CUT FOLIAGE MARKET STUDY

UK AND HOLLAND
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COMPLETED BY

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1. INTRODUCTION

A short study of the operations of the principal participants in the UK and Dutch flower and foliage industry, commissioned by Bord Glas, was carried out in December 2003. The purpose of the study was to gain information on the general movement of foliage material within these two large markets and in particular to ascertain where the opportunities lie for current and aspiring foliage producers in Ireland.

The foliage industry incorporates producers, wholesalers, packers and retailers. Each of these sectors has its method of sale and procurement of foliage material. Some retailers deal directly with the producer, but in the main producers channel their foliage products through wholesalers and/or through packers.

Retailers (florists and supermarkets) offer bouquets for sale to the public, consisting principally of flowers, though increasing numbers of foliage stems are now being included. As the availability of foliage increases, bringing colour, form and texture variation, all the principal players forecast expansion of the industry. Products such as painted foliage, natural and woodland materials, pre-made foliage bouquets (‘templates’), foliage pedestals, hand-tied bouquets etc. are now available and typify the ‘added value’ development taking place in this ‘gift’ industry. This presents opportunities for both established and aspiring foliage growers.

The study is intended to ascertain information on the movement of product through handlers, wholesalers and retailers and to note the trends in bouquet content and design, product delivery systems, pricing and environmental issues.
Several operations were examined and, through their representatives, information was given regarding many aspects of their business. Most of those interviewed were forthcoming with data, others less so regarding their own company finances

and attitudes to environmental issues. Nevertheless, all were agreeable to sharing information on the functioning of their operation, its growth and direction.

Although questionnaire forms were used, the diversity of views and limited number of interviewees makes it difficult to be categorical on some matters. However, core data will be presented to give a general picture of trading in and use of foliage products in the United Kingdom and in Holland, as well as noting the opportunities that may exist for Irish growers.

2. FACTS AND FIGURES

The value of the world flower and foliage industry is $20 billion with foliage products accounting for $1.0 billion of this sum.

The flower and foliage industry in the United Kingdom is worth 2 billion euro. Foliage products represent 10-12.5% of this sum.

The two British supermarket giants, Marks & Spencer and Tesco, have a turnover of 360 million euro between them, in these commodities. As a result of personal communication, the indications are that the value of foliage products account for between 8-10% of this sum.

Designers for the large companies will specify the amount of foliage stems to be used in bouquets. This can vary from season to season and between exotic and non-exotic foliage. There is a trend towards the use of increased numbers of foliage stems in bouquets.

The Dutch flower/foliage/bulb/pot plant industry has a value of 9.0 billion euro.

The value of Irish foliage production in 2003 was over 2 million euro. This figure represents cultivated and wild foliage produce. Growth has been steady and production forecasters expect an expansion in **cultivated** foliage production from 70 ha (2001) to 350 ha (2005), a boost in stem numbers to 15m per annum. (P.F.Meagher & A.G.Whelton, Teagasc, 2002). Employment currently stands at 35 fulltime persons.

3. TRADE SECTORS

The ornamental foliage industry consists of several sectors, although clear-cut and defined activities are often difficult to establish. Wholesalers can have retail outlets, and retailers can often deal directly with producers. Mostly however, the larger concerns **do** have an established and identifiable pattern of operations. The report studies the operations of the following sectors of the industry: florists, supermarket chains, wholesalers (New Covent Garden and other) and packers (assemblers of flower and foliage arrangements).

3.1 Floristry

Both florists chosen for interview are major players in their field of activity. Although they would not use large quantities of foliage material, nevertheless their commentary on trends and likely developments within the flower and foliage industry were of value.

3.1.1 Jane Packer (London Florist)

Ms. Packer is one of London's top florists, has several in-store shops in the U.K, other shops around the world, and employs 72 staff. She has written several books on the use of flowers and foliage in bouquets and other ensembles. Supplies of flowers and foliage come from a number of sources. Principal amongst these are the Dutch company Metz and much of the foliage needs for her florist establishments come directly from New Covent Garden Market. A 'one-stop-shop' for these products would be of interest. She was unaware of the service already enjoyed by many Irish florists, whereby boxes of mixed foliages are delivered at regular intervals. She is unaware of a similar service in the UK

She and other florists of her acquaintance constantly experiment with design concepts and there is now a tendency to use more foliage products. To this end, Ms. Packer would be happy to test new species, (if they were available in quantity) and report back on the results. Peonies, already being exported from Ireland, are a popular line with florists.

Foliage, both exotic and hardy, accounts for up to 40% of all bouquets in this company.

The most important types of foliage in use are *Hebe, Ceanothus, Elaeagnus*, *Senecio, Hosta,* ivies and rose hip species. Stem length should be 40-50 cm. Most important flower species are *Rosa, Lilium* and *Tulipa.*

Quote: "All foliage must be interesting for our clients – spring (catkins, flowers), autumn (hips, berries) and summer (herbs, scented geranium, rosemary and lavender)".

