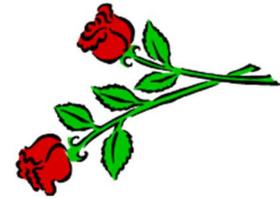


Market Dynamics

Cut Flowers Europe – April 2014

30 April, 2014



The Netherlands

Netherlands Auctions

The March 2014 cut flower figures are published by FloraHolland as following: March turnover decreased by 16.8% when compared to the same month of last year, realised with a supply decrease of 2.7%, resulting in a total average price per stem of 18 Eurocents (last year 21 cents).

Nearly all cut flower types fetched lower prices, except lilies. Much lower prices however for: tulips, roses, chrysanthemums, gerberas, freesias, cymbidium orchids, eustoma (lisianthus) and cut hyacinths.

April was a month with several faces. At the beginning supplies were huge and prices were extremely low. However, when compared to the same two weeks of last year the final turnover during those weeks was still higher. Last year's April was very cold, while this year it seemed to have been summer.

Several products however did fetch very good and much better prices, such as spray chrysanthemums. However, many other products were much cheaper, especially roses, tulips and gerberas; the main supplied products at that time.

Suddenly during the actual Easter week the market improved radically, and flowers doubled in prices in a few days' time. There was an excellent demand from all sides; from the domestic market, but even more from most of the export markets.

During the post Easter week the cut flower market and prices went down again, but still they could be called acceptable. Throughout the last few days prices, however further slowed down, most probably only temporary, because as from the beginning of May all would increase again, since Mother's Day in most of the European countries, America, China and Japan, is approaching (11th of May).



Netherlands Importers

The March 2014 exports figures of cut flowers from the Netherlands were published by HBAG (Exporter's Union) as following: The export turnover decreased by 11%, compared to the same month last year. The major given reason was the much lower prices for nearly all products this year. Per country however quite some differences could be noticed. Double digit decreases to: Germany (-14%), France (-20%), Russia (-28%), Italy (-25%) and Sweden (-11%). Higher export turnover only to Switzerland (+12%) and Poland (+14%).

The first week of April was a very poor, concerning market, demand and prices. Prices of nearly all products were absolutely on bottom level which always means no demand or too much supply. Total supplies however were not extremely high, except for some products. It was more a question of low demand according to traders, exporters and wholesalers.

Throughout the end of the second week and the whole third week of the month the market really and surprisingly improved, which was also not so normal. The Easter week is most of the time "a week of everything or nothing" is the saying among the flower dealers. It is usually 'nothing' when the weather is summerlike and warm; then people take the opportunity to go out for a long weekend.

The opposite is also true, when the weather is bad people stay at home and then they buy flowers and plants.

This year the weather situation was a bit in between. It was rather nice weather, but relatively cool, with some 12–14°C; too cold for going for camping or for some other holiday experience.

Easter flowers such as tulips, narcissus and lilies were plentiful, the prices were not too high and final orders and sales turned out to be reasonably satisfactory. Some products really stayed far behind the normal demand; especially hypericum. Only the colours green and some new varieties of red were sold very well; but all the other colours faced no interest. The same could be said for eryngium and solidago. Better results were obtained with gypsophila, molucella, clematis, astrantia, some special varieties of statice, and other 'niche products'.

France

April is normally a month of no special demand for cut flowers and cut foliage. So it was also this year. On the other hand with the mild spring weather, already plenty of alternative products and outdoor garden plants were available.

Also Easter is not a special cut flower event, because many French people use the long Easter weekend for taking short vacations. At the same moment plenty of domestically produced flowers in huge quantities were available all the time; and the same could be said about flowers from the Netherlands. All those offered products were sold for extremely low prices.

Towards the very end of the month the cut flowers and cut foliage market did improve, because of increased demand for the first of May (Labour Day) celebrations. The flowers and greens which are used for this event are convallaria (lily of the valley; see picture), either as small mono bouquets or in small mixed bouquets, but also in small pots. The mixed bouquets are made of convallaria, small and mini roses and small and mini anthurium, decorated with some small stems of cut foliage.



Germany

At the very beginning of April the cut flower market was nothing special, but it was neither very bad. Prices for most products, especially for those originating from the Netherlands and from local production, were very low. So it was not difficult at all to get and to sell them to the wholesalers, florists and final consumers. Of course margins on lower values were not high, but at least they were good enough to cover the costs.

As from the end of the second week, when the Easter demand and trade started, suddenly the market recovered so well and so much, that prices increased in a few days' time by 50% to 100%, depending the product.

It looked as if the tulip season was over, and with supplied quantities it was indeed more or less like that; but suddenly the prices doubled also for tulips, while they were half prices during the three weeks before Easter.

Instead of the missing big quantities of tulips other products got good chances as well; especially roses, gerberas and chrysanthemums.

As said, Easter turned out to be very good, most probably the best since many years. Traditionally with Easter cut flower results were always "everything or nothing". This year it was everything.

During the post Easter week the market and the prices did slow down considerably; but they still were called good and satisfactory.



