



CBI

Ministry of Foreign Affairs of the Netherlands

Hortensia in the European market

Market Analysis by
ProFound



Table of contents

- Product description
- Market demand and production
- Market trends
- Trade channels
- Market segments
- Market prices
- Competition





Product description

- Hortensia (latin name: Hydrangea)
- Types in Europe:
 - Fresh: dominates market
 - Classic (overripe flowers): most sales in **October-December**
- Many **more colour shades** available than in Colombia: white, blue, purple, pink, red and green (immature)



Fresh



Classic



Demand for hortensia in Europe

- Healthy growth in ***past decade***
- Hortensia is 'mainstream' product
- Growth is stagnating
- ***Hortensia sales*** at Dutch auctions in 2014:
 - 39 million stems / € 41 million (10th largest product)
 - Growth of 13.4% in 2014
- Demand concentrated in markets with many affluent consumers



Focus countries	Annual per capita spending on cut flowers
Switzerland	€74 to €129
Netherlands	€54
France	€47
UK	€45



Production of hortensia in Europe

- Growth in **European production** of hortensia, especially in the Netherlands
- Growth is stagnating
- No European production fresh hortensia in **winter** (November-March)

Estimated global production

Country	Production (ha)	For Europe (%)
Netherlands	150-170	90
Other European countries (incl. Germany and France)	50	100
Colombia	640 - 1,400	1-5
Other South American countries (Ecuador/Peru)	100-200	1-5
Kenya	15-25	100





Colombian hortensia supplies to Europe

- Compared to European production:
 - + Year-round availability
 - Narrow range varieties
 - Less control on growing conditions
- ***Winter offers window of opportunity***
- Colombia's total hortensia exports: **€ 3.0 million** / 792 tonnes (August-September 2015)
- United Kingdom imports 75% of Colombia's non-traditional flower exports



Trends on European market

- Consumer **familiarity with hortensia** is growing
- **More colours**
 - Traditional colours: white, blue and green
 - Growing interest in new shades



