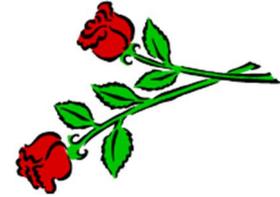


Market Dynamics

Cut Flowers Europe – March 2014

07 April, 2014



The Netherlands

Netherlands Auctions

The February 2014 auctions' turnover increased with 1.2% compared to the same month last year, realised with a supply increase of 3.8%, resulting in a total average price for all cut flower of Eurocents 26 (last year 27 cents) per stem.

Higher prices obtained for: tulips, freesias and eustoma. Lower prices for: roses, chrysanthemums, gerberas, cymbidium orchids and hyacinths.

During the first week of March, when International Woman's Day took place on the 8th, the cut flower business turned out to be rather good and successfully. However not as good as the past several years; in particular when compared to last year, when Woman's day and the English Mother's Day took place in the same week. So this year's final sales were slightly disappointing, which was not foreseen by auctions and traders.

The political problems in the region of Russia and Ukraine, the two most important countries of cut flowers and plants export during Woman's Day, played a negative role.

Right after Woman's day the market was flooded with flowers, especially gerberas, chrysanthemums, tulips, narcissus, hyacinth and many others. Prices for the bulb products remained not very high, but positive. Nearly all other products became very cheap, especially gerberas and roses, in particular the red and darker colours varieties.



Was demand extremely good and prices were very high during the past two popular cut flower days, the same products fell down in prices most drastically. British Mother's Day did not bring the expected results. Due to the very nice, even warm, weather suddenly plenty of products in huge quantities became available in the market. The cut flower market could swallow these enormous quantities; only for much lower prices. So all in all the English Mothering Sunday did use much bigger supplies, but for much lower prices and even lower turnovers and margins.

Netherlands Importers

The February Dutch floriculture products' export increased by one percent, compared to the same month of last year. Per country quite some differences could be noticed: much better results were obtained in: Germany (+11%), Switzerland (+13%), Poland (+45%), and Sweden (+15%).

Poor results in countries such as: United Kingdom (-10%), France (-8%), Belgium (-4%), and 'other countries' (-4 %).

Final sales and results during the International Woman Day's on the 8th of March turned out to be slightly disappointing, and less good than expected. Everybody was positive and full of good hope, but finally all ended up not so good.

Exporters and wholesalers could not provide good explanations or reasons for the poor results. If it had something to do with the unrest in the region of Russia and the Ukraine was not clear. It is clear that exporters were a bit anxious to send flowers without payment in advance before delivering. Nobody knew if this unrest will continue or not. Anyway for business in general and for flower business in particular such uncertain situations are never good.

During the two weeks right after Woman's Day the market further slowed down. First of all demand was not good enough, even though purchase prices were not high at all. Secondly supplied quantities were really increasing, which could be called normal, given the period of the year.

This year after 'no winter' at all, nature and therefore most of the local grown flowers got mature much early. It was said that nature is some 4 – 5 weeks earlier than normally. The effect on the prices for nearly all products was accordingly.

Cheapest were products like: roses, in particular the red and dark varieties, gerberas, solidago, gypsophila, hypericum, asters, liatris, and many others.

Tulips and narcissus were the products with reasonable prices.

Throughout the second half of the month the cut flower market further deteriorated. Traders and consumers were more in the mood of the garden and flowering houseplants, thanks to the nice spring weather, when consumers were all preparing their gardens and patios. Prices were very low for most of the products, sometimes even far too low. An exception could be made for some products like: asters, peonies and liatris.

France

Only a few cut flowers and then in particular only roses were demanded and sold during the International Woman Day's period. However Woman's Day is not a special flower consumption event in the country.

Yet, cut flower demand and sales, in general, turned out to be positive and satisfactory. It has to be stated that the March cut flower market is and was also this year very much focussed on the whole range of spring flowers, such as: tulips, narcissus, hyacinth, ranunculus, anemones and other bulb products. Those products indicate that spring has arrived; and indeed, consumers were acting accordingly by purchasing bright and nice coloured flowers.

Roses, so much used for Valentine's and Woman's Days were not demanded anymore; only but in very limited quantities, and especially not the red and dark ones. On the other hand many cut flower types and varieties, originating from the Netherlands were offered; the prices for nearly all the Dutch products became really very low.



Germany

During the first week of the month March, the actual International Woman's day week, the cut flower business has turned out to be very positive. Good demand, good sales and positive results have been obtained. Roses, particularly red, were very, even extremely expensive, but finally all quantities could be sold without problems.

Right after Women's Day, however the cut flowers market slowed down tremendously. First of all plenty of products, mainly the spring products, were abundantly available. Secondly, with the very nice late winter and spring weather many flowers started budding outdoors already. Firstly the entire bulb flower products, such as: tulips, narcissi, hyacinth, ranunculus, anemone and many others.



Secondly, as said, with the nice spring weather the garden and bedding plants' season took off already; this was in contrast to the same period of time of last year, when this business was nearly dead.

Suddenly, supplied quantities of cut flowers became huge, demand was slightly lower, and prices went down to, in many cases, absolutely bottom level.

The only products that maintained their reasonable price level were the bulb flowers.

Roses, so expensive during the first week of the month, became 4 of 5 times cheaper during the weeks after. Gerberas were traded for absolutely bottom prices, and many mini gerberas did not even fetch any price. Also other products were very cheap, such as: solidago, gypsophila, hypericum and more.

