



General News

FloraHolland integrates activities TFA

The Mavuno Group (Kenya) and flower auction FloraHolland announced 14th January that all the activities of Tele Flower Auction (TFA) of the Mavuno Group will be integrated into FloraHolland. This means that current TFA suppliers will broaden their sales network and strengthen their trade opportunities by connecting to the virtual clock systems of FloraHolland. For FloraHolland this is a unique opportunity to link international producers and improve the assortment and buying power for buyers. Integration will be accomplished this year.



TFA, located in Amstelveen, organizes clock sales for suppliers in East Africa and the Netherlands. Roses are their main product. Buyers are based in the Netherlands and they also trade at the locations of FloraHolland. The integration includes all of TFA-auction activities. In addition to TFA, the Mavuno Group consists of the Oserian Development Company (250 ha farm) in Naivasha, Bloom (flower exporter/retail supplier in The Netherlands), World Flowers (retail supplier in the UK), Fast Track Flowers (retail supplier in the UK, grown product), East African Flowers (EAF, clearing in the Netherlands) and Airflo (freight forwarding) in Nairobi.

Market opportunities

An important argument for Mavuno Group to choose for the integration of TFA with FloraHolland is the belief in the larger market potential for their current growers and buyers. Moreover, the TFA growers will receive access to the virtual clock systems, alternative digital selling systems and the direct sales of FloraHolland. For TFA suppliers and buyers this means increased efficiency in the logistical chain.

With the integration, FloraHolland realizes a further concentration of supply for her buyers, based on a harmonized and uniform system. For FloraHolland this means an opportunity to bind a valuable assortment of African and Dutch growers. This will support and strengthen the concentration of buying power and will contribute to the total auction activities.

Area Manager Europe & South America

As per 1st February 2010 Martin de Ruiter will change positions and be the new Area manager Europe and South America at FloraHolland Import.

The last three years Martin has been working as a Supply Chain consultant for Supply Chain Development at the Corporate Logistics of FloraHolland.

Together with partners and FloraHolland Import Department he developed services for conditioning and conserving techniques like Fresh Flower Solutions (FFS) for seacontainer transport of flowers and plants.

Since 2000 Martin had different positions at Logistics and Dock Services Import at Aalsmeer. He is familiar with the international floracultural industry and South America in particular.



During the transition period to his new position as Areamanager Europe and South America he will remain responsible for FFS management at FloraHolland.

Market information

Winter weather causes a stuttering start to 2010

Source: HBAG, Dutch Agricultural Wholesale Board (Flower and Plants)

The fragile recovery of the market for flowers and plants from the Netherlands, which originally announced itself in the fourth quarter of last year, took a severe knock in December due to the early onset of winter. The significant street trade in flowers and plants dropped off and trade in vulnerable fresh products experienced additional difficulties. In many parts of Europe, traders are prepared for more difficult trading conditions during these months. However, the severe winter weather in southern Europe, the UK, and The Netherlands, (which remains an important country for the sale of flowers and plants) has had a highly negative effect on sales. Because of these conditions, 2010 started off just as falteringly as 2009, but the perspectives of recovery are much better. This year, export value is expected to stabilize at around €5 billion for the year.

Review 2009

The export value of flowers and plants dropped by slightly more than 4% during 2009, to a total value of €4.9 billion. A shrinkage of nearly 8% was recorded for the value of cut flower, which are down to €3 billion. The export sales of potted and garden plants increased by 2% to €1.9 billion. Out of the top 10 export countries,

which are responsible for more than 80% of exports, only export to Germany grew. The reduction in the export figures has leveled off over the past year, though the market has not yet recovered. Due to a combination of the strong euro, a drop in demand and limited financing, a swing towards growth has not yet taken place. Also, 2010 has got off to a stuttering start for wholesale export due to the winter weather conditions.

A similar export value to that in 2008 was realized in the fourth quarter of 2009, when the economic crisis was just beginning and disappointing export sales pushed it further down. The effect of the drop in exchange rates for the US dollar, the British pound, the Russian rouble and other currencies lasted much longer than anticipated. Dwindling consumer trust due to the economic crisis caused a considerable drop in demand. Tightening financing and insurance requirements dampened the commercial mood further.

Despite the drop in sales for the second consecutive year, trade is maintaining a minimum level and is experiencing medium-long-term growth. The drop in global demand is temporary, as when economic growth occurs the consumption of flowers and plants will also increase again in value.

The current situation is still causing global pressure on pricing and, as overheads rise, there is considerable pressure on margins and returns. The wholesale market is attempting to bend the line upwards through scaling-up, combining market parties, changes to retail chains and measures to improve efficiency.

