

Seminar
Innovative planting material from the EU:
'For professionals, from professionals'

October 10, 2006
Swissotel, Quito, ECUADOR



UNA CAMPANA FINANCIADA CON AYUDA DE
LA UNIÓN EUROPEA Y LA OFICINA HOLANDES
DES FLORES

The strength of Ecuadorean products on the European market

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Flowerauction Aalsmeer: Key figures for 2005 (per day)

- Turnover: € 6.6 million
- Transactions: 45,000
- Flowers: 20 million stems
- Plants: 2 million units
- People: 12,000 every day under our roof

Agenda:

1. Whats going on in the world and in Europe
 - Production
 - Demand
 - Logistics
2. What is the market asking
 - Quality and assortment
3. What has Europe to offer

Agenda:

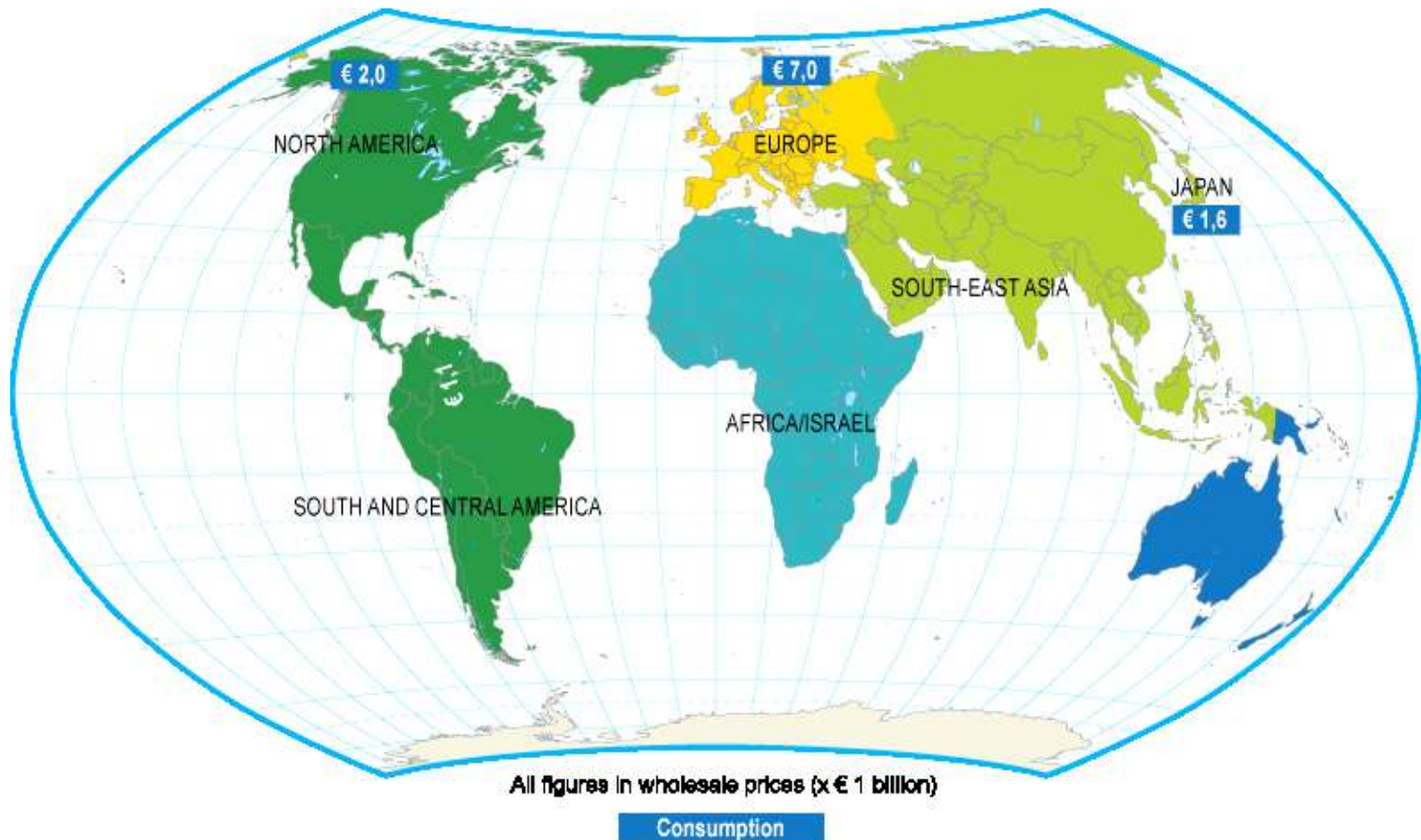
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Value of production worldwide *

