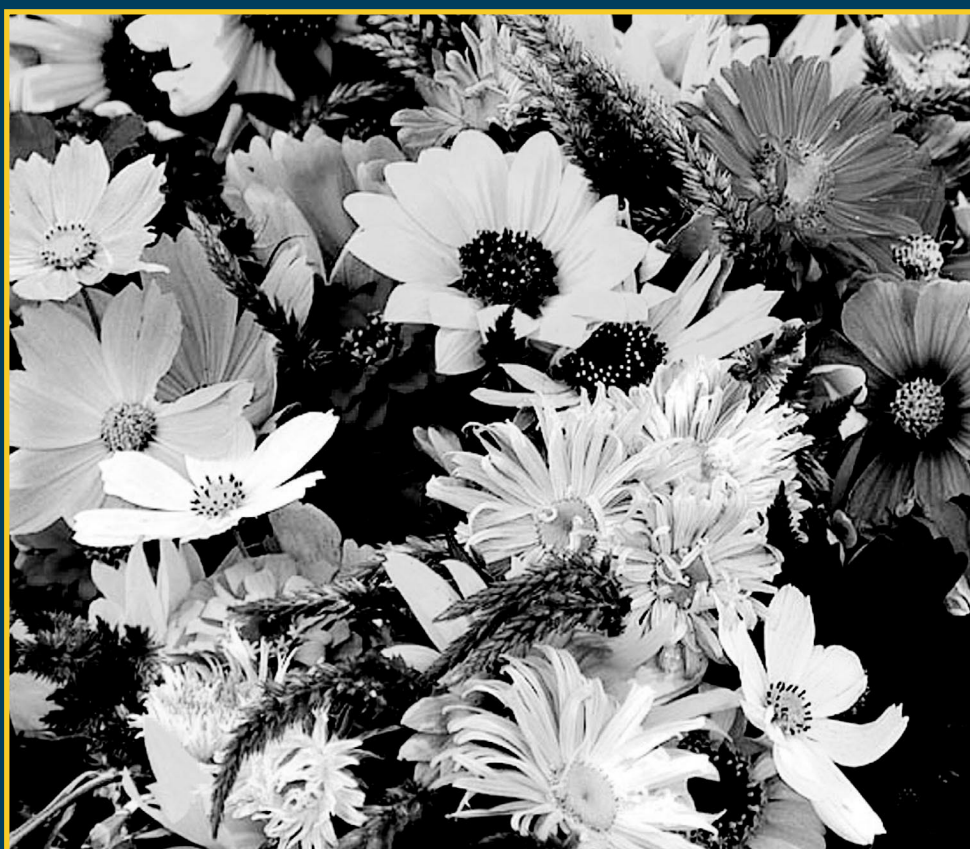


**EU MARKET SURVEY 2003**

---

# **CUT FLOWERS AND FOLIAGE**



**CENTRE FOR THE PROMOTION OF IMPORTS FROM DEVELOPING COUNTRIES**

---

EU MARKET SURVEY

# **CUT FLOWERS AND FOLIAGE**

Compiled for CBI by:

**ProFound**  
Advisers in Development

in collaboration with  
ProVerde - Trade Strategies  
and J. Lanning

October 2003

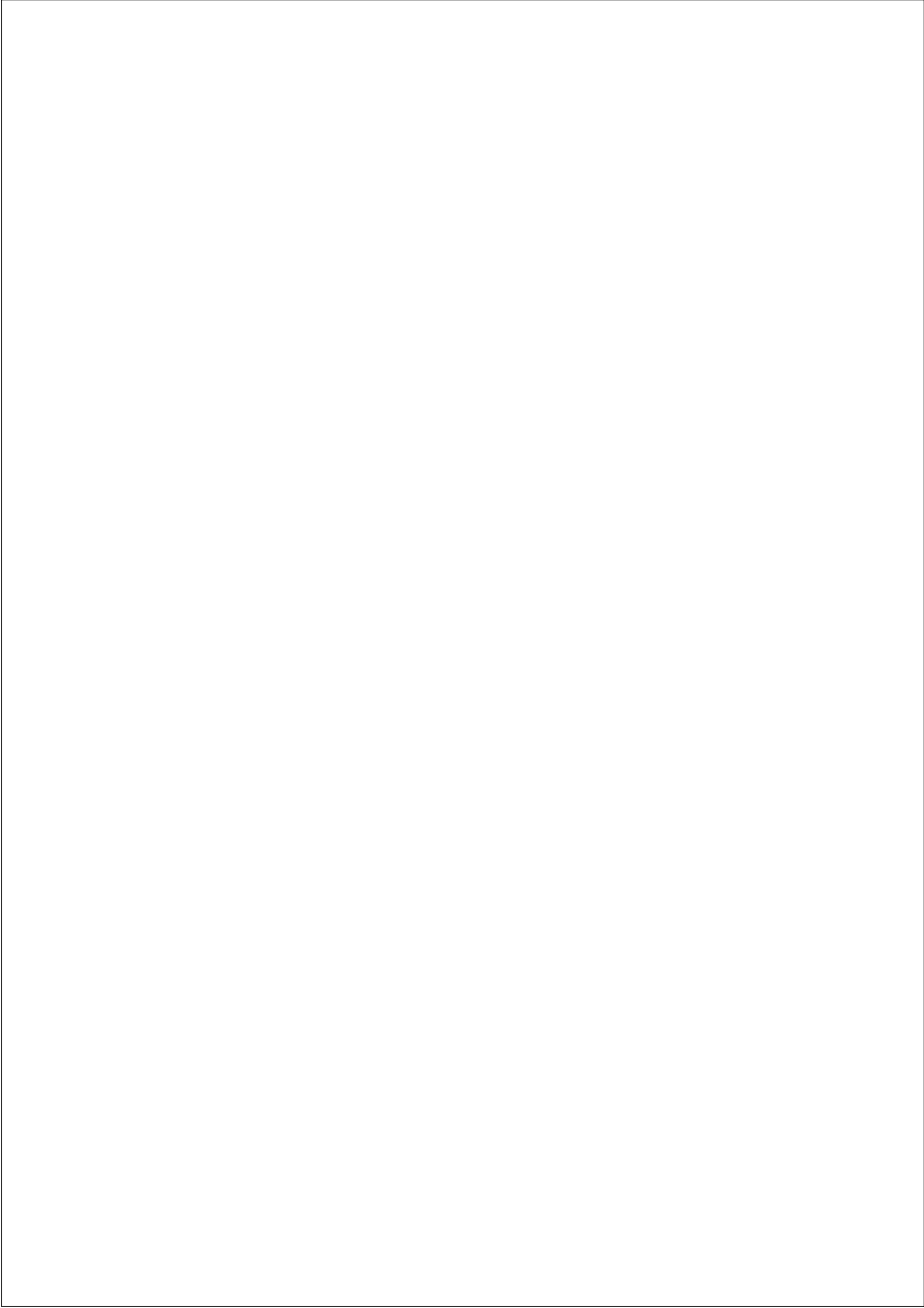
**DISCLAIMER**

The information provided in this market survey is believed to be accurate at the time of writing. It is, however, passed on to the reader without any responsibility on the part of CBI or the authors and it does not release the reader from the obligation to comply with all applicable legislation.

Neither CBI nor the authors of this publication make any warranty, expressed or implied, concerning the accuracy of the information presented, and will not be liable for injury or claims pertaining to the use of this publication or the information contained therein.

No obligation is assumed for updating or amending this publication for any reason, be it new or contrary information or changes in legislation, regulations or jurisdiction.

Update of 'EU Market Survey Cut Flowers and Foliage' (2002) and 'EU Strategic Marketing Guide Cut Flowers and Foliage' (2000).



# TABLE OF CONTENTS

<b>REPORT SUMMARY</b>	<b>7</b>
<b>INTRODUCTION</b>	<b>9</b>
<b>PART A: EU MARKET INFORMATION AND MARKET ACCESS REQUIREMENTS</b>	
<b>1 PRODUCT CHARACTERISTICS</b>	<b>13</b>
1.1 Product groups	13
1.2 Customs/Statistical Product Classification	13
<b>2 INTRODUCTION TO THE EU MARKET</b>	<b>15</b>
<b>3 CONSUMPTION</b>	<b>17</b>
3.1 Market size	17
3.2 Market segmentation	17
3.3 Consumption patterns and trends	18
<b>4 PRODUCTION</b>	<b>21</b>
<b>5 IMPORTS</b>	<b>26</b>
5.1 Total imports	26
5.2 Imports by product group	36
5.3 The role of the developing countries	42
<b>6 EXPORTS</b>	<b>46</b>
<b>7 TRADE STRUCTURE</b>	<b>49</b>
7.1 EU trade channels for developing countries	49
7.2 Wholesale level	51
7.3 Retail level	52
<b>8 PRICES</b>	<b>55</b>
8.1 Price developments	55
8.2 Sources of price information	55
<b>9 EU MARKET ACCESS REQUIREMENTS</b>	<b>57</b>
9.1 Non-tariff trade barriers	57
9.1.1 Relevant legislative requirements	57
9.1.2 Quality and grading standards	60
9.1.3 Trade related environmental, social and health & safety issues	61
9.1.4 Packaging and marking	63
9.2 Tariffs and quotas	63
<b>PART B: EXPORT MARKETING GUIDELINES: ANALYSIS AND STRATEGY</b>	
<b>10 EXTERNAL ANALYSIS: MARKET AUDIT</b>	<b>70</b>
10.1 Market developments and opportunities	70
10.2 Competitive analysis	72
10.3 Sales channel assessment	72
10.4 Logistics	73
10.5 Price structure	74
10.6 Product profiles	75

<b>11</b>	<b>INTERNAL ANALYSIS: COMPANY AUDIT</b>	<b>78</b>
11.1	Product range	78
11.2	Product standards, quality, and production capacity	78
11.3	Logistics	80
11.4	Marketing and sales	81
11.5	Financing	81
11.6	Capabilities	82
<b>12</b>	<b>DECISION MAKING</b>	<b>83</b>
12.1	SWOT and situation analysis	84
12.2	Strategic options and objectives	85
<b>13</b>	<b>EXPORT MARKETING</b>	<b>87</b>
13.1	Matching products and the product range	87
13.2	Building up a relationship with a suitable trade partner	87
13.3	Drawing up an offer	88
13.4	Handling the contract	89
13.5	Sales promotion	91
	<b>APPENDICES</b>	<b>93</b>

## REPORT SUMMARY

This survey focuses on the market for cut flowers and foliage in the European Union. The main reason for this aggregation of the two product groups lies in the fact that the market and marketing channels for cut flowers and foliage for ornamental purposes are very similar. The primary usage of foliage is for bouquets, in combination with fresh or prepared cut flowers.

In this survey, the focus is on the assortment of imported fresh cut flowers relevant to exporters in developing countries. Certain species of cut flowers and foliage are highlighted (such as Rosa, Dianthus, Dendranthema, Orchids, etc.). However, not all cut flowers are sold as freshly picked products. A relatively small proportion of about 5 percent has in some way been prepared. Drying and dyeing, in particular, are preparations that cut flowers can undergo. Other ways of preparing are bleaching or impregnating the flowers.

### Consumption

The European Union is believed to consume over 50 percent of the world's flowers and includes many countries with a relatively high per capita consumption of cut flowers. Although some of the larger EU markets like Germany, France and The Netherlands show signs of saturation, overall EU consumer sales of cut flowers are still increasing incessantly. Germany is the biggest consumer of flowers, followed by the UK, France and Italy.

European consumers buy flowers for different purposes. The main purpose of purchase is to give them away as a gift, representing about 40 to 50 percent of European consumer spending. Another 20 to 30 percent of the flowers is bought for special occasions like weddings and funerals. The remaining 20 to 25 percent is spent on flowers for decoration of their own home.

By far the most important cut flower sold in Europe is Rosa, followed at a distance by other flowers like Dendranthema, Dianthus, Tulipa, Liliium, Gerbera, etc.

### Production

The Netherlands is the leading producer with an output valued at about € 2 billion. Germany and France followed in order of importance.

In the production countries in North Europe (The Netherlands, Germany and Denmark), the following main production trends can be recognised:

- Production area is slowly declining;
- Number of growers is decreasing; and
- Total production is stable.

This shows that the average cultivated area per company and output per hectare is increasing.

Hence, scale-enlargement and an increase in productivity have taken place.

In the main production regions around the Mediterranean (Spain, Italy and Portugal), both production area and output are slightly increasing.

### Imports

The EU, is the world's leading importer of cut flowers and foliage with total imports amounting to about € 3 billion in 2001, which indicates a steady increase of 7 percent compared to 1999. Germany was the largest EU importer of cut flowers and foliage, mainly importing from The Netherlands. However, regarding extra-EU imports, The Netherlands was the leading importer, accounting for 57 percent of all cut flowers and foliage imported from outside the EU. In terms of volume, that share of The Netherlands is even larger, namely 63 percent.

The Netherlands constitutes the major market for developing countries because of its massive trading role in distributing imported flowers throughout Europe. The importance of developing countries as suppliers to the EU is demonstrated by the presence of Kenya, Colombia, Ecuador, Zimbabwe, Thailand, Zambia, India, South Africa, Turkey, Tanzania and Uganda among the top fifteen supplying countries.

Imports originating in developing countries have been increasing strongly over the past ten to fifteen years. In 2001, imports from developing countries amounted to € 575 million, accounting for 19 percent of the total EU imports of cut flowers and foliage. Developing countries played a more important role in the Netherlands imports than in the imports of other EU countries, illustrating The Netherlands' gateway function to the European market for imports from developing countries.

### Exports

European Union exports amounted to almost € 2.6 billion in 2001, of which € 2.2 billion was exported and re-exported by The Netherlands alone.

### Trade channels

Growers and traders exporting cut flowers and foliage to the EU send their merchandise either to a wholesaler or to an auction. In this respect, Netherlands auctions play a pivotal role in the trade of flowers destined for both the domestic and other European markets. Products handled by agents and import wholesalers, are either sold directly to a wholesale buyer or are submitted for auction. Export wholesalers re-export the products to other EU member countries, where the



flowers and foliage find their way to wholesalers and retailers.

Developments at retail level show a slowly decreasing market share of traditional outlets like specialised flower shops and street and market stalls. Nevertheless, although retail chains sell more and more flowers, about 50-55 percent of flower purchases is still made at specialised flower shops (florists). It is estimated that retail chains have a market share of about 20 percent, the rest is bought at other places like street vendors and gas stations. Please note that shares of retail outlets vary strongly among different member states.

### **Opportunities for developing countries**

The market for cut flowers consists of a range of product groups, which offer varying opportunities for developing countries as potential suppliers. It is a highly competitive market in which importers are continually seeking new, special and different products. They tend not to change easily from one rose supplier to another, but co-operation with a company supplying a new product is considered attractive. The market is clearly searching for these kinds of novelties to take over some of the market from the species preponderant at present. A new product also offers the prospect of making higher profits than those gained from selling conventional floricultural products.

Demand for different foliage varieties is still increasing in Europe, particularly for small-leafed foliage for use in cheap bouquets. Furthermore, European importers do not have any reticence about using tropical foliage.

Another opportunity exists in supplying products during periods when these products are scarce on the market.

In order to compete, developing country exporters must be able to supply products of consistent quality and on a regular basis. At times, this implies that they will have to accept prices that are lower than those in The Netherlands and other European markets.

Unless exporters maintain a regular supply to the EU market, even during periods of low prices, they will not succeed in developing a sustainable market in the EU. The new entrant to the EU market must recognise that competition from the often long-established suppliers is intense.

### **CBI services**

For information on current CBI programmes and training & seminars, and for downloading market information and CBI News Bulletins, please refer to [www.cbi.nl](http://www.cbi.nl). Currently, CBI has an export promotion programme which seeks to support flower exporters in East and Southern Africa by helping them to improve their export performance on the EU market in close co-operation and consultation with business support

organisations. For full details on the programme and application forms, please refer to the project document which can be downloaded at the CBI Internet site: <http://www.cbi.nl>.

# INTRODUCTION

This CBI survey consists of two parts: EU Market Information and EU Market Access Requirements (Part A), and Export Marketing Guidelines (Part B).

<b>Market Survey</b>	
<b>Part A</b>	
<b>EU Market Information and Market Access Requirements</b>	
<b>EU Market Information</b> <i>(Chapters 1-8)</i> Product characteristics Introduction to the EU market Consumption and production Imports and exports Trade structure Prices	<b>EU Market Access Requirements</b> <i>(Chapter 9)</i> Quality and grading standards Environmental, social and health & safety issues Packaging, marking and labelling Tariffs and quotas
<b>Part B</b>	
<b>Export Marketing Guidelines: Analysis and Strategy</b>	
<b>External Analysis (market audit)</b> <i>(Chapter 10)</i> Opportunities & Threats	<b>Internal Analysis (company audit)</b> <i>(Chapter 11)</i> Strengths & Weaknesses
<b>Decision Making</b> <i>(Chapter 12)</i>	
SWOT and situation analysis: Target markets and segments Positioning and improving competitiveness Suitable trade channels and business partners Critical conditions and success factors (other than mentioned)	
Strategic options & objectives	
<b>Export Marketing</b> <i>(Chapter 13)</i>	
Matching products and product range Building up a trade relationship Drawing up an offer Handling the contract Sales promotion	

Chapters 1 to 8 of Part A profile the EU market for cut flowers and foliage. The emphasis of the survey lies on those products, which are of importance to developing country suppliers. The major national markets within the EU for those products are highlighted. The survey includes contact details of trade associations and other relevant organisations. Furthermore statistical market information on consumption, production and trade, and

information on trade structure and opportunities for exporters is provided.

Chapter 9 subsequently describes the requirements which have to be fulfilled in order to get market access for the product sector concerned. It is furthermore of vital importance that exporters comply with the requirements of the EU market in terms of product

quality, packaging, labelling and social, health & safety and environmental standards.

After having read Part A, it is important for an exporter to analyse target markets, sales channels and potential customers in order to formulate export marketing and product strategies. Part B therefore aims to assist (potential) exporters from developing countries in their export-decision making process.

After having assessed the external (Chapter 10) and internal environment (Chapter 11), the (potential) exporter should be able to determine whether there are interesting export markets for his company.

In fact, by matching external opportunities and internal capabilities, the exporter should be able to identify suitable target countries, market segments and target product(s) within these countries, and possible trade channels to export the selected products (Chapter 12).

The subjects and outcomes of the different paragraphs of Chapter 13 can be used as input for the Market Entry Strategy and Export Marketing Plan.

The survey is interesting for both starting exporters as well as exporters already engaged in exporting (to the EU market). Part B is especially interesting for more experienced exporters starting to export to the EU and exporters looking for new EU markets, sales channels or customers. Starting exporters are advised to read this publication together with the CBI's Export planner, a guide that shows systematically how to set up export activities.

# **Part A**

## **EU market information and market access requirements**





# 1 PRODUCT CHARACTERISTICS

## 1.1 Product groups

This market survey focuses on the market for cut flowers and foliage in the EU. The reason for the aggregation of the two product groups lies in the fact that the market and marketing channels for cut flowers and foliage, in particular for ornamental purposes, are the same. The main usage of foliage is for bouquets, in combination with fresh or prepared cut flowers.

In this market survey, the focus is on the assortment of imported fresh cut flowers relevant to exporters from developing countries. The overview below highlights the product groups and species within these product groups:

It is a problem that names of the flowers can be confused because the “trade” does not always use the official product names. The official name for Chrysanthemum, for instance, is Dendranthema, and the official name for Carnation is Dianthus. For the sake of clarity, this survey uses the official names.

## 1.2 Customs/statistical product classification

On January 1, 1988, a unified coding system was introduced to harmonise the trading classification systems used world-wide. This system is called the Harmonised Commodity Description System (HS) and was developed by the World Customs Organisation

<b>Cut flowers</b>	
<b>Fresh cut flowers</b>	
General	Rosa (Rose) Dendranthema (Chrysanthemum) Dianthus (Carnation) Orchids (Orchids): Phalaenopsis, Cymbidium, Oncidium, Paphiopedilum Gladiolus (Gladioli) Anthurium Summer flowers: Solidaster, Eryngium, Limonium, Carthamus, etc. Other fresh cut flowers
Bulb flowers	Tulipa Freesias Lilium Iris Narcissus Other bulb flowers
Summer flowers	Solidaster Eryngium Limonium Carthamus Other summer flowers
<b>Prepared cut flowers</b>	
Various cut flower species	
<b>Foliage</b>	
Cut foliage of	Eucalyptus Arachniodes Asparagus Other species

(WCO). The system comprises about 5,000 commodity groups, each identified by a six digit code, arranged in a legal and logical structure and is supported by well-defined rules to achieve uniform classification. The system is used by more than 177 countries and economies as a basis for their Customs tariffs and for the collection of international trade statistics. WCO is currently introducing alterations to the HS and these were scheduled to be included in the combined nomenclature as of January 1, 2002. After the six-digit code, countries are free to use further subheadings. An 8-digit system is used in the trade data of Eurostat. Most codes, however, end with two zeros, i.e. effectively only using 6 digits. In some countries even 10 digits are occasionally used.

Table 1.1 gives a list of the eight-digit list of the main groups of HS codes for cut flowers and foliage.

As stated in Section 1.1, emphasis will be put on specific cut flower types. Some of these products such as Anthurium and Gypsophila are not further distinguished by the HS code classification and are aggregated under the codes 0603.10.29 and 0603.10.69. The group under code 0603.90.00 consists of dried, dyed, bleached, impregnated or otherwise prepared cut flowers.

Please note that previously, each type of fresh cut flower had two codes, one for the winter period of November to May, and the other for the summer period June to October. Since 2000 however, the two codes have been combined.

**Table 1.1 HS code classification of cut flowers and foliage**

<b>0603</b>			<b>Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared</b>
<b>0603</b>	<b>10</b>		<b>Fresh cut flowers:</b>
0603	10	10	Rosa
0603	10	20	Dianthus
0603	10	30	Orchids
0603	10	40	Gladiolus
0603	10	50	Dendranthema
0603	10	80	Other fresh cut flowers
<b>0603</b>	<b>90</b>	<b>00</b>	<b>Prepared cut flowers</b>
<b>0604</b>	<b>99</b>		<b>Foliage, other than mosses, lichens, and parts of Christmas trees</b>
0604	99	10	Not further prepared than dried
0604	99	90	Other

## 2 INTRODUCTION TO THE EU MARKET

The European Union (EU) is the current name for the former European Community. Since 1 January 1995 the EU has consisted of 15 member states. Ten new countries (Cyprus, Malta, Hungary, Poland, Slovakia, Latvia, Estonia, Lithuania, Czech Republic and Slovenia) will join the European Union in 2004. Negotiations are in progress with a number of other candidate member states.

In 2002, the size of the EU population amounted 379.4 million; the average GDP per capita amounted to approximately € 21,023 in 2002.

Within Western Europe – covering 15 EU member countries, Iceland, Liechtenstein, Norway and Switzerland – more than 20 million enterprises are active. Small and medium-sized enterprises (SMEs) accounted for the lion's share. In 2000, the average turnover per enterprise of SMEs and large enterprises amounted to € 600 thousand and € 255 million respectively.

### EU Harmonisation

The most important aspect of the process of unification (of the former EC countries), which affects trade, is the harmonisation of rules in the EU countries. As the unification allows free movement of capital, goods, services and people, the internal borders have been removed. Goods produced or imported into one member state can be moved around between the other member states without restrictions. A precondition for this free movement is uniformity in the rules and regulations concerning locally produced or imported products. Although the European Union is already a fact, not all the regulations have yet been harmonised.

Work is in progress in the fields of environmental pollution, health, safety, quality and education. For more information about harmonisation of the regulations visit AccessGuide, CBI's database on non-tariff trade barriers at [www.cbi.nl/accessguide](http://www.cbi.nl/accessguide)

### Monetary unit: Euro

On 1 January 1999, the Euro became the legal currency within eleven EU member states: Austria, Belgium, Finland, France, Germany, Italy, Ireland, Luxembourg, The Netherlands, Spain, and Portugal. Greece became the 12th member state to adopt the Euro on January 1, 2001. In 2002 circulation of Euro coins and banknotes replaced national currency in these countries. Denmark, United Kingdom and Sweden have so far decided not to participate in the Euro.

The most recent Eurostat trade statistics quoted in this survey are from the year 2001. In this market survey, the euro/€ is the basic currency unit used to indicate value.

Trade figures quoted in this survey must be interpreted and used with extreme caution. The collection of data regarding trade flows has become more difficult since the establishment of the single market on 1 January 1993. Until that date, trade was registered by means of compulsory customs procedures at border crossings, but, since the removal of the intra-EU borders, this is no longer the case. Statistical bodies like Eurostat cannot now depend on the automatic generation of trade figures. In the case of intra-EU trade, statistical reporting is only compulsory for exporting and importing firms whose trade exceeds a certain annual value. The threshold varies considerably from country to country, but it is typically about € 100,000. As a

#### Overview 15 EU countries, 2002

Population	<b>379.4 million</b>
Area	<b>31,443,000 km<sup>2</sup></b>
Density	<b>83 people per km<sup>2</sup></b>
Languages	<b>15 (excl. dialects)</b>
GDP/capita	<b>€ 21,023</b>
Currencies	<b>€, UK£, DKr., SKr.</b>
Exchange	<b>€ 1 = US\$ 0.99</b>

Source: The World Factbook 2002

#### Population and GDP of selected EU countries, 2002

Countries/category	Population	Age 15-64	GDP (2 billion)
Germany	83.3 million	68%	2,206
France	59.8 million	65%	1,556
UK	59.8 million	66%	1,485
Italy	57.7 million	67%	1,416
Spain	40.1 million	68%	836
The Netherlands	16.0 million	68%	417

Source: The World Factbook 2002



consequence, although figures for trade between the EU and the rest of the world are accurately represented, trade within the EU is generally underestimated. Furthermore, the information used in this market survey is obtained from a variety of different sources. Therefore, extreme care must be taken in the qualitative use and interpretation of quantitative data, both in the summary and throughout the text, as well as in comparisons of different EU countries with regard to market approach, distribution structure, etc.

For more information on the EU market, please refer to the CBI's manual "Exporting to the European Union".

The survey focuses on the 6 major EU markets for cut flowers and foliage. These are Germany, the United Kingdom, France, The Netherlands, Italy and Spain. These EU member countries will be highlighted, because of their relative importance in terms of consumption, production, imports and exports.

## 3 CONSUMPTION

### 3.1 Market size

The European Union (EU) is believed to consume over 50 percent of the world's flowers and includes many countries with a relatively high per capita consumption of cut flowers. Germany is the biggest consumer, followed by the UK, France and Italy in order of importance. In some of the larger European markets, including Germany, France and The Netherlands, consumption has been stagnant or declining over the past five to ten years.

Per capita consumption is highest in The Netherlands, followed at a distance by other countries like Belgium and Austria.

**Table 3.1 EU consumption of cut flowers and foliage (€ million)**

	total	per capita	year
Germany	3,108	38	2000
UK	2,240	37	2001
France	1,995	33	2002
Italy	1,905	34	2001
Spain	776	19	2002
The Netherlands	956	60	2001
Belgium	449	44	2002
Austria	355	44	2001
Sweden	301	34	2001
Denmark	205	39	2001
Finland	185	36	2001
Greece	152	14	2001
Portugal	161	16	2001
Ireland	108	28	2001

Source: Flower Council of Holland (2003)

Because of their large market share in total European consumption, the Netherlands auctions can be used as an indicator for the best sold cut flower species in the EU. Table 3.2 shows the top 10 cut flower species sold in 2002. Rosa is by far the most important cut flower traded at the Netherlands auctions, followed by Dendranthema, Tulipa and Lilium.

### 3.2 Market segmentation

Flowers are bought by many different types of people for different purposes in EU countries. Consumption patterns of buyers living in different member states are

**Table 3.2 Top 10 cut flowers species sold at the Netherlands auctions, 1999-2001 (€ million)**

	2002	% change 2001-2002
Rosa	700	+7.2
Dendranthema	307	+6.2
Tulipa	171	-3.4
Lilium	168	+7.8
Gerbera	108	+3.7
Cymbidium	66	-0.6
Freesia	62	+0.5
Dianthus	45	-19.1
Alstroemeria	44	-0.3
Anthurium	41	+11.2
<b>Total</b>	<b>2,394</b>	

Source: VBN (2003)

varied. Yet, it is possible to draw up a model of the main common features of EU consumers.

It is important to bear in mind that the consumption patterns described above are highly generalised. Consumers in the various EU member states are very diverse. The most important characteristics of the individual EU consumer markets are given in Section 3.3.

#### Segmentation by purpose of purchasing

##### 1) Gifts and special occasions

The purpose of purchasing flowers is mostly to give them away as a gift (40-50 percent). Another 20 to 30 percent is bought for special occasions and 20 to 25 percent is used for decoration at home. Sixty percent of flower purchases are made at florists, the rest is bought at other places like street vendors and supermarkets.

The main products competing with flowers are chocolates, jewellery and wine, as these tend to be bought for the same purposes. If the price of flowers is relatively too high, or if flowers are of poor quality, consumers tend to switch to these competing products. The Flower Council of Holland reports that the criteria for purchasing flowers are mainly quality (36%), price (13%), the species flowers used in bouquets (13%) and the colour of flowers (10%).

##### Symbol of emotion

The European consumer does not consider a flower as

just an ordinary gift; it also symbolises emotion and feeling and flowers can deliver a message of emotion. The reason for a gift can be congratulations (birthday), an apology (argument, awkwardness), a commiseration with someone's grief (death, accident), or a sign of love or affection for someone (Valentine's Day).

Some meanings and messages signified by flowers:

- Rosa love
- Gladiolus I would like to go out with you
- Lilium purity
- Dianthus fancy, misfortune
- Viola forget me not
- Jasminum sensuality

### Public holidays

Public holidays have an important influence on the demand for cut flowers and foliage. At time of Valentine's Day, Christmas, Mother's Day, and Secretary's Day there are substantial peaks in flower sales. Beside the internationally well-known holidays, most countries have their own special holidays. Appendix 6 lists the main European public holidays.

### 2) Own use

The second purpose why consumers buy flowers is for his or her own use. This is often with the intention of brightening up the home and creating a pleasant environment. The same purpose applies for companies (businesses, restaurants, hotels, etc.) buying flowers to decorate and brighten up their offices, lobbies or restaurants.

### Segmentation by buyers

#### Women vs. men

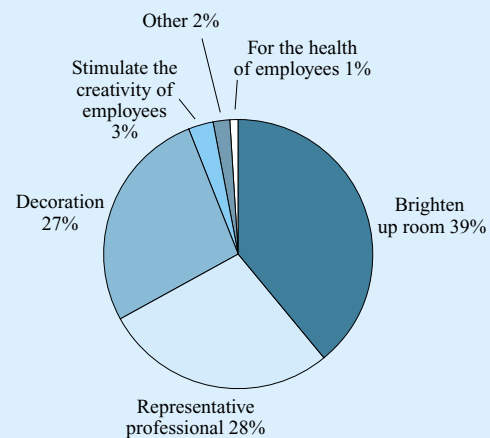
Typically the person who buys flowers will be a woman of older than 45 years of age, living in an urban agglomeration where there are medium to high incomes. 80 percent of flowers purchased in European countries is bought by stem, the rest is in ready made bouquets.

#### Young people vs. older people

The sales of cut flowers to young people not older than 30 years of age is decreasing. The reasons could be found in the following:

- Young households are mainly couples both working and therefore less at home. As a consequence, they have less opportunity and time to purchase flowers. Furthermore, they buy fewer flowers because they cannot enjoy the flowers since they are not home often.
- Households with young children due to practical reasons (for example vases being knocked over) do not buy flowers often.
- Young people attach less emotional value to flowers than older people.

**Figure 3.1 Major purpose for purchasing flowers by companies, 2000**



Source: Flower Council of Holland

### Institutional market vs. consumer market

Companies also purchase flowers to decorate and brightening up offices. The non-profit sector and the commercial services sector are major consumers of flowers, accounting for 50 percent of all flowers bought by the small and medium-sized enterprises. About 89 percent of the companies purchases flowers to give them away as birthday and anniversary presents.

### 3.3 Consumption patterns and trends

Consumer preferences and patterns can differ strongly between countries. Purchasing patterns even differ within countries by geographical region and income strata: affluent people buy more bouquets with "special" flowers; less affluent people buy simple bunches of flowers. Even colour preferences vary. Nevertheless, there are a few characteristics that are applicable to most European consumers.

European consumers expect flowers to be colourful and beautiful. The emotional element is important. Furthermore, the quality expected by consumers is generally very high. They expect not only freshness at the moment of purchase, but also a long vase life. The price is not the main criterion, but is of course, of importance. Last, but not least, the scent of the flowers is valued.

For years, cut flowers in fashionable colours and flower forms have been priced higher than the average crop. The traditional primary colours of red, yellow, white, and blue always enjoy a certain demand, but the ever-changing fashions in interior decor set the trends. 30 percent to 70 percent of consumers demand that colour tones be combined in harmonious or contrasting arrangements, with decorative pots or wrappings.

The most important characteristics of the individual EU consumer markets for flowers and foliage, according to the Flower Council of Holland, are described below.

### Germany

- Sales in Europe’s largest market, Germany, have been stabilising for a few years, and are now even showing signs of saturation.
- The average German consumer is very demanding and health-, environmental- and cost-conscious.
- About 63 percent of the German population buys cut flowers, of which 42 percent is accounted for by mono-bunches and 30 percent bouquets.
- Within mono-bunches, Rosa is the leading cut flower purchased. Dianthus, Tulipa, Orchids, and Dendranthema follow in order of importance.
- 58 percent of the flowers bought is to give away as presents, 23 percent for memorial and 18 percent for own use.
- Flowers are associated with special occasions, nature and a sign of affection and love.
- The decorative characteristics of flowers are mainly appreciated by women. Young people and men relate flowers primarily to the giving of a present.
- Flowers and bouquets which are purchased to give away as present are mainly bought at florists.

### UK

- Since 1995, the UK consumption of cut flowers and foliage has more than doubled.
- The percentage of buyers of flowers showed increases from 39 percent in 1999 to 46 percent in 2001.
- About 43 percent of flowers bought is to give away as a present, and 12 percent is for funerals.
- Visits, birthdays and special holidays (Mother’s Day, Christmas, Valentine’s Day) are major occasions to buy flowers. Mono-bunches are mainly bought as home decoration, and mixed bouquets as gifts.
- Mono-bunches are mainly purchased at supermarkets, while mixed bouquets are bought at florists.
- Regarding mono-bunches, Dianthus accounted for 34 percent of flowers bought. Dendranthema (17%), Rosa (9%), Lilium (8%) and Freesia (5%) followed in order of importance. Other flowers are Tulipa, Daffodils, Gerbera, Iris and Gerbera.

**Table 3.3 Occasions for buying flowers in the UK (% of sales), 1998-2001**

	1998	1999	2000	2001
Present	49	45	43	41
Own use	32	37	39	43
Funeral	15	13	14	12
Other	5	5	4	4

Source: Flower Council of Holland

- The market share of mixed bouquets decreased slightly from 40 percent in 1998 to 37 percent in 2001.
- Since British people prefer a classical and cosy interior, they are most likely to choose bouquets mixed with traditional flowers (such as Rosa, Freesia, Dendranthema) in “sweet” colours (pink and purple).
- Regarding mono-bunches, Dendranthema and Dianthus are popular flowers bought, as these species are relatively cheap and have a longer vase life compared to other species of cut flowers.
- British consumers determine their purchasing choice by focussing on the freshness, affordable price and the scent.

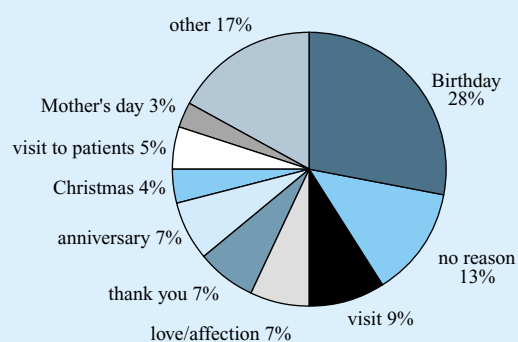
### The Netherlands

- The Netherlands market for flowers and foliage is showing signs of saturation.
- The number of flower consumers has decreased in the last few years, but consumers are spending more on expensive flowers.
- Medium and large-sized enterprises, the so-called institutional market, are becoming important consumers of flowers. About 80 percent of these enterprises is spending on flowers.
- About 50 percent of the flowers is bought as presents (love, affection, weddings).
- Bouquets are the most popular product group, followed by Rosa.
- Of all coloured Dendranthema, the white and yellow are the most popular.
- Birthdays, visits and special holidays (Mother’s Day, Christmas, Valentine’s Day) are major occasions for buying flowers.

#### Top 10 cut flowers consumption in The Netherlands:

- 1 Mixed bouquets
- 2 Rosa
- 3 Tulipa
- 4 Dendranthema
- 5 Gerbera
- 6 Lilium
- 7 Alstroemeria
- 8 Freesia
- 9 Dianthus
- 10 Iris

**Figure 3.2 Occasions for purchasing flowers, 2000**



Source: GfK cadeaumonitor, Horticulture Commodity Board

### France

- Total French expenditure on flowers is stabilising.
- French consumers are less satisfied with the quality/price relationship.
- Competition with other products increased (wine is also frequently purchased as a gift).
- French people are often away from home at the weekend and therefore barely purchase flowers and foliage to decorate their houses.
- Visits and birthdays are major occasions for buying flowers. About 53 percent of flowers bought was to give as presents, while 31 percent was destined for funerals and 17 percent for own use.

### Italy

- Italians buy flowers mainly to give away as gifts (89%). Birthdays (31%) and funerals (13%) are the other two main occasions for buying flowers and foliage.
- Mono-bunches accounted for 37 percent of flowers purchased. Bouquets with a share of 30 percent followed in order of importance.
- Valentine's day, Women's day, Mother's day and religious (holi)days cause high sales. In the second half of the year, All Saint's Day and Christmas are major reasons to purchase flowers.
- Rosa, Gerbera, Liliium, Dianthus and Orchids are the most important flowers bought.
- Dendranthema are mainly bought on All Saint's Day. Gladiolus are bought for funerals.

### Spain

- Spanish consumption of cut flowers has steadily been steadily increasing for many years. In 2002, the average Spanish consumer spent € 19 euro on flowers. The coming years, cut flower consumption is expected to increase by 6% per year.
- Special occasions (birthdays, funerals) are still the most important reason to purchase flowers.

Nevertheless, buying flowers for own use is slowly increasing in importance.

- Mixed bouquets are increasing in popularity in Spain, accounting for 32 percent of total cut flower sales. This increase is mainly at the expense of sales of flower arrangements (19 percent). About 48 percent of the cut flowers is sold separately or in a mono-bunch.
- The typical Spanish flower consumer lives in a city. The urban Catalunya region and Madrid together account for 36% of total Spanish flower sales.

**Table 3.4 Occasions for buying flowers in Spain, 1998-2002 (% of sales)**

	1998	2002
Own use	8	14
Special occasions	92	86

Source: Flower Council of Holland

## 4 PRODUCTION

In general, the following important production trends are recognised in the main production countries in North Europe (The Netherlands, Germany and Denmark):

- Production area is slowly declining.
- Number of growers is decreasing.
- Total production is stable.

