



An eye on the chain

Arable crops



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Dutch exports of seed potatoes account for 75% of the international market. The Netherlands, second only to the USA, has the world's largest potato-processing industry. Potato starch ranks amongst the Netherlands' major agricultural processed products; in addition, the country's sugar industry is certainly also a leading player. The Ministry intends to maintain this position. The Department of Trade and Industry helps companies in the arable-farming chain – from farm to consumer – conduct their business in accordance with the prevailing trading standards. Trade and Industry oversees the chain, identifies relevant developments and puts them on the agenda, and knows the network.

The chain

The arable-crop chain is primarily comprised of potatoes, cereals (wheat) and sugar beet. The crops are processed into consumer products such as chips, crisps, and bread. Potato starch is supplied to a separate market, and is used in the food, paper-making, construction, textile and adhesive industries. Additional components in this sector include sugar, which is produced from sugar beet, and sweeteners from cereals, maize and potatoes (isoglucose, glucose and fructose); these are important ingredients for products such as soft drinks. Starch, starch sugars and sugar are also used in the manufacture of sweets, biscuits and desserts. The processing industry makes innovative use of raw materials and residual materials in high-tech applications. The arable-crop chain also extends to the various suppliers.

Trade and Industry's specific role

LNV promotes attention for the entire chain, and Trade and Industry serves as the contact point for the chain's processing and trading sectors. The Department identifies entrepreneurs' issues, reviews the political feasibility of proposals, and assesses whether the authorities can play a purposeful role in developments. Trade and Industry ensures that due attention is given to the food industry's views on international trade matters (such as the WTO). Trade and Industry acts as an intermediary contact point for phytosanitary or food safety issues. The implementation of EU regulations falls outside Trade and Industry's focus.

Incentives for innovation

Trade and Industry supports new technologies. Control of the notorious potato blight *Phytophthora* can help retain the country's trading position, and is also compatible with LNV's endeavours to ensure less harmful crop protection measures. For this reason Trade and Industry is closely involved in research into a *Phytophthora*-resistant potato. Trade and Industry intends to retain innovative sectors of the industry. Consequently, a new 0-tariff rate quota has been adopted for the sucrochemical industry. However, it has been ineffective to date in helping reduce the price of sugar for this sector to an acceptable level.

Assistance

Trade and Industry endeavours to eliminate trade barriers. For example, the restructuring levy has been halved for isoglucose producers, and the production quota has been expanded to 3% of the market.

Mediation

The sugar and starch processing industry benefits from the retention of export refunds for processed agricultural products (Non Annex I). Since these refunds will be phased out by 2013, Trade and Industry is now carrying out a review of alternatives. The Department is weighing the various economic interests, involving the relevant parties in consultations, and informing companies about the progress with the European Commission.

Key words for the chain

- potatoes, cereals (wheat), sugar beet
- starch-processing industries
- (sucro)chemical industry, fructose, (iso)glucose, and confectionery
- potato research
- export refunds
- European Commission

Key figures

- The Netherlands had 12,171 arable farms in 2006. These offered jobs to 24,493 employees.
- The total area of land allocated to arable farming amounts to approx. 800,000 ha.

Network

Trade and Industry consults with trade and umbrella organisations, including the DPPA, the Bakery and Confectionery Association (VBZ), AAC, CEFIC, CIUS, and companies. Research is carried out in collaboration with Wageningen UR (LEI), the HPA Arable Products Marketing Board, the Agri-Chain Competence Foundation (AKK), and Arable Promotional Projects.

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

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