- Total floricultural production: € **36** billion
- Flowers and plants € 21 billion
 - Asia € 4 billion
 - Europe € 10 billion
 - Americas € 6,5 billion
 - Africa and Israel € 0,5 billion
- Trees € 14 billion
- Bulbs € 0,75 billion

*At wholesale prices

Consumption areas of cut flowers

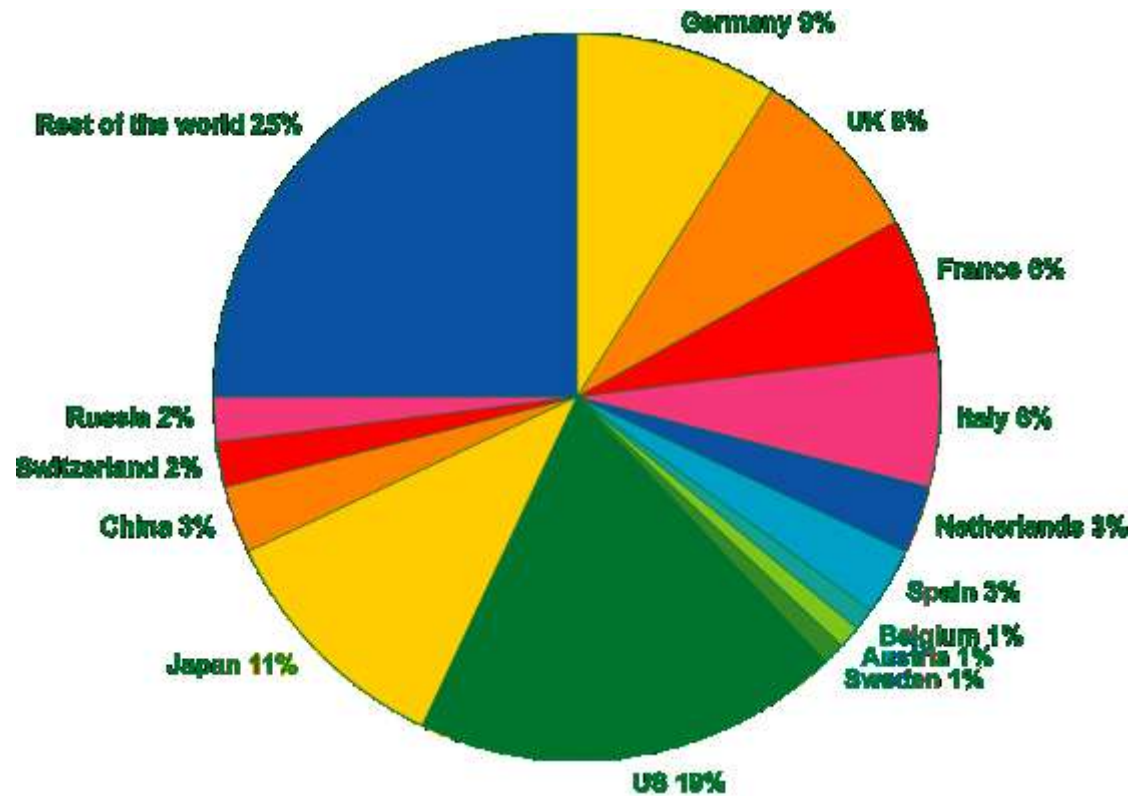


Flowers

Top ten in 2005 (by turnover)

