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Report Highlights:

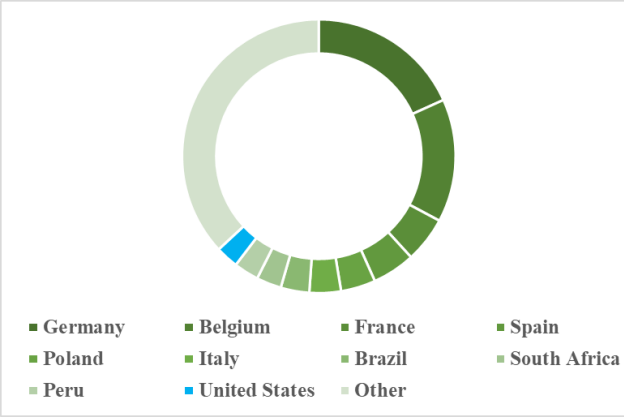
In 2024, the Dutch food processing industry continued to face challenges due to geopolitical tensions, market uncertainty, and rising raw material costs, all of which are causing price fluctuations. Labor costs are also increasing, driven by higher wages from collective labor agreements and an ongoing worker shortage. Energy costs remain high due to taxes on electricity and natural gas, though they have slightly decreased since 2023. Meanwhile, packaging and logistics costs have stabilized but are still above 2021 levels, adding to production expenses. Despite these difficulties, the pressure on consumers' purchasing power continues to grow, and food prices are expected to remain elevated throughout 2024.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Market Fact Sheet: The Netherlands

Executive Summary:
Although the Netherlands is a small country geographically, it is the gateway for U.S. ingredients into the European Union (EU). It is also the largest importing country within the EU and continues to be the second largest exporter of agricultural products in the world.

Imports of Consumer-Oriented Products:



Source: Trade Data Monitor

Food Processing Industry:
Over 9,155 food companies in the Netherlands generated net sales of €114 billion ($120 billion) in 2023. The industry has been a steady supplier of jobs in the Netherlands (163,000) and the number of food companies continues to grow due to the growing number of small food companies (with less than 10 employees).

Food Retail Industry:
The Dutch retail sector is rather consolidated, employing over 300,000 people, and operating in 6,130 stores. The sector's turnover for 2024 was estimated at €50 billion ($53 billion) – 80 percent being sales of food products. Consumers are looking for products on sale, and moving from branded products to private labeled products. Cheaper, further processed variants and discount stores are gaining popularity. Interest in on-line shopping continues to grow.

Foodservice – HRI Industry:
In 2024, the industry's turnover was up by three percent and valued at €15.7 billion ($16.6 billion), mainly due to inflation. High costs of living continue to reduce the frequency with which the Dutch visit foodservice establishments. Food retailers continue to invest in the delivery of ready meals and meal kits and expanding the number of convenience stores.

Quick Facts CY2024
Imports of Consumer-Oriented Products, total:
$60.6 billion

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

1. Cocoa beans	6. Wine
2. Food preparations	7. Meat
3. Fats and oils	8. Grapes
4. Avocados	9. Bananas
5. Baked products	10. Cheese

Food Industry by Channels 2024, in $ billion:

Retail Food Industry	$53
Food Service-HRI	$16
Food Processing	$120
Food and Agriculture Exports	$159

Top 10 Food Retailers in the Netherlands, Market Share:

1. Albert Heijn	37.7%	6. Dirk/Deka	5.1%
2. Jumbo	20.3%	7. Hoogvliet	2.0%
3. Lidl	10.7%	8. Spar	1.8%
4. Plus/Coop	9.3%	9. Jan Linders	1.1%
5. Aldi	5.2%	10. Poiesz	1.0%

GDP/Population:
Population: 18.0 million
GDP: $1,137 billion (€1,080 billion)
GDP per capita: $63,158 (€60,000)

Strengths/Weaknesses/Opportunities/Challenges

Strengths:	Weakness:
The Netherlands is a gateway to the EU for U.S. ingredients and the home to specialized traders and food processing companies. There is a long tradition of processing food ingredients.	Transatlantic transportation is costly and takes time. U.S. products are subject to import tariffs and non-tariff trade barriers.
Opportunities:	**Threats:**
Dutch traders and food processors have a good track record working with U.S. suppliers. There is a strong demand for a wide variety of food ingredients.	There is fierce competition on price, quality, uniqueness, and innovation from other EU member states and from third countries that have negotiated lower tariff rates.