Information cards on bouquet ingredients - especially with novel foliage species - are important to customers.

Packers in the UK have told this florist about Irish foliage produce. It is known to be of reliable quality and standard. When shown a range of samples of Irish-grown foliage, she expressed interest in several novel species and cultivars amongst them.

Key Points:

- Would be happy to use Irish product, especially foliages with a 'story' (to be highlighted on information cards).
- She would be very enthusiastic about a direct delivery of a boxed product range.
- Stressed the importance of well-graded product.
- Rising 'Supermarket' sales of bouquets are seen as 'positive' as more people than ever are buying flowers and foliages. However, this trend will damage the floristry business.
- Irish foliage has established a good name for itself. Increasing the range of species available is a very welcome development and her shops would be happy to test market them.
- Ms. Packer would require a guarantee of quality of product, delivery reliability and an interesting range of species.

3.1.2 Paula Pryke (London Florist)

Paula Pryke is another important London florist, with three shops in the metropolitan area. Although unavailable for interview, Ms. Pryke completed a questionnaire and her senior designer and technologist volunteered information. This company buys 90% of its foliage requirements from New Covent Garden Market (where they buy stems in bundles of fives or tens), and the remainder from Holland. Only a small amount of these items are exotics (15%).

With regard to the delivery of bouquet materials, the company would be wary of boxes of mixed foliage. They visualize a lot of materials being left unused and offered the opinion that in order to succeed with this service, there should only be three species of strong, definite colour (green, purple, but *no variegated material*) in the sample. An example of this selection would be *Rosmarinus* (rosemary), *Viburnum* and *Rhododendron.* They use ‘twigs’ (painted birch and willow in winter) and stems with catkins in spring. The abiding principal of this company is to use strong colours in both flowers and foliage and they seldom resort to the use of yellow or variegated foliar material. These views were borne out by the reactions staff to the range of Irish-grown foliages displayed.

The bouquets designed and made by this shop consist of 25 –30% foliage. Pre-assembled foliar ‘templates’ would not be of interest to this shop, which has its own individual style of bouquet creation. Of the material this company uses, 5% is of painted stems, 5% herb shoots and a lesser figure for grass inflorescences. Trends in foliage selection for bouquet content include the ‘vintage’ look (autumnal colours, mainly eucalyptus), aspidistra leaves and fragrant stems.

Apart from awareness, there are no self-imposed standards in the company with regard to environmental issues. Prolonging shelf life (even by the use of chemicals) is seen as an important matter.

The image of the company is maintained by regular contributions to floristry journals, household and gardening magazines and by photographing design features for shows, etc.

Key Points:

- Growers should concentrate on good quality, blemish-free foliage of strong colour and texture. Painted winter ‘twigs’ are also important.
- The season of the year should be reflected in foliar produce.
- Design concepts, using foliage alone or in association with natural/woodland products, show potential .
- Uniform, graded stems are now in demand. Gathering rough-cut branches from the market floor no longer appeals to buyers.
- Irish foliage has made no impact on this company but they would be prepared to test it.

3.2 Supermarket Stores (UK)

3.2.1 Marks & Spencer (Simon Pearson – Head Technologist)

Marks & Spencer is a major player in the retailing of bouquets and flower/foliage ensembles. Its main packers are Flower Plus, Intergreen and Naughtons. Main handlers Sunflora integrates the raw material purchases, with volume in *Rhododendron*, painted foliage (Birch), *Cotinus*, *Ozothamnus* , *Pinus*, *Abies* and *Viburnum* from Ireland, S*alix* from Germany, *Pittosporum* and *Ruscus* from Israel and *Eucalyptus* from a range of sources, including Ireland. This Supermarket uses up to 15 million foliage stems per year. It plans its purchases nine months ahead.

Five years ago a typical bouquet at Marks & Spencer comprised one fifth foliage, one year ago a quarter foliage and currently one third of all bouquets are foliage. A spring bouquet, which sells at £9.99, has thirteen mixed foliage stems, whilst their more expensive ensemble at £14.99 contains fifteen such stems (*Forsythia, Viburnum, Rhododendron, Veronica, Solidago)*. Nevertheless, the company expects the big expansion in bouquet sales will take place in its lower priced lines. The ornamental stems which have increased in popularity, are birch (painted), contorted willow and viburnum. The latter now play a more influential role in bouquet content, with the soft *Ruscus*, *Elaeagnus* and grass inflorescences also gaining in popularity. At present, 80% of foliages used are produced in UK, Ireland, Italy or France.

In general, this company is concerned about the inconsistencies in foliage quality and to offset this keeps in regular touch with its suppliers. Most (75%) of the flower stalls in its stores are staffed. There has been a trend towards purchases of added value items, bouquets in cellophane containers of water and gift items (specially decorated hand-sets, pedestals). The market for all these goods has compounded at 12% per annum, up 40% in the past three years, with foliage showing a 50% increase in usage in the same period. There seems to be potential for the inclusion of 'natural products' (mosses, bark, cones, essences etc.) in arrangements.

