

Floriculture

A world wide business and international challenges

Market update 2011



Outline

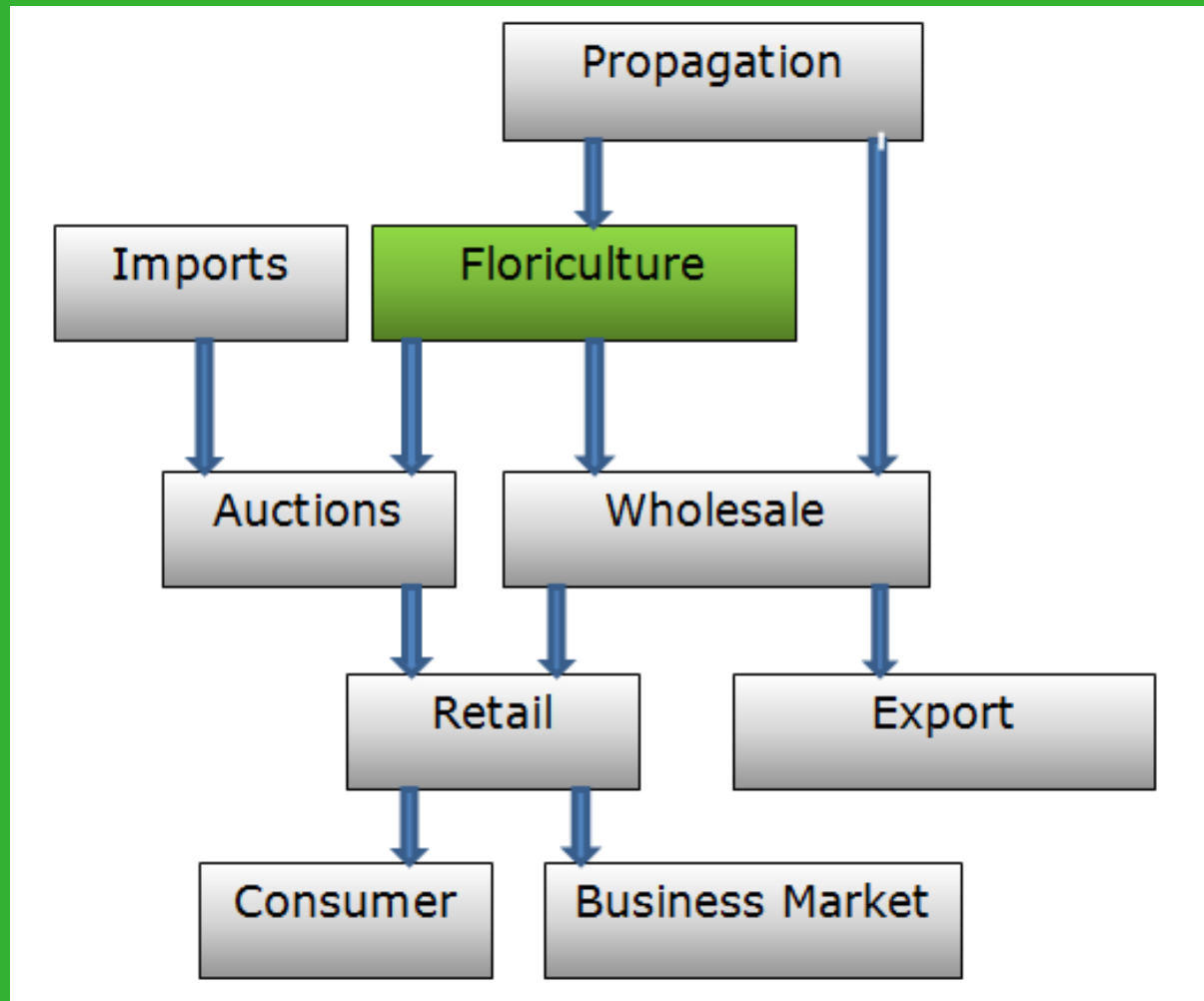
- Floriculture; definition
- Floriculture; the Value Chain
- Consumption
- Exports
- Market organisations
- Imports
- Production
- Innovation
- Supply chain characteristics
- Sustainability