This means that the average cultivated area per company and output per hectare is increasing. Hence, scale-enlargement and increased productivity have taken place.

In most production regions around the Mediterranean, we can recognise a different trend with production area and output slightly increasing.

Although there is often no (recent) data on production of cut flowers in most EU countries, it is possible to give an indication of the main cut flower producing countries in the EU, by looking at the figures available and at the area under production.

**Table 4.1 Production of cut flowers and pot plants in selected EU countries**  
In € million

Country	Production	Year
The Netherlands	2,057	2002
France	1,503	2000
Germany	1,135	1997
Italy	859	1999
Denmark	354	1998
Spain	345	1990
Austria	240	1999
Belgium	238	1999
Sweden	199	1990
UK	114	2000
Finland	76	1999

Note: more recent data for Germany, Spain and Sweden are not available.

Source: AIPH Yearbook of the International Horticultural Statistics (1999, 2000, 2001, 2002)

In general, all EU countries described above reported a lower production of cut flowers compared to the years before. AIPH (International Association of Horticultural Producers) acknowledged this and even reported results as bad as in 1999 for cut flower production. Some East-European countries like Hungary and Czech Republic

reported a small increase in the production, in contrast to EU countries like Belgium, Germany, Finland, France, Luxembourg, The Netherlands and the UK where production decreased.

Over the last years, the number of producers in EU countries has been decreasing steadily, reflecting the unfavourable situation in Europe. Only Hungary reported an increased number of producers, in contrast to Luxembourg, Sweden and the Czech Republic, where the number of producers stagnated.

**Table 4.2 Area under production for cut flowers and pot plants**  
In Ha

Country	Area	Year
The Netherlands	8,479	2000
Italy	8,463	1998
Spain	7,617	1997
Germany	7,056	2000
UK	7,297	2000
France	6,628	1999
Belgium	1,721	1999
Denmark	444	1999
Finland	141	1999
Sweden	63	1999

Source: AIPH Yearbook of the International Horticultural Statistics (1999, 2002), Flower Council of Holland (2003)

The development of the area used for flower production in the EU differs strongly per country. Countries showing increases in area under production are mainly Mediterranean countries like Spain and Italy, while Northern European producing countries like The Netherlands, Germany and Denmark show fairly stable to declining areas under cultivation.

The following box provides the order of importance of the cut flower production in a number EU countries (in terms of ha open area).

Country	Major cut flowers produced in terms of ha open area
Germany	Summer flowers, Rosa, Dendranthema, Tulip, Narcissus
Belgium	Dendranthema, Azaleas, Begonias
Spain	Dianthus, Rosa
France*	Gladioli, Rosa, Dianthus, Tulipa, Dendranthema
Italy	Rosa, Dianthus, Gladioli, Large Dendranthema
The Netherlands	Rosa, Dendranthema, Lilies, Gerberas, Freesias, Orchids
UK	Dendranthema, Alstroemeria, Dianthus, Daffodils (Narcissus)

\*cut flowers and foliage under glass

Source: AIPH (2002)

Netherlands growers are capable of producing top-quality Rosa throughout the year, amongst others through using assimilation lighting. The auction prices are a clear indication that their efforts are appreciated by the market. In 2000, the average price of a Netherlands grown Rosa was € 0.28, with an average of € 0.13 being paid for a Rosa produced outside the Netherlands.

Growers are now approaching the market carefully and only offer a limited number of their novelties to avoid an early saturation of the markets and premature decline in prices.

#### Germany

Compared to The Netherlands, more cut flowers are cultivated in open areas than under glass in Germany. Dendranthema and Rosa are mainly produced under glass. In the open area, summer flowers accounted for the major part of the production. The area cut flowers under glass slightly decreased compared to 1996, in contrast to the open area, which witnessed an increase.

Major cut flowers producing regions in Germany are Niederrhein, Hamburg, Nauheim and Stuttgart.

#### UK

The UK production of cut flowers is estimated at € 114 million in 2000, expecting to gradually decrease in the next few years. The flowers produced, mainly for

**Table 4.3 Production of cut flowers in Germany, 1996/2000  
In Ha**

cut flowers	1996	2000
under glass	662	637
open area	1963	2,400
<b>total</b>	<b>2,625</b>	<b>3,037</b>

Source: Flower Council of Holland (2003)

national use, are cultivated on a total area of 7,300 ha, a large part of which is in the open air.

Narcissus (Daffodils) are largely cultivated in England (amongst others on the Channel Islands) and Wales, however, the area of cultivation is gradually decreasing.

The area under glass used for the production of cut flowers is estimated at 137 ha in 2001, indicating a considerable decrease compared to the level of 1992 (296 ha). This is mainly caused by the decrease in area cultivating Dendranthema.

**Table 4.4 Production of cut flowers in the UK, 1995/2000  
In Ha**

	1995	1996	1997	1998	1999	2000
cut flowers produced in open area	6,224	5,396	5,555	5,758	5,622	6,281
cut flowers produced under glass	935	1,011	1,028	1,029	1,041	1,016
<b>total</b>	<b>7,159</b>	<b>6,407</b>	<b>6,583</b>	<b>6,787</b>	<b>6,663</b>	<b>7,297</b>

Source: Flower Council of Holland (2003)



**Table 4.5 Area used for the production of cut flowers in the England and Wales, 1998-2000**  
In Ha

	1998	1999	2000
<b>Cut flowers open area</b>			
Narcissus	3,808	3,823	3,527
Gladioli	91	113	73
Other cut flowers	772	535	462
<b>Total</b>	<b>4,671</b>	<b>4,471</b>	<b>4,062</b>
<b>Cut flowers under glass</b>			
Dianthus	12	12	8
Dendranthema	106	106	68
Alstroemeria	25	25	68
Other cut flowers	90	90	67
<b>Total</b>	<b>233</b>	<b>233</b>	<b>204</b>

Source: Flower Council of Holland (2003)

### The Netherlands

The production of cut flowers is estimated to have been € 2,057 million in 2002. The number of growers of cut flowers and pot plants declined to 9,273. The area amounted to 8,525 ha, indicating an increase of 15 percent compared to 1990.

About 75 percent of the area is accounted for by cut flowers and about 66 percent of the number of growers is involved in cut flowers.

**Table 4.6 Netherlands development of area and growers**

	Area (Ha)	No of growers
1994	7,951	10,802
1995	8,016	10,428
1996	8,004	10,140
1997	7,857	9,742
1998	8,116	9,492
1999	8,525	9,273
2000	8,479	na

Source: Flower Council of Holland (2001)

na = not available

### France

The French cut flower production amounted to € 1,503 million in 2000. The number of producers is decreasing by 4 or 5 percent annually. Since 1989, about 50 percent of the growers disappeared due to the high

pressure of international competition. However, the size of cultivated area has not changed. Important regions producing cut flowers are given in the table on the right.

**Table 4.7 Distribution of cultivated area, 1999**  
In Ha

Region	Ha
PACA	1,277
Alsace	20
Pays-de-Loire	298
Haute-Normandie	18
Ile de France	296
Bourgogne	16
Languedoc-Roussillon	129
Corse	14
Bretagne	99
Basse-Normandie	13
Rhône-Alpes	91
Champagne-Ardennes	12
Aquitaine	90
Lorraine	11
Centre	78
Limousin	7
Poitou-Charentes	54
Auvergne	7
Picardie	51
Franche-Comté	3
Midi-Pyrénées	51
Nord-Pas-de-Calais	43
<b>Total</b>	<b>2,678</b>

Source: Flower Council of Holland (2001)

The region Provence-Alpes-Cotes-d'Azur (PACA) is by far the most important cut flower area, accounting for almost 50 percent of total cut flower cultivated area. Some regions, such as Provence and Paris, are under pressure due to urbanisation. Conversely, increased production development is taking place in the Western regions, thanks to the size and innovations of companies in the Loire Valley, and thanks to a strong co-operative organisation encouraging the establishment of young growers in Brittany.

Rosa, Dianthus and Gladioli were the most popular cut flowers produced in 1999. Other major produced cut flowers are Dendranthema and Tulipa.



**Table 4.8 Value of production at farm gate and ranking of main French regions, 2000**  
In € million

Region	Value of production	Ranking
Provence-Alpes-Cote d'Azur	376	1
Pays de la Loire	172	2
Ille de France (around Paris)	130	3
Rhône-Alpes (around Lyon)	111	
Centre	107	
Brittany	89	4
Languedoc Roussillon	71	
Aquitaine	61	5
Other regions	398	
<b>Total France</b>	<b>1,503</b>	

Source: FloraCulture International (April 2002)

**Table 4.9 French production of selected cut flowers, 1999**  
In € million

Rosa	22
Dianthus	116.6
Gladioli	75.8
Dendranthema	70.3
Tulipa	76.8

Source: Flower Council of Holland (2003)

### Italy

Production of cut flowers in Italy fluctuated between 1997 and 1999, from € 779 million in 1997, down to € 664 million in the year after, and reached € 859 million in 1999. A number of regions in Italy are famous for their flowers: San Remo, Campania, Puglia, Toscana, Sicily and Lazio are among the major ones. Due to subsidies, the southern regions are accounting for more than 60 percent of local production. As many producers are changing their production from open areas to areas under glass, they become less dependent on the climate. Since Italian growers are able to supply the same assortments as Netherlands producers, they hold a strong competitive position.

**Table 4.10 Production of cut flowers in Italy, 1998-2000**  
Pieces thousand

	1998		1999		2000	
	under glass	open area	under glass	open area	under glass	open area
Dianthus (standard)	1,149	159	895	227	801	138
Rosa	592	58	789	62	625	58
Gerbera	498	35	408	21	424	2
Other cut flowers	-	27	230	124	299	118
Dendranthema (spray)	253	86	228	103	286	78
Dianthus (spray)	168	86	352	53	250	61
Gladioli	136	83	128	79	146	59
Lilium	112	26	117	25	115	19
Dendranthema	84	62	126	75	99	228
Freesia	90	7	92	9	64	7
Anemone	89	137	122	150	60	161
Tulipa	49	8	49	11	53	10
<b>Total cut flowers</b>	<b>3,515</b>	<b>988</b>	<b>3,861</b>	<b>1,204</b>	<b>3,471</b>	<b>1,159</b>

Source: Flower Council of Holland (2003)

Local production has not changed much, however, a shift in the production of *Dendranthema* has taken place. The production of this species increased mainly under glass, which brought about a year-round supply. The quality of *Dendranthema* produced under glass is almost comparable to the *Dendranthema* produced in The Netherlands, consequently, traditional growers producing in open area are having difficulties to compete.

### Spain

The local production is traditionally concentrated in six regions, from the south to the northwest of Spain. The main cut flower species produced are *Dianthus* (47%) and *Rosa* (16%).

The major part of producers concerns family enterprises operating on a small-scale, with old-fashioned technology and machines. This is mainly due to a lack of resources to invest structurally in companies.

Since the sector is fragmented and organisation and operation do not always focus on the market, the maturity of the market and the over-supply have resulted in reduction in prices of *Dianthus*. Many small producers are not able to produce in a profitable way. The bigger producers, mostly professionals and bigger players in the market, located in Catalonia and Valencia, do not encounter such problems because of their better production technology and variety in assortment.

Due to the unfavourable situation, a number of producers switched to producing plants and vegetables, for which prices and returns seemed better.

The major production regions are Andalusia, Cataluña, Canary Islands, Valencia, Galicia and Murcia. The traditional production region Cataluña (Barcelona) is becoming less important due to expensive land and a lack of staff. The production on the Canary Islands is roughly stable. The Canary Islands and Andalusia mainly produce *Rosa*.

### Opportunities and threats for exporters in developing countries:

#### Opportunities:

- Stable or declining production of cut flowers in Europe.

#### Threats:

- More and more European growers apply high-tech production methods, which enables them to produce products of the highest quality.
- High level of European research on production techniques.
- Shift of production from northern European zones towards South Europe.

**Table 4.12 Region of production, 1998  
In % of variety**

	Rosa	Dianthus	Others
Andalusia	15.8	57	27.5
Murcia	9.2	13.9	8.9
Galicia	9.9	10.6	8.5
Others	18.8	8.9	22.5
Canarias	30.7	4.9	12.4
Cataluña	9.6	3.6	10.5
Valenciana	6.0	1.1	9.7

Source: Flower council of Holland (2003)

**Table 4.11 Area used for the production of cut flowers  
In % and Ha**

Region	1998 (%)	1998 (ha)	Number of enterprises	Average area (ha)
Andalusia	43.48	1,000	1,393	0.72
Canarias	12.61	290	309	0.94
Cataluña	10.17	234	208	1.13
Valenciana	5.04	116	252	0.46
Galicia	1.30	30	75	0.40
Murcia	7.61	175	635	0.28
Others	19.78	455	3,317	0.14

Source: Flower Council of Holland (2003)

## 5 IMPORTS

### 5.1 Total imports

Of total EU flowers and foliage imports in 2001, 76 percent consisted of imports from other EU countries. In other words, only 24 percent was imported from outside the EU. With regard to extra-EU imports, meaning imports by the EU countries supplied by countries outside the EU, The Netherlands was the leading importer, accounting for 58 percent. In terms of volume, that share of The Netherlands is even larger, namely 63 percent.

A great part of Netherlands imports is re-exported to other countries, in particular Germany. The second largest importer of cut flowers and foliage from outside the EU was UK with € 120 million in 2001, followed by Germany (€ 72 million) and Italy (€ 35 million). Between 1999 and 2001, total extra-EU imports increased by 22 percent to € 714 million.

Overall, the EU was the world's leading importer of flowers and foliage in 2001 with total imports amounting to more than € 3 billion. Between 1999 and 2001, total EU imports slightly increased by almost 8 percent.

**Table 5.1 Extra-EU imports of cut flowers and foliage by EU countries, 1999-2001**  
€ million/ thousand tonnes

	1999		2000		2001	
	value	volume	value	volume	value	volume
The Netherlands	304	105	387	106	405	104
UK	103	24	113	25	120	25
Germany	67	18	73	17	72	16
Italy	38	8	39	7	35	7
Spain	19	4	22	4	24	4
France	20	4	22	4	24	4
Belgium	15	3	17	3	17	3
Sweden	3	9	3	0.4	5	1
Greece	3	1	4	1	3	1
Austria	3	1	3	1	3	1
Portugal	2	0.3	2	0.4	2	0.4
Denmark	1	0.4	2	1	2	0.4
Ireland	2	0.3	2	0.2	1	0.2
Finland	1	0.2	1	0.1	0.3	0.03
Luxembourg	0.3	0.03	0.1	0.01	0.2	0.03
<b>EU</b>	<b>583</b>	<b>178</b>	<b>690</b>	<b>169</b>	<b>714</b>	<b>167</b>

Source: Eurostat (2002)

**Table 5.2 EU imports of cut flowers and foliage, 1999-2001**  
**€ million/ thousand tonnes**

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>2,796</b>	<b>700</b>	<b>3,068</b>	<b>646</b>	<b>3,009</b>	<b>604</b>
Germany	914	224	912	184	809	170
United Kingdom	505	124	587	124	668	115
The Netherlands	380	132	479	134	484	129
France	407	98	447	95	427	83
Italy	155	29	173	28	159	25
Belgium	104	29	115	25	110	24
Austria	96	15	88	15	96	17
Denmark	63	9	73	11	74	11
Sweden	45	16	53	7	48	7
Spain	39	9	46	11	44	8
Ireland	28	4	32	4	35	5
Portugal	16	3	8	3	18	3
Greece	25	5	22	4	16	3
Finland	15	2	15	2	14	2
Luxembourg	6	1	7	1	7	1

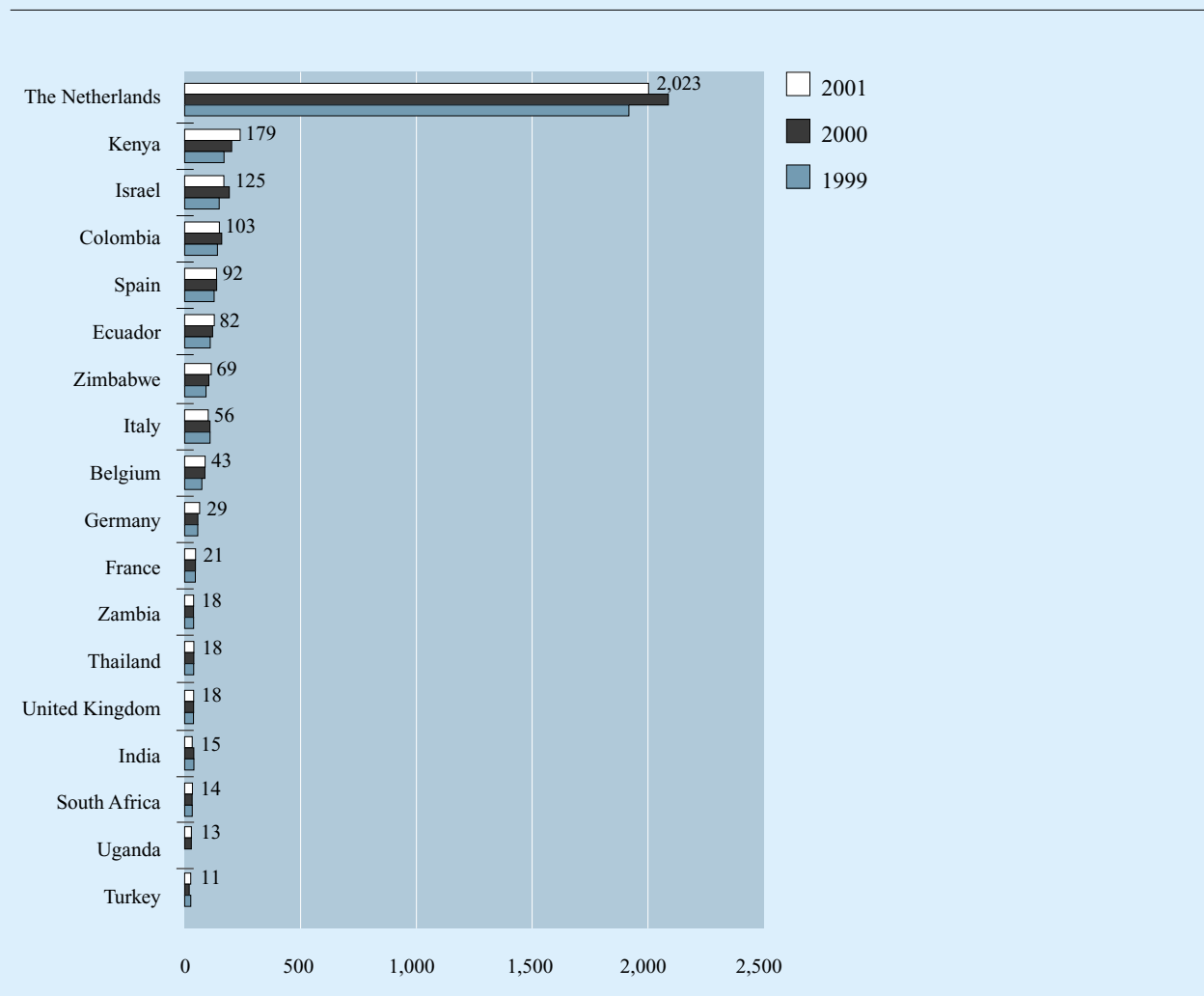
Source: Eurostat (2002)

Considering total imports (intra- and extra-EU), Germany was the largest European importer, accounting for 27 percent of total EU imports. The second largest importer in the EU was the United Kingdom (22%), followed by The Netherlands (16%) and France (14%).

The Netherlands was the main supplier of cut flowers and foliage to other EU member states in 2001, accounting for more than € 2 billion or 67 percent of total imports.

Besides The Netherlands, other major cut flower suppliers to the EU were Kenya (largest non-EU supplier), Israel, Colombia, Spain, Ecuador and Zimbabwe. Between 1999 and 2001, in contrast to Israel, Kenya, Zimbabwe and Ecuador strongly increased their exports.

**Figure 5.1 The leading suppliers of flowers and foliage to the EU, 1999-2001**  
**€ million**



Source: Eurostat (2002)

## Germany

Germany was the leading European importer in 2001, with imports of cut flowers and foliage amounting to € 809 million, although this indicated a strong decrease of 11 percent compared to 1999. The decrease was mainly caused by the fall in imports of Dianthus (down 33%), Orchids (down 29%) Dendranthema (down 22%).

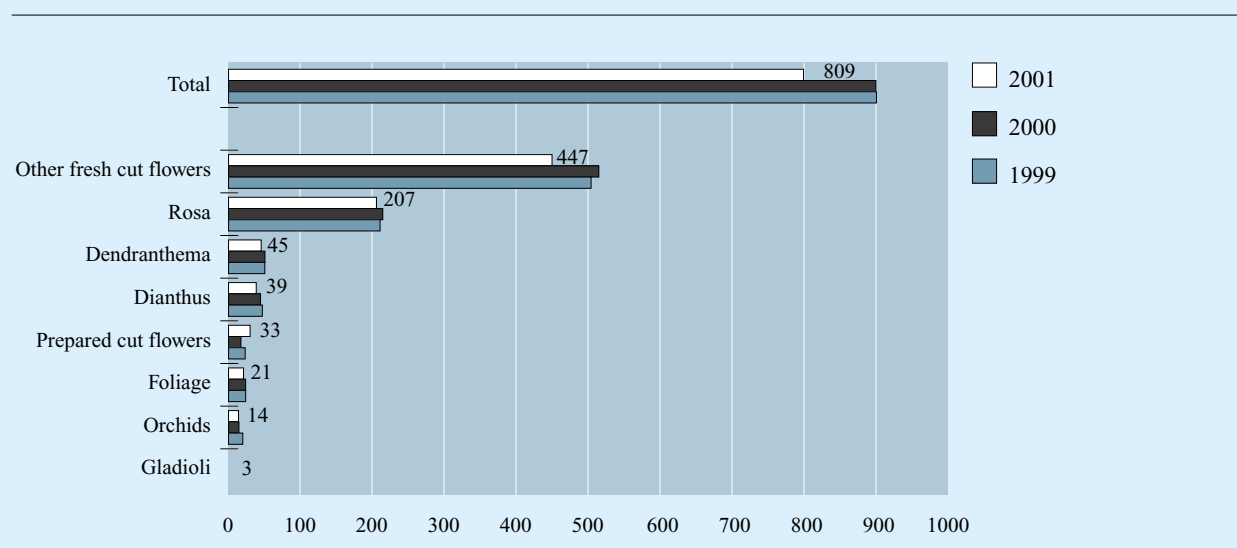
In 2001, cut flowers represented 97 percent of total imports of flowers and foliage. Rosa ranked first as the main imported fresh cut flower, followed by Dendranthema and Dianthus.

The Netherlands was by far the largest supplier of cut flowers and foliage, accounting for 86 percent of all German imports in 2001, a market share which remained fairly stable for the period reviewed.

The principal non-EU suppliers in 2001 were Ecuador

(€ 15 million), Kenya (€ 13 million), Colombia (€ 10 million), Israel (€ 8 million), South Africa (€ 5 million), Tanzania (€ 4 million) and India (€ 3 million).

**Figure 5.2 German imports of cut flowers and foliage, 1999-2001**  
€ million



Source: Eurostat (2002)

### The leading suppliers of cut flowers and foliage to Germany, 2001

Share of DC (%)

Rosa	→ The Netherlands (81%), Kenya (6%), Ecuador (6%)	16
Dianthus	→ The Netherlands (62%), Colombia (24%), Italy (6%)	28
Orchids	→ The Netherlands (87%), Thailand (11%),	11
Gladiolus	→ The Netherlands (98%), Italy (1%), Spain (1%)	0.2
Dendranthema	→ The Netherlands (99%), Italy (1%),	0.0
Other fresh cut flowers	→ The Netherlands (93%), Italy (3%), Israel (1%)	1
Prepared cut flowers	→ The Netherlands (86%), South Africa (3%), Italy (3%)	5
Foliage	→ The Netherlands (22%), Italy (16%), India (13%)	39
<b>Cut flowers &amp; foliage</b>	<b>→ The Netherlands (86%), Italy (3%), Ecuador (2%)</b>	<b>7</b>

Note: Share of Developing Countries (DC) in % of total value

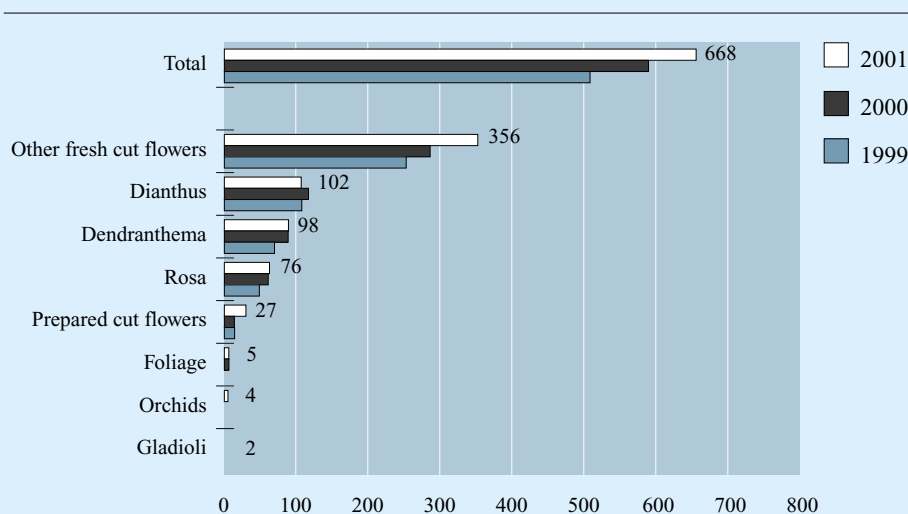
Source: Eurostat (2002)

## United Kingdom

The UK was the second largest importer of cut flowers and foliage into the EU. Between 1999 and 2001, imports increased considerably, amounting to € 668 million in 2001. Even though imports of Dianthus slightly decreased, it remained the most important species, followed by Dendranthema and Rosa.

The Netherlands alone supplied 74 percent of cut flowers and foliage to the UK. Note that this figure has been increasing since 1996. The second largest supplying country, accounting for € 51 million, was Kenya. Colombia became the third largest supplying country due to its export decrease between 1999 and 2001, amounting to € 49 million in 2001.

**Figure 5.3 UK imports of cut flowers and foliage, 1999-2001**  
€ million



Source: Eurostat (2002)

### The leading suppliers of cut flowers and foliage to the UK, 2001

Share of DC (%)

Rosa	→ The Netherlands (56%), Kenya (31%), Colombia (5%)	40
Dianthus	→ Colombia (42%), Spain (21%) The Netherlands (19%)	60
Orchids	→ The Netherlands (64%), Colombia (17%), Thailand (15%)	35
Gladiolus	→ The Netherlands (60%), Colombia (27%), Thailand (5%)	36
Dendranthema	→ The Netherlands (96%), Spain (3%)	0.4
Other fresh cut flowers	→ The Netherlands (88%), Spain (4%), Kenya (3%)	4
Prepared cut flowers	→ The Netherlands (69%), Kenya (23%), Columbia (2%)	27
Foliage	→ The Netherlands (40%), India (18%), Italy (12%)	30
<b>Cut flowers &amp; foliage</b>	<b>→ The Netherlands (74%), Kenya (8%), Colombia (7%)</b>	<b>17</b>

Source: Eurostat (2002)

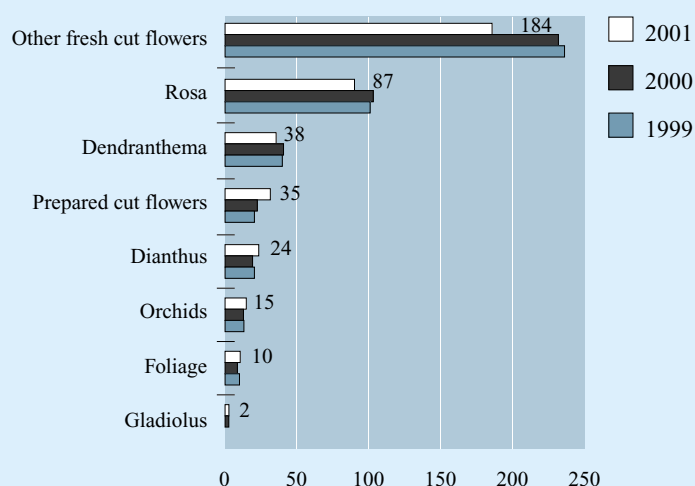
## France

In 2001, France was the third largest importer of cut flowers and foliage in Europe. French imports increased slightly by 5 percent compared to 1999, amounting to € 427 million in 2001.

French imports of prepared cut flowers and Orchids increased strongly. In 2001, imports of these flowers amounted to € 35 million and € 15 million, representing an increase of 88 percent and 39 percent respectively compared to 1999.

In 2001, The Netherlands was the largest supplier and accounted for 84 percent of total cut flowers and foliage imports into France. The second largest suppliers was Belgium. The importance of these neighbouring countries has grown strongly since 1990.

**Figure 5.4 French imports of cut flowers and foliage, 1999-2001**  
€ million



Source: Eurostat (2002)

### The leading suppliers of cut flowers and foliage to France, 2001

Share of DC (%)

Rosa	→ The Netherlands (89%), Ecuador (3%), Belgium (3%)	7
Dianthus	→ The Netherlands (57%), Spain (21%), Colombia (8%)	13
Orchids	→ The Netherlands (93%), Belgium (4%),	1
Gladiolus	→ The Netherlands (84%), Spain (7%), Italy (4%)	1
Dendranthema	→ The Netherlands (92%), Spain (4%), Belgium (3%)	1
Other cut flowers	→ The Netherlands (86%), Belgium (5%), Italy (2%)	5
Prepared cut flowers	→ The Netherlands (77%), Belgium (8%), Ecuador (3%)	6
Foliage	→ The Netherlands (45%), Belgium (12%), Italy (11%)	14
<b>Cut flowers &amp; foliage</b>	<b>→ The Netherlands (84%), Belgium (5%), Spain (3%)</b>	<b>5</b>

Note: Share of Developing Countries (DC) in % of total value

Source: Eurostat (2002)



### The Netherlands

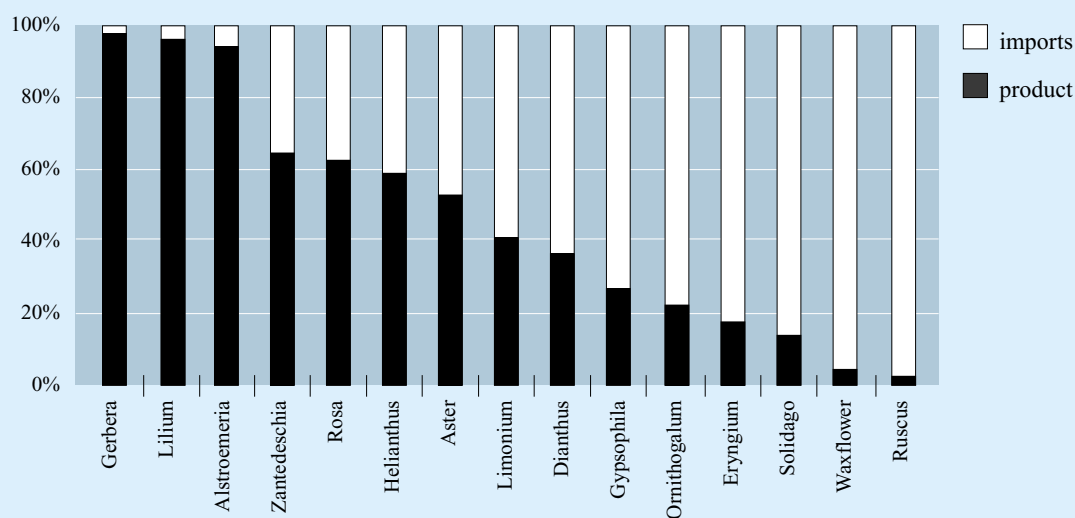
The demand of the Netherlands traders is, to a high degree, met by local production, but the significance of imports is growing. Imports enable the Netherlands trade to supply a broad selection of cut flowers to its European customers throughout the year. The most significant imports consist of cut flowers in the winter months and selected flowers which can be grown more successfully and/or competitively in other countries. A large proportion of the imported cut flowers is re-exported.

The importance of cut flower imports to the Netherlands trade is increasing in terms of value, while in terms of volume a fluctuation is recognised. Total imports of cut flowers increased strongly from € 380 million in 1999 to € 484 million 2001, indicating an increase of 27 percent. In terms of volume, imports into The Netherlands amounted to 132 thousand tonnes in 1999, increasing to 134 thousand tonnes in 2000, then reversing to 129 thousand tonnes in 2001.

Due to a strong decline in imports from Israel between 2000 and 2001, Kenya became the largest supplier to The Netherlands. In 2001, Kenya accounted for 23 percent of total imports, while Israel supplied about 206 percent of total Netherlands imports. While the political situation in Israel and Zimbabwe remains a major obstacle to their exports, Kenyan exporters have been able to further strengthen their position on the Netherlands market.

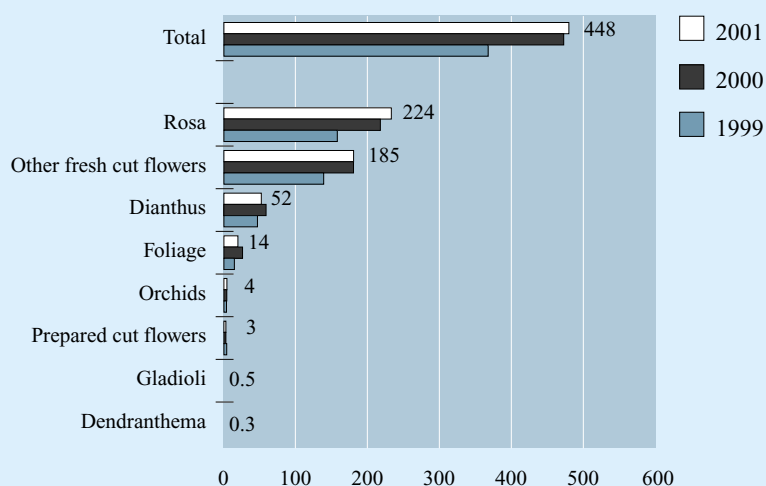
Imports of Orchids and Rosa have increased strongly. The total imports of Orchids and foliage amounted to € 4 million and € 224 million in 2001, representing respectively a 65 percent and 35 percent increase compared to 1999. Developing countries traditionally have a strong position in the Netherlands import market for Rosa, accounting for 89 percent of total Rosa imports. In 2001, imports of Rosa and Dianthus from developing countries, continued to grow considerably. Developing countries supplied about € 198 million worth of Rosa and € 25 million worth of Dianthus to The Netherlands.

**Figure 5.5 Supply of cut flowers and foliage to Netherlands auctions, 2000**  
% of total supply



Source: VBN (2001)

**Figure 5.6 Netherlands imports of cut flowers and foliage, 1999-2001**  
**€ million**



Source: Eurostat (2002)

**The leading suppliers of cut flowers and foliage to The Netherlands, 2001**

**Share of DC (%)**

Rosa	→ Kenya (39%), Zimbabwe (19%), Ecuador (11%)	89
Dianthus	→ Spain (40%), Colombia (33%)	49
Orchids	→ Thailand (45%), Germany (33%), South Africa (10%)	59
Gladiolus	→ Spain (48%), Portugal (35%), Israel (13%)	1
Dendranthema	→ Belgium (48%), Germany (26%)	15
Other cut flowers	→ Israel (41%), Zimbabwe (12%), Kenya (11%)	37
Prepared cut flowers	→ Poland (21%), Côte d'Ivoire (13%), Israel (12%)	44
Foliage	→ India (15%), China (15%), Turkey (15%)	59
<b>Cut flowers &amp; foliage</b>	<b>→ Kenya (23%), Israel (20%), Zimbabwe (13%)</b>	<b>63</b>

Source: Eurostat (2002)

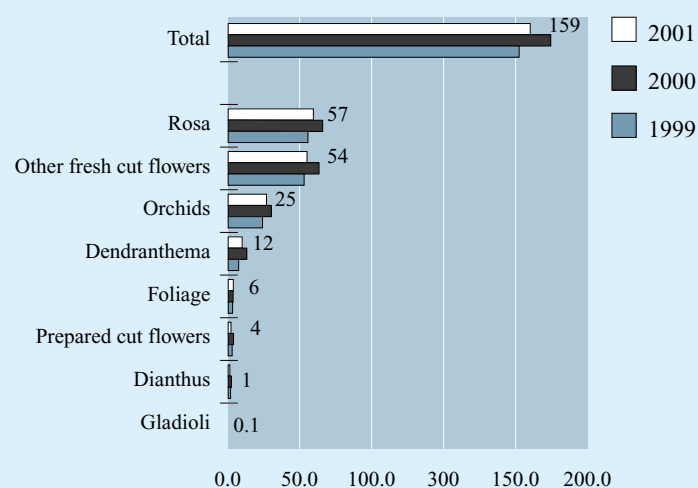
## Italy

Italy has become a net importer of flowers and foliage since 1985. Imports of most products must be viewed as complementary to domestic production. Between 1999 and 2001, imports stabilised, amounting to € 159 million.

Imports originating in The Netherlands and Thailand (mainly Orchids), the two largest suppliers of cut flowers and foliage to Italy, increased between 1999 and 2001. The Netherlands accounted for 73 percent of total Italian imports (€ 116 million), and Thailand for 8 percent (€ 13 million). Imports from Ecuador decreased between 1999 and 2001, declining in ranking of major suppliers, from a second place to a third place.

Between 1999 and 2001, imports of Dendranthema and prepared cut flowers into Italy decreased by 18 percent and 11 percent respectively.

**Figure 5.7 Italian imports of cut flowers and foliage, 1999-2001**  
€ million



Source: Eurostat (2002)

### The leading suppliers of cut flowers and foliage to Italy, 2001

Share of DC (%)

Rosa	→ The Netherlands (80%), Ecuador (13%)	17
Dianthus	→ Spain (78%), The Netherlands (15%)	4
Orchids	→ Thailand (52%), The Netherlands (43%)	53
Gladiolus	→ The Netherlands (92%), France (7%)	0.0
Dendranthema	→ The Netherlands (100%)	0.0
Other cut flowers	→ The Netherlands (82%), France (4%)	11
Prepared cut flowers	→ The Netherlands (51%), France (10%)	11
Foliage	→ India (28%), The Netherlands (20%), France (12%)	47
<b>Cut flowers &amp; foliage</b>	<b>→ The Netherlands (73%), Thailand (8%), Ecuador (6%)</b>	<b>20</b>

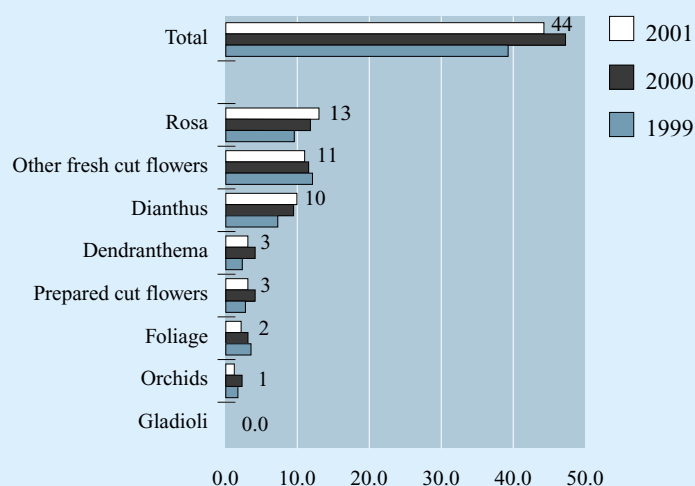
Source: Eurostat (2002)

## Spain

Imports of cut flowers and foliage into Spain fluctuated between 1999 and 2001, amounting to € 44 million in 2001. The Netherlands was the leading supplier, accounting for 38 percent of total imports in 2001, followed by Colombia (33%).

