



CBI
Ministry of Foreign Affairs

CBI Trade Statistics:

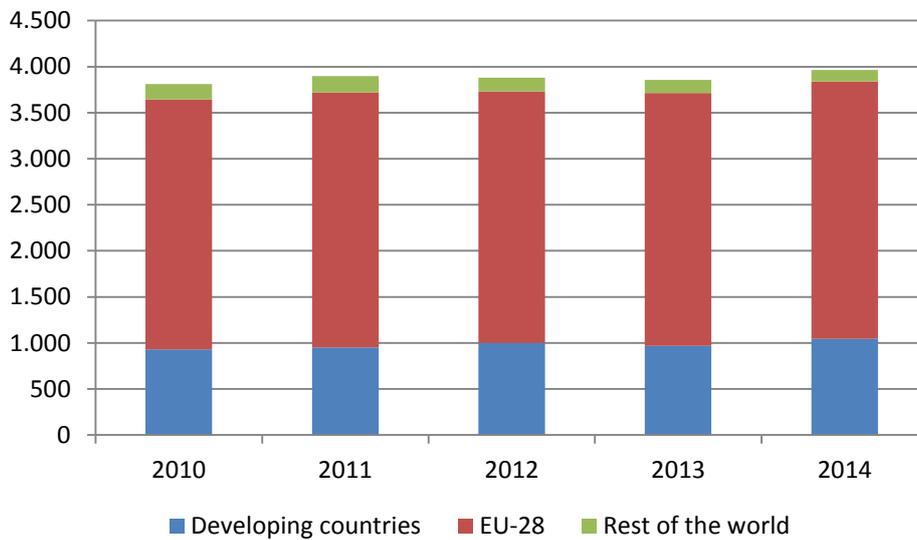
Cut Flowers and Foliage

Introduction

The biggest consumer markets in Europe are Germany, the UK, France and Italy. The Netherlands is the most important importer from developing countries, in addition to being a major producer of cut flowers, with the Dutch flower auctions functioning as the main trade hub. Rosa is the most important cut flower in the European market, with over 5 billion stems imported from outside the EU in 2014. Supply from developing countries (including such upper-middle income countries as Ecuador, Colombia and Costa Rica) is gradually increasing, and expected to increase further in the coming years. As economic growth is increasing in many European countries, demand for cut flowers is expected to grow too, resulting in new opportunities for professional growers-exporters in developing countries.

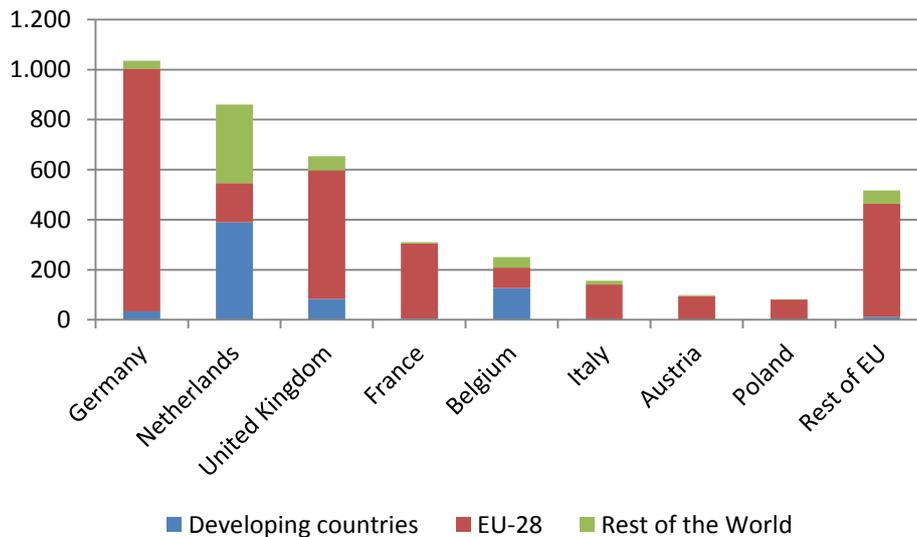
Imports

Figure 1: Imports of EU countries of fresh cut flowers and foliage, by region of origin (2010-2014), in million euro



