

# Floriculture

A world wide business and international challenges

??-??-2012, Nico de Groot



# Outline

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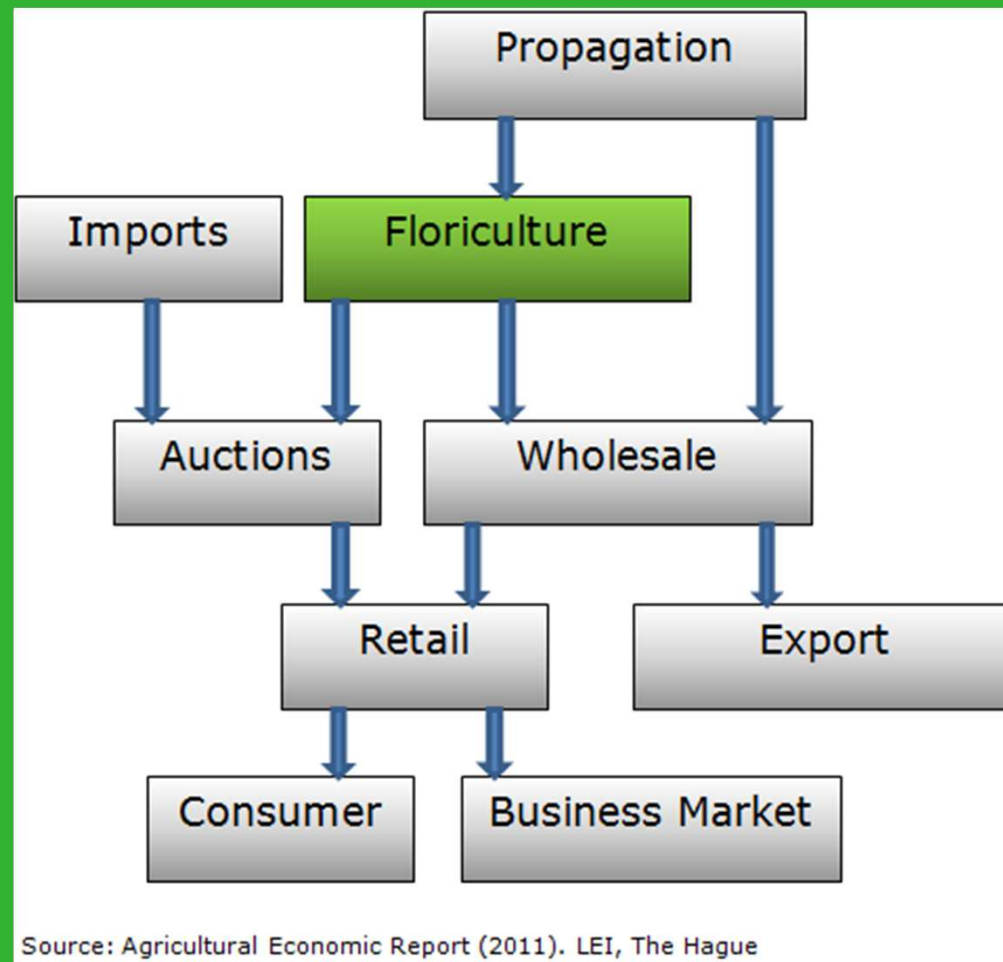
- Floriculture; definition
- Floriculture; the Value Chain
- Consumption
- Exports
- Market organisations
- Imports
- Production
- Innovation
- Supply chain characteristics
- Sustainability

# Floriculture; definition

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- *Floriculture*: cultivation, production and marketing of flowering and ornamental plants under controlled conditions
- Variety of products:
  - Seeds
  - Bulbs
  - Cut flowers
  - Foliage
  - Live plants

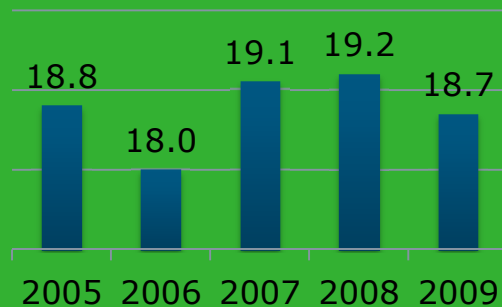
# Floriculture; the Value Chain



# Consumption; EU, USA and Japan

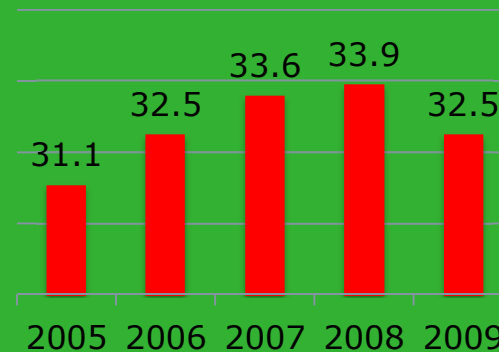
EU, USA and Japan count together for over 90% of worldwide consumption

