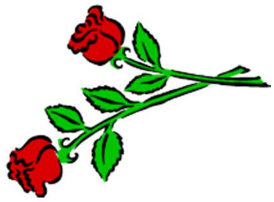
Market Dynamics

Cut Flowers Europe – September 2013

5 October, 2013



The Netherlands

Netherlands Auctions

The August 2013 cut flowers auction figures were published as follows: Cut flowers turnover has increased by +0.8% when compared to the same month of last year, realised with a supply decrease of -6.8%, resulting in a total average price of 20 Euro cents per stem (last year 19 cents). Better prices for: roses, chrysanthemum, lilies, eustoma, gladiolus and freesia; lower prices for: hydrangea (hortensia), hypericum and solidago.

After the a poor month of July, August prices turned out slightly better, in spite of the very nice and warm weather and also in spite of the fact that people were still on holidays. Prices were better, mainly due to lower supplied quantities and relatively better sales during the last two week of the month.

Throughout the first two weeks of September the market was still not oversupplied. There was even some shortage of roses and a lower, most probably temporary supply of chrysanthemums. Domestic supply of several summer flowers, such as gladiolus, hypericum, solidago, liatris and others was still very big.

The biggest share of roses, by far, comes nowadays from Imports. However, also import quantities, especially originating from African countries, was not too big, either. The production and supply from the East African countries was said to be lower due to weather circumstances. Notably, the general quality level of many roses was not the very best. Lots of quality problems such as mildew and botrytis showed up in many shipments. Oddly, the general price level was not lower, and considerably better than in other periods of the year.

During the second half of the month the total supply gradually increased, both from domestic production - especially of tulips and summer flowers, and even more so from import. After a long time of certain shortage of roses from Africa, supplied quantities increased. Prices were still rather good until the end of the third week of the month. However, during the last week prices gradually slowed down. On the other, hand the general quality level of the African roses improved when compared to several previous weeks.

The typical late summer local products, such as hypericum, helianthus, solidago, and gladiolus were still plentiful, while the import quantities of the same products increased considerably. Of course, prices were immediately negatively affected.

Netherlands Importers

The August 2013 cut-flowers export figures are published by HBAG (Exporter's Union) as follows. The August cut-flowers export turnover has decreased by 6.6% when compared to the same month of last year. Accumulatively from January until the end of August the decrease is 4%. Never before was the decrease this big. Accumulatively there are very few countries with a positive increase in percentage - Russia with 0.3% (last year was +40%), Poland with 3.5% and Sweden with 3.5%. Remarkable is the strong decrease (for sure in absolute amounts) to the top three export countries Germany, United Kingdom and France. However, even stronger decreases were for the southern European countries, with most importantly the 1 % decrease for Italy .

As reported before, during the summer months July and August the weather was nice, sunny and warm. This had quite some impact on the domestic production and on the production in other European countries as well, especially on the outdoor cultivated products; quantity-wise as well as quality-wise, and of course also on the prices, which were most of the time rather low. Also from export point of view, the entire market was negatively affected, because consumers were either on vacation or not buying many flowers. When people spend most of their time outside, they do not buy flowers to put on the table, indoors. There were enough flowers around them in their own gardens.

However, as of the third week of August the cut-flowers market gradually improved. Not on a spectacular level, but still demand and sales increased considerably. Throughout the second half of August and the beginning of September all further improved. Yet, when compared to the same period of last year, there was hardly any improvement. The total market situation was more or less normal, given the period of the year. On the other hand the total supply was not particularly high, especially not of roses and particularly of African and Ecuadorian roses.

The general quality level of the African roses was not the very best. Due to rainy weather, roses were suffering from mildew and botrytis mainly. However, considering the prices paid, results were not bad at all. Prices of most of the so-called summer flowers or fillers were relatively low, sometimes very low; partly due to the still plentiful supply of Dutch summer flowers.

During the third week of September, and even more during the fourth week, the market slowed down considerably; especially on the price side of the market. Meanwhile, on the supply side also quite some changes were noticed. There were still some products available from domestic production, while also the import assortment and the supplied quantities increased every other day. It has to be said - all these factors did play an important role, which on the other hand could be called normal, and not much different when compared to most of the previous years.

France

During the first week of September many people were still on summer vacation, or just coming back. Only a gradual and a very slight improvement of the cut-flowers market could be noticed. Luckily, the market was not flooded. There was even some shortage of African roses, which have become very popular products. The same could be said for the Ecuadorian roses.

On the other hand, a product that was very popular for many years seems to be out of fashion; this is the orchids, especially the dendrobium, and other orchids originating from Thailand. It seems that consumers do not like these flowers anymore. It could also be that alternatives are found, which are plentifully available in any variety and any colour.

