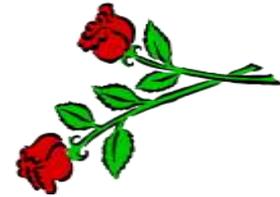


Market Dynamics

Cut Flowers Europe – February 2016

1 March 2016



The Netherlands

Netherlands Auctions

The December 2015 auction figures were published as follows: December 2015 cut flower turnover increased with 4.2% when compared to the same month of the previous year, realised with a supply decrease of 2.1% resulting in a total average price for all flowers together of 28 Euro cents (last year 26 cents) per stem.

Better prices for: roses, chrysanthemums, both for the sprays as well as the single headed, tulips, and cymbidium orchids. Lower prices for: gerberas, ilex and eustoma.

The January 2016 cut flower turnover decreased by 11.8% vs the same month of last year, realised with a supply decrease of 11%, resulting in an average price for all flower types of 21 Euro cent (last year 21 cents) per stem.

Better prices were quoted for: roses and single headed chrysanthemums. Much lower prices for: spray chrysanthemums, lilies, gerberas, eustoma, freesia, cymbidium and hyacinth.

Even though there was hardly any sign of 'real winter', the total supplied quantities was considerably than in the same month last year. Quantities decreased by 11%, mainly caused by much lower quantities of rose and tulips; the two major products in this period of the year; with minus 14%. Chrysanthemums with -20% and hippeastrum (amaryllis) with -21%.

To the contrary some more quantities of eustoma were supplied.

The total average price of all products decrease by 1 cent, causing a lower turnover of 11.8%.

As from the beginning of February the cut flower market gradually increased again, because of higher demand for Valentine's Day.

Nevertheless, also during this year's Valentine's Day cut flower demand and sales were not as good as in previous years. Prices in general were not higher, but also not lower.

Right after Valentine's Day the market really slowed down quite drastically. The average price for all flowers dropped from 30 cent in the Valentine's week to 23 cents in the week after. Only towards the very end of the month the market gradually improved again, because of good demand for the English Mother's Day on the 6rd of March, and International Woman's Day on the 8th.



Netherlands Importers

The December 2015 export turnover increased with 3.4% when compared to the year 2014. The very best results were obtained in: United Kingdom with + 14%, Poland, with +13%, France with +9%, Other Countries with +9%, Italy with +7% and with other minor percentages also to Belgium, Switzerland and Sweden.

Negative percentage was realised to: Germany with minus 3.8%, Russia with -25%, and Austria with -13%. Most worrying is the decrease to Germany, in absolute value the biggest decrease. Also worrying the decrease to Russia already for the third year.

The January 2016 export figures from the Netherlands were published as following. The January 2016 export turnover (for cut flower, house- and garden-plants together) decreased with 6% when compared to the same month of the previous year. Only two countries were reported with positive percentage, namely Belgium with 9% and to Poland with 1%. Most regressive and double digit percentages exports to Russia with minus 39% and to Austria with -24%.

January was called a good month in regard to prices, which have considerably higher than last year during the same month, especially for roses, hypericum, gypsophila and now also for solidago. The latter product was far too cheap during the recent several months.

Total imported and supplied quantities have been much lower, of for instance: roses and gypsophila. On the other hand the weather conditions were so that flowers could be moved and sold outdoors all the time, thanks to the mild winter.

Only a few so called ice-days when temperatures came under zero. In January only three days and in February the same. However it never became colder than minus 7 degrees Celsius and during daytime it was above zero all the time.

This was the situation in the Netherlands, but also in nearly all other European countries, except in the northern and in the eastern parts.

From the very end of the month and also throughout the first weeks of February the market improved very much, especially towards the Valentine's Day and at the end of February also for International al Woman's Day taking place on the 8th of March, and for the British Mother's Day (In England called Mothering Sunday).

So, final results of Valentines were good and positive, however not extra or super.