The company perception of Irish foliage products with regard to quality, range, service and reliability, is 'very good', innovation and added value 'excellent', and pricing 'good'. They perceive Irish quality as holding a firm advantage over other foliages. Environmental issues are important to them and they expect their suppliers will comply with the terms of MPS and Eurogap protocol by 2004. Packaging disposal problems are alleviated by the use of re-usable plastic crates.

Key Points

- The supermarket favours **direct** discussions between producers and themselves. Such talks in the past resulted in the development of the 'painted foliage' innovation. One comprehensive discussion with suppliers per year is sufficient.
- The development of foliage 'templates' is seen as excellent.
- There is an emerging trend for use of more 'single' stems than 'sprays'. This should result in a higher overall proportion of crops being harvested.
- The company uses **twice** the amount of foliage per bouquet as its competitors.

- Peony rose stems are extremely important to Marks & Spencer due to their timeliness of flowering.
- Consistency of product should be **the crucial** issue for growers.
- Foliages with fragrance (rosemary, lavender and myrtle) are now in greater demand. Herbal stem bouquets may also become more popular (summer).
- Of any major foliage line, Marks & Spencer generally needs 10,000 stems per week over eight weeks.

3.2.2 Tesco (Jackie Stephen, Head Buyer)

Tesco has 1,800 outlets in the UK and 75 in Ireland. Its principal supplier/packer, Zwetsloot (whose designer was present at the interview), provides Tesco with 70% of their flower and foliage products. Intergreen also supply and pack (20%), whilst World Flowers supply 10% of their flower needs. For peak periods such as Christmas, Valentine’s Day and Mother’s Day, Tesco plan twelve months in advance and for their non-peak business, one month in advance.

With foliage products, the ‘big four’ are *Gaultheria* (Salal) 700,000 stems, *Rhododendron* (Irish) 700,000, Bear grass 700,000, *Betula* (several sources including Ireland) and *Eucalyptus* (Italian and Irish painted) up to a half million at Christmas. *Pittosporum,* Leatherleaf Fern and Tree Fern stems are also in constant demand.

Over the past five years, the amount of foliage sold as a percentage of flower sales has remained at 10% (higher in the more expensive bouquets). A very high percentage of all bouquet business transacted by Tesco is in the price range £2.99 to £4.99 and this is where they see the potential for further development. They feel that better quality and range of species in foliage will lead to more of it being used (even the modestly-priced bouquets). There is more profit in foliage items than in flowers.

Staff members responsible for quality control are in constant contact with the packers. Tesco, who always **promote** their products, feel they have attained their strong position in the marketplace because of their attention to quality and service. The former is directly connected to the quality standards of the raw material. Whilst in the past they dealt more with flower only bouquets, their 'mixed-bouquet' business has doubled in the past three years (from 21% to 42%). Although very interested in developments in the 'natural products' arena, like mosses, bark, cones and essences, they like to be assured that harvesting of such items are consistent with a 'sustainable environment' approach. In association with this, they expect their suppliers to comply with the requirements of the MPS and Eurogap protocol (100% compliance by the year 2006).

With regard to Irish product, Tesco feel that quality and service/reliability are good, but that the range of materials available is average. Added value items rate average to poor. In general though, their experiences with the main Irish producer are satisfactory. Tesco rely on contact with their main packer to keep them informed regarding novel foliages and foliar products.

Key Points:

- The standard stem length required by Tesco for all products is 50-60 cm.
- If any **major** change in foliar supplies is mooted, Tesco need to discuss it 12 months in advance.
- Green ivy with a compliment of berry has become a very important item.
- Toothed foliage of *Olearia macrodonta* is only useful for the Christmas market.
- The golden conifers show promise as a bouquet item.
- Fragrant foliage is always welcome, but herb stems are too susceptible to wilting.
- Tesco see the foliage 'template' as a labour-saving item, thus lowering production costs.
- The inclusion of distinctive green foliage is important in Christmas items.
- Growers must find a substitute for Rhododendron in case the recently reported disease of *Phytophthora ramorum* becomes more widespread.
- Tesco are doubtful about the effectiveness of variegated foliage in bouquets.

3.2.3 Waitrose (Sue Steptoe, Technologist and Jenny Palmer, Chief Designer)

The main suppliers/packers for Waitrose stores are SGP and Winchester Growers. The former supplies 70% of their foliage requirements, the latter 30%. Major events in the calendar – Christmas, Valentine's Day and Mother's Day are planned one year in advance. All remaining periods are planned for two months in advance. Five years ago, foliage represented 10% of all 'flower' sales. During last year (2002) and this year, that figure has risen to between 20% and 30%.

