

# Facts and Figures 2008

## Of the Dutch Agri-sector





Facts and Figures  
*of the Dutch Agri-sector*  
2008



# 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 a changing 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 and internationally competitive enterprise for a healthy economy and high employment.

This brochure provides an insight into the developments in the sector. The data was provided by the Agricultural Economics Research Institute (LEI), part of Wageningen University and Research Centre (Wageningen UR). 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. 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. Finally, Chapter 6 presents other interesting facts about the Netherlands and links to the websites of the organisations mentioned in this brochure.

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# 1 The Netherlands

## *Land and population*

The Netherlands is one of the smaller countries of the European Union, comprising about 41,500 km<sup>2</sup>. More than half of this area is farmed, and about 8% is woodland. As at 1 January 2007, the Netherlands had a population of over 16.4 million people. Almost a quarter of the population is under 20 years of age. Life expectancy at birth for men born in the Netherlands is 77.2, for women 81.6 years. Population density, the mean number of inhabitants per square kilometre, is 484, making the Netherlands one of the most densely populated countries in the world. The Netherlands has some 7.2 million households, with 2.6 million people living alone. The average number of people living in a household is 2.24. About 19% of the population lives in extremely urban surroundings, and almost 23% lives in a highly urban environment. Over a fifth of the population lives in non-urbanised areas.

The Netherlands has 458 municipalities, 25 of which have a population over 100,000. 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 589,000 and 475,000 respectively. The Netherlands is a multicultural society. Some 3.2 million inhabitants have a non-native background. Of this group, 1.7 million have their roots in non-western countries. The majority of non-western allochthonous inhabitants are of Turkish origin, followed by people of Surinamese and Moroccan origin. The rural areas in the Netherlands are under considerable pressure from development. Finding a balanced assessment 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. 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 Communities, the predecessor of our European Union, which as of 1 January 2007 embraces 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.

The Netherlands has an attractive climate for business and our workforce has a high productivity, which has meant that many international corporations have decided to establish their headquarters here.

In 2006 the Gross National Product has grown steadily to 534 thousand million euros from 418 thousand million euros in 2000. The GNP volume-index rate was 109.1 in 2006 compared to 113.4 for the whole of the EU-27. Growth is thus lagging behind but the GNP volume is expected to grow again by 2.75 and 2.5% in 2007 and 2008 respectively, which will be in line with overall EU growth.

Key social and economic statistics for the Netherlands		
		
Surface area in 2008		41,543 km <sup>2</sup> , land area 33,756 km <sup>2</sup>
Population as at 1-1-2007		16.4 million
Working population (2006)		7.5 million
Life expectancy at birth		men: 77.2 years women: 81.6 years
Gross National Product (2006)		534 thousand million euros
Per capita income		27,955 euros
Inflation (2005)		1.1%
Unemployment (2005)		5.5%

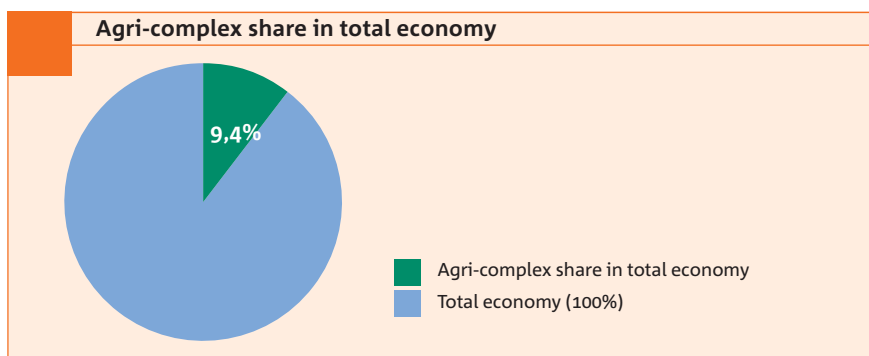
Source: Statistics Netherlands

## Economic importance of the Dutch agri-sector

The gross added value of the total agricultural complex in the Netherlands in 2005 was 41.9 thousand million euros. As a proportion of the national gross added value, the share of the agricultural complex was 9.4%. In 2005 Agriculture and the agri-industry accounted for 665,000 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 2005, the former sector had a 5% share in the national economy. Its share for total employment in the Netherlands was almost 6% (see table), accounting for a total of 377,000 labour years, 46,000 less than in 2001. Its added value in 2005 amounted to almost 23 thousand million euros, 0.5 thousand million down on 2001. The table also reveals that growth in the added value of this segment is in decline and distribution in this sector is also under pressure.

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 2005 from 14.8 thousand million to 15.7 thousand million euros. Employment in this sector fell by 21,000 labour years to 199,000.



Source: LEI

<b>Key statistics of the Dutch agricultural complex, 2001 and 2005</b>				
	<b>Added value (base prices in € 1000 million)</b>		<b>Employment (in 1000 labour years)</b>	
	<b>2001</b>	<b>2005</b>	<b>2001</b>	<b>2005</b>
Agricultural complex <sup>(a)</sup>	40.5	41.9	715	665
<i>proportion of national total</i>	<i>9.4%</i>	<i>9.4%</i>	<i>11.1%</i>	<i>10.3%</i>
Gardeners, farm services and forestry	3.6	3.6	71	89
<i>proportion of national total</i>	<i>0.9%</i>	<i>0.9%</i>	<i>1.1%</i>	<i>1.3%</i>
Agri-complex, on basis of foreign raw materials	14.8	15.7	220	199
<i>proportion of national total</i>	<i>3.4%</i>	<i>3.4%</i>	<i>3.4%</i>	<i>3.0%</i>
processing	6.5	7.0	75	65
supply	4.1	4.4	70	66
distribution	4.2	4.3	75	69
Agri-complex, on basis of domestic raw materials	22.1	22.6	423	377
<i>proportion of national total</i>	<i>5.1%</i>	<i>5.1%</i>	<i>6.6%</i>	<i>5.9%</i>
primary production	7.9	67.6	186	170
processing	3.3	4.1	53	45
supply	7.9	8.5	130	122
distribution	3.0	2.5	54	40

