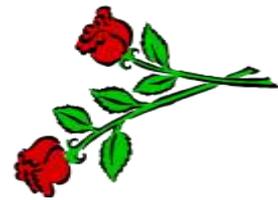


Market Dynamics

Cut Flowers Europe – December 2015

10 January 2016



The Netherlands

Netherlands Auctions

The auction data on cut flowers in November 2015 were as follows: The total turnover increased by 5.9% compared to the same month last year, realised with a supply increase of 4.7%, resulting in total average price of 25 Euro-cents (last year 25 cents) per stem. Better prices for products such as: roses, tulips and cymbidium orchids. Lower prices for: lilies, gerbera, amaryllis, eustoma, and hydrangea.

The December final figures were not available when this report had to be ready. However, the final turnover was already known and this was plus 1.5%, compared to the previous year. Finally, better than expected some two months ago when it was still zero %.

The last two months were both positive and the most positive was the very last week of the year with an increase of some 50%. The final figures will be published in the next report.

As published in the auction figures November turned to be a reasonable month, from the point of view of sales, prices and results. Normally, November is not a very special month, but this year it was.

Also during the first half of December, usually the market is in a lull before storm (Christmas) situation; this year the general price level remained steady; even better than at same period of last year.

Most remarkable was the situation of the tulips. The season started with much lower quantities, while prices were nearly double than in the same period of last year. Also chrysanthemums performed positively, after some years of very low prices all the time. Rose supplies were not higher than before, while prices in general were slightly better.

Very good prices for products like gypsophila, hypericum and for the exotic products such as protea, leucospermum cordifolium, safari greens and wax flowers.



During the last two weeks of the year, the Christmas week and the New Year's week the market improved very much and both weeks became very positive and satisfactory. Most surprising was the result of the very last week of the year with an increase of almost 50% when compared to the same week of last year. The major reasons were the very few closing days and free days for companies, shops, people/consumers, but also because of the very mild weather with possibilities of selling in the open air/streets easily.

Netherlands Importers

The October 2015 export figures of cut flowers, house- and garden plants from the Netherlands are published as follows: The export turnover of October 2015 increased with 1.5 % when compared to the same month of last year. Best performing countries were: Belgium with 12% increase, Italy with 8.3%, France and Poland with both 5.8%, United Kingdom with 5.6%, Austria with 5.5% and Sweden with 2.7%. Negative results to Germany with minus 2.6%, Switzerland with minus 1.9% and Russia with minus 34.2%.

The November 2015 export turnover of cut flowers, house- and garden-plants together increased by 6.1% compared to the same month of the previous year. Nearly all destinations registered positive results, except two countries: Germany with -2.6% and Russia with -24%. The best and double-digit percent increases were: United Kingdom with 10%, France with 12%, Belgium with 11%, Austria with 12% and 'other countries' 14%.

The cut flower market during the months of November and December turned to be very positive. Total supplied quantities of nearly all products were normal and for sure not overdone. That was valid for domestically produced products as also for import products, especially for those originating from Kenya, due heavy rainfall. This resulted in very much damage to many products, especially for those produced in the open air. The greenhouse cultivated products did not really suffer that much.

Very good prices and results have been achieved for products such as gypsophila, hypericum, heavy stems of asters, wax flowers, peonies and the whole exotic flower assortment, with: proteas, leucospermum cordifolium and safari greens. The product mostly damaged in Kenya was the gypsophila. In several farms, a total loss was reported.

The products that were not selling so easy and of which prices were disappointing, were solidago, lighter stems of asters and liatris.

Throughout the last two weeks of December, the Christmas and the New Year's weeks, the cut flower market was very good and satisfactory.

After the good and positive month of November also the market results during the December have turned out to be rather good and satisfactory. Nearly all products fetched higher prices except for solidago, this for quite some time already.

The market was so very positive mainly due to the very mild weather throughout the whole last quarter of the year. Not even one snowflake and no night frost at all in the Netherlands and in almost the entire Europe. Very easy to move flowers, without any disturbance on the roads.



France

The cut flower business throughout the month of November was nothing special at all, but all was more or less normal. Towards December the market was very much focussed on the special seasonal products such different types of potted plants for outdoor and for graveyard's use. Products such as chrysanthemums on pot, ericas and for special non-traditional cut foliage types.

In the first two weeks of December, the market remained the same slow and quiet. Only towards Christmas and New Year, some improvement of the cut flower use was noticed. However, nothing very special.

On the other hand with all the horrible terror accidents in Paris many people and potential consumers were and still are afraid to be in the streets, which is, of course, also affecting the flower activities. Besides, it was also winter vacation time and the time of sales in all shops.

On the purchase side of the market cut flowers and cut foliage were very expensive. The cut foliage and leather leaves origination from Central America, but also nearly all flowers originating from the Netherlands.

