



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Required Report - public distribution

Date: 7/16/2002

GAIN Report #NL2033

## **The Netherlands**

# **Food Processing Ingredients Sector**

## **Annual**

## **2002**

Approved by:

**David Cottrell**

**U.S. Embassy, The Hague**

Prepared by:

Eurolaunch, Export Consultancy

---

### **Report Highlights:**

The Netherlands is a gateway into Europe. More than 6,700 foreign companies, of which 1,833 from the U.S., have established operations in Holland. Food products and food ingredients can be sold direct to processors, food retailers and food service companies or via intermediaries such as importers or wholesalers.

---

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

## Table of Contents

I.	Market Summary .....	<a href="#">1</a>
	Dutch Population Growing Steadily .....	<a href="#">1</a>
	Economic Development Slowing Down .....	<a href="#">1</a>
	Dutch Food Processing Industry .....	<a href="#">2</a>
II.	Road Map for Market Entry .....	<a href="#">4</a>
	A. Entry Strategy .....	<a href="#">4</a>
	B. Market Structure .....	<a href="#">6</a>
	C. Food Processing Companies .....	<a href="#">7</a>
	D. Trends in Food Processing .....	<a href="#">9</a>
III.	Competition .....	<a href="#">12</a>
IV.	Best Product Profiles .....	<a href="#">13</a>
	Best Product Prospects .....	<a href="#">13</a>
	Appendix 1. Top 17 Food Processing Companies Profiles .....	<a href="#">15</a>
	Appendix 2. Food Retail Companies .....	<a href="#">18</a>
	Appendix 3. Most Important Trade Shows .....	<a href="#">19</a>
	Appendix 4. Specialty Food Importers and Wholesalers .....	<a href="#">20</a>
	Appendix 5. Major Players in Wholesale for Food Service are: .....	<a href="#">21</a>
	Appendix 6. An Overview of Turnover Development of Product Groups in Dutch Food Retail .....	<a href="#">21</a>

This market brief was prepared in April 2002 by **Eurolaunch, export consultancy**

The Report was produced at the request of the Foreign Agricultural Service, U.S. Department of Agriculture. The material contained in this report has been derived from market research, trade interviews and desk research conducted by Eurolaunch. While Eurolaunch has made every effort to ensure the accuracy of the information in this report it cannot accept liability for any data therein nor any interpretation made there from.

Mr. Wim Engels  
P.O. Box 1045  
3800 BA Amersfoort  
The Netherlands  
[www.eurolaunch.nl](http://www.eurolaunch.nl)

Tel. +31 (0)33 46 999 70  
Fax. +31 (0)33 46 999 63  
E-mail: [eurolaunch@wxs.nl](mailto:eurolaunch@wxs.nl)

## I. Market Summary

### Dutch Population Growing Steadily

- 16 million people live in The Netherlands. The population is expected to grow to 17,5 million in 2020.
- The density of population is extremely high: about 385 people per square kilometer (U.S.: 29 per sq km); most people live in the triangle Rotterdam-The Hague-Amsterdam-Utrecht, called "De Randstad."
- The average household consists of 2.3 persons (U.S.: 2.6). The number of one-person households, is 34%, and still growing.
- In 2002 2.2 million (13.2%) inhabitants are older than 65 years (U.S. 12.5%). The average age of life expectancy is 75.5 for men and 80.7 for women. The largest age group is 40-46 years old (32.4%).
- About 18% of the population (2.9 million in 2001) is ethnic minority, of which 1.5 million people are non-western.