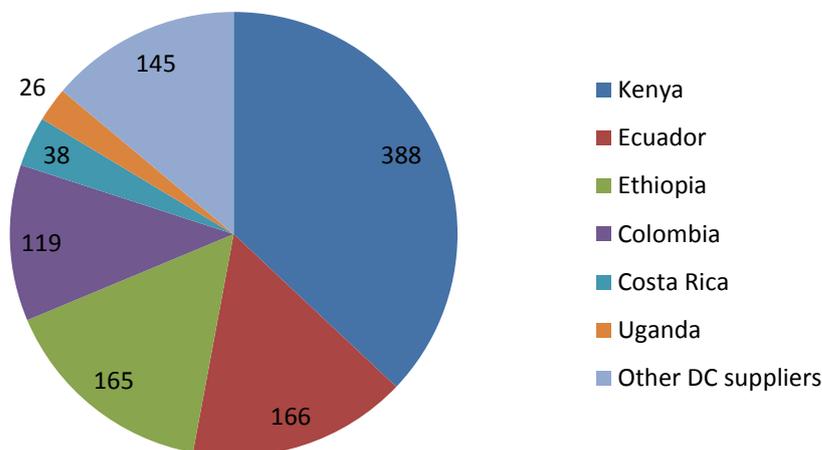
Source: Eurostat Comext; calculations LEI.

Figure 2: Imports of the Top 8 importing EU countries by region of origin (2014), in € million



Source: Eurostat Comext; calculations LEI.

Figure 3: Leading DC suppliers of fresh cut flowers and foliage to the EU-28, share in imports from developing countries (2014), in € million



Source: Eurostat Comext; calculations LEI.

Analysis and interpretation

Total imports of fresh cut flowers and foliage by EU countries from non-EU countries (extra-EU trade) amounted to around € 1.2 billion in 2014, with the majority of these imports coming from DC suppliers. The Netherlands is by far the most important trade hub for cut flowers and foliage in Europe with approximately 60% of all EU imports entering via the Netherlands. Roses, Gypsophila, Hypericum and Dianthus (carnations) are the main cut flowers supplied by growers from developing countries (DCs). Growers in developing countries are increasingly becoming direct suppliers to wholesalers and supermarkets in end-markets (e.g. the UK). The majority of these flowers are re-exported to other European countries.

Germany and the UK are the biggest import markets in the EU. In the case of Germany, most trade goes through the Netherlands. In the case of the UK, a considerable and increasing share of the products is imported directly; especially those flowers supplied to large UK retailers.

Total imports of fresh cut flowers and foliage from other EU countries (intra-EU trade) amounted to about € 2.8 billion in 2014. A large share of EU imports of cut flowers from the Netherlands comprises trade that was initially imported from DCs but is re-exported and registered as Dutch exports. About 26% of EU imports in 2014 came directly from DC suppliers and their share of EU imports is gradually increasing.

Extra-EU imports of Rosa have been increasing steadily from € 510 million in 2008 to €678 million in 2014. Some 65% of EU imports from DCs consisted of Rosa. Dianthus accounted for around 11% of the imports from DCs. Chrysanthemum, Tulipa, Liliium and Gerbera are produced in large numbers, mainly in the Netherlands, and constitute only a small fraction of imports. The non-EU import value of fresh foliage was €162 million in 2014, with €80 million coming from developing countries. The import value of foliage has decreased in the last five years, primarily due to the increased demand for mono-bunches. Another factor has been the demand for less expensive foliage, due to price pressure resulting from the ongoing economic slowdown in parts of Europe. Another reason for the decrease in imports of foliage involves the increase in imports of ready-made bouquets.

