

Market consultation “Capacity building for food-horticulture industry” Colombia

Naam van de behoeftesteller

The Netherlands Enterprise Agency (in Dutch: Rijksdienst voor Ondernemend Nederland, RVO) supports private and public organisations with funding, international business partners, knowledge and regulations.

Achtergrond/Background

Horticulture is a sector called for providing healthy and safe food to an increasing world urban population, but at the same time facing ever increasing pressure from climate change, lack of qualified employees and rising labour costs and pressure from the urban areas. In Latin American, and Colombia is not an exception, large scale cities face challenges to access higher quality, healthier, more sustainable and more diversified food. This is partly explained by the increasing purchase power of the middle class living in the Colombian cities translated into preferences for more sustainably produced food. Equally important is the inclusive growth of the often small producers in the rural areas around these large cities, who play a key role in local food supply. Colombia needs to feed its fast-growing cities. As the urban population - already at 80% - and the Colombian middle class is expected to grow.

The Agriculture Department of the Dutch embassy in Colombia (LAN Bogotá) noted that while food horticulture in Colombia was broadly seen, both in Colombia and in The Netherlands, as a sector with great potential, the sector showed little development and dynamism and the Dutch providers to the sector were mostly unable to penetrate the market. In 2019, LAN Bogota commissioned a study to obtain insights into the expected developments and challenges in the Colombian horticultural sector and a strategy with recommendations for LAN Bogota and the Ministry of Agriculture, Nature and Food Quality of the Netherlands (LNV) on the best way to move forward. Important results of this study indicate that the Horticultural sector has the potential to evolve into a more efficient and sustainable economic activity based in the improvement of the local private sector: small and middle scale producers and the high-end segment of the market (including producers of certified, specialty products, food service providers and high-end supermarkets). Another important finding of the study is that, considering the stage of development of the sector in Colombia, efforts should first primarily be directed to further development of the sector itself, thereby addressing some of its major bottlenecks. The project attends these needs.

Strategic embedding:

In 2018, the Dutch Ministry of Agriculture, Nature and Food Quality (LNV), launched the vision on circular agriculture. Horticulture is acknowledged in this vision as an area where the Netherlands, considering its knowledge, technology and innovations, could make an important contribution to a dynamic and at the same time more circular and inclusive growth and development of this sector in Colombia. In the same year, the Prime Minister of the Netherlands, Mark Rutte and the LNV minister Carola Schouten visited Colombia. The visit was focussed on sustainability in agricultural value chains and circular agriculture (with emphasis on horticulture).

In 2019, the LAN Agricultural Department in Colombia (LAN Bogotá), developed a strategy on Circular Agriculture and a working agenda 2020-2022 with concrete activities on how to contribute to the circular agriculture ambitions of the LNV Ministry. In line with the Dutch vision on circular agriculture and with the efforts of the Colombian government to introduce circularity in the country, the LAN Bogota team has developed its own Circular Agriculture strategy: where Colombia and the Netherlands meet. This strategy supports the ambition of the Dutch government to cooperate with other countries in circularity in the most relevant sectors of the economy, in particular in which the Netherlands is dependent for its imports. Here horticulture has a relevant role. See link: <https://www.agroberichtenbuitenland.nl/landeninformatie/colombia/nieuws/2020/03/02/circular-agriculture-where-colombia-and-the-netherlands-meet%E2%80%A6>

In line with the above, the embassy of the Netherlands in Bogota has set circular economy and circular agriculture as two of the main priorities for the coming years, which are reflected in the annual plan 2021 of the embassy. Within this scope, feeding the cities and sustainable development of the horticultural sector in Colombia are important priorities of the Agricultural Department of the embassy (LAN Bogota) and of the Dutch Ministry of Agriculture, Nature and Food Quality (LNV).

Currently, the embassy, together with the government of Colombia is preparing the state visit of the President of Colombia, Ivan Duque to the Netherlands in 2021. The agenda of this visit includes an MOU between the Netherlands and Colombia on Circular Economy and Circular Agriculture, in which Horticulture is considered as one of the areas with potential for local private sector development and further business development for the Dutch Agri&food sector.