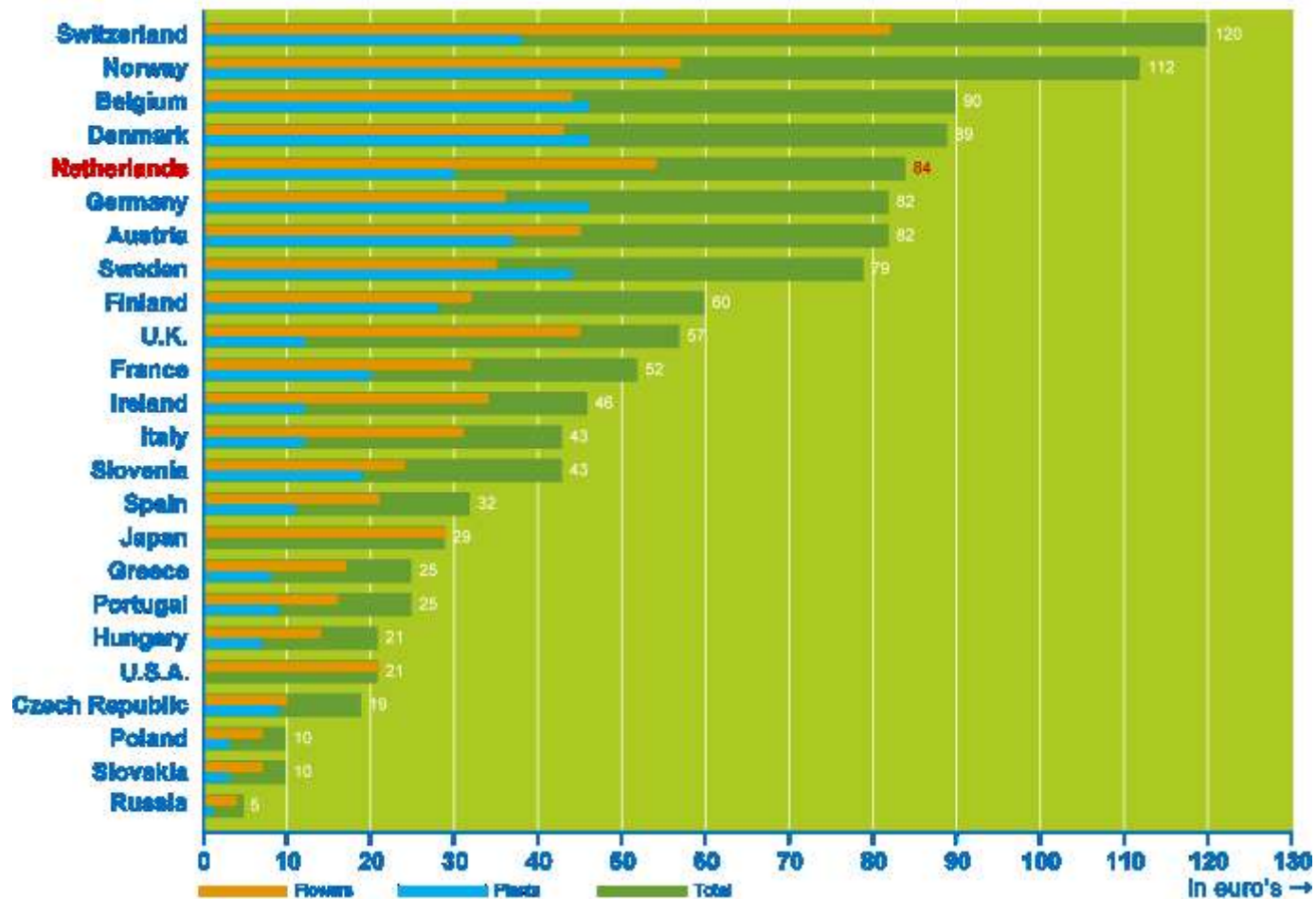
1. Rose
2. Chrysanthemum spray
3. Tulip
4. Lily
5. Gerbera
6. Cymbidium
7. Alstroemeria
8. Anthurium
9. Freesia
10. Zantedeschia

