

# Market Dynamics

## Cut Flowers Europe – February 2014

10 March, 2014



### The Netherlands

#### Netherlands Auctions

The January 2014 auction data of cut flowers are published as following: Turnover increased by 4.1% compared to the same month of last year, realised with a supply decrease of 3.1%, resulting in a total average price for all flowers of 22 Eurocents per stem (last year 21.5 cts).

During week number 6 of 2014, the pre-Valentine's week, the total supply still stayed behind when compared to last year, but the prices increased already. Big bud rose's supply decreased by 7%, while the prices increased with 4 cents. Other products with higher prices were tulips, carthamus, helianthus and Ornithogalum; while on the other hand products such as: chrysanthemums, both the sprays as the singles, gerberas, ammi majus, anemones, anigozanthos, asparagus, aspidistra, aster, delphinium, eucalyptus leaves, gypsophila, peonies, trachelium, solidago and wax flowers were considerably cheaper.

During week number 7, the actual Valentine's week, supply and the prices further increased. In general it could be concluded that prices during the Valentine's week in 2014 were more or less equal to those of last year. However per product quite some differences could be noticed .

Right after Valentine's Day another very important cut flower consumption event was taking place, the International Woman's Day on the 8<sup>th</sup> of March. Of course all planning, preparations and purchase had to be made during the last week of February. There was a good demand for this event, especially for roses and chrysanthemums, by far the two most important products used in Eastern Europe and Russia. However prices and results were negatively affected by the uncertainty and political problems between two important flower consumption nations, namely Russia and Ukraine. The consumers over there had others worries than buying flowers. Prices in general have been lower when compared to previous years. On the other hand with the mild weather consumes became more interested in purchasing and using the so called spring flowers, with all their bright colours.



#### Netherlands Importers

The January 2014 export figures from the Netherlands were published by HBAG (Exporter's union): The January 2014 cut flower exports increased by 2% when compared to the same month of last year. The absolutely best export and double digit results were obtained to Italy, Poland and Sweden. Negative results were obtained to France, Belgium, and Austria .

During the first week of February, the pre-Valentine's week, the cut flowers market was reasonably good. Many products, especially roses, were pre-ordered and sold already, while the prices increased considerably; in some cases, for instance red roses, to sky high prices.

During the actual Valentine's week, especially during the first days of the week, the market further increased. However during the last days of the week all slowed down considerably. Traders had plenty of quantities, but finally, on the last moment, many flowers had to be sold for lower prices, because otherwise they would have been stuck with leftovers.

All in all the Valentine's sales were reasonable, and the same as last year. However per product quite some differences could be noticed. More and more roses have become by far the most important product. It looks as if demand for this product is more and more dominant. Other important products suffered from the rose popularity.

Many products were much cheaper this year, especially: gypsophila, chrysanthemums, gerberas, hypericum, ammi majus, asters, solidago, some cut foliage types, trachelium, anemones and wax flowers. Remarkably many products of the so called summer flower- or filler group of flowers. An exception could be made for red and orange coloured varieties of hypericum.

During the last week of the month the impact of demand towards International Woman's Day was already noticeable. According to traders the market situation, compared to last year, was totally different. Last year demand, sales and results were very good. This year the International Woman Day's business was negatively influenced by Carnival, by the political problems in the Ukraine, by the fact that demand last year was also positively affected by the good sales towards the English Mother's Day, and by plenty of supply. Prices therefore were lower, but demand was lower as well.

## France

In spite of the fact that roses were extremely expensive, cut flowers demand, sales and results turned out to be reasonable and satisfactory. The biggest problems were caused by the very expensive red roses. That is why many traders in France ordered relatively shorter sizes (40, 50, and 60 cm) and not the very long stems of 80 and 90 cm.

Prices of other rose colours and other products were not extremely high, but those were also not so very much used. Good demand also of the different types of cut foliage, used to prepare the small mixed bouquets.

