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Netherlands

Exporter Guide

Gateway for U.S. Food Products to the EU

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Report Highlights:

The exporter guide provides an economic and market overview, demographic trends and practical tips to U.S. exporters on how to conduct business in the Netherlands. The report also describes three market sectors (food retail, food service and food processing), the best market entry strategy, and the best high-value product prospects. The exporter guide focuses exclusively on consumer-oriented products.

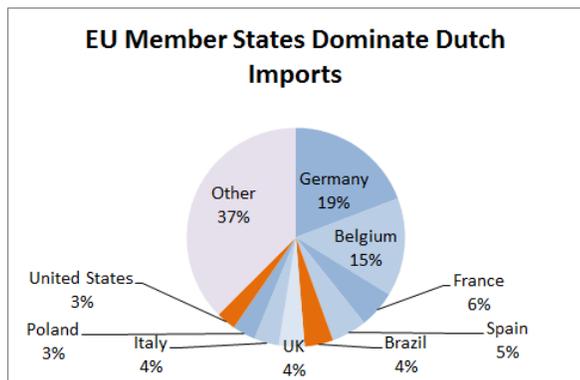
Market Fact Sheet: The Netherlands

Executive Summary

Although the Netherlands is a small country geographically, it is the perfect gateway for U.S. products into the European Union (EU) due to the presence of the Port of Rotterdam, Amsterdam Schiphol Airport, the confluence of two major European rivers and an excellent road and railway infrastructure. It is the largest importing country within the EU. The Netherlands also continues to be the second largest exporter of agricultural products in the world, after the United States and before Germany. These exports include agricultural products produced in the Netherlands and imported products that are re-exported after further processing.

Imports of Consumer-Oriented Products

Products coming from other EU Member States lead Dutch imports of consumer-oriented products. In 2017, the United States was the ninth largest supplier of these products to the Netherlands with imports valued at almost \$1.2 billion.



Food Processing Industry

Over six thousand food companies in the Netherlands generated a turnover of \$82 (€74.0) billion in 2017. With an increase of almost four percent, this demonstrates the highest growth in five years. The subsectors of meat, dairy and fresh produce each account for roughly a quarter of the food processing industry’s turnover.

Food Retail Industry

The Dutch retail sector is rather consolidated with two large retailers controlling over 55 percent of the market. For 2017, the turnover of the Dutch food retail industry was valued at \$39.9 (€35.9) billion.

Foodservice – HRI Industry

The turnover of the Dutch foodservice market in 2017 was valued at \$22.4 (€19.0) billion. The Dutch foodservice market continues to grow, especially for U.S. foodservice chains that want to tap into the on-line delivery of hot meals. Convenience, health, affordability, authenticity, hospitality and enjoying eating out are the main consumer drivers currently influencing the Dutch foodservice industry.

Quick Facts CY2017

Imports of Consumer-Oriented Products, total:

\$39.5 billion

List of Top 10 Growth Products in the Netherlands (imported from the World):

- | | |
|-------------------------|----------------------|
| 1. Wine | 6. Avocados |
| 2. Vegetables | 7. Butter |
| 3. Cocoa | 8. Food Preparations |
| 4. Bread, pastry, cakes | 9. Grapefruit |
| 5. Bananas | 10. Tomatoes |

Food Industry by Channels:

Food Industry	\$82.2 billion
Consumer-Oriented Products Imports	\$39.5 billion
Consumer-Oriented Products Exports	\$74.3 billion
Agricultural & Related Products Imports	\$75.2 billion
Agricultural & Related Products Exports	\$107.6 billion
Food Retail	\$39.9 billion
Food Service	\$22.4 billion

Top 10 Food Retailers in the Netherlands, Market Share:

1. Albert Heijn	35.3%	6. Coop	4.1%
2. Jumbo	20.2%	7. Dirk	3.8%
3. Lidl	10.5%	8. Deen	2.2%
4. Aldi	6.7%	9. Hoogvliet	2.1%
5. Plus	6.4%	10. Dekamarkt	1.8%

GDP/Population:

Population: 17.2 million
 GDP: \$737 billion
 GDP per capita: \$42,849

Strengths/Weaknesses/Opportunities/Challenges

Strengths:

U.S. producers are professional, offer great variety and deliver products with a consistent quality. U.S. farmers have a good story to tell about sustainability, farm to table supply chains and their State/regional heritage.