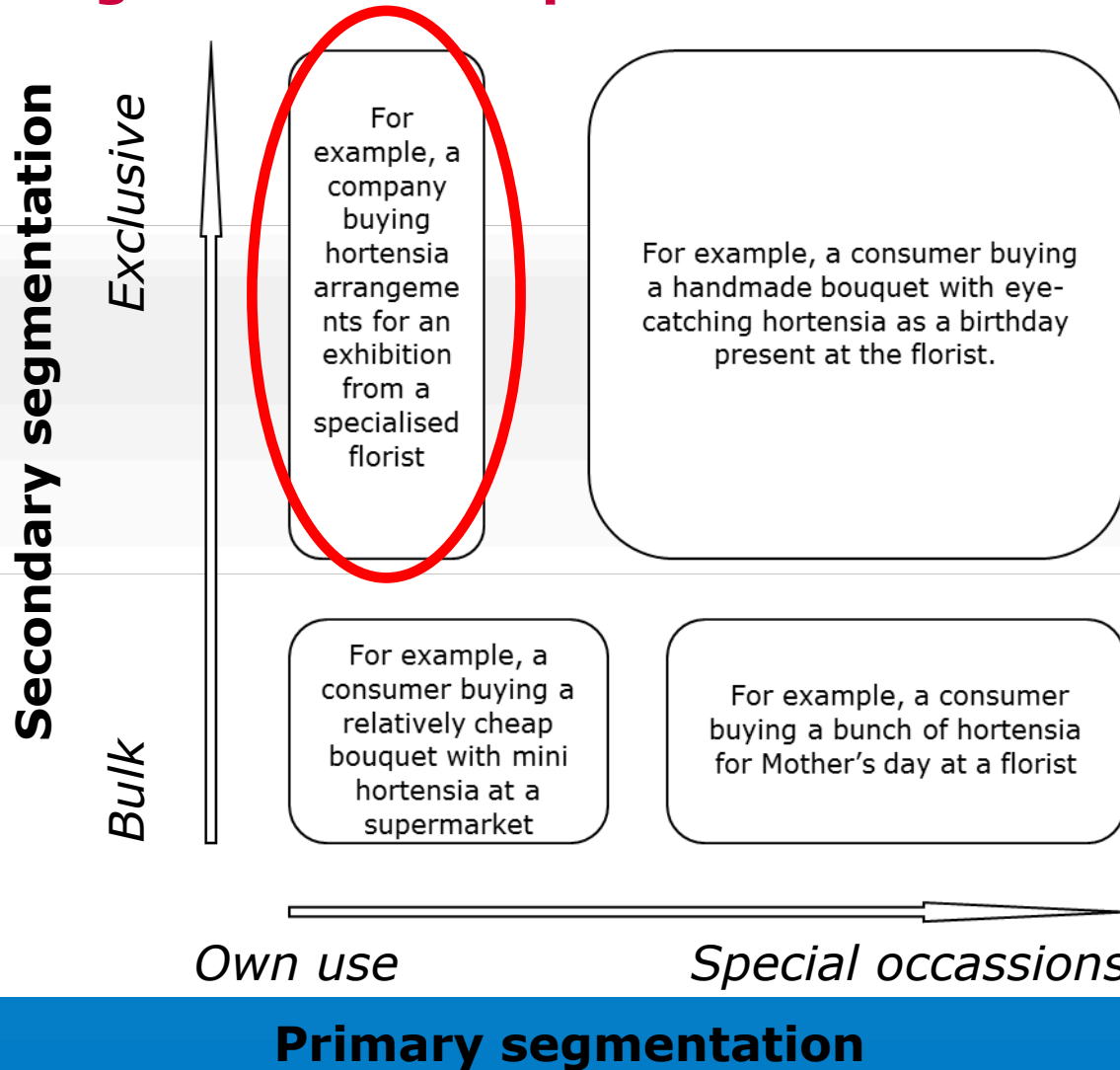


Industry response to trends

- European hortensia industry is focused on ***cost reduction, more colours and stronger hortensia***
- ***Sustainability*** is a trend of secondary importance for consumers
- ***Tip: Colombia has opportunities to develop breeding for stronger hortensia and more colours***
- ***Tip: Increase control on growing conditions and improve hortensia quality***