Floriculture; definition

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



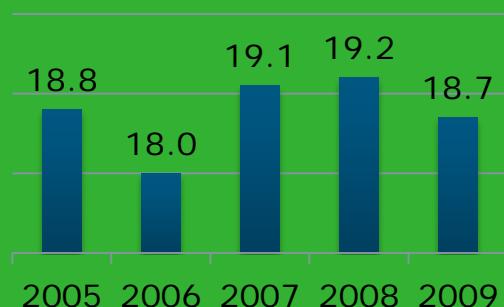
Floriculture; the Value Chain



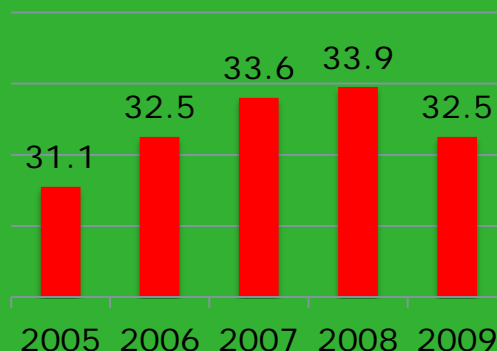
Consumption; EU, USA and Japan

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

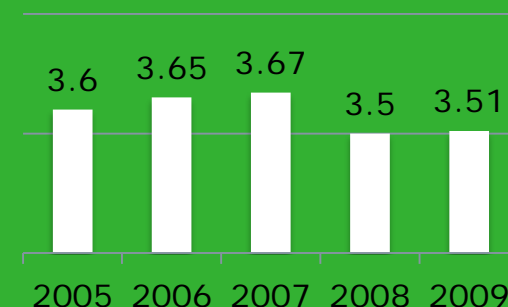
**European Union;
consumption of cut
flowers and plants,
bln. EUR**



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



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



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

Source: USA Statistics. Adapted by LEI

* 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

EU markets:

- 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

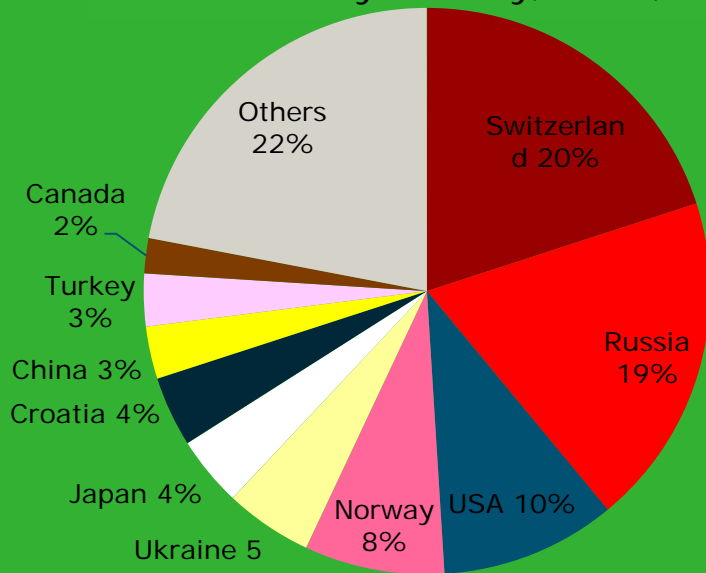
Region	Cut flowers, 2009, mln EUR	Pot plants, 2009, mln. EUR
Europe	2850	3150
<i>Netherlands</i>	<i>2440</i>	<i>1853</i>
<i>Germany</i>	<i>32</i>	<i>332</i>
<i>Belgium-Lux</i>	<i>118</i>	<i>248</i>
<i>Denmark</i>	<i>32</i>	<i>286</i>
<i>Italy</i>	<i>53</i>	<i>321</i>
<i>Spain</i>	<i>23</i>	<i>75</i>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

