

Price hikes in commodities cast shadow over Italy's horticultural recovery



MILAN, Italy: Four weeks before opening, Italy's horticultural trade show Myplant&Garden, in association with the Italian Ministry of Agriculture has published preliminary outcomes on the country's 2020 horticultural crop production. According to the figures, the 2020 value of Italian cut flower, potted plant and nursery stock production is € 2.65 billion. This number is 4.8 per cent of production at basic price of Italian agriculture. *Explanatory note: the Italian statistics office does not provide figures on ornamental horticulture only, and on we have it on good authority that no one in Italy has the correct figures. Each organisation or institution will provide different figures. Industry professionals reckon the 2020 Myplant estimates are rather high.* In comparison to previous years, this shows an aggregate contraction of 2.4 per cent (€66 million less than in 2019). For ornamental horticulture, that drop translates for cut flowers and plants shrinking by three per cent, shrubs and trees by 1.9 per cent. *Explanatory note: industry professionals tend to think the contraction has been much more significant.*

There was a significant economic impact in March and April 2020 when the WHO declared Covid-19 a pandemic. The closing of distribution and retail channels in the horticulture industry, the destruction of significant amounts of perishable goods – around 60 per cent of cut flowers, for instance – the restrictions concerning events and ceremonies have all contributed to the sector's contraction.

Italy's wedding and event industry was a sector where the pain was felt deepest. At the FCI AIPH Global Wedding Flowers webinar in October 2021, Simona Polli, the chief editor of White Sposa, the Italian wedding magazine, spoke about how 90 per cent of weddings had to postpone in 2020, with many couples rebooking or planning their marriage ceremony in 2022.

In Italy, the wedding flower business is big business. Polli says that as a magazine, she receives lots of stories from real brides, who will spend from €3,000 up to half a million on flowers, including bridal bouquets, boutonnieres, table pieces, archways, and venue installations.

The ornamentals production worldwide in 2020 reached \$90 billion, whereas the European market has been valued at €20 billion (according to AIPH and Eurostat). According to Myplant the most significant slice of ornamentals market, with 29 per cent of production is in The Netherlands, followed at 17 per cent from Germany, 14 per cent from Spain, 13 per cent from France, and 12 per cent from Italy.

The figures from the Italian government also confirmed the country's position as an exporter of horticultural products: the value of exports has been €903 million. The positive outlook of €423 million of the trade balance is nursery stock and garden plants (+€310 million). This figure makes up nearly the majority at 43 per cent of Italian exports, followed by grapevine cuttings, fruit trees and vegetables that accounts for €129 million in exports. Cut foliage values at €104 million with a balance close to €90 million.

Horticulture is among those industries that were hit hardest at the start of the pandemic. However, it is also a sector that has shown resilience in the following months. In the first quarter of 2021, the export of Italian flowers and plants registered a staggering 33 per cent increase.

Confirming this positive trend for 2021 were figures given by ISTAT (Italian institute for statistics).

Explanatory note: ISTAT figures are based on custom declarations or presented invoices but , as said before, does not provide data on utilised ornamental horticulture area nor on value of production or exports for ornamental horticulture only.

The only shadow to this exponential rise, at the same time, is the increase in commodity pricing, which has risen by 25 per cent – this includes packaging, energy, fertilisers and transport costs.

The 27 countries that belong to the EU are the main export destinations for Italian flowers and plants (84 per cent). Around 60 per cent of Italian exports go to France, Germany, and The Netherlands .