



MARKET INTELLIGENCE UPDATES FOR CUT FLOWERS

UGANDA FLOWER EXPORTS EXCEED SH200B

Uganda's flower export volumes have risen seven-fold over the last 25 years. Likewise, revenue from flower exports have steadily grown about twenty times during the same period. Uganda's floriculture exports majorly consist of two products: cut flowers and cuttings. Just to put things in prospect, Kenya, the world's third-largest flower exporter, earns about 10 times from flower sales as Uganda. The industry holds great promise as a key export earner and employer in the region. Unemployment is high among the youth, especially females. The flower industry has the capacity to absorb the young workers between the ages of 18-45. The industry currently employs over 9,000 people in Uganda, mostly rural workers. Up to 70% of them are women, with an estimated 60,000 individuals benefitting directly or indirectly from it. Besides employment, and contribution to taxes, the flower industry has helped to reduce poverty in the rural settings. The positioning of the flower industry in the rural areas has the potential of minimizing rural urban migration and improving infrastructure (roads, electricity and water supply) and rural incomes. For every direct job created in the horticulture sector, one-and-a-half to two jobs are created in related industries, among them suppliers, packaging firms and cold storage and handling chains. Flowers and vegetables constitute the largest share of Uganda's \$500m (sh1.8 trillion) exports to the EU. In keeping up with fair trade practices, UFEA has been pushing for better working conditions for workers, including minimum wage and salaries, in addition to welfare and social benefits. All in all, Uganda is set right

on path to be one of major exporters of flower in International trade, considering all the factors contributing to high growth rate of exports.

NETHERLANDS FLOWER SECTOR WILTS AS CORONAVIRUS HURTS BUSINESS

Netherlands, often known as world's blossom trade capital. The Netherlands accounts for nearly half of the world trade in floriculture products and 77% of flower bulbs sold globally. Top destinations usually include Germany, the U.K., France and Italy. The Dutch exports overall are valued at \$6.7 billion and the sector accounts for about 5% of the country's gross domestic product. The coronavirus has grounded deliveries and shipments of all the flowers. And now the Dutch government has banned public gatherings of any size until June. People are hardly buying flowers right now. The Demand for Flowers is near zero. The country's largest cooperative of growers, which sells some 12 billion plants and flowers each year. And each day, it is only getting worse. The revenue has dropped by 85% since last month.

The Netherlands isn't the only country whose flower sector is suffering. Kenya and Ethiopia are also important producers of flowers. In Kenya, flowers are the second-largest source of currency after remittances. Seventy percent of cut flowers from Kenya are sold to Europe, most through an auction in the Netherlands. Another issue that compounds on going crisis is shelf life of flowers is very short hence there is no question of stocking. Amidst this crisis wherein major exporters are facing supply crunch, Indian exporters can rapidly capture the European market to fill the gap.

KENYA SEES 2020 FLOWER EXPORTS FALLING BY HALF ON CORONAVIRUS

Kenya's flower industry, the largest exporter of blooms to Europe, is staring at a disaster if disruptions caused by the coronavirus pandemic continue on for long time. Farms in Kenya are exporting only 20% of the 60 tons of cut flowers that they would normally send daily to markets including the U.K., the Netherlands and Germany. Europe, seeing more Covid-19 infections and deaths than China, it has become the epicenter of the virus with countries ordering lockdowns and closing borders. This has hit supply chains for trading partners including Kenya, whose roses are popular at events including royal parties in the

U.K. Almost the entire market has collapsed. since industry is on lockdown. The number of flights in Kenya reduced slightly in February from the previous month while the volume of cargo airlifted dropped 14%. If the situation continues, Kenya's flower export earnings could drop by about half to 60 billion shillings (\$571 million) or lower this year. Kenya being one of the major player in flower market could significantly hit the supply of fresh flowers. Indian exporters could exploit this gap and increase their market share in world trade.

FLORICULTURE HIT AS DEMAND FOR FLOWERS SLUMPS WITHIN, OUTSIDE INDIA

The domestic consumption of flowers and flower exports have been hit hard by the Covid-19 related shutdown in various parts of the world and cancellation of social events within and outside the country. Floriculture exports during 2018-19 amounted to Rs 571.38 crore and the total exported quantity was 19,726 metric tonnes. While Maharashtra is a leading exporter, the major export destinations were USA, Netherlands, UK, Germany, and the United Arab Emirates (UAE).