Source: Centraal Bureau voor de Statistiek, Centraal Plan Bureau

### Economic Development Slowing Down

- Dutch economy grew 1.1% in the first 9 months of 2001. After many years of growth higher than the EU average this is a serious slow down. September 11<sup>th</sup> has sharpened the negative development, but the economy has not fallen into a recession. Growth in 2002 will be 1.25% thanks to a recovery expected in the second half of the year.
- Unemployment in The Netherlands is only 2.4% of the working population. Far lower than 7.7% on average in the EU (4.4% in the U.S). On the other hand almost 1 million people are receiving a social security payment because of being a partly or fully disabled worker.
- Inflation has more than doubled from 2.3% (2000) to 5.2% (2001). This is caused by increase of taxes (VAT and ecotax), food and energy costs. For 2002 a decrease to 2.25% is expected.
- Export of food products by the Netherlands is almost 14% of total exports. This share is extremely high compared to EU in total, U.S. and Japan. Main products of agricultural export are flowers and plants, vegetables and fruit, dairy, eggs, meat and potatoes products.
- In 2001 agricultural output has decreased seriously because of the Food-and-Mouth and BSE crises. These crises also had an upward influence on the prices of food.
- For many years the Dutch "polder model" of patient, tolerant and structured co-operation of stakeholders in the economy has been an important explanation for the economic success (growth and employment figures). These days more autocratic decision-making and zero tolerance are more often pledged for.
- From January 1<sup>st</sup> 2002, the Euro is the legal currency for all EU countries except the UK, Norway, Sweden and Denmark. The Euro facilitates trade within the EU, it is expected that competition will increase. In the Euro area live about 304 million people (5% of the world population)(U.S. 285 million people). The Euro territory is 2% of the world surface; it is about a quarter of the U.S. territory.
- 75% of Dutch inhabitants have a PC at home; 57% are connect to the Internet.

Source: Centraal Bureau voor de Statistiek, Centraal Plan Bureau

### **Dutch Food Processing Industry**

Historically Holland is an important trading nation. A big share of imports is shipped further into Europe. Already in the early days adding value to traded goods was an interesting economic activity. Well known food processing and food trading companies, like Unilever, Heineken, Wessanen and Ahold have their roots in Holland. Multinationals like Cargill, Nestle and Sara Lee have substantial subsidiaries in the country. Also agriculture has been an important base for food processing companies, especially in the dairy industry where Campina Melkunie and Friesland Coberco are amongst the world's largest companies. In the Dutch climate other important agricultural products are potatoes and sugar beets. Co-operative companies like Cosun, CSM, Cebeco and Avebe have developed from these products groups.

The total number of food processing companies is about 900. In the year 2000 total output of this industry was US\$35.2 bln. The value of imported food ingredients, 33.8 bln. US dollar, reflects the important trading function of Holland, only US\$1.6 bln came from the U.S. Domestic inputs accounted for US\$22.5 bln.

### **Fish and Seafood Based Ingredients**

The Netherlands is an important fish and seafood trading nation. Total imports of fish and seafood in 2000 was 682 mln kg (+15% compared with 1999). The value of these imports was US\$1.19 bln. Export in 2000 accounted for 822 mln kg with a value of US\$1.7 bln. Less than 1% of imports and exports came from the U.S.

### **Actual Key Market Drivers and Consumption Trends**

- FOOD SAFETY (TRACKING AND TRACING)
- CONVENIENCE: EASY, READY-MEALS, PRE-PACKED, FROZEN
- MORE ATTENTION OF CONSUMERS TO HEALTH ASPECTS OF FOOD; MORE FUNCTIONAL FOOD
- GROWTH OF OUT OF HOME FOOD CONSUMPTION
- CONSUMERS LOOKING FOR VARIETY AND FUN IN FOOD, E.G. GROWING POPULARITY OF ETHNIC FOOD
- ORGANIC FOOD AND GMO-FREE IN THE PICTURE
- MEAT PROBLEMS: MORE FISH, PASTA'S, MEAT SUBSTITUTES

## Opportunities for U.S. Food Products

Advantages in Dutch Market Place	Challenges in Dutch Market Place
<ul style="list-style-type: none"> <li>• Positive attitude of Dutch people and companies towards international trade and the U.S.</li> <li>• Logistics/infrastructure well organized</li> <li>• Government works efficient</li> <li>• Positive image of U.S. food products as being innovative and with strong potential</li> <li>• Further growth in consumption is expected</li> <li>• Innovation in product development and packaging to meet new consumer demands</li> <li>• Good opportunities for retailer own label food processing</li> <li>• The introduction of the Euro creates indirectly a larger European market with less fragmentation</li> <li>• Further improvement of rail and road infrastructure across Europe</li> </ul>	<ul style="list-style-type: none"> <li>• Saturated market with many competitors</li> <li>• Economic slowdown and international uncertainty due to September 11<sup>th</sup></li> <li>• Retailers: <ul style="list-style-type: none"> <li>• concentrate to strengthen their negotiating power</li> <li>• do more sourcing in mainland Europe</li> <li>• own labels are becoming premium brands sold at lower prices</li> <li>• prices under pressure and more demand for promotional support for branded products</li> </ul> </li> <li>• Frequent health scares recently makes food safety a very important issue</li> <li>• Investors see food sector as less attractive</li> <li>• Food legislation within the EU is not fully harmonized</li> <li>• Different languages and different cultures within EU</li> <li>• Knowledge of market and good marketing strategy is necessary</li> </ul>

