



Modern solutions for modern challenges

Creating value together

Grodan 40 years
19 November 2009

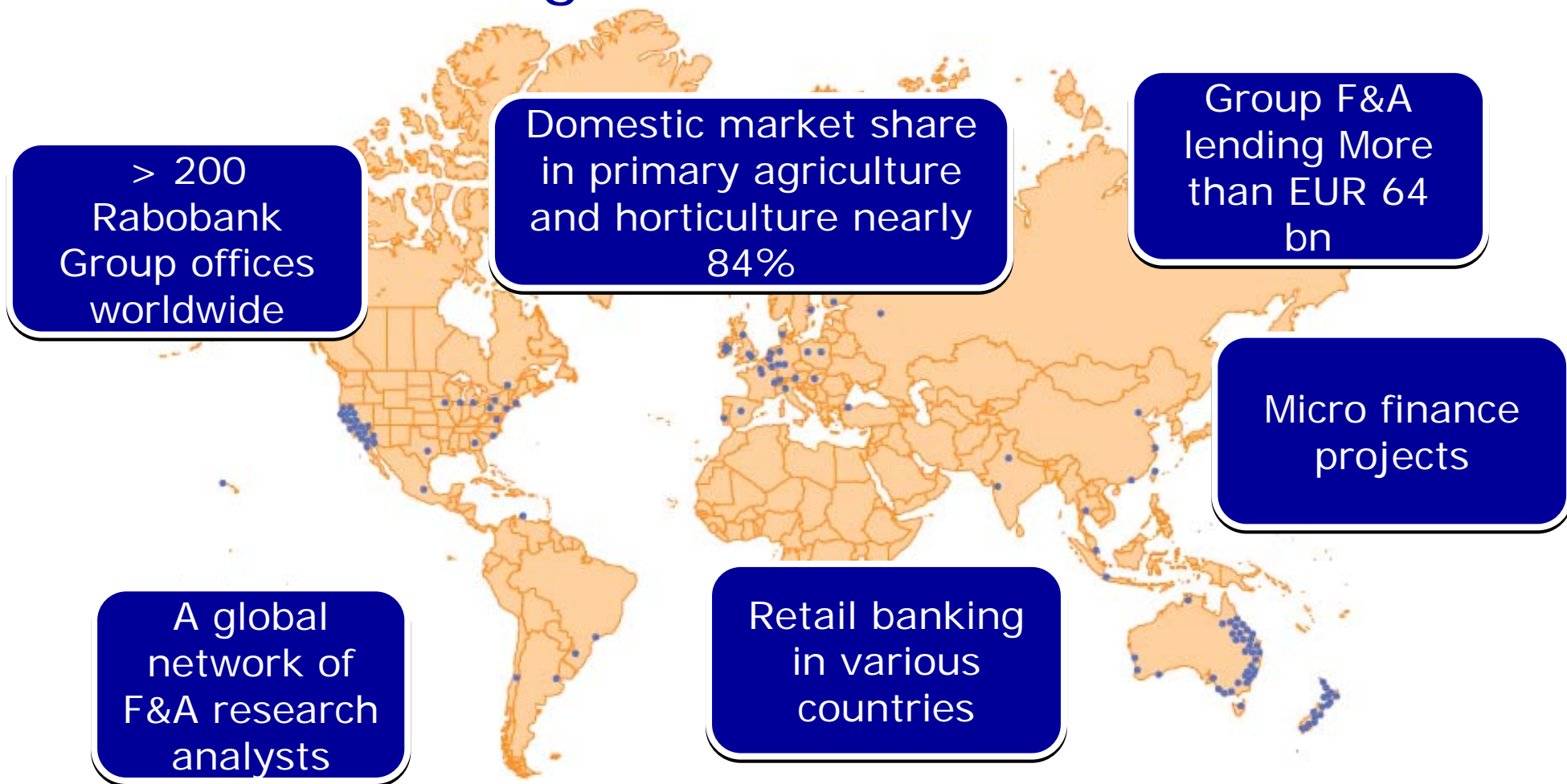
Dick Oosthoek,
Director Horticulture and Arable Farming Rabobank

Rabobank: The bank that does things differently...