Exotic flowers were also always very popular, such as heliconia, ananas, ginger lilies and many other flowers and cut-foliage; this year, so far, they are not. It was even reported that exotic flowers seem to be out of fashion nowadays.

Of course, there are also always enough alternative products (which are more popular nowadays), for competitive prices. Cut-foliage has been plentiful, while prices - especially for leather leaves and salal - are a bit higher at the moment.

Red and white hybrid tea-roses, originating from the Netherlands, are suddenly much more expensive. The market continuously faces a relative shortage of African roses.

Germany

As previously reported, the cut flowers market was gradually improving. All further improved during the first two weeks of September, but only slightly. After the first important and big purchases made in the third week of August, all traders and florists were more or less settled, and their stocks were built up again.

From the beginning of the second week of the month the weather totally changed from high summer into immediately autumn weather; from 30°C to 15°C, with lots of winds and rains. It was not only the weather that changed; also the cut flowers and plants assortment changed, which was normal, given the period of the year. Domestic roses and chrysanthemums were plentiful, while import quantities, especially from Kenya and Ethiopia were limited. Not scarce, but there was a certain shortage for sure.

Meanwhile, the quality of the roses was negatively affected by the rainy and wet weather circumstance in those important production countries. The quality level was already a bit better when compared to some weeks ago, but still it was far from being 100%. Hopefully all will improve soon.

Summer flowers were plentiful, especially helianthus, hypericum and soldago, still available from Dutch and European production, and already increasing supply of imports of the same products. This is, most probably, an overlapping period.

The first shipments of the so-called exotic products, such as proteas and leucospermum cordifolium arrived in the market. This will further increase during the coming weeks.

Throughout the last two weeks of September the cut flowers market gradually slowed down. Supplied quantities of cut flowers increased, especially of imports from overseas, and prices generally slowed down, for the summer flowers/fillers, and for small and medium roses. The general quality level of African roses has again slightly improved, but still it is not perfect yet, as it hopefully will be during the coming weeks. Preparations for the All Saints and All Souls Days, in the beginning of November, are in full swing already. However, very few pre-orders are being placed yet; much less than in many previous years.

Italy

August in Italy is the absolute summer holiday month, which is, of course, at the same time, not a very good month for cut flowers demand and sales. As of the beginning of September it was expected that the market would improve. It did not really happen. More flowers were imported and bought, from domestic production as well as from the Netherlands, but still there was stagnancy in the market. It was reported that maybe people were still reluctant, partly because they had other more elementary things to buy. Anyway, the market was still not very lively. Of course the general economic and financial situation in the country is still far from being perfect, which plays an important role, as well.

After the summer, the first shipments of roses from Ecuador and Africa arrived at the market again. Roses from the Netherlands were also used, but only the special varieties and colours. However prices of roses from Holland were rather expensive. The general quality level of African roses was rather good.

Throughout the last two weeks of the month the cut flowers market was not bad, nor anything special, and very unsteady. One day suddenly much better, but the next day again much worse. Import quantities of roses originating from African countries and from Ecuador are gradually increasing. Roses from the Netherlands, especially the white and red varieties, have doubled in price, when compared to two weeks ago. The typical varieties of Dutch summer flowers were available plentifully for very moderate prices.

Norway

During the last weeks of August and the first weeks of September the cut flowers market developed reasonably well and positively, but normal, when compared to the same period of previous years. It was rather warm until the very end of August, which had some negative impact on the local production, and also on the demand in general.

However, from the beginning of September all gradually improved. Roses were not oversupplied at all; there was even a certain shortage, especially of African roses. The production there was rather low, due to the long lasting rainy period. People said that normally the rainy period would last until end of May, but this year it lasted till the end of august, with its disadvantage for the quality level, which was rather problematic. Mildew and botrytis were negatively affecting the quality, of the roses in particular. However, also the outdoor cultivated range of summer flowers was suffering from the poor weather.

During the last two weeks of August and the first two weeks of September prices of roses in general were relatively higher than prices for most other types of flowers. Summer flowers, such as hypericum, helianthus, solidago and even gypsophila were cheap, even very cheap.

The season of the pot chrysanthemums was almost over at mid-September, while the season of the callunas and ericas became in full swing. Throughout the last two weeks of the month the weather was still nice and sunny, though during the nights temperatures came close to zero. The cut flowers market was still reasonable and the erica and calluna demand and sales really started to take off. Gradually bigger quantities of roses arrived from the African production countries, while the general quality level improved considerably. Prices were still good, and better when compared to the same period of previous years. However, they were gradually, slightly decreasing towards the end of the month.

