

Green opportunities with an Orange touch!

Trade mission Horticultural Sector Mexico: Guadalajara and Queretaro

THEMES:

- **Greenhouses & Climate in the Greenhouse**
- **Substrate & Irrigation**
- **Mechanization & Post Harvest**
- **Education & Knowledge Transfer**

OBJECTIVE:

To set up a 'virtual' horticultural project for export of greenhouse produce to North America, by means of matchmaking, field visits, thematic seminars and discussions with experts from the Netherlands and producers from the Americas.

From 3-9 April a group of renowned knowledge and technology providers from the Netherlands together with well known vegetable producers from the Americas visited Mexico, more specifically Guadalajara and Queretaro to assess new sales opportunities and possibilities.

Ideavelop organized this mission, which was partially financed by the CPA program of NL EVD International, a department of the Ministry of Economic Affairs, Agriculture and Innovation. The program consisted of field trips, B2B matchmaking sessions and thematic seminars to discuss the various problems, but certainly also opportunities, producers in Mexico are facing in the current (investment and production) climate.

With this report Ideavelop intends to compile a comprehensive summary of the mission, including the observations and conclusions of all participants. We hope this document will be a useful guide in describing the most acute problems and the proposed solutions for the Mexican regions we visited. Besides, we hope it will be a basis for further discussion and more cooperation between participants. Our goal is similar; open up the Mexican market further for Dutch suppliers of knowledge and technology adapted to the local needs.

See you at our next event!
Edwin Smit & Renee Snijders

Program Field Visits

Sunday 3 April,
Divemex (Alfonso Valle and Roberto Vidrio)

Tuesday 5 April,
Agricola El Rosal (Thierry Legros, Roberto Saldana Castillo, Luis Manuel Saldana Aguilar)
Next Vegetales (Roberto Alvarado)

Thursday 7 April,
Finka in the Agropark (Saul Villalobos and Brian Behan)
Prime Harvest in the Agropark
CEICKOR (Felix Tarrats)

Friday 8 April,
Cimarron (Benjamin Vermeer)
Rijk Zwaan (Stephan de Bock)



Participants The Netherlands:

Aweta

Jose Gomez

Besseling & All Techniek

Rob Hoogeveen

Bureau Leeters

Jos Leeters

Formflex

Philippe Haack

Holland

Invernadero Total

Philippe Haack

Hoogendoorn

Juan C. Gonzalez

Hortimax

Bram Vanthoor

Hortiplan

Kurt Cornelissen

Inverca

Igor Chamorro
Fernando Alvarez

Lutgo Global

Jan Meijer

Nic. Sosef Int.

Ben Sosef

Patron

Agrisystems

Jonahatan Camarena

Priva

Niels van Rooyen

Bureau

Landbouwraad

Leonora Hammer

Greenhouse & Climate in the Greenhouse

Dutch companies Holland Invernadero Total (consortium), Hortimax, Hoogendoorn and Inverca (Holland) gave presentations on this theme. To have a look at their presentations, click [here](#).

Problems detected:

Lack of know how and expertise on high tech horticulture. As a result, producers are often dealing with:

- Climate control in general due to the (wrong) choice of location for the greenhouse; often insufficient cooling
- Energy loss in the greenhouse
- Problems with equipment due to unstable supply of electricity / energy in general

Inverca proposed an interesting case study and compared Mexico to Almeria in Spain. This region was initially very successful producing horticultural products and expanded rapidly. Due to a lack of innovation and thus, financial problems however (no anticipation!), the greenhouses did not expand nor improve and the region is not really competitive anymore. In Mexico the tendency is also to rather invest in m² than in innovations and better greenhouse installations. This hinders progress in the sector (and thus better market access) severely. Food safety and issues like heating should have more priority.

Solutions offered:

Knowledge on how to improve your greenhouse, also with lower cost investment, is a necessity in order to keep up with the market. On the other hand, only a very small portion of the sector is focused on high tech production. In comparison; every year about 50 ha of new high tech projects are being built and about 1000-1200 ha of low/medium tech greenhouses. Dutch suppliers would therefore be wise to get more involved in the Mexican market and focus on tailor made solutions which can also serve medium tech projects. For Mexican producers it is important to consider company strategy; how can you be competitive and have better control over production, harvest and delivery?

The plastic – glass discussion will be discussed later on in this report.

BE PREPARED TO PREFER QUALITY ABOVE PRICE!

Substrate & Irrigation

Dutch companies Priva, Nic. Sosef, Formflex and Patron Agrisystems gave presentations on this theme. To have a look at their presentations, click [here](#).

Problems detected:

- High water consumption
- Scarcity of water
- No or insufficient treatment and/or re-use of water and fertilizers
- High disease pressure
- Lack of knowledge on how to adjust the climate in the greenhouse when adjusting the substrate
- Lack of knowledge on how to adjust the irrigation system in the greenhouse when adjusting the substrate

Water (availability and quality) is becoming an increasingly important issue in production in Mexico. Re-use and circulation are not common yet. Producers and government alike are becoming more aware of this, but only recently and slowly. It is likely that market demands and government regulations will enforce new developments.

Solutions offered:

Investing in proper irrigation systems, gutters and substrate can increase yields substantially and diminish use of water and fertilizers. However, do not just try to improve one of the weak factors. Choose an integrated approach.

OPTIMIZING YOUR SUBSTRATE = OPTIMIZING YOUR IRRIGATION SYSTEM = OPTIMIZING YOUR SUPPORT SYSTEM (GUTTERS OR OTHER OPTIONS TO RECYCLE)

When problems occur, Mexico seems to be more of a follower than an innovator. Producers however cannot escape the demands of the market and will therefore be forced to react adequately to keep up with this same market.

