



CBI Product Factsheet: Chrysanthemums in the UK market

'Practical Market Insights concerning your Product'

Imports of Chrysanthemums in the United Kingdom increased in value from €117 million to €128 million between 2009 and 2013. This product factsheet covers product specifications, important phytosanitary and marketing requirements and statistics about trade consumption, production and market trends.

Product description

Product definition

Chrysanthemums, often called mums or Chrysanth, are flowering plants of the genus *Chrysanthemum* in the family Asteraceae. 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).

Chrysanthemums are the second most sold flowers in the world. The flower heads come in various forms, and can be daisy-like or decorative, like pompons or buttons. There are countless varieties. In addition to the traditional yellow, other colours are available, such as white, purple, and red.



Image: Shutterstock.

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

Number	Product
06031400	Fresh cut Chrysanthemums and buds, of a kind suitable for bouquets or for ornamental purposes

Source: Eurostat Comext.

Product Specification

Many Chrysanthemums in the UK 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. Flower growers from all over the world gather at the flower auction to find buyers. There are specific requirements regarding quality, size, packing and labelling set by the Dutch Flower Auctions Association ([VBN](#)). For DC exporters the auction serves as an important trade platform, therefore we refer mainly to these requirements that are widely adopted as minimum requirements across the entire cut flower industry.

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 can be found at the [website](#) of the Dutch Flower Auctions Association (VBN).

The following specific requirements apply:

- The lot should be free of growth defects including:
 - irregularly 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 of the stem stripped of leaves (defoliated). With the exception of Chrysanthemums shorter than 60 cm, the General Specification for Cut Flowers applies (10 cm defoliate).

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. For packing and loading [VBN](#) gives detailed information about requirements. There is difference in requirements between spray Chrysanthemums and disbud (single stem) Chrysanthemums. Also between outdoor and indoor cultivated Chrysanthemums.

Packaging

Spray Chrysanthemums from the glasshouse 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 from the glasshouse 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 glasshouse 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:



Source: FloraHolland.



Source: FloraHolland.

- 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 realised, whereby the volume of the bunches determines the number of supplied bunches per container unit;
- There must be at least 5 cm 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. 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

- An increasing number of growers from developing countries export directly to the UK market without using the auction clock. Dutch wholesale traders are also more often trading DC flowers directly with UK retailers. In general the principal product requirements given above are also applicable on the direct market.
- 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.

Considerations for action

- Visit the [VBN](#) website to find out about changes in product specifications.
- 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 cut flowers marketed in the EU must meet

Plant health

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

Chrysanthemums 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.

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

Intellectual Property Rights (IPR)

Developing new chrysanthemum varieties is very expensive. The developers of new varieties want their return on investments.

Considerations for action

- Check with the relevant National Plant Protection Organisation for the exact procedures to get the phytosanitary certificate. Click [here](#) for a list of NPPOs
- A model phytosanitary certificate can be found in [AnnexVII](#) of the Plant Health Directive.
- Check if your country and the country you want to export to have implemented digital services to facilitate the process of import and export. 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
- Make sure that you know exactly who owns the IPR for your species and pay necessary royalties.

To avoid that just anybody can use these new varieties, they are protected by intellectual property rights. In recent years, there has been a growing attention for breeders' rights and illegal products are rejected from the market.

Full overview of requirements for cut chrysanthemums:

For a list of requirements for cut chrysanthemums consult the [EU Export Helpdesk](#) where you can select your specific product under chapter 06031400.

- An interesting trend is that breeders' only let their new variety be grown by a select group of growers. Staying in contact with breeders and offering perfect conditions to grow 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).

Common buyer requirements: Sustainability

CSR - Corporate Social Responsibility

EU consumers pay more and more attention to social and environmental circumstances during the flower production. 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 pesticide and water use) is a very common requirement, while social conditions are gaining importance.

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 (focussing 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

[GlobalG.A.P.](#) is a B2B scheme originally focussing 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 cut chrysanthemums as well, especially when selling to supermarkets.

