

Facts and Figures
of the Dutch Agri-sector
2006/2007

Introduction

People often associate the Netherlands with flower bulbs, cheese and eggs. Indeed, the agriculture sector is one of the mainstays of the Dutch economy. The Netherlands is both a major producer and international trader of flowers, meat and meat products, fruit and vegetables, beer, dairy products, chocolate, starch derivatives and seed.

The Ministry of Agriculture, Nature and Food Quality is responsible for laying down the Government's policy on this important sector. The Ministry is making every effort to meet the demands of modern society regarding the safety and quality of food, animal welfare, land use and the role of agriculture in the community. The Department of Trade and Industry represents the Ministry in consultations with agribusiness, agricultural trade and service, suppliers to the sector and the non-food industry. The Ministry promotes sustainable, robust and internationally competitive enterprise for a healthy economy and high employment.

In this 2006 edition of Facts and Figures, we present key indicators of the Dutch agri-industry, in relation to developments in the sector. The Agricultural Economics Research Institute (LEI) provided the data. Given the diversity of sources used the latest figures were not always available when the text was written which is why they do not always tally with the text. Further differences were due to the definitions used by the various sources.

In Chapter 1, we sketch a bird's eye view of the Netherlands, its government and economy, and the Dutch people. In Chapter 2, we list the trade flows into and out of the Netherlands, which products are exported and imported and who are our most important trading partners. On 1 January 2007, Rumania and Bulgaria will have joined the EU but the statistics in this brochure are still based on an EU of 25 Member States. In Chapter 3, we summarise developments in the Netherlands concerning the agri-industrial complex, including fisheries, the food beverage and tobacco industry, retail, wholesale and agri-logistics. Chapter 4 deals with research and agricultural education. In Chapter 5 we give an outline of the Government's agricultural policy. Chapter 6, the final chapter, presents other interesting facts about the Netherlands.

R.P.J. Bol
Department Director of Trade and Industry



Table of contents

1	The Netherlands	7
	<i>Land and population</i>	7
	<i>Political structure and government</i>	8
	<i>Economy</i>	9
	<i>Economic importance of the Dutch agri-sector</i>	10
2	Agricultural Trade	13
	<i>Developments</i>	13
	<i>Types of trade</i>	16
	<i>Trading partners</i>	16
3	Developments in the agri-sector	21
	<i>Developments in agriculture and horticulture</i>	21
	<i>Fisheries</i>	26
	<i>Food, drinks and tobacco industry</i>	28
	<i>Wholesale trade in farm products</i>	31
	<i>Retail and hotel and catering industry (food service)</i>	33
4	Research and Education	37
5	Government Policy	41
6	More facts about the Netherlands	45
	Appendix: websites	46



1 The Netherlands

Land and population

The Netherlands is one of the smaller countries of the European Union, comprising about 41,500 km². More than half of this area is farmed, and about 8% is woodland. On 1 January 2004, the Netherlands had a population of over 16.3 million people. A quarter of the population is under 20 years of age. Life expectancy at birth for men born in the Netherlands is 76.9, for women 81.4 years. Our population density, the mean number of inhabitants per square kilometre, is 483, making the Netherlands one of the most densely populated countries in the world. The Netherlands has some 7.1 million households, 2.4 million people live alone. About 19% of the population lives in extremely urban surroundings, and almost 23% lives in a highly urban environment. A fifth of the population lives in non-urbanised areas.

Amsterdam, with a population of 743,000, is the capital of the Netherlands. Rotterdam and The Hague are the next largest cities, with populations of 596,000 and 472,000 respectively.

The Netherlands is a multicultural society. Some 3.1 million inhabitants have a non-native background. Of this group 1.7 million have their roots in non-western countries. The largest ethnic minority groups are of Surinamese, Antillean and Aruban origin, followed by people of Turkish or Moroccan origin. The rural areas in the Netherlands are under considerable pressure from development. Finding a balance between the different functions of the rural areas, between agriculture, nature, business parks, housing and roads, is a political matter.

Political structure and government

The Netherlands is a constitutional monarchy with an elected parliament. Her Majesty Queen Beatrix is head of state. The Dutch parliament is called the States General and has two houses, the House of Representatives and the Senate. The House of Representatives has 150 members, who are directly elected to the House for a period of four years. The 75 members of the Senate (Eerste Kamer) of the Dutch Parliament (the States General) are elected by the members of the twelve Provincial Councils, the 'parliaments' of the twelve Dutch provinces. These twelve provinces encompass nearly 500 municipalities. The capital of the Netherlands is Amsterdam, but the government is based in The Hague.

Agriculture and agri-industry must deal with involvement from the national, provincial and municipal governments, and also from so-called semi-public organisations (quangos). There are also product boards that are concerned with primary production as well as manufacturing, trade and logistics. There are separate product boards for different product sectors: the Product Board for Arable Agriculture, the Product Board for Horticulture, the Product Board for Dairy Products, the Product Board for Livestock, Meat and Eggs. The executive boards of these organisations are members of the employer associations and unions representing the sectors concerned and are appointed by them.

The Netherlands has always been a staunch advocate of international collaboration. In the 1950s our country was one of the six founding members of the European Community, the predecessor of our European Union, which as of 1 January 2007 will embrace 27 Member States. The Netherlands is a member of the United Nations, as well as the Organisation for Economic Cooperation and Development, the North Atlantic Treaty Organisation, the International Monetary Fund and the World Trade Organisation.

Economy

The Netherlands has a mixed market economy, in which both the private and public sector play important roles. The economy has a strong international orientation. The Netherlands is one of the wealthiest countries in the world, with an excellent reputation for trade and a high level of financial and professional services. It is among the three largest agricultural exporters, next to the United States and France. The Netherlands has a good transport infrastructure. The Port of Rotterdam is the largest transshipment port, making the Netherlands a major transit country for all sorts of goods. There is little social unrest and our workforce has a high productivity. All this has decided many international corporations to establish their headquarters here.

