

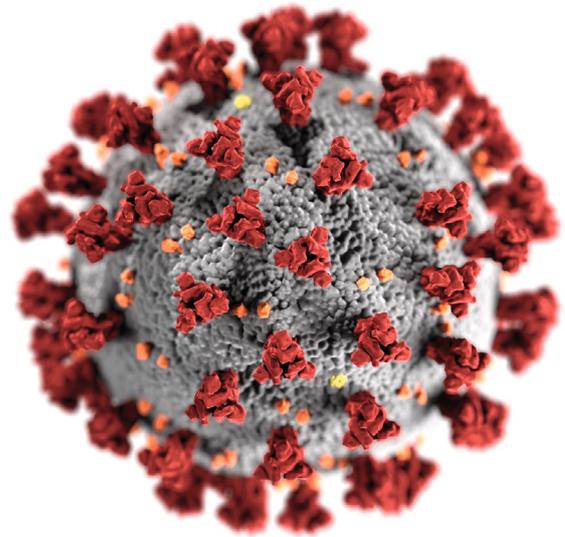


Ministry of Agriculture, Nature and  
Food Quality of the Netherlands

# Polish cut flowers growers COVID-19 report

Embassy of the Kingdom of the Netherlands  
in Warsaw

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## Introduction

In the era of the COVID-19 pandemic, like all countries, Poland faced new problems and economic challenges. The sector of cut ornamental flowers has also been strongly affected by the pandemic. The spring months are largely responsible for the annual turnover on the flower market, and it was at this time that the lockdown caused by the COVID-19 pandemic was introduced in Poland.

This period almost paralyzed the whole market and caused many Polish flower producers landed in a very difficult situation. In the face of the crisis and the problems encountered, producers have taken a number of difficult challenges and decisions about the future of their flower cultivation.

The survey was conducted in September, 2020, in the safe form of the phone interviews with the ornamental cut flowers Polish growers. The participation in the survey was anonymous and voluntary, what ensured the growers gave transparent and straightforward answers. They were asked 15-20 closed and open questions, depending on the character of the cultivation. The Report is a recap of the all interviews and presents the most important sector's problems and issues during the COVID-19 pandemic, but also includes the main facts about the Polish production of cut flowers and its future.

The Report was conducted with the support of partners:

### Patronage



The Association of Growers  
Horticultural Ornamental Bulb Plants



The Scientific and Technical Association of  
Engineers and Technicians

### Partnership



## Flower bulbs



### Polish customer

The passion of the Polish customer for flowers has its roots in the rich tradition of celebrations and many occasions of giving flowers. The growing need to buy more and better quality flowers have become a key factor in the development of Polish bulb flowers production.

All interviewed producers of bulb flowers point out, that every year they observe demand increase for flowers. The customers buy flowers not only for diverse occasions like name day (celebrated like birthday in other countries), but also for themselves. Especially in the spring time, customers want to surround themselves with fresh flowers. For this reason, tulips become in Poland the most loved spring flowers.

It should be also emphasized, that the Polish consumer pays attention to both the quality and variety of tulips offered on the market. The growing interest in flowers and customer preferences determine the development of Polish bulb flower production, that occurs in diversification of varieties from one side and investments in technology on the other side.

### Polish bulb flowers growers

Interviewed producers are gardeners derived from family traditions. Their passion for flowers and many years of the experience is the foundation of the company's development. They grow about 30 - 200 varieties of the tulips, and some of them other bulb flowers like lilies (20-30 varieties), gladiolus, hyacinths and others.

They notice that over 90% of the bulbs are imported from The Netherlands and a few per cent from New Zealand. The plant material from Poland is of marginal importance. Both growers and customers are very pleased with the quality and varieties of the offered bulbs and the variety of the varieties. Growers observe the trends and emerging news on the market and constantly improve their offer to meet customer expectations. On the other hand, they observe a large supply of tulips on the market, thereby lowering flower prices. The lower tulip prices, with rising production costs, generate less profitability.

Moreover, Polish producers admit that their cultivation is based on increasingly modern production lines. Constructions, greenhouse facilities, and equipment for the vast majority come from the Netherlands – the cradle of the tulips cultivation.

All growers intend to continue and develop this effective cooperation in the future. The main season for their flowers falls in January – May and the lower scale season falls in September – December.

## Sale of the tulips during the COVID-19 pandemic



The first effects of the coronavirus pandemic were recorded by Polish tulip producers on 13th March 2020, the same day that tulip prices on the largest flower market in Aalsmeer stalled at zero. The strict lockdown due to the threat of COVID-19, was introduced in Poland in the middle of March and finished in the middle of May. Due to the restrictions prevailing at that time, people could only walk out of the house for a valid reason, e.g. going out to buy food products, going to the pharmacy, visiting a doctor. There was a ban on gatherings and all events, and unjustified leaving the house was punished with a high fine. Schools,

universities, cultural institutions, sports facilities and parks were closed. The activity of the sectors such as: tourism, gastronomic, event, beauty and most other services provided by entrepreneurs has been extinguished. All these restrictions have paralyzed the economy, and caused limited flow of customers in shopping galleries, food markets and closure of stable flower markets such as wholesale markets, garden centers, flower shops and local bazaars.