Weakness:

Shipping time & costs, import tariffs and EU labeling regulations make U.S. products more expensive. Some U.S. food products suffer from a negative perception among Dutch consumers due to misinformation and an image issue.

Opportunities:

Dutch traders and food processors like to work with U.S. suppliers. There is a growing demand for food products with a special claim and sustainable production methods.

Threats:

Fierce competition on price, quality, uniqueness and innovation from other EU member states and from third countries that have negotiated lower tariff rates, such as Canada and Mexico.

*Data and Information Sources: Global Trade Atlas, industry experts, company websites
 Contact: FAS The Hague, agthehague@fas.usda.gov*

SECTION I. DETAILED MARKET OVERVIEW

The Netherlands in a Nutshell

The Netherlands is a small country in Western Europe, bordering Germany to the east, Belgium to the south, and the North Sea to the northwest. The largest and most important cities in the Netherlands are Amsterdam, The Hague, Rotterdam and Utrecht, together referred to as the Randstad. Amsterdam is the country's capital, while The Hague holds the Dutch seat of government and parliament. The Netherlands' name literally means "Low Country", influenced by its low land and flat geography, with only half of its land exceeding one meter above sea level.



Overall Business Climate

Fundamental strengths of the Dutch economy continue to be the Netherlands' stable political and macroeconomic climate, a highly developed financial sector, strategic location, a well-educated and productive labor force, and high-quality physical and communications infrastructure.

For the fourth consecutive year, 2019 will see the Dutch economy growth at a faster pace than the EU eurozone average (1.7 percent). According to the Netherlands Bureau for Economic Policy Analysis (CPB), Dutch Gross Domestic Product (GDP) will grow by 2.2 percent in 2019, tapering off after higher growth rates in 2017 (2.9 percent) and 2018 (2.6 percent). Labor market participation and unemployment have returned to pre-crisis levels and increasingly scarce labor, along with higher sales taxes and a booming real estate market contribute to a rising inflation rate. For the third consecutive year, 2019 will see a budget surplus in the Dutch public finances of one percent or more.

In its 2019 outlook, CPB points to uncertainties that could negatively influence the economy. Abroad, developments concerning Brexit, the U.S.-China trade dispute, or the sustainability of the Italian national budget could impact the Dutch economy. Domestically, planned public spending may not be fully absorbed by the Dutch government within the fiscal year and so could contribute less to the Dutch GDP than forecast. Overall, the Dutch economy remains in splendid shape even if GDP growth seems to have peaked.

Table 1. Key Data Dutch Economy

	2016	2017	2018	2019
Economic Growth, percentage	2.2	2.9	2.6	2.2
Unemployment, percentage	6.0	4.9	3.9	3.6
Inflation (CPI), percentage	0.1	1.3	1.6	2.4
GDP (billion \$)	708	737	773	808

Source: Central Bureau of Statistics, Netherlands Bureau for Economic Policy Analysis/Eurostat

Population and Key Demographic Trends

Between 2000 and 2018 the Dutch population grew from 15.9 million to 17.3 million and is expected to continue to grow by over 70 thousand people until 2029. Almost a quarter of the population in 2029 will be 65 years and older. Not only is this group of consumers growing, this graying population is also expected to be more affluent, more active and more experimental with food than ever before.

Half of the Dutch population currently lives in cities and the trend of moving to urban areas is only expected to continue. Mean population density is 487 inhabitants per square kilometer, making the Netherlands one of the most densely populated countries in Europe.

