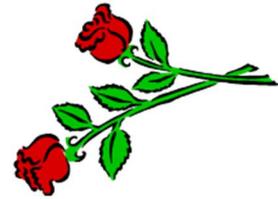


Market Dynamics

Cut Flowers Europe – May 2014

2 June, 2014



The Netherlands

Netherlands Auctions

The April 2014 auction cut flower figures have been published. The FloraHolland May turnover has increased with 18% when compared to the same month of last year, realised with a supply increase of 13%, resulted in a total average price of 18.5 cents (last year 17.7).

Nearly all products fetched higher prices this year; but best sellers were: roses, chrysanthemums, both the single headed ones as the sprays, lilies, and gerberas.

Much lower prices for peonies, which were supplied with 200% more than last year during the same month, all due to the early harvest after the mild winter and spring. The peony average price was 61 € cents this year (last year exactly 1 €)

Also prices for tulips, cymbidium and freesias were lower.

As mentioned, April was a very successful and a good month for cut flower sales and even better for garden and bedding plants. This in contradiction to last year, when the garden and bedding plants season turned out to be disastrous, with almost total loss, due to the very long winter and the cold spring (lasting until the beginning of June) in 2013.

This year there was no winter at all and spring was almost summerlike. Nearly everything came good and could be sold for nearly 100% and good prices. This trend did continue during the first two weeks of May.

Plenty of products were available, especially from domestic production, which arrived to the market about 3 till 4 weeks earlier than normally. The typical spring product peony did arrive to the market in 200% more quantities during the first two weeks of May, while prices were about 60 Eurocents (last year 1 Euro) per stem.

Mother Day's demand was very good, for both the cut flowers as for the plants (flowering house, garden and bedding-plants) and finally nearly everything was sold out. However the total average price was slightly lower (mainly due to great influence of the supply of so many peonies).

Big headed roses were more expensive, as were also alstroemeria, carnations, delphinium, gerberas and several so-called summer flowers. Small and medium roses were slightly cheaper this year.

Demand, sales and prices during the second important Mother Day's (in France and Sweden) period the week No. 21 (actual day was on 25 May) were reasonable, not euphoric. Prices were, of course, higher; but they were not extremely high. For sure no records were broken when compared to previous years.

Final results were even much lower than the same week last year, but this week last year was an exception.

Netherlands Importers

Throughout the first two weeks of May the cut flowers market was quite positive. Enough supplied quantities of nearly all products; good demand and sales, and higher than normally prices, but still not extremely high; which was good and easy to trade with.

As said, supplied quantities were a bit more than sufficient, all due to the nice weather and temperatures of around 20°–24° Celsius. Due to the fact that the tulip season terminated earlier than normally, there was more room for alternative products, such as roses, gerberas and many summer flowers or fillers; good for preparing the mixed bouquets, which are so much used during the Mother day's week.

As traditionally, roses were most wanted and it seems every other year that roses have become more dominantly requested. Due to several delays of flights from Ecuador, many shipments were arriving delayed, causing problems, of course, to importers and wholesalers, who had sold the products on a certain time. In several cases those traders missed their ordered flowers and they had to look for quick alternatives in the domestic market. Luckily, as said, there were enough quantities available for reasonable prices. On the other hand, because of the delays, several shipments suffered from quality problems.

Right after Mother's Day (on the second Sunday of May) the cut flower market was in the mood of the other Mother's Day in Sweden, France and Poland. Like during the first Mother's day, supplied quantities were high and prices were not very special; lower when compared to many previous years. Prices were far lower for nearly all, bulk products, while on the other hand prices for small and niche products remained good and satisfactory.

France

The cut flower market during the month of May is always and was also this year influenced by Mother's Day. In most of the European countries this day took place on the 11th of May, but in France it took place on the 25th.

Toward the first Mother's Day normally prices were always very high and difficult for the French market due to the fact that this special occasion in the country was taking place only later on. However, the market throughout the first two weeks of May was reasonable. Nevertheless, during the second half of the month all became much livelier in France, thanks to good demand for the local Mother's Day on the 25th.



Nevertheless, plenty of flowers were available from everywhere; from the Netherlands, but also from domestic production, and from the overseas. Products originating from the Netherlands were not extremely expensive, and for certain products, such as roses and peonies, they were relatively cheap.

All in all final results of the whole month of May could be called good and satisfactory. Only during the very last days of the month the market gradually slightly slowed down, as did the prices in general.

Germany

May was, in general, a good and satisfactory month; yet not excellent or super. Of course, the two important Mother's Days, the first one, on the second Sunday of the month, in most of the European countries, America and Japan and the second one on ten last Sunday of May in France, Sweden and Poland. Plenty of products were available, mainly thanks to the very nice spring weather during the whole month of April and the first two weeks of May.

Prices were, in general, moderate; and for products such as roses and peonies they were even cheap. Peony supplies were some 300% higher than in the same period of last year, while prices were only half than last year.

Final sales have turned out to be good, and nearly everything sold out. Therefore, the after sales were also good, in addition to the demand for the other Mother's Day at the end of the month in Sweden, France and Poland. Also during this special flower consumption event prices were not very high, but quite normal.

Even throughout the last week of the month the cut flowers market remained steady; partly due to a week period of colder, rainier and darker weather.