Until the end of the third week of the month, normally demand was increasing towards the English Mother's Day, but there was not any positive influence on the German market and prices at all. Towards the end of the month prices in general slowed down dramatically for nearly all products. Tulips, until mid-March reasonably expensive, became very cheap during the last two weeks of the month.

Italy

After a very good Valentine's Day, also International Woman's Day ended up positively and successfully. Even though purchase prices for most of the products were very high, final demand, sales and results were satisfactory. Only some leftovers after Woman's Day, of short stem red roses from the African assortment.

In the weeks right after Woman's day the cut flower market remained rather good. Finally, the weather, which was very dull and rainy throughout January and February, improved to be very nice spring weather during the month of March. This helped the cut flowers business positively. Demand and sales did stay quite good. Enough quantities of all types of flowers were available all the time and prices for nearly all products originating from the Netherlands became very low.

The positive products were the range of so-called bulb flowers, such as tulips, narcissus, hyacinths, ranunculus, anemones and many others. Red roses, very expensive and so much wanted during the Valentine's and Woman's Day's celebrations, became suddenly unwanted even for the lowest prices. Nobody needs red and dark cut flowers anymore, only light and bright types and varieties.

Towards the end of the month, however, the cut flower market drastically slowed down, even though prices were not high at all; especially the products originating from the Netherlands.

Norway

Throughout the entire month of March the cut flowers, houseplant and garden-plants market turned out to be very good. With the nice spring weather the market was behaving totally different than last year at the same period of time. Last year the winter was quite severe, and lasted very long; but this year there was hardly a serious winter, at least in the southern regions, where most of the population is living. In the central and northern parts of the country there was harder winter weather; with night frosts and snow.

As said, in the southern regions demand, sales and consumptions was very good. Garden-plants such as pansies and winter or spring ericas were sold and planted all the time. Only for bedding-plants the market was still sleeping.

Also for the cut flowers demand and sales were very good. Prices in general were not too high and the products originating from the Netherlands were rather low, so that it was easy to trade with those products.

Spain

March 2014 has been a slow and quiet month from point of view of cut flowers demand and sales. International Woman's Day is not celebrated in the country, so there were no special activities on this front. Only Father's Day, took place on the 19th of March, could have been potentially a special flower consumption event; but in Spain this special day is not celebrated with flowers at all.

Also Easter this year is taking place in April only, so no special cut flower event in March.

Even though the economic situation has slightly improved, consumers are not ready yet for purchase and buy cut flowers. On the other hand prices of nearly all cut flower products originating from the Netherlands are very low. Yet, no additional quantities were purchased by importers, wholesalers, florists and consumers.

Sweden

Throughout the entire March the cut flower market and business was very slow and quiet. The activities for international Woman's Day were marginal in the country. The cut flowers business was slightly negatively affected by the high prices during the Woman Day's week, especially for roses, particularly for those originating from Ecuador, Colombia and the Netherlands.

Right after Woman's Day, as said, the market became very slow, in particular for cut flowers; partly due to very good demand for the garden and bedding plants, so much used already with the early nice spring weather. As traditionally, consumers did not spend money on buying both at the same moment. They were choosing purchasing either cut flowers or garden and bedding-plants.

On the other hand plenty of cut flowers were offered for low prices, especially for nearly all products from the Netherlands, even for big headed red roses, which were so extremely expensive only two weeks before. Nobody was interested anymore in red and other dark colours. Everybody prefers bright coloured types and varieties of flowers.

Switzerland

As from the second week of March the cut flower market could be called calm and slow. With the nice and sunny spring weather, with temperatures up to 20°C, everybody is in the mood of garden and bedding plants. Conditions were excellent for purchasing and planting new plants in the gardens, and placed on balconies and patios.

However such purchases always are in the deficit of consuming cut flowers, which on the other hand were rather plentiful. Either from the side of the roses as of the so called spring flowers, such as tulips, narcissus, hyacinths and many others. Consumers preferred buying flowers with bright spring colours and they left the dark and red colours aside.

On the other hand, some quality problems did show up in roses, originating from Ecuador as well as from the African countries. Botrytis showed up, caused by the rainy and wet weather conditions in those production regions. Only if and when the nice weather would change into darker and colder - the cut flowers market might improve again .

During the last two weeks of March the cut flower market was reasonable, but not very special. The weather was, as during the whole month, nice and reasonable warm already. All in favour of outdoor cultivated cut flowers (mainly of bulb flower products) and garden plants. So demand for floricultural products was more focussed on the garden, balcony, and patio plants. On the supply side of the market gradually the rose supply of Ecuadorian roses normalised, and the general quality level improved very much.

United Kingdom

The month of March this year was rather good for cut flowers trade. Demand and sales, but also results turned out to be satisfactory. The comparison with last year is not fair. Last year the British Mothering Sunday took place in the same week with International Woman's Day (not celebrated in England). Then purchase prices were very high; too high for the English market in that particular week. This year's Mother's Day took place on the last Sunday of the month, the 30th of March.

Besides, last year the weather was winter like, and supplied quantities were not too big, while this year, with the mild winter and spring so far, plenty of products were available all the time, forcing prices very much downwards. That was all positive for good purchasing for reasonable prices in the Mother's Day approaching.



Freshly harvested narcissus, normally an Easter product, was really more than plentiful already as from the beginning of March. Most probably they will not be available anymore when Easter is approaching in the third week of April. The only way narcissus can be available for Easter if they would be held in cool stores.

The same will happen to some other bulb flowers, such as hyacinths for example. Tulips might be still plentifully available in April.