CBI Product Factsheet:

Fresh Cut Chrysanthemums in the European Market
Introduction
Imports of Chrysanthemums to the European market increased in value from €220 million to €290 million between 2009 and 2013. Only 15% of total imports are sourced from outside the EU. A leading importer is the United Kingdom (UK). The Netherlands dominates the EU market and produces large quantities of Chrysanthemums. The Chrysanthemums from Developing Countries (DC) are complementary to the Dutch produce and are often disbuds.

This product factsheet covers product specifications, important phytosanitary and marketing requirements, and statistics about trade consumption, production and market trends.

Product description
Chrysanthemums, often called mums or Chrysanths, are flowering plants of the genus Chrysanthemum in the Asteraceae family. In the US they are often referred to as pompon. They are native to Japan and China and Japan is also the largest producer of Chrysanthemums in the world (AIPH, 2010).

Sales of chrysanthemums represent the second highest sales of flowers in the world. The flower heads come in various forms, and can be daisy-like or decorative, like pompons or buttons. They come in spray, disbud or Santini. There are countless varieties. In addition to the traditional yellow, other colours are available, such as white, purple, and red.

- **Spray**: The most common Chrysanthemums are sprays, with several flowers per stem. The size of the flowers can vary from 4cm diameter to 12cm.
- **Disbud**: Disbud consist of a single flower per stem. Instead of letting the plant produce side shoots, which would each bear flowers, as in sprays, all the shoots are removed, leaving one central stem, which produces one large flower. The flower can grow up to 25cm in size.
- **Santini**: A Santini flower is never larger than 4cm in diameter and in the top 5cm of the stem there are a minimum of 8 flowers. The Santini is often used in middle sized and small bouquets.

This product factsheet covers fresh cut Chrysanthemums. The corresponding CN code is 06031400 fresh cut Chrysanthemums and buds.

### Table 1: CN commodity code for fresh cut Chrysanthemums

<table>
<thead>
<tr>
<th>Number</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>06031400</td>
<td>Fresh cut Chrysanthemums and buds, of a kind suitable for bouquets or for ornamental purposes</td>
</tr>
</tbody>
</table>

Source: Eurostat Comext.

Product specification
Chrysanthemums in the European market are often supplied via the Netherlands. The Dutch flower auction ([FloraHolland](http://www.floraholland.com)) is the central marketplace for buying and selling cut flowers in Europe. Flower growers from all over the world bring their flowers to the auction to find buyers. The flower auction sets specific requirements regarding quality, size, packing and labelling determined by the Dutch Flower Auctions Association ([VBN](http://www.vbn.nl)). The auction serves as an important trade platform especially for exporters from Developing Countries (DC), therefore we refer mainly to these requirements. The direct market, trade between growers and wholesale traders bypassing the traditional auction, has increased in recent years. However in general the main VBN product requirements provided above also apply to the direct market.

Quality
Chrysanthemums are traded in 3 quality groups: A1, A2 and B1, depending on the extent to which they meet quality and grading criteria. Chrysanthemums should be sorted according to length, weight and maturity. The VBN requirements consist of two parts: general requirements for all supplied flowers and specific requirements for specific flowers. This information, presented below, can be found on the [website](http://www.vbn.nl) of the Dutch Flower Auctions Association (VBN).
The following specific requirements apply:

- The lot should be free of growth defects including:
  - Irregular formed disc florets or ray florets
  - Forked branches
- The lot should be free of heels (in particular the outdoor Chrysanthemum).
- The branches in each lot should be visually uniform.
- All Chrysanthemums longer than 60 cm should have the bottom 15 cm stripped of leaves (defoliated). With the exception that Chrysanthemums shorter than 60 cm have 10 cm defoliated.

Growers are responsible, through self-assessment, for grading and the reliability of the information they provide with their lot. The Reliability Index (BI) was set up to do this as efficiently and effectively as possible. The BI indicates the ‘reliable grower’s information’ percentage for the last 100 lots. The lower the BI, the more samples will be checked.

**Size and packaging**

Final retail sales mainly involve mono bunches and mixed bouquets in either plastic containers or special containers from outlets such as bouquet producers, specialist florist shops and supermarkets. Bouquets and flowers are sometimes pre-packed in plastic or paper sleeves, sometimes assembled and wrapped at the florist shop.