Problem Analysis

The Colombian horticultural sector cannot meet the future challenges of increasing urban population in the country and the increasing demand of higher quality and healthy products without undergoing a major transformation:

- The sector is currently composed by traditional horticulture farmers (small growers in a basic low-tech production system low tech growers) and the emerging "next generations of horticulture farmers" (potential high-tech growers). These farmers are mostly low-income and are located in the north of the country in the regions of Cundinamarca, Boyacá, Antioquia, Magdalena and Cesar. These regions are also characterized by high impact of the internal conflict of Colombia and the improvement of the local private sector has been identified as one of the main drivers to promote the development of formal economies and the strengthen of communities by providing job creation and opportunities to engage with local and international markets.
- Protected cultivation of vegetables in Colombia is still in its pre-infancy. The technification of the sector is needed to improve the productivity, quality and sustainability of food production in controlled environments. This is particularly relevant for the cultivation of "fruit" vegetables like tomatoes, bell peppers and cucumbers but also for lettuce and herbs, where at the moment unprotected, open field production is the standard.
- There is a need to improve productivity and quality, and in order to reduce the estimated 34% of food that is lost and/or wasted in Colombia (of which 62% are fruits and vegetables) there is a need for better connecting farmers with the market and introducing better postharvest technologies and agro-logistics.
- Minimizing the impact on the environment and reducing the use of natural resources, principally water. This is highly relevant as Colombia, and in particular the northern regions where the main horticulture sector takes place in the country is hardly affecting water availability as consequence of climate change.
- Companies that serve the high-end segment of the horticulture market such as producers of certified products, specialty products, food service providers, high-end supermarkets etc can hardly connect with the small and middle income horticulture farmers because of their limited awareness about and access to the available technology, but also lack of expertise and know-how on protected cultivation of vegetables. Besides, many small and middle income farmers have low productivity rates and product quality, use high amounts of pesticides, have a high water use per square meter, and above all, they lack of indicators to measure and benchmark their performance against others; which make difficult to enter a high quality supply chain of horticulture to attend the local or international market.

Overcoming these problems requires a change in the Colombian production system for horticulture food products with a different approach in the cropping systems. Particularly the segment of protected cultivation of "fruit" vegetables has potential, like tomatoes, bell peppers and cucumbers but also lettuce and herbs, currently produced mainly in open fields. Therefore, protected and more controlled cultivation – a field where the Netherlands has a solid track record - offers opportunities to improve sustainability, food safety and quality but also food security. Besides, Colombia has implemented several government organizations, to support the competitiveness and improvements of the agricultural sector, in particular Horticulture for its potential to improve traditional farming practices

and to growth to attend national and international market demands. Nevertheless these institutions work independently with different approaches to support local farmers. The project will help to connect their individual efforts and in partnership with these organizations will develop a common and comprehensive tools (curriculum and trainer the trainers course on sustainable horticulture) that can support the needed transformation of the horticultural sector.

Major changes (on large scale) in the short term cannot be expected, but projected developments in the mid- to long term warrant a strategy that combines dialogue with agenda-setting, knowledge transfer and capacity building. Given the current developments in high-end niche markets, it is also relevant to keep a close eye on high-end niche players (certified producers for external market, traders and supermarkets); bearing in mind that these niches offer the best opportunities for Dutch suppliers of mid-level technology to the sector. With good partnering in the future, even supporting the construction of an Impact Cluster could be considered as a way to 'proof the concept' of mid-tech horticulture in Colombia.

Dutch knowledge institutes and companies, in particular, those specialized in cropping systems, post-harvest and logistics for horticulture food products can make an important contribution to sustainable growth and transformation of the horticultural sector in Colombia. For example, alternatives for pesticide use such as biological control, water saving techniques, soil improvement, and digital solutions for farmers that optimize inputs and productivity.

The gap between demand in Colombia of knowledge and techniques; and supply in the Netherlands of know-how and innovation, appears to be one of the main reasons for limited business between Colombian horticultural producers and Dutch companies. The Dutch horticulture sector offers a variety of solutions in relation to protected cropping that could benefit the Colombian farmers. Consequently, the project will also contribute to identify opportunities to connect the Dutch and the Colombian horticulture sectors; which in turn will help to enhance the development of export potential of Colombia in vegetables and fruits.