Source: Agricultural input-output table, analysis by LEI

## *Dutch Household Consumption Pattern*

The Netherlands has some 7.2 million households, with 2.6 million people living alone. The average number of people living in a household is 2.24. 14% of household income is spent on food, drinks and tobacco. In 2005 total household expenditure on food, drinks and tobacco amounted to approximately 34 thousand million euros. Most household expenditure went on meat and meat products (5.1 thousand million euros), followed by drinks (5 thousand million euros), tobacco (4.2 thousand million euros), dairy products, fruit and vegetables (4 thousand million euros), confectionary (3.2 thousand million euros), bread and baked goods (2.5 thousand million euros) and fish (1.0 thousand million euros).



## 2 Agricultural trade

### *Development*

The Dutch economy has a strong international orientation and the agricultural sector is no different. In 2006, the Netherlands exported agricultural products with a value approximating 54.2 thousand million euros, which was equivalent to 17% of the total export value in that year. Most exports go to other Member States of the European Union. The Netherlands imported agricultural products amounting to 30.8 thousand million euros, or 11% of the value of total Dutch imports.

The Netherlands is the second largest exporter of agricultural products in the world, after the US and followed by France. In 2005 Dutch exports of agricultural products amounted to USD 59.5 thousand million (US: USD 84.3 thousand million; France: USD 55.7 thousand million). The ten leading agricultural exporters accounted for a share of over half of total world exports. In 2005 the Netherlands had a 7% share in global agricultural exports, down slightly on 2004, but 3.5 percentage points higher than in 2000.

< *The Port of Rotterdam*








Global exports of agricultural products (in USD thousand million)			
	2000	2004	2005
Total	494.1	712.3	800.0
United States	65.2	73.4	75.4
The Netherlands	32.8	52.5	54.0
France	36.6	50.5	51.8
Germany	26.4	46.2	50.6
Canada	27.6	34.2	35.4
Brazil	13.8	29.5	33.5
Belgium	18.4	28.7	29.9
Spain	16.3	28.0	28.8
Italy	16.2	25.6	27.0
China	16.4	24.0	28.5

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 2006, the value of these exports totalled 7.9 thousand million euros, which is almost 15% of the total agricultural product export value. Other major export products are meat and meat products (5.9 thousand million euros) and dairy products (4.4 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 million)	Share of NL (in € 1000 million)	Share of the Netherlands (in %)
<b>Total agricultural products of which:</b>	320.0	56.5	 17.6
Meat and meat preparations	31.2	4.9	 15.6
Dairy products and eggs	26.2	4.1	 15.7
Fruit and vegetables	41.3	8.2	 19.9
Other unprocessed raw materials (animal and vegetable)	18.1	10.3	
Tobacco and tobacco products	10.1	3.1	 56.8
Other products	193.1	25.8	 30.3
			 13.4

Source: Eurostat

EU-25 agricultural imports 2005			
	EU-25 (in € 1000 million)	Share of NL (in € 1000 million)	Share of the Netherlands in %
<b>Total agricultural products of which:</b>	329.0	33.3	 10.1
Meat and meat preparations	29.8	2.4	 8.0
Dairy products and eggs	21.7	2.1	 9.8
Fish and fish products	28.5	1.7	 6.1
Fruit and vegetables	52.2	5.2	 10.0
Coffee, tea, cocoa etc.	19.6	2.1	 10.7
Other products	177.2	19.8	 11.2