Export and import trade is often in cardboard boxes. Flowers are repacked into plastic flower containers (buckets) at the auction in the Netherlands or at the importing wholesaler. [VBN](#) gives detailed information about requirements for packing and loading. There is a difference in requirements for spray Chrysanthemums and disbud (single stem) Chrysanthemums, as well as between outdoor and indoor cultivated Chrysanthemums.

**Packaging**

Spray Chrysanthemums should be supplied in a box and:

- Should be supplied in bunches of 5 stems
- Each bunch should be packed in a sleeve
- Have 80 items per box (120 items per box for light Chrysanthemums of 40 g or less)

Spray Chrysanthemums should be supplied in water in a container and:

- Have a maximum average weight of 40 grams
- Be supplied in bunches of 5 stems
- Be bundled in bundles of 5 bunches
- Each bundle should be packed in a sleeve

Disbud Chrysanthemums from the greenhouse and outdoors should be supplied in a box and:

- Be supplied in bunches of 10 stems
- Each bunch should be packed in a sleeve

Disbud Chrysanthemums from the glasshouse and outdoors should be supplied in a container and:

- Be supplied in bunches of 10 stems
- Each bunch should be packed in a sleeve

Spray Chrysanthemums from outdoors should be supplied in a box and:

- Be supplied in bunches of 5 stems
- Have 80 items per box (100 or 120 items per box for light Chrysanthemums)
- May be sleeved, but this is not a requirement

Spray Chrysanthemums from outdoors should be supplied in water in a container and:

- Be supplied in bunches of 5 stems
- May be sleeved, but this is not a requirement

If Chrysanthemums are traded in bunches (and not per item), then the bunch should have at least 5 branches and all bunches in the lot should be uniform in volume.

**Loading**

- Optimal loading must be achieved, whereby the volume of the bunches determines the number of supplied bunches per container unit
- There must be at least 5 cm of free space between the product and the tray above it in the stacking cart
- [VBN](#) gives indications about the number of branches per box depending on the branch weight.
Labelling

When exporting through the Dutch auction, the flowers are often loaded on a stacking cart. This is often done by a specialised import company. Every stacking cart must be accompanied by a fully and correctly completed consignment note containing information about the stacking cart. In addition every packaging unit needs to be labelled with product and supplier information, namely:

- Supplier number and name
- Variety name
- Amount per packaging unit
- Grading marks (Class A1, A2, B1).

Additional product labelling will generally take place at the auction/wholesaler or bouquet producer. During trade, some important quality labelling is necessary, including:

- Tracking/tracing
- GLOBALG.A.P., MPS, FFP, or other identification.

Analysis and interpretation

Despite the fact that an increasing number of growers from developing countries are trading directly with EU wholesale importers, instead of trading through the auction, often the product requirements provided above also apply to the direct market.

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

However supplying directly can be more demanding in terms of additional requirements. Retailers often request a continuous supply of flowers over a fixed period. In addition, payment terms differ from the flower auction and can be longer.

Tip:
- Contact your import agent or your potential client about any additional requirement, if you wish to supply directly.

Buyer requirements

Buyer requirements can be divided into (1) musts, requirements you must meet in order to enter the market, such as legal requirements, (2) common requirements, which are those most of your competitors have already implemented, in other words, the ones you need to comply with in order to keep up with the market, and (3) niche market requirements for specific segments.
**Requirements you must meet**

**Plant health**

Chrysanthemums exported to the EU, must comply with the 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.

**Tips:**

- Check with the relevant National Plant Protection Organisation for the exact procedures for obtaining the phytosanitary certificate. Click [here](#) for a list of NPPOs
- A model phytosanitary certificate can be found in [Annex VII](#) of the Plant Health Directive.

Chrysanthemums imported in the EU must be accompanied by an official ‘phytosanitary certificate’ guaranteeing the phytosanitary conditions of plants and plant products, and also 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).

**Intellectual Property Rights (IPR)**

Developing new Chrysanthemum varieties is often very expensive. The developers of new varieties want their 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 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.

**Full overview of requirements for cut flowers**

For a list of requirements for Chrysanthemums consult the EU Export Helpdesk where you can select your specific product under chapter 06031400.