Ecuadorian roses were plentiful, while prices at the beginning were as high as during the past years at the same cut flower consumption event. Through the actual Valentin's week quantities were still very high and concessions had to be done on the price level. Finally not 100% of the Ecuadorian roses were sold out. African roses were supplied in sufficient quantities, but nothing was overdone.



France

The January cut flower market was the same slow and quiet as during most of the previous years in this month. So, also this was nothing special at all.

As from the beginning of February the cut flower market gradually improved, especially toward Valentine's Day.

On the supply side enough assorted quantities were available, from the Netherlands as well as from the major overseas production countries.

However, Valentine's demand and sales were not super, but they were called satisfactory. Like last year the actual Valentine's Day took place in the weekend. Last year on a Saturday and results were not very special, this year on a Sunday which is the worse day to celebrate this flower consumption event. And so were the results, even slightly less good when compared to last year.

Most of the products were not particularly expensive but roses, especially red varieties were very expensive. The general quality level however could be called good and satisfactory, without problems.

On the other hand the cut foliage types such as leather leaves and salal were scarce and very expensive.

In the two weeks after Valentine's Day the market slowed down considerably again. All hopes are put on Grandmother's day, taking place on the 6th of March.



Germany

We are sorry, but the market information from Germany is temporarily not available. The Market Dynamics team.

Italy

January was a very slow and quiet month in the cut flower business. This was called more or less normal, given the period of the year.

Also during the first week of February, the carnival week, everything remained calm, even though Valentine's Day was approaching.

During the actual Valentine's week the cut flowers market improved very much. However not so much as in many previous years, mainly due to the fact that the Valentine's day took place on a Sunday.

Final orders from wholesalers and florists were smaller than normally; and final sales by the florists were lower as well. At the end they did not even sell everything.

Four major reasons were given for the less good results of flower sales with Valentine's Day: First of all the actual day was on a Sunday, secondly the weather was very bad, with lots of rains and even snow in the northern regions, thirdly the negative effect of Carnival in the week before, and fourthly the general economic situation in the country.

On the supply side of the market many products were plentifully available. Ecuadorian roses were even oversupplied, which forced prices downwards. This situation exists already for quite some time. All the roses they used to sell in Russia, which is much less the case recently, have to be re-routed to other destinations. And in many cases this is done to more European countries, with the negative effect on the prices in general.

Also during the last two weeks of February the cut flowers market was clam and quiet. It is expected that the first and next important cut flower consumption event will be International Woman's Day on the 8th of March. This is in Italy a well know and very good event for cut flower demand and sales.

Norway

During the month of January the weather was rather cold, with the effect that outdoor cut flower and plant sales were not possible. So, demand in general was considerably low, and therefore also the sales and the turnovers. Towards the very end of the month suddenly weather became much milder and immediately the outdoor sales were increasing rapidly.

As from the beginning of February the real Valentines and the Mother Day's market started. In principle it is called not good when those two cut flower consumption events are taking place in the same week and this year even on the same day. Traders reported that in such a case consumers purchase only once, and not two times as in most years.

On the supply side plenty of flowers and plants were available. However, roses originating from the African production countries arrived in poor quality, mainly due to too long storage before sending and arrival. Lots of roses arrived with botrytis and rottenness. In many cases it was impossible to sell those flowers.

A good exception were the roses of the variety Rhodos. They arrived in better quality condition this in contradiction with the variety red ribbon.

Right after Valentine's Day the cut flowers market gradually improved, especially with the so called spring flowers and spring flower products, such as bulb products on pot and also of spring erica plants.



Spain

During the month of January the cut flower business is never something special, neither it was during this year. Only as from the end of the month, towards Valentine's Day the market gradually and slightly improved.

In the first week of February the carnival time took place and therefore cut flower demand and sales were nearly zero. However, throughout the second week of the month, the so called Valentine's week, the market really improved very much. Yet, final Valentine's results turned out less good than many previous years.

