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To: Mayor and Council

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RE: The Netherlands – Mission Debrief

Report No.: PS 2020-034

AIM

To provide Council with details on the June 2019 trip to The Netherlands.

BACKGROUND

During much of 2018 Council considered several applications for approval of cannabis production in existing greenhouses and new purpose builds. This interest in cannabis production received a great deal of interest and input from the public and sparked a larger discuss on greenhouse development across Kingsville. During these discussions, it was suggested that the Town consider researching other jurisdictions that had more experience with cannabis production. One of the obvious chooses was The Netherlands with its expansive greenhouse industry and history of cannabis production and retail.

Funding was approved as part of the 2019 budget and in co-operation with the Windsor-Essex Economic Development Corporation (WEEDC), a joint economic development / greenhouse/cannabis research trip was planned for mid-June of 2019. The delegation consisted of the CAO and Mayor from Kingsville and Leamington and Manager of Planning Services. WEEDC staff provided co-ordination of the trip, given their existing contacts in the country, and provided assistance while in the Netherlands.

DISCUSSION

WEEDC prepared and provided power point slides outlining the general overview of the trip. (Appendix A) The purpose of this report is to provide staff prospective and background on the take-a-ways and general observations during the trip.

Facts about the greenhouse sector in The Netherlands:

- i) it accounts for 60% of the trade worldwide in flowers and plants;
- ii) 12 billion (CAD) in production
- iii) 25.1 billion (CAD) in exports
- iv) Supports 260,000 jobs
- v) 9,500 ha (23,475 ac.) of greenhouse area

The most surprising fact about The Netherlands is that they are the number two food exporter in the world. This came as a rather curious piece of information given that the country is not much larger than Southwestern Ontario.

Our initial visit upon arrival was to Agriport A7, which is a relatively new greenhouse area north of Amsterdam. The area has developed much like an industrial park with greenhouses and other supportive industry. It was a co-operative effort with several greenhouse producers that were facing challenges with expansion. Development of a “greenhouse park” was discussed at length during the term of the Greenhouse Policy Review Committee (GPRC) and does have merit. However, the challenges that are faced locally are the co-operation piece, land assembly and servicing.

Energy needs are also a significant challenge. Many operations have co-generation plants on-site using natural gas. The Agriport area has invested significantly in geothermal technology and has developed a number of deep wells to provide heat to the area greenhouses. This is very important to the future of the industry as the country is moving toward eliminating natural gas use.

The industry is very cluster based with the largest concentration south of The Hague. All of the clusters are within close proximity to the North Sea. Greenhouses, unlike those in Kingsville and Leamington all have access to sanitary sewer service, which is made more sustainable given the concentration. Although they also rely on non-resident labour (eastern European) the method of housing is considerably different. Producers in our area must secure and house their own workers, generally on-site. The Dutch industry relies on a centralized worker/housing provider. A producer will request workers through a company that will secure the workers for the producer but is also responsible for housing them. Housing needs are addressed in a multiple unit (apartment like) setting provided and maintained by the labour supply company.

Regulations in the county as a whole are environmental oriented and do address the use of grow lighting, water use, conservation, and CO₂ emissions. Although some discussion did occur in this area, it is suggested that additional review and discussion would be helpful.

The delegation attended the Green Tech Conference in Amsterdam. The annual conference is in a 1.2 million sq. ft. facility with representation from every aspect of the greenhouse industry from around the world. The conference also afforded the delegation several opportunities to hear speakers from many different sectors. Much of my time was spent hearing from cannabis related speakers, again on several different aspect of the new industry. It was very evident through the conference that technology plays a

significant role in the industry and will continue to be utilized to address challenges that the industry faces.

One of the final opportunities the group had was discussion at 420 Consultancy. This group provided an overview of the cannabis production and retail trade in The Netherlands. One of the most curious facts is that cannabis production is not legal in The Netherlands. Retail is much the same but has been “tolerated” since the mid 1970’s. Despite this there are regulations on the retail trade to safeguard the public given its wide spread availability. The group also provided some good insight into greenhouse production and odour control. To-date carbon filtration remains the most effective method of managing odour from cannabis production.

Conclusions

The overall purpose of the trip to The Netherlands was to increase the overall knowledge of both the greenhouse industry, given its strong and expanding impact on the Town, and to broaden our knowledge of the relatively new cannabis industry with it’s wide array of challenges.

The take-a-ways from a planning prospective were insight into what the industry is going to look like over the coming years and in the relative short-term. We face issues with grow light use, labour housing, traffic and infrastructure impact and a varied opinion on what constitutes an agricultural use. These same challenges exist in The Netherlands and have been addressed through either regulation, innovation or a combination of both.

Technology is starting to, however will continue at a much more rapid pace, play a significant role in addressing some of the internal issues with the industry as a whole. Lighting is being addressed via regulation but also through improved technology i.e. better lights, locations, and controls. Labour needs are driving significant innovation in the automation of the entire growing process from planting to picking and packing to shipping. This area is likely to see even more attention given the recent issues with COVID-19 in on-farm labour housing. The need to remain competitive drives the need to reduce costs which in turn draws attention to reducing inputs like water usage, hydro, heating, increasing production per acre, alternative packaging, new crops, organics etc.

From the prospective of cannabis production, the Town is in a stronger position than most municipalities because of its existing greenhouse industry. The opinion that was taken from our trip was that we are on the right track with what we are requiring the industry to do. There are resources available, however, they remain new with varying degrees of success.

LINK TO STRATEGIC PLAN

Support growth of the business community.

FINANCIAL CONSIDERATIONS

There are no direct financial consideration resulting from this report.

CONSULTATIONS

Management Staff

RECOMMENDATION

That Council:

Receive the report on the Netherlands 2019 trip for information purposes.

Direct administration to continue to communicate with the contacts made in The Netherlands and continue to research greenhouse and cannabis production innovation to remain up-to-date on industry trends.

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