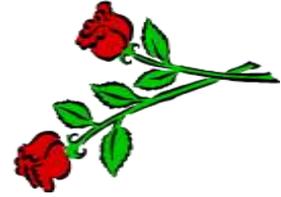


Market Dynamics

Cut Flowers Europe – April 2016

3 May 2016



The Netherlands

Netherlands Auctions

The February 2016 auction data shows as follows: The February 2016 cut flower turnover increased by 7.8% compared to the same month of the previous year, realised with a supply increase of 5.9%, resulting in a total average stem price of 25 Eurocents; same like last year. Better prices for roses, spray chrysanthemums, cymbidium orchids, chrysanthemum single head, eustoma, and freesia. Lower prices for tulips, lilies, gerberas and hyacinths.

The March 2016 auction figures show as following: cut flower turnover decreased by 6.5% compare to March 2015, realised with a supply increase of 0.9%, resulting in a total average stem price of 21 Eurocents (last year 22 cents).

Better prices for: gerbera, freesia, eustoma, and cymbidium orchids. Lower prices for: roses, chrysanthemum, both the spray and the single head, lilies, and hyacinths.

March turned out to be quite moderate, but normal month for the cut flower market. The two biggest product groups, roses and tulips, saw over-supply, and therefore prices were considerably lower than normally during this month.

The tulip season was anyway a very strange season. It started in November with low supply and high prices. However, in the middle of the season during February and March, supplies were much higher, and therefore lower prices were achieved.

After Easter, some countries, especially the Scandinavian, cannot import bulb flowers anymore; hence, the big quantities had to be sold elsewhere, with pressure on prices in those markets.

Throughout the month of April, quantities were still very big, with some 30 – 40% more than normally and, of course, this had its strong impact on the prices, which were some 40% lower than normally.

Pressure also on the rose prices, especially on the small and medium size, and on other big products groups such as chrysanthemums and lilies.

The data of April are not known yet, but for sure, they are not so rosy. Only a very small number of products achieved higher prices; namely orchids, in particular the bigheaded cymbidium, and ranunculi.

At the very end of the month, the market and the prices gradually and slightly recovered, because of increasing demand towards the Mother Days in many countries in Europe, North America and in the big countries in East Asia.



Netherlands Importers

The February 2016 export turnover of cut flower and plants together increased by 1% when compared to the same month of last year.

Better and positive results in United Kingdom, with +10%, Italy, Belgium with +11%, Switzerland, Poland with +9%, Sweden and Other Countries.

Negative results in Germany, Russia with -28 %, France, and Austria with -14%.

The export turnover of March 2016 for cut flowers and plants together ended up with zero change. Countries with positive results were Germany, France, Belgium with +9%, Switzerland, Poland with +18%, and Other Countries.

Negative results to United Kingdom with -9%, Italy, Russia with -38%, Sweden with -7% and Austria.

The accumulated export turnover of the first quarter of 2016 increased by 0.6% vs the same period of last year.

Positive results in Germany, United Kingdom, Italy, Belgium with +10%, Switzerland, Poland with +13% and Other Countries.

Negative results in France, Russia with minus -30%, Sweden, and Austria with -10%.

The cut flower market during the first half of March was very good. The second half was not as good, but still it was reasonable. Demand and sales during the latter part were relatively good, thanks to good demand for Easter. Plenty of products were available, especially of the whole range of so-called spring/bulb flower types, and then in particular the yellow ones.

Yellow is the typical colour for Easter and for spring in general. That was the major reason that prices for narcissus, yellow tulips, and solidago were good and considerably better than many other products. For instance, prices for hypericum, eryngium and small and medium roses were very low, mainly due to a certain oversupply of these types.

Importers informed their deliverers to reduce the supply, and the positive response was effective. Some weeks later, the prices recovered.

During the month April, prices of nearly all products really slowed down drastically. In several cases prices were far too low and most probably under the cost price. Supplied quantities were not excessive, but there was just no market enough.



Only throughout the third week of the month all recovered considerably. The major given reason was the increasing demand for the approaching Mother Days. In Spain and Portugal on May 1, and in most of the other countries on the 8th of May. Furthermore, a very good cut flower consumption event was International Labour Day also on May 1.

France

During the past two months, March and April, the flower market is too quiet, compared to the same months of previous years. After the terrible terrorist attacks in Paris people are afraid to go out to the streets and therefore to the shops and the flower selling points. This had, and still has, quite some impact on the business in general and on the flower business in particular. Spontaneous consumer purchases are lower and less frequent.

Only during the Easter week, some improvement of the cut flower market could be noticed. On the other hand, plenty of products were available for reasonable prices. Only cut foliage types such as leather leaves and salal were very expensive; and they still are.

During the month April, the market further slowed-down. Even though flowers originating from the Netherlands, but also from African and South American countries, were very low, there was just not much interest from buyers, florists and most importantly consumers.

Only during the very last week of the month the flower business gradually increased, mainly thanks to more demand for labour day (1 May) and for the approaching Mother Days, taking place in most of the European countries. Mother's Day in France will be celebrated on 29 May. For the 1 May celebrations, the most important cut flower is the convallaria/lily of the valley. Those tiny flowers are sold in small mono-bouquets, as potted plants, or in mixed bouquets, together with small roses, small Anthurium, and with short stems of cut foliage.



Germany

The cut flower market throughout March has been nothing special. Not bad at all, but also nothing extra, except some better demand and sales during the Easter period.

During the month April, however, the cut flower market was very slow, this mainly due to very high demand and sales of all garden and bedding plants, so much used in the gardens by the consumers. As traders say: one can spend his money only once, either for buying flowers and plants or for other important things like food, clothes and other things.

