Market Dynamics

Ornamental Plants Europe – September 2013

5 October, 2013

The Netherlands

Netherlands Auctions

The August 2013 plant figures are published as follows. The plant turnover has decreased by 0.5% when compared to the same month of last year, realised with a supply decrease of 2.2%, resulting in a total average price for all plants of € 1.58 per plant (last year € 1.55). Higher prices this year/month were for: chrysanthemum on pot, bromeliads, ficus, dracaena and spathiphyllum. Lower prices were for: phalaenopsis orchids, kalanchoe, pot roses and anthurium.

The garden-plants turnover has decreased by 0.2%, realised with supply decrease of 6.3%, resulting in a total average price for all products together of € 1.00 per plant (last year € 1.09).

Towards the end of August the potted plants market gradually improved. When people return from their summer holidays, they find that many plants in the homes have died. In such cases people want to renew part of their plant stock in their houses. In addition, the promotion organisations always create special promotions to interest consumers and to advise them to buy. In most cases this works and consumers purchase new plants.

After a long time of less popularity for green houseplants, it was noticed that this year green plants were again a bit more in demand, which could be noticed in the prices. At the same time, it has to be stated that and purchase of green houseplants has been slowing down, in favour of the flowering houseplants. The major given reason was the enormous popularity of the phalaenopsis orchid plant. This plant has become, by far, the most used plant in the Netherlands, but most probably also in other European countries' homes. In the Netherlands there is hardly a house to be found without at least one phalaenopsis plant, mainly in front of the windows.

Throughout the first two weeks of September the market stabilised again. Also quite a lot of seasonal autumn plants arrived in the market, of both houseplants and garden plants. Throughout the second half of the month the plants market was stable. However, the typical seasonal autumn plants were arriving in much bigger quantities to the market, which is normal for the period of the year. Considerably lower quantities of guzmania, spathiphyllum and cyclamen were supplied, while more quantities of dracaena, begonia and phalaenopsis orchid plants arrived in the market. Prices, in general, were slightly higher.

Netherlands Importers

The August 2013 Plant export figures are published by HBAG (Exporter's Union) as follows. The August plants export turnover has decreased by -3.8% when compared to the same month of last year. Accumulatively the decreasing percentage is -3.8%, compared to the same period (January until end of August 2013. Remarkable are the strong decreases in the major countries Germany and France, but also importantly to countries such as Italy, Russia (after many years of strong increases) and Switzerland. Positive results were obtained for export countries like: United Kingdom, Belgium, Poland, and Sweden - with 17% .

August is normally the month when summer holidays end, and consumers start to purchase houseplants. Many plants do not survive the lack of treatment during 2, 3 or 4 weeks of vacation. In such cases people replace the dead plants with fresh ones. This has happened also this year again, though not as strongly as during many previous years. One can notice that people have become more careful and a bit reluctant to buy, especially houseplants .

As said, from mid-August the market gradually, slightly improved. Normally the green plants benefitted very much from the return of the consumers. However, nowadays the consumption of plants is much more focussed on the flowering plants and less on the green plants .

Throughout the whole month of September the house-plants market remained steady. It was noticed very clearly, that the assortment was changing with the change of the seasons. Lots of other seasonal, autumn plants arrived at the market. However, supplied quantities were too big, so no price improvement was noticed at all.

In the tropical ornamental young-plants sector still quite some shipments arrived in the market and, of course, those imported plants have been marketed and sold as quickly as possible. In fact the importers succeeded rather well. However, here and there, some price bargaining had to be made .

It is expected that during the coming weeks/months the market for the new young plant-material will further improve.

Denmark

Demand and sales of the traditional house- and garden plants was nearly zero during the past weeks. Nevertheless, the assortment changed and many seasonal autumn products arrived instead. This was a normal appearance. However, demand and prices of the new plants were not high at all; in fact, they were very low .

