

Final declaration: Bad Zwischenahn, November 5th 2025

Urgent need for “European Agenda” to secure availability of strategic raw materials for substrates

Representatives of the German (IVG) and Dutch (VPN) substrate industries today called on policymakers and politicians on national and EU-level to develop a coordinated “European Agenda” to secure availability of strategic raw materials for potting soil and (other) substrates. Substrates are urgently needed for plant cultivation for now and the next decades.

This was the outcome of a joint conference in Bad Zwischenahn. Industry leaders warned that without a strategic framework, the continuity of substrate production in Germany and the Netherlands will be at risk, with far-reaching consequences for horticulture, food production, urban greening and consumer markets.

Social and economic importance of substrates

Plants – and the substrates they grow in – are needed for a wide variety of applications and are therefore systemically relevant. They are important for:

- **Food security:** providing the growing world population with healthy and sustainably produced plant-based food
- **Climate adaptation:** adapting to climate change in the form of green infrastructure
- **Healthy living environment:** creating and promoting a healthy urban and indoor climate preserving biodiversity
- **Well being:** people's personal well-being and the pursuit of one of the most popular hobbies in the Netherlands and Germany: gardening

Growing on substrates has many sustainability and efficiency advantages:

- Healthier and more productive crops
- Less affected by weather and climate
- Reduced use of water, nutrients and crop protection
- Reduced use of land
- Less labour-intensive cultivation

Germany and the Netherlands together form one of Europe's most important horticultural and substrate ecosystems. Their industries are closely connected through trade, innovation, and shared sustainability goals.

Both countries combine complementary strengths:

- Germany provides a large and diverse domestic market, strong industrial networks, and growing demand for sustainable products.
- The Netherlands contribute advanced greenhouse technology, high export capacity, and extensive expertise in substrate innovation.

Together, they play a strategic role for European food and plant production.

Substrates are essential for responsible and safe food production and for green cities worth living in. They are also of importance economically and the underestimated foundation for gardening at home. Scarcity of substrates will not only increase production costs and food prices **but could ultimately jeopardize European self-sufficiency in food**. Also potting soil, today used by millions of hobby gardeners to grow food and plants, could become a luxury item.

The use of substrates in greenhouse horticulture makes important contributions to different United Nation (UN) Sustainable Development Goals such as:

- Zero hunger (goal 2)
- Clean water and sanitation (goal 6)
- Responsible consumption and production (goal 12)
- Climate action (goal 13)
- Life on land (goal 15).

This declaration is drawn up jointly because of the close relations between Germany and the Netherlands. There is significant bi-directional trade, companies operate across borders and the market within the EU knows no boundaries. The two countries partially rely on the same raw materials and supply chains. Germany and the Netherlands are not competitors, but partners in a shared transformation of the horticultural and substrate industry combining innovation, responsibility, and economic resilience.

Global demand and competition increase

Global population growth to 9 billion, increasing prosperity, and the resulting shift in food consumption patterns, as well as the need to green the environment puts pressure on the need for substrates. This can already be noted by the growing demand from other parts of the world.

Global demand for key raw materials such as peat and coir for substrates is growing rapidly. Previous research by Wageningen University & Research (WUR) predicted a 400 percent increase in demand for substrates by 2050 compared to 2017. But demand from Asia (in particular China) is already exploding, and Europe is in competition for these raw materials. Additionally geopolitical developments and government policies in the EU member states make Europe particularly vulnerable when it comes to the availability of these raw materials.

This is partly due to the long-standing one-sided focus in Europe on reducing peat extraction, which has put the entire system at risk. Peat extraction has stopped in several countries. In other countries, such as Germany, it is becoming increasingly difficult to obtain permits for peat extraction, even when it is responsible, climate compensated, does no harm to biodiversity and contributes to European rewetting goals and at the expense of industry. Peat extraction and its use are also under scrutiny in other European countries. The relevance of these resources is not always recognized. The current situation, partly caused by the bad weather in the Baltic States, serves as a wake-up call. The availability of coir, the second backbone raw material, is also a strong challenge at the moment.

Substrate production and raw materials

Germany and The Netherlands together produce around 16 million m³ of substrate annually. This accounts for approximately 50 percent of European substrate production. The most important raw materials in volume are:

- Peat: 8.7 million m³;
- Green compost: 2.4 million m³;
- Woodfibre: 2.1 million m³;
- Coir: 1.4 million m³;
- Bark: 0.7 million m³;
- Mineral raw materials (perlite, clay, mineral wool etc.): 1.0 million m³.

The limited availability of key raw materials such as coir and peat is already increasing the pressure on alternatives like perlite, bark, wood fibre and compost, causing massive problems for substrate production and thus for horticulture. Yet, the volumes of new renewable raw materials, like cultivated sphagnum, bagasse, miscanthus, reed canary grass, or fermentation residues, remain too small and inconsistent in quality.

Both the German and Dutch substrate industry are committed to expanding the use of renewables. However, the industry urgently needs *all* available raw materials.

Create a political framework now

IVG and VPN advocate for urgent, fundamental consideration of a (new) strategic position in Europe regarding the most important raw materials for substrates. Recent developments explicitly call for this.

IVG and VPN urge policymakers in Germany, the Netherlands and the EU to take the following considerations and actions:

1. Acknowledge the substrate industry and their products as of national interest and thus recognize strategic raw materials for substrates as an important political issue and ensure their availability.
2. Develop a coordinated strategic agenda to secure the availability of raw materials (volume and quality) for substrates. Transfer this strategic agenda into policy and regulations at National and European levels.
3. Simplify the regulatory framework for peat extraction and use as well as for the production of local renewable raw materials.
4. Create a level playing field for the use of raw materials and substrate production in Europe.

For further questions, please contact Philip Testroet, Deputy Managing Director of Industrieverband Garten e.V. (IVG), testroet@ivg.org (mobile: +49 175 8699959), or Han de Groot, Director of Vereniging Potgrond- en Substraatfabrikanten Nederland (VPN) Han.degroot@devpn.nl (mobile: +31 6 21707522)