

CBI MARKET SURVEY

THE PLANTS AND YOUNG PLANT MATERIAL MARKET IN SWEDEN

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments on the plants and young plant material market in Sweden. The information is complementary to the information provided in the CBI market survey 'The plants and young plant material market in the EU' which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.nl/marketinfo>

1. Market description: consumption and production

Consumption

- The Swedish market for plants and young plant material is of medium size compared to other EU countries. The market increased by 13% between 2001 and 2005, amounting to € 415 million in the latter year. The per capita consumption of € 46 is among the highest in the EU.
- Per capita consumption and total consumption are both expected to increase to € 50 and € 457 million respectively in 2009.
- Swedish consumers prefer flowering plants. These account for 69% of total plant sales. Bulbs in a pot account for 14%, compositions for 10% and foliage plants for 7% of sales.
- The most popular flowering plants according to consumer expenditure are Begonia (15%), Rhododendron (Azalea) (7%), Dendranthema (6%), Cyclamen (4%) and Saint Paulia (3%). The most popular flowering plants according to garden centres are Begonia, Kalanchoe, Pelargonium, Poinsettia, Dendranthema and Saint Paulia. The most popular foliage plants are Hedera (12%), ferns (11%), Ficus (9%), cacti (9%) and Dracaena (4%). According to the volumes sold at garden centres, the most popular foliage plants are Hedera, Ficus, Dracaena, ferns, succulent and Zamoculcas. Foliage plants which are expected to become more popular are succulents, Hedera, Ficus, Zamoculcas and Dracaena.
- According to a number of importers interviewed, Northern European countries tend to import tropical plants more for the purpose of placing them indoors. This in contrast, to for instance, Mediterranean countries where they are often used as outdoor plants to brighten up gardens. In the North of Europe, it is too cold during the winter for most tropical plants to survive outside.

Production

- The horticultural production in Sweden is relatively stable at € 45 million per year. Compared to other EU countries, Sweden is a small plant producer ranking only 10th.
- The production is characterized by mass production, decreasing plant prices and increasing energy costs. It is expected that Swedish growers will remain important for the production of 'short cycle' products like Begonia, Cyclamen, Saint Paulia and Poinsettia, which are difficult to transport.
- Approximately 100 growers have organised themselves in Mester Gronn.

Trends

- Although current sales of Orchid, Anthurium and Pelargonium are small, they are becoming increasingly popular and add to the growth of the market.

- Institutional market: The share of companies using flowering plants decreased from 66% in 1997 to 43% in 2002. The share of companies using foliage plants decreased from 84% in 1997 to 75% in 2002.
- Although the awareness amongst Swedish consumers of the importance of the environment is high, environmental labels stressing the protection of the environment during the production of flowers and plants are not yet widely accepted.

Opportunities and threats

- The continuing growth of the Swedish market for plants leads to a higher demand. This demand, however, is not met by domestic production, which has stabilised. Consequently, there are interesting opportunities for foreign suppliers.
- Environmental labels do not yet offer very attractive opportunities.

Useful sources

- Blomster Främjandet (Swedish Flower Promotion Organisation): <http://www.blomsterframjandet.se>

2. Trade: imports and exports

Imports

- In 2005, the volume of Swedish imports amounted to 30 thousand tonnes and the value to € 103 million, a 13% increase compared to 2001. With this value, Sweden ranked 8th among the EU countries. It is a relatively medium-sized importer. The increase in imports is equal to the increase in Swedish consumption. Due to the failure of domestic production to respond to the increasing consumption, imports fill in the gap.
- The major suppliers of plants to Sweden are Denmark and The Netherlands. Denmark supplies 56% of total import value and The Netherlands 37%. An important role is played by the Danish wholesale company Gasa.
- Developing countries supply 1% of total Swedish imports. They only play a significant role in the supply of unrooted cuttings. Kenya supplies 36% of the unrooted cuttings and China 1%. Their major competitors are The Netherlands (23%), Portugal (11%) and Germany (9%).
- Unrooted cuttings only account for 8% of total plant imports. The major import products are flowering plants (44%) and foliage plants (36%). This division in percentage of imports did not change significantly between 2001 and 2005.

Exports

- Swedish exports are very small and amounted to only € 3.2 million or 2.8 thousand tonnes in 2005. This puts Sweden in the 13th position compared to other EU countries. Exports of the two major product groups, rooted cuttings and foliage plants, both showed strong increases between 2001 and 2005. Note, however, that total exports of rooted cuttings and foliage plants amounted to only € 1.4 million and € 1.2 million respectively. In contrast, exports of flowering plants and unrooted cuttings decreased strongly.