In 2005 the Gross National Product grew steadily to 506 thousand million euros from 418 thousand million euros in 2000. The GNP volume-index rate was 104.1 in 2005 compared to 109.2 for the whole of the EU-25. Growth is thus lagging behind but the GNP volume is expected to grow again by 2.75 and 3% in 2006 and 2007 whereas the growth of the GNP of the EU-25 is expected to remain at 2.5%.

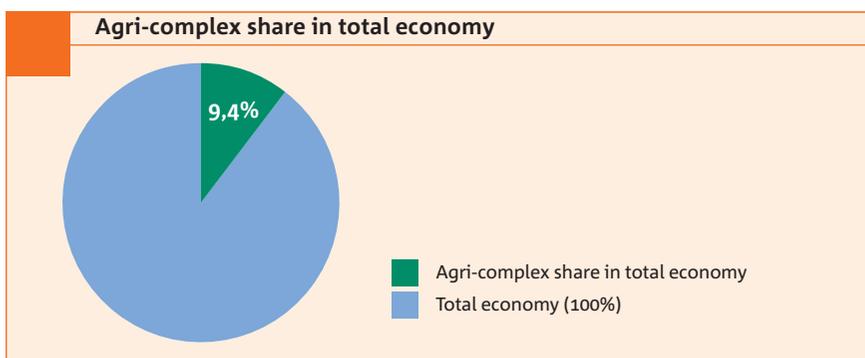
Key social and economic statistics for the Netherlands		
		
Area in 2005		41,543 km ² , land area 33,783 km ²
Population on 1-1-2006		16.3 million
Working population (2005)		7.4 million
Life expectancy at birth		men: 76.9 years women: 81.4 years
Gross National Product (2005)		506 thousand million euros
Per capita income		26,648 euros
Inflation (2005)		1.7%
Unemployment (2005)		6.5%

Source: Statistics Netherlands

Economic importance of the Dutch agri-sector

The gross value added of the total agricultural complex in the Netherlands in 2004 was 40.4 thousand million euros. As a proportion of the national gross added value, the share of the agricultural complex was 9.4%. In 2004 Agriculture and the agri-industry accounted for 651,000 labour years.

The Dutch agri-complex can be divided into a sector processing domestic raw materials from primary agriculture, such as dairy products and meat, and a sector processing raw materials from abroad. In 2004, the former sector had a 5% share in the national economy. Its share for total employment in the Netherlands was 6% (see table), accounting for a total 382,000 labour years, 41,000 less than in 2001. Its added value amounted to 21 thousand million euros, 1,1 thousand million down on 2001. The table also reveals that the value added of this segment shows a decline, distribution in this sector is also under pressure.



Source: LEI

Key statistics of the Dutch agricultural complex, 2001 and 2004				
	Added value (base prices in € 1000 million)		Employment (in € 1000 labour years)	
	2001	2004	2001	2004
Agricultural complex ^(a)	40.5	40.4	714	651
<i>proportion of national total</i>	<i>9.4%</i>	<i>9.3%</i>	<i>11.1%</i>	<i>10.1%</i>
Gardeners, farm services and forestry	3.6	3.8	71	64
<i>proportion of national total</i>	<i>0.9%</i>	<i>0.9%</i>	<i>1.1%</i>	<i>1.0 %</i>
Agri-complex, on basis of foreign raw materials	14.8	15.6	220	205
<i>proportion of national total</i>	<i>3.4%</i>	<i>3.6%</i>	<i>3.4%</i>	<i>3.2%</i>
processing	6.5	7.1	75	72
supply	4.1	4.3	70	66
distribution	4.2	4.2	75	67
Agri-complex, on basis of domestic raw materials	22.1	21.0	423	382
<i>proportion of national total</i>	<i>5.1%</i>	<i>4.8%</i>	<i>6.6%</i>	<i>5.9%</i>
primary production	7.9	6.9	186	176
processing	3.3	3.4	53	45
supply	7.9	8.4	130	122
distribution	3.0	2.3	54	40

Source: Agricultural input-output table, analysis by LEI

In addition to the domestic raw materials used in primary agriculture and processing, raw materials also come from abroad. They include animal feed commodities, cereals for human consumption, oil seeds and products like cocoa, coffee and tea. The added value in this sector of the agri-complex rose between 2001 and 2004 from 14.8 thousand million to 15.6 thousand million euros. Employment in this sector fell by 15,000 labour years to 205,000.



2 Agricultural trade

Development

The Dutch economy has a strong international orientation and the agricultural sector is no different. In 2005, the Netherlands exported agricultural products with a value approximating 51 thousand million euros, which was equivalent to 18% of the total export value in that year. Most exports go to other Member States of the European Union.

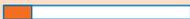
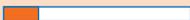
At the same time, the Netherlands imported 28 thousand million euros worth of agricultural products or 11% of the total export value of the Netherlands in that year. Global exports of agricultural products amounted to USD 687 thousand million. The ten leading agricultural exporters accounted for a share of almost 57% in this. The Netherlands is the second largest exporter of agricultural products in the world. The Dutch share in global agricultural exports is on the rise. In 2004 it accounted for 7.4%, up from 6.5% in 2000.

Global exports of agricultural products (in USD thousand million)			
	2000	2003	2004
Total	504.8	633.2	686.5
United States	65.4	71.0	73.6
The Netherlands	33.0	46.2	50.7
France	36.6	46.3	50.4
Germany	26.7	37.3	43.6
Canada	27.6	28.5	34.2
Brazil	13.8	22.5	29.5
Belgium	18.6	25.0	28.9
Spain	16.3	25.1	28.0
Italy	16.2	22.2	25.3
China	16.4	22.1	24.0

Source: ITC/WTO

Types of trade

The trade in agricultural products to and from the Netherlands is diverse. Ornaments and plants make up the bulk of agricultural exports. In 2005, the value of these exports equalled 7.6 thousand million euros, which is 15% of the total agricultural product export value. Other major export products are meat and meat products (5.6 thousand million) and dairy products (4.3 thousand million euros). In addition to these exports a substantial amount of agricultural products is imported into the Netherlands, mainly meat and dairy products.