* 2008

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

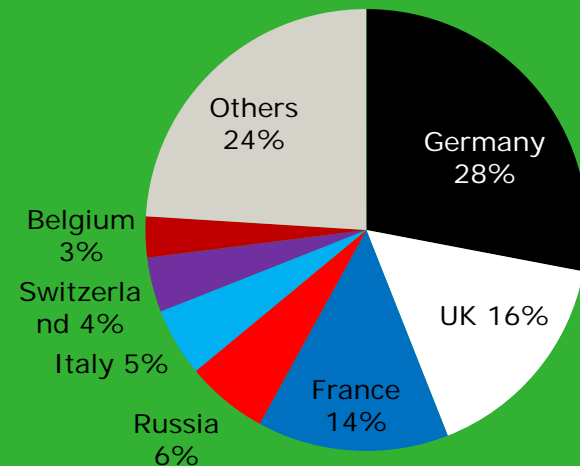
Exports; EU and the Netherlands; partners; share by country

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

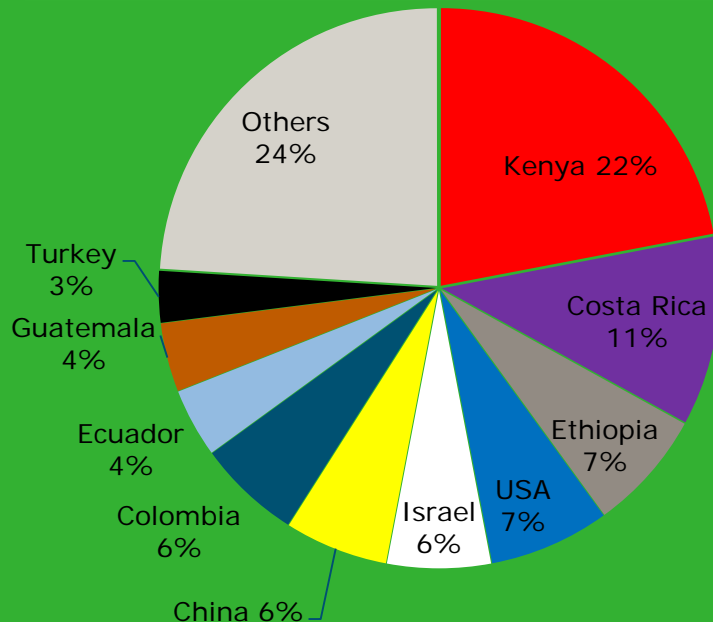
Imports; flowers and pot plants; world

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

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

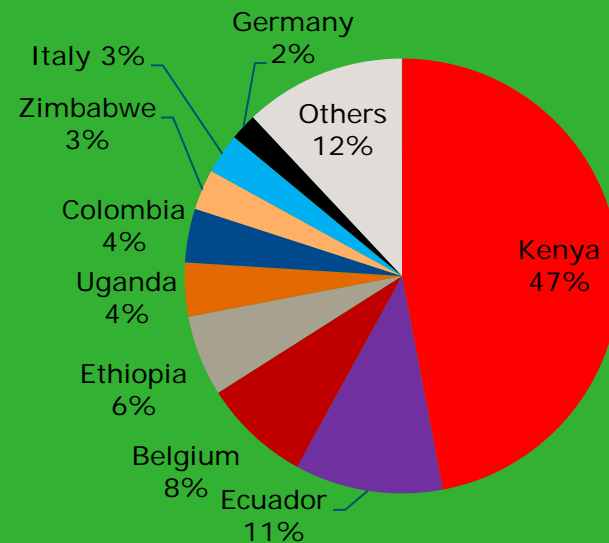
Imports; EU and the Netherlands; partners; share by country

Imports of life plants and products of
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Source: EU, 2010

Imports of cut flowers and flower
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Source: UN Comtrade