Private labels

The increasing share of the 'unspecialised' market (supermarkets etc) in comparison with the 'specialised' market has also had its effects on the buyers' requirements. Several supermarket chains offer chrysanthemums 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

Considerations for action

- 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 in the communication 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 your targeting will probably be decisive (which country do you want to export to and which trade channels do you use?)
- See [Channels and Segments](#) to see how market channels are changing
- Click [here](#) for an overview of all MPS schemes including links to the criteria per scheme.
- Click [here](#) for the relevant GlobalG.A.P. 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. and/or MPS
- If you want to target supermarkets directly, check which sustainability criteria they impose.
- Familiarise yourself with the [ETI base code](#) to check what [ETI members](#) require from their suppliers.
- Assess your company's current performance by doing a self-assessment, which you can find on the [BSCI website](#).

conditions in their members' supply chains. This implies that you, as a supplier, are also required to act in compliance with their principles.

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.

- 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 on the developments.

Niche markets CSR in consumer labels

Fairtrade certification

Although CRS 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 .

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

Organic flowers - a niche market

The market for organic chrysanthemums is very small. Organic chrysanthemums must be produced and processed by natural methods defined under [EU legislation](#). Growing organic Chrysanthemums is a viable opportunity to explore in the future.

Considerations for action

- 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.
- Note that some flower traders perceive organic flowers as a lesser quality product due to a lower aesthetic quality and durability. As such, organic flowers are not much favoured in Europe yet.

Trade and Macro-Economic Statistics

General information and figures about production and trade developments in the European market is provided in the [CBI Tradewatch for Cut flowers](#). This section provides you with more detailed statistics regarding the trade in fresh Chrysanthemums and production and consumption in the UK.

Import

Figure 1: Import of fresh cut Chrysanthemums and buds in the UK, 2009-2013, in millions of euros

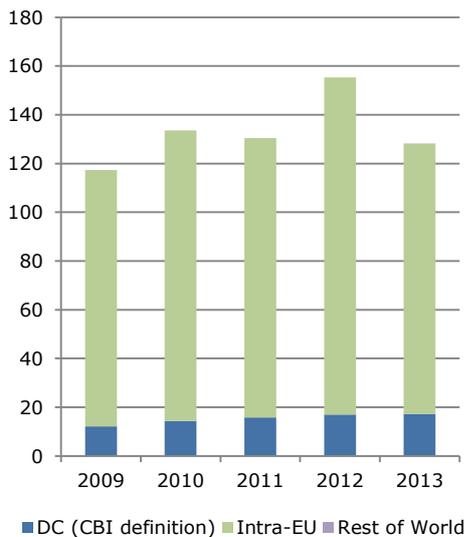
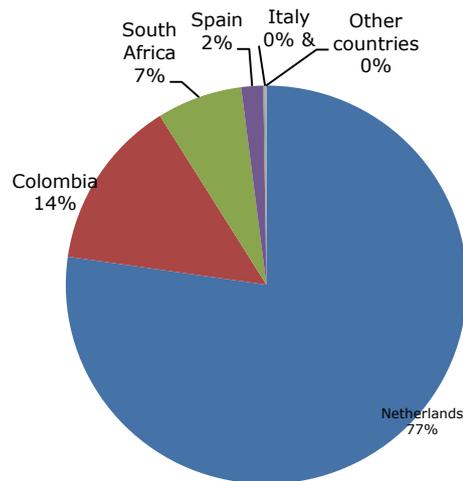


Figure 2: Division of import volume of fresh cut Chrysanthemums and buds in the UK (intra and extra-EU trade), in 2013, in %



Source: Eurostat Comext, calculations LEI.

Source: Eurostat Comext, calculations LEI.

