



An eye on the chain

Dairy produce



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Dutch dairy products are renowned for their high quality; it is not without reason that 60% of the country's dairy produce is exported. However, the dairy sector's position is under pressure due to the liberalization of trade and the reductions of subsidies. Collaboration, increases in scale and innovations enhance the chain. The Department of Trade and Industry assists companies to conduct their business in accordance with the prevailing trading standards. Trade and Industry monitors the chain, identifies and places relevant items on the agenda, and is familiar with the network.

The chain

The Dutch dairy chain owes its excellent position to the country's powerful dairy-farming sector, favourable climate, and highly-developed infrastructure. The majority of the milk is supplied to fifteen dairy organizations, most of which are cooperatives. These organizations process the milk into consumer products (yoghurt, custard, cheese, butter, etc.) which wholesalers supply to supermarkets and retailers. Dairy companies also process milk into ingredients; condensed milk, whey powder, milk powder and skimmed milk are used to manufacture food ingredients, animal feeds, and products for the pharmaceutical industry. The organic dairy, regional dairy product and farm dairy-produce sectors are all smaller chains. Dutch dairy and trading companies active in the international dairy trade compete with concerns from countries with a lower cost price. Increases in scale ensure for efficient production operations; impeccable quality, innovation, and sophisticated marketing are other key factors. The dairy concerns adopt a proactive approach to sustainability.

Trade and Industry's specific role

The Department of Trade and Industry is the Ministry of Agriculture, Nature and Food Quality (LNV) contact point for dairy processors, trading companies and retailers. Trade and Industry identifies entrepreneurs' issues and places issues on the (international) agenda. In the event of trading problems Trade and Industry can play a facilitating role via LNV agencies outside the Netherlands. Trade and Industry is fully integrated in the network, whereby the Department plays the role of a contact between the various links.

Encouragement of innovation

Dairy companies continually introduce new products in response to the competition and to consumer needs, such as convenience and healthy foods. Recent examples of product innovations include Valess (an alternative for meat), and products with reduced amounts of fat and specific properties. The dairy companies arrange for many of these innovations in autonomy. Trade and Industry focuses on innovation within the chain, collaboration in the chain, and support in the development of solutions for problems caused by regulations that impede the sector's operations. Trade and Industry usually adopts a facilitating – and, on occasion – directing role. For example, Trade and Industry manages the Energy Covenant the dairy chain has concluded with the authorities. LNV makes funds available for innovative projects via SenterNovem.

Assistance

Trade and Industry supports the agribusiness wherever possible. One example is the application for the European registration of farm cheese and various types of Gouda and Edam cheese. Trade and Industry is guiding and supporting these applications to the European Commission. In addition, Trade and Industry is responsible for the Dutch dairy-produce contribution to the Codex Alimentarius. This international forum develops standards for food products designed to protect international public health and promote fair trade in dairy products.

Key words for the chain

- cooperative
- efficient and proactive
- high quality
- international
- cows in the meadows

Key figures

- The Netherlands has 25,000 dairy farms and 15 dairy concerns.
- The Netherlands produces and processes 10.5 billion kg of milk per annum.
- Sales: 40% the Netherlands, 40% other EU member states, 20% outside the EU.

Network

The Department of Trade and Industry consults with organizations such as the Dairy Marketing Board, the Dutch Dairy Association (NZO), the Netherlands Controlling Agency for Milk and Milk Products (COKZ), the Food and Non-Food Authority (VWA), the Common Dairy Secretariat, LEI, NIZO, and the Farm Dairy Processors Association. In addition, Trade and Industry collaborates with other LNV departments, the European Commission, LNV agencies at Dutch embassies, and other Dutch ministries.

Related fact sheets from the portfolio of the Department of Trade and Industry

- Bilateral Economic Co-operation (BES)
- European Protection of Geographical and Traditional Products
- Long-Term Energy-Efficiency Agreements
- Multilateral Consultation
- Platform Agrologistics
- Veterinary Export Policy (VEX)

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