Consumption worldwide

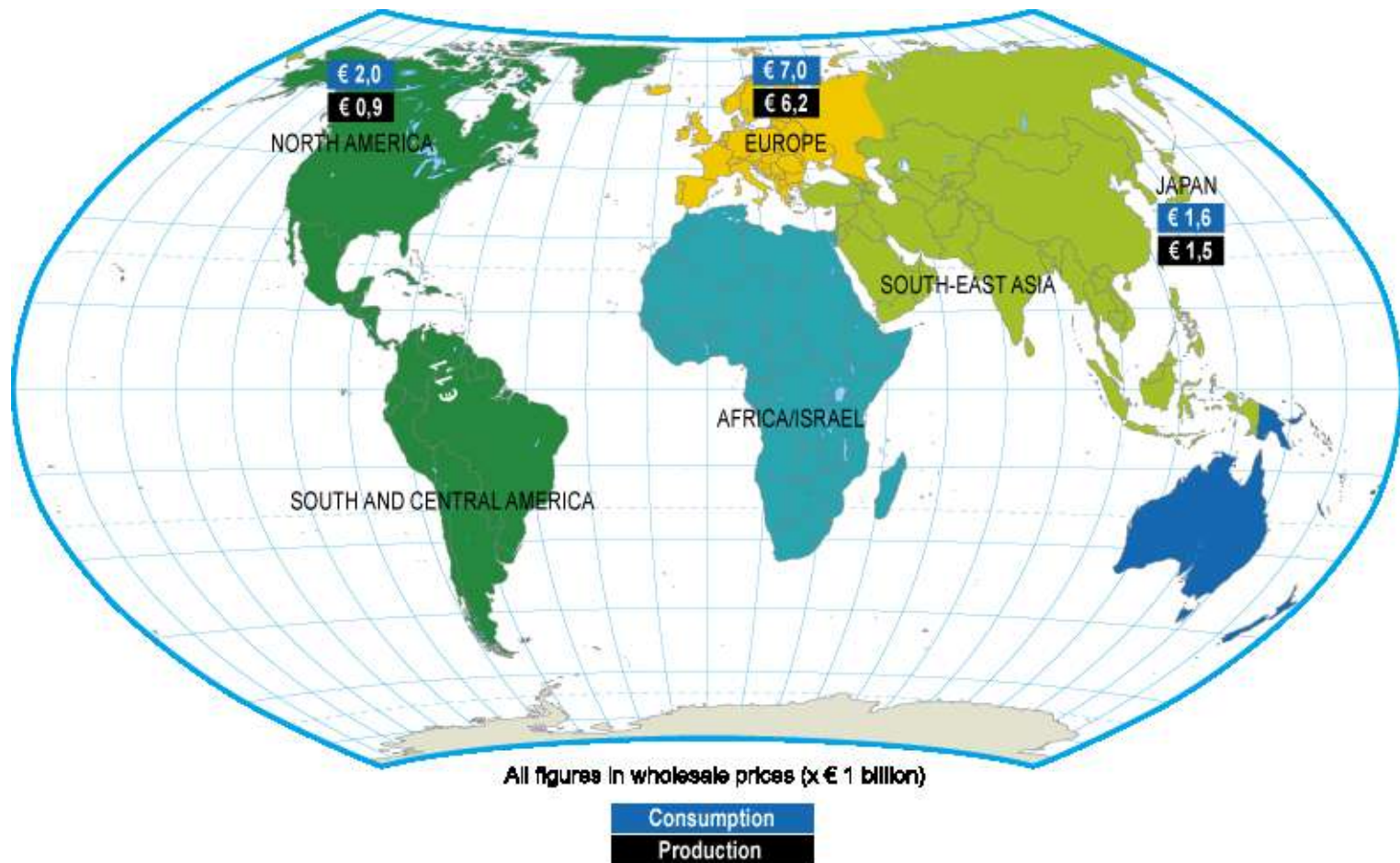


Source: Rabobank

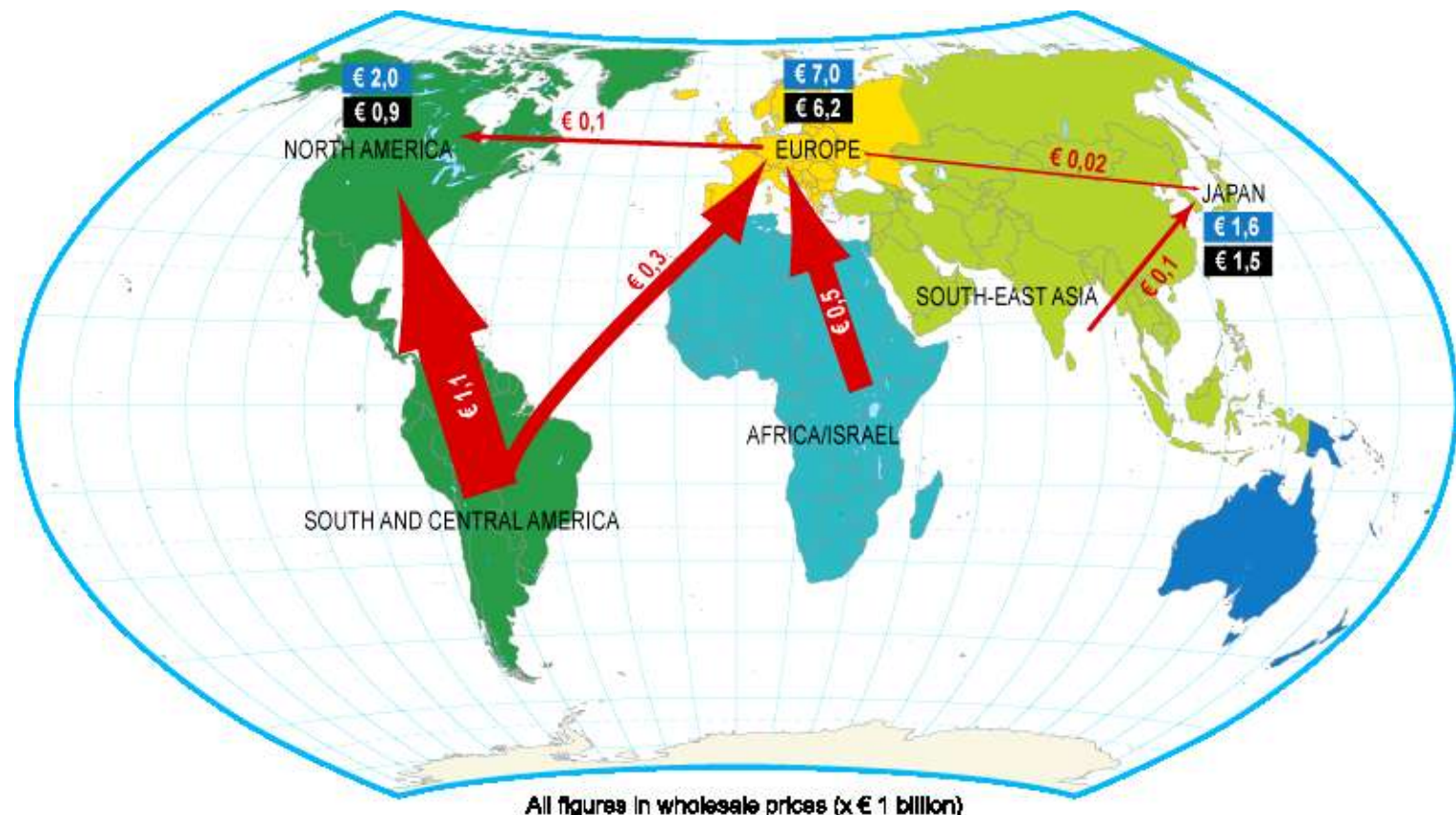
Consumption per head of the population



Production and consumption areas of cut flowers



Production and consumption areas of cut flowers