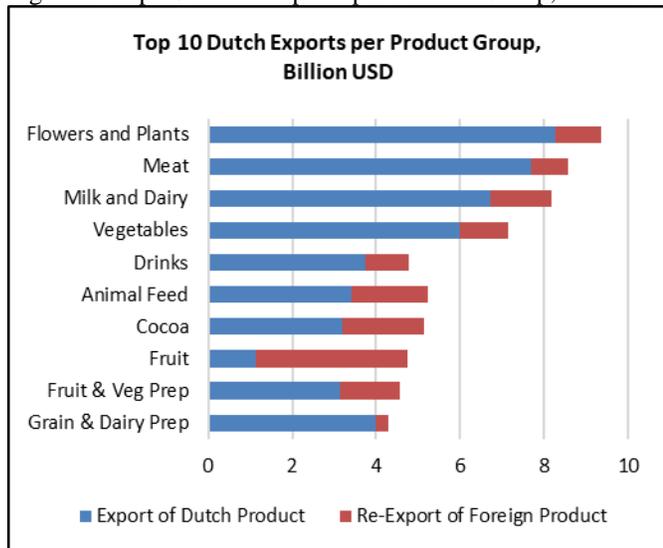
Between 2000 and 2018, the number of households in the Netherlands grew from 6.8 million to 7.8 million, almost 15 percent. This growth is largely due to the increase in ‘one-person households’ which grew by 30 percent in the same period while the number of ‘more than one-person households’ grew by only seven percent. ‘One-person households’ now account for 38 percent of all households. It is expected that the number of these households will continue to grow faster as the aging Dutch population will want to live independently as long as possible. At the same time, over half of the people who live alone have either never been married or are divorced as financial independence has led to more women living alone. An older and more individual population that increasingly lives in urban areas results in a growing demand for innovative products, smaller portions, healthy food options, functional foods and convenience.

Dutch Traders are Key in Distributing U.S. Exports Throughout the EU

Although the Netherlands is a small country geographically, it is the perfect gateway for U.S. products into the EU due to the presence of the Port of Rotterdam, Amsterdam Schiphol Airport, the confluence of two European rivers and an excellent road and railway infrastructure. It is the largest importing country within the EU. The Netherlands also continues to be the second largest exporter of agricultural products in the world, after the United States and before Germany. These exports include agricultural products produced in the Netherlands and imported products that are re-exported after further processing.

The Dutch agricultural sector is diverse, covering a wide range of livestock and plant-cultivation sectors that include, for example, arable and dairy farming, greenhouse cultivation, tree growing and pig farming. In 2018, agriculture and related product exports from the Netherlands was an estimated \$103 billion (€90.3 billion), up 0.2 percent from the previous year. Domestic production accounts for 72.4 percent of agricultural exports. Only an estimated 25 percent of Dutch agricultural exports are products that are directly re-exported after being imported (see below chart).

Figure 1. Top 10 Dutch Exports per Product Group, billion USD



Source: Central Bureau of Statistics, 2018

Figure 2. Advantages and Challenges U.S. Exporters Face in the Netherlands

Advantages (product strengths and market opportunities)	Challenges (product weakness and competitive threats)
Local traders and food processors prefer to work with U.S. suppliers because they are professional and deliver products with a consistent quality. U.S. companies also have a great variety of products to offer.	Growing demand for single-portion packaged food products. U.S. companies tend to manufacture packaged food in larger packages.
Growing demand for food products with a special claim and sustainable production methods. U.S. farmers have a good story to tell about sustainability, their supply chain (farm to table) and the State/regional heritage.	The Dutch are price-conscious consumers. Transatlantic transportation is costly. Products from the United States are subject to import tariffs. Suppliers from other EU member states have a competitive advantage on tariffs and non-tariff trade barriers, transportation costs and transportation time.
Growing demand for new products, innovative food concepts and international cuisine. U.S. products are innovative, often trend setting and known for their strong brands.	Some U.S. food products suffer from a negative perception among Dutch consumers due to misinformation (e.g. local and small-scale is better) or an image issue (e.g. U.S. foodstuffs are unhealthy).
The Netherlands is the most important gateway for U.S. products to the EU.	U.S. Non- NHTC beef (Beef from the Non Hormone Treated Cattle Program), poultry, live bivalve mollusks and products containing GMO derived ingredients that are not EU approved cannot be exported to the Netherlands.
Growing demand for functional, fresh and processed food products that contribute to a healthier lifestyle.	The EU has several Free Trade Agreements that may advantage other 3rd country competitors, including Canada and Mexico.
	Fierce competition on price, quality, uniqueness and innovation.

