Exporting foliage to Italy, France, Spain, Portugal, Greece, Malta and Cyprus

Southern Europe comprises France, Italy, Spain, Portugal, Greece, Malta and Cyprus, with a total of 185 million inhabitants. These countries share similarities regarding sales channels, with a dominance of traditional small florist's shops and street market sales, but also display some remarkable differences. Imports of cut foliage in southern Europe are increasing, opportunities exist for further development as incomes increase, and florists and supermarkets sales and assortments of flowers are improving.

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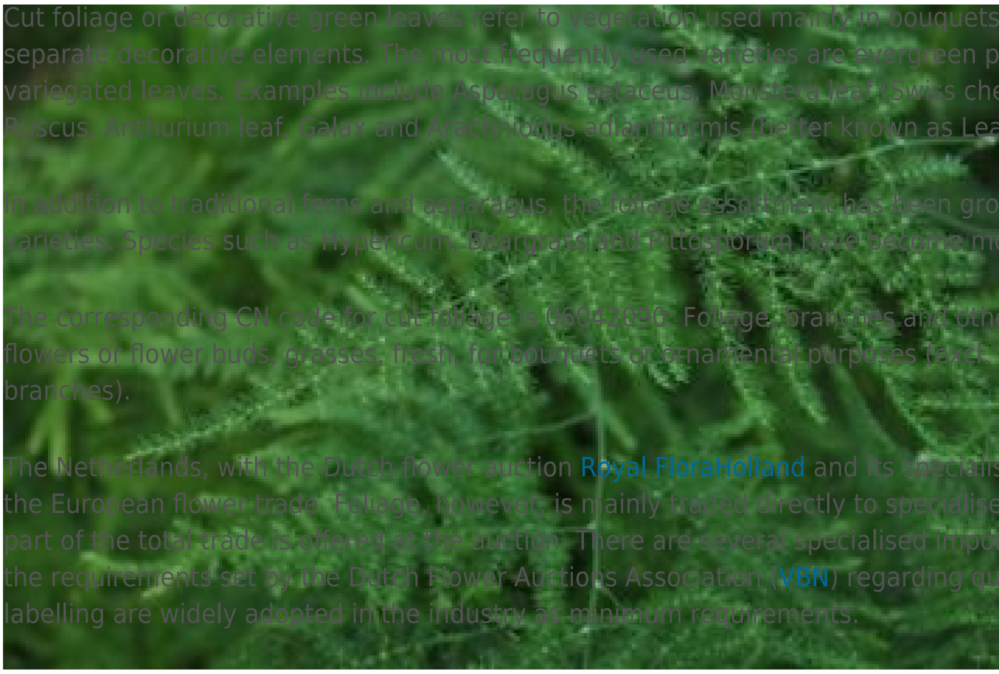
Tropical foliage, Monstera leaf. Source: Shutterstock

Foliage, Asparagus setaceus. Source: Shutterstock



Cut foliage or decorative green leaves refer to vegetation used mainly in bouquets, although it is also sold as separate decorative elements. The most frequently used varieties are evergreen plants with green, silver or variegated leaves. Examples include Asparagus setaceus, Monstera leaf (Swiss cheese plant), Eucalyptus, Ruscus, Anthurium leaf, Galax and Arachniodus adiantiformis (better known as Leather leaf fern).

In addition to traditional ferns and asparagus, the foliage assortment has been growing to include more exotic varieties. Species such as Hypericum, Beargrass and Pittosporum have become more popular.

The corresponding CN code for cut foliage is 06042090: Foliage, branches and other parts of plants, without flowers or flower buds, grasses, fresh, for bouquets or ornamental purposes (excl. Christmas trees and conifer branches).

