

Market Dynamics

Ornamental Plants Europe – January 2014

12 February, 2014



The Netherlands

Netherlands Auctions

The December 2013 plant figures of the auctions show that the turnover of houseplants increased by 12% from the same month last year, realised with a supply increase of 8.6%, resulting in a total average price for all plants of € 1.61 (last year € 1.56 per plant.)

Per product, some differences could be noticed: Higher prices for poinsettia, hyacinths on pot, amaryllis, bromeliads, kalanchoe, cyclamen, pot roses and dracaena. Lower prices obtained by phalaenopsis orchids, and anthurium.

The garden plants turnover increased by 38%, realised with a supply increase of 23%, resulting in a total average prices for all plants together of € 1.31 (last year Euro 1.16) per plant.

When compared to the same month of last year, January 2014 could be called a reasonable month. Total supplied quantities were slightly higher than last year; not so strange because last year January was a real winter month, with cold, snow, frost and ice; nothing of these elements appeared this year. The very mild weather, with mostly temperatures between 5° and 10° Celsius did not have any disturbances of production, supply, transport and final sales. Outdoor sales could be effectuated all the time without any protection measures.

There was an increase in demand and sales of green plants, but also of flowering plants, with higher prices as well. The two major flowering plants phalaenopsis orchids, cyclamen, kalanchoe and bulb products on pot fetched higher prices. The same was noticed for the major green plants dracaena and ficus. Lower prices were obtained for anthurium.

The garden-plants demand and sales were very good and satisfactory, and the turnover in January was some 30% higher than in January last year, when nothing could be done in the gardens, due to the severe winter weather.

Netherlands Importers

The December 2013 export figures of house and garden plants from the Netherlands were published by HBAG (Exporter's Union) as following: The turnover increased with 17% when compared to December 2012, which could be called a very good end of the year 2013, which as a whole was a negative year with a turnover decrease of 2%.

Per country quite some differences could be noticed: Only one negative figure in December of minus 9% exports to Austria. Most positive and double digit results to: Germany, France, United Kingdom, Italy, Sweden (the top result of all +41%) , Switzerland and Poland.

January 2014 was a mild winter in Europe. Hardly any night frosts occurred, and if it did temperatures were not lower than -1° or 2° Celsius during just two or three nights. This had a positive impact on the whole house and garden plants' market in general. The slogan 'Christmas tree out - green-plants in' came true this year. During many previous years this

improvement could not be realized, due to winter weather, but this year there was quite an improvement. Outdoor domestic sales and exports both profited a lot from those circumstances. Moreover, nearly all plants fetched higher prices and therefore margins of exporters and wholesalers were slightly better than during a long period before.

It was exceptional for January that everything could be moved and sold outside without any special protection against cold damage. Towards the end of the month the Valentine's Day activities took place, however mainly with cut flowers, and only but a very little with potted plants. In case some flowering plants were used, only those with red colours. For the rest Valentine's Day had very little impact on the plant sector as a whole .

In the tropical ornamental young plants sector the mild weather also played a positive role. Plants could be planted and much less heating costs needed to get the plants growing smoothly. Imported quantities were plentiful and those young plants could be sold to domestic and other European markets quite easily. Hardly or no quality problems showed up in the imported material.

Denmark

Immediately after Christmas the green houseplants market considerably improved, for both the houseplants and for the indoor landscaping plants and it continuously did during the first three weeks of January. A very welcome surprise, for sure when compared to the past years, when this improvement did not really happened. Most probably it had very much to do with the relatively mild winter weather during nearly all the winter so far.

Only during the third week of the month night frosts appeared with here and there some snow, but not to the extremes anyway. The season of the primroses can already be called disastrous. Supplied quantities exceeded by far the demand and therefore prices have been absolutely minimal. Also this was caused by the mild winter during November and December. Products arrived to the market earlier than they should have. To the contrary: the situation of kalanchoe and the saintpaulia was much better, and really satisfactory; supply and demand were in good balance.



The plant market during the last week of January was continuously good, and satisfactory.

In the tropical ornamental young plants sector enough new plant material was available all the time. However, there was no real oversupply and prices were reasonable. As was also the general quality level of the plants arriving from overseas countries in Central America and South East Asia. It is expected that the market will gradually improve from week No. 8 or 9.

Germany

As from the last week of last year and during the first three weeks of the new year the fully grown house-plants market turned out to be positive and satisfactory, for nearly all products. Surprisingly good was the situation of the green houseplants, maybe due to the mild winter

weather so far this season. This was in real contrast with the weather situation of the past several years, when it was really winter time with cold, snow and ice, while plants could not be moved properly. On the other hand the market was really flooded with primroses. Supplies exceeded the demand by far, so that prices were absolutely minimal. In many cases the minimum prices could not be reached. The auctions did lower the minimum prices for the mentioned product temporary. Even though many plants could not be sold at all and had to be taken out from the market to be destroyed. It can already be said that the primrose season is going to be negative this year. Maybe a lesson for the years to come; it is needed to regulate the market adequately.

As said the green plants were traded satisfactory and prices were reasonable, also during the last week of the month .

All in all January 2014 can be characterised as a good and satisfactory fully grown plant month, with good sales, good demand and positive price in general. No special demand for the approaching Valentine's Day, which is mainly a cut flower consummation event.

In the tropical ornamental young-plant sector enough products were available for normal prices. Hardly any bargainings had to be made so far. Some representative prices for the respective products are: phoenix roebelinii of 2 m' high in a pot size 30 for € 12.00, in a pot size 24 and 1.50 m' high for € 7.00; dracaena marginata tufts with two plants per pot in a pot size 17 for € 1.50 (= very low), primrose's acaulis in a pot size 12 for € 0.20, in a pot size 10.5 for € 0.15, in a pot size 11 for € 0.18, cyclamen in a pot size 13 for € 1.20.

Sweden

Christmas and New year's sales and results turned out to be very good and satisfactory. Nearly everything was sold out, which was very good for the demand and sales throughout the beginning of the New Year. All traders, wholesalers and florists had to build up their stocks again.

With the moderate winter weather throughout until the second week of the new year, demand and sales turned out to be satisfactory. However, as from the beginning of the third week of January the real winter weather arrived, but not to the extreme; except in the northern regions of the country, where temperatures went down to -40°C. It was impossible to move and sell plants in those regions. But this was more or less normal over there. In the central and southern regions the market did continue to be reasonable all the time.



Major business was made with the flowering plants, such as: primroses, chrysanthemums, begonia, kalanchoe and calandiva. Green plants were not used at all, which was not new, when compared to previous years. This market would gradually improve right after the winter.

Primroses however arrived in the market in huge quantities, and prices turned out to be moderate. Throughout the last week of the month the milder weather came back, but the fully grown plants market remained the same; steady as during the first half of the month.