The California Cut Flower Industry: A Case for Transportation Consolidation

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This talk evaluates the California cut flower industry's current transportation practices and investigates the feasibility and cost of establishing a shipping consolidation center in Oxnard, California. The problem is formulated using a Mixed-Integer programming model. The model estimates a 34.8% shipping cost decrease, $20M, if all California farms participated in the consolidation center. Our analysis of estimated cut-flower trade flows originating from Miami shows that the magnitudes of these flows are relatively sensitive to shipping cost, controlling for market size.

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