As the price of the bouquet rises, so does the number foliage stems therein increase. The company feels that the sales potential for bouquets lies in the £5 to £10 range (80%) and that the expensive items (£12 and over) will account for 20% of sales. Foliages with fragrances, strong coloration and good shape, will prosper. All-foliage bouquets will do well at Christmas, as well as *Skimmia, Pinus, Arbutus and Salix.* For the future, it was felt that subjects with catkins, berries, winter flowers, oak and 'sticky bud' chestnut will be in demand. The non-exotic element of all the foliages they use, amounts to 80%. Technical and design staff at Waitrose are constantly in touch with the suppliers/packers of their flower and foliage products.

Waitrose promote their ornamental horticultural goods during all the peaks of the year, like Valentine's Day, Mother's Day (not so much Christmas, as food products are strongly promoted in that period). Stress was constantly being placed on quality and uniformity of product. The store now concentrates on making simple bouquets, i.e. one or two flowers and three to five stems of foliage. This would retail at £10. (example – *Alstroemeria* and two foliages). The emphasis is on bouquets for the home. The turnover of the Waitrose flower and foliage sectors has increased in value by over 20% per year for some years back and in recent times by 10% per annum.

Interest was expressed in the Irish ‘natural products’ – mosses, bark, cones, and woodland products. These would get a special promotion at Waitrose, provided the ‘environmental protocol’ was adhered to. Their product carries labels for client assurance regarding package content. They expect their suppliers/packers to comply with MPS and Eurogap protocol. With regard to developments in delivery methods in the future, there was a feeling that cardboard containers will play a bigger role. Pallets are often poorly or inconsistently packed.

Commenting on Irish product, the company feels that the standard of grading falls short (this in respect of recently delivered stock from a small supplier). They felt that the price for Irish material was ‘fair’, product range ‘average’, service/reliability ‘average’ and innovation ‘poor’. Grading was inferior to Italian material.

Waitrose representatives have made plans to visit the premier Irish producer, with a view establishing reliable supply lines. They rely on gaining up-to-date information on product by visiting shows, gardens and contributing to relevant magazines and journals.

Key Points

- Peony Rose is an important line for Waitrose. They would order 50,000 per week for a period of four or five weeks, if it were possible to do so.
- For 2004 Waitrose have asked packers to investigate the use of the ‘template’. In their view, green foliage ‘templates’ would be enlivened by the use of berries.
- Waitrose require stems of 60 cm long in all the foliage material they use.
- Golden conifer has good potential.
- *Ozothamnus* ‘Sussex Silver’ is too thin on top for their arrangements.
- They would be interested in investigating the use of *Hebe* if a stem length of 60cm could be guaranteed.
- Supplies of *Pittosporum* are very welcome in June or July. Not otherwise.
- Variegated foliage is not much used in Waitrose bouquets.

3.3 New Covent Garden Wholesale Market

(These interviews were brief due to the level of activity at the Market. Some of the wholesalers were too busy to give much time).

3.3.1 Ronald Porter & Sons

In commenting generally, Mr. Porter stated that they were doing little business in *Pittosporum* stem sales. The availability and popularity of painted materials (birch twigs, eucalyptus and salal) was currently ensuring brisk trade. It is now possible to order painted material from an English source and to specify requirements with regard to colour and size. It is notable at the market that the range of exotic and unusual materials on offer is rapidly extending. Mr. Porter feels that traditional crops of foliage, which up to now have been brought to the market (not graded) by estate and large garden owners, are losing their appeal. Buyers don't want to have to pick through masses of branches to select what they want. The demand is now for uniform, graded and interesting foliages, which can be clearly seen in display boxes.

This company carries an extensive range of both exotic and non-exotic foliages. Mostly boxed, it is of good quality and graded. Mr. Porter gave the impression of being progressive. He is willing to consider the purchase of Irish foliage, of which he has heard good reports. It is his intention to visit Ireland in the near future in order to view what is available.

3.3.2 Eurosale

This company's representative had strong praise for Italian foliage in general and their painted materials in particular. They buy 500g bunches of painted birch and eucalyptus from the large Italian wholesaler, Tosca Flora, paying £1.65 per stem, which they sell on to their own clients (florists, corporations etc.) for £2 per stem. They buy *Pittosporum tobira* from Israel in 50-stem bunches, packed in boxes which contain 1000 stems. They also purchase 20 boxes of fresh *Eucalyptus parvifolia* and 10 boxes of *Ruscus* per week. A stem of *Ruscus*, 50-60cm in length, costs 18p. Shorter lengths cost 16p. The company discusses the coming season's arrangements with their Israeli suppliers at regular intervals.

Eurosale have enjoyed a profitable summer, especially with flower sales. Business tails off in August each year and picks up again as December approaches. The 'Christmas foliage', *Ilex* (holly) and *Pinus* (pine) is currently being purchased from Denmark and the grading is 'excellent'.

The trends in the flower and foliage business are fickle. At the moment there is a great interest in the 'peach and cream' colour combination. This company has used Irish material received from a large British handler, Sunflora, and have found it to be very satisfactory.

They would welcome the opportunity of doing business direct with Irish companies. Environmental issues do not receive active attention, but this company pays an overhead for the disposal of their cardboard. In order to reduce this scrap, they re-cycle cardboard boxes until the material fatigues.

