

# Plant production and supply in southern Brazil

*The climate and European stock of Rio Grande do Sul and Santa Catarina, the two southernmost states of Brazil, have strongly influenced its flower and ornamental plant sectors. When northern Italian, German and Polish (among others) settlers arrived in the early 1800's they brought a taste for temperate plants and a habit of cultivating a seasonal garden. Now southern Brazil has the country's highest per capita plant consumption, but most is still grown in other states. The United to Compete<sup>1</sup> program invited Flower Tech to visit the region.*

By Mauricio Mathias

The state of Santa Catarina (SC) is a traditional producer of landscaping plants, trucked to all destinations in the country, with only a small percentage exported so far. SC is strategically positioned in relation to the South itself and not too far from São Paulo, the main market. The surprisingly high number of growers dedicated to foliage, shrubbery, palms and trees in SC stemmed from the Italian tradition of growing fruit trees. Seedling growers later diversified to supply the local

demand for ornamentals. Typically these plants, without much added value, have the benefit of less price fluctuations due to their long cycle, plus they ship well over long distances.

### Mercaflor market

Joinville, SC's largest city features a seven-year old growers market, Mercaflor. It exemplifies what can be accomplished when charismatic leadership unites people around a common goal. SC has 370 ornamental plant growers, with an

average production area of 3 ha. However, an estimated 50% of the state's ornamentals are cultivated in a 170-km radius from Mercaflor, where twice a week growers display their plants in a 9,000-m<sup>2</sup> area. Much more than a market place, its main achievement has been to increase growers' awareness that individuals cannot influence the market on their own, but together they can shape their business environment. More than mere idealism, sales have quadrupled since its creation.



*The Italian company Lazzeri has been growing cuttings in Brazil since 1986.*

The mastermind behind that and many other innovations is a restless Spaniard, Mr. Jordi Castan. A landscape gardener, he became a grower to guarantee the supply of plants for his own projects. He owns Agrícola Boa Vista, which has *Pleomeles* as a main crop. Over the 20 years that he has been in Brazil, he has introduced around 200 species into commercial cultivation. However, it is as a planner that he has contributed the most. He has been the acknowledged strategist in actions that projected floriculture as a sector with a political voice in the state. Aspects of SC's proactive stance were later emulated at a national level when the Brazilian Institute of Floriculture was founded, not coincidentally, in SC.

Another sector initiative in SC includes a 11/2-year-long



*Mercaflor, a growers' initiative to sell regional production in Joinville, SC.*



*Dario Bergmann has produced Hemerocallis since 1992.*



Corupá, 60 km inland from Joinville, is a centre for ornamental production with some 100 growers of all technical levels. The oldest nursery still in business is 75 years old, but the largest one is owned and operated by Rene Mahnke. He grows 45 species such as *Cycas*, *Arecas* and *Trachycarpus*. *Phoenix* alone takes up seven of his 50 ha, and he can supply them in all size classes. He emphasizes the importance of long-term planning when choosing what to grow. "The shortest plant cycle here takes three years, so in order to remain successful in the future we must innovate now".

revealed that plant consumption in RS can be up to five times higher than the national average; and at least 60% of these plants come from other states. Such market opportunity for local growers has not gone unnoticed as chain organization and a new growers' market is very much the talk of the day.

The cool, mountainous northern part of RS is home for Lazzeri, an Italian company growing high-quality flower cuttings in Brazil since 1986. Its main crop, geraniums, take about half of the 10 ha of polyhouses. With an output of 35 million cuttings/year, it exports twice a week to Italy but 10% is for the national market. The daily orders for their 253 varieties are sorted out by a computerized system, which issues a fully traceable tag for each worker in the harvest crew. Sales supervisor Elton dos Santos explains, "We focus on quality, not quantity. Some of our cuttings are considerably more costly than the competi-

Floriculture and Gardening Technical Course to train farm labour, and a first-of-its-kind state wide Flower Quality Certification program. Recently implemented, its criteria are based on product quality, farm management and commercial practices. Renewed yearly on ever raising standards, it is expected to be an important tool to stimulate growers to improve continuously.

#### Individual initiatives

Dario Bergemann is a man with a passion for *Hemerocallis*, a lily that he started producing in 1992. Since then he has expanded steadily, so much so that in 2002 he started the Brazilian *Hemerocallis* Festival in Joinville. An annual event that takes place in November, it features 20 ha of flowering fields.