Analysis and interpretation

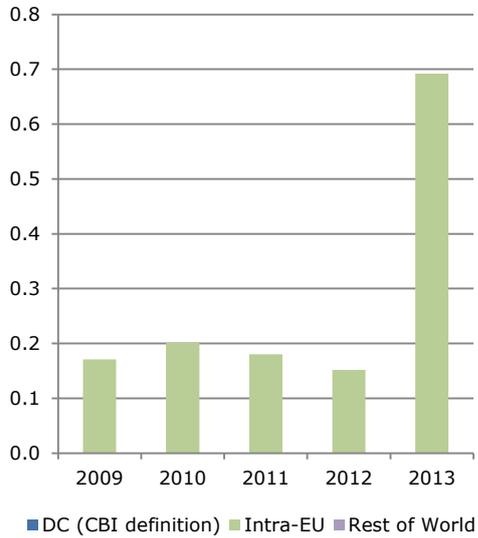
- Imports of Chrysanthemums in the United Kingdom increased in value from €117 million to €155 million between 2009 and 2012. In 2013 imports fell just below the level of 2011 at €128 million.
- The Netherlands is the main import partner of the UK (85%). The share of the Dutch imports slightly decreased by 3% between 2007 and 2013. Colombian imports into the UK increased by the same percentage in that period.
- Another country that exports to the UK is South Africa. The South African supply consists mainly of spray chrysanthemums. They export between €6 million and €8 million worth per year.

Considerations for action

- The Netherlands is the main trade partner. There are many Dutch firms that have experience in trading Chrysanthemums in the UK market. Work with these firms in order to supply the British market.
- Information about UK wholesale traders can be found through the UK flower wholesale trade association: <http://www.fwta.co.uk/>
- Visit the website of the [Dutch Association of traders of flowers and plants VGB](#) to find potential trading partners.

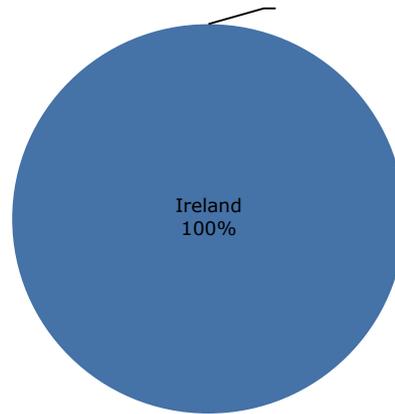
Export

Figure 3: Export of fresh cut Chrysanthemums and buds in the UK, 2009-2013, in millions euros



Source: Eurostat Comext, calculations LEI.

Figure 4: Division of export volume of fresh cut Chrysanthemums and buds from the UK, in 2013



Source: Eurostat Comext, calculations LEI.

Analysis and interpretation

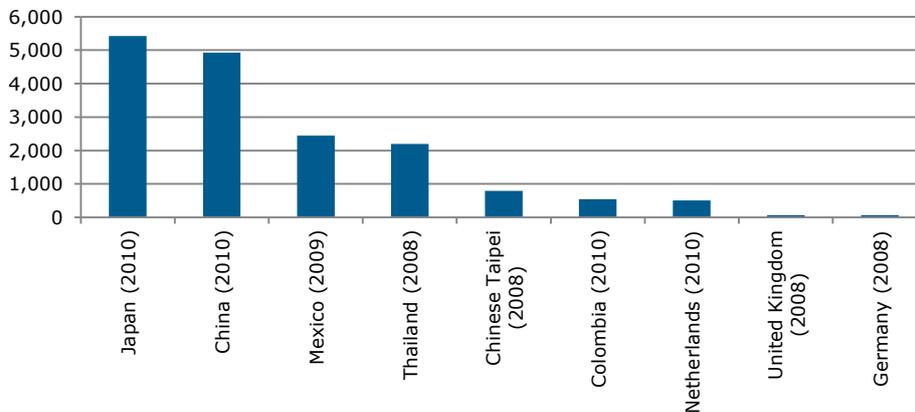
- Export is very limited. In 2009-2012, the export value was around €150,000 per year. In 2013 exports increased to almost €700,000. The apparent increase in imports must be seen relative to the very limited size of total exports of cut Chrysanthemums from the UK.
- In 2013, Ireland was the recipient of all of the UK’s exported chrysanthemums.

