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Megatrends impacting the Dutch agrifood industry

Towards a cleaner, healthier, safer, fairer, smarter and stronger sector

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Agrifood chain

The Netherlands ranks as the world's second-largest exporter of agricultural products, with key trading partners Germany, Belgium, France, the UK and Russia. As the agrifood sector contributes substantially to the Dutch economy in terms of GDP, jobs and innovation, it has been identified by the Dutch government as a 'top sector' together with horticulture and agricultural input materials. The agrifood value chain spans suppliers of seeds, fertilizers and animal feed to farms and greenhouses, via traders and logistics to retailers – and us, consumers. The sector's activities are strongly connected with other parts of the economy: energy, banking, and education as well as national and local government.

Megatrends

The agrifood sector is undergoing dramatic change. PwC identified five megatrends that heavily impact each link of the sector's value chain to explore the drivers of this change and the long term outlook for the sector. ***Demographic change*** leads to an aging workforce and fewer students opting for a career in farming and food engineering. In addition, consumers spend less and spend differently – for example on healthier foods, or on smaller packages for singles. ***Accelerating urbanisation*** brings expanding cities and farming in closer proximity, shifting the sector's focus in stakeholder management from ministers to mayors. Cities also face logistical issues how to bring food in – and waste out. ***Technological advances*** increased yields and reduced use of energy and water, while food processing extended shelf life, reduced waste and widened variety of products. Logistics enable year-round availability of fresh products. Consumers share recipes on social media – and concerns on food safety. ***Resource scarcity*** contests the way we produce, source and consume. Phosphate for fertilisers, energy for greenhouses, or cocoa for food manufacturers abundance is not obvious. Also, the way we ship, store, sell and dispose food needs rethinking. The ***shift in economic power*** increases living standards in high-growth markets, providing opportunities for agrifood companies to further expand their non-European footprint.

Impact

Demographic change and lower consumer spending have put pressure on retailers and food companies to buy meat at lower prices on the one hand, while avoiding ***food safety*** incidents on the other. Resource scarcity of natural gas will in the long run change the energy supply of greenhouses, while greenhouses have invested in CHPs to improve their ***sustainability***. The shift in economic power drives demand for Dutch dairy products, while the ***financing*** of dairy farm enlargement requires new approaches. The shift in economic power has also driven Dutch food majors to ***act globally***, challenging their operational and fiscal structure. Last but not least, ***doing business in The Netherlands*** is not the default for major firms. Other countries increasingly compete as domicile of preference, requiring The Netherlands to maintain an attractive business climate through its fiscal, logistics and intellectual infrastructures.

Six questions

The sector's future depends on answering six key questions:

1. Agrifood firms rely on fossil fuels in greenhouses, trucking and refrigeration – which alternatives can make the sector ***cleaner***?

2. More and more consumers opt for a ***healthier*** lifestyle – what food items will support them?

3. As the agrifood value chain spans the globe its complexity limits transparency – how can food be ***safer***?

4. Global sourcing calls for a ***fairer*** impact of companies on ecologies and societies – how can they distinguish themselves?

5. Human, financial and intellectual capital are the lifeblood of agrifood companies, while access to these types of capital is no longer certain – what roads are open for ***smarter*** approaches?

6. Growth and profitability depend on the appreciated value added – how can the sector gain a ***stronger*** position in a global market? Therefore, this report explores the challenges and opportunities for the sector.

The agrifood sector

A key sector

The Netherlands ranks as the world's second-largest exporter of agricultural products. It has gained this position based on its long history in farming, moderate climate, fresh water supplies and excellent logistics. The sector is strongly driven by exports, with Germany, Belgium, France, the UK and Russia as most important trading partners. The sector contributes to the Dutch economy in terms of GDP, jobs and innovation. Therefore it has been identified by the Dutch government as a 'top sector', together with horticulture and agricultural input materials. As the domestic market is small, policy and investments focus on strengthening the sector's international position.

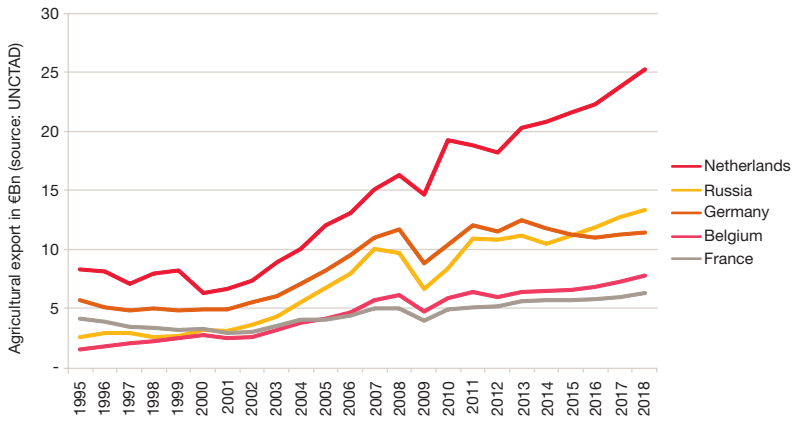
Its value chain

From farm to fork, the agrifood value chain spans suppliers of seeds, fertilizers and animal feed to farms and greenhouses, via traders and logistics to retailers – and us, consumers. The sector's activities are strongly connected with other parts of the economy: energy (natural gas), banking (capital), education (R&D and future staff) as well as national and local government (regulation, policy and legislation).