SECTION II. EXPORTER BUSINESS TIPS

Local Business Customs

Most people speak and write in English and have a high level of education (Masters or Bachelor’s degree). They are straightforward, open-minded and like traveling internationally. After the first introduction, they tend to communicate on a ‘first name’ basis.

The Dutch are business-minded and like to be well informed about the company they are about to do business with, the product in question, price and future business opportunity. Doing business does not require ‘wining & dining’. A healthy ‘work-life’ balance is important for the Dutch so preferably they want to get the job done during regular business hours.

Food retailers, foodservice companies and wholesalers do not buy directly from the United States. They work with dedicated and highly specialized traders. Traders look for long-term partnerships rather than a one-off business transaction.

Consumer Tastes and Trends

Specific consumer trends that affect the Dutch food retail and foodservice market can be found in the GAIN Report [The Dutch Food Retail Market – July 26, 2018](#) and the GAIN Report [The Dutch Foodservice Market – September 27, 2018](#). There are more exporter assistance reports can be downloaded from the following website, <http://fas-europe.org/countries/netherlands/>.

SECTION III. IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES

Most food legislation is harmonized at the EU level. Where EU regulatory harmonization is not yet complete or absent, imported products must meet existing Dutch requirement . U.S. exporters should be aware that national measures still exists for enzymes, processing aids, packaging waste management, food contact materials, choice of language, use of stickers, samples, novel foods, fortified foods, gelatin capsules containing fish oil, irradiated foodstuffs, product registration and composite products.

The Netherlands had two Value Added Taxes (VAT) rates: the 6 and 21 percent tariffs; however, the Dutch Government increased the first VAT rate from six to nine percent on January 1, 2019. [Read more about the VAT rate increase](#) (only in Dutch). This tariff is applied to many common products or services, including food and drinks, agricultural products and services.

Information about customs clearance, required documents on imported products, labeling requirements, tariff information and FTAs and trademarks and patent market research can be found in the following GAIN Report [the Food and Agricultural Import Regulations and Standards Report – January 31, 2018](#).

SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

Key Developments In the Food Industry

Demand for Sustainable Food Products Is Up

Total consumer spending on foods certified as sustainable grew by 30 percent in 2017 to over \$4.2 billion. The share of sustainable food compared to total spending on food grew from ten percent in 2016 to an estimated 12 percent in 2017. Sustainable food continues to be the most important growth market in the Dutch food industry. The consumption of certified sustainable products is expected to continue to increase. A wider range of certified products and changing consumer preferences— paying more attention to sustainability and health— explains the growth in spending on these products. Most of the spending takes place in the supermarket, mainly due to a wider availability of sustainable products. More information can be found [here](#).

Growing Interest in Authenticity

In addition to sustainability, consumers, often Millennials and Generation Z, seems to be willing to pay for authenticity. They want to hear or read about who produced this food product and what the story behind the product is. This desire for authenticity also applies to foodservice outlets. Hosts that have a story to tell about their restaurant, breakfast place or craft beer bars appeal to today’s consumers.

Awareness of Health and Well-Being

Increasingly consumers seem to be rushed. They are struggling to do many things on a regular weekday such as taking care of the children, doing their job, engaging socially and of course eating. Consumers are faced with a dilemma: less time for buying food and preparing meals versus a growing awareness of health and nutrition. As a result, the demand for convenient healthy and nutritious food products (albeit at an affordable price) is growing more than ever before. Consumers are looking for and finding more information on eating healthier. Beyond traditional media outlets, influencers are rapidly gaining power. Consumers seem to trust what an influencer has to say about a product. Food retailers play a crucial role as well, as they market food products to create, anticipate and meet consumers’ needs.

The following sectors offer opportunities for new sales: healthy food snacks, tree nuts, so-called super fruits, pulses, food products with a special certification (organic, sustainable, gluten free, etc.) and innovative products with a story to tell.