The largest developing-country suppliers of cut flowers and foliage to the European Union are Kenya, Ecuador, Ethiopia and Colombia. The largest DC supplier of cut flowers to the EU is Kenya (EU import value of fresh cut flowers and foliage in 2014: € 388 million). Kenya exports mainly Rosa, but also Dianthus, Alstroemeria, Liliium and summer flowers like Statice, Hypericum, Ornithogalum and Eryngium. As quality and speed become more important, African exporters are increasingly finding ways to export directly to end markets, bypassing the Dutch auction system and creating more value added by sleeving, labelling and grading in the country of origin.

Tips:

- Additional information on current insights and foresights on the EU market is available on the CBI Market Intelligence Platform: <http://www.cbi.eu/market-information/cut-flowers-foilage>
- The CBI Product Fact Sheets on the CBI Market Intelligence Platform provide detailed information on the leading markets in the EU. They give practical insights on the main developments.
- Stay informed by reading relevant branch magazines, mostly available online.
- Verify your export marketing plan and consider whether your current trade channel is still the most fitting in light of developments with respect to direct trade in the EU market.
- Explore the benefits and drawbacks of trading through the cooperative Dutch flower auction. The flower auction offers various services to suppliers such as transport, (re-) packaging and financial risk management. This offers not only opportunities for novice suppliers, but also to more experienced suppliers to reach the EU market. At the same time, some large and small traders offer the same and other services and may provide access to different customers. Exporting directly offers opportunities for experienced suppliers, but this may require additional skills, technical facilities and knowledge. Take a look at the CBI Product Factsheets and the CBI Buyer Requirements for more information trends and requirements.
- More information on import statistics in the EU can be found at the Eurostat website: http://epp.eurostat.ec.europa.eu/portal/page/portal/international_trade/introduction
- More information on trade statistics worldwide can be found on <http://www.trademap.org/>
- Contact your importer or representative at the flower auction and ask them for honest feedback on your products and business operations. Learn and improve!

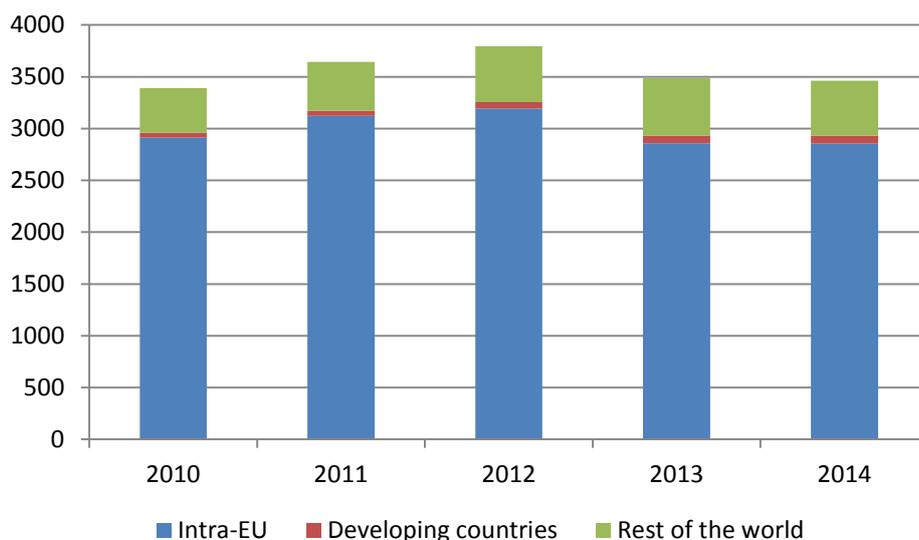
Quotation:

'The era in which growers could increase their income simply by cultivating more land and growing more flowers seems to be coming to an end. Growers who want to stay at the forefront of the market face the challenge of finding out what's really happening out there'.

