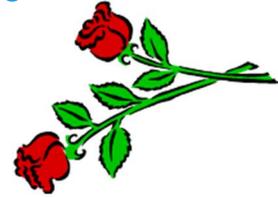


Market Dynamics

Cut Flowers Europe – November - December 2013

15 January, 2014



The Netherlands

Netherlands Auctions

The November 2013 auction figures have been published as follows: The cut-flowers turnover has decreased by 5.5% when compared to November 2012, realised with a supply decrease of 5.5%, resulting in a total average price of 24 Eurocents per stem for all flowers together - exactly the same price as last year. No real big differences in price per product; however much higher prices for lilies and single headed chrysanthemums; some lower prices for hippeastrum, cymbidium orchids and eustoma.

Regarding auctions' turnover, November 2013 turned out to be a poor month, for sure when compared to the same month of last year, mainly because of a much lower supply of most of the products. Per product, however, quite some differences could be noticed: much lower supply of roses (-9%), tulips (-7%), orchids, and eustoma (both -6%), single headed chrysanthemums (-12%). Hardly any product with increased supply. Prices in general have been slightly higher and for chrysanthemum single headed and lilies prices turned out much higher.

As of the beginning of December prices went further up, while the supplied quantities remained continuously lower. Throughout the second week of the month prices gradually slightly slowed down, which was called normal in the waiting time before Christmas.

Contrarily, during the Christmas and the New Year's week all considerably improved. Christmas prices, in general, could be called good and reasonably satisfactory, depending on the product. Most expensive were red and white big roses and tulips. During the post-Christmas week sales and prices remained reasonable, even though that week consisted of 3 auction days only.

Very remarkable was the strong decrease of the supply of tulips, compared to many previous years. Supplied quantities did stay behind by 30–50% due to the later planting this year, as result of the long cold spring. Prices, however, were almost double, compared to two years ago, when the supplied quantities were huge.



The total year figures of the auction have been also published: the 2013 turnover ended up at € 4.35 billion, 1.5% increase from 2012, realised with a decreased supply of 2%. The cut flowers' turnover increased by 2%. Prices in 2013 were higher than during the previous year.

Netherlands Importers

The November cut flowers export figures from the Netherlands were published by HBAG (Exporters Union) as follows: Exports from the Netherlands have decreased by 4% when compared to the same month of last year. Per country quite some differences could be

noticed: Strong decreases to Germany with -4%, United Kingdom -7%, France -12%, Italy -11%, and 'other countries' -6%. Slight increases only to: Russia +4%, Austria +15%, Sweden +4% and Poland +2%.

Throughout November the cut flowers market turned out quite reasonable; not super, but for sure not bad at all. It has to be said that the total supplied quantities of most products were not very big, especially not roses and, of course, not all the so-called summer flowers. For the latter group in the Netherlands the season was over, and in many overseas production countries the season was just starting. The general price level was not bad at all, and steady; also when compared to the last years. The final results of the All Saints and All Souls Days have turned out reasonable.

During the first week of December the market was a bit slow, as it was also during the second week; a so-called 'lull before the storm', in this case of Christmas. Prices were very good for products such as: eryngium, decorative products and articles, certain types and colours of hypericum, in particular for the red, orange, and green, and also for clematis, molucella and big roses.

Prices were slightly lower for all small and sweetheart roses and shorter sizes of hypericum and other so-called fillers. Prices were very poor for solidago, as the quantities of which were really oversupplied, hopefully temporarily.

During the last two weeks of the month, the Christmas and New Year's period, the cut-flowers market in general turned out rather good and positive. However, all depending on the product. Very good results were for long stem red and white roses, hypericum, eryngium and gypsophila. Disappointing prices were for: solidago, astrantia, clematis and molucella. No special prices for the whole group of small and medium roses.

France

During the whole month of November and even throughout the first half of December the cut flowers market was very slow and quiet. It seems that everybody, like wholesalers, street vendors, florists and consumers, was anxious and reluctant to buy anything that is luxury, amongst which were cut flowers. On the other hand importers had to start ordering and buying products needed for the approaching Christmas celebrations. Not easy at all to order when nothing has been pre-ordered. However, that is according to importers the trend of the past years - everybody is waiting till the very last moment to make any commitment to buy cut flowers and cut foliage.