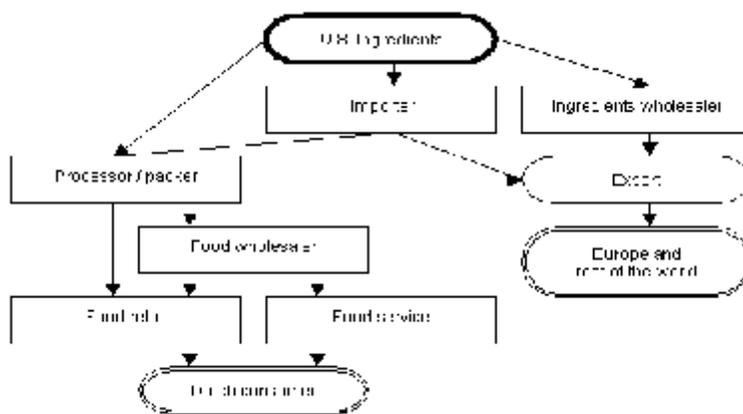
## II. Road Map for Market Entry

### A. Entry Strategy

The Netherlands is a gateway into Europe. More than 6,700 foreign companies, of which 1,833 from the U.S., have established operations in Holland. A growing number of foreign companies use The Netherlands not only as a distribution point but combine logistics with manufacturing and service functions.

#### Distribution Channel Flow Diagram

Food ingredients from the U.S. flowing into The Netherlands follow many different distribution chains depending on the product segment (e.g. seeds and beans vs. frozen meat vs. oranges).



An interesting example would be organic Thomson raisins that are imported from the U.S. by a specialized Dutch organic ingredients importer and wholesaler. The raisins are stored in Rotterdam harbor and sold to cereal mixing companies in The Netherlands and other European countries. The cereal companies sell their products to either food wholesalers (e.g. speciality shop channel) or direct to retailers (branded or supermarket own label).

Choosing the right entry strategy for export primarily depends on the product market segment and the strategy of the company. Most U.S. food ingredient companies start their business with dedicated importers. Direct sale or a subsidiary company are often next steps. The table above indicates which market entry strategy is best to apply under what circumstances.

### Pros and Cons of Alternative Market Entry Strategies

Market Entry Strategy	Appropriate in case of:	Disadvantages:
Direct sale	<ul style="list-style-type: none"> <li>- One or few product items</li> <li>- One or very few customers</li> <li>- No local expertise or network necessary</li> <li>- Direct control preferred</li> </ul>	<ul style="list-style-type: none"> <li>- High travel expenses</li> <li>- Problem solving more difficult from long distance</li> </ul>
Sales agent	<ul style="list-style-type: none"> <li>- Starting up</li> <li>- More customers</li> <li>- Easy to sell</li> <li>- Local network needed</li> <li>- No stock needed</li> </ul>	<ul style="list-style-type: none"> <li>- Success depends on agent</li> <li>- Doesn't take ownership of goods</li> <li>- Little control</li> <li>- Strong EU legal protection of agents</li> </ul>
Importer	<ul style="list-style-type: none"> <li>- One or few items</li> <li>- Better to hand over title of goods (e.g. because of risk)</li> <li>- Dedication needed</li> <li>- Local network needed</li> </ul>	<ul style="list-style-type: none"> <li>- Success depends on importer</li> <li>- Exclusive rights wanted by the importer</li> </ul>
Wholesaler	<ul style="list-style-type: none"> <li>- More items</li> <li>- Local stock and storage needed</li> <li>- Many customers</li> <li>- Product sells better or only in combination with other ranges</li> <li>- Local network needed</li> </ul>	<ul style="list-style-type: none"> <li>- Success depends on wholesaler</li> <li>- Competition within the wholesalers range (not dedicated)</li> <li>- No control</li> </ul>
Joint venture	<ul style="list-style-type: none"> <li>- Local expertise and goodwill very important</li> <li>- Existing customer or partner needed</li> <li>- Risk sharing preferred</li> </ul>	<ul style="list-style-type: none"> <li>- Profit sharing</li> <li>- Shared strategies</li> <li>- Exit strategy complicated</li> </ul>
Subsidiary company	<ul style="list-style-type: none"> <li>- Market potential big</li> <li>- 100% dedication needed</li> <li>- Strong (branded) product</li> <li>- Control needed</li> </ul>	<ul style="list-style-type: none"> <li>- Local network to be built up</li> <li>- Starting up from scratch is tough</li> <li>- Serious investment</li> <li>- Long distance control</li> </ul>
Acquisition of existing company	<ul style="list-style-type: none"> <li>- Existing customers are important</li> <li>- Existing know how needed</li> <li>- High speed preferred</li> <li>- Market potential big</li> <li>- Local management preferred</li> </ul>	<ul style="list-style-type: none"> <li>- High investment</li> <li>- High risk</li> <li>- Long distance control</li> </ul>