Compared to Valentine's Day of 2015, when the actual day was on a Saturday, 2016 was even less good, because it took place on a Sunday. According to traders and florists that is the worse day for the Valentine's celebration and also for cut flower sales and results.

On the supply side of the market there were no problems at all. Enough roses, origination from Colombia and Ecuador, were available; even the red varieties. No quality problems at all occurred this year, which was very positive.

Right after Valentine's Day the market became slow and quiet again and this is expected to remain like that. International Woman's Day on the 8th of March is not a special cut flower consumption event in the country.

Sweden

Throughout the entire month of January the cut flowers market was nothing special at all, which is more or less normal, given the period of the year. On the other hand it was also not so bad, and everybody knew it in advance. Volume wise, lower quantities have been moved, but from point of view of results all did turn out reasonably satisfactory.

As from the beginning of February the cut flower market gradually improved. The final Valentine's sales and returns did vary from having been reasonable to moderate. Some importers and wholesalers reported 20–30% lower sales, while others reported business were normal.

However in average final sales and results were slightly lower when compared to the previous years. Quite some quality problems have occurred in mainly the African roses. Flowers arrived in poor condition, because they have been stored for too long period of time. Many roses did not open or were affected by botrytis.

Roses originating from the Netherlands were of very good quality; so final sales could be called satisfactory.

Right after Valentine's Day, during the third and the fourth week of February the market remained positive. More and more so called spring flowers arrive in the market, especially tulips and narcissus, nearly all of them locally grown.



Switzerland

The cut flower market during the first month of the year was, as traditionally, rather slow and quiet. However, throughout the rest of the month especially towards the end all started to improve gradually. This was normal, given the period of the year.

From the beginning of February all started gradually to improve. Orders came in and sales of importers and wholesalers started to increase considerably.

From the beginning of the second week of February, the actual Valentine's week, all became really busy.

At the supply side of the market plenty of roses were available. Especially those originating from Ecuador, where the crops became mature earlier than planned, due to weather conditions, with more sunshine and higher temperatures throughout the whole month of January.

At the beginning, Ecuadorian roses were very expensive even though quantities were really plentiful. Throughout the Valentine's week prices could be downwards negotiated.

Kenyan roses were not oversupplied at all; also due to weather conditions which were cooler, rainier and cloudier.

Production was slightly lower, but the general quality level was not the very best. Due to wet conditions mildew and botrytis were affecting the roses negatively.

All in all the Valentine's demand and sales could be called good, and nearly everything was finally sold out. Only 5% was leftover according to wholesalers and florists.



In the week right after Valentine's Day the market slowed down, however florists and other outlets had to fill their stock again.

Throughout the very last week of the month another flower consumption event was approaching, namely International Woman's day taking place on the 8th of March. A slight improvement of the market was noticed, even though this fest In Switzerland is not really very specially celebrated.

United Kingdom

During the first and the second week of January the cut flowers market was rather positive and good, mainly because of extra needs from wholesalers and florists after the good Christmas sales.

However, during the other weeks of January the market slowed down quite considerably, but to a normal level for this period of the year. Also during the first week of February all remained rather slow.

Nevertheless, at the second week of February, the Valentine's week, all improved drastically. Valentine Day's sales and result turned out to be satisfactory, but not extra or super.

According to traders this was due to the fact that the actual Valentine's Day took place on a

Sunday, and this is called the least good situation for demand and sales of cut flowers in particular.

It was also reported that demand for Valentines is more and more focussed on roses and then in particular for the red and pink varieties.

The post Valentine's demand and sales were also not very special at all. However as from the end of February demand for Mother's Day, on the 6th of March started to take off. It is the most early Mother's Day (in England called Mothering Sunday) possible, normally good for importers who have to import more products, because local productions are not yet 100% in bloom. For consumers it is a slight disadvantage because prices for most of the cut flower types are higher, especially this year all due to higher demand for International Woman's Day taking place at the same week, on the 8th of March.