- Founded by farmers
- A cooperative: no shareholders, but members (over 1.64 million)
- Triple-A rating: solid as a rock!
- Clear strategic focus
 - To remain the largest, best and most innovative all-finance service provider in the Netherlands
 - To become the global leader in Food & Agri financing
 - To be the most socially, sustainable involved bank

...aiming to become the global leader in F&A banking

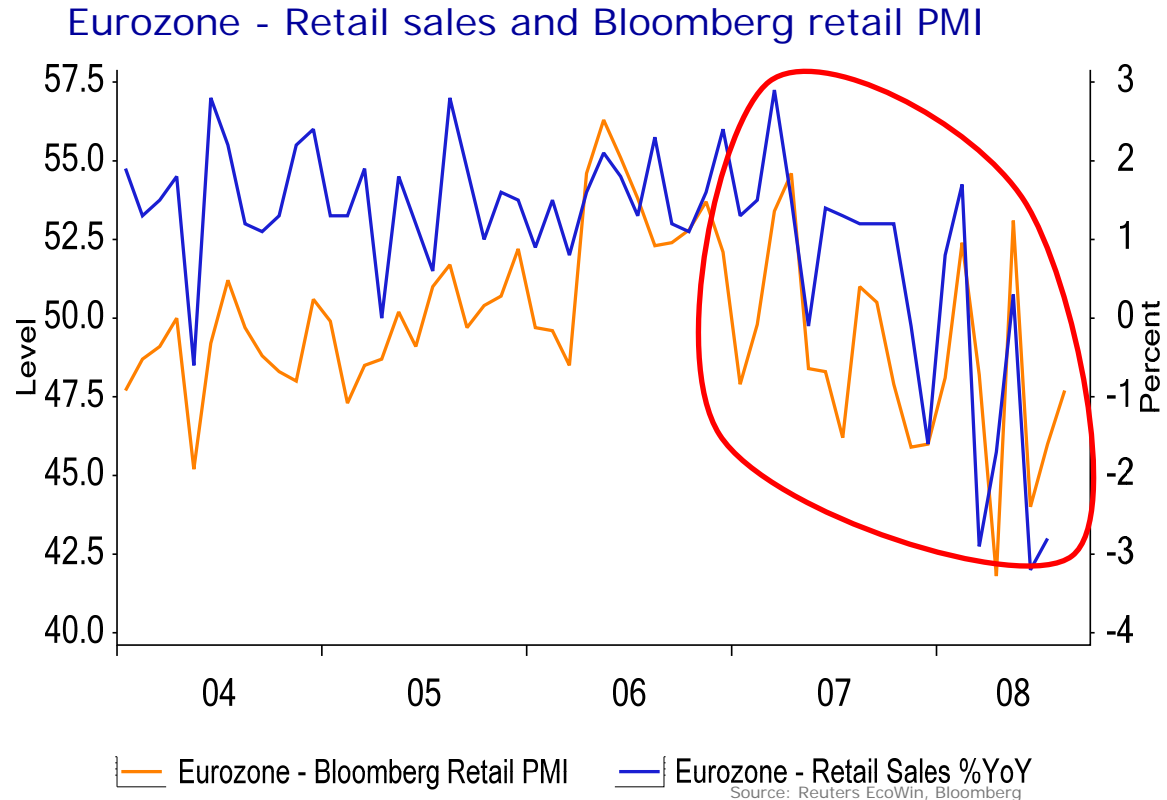


Today's world: harsh reality



Falling consumer confidence and looming recession are impacting Fresh Produce value chain:

- F&V volumes consumed stable
- Consumers are trading down
- More price sensitivity
- Intensified competition at all levels
- More difficult access to export credit
- More difficult access to credit
- Depreciation of the GBP
- Energy prices (temporarily) going down