Imports of Rosa and Dianthus increased by 40 percent and 33 percent compared to 1999, amounting to € 13 million and € 10 million respectively. In contrast, imports of foliage and Gladioli decreased considerably, reaching € 2 million (down 36%) and € 32 thousand (down 29%) in 2001.

**Figure 5.8 Spanish imports of cut flowers and foliage, 1999-2001**  
€ million



Source: Eurostat (2002)

### The leading suppliers of cut flowers and foliage to Spain, 2001

Share of DC (%)

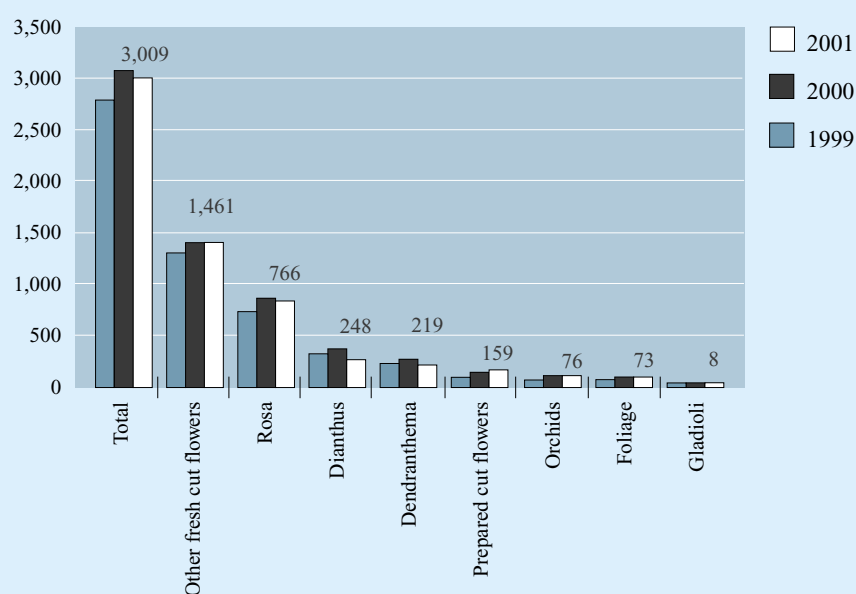
Rosa	→ Ecuador (48%), Colombia (38%)	87
Dianthus	→ Colombia (84%), France (7%)	85
Orchids	→ The Netherlands (65%), Thailand (25%)	28
Gladiolus	→ The Netherlands (69%), Italy (25%)	0.0
Dendranthema	→ The Netherlands (99%), Portugal (1%)	0.1
Other cut flowers	→ The Netherlands (82%), Colombia (6%)	9
Prepared cut flowers	→ The Netherlands (62%), China (8%)	18
Foliage	→ India (33%), The Netherlands (19%), France (13%)	57
<b>Cut flowers &amp; foliage</b>	<b>→ The Netherlands (38%), Colombia (33%), Ecuador (15%)</b>	<b>53</b>

Source: Eurostat (2002)

## 5.2 Imports by product group

Fresh cut flowers form the main imported product group covered by this survey. In the EU, total imports of fresh cut flowers were € 2.6 billion in 1999 and € 2.8 billion in 2001. Even though Germany decreased its imports between 2000 and 2001, it remained the largest EU importer accounting for € 754 million, followed by the UK (€ 637 million). The main supplier is The Netherlands, supplying 68 percent of total EU imports of fresh cut flowers.

**Figure 5.9 Imports of cut flowers and foliage into the EU by product groups, 1999-2001**  
€ million



Source: Eurostat (2002)

### Rosa

Since 1993, imports of fresh cut flowers has been dominated by Rosa. Imports increased by about 10 percent between 1999 and 2001, amounting to € 766 million in 2001. The Netherlands became the largest EU importer of fresh cut Rosa due to a decrease in German imports, and accounted for 29 percent of total EU imports in 2001. Germany imported € 207 million or 27 percent of total imports, followed by France (12%) and the UK (10%). The smaller importing countries such as Ireland and Portugal considerably increased their imports between 1999 and 2001, indicating increases by 94 percent and 20 percent respectively.

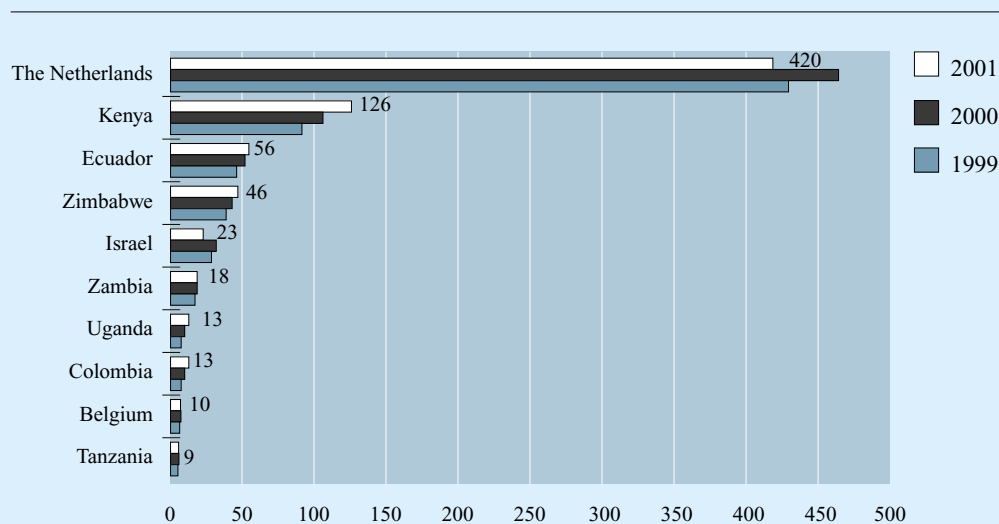
The Netherlands not only produces but also re-exports large volumes of Rosa. Therefore, The Netherlands was also by far the leading supplier of fresh cut Rosa to the EU, accounting for 55 percent of total EU imports. The other EU members, in contrast, play only minor roles. Kenya is ranked second and Ecuador third on the list of the most important Rosa suppliers to the EU. The role of African countries as suppliers of Rosa to the EU market is growing strongly.

**Table 5.3 Imports of Rosa into the EU, 1999-2001**  
**€ thousands / tonnes**

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>694,156</b>	<b>152,401</b>	<b>785,432</b>	<b>147,180</b>	<b>766,154</b>	<b>144,541</b>
The Netherlands	166,339	47,679	213,078	55,073	224,143	57,143
Germany	233,419	46,245	237,789	41,174	207,114	34,962
France	92,461	19,280	99,029	19,681	99,439	18,393
United Kingdom	53,558	8,373	72,967	9,918	75,658	10,904
Italy	53,915	6,940	59,556	6,677	57,431	6,655
Austria	28,304	3,917	26,810	3,825	30,255	4,364
Belgium	18,403	3,751	22,051	3,839	20,663	4,634
Spain	9,573	1,517	12,432	1,910	13,380	1,878
Denmark	13,229	1,771	15,198	1,839	13,354	2,005
Sweden	13,373	11,424	12,609	1,683	10,219	1,343
Ireland	2,737	247	3,793	395	5,309	1,139
Portugal	3,373	556	3,898	599	4,047	619
Finland	2,719	268	2,322	189	2,545	241
Luxembourg	1,077	136	2,589	191	1,388	95
Greece	1,671	297	1,311	187	1,207	166

Source: Eurostat (2002)

**Figure 5.10 The leading countries supplying Rosa to the EU, 1999-2001**  
**€ million**



Source: Eurostat (2002)

## Dianthus

Imports of Dianthus into the EU fluctuated strongly in the period 1999 to 2001, and were valued at € 248 million in 2001. The UK was the EU's leading Dianthus importing country, accounting for 41 percent of total imports. The second largest EU importer was The

Netherlands (21%), followed by Germany (16%) and France (8%).

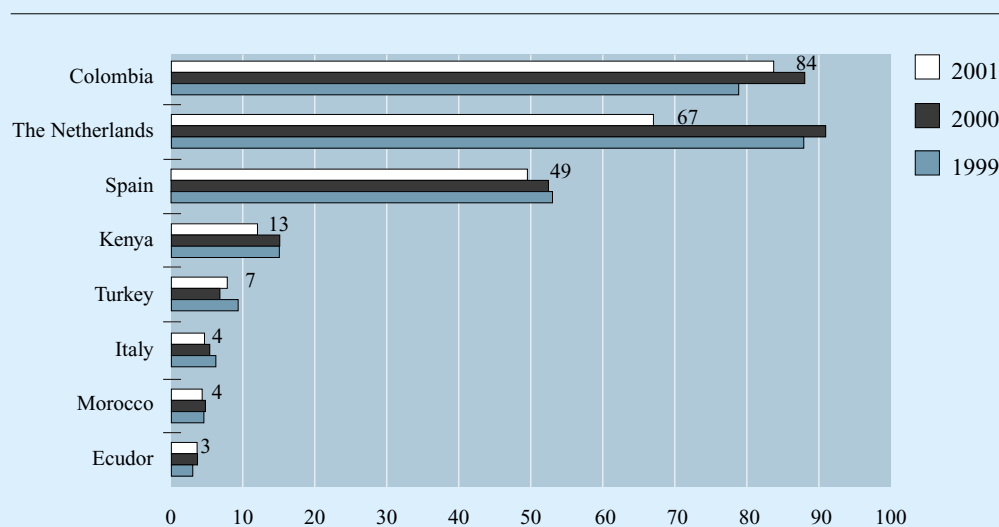
The main sources of imports are Colombia and The Netherlands, even though their importance as major suppliers is decreasing. Together with Spain, Kenya holds a prominent position as a supplier of Dianthus.

**Table 5.4 Imports of Dianthus into the EU, 1999-2001**  
€ thousands / tonnes

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>266,600</b>	<b>89,024</b>	<b>284,452</b>	<b>69,330</b>	<b>247,746</b>	<b>62,250</b>
United Kingdom	110,465	28,452	115,260	27,253	102,014	24,884
The Netherlands	47,767	29,591	56,798	15,973	51,811	16,224
Germany	59,061	17,944	49,350	10,965	39,429	8,698
France	18,190	5,988	26,965	6,953	21,008	5,564
Spain	7,720	2,215	10,026	3,121	10,300	2,172
Austria	7,966	1,481	8,208	1,444	7,524	1,476
Sweden	3,016	522	3,416	459	4,216	584
Ireland	3,937	661	5,173	839	3,996	601
Belgium	2,756	830	2,942	916	2,216	822
Denmark	1,552	278	1,679	271	1,598	354
Finland	2,150	385	1,811	291	1,346	240
Italy	1,120	441	1,681	588	994	358
Greece	392	111	485	134	761	145
Portugal	147	52	378	88	303	99
Luxembourg	357	73	280	35	229	29

Source: Eurostat (2002)

**Figure 5.11 The leading countries supplying Dianthus to the EU, 1999-2001**  
€ million



Source: Eurostat (2002)

## Orchids

Orchids are the oldest and most familiar tropical flower species and are also the leading import product. Imports of fresh cut Orchids into the EU slightly increased by 8 percent between 1999 and 2001, amounting to € 76 million in 2001.

Italy was the largest EU importer of fresh cut Orchids, accounting for 33 percent of total imports, followed by

France (24%) and Germany (18%). German imports consist mainly of higher priced, high quality Orchids.

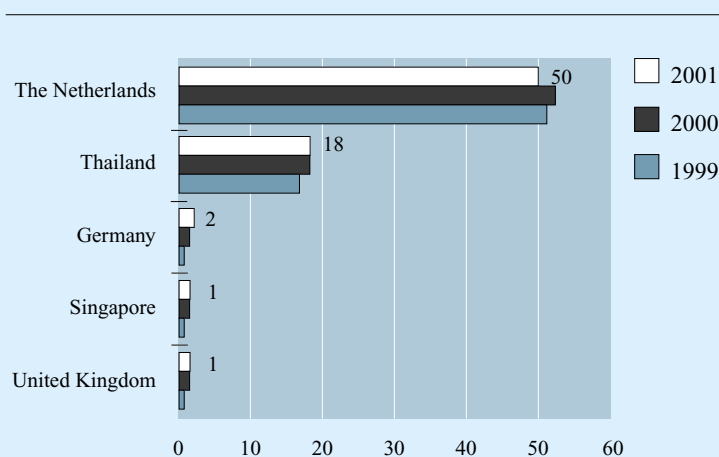
The Netherlands was the leading supplier of Orchids to the EU in 2001. It is the only European country with a sizeable orchid export industry. The Netherlands growers produce mainly Phalaenopsis and Cymbidium Orchids, but also Paphiopedilum and Oncidium are produced in greenhouses throughout the year. Imports

**Table 5.5 Imports of Orchids into the EU, 1999-2001**  
€ thousands / tonnes

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>70,173</b>	<b>7,891</b>	<b>76,153</b>	<b>8,611</b>	<b>75,807</b>	<b>8,269</b>
Italy	23,678	3,490	26,492	3,821	25,459	3,654
France	12,739	1,209	16,306	1,744	17,768	1,689
Germany	19,132	1,800	14,604	1,307	13,527	1,163
The Netherlands	2,494	394	3,877	388	4,112	392
United Kingdom	3,317	304	3,213	303	3,755	526
Austria	1,839	123	1,980	190	2,588	208
Belgium	1,602	111	1,880	183	1,470	70
Greece	1,135	105	1,370	128	1,428	129
Ireland	111	9	1,759	206	1,341	126
Portugal	1,313	82	1,359	75	1,336	64
Spain	954	115	1,218	105	1,058	94
Sweden	793	62	1,017	96	815	89
Finland	602	41	590	33	662	37
Denmark	332	19	415	23	406	23
Luxembourg	131	27	71	9	86	5

Source: Eurostat (2002)

**Figure 5.12 The leading countries supplying Orchids to the EU, 1999-2001**  
€ million



Source: Eurostat (2002)



from Thailand, the world's largest exporter of tropical cut Orchids and second largest supplier to the EU, amounted to € 18 million.

### Gladiolus

Compared to the other products described in this survey, Gladiolus imports into the EU are very small. Besides the small trading, developing countries play a minor role, as they supplied only 8 percent of total imports in 2001.

The Netherlands remained the leading supplier of Gladiolus to the EU in 2001. The Netherlands' supply of Gladiolus to the EU amounted to more than \_ 6 million in 2001, accounting for 80 percent of total imports to the EU.

### Dendranthema

EU imports of Dendranthema decreased in the last few years and amounted to € 219 million in 2001. In that same year, the leading EU importer, the UK, accounted for 38 percent of total imports, followed in order of importance by Germany (21%) and France (18%).

The major share, 96 percent of total imports, was supplied by The Netherlands. The second and third most important suppliers were Spain and Belgium. Developing countries do not play a significant role in the EU trade in Dendranthema.

### Prepared cut flowers

Not all cut flowers are sold as freshly picked products. A relatively small proportion, 5 percent of total cut flower imports, is in some way prepared before being offered to European consumers. Drying and dyeing, in particular, are special preparations that cut flowers can undergo. Other ways of preparing are bleaching or impregnating the flowers.

In 2001, all EU member states together imported prepared cut flowers worth € 159 million. Strong differences exist in the quantities of prepared cut flowers imported by the various EU member states. In 2001, the largest EU importer of prepared cut flowers was France, showing fluctuations in imports between 1999 and 2001. French imports amounted to € 36 million, representing a share of 23 percent of total EU imports. The other major importer was Germany (21%), followed by the UK (17%) and Denmark (14%).

The Netherlands is by far the largest supplier, accounting for 76 percent of total EU imports of prepared cut flowers. In The Netherlands nowadays, many Rosa of the Vendela variety, for instance, are dyed by specialist wholesale companies before being sold to retail buyers. Also many Dendranthema, spray and single-flowered varieties, are dyed. Other major suppliers were Kenya (4%) and the UK (2%). Developing countries accounted for only 9 percent of total EU imports in 2001.

**Table 5.6 Imports of Gladiolus into the EU, 1999-2001**  
€ thousands / tonnes

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>8,963</b>	<b>3,798</b>	<b>9,134</b>	<b>4,360</b>	<b>8,213</b>	<b>3,056</b>
Germany	3,483	1,937	3,504	1,715	2,714	1,249
France	2,124	823	2,019	790	1,786	783
United Kingdom	1,182	340	1,212	610	1,640	497
The Netherlands	356	113	484	634	462	27
Belgium	312	165	358	189	393	129
Sweden	350	89	365	112	370	83
Austria	370	117	391	132	351	160
Finland	147	37	133	35	155	44
Ireland	334	96	144	12	110	14
Italy	59	16	81	17	86	22
Denmark	112	29	91	35	85	24
Spain	45	17	39	23	32	17
Portugal	54	9	286	47	23	6
Luxembourg	28	9	8	2	5	0
Greece	8	1	20	7	2	1

Source: Eurostat (2002)

**Table 5.7 Imports of Dendranthema into the EU, 1999-2001**  
**€ thousands / tonnes**

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>221,607</b>	<b>63,309</b>	<b>249,002</b>	<b>58,056</b>	<b>219,156</b>	<b>51,696</b>
United Kingdom	84,486	22,911	96,864	22,848	98,079	19,669
Germany	58,072	17,045	57,662	12,628	45,070	11,105
France	32,218	9,774	42,596	10,467	35,637	9,090
Italy	14,866	5,479	17,187	4,703	12,255	3,982
Belgium	5,802	1,874	6,576	1,803	5,830	2,392
Ireland	4,542	1,062	4,507	665	3,866	685
Spain	2,926	1,024	3,941	1,135	3,367	1,216
Austria	3,587	751	3,487	661	3,093	724
Sweden	2,745	476	3,626	554	2,901	520
Denmark	2,781	509	3,372	542	2,527	674
Greece	3,992	1,007	3,154	713	2,214	531
Portugal	2,710	730	2,589	608	2,174	562
Finland	1,846	371	1,964	326	1,609	319
The Netherlands	856	239	1,263	375	349	206
Luxembourg	178	57	215	28	185	21

Source: Eurostat (2002)

### Foliage

The importance of foliage, compared to fresh and prepared cut flowers, is modest. Of the total imports of cut flowers and foliage in 2001, only 2 percent consisted of foliage. Total imports of foliage into the EU amounted to € 73 million in 2001, indicating a 7 percent decrease compared to the previous year.

The most important species imported were:

- Asparagus;
- Eucalyptus;
- Leatherleaf ferns (*Arachniodes adiantiformis*);
- Ruscus;
- Aspidistra; and
- Monstera.

Germany was the leading EU importer, accounting for 29 percent of EU imports, with imports worth € 21 million in 2001. The Netherlands and France, whose imports were rising, followed in order of importance.

The Netherlands (€ 18 million), Italy (€ 10 million) and India (€ 9 million) were the leading suppliers of foliage to the EU. It should be noted that, although not mentioned in Eurostat figures, Costa Rica and Guatemala are also major developing countries supplying foliage to EU countries.

### Bulb flowers

Bulb flowers are mainly produced in the EU for the local trade. Developing countries do not play a major role in this market segment.

### 5.3 The role of developing countries

Imports originating in developing countries have been increasing strongly over the past ten to fifteen years. In 2001, imports from developing countries amounted to € 575 million, accounting for 19 percent of the total EU imports of cut flowers and foliage. As shown in Figure 5.13, developing countries played a relatively more important role in the Netherlands imports than in the imports of other EU countries, thus illustrating The Netherlands' gateway function to the European market for imports from developing countries.

The Netherlands is an important market for developing countries because of its massive trading role in distributing imported flowers throughout Europe.

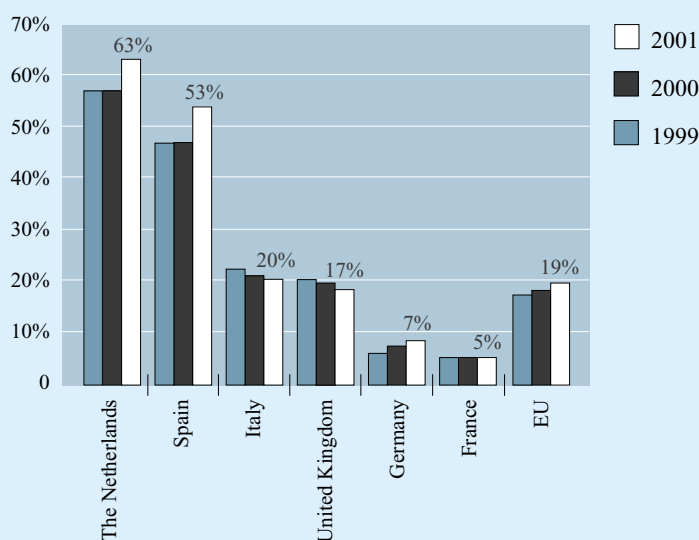
Its exports of cut flowers and foliage account for about 55-60 percent of total world trade, and 86 percent of the total EU trade.

The importance of developing countries as suppliers to the EU is demonstrated by the presence of Kenya, Colombia, Ecuador, Zimbabwe, Zambia, Thailand and India among the top ten supplying countries.

Other important developing country suppliers are: South Africa, Uganda, Turkey, Tanzania, China, Morocco, Costa Rica and Ivory Coast. Most of these countries are specialised in certain species.

However, Kenya, for example, exported primarily Rosa and Dianthus, but also many other products like various species of summer flowers.

**Figure 5.13 Share of developing countries in imports of cut flowers and foliage into the selected EU countries, 2001 % of imported value**



Source: Eurostat (2002)

#### Leading developing country suppliers to the EU (% of total imports from developing countries), 2001

<b>Dianthus</b>	Colombia (74%), Kenya (11%)
<b>Rosa</b>	Kenya (43%), Ecuador (19%), Zimbabwe (16%)
<b>Orchids</b>	Thailand (91%), Colombia (3%)
<b>Gladiolus</b>	Colombia (71%), Thailand (13%)
<b>Dendranthema</b>	South Africa (33%), Colombia (31%)
<b>Other fresh cut flowers</b>	Kenya (31%), Zimbabwe (22%), Ecuador (20%)
<b>Prepared cut flowers</b>	Kenya (43%), India (12%), China (11%)
<b>Foliage</b>	India (36%), China (21%), South Africa (15%)
<b>Total cut flowers and foliage</b>	<b>Kenya (31%), Colombia (18%), Ecuador (14%)</b>

Source: Eurostat (2002)

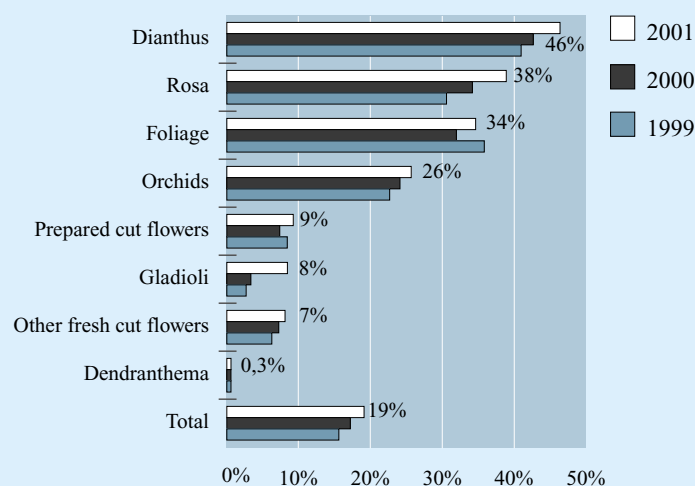
Uganda, Ivory Coast and China have increased in importance as suppliers of cut flowers and foliage to the EU. China (an upcoming country supplying foliage to the EU) exported more than € 6 million worth of cut flowers and foliage to the EU in 2001. Uganda supplied € 13 million and Ivory Coast € 4 million, illustrating increases by 129 percent and 89 percent compared to 1999.

The leading developing countries exporting cut flowers and foliage to The Netherlands were Kenya, Zimbabwe and Ecuador. In 2001, Kenya accounted for 36 percent of total imports into The Netherlands originating in developing countries. Zimbabwe and Ecuador were responsible for 22 percent and 14 percent of total cut flowers and foliage imports respectively. Due to the country's political situation, exports from Zimbabwe have strongly declined since then.

The main fresh cut flowers such as Rosa, Dianthus, Dendranthema are exported in considerable amounts by countries like Colombia, Kenya, Zimbabwe and Ecuador. The EU market for these products is very competitive. Consequently, the margins are relatively small and under pressure. New producers from developing countries, other than the ones mentioned above, will find that entry to such a competitive market is rather difficult.

Rosa are the most important cut flower species supplied by developing countries to The Netherlands.

**Figure 5.14 Share of developing countries in imports of cut flowers and foliage into the EU, 1999-2001**  
% imported value



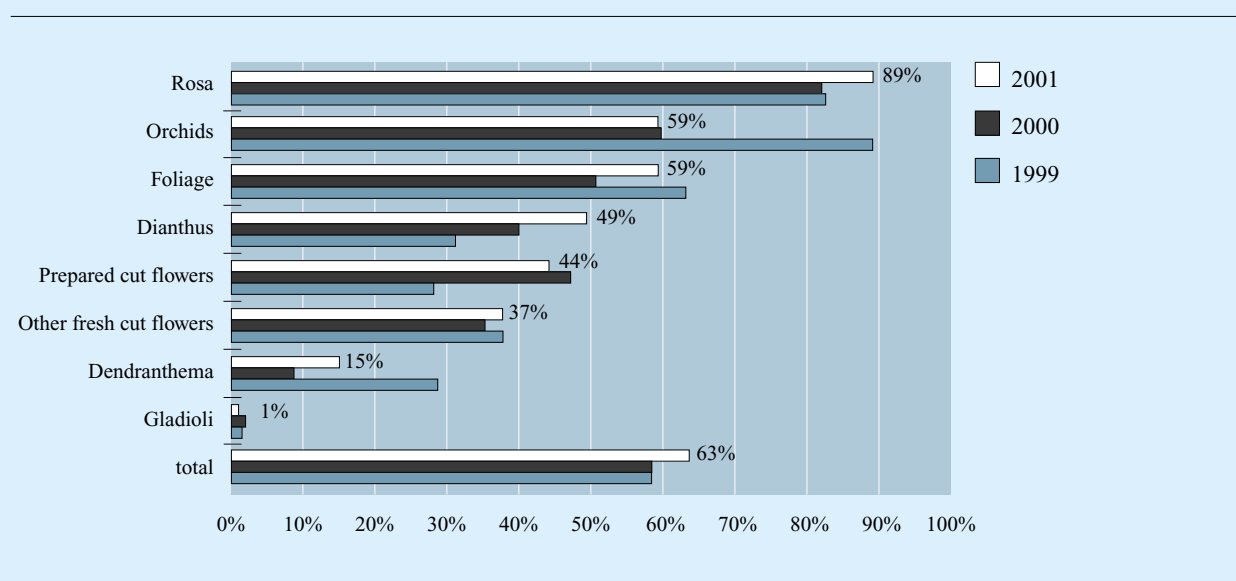
Source: Eurostat (2002)

**Leading developing country suppliers to The Netherlands (% total imports from DC), 2001**

<b>Orchids</b>	Thailand (76%), South Africa (17%)
<b>Rosa</b>	Kenya (45%), Zimbabwe (21%), Ecuador (12%)
<b>Dianthus</b>	Colombia (68%), Ecuador (9%)
<b>Dendranthema</b>	Uganda (17%), South Africa (13%), Ecuador (13%)
<b>Gladiolus</b>	Morocco (80%), South Africa (20%)
<b>Other cut flowers</b>	Zimbabwe (33%), Kenya (30%), Ecuador (21%)
<b>Prepared cut flowers</b>	Côte d'Ivoire (30%), China (25%), India (15%)
<b>Foliage</b>	India (25%), China (25%) Turkey (25%)
<b>Total cut flowers and foliage</b>	<b>Kenya (36%), Zimbabwe (21%), Ecuador (14%)</b>

Source: Eurostat (2002)

**Figure 5.15 Share of developing countries in imports of cut flowers and foliage into The Netherlands, 1999-2001**  
% of imported value



Source: Eurostat (2002)

As shown by Figure 5.15, between 1999 and 2001, the share of developing countries in Dianthus and Rosa increased. In contrast, Orchids and Dendranthema decreased in that same period.

### Specialty products

The market for cut flowers consists of a range of product groups, which offer varying opportunities for developing countries as potential suppliers. It is a highly competitive market in which importers are continually seeking new, special and different products. They tend not to change easily from one rose supplier to another, but co-operation with someone supplying a new product is considered attractive. A new speciality also offers the prospect of making higher profits than those from selling conventional floricultural products.

### Tropical flowers

The major tropical flowers are Orchids and Anthuriums. Other important products falling within this group are Gingers, Strelitzia (birds of paradise), Heliconias and Proteas. Note that tropical flowers are not only grown in the tropics, but also in greenhouses in Germany, Italy, France, Japan, USA and, of course, The Netherlands.

Tropical flowers are distributed by specialised importers, who usually combine tropical flowers and foliage, working with positive temperature distribution chains. The number of these specialised importers is rather limited (about 20 in Europe).

Tropical flowers constitute a growing niche market. Flamboyant in their diversity of colours and unusual shapes, they occupy only a marginal position in the

market. According to large Netherlands importers this market is not very interesting for new suppliers (basically because of high volume/value ratio), unless they have something really special. The market is characterised as a supply market. Demand is lagging behind and prices are under pressure.

Besides the current market perspectives, high transportation costs tend to impose a limiting effect on the import of tropical flowers from developing countries. They are either heavy, as with Heliconias, Gingers and Proteas (some weigh almost 1 kilogram per stem), or they are voluminous, as with Orchids.

### Summer flowers

The sales prospects for non-EU cut flowers lie essentially in the European winter months. The favourable climate and the relatively low costs of production (labour) are the major advantages for prospective exporters in developing countries. A very high proportion of the extra-EU cut flower imports is delivered during the months November to May, whereas in the summer months EU growers can satisfy most of this demand quantitatively as well as in terms of product range. Imports are consequently of less importance in this period. The main products which are of interest to the trade in the summer months are species which are cultivated in the EU. There is a high level of interest in innovation and new species; experience has shown that new products can acquire a rapidly growing market share, following initial introduction to the trade.

### **Bouquets**

A relatively high labour input is required for the preparation of bouquets (combinations of cut flowers with foliage). Bouquets therefore appear to be an attractive specialty product for developing countries, particularly when exporting directly to EU supermarkets. There are, however, two important problems to be dealt with:

- trends (colours, combinations) vary a lot, and are very hard to predict;
- dense packing in order to reduce air freight volume, and thus reduce costs, has a strongly negative impact on the quality of the bouquet.

### **Prepared cut flowers**

The forms of preparation of flowers mainly consists of dyeing and drying, but also of bleaching and impregnating. This product group is to a large extent subject to trends. Some prepared flowers are imported via The Netherlands, but are not very popular in this country itself. In Europe, prepared cut flowers are mainly sold in Southern European countries.

Prepared flowers are a speciality product of which the main supplier is The Netherlands, followed by Kenya. Leading developing country suppliers, beside Kenya, are India, Colombia, Tunisia and Tanzania.

An advantage of dried cut flowers is that they are non-perishable. In Asia these flowers are very popular. Prepared flowers are transported by sea containers and suppliers should be big enough to ship a whole container. There is a market for prepared flowers, but importers will not easily change from their current supplier, if the new supplier is offering the same product. Importers mention that new products will attract interest. But what is new cannot be described before it appears on the market.

Another bottleneck for exporting prepared flowers from developing countries is that the requirements for the import of prepared flowers into the EU are more strict (e.g. dyes used) than on the local market. For producers who already having a large potential local market, the incentive to change their processes in order to export to the EU may not be very high.

### **Foliage**

The major foliage species imported are: Asparagus, Hedera, Arachniodes adiantiformis (Leather Leaf Fern), Eucalyptus and Ruscus. The leading supplier to the EU market is India, followed by The Netherlands, Italy and South Africa. Central American countries, particularly Costa Rica, have also established a strong position on this market and supply container loads of foliage, mainly Arachniodes Adiantiformis (Leather Leaf Ferns), to Europe.

According to the COLEACP study, endemic products from exporting ACP countries would be ideal. Furthermore, small-leaved standardised foliage (low volume/value ratio) is recommended such as Tops of *Dracaena Marginata*, *Sanderiana*, etc., *Areca*, *Calathea* and small *Pandanus*. There is room for cheap, yet long-lasting products. Exporters, however, must demonstrate their interest to importers directly, e.g. visits to Europe, regular information about product conditions, warnings about possible climatic problems.

#### **Opportunities**

- Specialty / novelty products.
- Tropical flowers.
- Summer flowers.
- Prepared (dried or dyed) cut flowers.
- Foliage: small-leaved foliage, novelties.
- Off season.

#### **Threats**

- Poor image of LDC sources (logistical problems, lack of professionalism, poor commercial attitude).
- Political instability in some developing countries.

## 6 EXPORTS

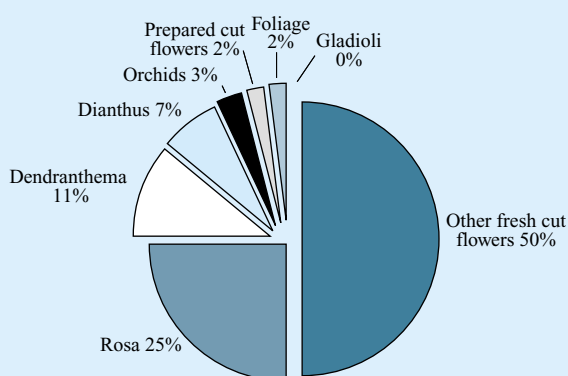
Exports of cut flowers and foliage by the EU are dominated by fresh cut flowers, which account for 96 percent of the total exports of the products covered in this survey. In terms of value, cut flower and foliage exports showed an increase of 10 percent between 1999 and 2000, after which decreased by 4 percent, amounting to almost € 2.6 billion in 2001. It should be noted that in terms of volume, exports fluctuated strongly from more than 1 million tonnes in 1999, decreasing to 610 thousand tonnes in 2000, remaining at roughly the same level in 2001.

The Netherlands dominated the EU trade in floricultural products, accounting for 86 percent of total EU exports of cut flowers and foliage in 2001.

Figure 6.1 illustrates the relative importance of the five fresh cut flowers species, which are reported in Eurostat trade statistics. They accounted for 46 percent of total fresh cut flowers exports. Note that Netherlands exports of cut flowers and foliage showed the same pattern as that of the EU. In 2001, the EU member states' exports of Rosa amounted to € 636 million, representing 25 percent of all fresh cut flowers exports. The second most exported fresh cut flower is Dendranthema with an export value of € 281 million.

The main export destinations were other EU member states. Intra-EU exports of cut flowers and foliage accounted for 81 percent of total EU exports (€ 2.1 billion). Germany was the major market, accounting for

**Figure 6.1 EU exports of cut flowers and foliage, 2001**  
% of total value



**Destinations of exports:** Germany (28%), UK (16%), France (15%), USA (5%)  
Source: Eurostat (2002)

**Table 6.1 Exports of cut flowers and foliage by the EU, 1999-2001**  
€ thousands / tonnes

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>2,434,526</b>	<b>1,463,828</b>	<b>2,674,188</b>	<b>609,955</b>	<b>2,576,783</b>	<b>654,313</b>
The Netherlands	2,075,207	1,359,570	2,294,221	509,123	2,221,100	502,943
Italy	121,833	19,659	115,143	17,596	108,821	16,494
Spain	96,601	56,874	99,521	55,482	90,915	105,706
Belgium	52,203	9,729	62,258	10,991	57,145	10,013
United Kingdom	24,882	4,798	31,868	5,037	35,908	7,883
France	27,059	4,481	35,861	4,538	29,435	4,842
Germany	25,677	5,321	24,636	5,017	24,360	4,761
Denmark	6,183	843	6,226	958	4,086	627
Austria	2,013	1,976	1,264	352	1,703	355
Portugal	792	146	874	216	1,034	261
Sweden	319	136	775	314	891	199
Finland	727	83	522	79	593	61
Ireland	77	19	461	95	297	72
Luxembourg	312	38	162	18	248	25
Greece	651	155	393	139	247	71

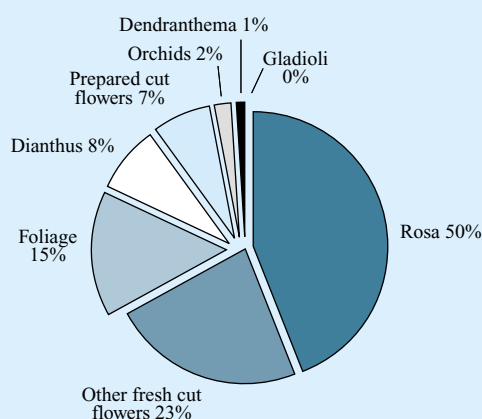
Source: Eurostat (2002)

about € 720 million or 28 percent of the total EU exports. Other major destinations for EU exports were United Kingdom, France, and Italy. The destinations outside the EU were USA and Switzerland.

Rosa remained the leading exported fresh cut flower in 2001. Exports of Dendranthema and foliage witnessed strong decreases in the same period. Dendranthema declined to € 252 thousand in 2001 (down 42%), foliage amounted to € 3.7 million (down 55%).

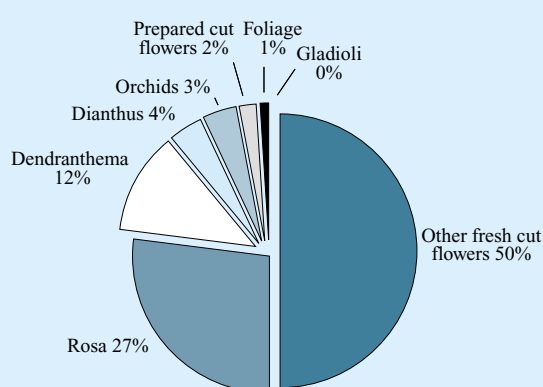
The UK, being the fifth EU leading exporter of cut flowers and foliage, showed increased exports between 1999 and 2001, which was mainly represented by other fresh cut flowers (mostly Narcissus) and prepared cut flowers. Unlike Germany, the UK mainly exported prepared cut flowers (Figure 6.3). Exports of Rosa fluctuated considerably from € 256 thousand in 1999, to € 1.6 million in 2000 and reaching € 744 thousand in 2001.