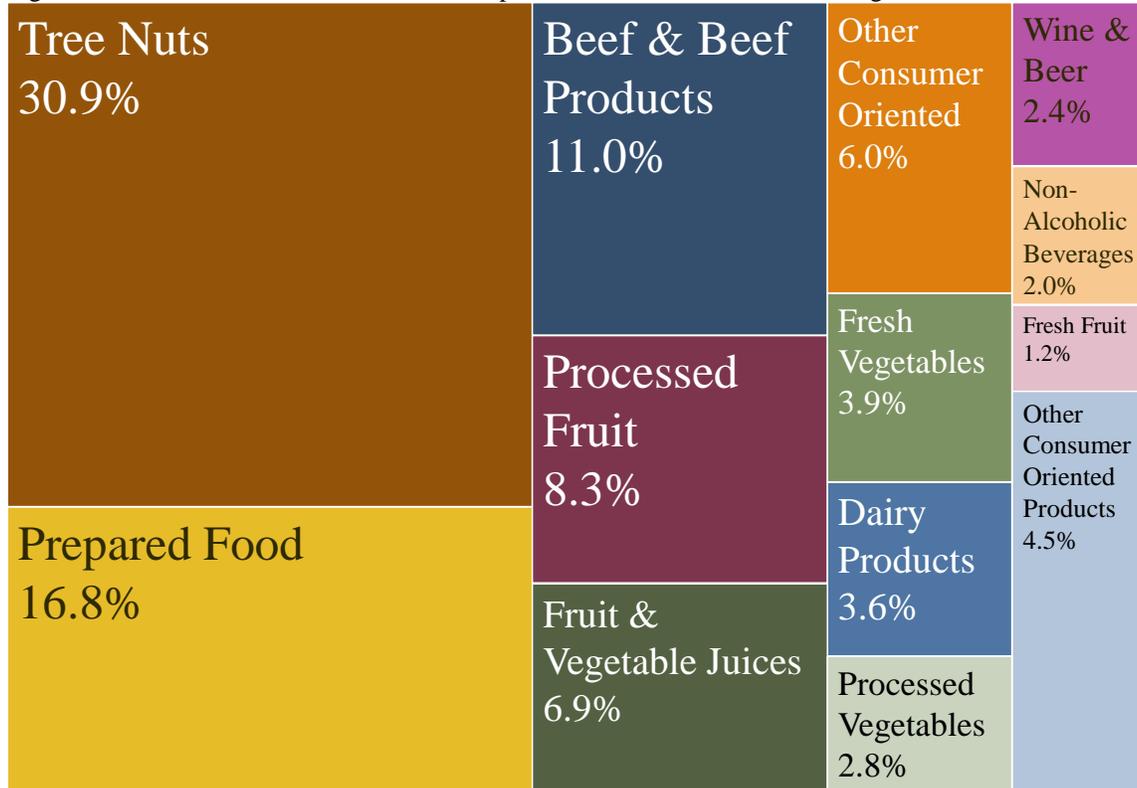
Table 2. Best Consumer-Oriented Product Prospects

Commodity (HS code)	Imports million USD, 2017	Imports from U.S. million USD, 2017 (U.S. market share)	2012 – 2017 Average annual import growth
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Food preparations (HS210690)	1,427	211 (15%)	10%
Wine (HS220421)	1,118	9 (1%)	4%
Cheese (HS040690)	857	0 (0%)	9%
Bread, Pastry, Cakes (HS190590)	798	14 (2%)	9%
Dog & Cat Food (HS230910)	537	8 (1%)	10%

Source: www.gtis.com

Figure 3. U.S. Consumer-Oriented Product Exports to Netherlands, USD, 2017 figures



Source: U.S. Census Bureau Trade Data

Best High-Value, Consumer-Oriented Product Prospects Categories

Table 3. Netherlands' Imports of Consumer Oriented Products. U.S. Market Share Versus Main Suppliers' Market Share, 2017 figures

Product Category (product code) Imports	Main Suppliers, in percentage	Strengths of Key Supply Countries	Market Attractiveness for USA
Craft beer (HS2203) Total Imports: 391 million USD	1. Belgium 56 2. Germany 19 3. U.K. 6 10. USA 1	Competition from neighboring countries Belgium, Germany and France.	Strong demand for new flavors, funky labels and innovative tastes.

