Market Dynamics

Ornamental Plants Europe – March 2015

03 April, 2015

The Netherlands

Netherlands Auctions

The February 2015 auction figures are published as follows: The sales turnover of houseplants decreased by 5.4% compared to the same month last year, realised with a supply decrease of 1.8%, resulting in a total average price for all plant types of € 1.69 (last year € 1.75) per plant.
Better prices for: pot roses, narcissus on pot and dracaena.
Much lower prices for: phalaenopsis orchids, anthurium, kalanchoe, bromeliads, hyacinths on pot, hydrangea and for arrangements.

The garden-plants turnover decreased by 11.7%, realised with a supply decrease of 19.5% resulting in an average price for all plant types of 89 Eurocents (last year 81 cents).

International Woman's Day is more a cut flowers event than a potted plants event. An exception could be made for pot roses, which fetched some higher prices.
However, most of the other plant types got lower prices, especially phalaenopsis orchids, by far the most important houseplant. A supply increase of 12% resulted in prices which were some 7% lower.

Narcissus on pot and dracaenas fetched higher prices. Also for the English Mother's Day, took place on the 15th of March, there was no special demand at all. Throughout the second week of the month, when the supply was 17% higher, prices decreased with 6% when compared to this week last year.

Most of the flowering plants were cheaper, except of primroses which fetched 12.7% higher price by a supply increase of 7.6%.
Again, phalaenopsis orchids were 6% cheaper with a supply increase of 27%.
Relatively better results were obtained with green plants, especially for dracaenas and ficus. Throughout the very last week of the month prices for nearly all houseplants were again lower than in the same week last year, except for the primroses that had a much better season than last year, which was a disastrous season, due to a great oversupply.

Netherlands Importers

The February export figures from the Netherlands are published by Floridata/VGB (Exporter's Union). The export turnover of cut flowers and potted plants together decreased by 2.7%, compared to the same month last year. Disappointing and negative results were obtained from exports to: Germany, Russia (-32%), Italy, Belgium, Sweden and Other

Countries. Better results to: United Kingdom (+16%), France (+14%, Switzerland (+10%), Austria, and Poland.

As reported before, the real improvement of the green plants' market at the beginning of January, did not last, but only three or four days. In the good years it always lasted several weeks. One trader said: "until we realised that there was a slight improvement, it was over already".
So, during the months January and February the demand, sales, and turnovers were all considerably lower, and therefore margins for growers and traders were absolutely lowest.

Very worrying is the import situation in Russia and the Ukraine, but also in other important countries like Germany and Belgium. The devaluation of the Russian Rouble with some 40% is playing an important negative role. It means that products have become some 40% more expensive for the Russians and the Ukrainians.

Local growers received also less orders from their clients. It seemed that everybody was anxious and in a waiting situation. The saying in the Netherlands and in the plant industry was always "the first hit is most important, and can become even decisive for the rest of the year". When the results during the first three months of the year were already negative, it will be very difficult to enter into the positive later on.

In the tropical ornamental young plants sector the situation was not much better. Enough new young plants were available, but sales to local producers had become more difficult as well. Due to lower prices for the finished plants many growers did decide to wait for better times if they will come.

There was a temporary shortage of dracaenas and ficus; but this situation has been normalised again. The biggest problem for imports and importers was the strengthening of the US Dollar versus the Euro. The increase of the US Dollar value was some 30% when compared to half a year ago. Due to this currency change import products have become much more expensive, and this cannot really be compensated by trying to ask higher prices. The general market situation is not ready for higher prices. Too high price will mean no sales.

Denmark

After very moderate demand, sales and results of the fully-grown plants, the results during the February turned out to be only but very slightly better. However, accumulatively the results during the first two months of the year could be called identical to the those of the same period of last year.