**Figure 6.2 German exports of cut flowers and foliage, 2001**  
% of total value



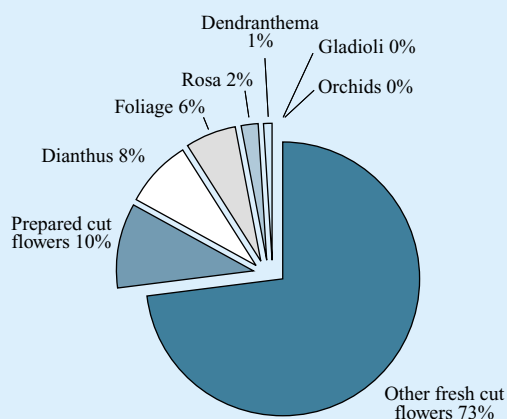
**Destinations of exports:** The Netherlands (24%), Austria (21%), Switzerland (13%), Norway (12%)  
Source: Eurostat (2002)

**Figure 6.4 Netherlands exports of cut flowers and foliage, 2001**  
% of total value



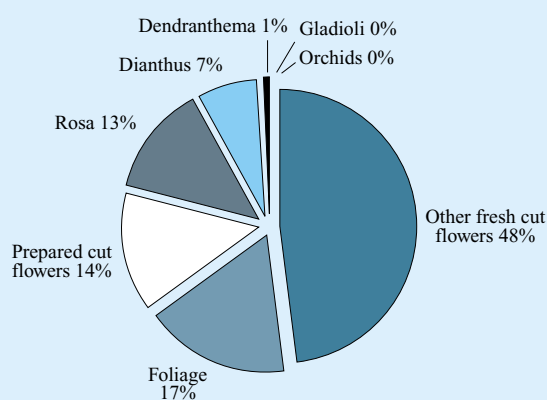
**Destinations of exports:** Germany (30%), UK (17%), France (15%), USA (5%)  
Source: Eurostat (2002)

**Figure 6.3 UK exports of cut flowers and foliage, 2001**  
% of total value



**Destinations of exports:** The Netherlands (44%), Ireland (28%), Denmark (9%), France (5%)  
Source: Eurostat (2002)

**Figure 6.5 French exports of cut flowers and foliage, 2001**  
% of total value



**Destinations of exports:** The Netherlands (25%), USA (15%), Switzerland (15%), Italy (14%)  
Source: Eurostat (2002)



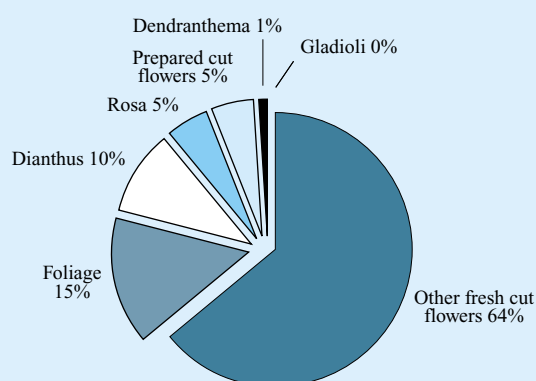
Netherlands exports of cut flowers and foliage showed the same pattern as that of the EU: Rosa being the largest product, followed by Dendranthema and Dianthus. Exports from The Netherlands to Germany amounted to € 668 million, about 30 percent of total EU exports in 2001. Other main exports destinations were UK, France, USA, and Italy.

France mainly exported foliage, accounting for 17 percent of total cut flowers and foliage exports in 2001. Between 1999 and 2001, exports of Dianthus showed a considerable increase from € 495 thousand in 1999 to almost € 2 million in 2001.

In contrast to other major exporting EU countries, Italy mainly exported foliage, Dianthus, and other fresh cut flowers (mainly Gerbera, Lilium). Major export destinations were other European countries.

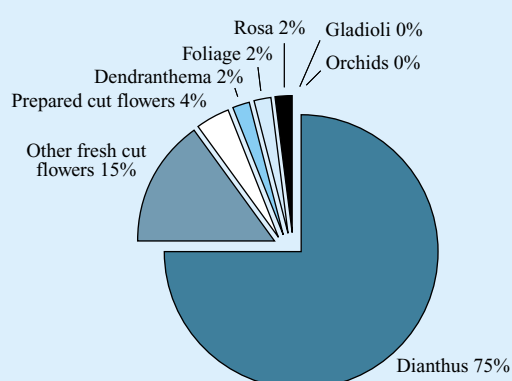
In terms of value, Spanish exports of cut flowers and foliage remained stable between 1999 and 2001. However, in terms of volume, exports showed a considerable increase from 57 thousand tonnes in 1999 to 106 thousand tonnes in 2001. This was mainly due an increase of exports of Dianthus (up 78%). Spain mainly exported Dianthus to The Netherlands and the UK.

**Figure 6.6 Italian exports of cut flowers and foliage, 2001**  
% total value



**Destinations of exports:** Germany (34%), Switzerland (24%), The Netherlands (9%), France (8%)  
Source: Eurostat (2002)

**Figure 6.7 Spanish exports of cut flowers and foliage, 2001**  
% of total value



**Destinations of exports:** The Netherlands (37%), UK (33%), France (12%), Germany (5%)  
Source: Eurostat (2002)

# 7 TRADE STRUCTURE

## 7.1 EU trade channels for developing countries

In general, cut flowers and foliage from developing countries enter the European market either

- 1) via one of the Netherlands' auctions;
- 2) via an agent;
- 3) via an import wholesaler; or
- 4) directly via a European retail chain.

### 1. Auctions

Auctions are wholesale markets created by the growers to market their products. The first flower auctions were set up in the early 20th century in The Netherlands. Nowadays, there are about 10 flower auctions in Europe, 4 of which are in The Netherlands (see Appendix 2.6 list of main European wholesale markets and auctions).

Of the flower auctions in the EU, three are of particular interest to exporters from developing countries. These three auctions also have their own import departments who can facilitate foreign suppliers with necessary support when supplying the auction:

- **Aalsmeer Flower Auction (VBA):** Internationally oriented auction with an annual turnover of over 1.5 billion euro in 2002
- **FloraHolland:** Internationally oriented auction with 5 branches in Naaldwijk, Rijnsburg, Bleiswijk, Venlo, and Eelde in The Netherlands. Annual turnover 1.9 billion euro in 2002.

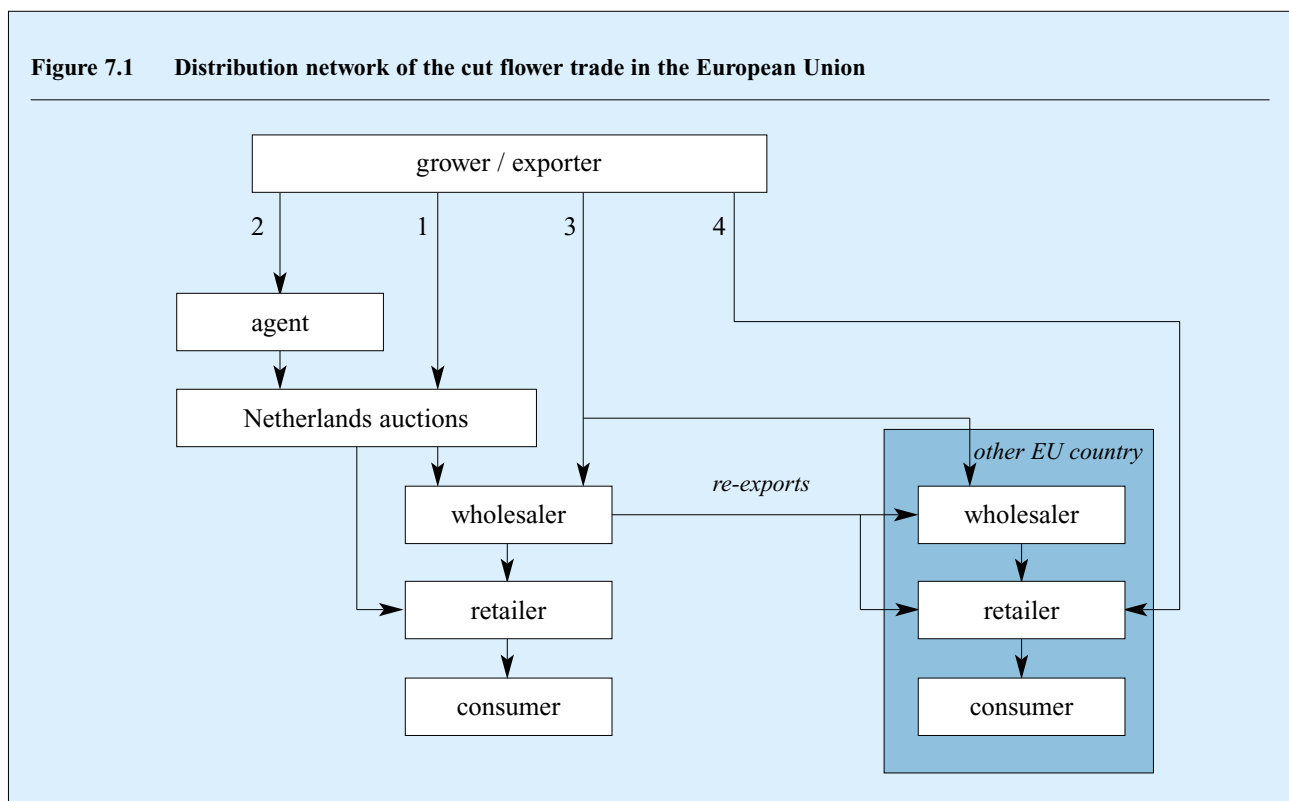
- **NBV-UGA:** German auction with an annual turnover of 574 million euro in 2002 (cut flowers and pot plants).

The other auctions are mainly oriented towards the marketing of local production.

The Netherlands' auctions in particular function as a pivot around which the international floricultural trade revolves. Through their concentration of supply and demand, they act as a price-setting mechanism for the trade and have developed into a major centre for the distribution of domestic and foreign grown products to the European markets. It is important to understand the importance of the Netherlands' auctions as an international distribution hub for products from developing countries.

The Netherlands auctions now handle about 85 percent of the Netherlands produce and 80 percent of imported flowers. The auctions dominate the world trade and determine the prices, in particular in Europe, where they have a 30 to 40 percent market share in cut flowers.

The auctions in The Netherlands are co-operatives, owned by domestic growers and open to membership for all growers in the EU, but not yet for growers outside the EU. Their main purpose is to handle produce from their member growers. The Federation of Dutch Flower Auctions (VBN) is the co-ordinating centre.



The Netherlands' wholesalers are the customer base of the auctions. They typically focus on exports and their infrastructure is developed to co-ordinate product flows, which are sold all-over Europe.

Besides the auctions in The Netherlands and the NBV-UGA auction in Germany, other countries also trade flowers at auctions. Although the importance of these auctions for international trade is small compared to the Netherlands auctions, some of them are gaining in significance.

Floricultural products submitted to the auctions are sold either by means of the auction clock or through the Intermediary Office:

#### The Auction Clock

Upon submission to the auctions for sale, each batch of product is examined by auction inspectors with respect to maturity, length, and number of buds. They sort the flowers according to various grade classification standards. During the process, the flowers are checked for diseases and pests, for colour deviations and leaf yellowing. All the information is stored in the auction computer, and the products are cleared for auctioning. Flower trolleys move the product for sale past the auction clock. Besides the computer, in which the information is stored, the auctioneer again describes the product (name of the grower, species, quality class and grading code), and then the single hand of the clock descends until a prospective buyer, by pushing a button, halts the hands of the clock. The price then indicated is the purchase price.

After the buying procedure, the products are distributed to the buyers, who have rented packaging space at the auction. The whole process at the auction complex is highly automated, from handling and storage of goods before auction, to administration of the sale and delivery to the buyer's office, and packaging for transport in the packing room.

#### The Intermediary Office

('Bemiddelingsbureau' in Dutch)

The Intermediary Office of the auction acts as an intermediary between seller and buyer on a commission basis. Its importance with respect to the sales of cut flowers is still small, but growing. In 2002, it was around 8 percent.

In 2002, the total turnover of cut flowers at the Netherlands auctions amounted to € 2.4 billion; an increase of 4.1% compared to the year 2001. Supply remained almost at the same level (+0.1%) as in 2001. The 11.8 billion stems supplied were traded at an

average price of € 0.21; an increase of 1 cent. The share of cut flowers in the total turnover of the auctions was 66.8% this year; a decrease of 1% compared to the year 2001.

**Table 7.1 Turnover of VBN-auctions concerning cut flowers (including auctioned imports), 2000-2002 in € million**

	2000	2001	2002
FloraHolland	1,290	1,284	1,334
VBA	981	977	1,021
Oost Nederland	20	21	22
Vleuten	8	17	17
<b>Total</b>	<b>2,310</b>	<b>2,299</b>	<b>2,394</b>

Source: VBN (2003)

#### Tele Flower Auction (TFA)

In March 1995, East African Flowers, the largest private importer of non-EU produce in The Netherlands, decided to establish a private auction focusing on imports from outside Europe (Tele Flower Auction). TFA was one of the first computerised auctions, without the physical transfer of flowers past the auction clock. The auctioning is done through a computer network and the buyers are selected amongst the 100 biggest Netherlands wholesalers. TFA does not impose any quantitative restrictions on imports and it buys on a contract basis. Supply criteria and commissions are comparable with the traditional auctions.

Since the starting period, 1995-1996, TFA has continued to grow. Top growers located in the countries Kenya, Uganda, Tanzania, Zimbabwe and Zambia channelled their products (mainly Rosa, Dianthus and Statice) through auctioning at the TFA on the European market. TFA added various Rosa varieties grown by top Netherlands growers to its range of African Rosa.

For more detailed information on the TFA, please refer to the Internet-site: <http://www.tfa.nl>.

#### 2. Agents

Handling imports has never been a core-business function of auctions. While the import departments of the auctions have invested in import-related infrastructure such as roller beds for airplane pallets, and have established satellite offices in supplying countries, the majority of auctions rely on external agents to perform import functions (cutting, re-hydrating and re-packing flowers).

The growing role of agents in the supply chain is largely a product of the increasing sophistication of packing requirements. Agents play an important role in transferring flowers from air-transport-based to auction-based packaging and exporters who lack local representatives in the Netherlands are dependent on these services.

In recent years, agents have moved away from simple commodity handling towards providing a wider array of services including consultancy, product and marketing information, and import materials. These services have allowed exporters to achieve higher levels of consistency and quality, and have enhanced their competitiveness in the European market.

Agents have adopted a range of “new” competencies: purchasing and consolidating flowers in supplier countries; becoming financially integrated into flower farms; and providing a wide range of marketing information on consumption trends, environmental programmes and quality-related aspects of distribution. In addition, agents are diverting growing volumes of flowers to supermarket chains, Dutch wholesalers, and foreign importers. These capabilities have made agents very valuable to off-auction clients, as well as posing a growing threat to the market share of the auctions.

### **3. Importing wholesaler**

Besides the possibility of supplying the European market via the auctions, with or without the help of agents, an exporter can also sell directly to European importing wholesalers. When imported flowers are sold via the Netherlands auctions, handling costs can be high (20-25 percent of the auction revenue). When flowers are sent directly to other European countries, prices are not augmented by such costs.

In addition to advising on the best method of selling the product, the importing wholesaler acts as a valuable link with the market place, providing the foreign exporter with information about the required quality standards, packaging, presentation and assortment. He can also help the foreign exporter to obtain suitable technical advice on the growing of flowers and the young plant material. Furthermore, he can give advice regarding transportation, handling and care. Note that many importing wholesalers also function as export wholesalers or wholesalers.

There is a substantial difference between Europe-based importing wholesalers and importing companies like Florimex. Florimex is a typical import company that developed an infrastructure to co-ordinate product flows, in order to pull the flowers into the market. To establish this, Florimex built up a global branch of import companies.

### **4. Retail chains**

There is a clear trend that European retail chains (supermarket chains, do-it-yourself stores or garden centres) increasingly purchase large volumes of flowers directly from growers, co-ordinate logistics across diverse markets, thus bypassing the auctions altogether.

The expansion of direct cut flower sales reflects supermarket initiatives to broaden their product portfolios. Particularly, UK-based supermarkets have made a strategic decision about their market orientation, and moved away from previous reliance on price-based factors towards strategies based on quality and service. This has resulted in supermarkets investing in supply chain relationships and pushing value-added activities down the chain towards exporters.

The best examples of this development are found in Kenya, where larger growers have tailored their operations to sell directly to retail outlets in Europe. Being able to supply this chain depends on the ability of the grower to comply with specific requirements of these retail chains (MPS, EUREPGAP).

The entry of the supermarkets offers the prospect of substantial market growth. However, their quality specifications are high and they are primarily interested in sourcing from large suppliers who can offer both single-species bunches and mixed bouquets.

### **7.2 Wholesale level**

Local wholesalers and export wholesalers are vital links in the chain from growers to consumers. Wholesalers arrange for the products to be carried to their (foreign based) clients. When the flowers are delivered to a wholesaler, the products are prepared for further shipping in the right form, quantity and packaging. Domestic destinations are the retailers, whereas export wholesalers (re-)export their cut flowers and foliage to wholesalers and retailers abroad.

The importance of deliveries by export wholesalers to retailers abroad is increasing. In fact, some export wholesalers (especially in The Netherlands) have taken over the distribution function from wholesalers in other European countries, by selling directly to retailers (the so-called “Flying Dutchmen”). Several multinational flower-trading companies have established their own wholesale companies in various countries.

The big (export) wholesalers send their purchasing agents to all important flower auctions in order to buy the best products at the best prices. Wholesalers wanting to buy products at auctions where they do not have a purchasing agent, often use so-called commissioners. In this way, they are able to offer a broad assortment to their clients.

The wholesale trade is becoming more concentrated. In Europe, this strong tendency towards concentration and operating with 'short communication lines' is clearly recognisable. The fastest growing companies are the ones working with supermarkets. The method of direct trading between producers/exporters and the retailer is, in some European countries, leading to the erosion of the function of the specialised importers. This leads to those same importers functioning partly as logistics service providers, quality inspectors and co-ordinators of the stream of flowers. In general, the importers still play an individual and specific role in the chain, because they have a strong relationship with their suppliers and because they play an indispensable role as assemblers of a broad assortment of products.

In some EU countries, traditional wholesale markets still play a role in the distribution chain. In these physical markets, growers and wholesalers sell their produce to local retailers, mainly specialised flower shops and smaller garden centres. Most wholesale markets are located near bigger cities.

A list of the main European wholesale markets is given in Appendix 2.6.

### E-Commerce

Electronic commerce is increasing in importance in the European floricultural business. Over the past five years, all kinds of initiatives could be seen. Most activities are directed to improving information transfer and trade (between growers, auction, wholesaler and retailer).

In 1995, Tele Flower Auction (TFA) was one of the first electronic trade systems seen in the floricultural trade. Another early initiative by the Container Centralen (Denmark and The Netherlands) was Distributed Datanet (DD), a network used for sending messages and trade information. Since then several parties have set up other systems including FlorEcom (Netherlands electronic order system, initiative of auctions and wholesalers), FlowerAccess (order system for retailers, set up at Flower Auction Aalsmeer), etc.

### 7.3 Retail level

Traditional florists still dominate the retail distribution of flowers in most EU countries. However, the shares of nurseries, garden centres and market and street vendors are also important. The importance of the supermarket, at the retail level of the distribution chain, has been growing for a number of years.

There is considerable diversity in the flower assortment offered by the various types of retail outlets. In general, florists offer a wide assortment of flowers, whereas the assortment sold by market and street vendors is narrower.

As a general rule, florists offer flowers of higher quality, a broader assortment, and use more attractive presentation than the other retail outlets. In addition to providing services (such as arranging a bouquet, fashioning wreaths and floral decorations, and delivery), florists offer information and advice about their products to consumers. They are usually more prepared to accept novelties than other retail outlets.

As in market and street selling, a high proportion of flower sales is generated by impulse purchases. The presence of flowers, at strategic locations and at low prices, offers customers a good opportunity to buy on impulse for use in their own home.

The flower assortment used to be very narrow in supermarket departments. However, the quality and assortment of flowers offered has improved considerably. Most supermarkets have self-service sales. Ready-made bunches of flowers are of particular importance for supermarkets. Supermarket sales are highest per capita in Ireland, Denmark and Switzerland but are growing elsewhere.

### The Netherlands

The retail trade in The Netherlands is characterised by a wide variety of outlets. The most important retail channel is represented by the florists, accounting for 47 percent of the total Netherlands sales of cut flowers in 2000. As also shown in the table, supermarkets become more important during the years under review.

Florists are followed in ranking by street and market sales outlets. They buy their products partly direct at the auctions. Street and market sales are characterised by the supply of more traditional cut flowers by stem or in bouquets, with simple packaging and low prices. Due to low overheads, street and market vendors are able to trade at lower prices than florists. They are also often situated at prime sites, thereby encouraging impulse buying. Street and market vendors target consumers who buy flowers for their own use.

**Table 7.2** Share of retail, % of total sales, 1999-2001

	1999	2000	2001
Florists	48	47	46
Street and markets	26	27	27
Supermarkets	18	18	19
Garden centres	3	3	3
Others	5	5	5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: GfK, Horticulture Commodity Board (2003)

## Germany

In Germany, the major volume of imported cut flowers and foliage is distributed either by German wholesalers or by Netherlands export wholesalers to the retail trade. The major German (import) wholesalers are large enterprises and mostly situated near Frankfurt, due to the importance of its airport in the physical distribution of flowers. Only a small percentage is sold at auctions. However, the producers' association NBV+UGA is quite important in marketing, since it has developed auctions where cut flowers are sold by a system of cash-and-carry.

The predominance of wholesalers is noteworthy. They are well organised and well informed and they are mainly focused on imports. Exporters should seek long-term business relationships with serious and qualified German importer wholesalers.

Distribution at the retail level is characterised by the predominance of the florists significant. In general, they are all independent retailers who purchase their products from the wholesale market and from domestic producers. With a market share of only 10 percent, the importance of supermarket chains like Rewe, Metro, Edeka and Aldi is still modest.

**Table 7.3** Share of retail, % of total sales, 1998-2000

	1998	1999	2000
Florists	63	64	63
Growers	13	13	13
Supermarkets	11	10	10
Street and market	9	8	8
Garden centres	2	2	3
Others	2	3	3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: GfK, Horticulture Commodity Board (2003)

## United Kingdom

No clear distribution chain for cut flowers exists in the United Kingdom. At the wholesale level, flowers are traded through import wholesalers or wholesale markets. The larger supermarket chains, due to their enormous buying power, can purchase their supplies directly from growers in Europe and outside. This has caused changes in the distribution chain.

At the retail level, two distribution outlets for flowers dominate: supermarkets and florists. Florists are facing a decreasing market share. In 2001, this retail type accounted for about 30 percent and are therefore less

dominant than in most other European countries.

Nevertheless, as the total UK consumption showed a strong increase, the florists still managed to expand their sales in absolute terms. Then again, supermarket chains are growing faster. Supermarkets (Tesco, Sainsbury, Safeway, Asda, Marks & Spencer) are the florist's biggest competitors and their market share increases structurally. The share of the greengrocers, and street & market stalls is declining.

**Table 7.4** Share of retail, % of total sales, 1999-2001

	1999	2000	2001
Supermarket	41	45	51
Florists	34	36	30
Street and market	9	7	6
Groceries	4	3	3
Garden centres / Growers	5	3	3
Others	7	5	7
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Taylor Nelson UK, Horticulture Commodity Board (2003)

## France

French distribution of cut flowers and foliage is characterised by the importance of short channels, from producer to retailer or consumer. Only a small part is handled by wholesalers, which are few in number but large in size. A considerable part of the import from developing countries is handled by them or by export wholesalers from The Netherlands.

There were about 550 wholesalers in France, of which about 350 are located **outside** a wholesale market and 200 **in** a wholesale market. In France, there are two different kind of wholesale markets: the MPI (Marché Privés Interprofessionnels) and the MIN (Marchés d'Intérêts Nationaux). The first mentioned are private, while the latter are governmental markets. All producers are allowed to register for both markets.

The leading wholesale market is Rungis, which mainly supplies retailers in Paris and the large Ile de France region. Besides the markets supplying retailers, there are also two main dispatch markets situated in southern France (at Nice and Hyères-Ollioules) which market regional produce to both wholesalers and retailers. Some of the wholesalers at these two markets import products to complement their assortment.

The larger part of cut flower purchases is made at traditional flower shops. However, supermarkets and



garden centres are also important retail outlets in France.

**Table 7.5** Share of retail,  
% of total sales, 2000-2002

	2000	2001	2002
Florists	72	67	68
Garden centres	3	4	13
Supermarket	12	13	10
Street and market	8	10	3
Growers	3	4	3
Others	2	2	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Oniflor (2003)

### Italy

Italy has a traditional distribution circuit dominated by florists. Domestic growers must market their products themselves to the wholesalers and retailers, and sometimes even to the consumer, hereby competing with each other. Production co-operatives, however, are playing an increasingly important role in buying, selling and importing to complete their product range of flowers.

Italian dispatch markets, where growers offer their produce to the wholesalers, are mainly situated in the production areas. Those specialised in cut flowers are in San Remo, Pescia, Ercolano, Albenga, Viareggio, Lecce and Vittoria. The other wholesale markets are situated in the major cities (Genoa, Milan, Messina, Rome and Turin), where retailers buy flowers from wholesalers.

At the retail level the main share is traded by florists. There are also many street vendors, aiming particularly at the impulse market. This group is followed by market stalls, garden centres and supermarkets, which are of minor importance in Italy.

**Table 7.6** Share of retail,  
% of total sales, 2000-2002

	2000	2001
Florists	74	73
Street markets	17	19
Garden centres/growers	5	3
Supermarkets	2	4
Others		1
<b>Total</b>	<b>100</b>	<b>100</b>

Source: GfK

## 8 PRICES

### 8.1 Price developments

The enormous variations in species, varieties, lengths and qualities of cut flowers makes it difficult to provide information on prices. Furthermore, some of the main holidays and festivals strongly influence the prices.

#### Factors influencing producer prices:

- Seasonality
- Variety
- Size of buds
- Stage of opening of buds
- Uniformity of bud-opening stage
- Colour-brightness of flower
- Bud damage
- Uniformity of stem length per bunch
- Uniformity of bud size per bunch
- Consistency within and between consignments
- Colour and quantity of leaf
- Freedom from chemical deposits and water-marking
- Freedom from pests and diseases
- Packaging
- Overall appearances
- Temperature of flowers on arrival
- Vase life
- Regularity of consignments
- Buyer's previous experience of suppliers

After many years of an under-supplied market, world cut flower supply, especially for the most common varieties, has now expanded to match or exceed what has been relatively slow growth in demand during the past few years. The price decline has been more pronounced for roses than for any other major type of flowers. In fact, prices for several relatively minor flower varieties have increased in recent years.

Table 8.1 on the next page gives prices of a selection of products and varieties at the Netherlands auctions for 2001 and 2002. Considering their market share, these prices can be considered to be indicative for price levels in Europe. Note that these are average annual prices and that prices fluctuate throughout the year. Furthermore, varieties are often grouped together and statistics do not specify the differences in size and quality.

Owing to the nature of supply and demand, *short-term price fluctuations* occur frequently at the auctions. These intra-day price fluctuations can be considerable. Climatic conditions can also have a strong impact on short-term price levels.

Furthermore, a clear *seasonal price pattern* exists.

Prices are at their lowest during the summer period, when production in the EU reaches its peak, and highest in November and December.

On average, imported products sell for lower prices than Netherlands products. The main reasons are the higher quality of the Netherlands products and their wider range, which comprises a number of specialised, high priced products.

See also Section 10.5 which explains how to analyse the price structure in the international flower business.

### 8.2 Sources of price information

Information on EU wholesale prices for flowers can be obtained from a number of sources. For example, ITC (International Trade Centre) in Geneva collects prices at the wholesale level on EU markets and publishes a weekly bulletin. Another important source of information is VBN (Federation of Netherlands Flower Auctions), which publishes the sales statistics (volume and prices) for all the Netherlands auctions. The German auction NBV-UGA also publishes its prices.

#### Sources for price information:

- ① **ITC's Market News Service (MNS)**  
Information on prices of flowers is available on a weekly basis.  
Internetsite: <http://www.intracen.org>
- ① **Federation of Dutch Flower Auctions (VBN)**  
The VBN publishes prices of products traded at the Netherlands auctions.  
Internetsite: <http://www.vbn.nl>
- ① **Auction NBV/UGA (Germany)**  
Prices at the German NBV and UGA auctions.  
Internetsite: <http://www.nbv-uga.de>
- ① **International Association of Horticultural Producers (AIPH)**  
Information on prices and trends for plants can be found in the statistical yearbook.
- ① **Internet sites**
  - <http://www.agriholland.nl>
  - <http://www.florvertical.com> (Information on Netherlands and Spanish wholesale prices for Netherlands auctions and Spanish wholesale markets: Chipiona and Mercat de Flor i Planta de Catalunya)



**Table 8.1 Average annual prices of selected products at Netherlands' auctions, 2001-2002  
in eurocents, per stem**

	2002	2001		2002	2001
<b>Main products:</b>			<b>Selected other:</b>		
Dendranthema			Aconitum	25	24
Spray			Alstroemeria	16	15
Euro	22	24	Anthurium	65	62
Euro Sunny	22	22	Aster	20	20
Reagan Sunny	20	18	Carthamus tinctorius	13	14
Reagan White	20	18	Celosia argentea	29	25
Santini	17	15	Chamelaucium uncinatum	16	15
Dianthus			Cymbidium (big-budded)	305	326
Standard	15	14	Cymbidium (small-budded)	125	139
Desio	11	13	Eryngium	28	28
Spray	10	9	Eucalyptus	28	34
Westdiamond	8	8	Euphorbia	28	26
Gypsophila			Eustoma russellianum	28	29
Million Star	21	23	Gladiolus	13	12
Perfecta	20	21	Heliconia	108	98
Hypericum			Liatris	16	15
Excellent Flair	16	16	Limonium sinuatum	19	20
Pinky Flair	25	22	Nerine	25	23
Lilium			Ornithogalum	16	15
Asiatic Group	30	26	Paphiopedilum	74	81
Oriental Group	52	58	Phalaenopsis	49	41
Longiflorum Group	40	37	Phlox	15	15
Rosa			Protea	109	109
Large-budded	29	27	Ranunculus	14	15
Akito	25	26	Ruscus	9	9
First Red	27	28	Solidago	13	13
Grand Prix	50	43	Tanacetum	17	16
Passion	36	36	Trachelium caeruleum	22	23
Red Berlin	31	33	Veronica	14	13
Sphinx	25	27	Zantedeschia	54	51
Small-budded	13	13			
Black Beauty	11	14			
Escimo	11	11			
Frisco	12	12			
Golden Gate	14	15			
Lambada	10	10			
Sacha	13	14			
Spray	21	19			
Diadeem	14	15			

Source: VBN (2003), Vakblad voor de Bloemisterij (2003)

## 9 EU MARKET REQUIREMENTS

Since CBI's AccessGuide is an important instrument providing the larger part of the information described below, this chapter will only shortly deal with the relevant issues within this subject. References to relevant information sources will be made.

### AccessGuide

AccessGuide is CBI's dedicated database on European non-tariff trade barriers, specially developed for companies and business support organisations in developing countries. Registered companies and organisations have unlimited access to AccessGuide information.

Exporters from developing countries wishing to penetrate the European Union should be aware of the many requirements of their trading partners and EU governments. Standards that are being developed through legislation, codes, markings, labels and certificates with respect to environment, safety, health, labour conditions and business ethics are gaining importance. Exporters need to comply with legislation in the EU and also have to be aware of the many market requirements. AccessGuide provides clear information on these standards and their implications.

For more information please refer to [www.cbi.nl/accessguide](http://www.cbi.nl/accessguide).

### 9.1 Non-tariff trade barriers

The trade and export of flowers and plants can be a complex business. In this section you will find a selection of the most important issues. It is very important that legislative requirements (i.e. product legislation) in the EU are taken into account. For flowers and plants phytosanitary issues, i.e. regulations intended to prevent the introduction of plant pests and diseases which are not present in the EU, are important. Moreover, market parties are developing environmental as well as social standards connected to the conditions in which plants and flowers are grown and harvested.

#### 9.1.1 Relevant legislative requirements

If exporting cut flowers to the European Union, a number of legislative regulations are relevant:

- Plant health control
- CITES regulation
- Breeders' regulation

The following texts will deal briefly with these requirements. For more detailed information on these requirements, please refer to CBI's AccessGuide.

#### Plant health (phytosanitary) legislation

The international trade in floricultural products brings with it the risk of spreading diseases and pests. To keep this risk to a limit, there are certain restrictions to import of floricultural products into the EU.

This legislation is laid down in Directive 2000/29/EC on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread within the Community. **Directive 2000/29/EC** replaces Directive 77/93/EEC. The essence of the legislation is that the member states have to ban the introduction into their territory of:

- harmful organisms,
- plants and plant products which are contaminated by the relevant harmful organisms,
- introduction into relevant protected zones of certain harmful organisms and certain plants and plant products.

Harmful organisms can, for instance, relate to certain insects, mites and nematodes, bacteria, fungi and viruses and virus-like organisms. The harmful organisms or the plants and plant products which are contaminated with certain organisms are listed in the Annexes to the Directive.

When floricultural products are imported in the EU from third countries (non-EU member states) and when these plants and plant products are listed in Annex II of the Directive, this implies that all batches will be checked as to contamination by the harmful organisms. If the batch is contaminated, steps will be taken.

It is therefore vitally important for exporters in developing countries to be aware of the fact that certain harmful organisms which might be present on their produce are banned from introduction in the EU and that certain product groups will always be inspected regarding these organisms.

A phytosanitary certificate is an official document issued by the exporting country, which attests that the shipment meets the phytosanitary regulations of the importing country. Without such a certificate, your shipment may be denied entry by the importing country if it cannot meet that country's specific plant health import regulations, including the requirement for a phytosanitary certificate.

### **New measures for several cut flowers per 1 April 2003**

Due to the continuous interceptions of harmful organisms (especially *Bemisia tabaci*, *Liriomyza* spp. and *Thrips palmi*) in particular on cut flowers and leafy vegetables, the EU has recently decided to review the provisions guarding against the introduction and spread of these harmful organisms.

Since the 1st of April 2003, new measures apply to a number of products (including several cut flowers) that are exported to the EU. These measures are the same as those for products such as *Dendranthema* or *Dianthus*.

The new requirements apply to the following products:

- Cut flowers of *Aster*, *Eryngium*, *Hypericum*, *Lisianthus*, *Rosa* and *Trachelium* from non-European countries; and
- Parts of plants of *Gypsophila* and *Solidago*, and cut flowers of *Orchidaceae*, from all non-EU countries.

The new measures include an inspection by the official services of the exporting country prior to export, the requirement of a phytosanitary certificate and import inspection in the EU. As a rule, each consignment (100%) will be inspected upon arrival in the EU. However, in The Netherlands a system of 'reduced checks' has been set up. For products with a low phytosanitary risk (also depending on the country or origin) a lower import inspection percentage will be used. Reduced checks apply to phytosanitary and identity checks. The document check will be, however, carried out for each consignment.

For more detailed information about phytosanitary regulations, contact the national phytosanitary inspection service in the EU country market you want to export to. In The Netherlands, this is the 'Plantenziektenkundige Dienst', which is part of the Ministry of Agriculture (for contact details see Appendix 2.7). A summary of the plant health regulation in The Netherlands, which is based on the Plant Health Import Regulations Order 1993, can be found on the Internet site of the 'Plantenziektenkundige Dienst'.

#### **Useful Internet sites**

Food and Veterinary Office  
[www.europa.eu.int/comm/dg24](http://www.europa.eu.int/comm/dg24)

Plantenziektenkundige Dienst  
(part of the Netherlands Ministry of Agriculture, Nature Management and Fisheries)  
[www.minlnv.nl/pd](http://www.minlnv.nl/pd)

### **CITES regulations**

The Convention on International Trade in Endangered Species (CITES) lays down provisions for the protection of endangered species of flora and fauna through controls of the international trade in specimens of these species.

Note that according to CITES, the trade in products containing material from endangered species may be prohibited or restricted. This regulation is of special importance for flowers and plants, leather articles, handicrafts and jewellery. Check the CITES lists, to find out whether or not your product contains material from endangered species.

Two EU regulations, EU Council Regulation 338/97 and UE Commission Regulation 939/97, have been operational since 1 June 1997. These regulations aim to apply CITES directly and uniformly throughout all EU member states, especially to member states which are not party to CITES (e.g. Ireland). The regulations consist of more powerful protection measures than CITES describes, a greater number of species being listed as endangered, and certain species demand additional import requirements.

More detailed information about CITES regulations and about the lists of products placed in Appendix I, II and III of this regulation, can be obtained at the CITES bureau's in the EU member states or can be found on the Internet-site of CITES. For more information about the EU regulations on trade in endangered species, contact Environment Directorate General (Directorate General XI) of the Commission of the European Communities. For contact details, please refer to Appendix 2.6.

### **Breeder's Rights**

Creating and selecting new plant varieties diversifies the number of varieties offered on the market. Furthermore, the technical performance of varieties in terms of yield, size, appearance, disease-resistance and adaptation to different agricultural and climatic conditions, is improved. In this respect, the work of breeding companies benefits the whole industry by making productive plant-based materials available to producers and invigorating the market by constantly introducing new products. To defray the high costs of plant breeding for floriculture, it is important for the breeders to be compensated for their efforts through royalties and licences.

When an exporter would like to do business in a variety to which a patent applies, he can only obtain young plant material from the one company holding the patent. Propagation of this plant material is also prohibited.

In most developing countries with a floricultural sector in its infant stage, however, the system of plant breeders' rights protection is still in its infant stage. In many of these countries, the actual enforcement is not (yet) taking place. As a result, many growers and starting exporters are hardly aware of breeders' rights and do not always pay license fees.

Nevertheless, the extension of breeder's rights, or *Intellectual Property Rights (IPR)*, to floricultural varieties is currently advancing in many developing countries. The agreement on *Trade Related Aspects of Intellectual Property Rights (TRIPS)* within the World Trade Organisation (WTO) has provided the impetus for many developing countries to adopt some form of plant variety protection regime. Membership of the WTO requires implementation of the TRIPS agreement, among other sub-agreements. Under this agreement, developing countries were meant to provide for patenting of plants and/or a sui generis system of protection of plant varieties by the beginning of 2000. A common solution is to become signatory to the Union for the Protection of New Varieties of Plants (UPOV).

There are several protection frameworks for new plant varieties:

1. International level: UPOV (International Union for the Protection of New Plant Varieties);
2. European level: CPVO (Community Plant Variety Office);
3. Other countries: national patent registration offices.

#### **Protection in countries member of UPOV**

UPOV is a group of countries which operates according to the principles of the Convention of the same name in 1961 in Paris (revised in 1972, 1979 and 1991). The registered office of this inter-governmental organisation is in Geneva (Switzerland). The purpose of the UPOV Convention is to ensure that the member States of the UPOV acknowledge the achievements of breeders of new plant varieties, by making available to them an exclusive property rights, on the basis of a set of uniform and clearly defined principles. The rights are granted for a limited period of time (25 years) at the end of which varieties protected by them pass into the public domain.

The Convention therefore established four simple protection principles:

1. The creator of a variety is the only person who can ensure its multiplication;
2. Protection applies to all parts of the plant, and to the products derived from harvesting that plant;
3. The breeder is fully entitled to authorise the commercial use of all or part of his protected variety in exchange for the payment of a fee or royalty; and
4. The notion of an essentially derivative variety (the breeder is also protected against varieties too close to his own).

