

Market Trends

Cut Flowers Market in Europe

June 26, 2013

The Netherlands

Flower Auctions' Notes

During the first five months of 2013 the cut-flowers market reported that following a tough winter business was indisputably very poor. The weather pattern has also been a great challenge for the floricultural industry as a whole. The cold spring, which lasted until the end of May, created an erratic development in production and supply side and the delay was noticed for about three weeks.

However the tulip season was very good until the very end of the season, and continued into the third week of May. The Dutch peony season was also delayed by three weeks; and started off by mid-June. Surprisingly the prices of the Dutch peony doubled the normal price during the reporting period. It is foreseen that the supply will arrive to the market as a boom, which will most probably have an effect on prices.

The month of May, in general, has turned out to be a positive month for cut-flowers sales and prices. During Mother's Day in most of the European countries, in America and in Japan, prices for many products were lower than last year, but during the Mother Day's period in France, Sweden and Poland, taking place at the very end of May; prices were fantastic and higher when compared to the earlier period. Prices in week 21 were the highest of the year, even higher than during Valentine's Day,

Importers' and Traders' Notes

The May 2013 cut-flowers export data from the Netherlands has been published by HBAG (Exporters' Union) as follows. The cut-flowers export turnover has decreased by -6%, which can be called quite drastic. Very surprising was the turnover decrease to the biggest export country - Germany. Other negative results were obtained to countries like Italy, Russia (minus 13%, for the first time since more than 5 years, when double-digit increases were noticed all the time), Denmark and Austria. Still some minor increases to Belgium and Poland. Accumulatively, from 1 January till 31 May, the decrease was -2%, compared to the same period of last year. Also in these figures Russia was the



mainly as a result of good demand, and also of supplied quantities, which were not so high, but lower than normal for this period.

The auction turnover in May 2013 increased by 2.9% when compared to May 2012, with a decreased supply of 1.8%, resulting in a total average price for all flowers at 26 Eurocents per stem (24 cents in 2012) per product with quite some variations in price noticed. Much higher prices for: Lilies, peonies and freesias and lower prices for single headed chrysanthemums and cymbidium orchids.

During the first two weeks of June the market and the prices were gradually slowing down. Demand and sales for the Scandinavian student's Days were successful, but in the Netherlands, this year, the demand and the consumption during the same days were slightly disappointing.

Throughout the third and the fourth week of June the weather became very warm which made several productions boom; especially of peonies, gerberas and roses. Prices of those products really dropped down dramatically. On the other hand the constantly lower supply of gypsophila and helianthus increased prices for helianthus even sky-high

strongest decreasing country with -11%, the same as the result of exports to Denmark

May has been a very good cut-flowers selling month. Demand was very strong even though prices were high for most of the products. Of course the major reason was the celebration of Mother's day in most of the countries on the 12th of May and on the 26th of May in France, Sweden and Poland. In general throughout the whole month temperatures were far too low, affecting the local production, especially the outdoor cultivation.

At the end of the winter temperatures remained low, created a delay in nature of around three weeks.

Therefore, one of the early summer products such as peonies did not even get colour until the very end of May and even later. Prices were therefore 100% higher. However also import quantities were not too high and therefore prices for many import products were very good; for example for roses, hypericum, solidago, gypsophila and many others.

Demand, sales and prices for the exotic flowers, such as proteas and leucospermum cordifolium were nothing special at all.

However as from the very beginning of June the market did slow down quite considerably and prices dropped, with some 30–40%, compared to the end of May. This was called much lower, but when compared to the month of June of previous years all was more or less identical. Only throughout the third week of June real summer weather arrived, with temperatures up to 33°C. Immediately all productions which were late, arrived at the market in huge quantities, with, of course, a very negative impact on the prices; especially on peonies, roses and gerberas, but also on solidago. The prices of gypsophila and hypericum remained relatively steady, while helianthus, proteas and the first new

Germany

During the first five months of the year, in general, the cut-flowers market developed reasonably well, with here and there some minor periods, but mostly positive and successful periods. The popular and important flower consumption events all turned out to be satisfactory, with Valentine's Day, Easter and Mother's Day as the major events.

During the last important event Mother's Day all turned out to be good. Demand was fine, sales were good and results were positive and satisfactory. Even during the post Mother's Day period demand, sales, prices and results were good, mainly due to positive demand and sales in other countries, where Mother's Day was celebrated towards the end of May (France, Sweden and Poland).

However, from the beginning of June certain stagnation occurred. Due to the tremendous rainfall,

Italy

The general economic and financial situation in the country is not very best, for quite some time already. This was and still is affecting many businesses and it also harming the flowers and plants sectors. So far, this year all the so-called important cut-flowers consumption events turned out to be not the very good. The situation, sales and results were not too bad, but neither anything special.

harvest of leucospermum cordifolium were very expensive, all due to the supply of minor quantities.

During the first 4 or 5 months of 2013 the cut-flowers market was nothing special. To the contrary demand and sales were lower when compared to many previous years, with some positive exceptions of course. The major problems are the general economic and financial situation of the country. However that is a general problem of nearly all the European Union countries. The more South you go the more serious the problems; the more north the better the situation.

However the French Mother's day, which took place on Sunday the 26th of May, was very successful and satisfactory. Prices for nearly all flowers were very (extremely) high, mainly as a result of much lower quantities, especially of the two major supplying countries the Netherlands and Kenya. Final sales and final results turned out to be positive. Even during the post Mother's Day week prices remained sky-high. Only as from the beginning of June the prices and the cut-flowers market gradually slowed down considerably.

huge floods of the major rivers were created in big parts of southern, eastern and northern parts of the country. And not only inside the country, but also in several neighbouring countries as well, affecting the whole market and the cut-flowers sector as well.

