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The Netherlands

Exporter Guide

2000

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Report Highlights:
This report provides information to U.S. companies interested in doing business in the Netherlands. It focuses on exports of consumer-oriented foods and beverages, edible fishery products, and food ingredients.

Includes PSD changes: No
Includes Trade Matrix: No
Annual Report
The Hague [NL1], NL

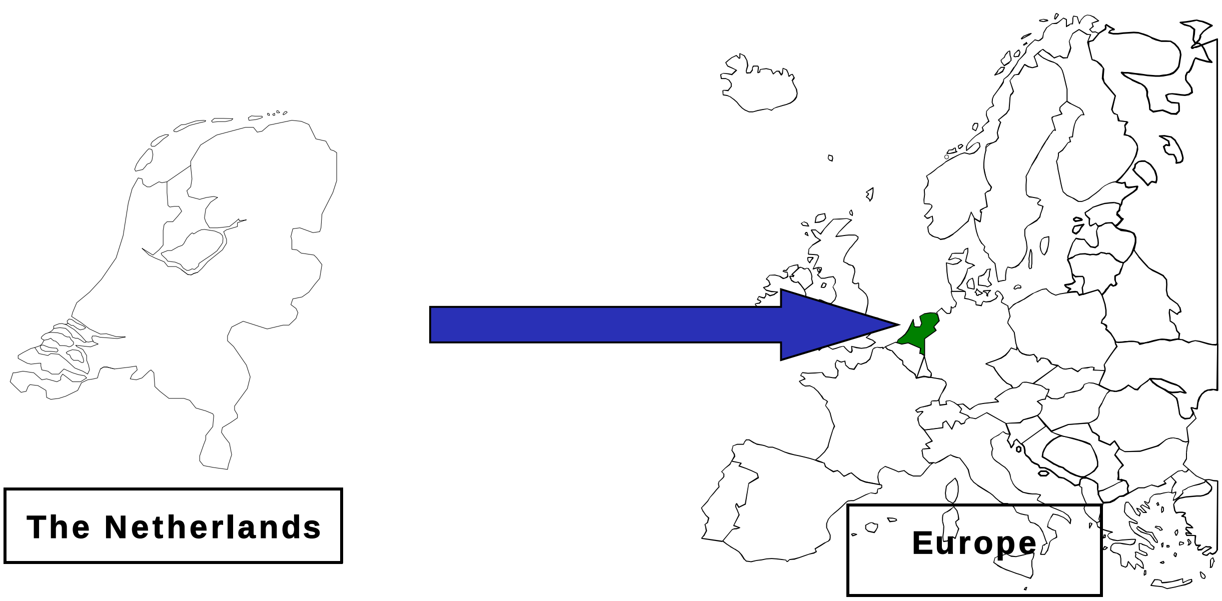
SECTION I. MARKET OVERVIEW

T 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.

T Real disposable household income increased, primarily as a result of strong employment growth. This growth and capital gains supported consumer spendings in 1999. In real terms, private consumption expanded 3.6 percent. Purchases of luxury items like cars, video and audio equipment, furniture, and computers increased but spending on food and drink remained fairly constant.

T The Netherlands has 15.8 million inhabitants and is one of the most densely populated countries in the world, with 468 people per square kilometer. More than half of the Dutch population lives in the triangle Rotterdam-Amsterdam-Utrecht. The most important demographic trends in the Netherlands are:

- Population is growing steadily (16.6 million in 2010)
- Average household size is declining (37 percent one person households in 2010)
- Percentage of people with high education level (university/technical college) is growing (from 11 percent in 1991 to 15 percent in 1998)
- More elderly people (15 percent older than 65 in 2010)



T In the Netherlands, about 68 percent of food sales take place in supermarkets, 22 percent in speciality stores and 10 percent via the market, department stores, and gas stations.

T In 1999 Dutch households spent US$ 68.8 on food per week, of which US$ 54.5 was spent in supermarkets. As a result of changing demographics and increased wealth, Dutch eating habits are changing with consumers demanding convenience, fresh foods, more variety, and more specialty food items. Health and convenience foods are increasingly valued by the customer. In addition to low prices, the Dutch consumer inquires for quality, a wide variety, and service.

