

Reducing the cost of pot plants

Pot plants often undergo a long journey before they reach their final destination. Unnecessary transport means an undesirable increase of costs. Therefore the Dutch pot plant sector is working on creating a more efficient logistical system across Europe. The challenges facing them are lengthy but there is much to be learned from other sectors.

By Florentine Jagers op Akkerhuis

The pot plant business is becoming more and more international. Still most pot plants in Europe are produced in the Netherlands followed by Germany, Denmark, England and France but new markets, such as Italy and Spain, are upcoming. The Dutch and the Danes export a great deal of their product while growers in the other countries produce mainly for their home market. But also this is changing.

Traditionally the Netherlands has a strong position in the European trade in pot plants

with the two large flower auctions playing a prominent part. Pot plants which are grown in Denmark or in Italy often find their way to customers through the Dutch auctions which often results in more transport kilometers than when the plants are shipped directly to their ultimate destination.

Transport makes pot plants expensive and makes trade inefficient. In terms of sustainability all the CO₂ emission caused by all the extra kilometers is becoming unacceptable. So, it is clear that in future trade and transport of pot



A more efficient way to market and transport pot plants in Europe is being investigated.

Surprising learning experiences

The Netherlands traditionally has a strong agrifood sector. However, after many decades of success this has led to over-specialisation, an increased environmental burden and encroachment on public spaces. A switch is required to more sustainable production and rural development, or in short to a sustainable development in agriculture, based on the three P's: people, planet and prosperity.

In order to achieve this, new knowledge is required to contribute to innovation. TransForum was founded in 2004 and it is working on establishing a new network of

knowledge institutes, government agencies, industry and community organisations. New alliances between entrepreneurs, financiers, special interest organisations and knowledge developers are being formed. Parties that have not cooperated before in this way are brought together and thus a cross-fertilisation between scientific and practical knowledge is achieved.

TransForum has several projects well under way. The Flor-i-log-regie-project is one of them. Other initiatives are the development of energy efficient agro parks with green-

houses in combination with pig farming, aquaculture and leisure, and the development of a sustainable chain for Calendula oil, which is used as a natural paint thinner.

The learning experiences are surprising, says Anne-Claire van Altvorst. "We have people talking together, who have never met before and who discover that they are working on the same questions. They are enthusiastic and they learn a lot of each other. That is exactly what we want to achieve and this will bring horticulture a step forward."

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among which is the project Flor-i-log-regie, which stands for floriculture and logistics.

“Our ultimate goal is to realise a strong international network to improve the trade directions. It is clear to everybody that we have to minimise the kilometers. But we first have to get a picture of the total production in Europe and how all the pot plants in Europe find their way to the consumer,” she says.

The Flor-i-log-regie project is divided into three parts. The first step is to make an inventory of the pot plant business in Europe. After that concepts for new trade and transport possibilities will be developed. Finally plans will be made to implement the new concepts.

“This is a process covering many years. We have to cooperate with all different parties concerned. We have started in the Netherlands and this is already quite complicated. Imagine what will happen when you want to incorporate all concerned parties in Europe. Therefore at the moment we are concentrating on the Dutch situation. Besides, we have found that it is quite difficult to get a clear image of the pot plant business in several European countries. The Dutch growers and trade have a strong organisation, but for example in Italy the structure is less well organised,” said Anne-Claire van Altvorst.

Inventory

The first inventory activities were carried out by the Dutch Agricultural Economics Research Institute (LEI). The Netherlands is in the centre of

Eight challenges for pot plant business

It is expected that the pot plant business in Europe will grow by 20% by 2009 bringing further new challenges to the industry. The distances for transport will increase as well. The Dutch Agricultural Economics Research Institute (LEI) has summarised the future challenges as follows:

1. Pot plant producers and traders must make choices concerning their marketing. Which consumers are they working for and what are their wishes?
2. The organisation of the chain must become smarter. Sometimes the chain is inefficient due to many intermediaries. It is better to have more direct contact with the independent retailers.
3. In many countries daily trade is a local business. Try to get a position in daily business with special offers.
4. Create a good starting position on distant growth markets.
5. Conquer new positions in saturated markets by being more efficient than the competitors.
6. Try to integrate in international product flows by supplying the assortment.
7. Improve the logistical planning.
8. Collaboration remains essential and take care to get a good balance between individual and cluster interests.

plants must be organised in a different way. In 2005 the Dutch ornamental plant sector set up the project Flor-i-log-regie, which aims to find new solutions for trade and transport of pot plants in Europe.

International network

Growers, auctions, trade and transporters are working together in this project to secure a sustainable pot plant business in future. Anne-Claire van Altvorst is project director of TransForum and works on International AgriFood Chains,

the pot plant business in Europe and in 2004 the total import value of pot plants was €247 million. The plants originated from Belgium, Germany, Denmark, China and Spain. In the period 2000 to 2004 the import value increased by 7.3%. In the period 2000-2005 the export value of pot plants was €1,715 million with plants exported to, amongst others, Germany, the United Kingdom and France. The export value increased in this period by 6.5% although in the last two years growth has been somewhat stagnant.

The country's total market share in the European pot plant trade in 2004 was 44% so it is logical that the Dutch take the initiative to develop a sustainable international service network, says van Altvorst.

Widening the net

“Other parties in Europe are always welcome to join the network in future. But first we need to get a clear picture of the bottlenecks and of the opportunities. We are thinking of several concepts, and I think that the internet is going to play an important role in the future pot plant business to reduce transport and costs. This is the next phase and the participants in the project are working on this.” she said. ■