The Netherlands, with the Dutch flower auction Royal FloraHolland and its specialised traders, is at the centre of the European flower trade. Foliage, however, is mainly traded directly to specialised importers and only a small part of the total trade is offered at the auction. There are several specialised importers of foliage. Nevertheless, the requirements set by the Dutch Flower Auctions Association (VBN) regarding quality, size, packing and labelling are widely adopted in the industry as minimum requirements.

There are individual product specifications for various sorts of decorative greens and other types of foliage, which are defined as all products that derive their decorative value from the leaves, the branches and/or the spikes (ears) and that are sold as cut flowers. Search for the specific requirements of your own product in the VBN product specifications search engine. You are advised to check regularly for changes to the specifications.

Quality

Cut flowers and foliage are traded in three quality classes, A1, A2 and B1, depending on the extent to which they meet the quality and grading criteria. This compliance is expressed in negative comments accompanying the batch. The following general quality requirements apply to all decorative greens.

Batches offered for auction must meet the requirements below (in order to be traded as A1).

- The batch must be of good internal quality.
- The batch must be fresh.
- The batch must be visually free of animal and/or plant parasites.

- The batch must be free of harmful effects and/or damage from animal and/or plant parasites.
- The batch must be free of damage, deficiencies, deviations and/or contamination in:
  - flower/inflorescence/bud;
  - branch/stem;
  - leaf/needle/thorn.
- The batch must be of good form, composition, and flower and leaf colour.
- The undermost 10 cm of the stems must be free of leaves.
- The stems must be straight and sturdy enough to bear the flower.
- The batch must be uniform in colour, thickness, sturdiness and bouquet volume.
- The batch must be properly packed.
- Products that are offered for sale per bunch as unit of sale (instead of per stem) must comprise at least three branches/stems per bunch.

Additionally, for each batch:

- The branches must be free of flowers and/or flower buds. Ornamental grasses with ears are permitted.
- The use of leaf shine is permitted, provided that the leaf surfaces of the whole lot are treated.

Size and packaging

The VBN has developed size and packing requirements. Cut foliage must:

- be sold, depending on the product, per stem, in bunches of 5, 10 or 25 stems, per bunch or per kilogram;
- be supplied, depending on the product, mandatorily or not, in bundles;
- be supplied in bundles of five bunches, if they are bundled;
- be packed, depending on the product, per bunch or per bundle in sleeves;
- be supplied, depending on the product, in a cut flower container or in a box, whereby these containers/boxes have to be full.

If the product has such a heavy structure that the aforementioned requirements cannot be met

without the product suffering damage as a result, it may be possible to deviate from the packaging

requirements following consultation with and permission being obtained from the authorised auction inspector.

Labelling

It is obligatory to label every packaging unit (e.g. bucket, box) with product and supplier information, namely:

- supplier number
- variety name
- amount (e.g. stems) per packaging (bucket, and so on)

VBN also recommends adding grading marks and the name of the supplier.

Tips:

Visit the VBN website to find out about changes in product specifications.

Contact your import agent or your potential client about any additional requirements if you wish to supply directly.

1. What makes southern Europe an interesting market for foliage?

Southern Europe, defined as Italy, France, Spain, Portugal, Greece, Malta and Cyprus, covers a total of 185 million inhabitants. Florist’s and street kiosks are the main sales outlets for cut flowers and foliage in southern Europe. There are opportunities to increase the sales of flowers and foliage, as consumption is still relatively low in some southern European countries. Both the florist’s and the supermarkets must be encouraged to broaden their assortment and include more mixed bouquets with decorative greens.

Consumption

France and Italy are among the largest European markets for cut flowers and foliage. Spain is also a large country with about 47 million inhabitants. The consumption of cut flowers in terms of expenditure is still relatively low in Spain and Greece, however, which is partly caused by somewhat lower average incomes.

