



Essen, 27 January 2020

IPM ESSEN 2020:

## The Flower and Plant Market in 2019

### Heat and Sustainability Are Defining the Market!

Horticulture has got fantastic products; even before "Fridays for Future". However, the consumers are currently sensitized to the green market and are listening to the messages - messages which the sector is, however, formulating only labriously since it is falling back due to weather extremes as well as to ever more stringent demands and legislative proposals and is losing sight of the actual message: We are making green products and the quality of life is green!

The framework conditions for the successful sales of flowers and plants have not been as good for years. With a total turnover of approx. € 8.7 billion for flowers and plants, we in Germany are located in a stable market which has theoretical growth potential according to the current zeitgeist.

Only theoretical?

The question to be asked is why we are not getting any better at exploiting the framework conditions for ourselves to a greater extent: If not now, when then?!

### Unclouded purchasing mood in spite of an impending recession

The persisting, partly verbal and partly real, worldwide trade conflicts, the global economic weakness as well as the uncertainty in relation to the consequences of Brexit are repeatedly raising new questions especially for the German export sector. First of all, export-oriented industries in particular, e.g. the automotive industry and its component suppliers, are being affected by these uncertainties. In any case, there is the danger that this will affect the entire German economy in the event of persisting uncertainties. As a consequence of this, the Federal Ministry for Economic Affairs lowered the growth forecast not only for 2019 but also for 2020. While the economic forecast for 2019 is expecting an economic growth rate of only 0.5 %, the growth rate assumed for 2020, too, is no longer 1.5 % but instead only 1.1 %. According to the forecast, Germany will thus narrowly escape a recession. Other more pessimistic experts are warning about a recession,



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Veröffentlichung kostenfrei –  
Beleg erbeten  
Publication free of charge –  
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particularly for 2020. At present, the purchasing mood and thus the consumption climate of the German population are still largely unaffected by such unfavorable expectations and are remaining on a constantly high level.

The specified reasons for the stable consumption climate include the currently stable employment market as well as the increased propensity to buy which is being fueled by the ECB's continuing low-interest-rate policy. In the European comparison, Germany is, with an unemployment rate of 3.1 %, currently in second position behind the Czech Republic (2 %). Other reasons for the persisting purchasing mood are the pension rises which came into force in July 2019 as well as the booming construction industry.

## **Extreme No. 1: Heat**

### **No Easy Business - Heat is Driving the Range**

The drought of the century in 2018 was followed by the next year with long-lasting high temperatures in 2019. On July 25, 2019, the previous heat record was broken in Lingen with 42.6°C. It was the hottest June since the beginning of weather records. Not only many plants but also the sector are finding it difficult to cope with these extremes.

In this respect, a lot of consumers were once more able to watch how their plants hardly withstood the heat stress on the balcony and the terrace and often withered. Correspondingly, they were reticent about purchasing or asked for particularly heat-tolerant plants such as dipladenias.

It is regrettable that dipladenias which were still a highlight in the sales in 2018 because of the heat compatibility were directly taken up by the discount sector in the 2019 season and no longer functioned as the draught horse in the specialist retail trade.

In 2019, large marketers, such as Plantion, have been able to establish that the consumers' altered demand needs for heat-tolerant plants were also taken up directly by the producers. To an increasing extent, plants with "their own natural water reservoirs" were produced in 2019. According to Plantion, the cultivation of Sedum and Saxifraga, as typical representatives of plants which satisfy these requirements, was expanded in both quantity and diversity.

Nursery products were extremely popular in 2019. Turnover pluses of up to 40 % in the case of woody plants were registered at some German wholesale markets. The cause of the high demand may essentially be attributed to two factors:

1. In many places, replacement planting became necessary since a lot of woody plants had withered because of the heat year in 2018 with low rainfall.
2. Many municipalities have drastically increased the percentages of green areas in their construction statutes in 2019, in the hope that this will improve the microclimate and the ecology in the long term.

## **Ranges Against Heat and for Spontaneous Enjoyment**

In addition to the trend towards heat-tolerant flowers and plants, it was once more observed in 2019 that the consumers generated very strong demand for herbs and impulse goods. Especially in the case of pot herbs, turnover increases of approx. 5 % compared with the very good sales in the previous year were established at the wholesale markets.