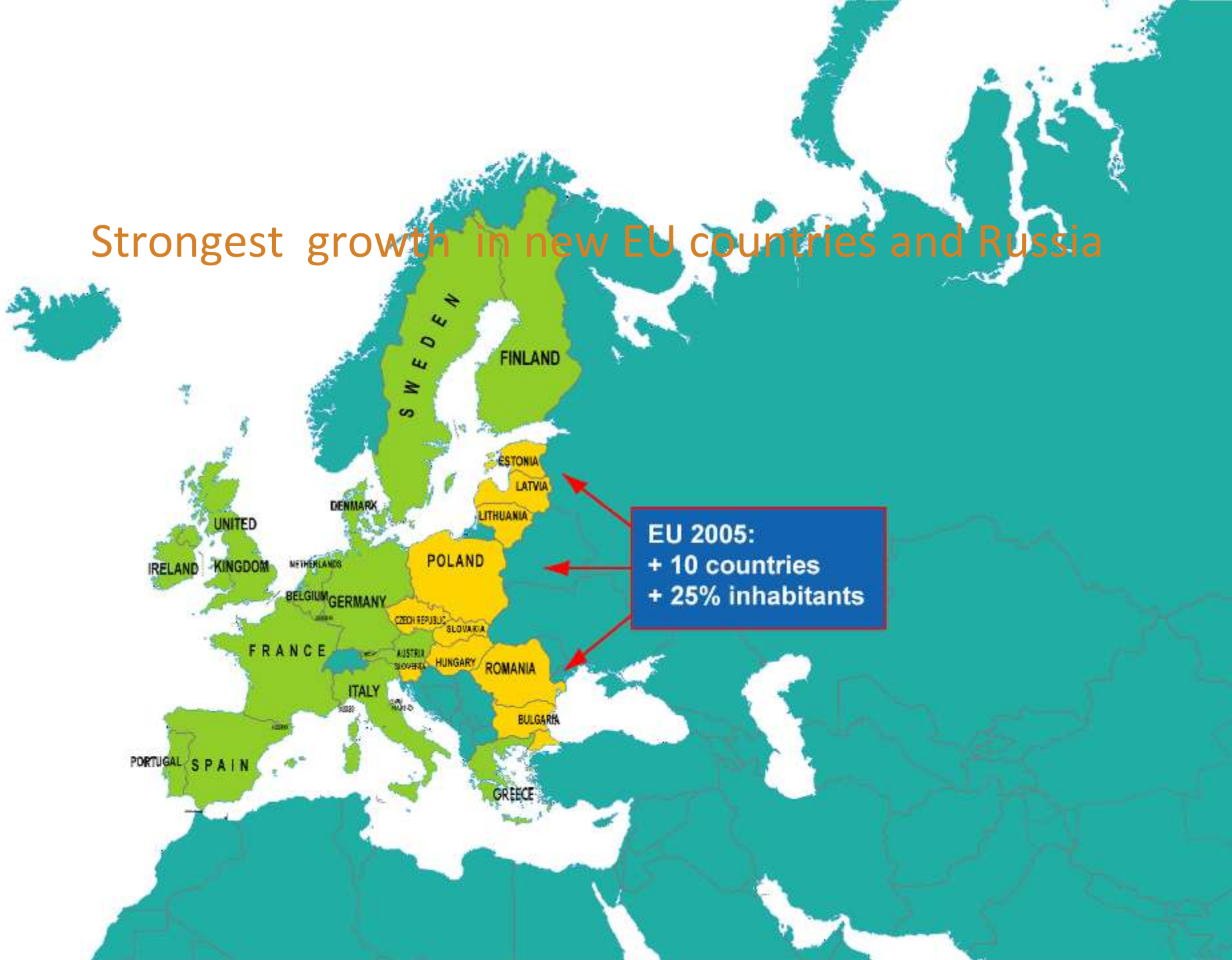
Consumption
Production
Flows of trade

Growth top 4 trade markets (2005)



Total export value:
€ 5.1 billion (+4%)

Strongest growth in new EU countries and Russia



Logistics trends

- Fresh produce: drop in value of around 15% per day (compare with PCs, with a 1% drop in value per week)
- Transactions increasingly to order (shifting risks of stocks)
- Market growth → increase in transport
- Accessibility of selling markets
- Tracking & Tracing
- Other forms of transport
 - Air, truck, train
 - Sea