Source: Eurolaunch b.v.

**For the Dutch Market Entry Specific Issues are Important:**

- Amsterdam, capital of the country, is the financial and cultural / tourist centre. Most Dutch people are able to speak English. Many also speak German and/or French.
- Import duties are due at import of goods from non-EU-countries into the EU. Once duties are paid, goods are in free circulation within the EU. Dutch customs have a reputation for being efficient, co-operative and innovative.
- One agent, importer or wholesaler will usually cover the entire country. Most agents and wholesalers are focussed on the Dutch market, but most importers also take care of trade within EU, or at least some Western European countries.
- A variety of warehouse arrangements is possible in Holland, including public and private bonded warehouses, merchant-controlled bonded warehouses, and E-type bonded warehouses. These warehouse arrangements, combined with an excellent state-of-the-art transportation infrastructure and accompanying services, give the Dutch a definite advantage when it comes to moving goods to and through Europe.
- The Netherlands has excellent connections by sea, river, canal, road, rail and air to all Western European markets: Amsterdam Airport Schiphol and harbors of Rotterdam and Amsterdam.
- Potential exporters to Holland will have to deal with less buyers because of the concentration of food retailers; listing fees are not (yet) required in Dutch food retail.

**B. Market Structure**

Food products and food ingredients can be sold in The Netherlands direct to processors, food retailers and food service companies but most of the time are brought to the marketplace via intermediaries like importers or wholesalers.

**a) Major Players in Food Retail Sector**

In Dutch food retail market 4 retail organizations control 90% of the market. Market leader is Albert Heijn, part of Ahold, with a market share of 27.6%. Laurus is the second largest food retail company. At the moment Laurus is restructuring its retail formats. Schuitema is part of TSN a food wholesale company (for 70% owned by Ahold) with a strong and growing franchise format called C1000. The fourth major player is Superunie, a buying group of 16 mostly regional and family owned supermarket companies. (See appendix 2.)

**Characteristics and Major Trends in Food Retail are:**

- Supermarkets are high in number in the Netherlands; they have on average small floor surface (about 2000 sq ft)
- Only few hypermarkets and superstores. Local authorities often don't give permission in order to protect the inner city shopping area. Market leader Albert Heijn (Ahold) is currently opening out of town superstores.
- Concentration: the number of companies in food retail is deminishing.
- Specialty shops are steadily losing market share to supermarkets.
- Consumers prefer convenience: supermarkets extend ranges with service and non-food products.
- Albert Heijn has a joint venture with Esso (Exxon) for gas station food retailing.
- Retailers are getting more negotiating power. They make many demands to food industry. Retailers put prices under pressure and are demanding further promotional support for branded products.
- Stores will give more personal service; wider range; more fresh and non-food; convenience foods; more exotic products, environmental friendly products.
- Retailers form European buying groups which do more sourcing in mainland Europe.

- Retailer own labels are becoming premium brands sold at lower prices.

#### b) Food Service

With the growing market share of out of home food consumption food service is a growing business sector. Like in the U.S. Ahold has extended it's focus into food service. Major wholesale companies are DeliXL (part of Ahold), FGN, ISPC and Sligro. Major trends in HRI Food Service are:

- High priced ingredients will be replaced by less costly alternatives.
- Food security more important; regulations are becoming more stringent: tracking and tracing often required
- Upgrading by 'daily special' offers; also more ethnic food offers.
- More demand for desserts.
- More focus on food for elderly people (e.g. easy to digest and functional foods).

