# CBI Product Factsheet: Roses in the Southern European Markets

*'Practical Market Insights concerning your Product'*

Imports of roses in the Southern European markets are valued at €221 million. The main import partner is the Netherlands. The market in Southern Europe comprises Italy, France, Spain, Portugal, Greece, Malta and Cyprus. These countries have similarities regarding sales channels – with a dominance of traditional small flower shops and street market sales - buyer characteristics and consumer preferences. In terms of importing flowers, France and Italy are by far the biggest players, accounting for more than 80%. This product factsheet covers product specifications, important phytosanitary and marketing requirements, and statistics about trade consumption, production and market trends.

## Product description

**Product definition**

A rose is a woody perennial of the genus Rosa, within the family Rosaceae. Flowers vary in size (THybrids, intermediate and sweethearts) and are usually large and showy, in colours ranging from white through yellows and reds. Most species are native to Asia, with some native to Europe, North America, and Africa.

Species, cultivars and hybrids are all widely grown for their beauty and are often fragrant. Roses are generally harvested and cut when in bud, and held in refrigerated conditions until ready for display at their point of sale. Roses are mostly sold as mono bunches or used in bouquets and other flower arrangements. Some exquisite varieties are even sold as single flowers.

This product factsheet covers fresh cut roses. The corresponding CN code is 06031100 Fresh cut roses and buds, of a kind suitable for bouquets or for ornamental purposes

*Source: Shutterstock.*

**Table 1: CN commodity code**

| Number | Product |
|---|---|
| 06031100 | Fresh cut roses and buds, of a kind suitable for bouquets or for ornamental purposes |

*Source: Eurostat Comext.*

## Product Specification

The majority of the roses in Southern Europe 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. Flowers from growers all over the world find their buyers through the flower auction. There are specific requirements regarding quality, size, packing and labelling set by the Dutch Flower Auctions Association (VBN). For Developing Country 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

Cut flowers may be traded if they meet the requirements below. Products which do not meet the requirements regarding pre-treatment, minimum quality, bacteria content and ripeness are not traded and are destroyed if necessary (VBN).

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. Roses 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.

The following specific requirements apply:
The batch must be free of growth defects, including:

- flat buds;
- grass hearts;
- crooked necks.

Roses are graded according to:

- length, 3 cm difference in length is allowed.
- ripeness;
- number of 'bloomable' buds;
- height of flower bud.

Growers are responsible, through self-assessment for grading and the reliability of the information they provide with their lot, however the auction checks the lots on a random basis. 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 there will be checked

### Size and packaging

Exported and imported roses are often traded in cardboard boxes. The quantity of roses in the flower boxes is increasing constantly to reduce costs. As a result, the quality requirements for the export boxes increase because roses have to stay in the boxes for a longer period.

After arrival, the roses are often repacked into plastic flower containers (buckets) at the auction in the Netherlands or at the importing wholesaler.
Roses must be:

- Supplied in bunches of 10 or 20 stems;
- Be bunched so that the flower buds are all at the same level or in two layers. When bunching with two layers, the separate layers may not touch each other.
- Rosa must be supplied in clean water (containing the prescribed pre-treatment agents).

*Source: FloraHolland.*

### Loading

- Optimal loading must be realised, whereby the volume of the bunches determines the number of supplied bouquets per container unit.
- There must be at least 5 cm free space between the product and the tray above it in the stacking cart.

- Rosa must be supplied in the correct packaging/ containers. Optionally, an additional rack on top of the bucket provides support to the longer flower stems (as can be seen in the pictures above).
- Rosa flowers with stems shorter than 45 cm must be supplied in small packaging/flower containers (like the small type 566 plastic containers as seen above in the lower picture).

FloraHolland or a wholesale importer can repack roses from the cardboard box to the standard flower containers.

*Source: FloraHolland.*

**Labelling**

When exporting to the Netherlands through the auction every stacking cart must be accompanied by a fully and correctly filled-in 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
- The 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 requirements are:

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

In the direct trade additional labelling is often required. The barcode, article code, selling price and other details imposed by the supermarkets should already be printed on the labels.