Fish products (Product group) Total imports: 4,183 million USD	1. Iceland 2. Germany 3. Belgium 13. USA	11 10 7 3	Iceland is the leading supplier of cod while Germany dominates Dutch imports of pelagic fish. The United States dominates the supply of Alaska Pollack (AP), scallops and Sockeye salmon. For shrimps & prawns, cod and lobster, the U.S. competes with several other non-EU exporters.	The Netherlands is an international trader in seafood products, serving foodservice markets throughout Europe. The Dutch depend on imports for AP, scallops, Sockeye salmon, shrimps & prawns, cod and lobster.
Sweet potatoes (HS071420) Total Imports: 87 million USD	1. USA 2. Honduras 3. Spain	62 8 5	Competition from Honduras, Spain, Egypt China and Israel.	Restaurants are increasingly serving sweet potatoes. Demand for variety and quality products.
Condiments and sauces (Product group) Total Imports: 458 million USD	1. Germany 2. Belgium 3. U.K. 4. Italy 11. USA	21 16 9 9 3	First four suppliers benefit from proximity and being in the EU market.	Demand for good quality and unique products.
Walnuts (HS080231) Total Imports: 17 million USD	1. USA 2. Australia 3. Argentina 4. Chile 5. France	54 12 10 9 9	Growing competition from Australia, Argentina, Chile and France.	Growing demand from food manufacturers, confectionary and snack industry. Benefit from healthy image.
Ice cream (HS210500) Total Imports: 213 million USD	1. Belgium 2. Germany 3. Italy 10. USA	42 23 9 1	Belgium as well as Germany and Italy are all close to the market and offer good quality products.	Demand for good quality and unique products.
Beef and beef products (Product group) Total Imports: 2,298 million USD	1. Germany 2. Belgium 3. Ireland 4. Uruguay 7. USA	16 13 8 7 6	Germany and Belgium sell lower quality and price competitive beef. The United States exports high quality and grain fed beef, known for its quality, consistency and taste, for the high-end foodservice industry.	There is not enough Dutch beef of high quality available. Ireland, Uruguay, Brazil, Argentina and the United States all profit from this deficit.
Wine (HS2204) Total Imports: 1,303 million USD	1. France 2. Germany 3. Italy 14. USA	28 14 12 1	France, Germany, Italy and Spain have well known good quality wines at competitive prices. They are popular holiday destinations.	No commercial availability of domestic wine in the Netherlands.
Fresh fruit (Product group) Total	1. South Africa 2. Spain 3. Peru	15 9 9	Southern hemisphere countries complement EU's fresh fruit production. The U.S. mainly exports grapefruits, guavas, cranberries and cherries to the	The Netherlands is a large importer of grapes, bananas, avocados and oranges.

imports: 6,100 million USD	4. Chile 29. USA	9 1	Netherlands.	
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Source: www.gtis.com

Links to access retailer information and expected growth rates of each sector can be found in the GAIN Report [The Dutch Food Retail Market – July 26, 2018](#).

A qualitative assessment of the market opportunities for consumer-oriented products in the food retail, foodservice and food processing sectors can be found in the respective GAIN Reports [The Dutch Food Retail Market – July 26, 2018](#), [The Dutch Foodservice Market – September 27, 2018](#) and [The Dutch Food Processing Ingredients Report – March 23, 2018](#).

SECTION V. AGRICULTURAL AND FOOD IMPORTS

Agricultural & Food Import Statistics

Dutch imports of agricultural and food products can be downloaded from the following website <https://apps.fas.usda.gov/gats/BicoReport.aspx?type=country>. Please make the following selection: Product Type: exports; Market Year: calendar year; Report Type: year-to-date; Country: Netherlands; Product: agricultural & related products and Download: word.

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

If you have questions or comments regarding this report, need assistance exporting to the Netherlands, a list of Dutch wholesalers and distributors, or are you looking for the Foreign Buyers Lists (FBL) of various consumer-oriented products and seafood products, please contact the Foreign Agricultural Service in The Hague, the Netherlands:

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