3.3.3 John Egan & Co.

This company buys some product from 'Sunflora' and has used Irish foliage from this source in the past. It has recently begun to purchase stock from 'Interflora' on the net. This latter company advertises product on its website. The difficulty from Egan Co's point of view is that their clients have the same facility available to them and thus compete with their normal supplier. Members of the public can now go to any Post Office, scan the web for photographs of the bouquet products available and order direct (home delivery). This has the potential to do serious damage to Covent Garden wholesalers.

Egan & Co. is very complimentary about the uniformity and quality of Italian eucalyptus supplies. Unlike several other wholesalers, supplies of the berried viburnum are not moving well. This may be due to over-supply. A profitable line is its own hand-made wreaths.

3.3.4 David Bacon & Co.

This was the busiest of the New Covent Garden operations interviewed. The company deals principally with 'Sunflora' and offered the view that the Italians were superb in the field production of foliage. It is graded, bundled in 500g amounts and Bacon's find it very satisfactory. Currently, the 'autumn shades' of *Eucalyptus cinerea* is the item at the top of purchase lists. Italian *Ruscus* in short, medium and long shoots in 250g bunches are available and Bacon & Co. trade in 60 to 100 bunches of short and long stems every week. In addition, they purchase 100 bunches of *Pittosporum*, 100 bunches of *Viburnum* with berry. *Fatsia* and *Phormium* leaves complete their orders – all from Italy via 'Sunflora'. The company expects the Christmas period of 2003 will be the busiest ever.

The view of David Bacon is that many of their competitors at Covent Garden are allowing themselves to get flooded with stock. Bacon & Co. is very active in promoting several foliage types. Green *Pittosporum* is a good example. *Larix* (larch) branches with adhering lichen are popular for the Christmas trade.

This company would be very interested in trying a range of 'new' items (*Elaeagnus* and different eucalypts) from Ireland. However, he feels that the demand for natural mosses is dying out. They are currently supplied by Scottish and Welsh companies. The 'traveler community' delivers rough-cut *Camellia, Prunus laurocerasus* (Laurel), *Cornus* (dogwood) and *Laurus nobilis* (Bay laurel). Bacon & Co. has observed that fewer florists are coming to the market these days. Trade is much tighter than ever and there is a notable increase in Dutch stock arriving at New Covent Garden.

3.4 Tom Brown & Co. (Wholesaler – Non Covent Garden)

Much of the foliage supplies for this company come from Italy. There was notable praise for the excellent *Eucalyptus parvifolia*, which is delivered by the Italian packing company 'Ciesse'. This latter company has put much thought into the design of its packing, specializing in facilitating customers with simple and effective containers. Sales of eucalypts and *Ruscus* stems amount to 20,000 per month, all the year round. They sell five times the number of long stems (50-60cm) to short (40cm) ones. Some clients (mostly florists), order stems of up to one metre long. The 'blue pine ring', supplied by 'Sunflora' and made by the major Irish exporter of foliage items, FPL, is proving a great success. Irish produce from this source, arriving at T.Brown & Co, is of excellent quality.

The foliage element of this business has more than doubled in five years. The proprietor feels that the market for green *Pittosporum* and *Grevillea* has waned, whilst the demand for *Skimmia* with its red flowers and berries is increasing. This latter is expensive at £1.45 per stem. *Gaultheria shallon* (Salal) sells well at all times. Painted birch stems are proving a very popular line, especially in the Christmas market. Gold, lilac and silver are the big sales lines. Catkins on bare stems (willow) and 'sticky buds' (chestnut) are extremely popular also. This company has its own retail outlet, where its wreaths are made.

Mr. Brown has mixed feelings about the all-foliage bouquet 'template'. He feels it may not prove popular on its own. It will not be welcomed by florists, who are mostly single-minded about their own designs, and the 'template' is restricting for them. Nevertheless, he expects it will prove a boon to packers who are making thousands of the same designs each day.

Environmental matters do not command much attention in the company, as they feel satisfied that their major suppliers will take care of any such issues at the production level. T. Brown & Co. has got its first delivery of genetically modified (GM) flowers from Columbia. In accordance with the law, this produce must be labeled.

The growth of the flower and foliage industry is likely to be concentrated on Valentine's Day and Mother's Day and whatever promotions can take place during off-peak periods. Internet sales have proven to be poor and this company does not know any florist who has made money from these sales. They view the future with confidence, claiming that word of mouth about the excellent service they provide is the key to their success. Their turnover has increased from £700,000 six years ago to £5 million today. Sales lists are produced twice per week and the business is promoted through trade journals, magazines and shows. The company is now poised to offer a serious challenge to the giant Dutch traders on delivery and service. They have now four trucks on the road and fifteen persons employed.