Potential partners for food horticulture transformation in Colombia:

- **Governmental entities** responsible for the regulation, economic promotion and technical support to horticulture in Colombia:
 - Ministry of Agriculture and Rural Development (MADR).
 - International Center for Tropical Agriculture (CIAT)
 - Agrosavia
 - National Training Service - Servicio Nacional de Aprendizaje (SENA)Policy and technical officers of MARD, CIAT, ICA, SENA and Agrosavia will directly benefit from the project through the Trainer of Trainers (ToT) course. Besides, representatives of these institutions will be involved since the beginning of the project to consolidate a partnership that will ensure ownership.
- **Local horticulture private sector:**
 - Farmers: composed by the traditional horticulture farmers (low tech growers) and the emerging "next generations of horticulture farmers" (potential high-tech growers) of the regions: Boyacá, Cundinamarca, Antioquia, Magdalena and Cesar.
 - The Society of Farmers of Colombia -SAC.
 - It is the national agricultural union association, conformed by different associations, institutions and companies of agricultural and livestock production in the country. Those who in turn represent the majority of the rural producers, as well as medium and large entrepreneurs from the national agro-industry.
 - These farmers, together with representatives of SAC and regional chambers of commerce will be involved along the project in the different activities to identify and gather concrete needs and problems; which will serve as input for the elaboration of the expected results of the project.

- High-end segment of the horticulture market, that includes the producers of certified fruits and vegetables, specialty products, food service providers, high-end supermarkets and traders for local and international market. Representatives of these organizations at regional and national level will be involved to identify opportunities for knowledge transfer, technology and innovation from the Dutch horticulture sector in order to have sound information that can further be used to promote business matchmaking and market access of horticulture products to the Netherlands.

- **Academic and knowledge institutions**

- Universidad de Bogotá Jorge Tadeo Lozano
- Universidad de la Salle

Both are agricultural universities with vocational schools that will be involved in the elaboration of a curriculum on Sustainable Horticulture (techniques and innovation); and the implementation of the 'Trainers of Trainers for sustainable horticulture.

The project will also include actors in the Netherlands:

- Companies offering solutions for small and medium scale farmers in relation to horticulture and sustainability
- Public entities such as the Ministry of Agriculture, Nature and Food Quality,
- Academic and research institutes such as Wageningen University or Technical institutes with knowledge and experience on horticulture.

Objective of the project

The purpose of the project is to support the local horticulture sector with specialized capacity building to facilitate its transformation towards a more sustainable and competitive practices of local small farmers of the regions of Boyacá, Cundinamarca, Antioquia, Magdalena and Cesar in Colombia. For this, the selected contractor is expected to design and implement a bi-annual action plan (2021-2022) for the capacity building of private and public key stakeholders and to identify and facilitate the setting up of a supply chain to connect small scale horticulture producers with high – end stakeholders to enter this supply chain and access the national or international markets. The project also contributes with the identification of opportunities to connect the Dutch and the Colombian horticulture sectors; which in turn will help to enhance the development of export potential of Colombia in vegetables and fruits.

Doel marktraadpleging/purpose of the market consultation

Het zoeken van eventueel geïnteresseerde partijen die, mogelijk deze opdracht kunnen uitvoeren

Omvang van de opdracht

Het maximaal beschikbare budget bedraagt € 136.000,-- exclusief 0% btw.

Looptijd opdracht/ extent and duration

De opdracht loopt van halverwege januari 2021 tot 31 december 2022

Vraagstelling/ Question

Indien u beschikt over aantoonbare ervaring met vergelijkbare projecten en u kunt de opdracht medio januari 2021 aanvangen, kunt u uw interesse bij ons kenbaar maken.

Procedure

Geïnteresseerden kunnen zich per e-mail aanmelden bij de volgende contactpersonen bij de Rijksdienst voor Ondernemend Nederland (RVO):

gert.goorhuis@rvo.nl en behoeftesteller synara.sanchezsotomayor@rvo.nl

Voeg bij uw antwoord per e-mail uw bedrijfsgegevens, adres toe.

Resultaten van de marktraadpleging/ results of the market consultation

Als resultaat van de marktraadpleging kan de organisatie besluiten om een vervolgtraject te starten. Geïnteresseerden kunnen in dit traject worden uitgenodigd voor het doen van een offerte. Indien er meer dan 5 gegadigden op de marktraadpleging reageren, zal voorafgaande aan de offerteaanvraag een willekeurige leveranciersselectie plaatsvinden.

Bij een eventueel vervolgtraject zal geen onderscheid worden gemaakt tussen partijen die al dan niet hebben deelgenomen aan de marktraadpleging.

Ik zie graag uw reactie uiterlijk 18 december 2020 tegemoet.

Met vriendelijke groet,

Gert Goorhuis

Inkoopadviseur a.i.

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