Throughout the very last days of the month the market was improving already again, towards two most important cut flower events, the 1st of May (Labour Day), and the 11th of May (Mother's Day). Rather good pre-orders were placed in advance by wholesalers and florists, for the first time since many years, when traders used to wait with orders to the very last moment.

Italy

Throughout April the cut flowers market in general was not very lively. As during the previous months, the country's economy is very much in a waiting position. Everybody, also traders in the cut flower branch, is afraid to invest too much in the present economic and financial situation. There is a lot of uncertainty amongst traders, florists, but also consumers. This is also the reason why several trading companies had to close down their businesses.

Consumers are just not able to spend money on purchasing/buying luxury products, like cut flowers, because they keep their money for purchasing elementary goods. The trend was shown on the export statistics from the Netherlands, with a 25% decrease of flowers export to Italy.

Also Easter, normally a special cut flower consumption event, passed by without special demand and sales. On the other hand plenty of products and quantities were around in the market, originating either from domestic production or from the Netherlands, while prices for nearly all products were extremely low. As said, even though the extremely low prices there was no interest at all.

Norway

During the whole month of April the cut flower market was very good and satisfactory. For a big part due to the very nice and sunny weather nearly all the time. As reported before, the winter finished, and spring started early this year.

Under such situations people tend to purchase more cut flowers, but also more outdoor garden plants; at least those plants that can stand some night frosts.

It was still too early for the annual bedding plants, but very good for instance for pansies and many of the bulb flowers on pot, with the absolute top product "tete a tete" narcissus.

In the week before the Easter week the market for cut flowers and outdoor garden plants was even better than before. Only during the actual Easter week, when the school holidays took place, and many people went on a short vacation, there was no activity at all.

In the days right after the Easter all became very lively again. The weather was still very nice and more and more people started buying new cut flowers and plants in big quantities.

All in all the April turnover of cut flowers and plants increased by 14% when compared to the same month last year, even though the slow Easter month with zero demand was included. It was a very good and satisfactory month for wholesalers, florists and producers.

Spain

The month of April was not a very special month for cut flower business. First of all at the beginning of the month the market was nearly dead; secondly Easter is never and also this year was not a special cut flower consumption event, and thirdly many domestic flowers were around in the market.

Right after Easter Saint Jordi Day took place on the 23rd of April. In the Cataluña area this is celebrated with giving one rose to every friend or relative. In the region millions of people are living, so millions of flowers were used, mainly roses and mostly the red ones.

Flowers originating from the Netherlands were very cheap at the beginning of the month, but all changed during the Easter period, especially roses, gerberas, chrysanthemums and many others. Cut foliage products were to the contrary all considerably cheaper.

After Easter the market did slow down, however only for one week. During the last week of the month all preparations were made for the approaching Mother's Day, taking place on the 4th of May.

Sweden

Throughout the first two weeks of April the cut flower market was really very slow and calm. At the same time the market for outdoor garden plants was very lively, all due to the nice spring weather, when so many people bought those plants already for putting them in their gardens and in their patios; a bit dangerous, because night frost could still occur. However, so far, till the end of April it did not really cause too many difficulties or damages.

During the actual Easter week the cut flower market considerably improved. Due to the early finish of the narcissus season, many other products were demanded and needed. Good demand for products such as tulips, gerberas, antirrhinum, other spring flowers, and roses (either in so called 10-packs or in mono bunches, or even single roses).

Right after Easter the cut flowers market gradually slowed down, but still traders and florists were selling quite some quantities for acceptable prices.

As from the beginning of May many flowers are going to be used for all the confirmations and marriages that so many of them taking place at this period.

Switzerland

During the first two weeks of April the cut flower market was poor, especially for cut flowers. The major given reason was the nice spring weather with temperatures up to 20°C already. Due to this nice weather domestic and European productions were arriving in the market much earlier than normally.

In the outdoor garden plant sector the same happened. Those plants became mature much earlier and with the nice weather they could be planted in the gardens, in the patios and on the balconies already. There is always a risk that a night frost would kill those early planted plants, but so far the end of April, it did not happen, fortunately.

During the Easter week suddenly the cut flowers market improved considerably and prices for nearly all cut flower products increased by 50–100% when compared to the beginning of the month. Easter weather was good, but quite cold, and therefore many people did not take their traditional Easter holidays, but most of them stayed at home, and therefore they spent money on buying flowers. Right after Easter the market did slow down again, but still all was called reasonable.



United Kingdom

During the whole month April the cut flower market was flooded with flowers and suffered extremely low prices, especially for flowers originated from the Netherlands; except during the Easter week. Easter is not a special cut flower consumption event in the country.

Over supply had and have always a negative impact on the prices in general. At the same moment the market was also flooded with outdoor garden plants, which are very much used already, due to the nice and mild spring. And when consumers are interested in alternative as the outdoor plants, then at the same moment there is always pressure on the cut flowers, because consumers spend their money only one time at a time.

Due to the very early maturity of the narcissus this year, they went out from the market during the month of April already, while normally is that the beginning of May. It meant however that the market had room again for other products.

Towards the very end of the month the market gradually and slightly improved, with more demand for products such as carnation, spray carnations and late spring or early summer flowers.