Key points

- T.Brown has a high opinion of Italian and Irish (FPL) produce.
- Delivery of produce by weight is no longer acceptable. A 250g bunch may only contain three stems. Brown's need is individual, uniform stems, whether 'singles' or sprays. Ten stems per bunch is the company's ideal.
- The company pays £700 per month to dispose of its cardboard waste.
- The company has very high standards and any product not 'up to scratch' will be sent back. The suppliers learn quickly with this approach.
- They need to deal with dynamic companies, who deliver frequently. If the material is of high quality and fresh, they foresee a big expansion in the foliage business.

3.5 Dutch Sector of the Study

3.5.1 Bloominess – Packers/Bouquet Makers

(Marco van Konijnenburg – Purchasing coordinator)

This company is typical of major Dutch flower and foliage packers. The current turnover is 25 million euros and it employs 100 persons. Specialising in preparing bouquets and other floral seasonal items, they supply two florist shop chains, one in Germany consisting of 190 outlets and a second in Norway with 65 branches. They also supply companies in Russia, Poland and the Baltics. Most of the flower and foliage raw materials used come from Austria. More is locally grown and some comes from Italy, England (daffodils) and Ireland. These materials consist of flowers, individual foliage stems and foliage 'templates' (Irish). They receive flower deliveries five times per week, and foliage twice per week.

The company delivers 15 –20,000 bouquets per week to Germany and 10-12,000 per week to Norway. Store markup is 50% on wholesale price. The Purchasing coordinator meets with store representatives twice per week. The stock is delivered in Danish trolleys to the stores and contact is maintained every day regarding this matter. Bouquets are placed in shallow water in buckets on trolleys (three arrangements per bucket, valued at 25 euros).

The company considers Ireland a major player and expects the foliage industry to expand there. At present the strength of the euro is an advantage. They are especially excited about developments in the foliage ‘template’ sector. They are experiencing savings in labour as a result of the introduction of the ‘template’ (the Dutch worker gets paid 3 euros per hour more than those in other economies) and are hopeful that the range of ornamental species which the company representative saw in the South West of Ireland will be coming on stream to be incorporated in the template. Their present foliage purchases amount to 5 million euros per annum and they are confident this will increase. Irrespective of the range of foliage species they buy, their basic requirements never change – good quality, a constant and stable supply, bunches of known stem numbers and a fair price.

In the company’s opinion, there is no increase in demand for the straight, non-branched stem. They use as many of the short stems (30cm) as long stems (55cm). Included in their ‘routine’ bouquet are two or three foliage stems. Fifty per cent of all the bouquet construction is from the ‘template’ base. Looking at future developments, it is felt that in order to include interesting species which may not have the normal bulk of the more ordinary bouquet candidates, there will be three single stems per unit replacing the current spray stem. Wreaths and ‘pine rings’ are likely growth areas.

Key Points:

- This company expects Irish suppliers to lead the field in novel foliage and foliar items.

- They feel the content of the ‘template’ should reflect the changing seasons.
- Their representative was impressed with the foliage range seen in Southwest Ireland.
- The ‘template’ suits the company’s conveyor assembly unit.
- They are more preoccupied in identifying **new products** than new suppliers.
- Bloominess expects continued expansion in the flower and foliage business.

3.5.2 Hortiflower – Packers/Bouquet Makers (Jan Van Maanen - Manager)

For many years this company has had exacting standards regarding the harvesting practices of their suppliers. The manager here is concerned that a lot of underdeveloped countries are decimating stocks of natural foliage without taking the necessary precautions regarding sustainability. He spoke to like-minded people in Switzerland and established contracts to supply a chain of supermarkets with flower and foliage products. To this end, the company has in turn made arrangements with suppliers ‘who have an interest in preserving nature’. The major Irish exporter, FPL, conforms to this requirement, complying with MPS and Eurogap protocols.

Hortiflower is over forty years in existence. It packs for two large customers. The largest with 100 outlets is Swiss. Flowers and foliage are bought at auction (70%) and the remainder direct from growers and imported from abroad. All its growers are MPS certified. They take delivery of foliage twice per week and stems are in bunches of ten. Leatherleaf fern and *Gaultheria shallon* (salal) are bought at one euro per bunch. There is an in-house designer and the company sends 10,000 bouquets per week to a large Swiss group, who do their own pricing (usually a 50% markup). Each company's representative exchange visits up to ten times per year and general planning is done one year in advance. Bouquets travel in buckets (5 per unit) with their bases in water.

Irish foliar products are very important to this company. They feel a brand name is not important. Although the foliage 'template' is seen as a good idea, it is not regarded as a huge development step. Nevertheless it has allowed them to reduce the numbers of flowers per bouquet from twelve to nine. The most important specification for their foliage purchases is quality and freshness of the produce, stable dealings with the producer and reliability of service – all of these score ahead of price. Both single stems and spray stems are combined in their designs to give the bouquet 'character'. The foliage element of their bouquets is comprised mainly of short stems (40 cm). Future developments may center on summer foliage bouquets of rosemary and herbs and 'natural and woodland' products.