EU-25 agricultural exports 2005 (incl. intra-community trade)			
	EU-25 (in € 1000 mln)	Share of NL (in € 1000 mln)	Share of the Netherlands (in %)
Total agricultural products of which:	271.6	50.8	 18.7
Meat and meat preparations	28.8	4.5	 15.6
Dairy products and eggs	25.5	3.9	 15.3
Fruit and vegetables	37.7	7.2	 19.2
Other unprocessed raw materials (animal and vegetable)	17.9	10.1	 56.4
Tobacco and tobacco manufactures	10.0	3.0	 30.1
Other products	151.8	22.0	 14.5

Source: Eurostat

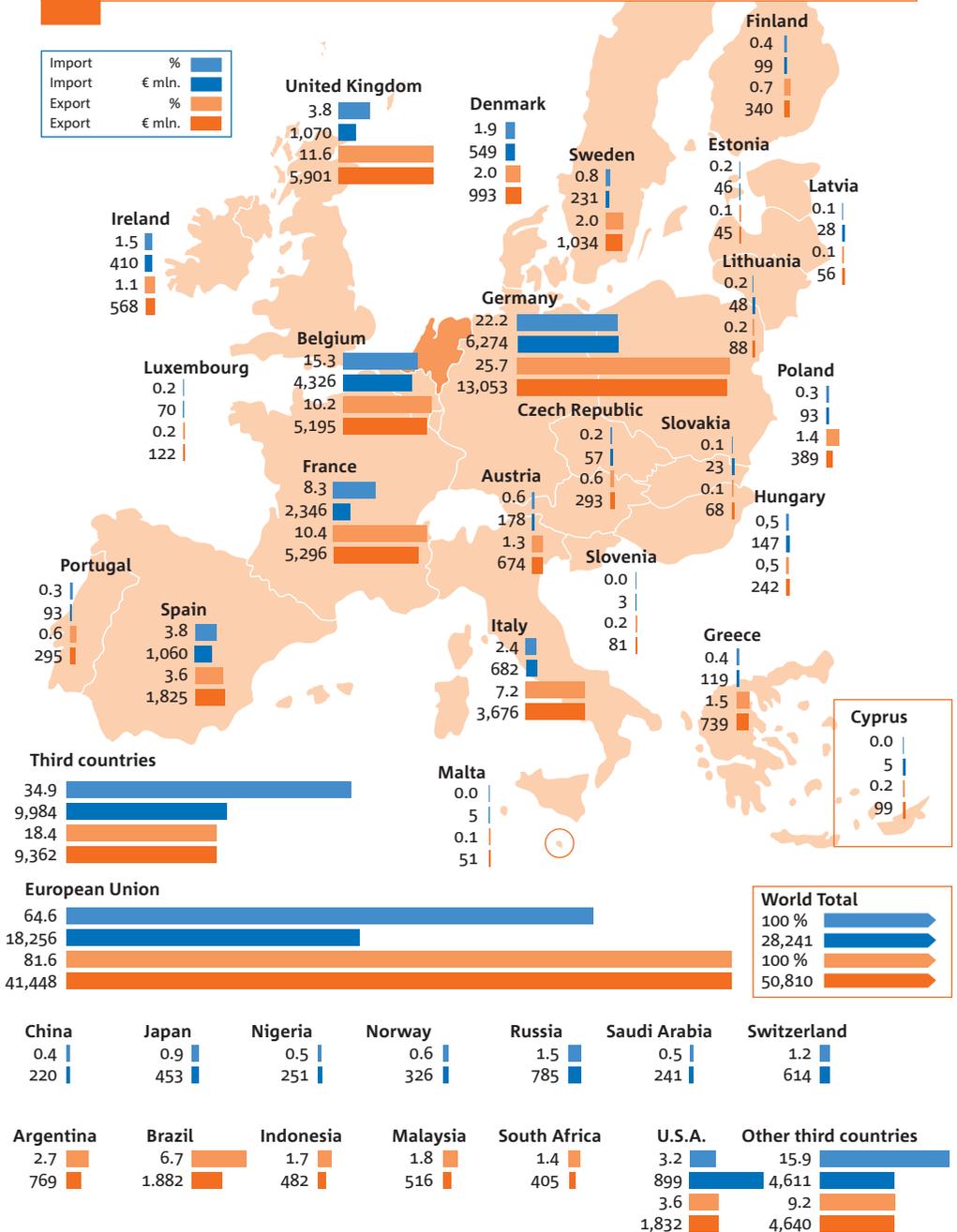
EU-25 agricultural imports 2005			
	EU-25 (in € 1000 mln)	Share of NL (in € 1000 mln)	Share of the Netherlands (in %)
Total agricultural products of which:	282.9	28.2	 10.0
Meat and meat preparations	27.1	2.0	 7.6
Dairy products and eggs	20.7	2.0	 9.6
Fish and fish products	25.3	1.6	 6.3
Fruit and vegetables	48.0	4.3	 8.9
Coffee, tea, cocoa etc.	17.9	2.1	 11.7
Other products	143.9	16.3	 11.3

Source: Eurostat

Trading partners

About 80% of Dutch export is to the EU. Germany has always been our most important trading partner, followed by the United Kingdom, France and Belgium. In 2005, over 13 thousand million euros worth of agricultural products, more than a quarter of the total agricultural export, was shipped to Germany.

