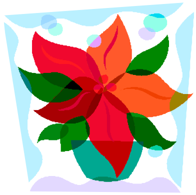
Market Dynamics

Ornamental Plants Europe – June 2014

07 July, 2014



The Netherlands

Netherlands Auctions

The May 2014 auctions' houseplants turnover decreased by 15% vs the same month of last year, realised with a supply decrease of 16%, resulting in a total average price for all plant types of € 1.93 per plant (last year Euro 1.90).

Better prices this year for plants such as: pot roses, kalanchoe, bromeliads, arrangements and ficus.
Lower prices: phalaenopsis orchids, hydrangea, anthurium, zantedeschia and 'others'.

The garden- and bedding plants turnover decreased with 24%, realised with a supply decrease of 7%, resulting in a total average price for all types together of € 1.00 per plant (last year Euro 1.05).

As reported, the house, garden, and bedding plants results of May 2014 were not the very best, and much less good than normal during this month. Normally May was always one of the better months of the year, with two important Mother Days; however, not this year. The reason is, most probably, the bigger supply (as result of earlier production, thanks to mild winter and nice weather during the spring).

During the first two weeks of June the market situation of the fully-grown plants did not really improve. In particular for the garden and bedding plants there were no 'after sales' this year; and everybody was settled earlier than normally.

Also houseplants were plentifully available all the time, with some price pressure on several products, in particular on the whole range of hortensia, for both the indoor houseplant types as for the garden plant types.

After some weeks with lower supplied quantities of all fully-grown plants, during the second half of June the quantities increased again. For a product such as phalaenopsis orchids, the biggest products of all plants, the increase was too much for the market's demand, which created a lower average price of 10 cents per plant. Lower prices were also for dracaena. Higher prices however for plats like: hortensia, kalanchoe and gerbera on pot.

Netherlands Importers

After the very good fully-grown plants export market April, an export increase for all cut flowers and all plants of 10% was realised. However during the month of May the opposite happened: an export decrease off 15% compared to the same month of last year. Significant decrease for cut flowers and houseplants, but quite an increase in garden and bedding plants, mainly due to the early and nice spring weather.

The official state visit of the Dutch King and Queen to Poland In June, accompanied by business organisations, was well decorated with flowers and plants, donated by the VGB, the Dutch floriculture exporters' association, which a number of delgates joined the King in this mission.
Indeed, an effective promotion campaign.

Some interesting figures were recently released by the VGB:

A) Main ornamental plants suppliers to the Netherlands; development in 5 recent years.
Value in million €; Change in % 2008 to 2013

Country	2008	2013	Change
Germany	92	136	48%
Belgium	59	104	76%
Costa Rica	28	23	-18%
China	24	20	-17%
Denmark	24	31	29%
Italy	22	38	73%
Kenya	21	21	0%
Spain	17	20	18%
Tanzania	12	13	8%
Uganda	11	16	45%

Imports from European countries consist of house and garden plants.
Imports from Costa Rica and China consist of cuttings, young and foliage basic material.
Imports from Kenya, Tanzania and Uganda consist of cuttings; rooted and unrooted.

B) Development of ornamental plants' export from the Netherlands, 2013 vs 2012
Changes in %

Country	Increasing 2012-2013	Country	Decreasing 2012-2013
Ukraine	45%	Slovakia	-16%
Norway	21%	Spain	-15%
Turkey	19%	Romania	-15%
Sweden	18%	Czech Republic	-15%
Finland	12%	Austria	-9%

Denmark

As during the whole month of May also throughout June the fully-grown plants market has been moderate. For all the different sectors such as flowering and green houseplants, as well as for the garden and bedding plants.

The garden and bedding plants' season started very early this year, due to the nice spring weather. On the other hand everything that was planted in April and May came to its full blooming. Nothing was destroyed by night frosts (as usually happens at this period). So, there was no need for consumers to buy plants second time. Therefore the season was over much earlier than normally. However, many producers and traders were still stuck with plants, which could not be sold.

In addition the fully-gown houseplant market suffered from the same problem. Everybody was completely settled and there was no reason for consumers to buy more plants.
Also Mother Day's demand and sales have turned out to be disappointing. Even though prices were not particularly high, there was not enough demand.
On the supply side of the market several products were absolutely oversupplied this year, especially geranium, pelargonium and hortensia.

In the tropical ornamental young plant sector the business was also not very flourishing. When local growers have not enough greenhouse space available, because many plants are left, there is also no interest to purchase new young plants for replanting. On the other hand plenty of young plants were available from the overseas production counties and offered all the time. The general quality level of the imported new material was very good.

Germany

The month of May was not especially good month for the whole range of houseplants.
For garden and bedding plants the beginning of the season (75%) was very good. However, the last part (25%) of the season was almost total loss. Yet, the season 2014 for garden and bedding plants could be called satisfactory.

However, the market throughout June was even slower than in May. Many products were oversupplied; especially geranium, pelargonium, hortensia, and some others. Prices of those products were absolutely on bottom level; in many cases even the cost price could not be achieved.

Many other garden plants arrived in the market much earlier than normally, due to the mild winter and the nice spring weather during April and May.
Peonies and agapanthus did arrive to the market in big quantities, and some three to four weeks earlier than normally. Big agapanthus on pot with some 3 to 5 stems/blooms fetched some € 2.50, while the normal price should be some 5 - 6 €, as was the case last year.

Nature this year was, as said, very much influenced by the mild winter and the early nice spring. Therefore, many products did and still arrive in the market much earlier and in bigger quantities in a too short period of time. This is the major reason for oversupplies and very low prices in general. The fully-grown houseplant demand and sales were also negatively affected as were also the prices and the final results.

In the tropical ornamental young plants sector there were also many products and big quantities offered all the time, frequently for bargaining prices. However, local growers did not buy many new young plants, because the greenhouses were fully packed all the time. "We just have to overcome a period of oversupply" traders and producers were reporting.

Some prices for the respective products such as: agapanthus in a pot size 25/27 with 10 – 12 flowers for € 5.00 – 6.00; agapanthus in a pot size 21 with some 5 – 8 flowers for € 1.60 – 2.00; dracaena marginata 4 inch rooted canes of heavy quality and big sprouts for € 0.32; areca palms of 60 cm high in a pot size 17 for € 2.40; phoenix roebelinii of 1.5 foot high in a pot size 27 for € 10.50; mixed products (of different types of plans such as dieffenbachia, ficus, areca palm, chamaedorea) in a pot size 12 for € 0.50 per pot.

Sweden

The fully-grown plant market was very good and successful during the month of May, and the very beginning of June. However, as from the second week of June the market really slowed down drastically, for the house, garden, and bedding plants.
It was a bit of a surprise that the garden and bedding plants' demand and sales terminated so early, but everything was influenced this year by the mild winter and the nice weather during the spring time.

As producers and traders reported, the first biggest part of the garden and bedding plants' season was very good, but the last smaller part ended up absolutely moderate.
In general, seeing all over the season, it was found positive; both price and results wise.

There was still some minor business towards the end of June, but it was nothing spectacular. As from now on, the month of July, it is expected that the market will further slowdown, since the school holidays started from the first of July. That will be the time that most of the people will take their summer holidays.