From the supply side of the market enough quantities were available all the time. Hardly any oversupply from any country of origin was noticed, which made the situation of stocking flowers very easy. Hardly any leftovers were stuck most of the time. As from mid-June the first outdoor field flowers (Freiland) have arrive gradually in the market. These flowers were delayed by some three weeks, due to the cold spring. Only during the last week of the month the cut-flowers market did slightly improve again, mainly due to (again) much cooler weather.

During the other weeks and months the market situation was more or less as it used to be. Still, even during the months of May and June quite some quantities were directly imported, just to maintain the assortment - roses and gypsophila from Ecuador, roses, solidago and hypericum from Kenya and the entire assortment of cut-greens originating from Israel. Some importers are also looking for roses originating from Ethiopia. It would accomplish the total assortment of rose varieties and colours.

Again, more anthurium have to be imported from the Netherlands, just because a big production farm in Italy has broken down, and is not producing

Norway

The cut-flowers and plant- business until the end of May 2013 has not been very good, but after all the end result was zero increase/decrease, compared to last year. During the first four months of the year all was considerably less good, mainly due to the extremely cold winter and all spring.

Most negative were demand, sales and results obtained with the garden and bedding plants. Hardly or no plants were demanded, sold or could be planted. An almost total loss for plants such as: primroses, pansies, narcissus on pot, other bulb products on pot and on spring ericas.

The cut-flowers sector did not suffer that much, but also in this branch results were only but very slightly better. The normal houseplants sector was also nothing special at all.

Only during May and the first half of June all improved very much, especially for cut flowers, but also for garden-and-bedding-plants.

Spain

During the first five months of the year the floriculture market was nothing special at all. Due to the continuous poor economic and financial situation in the country, consumers are very careful and reluctant to purchase exclusive goods and also cut-flowers and plants.

Due to lower consumption of the consumers, importers, wholesalers and florists have also lower income and especially lower margins (if any). During the Mother's Day period cut-flowers and houseplants demand and sales turned out to be rather

Sweden

The year 2012 turned out to be quite a good and satisfactory year for floricultural business. All factors: supply, demand, sales and results turned out to be positive when compared to the previous years. During the first four months of 2013 the market was not too bad. To the contrary, the situation and the results were reasonable, anyway clearly in the plus.

During the months April and May supplied quantities were not really sufficient, especially not from the African rose production countries. Also gypsophila originating from South American was short in supply.

anymore. Luckily sufficient assortment and quantities could be purchased from the Netherlands for reasonable prices and of excellent quality.

Due to the cold first four months in the country, but also in other parts of Europe, production arrived to the market much late, sometimes even three weeks later than usual.

A good example was the peonies, which arrived to the market only as from mid-June, while normally they are in the market as from the end of May. So, far, mid-June, the peonies were twice as expensive as normally.

However it can be expected that the late production will arrive to the market during the second half of June and the beginning of July, as a boom, with the negative impact on the prices most probably.

This situation is also valid for many other so-called summer flowers. More and more roses have to be imported, because the acreage of domestic production has been shrinking to an absolute minimal level.

satisfactory. However this year's results were also lower when compared with many previous years.

During the rest of May and June cut-flowers consumption was more or less in line with the normal situation in the same period of the year. Not super, but also not disappointing.

It is however expected that all will be slower and quieter during the approaching summer period, which is not abnormal.

The same could be said of the whole assortment originating from the Netherlands, due to a cold winter and a long cold spring. Especially the assortment and the quantities of so called summer flowers, mainly those cultivated outdoors were very restricted and prices were very high; especially during the Swedish Mother's Day. However, demand and sales for this Mother's Day were very good.

Also during the beginning of June the cut-flowers market remained positive and satisfactory. The business during the so called student days was very

good and this year the time of celebration was prolonged successfully.

As from mid-June importers and wholesalers were preparing for the mid-summer celebrations. For this event mainly blue cornflowers and white daisies and chrysanthemums were used, as traditionally.

Switzerland

May is always a very good month for cut-flowers demand and sales. Mother's Day is always situated in the beginning of the month (the second Sunday of May, this year on the 12th) and therefore the most important part of the month are the first two weeks of the month.

However throughout the last two weeks of the month the market did remain to be very steady and positive. Total supplied quantities were not particularly high. To the contrary they could be called relatively low, either from domestic production, from other European origins and even from overseas import origin. It was not extremely difficult to get all the flowers and quantities sold and delivered on time. Importers and wholesalers were very satisfied and nearly all quantities were sold out all the time.

Throughout the last part of the month the cut-flowers market did slow down considerably.

Toward the very end of the month also the summer holidays did start, which was major reason for the slow market. It is expected to remain quiet and calm during the weeks, maybe even one and a half month to come.

Only as from the very beginning of June the market gradually slightly slowed down, while on the other hand quantities increased, also the so called free land (Freiland) flowers and in particular roses. However, like in the rest of Europe, nature was about two-three weeks late, so that all outdoor crops were late as well.

Throughout the third week of June, when the weather became hot, with temperature up to 35 degrees Celsius, the cut-flowers market did slow down drastically, with a very negative effect on the prices. However during the fourth week the weather and the market recovered again to the normal June situation.