Due to total crisis, Polish government decided to ensure the financial support for farmers in September. But all interviewed growers acknowledged, that while all have applied for one-off financial support for affected farmers during the COVID-19 epidemic, implemented from UE funds (PROW 2014-2020), the maximum amount of € 7 000 was very low in relation to the losses incurred, difficulties in paying financial obligations and the continuing crisis.

The peak season for tulip sales in Poland is in March and April when flowers are sold for occasions like Women's Day, Easter, or popular name days (celebrated in Poland similar to birthdays in other countries). This period was the most difficult for growers, because the sales fall by 70 - 80 % due to withdrawing contracts by popular supermarket chains and limited interest from the detail clients caused by the lockdown in Poland.

Producers stayed with thousands of tulips on their farms, and most of them had to deal with sudden lack of demand by:

- ◇ straight from the production flowers went for compost (first 3 weeks) to limit the supply
- ◇ flowers were handed over flowers to the local hospitals and social care homes (promotion such #givingflowers - building positive emotions among the local community and building a good image of the company)
- ◇ diversification of sales channels: websites, social media ads, friendly flower shops and friends direct sale (following the prevailing procedures) – delivery of the flowers to the customer or the possibility of receiving flowers directly from the farm.

**The average price for the bunch of 25 tulips – € 4,5**

**The average daily sales of tulips stems – 2 000 stems**

In the following weeks, sales of tulips gradually increased, with the economy thawing, the opening of stock markets and florists, and greater demand for flowers. Customers who stayed at home for longer felt the need to surround themselves with flowers, but also consciously, wanted to actively support Polish producers.

## Sale of the tulips in food markets during the COVID-19 pandemic



In recent years, Polish growers have been observing an even-increasing demand for the availability of cut flowers in markets at the 5 - 7 % annually. The price of tulip produced in The Netherlands is lower, but usually those which are exported to Poland are small-weight tulips. Polish growers grow tulips mainly from bulb size 11+ and can therefore provide markets with bigger flower size tulips. The greatest demand is recorded on Women's Day and the Easter period, then the markets prefer to offer the better quality at a higher price, which guarantees an increase in profits and customer satisfaction. The biggest tulips growers agree on the importance of food markets - their key recipients - in the pandemic crisis.

During the lockdown the strict regulations were introduced in food markets to ensure the highest safety for their customers. They concerned not only the application of all protective measures, but also the limits on the number of the customers who can stay in the sales room at one time and the designation of safety zones in the checkout area to ensure an adequate distance between customers. This resulted in a decrease in the number of customers served during the day by as much as 90 % (from 500 thous. customers to 500 customers).

**While a customer interest in buying tulips in the markets has not decreased, especially due to the high demand recorded during the spring and Easter period, tulip sales have decreased with the decrease in the number of customers in the markets.**

Most interviewed growers noticed a drastic decrease of 70 % in the sale . All their previously agreed orders had been stopped in the first 2-3 weeks of pandemic. But during the next period of the pandemic food markets have largely proved to be a worthy partner and have decided to support Polish producers during this difficult time. Both sides suffered losses, both considered it better to sell tulips for a lower price than to throw them away. Therefore, the vast majority of food markets orders were carried out without major changes in the flower quantities, and growers noted a decrease in the volume of the sales of tulips within a maximum of 30 %.

At the same time, the sales of flowers to the markets during this period fluctuated below the cost of production, as some producers claim, decreased by 25 % from the contracted one. A significant reduction in the sales price of tulips by the producers resulted in lower tulip prices offered to customers in food markets, thus encouraging the customer to buy flowers despite the prevailing pandemic.



## Trading losses

According to the respondents, the first weeks of the pandemic caused by the paralysis of the economy resulted in the greatest trading losses, mainly due to a decrease in sales of 70 - 80%. Importantly, during the lockdown period, the lack of sales of Polish tulips to eastern markets also contributed to the increase in the trading losses. Regular customers from Lithuania and Latvia provide around 50 % of their sales to some producers every year, and the producers themselves admit that they have been seeing increasing demand for tulip sales in eastern European countries for 5-6 years.

The decrease of the losses have been possible by:

- ◇ big part of the tulips was sold for Valentine's Day and for Women's Day
- ◇ increase of tulips sale after strict lockdown period in Poland
- ◇ sale of other flowers in next months e.g. lilies
- ◇ diversification of sales channels

The growers also recorded the greater sales of flowers in May-September, due to the increased number of ceremonies that could not take place in the end of the lockdown.

Despite major difficulties on the market, interviewed growers highlighted, that overall estimated losses to be relatively small. Most of them estimated their losses eventually for 5-10 %. **The initial big losses from early Spring were covered by increased sales in late Spring and Summer.**

Another important factor which also have caused the losses have been the strengthened euro exchange rate.

## Negative impact of the strengthened euro exchange rate

All growers acknowledged, that the increase in the euro exchange rate has strongly affected the production overheads.

