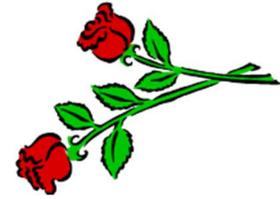


# Market Dynamics

## Cut Flowers Europe – May 2015

04 June, 2015



### The Netherlands

#### Netherlands Auctions

The Flora Holland cut flower figures of April 2015 have been published as following: The April turnover of cut flower decreased by 1.6% when compared to the same month of last year, realised with a supply decrease of 12.5% resulting in a total average price for all products together of 21 Eurocents (last year 19 cents) per stem. So, much better prices for nearly all products, especially for: tulips, lilies, eustoma, cymbidium orchids and peonies. Lower prices for: chrysanthemums, for both the sprays and for the single headed. Roses and gerberas fetched about the same prices as last year.

The cut flowers' market and results during the months of April and May turned out to be very good and satisfactory. Supplied quantities, especially from domestic production, have been rather low, as a result of the weather conditions. It has been quite sunny and dry, but far too cold for the time of the year; colder than the average spring time, and much colder than last year, when it was absolutely summer like weather throughout the months of April and May. Last year 20 summer days were monitored and this year only 2, one in April and one in May. A summer day is when temperatures are higher than 25 degrees. As said, this cooler weather had a great impact on the local production, especially on the outdoor crops.



Roses, the biggest product have not fetched higher prices and tulips the second big product also not.

For tulips it has been a very strange season. During the first months of the season, November, December and January, supplied quantities were far bigger and prices were much lower. However, the end of the season was excellent and prices in April were 100% better. Even after Easter the product was well demanded and sold, while normally Easter is the end of the season.

Chrysanthemums have been cheaper, both the sprays, and even more the single headed. The major given reason was the lower demand from Russia.

Many other products, among them the so-called summer flowers did receive much better prices. Products, such as: gypsophila, limonium, eustoma, helianthus and hypericum all fetched good prices all the time.

Mother's Day was one of the best of the past years and this year results turned out having been better than during the Valentine's week.

Another very important late spring product peony arrived to the market later than normally, and in smaller quantities. Supplied quantities in May were half as small as last year during the same month, while prices were double. However, all the quantities still have to come, but all will depend the weather during the coming weeks.

## Netherlands Importers

The April 2015 export figures from the Netherlands were published by Floridata, as following: The export turnover (of cut flowers and plants together) in April 2015 increased by 2.9% compared to the same month last year. Double digit percentage increases to: United Kingdom, France, Italy and Other Countries. Very good results obtained also in Switzerland, Poland and Sweden. Negative results were in Russia, Belgium and Austria.

The cut flowers market during the month of April could be called very good and satisfactory; except of some days right after Easter. Supplied quantities of most local products were smaller. The same could be said of the quantities originating from Kenya, due to weather circumstances in the production regions. Other supplying countries, either from Africa or South America had enough supply all the time.

Due to the moderate supplies prices were considerably higher than normally, certainly when compared to the same period last year, when the weather during the whole spring was summer-like. This year it was totally different, especially from point of view of temperatures, which were much lower.

As said, throughout the month April, and also during the first two weeks of May, the price level remained steady and good. Mother Day's cut flower demand and sales turned out to be relatively more satisfactory than during the last Valentine's Day. Prices were very good for nearly all products, such as: gypsophila, hypericum, solidago, helianthus, eryngium and many others as also for proteas and leucospermum cordifolium. In general the hypericum supply was much smaller and therefore prices were much higher. The major given reason was the production change in the East African countries.

Roses did receive very reasonable prices as well, however relatively slightly less good than they were for the mentioned products, and also when compared to tulips, which had a very good end of the season.



During the third week of May there was a temporary slow-down, but during the last week all improved again, towards the approaching Mother's Day in France and Sweden taking place on the Sunday the 31st off May.

## France

The cut flowers market during the past several months was slow and quiet. During April there was no special cut flower consumption event, which meant a slow cut flower business, even though supplied quantities were particularly not big at all; neither from local production, nor from the Netherlands, and not from Kenya.