Fewer but larger companies in horticulture and agriculture



The example of the Netherlands

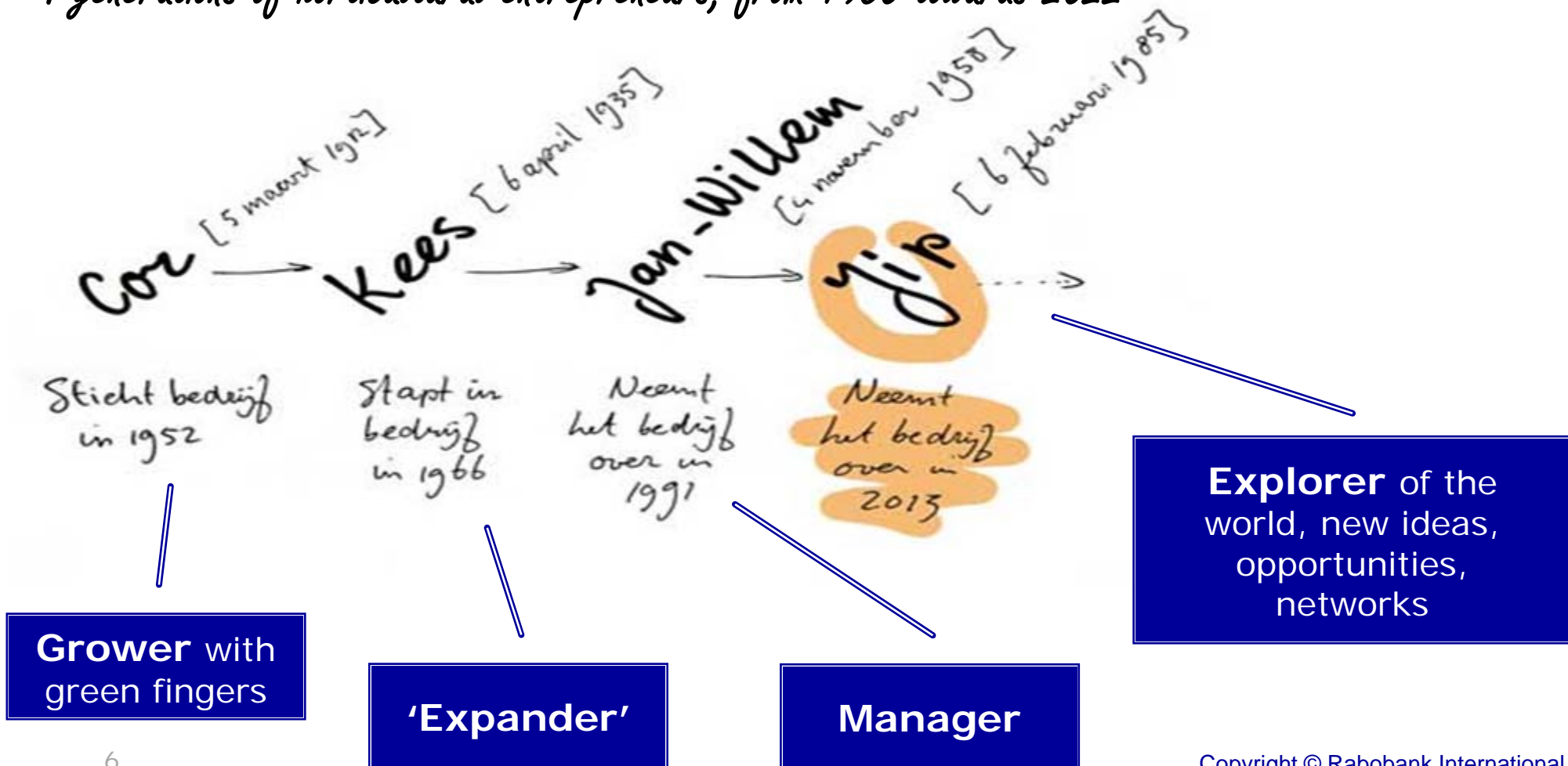
Year	Area (in 1000 ha)	No of companies	Area/farm	Farms leaving business each day
1970	2 143	185 000	11.6	-
1990	2 007	125 000	16.1	8
2000	1 977	97 390	20.3	8
2005	1 938	81 750	23.6	10
2008	1 929	75 150	27.3	4
2009	1 918	73 010	26.3	6

*Half of them were
horticulture businesses*

Tomorrow's world: a dream of a future for horticulture in 'Jip's world'



