

**Opening of the Wageningen UR academic year, 2012-2013**

**Theme: Setting the agenda**

**Loek Hermans, 3 September 2012**

**(Only spoken word applies)**

Ladies and gentlemen,

On behalf of the 'Horticulture & Plant Breeding/Propagation Material Top Sector', I intend to use the time that Mr Aalt Dijkhuizen, the President & Chairman of Wageningen UR, has kindly given me to go through a number of key issues with you.

I am speaking to you on behalf of this top sector, as chair of the Greenport Holland interest group, an umbrella organisation of industry associations in the horticulture cluster. Greenport Holland is working on strengthening the international competitiveness of the innovative and sustainable Dutch horticulture cluster.

This is happening with an eye on the international perspective as well as keeping close links to the community. Private interests are linked to public interests such as sustainability, aspects of safety - including food safety - and climate.

Ladies and gentlemen,

Where is the Dutch Horticulture and Propagation Material currently standing? The Horticulture & Propagation Material sector accounts for EUR 12.5 billion of domestic production, EUR 17 billion in exports and more than 450,000 jobs. Indirectly, the sector provides added value and employment in Agri-Food (processed products), Logistics (road, airport and ports), Energy (bulk consumers and savers) and High-tech Equipment and Systems (greenhouses, installations and so on).

Along with all the other top sectors, Horticulture & Propagation Material is important for innovation: from healthy foodstuffs and robust crops to green raw materials with high added value, the generation of renewable energy, water conservation, bioinformatics, optimal logistics, LED lighting and aesthetic greenhouses.

In order to maintain our lead in the future, we have to speed up the innovation process and apply our current innovation processes to a wider range of applications. Important factors that we have to take into account are the fast-changing demands of consumers and the market, especially in Food Horticulture. You can think for example of aspects like food safety, sustainable production solutions, rapid expansion, the dominance of retailers, the emergence of large international logistics networks, the increase in technological developments and the

significance of the supply industry, as well as Human Capital, from manual workers to upper management. We must ensure competence at all levels.

Those things however, ladies and gentlemen, should not be taken for granted.

It is clear that the Netherlands has reached a growth-deadlock and that we must substantially raise our ambitions for growth. Growth must, in all respects, be sustainable and innovative. Only companies and entrepreneurs can create growth, and no one else. So it's business that bears this responsibility.

Indisputably, entrepreneurship has the social function of creating solutions. It should unleash innovations and use its power of implementation for the great challenges faced by society and so it will contribute to a viable world.

The last Cabinet launched a new strategy for growth in the Netherlands. It incorporated a new business policy, which had at its core the Top Sector Policy. We do this using the Golden Triangle. The so-called Golden Triangle in which business, knowledge institutions and government collaborate originates from the agriculture and horticulture sectors. It is interesting that the business policy for all 9 top sectors is based on this format. Using our lead in this type of collaboration, we operate the top team with a relatively small, but quickly responding top team. The top team consists of representatives from: the SME, the Knowledge Institutes, the Ministry of Economic Affairs, Agriculture and Innovation and business.

The major societal and economic challenges of the world have one thing in common: they compel us to do more with less. The population is growing and ageing; it is concentrated in cities; the climate is changing and economic and social inequality continues to increase. We will soon have to meet the needs of nine billion people in terms of nutrition, health and happiness, while resources like energy, space, water and minerals are becoming scarcer.

In short, Horticulture & Propagation Material supplies innovative, sustainable solutions for higher value and less consumption, more food security and sustainability, and reduced poverty and waste - and the Netherlands is the very best in this. Our knowledge, a critical and demanding domestic market, the drive for innovation, entrepreneurship and international outlook mean we are world leading when it comes to added value, knowledge and innovation, market share, productivity and sustainability.

I have summarised this for you in an illustration.



1. Double added value growth with new earnings model

2. World leader in international entrepreneurship
3. Top international centre for knowledge, research and education
4. Most sustainable Horticulture & Propagation Material sector in the world
5. Optimum space and infrastructure for the entire chain
6. A powerful image and strong international brand

adies and gentlemen,

With a clear vision for the future we took the following four innovation drivers for the next five years, based on economic, societal and scientific challenges for 2020:

**More with less.** This theme covers finding solutions for producing food and ornamental horticulture products using less space, water, energy and minerals.

**Food safety and Assurance.** This covers finding innovative solutions that limit the outbreak and spread of a food crisis.

