



An eye on the chain

Dairy produce



An eye on the chain

Dairy produce

Fact sheet from the portfolio of the Department of Trade and Industry version January 2008

Dutch dairy products are renowned for their high quality; it is not without reason that 60% of the country's dairy is exported. The international market situation in the dairy chain is currently favourable due to extra demand and a (temporary) decrease in supply. The policy on agriculture is characterised by decreasing subsidies and liberalisation of trade. 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 organisations, most of which are cooperatives. These organisations 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 feed, and products for the pharmaceutical industry. The organic dairy, regional dairy product and farm dairy 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 efficient production operations; impeccable quality, innovation and sophisticated marketing are other key factors. The dairy concerns adopt a proactive approach to sustainability, in some cases in a chain context.

Trade and Industry's specific role

The Department of Trade and Industry of the Ministry is the 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 the LNV departments. Trade and Industry is fully integrated in the network, in which the Department plays the role of a contact between the various links.

Incentives for innovation

Dairy companies continually introduce new products in response to the competition and to consumer needs, such as convenience and healthy foods. Examples of product innovations include Valess (an alternative to 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, as well as reaching agreements with the chain regarding sustainability. Trade and Industry usually adopts a facilitating – and, on occasion – directing role. LNV makes funds available for innovative projects via SenterNovem.

Assistance

Trade and Industry supports the agribusiness wherever possible. One example is the recent European registration of farmer's cheese and the applications for 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 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 22,300 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 such organisations as the Dairy Marketing Board, the Dutch Dairy Association (NZO), the Netherlands Controlling Agency for Milk and Milk Products (COKZ), the Food and Consumer Product Safety 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 departments 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)

Contact

Ministry of Agriculture,
Nature and Food Quality
Department of Trade and Industry

- Gert Stiekema
telephone +31 (0)70 378 42 35
e-mail o.t.j.stiekema@minlnv.nl



agriculture, nature
and food quality