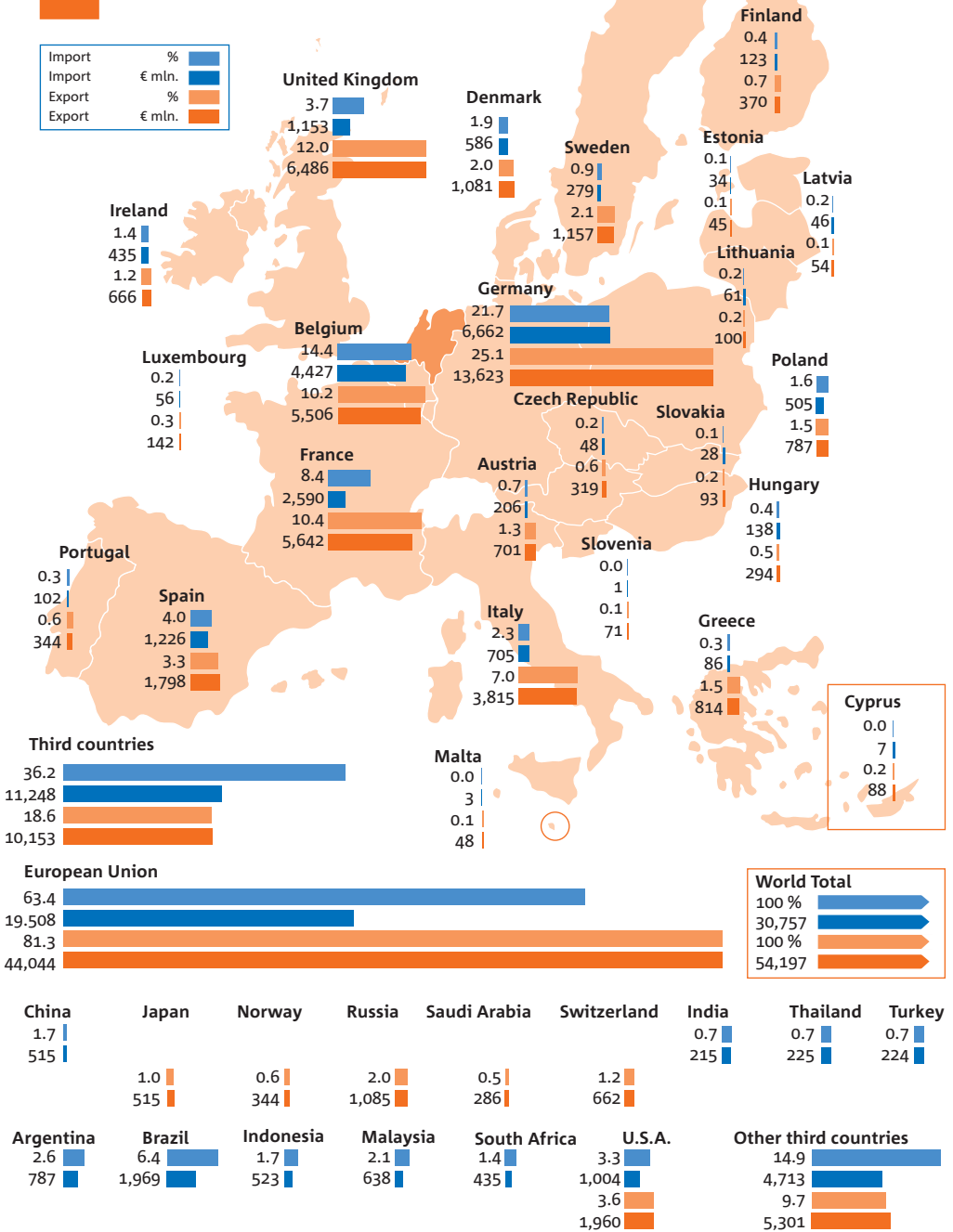
Source: Eurostat

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## *Trading partners*

Over 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 2006, almost 14 thousand million euros worth of agricultural products, more than a quarter of the total agricultural export, was shipped to Germany.

# Dutch agricultural exports in 2006



Source: Statistics Netherlands

Dutch trade with the EU-25 in 2006 (in € mln)			
Imports 		Exports 	
Product group	Value	Value	Product group
Dairy	2,260	3,265	Dairy
Meat	2,179	5,465	Meat
Fish	982	2,878	Fish
Processed products derived from potatoes, vegetables, fruit	941	2,715	Processed products derived from potatoes, vegetables, fruit
Cereal preparations, starch	1,113	1,843	Cereal preparations, starch
Fruit, nuts, spices	958	2,218	Fruit, nuts, spices
Animal feed	812	2,490	Animal feed
Cereals, seeds, pulses, potatoes	1,527	6,686	Ornamentals and plants
Drinks	1,611	3,265	Tobacco
Timber, cork	1,019	3,126	Vegetables
Various	6,106	11,242	Various
<b>Total from EU-25</b>	<b>19,508</b>	<b>44,044</b>	<b>Total to EU-25</b>

Source: Statistics Netherlands

## Dutch trade with third countries in 2006 (in € mln)

Imports		Exports	
2006		2006	
Product group	Value	Value	Product group
Margarine, fats and oils	1,015	218	Margarine, fats and oils
Animal feed	778	388	Animal feed
Ornamentals and plants	752	1,261	Ornamentals and plants
Processed products derived from potatoes, vegetables, fruit	736	329	Processed products derived from potatoes, vegetables, fruit
Fish	661	452	Fish
Meat	634	401	Meat
Timber, cork	581	793	Coffee, tea, cocoa
Fruit, nuts, spices	2,118	808	Cereal preparations, starch
Coffee, tea, cocoa	1,163	1,522	Drinks
Oil seeds	946	1,097	Dairy
		547	Vegetables
Various	1,864	2,337	Various
<b>Total from third countries</b>	<b>11,248</b>	<b>10,153</b>	<b>Total to third countries</b>

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. In 2006 the number of farms in the Netherlands amounted to 79,435. Dairy farms made up the largest group, totalling 20,429, followed by farms with grazing stock, cows for slaughter, sheep and goats, which amounted to 18,369. The number of arable farms, producing mainly cereals, potatoes and sugar beets, was 12,163. There were 7,091 intensive livestock farms, i.e. farms with pigs or poultry. Some 14,480 businesses operated in the field vegetable and glasshouse sector. Finally, 6,903 businesses combined a number of branches of production.

Between 1990 and 2006 the number of farms has fallen by almost a third, which is mainly due to the decline in the number of small farms. However, the number of large farms has increased considerably. In 2006 the average intensive livestock farm was twice as large as in 1990, and the average broiler farm was three and a half times larger.