4 generations of horticultural entrepreneurs, from 1950 towards 2022



...driven by certain trends in society



Rabobank

- Limited natural resources
- Networks (real life, virtual)
- More diversity in consumer demand
- Health remains important issue
- New world powers
- Intensified organisational dynamics
- Regionalisation - globalisation
- People want story behind the product
- Back to basics
- Multicultural
- Rituals



Core movements

From environment to

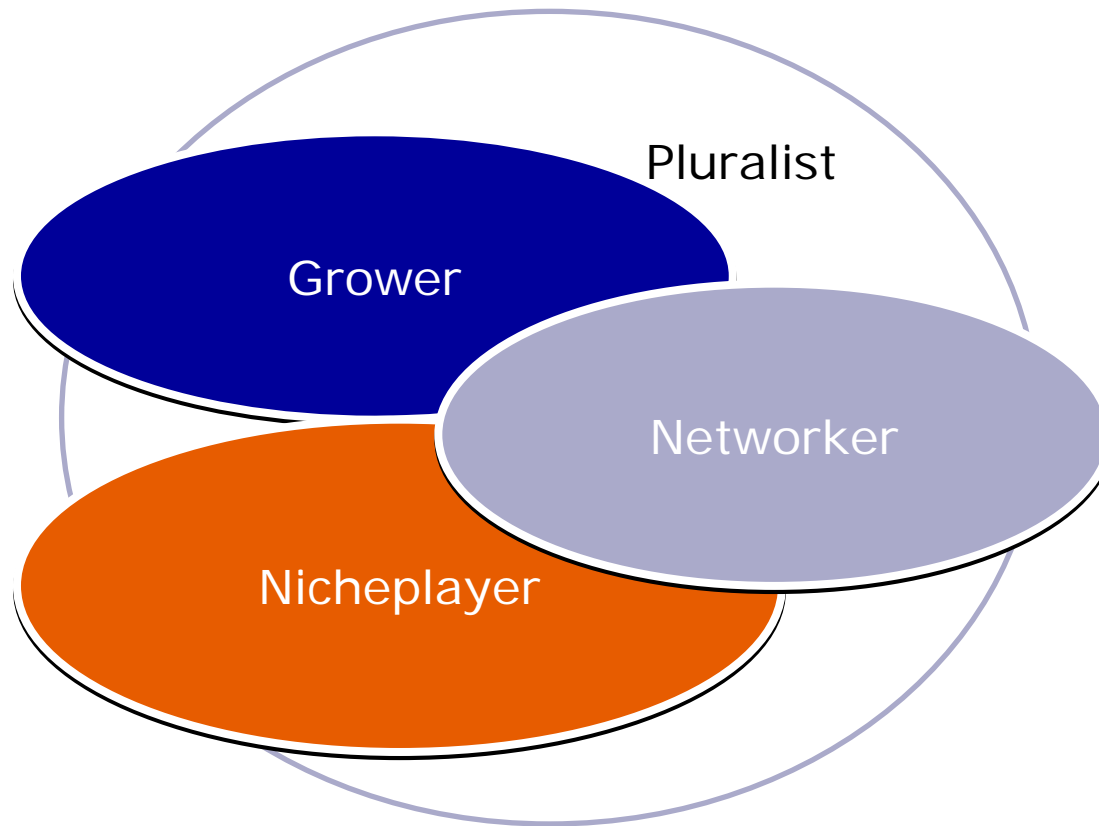
Social, ethical
entrepreneurship

From tight chains
to dynamic
organisations



From product safety to
product possibilities

In Jip's world, entrepreneurs are doing what they are good at and what they like



Family companies will still dominate European horticulture in 2020



- 25% Small companies
 - Additional of-farm income or from sidelines
 - Stable business
- 50% Family companies
 - Skilled grower
 - Run by family members
 - Expanding slightly
- 25% Large companies
 - Employees
 - Highly leveraged
 - Expanding

...but they will operate in a different way...