Spain

Until the last week of August the cut flowers market was continuously slow and quiet; this was normal, given the period of the year. Importers were reporting that many wholesale and florist companies closed their businesses for a number of weeks. Most of them came back during the last week of August and immediately started to order and purchase, to build up their stocks again.

As of the first week of September the market started to improve gradually, because many people were returning from their summer holidays. Again, during the second week of the month a further improvement could be noticed, since most people were back from their vacations. However, importers and wholesalers were still rather cautious and reluctant to order and to buy big quantities. Imported quantities from most of the countries were smaller when compared to the same period of last week. So there were lower quantities of roses and carnations from Colombia and Ecuador, lower quantities of dendrobium orchids from Thailand, and even lower quantities of flowers originating from the Netherlands, where the general price level for most of the products was rather high. For roses and chrysanthemums they were very high.

During the second half of the month the market slowed down again, probably and hopefully temporarily. It has always been a period called 'the lull before the storm' of the approaching All Saints and All Souls Day, taking place at the beginning of November. It is even more difficult this year for importers to prepare adequately, since most of the wholesalers and florists are waiting and are reluctant to pre-order, due to the moderate economic situation in the country.

Sweden

During the last two weeks of August and the first week of September the cut flowers market was lively and satisfactory. Almost all wholesalers, florists and consumers were coming back from their summer holidays and they immediately started to build up their stock, and consumers started to purchase fresh flowers again. Sufficient assortment and quantities were available, domestic, as well as originating from the Netherlands and from other overseas production countries. However, some shortage was noticed, mainly of roses from Kenya and Ethiopia, due to weather circumstances. It was the end of the rainy period over there, and this year it lasted longer than normally. Besides the lower supplies, the general quality level was affected negatively. Typical diseases after rainy and wet weather appeared in the African roses. Certain quantities had to be sorted out and could not be used or sold anymore. On the other hand, other roses arrived healthy and without real quality problems.

During the second week of September the weather became warm again, given the period of the year. It was strange, and while it was welcomed by the people, it was not so much welcomed by cut flowers traders and florists, because the consumers became a bit reluctant to buy.

Throughout the third week of the month and even more during the last week, the cut-flowers market was rather slow and quiet. However, traders did call it normal, given the period of the year. The supplied quantities of roses originating from the African countries increased gradually, though the general quality level still needs to improve. Hopefully this will happen in the weeks to come.

Switzerland

Finally, the cut flowers market of August turned out rather satisfactory and slightly positive when compared to the same month of last year. This could be called quite a relief, also when compared to the very poor results obtained during July, which was a disastrous month. Towards the end of August when people came back from their summer holidays, they started buying new products, such as cut flowers, cut foliage and houseplants again. Also during the beginning of September the market gradually and slightly further improved, without being very special. It was called a normal development, taking into account the period of the year.

On the supply side gradually, slightly more so-called seasonal autumn products arrived in the market, such as: proteas, leucospermum cordifolium and the whole range of other special wildflowers and foliage, all originating from South Africa.

At the same time, Ecuadorian roses were short in supply, mainly due to the present production situation in the country. Therefore also prices went up already, even though the consumption market was not really ready for it. The production and supply of roses and other cut flowers originating from African countries increased almost every other day.

Throughout the second half of the month the market, in general, gradually slowed down, especially price-wise. The domestic production of summer flowers was still substantial and import quantities increased considerably. Still, consumers did not purchase all the additional quantities very easily.

United Kingdom

Throughout the months of June and July the cut-flowers market was very slow and quiet, even quieter when compared to the same months of previous years. The very nice and warm summer weather was partly to blame. In August all gradually and slightly improved, without being super. However, there was a bit more movement in demand and sales. Towards the very end of August the market further improved, simply because wholesalers, florists and other vendors (many of whom closed their premises for a few weeks) came back from their holidays. After coming back they all had to rebuild and fill up their stocks again.

Only from the first week of September people returned from their vacations and gradually started to purchase flowers again. Throughout the second week of the month everything further improved, and finally it could be stated that demand, sales and results were satisfactory.

On the supply side of the market plenty of products and quantities were available and it was adequate to serve the demands of the market. As the seasons were changing, the offered assortment was changing as well. Typical autumn products arrived at the market; products like chrysanthemums, more import roses originating from the African countries, but also the late summer - or early autumn products, such as helianthus, asters and hypericum.

Throughout the second half of September the cut-flowers market remained reasonable, but not very special; just a normal situation, given the period of the year. Gradually more and more roses from Africa arrived in the market every other week now. The general quality level is improving, but slowly. It should all be better in the weeks to come.