



CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Fresh Cut flowers and foliage in the European unspecialised retail market

Introduction

The EU is a major market for cut flowers and foliage and imports almost € 4.5 billion per year. The Netherlands plays a key role in the distribution of flowers on the EU market. The unspecialised retail market is a growing market channel that includes supermarkets, gas stations and construction markets. Low prices, uniform quality and CSR certification are essential for supplying this growing market. Supermarkets are supplied both by specialised Dutch wholesalers and directly by developing country (DC) exporters. Opportunities for new suppliers arise where supermarkets are introducing flowers in their assortments for the first time or are looking for additional suppliers. The unspecialised market channel is growing particularly fast in Central and Eastern Europe.

Description of the product and the market channel

Cut flowers are flowers or flower buds (often with some stem and leaf) that have been cut from the plant bearing it. They are commonly used for home decoration and for decorating the interior of an office. Cut flowers are generally arranged in a vase. A number of similar types of decorations are used, especially in larger buildings and at events such as weddings. These are often decorated with foliage. There is a large commercial market and supply industry for cut flowers and foliage in Europe. The largest importer and exporter by value is the Netherlands, which is both a grower and a redistributor of cut flowers imported from other countries. The Netherlands is home to a large number of importers and wholesale traders that fulfil an essential role in supplying the EU market.

Fresh cut flowers on display in the unspecialised market channel



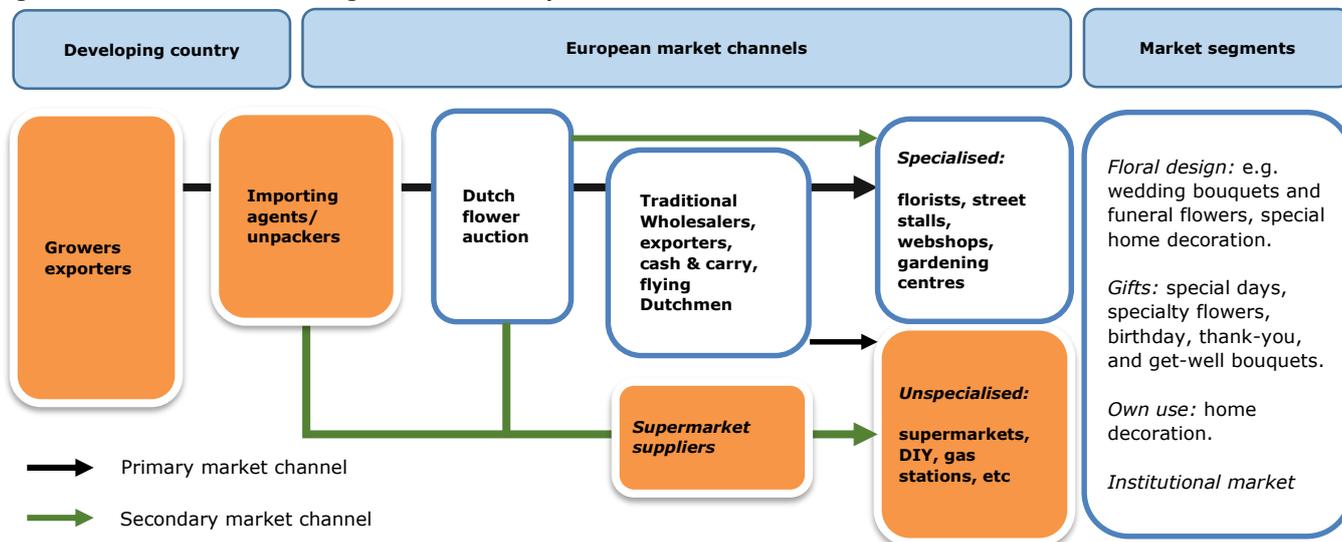
Source: Shutterstock

The HS code for cut flowers is 0603 – “Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared”. Foliage is grouped under HS code 0604 – “Foliage, branches and other parts of plants, without flowers or flower buds, grasses, mosses and lichens, of a kind suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared”.