The general price level was very low, even when compared to April in previous years. It was not really a matter of big supplied quantities, there was just not much demand. Prices for tulips and small and medium sized roses were extremely low.

Only as from the end of the third week of the month, prices and the market improved, mainly due to more demand for the period to come. At the end of April and the beginning of May many special flower and plant consumption events are taking place, such as King's day in the Netherlands, labour day on the 1st of May, and on 8th of May Mother's Day in most of the European countries, America, Japan and China.

On the import side of the market, plenty of roses were available, originating from African countries as well as from South America. The general quality level of the roses was really good; however, supplied quantities were a bit excessive, especially of those originating from Ecuador.

Italy

The cut flower business, demand and sales during the March were reasonable. Good results during the International Woman's Day and during the Easter period. Plenty of products were available all the time, and purchase prices were not very high. Even Ecuadorian roses became much cheaper. However, when importers and wholesalers

were purchasing too big quantities they were immediately stuck with leftovers. As traders reported it was not a matter of price, there was still not enough demand.

During the month April, the market slowed down drastically. First of all the weather became warm already, with temperatures between 25 and 30 degrees, which is extremely high given the period of the year.

Secondly, demand slowed down even more and total supplied quantities were higher, from domestic supply as well as imports from the Netherlands and from other overseas countries.

Tulips, small and medium roses could be purchase from the Netherlands for such low prices that one was wondering how anybody could make any profit out of it. One could buy African roses from the Netherlands for lower prices than directly from the production countries. So the choice was easily made.

Norway

The cut flower market during the month of March turned out to be normal and satisfactory. Even though import products, and in particular cut flowers, were more expensive due to the higher exchange rate of the Norwegian Crown versus the Euro. Yet, the turnover remained the same as last year, realised whit slightly smaller quantities.

During the month of April, the cut flower market was slightly better, mainly because import flowers from the Netherlands were considerably cheaper during the first three weeks of the month. So more quantities could be moved for reasonable selling prices.

The available assortment was plentiful, with mainly many so-called spring flowers, such as the whole range of bulb flowers - tulips, narcissus, hyacinths and many others. Also roses, especially the African small and medium types, were plentiful, available for reasonable prices, while the general quality level was very good.

Easter demand and sales have been satisfactory. Yellow flowers were amongst the favourites. The Norwegian domestic production was until the end of April still very low, so that more products were imported. It is expected that as from the beginning of May the domestic production will gradually increase.



Spain

Throughout the months March and April the cut flower market was quite moderate and nothing special at all, with the exception for Easter, when more quantities of many products could be sold. However, it has to be stated that the market remained much slower than in previous years.

During the last week of April importers, wholesalers and florists did start to prepare the market for the approaching Mother's Day, taking place on the first Sunday of May, in this case on 1 May.

The number one product used for this event are the roses, with carnations and orchids are

good numbers two and three. Also very good demand can be expected for the Phalaenopsis orchids on pot, in particular of the white varieties.

Sweden

The month of March turned out to be a rather good cut flower consumption month. This year's spring has been milder than previous springs; a good situation for the assortment of spring flowers, such as bulb flowers like tulips, narcissus, hyacinths and many others.

The market for roses was nothing special, even though purchase prices were not high at all; neither for Dutch roses, nor for African roses and nor for South American roses.

Nevertheless, during April the cut flower market was moderate, even poor; except for the tulips. Normally the tulips season ends at Easter, which felt this year at the very end of March. Due to the extremely low purchase prices, traders and florists are still dealing with tulips until the end of the month and maybe a bit longer as well. Only throughout the last week of the month the market is gradually and slightly improving again.

Switzerland

During the month March the cut flowers market, demand and sales, have been rather moderate, except during the International Woman's Day on the 8th of March. Also the earlier special cut flowers consumption event Valentine's Day was a very good. As said, for the rest of the month the cut flower business was nothing special at all. To the contrary, all was considerably slower. According to traders the general consumption behaviour of consumers is reserved now (it was said for the first time in 25 years), mainly due to the more expensive local currency, the Swiss Franc, versus the Euro and the US-Dollar. Therefore, every imported product is more expensive for the Swiss consumer.

Throughout April the market situation has not changed and for sure not improved. To the contrary, the flower business was even slower when compared to the situation during March, and also when compared to April 2015.

Many fields and gardens are already full with flowers in nature and therefore consumers are not going to purchase the same kind of flowers to put in their vases at home.

In addition, the very long period between Woman's Day and Mother's Day (on the second Sunday of May) is working negatively on good flower sales.

It was however expected that all would gradually improve when the actual Mother's Day, on the 8th of May, is coming closer.



United Kingdom

During the month March this year the cut flower market was very good. Due to Mothering Sunday and Easter, both took place in this particular month, demand, sales and results turned out to be positive and very good.

On the other hand, plenty of flowers were available, from both, domestic production as well as from the Netherlands. Especially the whole assortment of all bulb flower was plentiful all the time, and purchase prices were not extremely high.

To the contrary, April was not very special at all. The market situation was moderate, and during the first half of the month all was even poor; even though supplied quantities were not extremely high and prices were very low; there was just not enough demand to make the flower business successful and profitable.

Traders reported that many products that normally would be destined to Russia and Ukraine were re-routed to Great Britain.

On the other hand, for the Dutch suppliers it was attractive to make good profits thanks to the increased value of the British Pound versus the Euro.

More negative was the situation concerning imports from so-called Dollar countries. Those flowers were more expensive and therefore less interesting for the English market.