Milco Rikken
CBI expert

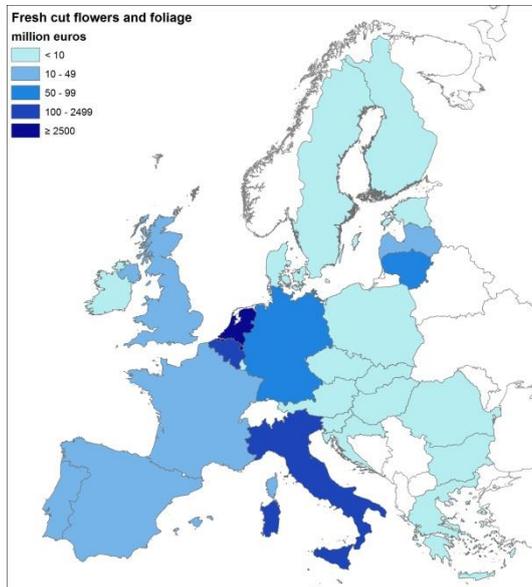
Exports

Figure 4: Exports of EU countries of fresh cut flowers and foliage, by region of destination (2010-2014), in euro million



Source: Eurostat Comext; calculations LEI.

Figure 5: Exports by EU countries of cut flowers (2014), per exporting country



Source: Eurostat Comext; calculations LEI.

Analysis and interpretation

Total exports of fresh cut flowers and foliage of all EU countries amounted to around € 3.5 billion in 2014 (intra- and extra-EU trade combined). The majority of cut flowers are traded within the EU. Only about 19% of the value of the cut flowers exported from the EU was destined for countries outside the EU, such as Russia, Switzerland and Norway.

The Netherlands is the biggest exporter of cut flowers, with a total value of € 2.9 billion exported mainly to the European market (2013). The Dutch flower auction FloraHolland is the trading hub for all flowers. The auction offers both a physical auction and a virtual auction system as well as direct trading or sales services.

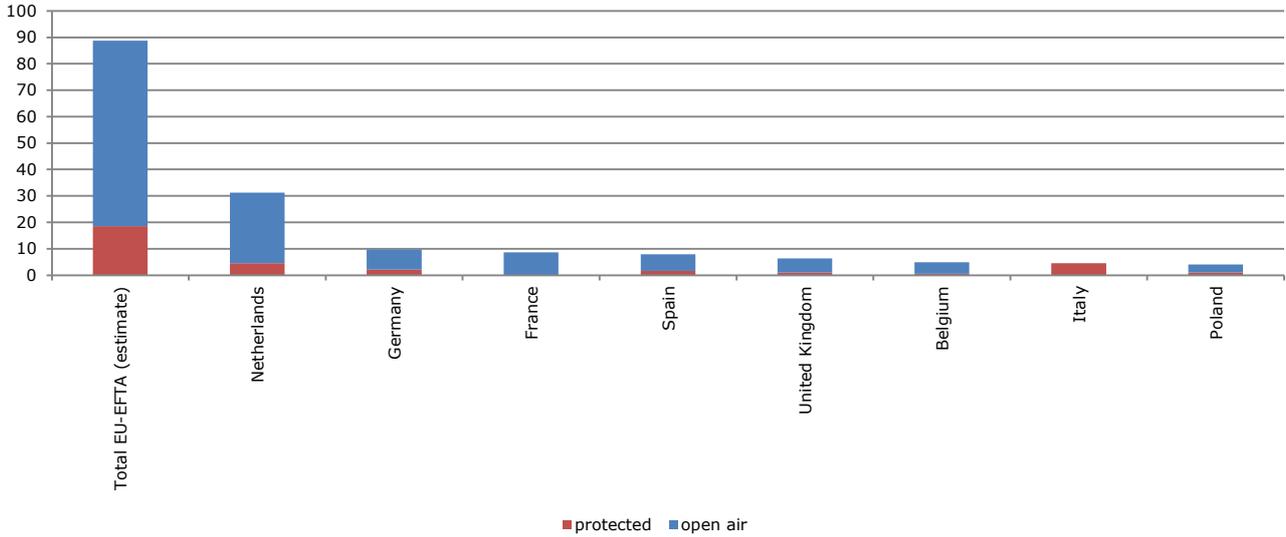
Belgium is the second biggest exporter of cut flowers, though the majority of these flowers are re-exported by Dutch traders to the Netherlands for further distribution on the European market. This particularly applies to roses and summer flowers originating from Ethiopia, Israel and Kenya.