Opportunities and threats

- The increasing gap between Swedish consumption and production offer good opportunities for foreign suppliers. Flowering plants, however, are still supplied largely by domestic, Danish and Netherlands producers. Moreover, the difficulty of transporting these plants already forms a barrier to developing country suppliers. The strong increases in exports of foliage plants and rooted cuttings also indicate self-sufficiency for at least one or more particular products in these groups.

Useful sources

- Statistics Sweden: <http://www.scb.se>
- Swedish Board of Agriculture: <http://www.sjv.se>
- EU Expanding Exports Helpdesk: <http://export-help.cec.eu.int/>
- Eurostat – official statistical office of the EU: <http://epp.eurostat.cec.eu.int>

3. Trade structure

Wholesaler

- Due to the vastness of the Swedish territory, the infrastructure and climate, wholesalers are of great importance for the distribution of plants in Sweden. There are 3 wholesale markets: Oxie (Malmö), Göteborg and Stockholm. The largest market is the one in Oxie. Approximately 60 to 70% of the Swedish trade in flowers and plants takes place at this market. From here, products are distributed to local wholesalers, retailers and supermarkets. The total number of Swedish wholesalers decreased from 120 to 60. Approximately 40 are organised in the Swedish wholesaler association 'Blomster Branschens Riksorganisation' (BRO). Interflora, Euroflorist and Saba are also associated with this organisation.
- "Flying Dutchmen" (Netherlands wholesalers who deliver directly from their truck to retailers), supply approximately 25% of Swedish florists, although this mostly concerns flowers.
- The European market for tropical young pot plant material is, for a large part, dominated by Netherlands importers. Sweden and other Scandinavian countries are an exception. The Danish company Gasa Young Plants which also imports young pot plant material has an estimated 80-90% market share in the Scandinavian markets. Gasa imports mainly from Central America, but also from China, Taiwan, Sri Lanka and other countries.

Retail

- The major retail channel in Sweden is the supermarket. Supermarkets have a market share of 68% according to consumer expenditure on plants. Their strength in competing with other retail channels is mainly derived from the low prices they can offer.

Table 3.1 Shares of retail channels in the plant market, 2000, % of consumer expenses

	Share (%)
Supermarket	68
Florists	21
Garden Centres / Growers	5
Street / markets	4
Other	2

Source: Flower Council of Holland (2004)

- Florists are expected to lose market share. Their prices are too high and their presentation is not attractive enough.

4. Prices

Table 4.1 Average prices of plants in Sweden, in 2000, in €

	Price
Flowering plant	€ 3.20
Foliage plants	€ 3.40
Total	€ 3.30

Source: GfK Sweden (2004)

- Prices are relatively high at florists and garden centres and low in supermarkets.

Useful sources

- A few European organisations publish prices for finished plants on a regular basis. ITC in Geneva collects prices at the wholesale level on EU markets and publishes a weekly bulletin.

The International Association of Horticultural Producers (AIPH) publishes information on prices and trends of plants in their statistical yearbook.

- ITC Market News Service (MNS): <http://www.intracen.org>
- International Association of Horticultural Producers: <http://www.aiph.org>

5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- For more information, go to 'Search CBI database' at <http://www.cbi.nl/marketinfo>

• **BRO-Label**

The Swedish Floricultural Trade Association BRO (<http://www.bro-cert.se/english.htm>) has decided to introduce a consumer label which informs the consumer that the floricultural product has been produced in a sustainable way and under social responsible conditions. This step also functions to prepare the Swedish market for the Union Fleurs developing FFP label, Fair Flowers and Plants. The label is open to members of the Swedish Association BRO. Importers in Sweden report to the association, telling from which producers they buy the flowers. The Swedish importer is also responsible that the right product will be labelled. The secretariat of the Swedish association is checking with the certification organisations Flor Verde, FLP, KFC and MPS as to which producers are fulfilling the environmental high standard and fulfil the UNs ILO Conventions. Producers fulfilling the standards will be given the "green light" to be labelled with the Swedish label "BRO Certified and Controlled TM". The label will be added to the product under the responsibility of the importing member of BRO. The Swedish association will do random inspections at the importers' premises, to control the use of the label. The BRO label will be replaced by the FFP label from Union Fleurs, as soon as this label comes into the market.

6. Business practices

Trade associations

- BRO (Swedish Floricultural Trade Association): <http://www.bro-cert.se>
- GRO (Gröna näringens riksorganisation): <http://www.gro.se>
- The Swedish Cooperative Union: <http://www.kf.se>

Trade fairs

No major floricultural trade fairs in Sweden.

Trade press

- Hortica: <http://www.hortica.com>
- Blomster Branschen/Interflora AB: <http://www.interflora.se>

This survey was compiled for CBI by ProFound - Advisers In Development and Mr. Milco Rikken of ProVerde in collaboration with Mr. Jan Lanning.

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