Market segments in Europe

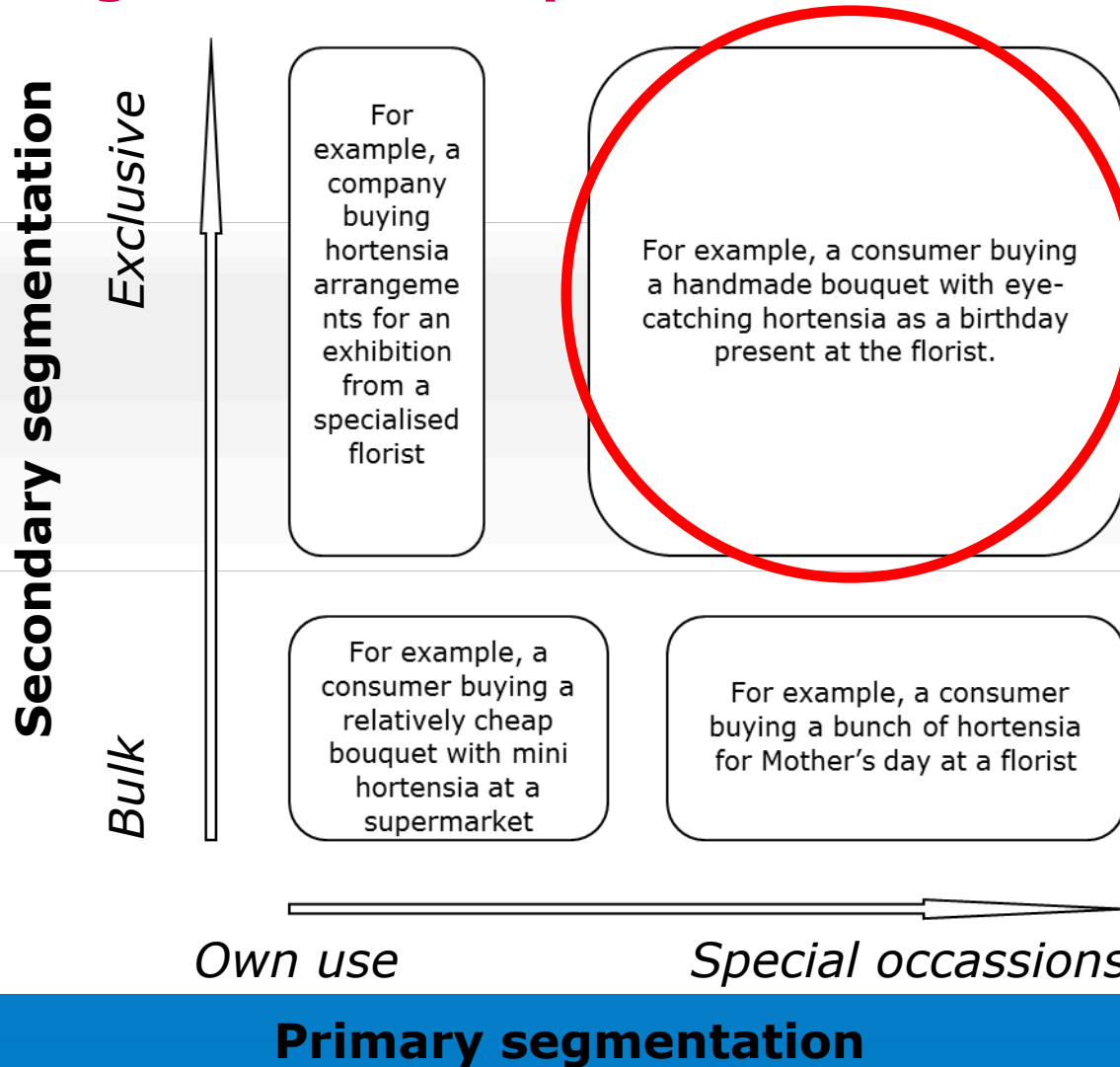


Source: ProFound





Market segments in Europe

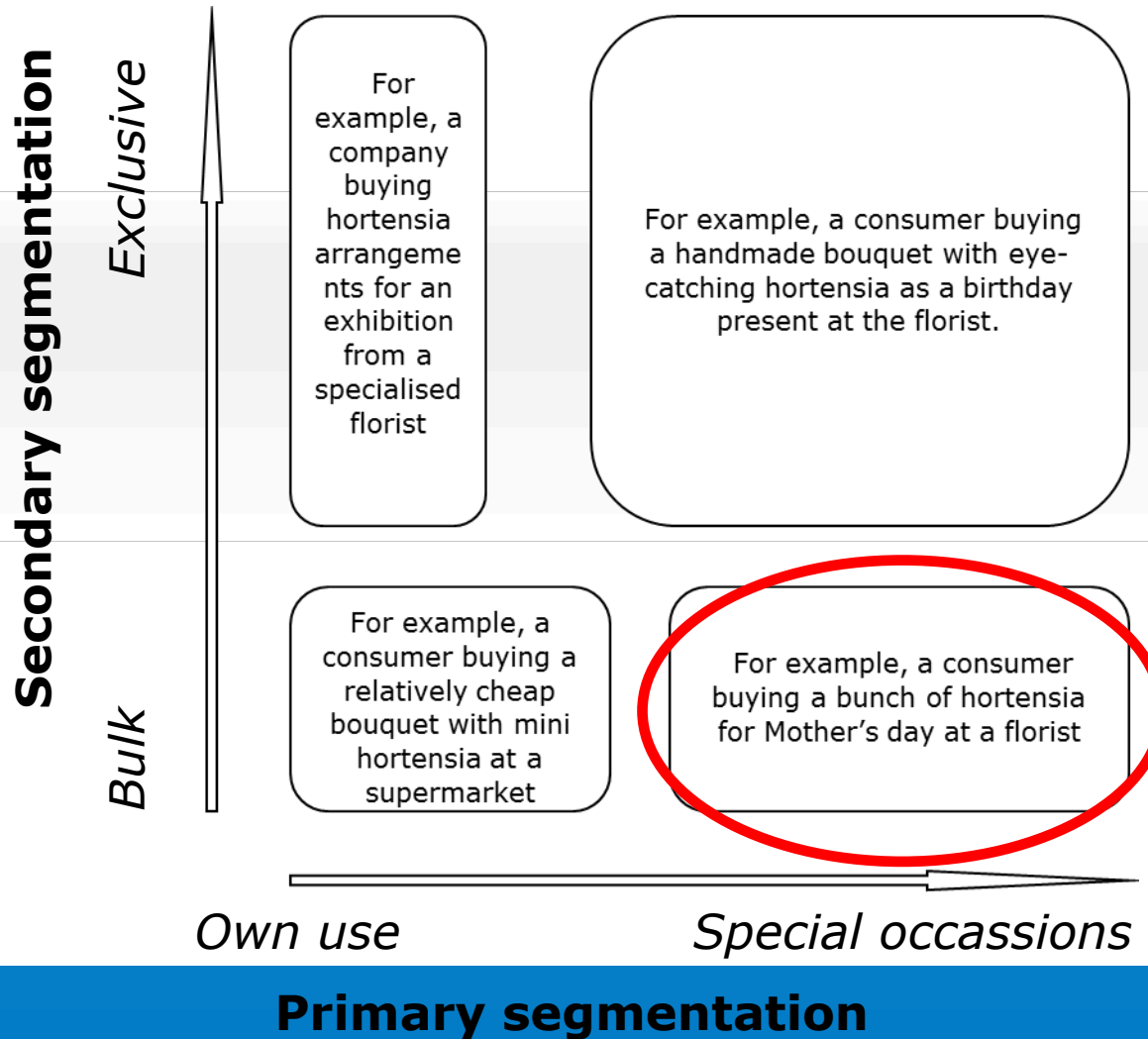


Source: ProFound





Market segments in Europe

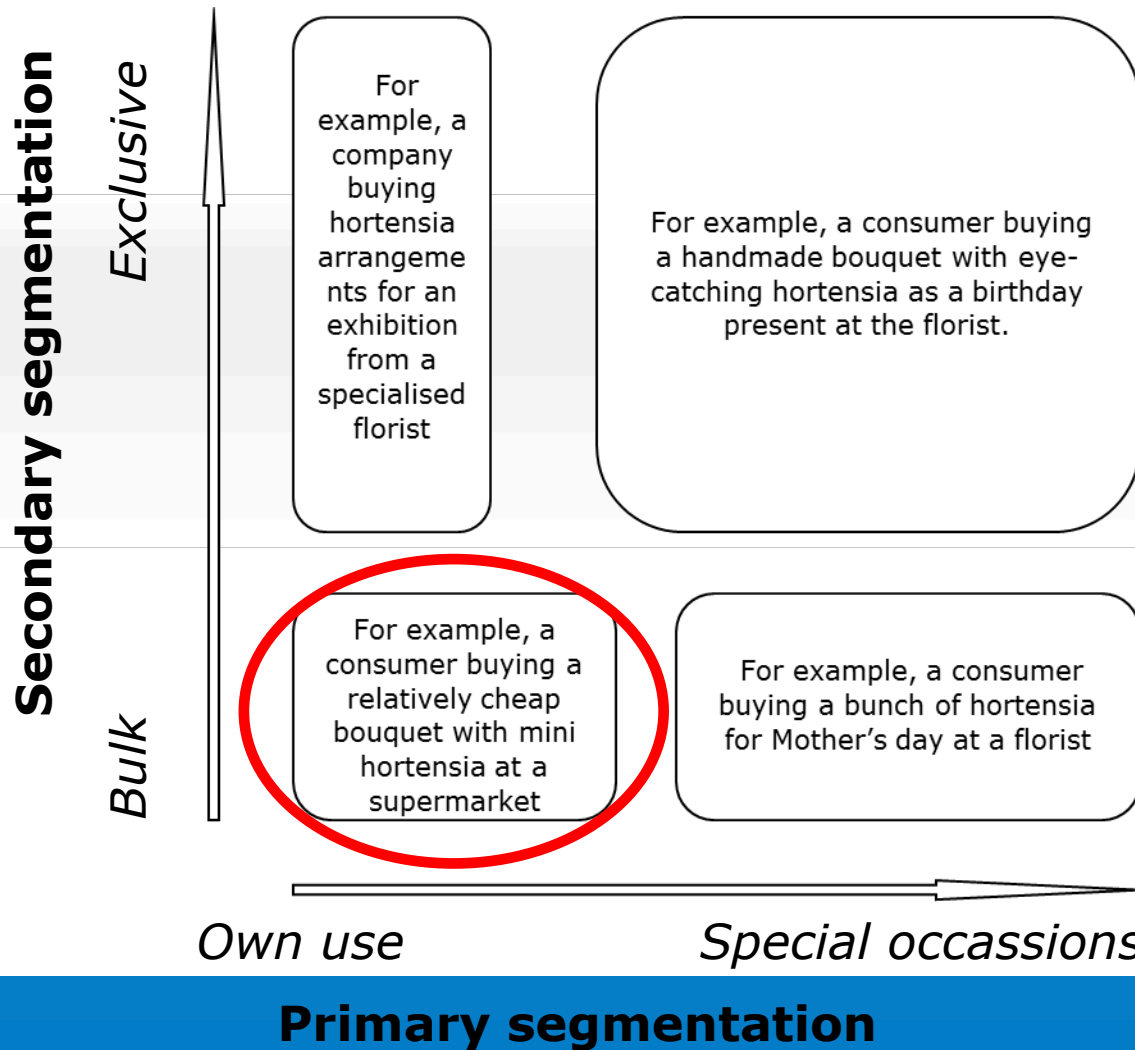


Source: ProFound





Market segments in Europe



Source: ProFound



Hortensia boeket
diverse kleuren
bos

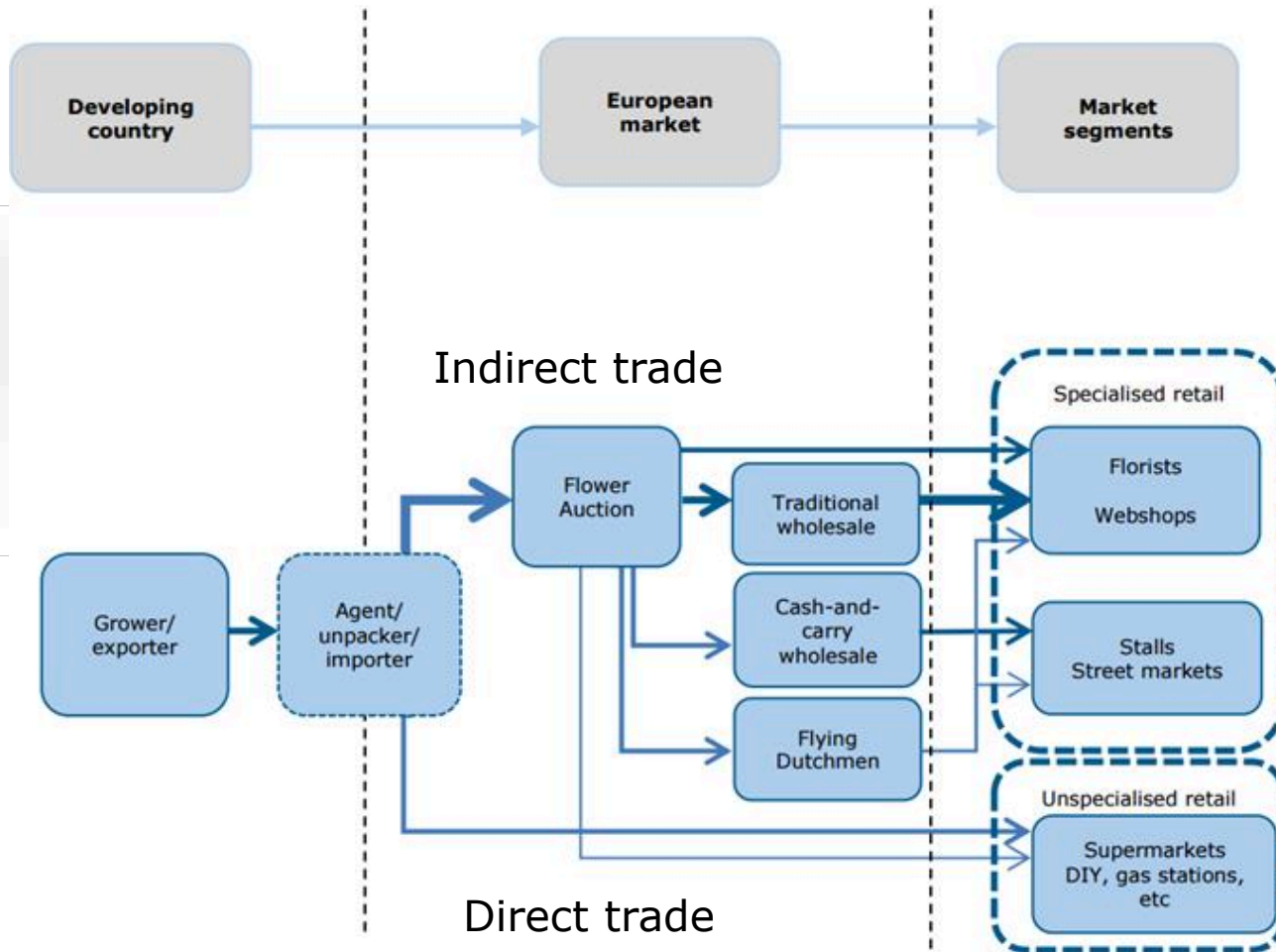


ACTIE

5.00



Trade channels in Europe