Five megatrends

Notwithstanding its crucial role in the Dutch economy and leading position globally, the agrifood sector is undergoing dramatic change. PwC identified five megatrends that heavily impact each link of the sector's value chain. The following selection of examples illustrates these changes. ***Demographic change*** leads to an aging workforce and fewer students opting for a career in farming and food engineering. In addition, consumers spend less and spend differently – for example on healthier foods, or on smaller packages for singles and elderly. ***Accelerating urbanisation*** brings expanding cities and farming in closer proximity, shifting the sector's focus in stakeholder management from ministers to mayors. Cities also face logistical challenges how to bring food in – and waste out. ***Technological advances*** in seeds, fertilizers, and animal feed as well as in farms and greenhouses have increased the yield per hectare, while reducing the use of energy and water. HPP[1], PEF[2] and cold plasma have extended shelf life, while nanofiltering increased the yield of fermentation. Social media helps consumers share their favourite recipes and brands, as well as their scorn on animal welfare and food safety incidents. ***Resource scarcity*** on the other hand, continuously poses challenges to the way we produce, source and consume. Whether it is phosphate for fertilisers, natural gas for greenhouses, or cocoa and soy for food manufacturers – abundance is no longer obvious. Similarly, the way we ship, store, sell and dispose our food needs rethinking as well. The ***shift in economic power*** increases living standards around the world – providing opportunities for agrifood companies to expand their footprint further beyond the Netherlands and Europe.

As the #1 European exporter, the Netherlands is a key player in the global agrifood supply chain



Impact

So how will the agrifood sector develop? Demographic change and lower consumer spending have put pressure on retailers and food companies to buy meat at lower prices on the one hand, while avoiding ***food safety*** incidents on the other. Resource scarcity of natural gas will in the long run challenge the energy supply of greenhouses, while the shale gas boom in the short run endangers the investment greenhouses made in CHPs to improve their ***sustainability***. While the shift in economic power drives demand for Dutch dairy products, ***financing*** of the required dairy farm enlargement cannot be funded by banks only. The shift in economic power has also driven Dutch food majors to ***act globally***, challenging their operational and fiscal structure. Last but not least, ***doing business in the Netherlands*** is not the default for large agrifood firms and requires maintaining an attractive business climate.

[1] High Pressure Processing
[2] Pulsating Electric Field

Food safety

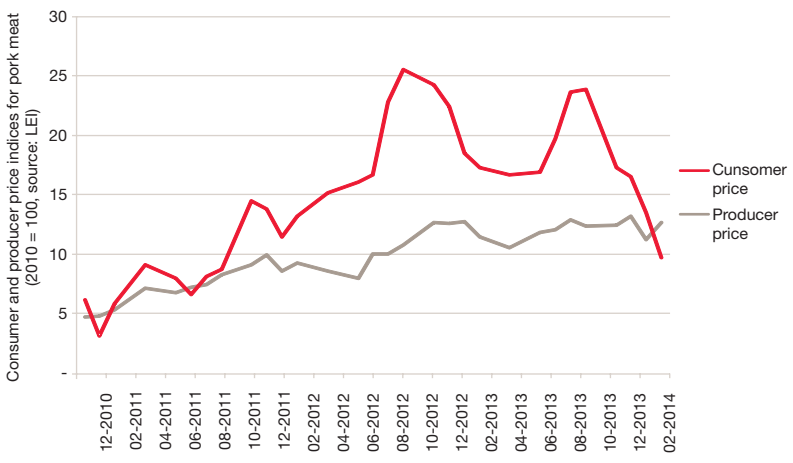
Megatrends

Food safety tightly links with both the shift in economic power and demographic change. Let's take the meat industry as an example. Brazil surpassed the EU as one of the world's largest meat exporter – only second to the USA, and has become the #3 meat supplier to the Netherlands in value. With meat imports at the level of a third of meat consumption, domestic producers face severe competition. Demographic change on the other hand, saw higher unemployment and fewer salary increases, resulting in lower consumer confidence and spending. With stable volumes since 2008, Dutch retailers mainly grow revenue and profits through price increases. Their other profitability lever is costs. Over the past five years, the two largest Dutch supermarkets grew their joint market share by acquisitions from a third to almost half of the market. This increase in scale has grown their power towards suppliers and enabled them to pass some of the pressure on to meat producers. Conversely, domestic producers are unable to increase their prices towards retailers, despite rising costs of raw materials.