Key Points

- Supplier compliance with MPS and Eurogap protocol is a company rule.

- The Swiss supermarket group, are insistent on ‘preserving nature’.
- Regular contact with clients is the key to good business relations.
- Irish image of ‘freshness’ and ‘greenness’ is a major spur to business confidence.
- Hortiflower personnel have visited FPL and are especially interested in trials in progress for species range extension.
- Rosemary and other fragrant stems were singled out as important items.

3.5.3 Heimblume (Wholesalers/Importers/Exporters)

This is a wholesale company, which buys large quantities of flowers, foliage, pot plants and small numbers of ornamental garden plants. It has an annual turnover of 80 million euros and deals mainly through the auction at Aalsmeer. In existence for forty years, it has built up a trading base of 1,500 separate clients (900 of which are serviced each week). It exports to many countries and has a cash and carry facility at its 45 hectare covered premises in the Westland area.

They trade strongly in green *Pittosporum* (50cm) but have seen no Irish foliage so far except *Rhododendron*, which is highly regarded but too expensive. This company buys stems from far and wide
(It has licensed access to 45,000 ha of wild foliage in Tunisia) and whether with direct or contract harvesting, they work on very tight margins (15%) and take advantage of shipping costs from Italy at 0.75c, and France at 0.5c per stem. They import 120,000 *Rhododendron* stems from Scotland (shipping costs 1.5c to 2c per stem) each week during the season. Sounding a cautionary note, they feel that the demand for *Rhododendron* is waning (40% less

demand in Europe) and that *Prunus laurocerasus* (laurel), or other smaller-leaved, plain green product, could make inroads into this market.

The species in which most interest is currently being shown are *Cotoneaster, Hedera* (ivy), *Ilex* (holly) - all these with berries - and *Salix* (willow) with catkins. Stems are best at 60-65cm length with light branching at the top. The business of Heimblume has been increasing at the rate of 12% per annum over the past five years. They have not received any assistance from the Government by means of grant aid or special technical help. They have not sought money from banks nor have they much on deposit. Their bills are paid each week and they invest profits straight back into the operation. Coming from their base, the advice they would offer to potential growers is always to aim at the mass market, as is evidenced by the fact that the mainstay of the lucrative end of the market is still leatherleaf fern and salal. These are produced in vast quantities worldwide and although customers may be tired of these subjects, there are few other species that compete with them in quantity terms.

Key Points:

- The price range where they do most business is between 7 – 9c per stem.
- Transport costs per stem from Italy and France are 0.75 and 0.5c respectively.
- Transport costs from Scotland are 1.5 – 2c per stem for rhododendron.
- The company donates 4,000 euros per annum to the MPS scheme.

- They would welcome novel species, but would require them in big numbers.

3.5.4 Metz (Suppliers to Florists) (Gert Woelderink, Marketing Manager)

This company is 20 years in business and has a turnover of 40 million euros (up 100% in the past five years). It employs 130 persons. Metz provides a full service to florists and foliage accounts for 5 –10% of turnover. Exotic foliages account for 90% of this figure. Florimex, Adomex and WBE are the companies who supply Metz with the flower and exotic foliage. Depending on orders, they purchase their requirements each day. *Eucalyptus* and *Pittosporum* are fifth and sixth in order of importance after several exotics and constitute most of the non-exotic species. If flowers are scarce or expensive, then *Aspidistra* and *Asparagus* foliage are substituted.

This company assembles twice-weekly orders on their large-scale conveyor system and dispatches them throughout many European countries. The dispatch lorries off-load at key points in each of these countries and a fleet of smaller trucks continues the delivery throughout predetermined regions. Most of their individual clients are habitual in ordering and seldom change their requests unless there is a very specific need. They maintain company representatives in Germany, Italy, England, France and some in Ireland, whose principal mission is to enlist new florist clients.

Gert Woelderink, Marketing Manager of Metz, would be prepared to use new items on an experimental basis. There are no self-imposed standards on environmental issues, or by the authorities. They have a very fast turnaround of materials and shelf life does not become an issue. They respect MPS and Eurogap protocol and state that 75% of Dutch growers are in the scheme. Metz would pay more for novel species if the florists can be convinced it would result in having an advantage over supermarkets. The company's knowledge of and acquaintance with Irish foliage is nil. If this foliage were acceptable to florists in the major cities, then Metz would stock it and it would appear on their stock lists.

Key Points:

- When flowers get scarce or expensive, bright-coloured foliage is substituted.
- Painted foliage is only of interest in the autumn.
- *Aspidistra* leaves are gaining in popularity.
- Grass stems with inflorescences and herb stems are of interest in summer.
- Metz would welcome the opportunity of viewing and stocking Irish foliages.

4 DISCUSSION

Opportunities

There are opportunities for Irish foliage producers in the UK and Dutch markets as well as in other countries. Supplying quality product and fostering good relations with customers are important factors in developing commercial opportunities between producers and their clients. Although there are not very clear lines between the various layers of dealers in the foliage supply chain to wholesale and retail business, nevertheless each of many operators involved have crafted their own avenues for profit-making.