For more detailed information, please refer to the Internet site: <http://www.upov.int>

#### **Protection in EU countries (CPVO)**

The CPVO is a Community institution, seated in Angers (France) with independent legal status and has been operational since 27 April 1995. Protection to breeders is offered by a Community Plant Variety Right (CPVR), which is an industrial property right, like patents and copyrights, but designed for plant varieties of which material is produced and commercialised.

Before April 1995, a breeder wanting to protect a variety throughout the European Union had to submit an application to each of the Member States. Since the new Community Plant Variety protection system was introduced, the applicant needs to submit only one application to obtain the same level of protection. Community plant variety protection always goes beyond national protection (or a patent), so these forms of protection are never combined.

In order for a specific variety to be granted Community protection, a technical examination of its distinctness, uniformity and stability (DUS) must be carried out. To avoid needless repetition, the CPVO can make use of the results of earlier DUS examinations carried out by the examination offices of the Member States for official purposes. More information can be obtained from CPVO in France or from the national institutions like the Board for plant breeders' rights in The Netherlands (for addresses please see Appendix 2.7).

#### **Other forms of protection: patents and trade marks**

##### *Trade mark:*

Since 1 April 1994, breeders have been able to apply for a European trade mark. This can be used by the breeder and by companies which pay for the use of licences. Trade marks can last longer than protection rights, which are limited to 25 years.

##### *Licence agreements:*

A breeder can decide to entrust the production of a protected variety to 'licensed' companies. He must then entrust the marketing material to the multiplier. The multiplier is required to identify the plants by their names and trade marks. Licences can be exclusive or non-exclusive. In the case of a non-exclusive licence, several companies can protect the variety.

### Useful Internet sites

AccesGuide (quality and grading standards)	<a href="http://www.cbi.nl/accessguide/">www.cbi.nl/accessguide/</a>
CITES	<a href="http://www.cites.org">www.cites.org</a>
Environment Directorate General	<a href="http://www.europa.eu.int/comm/dgs/environment">www.europa.eu.int/comm/dgs/environment</a>
Food and Veterinary Office	<a href="http://www.europa.eu.int/comm/dg24">www.europa.eu.int/comm/dg24</a>
Plantenziektenkundige Dienst (part of the Netherlands Ministry of Agriculture, Nature Management and Fisheries)	<a href="http://www.minlnv.nl/pd">www.minlnv.nl/pd</a>
UPOV	<a href="http://www.upov.int">www.upov.int</a>
CPVO	<a href="http://www.cpvo.fr">www.cpvo.fr</a>

### 9.1.2 Quality and grading standards

#### Product quality: EU regulation 316/68 and the VBN product specifications

The quality of floricultural products demanded by European traders and consumers is extremely high. *EU regulation 316/68* specifies minimum requirements for fresh cut flowers (see Appendix 4.1). However, the quality standards of the Netherlands auctions give a better impression of the general requirements of the European floricultural trade.

The Netherlands growers and traders have made agreements concerning the quality of the products that are offered for sale at the auctions. These agreements, which relate to the products' quality, their grade, packaging and the information provided on the product, have been laid down in the *VBN product specifications*. These product specifications contain the conditions for growers to participate in the sale process at the auctions. The Federation of Dutch Flower Auctions (VBN) issues norm sheets which specify the quality, packing and marking standards required for each product.

The VBN product specifications are more detailed and specific than those of other EU markets. If selling via one of the Netherlands auctions, these standards are of course compulsory. It is essential that prospective exporters are familiar with the specific standards required for their products. An example of such a norm sheet is given in the Appendix 4.2. Norm sheets for other products and more information on this topic are readily available at the Internet site of the VBN: <http://www.vbn.nl>

Besides the auctions, importers of flowers into the EU also have their unwritten quality standards, which also apply to imported flowers. Generally, the requirements from the auctions are indicative for the quality that is demanded by the European importers.

#### Quality management systems: ISO 9000 family

ISO (International Organization for Standardization) is the world's largest developer of standards. The

International Standards which ISO develops are becoming widely spread, also in the floricultural sector.

ISO 9001 is a quality assurance system. ISO involves the company describing the processes and procedures used at the company. This highlights bottlenecks and areas for attention, as a result of which the quality of the products and the quality of the company itself are constantly improved. ISO is an on going process, since an annual assessment is made of whether a company still complies with the guidelines. Participants who comply with the requirements receive an ISO certificate and can use the ISO logo.

"We doubt that suppliers from developing countries are professional enough" is an often heard statement made by European wholesalers. Having obtained a quality management system like ISO 9001 can help your company to remove the reservations of European importers in working together with you.

For more information on ISO, please refer to <http://www.iso.org>.

#### Euregap

The Euro-retailer Produce Working Group (EUREP), represents leading European food retailers such as Albert Heijn (The Netherlands), Safeway and Tesco (both UK) and is aimed at promoting and encouraging best agricultural practice in the farming of fruits and vegetables, in animal production, combinable crops and also flowers and other ornaments. Therefore, EUREP developed a framework for Good Agricultural Practice, called EUREPGAP. The main aim of the initiative is to ensure food safety in the production chain.

EUREPGAP is a private standard and is applicable within Europe and worldwide. EUREP encourages the close communication of all stakeholders by facilitating the communication between retailers, growers, suppliers and support organisations.

At present, this standard is only applicable when one is supplying to one of the supermarkets/retailers that are part of the EUREP initiative.



This means that growers in developing countries should take this standard seriously when they are supplying to these parties. European food retailers will also demand the EUREPGAP standards from their suppliers, possibly including growers and exporters in developing countries.

For more detailed information on EUREPGAP, please refer to CBI's AccessGuide.

### 9.1.3 Trade related environmental, social and health & safety issues

Environmental, social, health and safety aspects play an increasingly important role in the export of cut flowers and foliage to the European market. Environmental aspects of products and production have become a major issue in Europe in recent periods. Besides governmental actions (legislation and regulation), an ever stronger consumer movement is noticeable in especially the northern parts of the EU (Scandinavia, Germany and The Netherlands). It is the objective of this section briefly to highlight several aspects which currently play an important role in the EU. For more detailed information, please refer to CBI's AccessGuide.

Note that this Section, deals with issues which are voluntary for exporters from developing countries and give them a marketing edge over the competition. Exporters should consider some of these instruments as a management and marketing instrument to create a distinct profile for themselves in order to improve their market position. The proliferation of labelling and certification schemes contribute to market opportunities to exporters from developing countries.

#### **Floriculture Environment Programme (MPS)**

MPS stands for Milieu Project Sierteelt, or 'Floriculture Environmental Project' and is both an environmental registration system and a certifying organisation. MPS has been promoting the use of environmentally sound methods in the cultivation of flowers and plants since 1995. In 2002, MPS had 4,500 Netherlands' participants and 500 international participants in 29 countries. It is now the most widely accepted measure of environmental accountability in production and MPS has certified approximately 85% of flowers in the Netherlands' auctions.

The MPS project is an initiative of the Dutch floricultural sector, including the flower auctions and several floricultural organisations. The MPS foundation's aim is to reduce the burden on the environment caused by the cultivation of flowers and plants. Growers who take part in the MPS scheme register and lower the use of fertilisers, energy and waste. The lower their consumption figures, the higher the growers' classification in the MPS grading system. All nurseries growing cut flowers, bulbous flowers, pot plants,

herbaceous perennials and nursery stock can participate in the MPS project as well as traders and florists.

Presently, MPS does not just assess and certify its participants' environmental performance. Since quality and social aspects are becoming ever more important in sustainable business practices, MPS has developed a number of modules in this area, such as:

- MPS A/B/C (Basic certification relating to the environment.)
- MPS-GAP (Certification suitable for supplying supermarkets, with requirements with regard to Good Agricultural Practice.)
- MPS Socially Qualified (This certification, safety and hygiene at a company.)
- MPS ISO 9001: 2000 (See 9.1.2)

In addition, MPS certifies for ISO 9001:2000, MPS TradeCert, Milieukeur for Flowers and Plants (Milieukeur only exists in Holland). MPS is accredited for MPS-A, -B, -C and Milieukeur for Flowers and Plants.

#### *MPS and developing countries*

MPS is a business-to-business label, meaning that commitments are made within the sector without consumers' knowledge. A company can join MPS and achieve the label when it has met requirements of the environmental audit. Regular checks will guarantee that a company still is engaged in the regime. MPS flowers and plants are priced the same, however, MPS products are often of a better quality. It is quite difficult for exporters from developing countries to acquire the MPS label since audits are expensive and, furthermore, the label is created on the basis of quality requirements from the Western countries. However, developing countries should consider MPS label as a management and marketing instrument.

For more detailed information, please refer to CBI's Accessguide and MPS's Internet site:  
<http://www.st-mps.nl/>

#### **Flower Label Programme (FLP)**

The Flower Label Programme (FLP) was created in 1998. Its founders are two major associations representing the flower trade in Germany, BGI (flower importers and wholesalers) and FDF (German florist's association), and a number of human rights and development organisations. Products bearing the FLP label are mainly sold in participating German retail shops and can be recognised by consumers as such, contrary to business-to-business labels like MPS.

The Flower Label Program sets standards of human rights and environmental protection for flower farms to follow in the areas:

- Freedom of association (the freedom for workers to form trade unions)
- Prohibition of child labour and forced labour
- Proper employment contracts and above-average social and working conditions
- Health safeguards and a secure working environment
- Responsible attitude towards natural resources and the environment
- Non-use of toxic pesticides and chemicals

Members also comply with internationally accepted workers' rights as laid out by the International Labour Organisation (ILO).

There are currently about 55 FLP members worldwide, (Kenya, Ecuador, Zimbabwe, Tanzania, South Africa and Colombia). Flower farms anywhere in the world can apply to have their farms inspected by independent social and environmental auditors and become FLP members -provided they comply with the FLP-standards.

For more detailed information, please refer to:  
<http://www.flower-label-programm.org/>

### **Fair Flowers & Plants (FFP)**

A broad alliance of trade unions, non governmental organisations (NGOs) and international flower trade organisations have recently reached agreement on the standards and procedures to create a new international consumer label for the flower sector. The label will be called "Fair Flowers & Plants".

The aim behind the new label is to improve the working and living conditions of workers in the flower industry and to promote further protection of the environment.

This new international flower label stands for environmentally sustainable and socially responsible floricultural production. Its basis will be the ICC (International Code of Conduct for the Production of Cut flowers) including its Rules for Implementation and its Guidelines as well as the MPS qualification standards.

Other environmental and social programmes will be given the opportunity to enter the new label after a process of negotiations and benchmarking.

The agreement recognises that:

- Implementing the ICC and sustainability criteria according to the MPS' registration system, contributes to improving the living and working conditions of workers in the floriculture industry as well as protecting the environment world-wide.
- Co-operation to harmonise environmental and social certification is essential. For this reason, the interested parties decided to develop a flower label for consumers, which will lay down requirements

throughout the chain (for trade as well as producers) on an international level. Once the requirements are met, the FFP label may be attached to these particular products at the point of sale (florists).

- In order for environmentally- and socially responsibly produced flowers to play a significant role in the flower trade, it is essential to have sufficient supply and range. This can only be achieved through co-operation.
- Trade Unions, NGOs and the workers themselves will have an important role in monitoring the criteria and its implementation.
- Union Fleurs, the umbrella organisation in the floricultural industry, will co-ordinate the marketing, on the trade side, for the whole flower industry.

There are still a few technical and financial matters to be resolved before the structure to implement the new label is finalised. No decision has yet been taken regarding the exact date on which it will be introduced into the markets. The introduction is largely dependent on whether sufficient floriculture companies world-wide apply to participate in the concept to supply product for sale under the FFP label.

### **ISO 14001**

The purpose of the ISO 14001 standard is essentially to enable the international recognition of an individual company's environmental management system. The relevance of the standard for the future can be clearly seen by following the development and uptake of the ISO 9001 and ISO 9002 quality standard. Although voluntary, customer pressure is resulting in the ISO 9001 an ISO 9002 quality standard becoming increasingly necessary to do business around the world. Similarly, the ISO 14001 environmental management standard may become a de facto requirement for being able to compete in many regions of the global marketplace. Check the ISO Internet site for more information or also refer to CBI's Accessguide.

An other environmental management standard that is also operational in the European Union is the Environmental Management and Audit Scheme (EMAS). This scheme was set up by the Comité Européen de Normalisation (CEN) in 1993. However, possibility of EMAS-registration is only possible for EU based businesses. Presently, there are more than 8,000 companies world-wide ISO 14001 certified. As comparison, some 2,000 companies are EMAS verified.

### **Codes of conduct and certification systems in developing countries**

Besides the ones already described, there are also certification systems and codes of conduct developed in flower exporting countries. Examples of these are the standards of the *Kenya Flower Council* and the

*Florverde* label. Florverde is the social and environmental programme of the Colombian flower sector. These two labels are becoming more and more recognised in the international floricultural trade. Also in the European market, wholesalers are often aware of these labels. Although not a requirement for trade, this type of local labels can positively influence your competitive position.

There are on going discussions between different certification systems to co-operate and join forces. An example is the talks between the Kenya Flower Council and MPS.

For information on Florverde, please visit [www.colombiaflowers.com](http://www.colombiaflowers.com)  
In the case of the standards of the Kenya Flower Council, refer to [www.kenyaflowers.co.ke](http://www.kenyaflowers.co.ke)

#### **9.1.4 Packaging and marking**

Packaging is used to protect the produce against mechanical damage and to create a more favourable micro climate. It is another essential factor in determining the product's quality, since it represents the product and protects it. However, according to the way in which packaging is applied, it can also be a major risk to quality due to bruising and less than optimum conditions of temperature and humidity.

Different packaging materials are used, depending on the type of produce and the function of protection and influence over the micro climate required. Packaging can be divided into sleeves and wraps in paper or plastic materials, and external packaging in boxes up to the sealed pallet. In case of exporting cut flowers and foliage from developing countries, most products are distributed in boxes. Cut flowers are often packed in a plastic or paper cover to protect them. The kind of packaging that is used is highly dependent on the variety and the size of the product, the wishes of the importer and the transport conditions.

The packaging of cut flowers has to satisfy a number of conditions, mainly lying in the field of handling, and the protection of the quality and presentation. EU regulation 802/71, a supplement to EU regulation 316/68, specifies also minimum standards concerning packaging and presentation. For more detailed information, please refer to the Appendix 4.1.

## **9.2 Tariffs and quotas**

In the early 1970s most developed countries, including the European Community, designed a Generalised System of Preferences (GSP). The general idea of this system was to promote export and industrialisation in developing countries, by granting them preferential access to the internal markets of developed countries.

Today, the GSP scheme of the European Union comprises of 179 countries, which receive some trade preferences.

Next to the GSP scheme, the European Community designed discriminatory preferential trading schemes for a sub-set of GSP countries. In 1975, it signed the Lomé Convention with a set of 77 African, Caribbean and Pacific (ACP) countries. 'Lomé' meant to enhance and narrow down trade preferences: it covered more product groups; trade preferences were 'deeper', i.e. preference margins were larger than under GSP; and it generally focused on the less developed countries and former colonies. These countries were granted further reduced tariffs or even duty free access on numerous export products. At first glance, the Lomé Convention seemed to offer much to the ACP countries.

The Lomé Convention was reviewed at the end of the 1990s and replaced by the Cotonou Agreement in 2000. Most of the differences are of a political nature, e.g. more emphasis placed on good governance, democratic principles, human rights and social development. In order to boost economic performance, the Cotonou Agreement focuses even more on (regional) development projects, such as infrastructure. Furthermore, special funds from the EU to promote social and economic development are subjected to less rigid allocation systems, i.e. they can be adapted to the specific institutional context of the beneficiary country. Trade policies, however, are hardly affected by the Cotonou Agreement.

For the group of least developed countries (LDCs), the EU has specific preference schemes in place that are technically part of the GSP scheme. In March 2001, the GSP LDC scheme was replaced by the well-received Everything But Arms (EBA) initiative. The EBA initiative grants 49 of the Least Developed Countries duty-free access to the EU market for all products, except arms. Also, EBA slightly changes the conditions on rules of origin for LDCs.

In general, all goods entering the EU are subject to import duties. External trade conditions in the European Union are mostly determined by EU regulations. The level of the tariffs depends on country of origin and product.

If there is not a special trade agreement in force, the general import tariff (conventional duty) applies. The following table presents the import duties for the cut flowers discussed in this study.

To apply for the GSP preferential tariff the evidence of origin has to be submitted to the EU Customs by a Certificate of Origin, known as 'Form A' or 'EUR 1'. This form must be completed by the exporter and



**Table 9.1 Import tariffs by product group**

Product/HS code		Conventional import duty (%)	SPGA/SPGE*	SPGL*	Country group	
					EVA/EEA RO/PHC/F	BCM/CY/FO/IL LOMA/B/MCH MGB/MT/TR/SI XC/XL/XP
<b>0603 10</b>	<b>Fresh cut flowers</b>					
0603 10 10 10	Rosa (large)	12	0	6.8-8.5	0-2.4	0
0603 10 10 20	Rosa (small)	12	0	6.8-8.5	0-2.4	0
0603 10 20 10	Dianthus (one flower)	12	0	6.8-8.5	0-2.4	0
0603 10 20 20	Dianthus (many flowers)	12	0	6.8-8.5	0-2.4	0
0603 10 30 00	Orchids	12	0	0-4.2	0	0
0603 10 40 00	Gladiolus	12	0	0-8.5	0-2.4	0
0603 10 50 00	Dendranthema	12	0	0-8.5	0-2.4	0
0603 10 80 10	Anthurium	12	0	0-8.5	0-2.4	0
0603 10 80 30	Proteas	12	0	0-8.5	0-2.4	0
0603 10 80 90	Other fresh cut flowers	12	0	0-8.5	0-2.4	0
<b>0603 90</b>	<b>Prepared cut flowers</b>					
0603 90 00 10	Prepared cut flowers (for the use of potpourri)	10 <sup>1</sup>	0	2.9-8	0-3.5	0-7
0603 90 00 90	Other prepared cut flowers (not for the use of potpourri)	10	0	2.9-8	0-3.5	0-7
<b>0604</b>	<b>Foliage</b>					
0604 99 10 00	Not further prepared than dried	0	0	0-8.7	0	0-4.3
0604 99 90 00	Other foliage	10.9 <sup>1</sup>	0	0-8.7	0	0-4.3

<sup>1</sup> Preferential suspension = 0. This means that, with a special permit, the exporter will benefit from a preferential duty of 0 percent.

Note: SPGA: excluding Myanmar, SPGL: excluding Chile and Moldavia

Source: Netherlands Customs (September 2003)

subsequently be endorsed by the authorities of the exporting country which have been nominated by the European Commission to issue 'Form A' or 'EUR 1'. Two conditions attached to the application of the GSP preferential tariff are:

- only goods originating in a beneficiary country are eligible for GSP treatment;
- the goods must be transported directly from the exporting country to the EU.

For a number of fresh cut flowers from Mexico, Czech Republic, Cyprus, Jordan, Tunisia, Palestinian Administrative Areas, Zambia and Israel tariff contingent applies. At the moment that the total EU imports of the products exceed the contingent, the general tariff applies again. Exporters are advised to inquire as to whether the contingent has reached its maximum and whether or not their products are subject to duties.

Import duties are levied on the value of the products at the moment of entrance into the European Union, i.e. Customs value (as established in the GATT valuation

code). In the case of an importer who buys FOB, the import duty will be calculated on the basis of the FOB price, increased by the shipment costs up to entrance into the EU. An importer buying CFR or CIF will have to pay import duties calculated based on the CFR/CIF price, minus the shipment costs made within the EU.

In the case of selling imported cut flowers and foliage through the auctioning system, all costs have to be paid from the proceeds of the sale at the auction. To determine the price of the product at the moment of entrance into the EU (the basis for calculating the import duties), all costs made after entering the EU may be subtracted from the auctioning price. Thus, trading either on the basis of FOB, CFR/CIF or by auctioning does not influence the import duties levied on the products. For more information about payment methods see Section 13.4)

It is very important to realise that this information is more complex than indicated above (because of exceptions and special rules) and that this information is subject to continuous changes (like e.g. the

**SPGA**

Afghanistan, Angola, Bangladesh, Burkina Faso, Burundi, Benin, Bhutan, Congo, Central African Republic, Cape Verde, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Equatorial Guinea, Guinea-Bissau, Haiti, Cambodia, Kiribati, Comoros (excl. Mayotte), Laos, Liberia, Lesotho, Madagascar, Mali, Myanmar, Mauritania, Maldives, Malawi, Mozambique, Niger, Nepal, Rwanda, Salomon Islands, Senegal, Sudan, Sierra Leone, Somalia, Sao Tomé & Príncipe, Chad, Togo, Tuvalu, Tanzania, Uganda, Vanuatu, Samoa, Yemen, Zambia.

**SPGE**

Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Guatemala, Nicaragua, Pakistan, Panama, Peru, Venezuela.

**SPGL**

United Arab Emirates, Antigua and Barbuda, Anguilla, Armenia, Netherlands Antilles, Antarctica, Argentina, American-Samoa, Aruba, Azerbaijan, Barbados, Bahrain, Bermuda, Brunei, Brazil, Bahamas, Bouvet Island, Botswana, Belarus, Belize, Cocos Islands, Congo (Republic), Ivory Coast, Cook Islands, Chile, Cameroon, China, Cuba, Christmas Island, Cyprus, Dominica, Dominican Republic, Algeria, Egypt, Fiji, Falkland Islands, Micronesia, Gabon, Grenada, Georgia, Ghana, Gibraltar, Greenland, South Georgia and the South Sandwich Islands, Guam, Guyana, Heard and McDonald Islands, Indonesia, India, British Oceania, Iraq, Iran, Jamaica, Jordan, Kenya, Kyrgyz Republic, St. Kitts-Nevis, Kuwait, Cayman Islands, Kazakhstan, Lebanon, St. Lucia, Sri Lanka, Libya, Morocco, Moldavia, Marshall Islands, Mongolia, Macao, Montserrat, Mauritius, Mexico, Malaysia, Namibia, New Caledonia, Norfolk, Nigeria, Nauru, Niue Island, Oman, French Polynesia, Papua-New-Guinea, Philippines, Pakistan, St. Pierre and Miquelon, Pitcairn, Palau, Paraguay, Qatar, Russia, Saudi-Arabia, Seychelles, St. Helena, Senegal, Surinam, Syria, Swaziland, Turks & Caicos Islands, French Southern Areas, Thailand, Tajikistan, Tokelau Islands, Turkmenistan, Tunisia, Tonga, Trinidad and Tobago, Ukraine, Uruguay, Uzbekistan, St. Vincent (VC), British Virgin Islands, Virgin Islands (USA), Vietnam (VN), Wallis and Futuna Islands, Republic of South Africa, Zimbabwe.

**LOMA**

Antigua en Barbuda, Angola, Barbados, Burkina Faso, Burundi, Benin, Bahamas, Botswana, Belize, Congo, South Africa, Ivory Coast, Cook Islands, Cameroon, Cape Verde, Djibouti, Dominica, Dominican Republic, Eritrea, Ethiopia, Fiji, Federal States of Micronesia, Gabon, Grenada, Ghana, Gambia, Guinea, Equatorial-Guinea, Guinea-Bissau, Guyana, Haiti, Jamaica, Kenya, Kiribati, Comoren, St. Kitts and Nevis, St. Lucia, Liberia, Lesotho, Madagascar, Marshall Islands, Mali, Mauritania, Mauritius, Malawi, Mozambique, Namibia, Niger, Nigeria, Nauru, Niue Island, Papoea-New-Guinea, Palau, Rwanda, Salomons Islands, Seychelles, Sudan, Sierra Leone, Senegal, Somalia, Suriname, Sao Tomé and Príncipe, Swaziland, Tsjaad, Togo, Tonga, Trinidad en Tobago, Tuvalu, Tanzania, Uganda, St Vincent, Vanuatu, Samoa, Zambia, Zimbabwe.

**EVA**

Israel, Turkey, CEE countries.

**PHC**

Czech Republic, Hungary, Poland, Slovakia.

**BCM**

Hungary, Bosnia-Herzegovina.

**MCH**

Egypt, Jordan, Lebanon, Syria.

**MGB**

Algeria, Morocco, Tunisia.

exhaustion of quota). Therefore, this information can only be considered as an indication for the actual situation. For exact and up-to-date information on import duties one should contact the local Chamber of Commerce or Trade Promotion Office. Information can also be obtained from the Chamber of Commerce in Rotterdam, the European Commission or the Customs department (see Appendix 2.7 for addresses). Another option is to consult the Internet-site of the Netherlands

Customs where the General Customs Tariffs for all products are listed, including exceptions that are made for import from specific countries. This information, written in the Netherlands language, is up-dated everyday.

**Value added taxes (VAT)**

Although fiscal borders between EU countries were, in theory, dominated from 1 January 1993 onwards, in

practice, harmonisation of VAT (tax levied at consumer sales' level) rates has not yet been achieved. Many countries, especially those with significant domestic production, are lobbying for a low VAT rate on ornamental horticultural products, similar to that of other agricultural products.

Thus far, the previous part of this market survey – Part A – provided market information on the EU market for cut flowers and foliage and on the requirements for market access. The next part – Part B – aims at assisting (potential) exporters in developing countries in their decision-making process as to whether to export or not.

**Table 9.2 VAT rates applied to cut flowers and foliage in the EU, May 2003 in %**

Country	VAT rate
Finland	22
Sweden	25
United-Kingdom	17.5
Denmark	25
The Netherlands	6 or 19
Belgium	6
Germany	7
Greece	8
Spain	7
France	5.5
Ireland	12.5
Italy	10
Luxembourg	6
Austria	10
Portugal	12

Source: European Commission Directorate-General Taxation and Customs Union (2003)

Taxing ornamental horticulture at a high rate can have substantial consequences for cut flower producers, when VAT drives prices up high enough to strangle consumer demand. When France increased its VAT rate, it caused a 20 percent loss of sales. Lately, France has gone back to the low rate of 5.5 percent.

**Useful Internet sites**

Import duties <http://www.douane.nl/taric-nl>

VAT

[http://europa.eu.int/comm/taxation\\_customs/publications/info\\_doc/taxation/tva/taux\\_tva-2003-5-1\\_en.pdf](http://europa.eu.int/comm/taxation_customs/publications/info_doc/taxation/tva/taux_tva-2003-5-1_en.pdf)

GSP

[http://europa.eu.int/comm/taxation\\_customs/customs/origin/gsp/contents.pdf](http://europa.eu.int/comm/taxation_customs/customs/origin/gsp/contents.pdf)

# Part B

## Export marketing guidelines: analysis and strategy





## PART B

How do you get involved in the international marketplace? How much time and money will it take? Should you make exporting part of your business plan? These are common concerns of producers who realise the importance of international trade, but are not sure if they are capable of exporting. That is what Part B is all about: to help you evaluate whether to get involved in international business, and learn how to go about exporting.

Part B of this survey largely deals with the following strategic steps:

1. External analysis (market audit, Chapter 10) and internal analysis (company audit, Chapter 11);
2. SWOT-analysis (Chapter 12);
3. Decision making & formulation of objectives (Chapter 12); and
4. Elements which can be used as inputs for the Market Entry Strategy (MES) and Export Marketing Plan (EMP) (Chapter 13).

The first Chapters 10, 11 and 12 aim at assisting potential exporters in the decision-making process whether or not to export. By matching external opportunities (Chapter 10) and internal capabilities (Chapter 11), the exporter will be able to identify suitable export products, target countries, market segments, and possible trade channels (Chapter 12).

Subsequently, Chapter 13 provides sector specific knowledge and sources to enable the exporter to further investigate what to export, to which markets, through which channels, and at what prices. In other words, which export marketing actions must be undertaken to penetrate the EU market? The tools in Chapter 13 should enable you to draw up the MES and EMP. For general information on export marketing, please refer to CBI's "Export Planner". For general information and how to conduct market research, please refer to CBI's new manual on market research.

Keep in mind that the export marketing process is integrated; each individual part is inter-linked.

The information provided in the previous parts of this survey is an essential ingredient in conducting the analysis and formulating a clearly targeted export strategy. Where applicable, reference will be made to the relating sections in Parts A.

# 10 EXTERNAL ANALYSIS: MARKET AUDIT

The external analysis or market audit assists the exporter to identify market opportunities, suitable sales channels and much more relevant information on the market and the external environment.

## 10.1 Market developments and opportunities

As a first step towards the identification of the most suitable export markets, the exporter needs to research the importance of potential markets and understand the ongoing developments that shape the European cut flower market structure. This should be done by means of systematic market research, involving a preliminary screening of potential markets followed by a more detailed assessment of the targeted markets.

Markets should be researched using primary as well as secondary data sources. Primary market research consists of a company collecting data directly from the foreign marketplace through interviews, surveys, and other direct contact with market participants. In general, European cut flower importers and agents are quite willing to give information on market developments.

Another potentially interesting source of information is the auctions. Auctions with an import department have so-called 'area managers', staff co-ordinating imports from different non-European regions. These area managers can give you useful insight into specific market developments for your products.

Note that there is no information available on specific varieties imported into the various European countries. However, you could try to obtain import statistics of individual auctions to get an impression of the amounts of specific products that are imported.

Primary research has the advantage of being tailor-made to meet your company's needs and provide answers to specific questions, but this data collection can be very time-consuming and expensive.

In order to obtain a global scan of the market, most companies make use of secondary data sources such as trade statistics, to focus their marketing efforts. This type of research is a valuable and relatively easy first step for a company to take. Specific market developments as described in Chapters 3, 4, 5 and 9 of this market survey for instance should be used as a starting point for your export market research.

Keep in mind that, already in the early stages of market research, it is important to focus on your product group. There is no point in putting effort into the analysis of

the European market for all products if you are specialised in a certain product.

Section 3.3 identifies a number of general consumption patterns and trends. It is important to assess the implications and opportunities of important general trends for your products and situation.

Results of the research informs the company of the largest markets for its product, niche markets, the fastest growing markets, market trends and outlook, market conditions and practices, and competitive firms and products. Based on all the information, a company must decide which markets are the most promising.

### Opportunities

- Specialty / novelty (see Section 5.3)
- Tropical flowers (see Section 5.3)
- Summer flowers (see Section 5.3)
- Prepared (dried or dyed) cut flowers (see Section 5.3)
- Foliage: small-leafed foliage, novelties (see Section 5.3)
- Off season (see Section 5.3)
- Stable to declining production of cut flowers in Europe (see Chapter 4).

### Threats

- Poor image of LDC sources (logistical problems, lack of professionalism, poor commercial attitude) (see Section 5.3)
- High-tech production methods (see Chapter 4).
- European research (see Chapter 4).
- Shift of production from northern European zones towards Mediterranean region (see Chapter 4).
- Political instability in some developing countries (see Section 5.3).

### Questions that need to be answered:

- Market size: What is the (estimated) market size for your potential export products? Try first to focus on your product group, then on your specific products.
- Market developments: How has the total market volume developed during the last 3-5 years?
- Imports: How have imports developed during the last 3-5 years?
- Are importers and potential business partners in the EU interested in new suppliers of your particular products?

### Where to find information?

- ① The market information described in **Part A of this market survey** can be very useful as a starting point for your export market research. Where applicable, the sources of this market information are also mentioned in the specific chapters.
- ① For more general information, you can use the EU statistics bureau **Eurostat**:  
<http://europa.eu.int/comm/eurostat>
- ① For a list of the European **national trade statistics** bureaus, please refer to the Eurostat Internet site.
- ① **Flower auctions** provide information on sales of finished cut flowers and pot plants. A starting point is the Internet site of the VBN: <http://www.vbn.nl>
- ① In some cases, **trade associations** are able to assist you with more specific information on product trends. For a list of trade associations please refer to Appendix 2.3.
- ① **Trade press**  
Useful sources of information on market developments are (international) trade magazines which can be relevant for exporters who want to develop a better insight into the EU markets. Some of the most interesting magazines for exporters of plants and young plant material are:
  - Floraculture International (English, free subscription)
  - Horticultura Internacional (Spanish)
  - Grower (English)
  - Taspo (German)
  - Lien Horticole (French)Please refer to Appendix 2.5 for a more extensive list of names and addresses of publishers.

### Market access requirements

#### *Quality standards and other non-tariff barriers*

Section 9.1 of this survey described a wide array of non-tariff barriers which could be applicable to exporters of cut flowers and foliage in developing countries. It is important to determine which standards and regulations apply to your situation. Not all standards are compulsory or widely recognised by your potential customers.

For exporters, a compulsory regulation like phytosanitary regulations can embody a major obstacle to export to the European Union. Not only general regulations which prohibit the import of certain species and soils, but also the costs of inspection at the border could represent a major barrier.

Keep in mind that regulations and standards are continuously changing. Therefore, we recommend that you to check the up-to-date situations with importers or the relevant organisations.

### Opportunities

- Certified products (see Section 9.1.3)
- Quality management systems (see Section 9.1.2)

### Threats

- Phytosanitary requirements (see Section 9.1.1)
- Breeder's regulations (see Section 9.1.1)

### Questions that an exporter should answer are:

- What quality standards are required by the European market (VBN product specifications, importers)?
- To what degree do phytosanitary regulations apply to the products? What are the costs of the phytosanitary checks in the various European countries?
- Do breeders' rights apply to your varieties (UPOV, CPVO)? Who is the owner of the varieties you produce?
- What is the importance of environmentally sound production methods (MPS)?

### Where to find information?

- ① In Sections 9.1 of this survey, you can find information on quality standards; trade-related environmental, social and health & safety issues; and packaging, marking and labelling. This section also provides websites like CBI's AccessGuide which can be of assistance in obtaining product specific information.
- ① Other potentially useful information sources are the VBN, auctions, colleague exporters and European importers.

#### *Tariff barriers*

Two different parties are involved in the payment of Customs duties: the party that is charged with the duties (i.e. the one that bears the financial burden) and the party which actually makes the payment.

In the EU, importers must bear the financial burden of Customs duties. However, they settle the duties with their supplier, the exporter(s) in the case that the goods were shipped on consignment conditions.

The forwarding agents mostly handle all the import formalities, i.e. they collect the goods from the seaport or the airport, deal with the Customs formalities and pay the respective Customs duties on behalf, and for account of, the importer.

At present, in the case of exporting floricultural products from most developing countries to the EU, import tariffs do not apply (see Section 9.2).



**Questions that an exporter should answer are:**

- Are there import restrictions that limit sales opportunities?
- Which import tariffs apply to your export products?

**Where to find information?**

- ① Refer to Section 9.2, for information on import tariffs applied. This section also provides Internet sites that are helpful to find product specific information.

## 10.2 Competitive analysis

In many cases, growers of cut flowers in developing countries benefit from their climatic conditions. This is often one of the most important factors that positively distinguishes your company from competitors in other countries, particularly from competitors in Europe. Other positive factors are for example labour costs, costs of land, etc.

Needless to say, there are also factors which weaken your competitive position. European companies, for instance, have the advantage of being close to their customers which in general facilitates the marketing of products and communication. Another important difference is the fact that cultivation technology and input is readily available to European companies.

Growers of cut flowers in other developing countries also represent an important group of potential competitors. You can find useful information in Chapter 5 of Part A on product streams originating in these countries.

As an initial step towards understanding your competition, you should prepare a list of all the competition and then pinpoint who your main competitors are. To learn more about competition you can do a secondary research study and ask customers and suppliers for their opinions. You can also prepare a list of your main competitors' strengths and weaknesses.

Due to its trade structure, the cut flower industry is relatively open to new entrants and you should expect increased competition. Constantly check with customers, suppliers and your competition to see if they have heard of any new businesses. These sources may also give you some insight in where and how the competition is selling their products. Which trade channels are used by your competitors, and why?

Of course, trade shows can be helpful for making

contact with new customers and learning about market developments. They can however also be used to find out more about competition. If you sell cut flowers, take the time to attend industry trade shows to see what your competition is like.

**Opportunities**

- Increasing shortage and costs of land in main European production areas

**Threats**

- Customers more and more demand short-term (immediate) deliveries ('short lines')

**Important questions to be answered are:**

- How many suppliers are currently active in the market?
- Who are your main competitors? What are their strengths and weaknesses compared to your company?
- To what degree is the sector in the target market supported by the local government?

## 10.3 Sales channel assessment

Having assessed the prospective markets and market segments, it is now also important to understand the trade structure and supply chains supplying these market segments. After the assessment of the exporter's capabilities (next chapter), the exporter is able to determine the most suitable sales channel.

The information provided in Chapter 7 of Part A should be used as a starting point. As was explained in Chapter 7, there are roughly four sales channels for exporters of cut flowers to the European Union markets:

1. via one of the auctions;
2. via an agent;
3. via an import wholesaler; or
4. directly to a European retail chain.

The auctions can be an attractive sales channel because they can sell everything the you have to send during a specified season, providing you can comply with the quality requirements. Furthermore, the price is made on an open market, payment is secure and reasonably quick, there are no problems with cash collection and quality disputes, and air transport can be paid in advance.

In general, auctions prefer to work with larger exporters of (mass-produced) flowers, like some of the larger

Kenyan exporters of Rosa. Nevertheless, if they are able to regularly supply good and interesting products, medium-sized exporters can also supply the European market through the auction system.

Both using agents and supplying directly to the auctions have their advantages and disadvantages. While risk management is the same between the two parties, payment terms and information provision are more advantageous to suppliers of the auction chain. In contrast to agents, who may delay payments for up to a month, auctions issue payments almost immediately.

In order to supply an auction, the exporter has to have an annual licence to supply specific varieties over a specific period. He should have three flights per week, and must supply an agreed percentage of his output. Failure to comply can mean that the licence is not renewed the following year.

Exporting directly to European wholesalers is suitable for large as well as small and medium-sized exporting companies. In general, European import / wholesale companies, which offer a wide assortment of products to their customers, mostly prefer to do business on an arm's-length basis without long-term contracts. Importers are often on the lookout for specific products to complete their assortment. As the products which importers are looking for can vary per company, information on the type of products and varieties can best be obtained from these companies themselves.

When cut flowers are sent directly to the consumer countries rather than via the auctions they leave out a number of links in the chain. This can save time and costs of preparation for the auctions and onward transport. However, besides the advantages, it also presents problems of its own like the need to get all the boxes to the buyers and dealing with claims and collecting the money.

Supplying large retail buyers often requires that exporters have the capacity for volume growth, which require significant investment in production and post-production facilities and operational quality systems (ISO). Often, retail buyers have specific wishes in the field of packaging (marking, labelling).

#### Important questions to be answered are:

- Which potential sales channels exist?
- Which products do the different sales channels trade?
- What are the most important requirements of the identified sales channels? What are the conditions for an exporter to take part in a specific supply chain?
  - What quality standards do the sales channels demand?
  - What kind of packaging is used in the various sales channels?
  - What are the requirements concerning production process (environmental, ISO, MPS, EUREP-GAP, etc.)?

① Refer to Chapter 7 for information on potential sales channels.

## 10.4 Logistics

When transporting products overseas, the exporter ideally looks for the fastest and most efficient mode(s) of transportation that will deliver the product in perfect condition at the lowest possible costs. The actual selection will be a compromise among these factors.

As cut flowers are highly perishable products, almost all products are transported by air cargo.