Dutch agricultural exports in 2005



Dutch trade with the EU-25 in 2005 (in € mln)			
	2005		
	Imports	Exports	
Product group	Value	Value	Product group
Dairy	2,221	3,254	Dairy
Meat	2,022	5,228	Meat
Fish	885	1,753	Fish
Processed products derived from potatoes, vegetables, fruit	842	2,327	Processed products derived from potatoes, vegetables, fruit
Cereal preparations, starch	1,109	1,754	Cereal preparations, starch
Fruit, nuts, spices	941	2,122	Fruit, nuts, spices
Animal feed	765	2,332	Animal feed
Cereals, seeds, pulses, potatoes	1,376	6,521	Ornamentals and plants
Drinks	1,471	3,275	Tobacco
Timber, cork	935	2,942	Vegetables
Various	5,659	9,941	Various
Total from EU-25	18,256	41,449	Total to EU-25

Source: Statistics Netherlands

Dutch trade with third countries in 2005 (in € mln)

Imports		2005	Exports	
Product group	Value	Value	Product group	
Margarine, fats and oils	993	320	Margarine, fats and oils	
Animal feed	799	387	Animal feed	
Ornamentals and plants	683	1,094	Ornamentals and plants	
Processed products derived from potatoes, vegetables, fruit	614	281	Processed products derived from potatoes, vegetables, fruit	
Fish	443	461	Fish	
Meat	501	720	Cereal preparations, starch	
Timber, cork	459	1,307	Drinks	
Fruit, nuts, spices	1,707	1,051	Dairy	
Coffee, tea, cocoa	1,261	836	Coffee, tea, cocoa	
Oil seeds	918	415	Vegetables	
Various	1,606	2,489	Various	
Total from third countries	9,984	9,361	Total to third countries	

Source: Statistics Netherlands



3 Developments in the agri-sector

Developments in agriculture and horticulture

The Dutch agriculture and horticulture sector entered a new phase in the last few decades of the twentieth century and is now characterised by expansion and increase in intensity and productivity. Farms have increased in size but their number has fallen by a third over the past decade to 81,830 farms in 2005. Dairy farms made up the largest group, with almost 21,334 businesses in all. There were also 18,666 farms with grazing stock, cows for slaughter, sheep and goats. The number of arable farms, producing mainly cereals, potatoes and sugar beet, was 12,369. There were 7,175 intensive livestock farms, i.e. farms with pigs or poultry. Some 15,031 businesses operated in the field vegetable and glasshouse sector. Finally, 7,253 businesses combined a number of branches of production. The decline in the number of farms accelerated over recent years. But the number of mega-farms has tripled between 1994 and 2004. A typical mega-farm would have some 320 dairy cows 12,500 fattening pigs, 160,000 layers, 340 ha arable land or 3.5 ha glasshouse horticulture. In 2004, such mega-farms would be six times the size of an average farm. The Netherlands had some 1,350 mega-farms in 2004, accounting for 17% of total production capacity, whereas ten years ago this would have been 5%. Mega businesses are most often found in glasshouse horticulture.

Structure in agriculture and horticulture in 2005.			
	Farms	Animals	Animals per farm
Farms			
- Pigs	9,690	11,312,000	1,167
- Poultry	3,224	95,467,000	29,611
- Veal calves	3,329	829,000	249

Source: Statistics Netherlands

Land-using livestock production, 2005

	Farms 	Animals 	Animals per farm
Farms			
- Dairy cows	23,530	1,433,000	61
- Beef and other cattle	8,100	1,537,000	190
- Sheep	13,710	1,363,000	99
- Goats	4,558	292,000	64

Source: Statistics Netherlands

Glasshouse horticulture and mushroom growers, 2005

	Businesses 	Acreage of glasshouse
Glasshouse horticulture		
- Vegetables	1,890	3,402 ha
- Cut flowers	2,600	3,640 ha
- Potted plants	1,280	1,536 ha
- Mushroom growers	299	770,000 m ²

Source: Statistics Netherlands

Open field horticulture, 2005

	Businesses 	Acreage (ha)	Average per business (ha)
Open field horticulture			
- Vegetables (excl. onions)	5,650	41,800	7
- Fruit	1,800	17,074	9
- Flower bulbs	1,060	23,000	21
- Tree nursery	4,150	14,780	4

Source: Statistics Netherlands

Arable farms, 2005

Farms	Businesses 	Acreage (ha)	Average per business (ha)
- Cereals	16,199	195,614	12
- Seed potatoes	2,354	39,200	17
- Eating potatoes	8,643	105,092	12
- Starch potatoes	2,050	50,692	25
- Sugar beet	13,167	91,313	7
- Onions (seedlings)	2,831	16,778	6
- Silage maize	27,934	235,088	8

Source: Statistics Netherlands

Farmland

The Netherlands has a total land surface of over 3.7 million ha. Some 52% of the land, or 1.9 million ha, is farmland. This is 1.2% of the total farmland area in the EU-25. Of the total farmland in the Netherlands 58% is under arable and horticulture crops, 40% is permanent grassland and some 2% is under permanent crops.

Production value

Total production value of the agriculture and horticulture sector in 2005 was 18.6 thousand million euros. Arable and horticulture crops accounted for 10.2 thousand million and the value of livestock and animal products was 8.4 thousand million euros. In the arable and horticulture sector, flowers and ornamental plants made up the largest share, with 51%. Dairy products accounted for the lion's share in the livestock and animal products sector (43%). The production value of the agriculture and horticulture sector was 1.7% of the Gross National Product, slightly higher than the EU-25 average, which was 1.6%.

Production value of agriculture and horticulture in 2005 (in € mln)

	1995	2005
Total production value	19,732	18,583
of which:		
Arable and horticulture crops	9,037	10,172
- Cereals	239	214
- Potatoes	828	718
- Sugar beet	331	271
- Industrial crops	3	41
- Animal feed	641	561
- Vegetable (fresh)	1,886	1,912
- Fruit (fresh)	312	464
- Flowers and plants	4,010	5,157
- Other	757	834
Livestock and livestock products	9,346	8,411
- Cattle	1,638	1,435
- Pigs	2,806	2,229
- Horses	15	32
- Sheep and goats	101	197
- Poultry	644	559
- Other animals	11	14
- Milk	3,710	3,625
- Eggs	360	253
- Other animal products	61	67