The Netherlands: Consumer Food Buying Characteristics

	1996	1997	1998	1999
Number of Households	6.6 mln.	6.7 mln.	6.7 mln.	6.8 mln.
Household size	2.4	2.3	2.3	2.3
Supermarket spending per week/household	Dfl. 186.00	Dfl. 191.00	Dfl. 196.00	Dfl. 199.00
Number of supermarket visits per week	3.0	3.1	3.0	3.1
Supermarket spending per visit	Dfl. 38.00	Dfl. 39.00	Dfl. 42.00	Dfl. 42.00
Exchange rate 1 U.S.$ =	*1.68*	*1.95*	*1.98*	*2.07*

***Source**: CBL Consumer Trends 2000*

Advantages and Challenges Facing U.S. Products in the Netherlands

Advantages	Challenges
Sophisticated market, good buying power	Markets are saturated, competition is fierce
Well organized trading system, many Dutch speak English	Transportation costs, import duties.
Favorable image of American products	Label & ingredient requirements
Strong interest with buyers in unique and innovative products	Difficult to attract the attention of the large buying groups

SECTION II. EXPORTER BUSINESS TIPS

Local Business Customs

These are some generalities often heard about Dutch businessmen or women:

- Practically all speak English.
- They usually have no time for business lunches or dinners.
- The Dutch don't beat around the bush and don't skirt the issues. After very brief introductions, they expect you to come straight to the point. They give you their frank opinion and let you know if you offer them something they don't want.
- Dutch food buyers, the category managers and/or product managers, are fully responsible for the buying process and profits the product will bring. They are only interested in

speaking to decision makers.

- The Dutch businessman is looking for a relationship, almost a partnership. Once you start doing business with him he expects continued support from you.
- The Dutch usually know their business and know what your competition is doing. The Dutch businessman understands that you need to make a profit. He is a tough but fair negotiator.

General Consumer Tastes and Preferences
As a result of changing demographics and increased wealth, Dutch eating habits are changing with consumers demanding convenience, fresh foods, more variety, and more specialty food items. Health and convenience foods are increasingly valued by the consumer. In addition to low prices, the Dutch consumer values quality, a wide variety, and service.

A popular topic in Dutch food retailing in 1993 was "the environment" , and in 1994 "price consciousness". Although "packaging and environment" were still important issues in 1995 and 1996, "fun shopping and adventure" became important to consumers as well. Since 1998, “fresh and natural/organic” and “meals” have been getting a lot of attention. However, supermarkets still compete heavily on price, especially in every day consumer necessities.

Trends in the Dutch Food Market
• **Health**: natural ingredients - low calory - no sugar - fresh - organic
• **Convenience:** frozen foods - fresh, pre-packed - take-away - easy to prepare
• **Price:** special offers - shop-around
• **Winners**: fish - meals - petfood
• **Distribution**: more power to the supermarket - fewer specialty stores - more shopping at the gas and railway station
• **Stores**: more personal service - wider assortment - more fresh and non-food - convenience foods - more exotic products - environmental friendly products

Food Standards and Regulations
The Netherlands follows EU policies in regard to labeling and ingredient requirements. The Commodities Act (Warenwet) supplies general guidelines and requirements for foods. The basic objectives of this law are health protection, product safety and labeling. A more detailed report which specifically addresses labeling and ingredient requirements in the Dutch market entitled, the Netherlands: Food and Agricultural Import Regulations & Standards (FAIRS) report can be obtained from the FAS homepage: http://www.fas.usda.gov .

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

In the Netherlands, about 68 percent of food sales take place in **supermarkets**, 22 percent in the specialty stores and 10 percent via local markets, department stores, gas stations, etc. This illustrates the strong position of the supermarket organizations in the Dutch market.

The Netherlands: Number of Retail Food Stores According to Floor Space

	1996	1997	1998	2000	2005
Hypermarkets:>2,500 m2 (26,910 sq.feet)	40	40	43	50	60
Large Supermarkets: 1,000-2,500 m2 (10,764 - 26,910 sq.f)	592	624	644	700	840
Small Supermarkets: 400-1,000 m2 (4,305-10,764 sq.f)	2,236	2,267	2,284	2,325	2,350
Superettes: 100 - 400 m2 (1,076-4,305 sq.f)	1,736	1,665	1,641	1,525	1,250
Small stores: <100 m2 (1,076 sq.f)	1,925	1,618	1,540	1,230	900
Total	6,529	6,214	6,154	5,930	5,400

There are supermarket chains with 1) **national coverage such as** Albert Heijn and the members of the Laurus Group, 2) **regional coverage** such as members of Superunie, and 3) **independents** who buy through Trade Service Nederland. Others types of stores include:

- **Specialty stores**, which are losing market share to the supermarkets. The 26 percent share of the food market which the specialty store had in 1993 decreased to 20 percent in 1999. Not only the economy of scale but also the longer opening hours (since 1996) create problems for the usually family operated specialty store. Most of these stores specialize in bakery products, meat, fish, fruits or vegetables.

