

# Dutch agricultural trade in 2014



## 1. Striking developments

- Total Dutch trade surplus is unchanged in 2014 compared to the level in 2013 (€47.6bn); Agricultural trade surplus increases in 2014 by €1.5bn.
- Dutch agricultural exports in 2014 showed a slight increase from than €80.1bn to €80.7bn; Imports of agricultural products declined from €53.3bn to €52.4bn.
- Germany's share in total Dutch agricultural exports declines from 26.3% to 25.7% in 2014.

## 2. Global developments in 2013

International trade in agricultural products<sup>1</sup> has fluctuated, according to the most recent data from the UN Comtrade Database, around USD1,500bn for many years. The level was substantially lower only in 2009, due to the credit crisis (USD1,100bn).

The world's largest exporters of agricultural products are, in order of importance, the USA, the Netherlands, Germany, Brazil and France. Although Germany is a major exporter, the country is an even bigger importer of agricultural products and, as a result, is a net importer. The other four countries are all net exporters (value of exports greater than value of imports).

Only two states recorded larger net exports than the Netherlands in 2013, namely Brazil and Argentina. Brazilian and Argentinian agricultural imports are no more than a small fraction of the export value of their agricultural produce. The net export value of Brazilian and Argentinian produce amounted to USD74bn and USD40bn respectively, as compared to the Netherlands' USD35bn.

The most important importers of agricultural products are Japan, China, the UK and South Korea, which in 2013 recorded net import values of agricultural products of USD79bn, 74bn, 39bn and 24bn respectively. For import of agricultural products by China, the Netherlands is only the 13<sup>th</sup> importer. The imports of China from US, third after Japan and Hong Kong, is six times higher in value. So here there are opportunities for the Netherlands. The export figures from CBS used here relate to the total exports, so including transit.

## 3. Dutch agricultural trade in 2014

All the results for 2014 presented below are estimates that were obtained by combining the most recent monthly results from Eurostat (COMEXT) up to September 2014 with the Statistics Netherlands (CBS) annual data for the years 2011-2013.

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<sup>1</sup> Definition: products coming under the Dutch Ministry of Economic Affairs, i.e. inclusive of fish, ornamental plant products and unprocessed wood. Source of international trade data: UNSD Comtrade Database

Dutch agricultural trade had a more difficult year in 2014 than in previous years<sup>2</sup>. Although exports of agricultural products increased substantially in 2012 and 2013, by 4.5% and 6% respectively, only a slight increase of no more than 0.5% is estimated for 2014. Imports of agricultural products actually declined in 2014 (-1.5%). As agricultural exports increased slightly and agricultural imports decreased in the year under review, the agricultural trade balance – as was the case in 2013 – once again increased in 2014, by a further €1.5bn (Table 1).

Total Dutch exports of goods (including agricultural products) and imports of goods are both estimated to be about 0.5% lower in 2014. As a result, the Netherlands' total trade surplus in 2014 will remain unchanged from the surplus in 2013. Consequently, the positive contribution to the trade balance made by agricultural products was obviously more than offset by a large decline in the other segments of the economy.

The Dutch agricultural trade surplus increased from €26.8bn in 2013 to €28.3bn in 2014. Trade with EU Member States contributes an amount in excess of this agricultural trade surplus, as the Netherlands has a trade deficit in agricultural products with non-EU countries (Figure 1). The trade surplus with the EU Member States increased in 2014 (by €0.5bn), whilst in the same year the trade deficit with non-EU countries decreased (by €1.1bn). Exports to Russia are estimated to have fallen by more than €200m. This estimate is based on Statistics Netherlands' figures to September inclusive and a LEI estimate that has not yet taken account of the trade boycott with Russia that was imposed at the beginning of August. The effect of the trade boycott with Russia is expected to be small because only a small part (2%) of total Dutch agricultural export is to Russia. Besides this, the Russian boycott does not affect all agricultural products<sup>3</sup>.