It is notable that the export value to Germany has increased. This market has not grown together with the worldwide increase that has been realized by exporting wholesale since the 1990s. In 2008, the export sales to Germany dropped by 2.5%, the same as the average decline. Last year, the German market performed better than all others. With the global 8% reduction in cut flower export sales, Germany bought the same amount as the previous year. The total 2% increase in plant exports was surpassed in Germany at 9%. On balance, export sales rose by 4% for the Dutch florist sector's main market. This growth has stabilized the gradually declining share of the

top 10 countries from over 87% in 2000, to just over 81% in 2008.

FloraHolland: Volume roughly the same, consumers still want flowers

FloraHolland has ended the economically troubled year of 2009 with sales in excess of 3.8 billion euros. This is 5% less than the previous year but better than forecast in May (-10%). In particular, the strong euro caused a drop in sales and prices in a number of export countries.

Cut flowers were responsible for sales of 2.1 billion euros (-12%). House and garden plants did relatively well, with 4% growth and sales of 1.7 billion euros.

The number of flowers which were processed was roughly the same as last year at 12 billion pieces (-1%). This shows that most western European consumers are still buying plants and flowers despite the poor economy.



Sales through the main sales instrument, the forty auction clocks at the six FloraHolland marketplaces, ended at 2.4 billion euros (-9%). This year again, there was a slight shift from clock sales towards sales through the nationally-operating intermediary organization FloraHolland Connect. The turnover of Connect, mainly active within the direct flows between growers and traders, increased by 2% to a total of 1.4 billion euros. The growing supply of orchids along with an exceptionally good garden plant season contributed significantly to this increase in sales.

International trade fairs and holidays spring 2010

Date 2010	International Trade Fairs
January Wed-Thu, 27 - 28 Tue-Fri, 26 - 29	Open Days Arava, Israel IPM Essen, Germany
February Wed-Fri, 03 - 05	Fruit Logistica, Berlin, Germany
March Wed-Fri, 03 - 05	FloraHolland Trade Fair Naaldwijk, the Netherlands
Date 2010	International Trade Fairs
Wed-Fri, 24 - 26	Hortec Nairobi, Kenya
April Tue-Thu, 13 - 15	Flowers & Hortec Kiev, Oekrain
Date 2010	International Holidays
February Sun, 14	Valentine's Day
March Mon, 08 Sun, 14	Women's Day Mother's Day (UK)
April Sun-Mon, 04 - 05 Fri, 30	Easter Queen's Day (Neth)
May Sun, 09 Thu, 13 Sun, 23-24	Mother's Day Ascension Day Whit Sunday and Monday

FloraHolland Trade Fair Naaldwijk

takes place from Wednesday 3 until Friday 5 March 2010. In 500 stands suppliers will present their flowers, indoor and outdoor plants. New at FloraHolland Trade Fair Naaldwijk: the Flower Square with a display of the international assortment of flowers per product group.

The inspiring Novelty and the Trends and Concepts Squares are worth to visit. At the Plants Square you can find Personalized Sales services and at the e-Business Pavilion you can attend demonstrations of digital services like Remote Buying, e-Trade or plantconnect.nl.

Contact your account manager for more information.

Product information

Cut flowers

A new or updated product specification comes into effect as per 1 February 2010 for:

- Chrysanthemum

This new product specification is a supplement to the General Specification of Cut Flowers and are available on the renewed www.vbn.nl as per 1 February 2010.

Africa News

FloraHolland Freight Group

The FloraHolland Freight Group, founded in 2007, comprises FloraHolland and twelve Kenyan growers working together. Over the last few years, FloraHolland Freight Group has been successful in tackling air freight charges and optimizing the provision of services.



“Its aim is to achieve a better position in the supply chain by consolidating on volume,” says Geert Jan van der Kooij, international account manager of FloraHolland. “Thanks to the size of the FloraHolland Freight Group - about 200 tons a week - we have more understanding of the cost structure of air freight charges. This transparency has delivered better terms and tariffs. So, before the high season, it was decided to take on more growers and to approach more parties in the chain for collaboration purposes. With success. We are now working with two freight forwarders, three

entry clearance officers and the most important air freight carriers. It means we can compare all parties.”

Understanding

The FloraHolland Freight Group also offers other specific services to get the grower to a better (sales) position, according to Van der Kooij. “*Verdict*, for example, is a cool chain monitoring system that records the temperature in the box from farm to destination. The results of the monitoring mean actions can be taken to improve the cool chain. *Verdict* also gives an insight into the performance of parties in the chain.” The operations at Nairobi airport, the financial administration of air freight invoices and the co-ordination and management of the FloraHolland Freight Group are taken care of by FloraHolland’s local office.