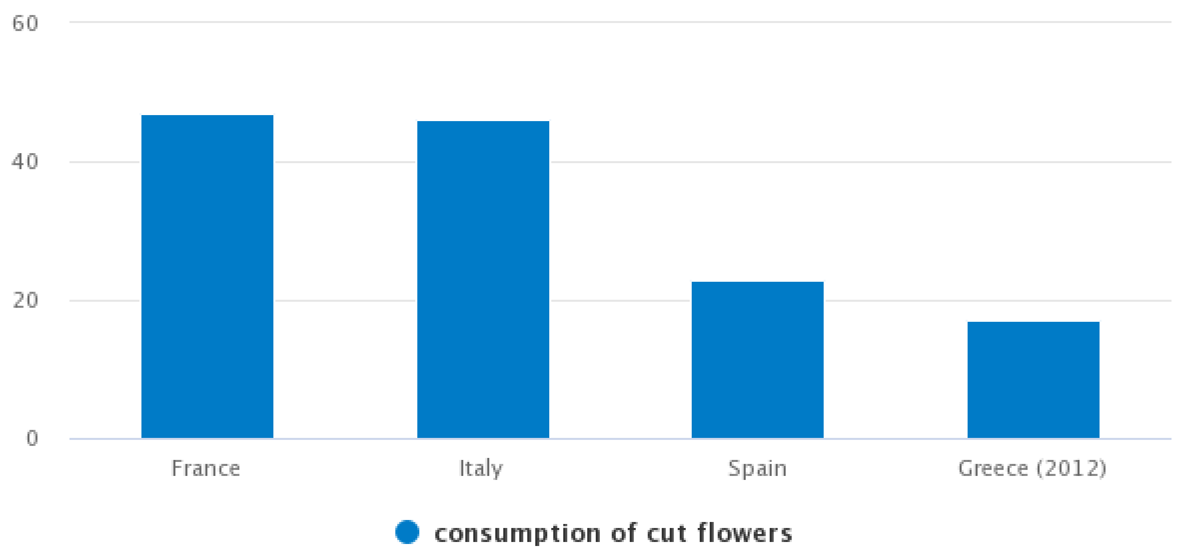
The consumption of cut flowers and foliage in southern Europe varies between € 20 and € 40 per capita. In southern Europe, most consumers buy their flowers in traditional florist’s shops. Supermarkets have a market share of less than 10%, with the exception of France, where their share is about 15%. It is expected that the market share of supermarkets will slightly increase in the next five to ten years.

Between 40% and 50% of the flowers are bought in bouquets. This often includes fillers and foliage. The share of bouquets has increased in recent years. However, it is still lower than in most northern European markets such as Germany, the Netherlands and the United Kingdom. It seems that because flowers are more often bought as a gift than for home decoration, there is room to expand the market for attractive flower bouquets.

Flowers are a popular gift item in southern Europe (also for special holidays such as Mother’s Day and Valentine’s Day). In Spain and Italy, flowers are often bought for funeral purposes as well (mostly without foliage). With gradually increasing incomes, the market for flowers for personal use and the market for mixed bouquets including foliage (for home use and for gifts) is expected to grow.

Figure 1: Consumption of cut flowers in France, Italy, Spain and Greece 2014

In € per capita



Source: Royal FloraHolland Consumentenpanel, 2014; in Rabobank, World Floriculture Map, 2015; SYMAGRO

Tip:

> If you want to focus on peak days, take these dates into account when you make your annual production schedule.

Production

Italy and France (Eucalyptus and Pistache) are the largest producers of fresh cut foliage in southern Europe. The Netherlands (Anthurium leaf, Monstera, Asparagus in glasshouses and a broad range of other foliage such as tree branches, Hypericum, Oak leaf, Skimmia, Ilex and Leucothoe in the open) is also an important producer. In addition, Israel is an important producer of Pittosporum, Waxflower, Aralia, Ruscus and Leucadendron.