With regard to the impulse goods, the absolute winners once more included blooming hydrangeas and blooming shrubs. All the experts agree that weather-resistant, durable and blooming-happy plants were the top priority for the consumers in 2019. Moreover, the demand for young plants for "snack vegetables", especially tomato and cucumber plants, has risen even further.

In the hobby field, a lot of garden center operators have stated that, in 2019, particular significance was attached to the classic subjects such as dwarf vegetables and fruit, old varieties, near-natural gardens, bee-friendly plants, raised beds and herbal snails as well as near-natural fertilization and plant protection.

## **"Repotting in their Minds" - Value Added and Convenience are in Demand**

In principle, the customers are carrying out "repotting in their minds" as far as plant selection is concerned. It is assumed that there is increasing sensitization to the positive effects of plants in relation to the environment. Good campaigns on the subject of the environment such as bee compatibility have ensured good sales.

Furthermore, the subject of "ready to enjoy" is becoming ever more popular amongst the consumers. For example, the trend towards "combining plants" from 2018 is continuing. This can be observed quite particularly in the sales figures and



reports of Royal FloraHolland. The most-sold green plants by far are plant arrangements, followed by classic plants such as Ficus, dragon trees, and co.

## **Green Plants Are Making a Comeback**

In general, green plants have been making a comeback since 2017. This is shown not only by rising quantities but also, above all, by higher average prices. For example, the average prices of green plants at FloraHolland in the first half of 2019 were six cents above the average prices from 2018.

The aspect that green plants produce a good indoor climate is once again becoming established in the consumers' awareness to an increasing extent, according to the statements made by some market experts. Moreover, they are ideally suitable for the wishes of the customers who are increasingly searching for attractive eye-catchers which are primarily low-maintenance and contribute to the presentation in their own four walls. In 2019, it is no longer being carried out exclusively using furniture and deco but instead includes house plants, too. Retail garden centers are presenting green plants in an ever stronger way consistently adjusted to living worlds. The main sales markets for green plants are principally Germany, France and Great Britain - markets on which green plants have not been amongst the "topsellers" in recent years.

It is interesting to observe that the retail food trade and DIY stores are, with 20 % and 15 % of the sales of green plants respectively, not as strong as some insiders in the sector like to quote. Over 40 % of the green plants go to flower shops indirectly via wholesalers or directly and 20 % to garden centers. According to Royal FloraHolland, the total turnover of house plants rose by 2.8 % in the first half of 2019. This is caused not only by a higher average price but also by the greater product diversity. Growth through diversity was already observed in the case of cut flowers in the Greater Hamburg region in 2018 - and designated as the "Vierlande effect" there.

## **Patchy Bedding and Balcony Plant Season in 2019?!**

After a strong February and March, the bedding and balcony plant season in 2019 gained momentum only hesitantly because May was cool. In many regions, June subsequently compensated for May not only with regard to the quantity but also with regard to the turnovers. Above all, the specialist retail trade profited from this. Many parts of the system trade had included goods in their ranges at a very early stage - however, the consumers were not yet in a planting mood. Driven by these



experiences of the hesitant start and the changeable weather conditions, the system trade reduced the planned quantities or canceled whole orders. The specialist retail trade profited from this, then had the goods in stock from the middle of May according to the needs and achieved good sales with them. All in all, the season turned out to be very relaxed according to the statements made by some retail garden centers.

Nevertheless, a lot of traders were not satisfied with the bedding and balcony plant season. In part, the cause is homemade. After a very good and sold-out season in 2018, many producers succumbed to the temptation to expand their production quantities. The resulting oversupply exerted pressure on the market. Combined with the consumers' temporary purchasing restraint, this resulted in a noticeable pressure on the prices and ensured that exclusively good quality was in demand. The statement that customers are increasingly looking for robust plants continues to hold true. Precisely specialist plant shops have reinforced the situation and, in 2019, have noticeably abandoned the nine-pot sizes formerly customary in the trade.