The imports from non-EU countries consist largely of oil seeds, animal feed ingredients, fruit (including tropical fruit) and coffee and cocoa beans. The exports to non-EU countries consist largely of processed products, such as dairy products, beverages, coffee, tea, cocoa and cocoa products and ornamental plants. Part of the Dutch agricultural exports is comprised of the re-export of products originally imported into the Netherlands, such as seasonal vegetables and fruit.

**Table 1. Comparison of the total Dutch trade with agricultural trade.**

Total trade, in billions of euros			
	imports	exports	balance
2013	386.4	433.1	46.7
2014*	385.3	432.0	46.7

Agricultural trade, in billions of euros			
	imports	exports	balance
2013	53.3	80.1	26.8
2014*	52.4	80.7	28.3

Source: Statistics Netherlands, data processed by LEI.  
\* estimate

The majority of the Dutch agricultural trade is with the country's neighbours: Germany is the Netherlands' most important trading partner in terms of both imports and exports (see Figure 1 and Figure 3). Germany received almost 26% of the Netherlands' exports of agricultural products in 2014, whilst Germany supplies about 19% of the Netherlands' imports. The majority of exports to Germany (Figure 2) consist of fruits and vegetables, ornamental plants, dairy products, eggs and meat. The majority of imports from Germany consist of dairy, meat, grains and grain products. The dairy imports are primarily comprised of unprocessed milk, whey and skimmed milk powder. These products are used as raw materials in the food, beverages and tobacco products industry.

The Netherlands' other important trading partners in agricultural products are Belgium, France and the UK. The European Union's 28 Member States jointly account for almost 77% of Dutch agricultural exports and about 59% of Dutch agricultural imports. These percentages have been stable for many years, and in 2014 once again varied little from the percentages in 2013.

<sup>2</sup> Estimate based on Statistics Netherlands' provisional figures for the first nine months of 2014: The final figures will become available in mid-2015.

<sup>3</sup> <http://www.wageningenur.nl/nl/Dossiers/dossier/Dossier-boycot-Rusland.htm>