It is expected that the market is going to slightly slow down during the weeks to come, but the period of final examinations and graduations is about to start in most of the European countries, and would encourage the use of cut flowers.

Italy

At the end of the second week of May the Mother's Day took place. Throughout the two weeks just before this day the cut flower market became very lively and active. This year plenty of flowers available, whilst last year during the same period there was quite some shortage, and prices were extremely high. This year, prices were indeed higher than normally, but not to the extremes. Some products were much cheaper this year, such as roses and peonies.



Supply of Ecuadorian roses was plentiful this year of nearly all varieties and colours, while demand was excellent for this product.

In general Mother Day's results were called very good, but not excellent or super like last year, which was one of the best since many years.

The weather which was very nice, was a great advantage for selling flowers, especially outdoors in the streets and in the open markets. Also the sales to end consumers could be called good and positive. Nearly everything was finally sold out.

As traditionally the market right after such a great and important event was slowing down. Not too much during the first week after mother's Day, but more during the very last week of the month. Suddenly the market situation had become summerlike, meaning low prices, hardly enough demand and not enough sales.

Norway

April was a very good month for cut flower and plant sales. More products and bigger quantities have been moved, especially when compared to the same period of last year. Turnovers have increased with some 15%, while prices were about the same. Only the costs increased, especially when compared to the Euro (with some 15% exchange rate difference).

During the first two weeks of May this trend was continuing. Also much better demand and better sales, while prices stayed more or less equal to April; especially for all products originating from the Netherlands.

The market was very good for cut flowers as well as for potted plants, in particular for the garden plants, which were used in huge quantities, thanks to the nice spring weather this year. Totally different compared to last year, when the whole garden plant season turned out to be disastrous, due to the long winter and cold spring.

The reasonable prices for most products were a good welcome for all products used and needed for the National Day on 17 May. One of the very bestsellers was peony, used in big quantities for much lower prices than last year.

Also throughout the second half of the month the cut flowers and garden plants market have been very good, mainly due to the continuously nice weather. Final results have been super during the month of April and very good during the month of May. For the two months together the turnovers increased with some 15% when compared to the same months of last year.

Spain

Mother's Day, took place on the 4th of May, turned out to be a very good and positive day for cut flowers demand and sales.

Enough products in more than enough big quantities were available, especially those originating from the Netherlands, where prices for nearly all products were reasonable and not extremely high.

An exception had to be made for chrysanthemums (one of the most popular flowers in Spain), for both the sprays and the single-headed from the Netherlands. Prices of those flowers were considerably higher than last year.

Right after the Mother's Day the cut flowers market gradually slowed down, but still all remained quite active and positive. Throughout the second half of the month the cut flowers market slightly further slowed down, which is called normal, given the period of the year.



Sweden

During the first two weeks of May the cut flower market was lively and good; even though flowers originating from the Netherlands were very expensive.

However, it depended very much which product.

Very expensive were, big roses, gerberas, mini gerberas, and chrysanthemums. Yet, other products were cheaper, such as peonies (available in big quantities), freesias, tulips and lilies. Flowers were so expensive because of great demand and sales for International Mother's Day on the 11th of May in most of the other European countries, America and Japan.



During the last two weeks of May, the Swedish Mother Day's weeks, demand and sales have been very good. With the very nice weather almost everything could be finally sold.

The market was very good for the cut flowers as well as for the garden and bedding plants, also so much used as a present for Mothers.

Only during the very last days of the month prices for nearly all products originating from the Netherlands had become much cheaper.

Switzerland

During the first two weeks of May, including Mother's Day, the cut flowers market was rather good and satisfactory. Good demand and sales, but final orders of wholesalers and florists have been done very late during the last days; this seems to become a tradition nowadays.

At the end nearly all flowers have been totally sold out. It was reported that also the final sales to consumers have been successful. On the other hand the general feeling was that Mother Day's cut flower purchases have slightly diminished during the past few years. It was said that younger people prefer to buy other things than cut flowers; such as cosmetics or electronic devices. Some quality problems have occurred in Ecuadorian roses, which most probably have been stored for too long time.

During the post Mother's day week it was expected to stay positive, due to the very good final sales of florists and supermarkets. However the opposite happened; the market became calm, sluggish and quiet. The same happened during the last week and the very last days of the month, which was called rather normal given the period of the year.

On the supply side if the market enough products were available. However, Ecuadorian roses were still not 100% healthy due to some botrytis appearances.

African roses were plentiful and the quality level was fine.

Demand for cut foliage was slightly lower lately, just because less mixed bouquets were prepared and sold.



United Kingdom

During the month of May the cut flowers and garden plants market turned out to be very good and satisfactory. May was even better than April, which was also a reasonable cut flower consumption month already.

Due to the so-called international Mother's Day (In nearly all European countries, America and Japan) the English market was relieved, because all flowers were needed for the mentioned events. On the other hand the cut flowers market was steady, and prices, especially for all flowers originating from the Netherlands, were not extremely high (even though the Mother's Day's). So, all in all the cut flower market could be called reasonable and steady.

In addition the garden and bedding plants market was very good as well. This year is a '100% year' for this products' group, traders were reporting; which means that everything could be sold, moved and planted all the time. No disturbances whatsoever, due thanks the nice and mild spring.

Throughout the second half of the month, even though it was the French and Swedish Mother's Day, with some higher prices, the market for cut flowers and plants remained steady and quite successful.