Food safety incidents

Since 2013, meat producers have increasingly made the headlines with fraud, in particular with cases in which horsemeat was sold as beef. In March 2014, regulator NVWA warned against malpractices in the meat industry. A subsequent report by the Dutch Safety Board heavily criticises both the industry as well as the regulator. The Dutch Safety Board identified several key risks to food safety. Hygiene is under pressure in Dutch slaughter houses, as companies work with low-educated temporary staff, lack of supervision by veterinarian and a high processing speed. The board also reports that while carcasses are examined and marked when safe for consumption, access to the stamps used for marking is not always restricted. Similarly, the Board reports that in particular horsemeat documentation (the so-called paardenpaspoort) is easily forged. In addition, labels are forged to change meat types and waste meat is relabelled as fit for human consumption. Lastly, international traders know that Border Inspection Posts (BIPs) differ in thoroughness of their checks. Importers therefore select a less strict BIP to ship their meat through (so-called BIP shopping). The Board points out that the government used the increase in supply chain quality systems as an argument to reduce supervision. It was assumed that private regulation would suffice. This has not happened, and the reduction in public supervision has therefore been premature.

Producers of pork meat products are unable to pass higher costs to consumers



While costly, compliance offers chances

The recent scandals in the food industry have reduced consumers' trust in food products. In particular, trust in fish, meat and packaged meals is low. This lack of trust has been spreading fast, facilitated by social media such as Facebook, Youtube and Twitter. Compared to other industries (e.g. oil, fashion), food retailers have been quite responsive to consumer opinion. Consumers expect government and food companies to improve their governance. Traceability following the farm-to-fork paradigm is the key principle to enhance food safety standards. Companies have to be aware of the origin of raw materials and provide assurance that the food they import complies with national and European legislation. This requires an increased due diligence of foreign suppliers. In order to ensure chemical and microbiological safety and high quality in Europe's food supply, innovative detection methods, improved models addressing the integrity of the food chain and new approaches towards risk analysis and perception are being developed. By going beyond the standards in the new legislation, food companies have the opportunity to increase consumer and investor trust and loyalty and ultimately gain a competitive advantage.

Sustainability

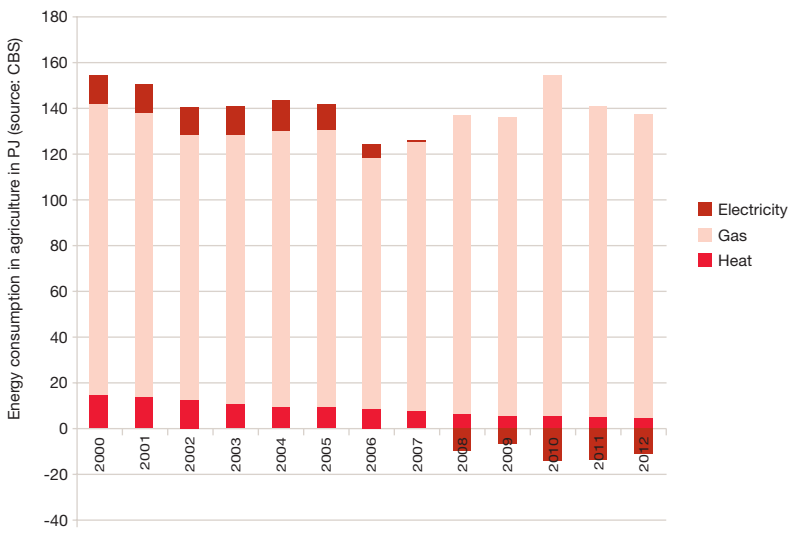
Megatrends

Sustainability, climate change and resource scarcity are closely intertwined with the triad water, energy and food. The production of food will continue to require water and energy, especially when the world population is rapidly growing. Let's consider the greenhouse industry. In terms of resource scarcity, Dutch gas production is forecast to decline fivefold towards 2035. As natural gas is the prime source of energy in agriculture – especially for greenhouses, this presents a challenge. To improve their energy efficiency, greenhouses heavily invested throughout the 2000's in Combined Heat and Power plants (CHPs). Technological advances in renewable energy and shale gas extraction have deteriorated the profitability of gas-fired power plants, pushing them downward in the merit order. As a result, greenhouses lose money on their new CHPs and have shut them down. Rentability of greenhouses has been structurally low since 2004 and currently hovers around break-even, while bankruptcies are on the rise.

Production

Sustainable production in the Netherlands may become challenging as energy and water consumption is persistent. The wider Dutch agrifood sector relies heavily on natural gas, which does not show signs of decrease. Also the use of water is rising, in particular for raising livestock. Lastly, the use of fertilizers does show signs of decrease. Joint programs of the national government and the sector include the program "Kas als Energiebron". This program conducts strategic research on the possibilities of using solar energy for greenhouse production. While the ambitions are to build all new greenhouses in 2020 in a climate neutral way and to use 20% of sustainable energy, technologies still require substantial advances in both their performance and cost.