***Analysis and interpretation***

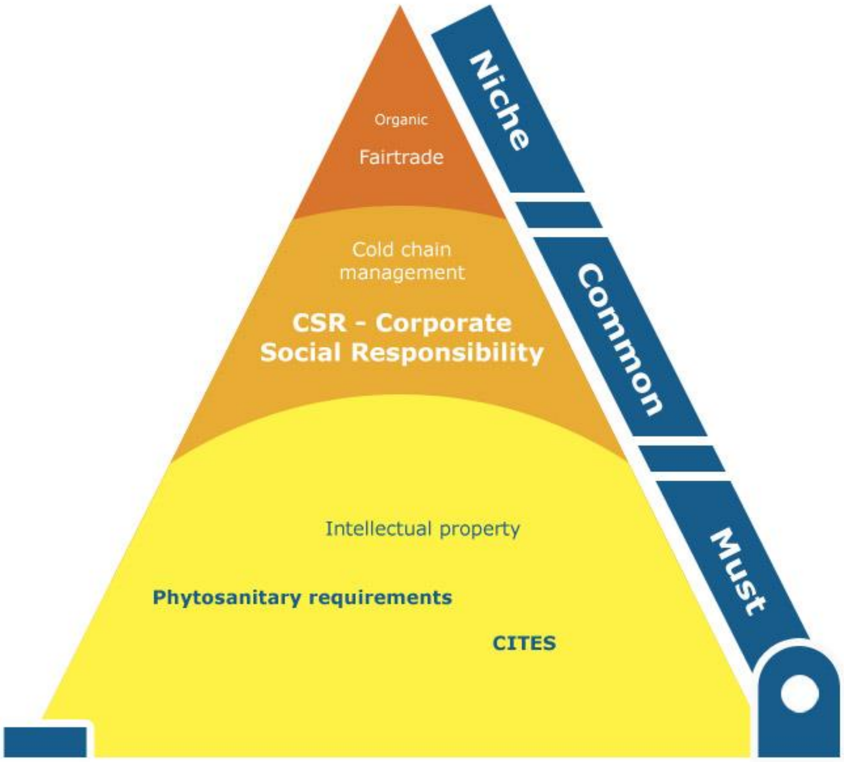
- A number of growers from developing countries export directly to the Southern European market. In general the principal product requirements given above are also applicable on the direct market.
- However supplying directly can be more demanding in terms of additional requirements. Retailers often request a constant 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 the product specifications.
- Contact your import agent or your potential client about any additional requirements 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**
Roses 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.

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

***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

**Intellectual Property Rights (IPR)**
Developing new rose varieties is very expensive. The developers of new rose varieties want their return on their

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

investments. To avoid that just anybody can use these new roses, 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 flowers:**
For a list of requirements for roses consult the EU Export Helpdesk where you can select your specific product under chapter 06031100.

- 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 roses 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 roses 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 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

***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.

required to act in compliance with their principles.

**Cold chain management**
Proper cold chain management has a positive effect on o 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.

- 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 Rainforest Alliance.

***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.

**Organic flowers - a niche market**
The market for organic roses is very small. Organic roses must be produced and processed by natural methods defined under EU legislation. Growing organic roses is a viable opportunity to explore in the future.

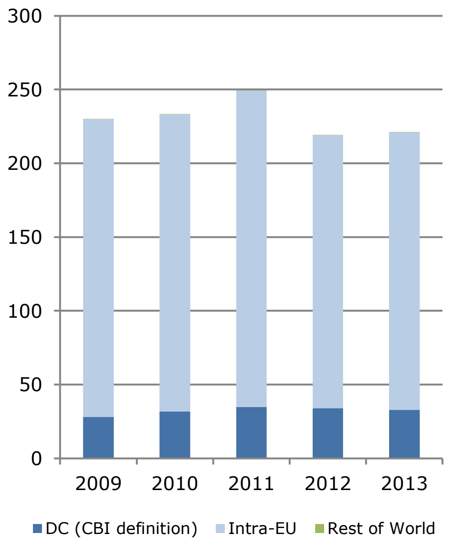
- Note that some flower traders perceive organic flowers as a lesser quality product due to a lower aesthetic quality and durability. As such, organic flowers are not much favoured in Europe yet.