Production; flowers and pot plants; world

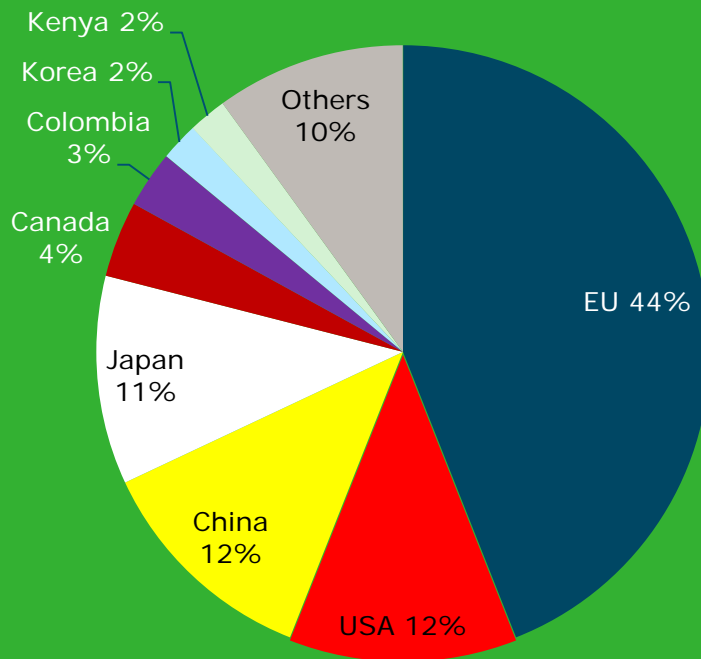
Region	Area of land* (ha) (A)	Production value*, mln. EUR (B)	Productivity of land (B/A)	Holdings*
Europe	48,705	10,843	0.22	37,319
<i>Netherlands</i>	<i>7,560</i>	<i>3,780</i>	<i>0.50</i>	<i>5,372</i>
Middle East	4,026	220	0.05	6,100
Africa	7,604	634	0.08	1,461