Some large farms have increased in size by such an extent that they are now classed as mega-farms. A typical mega-farm would have some 410 dairy cows 12,800 fattening pigs, 186,000 layers or 385 ha of arable land. Mega-farms are relatively common in glasshouse horticulture, as recent years have seen an enormous increase in the size of these businesses. The average size of these businesses has more than doubled between 1986 and 2006. Five percent have an area over 5 ha, and account

**Structure in agriculture and horticulture in 2005.**

	Farms	Animals	Animals per farm
<b>Farms</b>			
- Pigs	9,040	11,356,000	1,256
- Poultry	2,869	94,335,000	32,881
- Veal calves	3,174	844,000	266


Source: Statistics Netherlands

## Land-using livestock production, 2006

Farms	Number of farms 	Number of animals 	Animals per farm
- Dairy cows	22,300	1,420,000	64
- Beef and other cattle	7,420	1,598,000	215
- Sheep	13,744	1,379,000	100
- Goats	4,237	310,000	73
- Horses	16,944	128,000	8


Source: Statistics Netherlands

## Glasshouse horticulture and mushroom growers, 2006

	Number of businesses 	Surface area	Average per business
<b>Glasshouse horticulture</b>			
- Vegetables	1,660	2,988 ha of glasshouse	1,8 ha of glasshouse
- Cut flowers	2,410	3,374 ha of glasshouse	1,4 ha of glasshouse
- Potted plants	1,130	1,356 ha of glasshouse	1,2 ha of glasshouse
<b>Mushroom growers</b>	283	764,100 m <sup>2</sup>	2,700 m <sup>2</sup>

Source: Statistics Netherlands


## Open field horticulture, 2006

	Businesses 	Acreage (ha)	Average per business (ha)
<b>Open field horticulture</b>			
- Vegetables (excl. onions)	3,619	26,329	7
- Fruit	2,367	17,606	7
- Flower bulbs	2,137	23,515	11
- Tree nursery	3,511	14,068	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

for over one quarter of the total area for glasshouse horticulture. 10% of businesses in the glasshouse vegetable sector have an area of 5 ha or more, accounting for almost 40% of the total area for this sector. The Netherlands had almost 1,600 mega-farms in 2006, representing 2% of the total amount of farms. In 2006 mega-farms accounted for 22% of total production capacity, compared to 17% in 2004.

### 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 57% is used for the cultivation of arable and horticulture crops, 40% is permanent grassland and some 2% is used for permanent crops.

### Production value

Total production value of the agriculture and horticulture sector in 2006 was over 20 thousand million euros. Arable and horticulture crops accounted for 11.2 thousand million euros and the value of livestock and animal products was 8.9 thousand million euros. In the arable and horticulture sector, flowers and ornamental plants made up the largest share, with 53%. Dairy products had the largest share of the livestock and animal products sector. The production value of the agriculture and horticulture sector was 1.7% of the Gross National Product, which is higher than the EU-25 average of 1.3%.

## Production value of agriculture and horticulture in 2006 (in € mln)

	1995	2006
Total production value	19,732	20,094
of which:		
<b>Arable and horticulture crops</b>	9,037	10,172
Arable and horticulture crops	9,037	11,193
- Cereals	239	207
- Potatoes	828	1,191
- Sugar beet	331	214
- Industrial crops	3	97
- Animal feed	641	514
- Vegetable (fresh)	1,886	2,160
- Fruit (fresh)	312	487
- Flowers and plants	4,010	5,889
- Other	757	436
<b>Livestock and livestock products</b>	9,346	8,411
- Cattle	1,638	1,682
- Pigs	2,806	2,318
- Horses	15	19
- Sheep and goats	101	182
- Poultry	644	487
- Other animals	11	15
- Milk	3,710	3,785
- Eggs	360	295
- Other animal products	61	117

