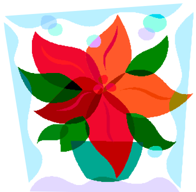
Market Dynamics

Ornamental Plants Europe – February 2015

04 March, 2015



The Netherlands

Netherlands Auctions

The 2014 house-plant auctions' turnover decreased by 10.3% compared to the same month of last year, realised with a supply decrease of 6.3 %, resulting in a total average price for all plant types of € 1.58, while it was € 1.66 last year at the same month.
Better prices for: hyacinths on pot, narcissus on pot, dracaena, and cyclamen.
Lower prices however for: phalaenopsis orchids, anthurium, kalanchoe, other various houseplants and pot roses.

The garden plants' turnover decreased by 10.2%, compared to the same month last year, realised with a supply decrease of 14.2% , resulting in a total average price for all garden plants of € 1.12, while it was € 1.06 last year

The slogan 'Christmas trees out - new plants in', did not really work this year. This famous slogan worked for many years right at the beginning of a new year; but throughout the last couple of years all went less and less good. It seems that consumers are not so much inspired anymore. On the other hand many houses are full with plants all the time, so there is less room for new plants; and the availability of reasonably cheap plants is plentiful all the time.

Exceptions this year can be noticed in the sector of so-called 'bulb flower on pot'. Narcissus and hyacinths did fetch very nice prices this year, while phalaenopsis prices were down.

In the green plants sector things moved normally, without lower supplies, and prices were about the same as last year. The group's market share of green houseplants has become smaller during the past 10 years. Was the share before 50-50 green plants versus flowering plants, nowadays the flowering plants have a share of two third and the green plants of one third.

Also in February the fully-grown plants demand and sales were not very special, except for pot roses and phalaenopsis orchids, which were still slightly cheaper. Phalaenopsis growers are trying to be more inventive, to create other colours, other sizes and other formats.
Still the margins on this products are not anymore as they were some 10 years ago.
Remarkable is that in spite of the fact that the share of phalaenopsis orchids in the orchid group is becoming bigger and bigger, other smaller types and varieties are less demanded and fetch lower prices, except of the cymbidium types.

Netherlands Importers

The January 2015 export revenue of cut flowers and pot plants together decreased by 3.2% compared to January 2014. Per country big differences could be noticed, first of all the further strong decrease of exports to Russia with -31%, and a strong decrease in Italy by -11%. Other decreasing exports were to Germany with -2.1%, Belgium with -8.8%, Sweden with -1%, and Other Countries with -14%.
The strongest increasing exports was to France with +13%, Switzerland with +10% and Poland with 3.5%

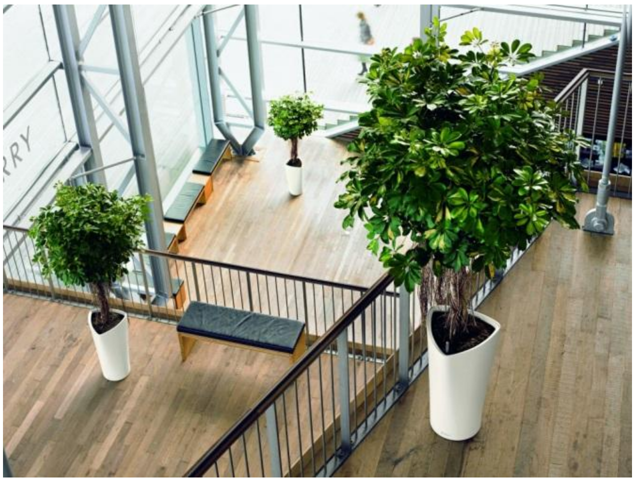
Traditionally February was always and also this year a slow month for house and garden plants. Many times the severe winter weather was influencing the market negatively. However, like last year, the winter 2014/2015 was so far mild; hardly any serious night frost and almost no snow in the Netherlands, but also in nearly the entire Western Europe. So, these conditions should normally be good and positive for good demand and sales, even outdoors in the open markets. However, the plants market has not been very special in February, except for some products that are used for Valentine's Day (typical cut flowers event) such as pot roses and phalaenopsis orchids. Not to forget the whole range of so called bulb flower products on pot, with the absolute best sellers narcissus and hyacinths.