Another reason why the bedding and balcony plant season in 2019 was seen critically by some market players certainly also relates to the fact that many people still have the fantastic record sales year in 2018 in mind as a reference. As a reminder: In spite of the great challenges caused by the heat and the drought in the summer, 2018 was the second-best year in the consideration of the market development since 2010. Per capita, consumers spent a little more money on flowers and plants.

The evaluation of the bedding and balcony plant season in Thuringia in 2019 gets to the heart of the matter: The balance sheet for the shops' season in 2019 was rated as somewhat worse than in 2018 although the price level was raised slightly. On average, six cents more per plant, considered across the entire range, were demanded than in 2018 - with similar sales quantities, actually no grounds for dissatisfaction.

## Looking Beyond the Horizon

### All in All, 2019 Was a Good Year

According to the latest estimates, the turnover with flowers and plants is, at least in the first half of 2019, at least on a level similar to that in the previous year.



For example, the Veiling Rhein-Maas auction house in Straelen-Herongen is also reporting that goods sales were achieved in spite of the cool spring and the extreme heat in June. In particular, the special sales days such as not only Valentine's Day but also International Women's Day were important sales events at the beginning of the year. Mother's Day stood out positively for everybody. According to Veiling Rhein-Maas, Mother's Day in 2019 brought the Mother's Day week with the highest turnover since the company was founded. In their economic survey, the German wholesalers for cut flowers also spoke about good to exceptionally good special sales with high turnovers. Flowers and plants are popular!

## **Global Satisfaction - In Spite of Some Peculiarities**

On the international level, Royal FloraHolland - as one of the most significant trading places for flowers and plants worldwide - is also reporting good business for the first half of 2019. The export value of the Dutch flowers and plants was, at € 3.5 billion, above the level in the previous year and thus set a new record in spite of the heat wave in June. To an increasing extent, the exports to Scandinavia (plus 7 %), especially to Denmark, are responsible for these very good exports. In contrast, the exports to Germany, the largest purchaser and consumer of Dutch flowers and plants and imports, dropped by 3 % in the same period. Moreover, the exports to Italy, the most important sales market in Southern Europe, lost ground in comparison with the previous year (1 %).

In 2018, it was described that the Netherlands' exports to its five most important sales countries had decreased. Thus, this trend is continuing while the sales in Eastern Europe (Poland and the Czech Republic) and Russia are rising. It seems that the traders' high expectations with regard to expanding the export activities in the Eastern European growth countries are being met in 2019. For example, precisely in the first few months of 2019, the exports exhibited rates of increase amounting to 18 % to Russia and 10 % to Poland. Both countries are thus amongst the Netherlands' top-five sales countries for the first time. In 2018, it was almost a sensation when they could be found amongst the top-ten sales destinations for the first time. In the meantime, the export world champions for flowers and plants are seriously concerned about the diminishing turnovers of their two top sales countries, Germany and Great Britain, whose export values stagnated and dropped respectively in the last two years.



## "Great Britain as a Third State": Extent of Brexit Not Yet Calculable

The consequences of Brexit are not yet easily understandable at the end of 2019 either. January 31, 2020 is now the new date. It is a fact that the trade in horticultural products between the EU and Great Britain is continuing to decrease and the British market is being subjected to strong pressure.

In the summer of 2019, Great Britain imposed more stringent import conditions on roses from Canada, India, Mexico or the United States (USA) because of persisting problems in these countries with the rose rosette virus. This is also making the situation even worse.

Experts agree: Seeds, cuttings, young plants, pots, compost, etc. from the EU form the foundation for British horticulture. A smooth product flow is correspondingly important. Along with No Deal, the British government estimated in the middle of October 2019 that even 150,000 of the 250,000 British exporters were not prepared with regard to the newly applicable customs and supplier declarations. Cautiously estimated, approx. 85 % of the trucks would travel on the trading route across the Channel with incorrect papers and thus cause the clearance to be delayed by up to 2.5 days. A state which is difficult to cope with precisely in the case of living fresh products such as flowers and plants and cannot be compensated for by warehouse technology either.