<i>Kenya</i>	<i>2,180</i>	<i>299</i>	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

*Based on latest data available in 2010

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

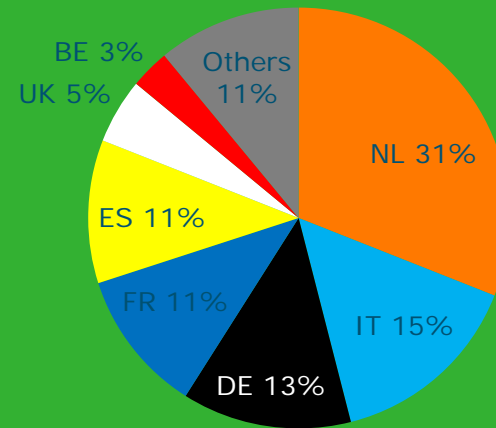
Production; world and EU ; share by country

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



Source: AIPH

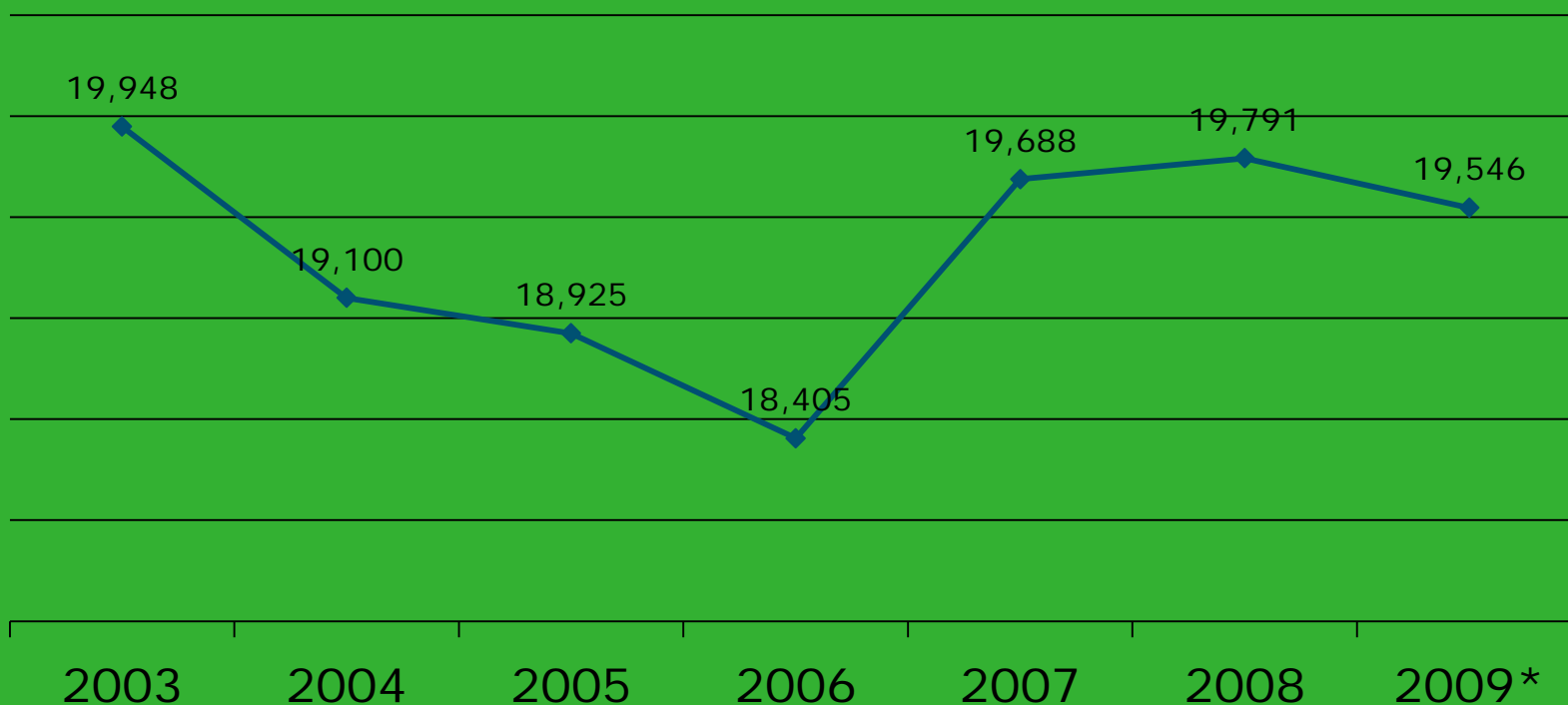
Production value; EU; share by country in 2009, %