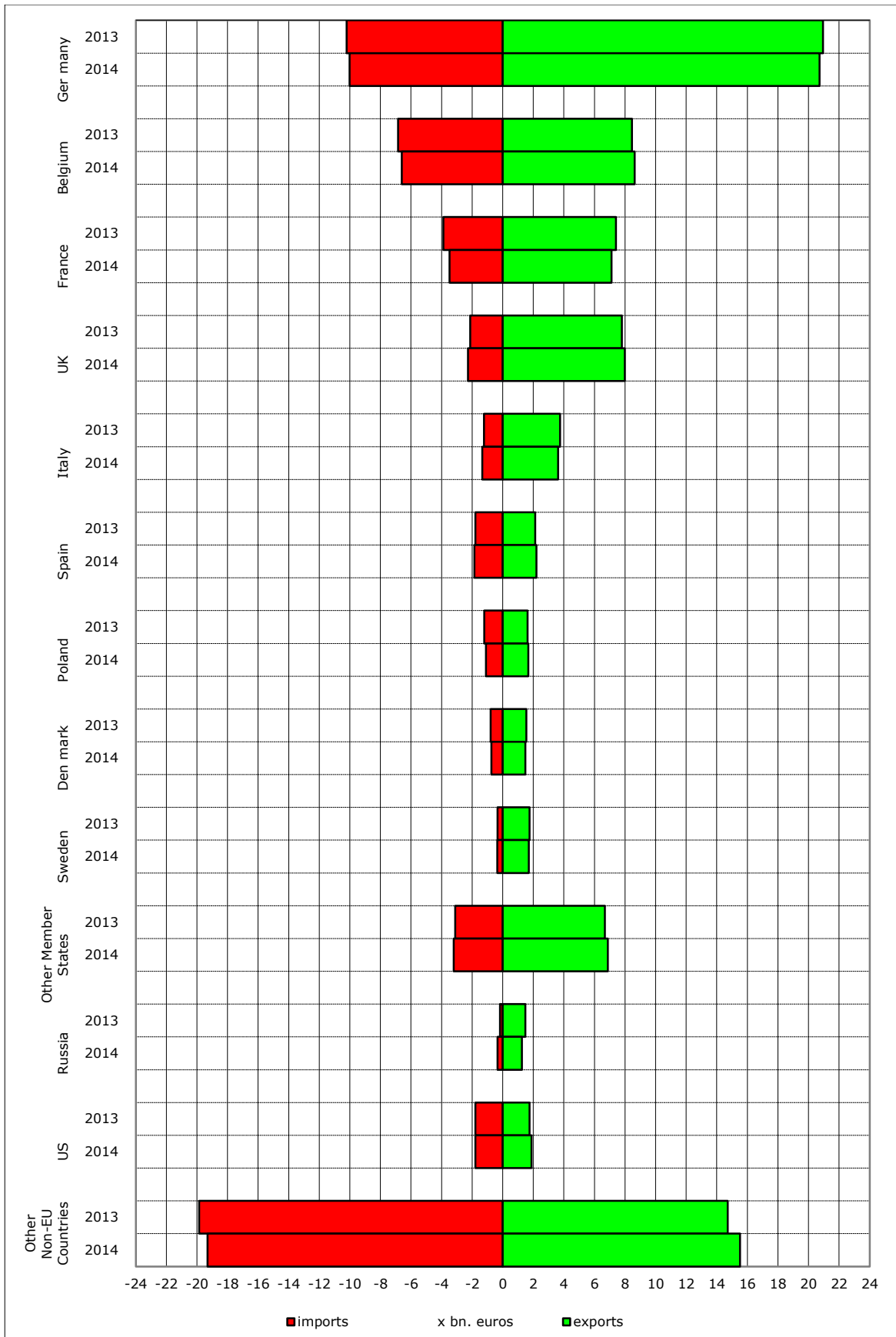


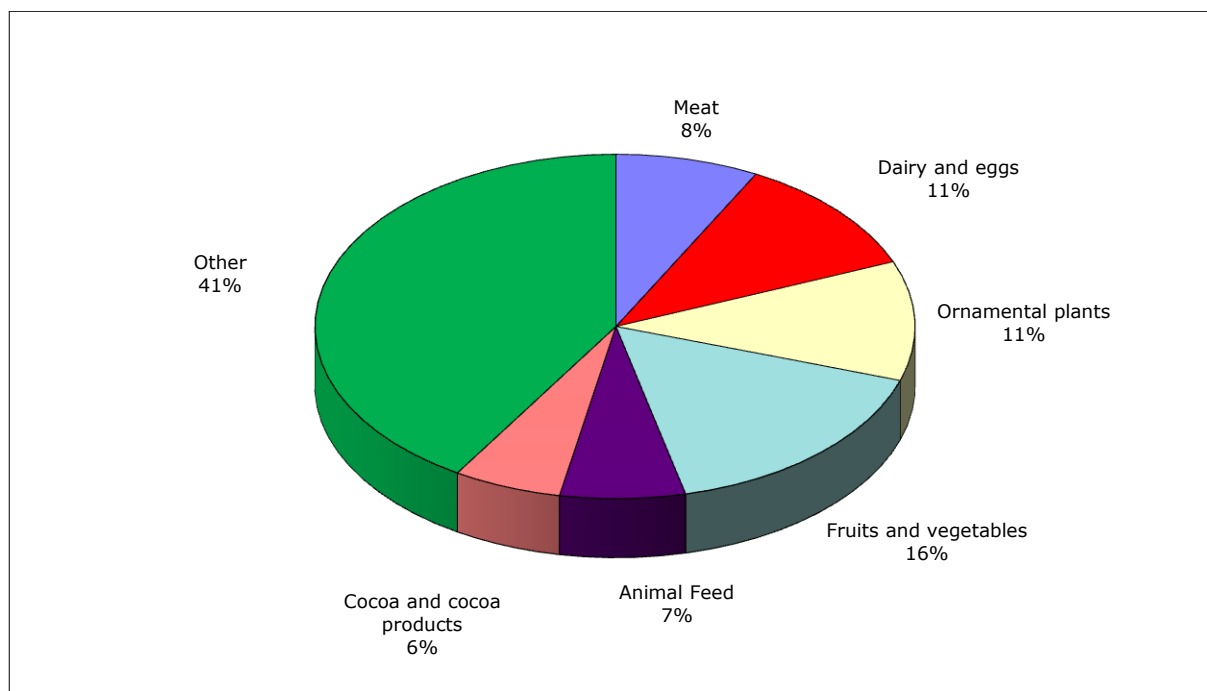
Figure 1. Most important partner countries in Dutch agricultural trade  
 Source: Statistics Netherlands, data processed by LEI, 2014: estimate.