The cut flower market can be divided into two market channels: the specialised and the unspecialised retail market. 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. The unspecialised market channel consists of supermarkets, construction markets (Do-It-Yourself or DIY) and gardening centres. They are supplied by specialist wholesale traders and bouquet assemblers that buy their flowers directly from producers or importers.

The importance of the unspecialised market channel has increased in recent years. Roses, chrysanthemums and carnations play a dominant role and are often sourced by specialised wholesale traders in large quantities directly from the producer, bypassing the flower auction. Roses, chrysanthemums and carnations are flowers that can be typically supplied in larger quantities. Supermarkets and other unspecialised retailers sell flowers mainly in mono-bunches or (small) bouquets. Low prices are essential for supplying this market channel. Buyers often work with long-term contracts in order to secure a constant supply of fresh flowers.

Figure 1: Market channels and segments in the European market for cut flowers



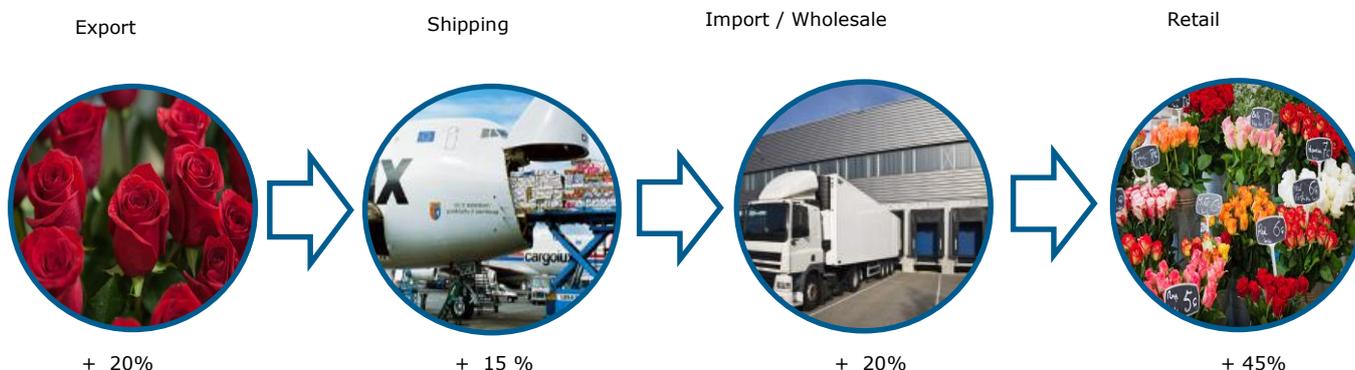
The unspecialised market channel comes with a number of advantages and challenges compared to the traditional florist channel (e.g. supplying flower shops via the auction). The table below shows the main advantages and challenges of trading via the unspecialised market channel.

Table 1: Main advantages and disadvantages of trading via the unspecialised market channel

Advantages	Challenges
<ul style="list-style-type: none"> Personal relationship with a client enables joint product and services development. Customer base aimed at a specific market segment, which allows focused marketing efforts. Fixed (monthly or semi-annual) prices based on contracts. Long term contracts. 	<ul style="list-style-type: none"> Credit and cash flow risks. Contract negotiations require the careful balancing of costs and benefits. Volumes have a maximum. Exporters must find other buyers for surplus production capacity. Volumes have a minimum, if you can't supply sufficient volumes you are not able to get a contract, Flowers supplied need to have identical characteristics and respect the agreed requirements. Higher direct marketing costs: need for more marketing and sales efforts (e.g. sales manager).

The figure below gives an estimation of the price breakdown in the unspecialised market channel. It shows the added value in the different parts of the supply chain, as a percentage of the consumer price. The costs of shipping cut flowers to the Netherlands (transportation costs, insurance, tax and documentation costs and airport taxes, together with some additional charges depending on the country) amount to about 20-40% of the export value (FOB), depending on the distance; this is estimated to correspond to about 15% of the consumer price. Almost half of the consumer price is made up of retailers' costs and margins.

