

Cut Foliage

- UK Market, Trends
- Supplying Chainstores
- Innovation

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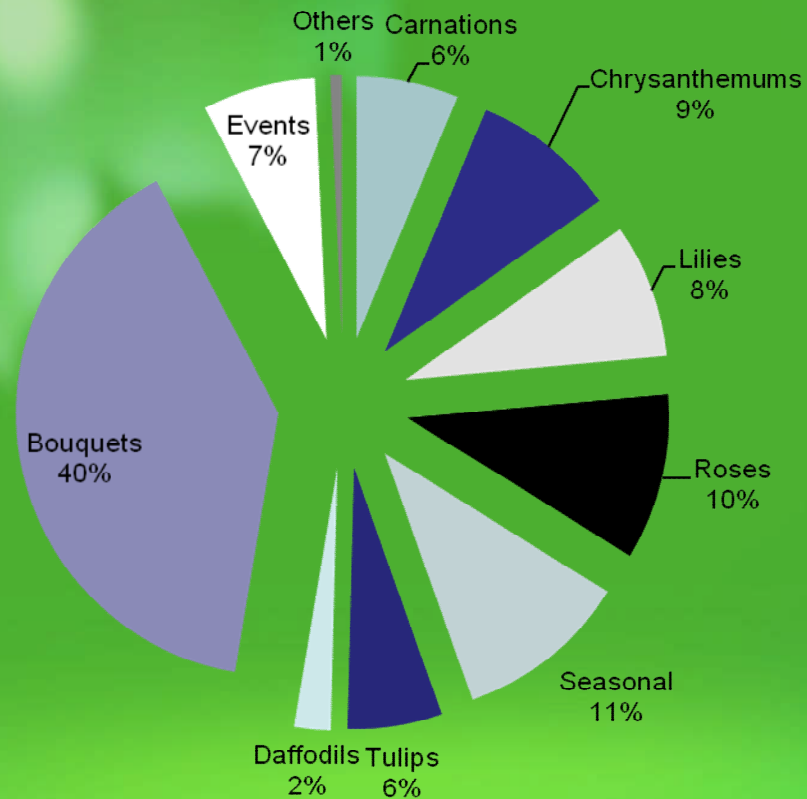
Background

- Commercial Director,
 - Formally technologist Marks and Spencer,
 - University Lecturer
 - Growers son
- Winchester
 - Turnover £52m,
 - EBITDA £1.7m
 - 250 to 900 employees
 - Tesco, JS and Waitrose



UK Cut Flower Market Size

UK Cut flower market:
Estimate €1.4bn



EU Cut Flower Market size estimated at €14.5bn

Source IRI and CBI



How much of market is foliage..?

- In UK, 47% of market uses foliage = €658m
- Market value (c.20% bqt is foliage) = €132m
- Farm gate value (30% of market) = € 40m
- For EU market value = €1362m
- EU Farm gate value = € 409m



Where market value is the consumer spend relating to foliage elements
And farm gate value is the element of cost invoiced to foliage growers
Data have a significant margin for error but I think assumptions are reasonable

Irish Foliage

- Potential market opportunity > €50m
- Rhododendron, Pitto, Noble, Cotinus, Eucalyptus.....
- Market needs innovation, bouquets constantly changing, needs newness



Why Foliages ?

- Structure for bouquets
- Textures & colours
- Scents
- Value for money



Demand Drivers

- Bouquet sales – main drivers
- Move to more gifting
- Decorate the home
- Emotional needs! – closer to nature, ‘cheer me up’!



Foliages

- Greens – Euc, Pitto, etc
- Twigs – glittered
- Berries, Scents
- Painted products
- Baskets



Key Drivers in Innovation

- Colour
- Leaf shape
- Seasonality
- Process – glittering, scenting
- Price – perceived value



Innovation in Action



Design and fashion led

Needs to be realistic and commercial



Innovation at work



Making it happen

- M&S Glitter Twig success
- JS Scented twigs
- Wreaths
- Tesco Foliage bqts

Without this there would have been no business!

Merely price trading



What retailers need

- The 'itys'
 - Availability
 - Realibility
 - Flexibility
 - Quality



What Ireland offers

- Quality – greener, fresher
 - Climate
 - Structured market set up,
 - Committed growers
- Communications
- Logistics – can respond faster
- Innovation in future product supply



Audits

- Independent accreditation –
 - Good Agricultural Practice
 - GLOBALGAP, MPS,
 - Ethical Trading
 - ETI, SEDEX registration
- A lot of schemes, confusing, don't do too many



Price

- Set by costs & competition
- Euro strength
- Quality specification, volume.....
- Countering price
 - Innovation, beware commodities!
 - Local processing, manufacturing, added value



Way Forward

- Continue to invest R&D work – innovation critical
- Filling seasonal gaps – year round, potential with protected cropping?
- Working together - Co-operation by Winchester – market evaluation, shelf Life, etc
- Retailers do not want to be swapping/switching suppliers
- Playing to strengths
- Do what you say you are going to do....!
- Build the relationship