During the post Valentine's week the cut flower market became normal again, even slightly slower, because the whole Paris region had its school spring holidays. During these holidays many people went to the ski regions in the country. The spring holidays lasted until the first week of March .

Throughout the post Valentine's week traders did start to prepare themselves for the approaching French Grandmother's Day, taking place on the second of March. For this event special flowers such as shorter sized roses, narcissus and small mixed bouquets are demanded and used.



## Germany

It has been an excellent Valentine's week this year, and one of the best of many years, with good demand, and with excellent results. Nearly all flowers were totally sold out by all flower traders, such as wholesalers, florists, supermarkets and street vendor's premises.

Of course all ingredients and circumstances were all positive. Enough supplied quantities, moderate weather, which made street sales 100% possible, and the position of the actual Valentine's Day taking place on a Friday. It could not be more ideal, say traders. Consumers did purchase all the offered flowers, mainly roses, tulips, and also many other products.

Also during the post Valentine's week the cut flowers market remained very positive, even though spring school holidays started. All the mentioned traders had to renew and to build up their stocks.

Many traders started to plan and to prepare themselves already towards the approaching International Woman's Day, taking place on the 8<sup>th</sup> of March. This special Day is not so very important in the western part of the Germany, but still very important in the eastern parts of the country. From demand and sales point of view the post Valentine's week was quite a normal week. Indeed, the market and the prices stayed steady during the two week after Valentines, due to good demand for International Woman's Day. Also many people already came back from their spring school holiday's and therefore they started purchasing cut flowers again. The best business was made with roses, in particular with the red ones, and with mixed bouquets, most of them in bright spring colours.

## Italy

Cut flowers demand, sales and results for Valentine's Day were absolutely the best of the past years. Results were good due to several reasons: First of all the actual situation of the day on a Friday is very good; secondly the weather was nice and mild, so that flowers could easily be sold outdoors, and thirdly enough good quality flowers, in particular roses were available.

Prices were, of course, high; but still the roses could be sold rather easily. A very positive argument this year was the general quality level of the imported roses. During many years before there were always some quality problems; however not this year; neither with products from Ecuador, nor from Kenya or Ethiopia. This was very welcomed, and was a good promotion for the products and the branch. Maybe it had something to do with the selection of the right supplier's.

Good sales also of the so-called fillers, such as: gypsophila, solidago and wax flowers. At the end nearly everything was totally sold out, which was very good for the after sales during the post Valentine's week. All companies, such as wholesalers, florists and supermarkets had to build up their stocks again. At the same time planning and preparations were already made for the approaching international Woman's Day taking place on the 8<sup>th</sup> of March.



## Norway

First of all the Mother's day sales tuned out to be excellent. A great advantage this year was that the number of days between Mother's Day on the 9<sup>th</sup> of February and Valentine's Day on the 14<sup>th</sup> was big enough. It was the most ideal situation. During many years before the two actual days were very near to each other, which was eliminating a 100% success, because consumers always tend to buy only one time flowers and not two times as this year. So, for traders, wholesalers and florists this year was a very good and welcomed situation, with good final results.

An additional positive advantage that Mother's Day was five days earlier than Valentine's Day was the purchase price level, which was still not that very high as during the Valentine's week. Of course the market was mostly focussed on the roses, but also many other products were used, sold and bought this year, which was and is very welcomed and just spreading the risks of using only one very expensive product.



The post Valentine's demand and sales were still very good and positive, even though the great spring school vacation time had started. On the other hand demand and sales of house-plants were considerably slower, most probably temporary.

During the very last week of the month the cut flowers market remained steady, but still reasonably satisfactory. More and more demand for the so-called spring flowers. Very good demand for the so-called tete a tete narcissi on pot and for the spring erica. However in both cases supplied quantities were not plentiful enough and therefore prices were quite high.