Source: Statistics Netherlands

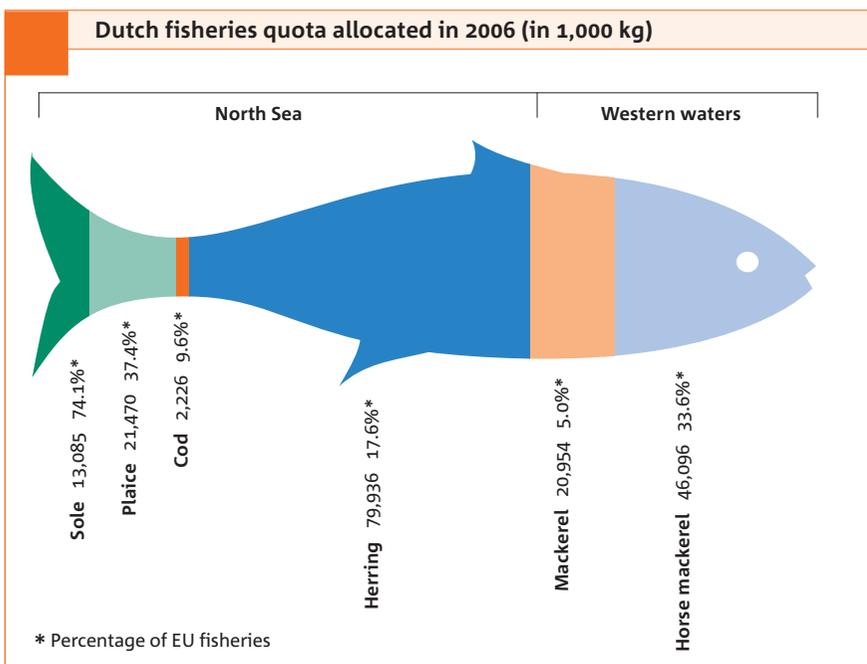
Organic agriculture

Developments in organic agriculture are lagging behind. In 2005 the land under organic crops was 2.5% of total farmland, the same as in 2004 but slightly more than in 2003. An area of 48,765 ha was under organic crops by the end of 2005, 1.3% more than in 2004. By the end of 2005 there were 1,377 certified farms, roughly the same number as in 2004. Most of the organic area, 31,243 ha, is grassland and silage for grazing stock. Potatoes, fruit and vegetables cover an area of 6,381 ha, cereals an area of 5,306 ha. Another 5,835 ha is either set-aside, nature area or ornamental crops.

Compared to the rest of the EU the Netherlands, with its 2.5% area under organic crops, takes up a position somewhere in the middle. The EU average is some 3.6%. Italy leads with 954,361 ha under organic management, roughly 6.2% of the total farmland in that country. Austria, with its 13.5%, is leading the way. A large proportion of the organic products grown in the Netherlands is sold abroad. As much as 65% of organic open field vegetables are exported, mostly to the UK and Germany. In 2005, 2,000 tonnes of organic potatoes were exported, mainly to the UK, Italy and Germany. The Netherlands imported 2,500 tonnes organic potatoes to meet consumer demand at home. They were earlies, mainly, and came from Italy, Germany and Israel.

Fisheries

The fisheries sector has attracted a great deal of interest over recent years. Many non-governmental organisations have accused fishermen of over-fishing and disturbing the marine ecosystem. Fishing is subject to quotas, which are fixed every year by the Fisheries Council. Every Member State is allocated Total Allowable Catches (TACs) after advice has been won from the International Council for the Exploration of the Sea. Although the sector does not contribute much to the gross domestic product, the Dutch fishing fleet is the most efficient in Europe, and probably even the world. Dutch fishermen catch the greater part of the quotas set for sole and plaice.



Source: Ministry of Agriculture, Nature and Food Quality

By the end of 2004 the Dutch fisheries fleet consisted of 473 vessels and 2,440 crew. The vessels are categorised according to the species of fish targeted. The cutter fleet with its 367 ships and 1,570 crew is the main branch.

The part of the fleet that fishes in distant waters consists of 17 trawlers or freezing vessels with an overall length up to 140 m. These ships fish for pelagic species such as herring, mackerel, horse mackerel and blue whiting in European, African and South American waters. The European Commission negotiates with African countries, such as Mauritania, about the catches allowed in their waters. In 2004 the trawlers employed 615 crew.

In addition to the cutter fisheries and distant-water fisheries the Dutch fisheries sector includes mussel and oyster fisheries. The shellfish sector has 90 ships and employs 260 people.

The Dutch fisheries fleet 2004			
	Vessels 	Crew 	Yield (in € mln) 
Cutters	376	1,568	245
Distant-water fisheries	17	613	131
Mussel fisheries	69	208	60
Other coastal fisheries	20	50	5
Total sea and coastal fisheries	473	2,439	441

Source: LEI

The food, drinks and tobacco industry

In 2004 the Dutch food, drinks and tobacco industry totalled 4500 businesses, more than 10% of the total number of industrial enterprises in the Netherlands. More than 144,000 people were employed by the industry, about two-thirds by companies of 100 staff and over. In 2004 the food, drinks and tobacco industry numbered 220 such companies, which realised a joint turnover of 41.9 thousand million euros. The sector has a strong international orientation. Half of its turnover is realised abroad, three-quarters of which in other EU Member States.

The processing industry in the Netherlands comprises a whole range of businesses producing and selling food, drinks and tobacco. Many of these businesses are part of a multinational company. The larger businesses are leading investors abroad. In 2004, the Dutch food, drinks and tobacco industry invested 27.4 thousand million euros abroad, 16.5 thousand million of which outside the EU. In the same year, foreign investors, mainly from the US, also put some 29 thousand million euros in Dutch food companies. In 2004, US companies invested 15.4 thousand million euros in the Netherlands (*De Nederlandsche Bank, 2006*).

Multinational companies

The Netherlands houses a number of large foreign multinational companies; some of them operate on several continents. These multinationals are often leaders in the field working with partners abroad. In 2005, the top ten Dutch food concerns jointly had a turnover of over 75 thousand million euros worldwide.