Tips:

- Find out where your products finally end up. What are the final markets served by your wholesale customers? Contact your buyer to find out about the end customers and their expectations and requirements. End customer satisfaction is of key importance.
- Improve your understanding of the role that the Dutch flower auction can play for you to reach different European markets. Supply and demand are matched in this marketplace so that you can reach the entire European market.
FloraHolland (The Dutch Flower Auction) is a key player. Becoming a member will allow you to trade through the auction and, for example, make use of the abundant amount of market information that the auction has available.

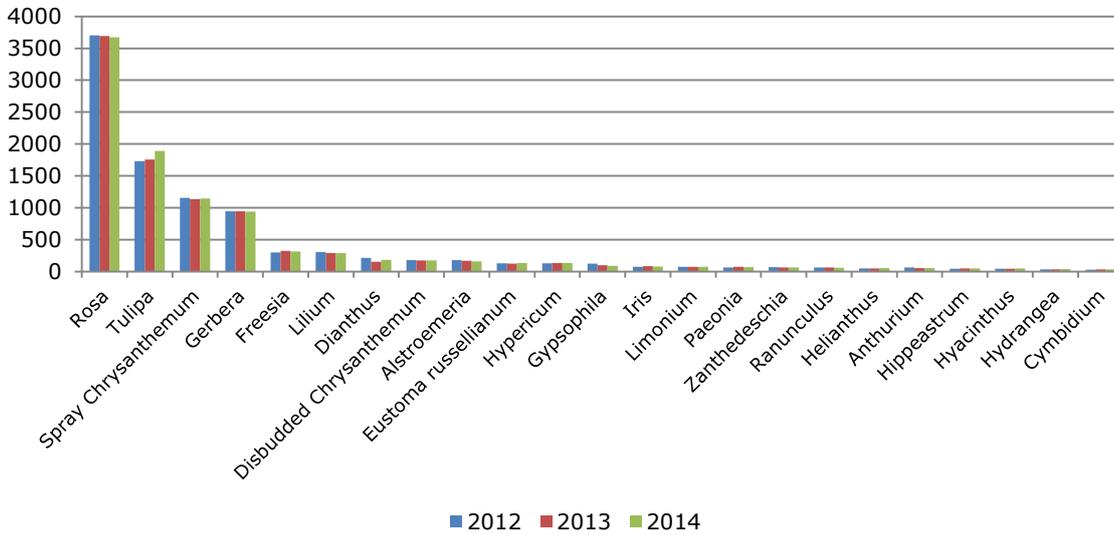
Production

Figure 6: Production of flowers and ornamental plants (including bulbs) in the EU and EFTA countries, in 1,000 ha, average of 2009-2013