Source: Statistics Netherlands

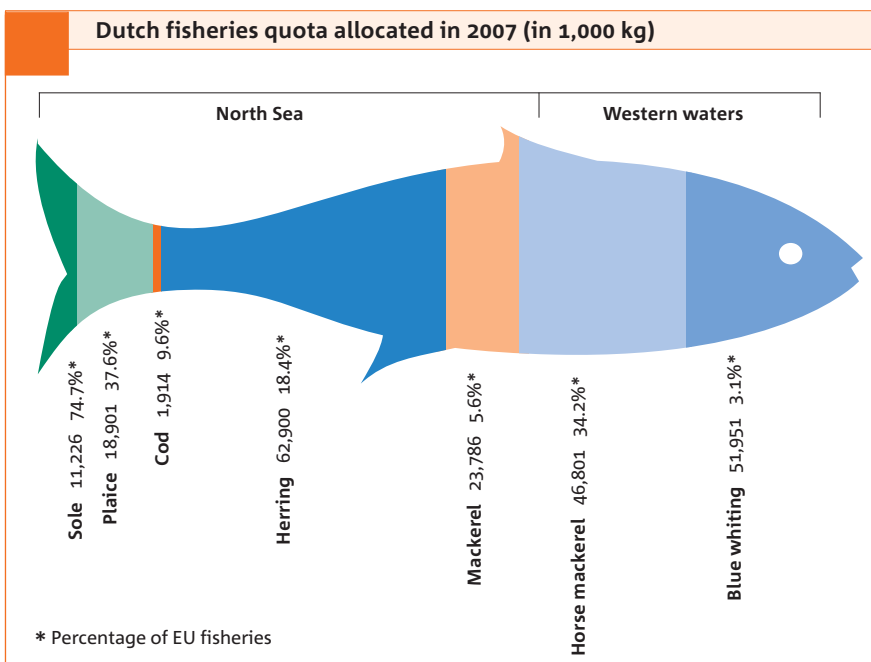
## Organic agriculture

Developments in organic agriculture are moving slowly. In 2006 the land under organic crops was 2.5% of total farmland, the same as in 2005. An area of 48,424 ha was under organic crops by the end of 2005, almost 1% less than in 2004. By the end of 2006 there were 1,362 certified farms, roughly the same number as in 2005. Most of the organic area (70%), is grassland and silage for grazing stock. Potatoes, fruit and vegetables cover an area of 5,865 ha, cereals an area of 5,168 ha. Another 3,455 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, occupies a position somewhere in the middle. The EU average is some 3.9%. Italy leads with over 1 million ha under organic management, roughly 7% of the total farmland in that country. Austria, with over 14%, has the largest share in relative terms. A large proportion of the organic products grown in the Netherlands is sold abroad. Over half of organic open field vegetables are exported, mostly to the UK and Germany, and 85% of organic tomatoes are exported. Demand for organic tomatoes in the Netherlands is high, and as they are not produced year round in the Netherlands, a growing number of organic tomatoes are imported. In 2006, 1,011 tonnes of organic tomatoes were imported, almost twice as much as in 2005. Furthermore, a significant proportion of organic potatoes are exported. In 2006 the Netherlands exported 5,000 tonnes of organic potatoes were exported, mainly to the UK, Germany and Greece. The Netherlands imported 2,500 tonnes organic potatoes to meet domestic consumer demand. These potatoes were mainly earlies and came from Italy, Germany, Egypt 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 (TAC) based on advice 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 a substantial part of the TAC for plaice, herring and horse mackerel.

By the end of 2005 the Dutch fisheries fleet consisted of 441 vessels and 2,274 crew. The vessels are categorised according to the species of fish targeted. The cutter fleet with its 342 vessels and 1,470 crew is the main branch. The cutter fleet is mainly active in the North Sea and primarily comprises family-run operations. Recent years






Source: Ministry of Agriculture, Nature and Food Quality

have seen an imbalance in quotas and the fleet's catching capacity. The Dutch government has assumed the task of addressing this issue, and has on several occasions offered owners the opportunity to permanently withdraw their vessels from fishing activities. This action mainly affected the cutter fleet. Between 2000 and 2005, 60 cutters were withdrawn, and most of these were engaged in fishing for flatfish.

The part of the fleet that fishes in distant waters consists of 15 trawlers or freezing vessels with an overall length of around 145 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 2005 the trawlers employed 560 crew. In addition to the cutter fisheries and distant-water fisheries the Dutch fisheries sector includes mussel and oyster fisheries. The shellfish sector has around 85 vessels and employs some 250 people.

The Dutch fisheries fleet, 2005			
	Vessels 	Crew 	Yield (in € mln) 
Cutters	342	1,470	245
Distant-water fisheries	15	560	137
Mussel fisheries	64	194	56
Other coastal fisheries	20	50	6
Total sea and coastal fisheries	441	2,274	444




Source: Agricultural Economics Research Institute

## *The food, drinks and tobacco industry*

In 2004, around 4,600 businesses made up the Dutch food, drinks and tobacco industry. Approximately 153,000 people were employed by the industry, which in 2005 generated a turnover of almost 55 thousand million euros. Over three quarters of this turnover is generated by companies with 100 staff and over, while these companies provide employment for over half those working in the industry. In 2005 there were 220 such companies in the food, drinks and tobacco industry, which generated a joint turnover of 42 thousand million euros. The industry has a strong international orientation. Almost half of its turnover is generated 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 2005, the Dutch food, drinks and tobacco industry invested 32 thousand million euros abroad, 18.7 thousand million of which was outside the EU. Most of this investment was in the US (6.5 thousand million euros), followed by Central and South America (3.9 thousand million euros) and Switzerland (3.9 thousand million euros). Most investments within the EU were in the UK (2.8 thousand million euros) and Belgium (2.6 thousand million euros). In the same year foreign investors also invested some 22 thousand million euros in Dutch food companies. Companies based in the US made the largest investments in the Netherlands (13.3 thousand million euros) (*De Nederlandsche Bank, 2006*).

## The food, drinks and tobacco industry in 2004

	<b>Businesses 100 &gt; staff</b> 	<b>Employees (x 1,000)</b> 	<b>Turnover (in € mln)</b> 
Slaughterhouses and meat processing	45	15.8	5,159
- Slaughterhouses (excl. poultry)	15	4.8	2,665
- Poultry slaughterhouses	10	3.0	843
- Meat processing	20	7.9	1,651
Fish processing	5	*	*
Fruit and vegetable processing	25	8.6	2,635
Margarine, fats and oils	5	2.1	4,714
Flour industry	5	3.1	1,456
Dairy industry	10	10.4	5,212
Animal feed	15	4.8	2,800
Bread and baked goods	35	10.2	1,596
Cocoa, sugar and confectionary	10	5.1	3,070
Drinks	15	7.5	3,343
Other food industry	45	*	*
Total food, drinks and tobacco industry	215	86.2	41,721
Total industry	1,255	431.6	186,068
Percentage of drinks, food and tobacco in total industry	17.1	20.0	22.4

Source: Statistics Netherlands

\* = no data

## 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 2006 the top ten Dutch food concerns jointly had a turnover of over 80 thousand million euros worldwide.

The top ten Dutch food concerns in 2006			
	Global turnover (€ thousand million)	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

Unilever and the Swiss-based company Nestlé are among the world's leading food giants. Unilever also makes homecare and personal care products. In 2006, this multinational had a global turnover of almost 40 thousand million euros. Food, drinks and tobacco accounted for 21 thousand million. Unilever operates in some 100 countries and employs 179,000 people, 44,000 in Europe, 45,000 in North and South America and 90,000 in Asia and Africa.