Data and Information Sources: Trade Data Monitor, industry experts, company websites
Contact: FAS The Hague, AgTheHague@ usda.gov

SECTION I. MARKET OVERVIEW

Although the Netherlands is a small country geographically, it is the gateway for U.S. ingredients into the European Union (EU) due to the presence of the Ports of Rotterdam and Amsterdam, 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 and continues to be the second largest exporter of agricultural products in the world, after the United States and before Germany. These exports ($159 billion in 2024) include products produced in the Netherlands as well as imported products that are re-exported, often after further processing and adding value.

Overall Business Climate
The CPB Netherlands Bureau for Economic Policy Analysis published on February 26 its latest projections in the Central Economic Plan 2025 (CEP). The Dutch economy is set for moderate growth in the years ahead. Geopolitical unrest is currently causing additional uncertainty, which is only reflected to a limited extent in the projections. The medium-term economic outlook is more favorable than previously expected, due to a higher labor force participation rate and lower unemployment. Public finances consequently also improve, although the deficit continues to increase in the medium term. This is according to the latest projections by CPB Netherlands Bureau for Economic Policy Analysis, https://www.cpb.nl/en/projections-february-2025-cep-2025.

Market Dynamics and Underlying Causes
The turnover of the Dutch food processing industry for 2023 (most recent data available) was valued at of €114 billion ($120 billion), mainly driven by price increases. The number of companies in the food industry further increased to 9,155 companies, due to a growing number of small food companies, those with less than 10 employees. The sector continues to be a steady supplier of jobs in the Netherlands (163,000).

The Dutch food industry is an internationally operating sector. The majority (59 percent in 2023) of what the sector produces are sold internationally, almost 35 percent ended up on the German, French, and Belgian consumer market. Conversely, the Dutch shopping basket is largely dependent on imported food ingredients including fresh produce, grains, meat, coffee, tea, cocoa, and spices.

In the same year, the export value of the food industry was valued at $70.7 billion (€67.2 billion), an increase of 27 percent compared to the previous year. The import value of the food industry increased by 35 percent to $44.6 billion (€42.4 billion). The export balance, the difference between exports and imports amounted to $26.1 billion (€24.8 billion), an increase of 15 percent. The increasing import, export, and export balance value can largely be explained by rising prices for food ingredients.

What is Driving the Food Industry
In its Food Industry Monitor 2024, the Federation of the Dutch Grocery and Food Industry (FNLI) presents the economic key figures for the year 2023 (and partly 2024). While the food sector has long been a pillar of the Dutch economy, changes in the agri-food system are currently being driven by geopolitical tensions, resource availability, and an aging population. Additionally, uncertainties persist regarding raw material costs, labor and wage expenses, and energy security and prices. As a result, price fluctuations are expected to remain for the foreseeable future. For food manufacturers, the ongoing

pressure on consumers' purchasing power is a key consideration. Consumers are facing a reality where food prices are significantly higher than they were a few years ago.

A major portion of operational costs in the food industry comes from agricultural commodities. International prices for these commodities peaked in March 2022 but have been gradually declining since then. By December 2023, the prices of commodities were 5 percent higher than in January 2021.

Labor costs also play a crucial role in the industry's expenses. The wages set by collective labor agreements (including special allowances) grew steadily in 2021 but saw a sharper increase in 2022 and 2023. By July 2023, collective labor agreement wages were over 12 percent higher than in January 2021. Within the EU, Denmark, the Netherlands, and Finland already had some of the highest labor costs in 2021, while Bulgaria and Romania had the lowest. In the first quarter of 2024, the number of job vacancies fell by 9.7 percent compared to the same period in 2023, suggesting a decrease in labor market tightness. However, the labor shortage is expected to persist in the coming years, and a further rise in personnel costs is likely due to increases in wages. Additionally, finding and retaining skilled staff remains a challenge, further compounding rising wage costs.

Dutch Policy is driving a more efficient use of energy. As a result, the government has imposed taxes on electricity and natural gas consumption, which in turn raises total energy costs. Energy costs (excluding taxes) in the food industry surged by 80 percent, reaching nearly 2.3 billion euros in 2022 compared to 2021. Energy prices peaked in August 2022 but began to decrease in spring 2023. However, by July 2023, energy prices were still 1.5 times higher than in the first half of 2021. In the autumn of 2023, costs began to rise again but were expected to decline gradually through 2024. The food industry faces two specific energy levies: the energy tax and the sustainable energy surcharge (ODE), both of which are based on electricity and natural gas consumption. The proceeds from the ODE are used to promote sustainable energy investments.