- **Wine, liquor, and drug chain-stores** are primarily owned by the large supermarket organizations and growing in importance at the expense of the privately owned stores in this market segment.

- Relative new food retailers in the Dutch market are **gas stations**, food stores at railway stations/airports and small convenience food stores in the inner cities. To an increasing extent, the large wholesale/retail food organizations are suppliers of, or owners to, these outlets.

The Six Largest Food Buying Organizations in the Netherlands in 2000			
Retailer/Wholesaler - type of outlet	**Sales/ Market share**	**Number of Outlets**	**Purchasing**
Albert Heijn, Retailer, National Multiple	US$ 5.5 billion 27.8 percent	1,790 nation wide	Direct, Imp./ wholesaler
Laurus Group, Buying organization for supermarket chains Super De Boer, Edah, Konmar, Spar, Groenwoudt Supermarkten and Basismarkt	US$ 4.7 billion 23.8 percent	1,908 nation wide	Direct, Imp./ wholesaler
Trade Service Nederland, (TSN) Buying organization for wholesalers Schuitema, Sperwer, A&P, Prisma Food Groep, Boon Sliedrecht and Codis	US$ 4.2 billion 21.0 percent	1,730 nation wide and regional	Direct, Imp./ wholesaler
Superunie, Buying organization for 14, usually family owned, regional supermarket chains	US$ 3.5 billion 17.8 percent	1,240 regional	Direct, Imp./ wholesaler
Aldi, Retailer	US$ 1.3 billion 6.3 percent	359 nation wide	Direct, Imp./ wholesaler
Koopconsult, Buying organization for the regional wholesaler Samenwerkende Dirk van den Broek Bedrijven	US$ 0.4 billion 2.1 percent	173 regional	Direct, Imp./ wholesaler
IN TOTAL	**US$ 19.6 billion 98.8 percent**	**7**	**Direct, Imp./ wholesaler**

Albert Heijn BV
Provinciale weg 11
1506 MA Zaandam
Tel: 075-65 99 111
Fax: 075-65 98 360

Laurus N.V.
Parallelweg 64
5223 AL Den Bosch
Tel: 073- 62 23 622
Fax: 073 62 23 636

TSN (Trade Service Nederland)
Plotterweg 4
3821 BB Amersfoort
Tel: 033-45 33 6 00
Fax: 033-45 50 172

Superunie, C.I.V
Industrieweg 22b
4153 BW Beesd
Tel: 0345-68 66 66
Fax: 0345-68 66 00

Aldi Nederland
Erasmusweg 3
4104 AK Culemborg
Tel: 0345-47 29 11
Fax: 0345-41 93 83

Koopconsult B.V.
Flemingweg 1
2408 AV Alphen aan de Rijn
Tel: 0172- 44 82 00
Fax: 0172- 47 46 36

Lidl Nederland
Huizermaatweg 45
1273 NA Huizen
Tel: 035-52 42 411
Fax: 035-52 64 139

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

A. Popular U.S. Food Products in the Dutch Market

- TEXMEX foods (including sauces)
- Snack Foods
- Pink Grapefruit
- Tree nuts
- Wine
- Pet food
- Canned salmon

B. U.S. Food Products not present in significant quantities, but which have good sales potential, include:

- A variety of grocery items, from peanut butter to pringle chips, from sport drinks to cheese balls, etc.
- Red apples
- Fresh Orange juice
- American cheese

C. U.S. Food Products not present because they face Significant Barriers

- Canned fruits (high tariffs)
- Frozen whole turkeys and parts (high tariffs)
- Poultry meat (phytosanitary)
- Fresh beef

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

- Office of Agricultural Affairs, American Embassy
  U.S. Mailing Address: U.S. Embassy/ the Hague, PSC 71 Box 1000 APO AE 09715
  International Mailing Address: Lange Voorhout 102, 2514 EJ The Hague, the Netherlands
  Phone: 31-70-310-9299
  Fax: 31-70-365-7681
  e-mail: agthehague@fas.usda.gov