## Tradewatch

General information and figures about production and trade developments in the European market are provided in [CBI Market Intelligence Platform](). This section provides you with more detailed statistics regarding trade, production and consumption in the Southern European market.

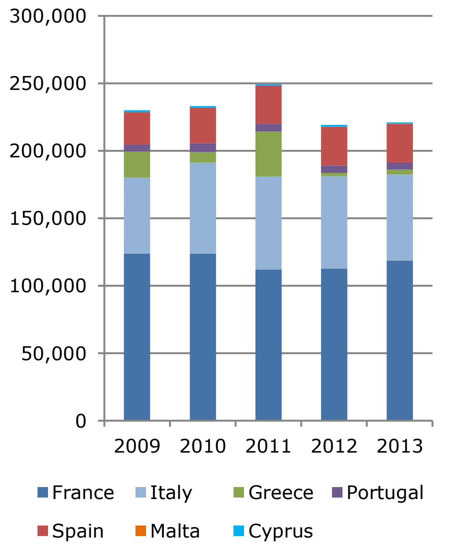
### Import

**Figure 1: Import of cut roses in Southern Europe divided for the origin, 2009-2013, in millions of euros**



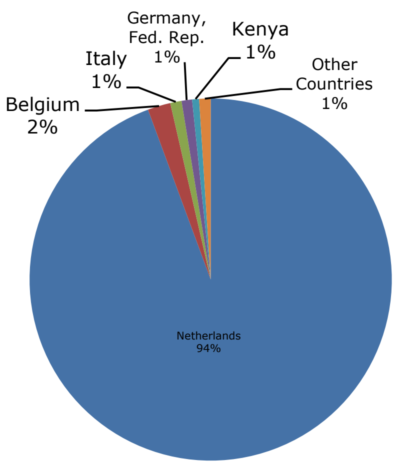

*Source: Eurostat Comext, calculations LEI.*
**Imports between countries within the Southern European area are included, so the figures shown here are actually somewhat inflated!*

**Figure 2: Import value of cut roses (intra and extra-EU trade) divided for destination in southern Europe, in 2013, in €1,000**



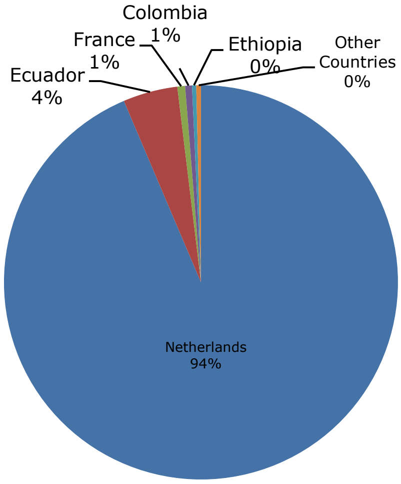

*Source: Eurostat Comext, calculations LEI.*

**Figure 3: Division of the import value of cut roses in France per supplying country (intra and extra-EU trade), in 2013, in %**




*Source: Eurostat Comext, calculations LEI.*

**Figure 4: Division of the import value of cut roses in Italy per supplying country (intra and extra-EU trade), in 2013, in %**