Considerations for action

- See the [Eurostat statistics on international trade here](#).

Production

Figure 5: Production of Chrysanthemums, in hectares



Source: AIPH, Asocolflores.

Analysis and interpretation

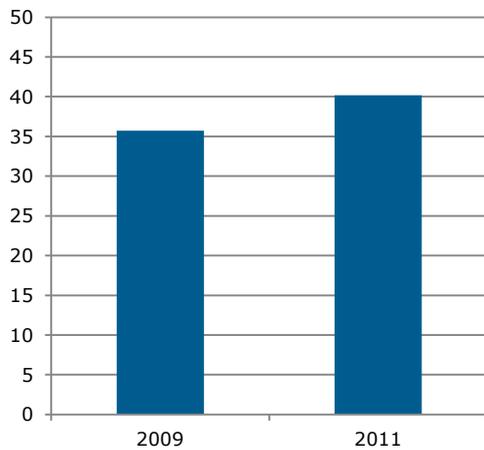
- Japan and China are the largest producers of Chrysanthemums in the world. However these countries do not supply the EU market. The dominant producers in the EU market are the Netherlands and Colombia. Italy and Spain are also important producers of Chrysanthemum in Europe, but mainly produce for the domestic market (production figures are not available for these countries).
- The Netherlands has the largest area of Chrysanthemum in the EU. The total area is about 500 hectares. The area has decreased significantly since the early 2000's. However the number of stems produced in the Netherlands is significant and stands at 1,600,000,000. This makes the Netherlands the most productive per square meter. In The Netherlands, Chrysanthemums are grown in a high-tech, capital intensive, but very efficient manner. Furthermore, the Dutch sector is traditionally strong, thanks to the leading Dutch breeders/propagators.

Considerations for action

- Many Colombian exporters have a long tradition of supplying flowers directly to wholesale traders. Experience is essential to be successful in direct trade in the UK market.
- In a stable market, with a few dominant suppliers from the Netherlands and Colombia, entering the market can be difficult.
- Value added products, special varieties, market niches and sustainable partnerships with buyers offer opportunities to compete. Visit the website of Chrysanthemum breeders such as [Deliflor](#), [Dekker Chrysanten](#), [Fides](#) and [Royal van Zanten](#), to familiarise yourself with the latest varieties.

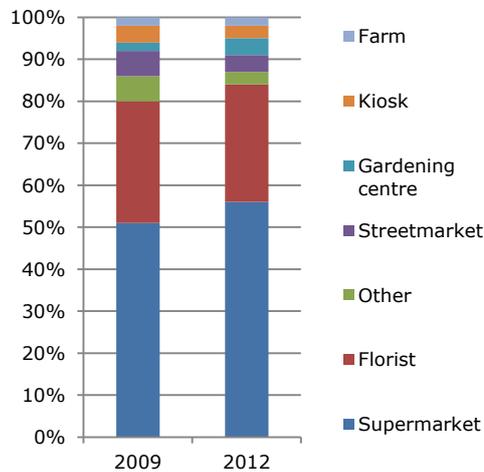
Consumption

Figure 6: Apparent consumption of cut flowers in the UK, in € per capita



Source: Productschap Tuinbouw, 2012.

Figure 7: Market share for cut flowers per sales channel in % (Q3)



Source: Productschap Tuinbouw, 2012.

Analysis and interpretation

- Chrysanthemums are one of the most popular flowers, as they offer very good value for money. Relatively low prices and a long vase life give Chrysanthemums a favourable market position. However, market research indicates that British consumers consider Chrysanthemums to be one of the least attractive flowers.
- There are no statistics available on Chrysanthemum consumption in the UK. However there are general statistics on the consumption of cut flowers. Consumption per capita increased slightly between 2009 and 2011. It is expected that the consumption of cut flowers will slightly increase.
- British consumers buy their flowers in supermarkets (55%) and florist shops (28%). The shares of the various sales channels remained stable between 2009 and 2011. The supermarket is dominant in the UK and its share is far bigger compared to other European countries. There has been an increase in low cost promotion bouquets sold in the supermarkets.
- Peak days remain very important in the UK. Mother's Day is particularly important. This is held on the fourth Sunday of Lent. It is exactly three weeks before Easter Sunday and usually falls in the second half of March or the beginning of April.

