

**Voluntary Report** – Voluntary - Public Distribution

**Date:** May 14,2020

**Report Number:** CO2020-0018

**Report Name:** Sales of Colombian Flowers Fall During Covid-19 Crisis

**Country:** Colombia

**Post:** Bogota

**Report Category:** Agricultural Situation

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**Report Highlights:**

Due to the measures taken by many countries to control the Covid-19 spread, sales of Colombian flowers are down 40 percent. The decline is less than the 80 percent decrease that the Colombian flower industry feared at the beginning of the Covid-19 outbreak, but the financial losses are still huge for one of Colombia's biggest exports. Currently, there is no demand for flowers in Europe and many customers in the United States cancelled purchase orders for the Mother's Day Holiday (the 2nd most important day of the year for the Colombian flower industry after Valentine's Day).

## The Colombian Flower Sector

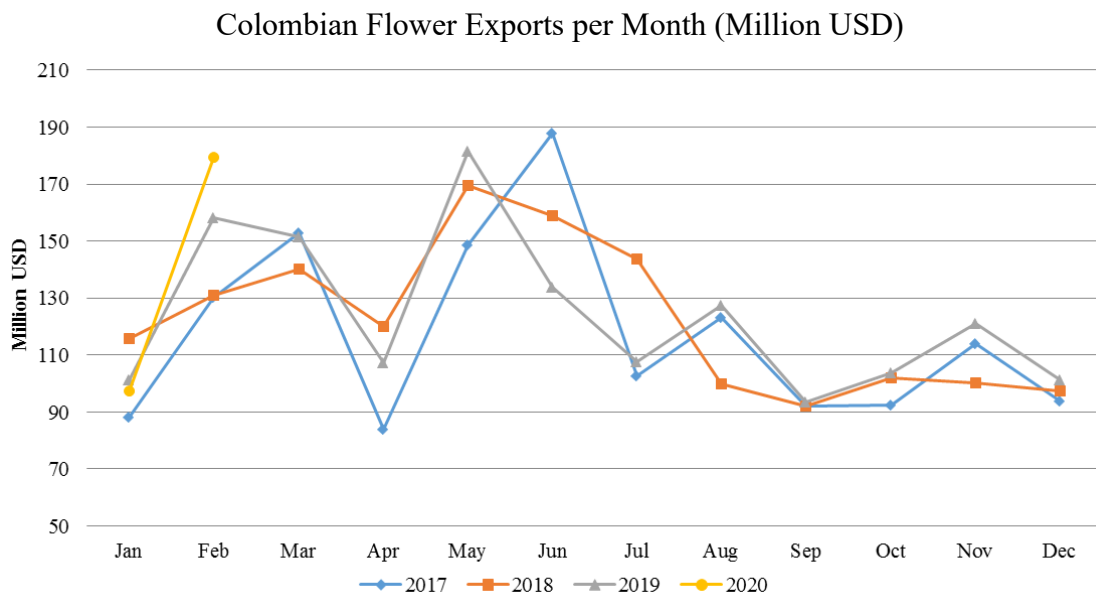
Colombia grows about 8,000 hectares (20,000 acres) of flowers, mostly under greenhouse conditions. The Bogota Savannah accounts for 73 percent of flower production in Colombia, and the Rionegro Valley near Medellin accounts for 24 percent. The remaining 3 percent of production is scattered throughout the central and western parts of Colombia. The Colombian flower industry employs about 140,000 people as the major employer of lower-skilled, largely female labor drawn from the areas surrounding Bogota and Medellin.

More than 90 percent of Colombia's flower production is exported. In 2019, Colombia exported \$1.5 billion worth of flowers, with the United States accounting for over 77 percent of the total at \$1.2 billion, followed by the European Union (9.8%) and Japan (3.5%).

On March 25, 2020, the Government of Colombia (GOC) ordered all people within the Colombian territory to quarantine and shelter in place due to the Covid-19 pandemic. This order has been extended several times and is currently in place until May 22, 2020. Some industries, including the food and agriculture sectors, can continue working. The flower industry is still operating at 25 percent capacity to maintain flower plantations and employment. Half of the workers (70,000 people), mainly people over 55 years of age, pregnant women and people with health issues, are already at home on paid annual leave or administrative leave. The other half of the workforce is still operating and taking the necessary measures to avoid Covid-19 spread.

## Effects of the Covid-19 on the Colombian Flower Sector

The ongoing Covid-19 pandemic has severely affected worldwide flower markets and reduced the demand for flowers as many countries have implemented stay at home orders and celebrations have been canceled. Usually, the period from March through May, when International Women's Day and Mother's Day fall, is part of the strongest season of Colombian flower industry.



Source: Colombia National Customs Office (DIAN) – Trade Data Monitor

During January and February 2020, flower exporters reported normal levels of shipments compared to previous years. In February 2020, when Valentine’s day is celebrated, Colombian flower exports increased by 13.4 percent compared to the previous year. However, the real impact of the Covid-19 pandemic started in March 2020, when many of Colombia’s major markets, especially the United States, started to implement lockdowns and stay-at-home orders. This led to many cancelled purchases for the upcoming months.

The Colombian Flower Exporters Association (Asocolflores) estimates that sales for Mother’s day were 40 percent lower than normal which means an estimated \$108 million reduction for the months of April and May. This decrease was lower than the 80 percent reduction in sales that Asocolflores initially feared at the beginning of the Covid crisis in Colombia in March 2020, but still a significant loss of revenue. Flowers are exported about two to three weeks in advance of special celebrations. The volume of flowers that Colombians purchased locally also decreased given the cancellaiton of celebrations like Holy Week.

In an effort to support the flower industry during this crisis, the Colombian Flower Exporters Association (Asocolflores), with the support of Procolombia (the Colombian Government institution that promotes Colombian exports and investment in the country), is looking to conduct virtual business meetings and promote e-commerce in order to try and create more sales for Colombian flowers.

**Attachments:**

No Attachments.