## 4. Agricultural trade with the Federal Republic of Germany

Germany has for many years been the Netherlands' most important trading partner in imports and exports of agricultural products, with shares in 2014 of 19.1% and 25.7% respectively. Figure 3 shows the developments over the past five years.

Both the imports and exports of agricultural products exhibit a downward trend. The import value of agricultural products from Germany fell by almost 3% in 2014, whilst the total import value of agricultural products fell by about 1.5%. As a result, Germany's share of the total import value of agricultural products fell slightly to 19.1% in 2014. The export value of agricultural products to Germany decreased by 1.5%, whilst the Netherlands' total export value of agricultural products increased by more than half a per cent. As a result, Germany's share of exports of agricultural products fell from 26.2% in 2013 to 25.7% in 2014. In 2014, the value of imports from and exports to Germany was €10.0bn and €20.7bn respectively.

The majority of exports of agricultural products to Germany are comprised of animal products (meat, dairy and eggs), which jointly account for 19% of the value of exports to Germany. Horticultural products (ornamental plants, vegetables and fruit) jointly account for a further more than one quarter of the value of exports to Germany (Figure 2). The majority of the Netherlands' imports from Germany are comprised of live animals, meat and dairy products.



**Figure 2. Breakdown of Dutch agricultural exports to Germany in 2014 (estimate) by main product groups**  
Source: Statistics Netherlands, data processed by LEI.

### 4.1 Developments in exports of a number of product groups to Germany

#### *Dairy*

After a slight decline in the dairy export value to Germany in 2012, the value increased sharply in 2013 to above the level of 2011 (Figure 4). The dairy export value increased further in 2014 (+9%). The share of cheese in the export value of dairy products declined from 68% in 2013 to 60.4% in 2014. The shares of both butter and other dairy products in the export value of dairy products increased.

### Eggs and egg products

The export value of eggs and egg products is estimated to be much lower in 2014 (-13%). The export value had already declined by almost 9% in 2013. As the estimate for 2014 is based on figures to September inclusive, this calculation does not yet take account of the potential effects of the outbreak of bird flu on the export value.

### Potatoes and vegetables

This product group is dominated by just three products, namely tomatoes, sweet peppers and cucumbers. These jointly account for more than 50% of the export value of fruits and vegetables to Germany. In 2014, the export value of this product group was €1.9bn, some 4% lower than in the previous year (Figure 4). The export value of this product group has now declined for two consecutive years.

### Meat

The export value of meat consists of the value of beef, pork and poultry meat. In 2014, the export value of meat increased for the fourth consecutive year (+2%). However, the export value of beef decreased (-7%), whilst the export value of other meat products is estimated to have increased (+8%).

## 4.2 The Dutch position in the German market

The Netherlands and France jointly account for almost one third of all imports of agricultural products to Germany. In 2014, the Dutch share was 23.7% and the French share was just under 9% (Figure 5). Over a somewhat longer period both the Netherlands and France are tending to relinquish some of their share. Whilst 15 years ago the Polish share was just 1%, its share has increased considerably – in particular following Poland's accession to the EU in 2004 – to its current share of more than 6%.

