

# **Chain Cooperation and innovation in the Dutch winegrowing sector.**



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## **ABSTRACT**

## Abstract

After eight years of working in the wine business I decided to start with something new. Not leaving the interesting world of wine, but seeing things from a different point of view. After a private visit to a Dutch wine producer, I got really enthusiastic about his view on the future of this sector. Tasting Dutch wine was never a pleasure and I shared the general opinion that Dutch wine will never be successful. He convinced me that there is a lot of potential in this business, and things will change in the future.

I was surprised that, although the wine sector in The Netherlands is still very young that there are so many vineyards (almost 200 in 2008). Most of them run by hobbyist, but there are also four groups, with one cooperative. It is expected that this number will fall down a bit and stabilise during the next few years.

The cost-price of Dutch wine is very high (€7.52) and therefore it will never be able to compete with foreign producers. It is also difficult to market these wines in The Netherlands as the average price of a bottle of wine is still very low (€2.52). The image I shared about Dutch wine is destructive, but very often true. I tasted too many very poor wines.

Most Dutch wine is sold in the direct surroundings of the producer, who can make a living by guided tours, and offering wine courses and tastings. After tasting around 25 Dutch wines, I realised that with a focus on quality, good wines *can* be made.

There is a lack of knowledge in this sector, concerning almost every aspect of viticulture, vinification and marketing. There are a lot of commercial companies claiming to have expertise on one or more of these issues, but it not organised or worked out professionally.

Thankfully there are a lot of new initiatives. The Ministry of Agriculture, Nature and Food Quality is seeking to strengthen the Dutch international competitive position of the entire agriculture sector, and is also including the wine sector.

Together with divisions of the University of Wageningen research projects have been set up to turn the tide and make knowledge available. The Applied Plant Research (PPO) is currently finishing a report about market and chain cooperation for biological vineyards in The Netherlands. Amongst these topics are:

- Marketing
- Quality and quality assurance
- Chain efficiency
- Chain cooperation
- (Cost)price
- Production and Storage

There are also many other commercial and non-commercial groups focussing on this sector, like the Product Board Wine, The Dutch federation of Agriculture and Horticulture (LTO) and the Dutch Winegrowers Guild and the Dutch Winegrowing Centre.

This means that in the next years a lot of results are presented and winegrower can continue to improve their quality. The emphasis is also by “learning by doing”.

Although this all shows that the sector is working very hard to improve their image and making better wines, a lot of work has to be done. We felt that it could be a good idea to start a wine-centre in a central location where all activities can be joined.

This new expertise centre, to be located in Groesbeek, should be the place to be for all wine lovers. Not only a place for enjoying wine by the glass in a restaurant, and walking through a vineyard, but more important the place to share knowledge. Here, foreign producers can share their experience with their Dutch colleagues. Experts can be invited to demonstrate how to use certain machinery.

It must be a place where there are technical facilities to analyse wine, and work with the outcomes of such an analysis. Last but not least it must also be the place where people can learn how to taste wine.

Surprisingly, with the Dutch climate there is no winegrower that produces sparkling wines. I have tasted a few examples that have been made for fun by the injection method, but they don't have the quality needed to be taken seriously. There is also no expertise on how to make these wines.

All together, the Dutch wine sector is undergoing many changes at the moment. By working together in groups, and with the right funding and support from the government, this sector will improve day after day. It is interesting to see how many new-starters share their passion, and all of them want to produce the best wine.

I am sure, that in five years this sector has closed the gap, and there will be a steady number of good companies, producing good quality wines. Then, consumers may say that they like the wine, instead of saying that it is quite nice for a Dutch wine.

At the end of this week, the European Championships Soccer will start. The people all love their team and a few players in particular. Let us have the same situation for Dutch wine. Let us be proud, and hope to play in the highest region !!

Martin Derksen, 2008.