Source: EU

Production; flowers and plants; EU

EU production of flowers and plants, mln. EUR

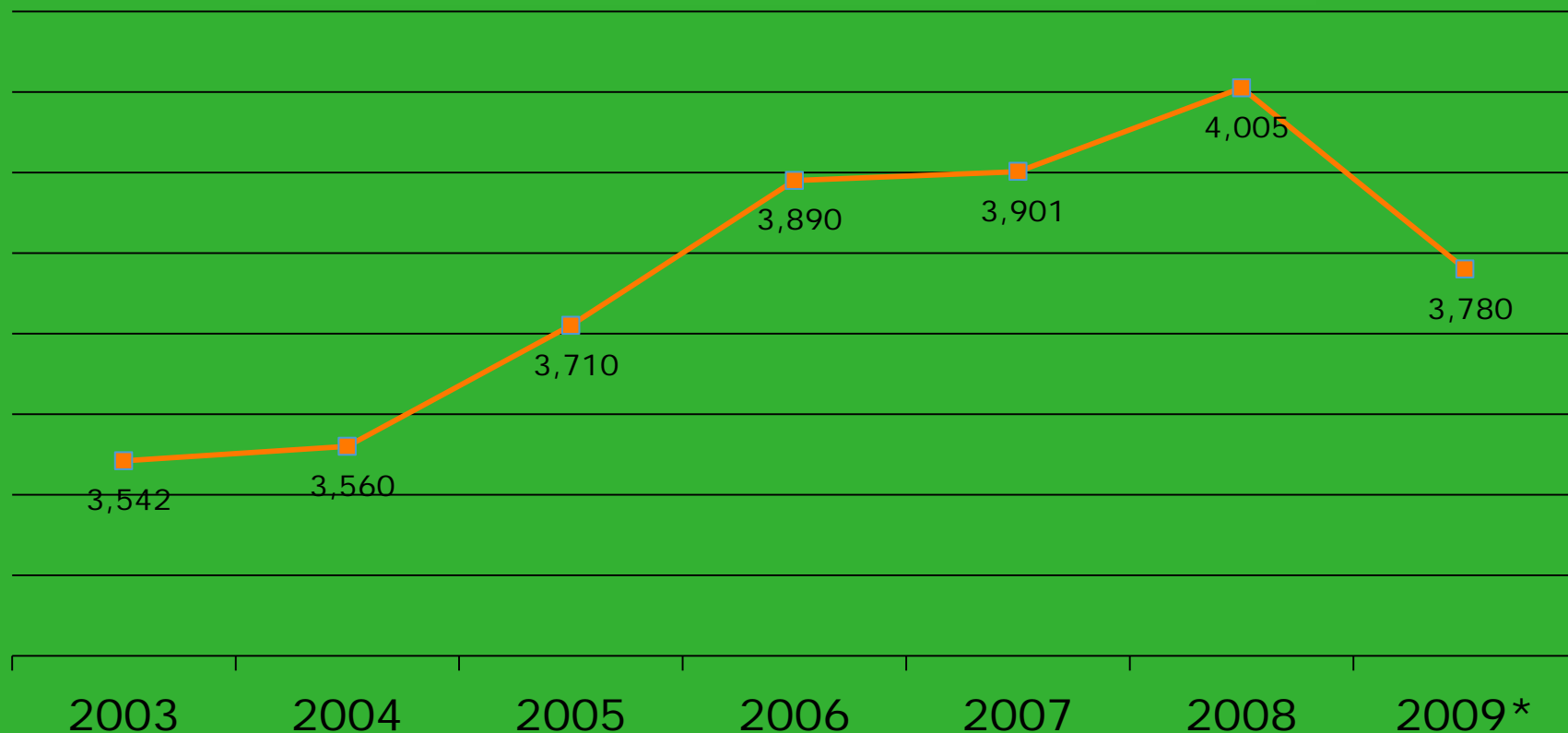


*Provisional

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

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

Source: CBS

Production and trade; trends; roses

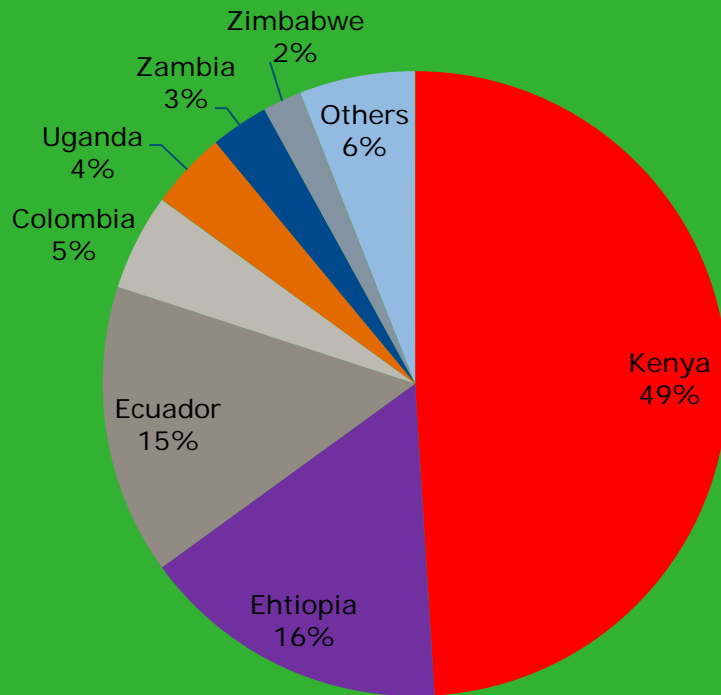
Supply of roses for auctioning in the Netherlands