**European Union;  
consumption of cut  
flowers and plants,  
bln. EUR**



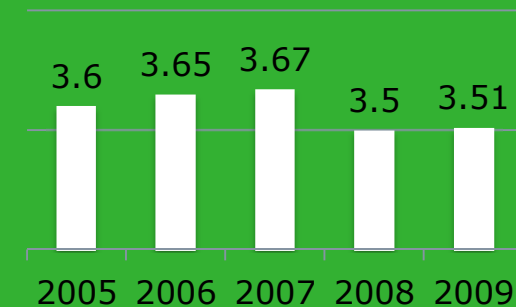
Source: EU DG AGRI (2010). Adapted by: LEI

**USA; consumption  
of all floricultural  
items, bln. US\$**



Source: USA Statistics. Adapted by: LEI

**Japan; consumption  
of cut flowers;  
households, bln.  
EUR\***



\* In EUR 2007

Source: Bureau of Statistics Japan.

Adapted by: LEI

# Consumption; EU countries; total

Total consumption top-6 countries in EU, 2005, bln. EUR.

1. Germany (4.2)
2. France (3.2)
3. Italy (2.7)
4. UK (2.3)
5. Spain (1.8)
6. **The Netherlands** (1.3)

Total consumption top-6 countries in EU, 2009, bln. EUR.

1. Germany (3.9)
2. France (3.2)
3. Italy (2.7)
4. Spain(2.2)
5. UK (1.9)
6. **The Netherlands** (1.3)

# Consumption; EU countries; per capita

Consumption per capita  
top-3 countries in EU,  
*2005*. In EUR.

1. The Netherlands (80.2)
2. Luxembourg (61.2)
3. Austria (57.7)

Consumption per capita  
top-3 countries in EU,  
*2009*. In EUR.

1. The Netherlands (78.8)
2. Luxembourg (64.8)
3. Austria (58.8)

Source: EU, 2010

# Consumption; latest trends

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EU (IPM,2012):

- Despite the economic crisis, the Northern European countries are exhibiting stability
- Due to the crisis, the consumption volumes are falling in the severely affected countries, e.g. Greece, Spain and Portugal.
- In the Eastern European member states, the markets are developing positively once again with a rising demand

World:

- The BRIC-countries are gaining importance



# Exports; flowers and pot plants; world

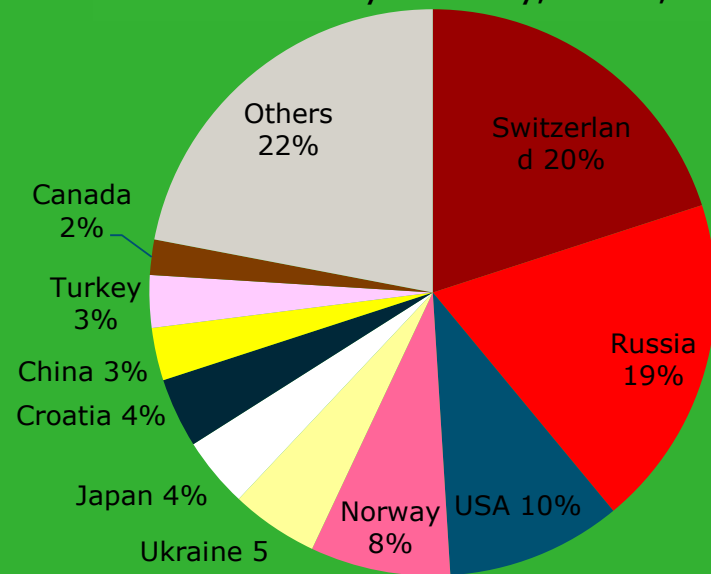
Region	Cut flowers, 2009, mln EUR	Pot plants, 2009, mln. EUR
<b>Europe</b>	<b>2850</b>	<b>3150</b>
<i>Netherlands</i>	<i>2440</i>	<i>1853</i>
<i>Germany</i>	32	332
<i>Belgium-Lux</i>	118	248
<i>Denmark</i>	32	286
<i>Italy</i>	53	321
<i>Spain</i>	23	75
<b>Asia</b>	<b>335</b>	<b>n/a</b>
<i>Israel</i>	108	n/a
<i>China*</i>	108	58
<b>Africa</b>	<b>855</b>	<b>n/a</b>
<i>Kenya</i>	285	n/a
<i>Ethiopia</i>	94	n/a
<i>Zimbabwe</i>	240	n/a
<b>America</b>	<b>1250</b>	<b>n/a</b>
<i>Colombia</i>	752	n/a
<i>Ecuador</i>	378	n/a
<i>USA</i>	110	50
<b>World</b>	<b>5300</b>	<b>n/a</b>