**Tips:**
- 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).

**Common buyer requirements**

**CSR - Corporate Social Responsibility**

EU consumers are paying more and more attention to social and environmental circumstances during the production of Chrysanthemums. As a result EU buyers require you to meet certain environmental and social standards in the form of certification of 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 the future.
- 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 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 scheme for Chrysanthemums is MPS. MPS-ABC certification covers environmental performances and is considered a must for growers. Furthermore they have several other schemes such as MPS-SQ (focusing on social issues), MPS-GAP (on Good Agricultural Practices) and MPS-Quality. The most comprehensive scheme is MPS-Florimark, which is a combination of the aforementioned four schemes.

**Tips:**
- See 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.
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 Chrysanthemums as well, especially with regard to sales to supermarkets.

Tips:
- GLOBALG.A.P. gives an overview of the relevant standards for flowers and ornamentals.
- Check existing initiatives in your country. Examples are the Colombian Florverde standards or the code of the Kenyan Flower Council. Sometimes these local initiatives are benchmarked against GLOBALG.A.P. and/or MPS

The Rainforest Alliance

The Rainforest Alliance focuses on wildlife and ecosystem conservation and workers welfare. The standards are based on an internationally recognised integrated pest management (IPM) model.

Private labels

The increasing share of the ‘unspecialised’ market (supermarkets etc) in comparison to the ‘specialised’ market has also had its effects on buyers’ requirements. Several supermarket chains offer Chrysanthemums under their own private labels often referring to social and environmental conditions at the production level.

Tip:
- If you want to target supermarkets directly, check which sustainability criteria they impose.

Furthermore importers may also participate in initiatives such as the Ethical Trading Initiative (ETI) in the UK, or the Business Social Compliance Initiative (BSCI, in several Western European countries). 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:
- Familiarise yourself with the ETI base code to check what ETI members require from their suppliers.
- Assess your company’s current performance by performing a self-assessment, which you can find on the BSCI website.

Cold chain management

Proper cold chain management has a positive effect on the quality and vase life of Chrysanthemums. Therefore EU buyers’ demands for cold chain protocols are growing. Note that, although improving your cold chain management may be a challenge, the higher product quality should also improve your profits.

Tips:
- Developing and implementing cold chain protocols will be vital to survival in the coming years.
- Do not wait until buyers ask for improved cold chain management, but anticipate the developments.

Niche markets: Fairtrade and organic

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 Northwestern Europe.

Examples of relevant consumer labels are: Fair Flowers Fair Plants (FFP), Fairtrade International and Florverde
Organic

The market for organic chrysanthemums is very small. Organic chrysanthemums must be produced and processed by natural methods defined in EU legislation. Some flower traders perceive organic chrysanthemums as a lesser quality product due to a lower aesthetic quality and durability. As such, organic chrysanthemums are not yet particularly favoured in Europe.

Tip:
- Growing organic chrysanthemums could represent an opportunity in the future.

Trade and macroeconomic statistics

General information and figures about production and trade developments in the European market are provided in the CBI Tradewatch for Cut flowers. This section provides you with more detailed statistics regarding trade, production and consumption in the EU.

Imports

Figure 1: Imports of cut Chrysanthemums to the EU, 2009-2013, in million euro

Source: Eurostat Comext, calculations LEI.

Tips:
- Always check with your buyer if he requires certification and which certification he prefers.
- Consult the Standards Map database for the different labels and standards relevant for cut flowers.
Analysis and interpretation

Imports of cut Chrysanthemums in the EU increased between 2009 and 2013. The total import value was € 256 million in 2013. The largest share of the imports comes from within the EU28 and is mainly imported from the Netherlands. The Netherlands is the largest producer of Chrysanthemums in the EU. The main EU importer is the UK (47%); about 90% is sourced from the Netherlands.

Tip:

- All the main importers are usually present at the main Flower Exhibitions like ProFlora in Colombia, IFTEX or Nairobi Flower Show in Kenya. Although most imports of Chrysanthemums are shipped directly to end-markets, such as the UK, Dutch flower traders often play an important role. Therefore, consider trading via the Dutch wholesale industry. They have experience in supplying all European markets.

Direct imports from DC countries have remained stable at about € 19 million. The main DC suppliers are Colombia and South Africa.

Tip:

- See the Eurostat statistics on international trade.