*Source: Eurostat Comext, calculations LEI.*

### *Analysis and interpretation*

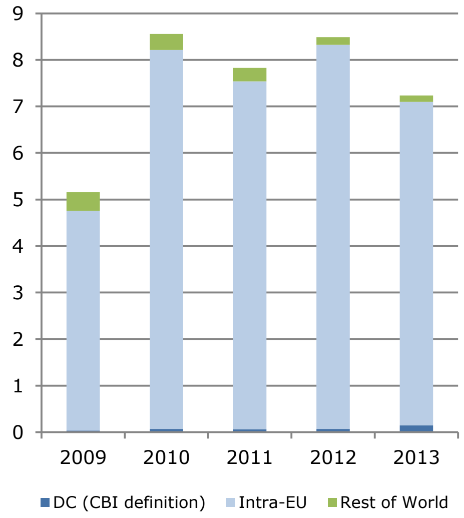
- The import of cut roses in the Southern European market had a total value of about €221 million in 2013. This is a decrease of €9 million compared to 2009.
- Within the Southern European market France (54%) and Italy (29%) are the dominant importers (2013). France imported €119 million in 2013. Italy imported €64 million. The other countries, Portugal, Greece, Malta and Cyprus have negligible imports.
- The Netherlands is by far the largest supplier of cut roses to the Southern European market. France and Italy in particular import large quantities of roses from the Netherlands. The direct import share from developing countries remains low. No major changes are expected for the near future.

### *Considerations for action*

- The Netherlands is an important trade hub for cut roses. If you want to supply the Southern European market, consider trading via the Dutch wholesale industry. They have experience in supplying countries in Southern Europe.
- Visit your buyers or meet them at Trade Fairs to build trust and commitment. Monitor your buyers' satisfaction and always be honest and direct in case of supply problems or questions.

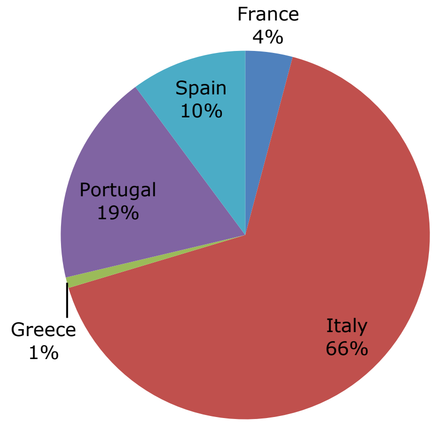
## Export

**Figure 5: Export of cut roses from Southern European countries, 2009-2013, in millions of euros**




*Source: Eurostat Comext, calculations LEI.*

**Figure 6: Division of export value of cut roses from Southern European countries, by exporter, in 2013**




*Source: Eurostat Comext, calculations LEI.*

### *Analysis and interpretation*

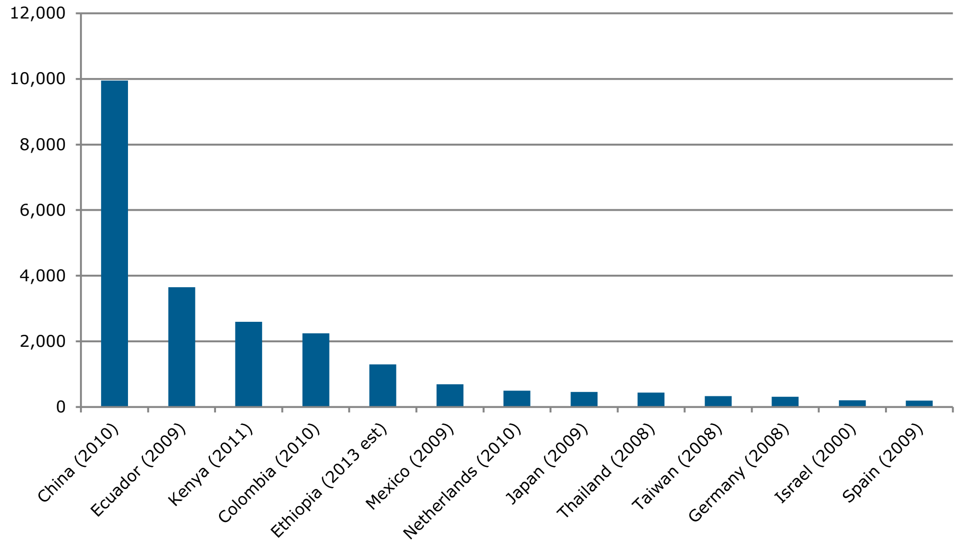
- The export of roses from Southern Europe accounts for about €7 million. The majority (66%) is exported by Italy. This represents a total value of almost €5 million. The main export destinations are France and Germany. Although Italy is a producer and exporter the trade flows are limited and primarily regional.
- Exports of these amounts are negligible. Southern Europe is not a trading hub for roses.