Food Shows Frequently Visited by Dutch Food Buyers		
Show	**When**	**Show Organizers**
HORECAVA, Amsterdam, the Netherlands (Hotel, Restaurant Show)	January 8-11, 2001	tel: + (31) 20 575 30 32 fax: + (31) 20 575 30 93 http://www.horecava.nl
ROKA, Utrecht, the Netherlands	February, 2002	tel: + (31) 30 295 59 11 fax: + (31) 30 294 03 79 http://www.rokafoodfair.nl
FMI, Chicago, United States < **Participation in** U.S. Food Export Showcase tel: + (1) 202 296 9680 fax: + (1) 202 296 9686	May 6 - 8, 2001	tel: + (1) 202 452 8444 fax + (1) 202 429 4559 http://www.fmi.org
World of Private Label (PLMA) Amsterdam, the Netherlands **< U.S. Participation** USDA/FAS, Washington Trade Show Office tel: + (1)202 720 3623 fax + (1)202 690 4374	May 22 - 23, 2001	tel: + (31) 20 575 30 32 fax: + (31) 20 575 30 93 http://www.plmainternational.com
SIAL, Paris, France < **U.S. Participation:** USDA/FAS, Paris, France tel: + (33) 1 431 222 77 fax + (33) 1 431 226 62	October 22 - 26, 2000	tel: + (33) 149 68 54 99 fax: + (33) 147 31 37 75 http://www.frenchfoodfinder.com/sial.htm
ANUGA, Cologne, Germany < **U.S. Participation:** USDA/FAS/ATO Hamburg, Germany tel: + (49) 40 414 6070 fax: + (49) 40 414 60720	October 13 - 18, 2001	tel: + (49) 221 82 10 fax: + (49) 821 34 10 http://www.koelmesse.de/anuga/english/index.html

Or contact the International Marketing Section of your State Department of Agriculture.

APPENDIX I. STATISTICS

A. KEY TRADE & DEMOGRAPHIC INFORMATION

Agricultural Imports From All Countries ($Mil) / U.S. Market Share (%) [1/]	$18,016 / 7%
Consumer Food Imports From All Countries ($Mil) / U.S. Market Share (%) [1/]	$10,150 / 3%
Edible Fishery Imports From All Countries ($Mil) / U.S. Market Share (%) [1/]	$925 / 1%
Total Population (Millions) / Annual Growth Rate (%)	15.8 / 0.7%
Urban Population (Millions) / Annual Growth Rate (%)	9.8 / 2%
Number of Major Metropolitan Areas [2/]	2
Size of the Middle Class (Millions) / Growth Rate (%)	
Per Capita Gross Domestic Product (U.S. Dollars)	$ 22,940
Unemployment Rate (%)	2.5%
Per Capita Food Expenditures (U.S. Dollars)	$3,937
Percent of Female Population Employed [3/]	48%
Exchange Rate (US$1 = X.X local currency)	1.98

Note:

