

Import and Wholesale Distribution

An important feature of the market is the major influence of the Netherlands as a re-exporter of cut flowers to the UK. The largest flower auction market in the world is situated in the Netherlands, at Aalsmeer, which is only minutes away from Amsterdam Schipol airport. Exporters from around the world send flowers to Aalsmeer, where most are rapidly and efficiently re-exported, either by refrigerated road transport to Europe and the UK, or by air to more distant markets.

The Netherlands market is characterised by entrepreneurial traders - nicknamed 'Flying Dutchmen' - who buy speculatively on the auction, generally when prices are low, and then transport by ferry and truck to the UK where they sell direct to retailers throughout the country. With minimal overheads, these opportunistic traders can generally undercut the prices of flowers traded through normal market channels.

Cut flowers are also imported directly into the UK by:

- **Sea** - cut flowers, mainly from continental Europe, Spain, Italy and Turkey, are transported by refrigerated containers via the Channel ports.
- **Air** - from distant destinations such as Colombia. The principal airports are London Heathrow and Gatwick.

Specialist clearing agents are engaged by importers to receive consignments at the airport and deal with all the necessary documentation and formalities in order to facilitate speedy clearance through customs. Clearing agents may also provide handling (e.g. breaking bulk), storage and delivery services.

Traditionally, imports are received by importers/wholesalers operating mainly from the UK's only specialist wholesale flower market at New Covent Garden in West London, where bulk loads are broken down and redistributed to the provincial wholesale markets. Importers may also supply direct to retail outlets.

Although the bulk of imports are still handled in this way, recent developments have seen specialist importers receiving mixed loads away from the main wholesale market, repacking into own brand or customer branded bouquets or boxes and distributing to wholesale markets and retail outlets.

Who Will Buy?

A number of factors have influenced these developments:

- The increasing influence of the supermarkets, which demand a standard, specified product, usually a bouquet, mixed bunch or arrangement, coupled with programmed deliveries. This operation requires packing, pre-conditioning and floristry specialisation outside the general buying and selling activities of most market traders.
- The increasing popularity of 'aqua packs', i.e. flowers stood in buckets of water and packed in special cartons. This operation again requires specialised repacking facilities.

Secondary wholesalers/distributors buy mainly from the major importer/wholesalers and offer regular van delivery services to retailers.

In recent years there has been a significant growth in the activity of van salesmen. These traders are frequently small, one man businesses, buying direct from producers and wholesale markets or from the auctions in the Netherlands, and supplying retail outlets.

Retail

Cut flowers are sold in the UK through a number of retail outlets, including:

Florists

The retail market is still dominated by the small, and mainly independent, florist shops, which obtain their supplies direct from the wholesale markets. It is estimated that there are about 5,000 specialist florist shops in the UK, accounting for about 40% of retail sales.

Many florists are members of the main flower agencies, "Interflora" and "Teleflorist", which provide worldwide deliveries of flower bouquets and arrangements.

Greengrocers

Cut flowers have traditionally been sold by greengrocers, along with their usual range of fresh fruits and vegetables, particularly during periods of peak demand, such as Christmas and Valentine's Day. Greengrocers are estimated to have about a 15% market share for cut flowers.

Who Will Buy?

Market Stalls/Street Traders

These are located in towns and cities throughout the UK. They tend to purchase direct from local wholesale markets and are a traditional outlet for lower quality flowers. Market stalls are estimated to account for about 15% of UK flower sales.

Supermarkets/Multiples

Currently, sales through this type of outlet amount to only about 10% of the total, but it is expected that the supermarket/multiple share will increase substantially in future. Supplies are generally pre-packed and obtained directly from specialist importer/packers.

Others, including:

- Garage forecourts. These are almost exclusively supplied on a 'sale or return' basis by specialist wholesalers.
- Mail order. This is a recent development, mainly initiated by UK producers trying to develop new market outlets.
- Farm shops.
- Garden centres and nurseries.

The diagram below shows the channels of distribution within the UK cut flower market.

