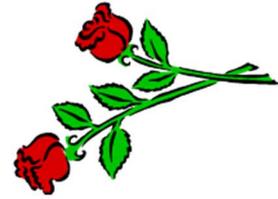


# Market Dynamics

## Cut Flowers Europe – March 2015

03 April, 2015



### The Netherlands

#### Netherlands Auctions

The February 2015 auction figures are published: turnover of cut flowers decreased by 7% versus the same month of last year, realised with a supply decrease of 0.7%, resulting in a total average price for all flowers of 25 eurocents (last year 26 cents) per stem. Most products fetched lower prices: roses, tulips, spray chrysanthemums, lilies, gerberas, cymbidium orchids, single headed chrysanthemums, and eustoma. Higher prices in the top 15 products - only for hyacinth.

Due to the currency problems of the Russian Rouble the International Woman Day's purchase from this country started one week later than normally. Russian importers and wholesalers were anxious and doubtful in buying, especially when prices were high. Less interest was shown for the expensive roses and for single headed chrysanthemums. Prices of roses decreased by 10%, and of single headed chrysanthemums by 33%. On the other hand many importers did buy cheaper products such as small and medium roses, tulips and gerberas. The two last products fetched the same prices as last year.

During the second week of the month the British Mother's day week demand was very good and therefore prices at the auctions were much higher. Supplies in general were some 15% higher and prices were 29% higher. Much higher prices for roses, tulips and alstroemeria, but also for products like: anthurium, carnations, wax flowers, eustoma, gerberas, hypericum, limonium, small, medium and spray roses. Lower prices were achieved only for helianthus and leucadendron green.



#### Netherlands Importers

The February 2015 export figures are published by Floridata/VGB (Wholesalers' Association): export sales turnover of cut flowers and potted plants decreased by 2.7% compared to the same month last year. Disappointing and negative results were obtained in exports to: Germany, Russia (-32%), Italy, Belgium, Sweden, and Other Countries. Better and positive results for: United Kingdom (+16%), France (+14%), Switzerland (+10%) and also Austria and Poland. Accumulatively from 1 January till 28 of February exports decreased by 2.9%, compared to the same period of last year.

After the two moderate months January and February in the cut flower market, March started very good. During the two first months exports of flowers from the Netherlands decreased with by 5–8% compared to the same months of last year. The major reasons were the currency exchange rates of the most important currencies of the world.

As reported: some 40% devaluation of the Russian Rouble, the devaluation of some 30% of the Euro versus the US Dollar, and the devaluation of the Euro versus the Swiss Franc by some 20%. Those are serious proportions, which cannot be ignored.

On the other hand the important cut flower consumption events of International Woman's Day on the 8<sup>th</sup> of March and the British Mothering Sunday on the 15<sup>th</sup> followed one and another positively.

Normally after an important cut flower consumption event a slower period is expected; but with this time it did not really happen. Prices of the products were higher and export volumes and results were much better when compared to the same month of last years.

Right after the English Mother's Day prices slightly slowed down, but not so much; thanks to the approaching Easter (the first Sunday in April).

On the other hand the supplied assortment did increase strongly. Very good quantities of bulb flowers, summer flowers, or so-called fillers from overseas countries arrived in the market. Prices of nearly all those products were good, and considerably higher than in normal prior spring seasons.



## France

The cut flower trade and consumption during January and February were not very special, except during Valentine's Day. However, this year's Valentine's cut flower demand, sales and results were not as good as in many previous years.

Right from the beginning of March the cut flower market was only but very slightly improving, mainly due to the fact that there was not any oversupply of any cut flower type, due to high demand in countries where International Woman's Day was celebrated on 8 March. Not celebrated in France at all; and at the same time it was spring vacation time, when many consumers are spending their time at the ski resorts.

Throughout the third and fourth week of March demand and sales were extremely slow. Just because another vacation time, Easter at the 4<sup>th</sup> and the 5<sup>th</sup> of April, was approaching. Also for this special event hardly any flowers are purchased, because consumers did use the long Easter weekend to go out to warmer places in the southern parts of the country.

The next special flower consumption event in France is labour day, taking place on the first of May and the next one is Mother's Day at the end of May.

## Germany

After two moderate cut flower consumption months in January and February, March market improved very much; mainly due to very good demand for International Woman's Day, which took place on the 8<sup>th</sup> of March.

Also in Germany this special day has become more and more important every other year. In the past it was celebrated mostly in the eastern parts of the country, but lately also very much in all other parts of Germany.

Supplied quantities were not extremely big, and prices were quite high. However it did not affect demand and purchasing of flowers by final consumers; they took it for granted that prices were higher.

During the second week of the month the general price level for almost all products remained rather high, mainly as result of very good demand for the British Mother's day, which took place on the 15<sup>th</sup> of March. It did not influence the German market, but it did influence very much the market situation and the prices in the Netherlands. When prices are higher in Holland every other buyer, wholesaler, florist and consumer in any other country of Europe would feel it.

Throughout the third week of the month prices, especially in the Netherlands, went down considerably, but not so much down as in most of the previous years around the same weeks.

During the very last week of the month the market improved again, due to the fact that importers, wholesales and florists were purchasing all products and quantities they needed for another flower consumption event, namely Easter. However, Easter, which falls early this year (on the 5<sup>th</sup> of April) will depend very much on the weather. When the weather is nice many people take a long weekend or a short vacation. On the other hand when the weather is poor they stay at home and purchase flowers.

## Italy

The first week of March, the International Woman's Day week, turned out to be a very good cut flowers event. Demand, sales and results have been very good and satisfactory. Plenty of products were available from anywhere; from local production, from the Netherlands and from all overseas producing countries; mainly in East Africa and South America.

