

# Market Dynamics

## Ornamental Plants Europe – May 2014

30 May, 2014



### The Netherlands

#### Netherlands Auctions

The April 2014 auction figures were published: April auction turnover for houseplants increase with 18% when compared to the same month of last year, realised with a supply increase of 16%, resulting in a total average price for all plants together of € 1.76 (last year € 1.74) per plant.

Better prices for: phalaenopsis orchids, pot roses, hydrangea, campanula on pot, and pot chrysanthemums.

Lower prices for: anthurium, zantedeschia (calla lilies) and ficus.

The garden-plants turnover increased with 7.3% when compared to the same month of last year, realised with a supply decrease of 2.3%, resulting in an average price for all plants together of € 1.01 (last year 91 Eurocents).

During period 5, week numbers 17 through 20, total supplied quantities decreased by 10% when compared to the same period of last year. The general price level increased with 2% only (mainly due to reasonable prices for phalaenopsis orchids), resulting in a turnover decrease of 8%.

The slowing down of the supplied quantities was taking place for nearly all products, except for phalaenopsis orchids, of which the supply slightly increased by only 1%. The average price for all phalaenopsis orchids stayed on the same good level.

Due to the fact that those plants represent 31% of all houseplant products, the total average price for all plant types together could be maintained on a reasonable level. With an average price of around € 4 for phalaenopsis average price for all plants together which ended up at around 1.60 €.



At the end of April the total turnover of the auction increased by around 2.5%, but at the end of May the percentage turned slightly into the negative, with minus 0.5%. Even Mother's Day did not have a very strong effect on the results.

#### Netherlands Importers

Throughout the month of May, especially during the first two weeks of the month, the fully-grown plants market has not been very special, even though Mother's Day was situated at the given period. Total supplied quantities of flowering and green houseplants have not been excessive at all and prices turned out to be quite normal. The average price per plant (all plants together) was positively influenced by the steady, rather high prices of the phalaenopsis orchids, the most popular plant anyway, and for Mother's Day in particular.

Green plants were supplied in smaller quantities, even though the total average prices did not really increase, but they did stay normal or were slightly lower when compared to the same period of previous years.

In the tropical ornamental young plants sector enough quantities were available, originating from overseas. From the Central American countries supplies were lately (last months) negatively affected by the drought in that region, which had caused quite some losses and quality problems. The drought period was over around the beginning of May, but the general quality level was still not 100% restored yet. That is expected to take at least several weeks, if not months more.

## Denmark

After a few months (February – April) when the fully-grown plants demand, sales, prices and results were absolutely very nice, and satisfactory, the whole business turned down during the month of May.

The major reason for the good results during the first quarter was the mild winter and the mild spring weather. Nature was therefore far ahead of the normal situation. Garden and bedding plants had become mature three of four weeks earlier than normally. Therefore consumers started to buy and plant their plants in the gardens much earlier.

However as normally in the floricultural branch every action is followed by a reaction and the opposite as well. So after the excellent results, the month of May became much slower and quieter. Consumers were settled, and no plant at all was destroyed due to weather or cold; so, there was no 'after sale' at all.

Still, the market was full of products, but when nobody needed them anymore, those plants could either be sold for the lowest prices or had to be destroyed, because there was no interest.

The poor May garden and bedding plants demand had quite some impact also on the houseplants; on flowering-plants, and even more on the green plants.

Even Mother's Day (in most of the European countries), taking place on the 11<sup>th</sup> of May, and the other Mother's Days (Sweden and France) did not have any positive influence on the plant business.

In the tropical ornamental young plants sector all had also become much calmer and quieter, because there was not enough greenhouse space available for planting new plants.

On the other hand due to the extremely dry weather and planting conditions, suddenly there were much less quantities of healthy plants available, especially of those originating from the Central American countries. In addition the general quality level was negatively affected, either due to the dry weather, as well as later on when it started raining again. Those conditions caused lots of burn tips, a famous disease in the whole dracaena group.

## Germany

The Month of May did not bring the good results, which it normally always does. Even though Mother's Day took place at the second Sunday of the month, demand and sales did not really increase very much.



It was not bad, but it could have been, and was during the past years, always much better. One of the major reasons was the high significance of the garden and bedding plants business this year, which ended up very positively; all due to the very nice and mild spring weather. Normally, and also last year, this trade was very negatively affected by the cold and rainy weather. Therefore the garden and bedding plant season last year was nearly a total loss, while this year it was one of the most successful seasons since many years. On the other hand the weather and growing conditions were so ideal, that everything came 100% good. Absolutely nothing was destroyed this year. It however meant that there were not many so-called after-demand and sales, which had a slightly negative effect on the plants that had to be sold at the very end of the season.

Thanks to the very successful garden and bedding plants season the flowering and green houseplants were demanded and sold in much lower quantities, even though the production was good and the availability was plentiful. This had quite some negative impact on the prices in general, which ended up sometime till some 30% to 50%, less than previous years, depending on the type of plant. Only the phalaenopsis orchids could maintain their normal price level.

In the tropical ornamental young plant sector plenty of new young plants were available and offered all the time, in many cases for bargaining prices. The general quality level of the new young plant material originating from Central America was negatively affected by the severe drought during quite some time.

Some prices for the respective products: spathyfillium in a pot size 17 for €0.85, in a pot size 12 for €0.60 – 0.85, lots of succulents from Costa Rica, Guatemala and California for €0.20 – 0.30 per plant, areca palms of 1.60 -1.70 meter high in a pot size 21 for €6.00 – 10.00 all depending the thickness of the plants; dracaena marginata tufts, with three plants in a pot size 21 for €3.50; dr. marginata tufts with two plants for €1.20.

## Sweden

May this year was a successful month for the garden and bedding plants market. It was an absolutely super month from point of view of production, demand, sales and prices, all due to the very nice and ideal spring weather, with rarely one night of nigh frost.

For the same products last year it was a totally different story, because the spring weather was then winter like all the time, with the negative effect on the availability, the quality, the demand and the sales. As said, this year was a perfect season for those plants, which on the other hand were plentifully available all the time. The supplied plants were nearly all the time totally sold out.

In the Scandinavian countries and in Sweden in particular the season is not over yet. Also during June these plants are still demanded, needed and planted. To the contrary, in the traditional houseplant sector all moved rather slowly, for flowering plants, but even more for green plants, of which demand and sales were absolutely minimal.

A positive exception could be made for the phalaenopsis orchids, so much demanded and sold for Mother's Day, took place in Sweden on Sunday the 25th of May. Good demand and sales also of the so-called patio plants, such as bougainvillea and deplendenia mandeville.