Figure 2: Price breakdown



Product specification for the unspecialised retail channel

The majority of cut flowers in the EU are supplied via the Netherlands. The Netherlands is at the centre of the European flower trade. There is an excellent system of traders and logistical service providers to facilitate the trade in cut flowers. The Dutch flower auction ([FloraHolland](#)) is the central marketplace for buying and selling cut flowers in Europe. However, in the unspecialised market channel the share of cut flowers that is traded via the auction is relatively small. Supermarkets and other unspecialised retailers mostly buy cut flowers directly from wholesale traders that are specialised in this market channel. Retailers often impose additional requirements regarding certification, packaging and labelling.

The Dutch Flower Auctions Association ([VBN](#)) sets requirements regarding quality, size, packing and information on the product in agreement with growers and traders. These requirements must be met by growers in order to sell flowers at the auction. They are also widely adopted as minimum requirements across the entire cut flower industry. While the auction product specifications are not so relevant to the unspecialised retail market, we mention them here for the sake of reference. Supermarkets and specialised importers will have their own additional requirements.

The Dutch Flower auction Association ([VBN](#)) has developed minimum requirements for cut flowers that apply to trade via the flower auction. Products which do not meet these requirements regarding pre-treatment, minimum quality, bacteria content and ripeness are not traded and are destroyed if necessary ([VBN](#)). In general these minimum requirements also apply to the unspecialised market channel. The VBN requirements consist of two parts: [general requirements](#) for all supplied flowers and specific requirements for [specific flowers](#).

Flowers after arrival in Europe



Source: Flower Watch

Cut flowers are traded in 3 quality groups: A1, A2 and B1, depending on the extent to which they meet the quality and grading criteria. Flowers should be sorted according to length, weight and maturity.

Flowers are often exported in cardboard boxes (see pictures above). After arrival in the Netherlands the flowers are often unpacked by the importer or wholesale trader and shipped to the retailer. In the unspecialised market channel, only a very small share of the flowers are offered at the auction. If the flowers are traded at the auction they are prepared according to VBN requirements. The majority is sold directly to a retailer. Therefore the flowers are prepared according to his specific

demands and sometimes labelled and stickered. The following pictures show flowers in a bucket and a pre-stickered bouquet for a major Dutch supermarket retailer.

Flowers in the unspecialised market channel



Source: FlowerWatch (left) and Global Flower Trading (right)

The product requirements outlined above are set by the Dutch Flower Auction Association (VBN) but are widely accepted in the industry and are commonly used to describe flower quality. Therefore, the aforementioned specifications are often referred to in the unspecialised market channel too.

In relation to packaging and labelling the requirements often vary. Many supermarket retailers require pre-labelling. This can be done by the wholesale trader or the farmer. Make sure you discuss the requirements related to packaging and labelling with the buyer in order to prepare shipments according to all the requirements.

What is the demand for cut flowers and foliage on the European market?

General information and figures about production, consumption and trade developments in the European market are provided in the [CBI Trade Statistics for Cut flowers](#).