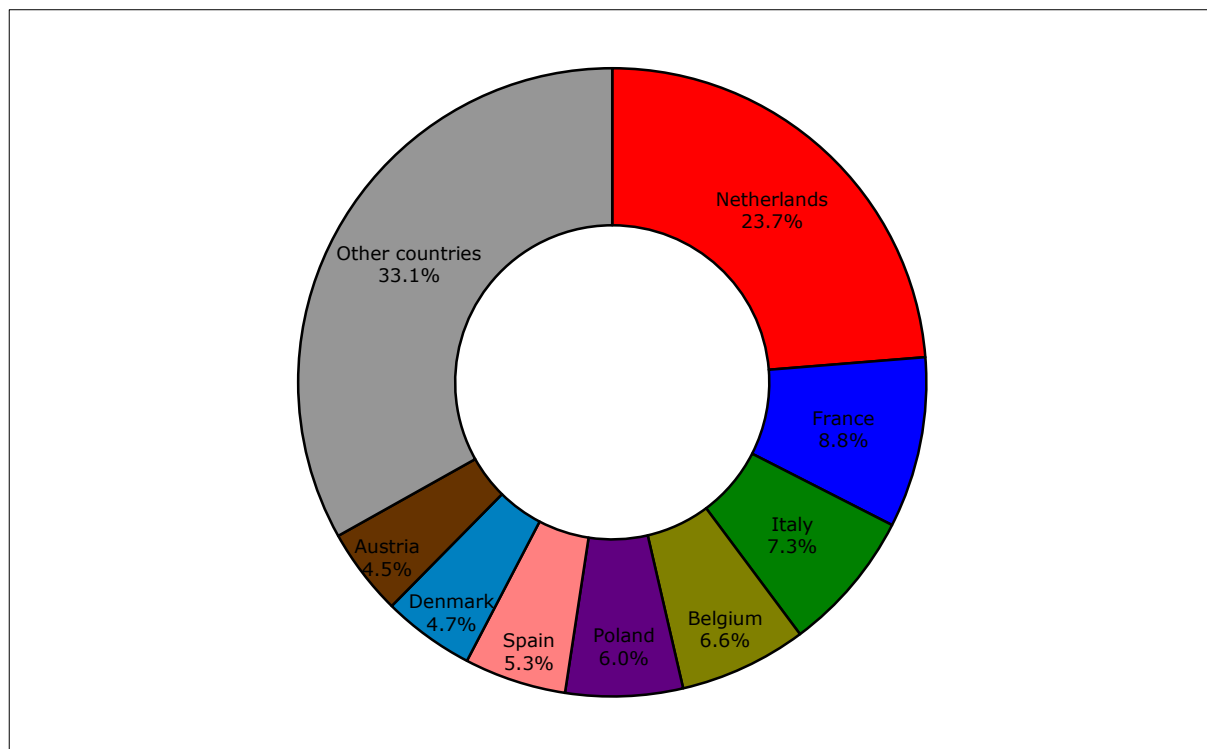
