

Market Dynamics

Ornamental Plants Europe – October 2016

31 October 2016



The Netherlands

Netherlands Auctions

During the past summer period the market for house and garden plants has turned out to be very good; even excellent; for sure when compared to a normal summer level, and better than ever before. Prices were far higher all the time, sometimes to the highest level of the year, which is absolutely abnormal for a summer period.

Supplied quantities were lower all the time as from May until the end of October. Most debit to the given situation was the moderate summer weather throughout the months of May, June, July and August. To the contrary, September was the best, most sunny and warmest month of this year. Even throughout the first half of October the weather was summer like.

The whole production and supply was affected by the weather circumstances, and this will not change anymore this year. All in all, a very good season for growers, for auctions and also for traders, who were making more turnovers, better results and higher margins.

Accumulatively from January until September the house plant turnover increased by 4% compared to the same period of last year. For the garden plants the increase was 5%.

Higher prices for nearly all product types. The best performing product was the pot chrysanthemum; with a supply increase of 12% and price increase of 6%.

Phaleanopsis orchids, by far the major pot plant type, increased in supply by 2% and the price decreased by 3%.

Garden plants' supply increased by 6%, while prices increased by 13%. Best perfuming products were calluna, with a price increase of 18% and buxus with a price increase of 28%.



Netherlands Importers

The August 2016 export figures are published by the VBN (Exporter's Union). Export turnover of cut flowers, house- and garden-plants together increased by 12% compared to the same month of 2015. Absolute and double digit increased percentages to: Germany with 23%, France with 11%, Belgium with 21%, Poland with 23%, Sweden with 23%, Austria with 16% and Denmark with 45%. Lowest results to the United Kingdom with minus 1%. Russia disappeared from the top 10 list.

The September 2016 export turnover of floriculture products has increased by 0.8% compared to the September last year. Best export results were realised to: Belgium with + 7.4%, Poland with +5.8%, Austria with +1 %, Denmark with +8.5%, and to 'other countries' with +7.3%. Only but still slightly positive figures in Germany and Sweden.

Negative figures and percentages to: United Kingdom with -7.4%, France with - 3.7% and to several other counties such as Italy and Switzerland with minor minus percentages.

The fully-grown plants' market during the summer 2016 has been rather good and satisfactory. Most debit to the positive development and to the obtained results was the moderate summer weather throughout the months of June, July and August. Therefore, production was slowing down, due to lower temperatures and more overcast kind of weather.

The change in weather came in September, which after all became "The" summer month of the year, with very nice and sunny weather and temperatures many days till and even over 30°C. Still, demand and supply were in good balance all the time and prices remained on a satisfactory level.

In October, the plants' market gradually and slightly more improved, due to more and good demand for all types of plants, so much for the All Saints and All Souls Days' celebrations. The major plants used for this event were pot chrysanthemums, ercicas, callunas, but also many decorative articles.

Denmark

The last summer was ideal for very good and satisfactory plants' business. Not such a very big supply, and on the other hand very good demand in general. Therefore, prices for nearly all products were considerably higher, and therefore turnovers and results have turned out to be very good and positive.

It was reported that the final plants' trade results were the best since may years. Very good for growers, but also for traders and florists; because everybody was able to have higher margins. After many years of moderate results, a good welcome for the plant sector.

As said, the plant market normally during the real summer months was always nothing special at all, but this year it was really a positive exception, which lasted until the end of September. Only as from the beginning of October the market gradually, slightly slowed down a bit.

Due to the good summer weather, with some rains from time to time, the gardens now are still full of plants, all flowering until the very end of the season.

During the September month, which was after all the warmest summer month this year, the cyclamen cultivation was negatively affected. The plants turned mature in a very short time, and all together the plants came to the market in too big quantities, within too short time, having a negative impact on the prices of this special and sensitive product.



During the month of October lots of special and seasonal plants and special articles arrived in the market. All those products, so much used for the All Saints and All Souls Days'

celebrations. As main plants could be mentioned: ericas, callunas, gaultherias and pot chrysanthemums often used on grave yards.

In the tropical ornamental young plants sector the market situation could be called reasonably normal. However, a certain, probably temporary, shortage was noticed of new young plant material originating from the production regions in Central America and from Florida. Quite some damage was caused by the hurricane season. On the other hand, more new young plant material arrived from Indonesia.

Germany

Summer 2016 was not a very nice summer, from point of view of weather, with relatively lower temperatures. The real summer weather appeared during the month of September with high temperatures of around 30 – 35°C, during at least 15 days.

Throughout the June, July and August this kind of summer days appeared only during not more than 10 days in total.

Due to the relatively lower temperatures and the cloudy weather throughout the first three summer months, products arrived much slower and in smaller quantities in the market, yielding high prices almost all the time.

It was reported that the prices in the three summer months were higher than ever before. Very welcome by growers, but also by trades and florists, while consumers did not really bother too much to pay the higher prices. It very much felt a great relief, after many years of pressure on the production and on the prices, which were most of the time lower than needed.

The good plants' market situation lasted until the very end of October, when prices were even higher than before, and also better when compare to October in previous years.

During the last weeks of October many so-called traditional, or seasonal plants dominated the market. Plants such as erica, calluna, gaultheria, and pot chrysanthemum were not plentiful. The first two products were totally sold out and the final season for these products could be called very good; the best since many years. The only one product with relatively low price was the pot chrysanthemum. This because of oversupply during the last several days.



In the tropical ornamental young plants' sector, all was moving-on reasonably and satisfactory as well. Enough new young plants' material was available and also in this sector prices were steady.

Some prices for the respective products were: Conifers in pot size 13 of 40 cm height for € 1.00; mixed green pots with chamaedoreas, dieffenbachia, schefflera, asparagus, several types of dracaena and areca palms in 12 cm pot size 17, of 30 centimetres high plants for € 0.65 – 0.70; the same types in pot size 21 and 60 cm height for € 1.80 – 2.00; mixed green plants of 3 plants per pot size 21 with a total height of 1 meter for € 4.70 – 4.80.

Sweden

The summer of 2016 could be called 'fantastic' for the pot plants' market, with good prices and revenues. The best summer of the last many years. The market was also steady, with good supply of good quality products all the time.

There was not a moment of oversupply this year, which resulted in such a steady and good situation.

It was reported that as from week No. 17 through week No. 42 better and positive results and margins were achieved, compared to last year. Only as from week 43 the market gradually and slightly slowed down, which is normal, given the period of the year.

During the time of the All Saints and All Souls Days' celebrations not many plants are used; also, not for grave yards' use; just because temperatures can go down to minus degrees at the given period. Instead, many alternative cut greens and other special products and articles, which are lasting long, are used for these events.

It can be expected that the fully-grown plants' market will stay calm and slower until week number 46, when the Advent's and Christmas demand and sales are expected to take off.