Heineken is the biggest brewer in Europe. It produced over 112 million hectolitres of beer in 2006 and is the third largest brewer in the world. Heineken has 115 breweries in over 65 countries. It is the largest brewer in many countries, including the Netherlands, where it has a market share of 50%.



VION is an international food producer with production and sales facilities in all continents. Fresh Meat is the company's most important division, engaged in the production and processing of fresh pork, beef and lamb and generating a turnover of 6.4 thousand million euros. As a result of takeovers in the Netherlands, Germany and China, VION's turnover has increased tenfold to 7.4 thousand million euros in a relatively short time. VION is one of Europe's leading meat producers and the second largest pork producer in the world. In 2007 VION diversified its operations with the takeover of a frozen vegetable business.

The cooperative dairy concerns Friesland Foods and Campina processed some 80% of the Dutch milk surplus. These leading international dairy companies operate both within and outside Europe. They both come within the top ten of European dairy concerns and are among the twenty leading dairy concerns in the world.




Nutreco is a major player in animal feed production. It has 75 production facilities in 2 countries. In 2006 Nutreco's annual production was 6.1 million tonnes, making it the sixth largest animal feed producer in the world. The animal feed market is highly fragmented, with the ten largest producers having a total share of 13% (Nutreco's share of this market is 1%).

Numico is an international food producer engaged in the production and sale of baby food, in which leads the market in Europe and many countries elsewhere. Numico also produces and sells clinical food, and holds a strong position in the European market for this product. Numico is the target of a takeover bid made by the French firm Danone.

CSM is an internationally operating company engaged in the development, production, sale and distribution of bakery ingredients, bakery products, lactic acid and lactic acid derivatives. In Europe CSM leads the market for bakery ingredients and products, and occupies second place in the US market.

## 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. Furthermore, with a share of 14%, the Netherlands also leads the global market for the processing of cocoa beans. At the same time, farming and the food and drinks manufacturing industry (the agri-sector) has developed strongly in the Netherlands itself. This combination has created a powerful wholesale trade sector for agricultural produce.

Wholesale trade in farm products 2005			
	Companies 	Employees (x 1,000) 	Net turnover (€ mln) 
<b>Total wholesale trade in farm products</b>	4,920	37,000	20,471
- Cereals, seeds, animal feeds	1,190	10,000	9,900
- Animals, hides, leather, raw tobacco	1,370	4,100	4,139
<b>Wholesale food, drinks and tobacco</b>	6,690	78,500	53,695
- Potatoes, fruit and vegetables	1,100	15,300	10,569
- Food (general)	1,215	18,700	13,193
- Other food, drinks and tobacco	4,375	44,500	29,933

Source: Statistics Netherlands




In 2005, 117,000 people worked in this branch of wholesale trade. The 11,610 wholesale companies generated a net turnover of over 74 thousand million euros, a third of which 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 2005, Dutch consumers spent 13.8% of their income on food, drinks and tobacco; the industry had a turnover of almost 34 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, over 24 thousand million euros, is spent in the 5,700 supermarkets in the Netherlands. Around 80% of expenditure on food and over 65% of expenditure on drinks and tobacco is at supermarkets. Supermarkets therefore play an essential role for daily purchases made by Dutch consumers.

Retail trade in food, drinks and tobacco, 2005			
	Shops (x 1000) 	Employees (x 1000) 	Turnover (€ thousand million) 
Supermarkets	5.664	94.529	24.300
Independent shops			
Greengrocer	1.384	2.467	479
Butcher	2.701	8.055	1.200
Poultry shop	221	314	79
Fishmonger	585	1.180	196
Chocolate and confectionary	580	1.000	72
Off-licences	2.270	2.375	950
Tobacco	1.150	1.594	733
Cheese	441	942	162
Bakery	4.267	*	*
Health food	410	842	165

Source: Retail Commodity Board

\* = no data

Dutch supermarkets are in the hands of a small number of chains. Albert Heijn is the biggest, with a market share of 27.5%. Its 740 supermarkets in the Netherlands had a turnover of 6.5 thousand million euros in 2006. Albert Heijn is a subsidiary of the Ahold Group, the third largest supermarket chain in the world. Wholesalers Schuitema, owner of the C1000 supermarkets, has a market share of almost 16% and Laurus, with its chain of Super de Boer supermarkets, has roughly an 8% share of the market. The German discount food retailer Aldi has a 10% market share in the Netherlands.

Consumers in the Netherlands spend a substantial amount at restaurants and catering establishments, so-called food expenditure away from home (FAFH). In 2005 this amounted to over 14.5 thousand million euros. In 2005 the industry had an estimated 36,635 outlets and employed some 214,600 people. Cafés constitute the highest proportion of outlets (10,345) followed by restaurants (10,060). In 2005 cafés generated a turnover of 2.5 thousand million euros, while restaurants generated 3.8 thousand million euros.

Restaurant and catering establishment turnover is expected to increase with the present favourable economic climate and growing consumer confidence. Food expenditure away from home is forecast to rise as one-person households and the number of working women are on the increase. The 55+ age group is also growing and there are an increasing number of people with less spare time. Increasing levels of mobility also have a favourable impact on food expenditure away from home

### **Organic**

In 2006 the Dutch consumer spent more than 460 million euros on organic products, almost 10% more than in 2005. Almost 3% of fresh produce, including fruit, vegetables and dairy products were organic. Total sales of organic products, including groceries, amounted to around 2%. Supermarkets and organic/health food outlets each hold a share of around 43% in the organic markets, while establishment in the catering industry hold a share of around 4%. 10% of organic products are sold via farm shops, farmers' markets, speciality shops and the internet, and recent years have seen an increasing number of consumers choosing to buy organic foods via the web.



