to promote other plants with red and yellow colors, but none achieved as much success as the *photinia*. Today, *photinia* is planted in every landscape project in China from north to south and east to west. Huge numbers of *photinia* have been sold over the past ten years.

In China, if you can produce and provide a good variety with large-scale production, you can cover the market quickly. But the variety must be marketed with a strong presentation and have widespread application.

CURRENT CHARACTERISTICS OF HORTICULTURE IN CHINA

China's horticulture industry is expanding. The industrial structure has been formed and the cluster effect has appeared. Research systems have gradually brought improvements and innovations. The market system has undergone its initial establishment. The business model has been enriched. The brands of special events have been set up. Flower culture has become increasingly prosperous.

Today in China, the business of flower festivals is on the increase. Production of potted plants is on the rise. Cut flowers are available with better quality at a good price. Flowers are being sold through both online and offline business. Landscape programs are creating demand and there is a big demand for nursery stock.

Over the past 30 years, China have been developing quickly and changing fast. By the end of 2017, China's horticulture planting

area was about 140 million hectares, with nursery stock plants area at about 78,000 hectares (about 58%) of this total area. Total sales have been reported by China's Agriculture Ministry at about \$23.59 billion US dollars. According to the statistics from China Customs, imports and exports together have reached \$560 million US dollars: \$270 million USD dollar in imports and \$290 million in exports. Comparing with 2016, these numbers have increased by 26.5% and 0.67%, respectively.

China has become one of the largest flower and plant production bases in the world. It will be one of the most important consumption and trade countries. China's horticultural products are exported to Japan, Holland, Germany, the United States, Canada, Australia, South Korea, Thailand, Vietnam, Singapore, and another 105 countries and regions.

In China there are now about 3,220 fair markets, and 84,978 enterprises. Online business continues to expand, and the turnover of cut flowers reached \$3.63 billion US dollars in 2017. According to the data released by alibaba.com, the flowers and plants category showed the highest growth rate (200%).

CHINA NURSERYMAN MAGAZINE

China Nurseryman magazine is one of the important information media for the Nursery Stock Branch of CFA, working to spread information about propagation technology and nursery industry developments and trends. It has four editions per year and is sent to all the members for free. But we still believe the magazine has room for improvement and can be even more professional.

CONCLUSION: TRENDS AND OPPORTUNITIES

New trends and opportunities in horticulture continue to develop in China. There is top-level policy support, as seen with the Beautiful China Green Life program. There is support for ecological and environmental protection for creating safe living environments. A large population in China brings a huge consumer market. Standardization and mechanization are improving efficiency. Branding is becoming important in marketing. Rules and regulations are developing for intellectual property protection. Landscape projects are enhancing construction of towns, parks, and resorts.