



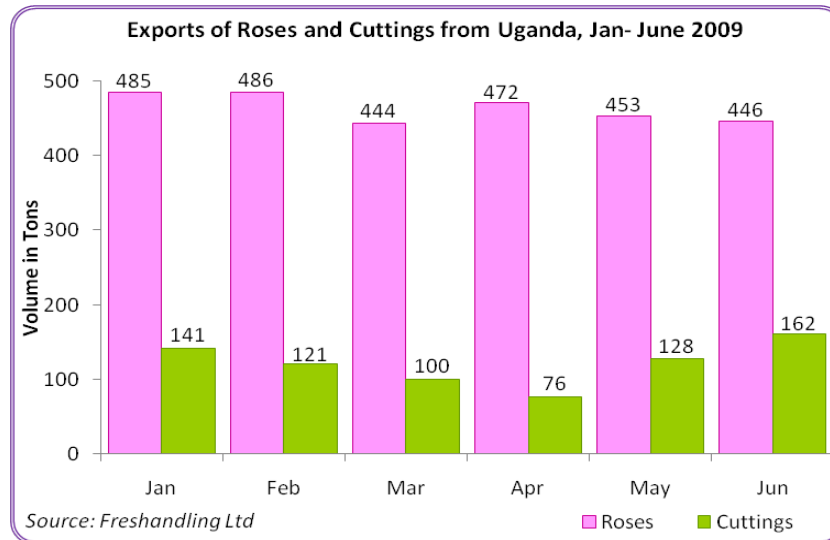
QUARTERLY FLOWER MARKET ANALYSIS

APRIL TO JUNE 2009

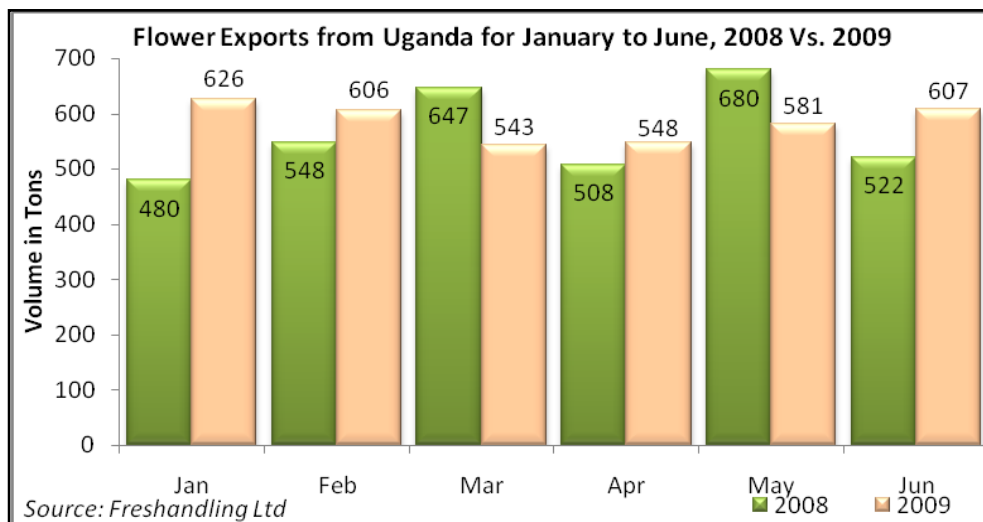
Dear Readers,

We welcome you the third quarterly flower market analysis report produced by Uganda Flower Exporters Association (UFEA). The quarterly report provides information on analysis of price trends and volumes of exported flowers from Uganda. Information from auctions provides analysis of the International flower trade