More professional

- Partnerships
- High-tech
- Business accountancy



Closer to the end consumer

- Regionalisation next to globalisation
- More information towards consumer and vice versa
- Tailor-made products

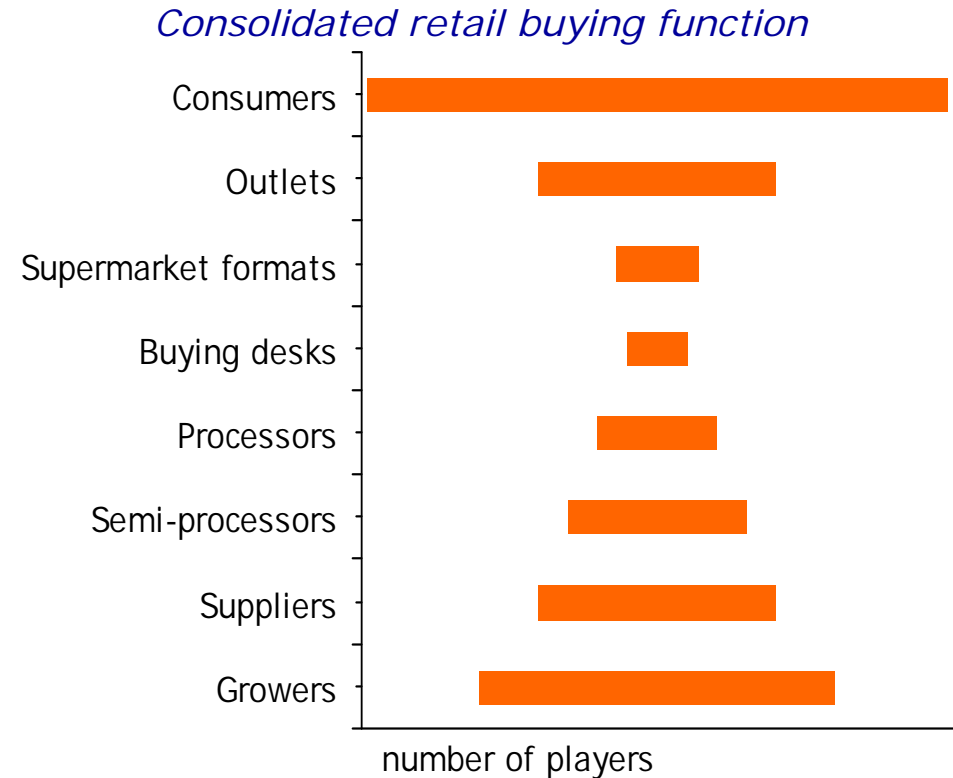


Sustainable and responsible

Food retail is challenging fresh produce trade



- Powerful and demanding customers
- Expanding discounters
- Private labels gaining market share
- More direct sourcing by retailers
- Pressure on margins
- Risks shifted toward suppliers
- Strict requirements on traceability



But plenty of opportunities: Fruit & veg fit perfectly in consumers' food preferences...



Rabobank

Health, 5 a day,
natural, light

Wellbeing



Snacking,
ready meals,
meal assembly

Enjoyment



New flavours,
eating out,
premium

Convenience



...and fruit and veg are of strategic importance for supermarkets



'In the UK, fresh produce represents 10% of supermarket sales but generates 28% of gross margins'. Source: CC.



Shoppers Munch Up Fruit And Veg

Updated: 14:30, Monday July 02, 2007

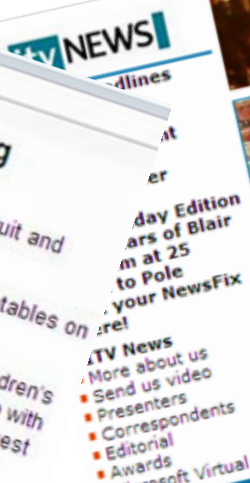
Britons are beginning to get their teeth around fresh fruit and vegetables at last.

Individuals are eating about 2.6 portions of fruit and vegetables on average per day, latest figures show.



The good news is that children's eating habits are picking up with youngsters showing the largest increase in their fruit and vegetable intake.

It has now reached...



The Yomp: The long march to war

Salvador

Superfood sales on the rise

10.43, Sat Jun 9 2007

The sale of 'superfood' products are rising dramatically due to their potential health benefits, according to new research.

Market analyst Nielsen found that foods such as shelled walnuts, salmon and spinach have become very popular in the UK.

Blueberries have been topping shopping lists with sales soaring up by 132 per cent in the past two years. Britons have spent £95 million on the purple berries since 2005.