\* 2008

Source: AIPH, International Statistics Flowers and plants (2010)

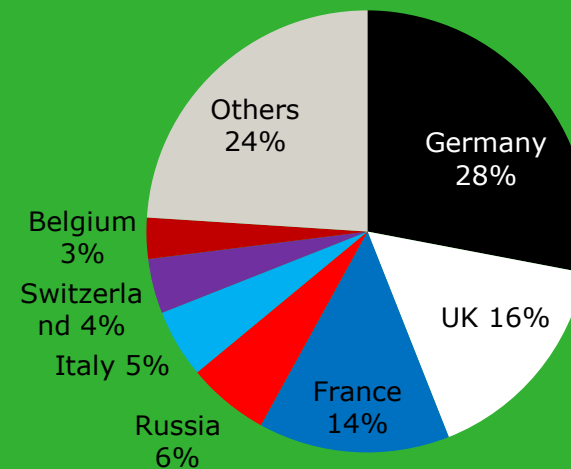
# Exports; EU and the Netherlands; partners; share by country

Exports of life plants and products of floriculture by weight; partners EU; share by country, 2009, %



Source: EU, 2010

Exports of cut flowers and flower bud by value; partners NL; share by country, 2009, %



Source: UN Comtrade

# Market organisation in the world; a selection

Organisation	Turnover, latest available data
FloraHolland, the Netherlands	4.130 million EUR (2010)
Landgard, Germany	1.842 million EUR (2010)
New Covent Garden, London	57 million EUR (2010)
Ota Floriculture Auction Co., Ltd, Japan	238 million EUR (2010)
Veiling Holambra, Brazil	102 million EUR (2009)
Kunming International Flora Auction Trading Co Ltd., China	n/a

Source: AIPH (2010); Flora Culture International; FloraHolland; Veiling Holambra; New Covent Garden; Landgart

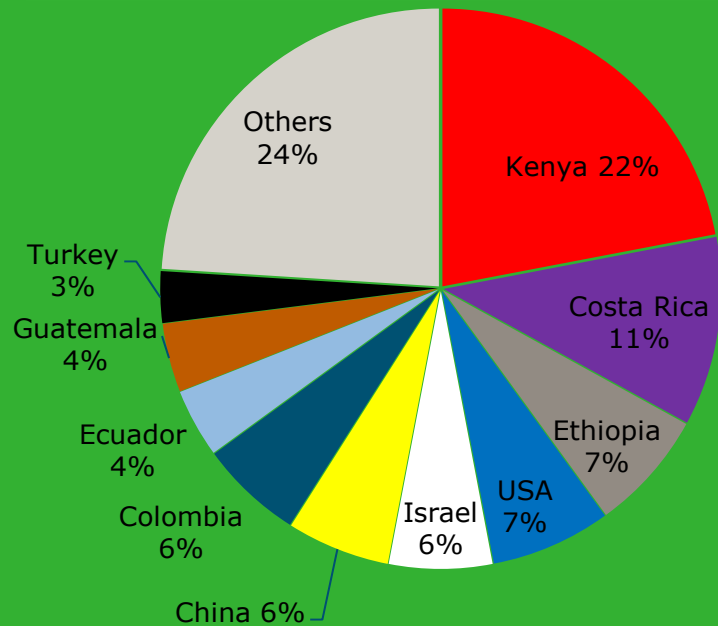
# Imports; flowers and pot plants; world

Region	Cut flowers, 2009, mln EUR	Pot plants, 2009, mln. EUR
<b>Europe</b>	<b>3,785</b>	<b>3,150</b>
<i>Germany</i>	<i>710</i>	<i>780</i>
<i>Netherlands</i>	<i>553</i>	<i>336</i>
<i>United Kingdom</i>	<i>593</i>	<i>214</i>
<i>France</i>	<i>358</i>	<i>454</i>
<i>Russia</i>	<i>359</i>	<i>n/a</i>
<i>Switzerland</i>	<i>120</i>	<i>178</i>
<i>Italy</i>	<i>144</i>	<i>156</i>
<b>Asia</b>	<b>350</b>	<b>n/a</b>
<i>Japan</i>	<i>217</i>	<i>53</i>
<i>Chinese Taipei</i>	<i>3</i>	<i>0</i>
<i>Hong Kong</i>	<i>26</i>	<i>n/a</i>
<i>Singapore</i>	<i>21</i>	<i>n/a</i>
<b>North America</b>	<b>805</b>	<b>n/a</b>
<i>USA</i>	<i>508</i>	<i>n/a</i>
<i>Canada</i>	<i>80</i>	<i>78</i>
<b>World</b>	<b>5,200</b>	<b>n/a</b>