In this situation, Great Britain is placing its hopes in the creativity of the suppliers. For example, many Dutch companies have already set up offices in Great Britain in 2019, in the hope of being able to continue to sell young plants from the Netherlands to the island in this way. Moreover, a lot of gardeners are relying on Boris Johnson to find practice-oriented solutions and exemptions for horticulture. As the former Mayor of London, the current Prime Minister has apparently always spoken out in favor of "green products", particularly trees, and has proven to be an "asset for the sector". Statements made by individual European trading firms show that there will not necessarily be a happy end. They assert that, although the British market is good, the priority must be to keep the EU's internal market and all its rules intact. In this sense, Great Britain is apparently overrating itself and ignoring the fact that there are alternative markets in China, Asia and Russia.

At the earliest in the first half of 2020, we will learn what effects the "third-state" status will ultimately have on European and British horticulture.

## **Russia: Sanctions are Having Influences on International Flows of Goods**

In 2018, Dutch experts already agreed that the difficulties in plant exports to the traditional destination countries to the east of Poland would increase and could only be compensated for by switching to new, emerging markets such as those in Asia and the Middle East.

For example, Korea's total import volume of cut flowers has risen tenfold in the last ten years.

In the hope of new markets, precisely Asia has proven to be not very attractive for exports of flowers and plants in recent years because of the sanctions and the transport problems through Russia. Thus, all the overland deliveries had to go around Russia, thus leading to longer delivery periods and higher transport costs.

In the middle of 2019, the Russian Ministry of Transport then surprisingly announced that it would once again allow national and international freight forwarders to transport perishable products such as fish and flowers to third countries through Russia by rail, provided that electronic seals were used. This relaxation of the sanctions ensured that the transport costs of perishable products from Europe to Asia could be lowered drastically by 80 %. A cost reduction which could alter the flows of goods and boost the exports to Asia even further.

According to the Russian ministry, Russia would make available transit and logistical potentials for approx. 82,000 additional international transport runs (a lot of usable potential not only for the flower market but also for fruit and vegetables).

For example, solely the German export statistics for fruit and vegetables at the beginning of 2019 observed that, in spite of restrictions on Russian agricultural imports, the exports from Germany to Russia had risen substantially in comparison with 2015 (in 2015: 16,975 t and in 2018: 28,575 t).

## **Turkey is Consolidating Its Position**

In recent years, it has been observed that Turkey has endeavored to perform a hub function for flowers and plants between the EU and the Middle East and Asia. This is being continued.

Not only the trade but also the production are growing even further. For example, Turkish and Kuwaiti businessmen invested approx. US Dollar 100 million in greenhouses in the Sanhurfa province in South-East Turkey at the turn of the year



from 2018 to 2019. Moreover, Danish and Turkish production businesses founded a joint venture for the worldwide distribution of cuttings in 2019. This suggests that it is a growth market.

Turkey's aspirations and ambitions with regard to expanding the sector are shown by the fact that, in 2018, it was able to raise its exports of flowers and plants by 25 % compared to the previous year, up to approx. US Dollar 100 million. In 2019, it was revealed that the government's objective was to increase the export value of flowers and plants fivefold by 2023. The objectives for 2023 are an export value of US Dollar 500 million as well as the creation of approx. 300,000 jobs. For comparison purposes: At present, around 25,000 people are employed in the Turkish flower industry. The production and sales of flowers and plants are increasingly making massive contributions to the Turkish national economy.

If the main distribution markets for cut flowers and pot plants are considered, they turn out to be differentiated: Outside Europe, pot plants are mainly being supplied to Azerbaijan, Armenia and Uzbekistan at present while cut flowers are transported not only to the consumption-happy nations (Netherlands, United Kingdom and Germany) but also to Russia, Romania and Ukraine.

## **Fewer Customers Are Purchasing More!**

The statements made in the consumer typology study in 2010 with regard to the falling purchaser reach in horticulture (number of people who buy plants) with simultaneously rising purchasing amounts by the active purchasers are being shown to be applicable in 2019, too.

In May 2010, the average turnover per customer in a typical retail garden center was € 23.38 per till receipt. In 2019, the average turnover per customer had risen to € 30.40.

At the same time, the customer frequency in the classic retail garden center decreased by approx. 10 %. In practice, the customer loss was compensated for or slightly exceeded by the higher purchasing values. Some gardeners are stating that horticulture and its products are a sure-fire success but this entails the danger of deceptive complacency.