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

Source: VBN

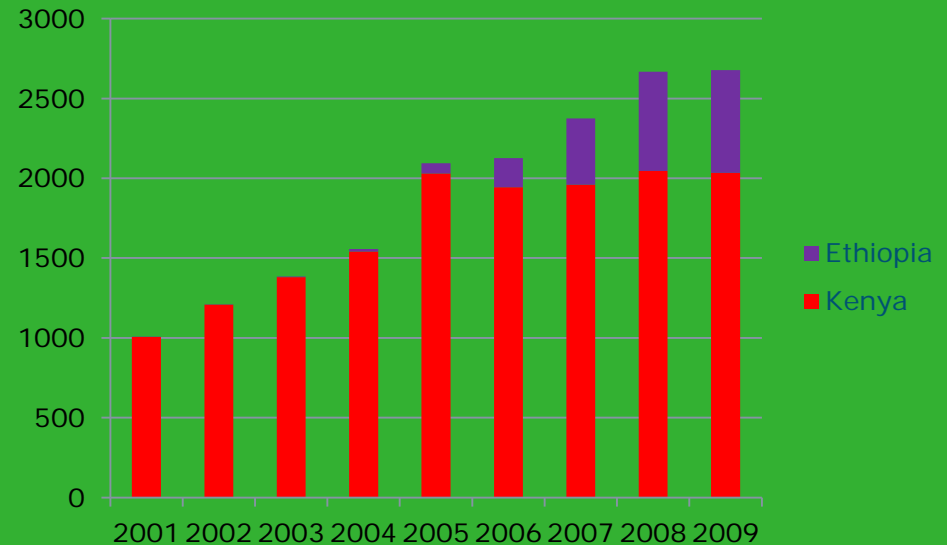
Production and trade; trends; roses

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

Innovation in seed breeding for improvement of:

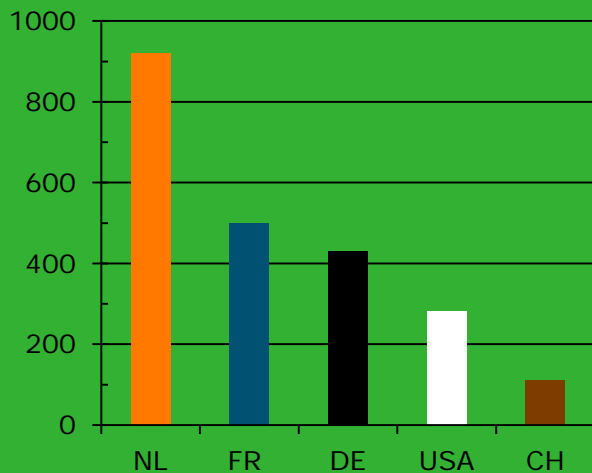
- resistance against pests and diseases;
- temperature sensitivity;
- early ripening;
- uniformity;
- transportability;
- shape, colour, vase life (Flower Council Holland, 2005)

Innovation within floriculture companies:

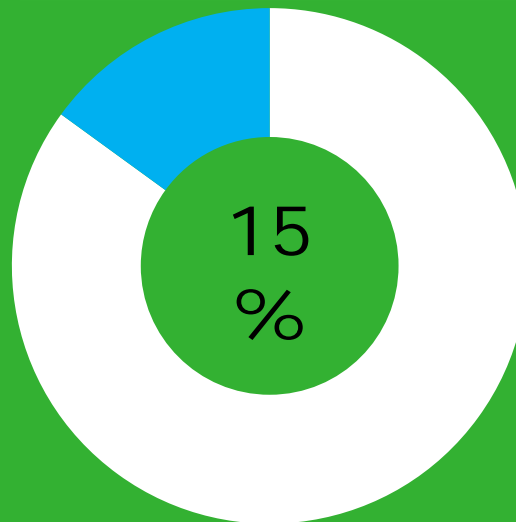
- more efficient planting, growing, cutting and sorting systems;
- improved climate technology, multilayer cultivation;
- distinctiveness; concept development, marketing;
- collective promotion (Flora Holland, 2011)

Floriculture; innovation

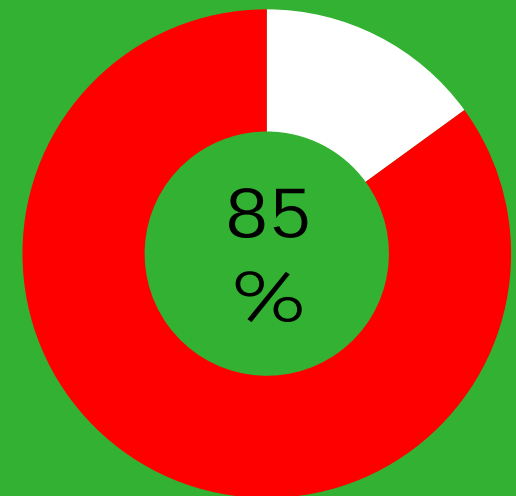
Patent applications at
CVPO, 2010



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

- 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

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

Thank you for
your attention!