Source: AIPH, International Statistics Flowers and plants (2010)

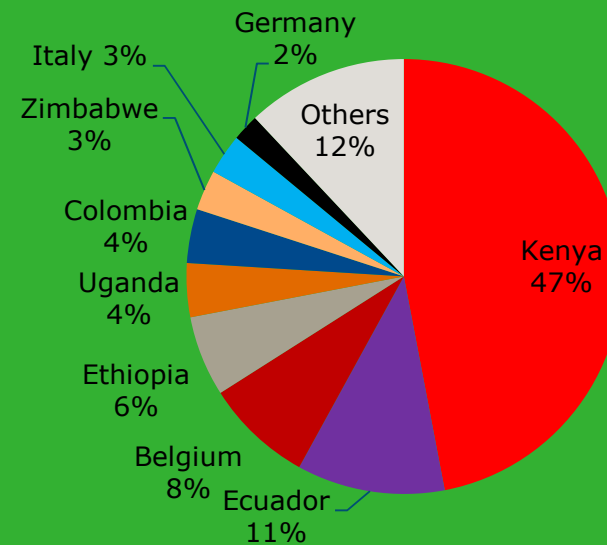
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Source: EU, 2010

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Source: UN Comtrade

# Production; flowers and pot plants; world

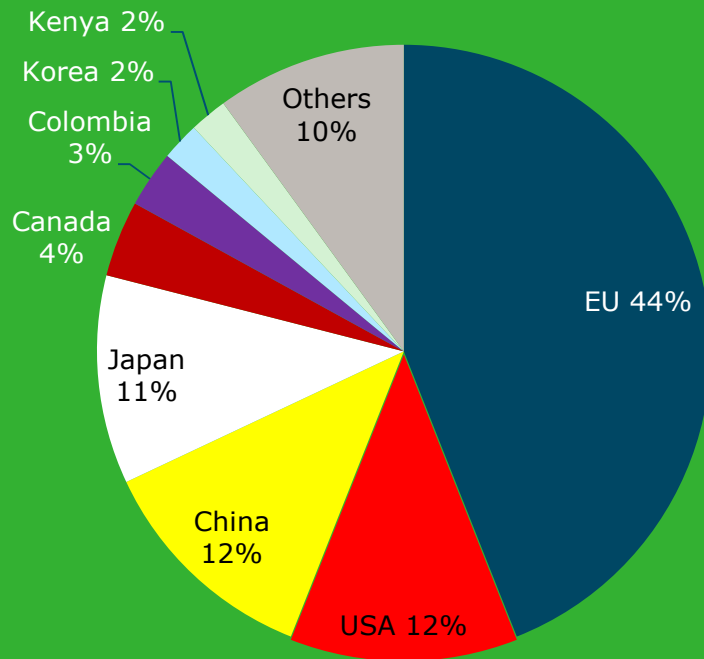
Region	Area of land* (ha) (A)	Production value*, mln. EUR (B)	Productivity of land (B/A)	Holdings*
<b>Europe</b>	<b>48,705</b>	<b>10,843</b>	<b>0.22</b>	<b>37,319</b>
<i>Netherlands</i>	<i>7,560</i>	<i>3,780</i>	<i>0.50</i>	<i>5,372</i>
<b>Middle East</b>	<b>4,026</b>	<b>220</b>	<b>0.05</b>	<b>6,100</b>
<b>Africa</b>	<b>7,604</b>	<b>634</b>	<b>0.08</b>	<b>1,461</b>
<i>Kenya</i>	<i>2,180</i>	<i>299</i>	<i>0.14</i>	<i>140</i>
<i>Ethiopia</i>	<i>645</i>	<i>90</i>	<i>0.14</i>	<i>80</i>
<b>Asia</b>	<b>523,829</b>	<b>7,608</b>	<b>0.01</b>	<b>156,764</b>
<i>China</i>	<i>286,068</i>	<i>2,668</i>	<i>0.009</i>	<i>n/a</i>
<b>North America</b>	<b>21,067</b>	<b>5,450</b>	<b>0.25</b>	<b>9,319</b>
<b>Central and South America</b>	<b>97,152</b>	<b>1,441</b>	<b>0.01</b>	<b>12,494</b>
<b>World</b>	<b>702,383</b>	<b>26,196</b>	<b>0.03</b>	<b>223,457</b>