### *Considerations for action*

- See the Eurostat statistics on international trade here.

## Production

**Figure 7: Production area of roses, in ha**




*Source: AIPH, Asocolflores. Ethiopia estimated by LEI.*

### *Analysis and interpretation*

- China has the largest area of rose production. In total there is a production area of about 10,000 hectares. Roses from China are traded within Asia and these flowers are not sold on the European market.
- The main producers of cut roses on the European market are Kenya, Ethiopia, Ecuador, Colombia and the Netherlands. In the Netherlands roses are produced in modern glasshouses. In the warmer African and South American countries roses can be grown in low cost plastic greenhouses.
- Ecuadorian and Colombian cut roses are traditionally shipped to the USA. However Latin American growers are increasingly targeting the European market. Roses from Ecuador are characterised by their quality (vase life), size (stem length) and high price.
- East African countries like Kenya and Ethiopia are large producers of roses. The area of cut roses in Ethiopia, in particular, has increased over the last decade. In general terms, African growers supply the market with low cost roses with a small bud size.
- Local production of roses is considerable. According to ISMEA (2009), Italian production of cut flowers amounted to € 893 million in 2008. The area around San Remo is traditionally an import flower production region in Italy. Also Spain has around 194ha of rose production, exclusively produced for the

### *Considerations for action*

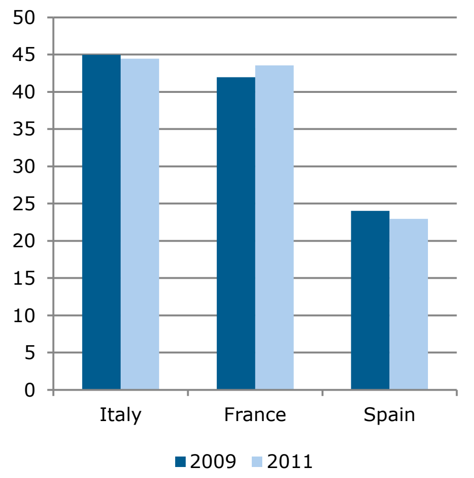
- In a stable market, with a number of dominant suppliers from Africa and the EU, entering the EU rose market could be difficult.
- Value added products (long stems, large buds), special varieties (colours), market niches and sustainable partnerships with buyers offer opportunities to compete.

domestic market.

- The Netherlands used to have a large area of rose production. However over the last decade the area has been reduced from 1,000ha (2000) to only 407ha in 2012. Despite this decrease in area the Dutch product is still favoured by French and Italian buyers. The main reasons for this are freshness and the production of exclusive varieties.

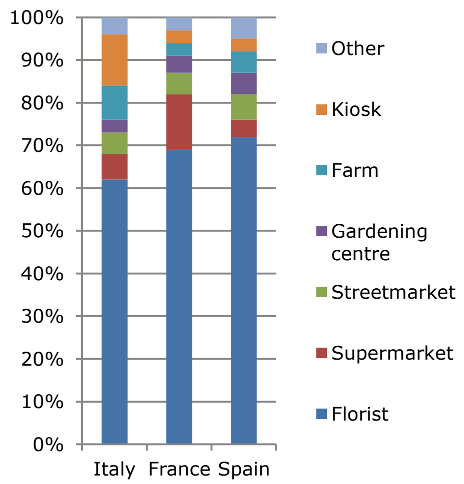
## Consumption

**Figure 8: Consumption of cut flowers in Italy, France and Spain, in € per capita (2009-2011)**




*Source: Productschap Tuinbouw, 2012, De consument van bloemen en planten, Marktomvang Consumentenwaarde Europa 2009-2011.*