That have resulted in:

- **increase in the cost of purchasing planting material**
- **increase in the cost of purchasing material and needed equipment**
- **decrease in profits**
- **increase in the level of recorded losses**

## Growing expenses of production



Most producers have noticed an increase in production costs, mainly due to the destabilization of the euro exchange rate. This consequently resulted in an increase in the prices of imported goods (payments in euro) and key in the production of tulips.

As key costs growers listed:

- ◇ costs of multiplication material
- ◇ planting material costs
- ◇ costs of machinery and equipment

In addition, some of growers stressed that the additional costs during the pandemic was the purchase of the personal protective equipment ensuring the safety of the staff of the company and their clients throughout the production cycle.

However, overall, the interviewed producers acknowledged that the increase of production costs didn't have significant impact on the profitability of production.

## Debts

The vast majority of the growers admit that, despite such a sharp decline in flower sales and the economic crisis caused by the pandemic, they have not faced debts or outstanding debts.



To help producers, Polish government initiated several support measures such suspension of payment of the national insurance contributions for a period of 3 months and investment payments standstill for a period of approximately 6 months. Most of the interviewed producers benefited from this solutions.

Smaller expenses and fees, e.g. leases and other liabilities, were defrayed by the company financial means or with the support of the family.

Others have postponed the implementation of planned investments for next year, but financed largely from the investment loans.

## Next season orders

Despite the chaos caused by the pandemic, all growers admit, that their orders were executed without any obstacles.

All ordered bulbs and needed equipment are available and provided to them by the regular suppliers.

However, it is important to stress that the modification of the payment method have taken place. In recent years, some producers have been able to pay for the ordered goods in 2 instalments in a pre-several months: the first, when picking up tulip bulbs and the second: after the sale of grown tulips on the market.



Now, in times of crisis, each party is forced to make the effective moves to restore liquidity and minimize the possible losses, resulting in the implementation of new rules, which is the whole payments obligation on delivery. This is such a difficult situation that Polish growers are currently preparing to plant the tulips for the next season.

However, they hope that the pandemic period will no longer be as acute for both sides and for all of us.

## The forecasts and expectations for the second wave of pandemic

A key factor for growers to guarantee the profitability of the production is to maintain demand at the current level of profits, which means maintaining the markets for the flowers produced.

If the second lockdown is introduced in the face of a next wave of pandemic, the demand will fall again. It is possible that this time it may prove even more difficult for the flower producers, due to the already prevailing economic crisis and its effects on the customers themselves, e.g.:

- ◇ increase in unemployment
- ◇ introduction of shift work
- ◇ reduction in earnings
- ◇ indebtedness

All these factors consequently lead to reduction of the consumer affluence and minimize spendings done by the client.

In addition, producers are concerned about a renewed strict restrictions, which undoubtedly put another flower production season in uncertainty:

- ◇ closure of borders for customers and employees from outside the country
- ◇ closure of flower markets, wholesalers, flowers shops or bazaars
- ◇ restrictions on the organization of larger celebrations
- ◇ increasing the distance in the markets and thus reducing the number of consumers served per day
- ◇ unstable euro/złoty exchange rate

Despite the situation, the growers hope that in the face of an uncertain future and with experience of the first wave of pandemic, both their partners and the industry as a whole will support each other. They believe that it is worth developing the best solutions that will keep production levels stable and ensure the accounting liquidity.

## Ideas for making provision for new wave of pandemic

Depending on the scale of the tulip production, the type and technologies used on the farm and the need to maintain the development cycle, interviewed growers have a few concepts that will minimize difficulties and limitations at the various stages of flower bulb production:

- ◇ with more investment and a possible risk of weakening the number of employees due to quarantine and/or coronavirus infection, the number of employees will be increased by around 10 -15 %
- ◇ maximum safety throughout the production cycle: the division of workers into 2 teams working in separate halls, which will ensure the required distance and minimize the risk of infection and in case of possible infection or quarantine, only the infected zone (one hall), not the whole farm - will be closed
- ◇ introduction or increase of diversification of tulip varieties (early, medium and late blooming) - dividing the production process into different flowering seasons of tulips, instead of cumulation of production during the same period (the most popular date), will ensure the continuity of sales of the entire crop, and in the case of a lockdown, will reduce losses incurred only the most difficult period, and the rest of the crops will have a chance to sell in a better period
- ◇ diversification of sales channels - introduction of online sales through a modern website, social media



## The future of Polish tulips cultivation



Most of the growers confirm that despite such a difficult situation caused by the pandemic and the uncertainty they face in the run-up to next season, they want not only to keep their production at a similar level, but also to consistently implement their plans for the development of the flower business.

And so some of them intend to **increase their production even in the coming season by 10-15%**. The increase will concern not only the amount of new planting flower bulbs and the variety of varieties, but also the purchase of equipment and the introduction of new technologies or production lines. It is also a continuation of the actions started before the pandemic period, when some of the advances have already been made. Other payments in this area and additional equipment are currently being finalized.

In addition, some producers decided to sweep away the additional crops of other flowers e.g. lilies, roses and specialize only in the production of tulips, and thus allocate the freed areas for the cultivation of tulips.

At the same time, a significant proportion of producers confirmed that they intended to produce at their current level, according on schedule that was developed before the pandemic period. Thus, their planned purchase of the new machines and fixings was postponed to the following year.