Market analyst Nielsen found that products such as shelled walnuts, salmon and spinach have become very popular

consumer awareness of their benefits and a marketing push from major... Jonathan Banks said: "Blueberries... keeping the heart health... important to today's...

A growing segment within fruit & veg are fresh-cut fruit and vegetables



Fresh-cut Fruits and Vegetables in Europe

A Growing though Difficult Market

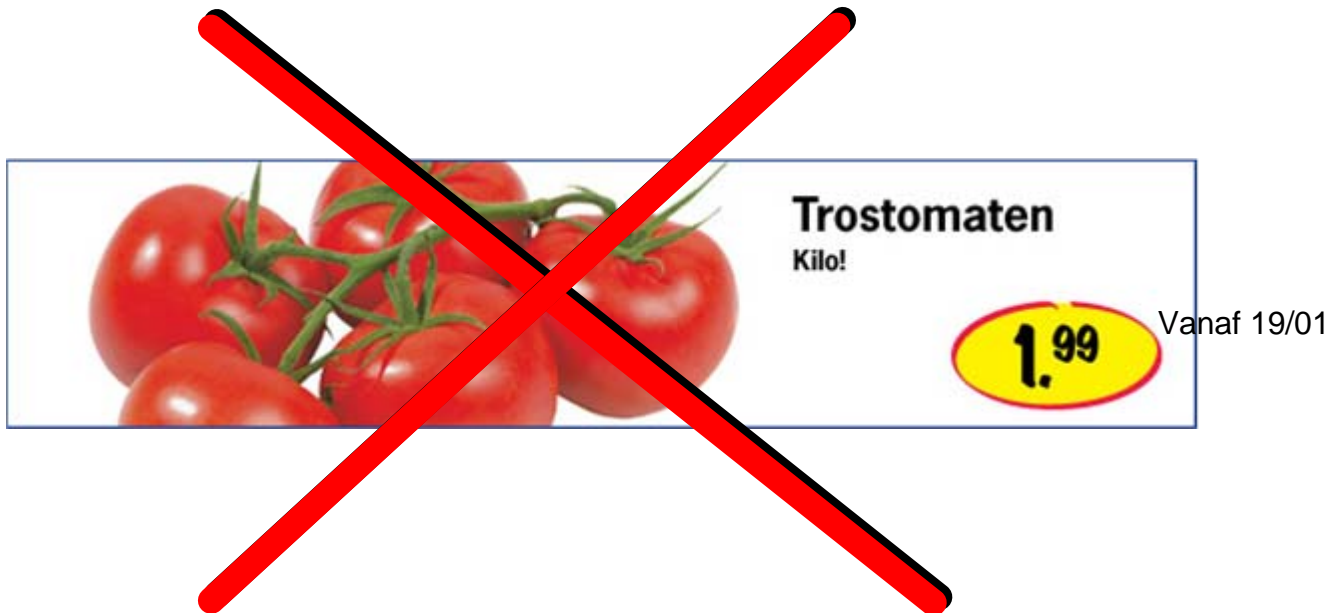
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The average per capita consumption of fruits and vegetables (F&V) in the EU27 has been stagnating for several years now. Despite campaigns from governments and the private sector, there has been very little growth in volume. Consumption of F&V actually declined in 2006 compared to previous years. However, the market has been growing in terms of value. F&V price hikes have contributed to this, as has the sector's increased focus on value-added, and therefore more expensive, products and services. One of these value-added options is fresh-cut F&V (also referred to as 'IV Gamma' or 'minimally processed'). Driven by changing consumer lifestyles and product innovation, this segment is growing in practically all European countries, although the segments and markets show different stages of development. The United Kingdom (UK) is the clear frontrunner in the fresh-cut F&V segment and exemplifies how the market may develop in continental Europe. Despite the vulnerability to the current economic downturn, the fresh-cut

By grasping the opportunities...

- Take advantage of growing market for health, convenience and enjoyment
- Creating new partnerships, horizontally and vertically
- Restoring the relation between consumer and primary production



...and making clear choices...