**Figure 9: Market share for cut flowers per sales channel in % (Q3, 2012)**




*Source: Productschap Tuinbouw, 2012.*

### *Analysis and interpretation*

- The consumption of cut flowers in Southern Europe varies between €20 and €40 per capita. Italy and France have a relatively high consumption level per capita. Spain had a rather low consumption level of €22 per capita in 2011. For the other Southern European countries there is no data available. It can be expected that consumption of cut flowers and roses will increase when the economic crisis is over. This will take several years.
- In Southern Europe most consumers buy their flowers in traditional flower shops. The supermarkets still have a very low share of the market. Between 40-50% of all consumers buy their flowers as bouquets. This often includes fillers and foliage. The share of bouquets has increased in recent years. In Italy the market stall (traditional kiosks) takes a relatively large share of flower sales (about 10%).

### *Considerations for action*

- The fact that traditional florist shops have a high market share in Southern Europe means there is a very fragmented distribution network, with low volumes delivered to numerous shops. Consider using the market knowledge and network of the Dutch exporting wholesalers who are specialised in supplying the Southern European market. Find them through the wholesalers association VGB, the Flower Auction FloraHolland or Trade Fairs.

| | |
|---|---|
| • Peak days are important in Southern European countries. Days like Mother's Day and Valentine's Day boost flower sales. Also Catholic holidays, like Easter, have a significant impact on flower sales. | • If you want to focus on a peak day, take these dates into account if you make 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 cut roses in Southern Europe.

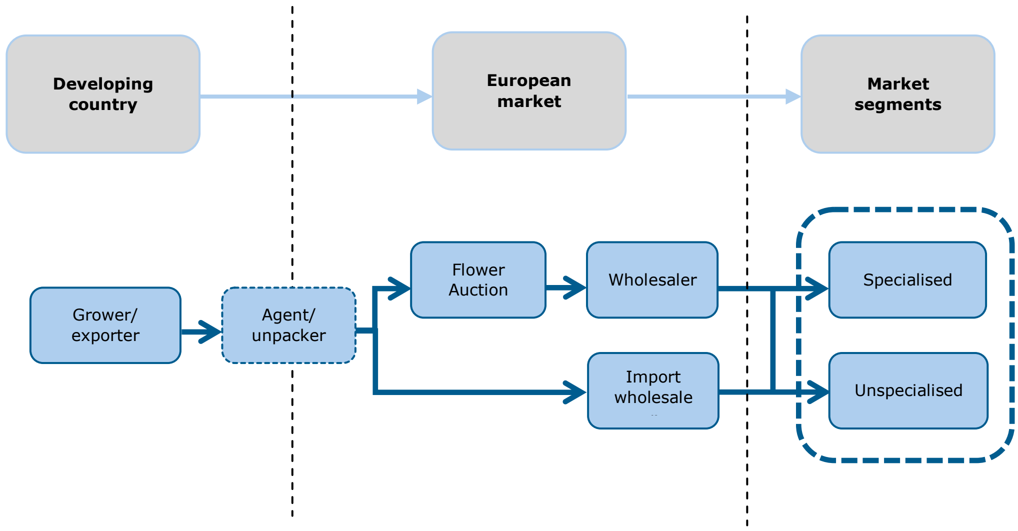
| ***Analysis and interpretation*** | ***Considerations for action*** |
|---|---|
| **Social:**<br>• In Southern Europe, clients are not particularly concerned about social standards. | • When supplying directly to wholesale traders in Southern Europe or the Netherlands, be aware of possible payment delays. Supplying via the auction offers greater security regarding outstanding payments. |
| **Economic:**<br>• Since 2008 most of Europe has been hit by a financial crisis and economic recession. The Southern European countries, in particular, are in serious economic crisis, facing high unemployment and reduced incomes.<br>• Due to the above factors, consumers have a limited budget for flowers. Often traders replace flowers with cut foliage to reduce the price of bouquets and to make them more attractive for consumers. This also means that the sale of the more high-end roses and overall consumption of roses will stay low.<br>• Retailers face problems with obtaining sufficient cash flows to pay their bills. This is a high risk for wholesale traders and suppliers which focus on the Southern European market. | |
| **Environmental:**<br>• In Southern Europe, clients are not particularly concerned about environmental standards. | |

## 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 unspecialised shops that sell flowers as an addition to the regular range. Southern European markets have many common features and are still dominated by florist shops and street markets (both specialised). Roses for these shops are often supplied via the Netherlands.