Freight rates vary depending on the product being shipped, its value, level of service provided, destination, weight, and seasonal variations in demand for cargo space. In the case of airfreight, the costs of a shipment are mostly calculated on the actual weight (in kilograms).

### Freight forwarders

It is a good idea to use a freight forwarder to arrange transportation services on your behalf. They can simplify the shipping process because they are familiar with import and export regulations. It is important to use a forwarder who is experienced in handling cut flowers and foliage, as well as one who is experienced in the destination country. Freight forwarders can also assist you in handling all the documents. Freight forwarders are cost effective to use, because they can negotiate the best rates with shipping and airlines.

In Kenya, for example, approximately 90 percent of the flowers is handled by four specialised air-freight forwarders, which consolidate consignments from various growers, palletise them and load them directly onto commercial or charter airlines. Freight forwarders check quantities, varieties and temperatures, and keep flowers in a conditioned atmosphere until they are

transported to the plane. They also facilitate Customs and inspection by the Kenya Plant Health Inspectorate Service (KEPHIS) or phytosanitary certificates. Smaller exporters, which cannot afford the services of freight forwarders, use the fresh produce cargo shed of Kenya Air-freight Handling Ltd. (a subsidiary of Kenya Airways). This cargo shed, however, does not provide adequate cold storage, resulting in higher flower temperatures and lower quality.

In handling highly perishable products, maintaining a cold chain is, of course, a major logistical issue. It determines for a large part the quality of the product as it arrives at the European retail shop. The saying is “one hour lost in departure to being refrigerated will be one day less for the sale in the destination”. Your freight forwarders must be able to manage the cold chain.

**Important questions to be answered are:**

- How often does the sales channel require delivery? What cycles of delivery does this channel require?
- What lot sizes does this sales channel demand?
- What formalities does the sales channel require to be handled by the exporter?

- ① Also refer to Chapter 7 for information on sales channel requirements.
- ① Airfreight forwarders and air carriers are the best sources for obtaining freight rates. There are also companies that specialise in publishing air cargo tariffs. These publishing companies charge a fee for their services.

## 10.5 Price structure

As discussed in Chapter 8, which deals with price developments and sources of price information, different prices and margins apply throughout the various trade channels. It is therefore important to grasp the essence of the pricing structure as it also influences the price of your export product.

Figure 10.1 shows two examples of a supply chain and its price structure: Kenyan roses for the German market exported via the Netherlands auctions and supplied directly to the German market (taken from a 2000 Worldbank study<sup>2</sup>).

Many exporters consider marketing directly to the German market to be more attractive than via the Netherlands auctions. While the market price in Germany is based on the auction price, German importers are usually able to undercut the margins of the auction exporters and offer overseas suppliers higher FOB prices. However, this price structure obscures a few factors that work in favour of the auctions.

First, the auction price achieved can be up to 20 percent higher for regular reliable overseas suppliers than for irregular suppliers of average quality flowers. This stems from the fact that the auction system is a vehicle for obtaining premium prices, not for channelling poor quality.

Second, the costs of marketing (telephone and fax) and finance (auction payments are weekly in contrast to monthly payments of direct sales) are typically not included in an integrated cost price calculation.

Third, in contrast to direct sales, quality inspection and product rejection are transparent in auction sales. This also applies to market information, which is freely provided by the auction and subject to censorship by importers.

Also refer to Section 13.3, which included information on price setting.

<sup>2</sup> Worldbank - “Equatorial Rose: The Kenyan-European Cut Flower Supply Chain”, 2000

**Table 10.1 Value chain analysis for exporting Kenyan roses to the German market**

Via Netherlands auction			Direct to German market		
Exporter	FOB Nairobi	€ 0.08	Exporter	FOB Nairobi	€ 0.09
↓			↓		
Freight forwarder	+ Freight costs	<u>€ 0.04</u>	Freight forwarder	+ Freight costs	<u>€ 0.04</u>
↓			↓		
Auction	C&F Auction	€ 0.12	Importer	C&F Auction	€ 0.13
↓	+ auction costs (15%)	<u>€ 0.02</u>	↓	+ handling fee	<u>€ 0.01</u>
	auction price	€ 0.14		net sales	€ 0.14
↓				commission (15%)	€ 0.02
Dutch wholesaler	+ Dutch wholesale margin (22%)	<u>€ 0.03</u>	German wholesaler	C&F German wholesaler	€ 0.16
↓			↓	+ margin (20%)	€ 0.03
German wholesaler	C&F German wholesaler	€ 0.17	German retailer	+ German retail margin	100-200%
↓	+ margin (20%)	€ 0.03	↓	+ VAT	7%
German retailer	+ German retail margin	100-200%	Consumer	Consumer Price	€ 0.41 - € 0.60
↓	+ VAT	7%			
Consumer	Consumer Price	€ 0.44 - € 0.64			

### 10.6 Product profiles

In this section, we give two examples of product profiles: Rosa and Leatherleaf ferns. These stand model for the product profiles the exporter should

develop for his own (prospective) export products. By constructing an overview of the most import products, exporters are better able to determine which products to export to the EU.

#### Product profile: Rosa

##### 1. Product information: Rosa (rose)

###### main large-flowered varieties:

European production	Imports
1. Red Berlin	1. First Red
2. Passion	2. Akito
3. Sphinx	3. Inka
4. First Red	4. Noblesse
5. Grand Prix	5. Konfetti

###### small-flowered varieties:

European production	Imports
1. Sacha	1. Frisco
2. Escimo	2. Escimo
3. Frisco	3. Lambada
4. Sunbeam	4. Golden Gate
5. Red Champ	5. Sacha

Source: VBN 2003

*continued*

*continue*

## **2. Market requirements:**

European quality standards:

- standards of the Dutch auctions
- standards of individual importers

Minimum labelling:

- Identification (name and address) of the exporter and/or packer
- Nature of the produce (if not visible from outside)
- Name of the variety
- Origin of the produce
- Commercial classification: class, size, minimum and maximum lengths, number or net weight

Packaging:

- The specific type of packaging is determined by the importer. In general, packaging size specifications are influenced by EU pallet sizes and air-freight pallets and containers. In the Netherlands, cardboard boxes ('A' boxes) with dimensions: 100 x 25-50 x 20-25 cm are usually used.
- After packaging, the stems should be secured tightly in the box, either with a strong rubber band attached to plastic hooks pierced through the sides of the box, or with a plastic foam covered wooden stick pressed on top of the stems and nailed in place through the sides of the box.
- Import regulation: refer to Section 9.1.

## **3. Market structure:**

Consumption calendar:

- All year round
- Peaks in the flower sales during public holidays

Average import price (2002, per stem):

- Large-flowered (The Netherlands): € 0.32
- Large-flowered (import): € 0.18
- Small-flowered (The Netherlands): € 0.17
- Small-flowered (import): € 0.11
- Spray (The Netherlands): € 0.32
- Spray (import): € 0.13

Market trends:

- Still the number one cut flower in most EU countries. No change expected in the near future
- Many EU consumers are getting used to and appreciate large-flowered roses.
- Trendy colours are increasingly important.
- More and more roses are supplied by African growers, especially small-flowered varieties.

## **4. Main suppliers:**

The leading supplying countries of roses are The Netherlands, Kenya, Ecuador, Zimbabwe and Israel.

## **5. Quality improvement:**

Harvesting: Roses are best cut in bud stage and opened after storage, transport or distribution.

Packaging: Measures to protect the product during transport.

Storage: Successful rose exports require an unbroken cool chain from grading to retail shop.

This involves a cold store at the production site, with the capacity for pre-cooling produce after packing, refrigerated transport and access to cold storage at airports. The recommended storage temperature for roses is 2-4°C.

Transport: Shipping without transfer is preferred.

In general: Experience, practical and theoretical knowledge are the most important factors to improve the quality.

## Product profile: Leatherleaf Fern

### 1. Product information:

Common name: Leatherleaf Fern

Botanical name: Rumohra adiantiformis (Dryopteris fern family)

Fronds (i.e., fern “leaves”) are triangular, coarsely toothed, 3-4 pinnate at base, 10-24 inches long.

Sori are located on the dorsal (bottom) side of the fronds. Stipes (i.e., fern petioles or “stems”) are somewhat woody.

Availability: year round

Decorative life: 7-21 days

### 2. Market requirements:

European quality standards:

Minimum labelling:

- Identification (name and address) of the exporter and/or packer
- Nature of the produce (if not visible from outside)
- Name of the variety
- Origin of the produce
- Commercial classification: class, size, minimum and maximum lengths, number or net weight

Packaging:

- Special packaging requirements on request of buyer or auction. Waxed or plastic coated cartons are not accepted.

Import regulation: Refer to Section 9.1.

### 3. Market structure:

Consumption calendar:

- All year round
- Peaks in the flower sales during public holidays

Average prices:

- Price per stem is € 0.05

Market trends:

- Leatherleaf ferns have been a leader for over ten years. It is the archetypal foliage, especially for supermarkets.

The market for foliage is increasingly demanding quality. Foliage requires a minimum level of quality equivalent to that of cut flowers and especially a standardisation of products and careful packing. The main criterion is vase life.

### 4. Main suppliers:

The leading suppliers are Costa Rica, Israel, Guatemala, South Africa and USA.

### 5. Quality:

Harvesting: Leatherleaf ferns should be matured and hardened. Most leatherleaf is dipped after harvest in various mixtures of water, mineral oil and surfactant to both clean and, hopefully, extend subsequent vase life.

Packaging: Measures to protect the product during transport.

Storage: High relative humidity lasts up till 6 weeks if packed. Temperature between 2°C to 4°C is advised. Re-cut stems frequently.

Transport: Preferred shipping without transfer.

In general: Experience, practical and theoretical knowledge are the most important factors to improve the quality.

# 11 INTERNAL ANALYSIS: COMPANY ANALYSIS

The internal analysis or company audit is a review of the company's strength and weaknesses in terms of all company resources such as export marketing capabilities, finance, personnel, internal organisation, management, infrastructure, etc. As a result of this internal analysis, you will be able to assess to which extent your company is able to take advantage of the opportunities identified in the former chapter. Furthermore, with a thorough understanding of your company's unique capabilities, you are able to invest in opportunities that exploit your strengths.

## 11.1 Product range

A product range can consist of several product groups (range width), each with several different products (range depth). Again, one product can consist of several varieties (see example).

A supplier can only select a suitable business partner when armed with correct information about the range that he or she is able to offer. A precise review of the product range, therefore, aims at matching products on offer with market opportunities. Keep in mind that varieties are sometimes known under different trade names overseas.

The next step is to review product characteristics of the products and varieties on offer.

### Questions an exporter needs to answer:

- Which products are you currently producing?  
How comprehensive is your product range?
- Which products do you consider to be the main products you are specialised in?
- What new products would you be able to cultivate / produce?

## 11.2 Product standards, quality, and production capacity

A means to assess your company's potential in exporting is by examining the unique or important features of your company and products. If those features are hard to duplicate abroad, then it is more likely that you will be successful overseas. A unique selling proposition or USP defines what makes your business unique from every other competitor in the field. It spells out the precise niche you seek to fill, and how you aim to fill it.

There are two major benefits in developing the USP. First, it clearly differentiates your business in the eyes of your current and potential customers or clients. Second, it focuses your staff on delivering the promise of the USP, thus helping to improve your internal performance.

### Example of a company's product range

Product range (range width)	Products (range depth)	Varieties
cut flowers	Rosa	Leonidas 'Meicofum'
etc.		Sunny Leonidas 'Meiguido'

### Example of product characteristics

Product	Variety	Size (stem length)	Colour	Availability	Number of stems per box
Rosa	Leonidas 'Meicofum'	50 - 70 cm	bicolour russet and cream	year round	50 - 60 cm: 200 stems 70 cm: 150 stems
Rosa	Sunny Leonidas 'Meiguido'	50 - 70 cm	bicolor orange cream	year round	50 - 60 cm: 200 stems 70 cm: 150 stems
etc.					



### What a USP could look like:

- One sentence.
- Clearly written, so that anyone can understand it.
- It should be believable.
- Composed of one benefit that is unique solely to your company or product

How to develop your USP? Sit down with a notebook and:

- Brainstorm.
- List all the benefits your company or product can offer.
- Prioritise those benefits in order of what is the strongest, and most unique to your business.
- Write one sentence that conveys the first benefit on the list.

Together with your prices, quality is probably the main competitive factor on which you will compete in the flower trade. It is important to consider to which extent your company is able to deliver the quality that is required in the identified markets and sales channels.

Note that quality not only means product quality. Management quality is just as important.

*Delivery reliability* and the ability to learn and adapt are important selection criteria for European companies looking for new (long-term) suppliers. Furthermore, keeping to the agreed quality is indispensable for building up a long-term business relationship.

Check your current quality standards with the voluntary and compulsory standards described in Chapter 9. Also refer to Chapters 8, 9 and 10 for information on the importance of the various quality standards for your product-market combinations.

### Questions an exporter needs to answer:

- What management quality standards does your company fulfil (ISO)?
- What is the general level of your product quality compared to other products in the identified market? Does your product have any official quality standards?
- In case environmental labelling could significantly improve the competitiveness of your export product, which one is the most interesting for your product-markets combination?

### Production capacity

The foreign buyer is seldom looking for a 'spot' purchase. Instead, he is looking for a quality product at a fair price with continued availability. If you are

merely seeking to market your sporadic surplus capacity, then the entry into the foreign trade market will probably be a disappointment. On the other hand, if the company is willing to devote even 10 percent of its production capacity to foreign markets and the servicing of these accounts, it can reasonably expect to build substantial and permanent trade in those markets suited to its products. However, keep in mind that:

Often, the volume of the product marketed is not as important as a consistent and reliable supply of the actual product.

### Questions an exporter needs to answer:

- How is the present capacity being used?
- Will new export activity hurt domestic sales?
- What will be the cost of setting up additional production capacity and is it possible at all?
- What cycles of production apply to your products? Is there a seasonal emphasis and how does this match up to the demand in the target market?
- Are there fluctuations in the annual workload? When? Why?

### Post-harvest treatment

The care and handling between harvesting at the nursery and delivery to the country of import is often the weakest point in the relationship between importer and producer.

Proper post-harvest care can considerably extend the vase life of imported cut flowers. Cut flowers need enough carbohydrate reserves to develop fully. Flowers harvested at the right stage of maturity have enough carbohydrate reserves, but flowers harvested when they are immature may lack both the reserves they need to bloom fully and the hormonal signalling which guides their development. Flowers harvested when they are too mature may be more sensitive to transport damage and ethylene. Most flowers are best cut in bud stage and opened after storage, transport or distribution. During transport, they experience water stress, darkness and fungal and bacterial pathogens.

Temperature control is the most important measure in post-harvest care, as this factor provokes the greatest loss of quality in cut flowers. Generally, high temperatures accelerate biochemical reactions and thus, by speeding up the ageing process, the final vase life is reduced. Low temperatures slow the development and depletion of carbohydrate reserves. They also decrease flower ethylene production and sensitivity and limit pathogen growth. Correct temperatures need to be



maintained all through the distribution chain. If not, the effort and expense of providing the right conditions at one point of the chain, will be completely wasted at another point, where little or no attention is given to maintaining these values.

Optimum temperatures for most common flowers is near freezing point, from 0° C (32° F) to 5° C (40° F). Note that some tropical crops such as Anthurium, Strelitzia, some Orchids and Gingers suffer chilling injury and should not be kept below 10° C (50° F).

Carbohydrate levels are minimal in cut flowers and are consumed through respiration. Due to high temperatures and possible embolism in the vascular system, harvesting at the end of the day is not recommended. After harvest, cut flowers should be pulsed in a sucrose solution. This improves the vase life in most cases, but it also enhances microbial growth. Refrigeration is the most practical solution. Another possibility is a controlled atmosphere (i.e. reduced oxygen) to prevent respiration and consumption of carbohydrate supply.

#### General factors affecting post-harvest quality

- Flower maturity at harvest
- Temperature
- Food supply
- Light
- Water supply
- Ethylene
- Growth tropism (bending of stems)
- Mechanical damage
- Diseases
- Drying flowers

Cut flowers with leafy stems have a large surface area, so they lose water and wilt very rapidly. To prevent this, cut flowers should be stored above 95 percent relative humidity. In some cases re-hydration after dry storage is possible. Note that storage in hard (alkaline) water generally reduces vase life.

Cleanliness is also an important measure. Immediately after harvest, place cut flowers in clean containers. Any adverse conditions during packing and transport can cause bacteria growth, which blocks flower stems, or fungi growth, infecting flower blooms.

### 11.3 Logistics

Availability of low-cost and high-quality freight services between your country and the destination country is a major criterion for a successful export business. In the case of highly perishable goods like cut

flowers, air freight is often the only option. However, sea freight can be an option for some foliage types.

#### Cold chain

Maintaining the quality of harvested flowers requires effective cooling systems to keep flowers at optimum temperatures until they reach European consumers. Cold storage is a key factor driving a more tightly managed supply chain. Because flowers are rapidly perishable, product quality hinges on the methods available for storing a product. As a result, consistency in the cold chain is essential to ensure that the quality loss between harvest and consumption is minimal. Cut flowers must embark upon an intricate cooling chain within a few hours of harvest and remain in a temperature-controlled environment to avoid product damage. It is essential that products be transported in a refrigerated (or at least insulated) vehicle to packing houses, where the product is hydro-cooled, graded and packed under temperature and humidity controlled conditions. In Kenya, for example, large exporters have invested in state of the art cold rooms to ensure continuity of product temperature. In general, small and medium sized exporters do not have the facilities needed to provide post-production processing and, as a result, have difficulty meeting the quality standards of overseas buyers.

#### Questions that need to be answered:

- How often are you able to deliver?
- What lot sizes do you generally produce or are you able to produce?
- Are there cold-room facilities at your production base?
- Are you able to maintain a cold chain during the transportation of the products? (air-conditioned domestic transport, cold-room facilities at the airport)
- What are the typical costs of logistics? (Check with freight forwarders)

#### Packaging

Packaging is used to protect against mechanical damage and to create a more favourable microclimate. It is an essential factor in determining the product's quality. However, according to the way in which packaging sometimes is applied in developing countries, it can also be a risk to quality, due to bruising and less than optimum conditions of temperature and humidity.

The packaging has to satisfy conditions in the field of handling. The transportation volume must be as efficient as possible and a high level of uniformity of packaging is desirable. In order to optimise transportation, EU grower and traders generally use boxes of which the measurements are in accordance with airfreight pallets and auction carts.

Packaging design should take the following into account:

- Proper storage and transport;
- Standard packaging sizes;
- Recyclable materials or two-way systems.

#### Points of interest when choosing the right packaging:

*Have your importers ever complained about the quality of your products? Have they ever received rotten, spoiled or blemished products?*

Look for possible causes:

- Unsuitable packaging material
- Insufficient ventilation during transport
- Too many products in a box
- Wrong climatic conditions during transport
- Problems with the products itself (diseases for examples)
- Other causes

*Do you use different packaging methods for different products?*

- Different products require different climatic conditions (temperature, ventilation) during transport.
- Some products need more space than others (bruising, ventilation).

*In case of marine transport, different kinds of products shipped together in one container should have compatible:*

- Temperature needs
- Ethylene sensitivity
- Relative humidity needs
- Airflow characteristics

*Does your importer use special transport packaging?*

- Perhaps you could use this special transport packaging as well? Using the wrong packaging size can have a negative effect on your business.
- Maybe you could make use of the import's packaging know-how.
- Are the cardboard boxes directly forwarded to the wholesalers?

*Fully recyclable packages must be used when trading with certain business partners.*

- In case of one-way systems, use cardboard and avoid plastic foil if possible.
- Colouring materials, used for printing, should not be harmful to the environment.
- Use glue that does not harm the environment or no glue at all.
- Do not use metal clips for the cartons.
- Avoid waxed boxes or any combined packaging materials

Most cut flowers and foliage are packed in bunches, which are then put in cardboard boxes (single or double wall). The boxes should be able to withstand rough handling and net tie down by air-carriers. Often, newspapers, or other material is used to further protect the products against mechanical damage during transport.

The exporter should always discuss the preferred type of packaging with his customer!

Useful information on packaging for marine container transport can be found at:

① (MNS) [http://postharvest.ucdavis.edu/Pubs/Marine\\_Transport/Marine\\_Transport.shtml](http://postharvest.ucdavis.edu/Pubs/Marine_Transport/Marine_Transport.shtml)

## 11.4 Marketing and sales

How do you sell to current export markets? What works in one European market is likely to work in another, subject to refinement based on market intelligence and knowledge about specific trade channel requirements.

What existing contacts does the company have in the target markets - relatives, friends, suppliers, etc? It is an advantage to have some local presence in the target market that can gather information, monitor progress and follow up leads.

A serious export marketing campaign requires substantial management time to execute it properly. Therefore, the company needs to be realistic as to how much time can be devoted to export marketing.

More information on how to make use of your marketing tools to foster your export activities will be described in Chapter 13.

#### Questions that need to be answered:

- Does your company have people specifically assigned to marketing and sales activities?
- Which persons do you know in the target markets?
- What sales support material is available?

## 11.5 Financing

Export marketing is expensive. If financial resources are limited, then marketing plans will have to be modest. It is no good developing five new markets if the company only has the money to develop one.

For methods and terms of payments please refer to Section 13.4.

**Questions that need to be answered:**

- What amount of money can be tied up to setting up new export activities?
- What level of export operating costs can be supported?
- How are the initial expenses of export effort to be allocated?
- What other new development plans are in the works that may compete with export plans?
- Is outside capital necessary to support efforts?

## 11.6 Capabilities

### Commitment to export

It is important to consider whether or not the company has staff who are able to sell and develop an international business. The company should be able to generate the physical and administrative infrastructure to deal with increased activities related to exporting - not only in dealing with orders but also with processing Customs and shipping documentation. If this type of infrastructure is limited, then it is a weakness in developing sustained export activities.

**Questions that need to be answered:**

- What kind of commitment is the top-level management willing to make to an export effort? How much senior management time should be allocated? How much could be allocated?
- What organisational structure is required to ensure that export sales are adequately serviced? Who will be responsible for the export activities (export department's organisation and staff)?
- What are the management's expectations of the effort?

### Export experiences

It is important to learn from past experience. If the company has tried and failed to penetrate an export market previously, this can be analysed to determine where things went wrong.

**Questions that need to be answered:**

- In which countries has business already been conducted?
- From which countries have inquiries already been received?
- What general and specific lessons have been learned from past export experience?

### Language skills

When dealing with European trade partners in the young plant material business, English is the most used language. Although most European trade partners will not be native speakers themselves, the vast majority speaks English fluently. In almost all cases, foreign language skills, particularly English, are essential when entering the European market. When dealing with France, knowledge of the French language is a distinct advantage. If you can communicate in Spanish, you have a competitive advantage if you address the Spanish market.

On the few occasions when correspondence and documents in English will not suffice, exporters can usually find sources of translation capabilities for the more popular European languages. Language capability can be advantageous since it facilitates cultural and social relationships.

**Questions that need to be answered:**

- Which language skills are necessary when dealing with your selected markets?
- Which language capabilities are available within the export company?

## 12 DECISION MAKING

Answers to the questions mentioned in Chapters 10 and 11 can help an exporter not only to decide whether or not to export but also determine what methods of exporting should be initially used. A SWOT analysis can be used as a tool to analyse the identified opportunities and threats and the company's identified relative strengths and weaknesses. Carrying out an analysis using the SWOT framework helps an exporter

to focus his activities into areas where he is strong and where the greatest opportunities lie. It should be noted that the matrix included in Section 12.1 should be treated as an example and that it should be adapted to the exporter's own situation.

### Questions that should be answered:

#### Strengths:

- What are your advantages?
- What do you do well?
- What relevant resources do you have?
- What do other people see as your strengths?

☛ Consider this from your own point of view and from the point of view of the people you deal with. Do not be modest, but be realistic. If you are having any difficulty with this, try writing down a list of your characteristics. Some of these will hopefully be strengths.

☛ In looking at your strengths, think about them in relation to your competitors. For example, if all your competitors provide high quality products, then a high quality production process is not a strength in the market, it is a necessity.

#### Weaknesses:

- What could you improve?
- What do you do badly?
- What should you avoid?

☛ Again, consider this from an internal and external basis: Do other people seem to perceive weaknesses that you do not see? Are your competitors doing any better than you? It is best to be realistic now, and face any unpleasant truths as soon as possible.

#### Opportunities:

- Where are the good opportunities awaiting you?
- What are the interesting trends you are aware of?
- Useful opportunities can come from such things as: changes in technology and markets on both a broad and narrow scale, changes in government policy related to your field, changes in social patterns, population profiles, lifestyle changes, etc.
- ☛ A useful approach to looking at opportunities is to look at your strengths and ask yourself whether these open up any opportunities. Alternatively, look at your weaknesses and ask yourself whether you could open up opportunities by eliminating the weaknesses.

#### Threats:

- What obstacles do you face?
- What is your competition doing?
- Are the required specifications for your job, products or services changing?
- Is changing technology threatening your position?
- Do you have bad debt or cash-flow problems?
- Could any of your weaknesses seriously threaten your business?

☛ Carrying out this analysis will often be illuminating - both in terms of pointing out what needs to be done, and in putting problems into perspective.

☛ You can also apply SWOT analysis to your competitors. This may produce some interesting insights.

### Simple rules for successful SWOT analysis

- Be realistic about the strengths and weaknesses of your organisation.
- Analysis should distinguish between where your organisation is today, and where it could be in the futures.
- Be specific. Avoid grey areas.
- Always analyse in context to your competition i.e. better than or worse than your competition.
- Keep your SWOT short and simple.

## 12.1 SWOT and situation analysis

A SWOT analysis is a framework for analysing strengths and weaknesses, the opportunities and threats an exporter is facing. This will help an exporter to focus on his strengths, minimise weaknesses, and take the greatest possible advantage of opportunities available. A SWOT analysis is just one of many good techniques that can help an exporter to build a strong competitive position for his organisation. An example of a SWOT analysis for an exporter of cut flowers in developing country is given in the next table. Within the SWOT matrix, a distinction is made between internal factors (strengths and weaknesses) and external factors (opportunities and threats).

Such an analysis should be adapted to your personal circumstances, since the factors differ for each exporter in the world. While for an exporter of fresh cut roses

“lack of cold room facilities” will be a major weakness, this problem does not apply to an exporter of dried cut foliage.

Please note that also within a company a threat or weakness can change into an opportunity or strength. A good example concerning this is MPS or other certification. Not being able to supply certified products can be a barrier for exporting to certain channels in the EU. However, when an exporter has obtained certification, he will have access to these channels, so that, the factor of certification can be seen as an opportunity instead of a threat.

Be aware that success in export is by no means guaranteed, even though you take into account all the factors mentioned so far. Your environment consists of other critical conditions and success factors, that are often more difficult to influence as an individual

**Table 12.1 Example of a SWOT analysis for exporters of cut flowers in developing countries**

<b>Internal factors</b>	
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Low labour costs</li> <li>• Low or zero import duty</li> <li>• Low land costs</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Distance to market (freshness, transportation costs)</li> <li>• Negotiation skills</li> <li>• Language and communication</li> <li>• Lack of market knowledge, information on regulations, etc.</li> <li>• Low level of organisation in the industry</li> <li>• Access to finance / banking systems</li> </ul>
<b>External factors</b>	
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Specialty / novelty products</li> <li>• Tropical flowers</li> <li>• Summer flowers</li> <li>• Prepared (dried or dyed) cut flowers</li> <li>• Off season</li> <li>• Foliage: small-leafed foliage, novelties</li> <li>• Certified products</li> <li>• Quality management systems</li> <li>• Increasing shortage and costs of land in main European production areas</li> <li>• Stable to declining production in Europe</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Poor image of LDC sources (logistical problems, lack of professionalism, poor commercial attitude)</li> <li>• Phytosanitary requirements</li> <li>• Breeders’ rights regulations</li> <li>• Customers more and more demand short-term (immediate) deliveries (‘short lines’)</li> <li>• High-tech production methods</li> <li>• European research</li> <li>• Shift of production from North towards South Europe</li> </ul>

## Advantages and disadvantages of exporting

### Advantages

- enhance domestic competitiveness
- increase sales and profits
- gain global market share
- reduce dependence on existing markets
- exploit corporate technology and know-how
- extend the sales potential of existing products
- stabilise seasonal market fluctuations
- enhance potential for corporate expansion
- sell excess production capacity
- gain information on foreign competition

### Disadvantages

- the need to develop new promotional material
- subordinate short-term profits to long-term gains
- incur added administrative costs
- allocate personnel for travel
- wait longer for payments
- modify your product or packaging
- apply for additional financing
- obtain special export licences

company, than changing for example internal factors. Some of the critical conditions such as low level of organisation in the industry and financing have already been included in the figure above. However, other factors (sector-specific) which should also be included in the SWOT analysis are:

- sector policies;
  - availability of sector/branch organisations;
  - clustering/co-operation within the sector, organisation of supply and production, value chain management (please also refer to Section 10.5);
  - know-how and technical assistance;
  - foreign trade assistance;
  - financing.
- ☛ Inquiring at local business support organisations or colleague exporters can be a good starting point in being aware of other critical conditions for successful exporting.

## 12.2 Strategic options and objectives

Through of conducting the external analysis (market audit) and internal analysis (company audit) (Chapters 10 and 11), you will be able to come to a decision whether or not to export.

- ☑ You have identified products suitable for export development. Also, you know what modifications, if any, must be made to adapt them to overseas markets.
- ☑ You know what countries and market segments you are going to target for sales development and/or co-operation agreements.

- ☑ You have identified the best sales channel (direct exporting or co-operation agreements).
- ☑ You know what special challenges pertain to the selected markets (competition, import controls etc.) and what strategies you will use to address them.

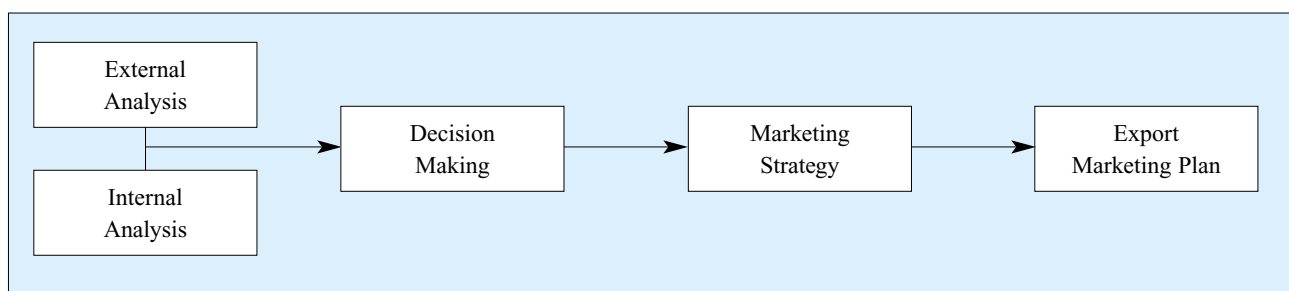
Once a company has determined that it has exportable products, it must still consider whether the development of an export business adheres to the company objectives. In order to arrive at this conclusion the management should ask itself the following questions:

- What does the company want to gain from exporting?
- Is the goal of exporting consistent with other company goals?
- Are the benefits worth the costs or would company resources be better spent developing new domestic business?

Companies can waste a lot of time and money attempting to enter markets which do not have potential or for which their product is not suitable. To be successful in export marketing, exporters need to focus on specific products and markets and be prepared to deal with all foreseeable situations. Therefore, several possible strategies have to be considered.

The figure below could be summarised in the following strategic steps:

- External analysis (market audit, Chapter 10) and internal analysis (company audit, Chapter 11)
- SWOT analysis (Chapter 12)
- Decision making & formulation objectives (Chapter 12)



- Elements which can be used as inputs for the Market Entry Strategy and Export Marketing Plan (Chapter 13).

If you have come to the decision to export, the next phase of the export marketing process is to draw up an Export Marketing Plan (EMP) which defines a marketing strategy stating how the company is going to penetrate the identified market. The marketing strategy is designed around the information collected in the internal and external analysis and the marketing tools will be described in the following chapter.

**An international business plan should define your company's:**

---

- readiness to export
- export pricing strategy
- reason for exporting
- potential export markets and customers
- methods of foreign market entry
- exporting costs and projected revenues
- export financing alternatives
- legal requirements
- transportation method
- overseas partnership and foreign investment capabilities
- corporate commitment to the exporting process

Formulating an export marketing strategy based upon sound information and its proper assessment increases the chances that the best options will be selected, resources will be utilised effectively, and efforts will consequently be carried through to completion.

For assistance in writing an EMP and formulate answer on the questions asked in this chapter, please refer to the CBI's "*Export Planner*".



## 13 EXPORT MARKETING

Which marketing tools can you use to successfully build your export business? This chapter will provide you insight and give tips how to make use of your marketing tools to promote the sales of your products and to build a favourable trade relationship.

### 13.1 Matching products and the product range

In the company audit (see Section 11.1), the exporter reviewed the company's product range and product characteristics. The aim of this review was to enable the exporter to match market opportunities with the company's products on offer. This review can also be used as a starting point for considering opportunities for improving the exporter's product range.

In most cases, exporters will find out that the current product range does not match the demand of the identified market segments and sales channels. The cause of this mismatch can, for example, lie in the fact that currently produced varieties are outdated.

In the case of exporters who are looking for varieties to improve their product range, a couple of possible sources exist:

- ① Trade magazines like 'Floraculture International' (free subscription) often give useful information on new and popular varieties and pack trials organised by European young plant producers. For a list of trade magazines see Appendix 2.5.
- ① Visiting trade fairs is also a good way of becoming informed about potentially interesting varieties.
- ① By using more detailed trade statistics (for instance auction sales), you can often determine which varieties are most popular in the target markets.

Note that one of the most important issues in selecting new varieties is the question whether or not the variety can be successfully produced under your production circumstances.

### 13.2 Building up a relationship with a suitable trade partner

One of the most ominous obstacles for exporters can be the search to contact, attract and secure a good importer or trade partner. Many avenues are available for locating trade partners. You should employ any and all, which seem appropriate for your product-market combination.

#### How to find a potential trading partner?

The best ways for exporters of from developing

countries to approach potential trading partners in the European cut flower and foliage market are:

- Direct mail: You can write a letter, e-mail or fax directly to a European company. Most companies will probably respond that they are not interested or that they already carry a competitive line. However, only a few positive replies are needed to continue your search and evaluation of prospective distributors.
- Personal visits: Once you have received a number of "interested" replies, plan a trip to that market. Additionally while travelling, stop in other potential markets to assess the situation as well as attempt to make contacts. Many times a personal visit will pay for itself in terms of the gained benefits.
- In case of contacting flower auctions, the import department is the place to go;
- Invite EU importers or potential business partners to visit your company;
- Build a network in order to extend your contacts;
- Visit international trade fairs (for a list see 13.5).

#### How to identify the most suitable trade partner?

Evaluate the potential trade partners of which you have obtained information, using the following criteria:

- Is the information complete? (full address, telephone / fax number, e-mail address, contact person)
- Is the importer active in the country you selected?
- Does the importer focus his activities on the corresponding products?
- What kind of trade relation is the potential trade partner interested in (arms-length, co-operative agreement, contract basis)? Does this correspond with your preferred type of relationship?
- What is the position of the potential trade partner in the market?
- What is the financial status and credibility of the company?

Using these criteria, draw up a priority list of the contact addresses you have received.

From the priority list, you must identify the trade partners that match best your own company profile, product range and export strategy. Particularly in the case of future long-term close co-operation, it is important to get a clear picture of the company you are dealing with and understand their business activities.

For more information on how to build a business relationship, please also refer to the recently published CBI manual "Your image builder".



### 13.3 Drawing up an offer

There are two different kinds of offers:

1. general offers; and
2. specific offers.

#### 1. Drawing a general offer

- The purpose of a general offer is to make the first contact with potential trading partners who the supplier does not yet know personally.
- A general offer consists of sending a short profile of your own company and a summary of your product range.
- In a personal letter, briefly introduce your company and what you have to offer.

#### 2. Drawing up a specific offer

A specific offer is legally binding for a certain period of time. You must therefore be capable of fulfilling the terms of contract. You should make up a specific offer only when you know the business partner personally or after you have made the initial contact.

When sending a specific offer, it should include:

- Name of the person responsible in your company;
- Exact description of the products offered;
- Price of the products offered in accordance with the Incoterms 2000 (if applicable, split up by delivery quantities or quality); and
- Possible delivery date and terms of delivery.

Some more tips to increase the effectiveness of your offer:

- A telephone call to ask whether the offer (and the samples, if applicable) has arrived.
- An invitation to visit your company.
- Possibly propose a visit to the country of destination. In that case:
  - If necessary, hire an interpreter.
  - Ask your own consulate, business support organisation, or other intermediary for assistance.

#### Price setting

Importers tend to handle part of the imported products at fixed prices, which are based on longer term forecasts and auction prices. Consequently, there is little room for the exporter to influence the price. The first objective for an exporter must be to offer a suitable product and assortment policy which meets the needs of the customer.

Nevertheless, when establishing an overseas price, you need to consider many of the same factors involved in pricing for the domestic market. These factors include competition; costs such as production, packaging, transportation and handling, promotion and selling expenses; and most important in the flower market: the

demand for your product and the maximum price which the market is willing to pay.

How you price your product is worth considerable thought and effort since it directly affects your ability to make a profit. Take some time to research the following management questions:

#### Questions to ask when setting your price:

*How much does it cost to grow your product?*

- Production costs not only include costs for growing, but also for packaging, distribution and promoting your products.
- Also the costs of unsold products should be included.

*What are your profit goals?*

- A profit goal states how much a business should earn.
- You can set the profit goal as a percentage (margin) above the product costs or set the total profit figure for the entire business?
- A profit goal can guide decisions on the amount of produce you will grow and the price you will charge.

*What price do competitors charge?*

- Take an industry focus on your pricing when researching what competitors are pricing.
- By walking through the steps indicated in Section 10.2 you will know the prices competitors charge and why they charge what they do. Use the competitive analysis to develop the upper limit of your price range. Be sure you compare your products to competitors.
- In the floricultural trade competition is intense. You should therefore try to price at the lower end of the price range unless you can distinguish your product through quality or a unique selling feature.

*What is the customer demand for my product?*

- How unique is your product or assortment?
- To price according to demand you have to know more about the size and nature of your customer base and their feelings about pricing.
- You will need to keep an eye on general market trends. See also Chapter 3.

You must continually monitor your price including your costs of production, your competition and your customers and be prepared to make adjustments. In competitive businesses like the floricultural trade, the successful company is the one that can adapt and continue to operate profitably.

On the next page you find an overview of the way you can calculate the price of your export product (for information on Incoterms see the next Section).

### Export price calculation

Total costs per unit  
+ Profit  
+ Commissions  
+ Banking fees  
+ Palletisation / export packing  
+ Freight forwarding and documentation fees  
+ USDA inspection and phytosanitary certificate fees  
+ Other direct expenses related to special shipping requirements such as temperature recorder charges  
= EXW price (Ex Works)  
+ Inland transportation  
= FAS price (Free Alongside Ship)  
+ Terminal handling charges  
= FOB price (Free On Board)  
+ Ocean freight charges  
+ Ancillary charges  
= CFR price (Cost & Freight)  
+ Insurance  
= CIF price (Cost, Insurance, Freight)

### 13.4 Handling the contract

In case of selling via the auction system, it is important to note that imported merchandise is traded on the basis of an annual contract between the seller and the auction. A standard form of contract, issued by the Federation of Dutch Flower Auctions (VBN), is used by all Netherlands auctions. In applying for a licence each year, the importer must provide details regarding the name and location of the grower, the product species, the area under cultivation, the number of pieces to be delivered, the share this will represent in total production, the period that the product will be auctioned, and the number of shipments per week.