On the contrary: Now, the objectives are to set the points and to convince the consumers about our products as well as to win them over as customers and to retain them. The question to be asked is how and with what products the "Fridays for Future" generation will be reached, too. Because another thing was shown

clearly by the long-time study into consumer typology in 2010: Anybody who is not interested in flowers or plants when they are young will not be interested in them when they are older either. Expressed positively: We must win over the young people so that we can retain them as "bestagers".

## Extreme No. 2: Sustainability

### Negative Headlines

2019 was also the year in which the sector frequently had to put up with negative reporting on agriculture and horticulture. The farmers called for protest - for the first time, visible in the form of green crosses on farmland, against disparagement and defamation.

Gardeners are increasingly following the call to make visible how sustainable production already is today and what positive contribution is already being made by horticulture.

As one of the first representatives of the sector, the Association of the German Flower Wholesale and Import Trade (BGI) dedicated its association conference to the subject in 2019 and discussed it with high-ranking speakers from the political, economic and scientific fields. With regard to other sectors and consumer goods, it was discussed to what extent the requirements on the flower trade are not exaggerated and other sectors are not called upon to act beforehand. Everybody agreed that, irrespective of the polluter-pays principle, everybody must make contributions to sustainability in their areas of responsibility and the climate problems should not be trivialized. It is important to provide the consumers with facts which they can understand. There were different assessments about how far this information involvement must go. It was agreed that everybody in the value added chain must make their contributions to communication and sustainability to the outside. For reasons relating to time and convenience, this is currently not being carried out in such a way as would actually be necessary.

### Sustainability: An Old and New Virtue of Horticulture

Various studies show that, in the meantime, 20 % of all the consumers in Germany, with a rising tendency, are paying attention to sustainability when buying their products. The subject is being addressed correspondingly by the major "players" in the trade and is being offered with an increasing wish for sustainably produced flowers and plants.



After ALDI had already announced in December 2017 its intention to sell more sustainably certified flowers and plants, Lidl wants to offer exclusively flowers and plants from verifiably sustainable production by the end of 2019. All the worldwide flower and plant producers who want to supply goods to Lidl must compulsorily be certified according to GlobalGAP or a comparable standard. Today, approx. 85 % of the flowers and plants at discounters have already been certified correspondingly.

Since recently, ALDI has even taken one step further and has utilized a lot of media advertizing on primetime TV for its new project entitled "The ALDI Packaging Mission: Avoid. Reuse. Recycle". With this campaign, ALDI would like to reduce the packaging quantity by 30 %, in comparison with 2015 as the base year, by 2025. Moreover, they would like to achieve the objective of offering 100 % of the packaging in the standard range as recyclable materials by 2022. All disposable plastic bags have already been banned from the branches since the end of 2018.

These efforts are showing clearly where the journey is heading. The suppliers are supporting consumers in their commitment to sustainability and horticultural companies should follow this approach, too. Precisely with regard to freedom from plastics and to transparency. Although horticulture can certainly exhibit better ecological balance sheets than other suppliers in the consumer goods industry, horticulture also continues to offer improvement potential. For example, plastic waste amounting to approx. 200,000 kg could be avoided every week in Germany alone by dispensing with disposable transport pallets for flowers and plants.

## **Biodiversity or Neonicotinoids Are Following**

Within the framework of the current sustainability discussions, the consumers are not focusing on subjects such as biodiversity or neonicotinoids but, according to experts in the sector, these subjects will, sooner or later, inevitably also be addressed within the framework of the sustainability strategies of the major players and the consumers will focus on them.

## **Climate Protection Law**

At the end of September 2019, the federal government approved the key points of the Climate Protection Program 2030. Until then, three-figure billion funds are to be provided for climate protection and the energy transition. For example, forest strips in agricultural areas should improve the soil quality and reduce the CO<sub>2</sub> and

pollutant burdens. The planting of hedges, breaks and avenues is to be promoted in this way.