Natural gas is the prime source of energy in agriculture – especially for greenhouses



Sourcing

At the same time, sustainable sourcing requires food companies to invest in their supply chain. Dutch food majors report they have reduced water consumption, power consumption, CO_2 emissions and waste production per tonne of production. As the world's largest cocoa bean importer, the Netherlands also plays an important role in the position of farmers and rural communities in leading cocoa exporters such as Côte d'Ivoire and Ghana. Research by PwC and the US Grocery Manufacturers Association (GMA) shows that on average, companies reporting on their sustainability performance have generated higher shareholder return than non-reporting companies.

On a more local level, accelerating urbanisation may prove a mixed blessing. With households living in closer proximity, the 'last mile' from the store to the home may in fact become a lot shorter. This can help reduce CO2 emissions and energy consumption as more shoppers travel a shorter distance to their store, while in-home delivery of groceries ordered online may also become more efficient. However, urbanisation presents increasing challenges to the flow of goods into sprawling cities – and the flow of waste in the opposite direction. The self-sufficiency ratio of cities is low for staple food such as dairy, vegetables, eggs, and especially fruits and meats. While urban farming may partly provide an answer, more sustainable solutions for logistics will need to be developed and deployed in order to connect cities and their corresponding sites of food production.

Consumption

Sustainable consumption calls for retailers and consumers to avoid wasting agricultural produce and limiting the use of packaging materials. Retailers can help reduce waste by placing lower quantities of food on display, limiting the use of plastic shopping bags and reducing their CO_2 emissions by LED lighting and more energy efficient refrigeration. Similarly, consumers have an important obligation to buy in line with their actual needs – rather than trash non-consumed food.

Financing

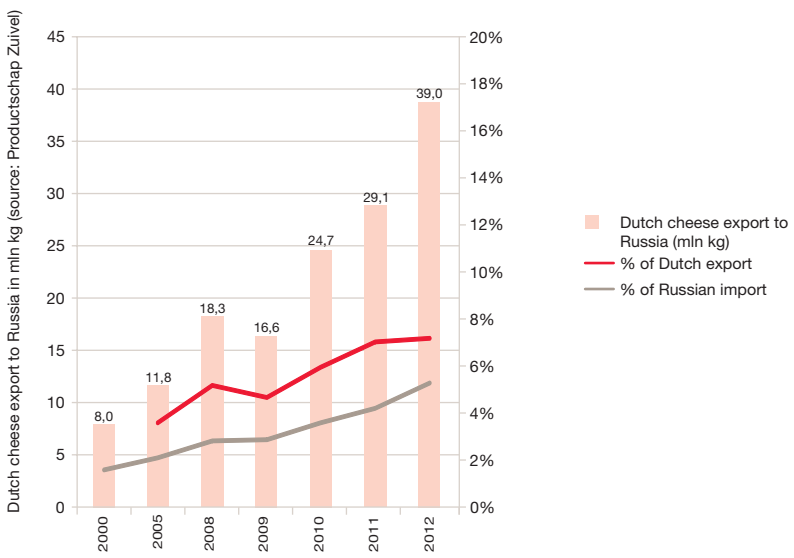
Megatrends

Financing interlinks with the shift in economic power and resource scarcity. When examining the dairy industry, this becomes apparent. The shift in economic power has resulted in ties with new countries: Russia is now the #1 dairy trade partner outside the EU. Growing demand for dairy products drives milk prices, expectedly resulting in breakeven for dairy farms in 2014 after a long period of losses. At the same time, emission restrictions limit the number of dairy cows in the Netherlands due to their production of manure. As regulation couples emissions with land, land is becoming a scarce resource. This limitation triggers consolidation of dairy farms into larger farms. However, the number of bankruptcies in the agricultural sector has been high since 2009. Combined with tighter bank regulations, access to financing is a growing issue.

Cooperatives

As one of the most 'cooperativised' countries, many Dutch farmers are members of one of the large cooperatives. Traditionally, cooperatives are partially funded by contributions from members, including capital investments and retained earnings. Similarly, financing from outside the cooperative typically consists of traditional bank loans and state subsidies. Farming is a capital-intensive activity, with high capital expenditures on costly specialized equipment and maintenance, as well as a high fixed-assets-to-workforce ratio. Combined with limited financial resources – as individual members have limited financial resources and banks are decreasing their exposure – the increasing working capital requirements are challenging to fund. Working capital will grow further as dairy exports are expected to grow, due to low-turnover inventories, with a seasonal nature and tough supplier payment terms. Therefore, cooperatives deal with significant structural financing needs, while traditional sources of funding are not always sufficient anymore to meet those requirements. Nonetheless cooperatives have several alternative financing options. Financing from outside the cooperative could include alternative sources of funding, amongst others high yield bonds, equity investors, as well as private placements. As individual farmers have more difficulty attracting bank debt due to tighter bank regulations, cooperatives could play an intermediary role. Cooperatives could consider attracting debt at the level of the cooperative, rather than at the level of their members. For lenders, this would diversify their risk across a larger number of agricultural firms. For members, this could result in a lower cost of funding. In order to achieve this, cooperatives would need to set up a risk management and supervisory framework. Lastly, a cooperative could also change its legal status, converting the cooperative into a partially publicly owned company. However, an initial public offering (IPO) does involve managing the interests of different stakeholders.