A smaller number of the growers decided to reduce their production by around 5 % due to the excessive risks and difficulties that have arisen on the cut flower market, mainly due to the coronavirus pandemic.

## Roses

### Polish customer



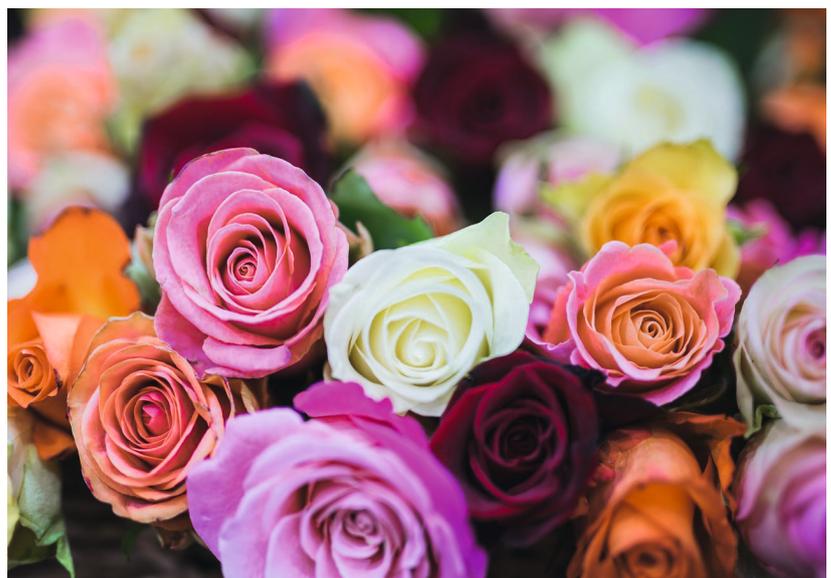
The undisputed queen of cut flowers for Polish customer still remains the rose. These flowers are most willingly bought by many for simple and special occasions. Growing demand for the roses has also a strong impact on the whole wedding, event and interior design sector. For this reason, roses are chosen both by clients and florists for the bouquets and the most unique ceremonies, but also by stylists and influencers, who very often present the roses on their social media channels.

### Polish cut roses growers

Polish rose cultivation per cut flower is estimated at about 120 - 150 hectares of area and is characterized by a very high fragmentation of farms (1.5 – 2.5 thousand square meters). The largest proportion of producers (more than 90%) grows roses with a winter break, where the harvest lasts until the end of November, while only few producers are specialized in a year-round cultivation.

Interviewed growers grow 20-70 varieties of roses per cut flower. Some of them specialize in production of rose itself, some produce also other popular cut flowers.

Their flowers are usually supplied by the Polish/local market, through the largest wholesale markets, wholesalers, and several growers export roses to countries from Eastern Europe. Polish producers have been engaged in family farms for many years. However, the growing role of competition for rose cultivation in African countries raises many concerns and has a significant impact on the planning of the future and shaping new directions of development of Polish growers. Despite that fact, most interviewed producers still want to continue to grow their crops, meeting new technologies, trends and market challenges.



## Sale of roses and profitability of the cultivation

Despite the huge popularity of the rose and the ever-growing demand for these beautiful flowers, the area of cut rose cultivation in Poland decreases every year. This is mainly due to the increasing import of roses into Europe in last years, which has a major impact on the Polish market, already weakened by imports of the roses from Europe alone.

The production decrease in the production of cut roses in Poland is influenced in particular by:

- ◇ very high and ever-increasing competition from African and South American countries
- ◇ rising costs of modern technologies
- ◇ rising energy costs
- ◇ increasing customer awareness and requirements (trends, variety of varieties)
- ◇ lack of institutional support

The key factor reducing the profitability of Polish rose production is the increasing competition. Most of the roses sold on the Polish market come from African countries and Columbia, Ekwador, countries, which are sold by the markets in the Netherlands.

Moreover, interviewed growers are facing rising production costs:

**The price of selling a rose has not changed in more than 15 years!**

**At the same time , prices are up:**

**Energy costs – fourfold**

**Fuel costs – eightfold**

**Labour costs – sixfold**

**Crop protection products – repeatedly**

All these factors make Polish growers abandon the rose cultivation, or convert these areas into other species of flowers or to a narrow specialization to of one species e.g. tulips.

Many producers have given up the production in the last few years, or intend to give up from the next season. These decisions, however, were not affected by the period of the pandemic caused by the coronavirus, and the actual, declining profitability of growing roses for cut flower.

Only a few growers, who constantly develop their production range, adapt to the needs of the customer / market and develop technologies, look to the future optimistically.

It should be mentioned, however, that almost all Polish rose producers carry out:

- ◇ diversification of production based on other flower species
- ◇ diversification of services e.g. flower wholesalers, own network of outlets, contracts with foodmarkets or the organization of floristic events e.g. floristic demonstrations, workshops
- ◇ diversification of sale channels (website, social media)

The comprehensiveness of these activities minimizes the risk of losses due to competition or high production costs, increases the chances of profits and thus increases the profitability of the company.