\*Based on latest data available in 2010

Source: AIPH, International Statistics Flowers and plants (2010)

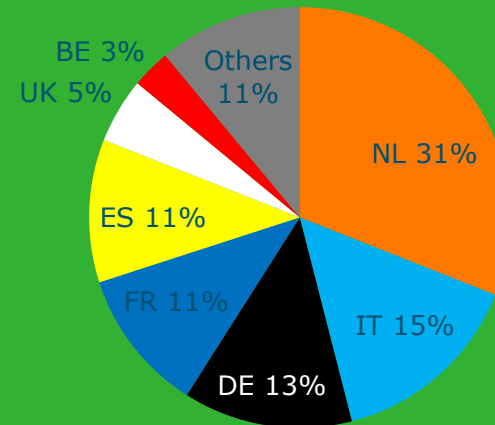
# Production; world and EU ; share by country

Production value; world; share by country in 2009, %



Source: AIPH

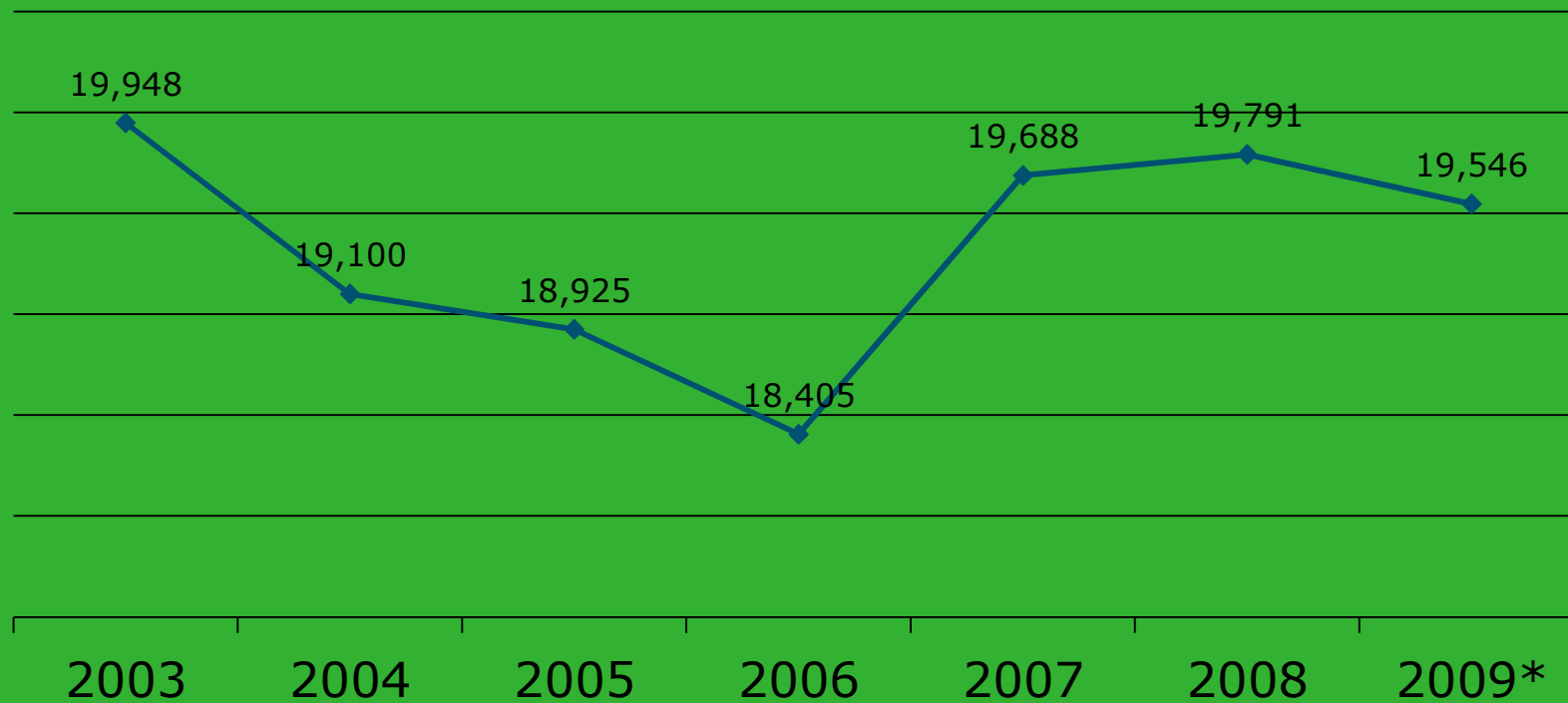
Production value; EU; share by country in 2009, %