Physical imports of cut Chrysanthemums in the Netherlands are limited and mainly supplement the Dutch assortment related to price and type. During the European winter, when supply from the Netherlands is low, there is also more room on the market for DC exporters. Imported Chrysanthemums come mainly from countries like Colombia and South Africa.
**Exports**

Figure 3: Exports of cut Chrysanthemums from the EU, 2009-2013, in million euro

Source: Eurostat Comext, calculations LEI.

Figure 4: Division of export value cut Chrysanthemums from the EU, in 2013

Source: Eurostat Comext, calculations LEI.

**Analysis and interpretation**

Total exports of Chrysanthemums from the EU amounted to €360 million in 2013. The Netherlands is the main exporter of Chrysanthemums in the EU. Traditionally Dutch exports focus on the UK market, but other markets such as Germany and France are also of great importance.

Markets in Eastern Europe are gaining importance for the export of Chrysanthemums. However, these markets remain limited in size compared with traditional markets like the UK and Germany.
Production

Figure 5: Average production of Chrysanthemums, average between 2008-2013 (in hectares)

Source: AIPH, Asocolflores.

Analysis and interpretation

Japan and China are the largest producers of Chrysanthemums in the world. However these countries do not supply the EU market and focus on the regional Asian market.

Tip:
- Many Colombian exporters have a long tradition of supplying flowers directly to wholesale traders. Experience is essential to be successful in direct trade.

Dominant suppliers on the EU market are the Netherlands and Colombia. Italy and Spain are also important producers of Chrysanthemums, but mainly produce for the domestic market (production figures are not available for these countries).

The Netherlands has the largest area of Chrysanthemum production in the EU. The total area in 2013 was 480 hectares (CBS Statline, 2014). The area has decreased significantly since the early 2000’s. However, the number of stems produced in the Netherlands is significant and is estimated between 1.4 and 1.6 billion. In the Netherlands, Chrysanthemums are grown in high-tech, capital intensive greenhouses.

Tip:
- Value added products, special varieties, market niches and sustainable partnerships with buyers offer opportunities for competing.

The Netherlands is home to many world leaders in breeding that are specialised in developing new varieties.
Disbud Chrysanthemums require a lot of labour to produce. Therefore they are cheaper to produce in countries like Colombia where labour is cheaper compared to most EU countries.

Consumption

Figure 6: Consumption of cut flowers in selected countries, 2009 and 2011, in € per capita


Figure 7: Market share for cut flowers per sales channel per country in % (2012)


Tip:
- Visit the websites of Chrysanthemum breeders such as Deliflor, Dekker Chrysanten, Fides and Royal van Zanten, to familiarise yourself with the latest varieties.
Analysis and interpretation

Consumers in Europe spend between 23 euros and 48 euros per capita on cut flowers. Germany and the Netherlands spend the most per capita. Spain spends relatively less per capita. Exact data on consumption is missing for Eastern European countries, however industry sources and export data indicate that consumption of cut flowers is growing.

In the majority of European countries cut flowers are sold via flower shops. Only in the UK are the majority of flowers sold via supermarket retail. In e.g. Poland, about 70-75% of cut flowers are sold at flower shops, although the supermarket channels is gaining ground fast.

Tip:
- If you are ready, explore growing market segments like the supermarket retail channel in Eastern Europe.

Chrysanthemums on the European market are sold as mono-stems or as bouquets and are often bought as a present. In other countries, like Belgium they are often used for funeral purposes. This is particular the case during All Saints.

Tip:
- European consumers buy quite a high level of bouquets. These are mostly sourced from the Netherlands or locally produced.

70% of Chrysanthemums in the EU market consists of sprays. Santini represent 20% and the disbud Chrysanthemums represent only 10% of total supply.

Tip:
- Contact your buyers often to find out about new trends and consumer demand.

The most important colours of Chrysanthemums remain white (abt. 60%), yellow (abt 30%) and pink (abt 8%). During summer there appears to be a higher demand for white and in autumn the demand for other colours increases. In spring bright colours like yellow and pink are in demand. For Santini the colour green is also very popular; accounting for about 50% of total supply on the Flower Auction.

Tip:
- Find out what kinds of colours your client needs and about new trends and consumer demands.