## Spain

Valentine's Day and demand for cut flowers in the country is much less important than in many other countries. In the country itself the absolute first selling event for cut flower is always the all Saints and all Souls Day's flower consumption event. On the other hand when Valentine's demand is not really very special, the problem for importers, wholesalers and florists is that they cannot compete, due to the very high purchase prices. That was also the major reason why traders could not trade or deal with the long stem and big headed roses, but had to replace them by shorter and smaller roses, still mainly with red roses and much less with other colours. Other products were enough plentiful and prices were more or less normal, especially those originating from the Netherlands.

During the Woman Day's Period (around 8 March) the same problem occurred: very high prices for roses from South America and the Netherlands, while there was no extra demand, since Woman's Day is not celebrated in the country.

Also chrysanthemums originating from the Netherlands were very expensive. Normally chrysanthemum is one of the most important products to be used in Spain and nearly all chrysanthemums normally originate from the Netherlands.



## Sweden

Valentine's demand, sales and results this year turned out to be excellent, and the best Valentine's cut flower consumption event since many years. Results were so good, due to several reasons, such as: availability of enough quantities of nearly all products, except of red big roses; because of the mild weather in the biggest part of the country, and that the actual Valentine's Day was taking place on a Friday, the best day of all days in a week.

As said, enough quantities of roses were available either from South American and East African production origin. No quality problems at all this year, which could be called very positive and like it always should be.

Also tulips were plentiful and used next to the roses. Prices were reasonable, and therefore relatively easy to trade with. Nearly all tulips used were originating of domestic production. Only very special and new varieties were imported from the Netherlands.

Due to the fact that nearly everybody, such as wholesalers, florists and supermarkets were totally sold out, there was also a continuous good demand during the post Valentine's week, because everybody had to renew and rebuild their stocks again. Throughout the very last week of the month the cut flower market remained reasonably steady.

## Switzerland

During the pre- and the actual Valentine's week the cut flower market turned out to be very good and satisfactory. Demand, sales and final results were much better than last year, and even more when compared to two years ago. It was reported that final results were some 15% better than last year and some 25% better than two years ago. Of course, demand and sales were very much focussed on the roses and then in particular on the red varieties. It is becoming dangerous, so much demand on roses, with such high purchase prices, and here and there some quality problems. The danger is that growers and exporters do hold flowers for longer period of time in cool stores to try to hit the market when prices are highest. The danger on the other side is there for losing quality and dissatisfied results on the vases of the final consumers, with possible claims to the shops. It should be better if the attention would be given less to roses and more to other products, which on the same moment really plentiful and they were much cheaper.

After the very good results obtained during the first two weeks of February, the last two weeks were considerably slower, but normal given the period of the year, compared to all previous years. On the other hand the market became much more focussed on the whole group of so called bulb flower products, such as: tulips, narcissus, ranunculus, hyacinths and many others, all available plentiful and in bright spring colours.

## United Kingdom

The whole month of February 2014 has been a very good month for the cut flowers market. Through the first week of the month, the so-called pre-Valentine's week, demand and sales turned out to be very good, and this situation did continue throughout the second week. Enough quantities of rich assortment were available.

However, it has to be stated that market is focussing on roses more and more. In the past good deals were also made with carnations or spray carnations, but not anymore nowadays. It is most probably also a popular trend transferred from America.

The final sales by florists, market vendors, and other small sales companies have turned out to be very successful as well. Nearly everybody was totally sold out, which was good for the market of the post Valentine's week, because everybody had to build up his stock again. Last year the post Valentine's sales were also very good, because Mother's day took place right after the Valentines. This year Mother's Day will take place much later, in fact on Sunday the 30<sup>th</sup> of March.

Throughout the last week of the month many new products arrived in the market. Spring flowers, such as hyacinth, narcissus, and tulips reached the market very early this year, as a result of the mild winter weather. These products will be well demanded and very popular towards the British Mother Day's campaign. It looks as if more than enough quantities will be available for this event.

