



Foreign Agricultural Service

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## **The Netherlands**

### **Agricultural Situation**

### **Economic Fact Sheet for Dutch Agriculture**

## **2000**

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#### **Report Highlights:**

**This report is an overview of the demographic/economic characteristics of the Netherlands, including production, trade, policy and food processing/retail sectors.**

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Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

The Hague [NL1], NL

**Demographic/Economic Characteristics**

Y The population of the Netherlands, is 15.8 million, with a population density of 468 people per square kilometer. Farmers constitute 1.9% of the population. About 60% of the country's land is devoted to agriculture. The Dutch economy expanded by 3.6 percent last year, resulting in per capita GDP of US\$22,940. Unemployment is about 2½ percent and inflation is low. Fifteen percent of total private income is spent on food and beverages.

**Agricultural Production**

Y As one of the world's largest producers of nursery products, potatoes, poultry, dairy and pork, farm production in the Netherlands is extremely intensive. Dairy yields are among the highest in the world, averaging almost 8,000 liters per cow per year. The Netherlands is the world's 12<sup>th</sup> largest dairy producer and the 10<sup>th</sup> largest pig producer.

**Agricultural Trade**

Y The Netherlands is the 6<sup>th</sup> largest export market for U.S. agricultural products, importing about \$1.5 billion in 1999. Major U.S. exports, in order of importance, are soybeans, corn gluten feed, tobacco, nuts, planting seeds, processed fruit and vegetables, wine and citrus juices

Y The small size of The Netherlands belies its economic influence. The Netherlands is the 3<sup>rd</sup> largest agricultural exporter in the world, after the U.S. and France. Major Dutch agricultural exports, in order of importance and their world rank, are ornamentals and plants (1<sup>st</sup>), potatoes (1<sup>st</sup>), vegetables (6<sup>th</sup>), pork (3<sup>rd</sup>), poultry (4<sup>th</sup>), eggs (1<sup>st</sup>), butter (3<sup>rd</sup>), cheese (3<sup>rd</sup>), milk powder (5<sup>th</sup>). Dutch agricultural exports to the United States were \$1.4 billion in 1999 including beer, cut flowers, flower bulbs, tomatoes and peppers.

**Food Processing/Retail Sectors**

Y The food and beverage sector provides 27% of total Dutch industrial output, of which about 50% is exported. The food processing industry is led by Unilever, one of the largest food companies in the world. The food retailing sector is highly concentrated. Albert Heijn B.V., is the world's 8<sup>th</sup> largest retailer and holds a 28% market share in Holland. It owns the U.S. food retailers Giant-Landover, Giant-Carlisle, BI-LO, Stop & Shop and Tops. It also owns stores in the Czech Republic, Portugal, Spain, Poland, Asia and South America. The next most important retailers are Laurus N.V., (24% market share), TSN (21%) and Superunie, a wholesale buyer for private supermarkets (18%).

Y In the Netherlands, large supermarkets have a 65 percent market share. Specialty stores have more than 20 percent, and open air markets, department stores, gas station stores, etc., make up the balance.

**Agricultural Policy**

Y The last two governments have shifted attention from just agricultural production to a more "multi-functional" focus on rural areas, nature, environment and outdoor recreation. Dutch farmers increasingly face both strong international competition and stringent domestic constraints concerning animal welfare. Decreasing incomes and Dutch Government efforts to reduce pig production are spurring some farmers to quit or move production to other countries.

Y The Dutch state is increasingly buying more land for nature conservation, while simultaneously requiring farmers to have more land to spread manure from their animals, thereby contributing to higher land prices. Some farm land is selling for more than US\$17,000 per acre.