Further away, a lot of foliage is imported from Costa Rica (Monstera, Leather fern, Aralia, Aspidistra), South Africa (Hypericum, Leucadendron, Brunia, Tyfa leaf), Ghana (Monstera) and Asia (Cordyline and various grasses). Central American countries such as Costa Rica, Mexico, Nicaragua and Honduras are important producers of foliage for both the European and the US market. From there, it is exported mainly to the Netherlands and Belgium for further distribution within the European market.

Tip:

> Value-added products, special varieties, market niches and sustainable partnerships with buyers offer opportunities to compete.

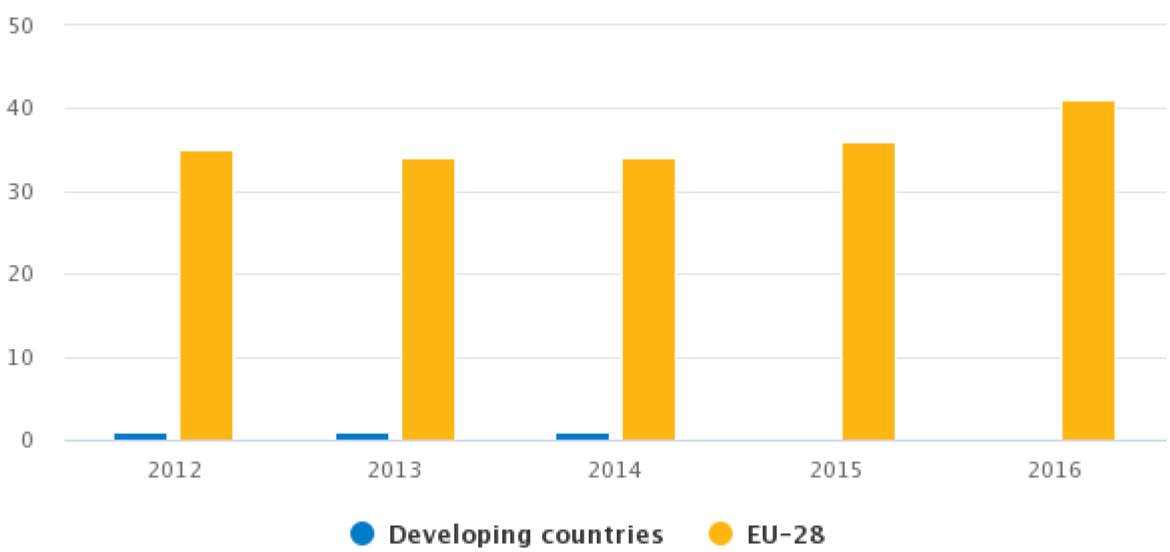
Import

The import of cut foliage on the southern European market amounted to a total value of about € 41 million in 2016. Foliage is also imported as part of mixed bouquets. Imports come mainly from the Netherlands. Direct imports from developing countries are limited. Specialist Dutch traders serve as intermediaries between developing countries and southern European markets. Within the southern European market, France (39%) and Italy (38%) were the dominant importers in 2016.

Between 80% and 90% of the foliage is imported from the Netherlands. Dutch traders re-export the majority of these products, which originate from countries such as Costa Rica and Israel. This means that the Netherlands is an important player in relation to the distribution of cut foliage in southern Europe. Some traders specialise in the supply to florist’s in southern Europe. This situation is likely to continue, although some traders in Italy and France are also importing directly from developing countries.

