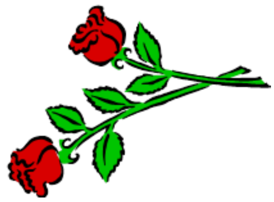
International
Trade
Centre

Market Dynamics

Cut Flowers Europe – September 2013



4 November, 2013

The Netherlands

Netherlands Auctions

The September 2013 cut-flowers auction figures were published as follows. The September turnover has increased by 2.6% when compared to the same month of last year, realised with a supply increase of 4.5%, resulting in a total average price for all flowers of 21.8 Eurocents per stem (last year 22.2 cents).

The cut-flowers market during the past 8 – 9 weeks has been steady from a supplies and prices point of view of. Both did not vary much, except on the supply side, where the assortment has been changing with the seasons. Prices, as said did not vary much and the general price level was between 22 and 24 Euro cents per stem, for all flowers; more or less identical to the situation of last year, which was considerably better when compared to the same period of 2011.

As said, the assortment was changing all the time during the past week, both the domestic production as the import supply. Of course, the change of the domestic production was normal, given the period of the year. However, on the supply side - for instance roses originating from the African countries, mainly from Kenya and Ethiopia - quite a shortage could be noticed, all due to the dark and rainy weather circumstances. Those factors have had also quite some impact on the general quality level of the roses. Problems such as botrytis, mildew and red spider occurred during several weeks. However, all should gradually improve during the weeks to come.

Also from other overseas producing countries supplies has increased, as did the assortment; more so-called summer flowers, or fillers, such as hypericum, solidago, helianthus, eustoma and several types of cut greens, but also more exotic products such as proteas, leucspermum cordifolium, cape greens and wax flowers. From week No. 42, and even more during week 43 the general price level has increased considerably, especially for the two major product groups - roses and chrysanthemums, by far the leading products in this period of the year. In the rose sector the large roses were most popular; in the chrysanthemum assortment prices were some 25–40 cents higher than last year, especially for the spray and single headed types.

Netherlands Importers

The September 2013 export figures from the Netherlands were published by HBAG (Exporter's Union) as follows. The September 2013 cut flowers export from the Netherlands has not increased, nor decreased, when compared to the same month of last year. Per country some differences could be noticed. Very good results were obtained to Sweden, Belgium Poland and to 'other countries'. Negative results were obtained to countries like: France, Russia and Switzerland.
From week No. 40 all import streams have clearly increased, assortment, as well as quantity wise, while the general quality level, especially of the African roses, was still not perfect. It has improved considerably for all products originating from Ethiopia, but from Kenya all is still far from being 100%. This was valid for all roses, but also for many summer flowers- or fillers- group.

As said, quite an increase of the offered assortment - just as the supply of the same products from Dutch origin, was strongly diminishing. Rose prices were relatively better. They were steady and good during the past two months and considerably higher when compared to the same period of the past several years.

For several summer-flowers products, especially for hypericum, solidago, statice sinuate, and gypsophila, prices did stay behind considerably. However, the competition with the Dutch products will surely be won by the import products soon.

The whole import assortment was strongly increasing during the last weeks. Many new products have arrived at the market such as: proteas, leucopermum cordifolium, cape greens, wax flowers, asters, anigozanthos, liatris, astrantia, molucella, gloriosa, eryngium, anemones, ranuculus and many types of cut greens, in addition to the big products such as gypsophila, helianthus, hypericum and solidago. Prices of the niche products eryngium, astrantia (particularly the whites), gloriosa, proteas, leucospermum cordifolium and anigozanthos were very good and satisfactory.

Towards the end of October the cut-flowers and cut foliage market improved considerably. Prices of nearly all products have increased to a acceptable level. Solidago prices did stay a bit behind the normal level, but hypericum and gypsophila prices were called 'very good'. The same could be said for all products of the so-called South African assortment, including wax flowers; also for those originating from Australia, Peru and Israel. Form Israel only very few flowering wax flowers were available; on the other hand, many stems with buds or still green arrived at the market already. Also rose prices increased considerably, especially for the large big headed roses.