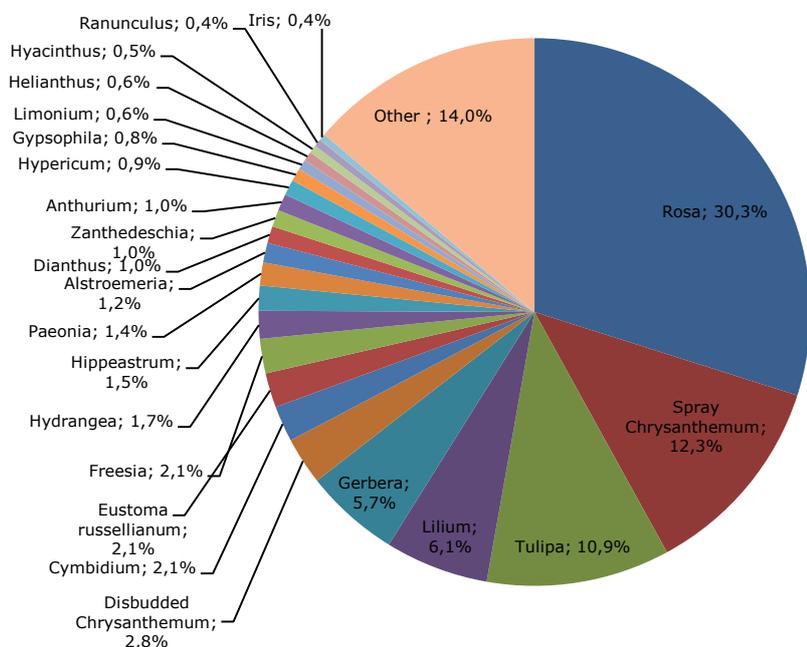
Source: Eurostat Land Use, calculations LEI.

Figure 7: Main cut flowers at the Dutch Auctions, (in million stems), 2012-2014



Source: FloraHolland Facts and Figures 2012, 2013, 2014.

Figure 8: Cut flowers and foliage at the Dutch Auctions, in % of turnover in 2014



Source: FloraHolland Facts and Figures 2014.

Analysis and interpretation

The main cut flower producing countries, in terms of production area, in Europe are the Netherlands, Germany, France and Spain. In 2014, the Netherlands had a total production area of 27,222 ha for bulbs, cut flowers and ornamental plants. The largest share of this area (23,500 ha) was devoted to the production of bulbs and bulb flowers. Cut-flower production in greenhouses amounted to about 2 thousand hectares in 2014. Chrysanthemum (475 ha), Rosa (311 ha), Orchids (195 ha), Gerbera (176 ha) and Lilium (191 ha) were the main flowers produced in greenhouses in the Netherlands, whereas Tulipa, Lilium (bulb flowers) and Gladioli also produced in the open field. The production value of cut flowers in the Netherlands was about €2.1 billion in 2012.

Consistent and complete European production data on cut flowers are not available. It is estimated that the total EU production area for cut flowers, ornamental plants and bulbs amounted to around 90,000 hectares (average 2009-2013). In France, there was an area of around 2,720 hectares of cut flowers and foliage production in 2010. Rosa is the main flower produced in France, in addition to a broad range of other varieties, such as Tulipa, Anemone, Ranunculus, Gerbera, Alstroemeria and Paeonia. In Spain, the main varieties produced are Rosa, Dianthus, Gerbera and Lilium. Italy also produces a wide array of flowers, principally Rosa, Chrysanthemum, Gerbera, Ranunculus, Dianthus, Lilium, Anemone and Eustoma. France, Italy and Spain are major consumer markets for cut flowers, with a relatively large domestic flower-growing sector.

Due to increasing costs, some European growers are relocating their production to lower cost countries that offer favourable cultivation conditions. As a result, the production (area) of cut flowers in the Netherlands and elsewhere in Europe is gradually decreasing. The number of firms is decreasing ever faster, resulting in increases in average firm size. Rose production, in particular, is shifting to other continents, mainly Africa.

FloraHolland in the Netherlands is the leading (grower cooperative) marketplace for cut flowers and ornamental plants in Europe with a turnover of more than € 4.4 billion in 2014, of which € 2.5 billion is accounted for by cut flowers (both auction clock and direct trade by FloraHolland Connect). The main flowers at the Dutch auction are Rosa, Tulipa, spray Chrysanthemums and Gerbera. About half of the trade takes place through the Auction clock, with about 22% being imported. The importance of the auction clock is decreasing in favour of other auction trading systems and direct trade (bypassing the auction all together).