Packaging material costs have been rising since the beginning of 2021, reaching a peak in mid-2022. In July 2022, packaging costs were 29 percent higher than in January 2021. Since then, packaging prices have stabilized, but by December 2023, they were still 27% higher than in January 2021. Transport and storage costs continued to increase until the third quarter of 2022. By December 2023, logistics costs were 34 percent higher compared to January 2021, with the highest increases seen in maritime freight transport (46 percent) and inland shipping (36 percent). Road transport costs rose by 20 percent during the same period.

By July 2024, Dutch households were paying 34 percent more for groceries than in January 2021. This rise was driven by inflation and higher raw material prices. Price increases varied by product category. For instance, the price hikes were relatively smaller for fruit products and alcoholic beverages (15 percent), while oils and fats (37 percent), non-alcoholic beverages (33 percent), and dairy products (33 percent) saw significant price increases for Dutch consumers.

Data from European consumer trends up to June 2024 show that food prices did not decrease in any EU country. From January 2021 to June 2024, food prices in the EU rose by an average of 29 percent. This increase was lower than that in the Netherlands, indicating that prices in the Netherlands have risen more sharply than in other European countries.

On average, food prices in the Netherlands were lower than the European average in 2023. However, some categories were more expensive. Prices for non-alcoholic beverages, oils and fats, and meat were higher in the Netherlands than the European average. On the other hand, bread and grains, fish, dairy, fruit, vegetables, and potatoes were cheaper in the Netherlands than elsewhere in Europe, with bread and grains being the lowest-priced items in the country.

Table 1. Advantages and Challenges

Advantages – U.S. Supplier strengths and Market Opportunities	Challenges – U.S. Supplier weaknesses and Competitive Threats
U.S. suppliers are professional, deliver food ingredients with a consistent high quality, and have a wide product range. Dutch food processing companies have had positive experiences working with U.S. suppliers.	U.S. suppliers of beef from hormone-treated cattle, poultry, and products containing genetically engineered-derived ingredients that are not EU approved cannot export to the Netherlands.
U.S. producers tell a good story about their heritage, sustainability, and quality. Strong demand for ingredients with a special claim and sustainable production methods.	The EU has several Free Trade Agreements (FTAs) that may advantage other 3rd country competitors.
The Netherlands is the most important gateway for U.S. food ingredients to the European Union (EU) as the specialized traders and food processing companies are often located in the Netherlands.	Transatlantic transportation is costly, takes time, and requires the use of containers. U.S. products are subject to import tariffs and non-tariff trade barriers.

Source: FAS/The Hague

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

The first step for U.S. manufacturers of food ingredients that would like to start exporting to the Netherlands is to make sure your product is eligible to be imported into the Netherlands followed by whether there is a potential market for their product. It is important to gain a good understanding of who the buyers, distributors, and end-users will be.

After ascertaining whether there is a market for your product, it helps to understand the supply chain and the role of the various players have. Dutch buyers of U.S. food ingredients can be both specialized importers, as well as food processing companies.

Trade shows serve as a springboard into the market, to establish new trade contacts, and to gauge product interests. U.S. exporters are encouraged to exhibit at one of the shows in the United States as Dutch buyers regularly attend these shows as well. Visiting or exhibiting at trade show in Europe may be considered as well, and depending on your product, one of the following trade shows. Trade Missions, which are often organized around trade shows in the United States or other industry trade events, have also proven to be an excellent platform for U.S. companies to meet with Dutch buyers.