France

The cut-flowers market during the first half of October did not change or improve very much when compared to the situation in September, which was not the very best. Traders, florists and consumers were all reluctant in buying cut flowers or potted plants. Also the approaching All Saints and All Souls Days' demand did not really take off, and it is expected that demand and sales for this event will be worse than before, not to mention pre-orders and pre- sales. It is anyway noticed and reported that consumers buy smaller quantities of flowers for the special celebrations.

Meanwhile, the general economic and financial situation in the country is not very best; so that companies and families have to decide whether to spend money on buying flowers or on the more elementary things needed in the household, such as food, clothes and education, but not on both.

Roses, especially in white and red colours, were still demanded, but other products faced lower demand all the time. Tropical flowers like: heliconia, ginger lilies, ananas, dendrobium orchids, proteas, leucospermum cordifolium and many types of tropical cut-greens are still demanded, but in smaller quantities.

Only during the very last days of October some extra demand could be noticed, however nothing very spectacular.

Germany

Not much of a change in the cut-flowers market demand, sales and prices during the first two weeks of October, compared to September. It was reported that the cut flowers market was continuously steady, as was the general price level for nearly all products. Roses have become slightly cheaper, but absolutely normal given the period of the year. Gradually, bigger quantities of roses from the African countries became available, after quite a long period of some shortage, caused by the dark and rainy weather during a long period of time.
From the beginning of October many new, seasonal products arrived at the market, as well. Demand also changed quite a bit.

The traditional year-round products such as chrysanthemums, gerberas, hypericum, solidago, tulips, amaryllis and other bulb-flower types have always been very popular in the autumn, so they are this year. In addition, many so-called seasonal products such as proteas, leucospermum cordifolium, the whole assortment of cape-greens and wax flowers, but also the domestic products, like all kinds of berry products, ilex, conifers, many non-traditional cut-foliage types, brassica, and others.

Preparations for the approaching All Saints and All Souls Days were already in full swing. It was reported that the actual use for grave-yards decoration has diminished considerably. However, the tradition of purchasing and use of all the mentioned products did not change very much. Throughout the very last week, and even more during the last days of October, the cut flowers market did improve considerably. Supplied quantities were sufficient, prices were not too high, but also not too low, and demand increased to acceptable levels; normal for the All Saints and All Souls Days' week.

Italy

Gradually, the cut-flowers market was slightly improving. The closer it came to All Saints and All Souls Day's demand, the busier the flower business became. However, it has to be said - and traders also report it - the All Saints and All Souls Day's demand, sales and expenditures for cut flowers, cut greens, and plants has dramatically diminished during the past ten years. Three important reasons were given for this: first of all, the economic and financial crisis, when people have to save money for important other products, especially for living and clothing. Secondly, the generational difference: younger people spend less on flowers, to be placed on grave stones, than older people. The third reason is the space availability on the gravestones and the alternative for burials, such as cremation.
In the second week of October there was no indication that demand for flowers was growing. Prices were also not increasing, except for special varieties and qualities of red and white coloured tea hybrid roses, mainly originating from the Netherlands or Ecuador. The small and medium rose quantities originating from the African countries were increasing during the past weeks. The supply was still not 100%, but all was increasing rapidly. Contrarily - prices slightly decreased.

Also during the third week of the month the cut-flowers market remained rather steady. Only during the very last week of October all very slightly improved. Orders were placed by wholesalers and florists only at the very last moment. The final All Saints and All Souls Day's results will be given in the next report.

Norway

During the whole month of September and the first two weeks of October the cut-flowers market could be characterised as being steady from demand, sales, and prices standpoint. The domestic production and the production in other European countries has diminished, while overseas import supplies have increased; but all in a moderate manner.
Also, accumulatively, the market until mid-October 2013 has turned out to be steady. Traders reported that they found this situation better than enormous peaks and slow-downs in the market, which makes it very difficult to predict and plan.
During the past several weeks gradually more and more rose quantities, originating from African countries, arrived at the market, while there was a certain shortage of roses during the months of August and September. Prices of these roses, however, were considerably higher than during the same period of previous years.