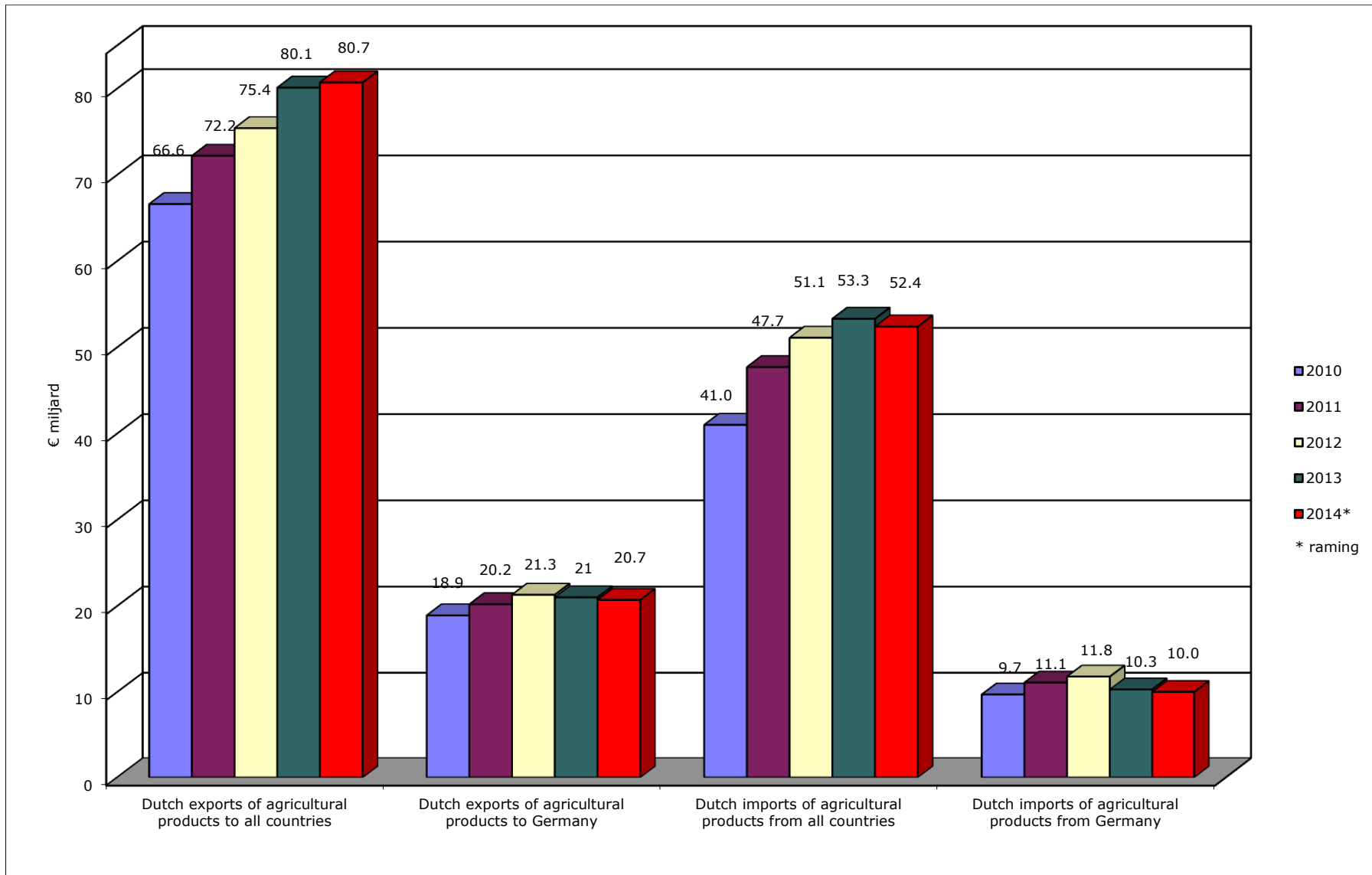


