

ANON. 1979. GOING, GOING, DUTCH! *THE GROWER*

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They listen, they watch, they bid. At the auction, in one of six halls, the buyer can bid for any lot, with the auctioneer providing a commentary on one of two or three lots moving through at the same time. The bid is registered

when the descending clock price reaches a level at which the buyer pushes his button. Within 15 minutes, the flowers will be ready for dispatch. The Aalsmeer auction, like a dozen or so in Holland, is grower-owned and grower

run. There are no commission agents. The price bid is the price the grower gets less about 4.7% for auction running costs, promotion and market research.

While in theory, the Dutch growers are the masters, they are obedient to the rules which means destruction of blooms if the clock goes below a pre-set level. Few growers operate outside the system. The auctions are all powerful, with a combined turnover of the main ones of 800 million dollars in 1978 (1 guilder = \$2.00). Aalsmeer, which is the largest, has 3700 grower members, 2000 registered buyers, and accounted for about 350 million dollars.

The success is largely due to the way the growers have responded to the demand for quality. Not many lots are destroyed under the minimum price rule. The auctions have also been able to extend their influence through the marketing system to the retail level. Most notable has been the extent to which supermarkets have geared themselves to take advantage of the system and cooperated.

The manager of a typical Dutch supermarket revealed that their profit margin was 30%, and he has discretion to mark down and to destroy unsaleable blooms. About 50% of the sales are cut flowers. Prices in the supermarket were about 20% lower than in local florist shops.

The auction is also very efficient for exporting, accounting for nearly 90% of the value of sales by the 12 major flower auctions. Sales in 1978: cut flowers \$790 million of which \$710 million were exports. Pot plants \$165 million of which \$148 million were exports.

This year, some cooperatives are having to decide whether to allow imported flowers and plants to be sold through the auction. (N.B. Israeli's now export to Dutch auctions, JJH.) Nevertheless, the overall impression remains one of impressive efficiency and profitability. Sales in Aalsmeer alone have trebled since 1972, and are climbing 10% annually. An average of 6 million flowers and plants are sold each day, and at holidays, the sales have topped \$17 million for a single week.

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