## **Greta Effect is Promoting Tree Planting**

The "Fridays for Future" initiative has shaken up a lot but some people feel provoked by the hype. With what they create, companies in the green sector are an important factor in order to promote environmental and climate protection, also according to representatives of the North Rhine-Westphalian federal state government in 2019 at a meeting of the Federal State Federation of the Green Associations in North Rhine-Westphalia. The subjects of climate change and the overheating of the cities have arrived in people's awareness and many people now know that more green areas are needed in the cities in order to increase the quality of living and life. Correspondingly, international scientists discussed ideas for more urban green areas in the future in the fall of 2019 within the framework of the EU campaign entitled "Green Cities for a Sustainable Europe".

The demand that, in the future, 5 % of the construction totals for public buildings should be used for the planting of trees would still have been condemned as an unrealistic demand a few years ago - today, it corresponds to the zeitgeist and is finding a lot of supporters.

How hip climate protection and plants are at present is also being shown by the great success of and the nationwide response to the #einheitsbuddeln ("#unitydigging") campaign on the German Unity Day. Here, people were called upon either to plant trees on their own properties themselves or to take part in or arrange planting parties. With great support from the co-initiator Fielmann, thousands of trees were planted within just a few days. According to information from the WDR broadcaster, approx. 105,000 trees had been donated by October 3 in Schleswig-Holstein alone.

In this context, the future cultivation intentions of Dutch nurseries are a cause for concern. According to a survey of 1,400 nurseries, approx. 17 % want to expand their cultivation areas. Just 8 % of the surveyed nurseries wanted to do this in 2018. An indication that the currently positive mood is so inspiring that overproduction and price battles are preprogrammed.

## **Gardens of Horror: War Has Been Declared on Gravel Gardens**

In times of climate debates, consumers are located in the field of tension between gravel gardens and bee pastures. In this situation, ever more gardeners are seizing



the moment and are sensitizing the consumers to the subject - with success: In 2019, the first cities and local authorities are meanwhile forbidding gravel gardens in new construction areas by amending their building regulations and are thus making a clear statement with symbolic power.

## **Trends in the Garden Market**

The subject of sustainability is defining the activities in horticulture. In 2019, all the other subjects seem to be subordinate to this subject. Catch phrases are, for example, peat reduction, vegan, unpackaged, bee-friendly, urban gardening, water-saving, and many others - all of them are terms which may be seen under the generic term of "sustainability".

### **Sustainability: Bee-Friendly Balcony/Garden**

Environmental awareness and the subject of environmental protection have become increasingly significant in the population at large. This development applies to both young and older people within the German population.

In the wake of the growing environmental awareness, it is possible to identify, amongst other factors, a trend towards bee-friendly gardens and balconies. The reason for this is the increased media reporting on the decline in the bee population (particularly in the wild bee population) and its effects on the world population. People are reacting to insects dying in nature by using bee-friendly plants without the application of chemicals. According to the German Federation for the Environment and Nature Protection (BUND), it has been possible to register a 75 % drop in the number of insects in the last 30 years. Correspondingly, plants with long blooming periods and high pollen and nectar contents are regarded as bee-friendly and, offered as such, are bought frequently. This trend can be found in both rural and urban areas.

### **Sustainability: "Smart Gardening"**

For some time now, reference has repeatedly been made to increasing digitalization and networking, for example, with the smartphone in different areas of life and the economy. Thus, so-called smart home products already exist in the private sphere and serve to connect the house (e.g. the heating) with the smartphone and thus to control it. So-called "smart gardening" is designated as a part of the smart home. "Smart gardening" is regarded as a large and lucrative future market. This relates to products such as mowing robots controllable with an app or irrigation installations for the garden. Precisely the heat extremes in 2018

and 2019 are reinforcing the consumers' wishes for automated irrigation systems which, using sensors, recognize the optimal point in time for irrigation as well as the required water quantity.

However, the problem in this field is that the market does not have any uniform technical standards in this regard at present. Instead, there are a lot of individual solutions and the consumers are currently still somewhat reticent about buying such products for this reason. According to the expert opinions, consumers will increasingly develop an affinity for "smart gardening" as soon as standardization is implemented here.

## **Sustainability: "Urban Gardening"**

As it has already been possible to observe in recent years, the wish for urban gardening activities is persisting in the population and may thus be called a trend.