1/ Source: UN Trade database

2/ population in excess of 1,000,000

3/ percent against the total number of woman

B. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS

Netherlands Imports	***Imports from the World***			***Imports from the U.S.***			***U.S Market Share***		
(In Millions of Dollars)	*1996*	*1997*	*1998*	*1996*	*1997*	*1998*	*1996*	*1997*	*1998*
CONSUMER-ORIENTED AGRICULTURAL TOTAL	*11,622*	*10,260*	*10,150*	*366*	*316*	*350*	*3*	*3*	*3*
Snack Foods (Excl. Nuts)	*570*	*481*	*461*	*3*	*2*	*3*	*1*	*0*	*1*
Breakfast Cereals & Pancake Mix	*38*	*37*	*32*	*1*	*1*	*1*	*3*	*1*	*1*
Red Meats, Fresh/Chilled/Frozen	*701*	*643*	*556*	*22*	*23*	*17*	*3*	*4*	*3*
Red Meats, Prepared/Preserved	*311*	*282*	*276*	*13*	*4*	*1*	*4*	*1*	*0*
Poultry Meat	*270*	*254*	*232*	*1*	*0*	*0*	*0*	*0*	*0*
Dairy Products (Excl. Cheese)	*1,988*	*1,755*	*1,685*	*1*	*1*	*1*	*0*	*0*	*0*
Cheese	*360*	*284*	*315*	*1*	*1*	*1*	*0*	*0*	*0*
Eggs & Products	*97*	*85*	*88*	*9*	*7*	*6*	*9*	*8*	*7*
Fresh Fruit	*1,303*	*1,160*	*1,227*	*46*	*30*	*28*	*4*	*3*	*2*
Fresh Vegetables	*867*	*770*	*767*	*1*	*1*	*1*	*0*	*0*	*0*
Processed Fruit & Vegetables	*1,213*	*923*	*904*	*27*	*29*	*33*	*2*	*3*	*4*
Fruit & Vegetable Juices	*707*	*468*	*602*	*41*	*20*	*30*	*6*	*4*	*5*
Tree Nuts	*250*	*221*	*203*	*64*	*47*	*53*	*26*	*21*	*26*
Wine & Beer	*638*	*607*	*601*	*10*	*22*	*32*	*2*	*4*	*5*
Nursery Products & Cut Flowers	*717*	*756*	*765*	*54*	*59*	*58*	*7*	*8*	*8*
Pet Foods (Dog & Cat Food)	*174*	*146*	*91*	*11*	*11*	*9*	*6*	*8*	*10*
Other Consumer-Oriented Products	*1,420*	*1,389*	*1,344*	*64*	*61*	*78*	*5*	*4*	*6*
FISH & SEAFOOD PRODUCTS	*944*	*836*	*925*	*17*	*15*	*14*	*2*	*2*	*1*
Salmon	*41*	*49*	*49*	*6*	*5*	*4*	*14*	*11*	*9*
Surimi	*5*	*4*	*7*	*1*	*1*	*1*	*3*	*6*	*3*
Crustaceans	*236*	*189*	*242*	*3*	*1*	*1*	*1*	*1*	*0*
Groundfish & Flatfish	*350*	*304*	*322*	*1*	*1*	*1*	*0*	*0*	*0*
Molluscs	*60*	*44*	*37*	*1*	*2*	*1*	*1*	*5*	*1*
Other Fishery Products	*252*	*245*	*268*	*6*	*6*	*7*	*2*	*2*	*2*
AGRICULTURAL PRODUCTS TOTAL	*21,817*	*18,093*	*18,016*	*2,204*	*1,503*	*1,332*	*10*	*8*	*7*
AGRICULTURAL, FISH & FORESTRY TOTAL	*24,879*	*20,957*	*20,710*	*2,307*	*1,597*	*1,411*	*9*	*8*	*7*
Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office									

Note: 1999 figures not available on Sep.22, 2000

C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

CONSUMER-ORIENTED AGRICULTURAL TOTAL - 400					**FISH & SEAFOOD PRODUCTS - 700**			
Reporting: Netherlands - Top 15 Ranking	Import	Import	Import		Reporting: Netherlands - Top 15 Ranking	Import	Import	Import
	1996	**1997**	**1998**			**1996**	**1997**	**1998**
	Value	Value	Value			Value	Value	Value
	$1,000	$1,000	$1,000			$1,000	$1,000	$1,000
Germany	2,468,633	2,060,974	2,011,394		Germany	116,441	110,416	139,909
Belgium	2,102,530	1,831,976	1,857,454		United Kingdom	109,315	96,409	79,271
France	1,162,229	1,077,516	913,725		Denmark	80,611	80,752	77,021
Spain	895,390	915,942	806,915		Belgium	56,620	62,827	60,253
Brazil	530,008	403,513	509,960		Iceland	54,089	51,284	56,785
United Kingdom	514,420	464,882	395,063		Thailand	29,441	24,299	44,926
United States	366,289	315,625	350,339		France	39,173	37,816	36,239
Italy	370,616	306,058	271,129		Norway	37,738	37,633	33,552
Ireland	214,789	227,514	230,148		Morocco	20,877	28,463	27,944
Thailand	401,207	230,020	221,523		Canada	26,105	20,363	23,984
Israel	223,027	193,639	196,450		Seychelles	2,089	16,381	19,704
S.Afr.Cus.Un	100,572	80,336	184,616		Vietnam	5,639	8,792	18,833
Argentina	155,607	153,931	163,860		Indonesia	7,970	10,000	18,622
Chile	175,703	130,461	162,537		Nigeria	17,382	17,120	17,458
Turkey	128,983	121,669	124,394		China	6,735	10,813	17,196
Other	1,812,057	1,746,264	1,751,317		Other	332,862	222,440	253,051
World	11,622,092	10,260,089	10,150,424		World	943,522	835,751	924,650
Source: United Nations Statistics Division								

Note: 1999 figures not available on Sep.22, 2000