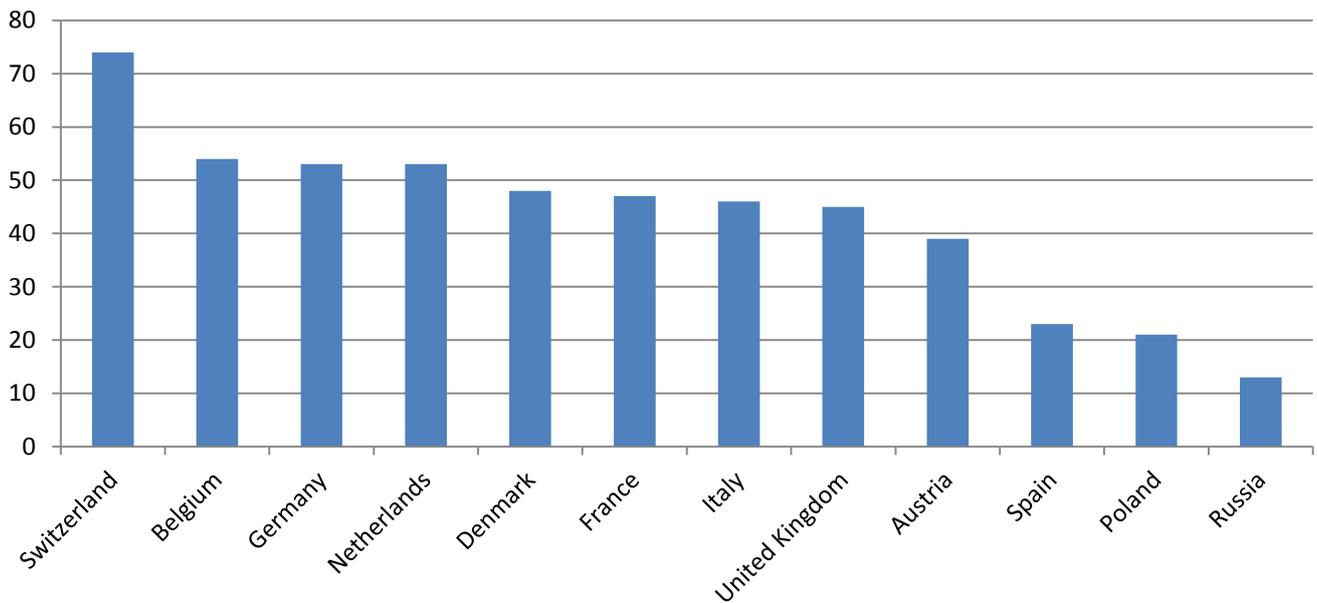
Demand for cut flowers at supermarkets and other unspecialised outlets is increasing throughout Europe. Total demand for cut flowers in the EU is estimated at about € 20 billion. According to estimates by the LEI research institute in Wageningen, the market share of supermarkets and other unspecialised outlets in the EU as a whole increased from about 17% to 21% between 2009 and 2013. Unspecialised outlets like supermarkets already control about 20% of traditional markets like Germany, France and the UK; the new EU Member States in Central and Eastern Europe show the strongest growth in this sector, with a market share rising from an estimated 4% to 8% between 2009 and 2013. Sweetheart roses, chrysanthemums, carnations, tulips and a number of other common flowers and simple bouquets dominate the supermarket retail market.

The wholesale traders that have experience in supplying the unspecialised market work with long-term contracts between the wholesaler and retailer, but also between the wholesale and grower. They prefer to source from established growers to ensure product quality and quantity. For them it is important that they can source consistent quality in order to supply their clients. However flowers are often interchangeable, wholesale trades have fixed agreements on the price of a bouquet and have the flexibility to change flowers based on the price. Dutch wholesale traders that focus on the unspecialised market channel often work closely with retailers and take responsibility for the arrangements or their flower shelf.

Tips:

