

Market Dynamics

Cut Flowers Europe – January 2014

12 February, 2014



The Netherlands

Netherlands Auctions

The December turnover of cut flowers was 14% higher than the same month of last year, realised with a supply increase of 1.2 %, resulting in a total average price for all flowers together of 29 Euro cents (last year 26 cents) per stem. This was a very good finish of the year, resulted in an annual decrease of 2%, while it was -3% at the end of November.

Due to the very good final sales at the very end of 2013, the cut flower market and trade during the first week of the new year was very good as well. All stocks of wholesalers, supermarket and shops had to be built up again. On the other hand consumers did continue to buy new products. It was very easy to move flowers and to sell them in the open markets, all due to the mild weather during the whole winter 2013/2014 so far. Until the end of the third week of January there has been no sign of winter weather. No snow and no ice so far, very string and not normal, but good for fresh products' sales.

On the supply side of the market there was rarely any oversupply. That was also the major reason for the good prices for nearly all products. Finally the tulip production grew considerably, compared to the weeks before, when the tulip supply stayed behind with around 50% of a normal yield. Now supplied quantities had reached a more or less normal level, as could be noticed on the prices as well.

During the last two weeks of January the cut flowers' supply stayed behind by about 3% compared to the same month of last year. Remarkable; because last year the winter weather was very cold and severe and this years it is mild like in autumn or early spring. Prices were however higher in general, especially for big headed roses and in particular for the red varieties. Also tulips, chrysanthemums, and lilies were considerably more expensive. Lower prices only for cut hyacinth and cut cymbidium orchid.

Netherlands Importers

After the good cut flower market during the last two weeks of December, the market at the beginning of the new year remained rather good as well. Supplied quantities were not particularly big, but prices were continuously higher for nearly all products.

Demand, sales and prices of solidago were extremely low during the last two months. They became considerably higher during the first weeks of January, without having been high enough. Also wax flower prices were too low. All other products, such as: roses, gypsophila, liatris, hypericum, asters and many others were well demanded and could be sold for satisfactory prices.

Ecuadorian roses in other colours than red and white were plentifully available all the time. A certain shortage was noticed for the red and the white coloured types and varieties. The same could be said for the whole range and assortment of African roses.

As the major reason for the good sales was the continuous mild and open weather. No snow and no ice on the waters and on the roads, and temperatures were far over zero, so that the street sales could take place all the time. This was in contrast with last year during the same period, when it was a real winter, with lots of snow and temperatures below zero all the time.

Throughout the last week of January the cut flower market was still not so very lively, except for all red roses, of which prices went up dramatically, all towards the approaching Valentine's Day. In January the total supplied quantities were lower when compared to last year, especially for roses and tulips, however not for all other products. It was expected that the Valentine's busy times will start as from the first week of February.

France

As from the beginning of the New Year the cut flower market was slow and calm. Hardly any trader, wholesaler, and florist was ordering new cut flowers. The market seemed to be dead, in spite of the fact that enough flowers were available and the weather conditions were very good. No sign of any real winter conditions, like for instance last year, with loads of snow and minus temperature all the time even during day time.

As from the third week of the month importers started preparing for the approaching Saint Valentine's Day. However, special flowers like red roses were first of all scarce and secondly very expensive, especially those originating from Ecuador. The African roses were in all colours quite plentiful; prices were a bit higher, but not to the extreme.



Also throughout the last week of the month the market remained steady, without any improvement yet. This was expected to happen during the weeks to come. All signs are positive. Still mild weather with temperatures of around 6° – 10° Celsius, no snow or ice, and an ideal position of the actual Valentine's day on a Friday.

Germany

The final Christmas and New Year's sales and results turned out to be very good and satisfactory, and better than expected before. Total supplied cut flowers and cut foliage were enough plentiful, but for sure not oversupplied at all.

There was even a certain shortage of roses, originating from the East African countries. Tulips were really scarce, with some minus 40-50% availability (compared to a normal season), especially those originating from domestic production, and from the Netherlands. Prices were really sky high. This situation turned slightly during the third week of January. There was still shortage, but not so much anymore.

Roses originating from Africa and South America (Ecuador and Colombia) were plentifully enough. However red varieties from South America were not always available, and were very expensive. Red roses from Africa were plentiful and also more expensive, but not to the extremes.

Other products were also plentifully available and prices were more or less normal given the period of the year. No big improvement or changes of the cut flower market during the last week of January. Flower quantities in the Dutch auctions were still not very big and prices are continuously reasonable, except for tall the big headed red roses, which were very expensive. Hopefully all would turn positive during the weeks to come and that is also expected by traders.

Italy

The final December cut flower sales and results, with the very important cut flower consumption events Christmas and New year turned out to be very good and satisfactory. Nearly everything was totally sold out. This has had a very important and positive impact on the market during the first two weeks of the New Year. Traders, wholesalers and florists had to build up their stock again and with the mild winter weather consumers did continue to purchase cut flowers and cut foliage.

However throughout the third week of the month the cut flower market slowed down extremely, to a normal level for the time of the year; even slightly lower than normally.