Good demand for roses; for the small and medium types and for the long tea hybrids; but also of dendrobium orchids, mimosa, cut foliage and the whole assortment originating from the Netherlands. Prices for all products from Holland were rather high, but not to the extremes.

During the post Woman's Day the market remained quite positive, and prices did not go down so much. This was a result of extra demand for the British Mother's Day, which took place on the 15<sup>th</sup> of March. Especially prices for nearly all products from the Netherlands did stay strong. Only as from the third week of the month prices for nearly all products went down



considerably, while demand stayed behind.

The same could be said for the fourth week of the month, while on the other side demand towards Easter, another important cut flower consumption event, increased again. Even though prices were higher than in the third week, they still could be called acceptable.

## Norway

The whole cut flower market during January and February has been moderate, and nothing special at all; from point of view of both, supply and especially from demand. According to importers and wholesalers this was strange, because the winter weather was not very winter like this year. Not as mild as last year, but still it could be called relatively mild, with during most of the days temperatures above zero during daytime. Good conditions for selling flowers in the street.

However as from the beginning of March the market gradually and clearly improved. International Woman's day played an important role again, even though it was not so much celebrated in the country itself. However due to good and extra demand in the eastern European countries, where Woman's Day is a great event, prices of most of the products, especially those originating from the Netherlands were considerably high, but not as high as during the past years. But throughout the second part of the month the market did slow down again. All in all, demand, sales and results turned out to be positive; anyway considerably better than in the two months before and for sure much better when compared to the same month of last year.



As said, the relatively mild winter and the quite mild weather during March created good demand and sales of the whole assortment of spring flowers, as cut flowers as well as potted plant.

Towards the end of March the whole cut flower market was very much focussed on the East market, when all products in yellow colours were very popular. Yellow cut flowers such as tulips, narcissus, roses and gerberas. And good demand of

## Spain

March was never a special cut flower month from point of view of demand and sales. Not even some extra demand for International Woman's Day, which is not celebrated at all in the country. Compared to the two previous months, January and February, there has been a slight increase, but still, nothing really very special. Even slightly less good when compared to the same month of last year.

Most of the flower types were too expensive during the first half of the month, mainly due to higher prices for products originating from the Netherlands and better demand in other countries where Woman's Day and the English Mother's Day were celebrated.

During the second half of the month the prices normalised, however for chrysanthemums they did remain rather high.

During the very last week of the month some extra demand was generated for the approaching Easter time, especially of all those flowers in yellow colours.

## Sweden

The first week of March was a very successful week regarding cut flower demand and sales. It was the International Woman' Day week, becoming more and more important and more celebrated with cut flowers and flowering potted plants.

With the relatively mild weather lots of flowers and plants could be sold outdoors, because temperatures were above zero every day, at least during daytime. In many previous years that could not be done, because it was still rather winter weather at this particular time.

During the post Woman's Day the market remained steady as well. Prices normally going down right after this event, but did this time, mainly because of good demand in Holland for the English Mother's Day, took place on the 15<sup>th</sup> of March.

Only during the third week of the month the cut flower market slowed down, as did the prices for many items from the Netherlands.

As traditionally, March is the month of the bulb flowers, in particular tulips, available plentifully, from local production and from the Netherlands. People in Sweden like very much spring/bulb flowers, to celebrate the termination of the long dark and cold winter.

Throughout the last week of the month Easter demand increased strongly; especially for flowers in yellow colours.

## Switzerland

After the moderate cut flower consumption months of January and February, March started to be a much better month. The very good demand, sales and results obtained during the International Woman's Day week compensated for the moderate results of Valentine's Day. As traders reported, the very good Woman Day's sales were almost as good as the slightly disappointing Valentine Day's results.

Woman's Day has gained importance every other year during the period of the last ten years, which can be called remarkable. It was not really a very special event about ten years ago.

Of course, roses were the most demanded product. Besides, a lot of so-called spring flowers were used; flowers like tulips, narcissus, hyacinths, ranunculus, anemones and others.

With the very nice and mild weather during the whole winter, but also at the beginning of the spring, lots of spring flowers were used, either as cut flowers or as potted plants.

In addition other spring flower products such as pansies and primroses, to be used in the houses and in the gardens or patios, were purchased a lot.

On the supply side of the market plenty of roses were available, especially those originating from the African as from the South American production countries for reasonable prices. During the rest of the month the market slightly slowed down, but still everything remained reasonably balanced.

With Easter approaching many products in yellow were used, which is normal, given the period of the year.



## United Kingdom

It was expected that right after International Woman's Day, which took place on the 8<sup>th</sup> of March, the cut flower market would slow down, and the same as would do prices, especially for all products originating from the Netherlands. However, due to the fact that the British Mothering Sunday took place this year one week after Woman's Day - the market in Holland did not slow down and prices were maintained rather high, especially for big products such as chrysanthemums and bulb flowers, like tulips and narcissus.

Anyhow, demand and sales for Mother's Day turned out to be very good and positive and final results were called very satisfactory. Rose prices were not really expensive, but neither they were very low. Much cheaper were the single headed chrysanthemums, just because this product from the Netherlands normally was exported in big quantities to Russia. Due to the fact of the devaluation of the Russian Rouble many of those chrysanthemums had to be sold in other markets, amongst them also England. That meant that this product was offered for much lower prices, a big advantage for the British market.

Right after Mother's Day the market gradually and slightly slowed down. However, it did not turn out to be a total collapse of the cut flower market, which many time in previous years happened.

Throughout the fourth week of March the market further slowed down. Hardly any specific or special demand for cut flowers towards Easter in the country. During this period of the year the market is demanding and selling lots of garden-plants, perennials as well as annuals.

