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# Flourishing flowers, promising plants

## Embracing Sustainability

### RaboResearch

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**Entrepreneurs should embrace sustainability in their management. Certification schemes can be helpful, but are not necessarily objective. Cooperation with other companies in the supply chain and with governmental bodies is very important, because the ultimate goal is not a sustainable company, but a sustainable supply chain for flowers and plants.**

## Communication on sustainable floriculture

Public demand for sustainable floriculture is on the rise. This makes transparency important for all companies in the industry. Certification can be useful for monitoring improvements in this regard. Certification schemes make it possible to ascertain quality improvements and to communicate based on facts. Rabobank supports the Floriculture Sustainability Initiative (FSI), which is helping to promote the quality of the discussion. Certification is just the means, not the goal.

To improve sustainability in the floricultural supply chain, it is crucial that industry players do not see this as an external obligation, but as a way to improve company processes and public acceptance. Improved operations are needed for the continuing social acceptance of floriculture. Plus, achieving high sustainable production standards is a chance for companies to differentiate themselves from competitors.

Good communication in the supply chain is essential if companies want to cash in on sustainability. This holds true for communication between businesses within floriculture as well as communication to end users. It is up to all companies to inform consumers, citizens, non-governmental organisations, governmental bodies and others involved, about the problems, efforts, and results.

## Individual assignment

Every player in the floriculture supply chain has its own responsibility when it comes to improving sustainability.

Breeding companies can play an important role in the development of strains with certain resistances and/or improved shelf life. The use of new breeding techniques such as CRISPR-Cas could contribute to this. Rabobank believes that breeding focused on a broader or more in-depth assortment has a lower priority.

Growers can reduce their use of fossil fuels by implementing new ways of growing ('Het Nieuwe Telen'), setting up sustainable energy systems (solar energy, wind power, geothermal energy, residual warmth), and preventing the discharge of polluted water.

Distribution companies may use biodegradable packaging materials and make optimal use of the capacity of trucks or trains.

Finally, retail outlets should provide information about consumer behaviour to every partner in the supply chain so that they can adjust and improve management. This will benefit all links in the supply chain.

## Collective strength

It is also time to look at improvements in sustainability together. The 'duurzame sierteelt' (sustainable floriculture) platform is a good initiative that helps companies cooperate on this important issue.

The role of the government is crucial when it comes to large collective investments needed for improving sustainability. Employers, however, experience a lot of uncertainty and vagueness about governmental policy. Because of these long-term uncertainties and the general attitude of government bodies, there is a lack of investment in sustainable assets and this is slowing down innovation.

Our recommendation is to make long-term, binding obligations on projects between companies and government bodies in order to build trust. A good example in the Netherlands is the way in which the government gives guarantees to banks in financing projects for geothermal energy. Without this involvement, this development would be so much harder.

*This is the second article in a series of articles on floriculture. This article is largely based on a recently published Dutch-language report on the Dutch floriculture "De Nederlandse sierteelt: Volop kansen: Strategie bepalen voor ketenpositie".*

# Imprint

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