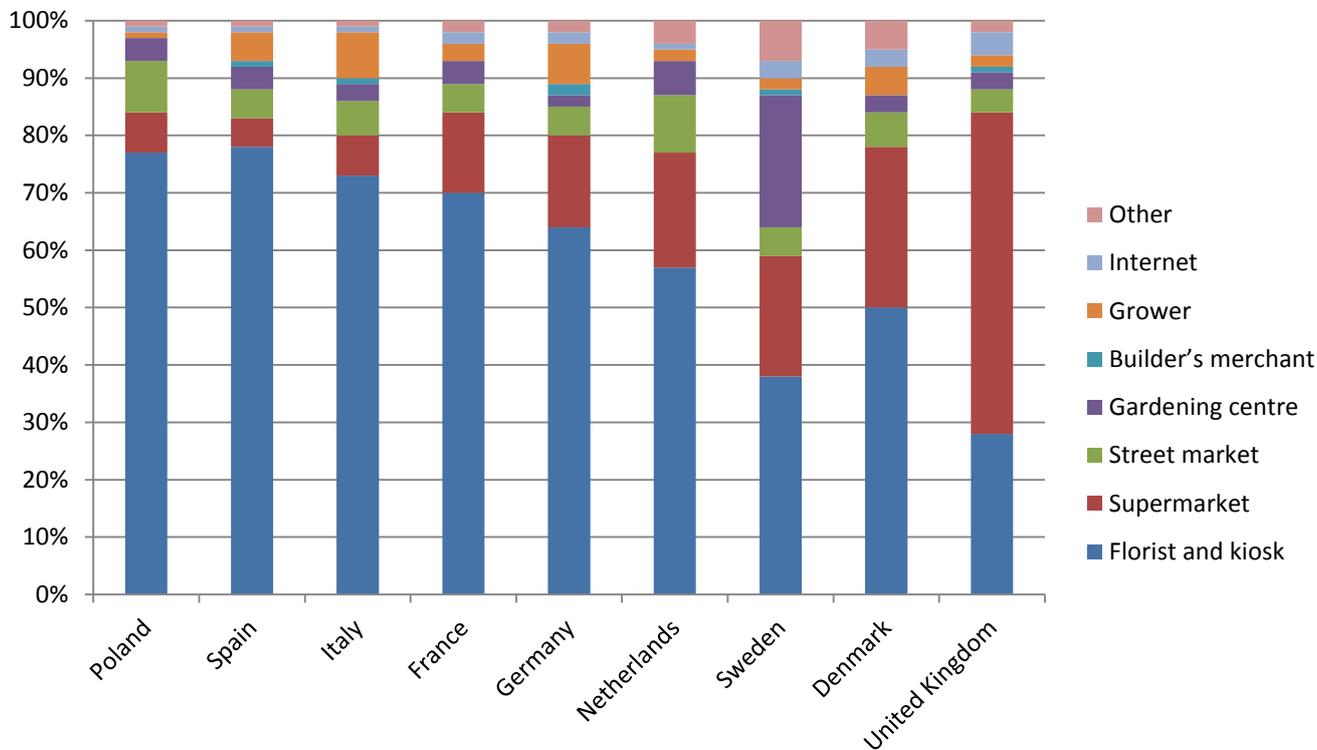
- The Netherlands is an important trade hub for cut flowers and is the main destination for flowers coming from the South. If you want to supply the EU market, consider trading via the [Dutch wholesale industry](#).
- Direct trade from developing countries to final markets in Europe is slowly increasing. The role of the Netherlands as a physical trade hub for cut flowers is decreasing somewhat. Explore direct export opportunities to countries within and outside the EU. Without prior experience and knowledge of exporting directly to the European market, the direct channel can be tricky. Exporting through the auction is recommended since there are companies buying at the auction.
- Much of the trade is still financially administered at the Dutch Auction and Dutch trading companies are often still involved. Even with direct trade to Europe – bypassing the auction clock – using the auction trade services provides you with financial security as payments are swift and guaranteed.
- If you wish to supply wholesale traders that focus on supplying the unspecialised market channel, make sure that you are able to meet their demands.
- International trade data can be consulted in the [ITC Trade Map](#).

Figure 3: Estimates of consumption of cut flowers in selected countries, in 2013, in Euros per capita



Source: Rabobank, floriculture map, 2015; Eurostat and World Bank.

Figure 4: Market share for cut flowers per sales channel, per country in % of value, in 2013



Source: FloraHolland / Bureausierteelt.nl.

Source: Productschap Tuinbouw, 2012.

Consumers in more or less mature markets in Europe spend between 20 euros and 50 euros per capita on cut flowers and foliage. People in Switzerland, Belgium, Germany and the Netherlands spend the most per capita. Consumption in e.g. Spain is about half of that. Exact data on consumption for many Central and Eastern European countries is missing, however, industry sources and export data indicate that consumption of cut flowers is growing. At the moment we estimate cut flower consumption in Central and Eastern Europe at some € 10 to € 20 per capita per year.

Tips:

- Contact your trade partner to discuss their clients' needs.
- In Central and Eastern Europe, single flowers are particularly popular during special days like First School Day and Labour Day. During other special days like Women's Day, the focus is more on luxury bouquets and mono-bunches.