The food, drinks and tobacco industry in 2004

	Businesses 100 > staff 	Employees (x 1,000) 	Turnover (in € mln) 
Slaughterhouses and meat processing	55	16.9	5,161
- Slaughterhouses (excl. poultry)	15	5.2	2,643
- Poultry slaughterhouses	10	3.0	701
- Meat processing	25	8.8	1,818
Fish processing	5	*	*
Fruit and vegetable processing	25	9.1	2,782
Margarine, fats and oils	5	2.2	4,780
Flour industry	5	*	*
Dairy industry	10	10.9	5,534
Animal feed	15	51	2,951
Bread and baked goods	40	10.8	1,610
Cocoa, sugar and confectionary	10	5.0	2,981
Drinks	10	8.0	3,734
Other food industry	40	*	*
Total food, drinks and tobacco industry	220	89.7	41,860
Total industry	1,355	454.9	168,259
Percentage of drinks, food and tobacco in total industry	16.5	19.7	24.9

Source: Statistics Netherlands

* = no data

The top ten Dutch food concerns in 2005			
	Global turnover (in € thousand mln)	Total staff	Product groups
1. Unilever	39,672	206,000	Food and drinks
2. Heineken	10,796	64,305	Beer
3. Sovion	6,285	14,000	Meat
4. Friesland Foods	4,419	16,438	Dairy
5. Campina	3,569	6,811	Dairy
6. Nutreco	3,002	6,993	Animal feed, poultry meat
7. CSM	2,618	8,458	Sugar, bakery ingredients and lactic acid
8. Numico	1,988	14,000	Baby food and clinical nutrition
9. Wessanen	1,877	7,349	Natural foods and convenience foods
10. Provimi	1,585	8,000	Animal feeds

Source: Companies' annual reports and websites

The leading multinationals in the Netherlands

Unilever and the Swiss-based company Nestlé are among the world's leading food giants. Unilever also makes homeware and personal care products. In 2005, this multinational had a global turnover of almost 40 thousand million euros, food and drinks accounted for 23 thousand million euros. It operates in some 100 countries and employs 206,000 people, 50,000 in Europe and some 80,000 in the Asia Pacific region.

Heineken is the biggest brewer in Europe, It produced 120 million hectolitres of beer in 2005 and is the third largest brewer in the world. In many countries it takes the lead. In the Netherlands, Heineken's market position accounts for approximately 50%.

The cooperative dairy concerns Friesland Foods and Campina process some 80% of the milk produced in the Netherlands. These dairy companies set the tone both within and outside Europe.

Sovion has, within a short space of time, seen its turnover grow tenfold after take-overs in the Netherlands and Germany. It is now one of Europe's leading pork producers.

Nutreco is a major player in animal feed production. Its annual production stands at 5.7 million tonnes, making it the fifth leading animal feed producer in the world.

Wholesale trade and agri-logistics

Thanks to its geographical position the Netherlands has built a coordinating role for itself, managing the trade flows of farm products and food coming in from overseas and going out to the European hinterlands. Rotterdam, for instance, is Europe's largest port for imports of fruit, vegetables and vegetable oils, whereas Amsterdam is the world's leading transshipment port and entrepot for cocoa. The Netherlands accounts for 30% of the world's cacao powder and cacao butter production and as such is a leading producer in the global market. Some 60% of the world's stock of cocoa beans is stored in Amsterdam warehouses. Simultaneously, farming and the food and drinks manufacturing industry (the agri-sector) has developed strongly in the Netherlands itself. This combination made for a powerful wholesale trade sector for agricultural produce.

Wholesale trade in farm products 2003			
	Companies 	Employees (x 1,000) 	Net turnover (€ mln) 
Total wholesale trade in farm products	4,880	37,500	22,050
<i>Of which:</i>			
- Cereals, seeds, animal feeds	1,170	10,200	9,653
- Animals, hides, leather, raw tobacco	1,365	4,400	3,912
Food, drinks and tobacco	6,580	78,500	48,246
<i>Of which:</i>			
- Potatoes, fruit and vegetables	1,160	15,300	9,931
- Food (general)	1,130	18,700	11,947
- Other food, drinks and tobacco	4,290	44,500	26,368

Source: Statistics Netherlands

In 2003, 116,000 people worked in this branch of wholesale trade. The 11,500 wholesale companies made a net turnover of was some 70 thousand million euros, a third of which, or 23.5 thousand million, was made abroad. One of the factors that allowed the wholesale trade to flourish was the efficient transport sector and a good physical infrastructure of seaports, airports inland waterways and roads. Most transport, from feed manufacturer to farm, from farm/horticulture business to auction, trader or processor and from there, to buyers at home and abroad goes by road: thus one in every three lorries on the road carries agricultural products. Part of the commodities and semi-finished goods are transported by river to the manufacturer and in some cases to the end user. The heavy increase in road traffic has made it difficult sometimes to reach production, distribution and retail outlets. Both government and industry, on their own or together, wish to resolve these difficulties by, for instance, promoting intermodal transport or further clustering production and distribution activities.

Retail and hotel and catering industry (food service)

In 2004, Dutch consumers spent 14.3% of their income on food, drinks and tobacco; the industry had a turnover of 33.5 thousand million euros. The retail trade accounted for 28 thousand million, which comes down to an average 3,900 euros per household. Most of this, 23 thousand million euros, is spent in the 5,600 supermarkets in the Netherlands. Of the 23 thousand million euros, 15 thousand million is spent on food, 8 thousand million on drinks and tobacco. Apart from food, drinks and tobacco, supermarkets increasingly sell non-food products (3.6 thousand million euros) of which chemist's products, paper and detergents make up the largest share. Dutch supermarkets are in the hands of a small number of chains. Albert Heijn is the biggest, with a 27% market share. Its 675 supermarkets in the Netherlands had a turnover of 6.4 thousand million euros in 2005. Albert Heijn is a subsidiary of the Ahold Group the third largest supermarket chain in the world. Wholesaler's Schuitema, the owner of the C1000 supermarkets, has a 15% share and Laurus, with its Super de Boers, has an 8% share in the market.