Source: EU

# Production; flowers and plants; EU

**EU production of flowers and plants, mln. EUR**



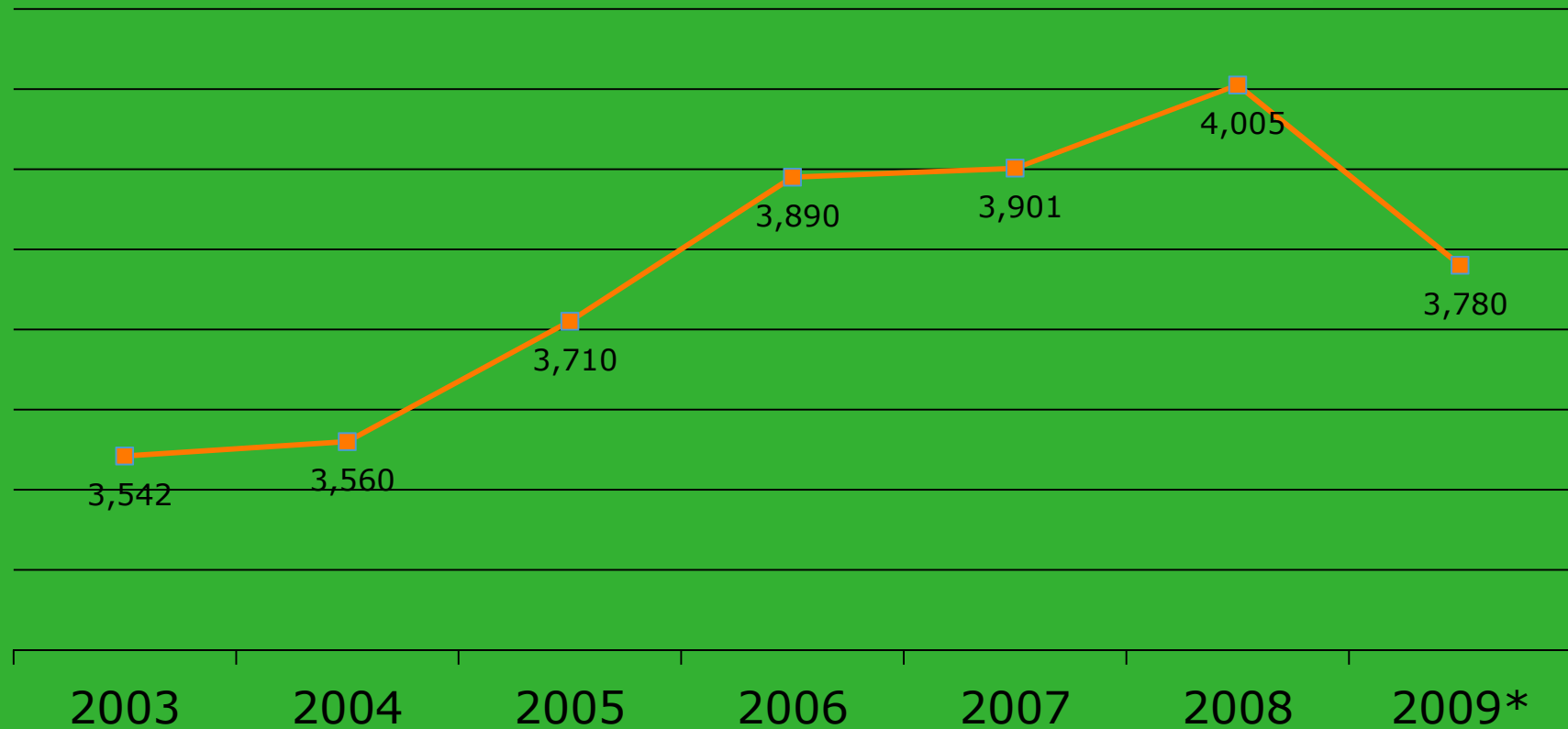
\*Provisional

Source: EU (2010)



# Production; flowers and plants; NL

NL production of flowers and plants, mln. EUR



\*Provisional

Source: EU (2010)