Of the countries for which data are available, the unspecialised market channel is most dominant in the UK (59%) and Sweden (44%). In Germany the share of the unspecialised market channel is low, however the German market is among the largest in the EU. The supermarket is the most important unspecialised market channel by far, and is expected to continue to grow throughout Europe. Supermarkets generally demand large quantities of uniform flowers, mostly (short stem) roses, carnations and simple bouquets. However, in countries like the UK, where the supermarket is the dominant trade channel for cut flowers and foliage, supermarkets tend to offer a wider variety of flowers, including wedding and funeral bouquets. Supermarkets are generally more demanding in terms of product uniformity, conformity to specifications, quantities and pricing, which may prove challenging for new entrants. The Dutch flower auction and the traditional wholesale channel are more convenient entry routes to the European market.

Tip:

- 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.

Bear in mind that prices, quality, assortment and promotion options differ considerably between sales channels and market segments. Florists are more expensive than supermarkets as they carry a larger assortment, provide additional advice and generally produce a variety of bouquets on demand.

Consumers in the UK buy more mixed flower bouquets than e.g. consumers in Poland or the Czech Republic. In the Netherlands, Hungary and the Czech Republic mono-bunches of the same flowers are popular.

Markets also differ in terms of consumer age profiles. In some mature markets like the Netherlands, Switzerland and Denmark, where the consumption of cut flowers is relatively high, people who buy cut flowers tend to be older on average. In countries where supermarkets have large market shares – like the UK – and in upcoming markets in e.g. Eastern Europe – cut flower consumers are generally somewhat younger. The growing unspecialised retail channel in Central and Eastern Europe may offer lots of opportunities.

Tips:

- If you are ready, explore growing markets like the supermarket retail channel in Eastern Europe.
- In Central and Eastern Europe, single flowers are particularly popular during special days like First School Day and Labour Day. During other special days like Women’s Day, the focus is more on luxury bouquets and mono-bunches.
- Marketing can target specific groups of consumers. Flowers are often bought because of traditions and customs. Specific flowers with specific attributes are preferred for each age group and socio-economic consumer segment. Discuss consumer preferences within target markets with your buyer and align your marketing strategy accordingly.

Supermarkets offer a variety of products ranging from small bouquets, single stems and mono-bunches. However products sold in the unspecialised market differ from the specialised market. The main characteristic of flowers sold in supermarkets is the low price. For example in an important German supermarket retailer a mono-bunch of roses costs no more than € 1.99, and comes with a guaranteed vase life of about 7 days. However an increasing number of supermarket retailers also supply more high-end bouquets (mainly in the UK).

Tip:

- Consider your cost price as a major factor if you wish to supply supermarkets. There is limited space for negotiations about the price, so it is essential to keep your costs low.

Consumers that buy at supermarkets often buy impulsively. Market studies indicate that about 60% of the cut flowers in German supermarkets are bought on impulse. In the UK this is about 50%. Half of all flowers bought in a supermarket are for own consumption, in the specialised market channel the majority are bought as a present.

Tip:

- Due to the importance of the supermarket channel for buying flowers, there is an increase in low cost promotional bouquets sold in supermarkets.

What trends offer opportunities in the European unspecialised market channel?

You can find further information on general trends and developments on the European market for cut flowers in [CBI Trends](#).

Increasing demand for socially responsible and sustainably produced roses in the EU

Mainly in traditional markets such as the UK, Germany and Scandinavia demand for roses that are certified socially responsible and environmentally friendly is increasing. Many EU retailers require suppliers to comply with production standards that involve good agricultural practices, environmental and social standards, like MPS-ABC, GlobalGAP, Fairtrade and ETI. Large retailers often ask for a variety of certificates. This trend is less prominent in the traditional florist and market stalls sales channels. Main elements of environmental responsibility are energy consumption during transport, pesticide use, and water use. These elements are translated into the various certification schemes.

Tips:

- Many larger EU retailers are starting to demand social standards, like Fairtrade roses, MPS-SQ or ETI. Retailers often ask for a variety of certificates. In the traditional florist sales channels, these certifications are not yet commonplace, but there is growing attention and demand for certified flowers.
- Compliance with these schemes should not be taken lightly. Audits take place on a frequent basis.
- You can find more information about sustainability and corporate social responsibility certification schemes by consulting the [ITC Standards Map](#) and [CBI Buyer Requirements](#).