### C. Food Processing Companies

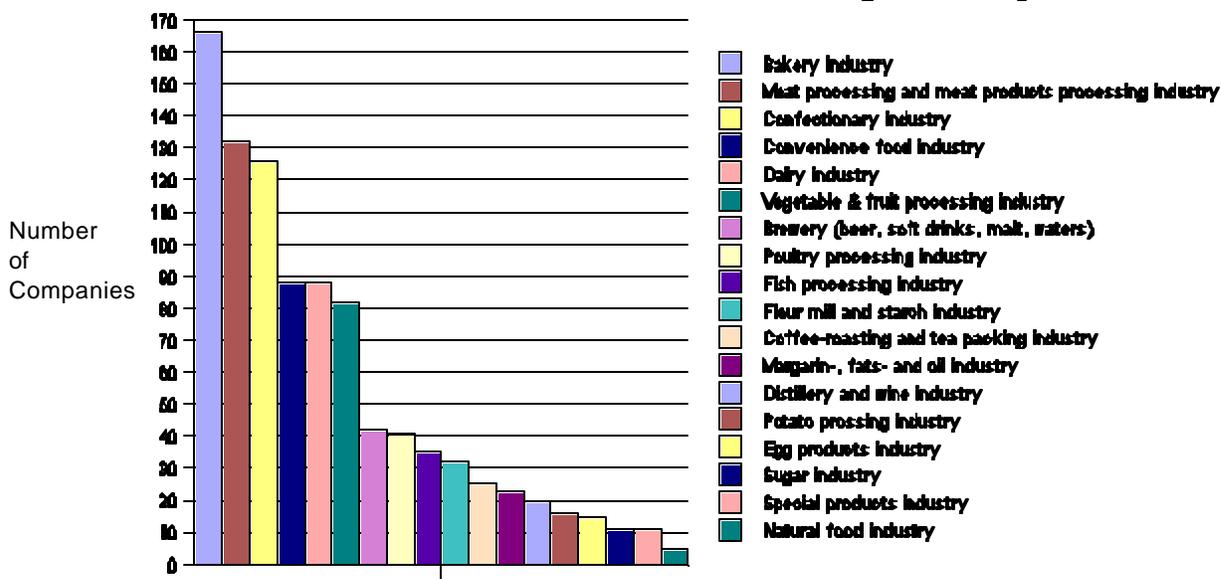
#### Food Processing Companies in The Netherlands

Year	Number of Companies	Number of Employees	Industrial Purchase of Inputs (U.S. \$ bln.)	Industrial Sales (U.S. \$ bln.)	Production Value (U.S. \$ bln.)	Consumption Value (U.S. \$ bln.)
1995	899	114,431	20	30.2	31.3	23.4
1996	881	112,355	17.5	25.6	26.6	21.1
1997	882	111,305	21.8	32.9	34.3	25.5
1998	891	111,845	22.7	33.7	35.4	26.6
1999	895	113,509	22.1	33.8	35.2	26.2

Source: Voedingsmiddelenjaarboek 2001

The number of companies is spread over many different product categories:

### Overview of Dutch Food Processing Industry 2001



Source: Voedingsmiddelenjaarboek 2001

#### Characteristics and Major Trends in Food Processing are:

- The total number of companies is stable at about 900.
- From 2000 to 2001 there has been a slight growth of the number of companies in dairy, brewery, distillery and special products industry.
- A decrease is found in the bakery industry and vegetable & fruit processing from 2000 to 2001.
- Output has grown from 1996 U.S.\$ 26.6 billion to U.S.\$ 35.2 billion (2000).
- Stability of the number of employees (112,000) indicates growth of productivity.

#### Value of Food Ingredients Imported into The Netherlands

	Total Imports (U.S. \$ bln.)	Imported from U.S. (U.S. \$ bln.)	Share of U.S. Imports	Domestic Inputs (U.S. \$ bln.)
1996	29	1.6	5.5%	n.a.
1997	29.6	1.5	5.1%	n.a.
1998	30.7	1.3	4.2%	n.a.
1999	32	1.4	4.4%	21.2
2000	33.8	1.6	4.7%	22.5

Source: Centraal Bureau voor de Statistiek (These figures include food ingredients that are not further processed in The Netherlands; the figures in this table cannot be linked directly to the table Food Processing Companies in The Netherlands due to different sources.)