Figure 2: Import of foliage on the southern European market 2012-2016

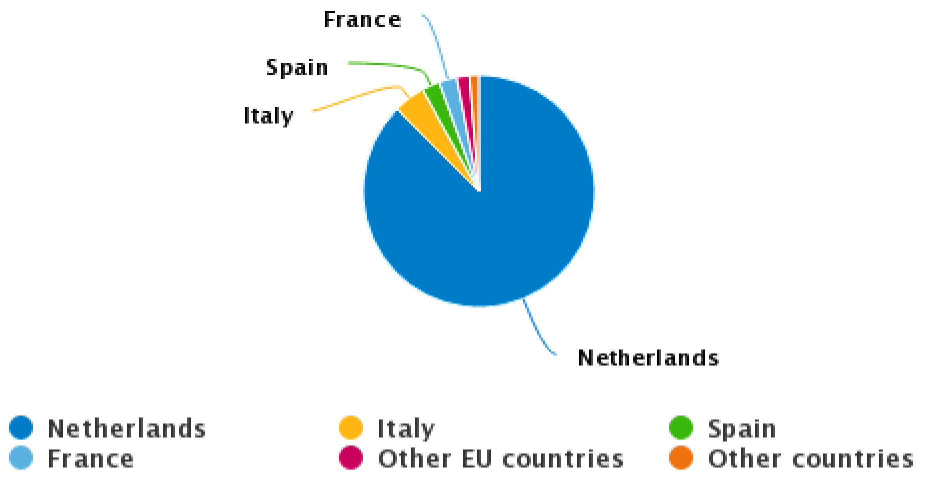
in € million



Source: Eurostat Comext, calculations by Wageningen Economic Research.

Figure 3: Share of import value of foliage in southern Europe per supplying country (intra- and extra-EU trade) 2016

in %



Source: Eurostat Comext, calculations by Wageningen Economic Research.

Tips:

Consider using the market knowledge and network of the Dutch exporting wholesalers who are specialised in supplying to the southern European market. Find them through the Dutch wholesalers association VGB, the Flower Auction Royal FloraHolland or trade fairs.

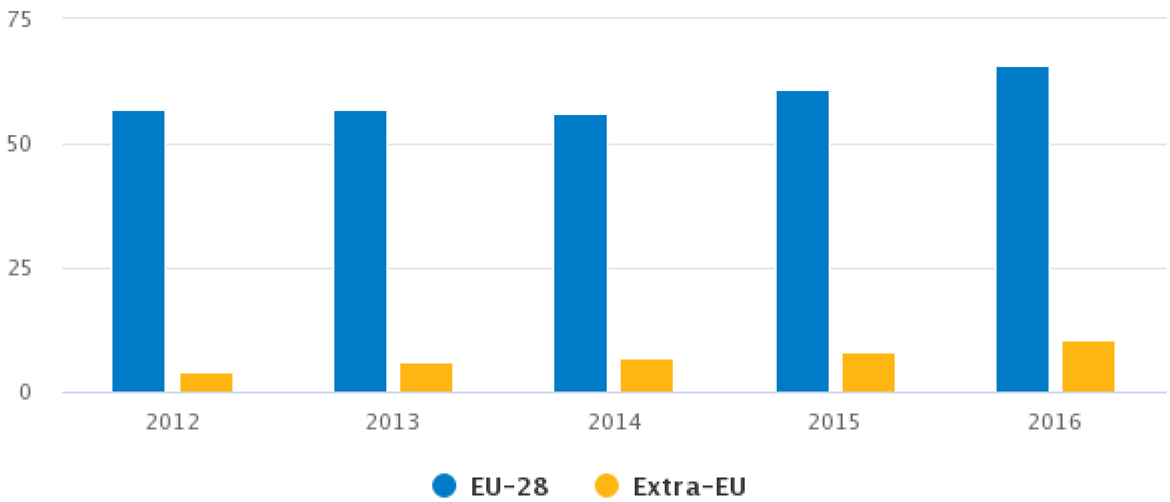
Visit your buyers or meet them at trade fairs to build trust and commitment. Monitor your buyers' satisfaction, and always be honest and direct in case of supply problems or questions.

Export

Exports of foliage from southern European countries amounted to € 76 million in 2016 and continue to grow. The majority (90%) is exported by Italy, which is the largest producer of foliage such as Eucalyptus and Asparagus. The main export destinations are the Netherlands, Germany, Switzerland and the USA.