When selling directly via European importers, the use of written contracts is not a widespread practice. Most importers prefer to work on a trust base without written contracts, arguing that it is not efficient to put a contract together each time a deal is made. An exporter should keep in mind, however, that in the case of a conflict with you importer, communication via e-mail, fax or even by telephone, also functions as a contract.

In the case contracts are used, the following terms should be considered:

- a. Contract terms:
  - Conclude the delivery conditions according to international guidelines (e.g. Incoterms 2000).
  - When delivering for the first time, it is common to deliver the goods free on commission and freight-paid.
- b. Contract fulfilment:
  - Procure the delivery documents in good time.

- Comply strictly with all parts of the supply agreement.
- If you cannot comply with any part of the agreement (e.g. delivery delays or quality problems), inform the customer clearly and in good time.
- Co-operate on a partnership basis and seek a common solution even if conflicts arise.
- Fulfilling the contract should have a high priority, particularly when delivering for the first time.

Trading relations between exporter and importer are based on trust and can only be built up by meeting the high expectations of the importer. If an importer finds that the product does not meet his expectations, this will immediately backfire on the business relationship with the exporter.

It is important that an exporter discusses the 'what ifs' with its trade partner: what if there's a problem with inspection, what if a claim is necessary because the logistical service provider mishandles the products during shipment, and what if your customer has a problem with product quality after arrival.

Other more practical questions that should be asked are:

- When is the shipment needed?
- Does the customer have a preferred freight carrier?
- Which airport is most convenient?
- Does he have an agent to clear the shipment through customs?
- Does the customer want to pay for the shipment to be insured?

#### Methods of payment

The determination of payment conditions for a regular export transaction is part of the package of negotiations between seller and buyer, who actually have more or less opposing interests. The seller wants to have the largest possible guarantee of financial coverage for the goods he has to supply according to his sales contracts. The buyer wants to be sure about availability, quantity and quality of the goods he buys, before he pays the agreed price.

There are various methods of receiving payment for your exports. However, the most commonly used terms in the floricultural trade are open account and payment in advance.

#### Open Account

Selling on open account carries the greatest risk for the exporter. Under this method the buyer does not pay for the goods until they have been received. If the buyer refuses to pay, the only recourse by the exporter is to seek legal action in the buyer's country. Thus, the open account method should only be utilised when there is an established relationship with the buyer and the country of the buyer possesses a stable political and economic

environment. If your sales must be made on open account, the date upon which the payment is due should be stipulated.

### **Payment in advance**

This method is the most desirable from the seller's standpoint, because all risk is eliminated. While cash in advance may seem most advantageous to you, insisting on these terms may cost you sales. Just like domestic buyers, foreign buyers prefer greater security and better cash utilisation. Some buyers may also find this requirement insulting, especially if they are considered credit worthy in the eyes of the rest of the world. Advance (partial) payments and progressive payments may be more acceptable to a buyer, but even these terms can result in a loss of sales in a highly competitive market.

Most export shipments are partly pre-paid before the products are shipped. Because collections from customers are more difficult overseas, it is recommended to get a minimum of 50 percent in advance. Once on-going business and trust is established, exporters should grant their foreign customers standard payment terms. Because of the possible complications and costs, letters of credit are often avoided.

### **Terms of delivery**

Export terms of delivery determine what costs are covered in the price of the cargo. They also indicate at what point ownership transfers to the buyer and at what point responsibility for the cargo transfers. International commercial terms (Incoterms 2000) provide "the international rules for the interpretation of trade terms."

The most commonly used trade terms are:

### **CIF (Cost, Insurance, Freight)**

Under this term, for shipments to designated overseas port of import, the seller quotes a price for the goods, including insurance costs and all transportation and miscellaneous charges, to the point of debarkation from the vessel or aircraft. The seller pays for the cost of unloading cargo at the port of destination, to the extent that they are included in the freight charges. If the charges are separate then they fall to the account of the buyer.

### **FOB (Free on Board)**

Under this term, the seller quotes a price for goods that includes the cost of loading at the port of departure. The buyer arranges for transportation and insurance.

Other trade terms less frequently encountered are:

### **CFR (Cost and Freight)**

For shipments to designated overseas port of import, the seller quotes a price for the goods that includes the cost of transportation to the named point of debarkation.

The buyer is responsible for the cost of insurance.

This is referred to as C&F in the old Incoterms.

The seller pays for the cost of unloading cargo at the port of destination, to the extent that they are included in the freight charges. If the charges are separate then they fall to the account of the buyer.

Most agents work on a commission basis, which places the risks of transport with the shipper. Insurance is rare due to the high premiums (4%) and risks are typically obviated through claims. Nevertheless, claims are rarely awarded since most air transport related problems result from force majeure, which absolves the forwarder of responsibility. Only in cases of culpable negligence, which are unusual, may claims be awarded.

It is recommended that quotations to new European customers should be made on a CIF basis.

However, supplier and importer are free to negotiate and agree whether quotations and subsequent trade are based on CIF or FOB prices.

### 13.5 Sales promotion

One of the major critical success factors for exporters of young plant material to the European Union is attention to customer requirements and the ability to maintain good relationships with their European business partners. Sales promotion revolves around developing and expanding these customer relations and thereby maintaining and increasing sales volume.

Some tips for developing customer relations:

- Take good care of existing contacts. This includes for example expressions of thanks to business partners, regular information on the company developments like product range, quality improvements, etc.
- Always reply to a letter of inquiry. If you cannot supply this contact, say so, explaining that you will get in touch with him for the next campaign.

#### Communication

It is advisable to commence with communication measures, which only require a small amount of planning and co-ordinating, such as revising the company's standard printed matter:

- Standardise all printed paper used outside the company (letterheads, visiting cards, fax form, etc.)
- A brochure of your company (including photos of production sites and produce) can be useful for promoting new contacts and sales.

Constant, prompt and reliable communication is a vital prerequisite for maintaining a long-term business relationship with your customers. If possible, smaller firms should also try to be reachable by (mobile) phone at office hours.

#### Sales organisation

The term 'sales organisation' refers to the organisational system that carries out the sales of the company's products. A sales organisation usually consists of back office and sales force.

As most sales are conducted by telephone, fax or e-mail, having well-functioning sales staff is an absolute precondition for successful market participation. This also applies to smaller company where one person has to take up different (sales) functions.

An essential tool used in sales is a detailed and up-to-date customer database. This database can vary from a simple collection of customer data sheets to an advanced customer relation management system. However, the customer database should at least contain the following information:

- Basic information on the customer: name, address, telephone numbers, etc.
- Changing data on the customer: data resulting from business activities with the customer, such as telephone calls, offers, sales information, etc.

The customer database should give the sales person a quick review of the most important customer information when making or answering a telephone call or planning a visit.

If possible, the database should be computerised, because this simplifies changes, updating, sorting and selection procedures, etc. If computerisation is not possible, the customer database should be on file cards.

#### Internet

As a source of information and means of communication, Internet is generally considered to have many opportunities for companies in developing countries. The main advantages of the Internet are:

- Low cost of communication;
- Fast delivery of information;
- Independence of distance and timeline;
- Multimedia possibilities.

Besides one-to-one communication through the use of E-mail, Internet offers opportunities for presentations, (market) research, distribution, sales and logistical improvements. If your target group consists of importers/growers in overseas countries, you can advertise for (new) customers on your Internet site, showing your company, product range and indicating the production circumstances.

#### Trade fairs

Visiting or even participating in a trade fair abroad can be an efficient tool for communicating with prospective customers. It provides more facilities for bringing across the message than any other trade promotional tool. It can also be an important source of information on market developments, production techniques and interesting varieties.

Important motives for companies visiting European trade fairs are:

- Establishing contacts with potential customers;
- Orientation on the European market;
- Gathering information on specific subjects;

Although significant costs are involved, actually participating in a trade fair could be interesting for a number of companies to meet, for example, European companies interested in setting up young plant production facilities in tropical regions. One of the major advantages of participating yourself in a trade fair is the ability to present your company and products in a more extensive way (3-D presentation, company video, and product displays).

Floricultural trade fairs are organised in many European Union countries. The most relevant fairs for exporters of cut flowers and foliage are listed in the box below. The contact addresses of these and other trade fairs are listed in Appendix 2.4.

### Main European trade fairs

Trade fair	Where?	When?	What?
<b>International Horti Fair</b>	Amsterdam, The Netherlands	5-8 November 2003 (annual)	International trade fair for cut flowers, plants, equipment and florists' requisites.
<b>IPM</b>	Essen, Germany	January / February 2004 (annual)	International trade fair for cut flowers, plants, equipment and florists' requisites.
<b>Florissimo</b>	Dijon, France	11 March - Sunday 20 March 2005 (every 4 years)	International exhibition for exotic flowers and plants.
<b>Flormart-Miflor</b>	Padova, Italy	12-14 September 2003, February 2004 (semi-annual)	International trade fair for cut flowers, plants, equipment and florists' requisites.
<b>Iberflora</b>	Valencia, Spain	October 2003 (annual)	Garden and horticultural technology trade fair
<b>Salon du Végétal</b>	Angers, France	18-20 February 2004 (biennial)	International horticultural trade fair
<b>Four Oaks Trade Show</b>	Cheshire, United Kingdom	2-3 September 2003	Horticultural trade fair

More comprehensive overviews of world-wide trade fairs can be found on the following Internet sites:

- ① <http://www.flowercouncil.org/>
- ① <http://www.cha-hort.com/>
- ① <http://www.floracultureintl.com/>

For additional information on trade fair participation, please refer to CBI's Handbook "*Your show master - a guide for selection, preparation and participation in trade fairs.*" and the recently published CBI manual "*Your image builder*"

#### Assistance with market entry

##### Local business support organisations

Before approaching organisations abroad, an exporter should first check with local business support organisations (trade promotion organisations, Chambers of Commerce, etc.) and foreign representatives in his or her country.

##### Import Promotion Organisations

In most EU countries, there are organisations that promote imports from developing countries through specific export promotion programmes:

- Supplying information on: statistics and other information on national markets, regular news bulletins, importer databases, and market opportunities;
- Individual assistance: management training, testing products by display and adaptation services; and
- Establishing contacts: collective trade fair participation and selling missions.

##### Branch organisations

In most European countries, producers, wholesalers and often also retailers are organised in so-called branch organisations. These organisations can be of use to new exporters to the EU. An example is the Fresh Produce Consortium (UK), which can give you information on the UK wholesale markets.

Information how to reach these organisations can be found in Appendix 2.3.

# Appendices



## APPENDIX 1 DETAILED IMPORT/EXPORT STATISTICS

### Cut flowers and foliage

Imports of cut flowers and foliage into the EU, 1999-2001						
€ thousand/tonnes						
	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>2,796,417</b>	<b>700,496</b>	<b>3,068,470</b>	<b>646,287</b>	<b>3,009,341</b>	<b>603,620</b>
<b>Intra EU</b>	<b>2,213,837</b>	<b>522,057</b>	<b>2,378,915</b>	<b>476,991</b>	<b>2,295,818</b>	<b>436,823</b>
<b>Extra EU</b>	<b>582,580</b>	<b>178,439</b>	<b>689,555</b>	<b>169,296</b>	<b>713,523</b>	<b>66,797</b>
<b>Developing countries</b>	<b>455,047</b>	<b>138,912</b>	<b>533,254</b>	<b>125,911</b>	<b>574,905</b>	<b>131,612</b>
The Netherlands	1,962,622	435,547	2,099,563	394,772	2,022,542	371,330
Kenya	131,426	35,987	154,654	40,892	178,842	43,890
Israel	113,002	34,039	141,448	37,395	124,713	30,573
Colombia	94,000	26,884	104,998	18,655	103,300	17,723
Spain	84,091	34,322	90,018	30,285	92,208	30,554
Ecuador	62,956	11,864	78,560	13,076	82,342	13,770
Zimbabwe	51,810	16,940	66,524	19,848	69,140	19,830
Italy	61,664	11,616	59,322	10,561	55,546	8,862
Belgium	32,912	8,385	44,380	21,299	42,984	8,071
Germany	26,090	19,893	27,451	5,892	28,839	5,471
France	19,770	5,917	23,939	6,045	21,117	3,994
Zambia	15,985	3,078	17,668	3,174	18,347	3,290
Thailand	16,314	3,418	18,478	3,494	18,328	3,581
United Kingdom	16,119	4,127	20,130	5,238	17,746	5,758
India	15,960	5,917	15,786	5,135	15,206	4,963
South Africa	12,916	3,725	13,047	3,358	14,473	3,723
Uganda	5,632	1,324	10,699	2,227	12,887	2,800
Turkey	11,669	19,475	8,221	4,046	10,980	5,209



**Imports of cut flowers and foliage into Germany, 1999-2001**  
**€ thousand/tonnes**

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>913,531</b>	<b>224,176</b>	<b>912,364</b>	<b>184,031</b>	<b>808,515</b>	<b>170,276</b>
<b>Intra EU</b>	<b>846,069</b>	<b>205,990</b>	<b>839,604</b>	<b>166,592</b>	<b>736,452</b>	<b>153,831</b>
<b>Extra EU</b>	<b>67,462</b>	<b>18,186</b>	<b>72,760</b>	<b>17,439</b>	<b>72,063</b>	<b>16,445</b>
<b>Developing countries</b>	<b>53,123</b>	<b>13,193</b>	<b>57,723</b>	<b>12,929</b>	<b>60,380</b>	<b>12,707</b>
The Netherlands	802,102	196,905	798,862	159,508	698,479	147,132
Italy	28,390	5,185	26,134	4,284	22,627	3,812
Ecuador	11,773	1,875	14,168	1,931	15,077	1,997
Kenya	10,060	2,549	11,698	2,881	13,071	2,987
Colombia	9,439	1,886	10,013	1,841	9,917	1,753
Israel	9,544	2,200	10,762	2,157	8,353	1,701
South Africa	5,501	1,771	5,088	1,490	5,295	1,561
Spain	5,270	1,603	4,759	1,108	4,820	1,040
Tanzania	2,133	535	2,173	519	3,821	790
Belgium	4,153	727	4,716	764	3,530	617
India	4,175	1,568	2,925	1,137	3,421	1,153
Austria	660	96	723	81	2,517	298
China	1,965	462	2,290	458	2,229	484
France	2,518	613	2,150	379	1,955	337
Zimbabwe	2,545	753	3,155	809	1,626	358
Thailand	1,315	256	1,581	245	1,535	243

**Imports of cut flowers and foliage into UK, 1999-2001**  
**€ thousand/tonnes**

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>504,584</b>	<b>123,818</b>	<b>587,305</b>	<b>123,925</b>	<b>668,394</b>	<b>115,350</b>
<b>Intra EU</b>	<b>401,315</b>	<b>99,659</b>	<b>474,003</b>	<b>99,425</b>	<b>548,048</b>	<b>90,080</b>
<b>Extra EU</b>	<b>103,269</b>	<b>24,159</b>	<b>113,302</b>	<b>24,500</b>	<b>120,346</b>	<b>25,270</b>
<b>Developing countries</b>	<b>96,284</b>	<b>22,720</b>	<b>106,518</b>	<b>23,371</b>	<b>116,212</b>	<b>24,655</b>
The Netherlands	364,816	69,913	433,358	75,752	494,021	75,987
Kenya	30,036	6,740	37,765	8,168	51,381	10,221
Colombia	49,154	9,670	54,364	10,110	48,929	8,656
Spain	26,881	13,332	28,094	9,589	37,809	11,343
Belgium	3,557	1,769	6,712	13,037	9,152	1,346
Turkey	9,075	3,909	5,595	2,789	6,097	3,149
Italy	4,236	813	4,420	756	4,754	747
Israel	6,094	1,293	6,301	983	3,550	539
Morocco	2,099	787	2,378	830	2,044	837
Germany	819	13,166	329	87	1,460	240
Zimbabwe	1,423	213	1,163	174	1,414	223
Ecuador	917	250	1,392	305	1,206	232
India	1,159	520	1,077	408	1,096	446
Costa Rica	228	74	547	133	1,024	233

**Imports of cut flowers and foliage into France, 1999-2001**  
**€ thousand/tonnes**

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>406,670</b>	<b>98,007</b>	<b>446,861</b>	<b>94,580</b>	<b>427,183</b>	<b>83,128</b>
<b>Intra EU</b>	<b>386,675</b>	<b>94,234</b>	<b>425,021</b>	<b>90,622</b>	<b>403,590</b>	<b>78,942</b>
<b>Extra EU</b>	<b>19,995</b>	<b>3,773</b>	<b>21,840</b>	<b>3,958</b>	<b>23,593</b>	<b>4,186</b>
<b>Developing countries</b>	<b>18,799</b>	<b>3,609</b>	<b>21,040</b>	<b>3,853</b>	<b>22,900</b>	<b>4,121</b>
The Netherlands	344,918	84,213	377,088	79,129	359,889	69,580
Belgium	17,755	3,570	22,075	3,964	19,392	3,563
Spain	10,033	3,787	11,841	4,334	12,034	3,467
Italy	9,560	1,830	9,860	2,336	8,317	1,515
Ecuador	3,706	476	5,176	631	5,901	674
Colombia	4,272	739	4,535	776	4,249	710
Kenya	2,966	402	2,739	357	2,534	327
Germany	2,479	515	2,264	459	2,352	500
Morocco	1,595	463	1,554	400	1,795	471
Côte d'Ivoire	812	290	1,100	329	1,694	457
India	766	264	772	261	1,531	355
Costa Rica	1,269	316	1,426	346	1,338	318
Cameroon	658	182	794	217	895	251
United Kingdom	1,179	166	1,143	231	819	131
Mauritius	583	55	653	62	697	68
South Africa	442	104	408	80	531	104

**Imports of cut flowers and foliage into The Netherlands, 1999-2001**  
**€ thousand/tonnes**

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>380,035</b>	<b>131,907</b>	<b>479,224</b>	<b>134,099</b>	<b>483,548</b>	<b>129,315</b>
<b>Intra EU</b>	<b>75,935</b>	<b>26,643</b>	<b>92,256</b>	<b>27,875</b>	<b>78,358</b>	<b>25,484</b>
<b>Extra EU</b>	<b>304,100</b>	<b>105,264</b>	<b>386,968</b>	<b>106,224</b>	<b>405,190</b>	<b>103,831</b>
<b>Developing countries</b>	<b>218,599</b>	<b>76,496</b>	<b>275,667</b>	<b>72,860</b>	<b>304,318</b>	<b>76,829</b>
Kenya	86,269	25,950	100,981	29,252	110,960	30,193
Israel	81,210	27,600	105,999	31,239	96,098	25,691
Zimbabwe	44,615	15,543	59,807	18,532	64,686	19,066
Ecuador	27,782	6,060	36,947	7,254	41,416	8,249
Spain	37,061	14,382	39,434	13,754	1,304	13,199
Colombia	12,420	2,559	16,199	2,961	19,400	3,414
Zambia	15,240	2,900	16,771	2,953	17,725	3,112
Uganda	5,016	1,191	10,276	2,149	11,858	2,634
Germany	10,347	3,695	12,140	2,996	10,519	2,325
France	7,032	1,690	10,505	2,384	9,451	2,104
Belgium	6,007	2,143	8,860	3,337	9,212	2,389
Italy	6,967	1,486	7,514	1,520	7,763	1,226
United Kingdom	6,231	2,711	7,501	3,163	6,425	3,691
Tanzania	5,594	1,624	6,260	1,721	6,115	1,565
South Africa	4,394	1,115	4,840	1,090	5,674	1,275
India	6,274	1,960	7,216	1,918	5,006	1,336

**Imports of cut flowers and foliage into Italy, 1999-2001**  
**€ thousand/tonnes**

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>154,604</b>	<b>29,236</b>	<b>173,159</b>	<b>27,927</b>	<b>159,402</b>	<b>25,351</b>
<b>Intra EU</b>	<b>116,858</b>	<b>20,836</b>	<b>134,424</b>	<b>20,558</b>	<b>124,709</b>	<b>18,500</b>
<b>Extra EU</b>	<b>37,746</b>	<b>8,400</b>	<b>38,735</b>	<b>7,369</b>	<b>34,693</b>	<b>6,851</b>
<b>Developing countries</b>	<b>34,809</b>	<b>7,690</b>	<b>36,247</b>	<b>6,734</b>	<b>32,285</b>	<b>6,328</b>
The Netherlands	108,759	18,652	124,214	18,954	116,258	17,109
Thailand	11,666	2,619	13,371	2,758	13,351	2,855
Ecuador	11,812	2,074	11,969	1,717	9,149	1,294
France	5,104	1,227	6,102	736	4,153	518
India	1,982	924	1,719	700	2,079	845
Spain	1,314	550	1,900	545	1,900	509
Peru	1,341	232	1,993	289	1,892	265
Germany	1,198	294	1,428	240	1,875	281
South Africa	1,250	324	1,220	313	1,067	281
Mauritius	845	117	937	118	1,021	129
Zimbabwe	1,419	204	1,648	203	902	104
New Zealand	710	75	607	63	727	68
Israel	1,100	142	1,013	123	679	77
Colombia	1,337	184	1,169	143	517	60
Kenya	1,068	185	647	100	512	64

**Imports of cut flowers and foliage into Spain, 1999-2001**  
**€ thousand/tonnes**

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>39,147</b>	<b>8,970</b>	<b>45,780</b>	<b>11,081</b>	<b>43,511</b>	<b>8,460</b>
<b>Intra EU</b>	<b>20,114</b>	<b>5,362</b>	<b>23,557</b>	<b>7,400</b>	<b>19,889</b>	<b>4,417</b>
<b>Extra EU</b>	<b>19,033</b>	<b>3,608</b>	<b>22,223</b>	<b>3,681</b>	<b>23,622</b>	<b>4,043</b>
<b>Developing countries</b>	<b>18,543</b>	<b>3,541</b>	<b>21,706</b>	<b>3,621</b>	<b>23,255</b>	<b>4,004</b>
The Netherlands	17,743	3,716	19,690	4,076	16,689	3,399
Colombia	11,396	2,014	13,125	2,118	14,431	2,398
Ecuador	4,710	781	6,027	852	6,620	938
France	864	819	1,608	1,574	1,971	457
India	828	348	880	298	735	281
Portugal	461	196	364	954	394	131
Philippines	249	67	456	112	303	79
China	92	15	130	44	300	99
Israel	366	38	404	41	296	34
Thailand	325	37	353	32	278	28
United Kingdom	123	6	1,020	372	269	35
Germany	382	536	235	314	219	334
South Africa	146	37	186	42	185	71
Italy	268	54	250	68	147	44
Belgium	17	1	196	12	129	6
Costa Rica	502	158	169	40	112	24

## Cut flowers

### Imports of fresh cut flowers into the EU, 1999-2001 € thousand/tonnes

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>2,617,625</b>	<b>640,496</b>	<b>2,865,100</b>	<b>585,813</b>	<b>2,777,992</b>	<b>548,178</b>
<b>Intra EU</b>	<b>2,079,980</b>	<b>477,824</b>	<b>2,219,556</b>	<b>431,114</b>	<b>2,113,896</b>	<b>396,528</b>
<b>Extra EU</b>	<b>537,645</b>	<b>162,672</b>	<b>645,544</b>	<b>154,699</b>	<b>664,096</b>	<b>151,650</b>
<b>Developing countries</b>	<b>422,473</b>	<b>128,127</b>	<b>500,978</b>	<b>116,070</b>	<b>535,808</b>	<b>120,356</b>
The Netherlands	1,867,847	418,086	1,983,920	372,009	1,883,169	339,592
Kenya	129,469	35,578	153,384	40,557	172,070	42,589
Israel	110,050	33,828	138,879	37,223	122,807	30,455
Colombia	92,662	26,628	103,825	18,429	102,324	17,571
Spain	80,651	29,332	85,849	29,100	88,562	29,582
Ecuador	62,240	11,850	77,493	13,054	81,061	13,752
Zimbabwe	51,769	16,934	66,508	19,845	69,138	19,830
Italy	46,638	8,535	44,524	7,165	42,519	6,373
Belgium	29,851	7,644	38,986	7,896	37,281	7,044
Germany	20,314	5,353	21,482	4,433	22,133	4,012
Zambia	15,985	3,078	17,668	3,174	18,347	3,290
Thailand	15,916	3,345	18,074	3,439	18,095	3,546
France	15,173	3,805	17,448	3,452	16,786	3,182

**Imports of prepared cut flowers into the EU, 1999-2001**  
**€ thousand/tonnes**

	1999		2000		2001	
	value	volume	value	volume	value	volume
<b>Total</b>	<b>109,086</b>	<b>21,539</b>	<b>125,162</b>	<b>21,534</b>	<b>158,606</b>	<b>34,431</b>
<b>Intra EU</b>	<b>95,617</b>	<b>18,737</b>	<b>112,404</b>	<b>18,671</b>	<b>139,510</b>	<b>30,453</b>
<b>Extra EU</b>	<b>13,469</b>	<b>2,802</b>	<b>12,758</b>	<b>2,863</b>	<b>19,096</b>	<b>3,978</b>
<b>Developing countries</b>	<b>7,890</b>	<b>1,714</b>	<b>7,655</b>	<b>1,690</b>	<b>14,388</b>	<b>2,913</b>
The Netherlands	78,564	13,253	95,721	16,210	120,967	27,072
Kenya	1,013	163	359	73	6,254	1,117
United Kingdom	2,687	372	3,165	385	3,641	702
Italy	5,126	825	4,122	748	3,397	545
Belgium	1,913	450	2,261	356	3,379	683
Germany	1,672	233	1,600	210	2,495	302
Spain	1,899	3,037	1,938	377	2,113	629
India	1,177	397	1,564	520	1,698	633
France	1,734	332	2,113	150	1,620	209
Poland	1,472	463	1,679	574	1,616	479
China	1,398	287	1,031	217	1,528	270
South Africa	1,448	417	1,303	339	1,462	345
Israel	1,533	61	1,390	53	1,286	49
Ecuador	685	13	1,044	15	1,281	18
Colombia	880	131	818	145	955	152
Australia	1,204	291	953	206	955	203
Denmark	1,487	141	703	138	890	176
Hungary	518	104	405	98	432	102
Côte d'Ivoire	98	37	373	130	429	145

## Foliage

<b>Imports of foliage into the EU, 1999-2001</b>						
<b>€ thousand/tonnes</b>						
	<b>1999</b>		<b>2000</b>		<b>2001</b>	
	<b>value</b>	<b>volume</b>	<b>value</b>	<b>volume</b>	<b>value</b>	<b>volume</b>
<b>Total</b>	<b>69,706</b>	<b>38,461</b>	<b>78,208</b>	<b>38,940</b>	<b>72,743</b>	<b>21,011</b>
<b>Intra EU</b>	<b>38,240</b>	<b>25,496</b>	<b>46,955</b>	<b>27,206</b>	<b>42,412</b>	<b>9,842</b>
<b>Extra EU</b>	<b>31,466</b>	<b>12,965</b>	<b>31,253</b>	<b>11,734</b>	<b>30,331</b>	<b>11,169</b>
<b>Developing countries</b>	<b>24,684</b>	<b>9,071</b>	<b>24,621</b>	<b>8,151</b>	<b>24,709</b>	<b>8,343</b>
The Netherlands	16,211	4,208	19,922	6,553	18,406	4,666
Italy	9,900	2,256	10,676	2,648	9,630	1,944
India	11,442	4,524	10,632	3,866	8,917	3,456
China	3,154	779	4,034	937	5,091	1,179
Germany	4,104	14,307	4,369	1,249	4,211	1,157
South Africa	4,277	1,556	3,695	1,311	3,616	1,354
France	2,863	1,780	4,378	2,443	2,711	603
Turkey	684	542	1,037	485	2,516	846
Belgium	1,148	291	3,133	13,047	2,324	344
Austria	387	93	298	46	2,111	260
Poland	1,922	1,636	2,033	1,706	2,036	1,255
Philippines	1,237	289	1,850	375	1,846	402
Spain	1,541	1,953	2,231	808	1,533	343
USA	1,084	279	1,236	253	1,121	214

## Exports

<b>Exports of cut flowers and foliage by the EU, 1999-2001</b>						
<b>€ thousand/tonnes</b>						
	<b>1999</b>		<b>2000</b>		<b>2001</b>	
	<b>value</b>	<b>volume</b>	<b>value</b>	<b>volume</b>	<b>value</b>	<b>volume</b>
<b>Total</b>	<b>2,434,526</b>	<b>1,463,828</b>	<b>2,674,188</b>	<b>609,955</b>	<b>2,576,783</b>	<b>654,313</b>
<b>Intra EU</b>	<b>2,055,973</b>	<b>1,398,997</b>	<b>2,197,918</b>	<b>529,674</b>	<b>2,089,129</b>	<b>574,411</b>
<b>Extra EU</b>	<b>378,553</b>	<b>64,831</b>	<b>476,270</b>	<b>80,281</b>	<b>487,654</b>	<b>79,902</b>
<i>destination countries:</i>						
Germany	859,319	316,725	798,118	193,357	720,063	203,116
United Kingdom	325,400	400,942	443,269	87,580	417,459	96,367
France	348,586	473,211	402,191	108,333	387,064	107,637
USA	76,343	11,755	135,493	17,184	130,269	16,279
Italy	109,129	21,957	115,364	19,081	119,988	19,920
Switzerland	109,813	14,402	91,351	11,875	89,437	11,652
Belgium	76,392	17,202	80,779	21,253	84,779	30,191
The Netherlands	82,988	36,306	90,918	33,920	80,547	51,087
Austria	77,173	17,577	72,776	13,514	76,414	13,974
Russia	16,711	3,049	45,294	8,005	65,768	8,748

## APPENDIX 2 USEFUL ADDRESSES

### 2.1 Standards organisations

#### INTERNATIONAL

##### **International Standardisation Institute (ISO)**

E-mail: [central@iso.org](mailto:central@iso.org)  
Internet: [www.iso.org](http://www.iso.org)

#### UN/ECE

##### **Trade Division - Agricultural Standards Unit**

E-mail: [info.ece@unece.org](mailto:info.ece@unece.org)  
Internet: [www.unece.org](http://www.unece.org)

#### EUROPEAN UNION

##### **Comité Européen de Normalisation (CEN)**

European Normalisation Committee  
E-mail: [infodesk@cenorm.be](mailto:infodesk@cenorm.be)  
Internet: [www.cenorm.be](http://www.cenorm.be)

##### **SGS European Quality Certification Institute E.E.S.V.**

E-mail: [sgs.nl@sgs.com](mailto:sgs.nl@sgs.com)  
Internet: [www.sgs.nl](http://www.sgs.nl)

#### FRANCE

##### **Association Française de Normalisation (AFNOR)**

E-mail: [norminfo@afnor.fr](mailto:norminfo@afnor.fr)  
Internet: [www.afnor.fr](http://www.afnor.fr)

#### GERMANY

##### **Deutsches Institut für Normung eV (DIN)**

E-mail: [postmaster@din.de](mailto:postmaster@din.de)  
Internet: [www.din.de](http://www.din.de)

#### ITALY

##### **Ente Nazionale Italiano di Unificazione (UNI)**

E-mail: [uni@uni.com](mailto:uni@uni.com)  
Internet: [www.unicei.it](http://www.unicei.it)

#### THE NETHERLANDS

##### **Nederlands Normalisatie Instituut (NNI)**

E-mail: [info@nni.nl](mailto:info@nni.nl)  
Internet: [www.nni.nl](http://www.nni.nl)

#### UNITED KINGDOM

##### **British Standards Institution (BSI)**

E-mail: [info@bsi-global.com](mailto:info@bsi-global.com)  
Internet: [www.bsi-global.com](http://www.bsi-global.com)

### 2.2 Sources of price information

##### **ITC Market News Service (MNS)**

Internet: <http://www.intracen.org>

##### **Federation of Dutch Flower Auctions (VBN)**

Internet: <http://www.vbn.nl>

##### **International Association of Horticultural Producers (AIPH)**

Internet: <http://www.aiph.org>

##### **Florvertical.com**

Internet: <http://www.florvertical.com>

### 2.3 Trade associations

#### INTERNATIONAL

##### **AIPH**

International Association of Horticultural Producers  
E-mail: [zvg-bonn@g-net.de](mailto:zvg-bonn@g-net.de)  
Internet: <http://www.aiph.org>

##### **Union Fleurs**

International Association of Flower Wholesalers  
E-mail: [info@unionfleurs.com](mailto:info@unionfleurs.com)  
Internet: <http://www.unionfleurs.com/>

#### AUSTRIA

##### **Bundesverband der Erwerbsgärtner Österreichs**

E-mail: [office@gartenbau.or.at](mailto:office@gartenbau.or.at)  
Internet: <http://www.gartenbau.or.at/>

#### BELGIUM

##### **Algemeen Verbond van de Belgische Siertelers**

Belgian Nurserymen and Growers' Federation  
E-mail: [Patrick.dieleman@boerenbond.be](mailto:Patrick.dieleman@boerenbond.be)  
Internet: <http://www.avbs.be>

#### DENMARK

##### **Dansk erhvervsgartnerforening (DEG)**

Danish growers association  
E-mail: [jh@deg.dk](mailto:jh@deg.dk)  
Internet: <http://www.deg.dk>

#### FRANCE

##### **Fédération des grossistes en fleurs et plantes (FGFP)**

French wholesalers federation  
Internet: <http://www.fgfp.com>

## GERMANY

### **BGI**

Association of the German Flower Wholesale and Import Trade

E-mail: [bgi@blumen-worldwide.com](mailto:bgi@blumen-worldwide.com)  
Internet: <http://www.bgi.blumen-worldwide.com>

### **Zentralverband Gartenbau e.V. (ZVG)**

German growers association

E-mail: [zvg-bonn@g-net.de](mailto:zvg-bonn@g-net.de)  
Internet: <http://www.zvg-bonn.de>

## ITALY

### **ANCEF**

Associazione Nazionale Commercianti Exportatori Fiori  
Italian exporters and wholesalers association

E-mail: [ancef@sanrimo.it](mailto:ancef@sanrimo.it)  
Internet: <http://www.ancef.it>

## THE NETHERLANDS

### **Hoofdbedrijfschap Agrarische Groothandel (HBAG)**

Dutch Floricultural Wholesale Board

E-mail: [info@hbag.nl](mailto:info@hbag.nl)  
Internet: <http://www.hbag.nl>

### **Bloemenbureau Holland**

Flower Council of Holland

E-mail: [info@flowercouncil.org](mailto:info@flowercouncil.org)  
Internet: <http://www.flowercouncil.org>

### **Productschap Tuinbouw**

Product Board for Horticulture

E-mail: [pt@tuinbouw.nl](mailto:pt@tuinbouw.nl)  
Internet: <http://www.tuinbouw.nl>

### **Vereniging van Bloemenveilingen in Nederland (VBN)**

Association of Dutch auctions

E-mail: [info@vbn.nl](mailto:info@vbn.nl)  
Internet: <http://www.vbn.nl>

### **Vereniging van Groothandelaren in Bloemkwekerij Producten (VGB)**

Association of Dutch Wholesalers in floricultural products

E-mail: [info@vgb.nl](mailto:info@vgb.nl)  
Internet: <http://www.vgb.nl>

## NORWAY

### **Opplysningskontoret for blomster og planter**

Norwegian horticultural growers association

E-mail: [obp@gartnerforbundet.no](mailto:obp@gartnerforbundet.no)  
Internet: <http://www.obp.no/blomstertips.htm>

## SWEDEN

### **Blomster Grossisternas Riksförbund (BGR)**

Swedish Wholesaler Association

Address: Storgatan 63, 36051 Hovmantorp, Sweden  
Telephone: +46 (0)413 15850  
Fax: +46 (0)413 60666  
E-mail: [bgr.rolf.persson@swipnet.se](mailto:bgr.rolf.persson@swipnet.se)

## UNITED KINGDOM

### **Flower Importer Trade Association (FITA)**

c/o Fresh Life Marketing Ltd

Address: Town Mill, Bagshot Rd, Chobham, Surrey  
GU24 8BZ, United Kingdom  
Telephone: +44 (0)1276 855655  
Fax: +44 (0)1276 855882  
E-mail: [knaccutchan@freshlife.co.uk](mailto:knaccutchan@freshlife.co.uk)

### **The Fresh Produce Consortium**

E-mail: [info@freshproduce.org.uk](mailto:info@freshproduce.org.uk)  
Internet: <http://www.freshproduce.org.uk>

### **Flower and Plants Association**

E-mail: [info@flowers.org.uk](mailto:info@flowers.org.uk)  
Internet: <http://www.flowers.org.uk>

## 2.4 Trade fair organisers

## AUSTRIA

### **IGM**

International Horticultural Exhibition, cut flowers and plants,  
horticultural technology

Frequency: annual (28 August - 1 September 2003)  
E-mail: [messe@tulln.at](mailto:messe@tulln.at)  
Internet: <http://www.tulln.at/messe>

## DENMARK

### **DAN-GAR-TEK/DAN-PLANT**

horticultural technology

Frequency: biennial (August 2004)  
E-mail: [tc@occ.dk](mailto:tc@occ.dk)  
Internet: <http://www.dan-gar-tek.dk>

## FRANCE

### **Salon du Végétal**

international horticultural trade fair

Frequency: biennial (18-20 February 2004)  
E-mail: [salon@bhr-vegetal.com](mailto:salon@bhr-vegetal.com)  
Internet: <http://www.salon-du-vegetal.com/>



**Florissimo**

international exhibition fair for exotic plants, flowers and foliage

Frequency: every 4 years (11 March 2005 - 20 March 2005)

E-mail: [contact@dijon-congexpo.com](mailto:contact@dijon-congexpo.com)

Internet: <http://www.dijon-congexpo.com>

**Hortiflor**

retail-oriented trade fair for cut flowers and pot plants

Frequency: annual (8-10 March 2003)

Internet: <http://www.hortiflor.org/> or

<http://www.idexpo.com/uk/salons/hortiflor/index.html>

## GERMANY

**IPM**

international trade fair for cut flowers and plants, equipment and florists' requisites

Frequency: annual (January / February 2004)

E-mail: [info@messe-essen.de](mailto:info@messe-essen.de)

Internet: <http://www.ipm-messe.de>

**GAFA - Internationale Gartenfachmesse**

International garden trade fair

Frequency: annual (31 August - 2 September 2003)

E-mail: [info@koelnmesse.de](mailto:info@koelnmesse.de)

Internet: <http://www.koelnmesse.de>

**International Green Week (IGW)**

international exhibition for the food, agricultural, and horticultural industries

Frequency: 16-25 January 2004

E-Mail: [igw@messe-berlin.de](mailto:igw@messe-berlin.de)

Internet: <http://www.gruenewoche.com>

## ITALY

**Flormart-Miflor**

flowers, plants, equipment

Frequency: semi-annual (12-14 September 2003, February 2004)

Email: [info@padovafiere.it](mailto:info@padovafiere.it)

