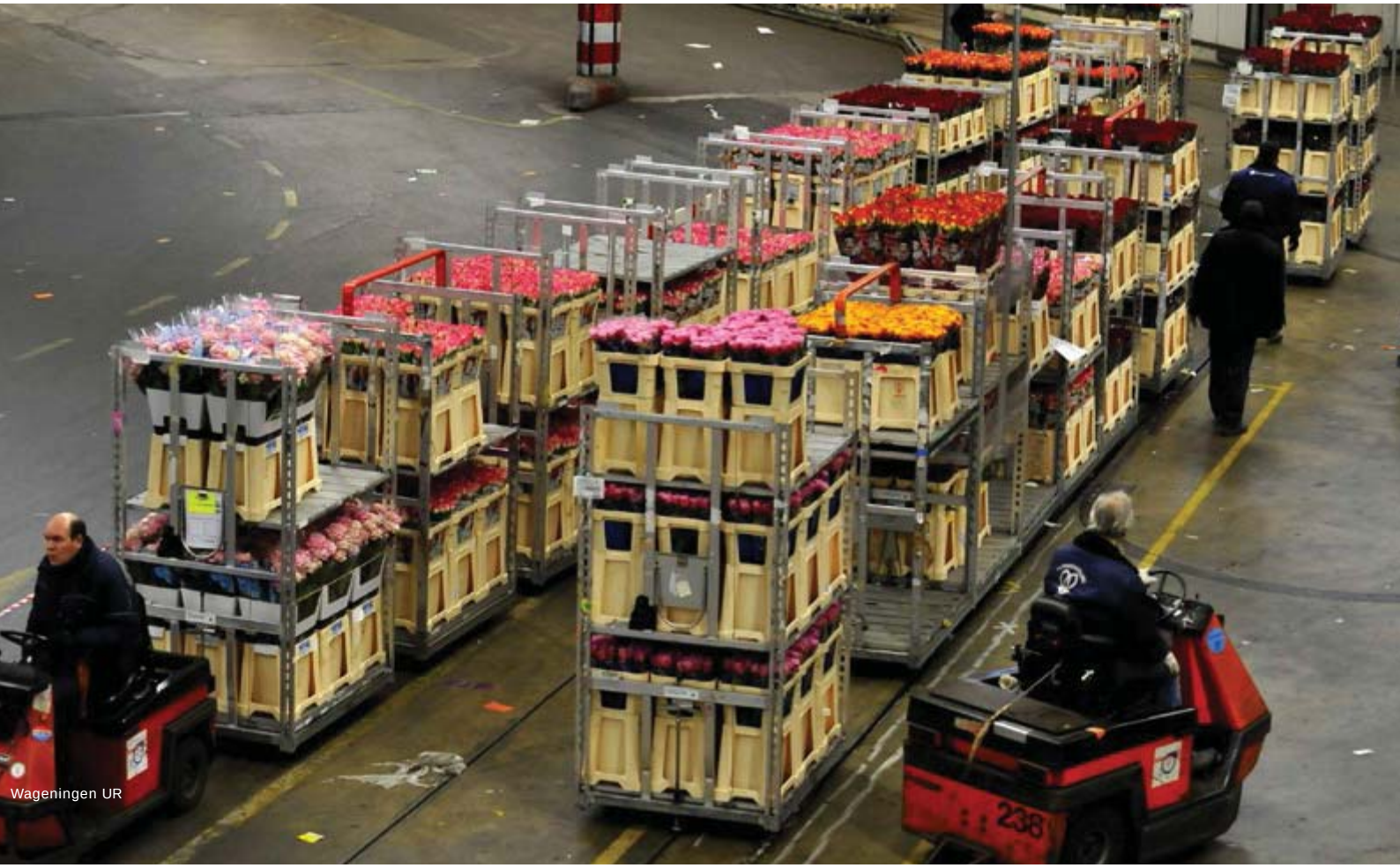
Dutch flowers to conquer the world

Globalisation, the internet and new technologies are changing the playing field of Dutch flower growers and traders. The Dutch government and industry are looking to safeguard the future of the ornamental horticulture sector. A large-scale research project is set to lead the way.



Wageningen UR

For a long time the sale of all flowers in the Netherlands was organised via flower auctions such as the one in Aalsmeer. But that is now history. The market has expanded from Western Europe across the continent, and Dutch flower growers have started companies in countries such as Kenya, Ethiopia, China and Columbia. "It is no longer always the most logical thing to transport flowers from Africa to the Netherlands first, before transporting them to Italy or Poland," says Jack van der Vorst, Professor of Logistics and Operations Research. Moreover, the flowers are increasingly sold directly via internet auctions and webshops. New technologies are also having an effect. "Initially flowers were dispatched over long distances by aircraft, but better conservation technologies mean they are increasingly transported in refrigerated containers onboard ships," Van der Vorst explains.

Slip stream

Globalisation, digitisation and technological innovations have forced the flower sector to change its methods. A major research project called DAVINC3I, designed to secure the future of the Dutch ornamental horticulture sector, was started in 2011. In addition to the cooperative trade association FloraHolland it involves 30 companies, VU University Amsterdam, Eindhoven University of Technology and Wageningen University. The DINALOG institute for logistics is funding the project to the tune of a million euros, with the Horticulture Product Board, universities and industry contributing another million.

"The Netherlands is a frontrunner in the field of ornamental horticulture thanks to its extensive knowledge and superior logistics. But competition is increasing," says project leader Van der Vorst. Flowers from countries such as Kenya used to be transhipped to the rest of the world via Schiphol Airport and the port of Rotterdam, for instance. "In the slip stream we also sell Dutch specialities such as tulips, gerberas and chrysanthemums. Should the bulk flow cease to go via the Netherlands, we may lose the opportunity to sell our special products and knowledge."

Hubs

Two post-doc scientists and two PhD students are studying and designing transportation and information systems, business models and responsive logistic networks. The latter involves quick and accurate services to different types of clients. "Supermarkets have a limited and stable flower range, flower shops have a wide selection, and webshops want fast delivery. Logistics have to be adapted to these specific demands," Van der Vorst explains. The establishment of hubs outside of the Netherlands should also be looked into further. Hubs are locations where products and services such as packaging and flower arrangement come together – a trade park and distribution centre in one. With hubs in, say, Munich or Warsaw, flowers would no longer have to detour through the Netherlands.

Cost reduction

Meanwhile, over 40 students from various disciplines and universities have performed thesis research into the sector. Where growers used to deliver flowers once a day, they must now respond to multiple small orders throughout the day. But with four daily deliveries, growers are unable to fill their trucks. One student studied models to resolve this problem and showed that growers must work more closely with other growers nearby. Van der Vorst: "Cooperation is increasingly important in the new situation; it may reduce logistic costs by up to 28 percent."

The students' research resulted in over 100 dos and don'ts, and learned lessons and best practices were developed based on all the research results. The project leader can be satisfied: "A lot of knowledge will become available that will help the sector adapt," Van der Vorst concludes.

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"Cooperation between flower growers may reduce logistic costs by up to 28 percent"