## Sale of roses during the pandemic

The year 2020 began for the rose growers quite promisingly. They satisfactorily evaluate the sale of roses during Valentine's Day and Women's Day, the most popular occasions for handing out flowers, especially the invariably reigning rose.

Caused by a pandemic lockdown introduced in mid-March, it proved to be the most difficult for rose growers in year-round cultivation, when roses were at the peak of flowering. The period of the first 2-3 weeks caused the biggest decrease in sales (over 70%) and losses in production, because the wholesalers were blocked or severely limited. Interviewed growers have taken various, difficult, but still effective actions during this difficult period which allowed to minimize further losses :

- ◇ flowers were composted directly after cut instead of to the sorting plant, which reduced the production costs
- ◇ flowers were given to the local hospitals and social care
- ◇ sale of roses in form of deferred payment
- ◇ non-stop sale through its own sales and distribution network
- ◇ sale of roses to markets at a significantly reduced price

Importantly, producers could count on a gradual improvement in the situation on the flower market in April. While the strict lockdown continued, food markets, flower exchanges, flower wholesalers and most of the flower shops tried to be up and running in a new reality. Consumers needed the positive emotions that flowers always evoke and were increasingly willing to return to their habits, especially due to the upcoming Easter.



Food markets tried to maintain the planned level of sales by negotiating slightly the prices of roses from producers, as did existing contractors e.g. wholesalers, which in turn took care of constant supply for their customers – florists. The latter were increasingly willing to provide their services, offering additional deliveries of flowers directly to the customer, in compliance with all safety standards.

All these factors have positively influenced the gradual increase in sales of roses throughout the flower industry chain. However, it should still be stressed that producers have seen a decrease in sales of roses estimated at around 20 %.

All interviewed growers considered May and June to be the most favourable sales period for roses, which was influenced by:

- ◇ gradual loosening of the lockdown (since the beginning of May)
- ◇ significantly reduced imports of rose, which in turn resulted in a very favourable increase in the prices of Polish roses
- ◇ gradual return to the organization of popular ceremonies and events:
- ◇ first communions, baptisms, weddings, Mother's Day.

Polish producers also confirmed the prevailing trends in the sale of roses. White, creamy and pastel varieties were the best sold in that time, however, due to limited imports of roses and a smaller market share of other seasonal flowers, in particular lisianthus, there were also higher sales of the rose itself.

This significant “revolution” in the flower market has increased profits from rose sales and to some extent helped make up for losses incurred in the initial pandemic period.



## Trading losses

Most growers admit that they have ultimately not suffered from the significant losses due to the pandemic. The key to the sale of the celebrations such: Valentine's Day, Women's Day, have ensured the stable profit for rose growers already at the beginning of the year, before Poland has been affected by the effects of the pandemic. The first three weeks of March caused market paralysis, and it was during this period that producers recorded the biggest losses, because some of the blooming roses had to be thrown away. However, relatively quickly, producers began to make up for their losses, especially thanks to limited imports of roses and other flowers, which resulted in increased profits after the lockdown period.

## Negative impact of the strengthened euro exchange rate



According to the opinion of interviewed growers the increase in the euro/ zloty exchange rate didn't have an important impact on general production costs in the peak moment, but caused an increase in prices in the May and later:

- ◇ increase in the cost of purchasing materials and equipment
- ◇ increase in the cost of crop protection products
- ◇ increase in cost of fees for license production

## Growing expenses of production

The producers agree, that the pandemic did not result in a significant increase in production costs. Most of the fixed costs remained at a similar level, and the additional expenses ensuring the safety of employees and customers were negligible overall.

## Debts

It should be considered positive that the effects of the pandemic did not shake the financial liquidity interviewed rose producers. Most financial commitments are regulated on an ongoing basis by producers. The investments started or planned related to the development of the company, they plan to implement in accordance with the caution and keeping a close eye on the market situation during the pandemic.



## Orders

During the pandemic, logistics proved to be a key factor in ensuring safe and efficient order fulfillment. For this reason, most growers, who have their own fleet of modern vehicles, were able to guarantee their customers a timely and efficient delivery of flowers and thus ensure stable and smooth sales.

In addition, the producers acknowledged that since April, most customers have not reduced their orders, and in May the number of flowers sold significantly increased, due to limited imports of flowers and a gradual increase in organized celebrations.



## The forecasts and expectations for the second wave of pandemic

All producers acknowledged that it was crucial for them to maintain pre-pandemic demand, but also stressed that, despite the difficulties, they eventually made good profit thanks to limited flower imports. The most difficult for the sale of roses were restrictions on the organization of important celebrations (weddings) or events.

Producers hope that the next season will not be so heavily affected by the pandemic, and may even bring the industry increased profits, as a result of the event cumulation that could not take place this year.

Rose growers also admit, that it is very difficult to assess how the next phases of the pandemic can affect the production and sales. They have a lot of concerns, but they don't intend to give up. On the contrary, everyone wants to actively implement their plans, ensuring safety for their staff and meeting expectations of customers.

They hope, that the pandemic situation will calm down, and that, with the highest security measures in place the organization of celebrations, events or cultural events will be possible again and roses will again gather the attention of the clients and the demand will grow.