Consumers increasingly want to cultivate their flowers and plants in spite of a limited area (e.g. in the courtyard, on the balcony, etc.). The reasons for this are the fun of gardening as well as the control and transparency of the product. Not for nothing are products such as herb or vegetable beds (rosemary, thyme, tomatoes, capsica, chillis, aubergines, etc.) and patio fruit trees (lemon, orange, cherry, etc.) very popular. Moreover, so-called superfoods like blueberries (particularly *Vaccinium Corymbosum*) continue to be hits. To an increasing extent, it is becoming the task of the traders to adjust the range policy to this trend and to expand and refine it to this effect. The trend will increase with a rising world population and a rising number of people living in cities. In 2019, start-ups increasingly discussed visions of edible vertical gardens on sealed areas and presented solutions in order to be able to supply the approx. nine billion people in urban areas on Earth in 2050.

## **Do It Yourself - Become Physically Active**

The new Happiness Study in 2019 is once more confirming the assumptions made by many experts that garden work in particular increases people's joie de vivre. The Norstat market research institute surveyed people between 18 and 70 years of age from seven European countries and the USA, from the garden guru to the non-gardener. Within the framework of the study, it was also investigated what is especially important to the consumers and what they want in their gardens. In addition to looking at the garden (56 % of the surveyed people), getting their hands dirty is important to the Germans: Harvesting crops (46 %), looking after



plants (37 %), planting them (31 %) and caring for ornamental plants (28 %) are the most important activities.

In 2020, too, the garden will thus be a place for personal satisfaction and for happiness and will become ever more popular.

No wonder that, according to a forecast made by Statista, the turnover of the horticultural and landscaping sectors as well as the rendering of miscellaneous gardening services are estimated at around € 10.02 billion in 2020. It was still € 6.51 billion in 2018.

### **On the Edge: Rates of Increase in the Online Trade are Leveling off**

For years, ever greater significance has been attached to the online trade and the stationary trade has been viewed with concern. According to the Online Monitor 2019 from the German Retail Association (HDE), the market volume in the online trade amounted to approx. € 53.3 billion in 2018. Although this still corresponds to a growth rate of 9.1 % in comparison with the previous year, the rate of increase is no longer as distinct as in the years before. Against the general development of the rates of increase leveling off in the case of the online trade, the field of handicrafts and gardens is turning out to be opposite. In this field, a 12 % increase in turnover is being registered at present and it is thus being shown to be a growth driver in the online trade.

It is assumed that the increase especially in this field is associated, amongst other factors, with the increase in the number of online shoppers over 60 years of age. This target group has increasingly discovered the online trade as a convenient shopping possibility. Its share has risen by 11 % in comparison with the previous year. The offline turnovers in this field remained largely stable.

Conclusion: People are creatures of nature and need flowers and plants but have lost their relation to nature and spend a very great deal of time in their lives in virtual worlds. Thus, the need for "green areas" in their own living environments has grown strongly. The benefits of flowers and plants are undisputed. Unfortunately, it has not yet been possible to an adequate extent to portray the advantages of the products to the consumers in a striking way, to profit from the new societal trends towards more sustainability and the presentation of themselves or to exploit these to the full.

## INFORMATION



Occasionally, good starting points for storytelling are pursued in the sector but, unfortunately, not across all the partners in the value added chain and not with one voice.

In spite of many starting points in practice, there is still a need to catch up here and, best of all, this must be forced through by the associations in the entire green sector.

In the end, all the consumers should know and have the feeling that they are missing something important for their well-being without flowers and plants and are simultaneously making a positive contribution to the environment. If it is not possible to increase the market volume for flowers and plants now, then it never will be. If not now, when then?!

Luxembourg, October 30, 2019

Andreas Löbke

CO CONCEPT, on behalf of Messe Essen for IPM ESSEN 2019

Sources:

Expert discussions as well as EUROSTAT, Agricultural Market Information Company (AMI), Association of the German Flower Wholesale and Import Trade (BGI), Trade Association for DIY, Construction and Gardens (BHB), Consumer Research Association (GfK), Association of the Wholesale Traders in Ornamental Plant Products (VGB), TASPO, German Garden Industry Association (IVG) and Gabot