The season and the market of the erica and calluna campaign has really taken off from the beginning of October, after a slow start during September. That had very much to do with the extremely nice, sunny and warm weather during the summer and of the late summer. For those products real autumn weather would have been better, and it finally has arrived. Smaller quantities of ericas were available, so far, and more quantities of callunas. After the long, dry summer the general quality level of the erica was not super, but reasonable.

As from the second week of October the first domestically produced tulips arrived at the market. Because of the quota system, other tulips could not be imported yet, unless importers were ready to pay the high customs, which they preferred not to do.

Spain

When compared to September, things did not improve at all during the first half of October; a so-called 'lull before the storm' situation. That is how the period before an important flowers consumption event, in this case the All Saints and All Souls Day’s celebrations, is characterised. Such a situation is not very easy for importers and wholesalers, who should have sufficient quantities of flowers in stock, ready for florists and other clients to start ordering and buying.

During the first two weeks of the month not many pre-orders and pre-sales were placed. Only throughout the very last week of the month everyone was finally ordering and purchasing flowers, but it was already clear that even though the All Saints Day cut-flowers business is the most important flower consumption event of the year, the final results are expected to be slightly worse when compared to many previous years.

Sweden

August was an excellent month for cut-flowers demand, sales, prices and results. During the month of September, however, the market was much slower and quieter.
From the beginning of October all gradually improved, but the situation was still far from being super. Normally, one would call it 'the lull before the storm' of All Saints and All Soul’s Days; but demand and sales for these events slowed down quite considerably in the past years. Nowadays it is hardly noticed that this special cut-flowers and plants event is taking place, and special prices are also not expected any more.
The season of the special autumn products - especially of the autumn plants - started much later than normally, because of the nice late summer weather. Demand for the special plants is much higher when the weather is more autumn-like. Only during the second week of October some influence could be noticed, though still at a slower pace.
During the last two weeks of October the supply of roses originating from Africa has increased considerably and the situation was almost normalised. So did the general price level, which had become slightly lower, but on a normal range, given the period of the year. Also the general quality level has improved. It was still not 100%, but it was much better than the last 6-8 weeks.

Switzerland

After a long period of time of a moderate cut flowers market, all has gradually improved, from the last week of September and continuously throughout the first two weeks of October. However, the autumn vacation time, when many people took some days off, the market was probably a bit slower.

Plenty of products were already available, especially of the exotic products such as protea, leucospermum cordifolium, and the whole assortment of cape-greens, as well as the seasonal cut-greens. Traditional cut-greens, such as leather leaves, salal, bear grass and others were also plentifully available. Rose quantities have increased, but still not to very big quantities. African roses plentifully arrived, while the general quality level was improving, but still not perfect. Ecuadorian rose quantities were also slightly increasing, though several varieties and colours were not available at all.

Certain products are still available from local production, such as helianthus (summer flowers), hypericum and solidago. Meanwhile, more and more quantities are imported directly from overseas, and also from the Netherlands. But in a few days or weeks these domestic or European productions are going to end.

Throughout the third week of the month the cut-flowers market was a bit slower. However, during the fourth week all was improving very positively and satisfactory. Demand and sales towards the All Saints and All Souls Days' celebration were really taking off seriously, even though the event was not as important as in other countries, especially Roman Catholic regions, particularly in southern Europe.

United Kingdom

The cut-flowers market during the month of October was as slow and quiet as during the month of September, which can be called traditional, because it has always been like that. There are no special cut flowers consumption events during the given months and there is also no All Saints and All Souls Days tradition in the country. So no extra demand, but on the other hand the market was facing the higher prices in the other European countries on the continent, where the mentioned special days are so important. In addition, the autumn school holidays were on from the end of October - all factors of a calm cut flowers market. It is expected not to improve very much throughout the month of November.