## Ideas for making provision for new wave of pandemic



Rose producers attach the utmost importance to ensuring maximum safety at every stage of production, logistics and sales. They have all confirmed that they are prepared for the next wave of pandemic, but they also acknowledge that they have great concerns about the aftermath of the ongoing pandemic.

The most important solutions are:

- ◇ shift work, division into teams, with the recommended distance and all needed precautions
- ◇ introduction of partial remote work for office workers
- ◇ optimization of the production process in a crisis situation
- ◇ efficient supply chain management
- ◇ effective communication with customers and reliable cooperation e.g. joint campaigns and other promotional activities
- ◇ diversification of sales channels - online sales, social media.

## The future of Polish roses cultivation

Considering the enormous dynamic of the directions of development in the field of world rose growing, producers are constantly facing difficulties in the flower market.

Consequently, most interviewed growers have confirmed, that while the coronavirus pandemic adversely affects the sale and development of cut rose production, this is only an additional element in terms of the implementation of the cultivation strategy.

All producers acknowledge that the prevailing situation raises a lot of uncertainty and fear for the future, but they are also aware, that the attitude of functioning and further development is to implement the intended plans or take on new challenges.

A significant proportion of the producers acknowledge, that the increasing profitability of cut rose cultivation results in a reduction in the area under roses and is used for other species of flowers, especially less labour-intensive and less energy-intensive ones. For this reason, some interviewed producers have given up on the rose crop parts for the past 2 years, and several are planning to give up in the coming season. However, they admit that the coronavirus pandemic was not the basis for such a decision.

Thus, other producers acknowledged, that despite the pandemic and the precarious situation, they intend to pursue production at the current level, continuing to develop modern solutions, but with caution when making the important investment decisions. Importantly, they continue to keep a close eye on the market and trends to improve their sales offer and take care of the variety of varieties to meet customer expectations.

The best future for rose cultivation is assessed by producers, who are still developing their production range and methods and investing in the latest solutions and technologies, as well as those who diversify their services, offerings and sales markets.

However, regardless of the pandemic and market trends, Polish growers agree, that they do love these royal flowers, the cultivation of roses is hard work, but for many years it has been a passion for them, and the vast experience and ambitious plans allow them to look forward with optimism and still look for new inspirations.



## Lisianthus

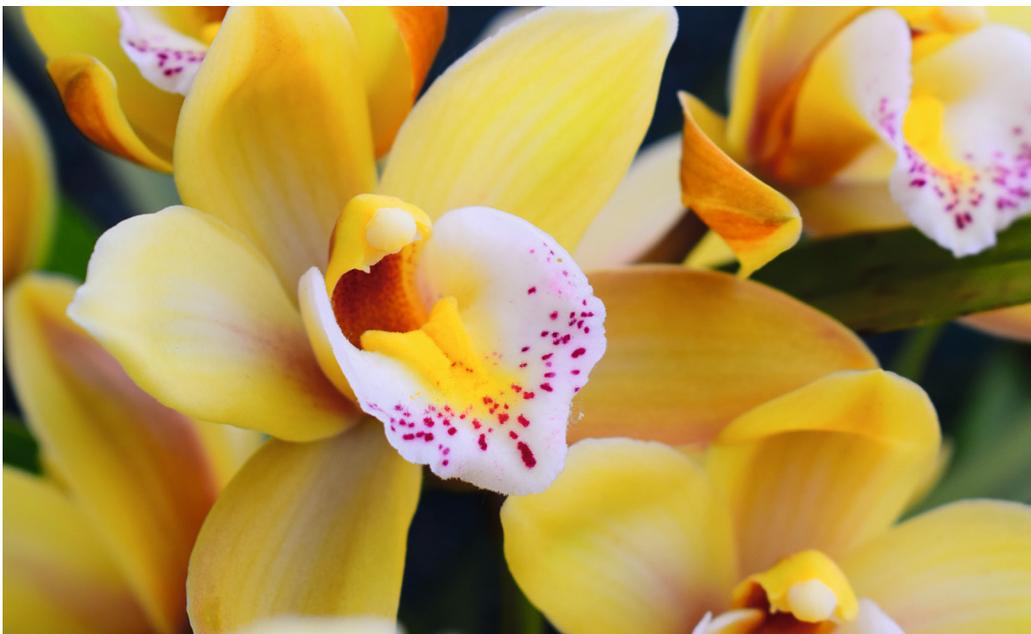


The lisianthus has been growing in popularity in Poland for many years due to its extraordinary durability and multiplicity of flowers, attractiveness of varieties. This beautiful flower is very popular among florists especially to use for romantic wedding decorations and for glamorous occasional bouquets. However, due to strong competition from The Netherlands and African countries and with import of these flowers to Poland, national lisianthus production is decreasing.

Interviewed growers confirm, that they continue to successfully grow lisianthus, but alongside other species of cut flowers. At the same time, the time of the pandemic is the time of new deeds and new challenges. Producers faced the biggest market crisis in early spring, and this period has also proved to be crucial to the decision to plant lisianthus for the late spring and summer seasons.