**Trends in Trade Figures:**

- Most important product groups (definitions from SITC classification) imported from the U.S. are food and living animals, vegetables and fruit, cattle feed without non-ground cereals, oil-bearing seeds and fruit and cereals.
- Over the period 1996-2000 there has been substantial growth of imports in the product groups prepared food, beverages, sugar, confectionary and honey and coffee, tea, cacao and spices.
- Over the same period decline has taken place in meat and animal/vegetable oil/fats imports.
- The low numbers of 1998 are due to a strong decline of the imports of meat. Additionally there was lower import of food and living animals, fish, shells and mollusks, cattle feed without non-ground cereals, oil-bearing seeds and fruit.

**D. Trends in Food Processing****Health, Food Safety and Environment**

- In the EU a Food Authority has been initiated. The Netherlands has set up their own authority called Nederlandse Voedings Autoriteit (NVA). It will be responsible for communicating information about food and production methods, conducting research and carry out quality checks. It will primarily have an advisory role.
- 22 leading European food retailers have launched a harmonized third-party certification scheme for suppliers of fresh produce as a consequence of BSE, FMD, Swine Fever and other food safety problems. They created the Euro Retailer Producer Working Group (EUREP) in 1997. EUREP has worked with producer and certification groups to establish a standard for "Good Agricultural Practice" (GAP) for fresh produce. EUREP-GAP standards apply to all agricultural sectors.
- 38 food retailers have created, in addition to EUREP-GAP, the Global Food Safety Initiative (GFSI), which would address standards throughout the rest of the distribution channel. GFSI will provide a set of "key elements" against which other standards can be benchmarked and approved. Implementation of the model would generate considerable cost savings for suppliers. The aim is to speed up reforms for improved food safety in all segments of the distribution channel.
- HACCP is obliged and common practice in food processing. Many companies are improving quality standards following ISO-standards. Eventually it is expected that most companies will have to meet the British Retail Consortium-code (BRC).
- In the meat industry measures of the Ministry of Agriculture after FMD crisis will mean a substantial reduction of livestock capacity especially pigs in The Netherlands. Also environmental requirements will result in a decrease in livestock.
- Because of the BSE crisis, cows older than 30 months must be tested and there are strong restrictions on the use of bone meal in cattle-feed.
- Tracking and tracing necessary in order to guarantee food safety.
- The Dutch Nutrition Center (Voedingscentrum) informs Dutch consumers on issues of food and health. Recent campaigns are aimed at the promotion of eating low fat and better fats, more fruit and vegetables and more variety in meals.
- Health claims on food labels are more restricted in Europe and The Netherlands compared to the U.S.
- More producers start with organic products because of the interest of consumers in healthy food.
- Higher demand for functional foods makes other ingredients necessary.
- New functional foods are aimed at optimization of personal performance (enhancing vitality).
- Social responsibility is becoming more of an issue. Sustainable food processing is stimulated by DuVo, a

foundation in which most of the largest food processors participate.

### **Economic Development**

- Concentration of industry: smaller / mid-sized companies combine to create critical mass and to develop niche specialties.
- A more intensive cooperation with customers in retail and food service. This leads to the development and manufacturing of better focused products and less waste in product development.
- European food processors are trying to re-position themselves strategically to meet the challenges. The basic strategy is directed to continued sales and growth earnings. Larger companies in lower growth sectors (e.g. meat, confectionary and dairy) are focused on taking the lead in consolidation in their industries. An alternative strategy is to focus on higher growth areas.
- Many companies with a large brand portfolio are concentrating more on focused brands with a higher added value.

### **Product Development**

- In ingredients there is a shift towards easier applicable and further prepared products. This trend is especially strong in supermarket-in-store bakeries and in food service.
- Product development by food processors together with home and office appliances industries.

### **In General**

- EU food legislation is not completely harmonized. Exporters have to check their product formulation on labeling for compliance with the national legislation of the country they export to.
- European rules, especially with regard to additives are more restricting compared to U.S. legislation.
- Purchasers have higher requirements, this results in faster production processes, specialties that increase convenience for the consumer and products that satisfy environment requirements.
- Dutch legislation is derived from the EU policies regarding labeling and ingredient requirements. Health protection, product safety and labeling are the basic objectives of the Dutch Commodities Act (Warenwet).