Figure 4: Total export of foliage from Southern European countries (including trade between Southern European countries) 2012-2016

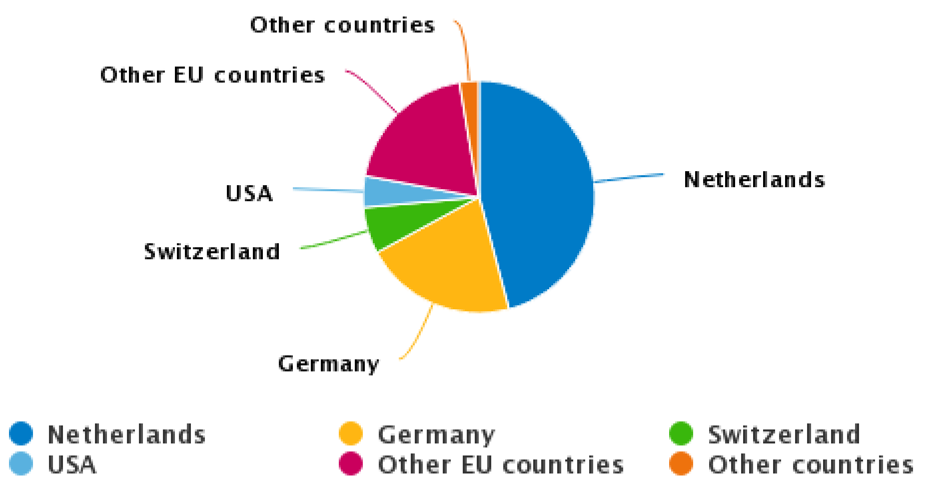
in € million



Source: Eurostat Comext, calculations by Wageningen Economic Research.

Figure 5: Share of export value of foliage from southern Europe (including trade between southern European countries) 2016

in %



Source: Eurostat Comext, calculations by Wageningen Economic Research.

Tip:

You can find monthly and annual import statistics on the Eurostat website.

2. Which trends offer opportunities on the southern European market for foliage?

See our study of Trends for cut flowers and foliage for more general trends on the European market for cut flowers. For cut foliage on the southern European market, specific trends that will influence demand are the recovering economic growth and the increasing attention paid to the cold chain and product quality.

Importance of the cold chain

As products traded to southern Europe via the Netherlands are often under way for a relatively long period, the cold chain and packaging are of key importance to maintain product freshness and quality.

Tip:

Contact your buyer and ask about the quality and freshness of your product, and whether you could make improvements with regard to the packaging and treatment of the product.

3. Which requirements should foliage comply with to be allowed on the southern European market?

Which legal and non-legal requirements must my product comply with?

Plant health

Foliage exported to the EU must comply with EU legislation on plant health. The EU has laid down phytosanitary requirements to prevent the introduction and spread of organisms harmful to plants and plant products in the EU.

Foliage imported in the EU must be accompanied by an official “phytosanitary certificate” guaranteeing the phytosanitary conditions of plants and plants products. It also ensures that the shipment has been officially inspected, complies with statutory requirements for entry into the EU, and is free of quarantine pests and other harmful pathogens. Phytosanitary certificates are issued by your National Plant Protection Office (NPPO).

Tips:

Check with the relevant National Plant Protection Organisation for the exact procedures to obtain the phytosanitary certificate.

A model phytosanitary certificate can be found in Annex VII of the Plant Health Directive.

Check whether your country and the country that you want to export to have implemented digital services to facilitate the import and export process. For example, the Netherlands has the CLIENT export system, which is also used by the Kenyan and Ugandan inspection authorities.

Read more about plant health in the EU Export Helpdesk.

Endangered species – CITES

If you are exporting flowers and foliage that are listed as endangered according to the international CITES convention, you have to take specific procedures into account in order to prove that trade will not be harmful to the survival of the species in the wild. If your product is listed in the CITES list of endangered species, all exports need to be accompanied by an export permit from your country's CITES authority and an import permit from the authorities in the country to which you are exporting.