Peak days play an important role on the EU market. There are a number of days that generally apply to the entire European market such as Mother’s Day and Saint Valentine’s Day. But many countries have additional festivities in which flowers play a dominant role. For example in Sweden Midsummer’s Eve and Midsummer’s Day (in June) are popular events in which white Chrysanthemums are in high demand. Other days are also important, e.g. students in Finland and Sweden receive flowers after graduating.

Tip:
- If you focus on peak days make sure that you are aware of these days and integrate this in your production planning. For information and dates of the main European holidays check here.
Market trends

Analysis and interpretation

Social market drivers
Increasing demand for socially responsible produced flowers in the EU. Mainly in traditional markets like the UK, Germany and Scandinavia.

Tip:
- Many EU retailers are starting to demand social standards, like Fairtrade or ETI. Retailers often ask for a variety of certificates. Find out which retailers are asking for which combination of certification schemes and how you can comply.

Quality is often a minimum requirement for supplying the EU market. Good quality is important in every market channel, also for low priced flowers. A vase life of approximately 7 days is often regarded as the minimum.

Tip:
- A long vase life is essential in order to supply the EU market successfully. So make sure that the product is cut while the buds are not fully open and treated well during transport.

Economic market drivers
Increase in direct trade between producer and exporting wholesale trader, excluding the flower auction. Wholesale traders set a wide variety of buyer requirements (based on the requirement set by their client) that can deviate from the general auction requirements.

Tip:
- For trading on the direct market there might be additional buyer requirements, especially in the supermarket segment. Contact the wholesaler or supermarket to verify the requirements that you need to fulfil in order to supply them. Requirements often differ per supermarket.

Eastern Europe has become an important market for cut flowers, but remains small compared to the traditional markets.

Environmental market drivers
Increasing demand for environmentally sustainable produced flowers in the EU. Mainly in traditional markets like the UK, Scandinavia and Germany.

Tip:
- Many EU retailers demand environmental standards, like MPS-ABC. Retailers often ask for a variety of certificates. Find out which retailers are asking for which combination of certification schemes and how you can comply.

Main elements of environmental responsibility are energy consumption during transport, pesticide use and water use. These elements are translated into the various certification schemes.

Tip:
- Compliance with these schemes should not be taken lightly. Audits take place on a frequent basis.

Technological market drivers
The increasing need for information sharing between grower and trader for tracking and tracing purposes.

Tip:
- Explore technological opportunities related to information sharing and tracking and tracing. RFID technology e.g. is used to monitor product quality along the supply chain and provides valuable information that you can use to further optimise your distribution.
ICT is becoming more important in the sales process. Wholesale traders connect their clients to an online shop to create real-time insights into available stock.

**Tip:**
- Online shop: Stocks are increasingly held at suppliers (upstream) with integrated stock management systems. This requires growers and exporters to respond quickly and efficiently to orders.

In order to reduce costs and to limit CO2 emissions, there are various examples of shipments by sea container. Carnations and Chrysanthemums from Colombia are being shipped successfully.

**Tip:**
- Sea container: follow the developments. E.g. through the [GreenChange project website](#).

**Market channels and segments**

For more general information about market channels and segments you can have a look at the [Market channels and segments](#) section available on the CBI market intelligence platform. This section provides some information about the various marketing channels through which cut flowers are marketed in Europe.

The cut flower market can be divided into two market segments: specialised and unspecialised. The first encompasses all the specialised florists in which flowers are the primary product and the latter includes the unspecialised shops that sell flowers in addition to their regular assortment.

**Figure 8: Market channels for cut Chrysanthemums in the EU**

<table>
<thead>
<tr>
<th>Developing country</th>
<th>European market</th>
<th>Market segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grower/exporter</td>
<td>Agent/unpacker</td>
<td>Flower Auction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wholesaler</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Import wholesaler</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Specialised</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unspecialised</td>
</tr>
</tbody>
</table>

**Analysis and interpretation**

The Dutch flower auction remains important in the international flower trade. The flower auction, with locations in Aalsmeer and Naaldwijk plays a key role in this system. Chrysanthemums are among the top 3 cut flowers supplied at the Auction.

**Tip:**
- Use the extensive network of the Dutch flower industry and auction. Wholesalers can be contacted via [VGB](#).
Many European wholesale traders buy their flowers at the Dutch auction or they source directly from producers located in Europe or in DCs. The regular wholesale traders are increasingly sourcing directly from suppliers.