Consumers in the Netherlands spend a substantial amount on food, drinks and tobacco in restaurants and catering shops, so-called food expenditure away from home (FAFH). In 2004, this amounted to 10.5 thousand million euros. In 2005, the food service market had an estimated 46,000 outlets in the form of cafes and bars, restaurants, fast-food restaurants, in-house company, school and hospital restaurants. The food service sector employs some 120,000 people. Food expenditure away from home is likely to go up as one-person households and the number of working women are on the increase. The 55+ age group is also growing and there is an increasing number of people with less spare time. This and the fact that people are increasingly mobile has a favourable impact on food expenditure away from home.

Retail trade in food, drinks and tobacco, 2004

	Shops (x 1000) 	Employees (x 1000) 	Turnover (€ thousand million) 
Retail trade in food, drinks and tobacco (total)	5.593	100.978	22.899
Supermarkets	14.447	*	*
Independent shops			
<i>of which:</i>			
Greengrocer	1.446	2.667	483
Butcher	2.811	8.731	1.200
Poultry shop	294	993	86
Fishmonger	582	1.263	195
Chocolate and confectionery	596	1.000	73
Wine shop	2.338	2.631	991
Tobacco	1.174	1.713	738
Cheese	500	1.087	178
Bakery	4.267	*	*
Health food	439	960	179

Source: Retail Commodity Board

* = no data

Organic

In 2005, the Dutch consumer spent more than 467 million euros on organic products. Three per cent of the vegetables and fruit they bought were organic. Total sales of organic products, including groceries amounted to 2%. Almost half of all organic products (49%) are sold in supermarkets, the consumer buying mostly organic milk, potatoes and yoghurt there. The health food stream has a 39% share of sales in organic foods, through health food and organic shops and organic butchers' shops. Twelve per cent of organic products are sold via the hotel and catering industry, farm shops, farmers' markets and speciality shops, with an increasing number of consumers buying organic foods via internet.



4 Research and Education

The agri-sector is of real importance to the Dutch economy and culture. The innovation necessary to stay ahead of the game always depended on a solid knowledge base. For the Dutch agri-sector to continue to operate successfully and competitively, this knowledge infrastructure needs to undergo continuous renewal. The centre of this knowledge base is Wageningen University and Research Centre where the greater part of fundamental and applied research takes place. It also houses the Wageningen Centre for Food Sciences, a public-private collaboration between government, research institutes and the sector.

A number of agri-food businesses have concentrated their research activities around Wageningen. Relevant research and education takes place in other places too, for instance at the University of Maastricht in the Nutrition and Toxicology Research Institute Maastricht, the University of Groningen, the University of Leiden the Erasmus University in Rotterdam (consumer sciences) and the Technical Universities of Eindhoven and Delft. Other research institutes in the areas of food and agriculture are TNO Voeding in Zeist, National Institute of Public Health and Environmental Protection in Bilthoven and NIZO Food Research in Ede.

In the coming years there is expected to be a development towards more innovative food products, such as functional foods, that is food with added health-enhancing value. The Netherlands has a good knowledge infrastructure in the area of functional foods and nutraceuticals. One example is the Wageningen Centre for Food Sciences, which participates in national and international networks, like the Kluiver Centre for Genomics of Industrial Fermentation and the Innovative Cluster Nutrigenomics. In addition, market access to the EU from developing countries remains a subject of study.

Supervisory Board

Board of Governors

Agrotechnology & Food Sciences Group	Animal Science Group	Environment Sciences Group	Plant Sciences Group	Social Sciences Group	Hogeschool Van Hall Larenstein	Wageningen International
Agrotechnology & Food sciences	Animal Sciences	Environmental Sciences	Plant Sciences	Social Sciences	Van Hall Larenstein	Wageningen IMARES
WAGENINGEN UNIVERSITY	WAGENINGEN UNIVERSITY	WAGENINGEN UNIVERSITY	WAGENINGEN UNIVERSITY	WAGENINGEN UNIVERSITY		Wageningen Business School
Restaurant of the future Food Technology centre Quality in chains Biobased products	Infectious animal diseases Livestock management Products	Alterra	Plant Research International Practical research Plant and Environment	Agricultural Economics Research Institute (LEI)	Statutory Research	Wageningen Business Generator
						Central Institute for Animal Disease Control (CIDC, Lelystad)
						Institute of Food Safety (RIKILT)
						4 statutory research programmes



5 Government Policy

In the vision for the future “The Choice for Agriculture”, the Dutch Government emphasises its confidence in the future of the agri-sector and its belief that entrepreneurship is the determining factor. The Dutch Government wants its agricultural sector to be an important economic sector that also maintains the liveability of the countryside. The government’s agriculture policy aims for sustainable development, where a balance is continually sought between the three Ps of People, Planet and Profit.

The Ministry of Agriculture is faced with major changes in society that have an impact on its policy areas. The focus is increasingly on food and food safety, environmental and welfare issues, the use of green spaces and the changing views about the role and significance agriculture should have in our society. These developments call for adaptations to be made in several sectors and production chains such as intensive livestock production, glasshouse horticulture and dairy farming. The government encourages these changes but the sectors themselves should take responsibility for them.

< The Binnenhof, seat of the Government of the Netherlands

Key elements in the government's agri-sector policy

Sound, sustainable agriculture: an agricultural sector that meets the demands and requirements of society, that is varied and diverse, serves various purposes, thus contributing to the spatial quality of our countryside, and a sector that can compete internationally;

Food quality: Food that is sound, wholesome and safe, of guaranteed quality and which meets a wide range of consumer demands and is the result of well-functioning business chains. Two important elements are (1) improved transparency in the international food chains and (2) stimulating innovation in food quality;

Knowledge and innovation: development of a knowledge infrastructure that contributes to such challenges as innovation. To this end the government has set up an innovation platform and made extra resources available for knowledge and innovation;