Russia is now the #1 dairy trade partner for The Netherlands outside the EU



Food companies and retailers

A number of major food companies and retailers are investing in their international expansion, requiring additional capital. Based on their investment-grade credit rating, several of these companies have access to alternative sources of financing. While corporate debt in the Eurozone is mainly borrowed from banks, this is expected to gradually converge towards the American model where public capital markets and institutional investors play a more significant role. Since the onset of the financial crisis, risk premiums for investment grade corporates and financial institutions have reversed. These corporates can now attract debt capital at more attractive rates than banks. While new to cooperatives, corporates also have private placements or an IPO as an alternative.

Doing business in the Netherlands

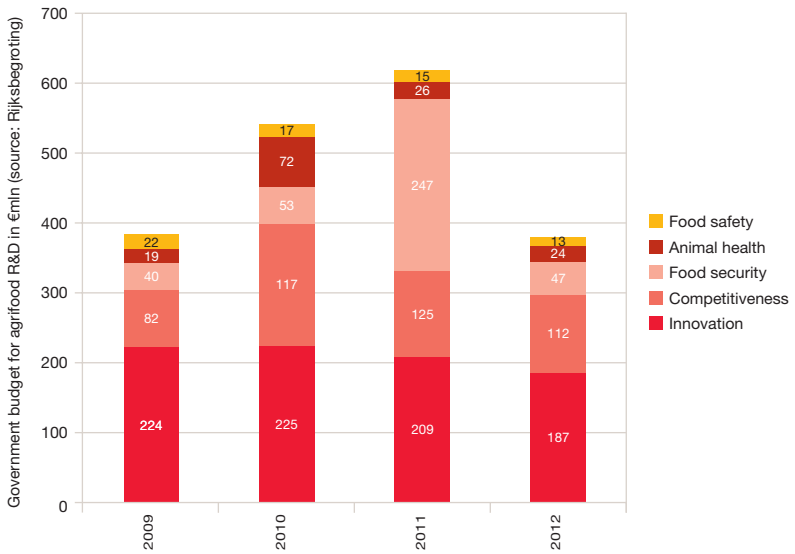
Megatrends

The Netherlands is proactively dealing with both the shift in economic power as well as technological advances. Continuously building on its strengths in fiscality, logistics and R&D, the Netherlands has become a key player in the global agrifood supply chain. While this supply chain is increasingly global, Dutch imports of cocoa, soy and palm oil have a significant share of world production. Conversely, the Netherlands is the #1 European exporter of agricultural products, worldwide only second to the USA. Dutch agrifood companies invest heavily in R&D, joined by national government, resulting in a world-class agrifood R&D hub.

Tax

Dutch Tax Authorities have developed supportive fiscal procedures, complementing the attractive Dutch logistics, customs, banking and living environment. The Dutch tax system enables discussing the tax treatment of certain operations or transactions in advance. Upfront approval can be obtained from the Dutch Tax Authorities. The Dutch Tax Authorities conclude Advance Pricing Agreements (APA) as well as Advance Tax Rulings (ATR). While the standard corporate income tax rate is 25%, in the innovation box the taxpayer may opt, under certain conditions, for the application of a lower effective rate on taxable profits derived from intangible assets. The effective tax rate of the innovation box is 5%. It is also possible to include profits from an intangible asset derived in the period between the patent application and the granting of the patent in the innovation box regime. The Netherlands has 89 double tax treaties in force and benefits from EU directives. These treaties generally have favourable conditions regarding foreign taxation. If no treaty is in place, the Dutch tax system has regulations to unilaterally lower Dutch taxes to account for foreign tax obligations.

Dutch government supports agrifood R&D by providing budget



R&D

The Netherlands provides an excellent climate for agrifood R&D, through a tight-knit network of world class companies and institutes. Food companies heavily invest in food processing R&D. They continuously conduct research on new food processing technologies, resulting in breakthroughs in longer shelf life, reduction of waste and energy consumption, and facilitating distribution, in addition to compliance with regulatory demands and product differentiation. The Netherlands has the 2nd-highest private R&D investment rate as % of GDP in agrifood, with twelve out of the worlds' fourty largest food and beverage companies having major production sites or R&D facilities in the Netherlands. Leading Dutch research institutes in agriculture include Seed Valley, Top Institute Food and Nutrition (TIFN) and Wageningen University. Seed Valley comprises companies specializing in breeding, production and sales of high quality seeds and plant raw materials. It has a worldwide reputation in the field of innovation, the mechanization techniques developed here are used by companies worldwide. TIFN is an organization that aims for interdisciplinary research in food and nutrition, its partners are key players in the global food industry, research institutes and universities. Wageningen University has a specific focus on healthy food and living environment. The university is among the top in the world in the field of research on sustainability and innovation in food. Globally Wageningen University ranks as the #2 agricultural science institute. Specifically to stimulate R&D, the Dutch tax system provides for additional incentives. Conducting R&D activities on applied new technology is subsidized by a reduction of wage tax. An additional R&D deduction amounts to 60% of costs other than wage costs and expenses directly related to R&D activities. Lastly, an investment in a new energy-efficient asset may qualify for an additional deduction.