A feast for the eyes, last year it attracted 7,000 people to look at 53 varieties of *Hemerocallis* alone. Some of them bred in partnership with a research program of the IAC institute in São Paulo, others by himself. For this reason Bergemann is anxiously waiting for the upcoming change in local plant protection laws.

#### Rio Grande do Sul surprise

The border state of Rio Grande do Sul (RS), near Argentina and Uruguay, is a land of cattle farms that conjures up an image of tough horse riders in open fields, a picture that one does not associate with flower growing. Nevertheless, a 160-page Sebrae flower chain study



Elton dos Santos, sales supervisor at Lazzeri.



Manager Rubens Emrich at Úrsula, who is also the president of RS Floriculture Association.



Maria Anunziata, state wide floriculture manager for Sebrae, and Adriana Olson of Nina Flowers.



Márcia and Frederico Karam, of Summer Solo.

tion, but because they are vigorous and disease-free the final cost/benefit ratio to the grower is the best." Their quality level has helped set a new market standard in Brazil, and the strategy seems to be paying off as Lazzeri levels the adjacent field for a 5-ha expansion.

Hans Hesse is a temperate plant grower, teacher at a nurseryman course and owner of Ursula Garden Centers. At headquarters in Nova Petrópolis and in three other retail/wholesale stores, he sells a staggering 1,230 plant varieties. His operations manager Rubens Emrich is the president of the state Floriculture Association, which has 170 members. Emrich agrees that the market has grown lately, but not the share of RS growers, and that the main challenge ahead is to organize its trade. The main action for that will be a new market place for growers – Interflores. The initiative is seen as a way to bring all players together at the same time. Its location is still being debated, but it is going to be either in or near Porto Alegre, the state capital.

Near the capital, the Caí and Sinos river valleys concentrate a good number of garden plant growers. Technical level varies considerably within these two places, most are small, family operations without much product diversification. What is more, neighbours grow the same items, and with a lack of proper commercialisation channels many depend on middlemen, who usually drive prices down. Traditionally selling wholesale, some farms have opened stores to attract retail as well, but because of the lack of focus and the different buyer profiles it has not been an ideal solution.

In Pelotas, some 350 km to the south two different growers set an example of the profile for the new generation of local businesses. Nina Flowers is one, owner Adriana Olson studied the market for years before investing; once in business she diversified to 30 species and has her own truck delivering to flower shops. As if it wasn't enough she has her own sales promoter visiting stores weekly. Another such enterprise is Summo Solo

Ornamentals, where Márcia and Frederico Karam have invested in exclusive or recently-introduced exotics. A lifetime plant lover with an uncanny knowledge of botany, he has designed landscaping projects in Brazil and Portugal.

### Perspectives for the South

In a country where farm extension services do not reach everybody, Sebrae has become a vital source of information in both SC and RS. It also emphasizes the need for growers to work in cooperation while organizing the sector, and supports developments like Interflores. Technical director Suzana Kakuta explains, "We aim at strengthening floriculture in the state by working in regional projects. We give consultancy to grower groups on management issues, or hire consultants for the technical issues".

The main challenges ahead for the South concern the much-talked about supply chain. Growers' awareness of it, and the comprehension of their role in it is at a surprising high level, which gives hope

for improvement. As a typical developing market though, one still finds growers dedicated to sales, transport or gardening. The number of plant species per farm is also very high. It was also noticeable that most enterprises are relatively new, and almost all of them are owned by a professional from another area. They have either changed careers or have more than one business activity. Floriculture has attracted many newcomers and only time will tell which will stay.

In their favour the South has very good roads, good access to main markets and best national *per capita* purchase, which requires relatively less investments to stimulate demand. Even though it is not export-oriented yet, it is closest to countries with larger demands for flowers. On the other hand it is vital that small growers stop competing against each other if they want to increase their market share. In order to improve their price they have to lure suppliers in, for most of the inputs still come from out of state. And to attract buyers, they need a wide range of products concentrated in one place with a clear vision of a commercialisation model. **Y**

"This program is comprised of SEBRAE, a semi-governmental agency that supports small businesses, SENAR, a rural training agency and FARSUL, a farmers' federation.

mauriciomathias@hotmail.com