Considerations for action

- The majority of the British consumers buy flowers in the supermarket. In order to supply this channel, make sure you comply with the requirements set by every supermarket retailer. Contact your importer or your client in order to ask about the specific requirements.
- If you want to focus on a peak day, take these dates into account when you draw up your annual production schedule.

Market Trends

[CBI Trend mapping](#) provides you with general trends in the European market for cut flowers. This section provides more details about specific trends in the market for fresh cut Chrysanthemums in the UK.

Analysis and interpretation

Social:

- Consumers in the UK often demand quality flowers with a 7-day guarantee.
- Consumers and retailers in the UK pay attention to social issues, such as labour conditions. Therefore certification schemes play an important role in the UK market.

Economic:

- The economic crisis has had an impact on business relations in the flowers sector. The relationship between parties has hardened and payments for orders by retailers are often postponed.
- As a result of the crisis, bouquets are increasingly produced locally, thus reducing costs.

Environmental:

- Consumers in the UK are frontrunners regarding environmentally-friendly flowers. UK supermarkets have played a particularly important role in introducing requirements. Important aspects include the MRLs, labour conditions at farm level and greenhouse emissions during production and transport.
- As a result, 60-70% of the flowers sold via the supermarket channel are Fairtrade. This continues to be the focus of many supermarkets.
- All major UK retailers have their own private label for sustainable products (e.g. Tesco Natures Choice). In many cases, these unilateral retailer codes are based on one or a combination of industry standards.

Considerations for action

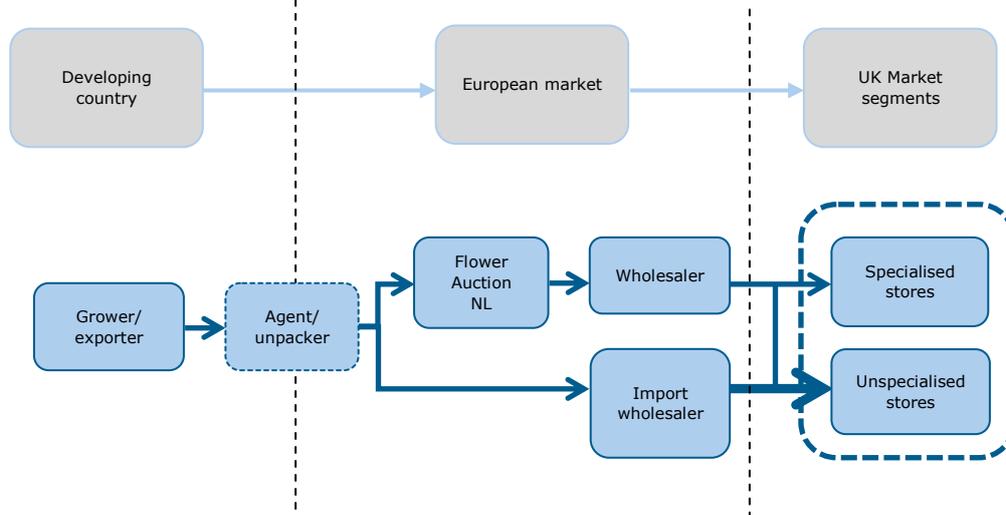
- Obtain certification and comply with the specific requirements set by the (supermarket) retailer. Supermarkets often take regular standards such as MPS-A and GlobalG.A.P. as a basis for developing their own stricter standards. Don't just acquire the labels, but genuinely introduce sustainability and all its aspects in your business philosophy.
- Costs are important, but buyers also take the quality of your logistics into account.
- Work on your cold chain in order to optimise your product quality.
- When supplying directly to wholesale traders in the UK or the Netherlands, be aware of possible payment delays. Supplying via the auction gives you more security regarding outstanding payments. On the Dutch auction, payments are made directly after auctioning.
- For more information about environmentally-friendly flowers and working conditions, check the websites of e.g. [MPS](#) and [Fair Flowers Fair Plants](#).