**Tip:**
- Without prior experience and knowledge of exporting directly to the European market, the direct channel can be tricky. Exporting through the auction is recommended.

Focus has become the key word in the flower trade and the number of flower wholesale traders has decreased lasting the past decade. Wholesale traders focus on a particular market segment. This may be the specialised segment that includes florists. Or the unspecialised segment which includes supermarkets, construction markets and petrol stations.

**Tip:**
- More and more wholesale traders are specialising in one of the two main market segments. Flower wholesale is dominated by a limited number of major players, each with their own export markets and specialisations.

The specialised segment is often supplied by companies that focus on supplying smaller quantities of high quality to a large number of clients. Flowers are often bought at the Flower Auction. Southern European countries take their products to wholesale markets (e.g. Rungis near Paris) where the flowers are sold. Or they travel with trucks full of flowers from florist to florist.

**Tip:**
- Many traders that focus on the specialised segment still buy at the Flower auction. Therefore consider using the Flower auction as your main gateway to the European flower market.

The unspecialised segment focuses more on large volumes for low prices. Agreements are made with buyers from large retail chains and flowers are sourced accordingly, often directly from a contracted grower.

**Tip:**
- If you wish to supply the market directly, bypassing the auction, make sure that you are able to meet the requirements set by the wholesale traders regarding volumes, quality, and sometimes additional requirements regarding tracing, packaging and labelling.

**Price**

The figure below gives an estimation of the price breakdown. This breakdown indicates value-added and gross margins in the different parts of the supply chain.

**Figure 9: Price breakdown**

<table>
<thead>
<tr>
<th></th>
<th>Export</th>
<th>Shipping</th>
<th>Import / Wholesale / auction</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>+ 20%</td>
<td>+ 15%</td>
<td>+ 20%</td>
<td>+ 45%</td>
</tr>
</tbody>
</table>
Field of competition

For more general information about market competitiveness for fresh cut flowers and foliage you can have a look at the Market Competitiveness information available on the CBI market intelligence platform. This section provides some information about the market competitiveness of the EU market for fresh cut Chrysanthemums.

Figure 10: The field of competition for fresh cut flowers and fresh cut Chrysanthemums

Analysis and interpretation

Market entry:

Supplying quality is essential, therefore producers require, among other things, a considerable investment and access to advanced knowledge about growing quality Chrysanthemums. It is therefore difficult for inexperienced producers to enter the market. This lowers the threat of new entrants.

Tip:

- The EU market can be accessed by supplying the Dutch flower auction. At a later stage, if quality and quantity requirements can be met, flowers can be sold in the unspecialised market channels by supplying supermarket retailers directly.

Product competition:

The market is characterised by fierce competition from Dutch Chrysanthemum producers that supply the EU market with fresh flowers. In the Netherlands Chrysanthemums are grown in a high-tech, capital intensive, but very efficient manner. In addition Chrysanthemums are produced in many other European countries, like France, Italy and Spain, creating high supplies. However costs for local growers are often higher compared to costs in DC’s.

Tip:

- Try not to compete on price alone, but build sustainable partnerships with buyers and strive for excellent product quality.

Company competition

The number of supermarket buying organisations is limited and as a result they have increasing buyer power vis-à-vis producers and wholesale traders.
Tips:
- Work on a sustainable partnership with your buyers. Visit your buyers or meet them at Trade Fairs like IPM in Essen (Germany), IFTF in Vijfhuizen or IFTEX in Kenya, to build trust and commitment. Monitor your buyers’ satisfaction and always be honest and direct in case of supply problems or questions.
- Being a trustworthy supplier can help you establish and maintain your position on the market. Establish a credible track record including transparent information about your company and product quality.

Useful sources

Export and market entry support:
- CBI - http://www.cbi.eu

Certification schemes:
- Ethical Trading Initiative - http://www.ethicaltrade.org
- Fairtrade - http://www.fairtrade.net
- GLOBALG.A.P. - http://www.globalgap.org/uk_en/
- ISEAL Alliance - http://www.isealalliance.org
- ITC Standards Map - http://www.standardsmap.org

Marketing and trade standards:
- VBN Dutch Flower Auctions Association - http://www.vbn.nl

Statistics and sector information:
- AIPH - http://www.aiph.org
- ITC Trade Map - http://www.trademap.org
- UN Comtrade - http://comtrade.un.org