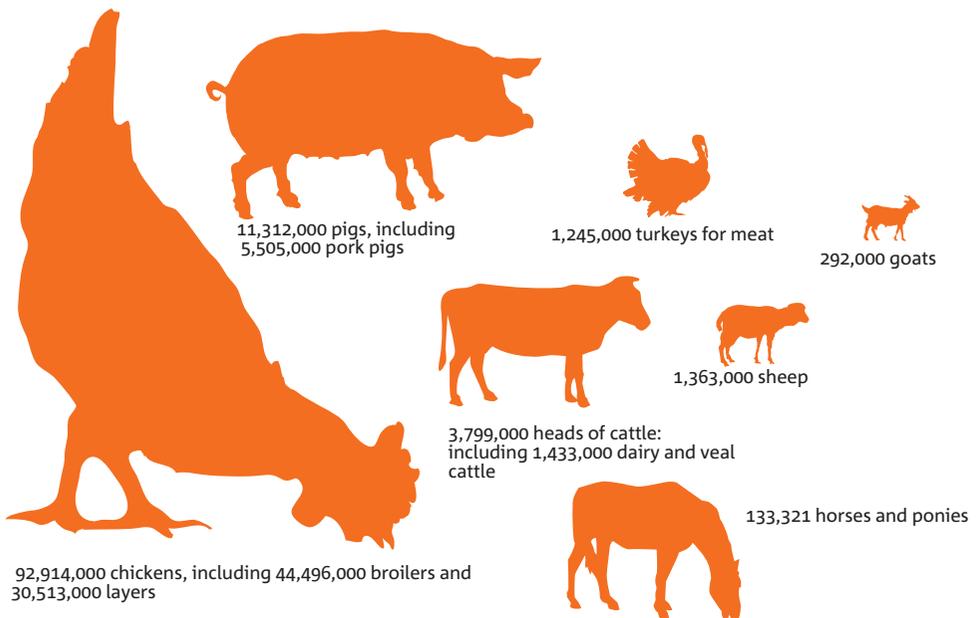
An eye on the international context: participation in various forms of cooperation, in such areas as production, marketing, the economy, ecology and nature as well as the generation, application and exchange of knowledge. The Netherlands is an advocate of the liberalisation of world trade and reforms of the EU farm policy;

Agri-focused business climate: to achieve its objectives - to reduce the quantity of regulations, to resolve problems, and simplify policy - the Netherlands will harmonise standards and requirements, improve logistic processes for import and export, take the one-stop shop approach and try to resolve agri-logistic problems where possible.



6 More facts about the Netherlands

- A mere 3.5% of the Dutch population works in the agricultural sector
- A quarter of the Netherlands lies below sea level
- The Netherlands covers 0.008 % of the global land surface
- The Netherlands was one of the co-founders of the European Union and one of the main contributors in drawing up European food quality policy.
- The Netherlands is among the three leading net exporters of farm products
- The Netherlands is the international trade centre for ornamental horticulture
- The first horticultural auction was opened in the Netherlands in 1887.
- The Netherlands is the largest supplier of potatoes and potato products on the European market
- In 2005 a Holstein Frisian produced an average 9,257 litres of milk with a 4.39% fat content and a 4.42% protein content
- In 2005 the Dutch livestock herd numbered:



Websites

Government

Statistics Netherlands	www.cbs.nl
<i>De Nederlandsche Bank</i>	www.dnb.nl
European Union	www.europa.eu.int
Ministry of Foreign Affairs	www.minbuza.nl
Ministry of Agriculture, Nature and Food Quality	www.minlnv.nl

Research

A&F	www.agrotechnologyandfood.wur.nl/nl
Erasmus University Rotterdam	www.eur.nl
Innovative Cluster Nutrigenomics	www.genomics.nl
Agricultural Economics Research Institute LEI	www.lei.nl
Nutrition and Toxicology Research Institute Maastricht (NUTRIM)	www.nutrim.unimaas.nl
Kluyver Centre for Genomics of Industrial Fermentation	www.kluyvercentre.nl
NIZO Food Research	www.nizo.com
University of Groningen	www.rug.nl
National Institute of Public Health and Environmental Protection, RIVM	www.rivm.nl
Institute of Food Safety RIKILT	www.rikilt.wageningen-ur.nl
Technical University Delft	www.tudelft.nl
Technical University Eindhoven	w3.tm.tue.nl/nl/en
<i>TNO-voeding</i>	www.voeding.tno.nl
Leiden University	www.leidenuniv.nl
Food and Consumer Product Safety Authority VWA	www.vwa.nl
Wageningen Centre for Foods Sciences	www.wcfs.nl
Wageningen-UR	www.wageningen-ur.nl

Sector organisations

Central Commodity Board for Arable Products	www.hpa.nl
Drinks <i>Productschap Dranken</i>	www.productschapdranken.nl
Product Boards for Livestock, Meat and Eggs	bedrijfsnet.pve.agro.nl
Product Board for Margarine, Fats and Oils	www.mvo.nl
Horticulture <i>Productschap Tuinbouw</i>	www.tuinbouw.nl
Fish <i>Productschap Vis</i>	www.pvis.nl
Dutch Dairy Board	www.produivel.nl

Promotion

Agency for International Business and Cooperation (EVD)	www.hollandtrade.com
Agriculture from Holland	www.agriculturefromholland.com
Biologica	www.biologica.nl
Centre for the Promotion of Imports from developing countries (CBI)	www.cbi.nl
Food from Holland	www.FoodfromHolland.nl
International Flower Bulb Centre	www.bloembollencentrum.nl
Netherlands Foreign Investment agency	www.nfia.nl
Plantum	www.plantum.nl/english/indexengl.htm
Port of Rotterdam	www.portofrotterdam.com

Published by The Ministry of Agriculture, Nature and Food Quality
Bezuidenhoutseweg 73
P.O. Box 20401
2500 EK The Hague
The Netherlands

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

Text Agricultural Economics Research Institute (LEI)

Design *Trossen Los^o grafische communicatie*

Photography Fotobureau Mieke van Engelen
ANP Photo

Production The Ministry's Publication Office

Further Information

Infotiek, Phone, +31 70 378 4062

Internet: www.minlnv.nl/international

March 2007