For the rest the market and the exports were reasonable. Relatively better results were obtained for ficus and dracaena, the green plants of which the share was shrinking during the past years and still it is further shrinking.

Denmark

The revival of the fully grown green-plant market right after Christmas took place also this year; but, only for a very short period of time, till the end of the first week in January. After that the market slowed down considerably, until the very end of the month.

In February a recovery took place again and finally total demand, sales and results turned out to be reasonable, for nearly all plants, green and flowering plants, except for saint paulia, who's sales and prices remained low; too low already for quite some time.
Of course, the so-called spring flowers and bulb flower on pot took the biggest share of the market. These are plants like primrose, and the whole assortment of bulb flowers on pot, with the two major products, narcissus and hyacinths on pot.



In the green plants sector best sales were achieved of the mini green plants and the indoor landscaping plants. Valentine's Day was never and also this year was not a very special consumption event for house and garden plants, except for the red types of kalanchoe and pot roses. It is more a fest for cut flowers.

In the tropical ornamental young plant sector all was moving on reasonably well; not spectacular, but neither poor.
Gradually local growers were starting to prepare their greenhouses for new young plant material. Due to the unrest in the different important currencies, such as the US-Dollar, the Euro and the Russian Rouble,

import products have become much more expensive. The exchange rate of the Danish Crown when compared to the Euro and the US-Dollar has become higher; last year one Dollar was equal to 5.6 Danish Crowns and this year it is one US-Dollar equalising to 6.5 Danish Crowns, a difference of some 15%.
Due to heavy rains at the beginning of the year on the Central American production countries the products were suffering from some quality problems.

Germany

After a rather disappointing fully-grown plants market during January, except during the first three days of the month, the revival of the market right after Christmas lasted only but a few days. Throughout the whole month of January the market could be called slow. Supplied quantities were lower than last year; yet, prices were even lower for nearly all products; except for the bulb flower on pot, which fetched better prices than last year.

In February the market did not really improve, except for the Valentine's Day (more a cut flower event) for pot roses and phalaenopsis orchids. However, prices were not higher than last year; they were slightly lower. Lower prices achieved also for the flowering houseplants, such as kalanchoe, cyclamen and hortensia/hydrangea.
The same could be said for the whole range of garden plants.
Green plants moved slightly better, but supplied quantities became lower all the time.

During the post Valentine's week the market became slower and quieter, partly also due to the spring holidays, when many people took a week vacation, mainly to the ski resorts and the warmer countries in the south of Europe or further away.
All in all not really good and positive situation, while last year the market during February was good. Like last year the weather was, in principle, not bad, with hardly any serious night frosts or heavy snowfall. The roads and streets were 100% open all the time, so that products could be easily moved. Also the outdoor sales and street sales could continue all the time smoothly.

In the tropical ornamental young plant sector nothing really changed. Many greenhouses were still full with the seasonal plants such as all the bulb flower products. However it is expected to improve soon.

Sweden

During the months of January and February 2015 supplied quantities were lower than in the same months of last year. However, with higher prices more turnovers could be made and so finally results turned out to be better.
Throughout those months everything in the market is turning around the flowering houseplants, and the first wave of garden-plants, such as pansies and primroses. Primrose

came early in the market, like in last year, due to a relative mild weather this winter. So, supplied quantities were again bigger, and during February they became slightly cheaper.

More flowering houseplants were demanded and sold; such as: begonia, chrysanthemum on pot, kalanchoe, and impatiens plants. Of course, also the whole range of so-called bulb flowers on pot, like narcissus and hyacinth, and also the very important spring products like primrose.

Very good demand also for the spring garden plants, such as pansies in a wide variation of colours, which consumers like so much right after the long dark and cold winter.

Green houseplants were hardly used during the past two month. It is expected to change and to improve as from April onwards.