As from the beginning of March the plants market gradually and slightly improved again, especially for the garden and bedding plants; in particular for products such as pansies and primroses.
Satisfactory demand and sales also of the so-called bulb flowers on pot, for narcissus and hyacinths mainly.
For both, pansies and the primroses all was much better when compared to the same period of last year, when especially the primrose season was a disaster, with very low prices and absolute no margins at all.

The season 2015 could be called satisfactory again. Gradually also more demand and sales for the green houseplants and for the internal landscaping plants. Landscaping plants are, first of all, functioning as mother plants for propagating material, and later on they can very well be used as plant for interior decorations. Also the mini and midi size green plants were selling nicely. Many of those plants can be used later on, together with some flowering plants for preparing the special Easter arrangements.

Better was the market position of the traditional flowering plants like saint paulia and kalanchoe, demanded an sold in many varieties, colours, formats and shapes.

In the tropical ornamental young plant sector supplies from the traditional production regions in Central America was temporarily slightly lower, due to the weather conditions in the region, which were not the very best lately. Lots of rains and even relatively lower temperatures negatively affected production of new plant.
The same could be said for the general quality level. It is, as always, very difficult to harvest new young plants in wet circumstances, especially when it comes to packing and transporting. Humidity creates conditions for formation of deceases, and therefor quality problems afterwards, mostly after unpacking in the countries of destination.

Germany

After the two disappointing months January and February, March was not much better. To the contrary, the situation for houseplants remained moderate, even for phalaenopsis orchids, which seemed to be oversupplied. Prices therefore were considerably lower; lower than growers need to cover the production costs.

Other flowering plants were more demanded and sold, especially the whole assortment of the so-called bulb flowers on pot, like narcissus, hyacinths, muscari and tulips.
Also the typical spring products such as pansies and primroses were selling relatively better.

To the contrary, green plants were not demanded enough and sales legged behind. Prices were still reasonable, but not enough quantities were moved.
One of the major reasons was that the demand has been stagnating during the last ten years. There was a research finding that the plants' demand increased by 10% during the last ten years. Throughout the same period all electronic devices, such as computers, mobile telephones, and laptop sales increased by 750%.

There were some days in March when the weather was suddenly nice and sunny with good temperature up to 18–19ºC, and immediately garden plants were booming. However, there were as many dark and colder days, and the sales stagnated again; typical for March.
As we always say: during this month it can be everything or nothing. This time both situations have passed.

In the tropical ornamental young plant sector the situation was nearly the same as in the fully grown plant sector. Local growers were buying new planting material, but still in moderate quantities.
There was quite a time that dracaena young plants were a bit scarce, mainly due to weather

conditions in the producing countries in the tropics. However this has increased again to a quite normal situation.

Some prices for the respective products: kentia palms of 2.20 meter high for 18.00–20.00 €; normally this should have been some 5 € higher.
Yucca of 1.40 m' high for € 7.00 to 8.00.
Narcissus on pot in a 12 centimetres pot size for € 0.60; in a pot size 9 for € 0.40.
Pansies in a pot 9 for € 0.21–0.22.
Prim roses for E 0.40– 0.45. Kalanchoe for € 0.35, which is very cheap; super quality kalanchoe for € 0.50–0.60.
Cyclamen for € 0.80–1.00; Super begonias for € 2.50–2.80, normal qualities for € 0.60–1.00.
Azaleas for € 0.80–1.00.

Sweden

January and February were two quite good months for demand and sales of flowering houseplants. However, during the month March this demand was over again.

On the other hand March was a good month for garden plants as it was always in March during almost all previous years. Mostly for the spring products such as primroses and pansies, but also for the typical spring bulb flowers such as narcissus and hyacinths on pot.

After a disastrous season last year, the primrose season 2015 was called a very good one. Both above mentioned products were supplied in slightly bigger quantities, yet everything was sold out and prices were satisfactory.

It is expected that during the month April this good market situation will continue, with even more types and varieties of garden and bedding plants.
Flowering houseplants and green plants do not really have special demand during those months. Only in May some improvement can be expected, since Swedish Mother's day will be taking place on Sunday the 31st of May.