Tips:

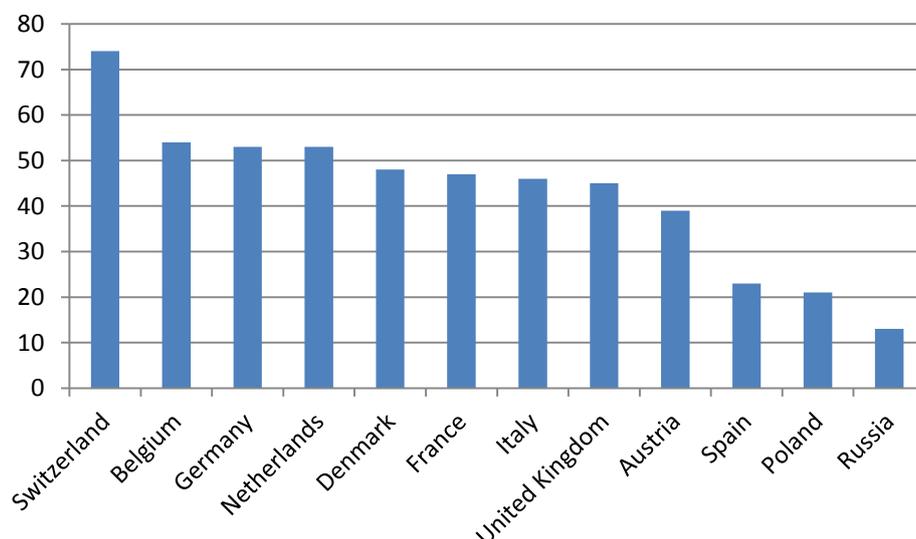
- Focus on those products where your specific location offers an advantage compared to EU producers.
- Focus on products and product varieties that are not commonly produced in the EU. Some flowers are grown primarily in the open air and are subject to seasonal production cycles (as is the case with summer flowers). Focusing on off-season production offers opportunities.
- Visit European trade fairs to stay informed and learn about the latest growing techniques. Find upcoming events on the event calendar at <http://www.florint.org/> or <https://www.floraholland.com/en/supplying/marketing-and-quality/promotion/trade-fairs-and-plazas/>.

Examples of trade fairs in Europe are:

- FloraHolland Trade Fair in the Netherlands
- International Floriculture Trade Fair IFTF in the Netherlands
- Internationale Pflanzenmesse IPM in Essen Germany

Trade fairs in your own region may also offer great opportunities, like the IFTEX in Ethiopia or the Naivasha Horti Fair in Kenya.

Figure 9: Consumption of cut flowers for selected countries, in euro per capita, in 2013



Source: FloraHolland Consumentenpanel 2014, in Rabobank, World Floriculture Map, 2015.

Analysis and interpretation

The value of the European market for cut flowers was estimated at around €20 billion in 2014 (calculations by LEI, based on Rabobank, 2015, and Eurostat population statistics). Europe is the biggest market after the United States and Japan. Within Europe, Germany (about €4.3 billion in 2013), France (€3.1 billion), the UK (€2.9 billion), and Italy (€2.7 billion) are the biggest markets in terms of consumption value of cut flowers. Per capita, Switzerland, Belgium, Germany and The Netherlands are the main flower consuming countries. These markets remain fairly stable. Countries like Poland and the Czech Republic display an increasing demand for cut flowers.

Tips:

- Research consumer preferences and trends for your specific line of products and target markets (possible sources are FloraHolland, the Dutch Flower Council BBH, web research, magazines, shop visits).
- Find out where your products are sold: which countries / florist or supermarket channel. Is this in line with your export-marketing plan?
- In some EU markets, like the UK, consumers are buying more and more flowers in the supermarkets. In other countries, the traditional retail channels remain dominant. Consult the CBI Trend-Mapping documents for information on trends in consumer preferences: <https://www.cbi.eu/market-information/cut-flowers-foilage/trends/>.



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