Tip:

Especially when foliage is collected from the wild, there is a chance that the species may be on the CITES list. Check for compliance with the rules before offering such products for sale.

Intellectual Property Rights (IPR)

Developing varieties is often very expensive. The developers of new varieties want a return on their investments. To prevent just anybody from using these new varieties, they are protected by intellectual property rights. In recent years, there has been an increasing focus on breeders' rights and illegal products are rejected from the market.

Tips:

Make sure that you know exactly who owns the IPR for your species and pay the necessary royalties.

An interesting trend is that breeders only allow their new variety to be grown by a select group of growers. Staying in contact with breeders and offering perfect conditions for growing their new variety may therefore be an advantage.

Familiarise yourself with the protection frameworks for new plant varieties; for example, from the Union for the Protection of New Plant Varieties (UPOV) or the Community Plant Variety Office (CPVO).

Full overview of requirements for cut flowers

For a list of requirements for foliage, consult the EU Export Helpdesk, where you can select your specific product under Chapter 06042090.

4. Which additional requirements do buyers often have?

CSR – Corporate Social Responsibility

EU consumers are paying more and more attention to social and environmental circumstances during the production of foliage. As a result, EU buyers require you to meet certain environmental and social standards in the form of certification for B2B schemes and consumer labels. Compliance with environmental standards (focusing on good agriculture practices, pesticide use and water use) is a very common requirement, while social conditions are gaining importance.

Tips:

Both buyers and consumers (especially in western and northern Europe) consider environmentally friendly production very important and this importance is expected to increase in future. Becoming certified is essential.

Use your good practices and certification as a marketing tool when communicating with potential buyers.

There is an abundance of standards to choose from (although the actual criteria show a lot of similarities). To determine which scheme you should follow, the market that you are targeting will probably be decisive (which country do you want to export to and which trade channels do you use?).

The most important B2B schemes for foliage are MPS, GLOBALG.A.P., Fairtrade and ETI. MPS offers several standards, of which MPS-ABC certification covers environmental performance and is considered a must for growers. Other schemes include MPS-SQ (focusing on social issues), MPS-GAP (on Good Agricultural Practices) and MPS-Quality. The most comprehensive standard is MPS-Florimark, which is a combination of the aforementioned four schemes.

Tips:

Consult Channels and Segments to see how market channels are changing.

MPS gives an overview of all MPS schemes, including links to the criteria per scheme.

Compare requirements of different certification schemes by consulting the ITC Standards Map.

GLOBALG.A.P.

GLOBALG.A.P. is a B2B scheme originally focusing on Good Agricultural Practices. GLOBALG.A.P. has been the most important scheme for fruit and vegetables for years, but it is gaining importance for foliage as well, especially with regard to sales to supermarkets. Several other standards are benchmarked against GLOBALG.A.P.

Tips:

GLOBALG.A.P. gives an overview of all the standards for flowers and ornamentals.

Check for existing sustainability certification initiatives within your country in the ITC Standards Map. Examples are the Colombian Florverde standards or the code of the Kenyan Flower Council. Sometimes, these local initiatives are benchmarked against GLOBALG.A.P.

Ethical trading

The increasing share of the “unspecialised” market (supermarkets and so on) in comparison with the “specialised” market has had its effects on buyers’ requirements. Importers may participate in initiatives such as the Ethical Trading Initiative (ETI; mostly in the United Kingdom) or the Business Social Compliance Initiative (western Europe). These initiatives focus on improving social conditions in their members' supply chains. This implies that you, as a supplier, are also required to act in compliance with their principles.

Tips:

- Assess your company's current performance by performing a self-assessment, which you can find on the BSCI website.
- Familiarise yourself with the ETI base code to check what ETI members require from their suppliers.