Mechanization & Post Harvest

Dutch companies Aweta, Besseling & All Techniek and Hortiplan gave presentations on this theme. To have a look at their presentations, click [here](#).

Main points for discussion:

A central question was if automation is necessary and important in Mexico where labour costs are still relatively low. From a supplier point of view, Aweta made a clear statement that the needs of the clients are most important. You have to be able to offer (flexibility!) what the client wants so the client can get the most out of his product. Besides, automation and training go hand in hand. When you are investing in automated systems, you also need to invest in your people.

From a marketing point of view, automated systems offer uniformity and quality, something the market is clearly asking for nowadays. Furthermore, there should exist an interactive relationship between the supplier, grower and marketer. Share opinions, give honest advice and offer more than just 1 solution; build a constructive dialogue together! Finally, traceability is becoming a precondition instead of 'added value' and thus, automation is a more obvious alternative to reach that objective.

Education & Knowledge Transfer

Lutgo Global, VHL Larenstein/Wageningen UR and the office of the Agricultural Counselor gave presentations on this theme, while Village Farms summarized the current developments in Mexico in a very comprehensive way. To have a look at their presentations, click [here](#).

Main points for discussion:

From a production point of view good people managed by a good head grower are indispensable and therefore worthwhile to invest in. Company loyalty is an issue in Mexico, especially with lower level management personnel. Keep investing in your people, not only in terms of salary but also training.

From a government point of view, education and practical training on horticultural production in greenhouses is definitely a priority, but there is a big gap between the public and private sector and thus the realization of this ambition is not easy.

Private education and research institute CEICKOR (at the same time a commercial tomato producer) is an excellent example how the market itself is solving the existing problem of lack of practical education and knowledge transfer. By working with renowned suppliers and a well trained management, high level courses can be offered to students and professionals willing to build, enhance or expand their knowledge in greenhouse horticulture.

Plastic or Glass? And.....Think Global, Act Local!

Recurrent topics discussed throughout the week and also illustrated by the field visits were the following question; plastic or glass greenhouses? and the following statement; in order to become successful in Mexico Dutch suppliers need to 'think global, but act local!'.

Plastic or Glass?

When discussing the set up of a 'virtual and ideal' greenhouse in Mexico, this question is the first to ask and the most important decision to make. The pro's and cons of building and investing in plastic or in glass are many and they vary greatly. Most importantly, the final choice should be the result of a well thought out, coherent business strategy (long term) with a clear market objective. Besides, all technical aspects related to this strategy and objective need to be considered as well. The decision maker must be well informed on all technical features available, applicable and worthwhile investing in.

In the end, since so many aspects for the start up of a project have to be considered, there's no easy answer to the question 'plastic or glass'? It all depends on local circumstances. However, it must be clear for Dutch suppliers that glass is not the only solution and for Mexican producers that short term gains are not the solution to cater to an increasingly demanding market.

Think Global, Act Local!

Flexibility has been regarded the key word in doing business in Latin America/Mexico. The Dutch horticultural sector is not only the most innovative and international sector in the Netherlands, but also is leading in the rest of the world. Nevertheless, in the rest of the world production circumstances vary greatly from the Netherlands and thus plastic greenhouses and low and medium tech installations are the rule. The market is demanding more and better quality produce and this is also increasingly coming from the low and medium tech greenhouses. Therefore, how can Dutch suppliers keep on leading the market, but at the same time cater to the markets needs on several levels? Flexibility and innovation are again the key words. A major conclusion of the group was that in order to do business in Mexico, not only the Mexican producer has to adapt his views and offer short term strategy, but the Dutch supplier as well. When only 5% of the market is producing in high tech greenhouses and more than a thousand ha of medium tech greenhouses are built every year, than it's clear where the major market opportunities lie.

Associated Participants The Americas:

**Valle Alto/
Prolamsa**
Nicolas Camacho
MEXICO

Village Farms
Francisco Acosta
MEXICO/US

Savoura
Isabelle Prevost
CANADA

Final conclusions and recommendations

Conclusions

From a technical point of view, when drawing up conclusions about the four themes which were discussed during the trade mission: climate and climate in the greenhouse, substrate and irrigation, mechanization and post-harvest and education and knowledge transfer, an **integrated approach** is of major importance.

When setting up a production project producing vegetables (or flowers/plants) for export, all the above mentioned themes have to be considered by a team of well informed professionals.

Education and knowledge transfer play a key role in this process and cannot be underestimated, certainly not when seen in the light of a more demanding market.

Recommendations

This trade mission has shown that exchange of knowledge and ideas can create new insights and opportunities for cooperation. Education and practical knowledge are still a key issue to develop the market further and to make better use of Mexico's enormous potential. Here lie ample opportunities for Dutch knowledge institutes, recruitment agencies, but also technical suppliers to close this gap and open up the market in a sustainable way, away from the 'hit and run' strategy foreign competitors have been using in the past.

Think Global, Act Local has been one of the key phrases during this mission and applies to Mexican producers as well as Dutch suppliers. **Flexibility** is another issue which concerns Dutch suppliers in terms of adapting their products to the local market and Mexican producers exporting to an ever demanding market.

LET'S DEVELOP OUR IDEAS AND MAKE THEM WORK!!



Develops your idea and makes it work!

Agenda:

- 30 Oct-5 Nov, 2011 (tbc); trade mission to the Netherlands, including field visits, seminars, matchmaking and network dinners.

For more information please contact:

Edwin Smit via ideas@ideavelop.biz

Renee Snijders via develop@ideavelop.biz

Or call the Ideavelop office in San Jose, Costa Rica: +506 22730981.

Additional information on this and more events can be found on www.ideavelop.biz.

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