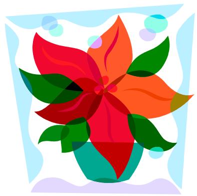
International Trade Centre

Market Trends

Ornamental Plants Market in Europe

June 26, 2013



The Netherlands

Flora Holland Aalsmeer Auction's Notes

Prices and the total house plant sales during May 2013 was disappointing. The total turnover increased by 2.5%, compared to May 2012, with a supply increase of 3.4%, resulting in the average price for all plants at € 1.89 (€ 1.91 in 2012). There were much higher supply quantities of: hydrangea, ficus and 'other various plants'. Smaller quantities of: kalanchoe, bromeliads and zantedeschias.

Higher prices for: 'other plants' and for ficus. Much lower prices for: kalanchoe, pot roses and zantedeschia.

The turnover for Garden plants increased with by 2.5%, with a supply decrease of 2.4%, resulting in the average price for all plants at € 1.05 (€ 1.01 in 2012).

So far and as from the end of May, the house and garden plant season was rather disappointing. The major reason being the long and cold winter and more specifically the cold spring. The garden and bedding plant season was partly lost especially for products such as primroses and pansies which arrived in the market when there was no demand. Consumers could tend to gardens, and by the time they arrived the mentioned products were mature and unsalable.

However also for most of the other garden-plants demand and purchases started very late and in some cases too late. It can be concluded that the 2013 season will not be successful for the mentioned products group. The cold and dark weather has also had a very negative impact on the house plant sector as a whole.

Up unitl the end of May the increase/decrease was zero. Also during the first half of June this market did not really improve and it can be expected not to do so during the coming weeks/months when the summer time is approaching.

Importers and Traders' Notes

The May 2013 potted plant export figures from the Netherlands are published as follows: The turnover of potted plants (house, garden, and bedding plants) decreased by 1% when compared to May 2012.

The most surprising was the decrease in exports to Germany, the number one export destination. Although there were also quite some decrease also to countries like: France, Belgium, Switzerland and Poland.

Still some positive developments in countries like: UK, Italy, Austria and Russia where accumulatively, from 1 January to 31 May the decrease was considerably bigger at 3%.

The major reasons being the cold winter and spring weather which delayed the production by 3 weeks. This had a tremendous impact on garden and bedding plants, but also affected houseplant demand, sales, and prices negatively.

It was reported that the garden and bedding plants season results were -80% and therefore the season was disappointing.

In addition the economic and financial situation in the country, and also other target countries was the reason consumers were careful and reluctant to purchase new plants. This was the case with flowering plants, but also whole assortment of green-plants.

Florists, wholesalers and garden centres were also careful in building and maintaining stocks. Everyone is trying to minimise the risks of eventual losses, which negatively affects trading in general.

In the tropical ornamental young-plant sector the market is still reasonable. Enough new plant material is available all the time, but importers are still able to sell nearly all the product adequately.

However during the approaching summer time it is expected that business will gradually slow down for some time (the coming two months).

Denmark

During the first five months of 2013 the fully-grown plant market has been very changeable and not the best, from the point of view of demand, sales, prices and results.

However a lot depended the time/period of maturity and supply and there was quite a difference between early or later crops. In the garden and bedding-plants' sector things were worse, mainly due to the very long winter and the very cold spring. With those elements consumers did not buy any plants, because it was impossible to work in the gardens with the cold and the humidity.

The situation was worse for the early products, such as primroses and pansies. There was almost a 100% loss for the growers/producers. Wholesalers were not the only ones to have a bad turnover the same went for the florists and garden centres. The loss of demand and sales was not compensated, because the season was over.

The products arriving in the market later (as from the end of April) did not suffer as much. Demand and sales started up at the beginning of May; however prices were not optimal. The last part of the season was the best, but turnover for the season as a whole was disappointing.

Also the houseplant sector was affected negatively, especially the flowering plants, such as kalanchoe, saintpaulia and several others. The situation of the green-plants was relatively better. For this group results turned out to be normal, given the period of the year.

During the month of June enough products and quantities were available. However prices were not high enough and therefore margins were also considerably lower

In the tropical ornamental young-plant sector the situation was more or less normal, when compared to the same period of previous years. Enough new plant material was available all the time. Importers and wholesalers sold large quantities, but not optimal or extra. The general quality level of the imported products was satisfactory.

Germany

So far (the end of May) 2013 has been a very strange year on the whole for cut flowers and especially in the potted plant market. For plants, the hardest was the long cold winter and the long cold spring, affecting production, but also demand for many types of plants and mostly negatively affecting sales and price.

Due to the cold and long spring there was no demand at all until the end of April. Normally large quantities of many plant types should already be sold in that period.

The two major affected products were primroses and pansies; both products were eventually a complete loss, due to the fact that these plants had to be sold when they are mature. They were now mature, but there was no price, so huge quantities had to be taken out of the market.

Due to the weather, many other plants were also delayed, because they could not be planted on time this year. A good example was the production of early summer flowering potted plant types, such as petunia, dahlia and some others. Therefore other autumn plants, such as Erica, could not be planted on time.

The poor situation in the garden and bedding plant sector and the cold affected the normal house-plant sector negatively as well. Through to the end of May prices for houseplants were also lower than what they should be.

As from the beginning of June the market was negatively affected by another phenomenon, the tremendous rainfalls and flooding of major rivers in parts of the country. The water left no space for street sales and other transport and logistics.

Some example prices for the respective products: mixed green plants 35 cm high in pot sizes 11 and 12 for € 0.35, different 6 inch rooted canes of different dracaena types for € 0.45, the same plants in 4 inch for € 0.25, areca palms of 1.10 m' high in a pot size 21 for € 5.50, phoenix roebelinii of 1.50 m' high in a pot size 22 for € 9.50.

Sweden

The market for garden, bedding, and houseplants during the months of January and February was very slow. This was also the case in March due to the cold and rainy weather which meant that no one could do anything in the gardens.

In April and more so during May the market for garden and bedding plants really took off considerably. In many other European countries the market for pansies and primroses was disastrous.

I Sweden however demand, sales, prices and results turned out to be excellent and very satisfactory.

With Mother’s Day in May (25th) and the student holidays (2nd half of May and the beginning of June), both typical cut flower consumption events, were not especially good for the whole plant sector; which is the norm for this time of year. Results for those sectors were as usual.

As from the beginning of June there was a certain shortage, because after the very good sales perdio during April and May all farms were sold out and the second wave of planting and harvest was still not ready. How this will develop further in the season needs to be seen.

Normally the garden and bedding plant season last until week 30-31 and hen the summer holidays take place so the question is, how will the season pan out?

The autumn garden plant season is expected to take off as from weeks 32-33 with chrysanthemums and some other products, followed, in week 34 by the erica and the calluna. The normal houseplant market both for green and for flowering plants has been slow and quiet so far this year and it looks like this will not change much during the weeks/months to come.