External logistics

Transport times for cut flowers



External logistics

Transportation of flowers (in €)

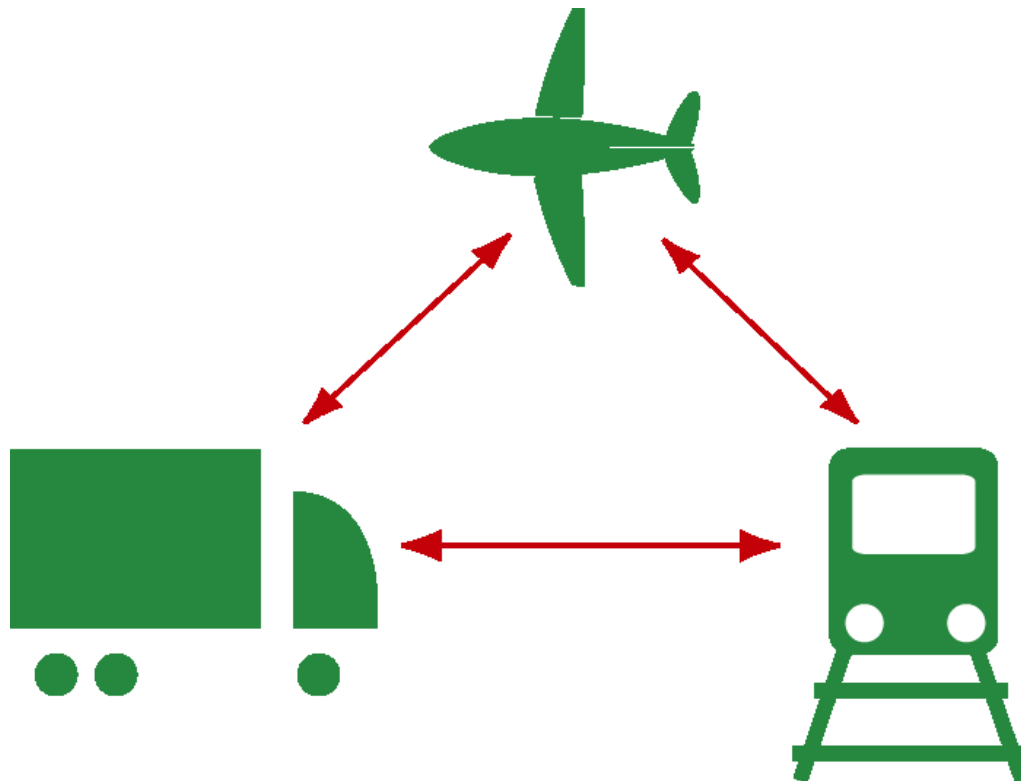


road transport: 92%
air transport: 8% (ca. 500 full freight aircrafts)



road transport: 96%
air transport: 4% (in almost every aircraft)

Good logistic supply chain



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What is the market asking:

1. Good quality
2. Assortment
3. Reliable supply
4. Information
5. Labels
 - Environmental
 - Labour
6. Logistics solutions

What is the market asking:

The market is asking for:

- Fresh products
- Smaller quantities
- Complete assortment
- Market prices and Fixed prices
- No stock risk

What is the strength of Ecuadorean products:

- Ecuador products are a brand, specially roses
- Quality
- Colour of the products
- Constant supply

What can be better on Ecuadorean products:

- Availability
- Constant supply
- Information

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A very large market



All figures in wholesale prices (x € 1 billion)

Consumption
Production
Flows of trade

Prognosis for trade until 2025



Strong network

- Thousands of entrepreneurs involved (growers, exporters, wholesalers and employees)
- Billions of flowers and plants (worldwide assortment)
- Market-orientated trading systems (clock, intermediaries, forward buying, digital)
- Efficient logistics, smart ICT
- Modern forms of cooperation
- Access to Flowershops and Retail
- Very good access to Russia

Thank you for
your attention



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