Germany

During the months of November and the first half of December, the cut flowers market was not very special, and rather normal, given the period of the year.

Of course, supply and demand were much focussed on the special seasonal products. especially on the Advent's and Christmas products, such as non-traditional cut foliage, wrists of artificial flowers and greens, branches, but also on the fresh products such as: amaryllis, hyacinths and many products in white and red colours.

In addition of course also for the plant types poinsettias, cyclamen, azaleas, amaryllis on pot and hyacinths on pot.



During the post-Christmas week or better said the New Year's week the cut flowers market remained very good and satisfactory, while normally this week was always very slow. An advantage this year was that there were not so many closing days of market places, flower shops and other outlets. In addition, people had less free days and therefore more days to buy flowers and plants.

Norway

The cut flower business throughout the month of November, as traditionally, has been rather moderate, but normal, given the period of the year.

Throughout the month of December, however the market was very lively. Good demand, positive turnovers, and good sales.

With the weaker Norwegian Crown versus the Euro, imported flowers are more expensive. Traders and florists should increase their selling prices accordingly. However, consumers spent about the same amounts, for slightly less quantities. The results therefore turned out to be about the same for importers, wholesalers, traders and florists.

Cut flowers were selling better than houseplants. In addition, in the sector of the houseplants several products such as poinsettias and azaleas faced selling problems, mainly because of oversupply of these products.

Local types of cut flowers such as tulips and several others have not increased in prices. The general quality level of the African roses, in particular those originated from Kenya, suffered from the wet weather conditions over there. Some problems like mildew and botrytis were negatively affecting the general quality level.

Spain

The cut flower market was not very special during the two last months, except for the All Saints and All Souls days' celebrations. However, this year demand and sales were considerably less good, if compared to last year, and when compared to most of the years before. As mentioned in the past, this special cut flower event, the most important of the year, is good for some 25% of the yearly turnover.

The economic and financial situation in the country is slowly and slightly improving, but it is still far from being normal and positive.

During the rest of the month, the market was very slow and quiet.

In December, especially towards Christmas the market was gradually improving. More cut flowers were demanded and sold, especially those with white and red colours of the major products such as amaryllis, tulips and roses.



Throughout the last week of the month the so-called New Year's week, all did slow down considerably again.

Sweden

November turned out to be quite a normal month for cut flower demand and sales. Only towards the very end of the month, the so-called first Advent's Sunday, demand was much better, even slightly better than in previous years.

During the beginning of December, the market remained the same steady and positive. Towards Christmas all considerably improved. The final Christmas demand and sales turned out to be very good, also better than in previous years.

The weather conditions were positive. Nearly all the time flowers and plants could be sold in the open air, without any frost damage.

Also throughout the post-Christmas week, the market was very good. In Sweden, New Year is even more important cut flower consumption event than Christmas itself.

However, during the last week of December suddenly the weather became winter like, with very low temperatures even during daytime. In the southern regions down to minus 10 degrees Celsius, but in the centre of the country, and even more in the north, the temperatures went down to minus 40 degrees. Not so strange thus that flower business is not a priority. To the contrary, the business has become zero and this is expected to remain so during the entire months January and February.

Switzerland

During all the summer and the autumn the cut flowers market and business have been quite moderate and considerably less good when compared to the same period of last year. Demand from retailers and supermarkets was lower, and therefore sales, and not to forget the margins.

The general and major reason was the adjusting of the exchange rate of Swiss Franc (of some 20%), at the beginning of this year, versus the Euro, but also versus the US-Dollar. This action made cut flowers and plants more expensive for Swiss consumers, therefore they purchased fewer quantities, and they spent less money to buy those products.

The Advent's period, normally an important cut flower and cut green consumption event, passed without even noticing any extra demand. During the first half of December, Christmas demand was hardly anything special as well. Very few and little pre-orders were received.

However during the actual Christmas week finally consumers started to purchase products, especially cut flowers, and at the end it could be said that Christmas final sales and results were quite normal, when compared to most previous years. Nonetheless, nothing euphoric. Also during the post-Christmas week, demand and sales have been more or less normal.

United Kingdom

November was, as traditionally, a slow and quiet month for the cut flower business. It was not bad, but on the other hand, it was also nothing very special.

During the first half of December, the market continued to be the same steady as during November.

However, as from mid-December, the cut flowers demand really increased drastically and during the Christmas week, the market was absolutely booming.

Nearly all products originating from the Netherlands were not particularly expensive, only tulips until the third week of December. Then the production increased dramatically and prices went down.

Hence, purchases of cut flowers and cut foliage were not too difficult to establish and therefore final sales could be done easily and economically interesting.

Right after Christmas the market slowed down. However not to a very low, but still very reasonable level.