Roses were plentifully enough and prices were normal, given the period of the year. Other products were much more expensive, especially those imported from US Dollar related countries, such as Ecuador, Colombia, Costa Rica and Florida. The US Dollar gained 20% versus the Euro, which made import products also more expensive; especially for Ecuadorian roses, Colombian carnations and leather leaf from Costa Rica and Florida.

Throughout the month of May the cut flowers market gradually and slightly improved, mainly thanks to the approaching French Mother's Day, which took place on the 31 May. However Mother's Day is not anymore such an important cut flower consumption event as it was many years before. Nowadays it is a better than a normal week, but not really much more. Consumers are giving other gifts instead nowadays; especially the younger generation.



## Germany

During the month of April the cut flowers market has been rather good and positive. Supplied quantities, in general, have not been very big, and prices were steady and not very low. Only for roses the general price level was, more or less, normal.

Prices for tulips and for products such as hypericum, helianthus, limonium and gypsophila were considerably higher than normally. However the comparison with the previous year was a bit difficult. Last year the whole spring was like a summer, while this year it was relatively cold all the time, during daytime, but even more during nights. Many times temperatures were 1- 5° C or even lower. This had a great impact on many domestically produced outdoor crops, which arrived to the market late, some 3 – 4 weeks later than last year.

The month of May was even better for cut flowers demand, sales and results. Mother's Day was excellent this year; even better than Valentine's Day, which was not the case during the past years. A big difference between Valentine's Day and Mother's Days is the interest of rose colours. With Valentines all is focussed on red, and with Mother's Day all colours are wanted and needed.

For Mother's Day there was a certain shortage of medium sized roses, especially from Kenya. From Ethiopia enough quantities were available and from Ecuador as well. Ecuador quantities were even too high sometimes, mainly due to less purchases from Russia and Ukraine. Those quantities were rerouted mainly to other European countries, with some negative impact on the prices for those roses.

## Italy

The cut flowers market, demand and sales throughout the past two months April and May was not bad at all; on the other hand it was neither very special.

In April the market was steady from point of supply, domestic supply and imports from the Netherlands.

Spring 2015 was much colder than spring 2014, which was almost summerlike. This has had then a great impact on the nature and on the production seasons of many products. This year it has been much colder and therefore all productions around Europe has started later

and slower.

Good examples were the summer and seasonal products, such as: helianthus, hypericum, gypsophila, peonies and many others.

Prices for most of the products throughout the mentioned two months were relatively higher than normally, all caused by the lower supplies.

Mother's Day was good, but not very special. As traders were reporting, volumes were ok, but revenues and margins were smaller. Due to the political and economic problems in Russia and Ukraine big quantities of flowers, especially roses from Ecuador and Colombia, were rerouted to other countries, amongst them also Italy.

However the market could not swallow all those offered quantities and the ones which were offered, could be obtained for lower prices. Supply and demand are regulating factors in the market (as it always was).

After Mother's Day the cut flower market became much quieter and slower and this is expected to continue during the months of June and July.

## Norway

Throughout the months of April and May the weather has been rather cold, with relatively low temperatures, especially during night. Compared with last year totally different; because then spring was almost summerlike, with many days with sunshine and temperatures of up to 20° C sometimes. This colder weather of this year had, so far, a great impact on the domestic production, but also on the imports from the Netherlands.

Normally in April or even more in May many people/consumers could start to plant garden and bedding plants in their gardens or patios; however, until the end of May not really this year, because still night frosts occurred from time to time.

Plant material however is waiting in growers' greenhouses much longer time, which is very risky to loose quality and therefore possible income for the growers.

In the cut flower sector things did march on reasonably satisfactory, however not really very special. As traders reported, they had 15% lower turnovers (cut flowers and plants together) during April alone.

What could be felt also very good was the start of the peony season; it started much slower and some 3-4 weeks later than last year. It has to be said that last year was really an exception. It was much warmer during the months of April and May and therefore the whole nature was much earlier. On the other hand the peony prices were much higher this year, so far. It is expected that the garden and bedding plants' season will start to take off in June.