## 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 (Wageningen UR) where the greater part of fundamental and applied research takes place. It also houses the Top Institute Food and Nutrition (TIFN), a public-private partnership 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.

*< The new Forum building, Wageningen University*

In the coming years a development towards more innovative food products is expected, such as functional foods, which 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 TIFN, which participates in national and international networks, like the Kluyver Centre for Genomics of Industrial Fermentation and the Innovative Cluster Nutrigenomics. In addition, developing countries market access to the EU remains a subject of study.

Wageningen University and the Van Hall Larenstein College of Higher Education have a strong international element, with a student population of over 100 nationalities. Wageningen International plays a key role in the international activities of Wageningen UR, functioning as a worldwide front office that responds to questions about education and research. Wageningen International also offers courses and tailored research, primarily via the Capacity Development and Institutional Change Programme (CD&IC).



**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 Business School
<b>WAGENINGEN UNIVERSITY</b>						Wageningen Business Generator
Restaurant of the future Food Technology centre Quality in chains Biobased products	Infectious animal diseases Livestock management Products	Alterra	<b>SPECIALISED RESEARCH INSTITUTES</b> Plant Research International Practical research Plant and Environment	Agricultural Economics Research Institute (LEI)	Statutory Research	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 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.

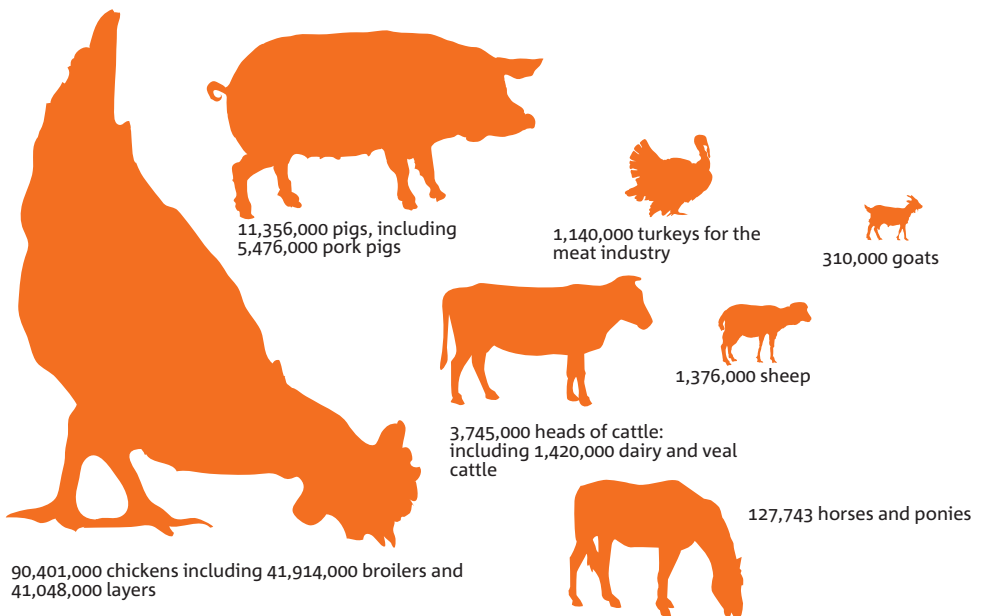






# 6 More facts about the Netherlands

- 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 2006 a Holstein Frisian produced an average 8,618 litres of milk with a 4.32% fat content and a 3.45% protein content
- In 2006 the Dutch livestock herd numbered:



# Websites

## Government

Statistics Netherlands

*Centraal Bureau voor de Statistiek*

[www.cbs.nl](http://www.cbs.nl)

*De Nederlandsche Bank*

[www.dnb.nl](http://www.dnb.nl)

European Union

[www.europa.eu.int](http://www.europa.eu.int)

Ministry of Foreign Affairs

[www.minbuza.nl](http://www.minbuza.nl)

Ministry of Agriculture, Nature and Food Quality

[www.minlnv.nl](http://www.minlnv.nl)

## Research

A&F

[www.agrotechnologyandfood.wur.nl](http://www.agrotechnologyandfood.wur.nl)

Erasmus University Rotterdam

[www.eur.nl](http://www.eur.nl)

Innovative Cluster Nutrigenomics

[www.genomics.nl](http://www.genomics.nl)

Agricultural Economics Research Institute LEI

[www.lei.nl](http://www.lei.nl)

Nutrition and Toxicology Research Institute

Maastricht (NUTRIM)

[www.nutrim.unimaas.nl](http://www.nutrim.unimaas.nl)

Kluyver Centre for Genomics of Industrial Fermentation

[www.kluyvercentre.nl](http://www.kluyvercentre.nl)

NIZO Food Research

[www.nizo.com](http://www.nizo.com)

University of Groningen

[www.rug.nl](http://www.rug.nl)

National Institute of Public Health and Environmental  
Protection, RIVM

[www.rivm.nl](http://www.rivm.nl)

Institute of Food Safety RIKILT

[www.rikilt.wageningen-ur.nl](http://www.rikilt.wageningen-ur.nl)

Technical University Delft

[www.tudelft.nl](http://www.tudelft.nl)

Technical University Eindhoven

[www.tue.nl](http://www.tue.nl)

*TNO-voeding*

[www.voeding.tno.nl](http://www.voeding.tno.nl)

Leiden University

[www.leidenuniv.nl](http://www.leidenuniv.nl)

Food and Consumer Product Safety Authority VWA

[www.vwa.nl](http://www.vwa.nl)