To excel

OR



To be
different

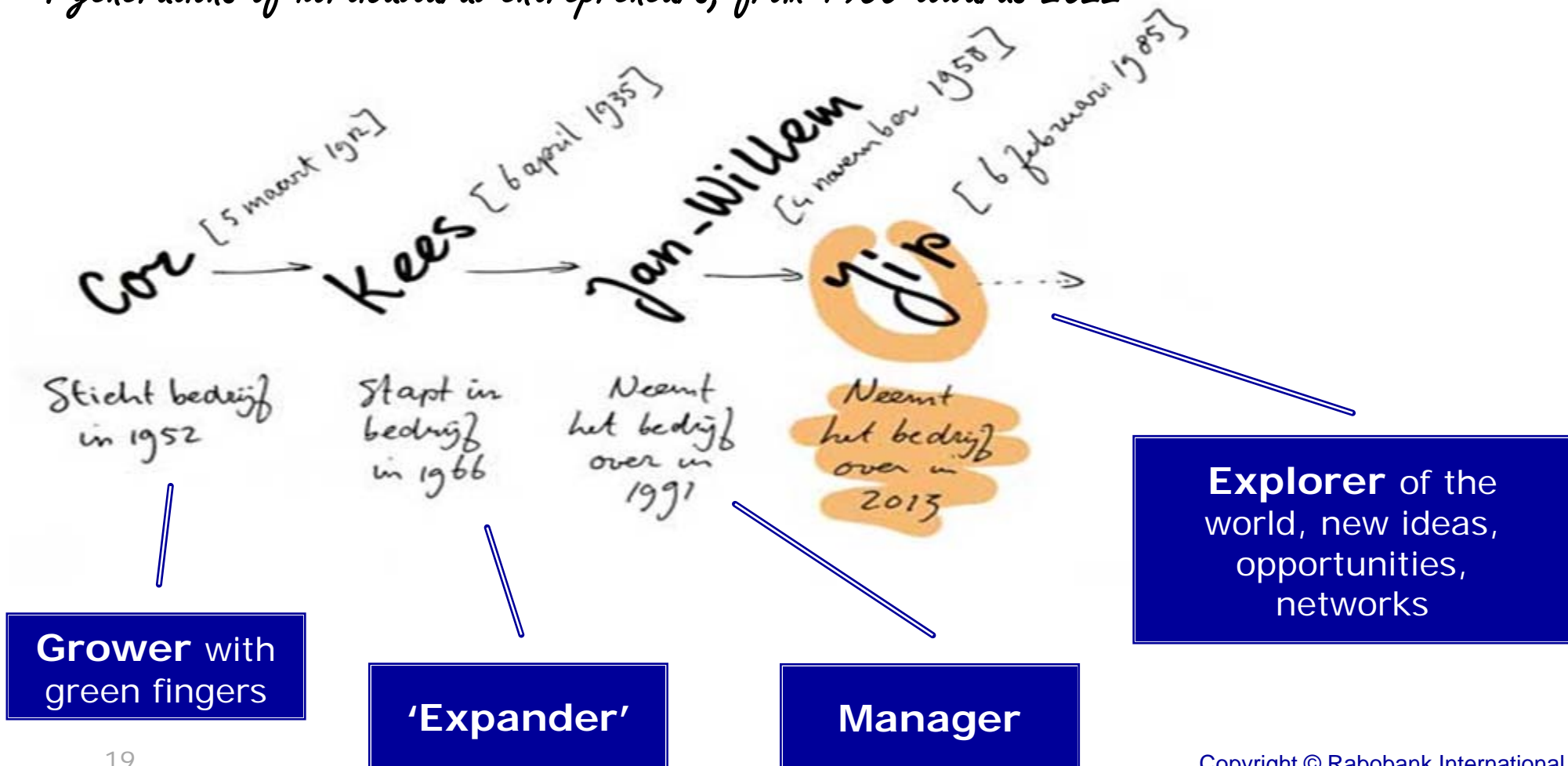
These market dynamics are changing the structure and nature of fruit & veg trade



a dream of a future for Grodan within 'Jip's world'



4 generations of horticultural entrepreneurs, from 1950 towards 2022



Horticulture 2.0



Doing more with
less per m² ...
in a better way



Consumers have
preferences ...
and they change



Making € ...
given the changing
power fields

Modern solutions

Balancing market
expectations with
today's reality

Horticulture 2.0?

Thank you for your attention