5. What are the requirements for niche markets?

Fairtrade certification

Although CSR requirements are common buyer requirements, standards that are communicated through a consumer label still represent a relatively small part of the market, mostly in north-western Europe. For southern Europe, although this aspect may be less common than e.g. in Germany, it is nevertheless expected that larger supermarkets will increase their offer of Fairtrade flowers in future. An example of a relevant consumer label is Fairtrade International.

Tips:

- Always check with your buyer whether they require certification and which certification they prefer.
- Consult the Standards Map database for the different labels and standards relevant to cut flowers.

6. What competition do you face on the southern European foliage market?

Local production of foliage in Italy, but also in France and Spain, and supply from the Netherlands are competing with your product. You will have to offer a special product or to supply in times when local supply is limited in order to compete.

Tips:

- Try not to compete on price alone, but build partnerships with buyers and strive for excellent product quality.
- See our study of Competition for Cut flowers and foliage for more information.

7. Through which channels can you get foliage on the southern

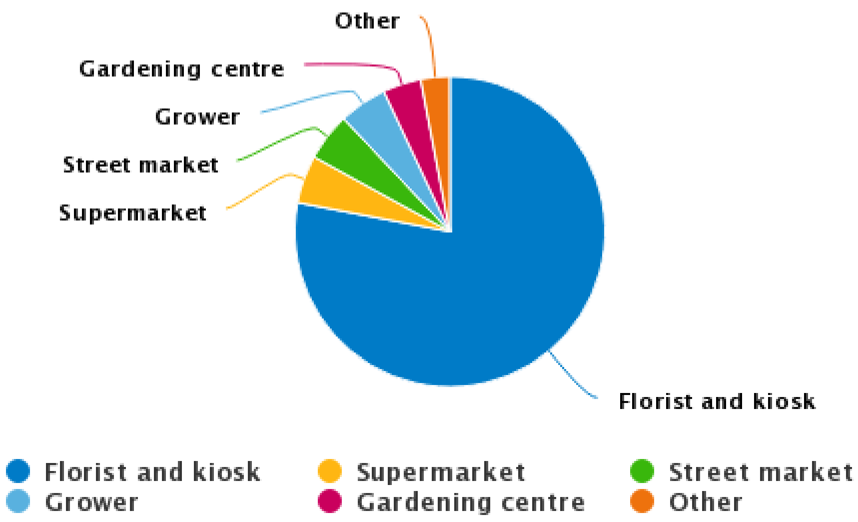
European market?

The local production of foliage represents a significant share of the market, especially in the summer from May to August. Imports are coming mainly from the Netherlands. Cut foliage from developing countries is often traded directly by specialised traders in the Netherlands, bypassing the flower auction. However, local produce from the Netherlands and some imports are traded at the auction. After its arrival in the Netherlands, the foliage is distributed all over Europe.

On the southern European market, the traditional florist’s shop is the main market outlet. In France, supermarkets have a somewhat higher market share (15%). Florist’s shops mostly assemble the bouquets themselves. They buy their materials from wholesale traders, who buy foliage from local producers or Dutch wholesale traders. It is also possible that florist’s shops buy their materials directly from the Dutch traders, often in cooperative structures.

Figure 6: Market share for cut flowers per sales channel in Spain 2013

in %



Source: Royal FloraHolland/forecast Bureau Sierteelt.

Tips:

Direct imports from developing countries are limited. Only the most professional and experienced exporters are advised to export directly to markets in countries such as France and Italy. Examples of large importers in Italy are Barile Flower Service and Flowers Express. In France, importing wholesalers can be found on the important Rungis wholesale market near Paris.

As traditional florist’s shops have a high market share in southern Europe, there is a very fragmented distribution network with low volumes being delivered to numerous shops. Consider using the market knowledge and network of the Dutch exporting wholesalers who are specialised in supplying the southern European market. Find them through the wholesalers’ association VGB, the Flower Auction Royal FloraHolland or trade fairs.

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