Wageningen Centre for Foods Sciences

[www.wcfs.nl](http://www.wcfs.nl)

Wageningen-UR

[www.wur.nl](http://www.wur.nl)



## **Sector organisations**

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

## **Promotion**

Agency for International Business and Cooperation (EVD)	<a href="http://www.hollandtrade.com">www.hollandtrade.com</a>
Agriculture from Holland	<a href="http://www.agriculturefromholland.com">www.agriculturefromholland.com</a>
Biologica	<a href="http://www.biologica.nl">www.biologica.nl</a>
Centre for the Promotion of Imports from developing countries (CBI)	<a href="http://www.cbi.nl">www.cbi.nl</a>
Food from Holland	<a href="http://www.foodfromholland.nl">www.foodfromholland.nl</a>
International Flower Bulb Centre	<a href="http://www.bloembollencentrum.nl">www.bloembollencentrum.nl</a>
Netherlands Foreign Investment agency	<a href="http://www.nfia.nl">www.nfia.nl</a>
Plantum	<a href="http://www.plantum.nl">www.plantum.nl</a>
Port of Rotterdam	<a href="http://www.portofrotterdam.com">www.portofrotterdam.com</a>

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

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

**Text** Agricultural Economics Research Institute (LEI)

**Design** Trossen Los<sup>o</sup> grafische communicatie

**Photography** Benelux Press (p 6)  
Henk de Graaf (p 12)  
Janssen & De Kievith (p 21, p 44)  
Rob Koelstra / *Wageningen-UR* (p 36)

**Production** IFZ Bedrijfsuitgeverij

**Cover** Schuttelaar & Partners

**Printer** Giethoorn ten Brink

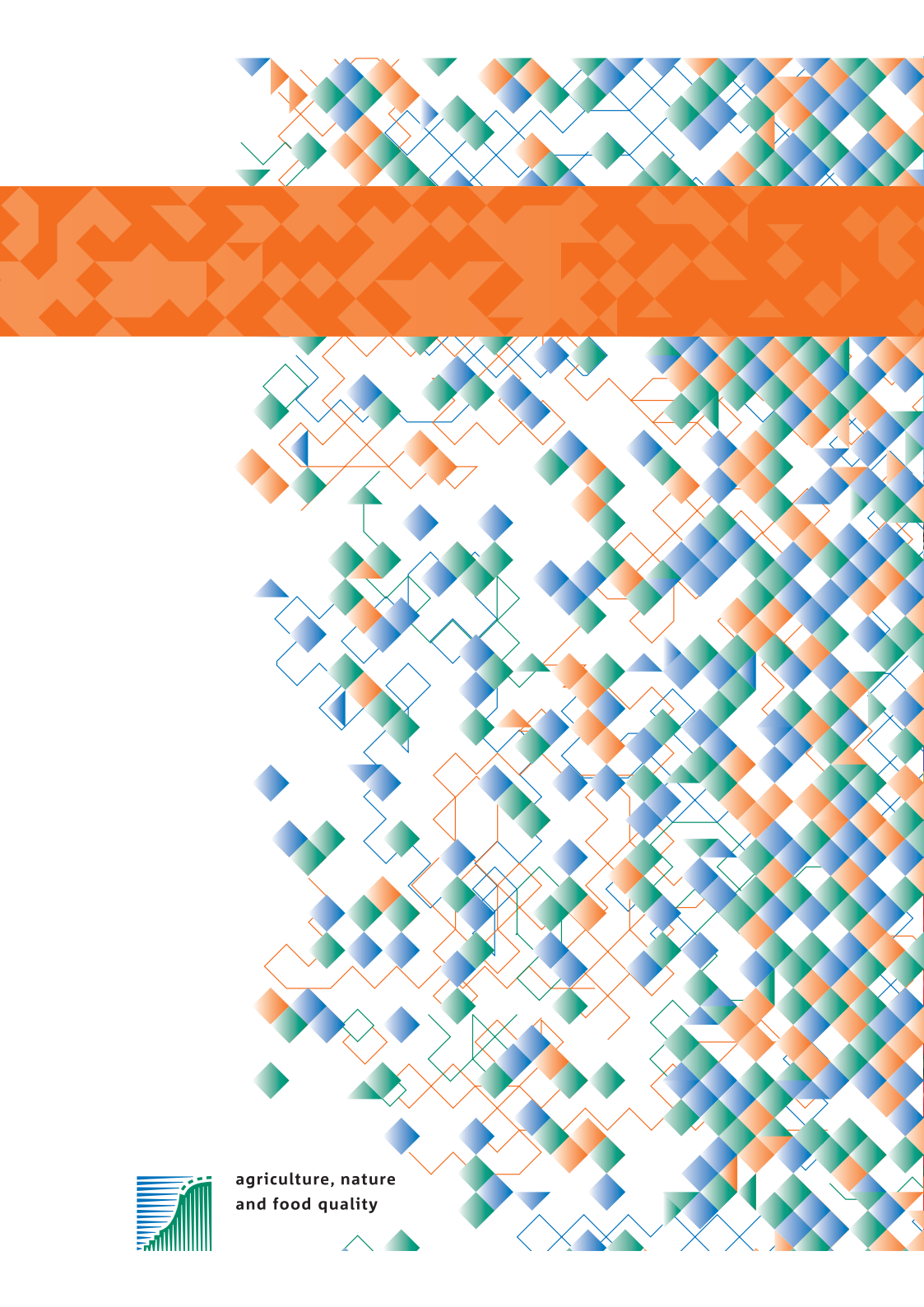
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January 2008





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