Table 2. Trade Shows in Europe

Leading Trade Shows in Europe	
SIAL, Paris, France Europe's largest food & beverages show (alternating with Anuga) **USDA Endorsed** sialparis.com	**ANUGA**, Cologne, Germany Europe's largest food & beverages show (alternating with SIAL) **USDA Endorsed** anuga.com
Food Ingredients Europe, Frankfurt, Germany European food ingredients show **USDA Endorsed** foodingredientsglobal.com	**BioFach**, Nuremberg, Germany Europe's largest show for organic products **USDA Endorsed** biofach.de
Fruit Logistica, Berlin, Germany European produce, dried fruit, and nuts show **USDA Endorsed** fruitlogistica.com	**PLMA** World of Private Label, Amsterdam, the Netherlands World's largest private label show plmainternational.com
Fruit Attraction, Madrid, Spain Regional produce, dried fruits, and nuts show https://www.ifema.es/en/fruit-attraction	**World Bulk Wine Exhibition**, Amsterdam, the Netherlands Leading trade show for bulk wine worldbulkwine.com

Source: FAS/The Hague

U.S. exporters can also consider reaching out to the U.S. State Regional Trade Groups (SRTG), a commodity Cooperator Group, and the National Association of State Departments of Agriculture to obtain additional market entry support.

Import Procedure

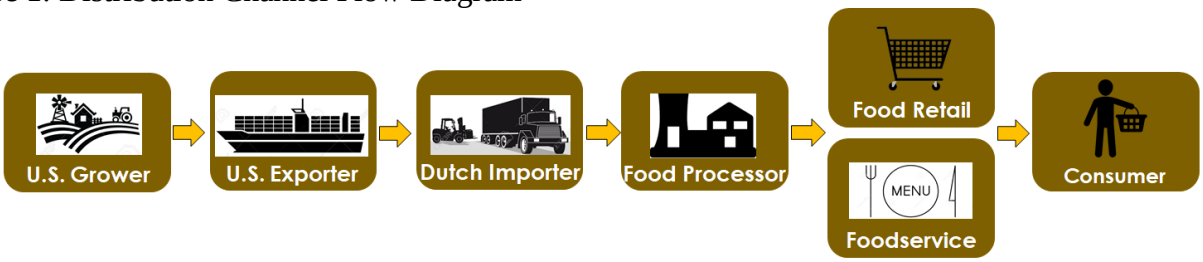
While almost all import regulations and standards within the European Union (EU) are harmonized, U.S. exporters should be aware that, due to a lack of EU harmonized regulations, national measures still exist for several matters which are explained in the 2024 EU Food and Agricultural Import Regulations and Standards. This report also provides an overview of the required health certificates. It is recommended that U.S. exporters verify the full set of import requirements with their Dutch buyer. The buyer and local freight forwarder or customs agent are often in the best position to research such matters, advise U.S. exporters, and verify it with the Netherlands Food and Product Safety Authority. The final approval of any U.S. product is subject to the Dutch rules and regulations as interpreted by border officials at the time of product entry. Additional information about importing food products from the Netherlands can be found here, https://www.nvwa.nl/onderwerpen/themas/import.

Distribution Channels and Market Structure

The Dutch food processing industry is mature, well organized, has a long tradition, and has access to nearly all food ingredients. Dutch food companies will source ingredients locally and if needed internationally. Quality, availability, price, specifications, time are all factors that are taken into consideration. For food ingredients originating from the United States, Dutch food companies often prefer to source through specialized local traders rather than sourcing directly. Only large or highly specialized food companies might opt to import ingredients directly from the United States. Many of the

food companies' finished product are sold directly to food retailers and the HRI-foodservice industry, who subsequently sell the products to end-consumers.

Figure 1: Distribution Channel Flow Diagram



Share of Major Segments in the Food Processing Industry
Dairy, meat, and animal feed account for almost half of this turnover. Fresh produce, bakery, beverages, and oils & fats each have a share of approximately seven percent. The share of other foodstuffs is estimated at approximately 20 percent and includes confectionary, tea and coffee, ready-made meals, and spices & herbs.

Company Profiles and Company Products
The table below provides an overview of some of the largest Food Companies in the Netherlands. All companies supply both the food retail as well as the HRI-foodservice industry. The presented turnover figures are for 2024, unless otherwise indicated.

Table 3. Largest Food Companies in the Netherlands

Company Name	Website	Turnover, USD million	Product Group	End Use Channel
AB Inbev	Ab-inbev.com	** 59,580	Beer	All
Arla Foods	Arla.com	14,430	Dairy	All
Beyond Meat	Beyondmeat.com	327	Plant Based	All
Cargill	Cargill.com	** 177,000	Commodities	
Coca Cola	Cocacolanederland.nl	47,061	Soft drinks	All
Cono Kaasmakers	Cono.nl	#** 327	Cheese	All
Danone	Danone.com	#** 27,619	Dairy	All
Dr. Oetker Nederland	Oetker-group.com	#** 4,200	Baking and Pizza	All
Heineken	Heineken.com	36,000	Beer	All
Jacob Douwe Egberts	Jacobdouweegberts.com	** 8,860	Coffee	All
Kraft Heinz	Kraftheinzcompany.com	25,800	Beverages, dairy, and convenience, snacks	All
Lamb Weston Meijer	Lambweston.com	6,470	Potato products	All
Mars	Mars.nl	** 50,000	Confectionary and sauces	All