**Figure 10: General overview of market channels for cut roses**




| *Analysis and interpretation* | *Considerations for action* |
|---|---|
| • The Netherlands has a good and functional system to facilitate the trade in cut flowers. The Dutch wholesale traders are experienced in supplying Italy, France and Spain. The Dutch wholesale traders buy their flowers at the Dutch auction or they source directly from producers located in Europe or DCs. | • Direct imports from Developing Countries are limited. More professional and experienced Developing Country exporters are advised to contact the larger traders in Southern Europe (examples for Italy are Barile and Flowers Express) or to contact one of the regional business support organisations via the CBI website to obtain additional market insights and contacts.<br>• Use the extensive network of the Dutch flower industry and auction as major importers in Southern Europe mostly source from Dutch companies. |
| • After arrival in the Netherlands, flowers and foliage are distributed all over Europe, often by Dutch wholesale traders. Traditionally flowers are transported to wholesale markets in France, Italy and Spain for further distribution. However more and more retailers are sourcing directly via the auction and skipping these intermediate markets (e.g. Rungis near Paris).<br>• Southern Europe continues to be a traditional market, with the florist shops as dominant sales channel. | • 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 many franchise retail buying organisations from Southern Europe (e.g. Jardin des Fleurs, Rapid'Flore, Monceau Fleurs and Un été a la Campagne) continue to source from the Dutch auction. |

## 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 with respect to the Southern European market of cut roses.

| *Analysis and interpretation* | *Considerations for action* |
|---|---|
| • ***Buyer power:*** The number of supermarket buying organisations is limited. They therefore buy huge quantities and, as a result, are gaining increasing buyer power vis a vis | • The (Southern) European market can be entered by supplying the Dutch flower auction. At a later stage, if requirements regarding quantity and quality are met, flowers can be sold in the unspecialised |

| | |
|---|---|
| producers and traders. | market channel by supplying supermarket retailers directly. |
| • ***Degree of rivalry:*** Latin American and African producers and exporters are looking for alternative markets in the EU. In the Southern European market there are high levels of locally produced cut flowers (particularly roses), increasing rivalry on the market. | • Try not to compete on price alone, but build partnerships with buyers and strive for excellent product quality.<br>• Build sustainable partnerships with your buyers. |
| • ***Threat of new entrants:*** To supply the EU market, producers require considerable investment and access to advanced knowledge about growing quality flowers. Inexperienced producers of roses will therefore find it difficult to enter the EU market. This lowers the threat of new entrants. | • Again, being part of a stable partnership and being a trustworthy supplier can help you establish and maintain your position on the market. Establish a credible track record including transparent information on your company and product quality. |
| • ***Substitute products:*** Roses are often used in bouquets as primary flowers and they can be easily substituted with other primary flowers like gerbera and tulip depending on availability, price and available quality.<br>This is always the case but in periods of economic crisis it is important not to lose market share to substitutes. | • Work on a sustainable partnership with your importers and/ or buyers of roses. |

## Useful Sources

**Export and market entry support:**

- CBI – http://www.cbi.eu/
- CBI Market Intelligence - http://www.cbi.eu/marketintel_platform/Cut-Flowers-and-Foliage-/177508
- EFSA - http://www.efsa.europa.eu/en/
- EU Market Access Export Helpdesk - http://exporthelp.europa.eu/thdapp/index_en.html

**Certification schemes:**

- 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/standard-overview/
- 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/
- UN Comtrade - http://comtrade.un.org

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