The weather until the end of September was steady, sunny, dry and nice - all the necessary ingredients for not changing the old plants in the gardens, patios and balconies, because they were still very nicely flowering all the time. Normally, when the real autumn weather arrives, with strong winds and heavy rains, most of the traditional plants are destroyed and therefore consumers buy new material. As said, however, not until the end of September.

Also the green-house-plants market was very slow and quiet. Hardly any new plants could be sold. The only life in the market, and reasonable demand and sales, was noticed with the flowering-house-plants and particularly with the phalaenopsis orchid pants, which are so popular nowadays. But all these plants fetched lower prices when compared to the past several years, mainly as a result of the huge extension of the production of these plants. Only some special campaigns were created, with several popular plants, both of the flowering and of the green-house-plants, to try to attract the consumers. It did work, but only for minor quantities.

In the tropical ornamental young plants sector there was constantly enough supply and offer of plenty new material. In many cases bargains could be used to purchase some new products and quantities. The general quality level of the current supplies was reasonably good and positive. It is, however, expected that a quieter time will come during the following weeks/months, until the new season will start at end of January and February 2014.

Germany

Towards the second half of August and further throughout the rest of the month the plants market was gradually improving. After the return of many people from their summer holidays, they started to purchase new plants, both houseplants and garden-plants. In many cases several plants can be used in both sectors, for instance with plants like: hortensias, pot chrysanthemums, ericas, callunas and several other type of plants .

On the supply side plenty of new plants were available and, as said, additionally the special seasonal autumn plants arrived at the market. Due to the rather big supplied quantities, there was a continuous pressure on the price of many products. During the past years the production and supply, especially of ericas and callunas, has increased tremendously, as it has from the beginning of the season, and also this was heavy pressure on the prices. Producers reported that prices were some -20-25% lower than during the times of no overproduction. The general quality level of the mentioned products was good this year. After a long cold/cool spring and early summer, with enough water/rain, the basis of the plants was good. During the long warm summer all could grow and mature in a positive way. Also in the houseplants sector plenty of material was supplied all the time, and also on those plants some price pressure could be noticed .

Towards the very end of September the house-plants and garden-plants markets gradually and slightly improved. Continuous pressure on the prices was noticed all the time.
In the tropical ornamental young plants sector plenty of new material was offered all the time, in many cases, for bargain prices. However as growers were saying - full is full, meaning that when the greenhouses are full with plants waiting for delivery, no new plant material can be planted or is needed. Some prices for the respective plants: dracaena tufts of 60-30-15 cm canes in pot size 24 for € 3.20 - 3.50 (should normally be 6.50), tufts of 45-15 cm for € 1.60-1.80; areca palms of 1 m height in a pot size 17 for € 3.00; mix green-plants in 6 types/varieties in a pot size 12 for € 0.65; phoenix roebelinii of 1.50 m high, in pot size 27 for € 5.60 (normally it is €10.00 – 12.00).

Sweden

The season between weeks number 16 and 35 has turned out very good and satisfactory, according to traders. The biggest successes were booked in the sector of the garden and bedding plants. However, also in the houseplants sector the market was rather good, especially for the group of flowering houseplants, and particularly for the most popular plant phalaenopsis orchid. This plant is hardly planted and cultivated domestically, since the production costs in the country are so high. Instead those plants are imported from the Netherlands.

In the green-houseplants group results turned out very reasonable, but not super or extra. After week number 35 the market remained continuously reasonable, particularly for the seasonal autumn plant types such as: chrysanthemum, erica and calluna. However, for the latter two products all could have been considerably better, had the weather not been so very summer like, nice and warm. For those autumn plants it should be autumn weather, say traders. No consumer is buying any erica or calluna when it is still summer. It can, however, be expected that this market will improve very much and very strongly during the weeks to come. Both types of plants have been very much used as indoor, as well as outdoor plants.

As mentioned before, green houseplants were not used very much and it was also no season for those plants. More demand can be expected again in the spring time of next year.