Nestlé	Nestle.com	** 37,544	Coffee, pet food, chocolate, and dairy	All
Pepsico	Pepsico.nl	91,850	Soft drinks	All
Royal Cosun	Cosun.com	#** 3,704	Ingredients	All
Royal FrieslandCampina	Frieslandcampina.com	** 13,100	Dairy	All
The Greenery	Thegreenery.com	#** 954	Fresh produce	All
Unilever Nederland	Unilever.com	# 60,761	Specialty foods	All
Upfield	Upfield.com	#*** 3,400	Spreads	All
Van Drie Group	Vandriegroup.nl	#*** 3,370	Veal	All
Vion Food	Vionfoodgroup.com	#*** 5,300	Meat	All
Zwanenberg Food Group	Zwanenberg.nl	# 674	Meat	All

Source: FAS/The Hague, industry experts, and company websites
* Estimates, ** 2023 figures, *** 2022 figures, # figures in €

Sector Trends

Total consumption by Dutch households was around 470 billion euros in 2023, up by 35 billion euros, of which more than 61 billion euros was on food and beverages, up by 5 billion euros. Expenditure on these products amounted to almost 13 percent of total consumer expenditure on goods and services in 2023. Growth in food and beverage consumption are partly due to price increases.

In 2023, most was spent on dry groceries, including coffee, tea, sugar and other long-life foods (25 percent of expenditure on food and beverages). Groceries were followed by potatoes, vegetables and fruit (together 19 percent) and meat and meat products (together 15 percent). The shares of the various product groups within consumer expenditure on food and beverages are relatively stable, but there has been a limited increase in the combined share of potatoes, vegetables and fruit, and the share of groceries since 2005. These shares have increased by a few percentage points at the expense of other foods such as meat and meat products, and bread, bread products, pastries and cakes.

The Dutch population is aging, increasingly lives in urban areas (cities) in smaller households and are increasingly ethnically diverse. This has led to demand for more (affordable) convenience, more variety, and smaller packaging. There is demand for foodstuffs with a special certification (including sustainability, animal welfare, and organic) and interest in healthy and nutritious food products while plant-based options are becoming more mainstream. There is a growing number of vegetarians in the country while many other consumers follow a flexitarian diet. More detailed information about current trends can be found in the Netherlands Exporter Guide, dated June 21, 2024.

SECTION III. COMPETITION

The table below summarizes the competitive situation U.S. suppliers face in the Dutch food processing sector in terms of regionally produced goods and imports and their respective market shares. The strengths of supplying countries, as well as the advantages and disadvantages of local suppliers are discussed. The statistical information is obtained from Trade Data Monitor.

Table 4: Overall Competitive Situation for Select Food Ingredients in the Netherlands, 2024

Product Category	Leading Countries of Origins, and USA, in Percentage	Strengths of Key Supply Countries	Advantages and Disadvantages of local suppliers
Food Preparations (HS210690) Total Imports: $2,391 million	Germany: 17% Belgium: 15% USA: 14% U.K.: 8% France: 5%	Due to proximity, neighboring countries are the leading suppliers of flavored or colored sugar, isoglucose, lactose, and glucose and maltodextrine syrups.	Food preparations are produced and used throughout the EU.
Sweetpotatoes (HS071420) Total Imports: $175 million	Egypt: 38% USA: 36%	Competition from Egypt, China, and Honduras.	The availability of fresh and processed sweetpotato products continues to grow. Strong demand for variety and quality.
Mixtures or preparations of animal or vegetable fats or oils (HS151790) Total Imports: $282 million	Belgium: 24% USA: 22% Germany: 11% Poland: 10%	EU demand for oils and fats is growing due to advanced biofuels production.	EU availability of animal and waste fats is limited.
Peanuts (HS120242) Total Imports: $686 million	Argentina: 53% USA: 17% Brazil: 6% Germany: 4%	Argentina continues to dominate the market.	No local supply.
Odoriferous Substances (HS330210) Total Imports: $724 million	Ireland: 54% Germany: 16% USA: 10% U.K.: 5% France: 4%	Odoriferous Substances are compounds (natural and synthetic) with odors used in the manufacture of various non-food and food products and are locally available.	U.S. suppliers are often at a price disadvantage compared to EU suppliers, mainly due to time, shipping costs, and taxes.
Peptones and	USA: 15%	Peptones are used by	U.S. suppliers are often