As so, all those who are able to cope with the fact that despite the pandemic and sublime, they won. This was because, at the moment of the flowering lisianthus, there was a gradual reduction in restrictions, especially in terms of weddings, communion and other popular celebrations. Thus, limited imports of flowers, for a lower supply of these flowers on the Polish market, and for the supply of Polish lisianthus to be sold, as well as an increase in prices, even doubled. The producers seemed pleasant that they continued to sell white lisianthus, and this season they sold the most of it. At the same time, they acknowledged that some other lisianthus were selling well, but during the pandemic demand for them decreased due to the overall decline in floristic services.

## Cut Cymbidium Orchid



### Polish customer

Although Cymbidium is not influenced by trends, these beautiful flowers are always associated with luxury, strength and most creative floristic ideas.

Thus, it was mainly the influence of the trends in floristry and interior decoration that prevailed for several years that

caused a significant decrease in interest in these flowers. Popular natural stylisations such as greenery and organic style, bohemian vibe or rustic style, and increasingly best selling bouquets in natural style, have made cymbidium orchids the most niche flower in flower shops.

The second issue is customer awareness. While the other orchid - phalenopsis still grows to popularity and it is adored by both florists and customers, the customer's knowledge of cymbidium and its popularization and presentation this beautiful flowers by florists is very small. As interviewed producer admits, mostly elderly florists and customers remember and appreciate the unique beauty of cymbidium flowers.

## Polish cut cymbidium grower

Interviewed grower is a modern family company with many years of experience, and is the biggest cut cymbidium grower in Poland. More than 80 varieties of cymbidium per cut flower are grown on the surface of 1 hectare, divided to 5 climate zones. All varieties are available in several size classes. The best quality plant material and modern infrastructure comes from producers from the Netherlands.

## Sale of cut cymbidium during the COVID-19

The flowering season of cymbidium takes 8 months (October-May). A full range of colours from different climatic zones is available each month. The sale of cymbidium takes place mainly in wholesale markets – own points of sale, cooperation with flower wholesalers, as well as with friendly florists. Despite the wide range of varieties and the wide availability of cymbidium throughout the country, sales of these flowers in Poland decrease every year.

Already in February, significant losses were visible, because cymbidium is very poorly sold to celebrate Valentine's Day, most of the flowers were thrown out. In March, however, there was more demand, mainly on the occasion of Women's Day.

Importantly, the grower admits, that this time has proved to be crucial to ensure the company's liquidity for almost the entire settlement period.

In the face of the COVID-19 pandemic, a lockdown has been made since mid-March and sales of cymbidium have almost stood still.

During the first spring weeks, wholesalers canceled their orders and did not place new orders. To a small extent, sales were made on the wholesale markets through their own supply points, but the number of open florists decreased dramatically and thus demand decreased too.

In order to increase the over-produced flowers, the grower had to lower the wholesale prices of cymbidium.

**1 pc twig (extra) – 7 Euro – in 2019**  
**1 pc twig (extra) – 4 Euro – in 2020**

**Price 4 Euro/pc. does not even cover production costs.**

**Despite significant price reductions, cymbidium sales decreased by more than 70% during that period.**

**600 - 700 pcs. sold cartons /week - 2019**

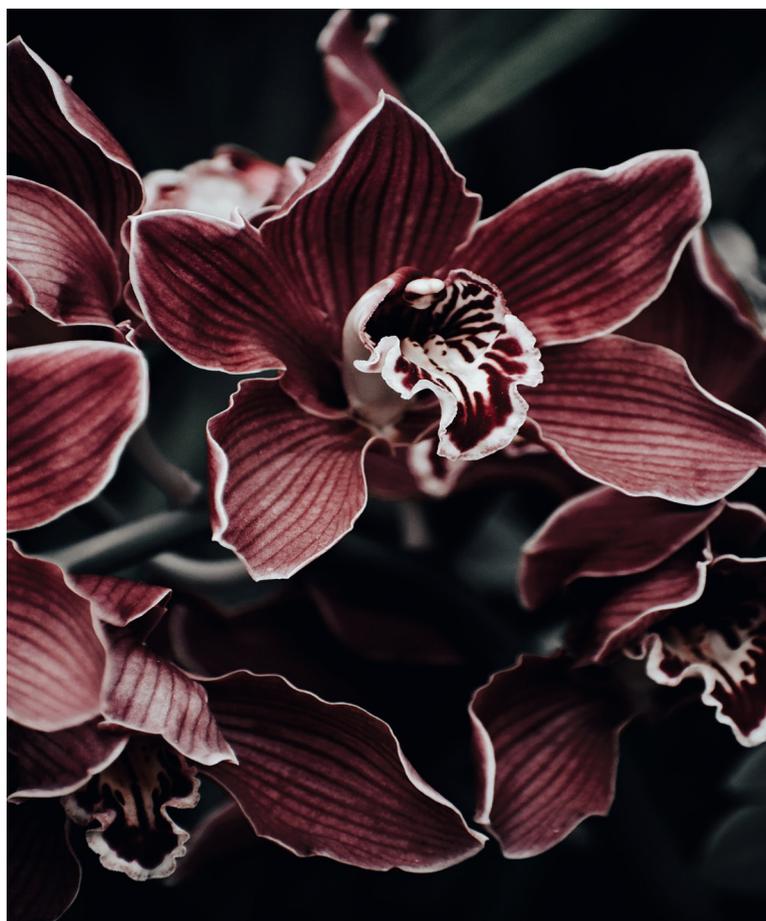
**200 - 250 pcs. Sold cartoons/week - 2020**