The market has become very critical especially when it concerns the prices. On the other hand importers who wanted to order Ecuadorian red roses got the answer that those colours were already sold out, even for very high prices. Difficult to understand, but it is a fact. African roses were plentifully available in any colour for any price.

Hardly any good demand anymore for products such as: dendrobium orchids, traditional cut foliage and exotic cut foliage. Those products seem to be out of fashion. On the other hand, there is a good demand for exotic flowers and cut foliage types and varieties from Israel.

Demand, sales and results during the last two weeks of December, the Christmas and the New Year's week were moderate. Nothing special at all and when compared to previous years, and in December 2013 all ended up lower (minus 10–15%) when compared to last year's December.

Germany

The cut-flowers market and results during the month of November turned out to be reasonable, nothing special, and for sure not too bad. November is normally one of the quietest months, as it was also this year, but still all has been acceptable. Roses were plentifully available from the African countries, while prices were not bad and also not too high, and therefore easy to trade with. The general quality level of the roses was good.

During the first two weeks of December the market was already improving slowly towards the Christmas period. Prices went up, especially for any kind or type of roses and any other product in red and white colours. Other colours did not have any special demand at all, to the contrary, nobody asked for yellow, pink or other colours.

Again there appeared to be a lower supply of rose quantities, in particular originating from Kenya and Ethiopia, all due to dark and rainy weather. The general quality level was still satisfactory; however all depending the origin of the farm and the location the quality was better or less good. Typical appearances of the quality problems botrytis and mildew were noticed here and there.

During the first half of the month rarely any pre-order was placed or any commitment from wholesalers and other buyer were made. Finally throughout the last two weeks of the month the cut-flowers market, in general, improved a lot. Christmas demand, sales and results were rather good and satisfactory, while during the post-Christmas week all remained to be very reasonable, even though there were very few working/selling days. Rose prices were good, tulips prices were extremely high and amaryllis prices were considerably lower this year.



Italy

The final demand, sales and results of the All Saints and All Souls Days ceremonies turned out reasonable, even good and satisfactory, but slightly worse when compared to previous years. Even during the post All Saints week, the market remained reasonable.

However, throughout the rest of the month of November everything slowed down tremendously, to a very quiet situation. Absolutely nobody (importers, florists nor consumers) was interested in buying cut flowers, cut foliage or potted plants. There was an absolute standstill of the market.

Only from the beginning of December the market gradually, but slightly improved, without having been good. Throughout the first two weeks of December traders and florists were anxious and reluctant to order anything in advance. No pre-orders or commitments were made at all. On the other hand importers had to decide whether to order and import enough products and quantities from the overseas production and supplying countries. Finally wholesalers, florists and consumers did buy and sell good quantities of cut-flowers and cut-foliage, though all in slightly smaller quantities this year, when compared to most of the previous years during the same Christmas and New Year's period.

Norway

During the month of November the cut flowers market, demand and sales have not been very special. To the contrary it has been a moderate and flat situation in the whole flower and foliage branch. Clearly less good (some minus 10%) when compared to the same month of last year, which was called a disappointment. Only some improvement was noticed just before Father's Day on the second Sunday of the month. Also during the very last days of November, the so-called first Advent's Sunday on the first of December.

Throughout the first two weeks of December the cut flowers market gradually and slightly improved. Not to a super level, but anyway considerably better than in November. Very good demand already for the typical Christmas products such as: amaryllis cut flowers and plants, tulips, hellebores, cymbidium orchids, lots of decorative branches, leaves and articles and, of course, of poinsettia and kalanchoe all in red and white and any other product in red and white colours.

The domestic tulip supply has started very slowly, because of a late season this year. Due to late harvest of the bulbs in the summer, the planting was already later as now also the production and supply. This was felt mostly for tulips and narcissus.



During the last two weeks of December, the Christmas and New Year's week there were many holidays and people had days off. Still the final demand, sales and results turned out to be considerably better when compared to last year. Even due to the fact that the Norwegians crown was 14% more expensive vs Euro, final results were better.