The EHEC-crisis for example showed us that:

- 1) A closed system between the different collaborative chains is essential
- 2) There is a need for a system, which provides us with the cause of a crisis within the shortest time as possible

**Health and well-being.** In order to call a halt to the endlessly increasing health costs, this theme looks at innovative solutions for healthy nutrition and the contribution that ornamental horticulture products make to a healthy climate in which we live and work.

**Collaborating value chain.** Horticulture operates within a market of complex chains and it is becoming more and more international. This theme concerns the search for new and efficient ways of simplifying the chain together with a sustainable and viable way of operating them.

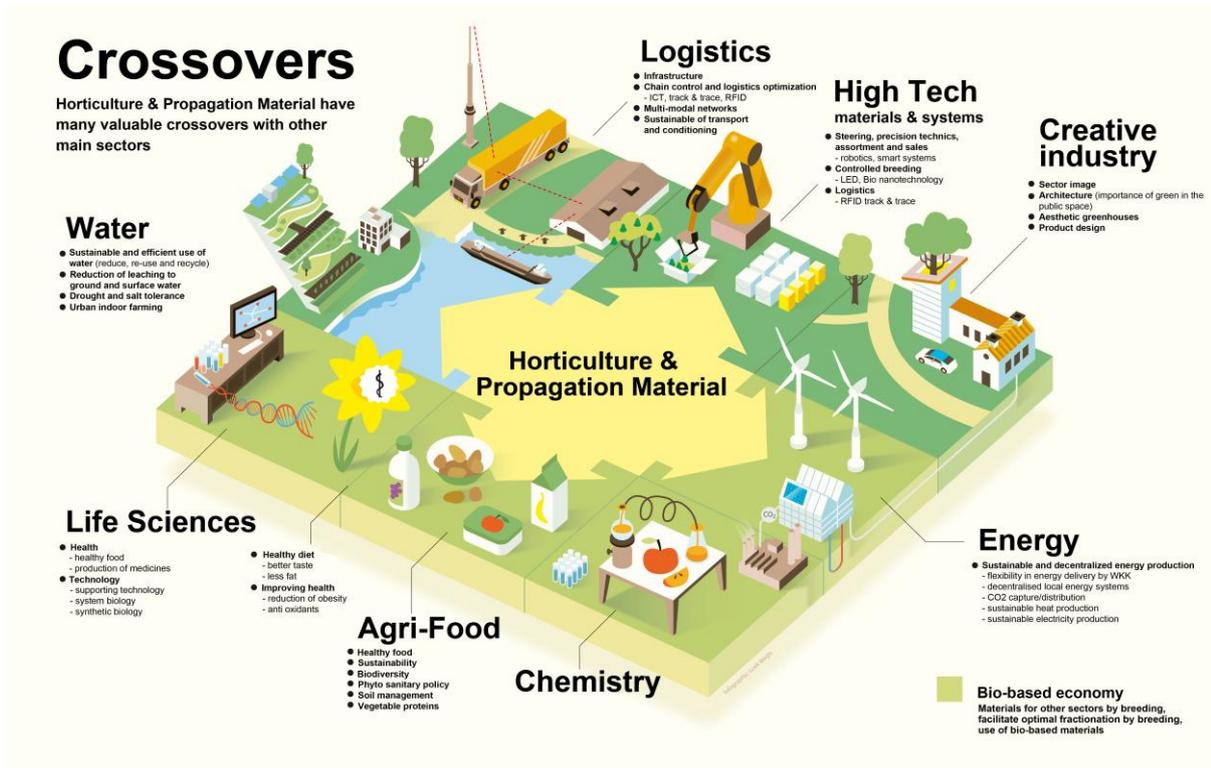
These themes form the basis of the 2012-2016 Implementation Agenda and they play a vital role in all sections of the Top Sector's Policy, namely:

- the four Innovation Programmes
- Foreign Policy and the Human Capital Agenda

adies and gentlemen,

Since cooperation is key, we are actively looking for collaboration also with the other Dutch Top Sectors. We do this using our four themes.

The following illustration presents this nicely:



If we look at the creative industry for instance, which is able to play an important role in gaining increasing insight about consumer food safety thanks to its development of apps. Or using another example, providing input on the organisation of companies in the rural areas.

Ladies and gentlemen,

The Horticulture and Propagation Material Top Sector works closely together in its Golden Triangle to bring about knowledge and innovation via the knowledge chain called 'fundamental research into valorisation and implementation'. For our sector, which is marked by its high level of innovation, fundamental research is key. Wageningen University and Research Centre ranks number two in the world in agriculture and horticulture. In the Dutch horticulture cluster, innovation and international entrepreneurship are plentiful.

In addition to our Knowledge and Innovation agenda, we have made a Human Capital Agenda. We are engaged in developing at all levels, the connection between education and business as well as increasing the power to attract students by improving job prospects.

