UNDERSTANDING ITALY'S REALITIES BEHIND THE ORNAMENTAL HORTICULTURE STATISTICS

In the run-up to its seventh edition, Italy's most important trade show for ornamental horticulture Myplant & Garden released preliminary survey outcomes on the Italian garden market in 2022.

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AIPH-Approved International Horticultural Trade Show Myplant&Garden takes place at Fiera Milano Rho in Milan between 22-24 February 2023. Ahead of the event, the organisers share and comment on the latest official data available on horticulture in Italy in 2021. Very helpful as a general overview, but it is always challenging to hold it up as a true representation of Italy's ornamental horticultural industry as it lacks comprehensive, digestible, and stable reference points that everyone in our industry can agree upon. Esteemed Italian horticulture journalist, Aldo Colombo, unravels the numbers and brings more focus to Italy's ornamental horticulture sector.

A MARKET WORTH BETWEEN €3.3 - €3.4 BN

After hacking through a jungle of poorly translated, sometimes overlapping terms, unclear product categories and market segments - confusingly mixed up with trend data from the USA - the key conclusion is that the Italian garden market in 2022 was worth between €3.3 - €3.4 bn., with the first estimates for 2022 now ready indicating a growth of €5 million. In the record pandemic, 2021, sales were up by almost €40 million.

It is noteworthy that the term 'garden market', as used by market research companies such as Green Expo, Statista, Euromonitor International, and Nomisma, covers quintessentially horticultural product categories such as houseplants, seeds, pots and containers, and 'horticultural miscellaneous', whatever the latter may mean.

Also falling under the garden market scope are the growing media, fertilisers, gardening tools, lawnmowers, irrigation systems, and plant protection products for consumers on sale in garden centres.

As a result, the Myplant&Garden stats predominantly include sales figures from products sold to the end consumers, excluding large horticultural equipment usually bought by professionals.

HOUSEPLANTS

Marco Orlandelli, CEO of Organizzazione Orlandelli and President of the Consortium Myplant, commented on the recent figures, "During the second half of 2020 and the first months of 2021, sales were exceptional. Houseplant growers who believed that the market would stay buoyant proved wrong. I know many did not use the extra money earned to reinvest in their firms, buying a new luxury car instead. This group is now the first to suffer as the business environment becomes challenging. The additional costs for energy, in combination with lower demand for many plants, are now playing up. For instance, in 2022, the demand for vegetable transplants for family gardens decreased substantially compared to the previous two years because of hot temperatures and the lack of water already seen in May. Furthermore, there are several new and old competitors in the 'leisure' sector; the first is tourism. Last year, people picked up travelling at home and abroad after staying between four walls and in their garden for almost two years."

Marco stressed that the 2023 outlook for growers and traders is still being determined. "The weather has been mild, particularly in central and southern Italy. However, late frosts can still cause damage to a wide range of typically Italian-grown plants, such as the famed daisies (Margherite) from Albenga that find their way across European markets. If the temperatures remain clement, the fear is a peak in the harvest with all crops ready for the market simultaneously. Late frosts could still put a strain on product availability."

CUT FLOWERS

In cut flowers, the situation is similar or even worse. According to Cristiano Genovali, the President of AFFI (the association that includes growers and florists), 2022 started with a bang, in line with the exceptional year of 2021. "However, May brought on record temperatures. Demand – and therefore the production – decreased dramatically and is still at a superficial level. During my many years as a flower grower, I have never found it so hard to predict the market because there are far too many factors that can influence the situation. Growers received orders from their usual clients abroad and the Dutch and German auctions, but they could not fulfil the demand. Fortunately, we don't need additional lighting in Italy in most cases, but we still need to heat our greenhouses. Several growers already decided to keep their greenhouses emptied a few months ago." Cristiano continues, "The country's largest Chrysanthemum growers, for example, decided to scale down their production altogether. Many products, such as Ranunculus and Anemone, need low temperatures: therefore, in the first part of their season, their quality was low, and the average price was much lower than one year ago. For these two products, the growers (predominantly in the Sanremo area), up to now, only covered the costs of the propagating material, but the road to profit is still long. Another factor to be weighed in is transport: the average cost for a Danish trolley can be three times more than it was one year ago."

NURSERY STOCK

The good news is that the demand for Italian nursery stock products continues to be strong. Luigi Pagliani, President of Italy's National Association of Nursery Stock Exporters (ANVE), says, "During the pandemic, demand was up 30-36 per cent compared to the pre-Covid year of 2019. The only problem was that the demand exceeded the offer for some items, specifically avenue trees and hedge plants, and the growers had to drain their stocks. As a result, some growers lost 10 per cent in 2022 compared with 2021. This shortage will be solved quickly for hedges (especially Photinia and Prunus laurocerasus); meanwhile, it will take longer for avenue trees."

Pagliani went on to say that you must wait to set up a production. "You need land, water, and skilled personnel. The land is costly in traditional nursery stock growing areas, and there's sometimes a lack of water in the new areas. This happened in the dry summer of 2022. Labour shortage is a problem everywhere. In Canneto (Southern Lombardy), the ideal area for avenue trees, many nurseries have been bought by Pistoia growers. Here, the area of the nurseries increased, but not as much as could be expected. However, international buyers should know that now they can buy quality plants in the southern regions of Italy, where the growers produce a lot of Mediterranean plants that have a good demand in Northern Europe. Thirty years ago, you couldn't even imagine planting Quercus ilex in Belgium or Cupressus in France, but due to climate change, these are now the main markets for the products of my nursery. These two products are not so easy to propagate and grow in their first years, so my products are sold even before I start to plant!"

According to Pagliani, Russia's war against Ukraine did not impact export sales towards Eastern Europe, with increasing demand in countries other than Russia. "Compared with the different segments, we were lucky because the workforce costs are stable, we don't have to heat as much as pot plants and cut flowers, and the only significant increase was for commodities. I feel that a couple of good years lie ahead."

(Above) Quintessentially Italian flowers such as Ranunculus and Anemone need low temperatures to thrive. Record high temperatures in the first week of January caused the season to begin with lower quality and average prices.

(Below) Italy's love of horticulture grew during the pandemic, but growers face rising prices and plant shortages in some market segments.