In order to reduce costs and to limit CO2 emissions, shipment by sea container is being developed as an alternative transport modality. Roses are already shipped by container from Colombia and Kenya and the number of sea shipments is increasing.

Tip:

- Follow the developments in sea transport of cut flowers. E.g. through the [GreenChange project website](#).

Longer vase life

Quality is a prerequisite 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 successfully supply the EU market. So make sure that the product is cut while the bud is still closed and treated well during transport.

Growing market share of supermarkets

Supermarkets are increasingly dominant. Supermarkets offer the much-wanted convenience of one-stop shopping. This becomes more important as people's lives are getting busier with work and other social obligations. There is a tendency for supermarkets to take longer to pay suppliers, which is leading to cash flow problems throughout the entire cut flowers value chain. Dutch wholesale traders export to many European countries. In some countries, they have experienced problems with agreed payment terms. Some large retailers are also trying to negotiate payment terms including slower payment to suppliers, which may make it difficult for your buyers to pay you on time. Supplying via the Dutch flower auction means payment security. Payments are wired to your account soon after the auction. If you supply directly, you must wait longer (between 30 and 60 days).

Direct trade between producers and European exporting wholesale trader in Europe, bypassing the Dutch flower auction, is increasing. Wholesale traders set a wide variety of buyer requirements (based on the requirement set by their client) that may deviate from the general auction requirements.

Tips:

- When targeting the unspecialised retail channel, find out what buyers really value most. Feedback from retail buyers at the auction is a good way to start identifying and improving your company's key success factors.
- A long vase life is essential in order to supply the European market successfully. Make sure that the product is cut while the buds are not fully open and treated well during transport.
- Make clear agreements with your wholesale trader on payment terms and check past payment behaviour with colleagues. Some grower associations and also FloraHolland offer services that include checks on customers' payment behaviour.

Moderate growth and emerging market in the EU

Overall demand for cut flowers in the EU is only growing moderately. Population growth and income growth are relatively low in traditional markets in Western, Northern and Southern European countries. Only in Central and Eastern Europe are population and incomes expected to grow substantially. Eastern Europe has become an important market for cut flowers, but remains small compared to the traditional markets. In Eastern Europe flowers are mostly bought as a present in the specialised market channel (e.g. Mother's day, Valentine's Day, First Day of School). The best way to enter the Eastern European markets is through Dutch traders that have experience in supplying florists in these countries.

Tip:

- Invest in a sustainable relationship with your European buyers and look for possibilities to expand exports to emerging European countries.

Increasing internet sales and ICT in the supply chain

IT systems are now prevalent in the marketing process. Online business (E-commerce) is taking over the physical buying process at the auction and at wholesale cash and carries. Telephone calls are replaced by mouse clicks in the web shop. This has had a significant impact on trade. Examples include the auction's distance buying system and (linked) web shops of both the auction- and wholesale trade. This leads to the disconnection of physical supply logistics from the actual trading place. Purchases are based on a digital product image. Growers therefore need to pay constant attention to consistent quality and reliable information as wholesalers prefer to work with the most reliable suppliers. Unreliable or false information about product quality may lead to a lower 'quality rating' and a loss of sales.

Tips:

- E-commerce requires information standards and reliability in terms of quality and the information provided. Learn about buyer requirements, quality control and E-commerce-related IT systems. Check [Floricode](#), a sector initiative for the registrations, standards and codes for information management in the ornamental industry.
- ICT systems are vulnerable to trust issues. Be consistent and as honest as possible when supplying digital information about product quality.
- 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.
- The Dutch Association of Wholesale Trade in Horticultural Products VGB and the Dutch Flower Auction FloraHolland can provide a range of information about available software systems and electronic applications.

What requirements should cut flowers and foliage comply with to be allowed on the European market?**What legal and non-legal requirements must my product comply with?****Plant health**

Roses 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.

Tips:

- Check with the relevant National Plant Protection Organisation on the [website of the International Plant Protection Convention](#) for the exact procedures for obtaining the phytosanitary certificate.
- A model phytosanitary certificate can be found in [Annex VII](#) of the Plant Health Directive.