# Production and trade; trends; roses

Land area and number of holdings in the Dutch rose production sector

<b>Period</b>	<b>Area of land</b>	<b>Number of holdings</b>
<b>2001</b>	918	675
<b>2002</b>	903	618
<b>2003</b>	851	563
<b>2004</b>	845	519
<b>2005</b>	776	457
<b>2006</b>	754	418
<b>2007</b>	650	350
<b>2008</b>	580	302
<b>2009</b>	532	260
<b>% Change 2001-2009</b>	<b>-42%</b>	<b>-58%</b>

Source: CBS

# Production and trade; trends; roses

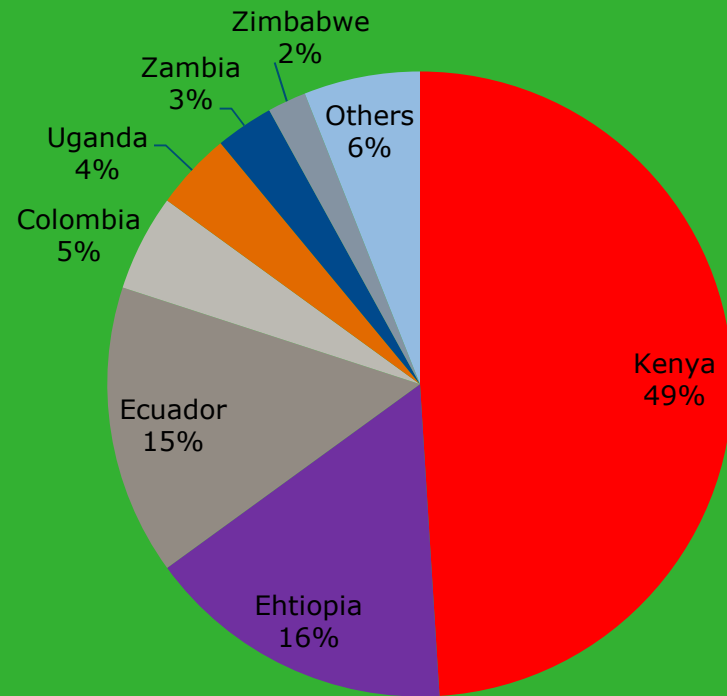
## Supply of roses for auctioning in the Netherlands

Period	Domestic production in the Netherlands			Imports			Total		
	Number (in mln.)	Value (mln. EUR)	Price	Number (in mln.)	Value (in mln. EUR)	Price	Number (in mln.)	Value (in mln. EUR)	Price
<b>2001</b>	1,890	478	0.25	1,386	175	0.13	3,276	653	0.20
<b>2002</b>	1,787	505	0.28	1,519	195	0.13	3,306	700	0.21
<b>2003</b>	1,772	484	0.28	1,628	197	0.12	3,400	681	0.20
<b>2004</b>	1,712	481	0.28	1,753	224	0.13	3,464	706	0.21
<b>2005</b>	1,661	486	0.29	1,892	242	0.13	3,552	728	0.21
<b>2006</b>	1,524	496	0.33	1,822	262	0.15	3,346	758	0.23
<b>2007</b>	1,400	497	0.36	1,938	298	0.16	3,337	795	0.24
<b>2008</b>	1,280	458	0.36	2,239	344	0.16	3,520	802	0.23
<b>2009</b>	1,180	362	0.31	2,339	334	0.14	3,518	696	0.20
<b>% Change 2001-2009</b>	<b>-38%</b>	<b>-24%</b>	<b>24%</b>	<b>69%</b>	<b>91%</b>	<b>8%</b>	<b>7%</b>	<b>7%</b>	<b>0%</b>

