

Netherlands

Policy action towards a sustainable agrifood system

Context

Over the years, the Netherlands has become a global leader in the areas of agriculture and horticulture thanks to continuous innovation and process optimization. The Netherlands is proud of the achievements of its agricultural sector, supply and processing industries and knowledge institutions. These organizations have put the Netherlands on the map as a model for other countries when it comes to agricultural knowledge, production and innovation, and thus in a position to make an important contribution to global food supply and security.



At the same time, the current intensive agricultural systems in the Netherlands have reached – and in many cases exceeded – the limits of what a healthy living environment can handle. Climate change and the loss of biodiversity are a direct threat to food production. The Netherlands faces the challenge of balancing agricultural production with the environment in which food production takes place. In a crowded landscape with many demands, the Dutch agricultural and food system is currently facing a difficult transition towards a sustainable future. This transition is not a luxury, but an absolute necessity that requires government intervention.

Rationale

The Government of the Netherlands is committed to working on this transition by taking an integrated approach when it comes to nitrogen, water, climate and nature. The Netherlands is a small country, but still the situation is different in every region. The quality of nature, water, and soil varies everywhere. Also, the most efficient interventions towards a healthy environment, clean water and fresh air differ per region. Therefore, the Netherlands is developing regional programmes to work towards a sustainable and healthy rural area in the future. Measures are being implemented in various sectors, including agriculture, industry and transportation. All sectors contribute to the country's goals, in terms of reducing nitrogen and greenhouse gas emissions and improving air quality. And perhaps most importantly, in line with the tried and tested 'Dutch polder model' of consensus decision-making, the Netherlands aims to shape its transition through cooperation among all stakeholders. This 'Dutch Diamond Approach', as it is referred to, is essential in successfully transforming our national food system.

Approach

The exact outcome of the transition towards a sustainable future is not set in stone. What is certain, however, is that the national food system will look different in the future. Agricultural production will occur within planetary boundaries, while the agricultural sector will remain economically sound and internationally competitive. Dutch farmers will largely transition to nature-inclusive, organic and circular farming. Production will be future proof and sustainable.

This requires a solid income model for agricultural entrepreneurs. A solid income model can only be created when farmers receive a fair price for their sustainable products from customers such as food producers, supermarkets, and ultimately consumers. A fair, higher price for more sustainable products requires clear standards so that consumers know what they are buying. Since a significant portion of agricultural income is generated abroad, this is a European and international issue. It is important that there is mutual recognition of sustainability labels, so that producers are rewarded for their sustainability efforts and the associated costs when selling on the international market.

Next to a solid income model for agricultural entrepreneurs, it is crucial to stimulate research and innovation. The government – together with the private sector, knowledge institutions and civil society organizations – has developed a knowledge and innovation agenda focused specifically on agriculture, water and food. This agenda will guide innovation and research efforts in the years leading up to 2030. Also, the Dutch government financially stimulates public-private projects with a focus on sustainable economic growth; for example, by investing in a project on cellular agriculture, a project on plant breeding for resilient crops, big data methods and artificial intelligence.

The Netherlands is also investing globally in research and innovation and sharing its knowledge and expertise. Last year, the government announced a substantial increase in the development cooperation budget for food and nutrition security, with an additional EUR450 million over the next five years. The Netherlands also has a six-year USD177 million commitment to the CGIAR partnership, and has further investments in scientific collaboration, knowledge sharing and capacity building for food systems with a primary focus on Africa. The country also organizes innovation missions for its private sector and research institutes to share experiences with other countries. For example, last year there was an innovation mission to Singapore focusing on cellular agriculture.

Conclusion and lessons

In conclusion, the food system transition is taking place at a time of a concerning deterioration in food security for millions of people around the world. The war in Ukraine, climate change and the COVID-19 pandemic have had a major impact on global food markets. This makes clear the significance and value of a stable, sustainable agricultural sector – in balance with nature and the environment – when it comes to food security. It makes us especially focused on how urgent the transition to a more resilient food system is. We have to do this together.

This is one in a set of country case studies demonstrating policy action that individual countries are taking with the aim of transition to sustainable agriculture. They are country owned and do not represent wider views of the Policy Dialogue participants.