As from mid-January importers were busy with the preparations for the approaching Valentine Day's event, trying to order enough assortment and quantities from overseas production countries, especially in South America and Africa. This has become more and more difficult during the past years, because buyers/traders are not anymore making commitments long time before. Not even on the short term. However, when they are going to order and to buy importers need to have enough quantities. The risks therefore are on the shoulders of the importers, which is not easy at all.



During the last week of January the cut flowers market situation has not improved at all. To the contrary it has further deteriorated, all due the extremely bad weather, with loads of snow in the northern regions, loads of rainfall and floods in the central part of the country. The final demand and sales were nearly dead. It was expected and hoped that all will turn positive towards the approaching Valentine's Day.

Norway

During the first two weeks of January the cut flowers market was continuously rather good. Demand, sales and results turned out to be satisfactory and slightly better than the same period of last year, when the winter weather was severe. This year all is considerably less cold and with less snow, so that flowers could continuously be sold outdoors.

Throughout the third week of the month all became much colder. During the nights -8° to -12° C and during day -5° till -8°C with snow even in the lower regions and near to the sea. This has influenced the sales downwards, but it was called reasonably normal, given the period of the year.

Very important flower consumption events were approaching Mother's Day on the 9th of February and Valentine's Day on the 14th. It was noticed during the third week of January that prices of certain products went up already; especially of roses and chrysanthemums. Small and medium roses were relatively more expensive than the long stem big headed roses.

Throughout the very last week of the month the cut flower market improved again, all due to good final sales towards the Mother's Day. Purchase prices were still not extremely high, so that good deals could be made in purchasing, as well as in final sales.

Spain

As traditionally January is, and was also this year, a very slow and quiet month for cut flowers demand and sales. On the other hand several products, especially those originating from the Netherlands, and particularly chrysanthemums and tulips, were expensive. Even so high that importers and wholesalers had to adjust the quantities downwards. With expensive products no margins can be achieved and in such cases it is then better not to deal with them, and to avoid losses.

For the same importers and wholesalers it was, on the other hand, an important period of preparing for the approaching Valentine's Day, meaning trying to order and book enough products and quantities. Even until the very end of the month of January hardly any pre-order was placed by buyers/wholesalers/florists. As during the past Saint Valentine's events buyers are deciding to buy and purchase flowers on the very last moment. Hopefully it will become the same during the weeks to come.

Sweden

The final sales and results of Christmas and New Year could be called very good and satisfactory. Even throughout the first week of the new year all remained good and positive. In that week there was some shortage of African roses and of locally produced tulips, while prices for the tulips were very high.

However throughout the second and the third week of the month the cut flower market slowed down quite considerably, which is more or less normal, given the period of the year. The same was the period before the approaching special cut flower consumption event of Valentine's Day; a so-called lull before the storm situation.

On the other hand it was the preparation time for the big event, meaning to try to order enough products, to be able to serve the clients adequately and on time.

Ecuadorians roses were already more expensive and the red varieties were scarce and really very expensive, but all in all prices were not much higher when compared to last year for Valentine's Day. African roses were enough plentiful and prices were also higher, but not to the extreme, given the period of the year.

Suddenly, the tulips season really started to take off, resulting in lower, but still normal prices, which were extremely high during the past month, due to the shortage.

Switzerland

Throughout the first two weeks of the new year the cut flowers market remained rather good and satisfactory, and better than expected. Enough quantities were available, except of certain varieties and colours of Ecuadorian roses, which on the other hand were very expensive already. It is was like in the past years a shortage of red roses and of special varieties, most probably used to serve other important markets. In other times, not in the Valentine period, always enough quantities were available of any variety or any colour. African roses were enough plentiful all the time and the general quality level could be called good.

However, during the third week of January the cut flower market suddenly became slow and sluggish, most probably the lull before the storm of Saint Valentine. Throughout the last week of the month the cut flower market was nothing special. Demand and sales were even on the slow side, hopefully waiting for the boom towards Valentine's Day. Enough quantities of roses were purchased and confirmed. Yet, quite some shortage of red coloured roses were noticed. A big advantage was the moderate winter weather so far. If all would not change or deteriorate during the days to come, a positive Valentine's sales could be expected.



All in all the January 2014 sales and results turned out to be much better than the same month of last year.

United Kingdom

After the very good sales and results of Christmas and New Year, traders and florists were nearly sold out. That was very good for the market during the first two weeks of the new year, when all the stocks had to be build up again. In general cut flower trade turned out to be satisfactory. On the other hand, due to the mild weather all the time, final demand and sales of traders, florists and consumers have been very good as well.

Only throughout the third week of January all did slow down to a much lower level; even though everything was running in normal speed and pace, given the period of the year. When compared to last year, the January cut flowers market was considerably better, due to the continuously mild weather, while last year the market was facing great difficulties due to snow, ice and cold conditions in January.

Also during the last week of the month the market situation was not bad at all. However, it was temporary slightly slower, known as the lull before the storm situation; in this case before the approaching big flower consumption event of Saint Valentine's Day. Towards the end of the month not many pre-orders were placed yet, but it was expected to take off during the week to come.