

WHAT THE FUTURE HOLDS

From the *British Grower Magazine*, 1988 (A lesson from our British cousins?)

William Krause looks at the present state of the British cut flower industry and considers its future in the light of fierce Dutch competition.

Against the background of an expanding demand for cut flowers, the British glasshouse cut flower industry is stagnant or in decline. Buying a bunch of flowers as a gift or for the home is much more part of the British way of life than it was ten or twenty years ago. It is debatable whether Dutch marketing strategies created this expansion or whether it is the result of a combination of factors but there can be no doubt that the Dutch cut flower industry has been the main beneficiary.

In 1986, Holland exported 335 million cut flowers to Britain, 60% more than in 1984. The trend is still going up every year.

Glasshouse roses, one of the most traditional West European cut flower crops, provide a graphic illustration of the respective positions of the British and Dutch glasshouse cut flower industries. Official statistics show that Britain has 40 acres of glasshouse roses to cater for a population of 52 million, or 1 acre of roses for every 1.3 million heads of population. The Dutch have 2,000 acres of glasshouse roses which, calculated over the entire EEC population, gives 1 acre of roses for every 138,000 heads. So the Dutch in their "topping up" operation are ten times as intensive in providing the entire EEC with roses as we are in supplying our own home markets. Much the same can be said for other flower crops which have been grown in Britain for many years, like carnations, freesias, chrysanthemums, iris and lilies.

Earlier this year, I spent some time at the major flower auctions in Holland discussing the prospects of the British flower market and industry with Dutch marketing specialists and exporters. Several points emerged which may hold the key to what is in store for our industry — assuming that the Dutch predictions are accurate.

- In the long term, the Dutch expect to be the main — if not the only — suppliers of cut flowers to those British outlets which need quantity, continuity, a wide choice, standard grades, efficient deliveries and good presentation. This covers a very large part of the British flower trade: supermarkets, chain stores, garden centres, larger florists and flower wholesalers and distributors.
- The Dutch are confident that the British flower market will continue to expand, probably even at an accelerating rate. As traditional Dutch export markets like West Germany become increasingly saturated, so more promotional efforts are being put into countries with less developed export markets like France and the UK.
- The Dutch do not expect that the British flower industry will be able to reap the full benefit of an expanding demand for flowers because, generally speaking, individual British flower growers cannot offer the continuity, choice, quantity

and standards the modern retailer demands. Even if the British flower industry were to emulate the Dutch by setting up co-operative flower marketing organisations, it would almost certainly be too late to achieve anything very much on a national scale. Other countries established flower marketing co-operatives much earlier but they too have been unable to stem the tide from Holland.

If the Dutch marketing pundits are right — and they often have been in the past — the future of the British cut flower industry seems very bleak. The next question is whether there will still be a British flower industry in 30 or 40 years' time. The Dutch say yes, but it will be very different in its structure and activities. They explain it like this.

Largest growers

The Dutch flower industry is geared primarily to mainstream activities — production, marketing and distribution in bulk. Its strength is that it recognised years ago that production and marketing are very different but interdependent.

Few good growers are also good salesmen and vice versa. As a rule, it is only the very largest organisations which can hope to incorporate the best of both disciplines.

However, it is doubtful whether any flower producing and marketing organisation in the world is large enough to face and survive straight competition against the combined force of the Dutch flower industry for any time. This is why other flower producing countries, often with marketing co-operatives of their own, like Israel, Spain and Italy, are turning to the Dutch to do their international marketing and distribution for them.

Another well established facet of the Dutch flower industry is that both producers and marketeers must ultimately have the same aim — to make more money by producing and selling more flowers. In many other countries, including Britain, it is not always like that.

The Dutch view is that large and efficient flower growers in Britain will probably survive well into the next century. But inevitably they will be drawn into closer co-ordination and co-operation with Dutch marketing activities.

For instance, there is no reason why a British flower grower should not make use of the Dutch marketing apparatus if he can supply continuity, quantity and quality at the right cost. Some growers in Britain and other countries are already doing this, sending their produce to the Dutch auctions. There is a possibility of more direct links with Dutch exporters and distributors who often slot locally grown produce into their sales packages. This is actively discouraged by the Dutch auction authorities but they cannot do much about it.

Another possibility is that the more market orientated

growers with an effective distribution round of their own could offer their services to the Dutch export trade, combining their own production with imported plants and flowers to fill out the package. After all, established trading relations and a sound knowledge of local demands must be worth something to Dutch exporters. This, too, is already happening.

It is the medium sized growers — with 1 to 1½ acres of heated glass — who probably have most reason to worry about the future. Their production costs are often relatively inflexible, as a rule they do not have the size or financial capacity to branch out and emulate the bigger growers and they are still very much at the mercy of traditional marketing systems.

Co-operative marketing might provide an answer but it has been tried and failed so often already. Perhaps the problem is that the grower who is most at risk from modern developments is also often the most independent-minded man and ill-suited to co-operative marketing. Diversification and more localised trading perhaps offer the best opportunities yet.

Small growers

It is the small grower, working long hours with the help of his family and the odd casual worker, who perhaps is going to be least affected by future changes and in fact might do well out of them, if he is skilled, smart and enterprising. His overheads are usually minimal and the satisfaction from doing his own thing is often compensation for a certain lack of income. If times get too hard he can often earn a bit more from a sideline. I have always felt that the small growers are a very important section of the industry, not only in Britain but also in most other West European countries, including Holland.

The Dutch, with their eyes firmly fixed on mainstream flower marketing, are rapidly expanding market demand. But every mainstream activity leaves a lot of eddies which the Dutch are ill-equipped to exploit. These are precisely the areas that suit small growers with an intimate knowledge of the locality.

Living in a small Bedfordshire village, I remember travelling into Bedford in the late 1960s to buy some red roses as a Valentine gift. I tried all the florists and eventually found one who could offer me a single red rose in a little see-through box with a red ribbon. It cost me nearly £5. I have never bought flowers from a British florist since. That was 20 years ago.

The other day I totted up the sales points for flowers, plants and vegetables within a 1-mile radius of my home. Every day of the week I can now buy flowers and plants from the local village shop, from the butcher, from two petrol stations and a garden centre, a grocer, three private gardeners and an allotment holder. Napoleon was not far wrong when he called us a nation of shopkeepers.

Although there are half-a-dozen well established wholesalers operating in the area, as well as several "flying dutchmen", a lot of the produce these outlets sell is grown and supplied by some very small growers. Their combined turnover is probably a lot more than that of a larger, well established, florist shop.

Similar developments are taking place all over the country and perhaps it could be described as the emergence of a horticultural peasantry. But why sneer at that as long as the job is well done and provides a living for many?



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