Roses imported in the EU must be accompanied by an official 'phytosanitary certificate' guaranteeing the phytosanitary conditions of plants and plants 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.

Tips:

- Check if your country and the country you want to export to have implemented digital services to facilitate the import and export process. For example in Holland there is 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

Phytosanitary certificates are issued by your National Plant Protection Office (NPPO).

Intellectual Property Rights (IPR)

Developing new rose 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 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.

Full overview of requirements for cut flowers:

For a list of requirements for roses consult the [EU Export Helpdesk](#) where you can select your specific product under chapter 06031100.

Tip:

- 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).

What 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 roses. 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. 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 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 roses are MPS, GLOBALG.A.P., Fairtrade and ETI. MPS offers several standards: 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 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 the 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 roses 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 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.

Private labels

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

Furthermore importers may also participate in initiatives such as the [Ethical Trading Initiative](#) (ETI) in the UK, or the [Business Social Compliance Initiative](#) (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 roses. 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.

What are the requirements for niche markets?

Fairtrade certification

Although CSR requirements are common buyer requirements, standards that are communicated through a consumer label are very important in the supermarket market channel, mostly in North-western Europe. For example, large EU supermarkets like Sainsbury's, Rewe, Albert Heijn, Lidl and Plus offer Fairtrade flowers.

A retail label on a mono-bunch of roses, including the Fairtrade label



Source: *Global flower trade*

Examples of relevant consumer labels are: [Fair Flowers Fair Plants \(FFP\)](#), [Fairtrade International](#) and the [Rainforest Alliance](#).

Tips:

- Always check with your buyer if he/she requires certification and which certification he/she prefers.
- Consult the [Standards Map database](#) for the different labels and standards relevant to cut flowers.

Organic

The market for organic cut flowers is very small. Organic flowers must be produced and processed by natural methods defined in [EU legislation](#). Some flower traders and consumers perceive organic flowers as a lesser quality product due to a lower aesthetic quality and durability. As such, organic cut flowers are not yet particularly favoured in Europe. However there are a number of specialised organic supermarkets in Europe that often offer a small assortment of organic flowers often sourced and produced locally.

Tip:

- Growing organic flowers could represent an opportunity in the future.

What competition do I face on the European unspecialised market?

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.

To supply the European market producers require, among other things, a considerable investment and access to advanced knowledge about growing quality flowers. It is also important that you are able to supply large volumes. 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, but the main wholesale traders that supply supermarkets do not buy at the auction anymore. They source directly from farmers and impose strict requirements regarding quality and quantity. Flowers can only be sold in the unspecialised market channels by supplying supermarket retailers directly if these requirements can be met.

Despite limited consumption growth in the European market, various Latin American flower exporters are looking for an alternative market, increasing rivalry in the European market. Imports from Africa are also increasing. On the other hand, competition from Dutch flower growers has decreased. In the unspecialised market channel competition is fierce and quality and price are important issues.

Tip:

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

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 sustainable partnerships with buyers. 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.
- 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>
- CBI Market Information - <https://www.cbi.eu/market-information/>
- EFSA - <http://www.efsa.europa.eu/en/>
- EU Export Helpdesk - http://exporthelp.europa.eu/thdapp/index_en.html

Certification schemes:

- Ethical Trading Initiative - <http://www.ethicaltrade.org>
- Fair Flowers Fair Plants - <http://www.fairflowersfairplants.com/home-en.aspx>
- 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>
- MPS - <http://www.my-mps.com/en/>

Marketing and trade standards:

- EU legislation on Organic Production - http://ec.europa.eu/agriculture/organic/eu-policy/legislation_en
- UNECE Standards for Cut flowers - http://www.unece.org/trade/agr/standard/flowers/flower_e.html
- VBN Dutch Flower Auctions Association - <http://www.vbn.nl>
- VBN Product specifications - <http://www.vbn.nl/en-US/Productinfo/Pages/Productinformations.aspx>

Statistics and sector information:

- AIPH - <http://www.aiph.org>
- Eurostat - <http://ec.europa.eu/eurostat/data/database>
- ITC Trade Map - <http://www.trademap.org>
- UN Comtrade - <http://comtrade.un.org>



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