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 at the CBI market intelligence platform. This section provides some information about the various marketing channels through which cut flowers are marketed in Europe.

The Netherlands is the centre of the European flower trade. 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 covers unspecialised shops that sell flowers as an addition to their regular range. In the UK the position of the large retailers is dominant and a lot of flowers are traded directly in the unspecialised market segment.

Figure 8: Market channels UK for Chrysanthemums



Analysis and interpretation

- The Netherlands is the main import partner of the UK (87%). This makes the Netherlands the most important country for the distribution of Chrysanthemums in the UK market.
- The unspecialised market channel is dominant in the UK trade in Chrysanthemums. In general, there is a wide quality assortment available in the British supermarkets. Supermarkets like Tesco, ASDA, Sainsbury’s, Marks & Spencer and Coop are expected to increase the use of tendering to find and appoint preferred suppliers, reducing the importance of wholesale traders.
- Some supermarkets – like Waitrose – favour UK grown flowers over imported flowers.

Considerations for action

- Trading directly as a DC supplier with the UK market is difficult since additional requirements are set with respect to quantity, quality and production and these often exceed legal and auction requirements. Use the extensive network and experience of the Dutch wholesale traders. The Dutch flower auction is a reliable trade platform that offers extensive services to help enter the market.
- Focus has become the key word in the flower trade. More and more wholesale traders are specialising in one of the two main market segments.
- Agents provide certain services like unpacking before redistribution to the auction or other buyers. When looking for a reliable agent, it is important to inquire within your network of other exporters, buyers, or ask your contact person at the auction.
- Without prior experience and knowledge of exporting directly to the UK market, the direct channel is a difficult channel. Exporting through the Dutch auction is recommended.

Market Competitiveness

For general information about market competitiveness for cut flowers 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 in the EU market for cut Chrysanthemums.

Analysis and interpretation

- **Buyer power:** The number of supermarket buying organisations is limited and as a result they have increasing buyer power vis a vis

Considerations for action

- The UK market can be entered via the Dutch flower auction. At a later stage, if quality and quantity requirements can be met, flowers can be sold in the

producers and wholesale traders.

- **Degree of rivalry:** Despite limited consumption growth in the EU market, various Latin American flower exporters are looking for alternative markets, increasing the rivalry on the market.
- **Threat of new entrants:** To supply the European market, producers require, among other things, a considerable investment and access to advanced knowledge about growing quality flowers. It is therefore difficult for inexperienced producers to enter the market. This lowers the threat of new entrants.
- **Substitute products:** In the UK there are some initiatives to produce flowers for the local market to replace flowers produced abroad.

unspecialised market channel by supplying supermarket retailers directly.

- Try not to compete on price alone, but build partnerships with buyers and strive for excellent product quality.
- Again, being part of a stable partnership and being a trustworthy supplier can help you to establish and maintain your position on the market. Establish a credible track record including transparent information on your company and product quality.
- Consider importance of sustainability issues and communicate what you do. Obtain relevant certification.

Useful Sources

Export and market entry support:

- CBI - <http://www.cbi.eu>
- CBI Information on EU Buyer Requirements - http://www.cbi.eu/marketintel_platform/cut-flowers-and-foilage-/177508/buyerrequirements
- DEFRA Procedure for Electronic Application for Certificates from the Horticultural Marketing Inspectorate - <http://ehmipeach.defra.gov.uk>
- EFSA - <http://www.efsa.europa.eu/en/>
- EU Market Access 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>

Statistics and sector information:

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

This survey was compiled for CBI by LEI Wageningen UR in collaboration with Milco Rikken (CBI sector expert)

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