Trade channel trends

- Role of Dutch auctions remains big
 - Turnover € 4.5 billion in 2015
- Unspecialised retailers are only gaining little market share in hortensia market
- Growing direct trade with unspecialised channels, bypassing Dutch auctions, but limited for hortensia
- Florists are not yet increasing sustainability requirements
 - Supermarkets are driving sustainability
- Expanding virtualisation of trade in flowers



Prices for hortensia

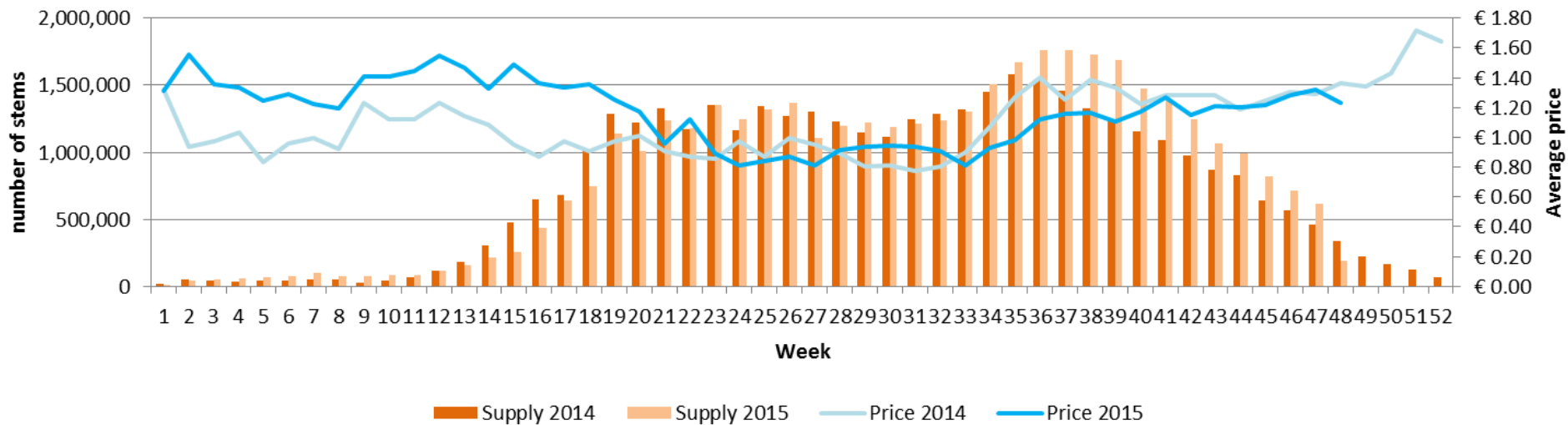
- **Price and colour** are main purchasing criteria
- Wholesale prices range from €0.70 to €2.00 per stem: high compared to other cut flowers
- Depend on grade and time of year:

Average auction price	Summer	Winter
	€ 1.00 per stem	€ 1.40 per stem

- Transportation costs make up high share final price
- Tip: Consolidate orders to obtain better freight rates



overview Hydrangea Total





Competition on European market

- European production sets **high quality standards**
- Low prices during summer
- Threat of **product substitution**:
 - Small presents
 - Other flowers, especially exclusive large flowers
- **Concentration** of European buyers:
 - Limits your power to negotiate prices
 - Puts greater pressure to comply with strict quality requirements and delivery terms
- Tip: Learn from your competitors by hiring independent experts from Europe