Acting globally

Megatrends

Dutch companies across the wider agrifood value chain are responding to the growing demand due to the twin impact of the shifts in economic power and demographics. The world's fastest growing economies have entered the list of the world's largest economies, with China as a prominent example. Similarly, some of the fastest growing populations are entering the list of the world's largest populations.

The top-25 importers of agricultural products are increasing their imports, as their inhabitants have more money to spend on food. Besides Brazil, Russia, India and China, these countries also include Vietnam, Malaysia, Poland and Turkey.
While Dutch agricultural products are foremost exported to other EU-members, Russia has already become the #5 importer of Dutch agrifood and is growing its imports – with geopolitical implications as well. Growth in emerging markets is elusive, although major Dutch food companies increasingly shift their footprint beyond Europe.

Despite being headquartered in the Netherlands, for several food companies the Dutch – or even European – market is no longer their largest market. Asia and the Americas have become the companies' largest markets, while Africa and the Middle East are growing. Supermarket operators are faced with low growth in the Netherlands as well, but expand their revenues less internationally – through further consolidation the Dutch market as well as expansion in Central and Eastern Europe.

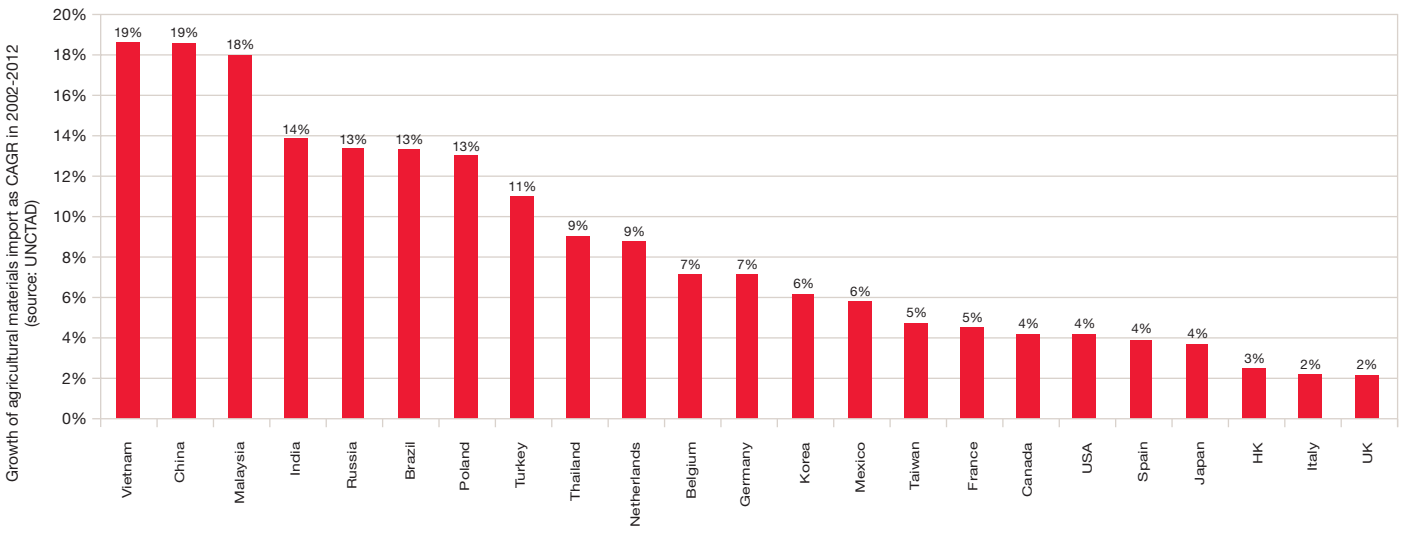
Global operations

A recent report by PwC and MIT illustrates the challenges and risks of a more global supply chain. When a company expands from a local or regional presence to a more global one, the operations and tax strategies need to be adjusted to align with the changes: that's when operations become more complex. Transportation and logistics become more challenging, lead times lengthen, costs increase and end customer service can suffer. With a more global footprint, different products are directed to more diverse customers via different distribution channels, which require different supply chains.

PwC and MIT identified seven factors that enable stronger capabilities in both supply chain management and risk management. Based on these seven factors, companies can enhance their supply chain performance.