Figure 5. Countries of origin of German agricultural imports in 2014 (estimate)  
Source: Eurostat, data processed by LEI.



**Figure 3. Dutch trade in agricultural products and Germany's significance**  
 Source: Statistics Netherlands, data processed by LEI.

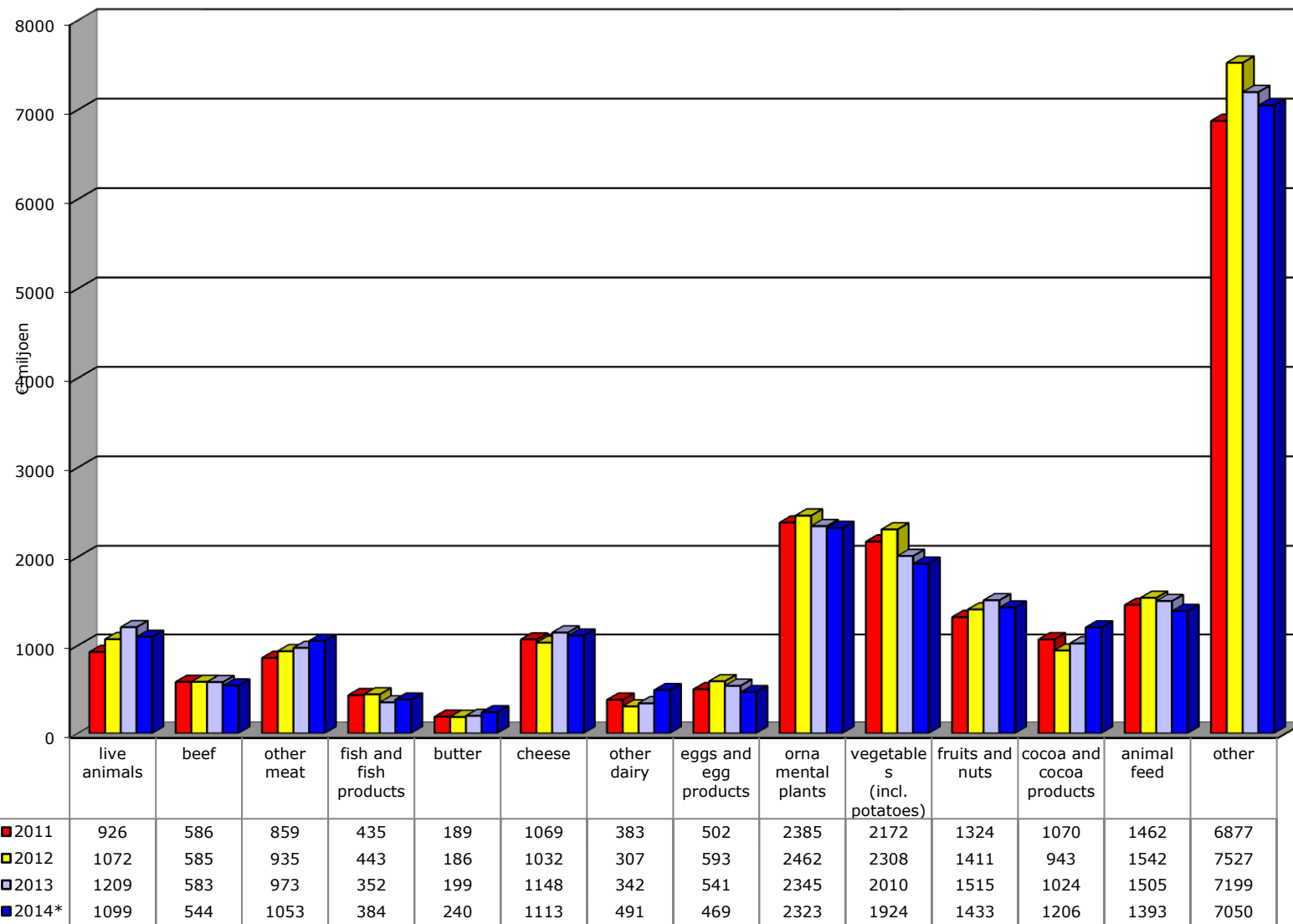


Figure 4. Developments in agricultural exports to Germany by product group  
 Source: Statistics Netherlands, data processed by LEI.

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### 4.3 Dutch imports from Germany

Dutch imports of agricultural products totalled more than €52bn in 2014, €10bn of which were imported from Germany.

#### Dutch imports of agricultural products from Germany, in millions of euros

	2013	2014*
Total agricultural	10,210	10,010
Of which:		
Livestock	640	603
Meat	990	968
Dairy	1,484	1,471
Animal feed	868	806
Fruits, vegetables and nuts	514	516
Other	4,896	5,114

Source: Statistics Netherlands, data processed by LEI.

\*estimate

Germany is the most important supplier of agricultural products imported by the Netherlands. However, there are few products in which Germany has a strikingly large share. The dairy product group is the most important product group. The imports in the dairy product group primarily consist of unprocessed milk, whey and skimmed milk powder. These products are used as raw materials in the food, beverages and tobacco products industry.

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