

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Dutch Veal Sector Faces Sharp Decline in Demand

**Country:** Netherlands

**Post:** The Hague

**Report Category:** Agricultural Situation, Livestock and Products

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**Report Highlights:**

Due to the ongoing corona virus (COVID-19) outbreak, restaurants in the Netherlands and many other EU Member States are closed. Consequently, the Dutch veal sector has lost access to a large portion of its customer base. Last week, the sector announced that it expects a turnover loss of more than €1 billion (\$1.09 billion) in 2020.

## Background

The Netherlands current inventory of calves intended for veal production totals 1,065,500 head, including both white veal (64 percent) and rosé calves (36 percent).<sup>1</sup> During the past two years, roughly 1.5 million calves have been slaughtered in the Netherlands annually.<sup>2</sup> With an annual production volume of approximately 230,000 metric tons (MT), the Netherlands is the number one veal producer in the European Union (EU), ahead of both France (181,000 MT) and Italy (84,000 MT). The majority of the veal produced in the Netherlands is intended for export (90 percent), predominantly to Germany, France, and Italy. Only five percent of exports are destined for markets outside of the European Union. In 2019, nearly 1,000 MT of veal was exported to the United States, with a value of approximately \$12 million, and an average unit value of \$10 to \$15 per kg.<sup>3</sup>

## Current Situation

Following the COVID-19 outbreak, demand for veal has contracted sharply in both the EU and third-country markets. Veal is typically a niche product that is predominantly sold to restaurants. However, with the closure of bars and restaurants in the Netherlands and many other European countries, a large part of the industry's customer base is no longer accessible. As a result, Dutch slaughterhouses are choosing to slaughter fewer animals, which means that slaughter-ready calves must remain on the farm. The animals that would normally be slaughtered are worth less once they are on the farm for two weeks or more. Moreover, because the calves have more time to grow, it also requires more water and food to sustain them.

The consequences have been strongly felt by the sector, which anticipates a turnover loss of €1 billion (\$1.09 billion) or more in 2020. In fact, this loss is approximately half of what the Dutch veal sector sells in the Netherlands and abroad each year.

Meanwhile, veal farmers saw the price of veal fall from €3.70 per kg in the beginning of March to €3.35 per kg by mid-March.<sup>4</sup> Based on the current price for calves for fattening, it does not appear the industry expects sales to soon pick up. The market price for the highest quality male calves fell from €255 per-head in the beginning of March to €200 per-head by mid-April, a price reduction of 22 percent. Prices for the lower quality animals also fell -- by about a third during this period.

In response to the crises, the Dutch Meat Industry Association (known in the Netherlands as the Centrale Organisatie voor de Vleessector, or COV) is seeking financial compensation from the Government for affected veal farmers. Additionally, support has also been requested from the European Commission by a number of European veal sector organizations.

## Attachments:

No Attachments.

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<sup>1</sup> See [CBS Statline](#). White veal calves are slaughtered at a maximum age of 8 months and at a weight between 150 and 170 kg, while rosé veal calves are slaughtered at a higher weight and at an age between 8 and 12 months.

<sup>2</sup> See [www.agrimatie.nl/ThemaResultaat.aspx?subpubID=2232&themaID=3577&indicatorID=3591&sectorID=2257](http://www.agrimatie.nl/ThemaResultaat.aspx?subpubID=2232&themaID=3577&indicatorID=3591&sectorID=2257)

<sup>3</sup> In 2016, the Dutch sector restarted its veal exports to the United States after a ban of nine years.

<sup>4</sup> Current market prices are not available due to a lack of sales.