More mature capabilities lead to better operational performance, in two distinct groups. The cost-efficient group consists of mature companies that selected cost or efficiency as their key supply chain value driver, while the flexible-response group contains mature companies that selected flexibility or customer service levels as their key supply chain value driver.

The top-25 importers of agricultural products are increasing their imports



Six questions towards the future of agrifood

In the previous sections the impact of the megatrends on the various links of the agrifood value chain have been explored. As the megatrends are multidimensional in nature and their impact on the sector is manifold, this report contains a selection from our research - illustrating the breadth and depth of this impact. So where is the sector headed? Let's take a look at six questions that help explore the future of agrifood.

Cleaner

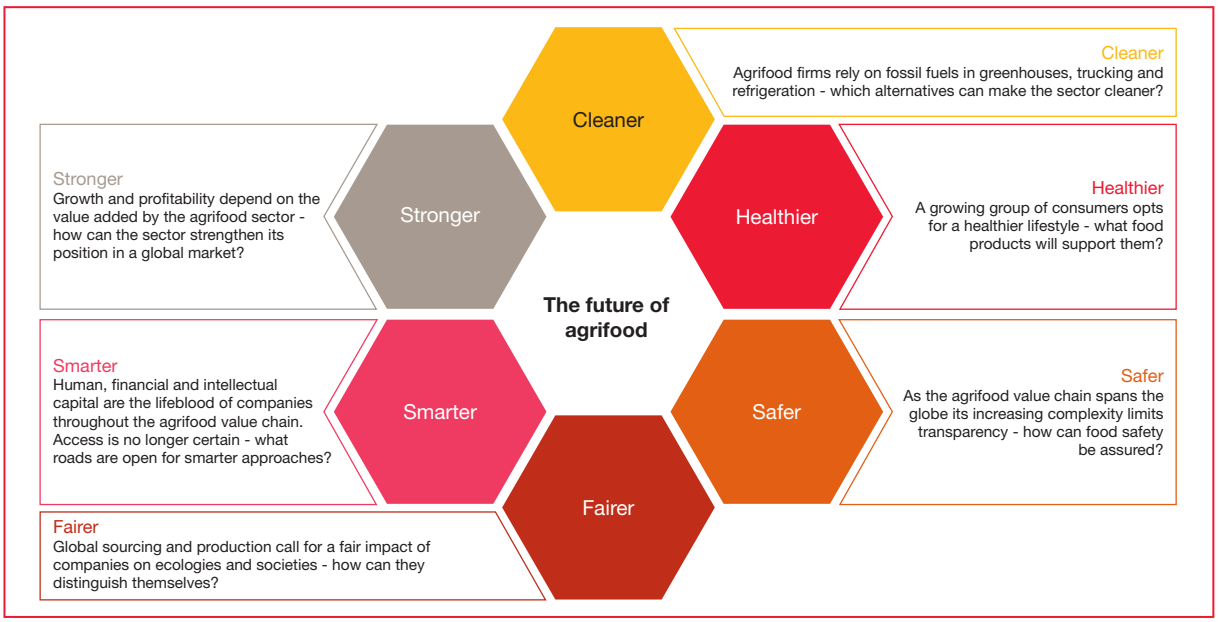
Agrifood firms rely on fossil fuels in greenhouses, trucking and refrigeration – which alternatives can make the sector cleaner?

We believe that public-private initiatives to invest in technological advances will need to expand. Joint programs of the national government and the sector include the program "Kas als Energiebron". This program conducts strategic research on the possibilities of using solar energy for greenhouse production. While the ambitions are to build all new greenhouses in 2020 in a climate neutral way and to use 20% of sustainable energy, technologies still require substantial advances in both their performance and cost.

Further down the value chain, food companies and retailers are making steps in reducing their consumption of power, water and raw materials, while reducing their production of CO_2 and waste. Nonetheless, trashing of food that is no longer fit for sale by retailers or fit for consumption by households will remain an issue.

We believe accelerating urbanisation may prove a mixed blessing. With households living in closer proximity, the 'last mile' from the store to the home may in fact become a lot shorter. This can help reduce CO_2 emissions and energy consumption as more shoppers travel a shorter distance to their store, while in-home delivery of groceries ordered online may also become more efficient.

However, urbanisation presents increasing challenges to the flow of goods into sprawling cities – and the flow of waste in the opposite direction. Potentially, urban farming may provide an answer. Nonetheless, calculating the self-sufficiency ratio of cities for food staples such as dairy, eggs, vegetables, fruits and meats will continue to be a sobering experience. This implies that cleaner solutions for logistics will need to be developed and deployed, in order to connect cities and their corresponding sites of food production.



Healthier

More and more consumers opt for a healthier lifestyle – what products will support them?
We believe that despite lower consumer spending since the previous decade's economic downturn, a growing group of consumers is interested in products that support a healthier lifestyle. This not only changes their diet, but also their purchasing behaviour per food type: down to the levels of where the product is originating from, how it has been grown as well as how it has been processed.