**This resulted in more than 50 % of cymbidium production being discarded throughout the season.**

Due to the specificity of the production of cymbidium for cut flower (15 years of durability of each plant), the company doesn't have to purchase planting material every year. However, the grower acknowledges, that during the pandemic period there were significant restrictions in the supply chain of all goods and the euro exchange rate increased significantly. This also resulted in an increase in the cost of purchasing plant protection products and equipment needed for the production of cymbidium. In addition, fixed costs continue to increase, i.e. fuel costs, energy costs.

Taking into account the losses incurred and all costs, the grower stressed that it was facing an imbalance in the company's financial liquidity. One real profitable period was Women's Day sales, and it was this sales period that saved the company from huge debts. Unfortunately, such a drastic decrease in sales caused that producer had major problems with the repayment of financial obligations in the form of investment loans, while he tried to regulate current liabilities on an ongoing basis. In addition, the grower was forced to lay off 30% of the employees.

### The future of Polish cut cymbidium orchid cultivation



As the grower admits, cymbidium flowers are a great passion, this work is a lifestyle and the constant discovery of the beauty and forms of these unique flowers. However, both the declining popularity of cymbidium on the market and the current pandemic puts into question the fate of this unique cultivation.

The key period will be the next season: October 2020-May 2021.

The period of the prevailing pandemic has a very negative effect on the next season. However, the grower hopes that florists will help to present to customers the beauty and thanksgiving spirit of the cymbidium in elegant and modern arrangements, especially for the numerous occasions and celebrations that Poles solemnly celebrate.

## Summary

The whole Polish ornamental flower sector is heavily impacted by the COVID-19 pandemic. The period of the first 2-3 weeks of pandemic in Poland was the most difficult time as it was caused by the lockdown introduced in mid-March. This created the great financial losses for all interviewed producers.

The peak of flowering for tulips and roses in a year-round cultivation falls exactly in March and April, for this reason the lockdown caused the biggest decrease in flower sales. As most interviewed cut flowers growers noticed, the strict lockdown caused a direct collapse of demand. The growers report an 70 - 80 % decline in sale and market orders in March.

The following months turned out to be slightly milder in the flower sales market. The prevailing restrictions on the organization of large celebrations (weddings, events, first communions, baptisms, etc.) reduced the demand for cut flowers. However, according to the producers, limited import of flowers from abroad caused a favourable increase in prices and helped growers to limit their losses from March, despite the difficult situation on the market.

Polish growers stress, that only the possibility of continuous and uninterrupted sales on flower market can ensure the production and liquidity. The producers are convinced that, in the new economic reality, a new long-term strategy should be developed to ensure effective solutions for the production and maintenance of flower sales at a stable level. To achieve that producers should cooperate with other partners in the flower chain such as wholesalers, traders or florists.

Furthermore, interviewed growers considered the active participation of the government, funding institutions and industry organizations to be important for the implementation of the planned activities. As they point out, they are counting on strong support both in the implementation of market-friendly procedures and in the area of financial assistance. At the same time, all growers acknowledged, that financial support provided by Polish government in the third quarter of the year, is highly welcomed, but still not sufficient in relation to losses incurred. They thus admitted, that new investments had been halted. **Nevertheless, the majority of producers confirms, that they intend to continue their production at their current level and some plan to reduce it by 5-10 %.**

In the face of all restrictions, growers made every effort to ensure the highest safety for their employees to be able to carry out their activities efficiently at all stages of production.

However, the long-term pandemic crisis, and restrictions in the wedding and event industries, remain the biggest concern for producers, as they lead to a significant reduction in demand for cut flowers. As the majority of the interviewed growers has acknowledged, they are unsure if they will survive another lockdown. In the face of the prevailing COVID-19 pandemic, the future of Polish flower producers, the flower industry and the economy as a whole raises many concerns and doubts.

Though, all interviewed producers admit, that they do not lack the optimism and strength to make every effort in the production during the current crisis. Growing flowers has been their passion and lifestyle for generations, and their vast experience allows them to face difficulties and take on new challenges. They are convinced, that thanks to active approach close cooperation with the flower sector and modern solutions like: e-commerce and new channels via social media, they will be able to ensure the stable functioning and development of the company.

None of the interviewed producers decided to stop his production due to Sars-Cov-2 pandemic. In this sense the pandemic period is seen as a sudden obstacle that will pass like any other in the past. Polish growers are used to changes and faced many challenges before, therefore they see the pandemic only as one more. Especially as it hit all of them at once. On the other side they saw the lack of import not as a sudden opportunity for them, but again more as a temporary change that won't have any major impact on their strategic decisions for the next season.

Flowers always arouse positive emotions, their presence is an integral part of the most beautiful moments in a person's life, brings a smile and hope for a better tomorrow.

***„A flower blooming in the desert proves to the world, that adversity,  
no matter how great, can be overcome”***

**Matshona Dhlwayo**

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