IPD information:
Covid-19 crisis hits European cut flower markets hard

Update 19 May 2020:

+ Germany will relax border controls with Luxembourg, France, Switzerland and Austria. Federal Minister Seehofer also stated his desire to make freedom of movement within the EU possible again in mid-June, provided that everyone complies with the distance and hygiene regulations. (Reuters, 13 May 2020)

+ The European Commission issued guidelines and recommendations to help Member States to gradually lift travel restrictions, taking all necessary safety and precautionary measures. (European Commission, 13 May 2020)

+ Exceptional derogation from EU competition rules for the flowers sector: The Commission will grant a derogation from certain competition rules, allowing operators to take self-organised market measures. In that context, withdrawals will be allowed in the flower sector. (European Commission, 4 May 2020)

Bonn/Berlin – 06 May 2020: In the middle of its main season, the Covid-19 crisis has a devastating effect on European cut flower markets. Social distancing, lockdowns and other measures to control the spread have hampered or sometimes eliminated the possibility to shop in stores. Florists all across Europe had to close their shops or can only deliver pre-orders. During Easter season the industry sold 70 percent less than last year.

The producing countries in South America, Africa and Europe are impaired severely. The Netherlands as the most important export country had to destroy 400 Mio. stems of flowers in March. No question, this crisis has affected the cut flower industry worldwide drastically.

Different European countries have eased lockdowns since last Monday, April 27th. In Austria, Germany and Switzerland flower shops reopen under strict social distancing rules. In the UK the hardware stores and garden centres are open. In France the shops have opened on May 11th. Royal Flora Holland provides a comprehensive and regularly updated overview.

But as the flower shops reopen slowly, the floricultural industry is now facing air cargo capacity challenges. There are far too few cargo capacities at reasonable prices from the most important export countries. Besides, airlines have increased rates tremendously. There will be a lack of supply in the market by mid-May. For more information on market developments on the auctions please check here.

The international umbrella organisation for national associations and companies active in the floricultural trade, Union Fleurs, calls on all Governments, the European Union and international institutions to support the international floriculture industry. 50 Members of the European Parliament of different states and parties have approached the European Commission to support the flower and live plant sector with EU funds.
The Dutch government announced a 600 Mio. Euro emergency fund for producer and export companies for balancing their expected losses between March 15th and June 15th. Other countries support the flower wholesalers and shops with different measures as well.

The German association of flower wholesalers and importers (BGI) has requested the industry to adopt to “new normality”. Wholesalers and retailers must change and introduce new selling concepts. The Corona outbreak will speed up the shift from physical retail to e-commerce. Many wholesalers and flower shops have launched web shops and introduced a multi-channel strategy for their clients which had not happened in the years before. Thus, the digitalization of the sector will be more important and bigger players in the sector are now working on new scenarios for the future.

The cancellation of many weddings and events during summer will hit the industry hard as well. Nobody knows how many businesses will give up until the end of the year as a result of the Corona pandemic. According to the Dutch Rabobank, the floricultural sector will need more than four years to get back to the level of 2019.

Important websites for information about the current Covid-19 crisis:

+ Royal FloraHolland gives overviews about the current developments in the different European countries. The updates are from the Dutch Ministry of Agriculture, Nature and Food Quality (LNV), who are involved in the crisis measures surrounding the Coronavirus and informs Royal FloraHolland about the impact of the virus on the export market.
+ Union Fleurs informs about new developments and supports in the floricultural industry.
+ The Colombian producers association Asocolflores has created a website about decrees of the Colombian Government, campaigns and analyses.
+ The producers association Expoflores informs about Covid-19 measures in Ecuador.
+ Travel advices and border measures between European countries you can see here.
+ The regional office ‘Europe’ of the World Health organization (WHO) informs about the development of the corona disease in the different European countries.
+ The World Trade Organization (WTO) informs about Covid-19 and global trade.
+ The United Nations Conference on Trade and Development (UNCTAD) publishes news, analyses and resources.

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