



FOREST
PRODUCE

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Forest Produce Ltd.

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Agenda

- Forest Produce Ltd
- Background to cut foliage in Ireland
- Current market trends and demands
- Positioning Irish cut foliage into the future



Forest Produce Ltd

- Market over 400 acres cut foliage production - grown naturally in Ireland.
- Employ 25 people full time and a further 60 on a part-time or contract basis.
- European wide network of suppliers.
- Supply UK, Irish, Dutch, German and Swiss supermarket bouquet makers.



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Background to cut foliage in Ireland

- Forest Foliage
- M&S report
- Expansion of core lines
- Exploitation of competitive advantages



Current Market Status

- 'The European Union is believed to consume over 50% of the world's flowers and foliage and includes many countries which have a relatively high per capita consumption on cut flowers. Germany is the biggest consumer followed by the UK, France and Italy.'
- Source CBI



Current market status

Imports and leading suppliers of foliage 2003 -2009, share in % of value

Product	2003 € mln	2006 € mln	2009 € mln	Leading Suppliers in 2008 in %	Share %
E.U.	202	245	264	Intra EU: Holland (24%), Italy (9.3%), Belgium (5%), Germany (3.5%)	49
	108	110	114	Extra EU ex DC*: USA (14%), Israel (5.5%)	21
	144	157	157	DC*: Costa Rica (9%), Guatemala(5.1%), India (2.6%)	29
TOTAL	454	512	535		

Source CBI



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Current Market Trends

- Quality
- Environment
- Seasonality
- Supply chain management
- Pricing issues

UK

- Consolidation
- Outsource innovation



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Quality

- Length
- Clean foliage
- Volume/weight
- Shelf life
- Well packaged



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Key Features

- **Length**

Length is agreed in advanced and product will be rejected if lengths are incorrect.

2-3cm tolerance is allowed

UK requires 55-65cm foliage for reasonable price

European market required 45-50cm for cheap price



Key Features

- **Clean foliage**

Foliage must be free of all weather damage, pest damage and chemical damage.



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Quality

- **Volume/Weight**

All stems will have a minimum weight specification

- **Shelf life**

- All stems must last a minimum of 2 weeks from harvest. Only harvest when stems have hardened off.
- Fertilizer and pruning effect this.



Environment

- **Core Principles of Irish foliage**
 - Always work on principle of sustainability
 - Lowest Carbon Footprint
 - Biologically Controlled & Hand Harvested



Recent Awards

- Runner up in the 2011 M&S Plan A Awards Program
- Runner up in the Dutch Flower Group Supplier of the Year Awards 2009



Seasonality



Supply Chain Management

- **Just in Time Supply**

- Product needs to be delivered the day before production.
- Orders change dramatically based on shop sales

- **KAM – Key Account Management**

- **Pricing Issues**



Positioning Irish Foliage into the future

- Scale and availability
- Sweet Spot customer identification
- Ease customers 'pain' – Waste, Enviroment, Pricing, Innovation
- Adding Value
- Innovation



Scale and Availability

- Big users require year round availability of large volumes of a wide range of products.
- Single Core Tesco Bouquet – 80,000 stems per week= 2 acres/week
- If a bouquet is selling well – do not change it. No sob stories!



•Sweet Spot customer identification

“ Mid and upper end European supermarket chains and their bouquet makers who have their own new product development team and who believe that innovative foliage solutions will add value to their business.”

•Ease customer's pain.

- Waste
- Security of supply
- Environment
- Pricing
- Innovation



Adding Value & Innovation



Other Opportunities

1. Filler Foliages/Flowers



•2. Biomass Eucalyptus



Conclusion

- Grower led Innovation – (supported by Dept of Ag, Teagasc)
- Key customer identification – (Bord Bia)
- Key Account and Supply Chain Management



Thank You

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