Co-ordination is important

“Our five growers in Kenya produce a sizeable volume of freight. Even so, it’s still better to operate within the FloraHolland Freight Group,” says Jos van de Venne, managing director of Sian Roses, a member of the FloraHolland Freight Group since its founding. Van de Venne: “On account of, naturally, the better negotiating position and the achievement of a better freight price, but also the systems set up collectively as is happening now with the monitoring of the cool chain. Collaborating with a party like FloraHolland improves the chance of the sector accepting as standard the systems you have put in place.” The five growers from Sian Roses are spread out across the country. “Co-ordination is, therefore, important. There’s no-one from Sian Roses at the airport. It’s not necessary because people from the FloraHolland Freight Group are there. That helps greatly when deciding priorities and supervising the stacking. In a current ongoing project, we’re making sure that vulnerable products are on top of the pallets instead of underneath.”



Freight forwarder

Myles Hechle is the managing director of freight forwarder Kuehne + Nagel in Nairobi. "We organize the deliveries from door to door, including the chartering of aircraft. Kuehne + Nagel organizes the route for the FloraHolland Freight Group, from the grower to the auctions in the Netherlands." On average, Kuehne + Nagel charter fifteen flights a week, including the flights for the FloraHolland Freight Group. Hechle: "This group is a success. An excellent partner. Only through collaboration can we optimize the cool chain. That has an impact on the quality of the products and the price for the growers. At the airport in Nairobi, we have, for example, a vacuum cooling machine. And we support *Verdict*, the cool chain monitoring system. That is a step forward. In addition, the FloraHolland Freight Group plays a role in gathering information on volumes in the coming weeks. That's important information for us."

At FloraHolland

Quality inspector's notes Rijnsburg expanded

From January 11th quality inspector remarks from Rijnsburg will be available to suppliers by e mail or text messages (sms). Until now this information was available only as Reliability Index mutation or visible at the daily selling report. By making the information earlier available, growers can act more quickly on the changes made by the quality inspector. It is possible to subscribe to this service through www.myFloraHolland.com, under "Quality inspector remarks". Growers who already subscribed to this service for Naaldwijk and/or Aalsmeer will receive the Rijnsburg messages automatically.

Reinspection Remote Buying

The procedure for reinspection Remote Buying has changed as per 1 January 2010. Buyers are also able to offer their via Remote Buying-purchased products for reinspection at another location than the one from which they made their purchase. If indeed the reinspection is valid, the buyer may receive a discount on the

price, or even return the product. In the case of the latter, the supplier is offered a choice:

- re-auction the product at the product's current location,* or
- collect the product, personally or through a third party, at their own cost, or
- offer the product for destruction in accordance with the applicable rules of the location in question.

* Case: Products of supplier at Aalsmeer are bought via Remote Buying by a buyer at Rijnsburg. Purchased products are delivered at Rijnsburg, but after reinspection the buyer returns the products to the supplier. The supplier chooses to re-auction the products at Rijnsburg. But, the supplier has no active auction number at that particular auction. If such the case, the grower or agent can either collect and transport the product to original 'suppliers' location Aalsmeer at his own cost or he can use the general FloraHolland-auction number and re-auction the products in Rijnsburg.

More information: Remote Buying reinspection (article 15) in the auction regulations on www.floraholland.com, under General Terms.

Bleiswijk News

The Dutch market for flowers and plants was still reasonable well last year in spite of the economic crisis. Compared to the export figures the domestic development of flowers and plants turned out better than expected. The Marketplace Bleiswijk realised a turnover in 2009 on clock sales of 69 millions euro (-/- 2.5 percent vs 2008).



The assortment for the auction clock shows an increase both in range and quality and customers reacted positively. The complete assortment at the wholesale trade centres

Terra Bleiswijk and developments like Trend & Trade attracted more Dutch, Belgian & German retail stores and garden centres to Bleiswijk.

Collaboration with chain partners

FloraHolland Bleiswijk is putting emphasis on collaboration with both the wholesale trade centres and with the industry like the association florist tradesmen. The project 'embraces the florist' resulted among others in the organisation of two successful Marketplace-events for florists. Inspired by this success FloraHolland Bleiswijk organises these Marketplace-events during springtime and autumn of 2010. The next Marketplace-event at springtime will take place on Tuesday 16 March 2010.

Israel visit

Recently, Ashkenazi Kfir, almost the biggest grower of Anemone from Israel visited the auction room and clock tribune at Bleiswijk. During the tour through the auction and discussion he was accompanied by Bleiswijk management and Guido Speekenbrink, international account manager.

Eelde News

Several Kenian rose suppliers will cease and others will increase their supply to FloraHolland Eelde. Branan Estate, already a loyal supplier at Aalsmeer and Venlo will start at Eelde.

Increase from Israel

2010 started off with an increase of supply from Israel at FloraHolland in general. Also in Eelde products like Anemone, Ranunculus, Matthiola, Lisianthus, Campanula, Limonium and Phlox are widening the assortment during the winter season in Europe.

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T +31 (0) 174- 63 34 29

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