Volume Exported

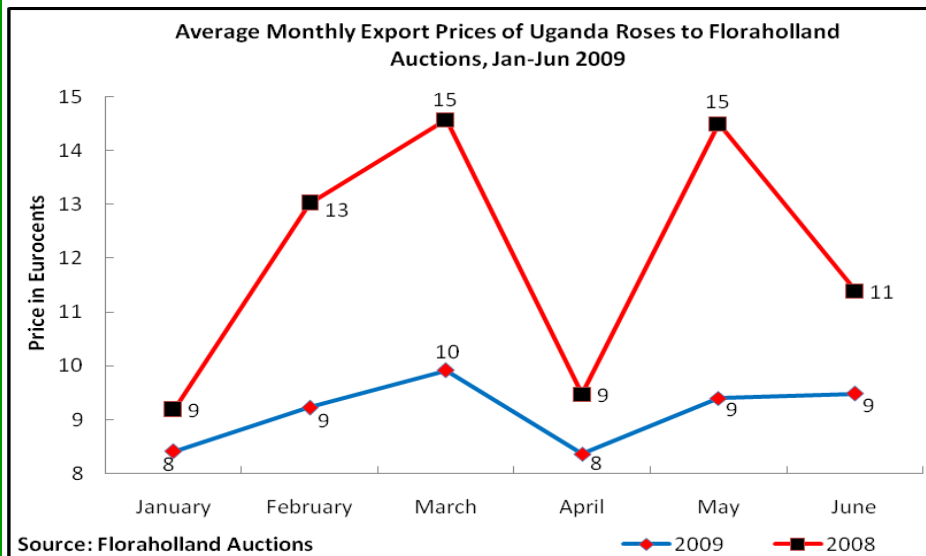


The chart above shows the volume of Roses, and Cuttings/ Potted plants exported from Uganda from January to June 2009. Between April and May 2009, Rose exports declined by 4% (472-453 Tons) and between May and June Rose exports declined by 1.5% (453-446 Tons). Cuttings/Potted plant exports increased by 68% (76 to 128 Tons) between April and May and they increased by 27% between May and June 2009. Total Rose exports between January to June 2009 was 2,784 Tons and Total exports of Cuttings/ Potted plants in the same period was 729 Tons. Roses had export share of 79% while cuttings/ potted plants had export share of 21% of total flower exports from Uganda.



The flowers exported included Roses, Cuttings and Potted Plants which are produced by 18 flower farms. In the chart above, between April and May 2009, the volume of flower exports increased by 6% (548 - 581 tons), while it increased by 34% (508 - 680 tons), during the same period in 2008. Between May and June 2009, the volume increased by 5% (581 - 607 tons), while it declined by 23% (680 - 522 tons) in the same period of 2008. The volume exported in the 1st quarter (January - March 2009) was 1,775 tons compared to 1,736 tons for the 2nd quarter (April - June 2009), a decline of 2%. The volume exported between April to June 2009 (1,736 tons) was 2% higher than 1,710 tons exported in April to June 2008. The 1st half of the year (January -June 2009), recorded flower exports of 3,511 tons compared to 3,385 tons exported in the 1st half of January-June 2008; exports in 2009 were higher by 4%.

Prices



The chart shows the trend of average monthly prices of Uganda Roses in the Floraholland Auction. The prices in 2009 ranged between 8-10 Eurocents per Rose stem. The average Rose prices from January to June 2009 were all below the average prices received in the same period of 2008. The special months of February (Valentine's day) and May (Mothers' Day) where high prices are observed did not have the expected high prices.

Prices for exported Roses from January to June 2008 ranged between 9 and 15 Eurocents per stem. High prices were recorded for March due to Easter and Women's day as well as in May due to International Mothers' Day.

Lower prices in 2009 are likely due to the effects of the credit crunch in the world.

News from the Flower market in the World

The Floraholland Newsletter for March 2009 reported that its turnover had fallen far short of their forecast due to the recession. Growers and customers had low profits and constant high costs. The sharp fall in turnover had been caused mainly by reduced exports to countries outside the Euro zone (United Kingdom, Russia), but also, for example, to Italy. FloraHolland booked 14 percent less turnover in January. The auction expected 6 percent less turnover for the whole of 2009

Due to a less demand for Roses both in the volume consuming retail segment as well as in the top-level quality segment (Eastern Europe and Russia) caused less price-competition and price rising effect in the top-level market. On the other hand there was no bottom in the market. Therefore a high competition in the middle segment, both in varieties and length, could be seen. Newer varieties with a bigger, squarer head were more popular than the smaller, thinner heads. The lack of demand made short stems less popular whereas in the middle segment there was much to choose

(Source: <http://www.floraholland.com/en/Documents/FloraHollandNewsletterMarch2009.pdf>)

Despite earlier observations on the drawback of flower exports, Floraholland was taking strides in improving its service to its clientele in the ensuing months of 2009.

The Floraculture International Magazine reported about the economic recession hitting the Dutch floricultural sector. These observations were made about the flower market in June 2009. It said that 2008 was the first time in decades that the flower and plant export sector saw itself confronted with a drop in sales value. It was the result of a number of simultaneously occurring disappointing developments such as waning consumer confidence in response to the credit crunch, which led to a drop in demand and a high rate of exchange for the euro in countries where dollars, pounds, rubles or zloty were the utilised currencies. Another factor was the winter, which was poor for sales in virtually all the export markets, followed by the very late arrival of spring. Growth markets toppled and banks and credit insurers restricted lending, which put extra restraints on trade and brought the general mood down to below zero. Earlier in March 2009 that export sales of floricultural products had shown a slight increase of 1% to € 507 million, which was due to a considerable rise in exports of pot and garden plants.

(Source http://www.floracultureinternational.com/index.php?option=com_content&view=article&id=1170:economic-recession-hits-dutch-floricultural-sector&catid=10:country&Itemid=249)