In the Netherlands there is a need for better links between further education - such as universities and higher vocational education institutes - and the employment market. Much more attention needs to be paid to science and technology. The starting point is gearing education properly to the top sector's Human Capital Agenda. Similarly our production industry is crying out for qualified people, also at intermediate vocational education level. This also requires intensification in effort.

In order to reach these objectives we have formulated four policy spearheads.

1. We are working on the Improvement of the sector's image.

2. Also, we are setting up an intermediate vocational education Centre for Innovative Skills and a higher vocational education and academic Centre of Expertise.
3. Additionally we are moving towards easing the rules covering teaching qualifications. And we are working on internationalisation by launching courses as export products and recruiting international students.
4. Lastly, all these policy spearheads share the common principle: "Long live learning".

Ladies and gentlemen,

The overall economic development in the Netherlands, and specifically that which concerns our horticulture, is not going very well at all levels. It is affecting all of you. In my sector it is affecting entrepreneurs and staff. Though I remain optimistic. Not just because of the ambitions and the vision that have been mentioned, or by our pragmatic operational strength. No, my optimism stems mainly from the fact that there has never been so much interest from abroad in the knowledge and expertise of Dutch Horticulture and Propagation Material.

We excel particularly on two points:

1. we combine bringing in the best sectors and businesses! This is where the Golden Triangle excels especially in sectors like Agri-food; Water and Horticulture.
2. Finding solutions for food related issues is where perfect opportunities lie for engaging Wageningen UR. The participation of Dutch businesses and research knowledge institutes in a disaster area like New Orleans is a show-case of how we can excel.

Dutch horticulture has all the knowledge and expertise it needs to redeem the international opportunities that have emerged. Reality demonstrates how this works. For a long time The Netherlands has been successfully trading its horticultural products on the world market. Additionally, knowledge, technology and entrepreneurship can all be cashed in on. This will enable us to expand from exporting produce to spreading cluster concepts worldwide.

This will require a few more things to be taken into consideration:

- 1) More vision in terms of earnings models. How can the company 'the Netherlands' earn money on all the extra interest from abroad? Knowledge spreads fast; products are made or copied throughout the world. How do we make sure that we are able to earn money from our lead in the long run?
- 2) Concept development and reverse engineering. Over the next few years the welfare in emerging countries such as Brazil, Russia, India and China is set to increase and more "local for local" will be produced. This means that important markets and production centres will be further away from the Netherlands. Dutch companies will have to operate on a more international level and reinforce their control – even over trade flows that exist physically outside the Netherlands.

Business shouldn't solely focus on export. Instead, I argue that business should engage in joint ventures with companies abroad: in Europe, emerging markets and developing countries.

The strengthening of international horticulture also offers a new market viewpoint to Dutch suppliers. In many developing countries, horticulture is the engine of economic growth and the realization of food assurance. Certainly, in developing countries it is of utmost importance that local knowledge is increased in order to respond to local production circumstances. For

the emerging markets in countries such as Brazil, Russia, India and China, as well as the developing countries, there is a challenge to come up with tailor-made solutions. By offering a "total concept" that is geared to local needs, Dutch companies and knowledge institutes can build a long-term relationship with entrepreneurs and governments in developing economies. To be able to realise such projects, parties from the whole chain must work together in order to be able to deliver global made-to-measure solutions.

In view of the changing outlook regarding Development Cooperation in which business is fully deployed, there are wonderful opportunities for the Horticulture and Propagation Material Top Sector. This sector is in a position to contribute massively to Development Cooperation. I am sure that the new government in the Netherlands will change the development cooperation in this way.

3) Maintaining the Dutch lead. The main sector is likely to shrink; however we need capacity in order to innovate. So it is important to give businesses space and get businesses from abroad to establish in the Netherlands.

Horticulture needs to scale up. Company management must be state of the art. We must look beyond our borders and make a super human effort. More technical personnel are needed; this is being tackled by the Human Capital Agenda. Using the power of small and medium sized businesses and commercialise successful innovations more than ever before is crucial.

At the same time, Dutch horticulture is experiencing weakening of prices in the short run. But in the long run there is great potential, thanks to the increasing global demand for high quality horticultural products, not only in terms of Trade and Export but also with regard to Development Cooperation.

Ladies and gentlemen,

Wageningen UR plays a leading and decisive role in all these discussions and trends at home in the Netherlands and throughout the world. The sector requires a huge effort to escape the current distressed situation in order to be able to cash in on all the opportunities present at international level.

Thank you all for listening.