Obviously, not all consumers are actively shopping for healthy foods. Government is stepping in, requiring more transparency on nutritional value and ingredients on packaging, as well as lower levels of sugar, fats and salt in products.

Safer

As the agrifood value chain spans the globe, its increasing complexity limits transparency – how can food be safer?
We believe that technological advances such as social media are helping consumers find their voice. Retail and food brands alike will be increasingly scrutinised and challenged on their behaviour and performance. Low-cost devices for detecting food-borne pathogens may even further heighten consumer awareness.

This call for transparency and regulatory compliance will require retailers and food companies to actively manage their brand and reputation, and reconsider their own operations as well as those of their suppliers. Stepping up to this challenge can help create a competitive advantage for companies in the process.

We also believe that national and European governments have a role in addressing the safety and concerns of their citizens. From enforcement of national regulations to border inspections, nations should consider the trade-off between public health and business interests diligently.

Fairer

Global sourcing and production call for a fairer impact of companies on ecologies and societies – how can they distinguish themselves?
We believe that the growing resource scarcity will lead to price increases, impacting the profitability of major companies throughout the agrifood value chain. From more expensive chocolates for Easter to stock outs of baby milk powder, consumers will also be increasingly impacted.
To secure their supplies, companies will need to shift their stakeholder management from the level of national governments to the level of local government and communities.

In the long run, only those companies that have a mutually beneficial relationship with local communities can secure their supplies and build a sustainable business model. Several key players acknowledge this and are gearing their strategy, operations and reporting towards this end.

Smarter

Human, financial and intellectual capital are the lifeblood of companies throughout the agrifood value chain. Access is no longer certain – what roads are open for smarter approaches?
We believe that as demographic shifts play out among the population, the workforce in the agrifood sector will decrease – from farmers to physicists. With the number of farms declining and the role of technology increasing, the sector is able to sustain current production levels – and preferably increase to meet growing demand for Dutch agrifood exports.

At the same time, R&D-intensive firms from seeds and fertilisers to greenhouse equipment and food processing will need to secure their access to talent – local and international alike. Here, government also plays an important role in supporting both education and institutional research.
In terms of financing, we believe the agrifood sector should diversify its funding beyond bank loans to alternative sources of financing. These alternatives include issuing bonds, partnering with private equity as well as private placements with pension funds and insurance companies.

In addition, cooperatives could take a proactive role in securing access to liquidity and a lower cost of funds by attracting capital at the level of the cooperative on behalf of its individual members.

Stronger

Growth and profitability depend on the value added by the agrifood sector – how can the sector gain a stronger position in a global market?
We believe the economic shift in power will continue to challenge the position of the Netherlands as a key country to do business in, as well as to the Dutch agrifood sector specifically. The competitive position of the Netherlands needs incessant strengthening of its logistical, fiscal and intellectual infrastructure to continue to attract leading firms in the sector and the talent that works for these companies.

This goes hand in hand with strengthening the Dutch agrifood sector and further increasing the shift from exporting raw materials and processed foods to exporting technology, experience and intellectual property.

PwC experience

PwC is strongly committed to the agrifood sector in the Netherlands as well as on a worldwide basis. In the Netherlands we have a dedicated team of people firmly rooted in the sector and the members of our practice have a solid track record in agrifood. We're a network of firms in 158 countries with close to 180,000 people who are committed to delivering quality in assurance, tax and advisory services – on all levels, from strategy to execution.

PwC created a global Agribusiness Research and Knowledge Centre, in order to keep our staff and clients around the world updated on the main issues and trends. This Agribusiness Research and Knowledge Centre also provides market intelligence services about and towards the industry and supports local practices. Some examples of our experience within the agrifood industry

Foodsafety

PwC has helped various governments formulate comprehensive food security strategies. These have looked at the key risks and exposures those countries faced with regards to food security; changing food supply/demand dynamics locally and globally; issues by key food commodity type; assessing current plans to address current issues; formulation of new initiatives to solve key food security risks, both in the short and long term; overall cross-government coordination and implementation plans.

Sustainability and climate change

Recent projects in the sustainability and climate change area include: evaluating the business case and socio-economic benefits for local sourcing of agricultural raw materials, development of a methodology and carbon calculator for understanding emissions from small holder agriculture, and assessments of market and financial opportunities for climate-smart agriculture.

Internationalisation and realigning your business & tax model

An increasing number of market players is streamlining and realigning it's international organisation. PwC helps agrifood groups with these processes and thought alignment of strategy, operational opportunities and tax position. PwC – in close and joint effort with its clients – creates and designs a tax-efficient business model. PwC has unique and broad experience in transforming and integrating future business and tax models and to drive the required transformational change. Hereby risks are mitigated and a platform is provided for future growth of the respective company.

More detailed information can be found on pwc.nl/agrifood

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