

Market Dynamics

Ornamental Plants Europe – January 2015

05 February, 2015



The Netherlands

Netherlands Auctions

The December 2014 houseplants' sales turnover increased by 7.6% compared to the same month of last year, realised with a supply increase of 9%, resulting in a total average price of € 1.59 (last year € 1.62) per plant, for all plant types together.

Higher prices for: poinsettias, hippeastrum (amaryllis), kalanchoe, cyclamen and pot roses. Lower prices for: phalaenopsis orchids, hyacinths on pot, arrangements, anthurium, and bromeliads.

The garden plants' turnover increased by 2.6% compared to the same month of last year, realised with a supply increase of 11%, resulting in a total average prices of € 1.21 per plant.

After moderate plant demand and sales during the Christmas and New Year's celebrations, the market in January has turned out to be even more moderate. There was only but a very slight improvement during the first week of the month, most probably only because wholesalers, florists and supermarkets had to fill up their stock again.



During January the turnover of all houseplants decreased by some 13%, compared to the same month of 2014. It has to be said that January 2015 had one auction day less than in 2014. Still results were called moderate.

The total supplied quantities were some 9% lower and prices decreased by 4%. Phalaenopsis orchid's supply, by far the biggest item in the plant assortment, increased by 6%, while prices decreased by 6%.

More demand, sales and better prices for the whole range of bulb flowers on pot, which fetched better and higher prices.

Clients and consumers preferred to buy spring products, available in many bright colours. That is what consumers wanted after a long, dark winter, spring and spring colours in their homes.

The garden plants' turnover decreased by 13%, compared to January 2014, realised with a supply increase of 20%, resulting in a price decrease of 14%.

Netherlands Importers

The figures on export from the Netherlands over 2014 are published by Floridata/VGB (the Exporter's Union). The total export turnover of cut flowers, house- and garden-plants export increased by 2%, compared to the year 2013.

In the first quarter of the year there was a decrease of 0.5%, followed by increases during the second quarter by 3.7%, the third quarter by 5.5%, and during the last quarter - 2%.

In 2013 there was a decrease of 2.3% compared to 2012.

Plant exports increased with 5%, better than the increase of cut flowers by almost 2%.

Only but minor optimism among exporters as to 2015, due to changes in the important currencies in the world market: A decrease of the Russian rouble of 40% in a half year time; a stronger US Dollar (some 30%) versus the Euro, and a stronger Swiss Franc, 20% versus the Euro.

The weaker Russian rouble is very negative for the Dutch exports, but the increase of the US Dollar and the Swiss Franc are both positive. However the higher US Dollar rate is negative for all imports.

Per country quite some differences in export could be noticed: Higher and increasing percentages for: Germany (3.5%, United Kingdom (+2.2%), France (+10.2%), Italy (+1.4%), Switzerland (+13.7%), and Poland (+14.6%).

Negative percentages for: Russia (with 10.3%) and Belgium (with -2%).

The Dutch domestic consumption did remain to steady on the same level; slightly more sales via the supermarkets, but steady via the florist shops and street sales.

Right after Christmas and New Year the fully-grown plant market started improving. However the improvement was a very short recovery, which lasted only during the first week of the new year. After that the market slowed down again, the same like in past years. The recovery time of the market, which always took place in January, has become shorter and shorter. It is just a matter of filling the stocks again after the sales of Christmas and New Year.

For a big part the slow period has been caused by the lower exports to Russia and the Ukraine, since their political and economic situation. With the 40% decrease of the Russian rouble versus the Euro all import products became 40% more expensive for customers in those countries. It will be a good test case to see what the Valentine's and the Woman Day's markets are going to bring, say traders.



Denmark

Right after Christmas and during the whole month of January the fully-grown plants market improved considerably for all plant sectors; for the flowering plants, for the green plants and for indoor landscaping plants.

The major given reason was the almost totally sold out situation after Christmas and New Year. Wholesalers, florists, supermarkets, and other outlets had to rebuild their stocks again. On the other hand the weather was very much in favour of the positive trading conditions. Hardly any night frost or snow fall in the major part of the country, and in Western Europe (the major market), except in the very northern parts of Scandinavian. All products could easily be moved without special packing, which, of course, was a great saving of costs.

A disadvantage was the export situation to Russia, where the Russian rouble devaluated with some 40%, which made import plants and other import products into Russia more expensive for them. Exports to Russia therefore stagnated on a much lower level than during the past years.

Per plant type some differences could be noticed. Better prices for all flowering and green plants, except for the bigger sized pots of kalanchoe and for nearly all saint paulias. Yet, very good demand, sales and prices for all bulb flowers on pot.

In the tropical ornamental young plants sector the station was not very special, but normal, given the period of the year.

It is expected that this sector will improve as from the beginning of March. The general quality level of the imported young plants could be called good and satisfactory.

Germany

Christmas and New Year's final sales and results turned out to be reasonably satisfactory, but nothing more. It was reported that Christmas has become less popular for cut flower and plant purchases and use. Other products and presents are taking over; especially by the younger generation. Older consumers still use a lot of flowers and plants during the mentioned events.

Normally the fully grown plants market always improved considerably during the period after Christmas and New Year. In the past, January was always very good month for the plants market. Many Christmas stuff and articles were taken out from the houses, and they were replaced by fresh, new plants; both green plants and flowering plants. However during the past 5–10 years a new trend has been set, that fewer consumers buy new plants nowadays.

The recovery period this year lasted only one week; the first week of January. It was mainly due to the fact that wholesalers, florists and supermarket had to fill up their stocks again. As from the second week of January till the end of the month the whole plants market became much slower, and prices went down to a lower, but normal, level.

One group of plants was more or less exempted from the slowing down and that was the group of so-called spring or bulb flower products on pot. People do prefer nowadays to buy so early the spring products with all their bright and spring colours.

Green-plants and other flowering plants had a normal, but lower demand during the whole month of January.

If the market during the coming weeks of the Valentine's and Woman Day's celebrations will improve needs to be seen. A negative factor in the same period is that the Valentine's Day takes place on a Saturday (which is called not a good Valentine's Day) and the Carnival is taking place during the same weekend.



In the tropical ornamental young plants sector the market situation was, as traditionally, rather slow. Many local growers are preparing their greenhouses for new planting during the

coming weeks, when the growing conditions are going to improve, with more daylight every other day and hopefully a bit more sunlight hours.

On the supply side enough new young plants material was available all the time, while the general quality level of the new plants could be called rather good.

Sweden

Christmas final sales have turned out to be very good and successful. Traders and florists were nearly totally sold out already a week before the actual Christmas days. Also prices were good and therefore also the final results.

However as from the beginning of January and further throughout the month the fully-grown plants market was slow and sluggish; hardly any interest of buyers and final consumers. January has become one of the quietest months nowadays, while before it was the month of recovery of the market, right after Christmas.

A few exceptions could be mentioned, especially for the spring products such as: primroses and bulb flower on pot. After a long, dark winter people want some colourful products in house; products with bright colours, which primroses do have, with a lot of different colours, and also the bulb on pot, in particular the narcissus and the hyacinths.

At the end of the month January however final results were not really so disappointing, because prices made were good and positive.