Source: VBN

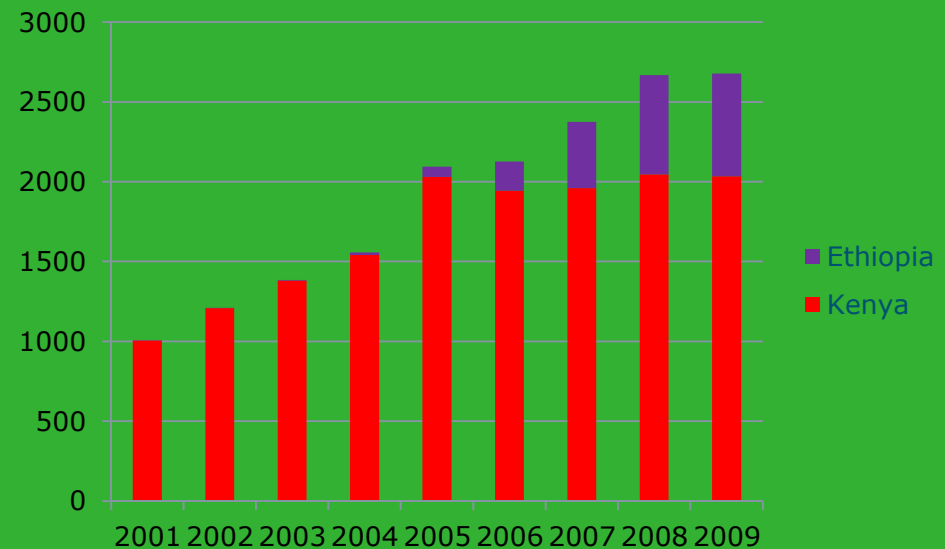
# Production and trade; trends; roses

Value of roses import in the EU from non EU-country, 2009; share by country



Source: Eurostat Comext

Number of roses import in the Netherlands from Kenya and Ethiopia, in mln.



Source: CBS

# Innovation in floriculture

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Innovation in seed breeding for improvement of:

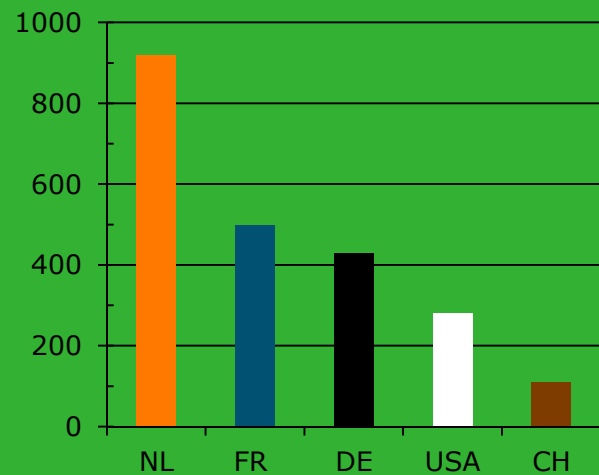
- resistance against pests and diseases;
- temperature sensitivity;
- early ripening;
- uniformity;
- transportability;
- shape, colour, vase life (Flower Council Holland, 2005)

Innovation within floriculture companies:

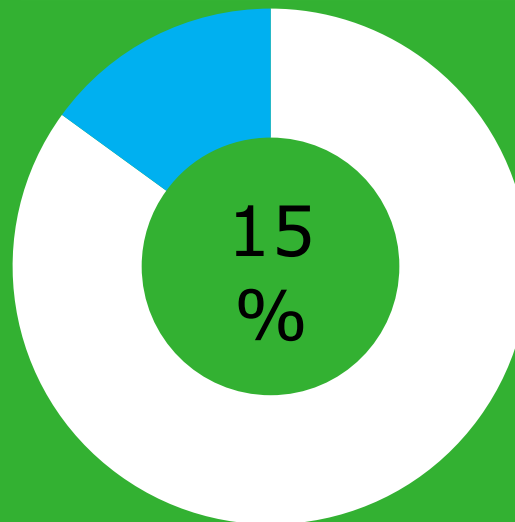
- more efficient planting, growing, cutting and sorting systems;
- improved climate technology, multilayer cultivation;
- distinctiveness; concept development, marketing;
- collective promotion (Flora Holland, 2011)

# Floriculture; innovation

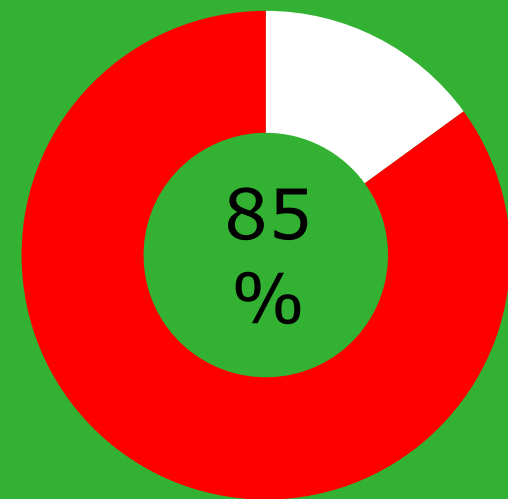
Patent applications at CVPO, 2010



Turnover: share of R&D expenditures; plant reproduction materials sector NL



R&D expenditure: share of product innovation; plant reproduction materials sector NL



Source: LEI (2011)

# Supply Chain Characteristics

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- Strong crop improvement and reproduction (R&D)
- Cost efficient production
- Cooperative auctions
- Logistics
- Smaller flowers and plants retail channels
- Just in time delivery
- Tracking and tracing
- Sustainability and quality control

# Sustainability

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- New energies (geothermic, wind)
- CO2 emissions reduction
- Bio-based economy



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Thank you for  
your attention!

