

GROWERTALKS

GT in Brief

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Europe: The Floral Sector Has “Collapsed”

Chris Beytes

The hardest hit portion of horticulture is definitely the European cut flower export industry, centered at Royal FloraHolland, the major flower and plant auction in the Netherlands, where a large percentage of the world's cut flowers pass through on their way to retail markets around the world. The market was on track for a record season through February, says Wesley van den Berg of Dutch market expert Floridata, with exports of cut flowers and plants up 4.5% over previous year.

Then the coronavirus hit Europe and countries reacted by shutting down entire segments of retail, including flower shops and garden centers. The major flower-consuming countries of Italy, Spain, Austria, Belgium and Russia caused much of the loss. As a result, sales of flowers and plants collapsed “very violently,” said Fred van Tol, Manager of International Development at Royal FloraHolland. RaboResearch, a division of RaboBank, said of the cut flower market, “demand had collapsed,” dropping an estimated 70% from normal levels. Some say total sales of cut flower and plants could be down 80% overall in Europe.

On just one market day during that time period, March 20, auction sales were down an unimaginable 85% from the previous year and prices of the flowers that did manage to sell were down 53%. The auction reacted by cutting off imports, closing some auction rooms, limiting the number of flowers a grower could bring to sell ... even slowing the pace of the auctions so buyers had more chance to press the “buy” button.

Thankfully, by press time, April 15, sales had improved somewhat, with turnover of cut flowers down only 17.6% compared to previous year and prices down only 24.3%.

But the damage had been done all along the chain, from the African flower growers forced to dump an estimated 80% of their crops and lay off thousands of workers to the local florists who've lost all their spring wedding, funeral, event and decor work.

Interestingly, supermarkets, being open, are still selling cut flowers and that has boosted their overall share of the European cut market a whopping 18%, to 42%.

Long-term, Floridata calculates that if countrywide lockdowns remain in place through June, flower and plant sales could be down 65% in April and May, resulting in a loss of \$1.4 billion by the end of June. Compare that to 2019, when Dutch flower and plant exports surpassed a record \$3.8 billion in the first six months of the year. The end result is that some growers and exporters won't survive.

That is why a group of nine European trade organizations, representing the interests of many segments of the

ornamental horticultural industry, has put out a call for action by the European Union and its member state decision-makers to safeguard the future of their sector, which they say employs 760,000 and is worth \$53.7 billion. They wrote, in part:

“This sector is a remarkably healthy and high-performing economic sector that brings joy, color, hope, nature and well-being to all citizens across the EU and beyond. Failing to support it now as it faces a dramatic collapse across the EU would be a major and irremediable failure from the EU. We call on the European Commission to do its utmost to act swiftly and pragmatically and help this sector survive until the adequate conditions are there again for it to re-start its essential activities.” **GT**