Internet: <http://www.flormart.it/>

## THE NETHERLANDS

**International Horti Fair**

Equipment, flowers and plants

Frequency: annual (5-8 November 2003)

Email: [info@rai.nl](mailto:info@rai.nl)

Internet: <http://www.flowertradeshows.nl> or

<http://www.hortifair.nl>

## SPAIN

**Iberflora**

garden and horticultural technology show

Frequency: annual (October 2003)

E-mail: [amorales@feriavalencia.com](mailto:amorales@feriavalencia.com)

Internet: <http://www.feriavalencia.com/iberflora>

## UNITED KINGDOM

**Horticulture**

International Flower & Plant Trade Exhibition

Frequency: annual (February 2001)

Email: [nxhort@nexusmedia.com](mailto:nxhort@nexusmedia.com)

**Four Oaks Trade Show**

Frequency: annual (September 2003)

Email: [show@fouroaks.u-net.com](mailto:show@fouroaks.u-net.com)

Internet: <http://www.fouroaks-tradeshows.com/>

**2.5 Trade press**

## INTERNATIONAL

**“Floraculture International”; “Growertalks”;**

“Greenprofit” (International floricultural magazine, production and trade, English)

E-mail: [info@ballpublishing.com](mailto:info@ballpublishing.com)

Internet: <http://www.growertalks.com>

## BELGIUM

**“Fleurs creatif”; “Espaces Verts”;**

“Groen” (French and Dutch)

E-mail: [info@rekad.be](mailto:info@rekad.be)

Internet: <http://www.rekad.com>

## FRANCE

**“Lien Horticole”**

(French)

E-mail: [info@hortilien.com](mailto:info@hortilien.com)

Internet: <http://www.hortilien.com>

## GERMANY

**“Gartenbörse”**

(Magazine for producers and wholesalers, German)

E-mail: [gartenfundus@freenet](mailto:gartenfundus@freenet)

**“TASPO”**

(Floricultural magazine, German)

E-mail: [info@thalakermedien.de](mailto:info@thalakermedien.de)

Internet: <http://www.taspo.de/>

## ITALY

### “Flortecnica”

(Production and marketing of floricultural products, Italian (including summary in English))

E-mail: [flortec@flortec.it](mailto:flortec@flortec.it)

Internet: <http://www.flortecnica.it>

## THE NETHERLANDS

### “Groot Handelsblad”

(Trade journal for the floricultural Wholesalers, Dutch)

E-mail: [adequaata@adequaata.nl](mailto:adequaata@adequaata.nl)

Internet: <http://www.adequaata.nl>

### “Vakblad voor de Bloemisterij”

(Trade journal for floriculture, Dutch)

E-mail: [klantenservice.doetinchem@ebi.nl](mailto:klantenservice.doetinchem@ebi.nl)

Internet: <http://www.bloemisterij.ebi.nl>

## SPAIN

### “Horticultura Internacional”; “Horticom”

(Horticultural trade magazine, Spanish (including summary in English))

E-mail: [horticom@ediho.es](mailto:horticom@ediho.es)

Internet: <http://www.horticom.com>

## UNITED KINGDOM

### “International Floriculture Online Report (formerly the Quarterly Report)”

(International floricultural wholesale reports, English)

E-mail: [sales@pathfastpublishing.com](mailto:sales@pathfastpublishing.com)

Internet: <http://www.pathfastpublishing.com>

### “Grower” (English)

E-mail: [editor.horticulture@nexusmedia.co](mailto:editor.horticulture@nexusmedia.co),

Internet: <http://www.hhc.co.uk/horticulture>

## 2.6 Main European wholesale markets and auctions

## BELGIUM

### Bloemenveiling Aalst

Auction

Email: [b.mots@flora-veiling.be](mailto:b.mots@flora-veiling.be)

Internet: <http://www.flora-veiling.be>

### Euroveiling

Auction

Address: Oorlogskruisenlaan 1, 1120 Brussels, Belgium

Telephone: +32 (0)2 2410050

Fax: +32 (0)2 2410057

## FRANCE

### Marché d'Intérêt National de Rungis

Largest dispatch market in France (near Paris)

Internet: <http://www.rungisinternational.com>

### Marché d'Intérêt National de Marseille Provence

Consumption market

E-mail: [min-arnavaux@enprovence.com](mailto:min-arnavaux@enprovence.com)

Internet: <http://www.min-arnavaux.enprovence.com>

### Marché d'Intérêt National de Lyon

Consumption market

E-mail: [sogely@marche-gros-lyon.com](mailto:sogely@marche-gros-lyon.com)

Internet: <http://www.marche-gros-lyon.com/>

### Marché d'Intérêt National de Lille

Consumption market

Internet: <http://www.mindelille.fr/>

E-mail: [contact@lemarchedegros-lille.com](mailto:contact@lemarchedegros-lille.com)

## DENMARK

### GASA Odense

Auction

E-mail: [blomster@gasa-odense.dk](mailto:blomster@gasa-odense.dk)

Internet: <http://www.gasa-odense.dk>

### GASA Århus

Auction

E-mail: [gasa-aarhus@gasa-aarhus.dk](mailto:gasa-aarhus@gasa-aarhus.dk)

Internet: <http://www.gasa-aarhus.dk>

## GERMANY

### NBV-UGA

Niederrheinische Blumenvermarktung eG

Auction

E-mail: [neuss-schnitt@nbv-uga.de](mailto:neuss-schnitt@nbv-uga.de)

Internet: <http://www.nbv-uga.de>

### Marktgemeinschaft Blumengrossmarkt Hamburg e.G.

Importer of cut flowers and pot plants

E-mail: [info@blumengrossmarkt-hh.de](mailto:info@blumengrossmarkt-hh.de)

Internet: <http://www.blumengrossmarkt-hh.de>

### Blumengrossmarkt Berlin Wirtschaftsgenossensch. e.G.

Address: Friedrichstrasse 18, 10961 Berlin, Germany

Telephone: +49 (0)30 2516026

Fax: +49 (0)30 2518795

### Blumengrossmarkt München,

E-mail: [info@blumengrossmarkt-muenchen.de](mailto:info@blumengrossmarkt-muenchen.de)

Internet: <http://www.blumengrossmarkt-muenchen.de>

## ITALY

### **Mercato dei Fiori**

Italian wholesale markets

Alessandria: via St. Michel 19, 15100 Alessandria, Italy  
Florence: via Circondaria 10, 50127 Firenze, Italy  
Genova: Piazzale Kennedy, 16129 Genova, Italy  
Ivrea: via Monte STElephonela, 10015 Ivrea, Italy  
Lecce: via Provinciale per Taranto, 73100 Lecce, Italy  
Milan: via Marco Bruto 17, 20138 Milano, Italy  
Padova: via Tommaseo 61, 35161 Padova, Italy  
Pescia: via Salvo d'Acquisto 6, 51017 Pescia PT, Italy  
Rome: via Trionfale 45, 00195 Roma, Italy  
San Remo: <http://www.sanremoflowermarket.com/>  
Taviano: via dante Alighieri 46, 78057 Taviano, Italy  
Terlizzi: via Carelli, 70058 Terlizzi, Italy  
Torino: via Perugia 29, 10192 Torino, Italy  
Viareggio: <http://www.comune.viareggio.lu.it/servizi/mercati>  
Vittoria: Contrada Gaspanella, 97019 Vittoria RG, Italy

## COMICENT

### **Centro Commercializzazione Fiori Dell' Italia Centrale**

Email: [info@comicent.it](mailto:info@comicent.it)  
Internet: <http://www.comicent.it>

## THE NETHERLANDS

### **Bloemenveiling Aalsmeer (VBA)**

International flower auction in Aalsmeer  
E-mail: [info@vba.nl](mailto:info@vba.nl)  
Internet: <http://www.vba.nl>

### **Bloemenveiling FloraHolland**

International flower auction with 5 branches in Naaldwijk, Rijnsburg, Bleiswijk, Venlo, and Eelde  
Email: [info@floraholland.nl](mailto:info@floraholland.nl)  
Internet: <http://www.floraholland.nl/>

## NORWAY

### **A.L. Økern Torvhall**

Wholesale market Oslo  
Internet: <http://www.cape-daisy.dk>

## SPAIN

### **Mercat de Flor y Planta Ornamental de Catalunya**

Internet: <http://www.mercafflor.com>

### **Mercabarna**

E-mail: [mb@mercabarna.es](mailto:mb@mercabarna.es)  
Internet: <http://www.mercabarna.es>

### **Mercaflor**

E-mail: [info@mercavalencia.es](mailto:info@mercavalencia.es)  
Internet: <http://www.mercavalencia.es>

## UNITED KINGDOM

### **New Covent Garden Market**

E-mail: [info@cgma.gov.uk](mailto:info@cgma.gov.uk)  
Internet: <http://www.cgma.gov.uk>

### **New Smithfield Market**

Internet: <http://www.manchester.gov.uk/markets/newsmith>

## 2.7 Other useful addresses

## INTERNATIONAL

### **International Chamber of Commerce**

E-mail: [icc@iccwbo.org](mailto:icc@iccwbo.org)  
Internet: <http://www.iccwbo.com>

### **Global Crop Protection Federation (GCPF)**

E-mail: [info@croplife.org](mailto:info@croplife.org)  
Internet: <http://www.gcpf.org>

## EUROPEAN UNION

### **European Commission**

For ACP countries: DG VIII (General directorate for Development VIII)  
E-mail: [civis@europarl.eu.int](mailto:civis@europarl.eu.int)  
Internet: <http://europe.eu.int>

## BELGIUM

### **Association of European Chambers of Commerce and Industry**

E-mail: [eurocham@mail.interpac.be](mailto:eurocham@mail.interpac.be)  
Internet: [www.ecu-notes.org/atoz997/eurocham.html](http://www.ecu-notes.org/atoz997/eurocham.html)

## DENMARK

### **Container Centralen**

E-mail: [ccdck@container-centralen.com](mailto:ccdck@container-centralen.com)  
Internet: <http://www.container-centralen.com/cc/uk/index.html>

### **Danpot**

E-mail: [danpot@flowercom.dk](mailto:danpot@flowercom.dk)  
Internet: <http://www.danpot.dk>

## FRANCE

### **CPVO**

E-mail: [cpvo@cpvo.fr](mailto:cpvo@cpvo.fr)  
Internet: <http://www.cpvo.fr>

## GERMANY

### **Federal Statistical Office**

E-mail: [info@destatis.de](mailto:info@destatis.de)  
Internet: <http://www.statistik-bund.de>

### **Flower Label Programme**

E-mail: [fian@fian.de](mailto:fian@fian.de)  
Internet: <http://www.flower-label-programm.org>

## THE NETHERLANDS

### **ATO-DLO**

(Research Institute, provides information on post-harvest)

E-mail: [info@ato-dlo.nl](mailto:info@ato-dlo.nl)  
Internet: <http://www.ato-dlo.nl>

### **Centrale dienst voor In- en Uitvoer**

Central Service for Imports and Exports  
Address: P. O. Box 3003, 9700 RD Groningen,  
The Netherlands  
Telephone: +31 (0)50 5239111  
Fax: +31 (0)50 5260698

### **Chamber of Commerce**

Association of Chambers of Commerce in The Netherlands  
Address: Watermolenlaan 1, 3447 GT Woerden,  
The Netherlands  
E-mail: [info@databank.kvk.nl](mailto:info@databank.kvk.nl)  
Internet: <http://www.kvk.nl>

### **CITES-bureau in The Netherlands**

Address: Laser Zuidwest, P.O. box 1191,  
NL-3300 BD Dordrecht, The Netherlands  
Telephone: +31 (0)78 6395341/61  
Fax: +31 (0)78 6395350  
(for permit applications)

### **Keuringsdienst van Waren**

Health and Safety Standards Inspectorate for Health  
Protection  
E-mail: [info@vwa.nl](mailto:info@vwa.nl)  
Internet: <http://www.vwa.nl>

### **Milieu Project Sierteelt (MPS)**

Foundation Floriculture Environmental Project  
E-mail: [recording@st-mps.nl](mailto:recording@st-mps.nl)  
Internet: <http://www.st-mps.nl>

### **Plantenziektenkundige dienst**

Phytosanitary service  
Address: P.O. box 9012, 6700 HC Wageningen,  
The Netherlands  
Telephone: +31 (0)317 - 496911  
Fax: +31 (0)317 - 421701  
Internet: <http://www.minlnv.nl/pd>

### **Raad voor kwekersrecht**

(Board for plant breeders' rights)  
E-mail: [raad.kwekersrecht@rkr.ago.nl](mailto:raad.kwekersrecht@rkr.ago.nl)  
Internet: <http://www.ago.nl/kwekersrecht>

### **SGS European Quality Certification Institute E.E.S.V.**

E-mail: [sgs.nl@sgsgroup.com](mailto:sgs.nl@sgsgroup.com)  
Internet: <http://www.sgs.nl>

### **SKAL**

Contact point for SKAL certification  
Email: [info@skal.com](mailto:info@skal.com)  
Internet: [www.skal.com](http://www.skal.com)

## SWITZERLAND

### **CITES Secretariat**

E-mail: [cites@unep.ch](mailto:cites@unep.ch)  
Internet: <http://www.cites.org/CITES/eng/index.shtml>

## APPENDIX 3 LIST OF DEVELOPING COUNTRIES

The list of developing countries as applied in this market survey, is the OECD DAC list of countries receiving Official Development Assistance (Part I). The list used is the one as at 1/1/2003.

Afghanistan	Ghana	Palau Islands
Albania	Grenada	Palestinian Administrated Areas
Algeria	Guatemala	Panama
Angola	Guinea	Papua New Guinea
Anguilla	Guinea-Bissau	Paraguay
Antigua and Barbuda	Guyana	Peru
Argentina	Haiti	Philippines
Armenia	Honduras	Rwanda
Azerbaijan	India	Samoa
Bahrain	Indonesia	Sao Tome & Principe
Bangladesh	Iran	Saudi Arabia
Barbados	Iraq	Senegal
Belize	Jamaica	Seychelles
Benin	Jordan	Sierra Leone
Bhutan	Kazakstan	Solomon Islands
Bolivia	Kenya	Somalia
Bosnia and Herzegovina	Kiribati	South Africa
Botswana	Korea, Democratic People's Republic	Sri Lanka
Brazil	Kyrgyz, Republic	St. Helena
Burkina Faso	Laos	St. Kitts-Nevis
Burundi	Lebanon	St. Lucia
Cambodia	Lesotho	St. Vincent And Grenadines
Cameroon	Liberia	Sudan
Cape Verde	Macedonia	Suriname
Central African Republic	Madagascar	Swaziland
Chad	Malawi	Syria
Chile	Malaysia	Tajikistan
China	Maldives	Tanzania
Colombia	Mali	Thailand
Comoros	Marshall Islands	Timor, East
Congo, Democratic Republic	Mauritania	Togo
Congo, Republic	Mauritius	Tokelau
Cook Islands	Mayotte	Tonga
Costa Rica	Mexico	Trinidad & Tobago
Côte d'Ivoire	Micronesia, Federal States	Tunisia
Croatia	Moldova	Turkey
Cuba	Mongolia	Turkmenistan
Djibouti	Montserrat	Turks & Caicos Islands
Dominica	Morocco	Tuvalu
Dominican Republic	Mozambique	Uganda
Ecuador	Myanmar	Uruguay
Egypt	Namibia	Uzbekistan
El Salvador	Nauru	Vanuatu
Equatorial Guinea	Nepal	Venezuela
Eritrea	Nicaragua	Vietnam
Ethiopia	Niger	Wallis & Futuna
Fiji	Nigeria	Yemen
Gabon	Niue	Yugoslavia, Fed. Republic
Gambia	Oman	Zambia
Georgia	Pakistan	Zimbabwe

Note: Eurostat figures do not include figures for St. Kitts-Nevis

## APPENDIX 4 QUALITY STANDARDS

### 4.1 EU quality standards, regulation 316/68

#### Definition of produce

These standards shall apply to fresh cut flower buds of a kind suitable for bouquets or for ornamental purposes, falling within subheading no. 06.03 A of the Harmonised Commodity Description and Coding System (HS).

#### Quality requirements

##### a. Minimum requirements

Produce must have been carefully cut or picked, according to the species, and have reached an appropriate stage of growth.

##### b. Classification

###### 1. Class I

Produce in this class must be of good quality. It must have the characteristics of the species, and where appropriate, of the variety (cultivar).

All parts of the cut flowers must be:

- whole;
- fresh;
- free of animal or vegetable parasites and from damage caused by such;
- free of residues of pesticides and other extraneous matter affecting the appearance;
- unbruised;
- free of defects of development; for Dianthus, a split calyx is not considered a defect of development.

However, in respect of American Dianthus, flowers with a split calyx must be ringed, put up separately in uniform lots and the packages marked accordingly. The stems must, according to species and variety (cultivar) be rigid and strong enough to support the flower(s).

###### 2. Class II

This class shall include all produce which does not meet all the requirements of Class I.

All parts of the cut flowers must be:

- whole;
- fresh;
- free of animal parasites.

The flowers may, however, have the following defects:

- slight malformation;
- slight bruising;
- slight damage caused, for example, by disease or by animal parasites;
- weaker, less rigid stems;
- small marks caused by treatment with pesticides.

The permitted defects must not impair the keeping quality, appearance or utility of the products.

###### 3. Extra Class

Produce which qualifies for Class I without the aid of any quality tolerance may be marked 'Extra'. However, this classification may not be used for American Dianthus with a split calyx.

#### Special provisions

The special provisions for certain types of flowers set out in 9.1.a. shall override provisions of this Appendix.

#### Sizing

For cut flowers, sizing must comply at least with the following scale:

Code	Length
0	less than 5 centimetres or flowers marketed without stems
5	5 - 10 centimetres
10	10 - 15 centimetres
15	15 - 20 centimetres
20	20 - 25 centimetres
30	30 - 40 centimetres
40	40 - 50 centimetres
50	50 - 60 centimetres
60	60 - 80 centimetres
80	80 - 100 centimetres
100	100 - 120 centimetres
120	more than 120 centimetres

These lengths include the flower head.

The difference per unit of presentation (bunch, bouquet, box, and the like) between the maximum and minimum lengths of the flowers in the unit may not exceed:

- 2.5 centimetres for flowers in codes 15 and below;
- 5.0 centimetres for flowers in codes 20 to 50 (inclusive);
- 10.0 centimetres for flowers in codes 60 and above.

This difference may be doubled for flowers presented in fan shape. For Dendranthema with large flowers presented in fan shape, this difference may go up to 20 centimetres for flowers in codes 20 to 50 (inclusive). The size scale and the uniform lengths set out above are not applicable to mimosa. The minimum length for branches of mimosa shall be fixed at 20 centimetres. However, bundles and bouquets composed exclusively of small sprigs of a length less than 20 centimetres may be permitted subject to the words 'short term' or an equivalent term being marked on the package.

### Quality tolerances

Quality tolerances shall be permitted in each unit of presentation as follows:

#### 1. Class I

Five per cent of the cut flowers may have slight defects, on condition that the uniformity of the flowers in a unit of presentation is not affected.

#### 2. Class II

Ten per cent of the cut flowers may vary from the requirements of the class. Half of this percentage may have been attacked by parasites of animal or vegetable origin. The defects in question must not impair the utility of the products.

### Packaging and presentation

#### a. Presentation (EU regulations 802/71)

'A unit of presentation (bunch, bouquet, box, and the like) must consist of 5, 10 or a multiple of 10 pieces.

However, this rule does not apply to:

1. flowers normally sold singly;
2. flowers normally sold by weight;
3. flowers for which seller and buyer agree expressly to derogate from the provisions concerning the number of flowers in a unit of presentation.

This derogation is admissible solely for transactions outside wholesale markets on condition that:

- the goods are the subject of a direct sale, based on a fixed selling price per unit of presentation, at wholesale level to a retailer or a person acting on behalf of a retailer;
- the goods are accompanied by a bill, delivery note or similar document showing the above-mentioned selling price;
- the unit of presentation is in the packaging required by the buyer / for the buyer / for the ultimate purchaser.

This packaging must be such as to permit identification of goods.

#### b. Uniformity

Each unit of presentation (bunch, bouquet, box, and the like), must contain flowers of the same genus, species or variety (cultivar) and of the same quality class, and must have reached the same stage of development.

Mixtures of flowers or mixtures of flowers with foliage of different genus, species or variety (cultivar) are, however, permitted so long as products of the same quality class are used and that they are appropriately marked.

#### c. Packaging

Packaging must protect the produce adequately.

Paper or other materials in direct contact with the cut flowers must be new.

### Marking

The following particulars must accompany the goods:

#### a. Identification:

- dispatcher or packer: name and address or code mark.

#### b. Nature of produce:

- genus;
- species or variety (cultivar) or colour of flowers;
- where appropriate, the word 'mixture' (or equivalent term).

#### c. Origin of produce (optional):

- region or origin, or national, regional or local name.

#### d. Commercial specifications:

- class;
- size (length code) or minimum and maximum lengths (optional);
- number or net weight.

#### e. Official control mark (optional)

#### f. Presentation (EC regulation 802/71):

If the number of flowers per unit of presentation does not correspond to the provisions of section 9.4.a., packages must be marked to show the exact composition of the units of presentation contained therein.

## 4.2 VBN Norm Sheet Rosa

The requirements mentioned in this product specification apply in addition to the General Specifications for Cut Flowers (see <http://www.vbn.nl>).

### Product specification Rosa (May 2002)

#### Definition of terms

- Bloomable bud: Bloomable, coloured bud in inflorescence which can be expected to develop properly.
- Flat bud: Flower bud that has been flattened on top and therefore has a deviant shape.
- Grass heart: Vegetative growth in the heart of the flower.
- Rosa Floribunda: Rosa with at least 3 bloomable buds and/or flowers per branch.

#### I. Minimum requirements for trade

##### Pre treatment

- Rosa must be pre-treated and supplied in water with a pre-treatment agent. Products containing the active ingredient aluminium sulphate and spreading agent (code 3 on the label of the product) must be used and applied in accordance with instructions.
- The minimum concentration of aluminium in the supply solution must be 64 ppm.

#### Bacteria content

- The bacteria content in the stem must be less than 1 million bacteria per gram of stem.
- The bacteria content is determined by means of stem samples.

#### Ripeness

- The minimum ripeness requirement for Rosa is that a minimum of 95% of the number of stems in a batch must have a coloured bud whose bracts must be completely separate from the petal.

## II. Quality and grading criteria

#### Quality requirements per batch

The following additional requirements apply:

- The batch must be free of growth defects, including:
  - flat buds;
  - grass hearts;
  - crooked necks.

The tolerances as shown in Overview 1 in the General Specifications for Cut Flowers apply.

#### Grading requirements per batch

Rosa must be graded according to:

- length;
- ripeness;
- number of bloomable buds.

When grading by length, instead of an allowed 3 cm difference in length, all Rosa must be bunched so that the stems in the bunch are even at the bottom. There is no tolerance in length difference at the bottom of the bunch.

#### Grade code

The length grade must be indicated for Rosa. For Rosa floribunda, the length grade and the bloomable buds grade (under “other”) must be indicated.

## III. Packing specifications

#### General

Rosa, except Rosa floribunda, must:

- be supplied in bunches of 10 or 20 stems;
- be packed in foil per container;
- be bunched so that the flower buds are all at the same level or in two layers. When bunching with two layers, the separate layers may not touch each other.

Rosa floribunda must:

- be supplied in bunches of 10 stems;
- be packed in foil per container;
- be bunched so that the highest placed flower buds are at the same level.

Rosa must be supplied in clean water (containing the prescribed pre-treatment agents).

Rosa must be supplied in clean water (containing the prescribed pre-treatment agents).

#### Loading

- Rosa must be supplied in packaging/containers of type 533, 544 or 577.
- Rosa flowers with stems shorter than 40 cm (length 035) must be supplied in packaging/containers of type 566; the number of roses per container must then be the same as the number prescribed for packaging/containers of type 533).

### Survey 1: number of stems per unit of packaging/container

length (cm)	large group		medium-sized group		small group
100	120 (577)		140 (577)		140 (577)
90	120 (577)		140 (577)		140 (577)
80	120 (577)		140 (577)		140 (577)
70	140 (577)	200 (544)	160 (577)	200 (544)	200 (544)
65	140 (577)	200 (544)	160 (577)	200 (544)	200 (544)
60	140 (577)	200 (544)	160 (577)	200 (544)	200 (544)
55	140 (577)	200 (544)	160 (577)	200 (544)	200 (544)
50	140 (577)	200 (544)	160 (577)	200 (544)	200 (544)
45	200 (533)		240 (533)		280 (533)
40	200 (533)		240 (533)		280 (533)
35	240 (533)		280 (533)		280 (533)
30	240 (533)		280 (533)		280 (533)
25	240 (533)		280 (533)		280 (533)



- Rosa, with the exception of spray Rosa, must be supplied according to survey 1, depending on the length and loading group categories in which the de cultivar has been classified according to survey 2.
- The cultivars marked with a \* in survey 2 (heaviest roses) belonging to the 'large' group may be temporarily loaded with 40 fewer per container.
- Deviations from survey 1 are allowed only with prior permission from the responsible auction inspector.
- An interim loading guideline can be obtained from the auction inspector for any cultivars not included in survey 2.

The cultivar classification system for classification in the groups 'large', 'medium sized' and 'small' was specifically developed for determining the loading of roses. No rights can be derived from this classification outside loading contexts.

#### **V. Advice**

To prevent the risk of the formation of condensation during sale you are advised to:

- wrap the roses in (entirely or partly) perforated film;
- make sure the flowers are not too tightly encased by sleeves;
- use well-fitting film that is not too wide.

## APPENDIX 5 USEFUL INTERNET SITES

### <http://www.plantindex.com/>

European Plant Index: horticultural database in Europe. The guide to plants and horticultural machines in Europe. European growers, traders or horticultural suppliers can register here. (Language: French, German, Dutch, Spanish, English and Italian)

### <http://www.ukexnet.co.uk/>

The Commercial Horticultural Index Organisations site gives information about publications, trade shows and horticultural organisations. (Language: English)

### <http://www.agriholland.nl/>

This site gives information about the latest news flashes on the European horticultural market. Among other practical information, this Internet site links to Internet sites with price indications. (Language: Dutch)

### <http://www.vba.com/>

The internationally oriented flower auction, Aalsmeer Flower Auction (VBA), is the centre for international production and trade in floricultural products. The Internet site provides general and specific information on the market for flowers and plants. (Language: Dutch, English)

### <http://www.ballpublishing.com/>

Up-to-date information on various magazines like Growertalks, Floraculture International, Seed Trade News and Greenprofit. This site provides summaries on current issues and an article archive. (Language: English)

### <http://www.flowerweb.nl/>

This Internet site offers links to various useful national and international Internet sites, of traders, importers/exporters but also other organisations. (Language: English, Dutch, German).

### <http://www.intracen.org/>

Internet site of ICT with link to MNS Market News Service. Depending on the product group, the MNS product specialist contacts these sources of information to obtain up-to-the-minute data concerning the actual prices paid for specific products, supply and demand and any other economic information that may have an effect on the market situation over the next few days. The information collected is then analysed, tabulated and processed in a computer programme specially designed for each product group and is transmitted to MNS subscribers by airmail, Email or Fax. (Language: English)

### <http://www.flowercouncil.org>

The Internet site of the Bloemenbureau Holland

(Flower Council of Holland) provides information on the market for floricultural products. The Flower Council, which is the marketing and promotion organisation for flowers and plants from The Netherlands, designs and implements marketing programmes. One can find information on trends, market segments, floricultural market in EU countries and programmes.. (Language: English, Dutch)

### <http://www.floraholland.nl/>

FloraHolland is market leader in the world. FloraHolland has five locations, being Naaldwijk, Rijnsburg, Bleiswijk, ZON and Eelde. Besides the locations close to the Dutch production and sales outlets, FloraHolland has a strong direct sales department that is active at all locations. Their website provides information on the Netherlands auction, buyers and growers. Daily prices and average prices of flowers are also given. (Language: English, Dutch)

### <http://www.hbag.nl/>

Internet site of the 'Hoofdbedrijfschap Agrarische Groothandel' gives an overview of data on exports, trading organisation, links etc. (Language: Dutch)

### <http://www.coleacp.org/>

Interprofessional Association of exporters, importers and other operators from the ACP-EU industry. COLEACP aims to promote competitive ACP exports of fresh fruit and vegetables, flowers and ornamental plants. (Language: French, English)

### <http://www.snm.agriculture.gouv.fr/>

This Internet site provides information on price on the various auctions in France. (French language)

### <http://www.minlnv.nl/>

The Internet site of the Netherlands Ministry of Agriculture, Nature management and Fishery provides information on policy and statistics on agriculture, nature management and fisheries. It also links up to other useful sites in Europe. (Language: English, Dutch)

### [http://www.agrarischplein.nl/main\\_akk.html/](http://www.agrarischplein.nl/main_akk.html/)

This site focuses on current affairs and matters, and also links up to other interesting sites. (Language: Dutch).

### <http://www.tuinbouw.nl/>

The Productschap Tuinbouw (PT) is a platform in the horticultural sector. The Netherlands horticultural sector consists of 55,000 small companies. The PT forms the umbrella organisation for the horticulture. The PT site provides information about data, new technologies,

news flashes, market information, EU information and restrictions on quality for imports. (Language: Dutch).

**<http://www.rhs.org.uk/>**

The Royal Horticultural Society gives seasonal advice to producers and consumers on the Internet. The Royal Society also functions as an e-commerce company; the customer can order plants on the web. It also provides information on flower shows in Europe. (Language: English).

**<http://www.flowers.org.uk/>**

The Flowers and Plants Association site gives information on consumption patterns and trends, latest news and current innovative technologies. Flowers and Plants is an organisation for cut flowers and indoor plants. (Language: English).

**<http://www.greenprofit.com/>**

The site provides statistics on consumer buying trends, solid informative industry news, reports on the new floral and gardening hard and live goods, and merchandising and display ideas. (Language: English).

**<http://www.floracultureintl.com/>**

FloraCulture International magazine and site bring news and information on the worldwide floriculture industry. The site gives valuable information on the import/export trade, international growing techniques, new varieties, and innovative, labor-saving equipment. (Language: English).

**<http://www.zvg.ivm.de/>**

Web site of the Zentralverband Gartenbau that provides you with information about trade organisations in Germany. The data entries provide information on production, import and exports from Germany to EU countries. (Language: German)

**<http://www.ediho.es/horticom/>**

This site provides information on technology, services and trade of the international horticultural industry. One can find information about horticultural publications, press releases, themes and authors and trade fairs. It also links up to other useful sites on the web. (Language: English).

## APPENDIX 6 MAIN EUROPEAN PUBLIC HOLIDAYS OF IMPORTANCE TO THE FLORICULTURAL TRADE (2004)

date	holiday	country
<b>January</b>		
1 January	New Year's Day	B, G, F, GR, UK, L, NL, A, E, H
6 January	Feast of the Epiphany	GR, A, E, H
7 January	Ioannis Name Day	GR
20 January	St. Sebastian's Name Day	E
<b>February</b>		
11 February	Rosenmontag	G
14 February	St. Valentine's Day	B, G, FI, F, GR, UK, IRE, I, L, NL, A, E, S, H
second Sunday in February	Mother's Day	N
<b>March</b>		
1 March	St. David's Day	UK
8 March	Woman's Day	G, A, E
10 March	Mother's Day	UK, IRE
17 March	St. Patrick's Day	UK, IRE
19 March	San José's Name Day	E
25 March	Evangelos Name Day	GR
first Sunday in March	Grandmother's Day	B, F
<b>April</b>		
4 April	Palm Sunday	F, P
9 April	Good Friday	G, UK
11 April	Easter	B, G, F, UK, I, L, NL, A, E, S, H
18 April	Secretary Day	B, F, L, NL
23 April	San Jorge Name Day	GR, UK, E
25 April	Revolution Day	P
27 April	Nuestra Señora de Monserrat	E
30 April	Queen's Day	NL
<b>May</b>		
1 May	Labour Day	B, G, F, GR, L, N, E, H, P, A, D
4 May	Commemoration Day	NL
5 May	Liberation Day	NL
8 May	Victoire	F
15 May	San Isidro	E
19 May	Whitsun, Pentecost	B, G, FL, NL, A, H
20 May	Ascension Day	B, G, F, L, A, NL
21 May	Constantin and Helena Name Day	GR
30 May	Fronleichnam	D, A
first Sunday in May	Mother's Day	E, L
first Monday in May	May Day	UK
second Sunday in May	Mother's Day	G, I, NL, B, DK, A, GR
last Sunday in May	Mother's Day	F, S, FI

**June**

1 June	Graduation	FI
4 June	Spring Bank Holiday	UK, IRE
5 June	National Holiday	DK
23 June	Midsummer's eve	S
21 June	Feast of the Music	F
23 June	National Holiday	L
24 June	San Juan Name Day	E
23 June	Midsommar	N, D
24 June	Midsommar	FI
29 June	San Pedro	E
second Sunday in June	Father's Day	B, A, G
third Sunday in June	Father's Day	F, UK, IRE, NL

**July**

7 July	San Fermin	E
11 July	Holiday of the Dutch Cult. Comm.	B
14 July	National Holiday	F
16 July	Carmen Name Day	E
21 July	National Holiday	B
22 July	Holiday in Castellon	E
25 July	Apostol Santiago	E
26 July	Santa Ana	E
31 July	San Ignacio	E

**August**

1 August	National Holiday	H
15 August	Assumption	B, FI, L, A, P, H, E

**September**

11 September	Diada	E
12 September	Marie's Name Day	UK, I, E
14 September	Stavros Name Day	GR
17 September	Sofia Name Day	GR
27 September	Holiday of the French Cult. Comm.	B
second Sunday in June	Patient's Day	B, NL
third Saturday in Sept	Grandparent's Day	UK, IRE

**October**

5 October	Saint Fleur	F
6 October	Erntedank	G
12 October	National Holiday	E
15 October	Teresa Name Day	E
26 October	National Holiday	A
26 October	Dimitros Name Day	GR
28 October	National Holiday (Ochi)	GR
first Sunday in Oct	Father's Day	L

## November

1 November	All Saints' Day	B, G, F, I, L, N, A, P, E, H
9 November	Almudena	E
11 November	Armistice	B, F
15 November	Holiday of the German Cult. Comm.	B
20 November	Buss und Bettag	G
25 November	Catherine Name Day	F, GR
30 November	St. Andrew's Day	UK
second Sunday in Nov	Father's Day	FI, N, S
third Sunday in Nov	Grandparent's Day	B
Last Sunday before Advent	Totensonntag	G

## December

3 December	San Francisco Javier	E
6 December	Nikolas Name Day	GR, B, NL
6 December	Day of the Spanish Constitution	E
6 December	Independence Day	F
8 December	The Immaculate Conception	A, E, P, I
9 December	Anna Name Day	GR
25 December	Christmas	B, G, FI, F, GR, UK, IRE, I, L, NL, A, E, H
26 December	Christmas	B, G, FI, F, GR, UK, IRE, I, L, NL, A, E, H
26 December	San Esteban	E
27 December	Stefanos Name Day	GR
31 December	New Years' Eve	B, G, FI, F, GR, UK, IRE, I, L, NL, A, E, H, S
first Sunday after November 26	Advent	G, A, S

<b>B</b>	Belgium
<b>DK</b>	Denmark
<b>GR</b>	Greece
<b>E</b>	Spain
<b>FI</b>	Finland
<b>P</b>	Portugal

<b>F</b>	France
<b>G</b>	Germany
<b>UK</b>	United Kingdom
<b>H</b>	Switzerland
<b>N</b>	Norway
<b>S</b>	Sweden

<b>IRE</b>	Ireland
<b>I</b>	Italy
<b>L</b>	Luxembourg
<b>NL</b>	The Netherlands
<b>A</b>	Austria







## **CBI: YOUR EUROPEAN PARTNER FOR THE EUROPEAN MARKET**

The CBI (Centre for the Promotion of Imports from developing countries) is an agency of the Dutch Ministry of Foreign Affairs. The CBI was established in 1971. The CBI's mission is to contribute to the economic development of developing countries by strengthening the competitiveness of companies from these countries on the EU market. The CBI considers social values and compliance with the most relevant environmental requirements to be an integral part of its policy and activities.

### **CBI offers various programmes and services to its target groups:**

#### **Market information**

A wide variety of tools to keep exporters and Business Support Organisations (BSOs) in developing countries in step with the very latest development on the EU market.

These include market surveys and strategic marketing guides for more than 40 product groups, manuals on export planning and other topics, fashion and interior forecasts and the CBI News Bulletin, a bi-monthly magazine. This information can also be obtained from our website at [www.cbi.nl](http://www.cbi.nl) For all information on non-tariff trade barriers in the EU CBI has a special database, AccessGuide, at [www.cbi.nl/accessguide](http://www.cbi.nl/accessguide)

And finally CBI's Business Centre is offering free office facilities, including telephones, computers, internet and copiers for eligible exporters and BSOs. Market reports, international trade magazines, cd-roms and much more can be consulted in the information section of the business centre.

#### **Company matching**

The company matching programme links well-versed suppliers in developing countries to reliable importing companies in the EU and vice versa. The online matching database contains profiles of hundreds of CBI-audited and assisted exporters in developing countries that are ready to enter into various forms of business relationships with companies in the EU, as well as many EU companies interested in importing or other forms of partnerships such as subcontracting or private labelling.

#### **Export development programmes (EDPs)**

EDPs are designed to assist entrepreneurs in developing countries in entering and succeeding on the EU market and/or in consolidating or expanding their existing market share. Selected participants receive individual support over a number of years by means of on site consultancy, training schemes, trade fair participation,

business-to-business activities and general export market entry support. Key elements usually include technical assistance in fields such as product adaptation, improving production, implementing regulations and standards and export marketing and management assistance.

#### **Training programmes**

Training programmes for exporters and BSOs on, among others, general export marketing and management; trade promotion; management of international trade fair participations and developing client-oriented market information systems. The duration of the training programmes vary between two days and two weeks and are organized in Rotterdam or on location in developing countries.

#### **BSO development programme**

Institutional support for capacity building for selected business support organisations.

The programme is tailored to the specific needs of participating BSOs and can include train-the-trainer assistance, market information systems support and staff training. CBI's role is advisory and facilitative.

Please write to us in English, the working language of the CBI.

Centre for the Promotion of Imports from developing countries  
Centrum tot Bevordering van de Import uit de ontwikkelingslanden

#### **Mailing address:**

CBI  
P.O. Box 30009  
3001 DA Rotterdam  
Phone +31 (0) 10 201 34 34  
Fax +31 (0) 10 411 40 81  
E-mail [cbi@cbi.nl](mailto:cbi@cbi.nl)  
Internet [www.cbi.nl](http://www.cbi.nl)

#### **Office:**

WTC-Beursbuilding, 5th Floor  
37 Beursplein, Rotterdam, The Netherlands.

No part of this publication may be sold, reproduced in any form or by any means without the prior permission of CBI

**Mailing address: P.O. Box 30009, 3001 DA Rotterdam, The Netherlands**  
**Phone: +31 10 201 34 34 Fax: +31 10 411 40 81**  
**E-mail: [cbi@cbi.nl](mailto:cbi@cbi.nl) Internet: <http://www.cbi.nl>**  
**Office: WTC-Beursbuilding, 5th floor**  
**37 Beursplein, Rotterdam, The Netherlands**