## Spain

Throughout the months of April and May the cut flowers demand, sales and results turned out to be reasonably good and satisfactory, and considerably better when compared to the same period of last year. However, last year was a very poor year all due to the economic and financial situation in the country and in the family budgets. Therefore people/consumers had less money to spend for special or luxury products, amongst which also cut flowers and potted plants, both for indoor, for gardens and patios.

As said there is a certain, but small improvement, but still it is an improvement. During the mentioned months many flowers were used for marriage and communions and even for processions and churches.

Also with Mother's Day, which took place on the first Sunday in May was better than during the past several years. All in all some more trust in the economy is coming back and therefore consumers are having some more money to spend for some celebration.

## Sweden

Throughout the month of April the cut flowers market has turned out to good and satisfactory and considerably better when compared to the same month of last year. It has to be said that last year Eastern took place late, and the weather was very summerlike. Due to that nice weather plenty of products and quantities of cut flowers were around in the market. Supplied quantities were much lower this year and prices therefore were rather good and higher. Still traders had no problems with the higher prices and flowers were sold well all the time.

Remarkable was the supply and interest for tulips. Normally in the Scandinavian countries they are not using tulips anymore after Easter. This year however they did, even though prices were double as high as last year during the comparable period.

During the month of May, especially during the first half of the month, the cut flowers market remained to be steady and positive. There was a temporary shortage of Kenyan and Tanzanian roses, but throughout the month those quantities increased again. Just on time for the approaching Mother's Day that took place on the 31<sup>st</sup> of May.

All in all the cut flower business and the final results during the two mentioned months could be called rather good and satisfactory.

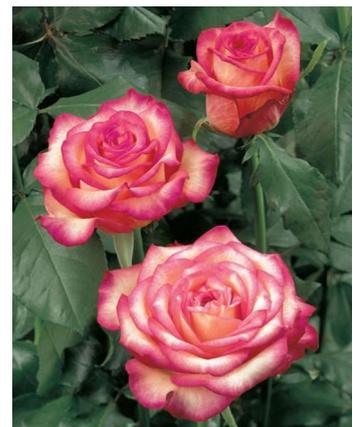
## Switzerland

During the month of April the cut flowers market was rather good and positive. Supplied quantities, in general, were not particularly big and prices were relatively high.

On the supply side, as said, quantities were not so big, especially not from Kenya, while Ecuadorian roses were plentifully available. Quality wise the Ecuadorian roses were good, while some problems occurred in the Kenyan roses, mainly caused by the weather, which was dark and rainy.

Throughout the month of May the cut flowers market remained steady and good. In general supplied quantities of all cut flowers were not excessive at all, which was the reason that prices, in general, did stay steady and high.

The supplied quantities from Kenya roses slightly increased and the quality improved gradually.



Mother's Day 2015 turned out to be positive and relatively considerably better than Valentine's Day 2015, which ended up slightly disappointing.

Just after Mother's Day the cut flowers market gradually, slightly slowed down, which was called normal, given the period of the year.

Still all was considerably better when compared to the same period of last year.

Slowly, the domestic Freeland (Freiland) flowers did arrive to the market, but due to the relatively cool weather in much smaller quantities than last year, when it was full summer weather throughout the month of May, causing then a boom and flood of flowers and quantities.

## United Kingdom

April was traditionally always a difficult month in the cut flowers business; partly due to the fact that the British Mother's Day was earlier in March this year.

Easter is not celebrated in the country; and during this month heavy competition was felt from the garden and bedding plant products.

UK is a country where garden plants are relatively more important than in other European countries. When people are focussing on one sector they focus much less on another sector, in this case the cut flowers.

On the other hand the exchange rate difference between the US Dollar, the British Pound and the Euro is playing a very important role. Import flowers from, so called, Dollar related countries have become significantly more expensive and therefor many British importers have changed to buying's/purchases relatively cheaper and still quality wise good flowers from the Netherlands.

In May there was no Mother's Day in the country, but two, so called, bank holidays (Mondays off), so the market was calm and quieter than normally. On the other hand more alternative cut flowers were used; flowers like tulips, narcissus, early summer flowers, and small and medium sized roses.