Spain

All Saints and All Souls Days' final sales and results have turned out reasonably good and positive, though not as good as normally during all the past years. The major given reason was the poor economic and financial situation in the country and for the consumers. They had less money available for buying flowers and plants. They needed everything for purchasing the primary goods, such as food, housing and clothes.

Right after the celebration and throughout the whole month of November the market became very slow and quiet. The same could be said for the whole month of December, with only a marginal improvement of demand and sales, particularly the most important and popular product poinsettia plants. That product is the only interesting product to be used for Christmas. For all other products Christmas and New Year are no special flower consumption events. At the same time, products originating from the Netherlands became more expensive, especially the popular products such as chrysanthemums and tulips.

Sweden

The cut-flowers market during November was not very special at all. It has been relatively moderate, but more or less normal, given the period of the year. From trade and demand point of view the market was very much dominated by the typical winter and Christmas

products, such as: amaryllis flowers, plants like poinsettias, phalaenopsis orchids, and anthurium, and lots of decorative foliage and articles.

On the contrary, roses were not needed and used very much even though they were not very expensive. The small and sweetheart roses were even cheap. On the other hand the big headed roses fetched normal prices. Luckily the market was not flooded with roses. The opposite was more the case.

Also throughout the first two weeks of December the cut flowers market did not really improve. All was slow and quiet, waiting for more activities towards Christmas.

The final December figures are not complete yet, but the feeling and the tendency of Christmas and New Year's cut flowers business turned out to be very good and satisfactory. There was absolutely no oversupply of anything. On the contrary, there was a great shortage of tulips, all due to the fact that the bulbs were harvested late last summer. Due to the lack of tulips there was extra demand for roses, in particular for the small and sweetheart roses, which were demanded and sold very smoothly for good prices.

Switzerland

The cut-flowers market throughout the whole month of November turned out to be good and satisfactory. Good demand, good sales and good results according to importers and wholesalers. Absolute best results have been obtained with cut flowers, cut foliage, proteas, leucospermum cordifolium (pictured), cape greens and all kinds of branches, leaves, branches with berries and the whole range of decorative articles, so much used for the All Saints and All Souls Days celebrations, and for the first advent's Sunday. Nearly everything was finally sold out; which was positive and satisfactory, and a good start for December and the approaching Christmas and New Year's celebrations.



During the first week of December the market was still rather good and positive; however, throughout the second week of the month all became much slower and quieter. Normal for this period of the year, according to traders and florists. The waiting time for the boom of Christmas, they say. Certain typical Christmas products were already plentifully available such as: poinsettias, amaryllis plants and cut flowers, ilex, hellebores and many other typical kinds of flowers or greens. After all it can be said that during the last two weeks of December, the Christmas week and the New Year's week sales of cut-flowers have turned out satisfactory. Many products could be moved and sold easily, due to the fact that the weather was mild and streets and roads were clean, which made transport and logistics much easier.

United Kingdom

There were high hopes for a good cut-flowers month in November, as always. However, most of the time, and also this year, these hopes did not materialize. It has been a normal and rather slow and quiet cut flowers market, both from supply as from demand point of view. Fortunately, total supplied quantities - both from domestic production as from imports - have not been excessive and therefore the general price level could be reasonably maintained.

Also throughout the first two weeks of December the market was still calm, waiting for the Christmas activities and sales. The preparation and ordering of sufficient products and quantities were rather good. It would have been better if some pre-orders were placed or some commitments were made. However, that way of doing business has changed drastically in the past ten years. Wholesalers, florists and other buyers are ordering later and later, just to avoid any risk of not selling the final quantities.

During the actual Christmas week demand, sales and results were rather successful and satisfactory. There was only a short intermission due to the extreme bad weather hitting the country, with severe rainfall and floods in certain parts of the country, especially in the western and southern parts. However, just on time before Christmas it all quieted down, and finally all products could be moved and be delivered to wholesalers all over the country, and finally to the florists on time. Sufficient products and quantities were finally available and nearly everything was sold out.

During the post-Christmas week the cut-flowers market remained very reasonable, so that the year could be terminated successfully.