Irish Foliage

There is a lot of interest in Irish foliage, principally because of its quality and freshness and because there is an enlightened attitude towards range extension. This image is mainly due to the efforts of FPL, whose product quality, service, reliability and research effort were frequently commented upon during these interviews. The Dutch and British traders have high operating standards. The majority of those interviewed have direct contact with the consumer and any proactive marketing campaign demands the highest quality in foliage and flower products. Foliage material, once regarded as a mere 'filler' in bouquet work, has gained ground as a status element in itself. Designers and retailers in general are using more and more foliar products as components of their arrangements. This is not surprising, as the color, texture and leaf shape of many field-grown ornamentals are now seen as worthy substitutes when particular flowers are too expensive or unavailable.

The availability of *cultivated* and *wild* foliages, being supplied into these markets from Irish plantations, is the result of enterprising planting programmes and harvesting projects. For the future, in order that volume build-up can occur and economies of scale realised, it is to be expected that other developments of the same nature will materialize. Pending further plantation expansion and development, it is doubtful if any marketing avenue, other than through Tralee-based FPL, will bear fruit in the short term. This company has a wealth of market intelligence and know-how and is a standard-bearer for quality Irish foliage product. Doubtless, other marketing consortia will emerge in due course. At present, it offers the best option for aspiring producers.

Innovation

In assessing opportunities for Irish producers of foliage, it must be emphasized that the cost of transport to Britain and the Continent is a disadvantage. To counteract this, crops must be cultivated, harvested and packed efficiently and economically.

Volume production of cultivated and wild species does offer possibilities, but as margins grow tighter, this will not be a reliable avenue on its own. It must be supplemented by bringing **new products** to the marketplace.

There are signs that innovative products are making rapid headway and consumers are now being presented with a range of added value products. Consequently, this is where producers must focus for the future. In a word, the production of volume raw material for the bulk market, **alone,** should not be the only approach. Rather, the way forward must be through the combination of traditional crop production and the growing or use of foliage crops salient to the development of **new products** and ideas.

The one **outstanding problem** in this area is the difficulty of getting key feedback information. There are no formal structures in place to ensure that an orderly inflow of comment is available from consumers to the creators of innovative products. This needs to be developed in tandem with a new, positive marketing effort.

In the course of these interviews, opinion was divided on the question of **brand naming** of produce. Some offered the view that branding was not important once they knew the origin of a product. To others, branding was important where they bought from an extensive range of suppliers. This subject could be addressed in future forums.

Certain issues emerged **regularly** through the course of these interviews, which both established and new producers should ponder:

- As in any other large-scale business, margins are getting tighter and growers producing volume must do so efficiently and economically. Transport costs from Ireland make this imperative.
- Unless quality of product, excellence of grading, reliability of service, availability of volume and a competitive price can be assured, then the produce of low cost economies will constantly challenge the Irish product.
- Despite the above, the potential for the production of novel species is enormous and the nature of the Irish climate favours growers in capitalising on developments in this area.
- Adding value to products is seen as the area of greatest potential. This means that **product development** and **product marketing** must engage our attentions. Finance for this frontline work should be urgently secured.
- Producers would do well to keep a close eye on changes within the industry especially with regard to waning demand for certain foliages, as novel materials emerge.
- Several of the interviewees, especially those directly connected with floristry retailing, would welcome direct delivery of a range of foliage selections in small numbers, on a regular basis.

Research

The establishment of research areas for trial work on novel species is rightly regarded by several of those interviewed as an enlightened approach to maintaining industry dynamism and influencing future trends. Fashions change more often in the ‘flower’ trade than with foliage, historically regarded as the ‘poor relation’ element of a bouquet. This view is rapidly changing and whatever about ‘salal’ and leatherleaf fern (still regarded as primary ‘fillers’), the arrival of novel foliage species onto the market has enhanced the growing reputation of this element and offers the packers and florists a real alternative to many expensive flower species.

Funds

It is for these reasons that the relevant bodies in Ireland should continue to provide financial support for this fledgling industry. Its growth over the past decade has been steady and to have made even a small impact on the enormous European flower and foliage industry, must be regarded as encouraging. Based on this growth, production forecasters look towards an increase in cultivated foliage to 340 hectares (15 million stems) by 2005, although this increase will not be sufficient to meet the demands of the market (P.F.Meagher & A.G.Whelton, Teagasc, 2002.). In this respect, we would do well to remember that the cultivation of foliage crops is ideal for our climate – field growing, low inputs after start-up, easy maintenance and employment potential – and every encouragement must be given to established and aspiring growers to substantially increase the acreage under cultivation.

Funds, to assist in the launching of new and added value products and in extending the range of candidate species, their discovery, purchase, propagation, cultivation and performance in assessment trials in a number of locations, would also be helpful to the industry at this stage. If others can so easily see the opportunities, then how could we fail to notice?