Derivatives (HS350400) Total Imports: $570 million	Germany: 15% France: 15% Belgium: 11% New Zealand: 7%	producers of food supplements and are locally available.	at a price disadvantage compared to EU suppliers, mainly due to shipping time, shipping costs, and taxes.
Almonds (HS080212) Total Imports: $226 million	USA: 80% Spain: 9% Germany: 3% Australia: 3%	Spain is an EU MS and located closer to the Netherlands than the U.S.; however, the U.S. still dominates international almond trade.	The food processing industry needs more almonds than Spain can supply.
Cranberries (HS200893) Total Imports: $103 million	USA: 46% Canada: 33% Chile: 14%	Leading supplier of cranberries is the U.S., followed by Canada and Chile.	No local availability. There is a strong demand for cranberries which are now used in a variety of food and drink products.
Walnuts (HS080232) Total Imports $118 million	USA: 50% Chile: 18% Germany: 11%	Competition from Chile and some from France.	Growing demand from the snack industry. Walnuts benefit from their healthy reputation.
Pistachios (HS080251) Total Imports: $70 million	USA: 73% Germany: 20%	The U.S. dominates the international pistachios trade.	There are no local suppliers. Germany re-exports pistachios.
Alaska Pollock Fillets (HS030475) Total Imports: $116 million	Russia: 18% USA: 56% China: 14%	Russia and the U.S. lead the supply of whole Alaska Pollock where China's exports are focused on fillets. Russia is excluded from the 2024-2026 EU Autonomous Tariff Quota (ATQ);	No availability or not enough local availability of price competitive fish fillets.

Source: Trade Data Monitor

SECTION IV. BEST PRODUCT PROSPECTS

This section identifies the best product prospects by category and product.

Products Present in the Market with Good Sales Potential

- Food ingredients (food preparations and protein concentrates, essential oils, odoriferous substances, peptones and derivates, and enzymes)
- Alcoholic beverages (whiskies, wine, and beer)
- Seafood (whole flat fish, salmon, and hake)
- Nuts (almonds, peanuts, pistachios, walnuts, hazelnuts, and pecans)

Products Not Present in the Markets with Good Sales Potential

- Food ingredients with special certification
- Pulses

Products Not Present due to Significant Barriers

- Poultry
- Flour bleaching agents
- (Products containing) GMO derived ingredients that are not EU approved
- Products need to have a warning label if it contains 'Southampton Six' food dyes: Tartrazine (E102), Quinoline Yellow (E104), Sunset Yellow (E110), Carmoisine (E122), Ponceau 4R (E124) and Allura Red (E129).

Links to Top Food Processing Companies

See table 3.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

The key contact for the Dutch food processing industry is the Federation of the Dutch Grocery and Food Industry (FNLI)

PO Box 96949
2509 JH The Hague, the Netherlands
+31(0)70-3365150
info@fnli.nl
www.fnli.nl

The Netherlands Food and Consumer Product Safety Authority, or NVWA, is the Dutch food safety authority. It is an independent agency in the Ministry of Agriculture, Fisheries, Food Security, and Nature. The NVWA monitors animal and plant health, animal welfare, and the safety of food and consumer products, as well as enforcing nature legislation.

The Netherlands Food and Consumer Product Safety Authority (NVWA)
PO Box 43006, 3540 AA Utrecht, the Netherlands
Email: info@nvwa.nl
Website: https://english.nvwa.nl/

Ministry of Agriculture, Fisheries, Food Security, and Nature
P.O. Box 20401, 2500 EK The Hague, the Netherlands
https://www.government.nl/ministries/ministry-of-agriculture-fisheries-food-security-and-nature

If you have questions or comments regarding this report, require listings of local importers or need assistance exporting to the Netherlands, please contact FAS/The Hague:

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Embassy of the United States | John Adams Park 1, 2244 BZ Wassenaar, the Netherlands
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Attachments:

No Attachments