## **Consumption Trends Influencing the Type and Quality of Inputs Being Used in Processed Foods**

### **Convenience**

The outlook for prepared fresh/chilled foods is excellent. This is because of longer working hours, increased leisure activities and the growing number of families with two working parents. Less time is spent in the kitchen. Opportunities for ingredients such as:

- Prepacked and sliced vegetables
- Ready-to-eat and instant soup
- Meal solutions (all ingredients in pack and little preparation needed) instead of traditional meal ingredients
- Ready-to-eat fresh/chilled or frozen meals
- More bake off products (as well to be baked off in the store as to be baked off at home in the oven)
- Growth of out of home eating and take-home meals
- More frozen foods
- More use of the microwave
- Product packaging for 1- and 2- person households

- Quick breakfast products/ breakfast drinks (incl juices).

### **Health**

- Good prospects for organic food and all natural products
- More fresh fruit and vegetables
- Increase in sales of fresh juices and breakfast juices
- Low calorie food (less sugar and low fat)
- Functional food and diet food (weight, age, digestion, cholesterol)
- Additives in functional foods: high fibre, calcium, vitamins, minerals and probiotics
- 'Mediterranean' diet (more fish, olive oil, fruit, salads)
- Meat and dairy are becoming less popular; more demand for meat substitutes, nuts and fish (omega-fatty acids)
- More food supplements
- The environment and animal friendly are consumer buying motives related to health.

### **Out of Home**

- Eating out of home is becoming more popular because of higher incomes and minimal time for home cooking
- Further growth is expected in the food service sector
- Retail and food service are mixing up
- Take-home meals and home delivered meals
- More fast food restaurants
- Out of home consumers pay less attention to the health aspects of food
- Number of ethnic fast food stores is increasing
- Upgrading of ethnic restaurants.

### **Food Safety**

- More information on labels needed
- Strong brands have a higher quality image
- More product recalls expected
- Industrial micro-organisms used to improve the safety of food
- Dioxin, BSE and Food-and-Mouth crises had a big impact in the meat industry. People have less confidence in the meat industry
- GMO concerns: Dutch consumers want clear information about GMO ingredients on food packaging. In practise this is hard to realise due to the '100% free' standards.

### **In General**

- Price is important for Dutch consumers: they want weekly specials and are visiting different supermarkets
- Choice is important: a wide variety in food products is needed including authentic foreign recipes.

### III. Competition

#### Comparative Advantages of Locally-produced VS. Imported Products

	Locally Produced	Imported Products
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Lower transport costs (makes limited quantities possible)</li> <li>• Less problems of shelf life and product quality (transport)</li> <li>• No language barrier</li> <li>• Well known products, no taste barrier</li> <li>• No tariffs</li> <li>• No problems with international terms of payment</li> </ul>	<ul style="list-style-type: none"> <li>• Better climate can give higher quality</li> <li>• Product differentiation</li> <li>• Fresh produce in different seasons available</li> <li>• GMO know how</li> <li>• Lower costs because of economies of scale</li> </ul>

#### Comparative Advantages of U.S. Products VS. other Foreign Products

	U.S. Products	Other Foreign Products
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Climate</li> <li>• Low language barrier</li> <li>• High standards in food safety</li> <li>• Larger scale / low cost</li> <li>• Food production and processing know how</li> <li>• GMO know how</li> </ul>	<ul style="list-style-type: none"> <li>• Authenticity</li> <li>• Lower logistic costs (depending on distance)</li> <li>• Lower / no tariffs (EU)</li> <li>• Same standards (e.g. weight)</li> <li>• No currency risk (EU)</li> <li>• No time difference (depending on geography)</li> </ul>

#### Low-cost Imitation Food Ingredients from Competitors and Any New Food Ingredients

Low-cost Imitation Food Ingredients	New Food Ingredients
Soy (dairy substitute) Starch Concentrates (fruits) Surimi	Additives (flavour and fragrances) Fermented products GMO-products (in the future) Novel protein foods

## IV. Best Product Profiles

Some of the best opportunities are for U.S. exporters of food ingredients that could be used in the following products:

### High Growth Product Groups in Dutch Food Retail:

- Prepared meals (sauces and mixes for meals)
- Chilled fruit juices and drinks
- Chilled and frozen meals
- Premium packaged spirits
- Frozen snacks
- Dairy (basics and desserts)
- Vitamins, minerals and food supplements
- Fish (frozen and prepacked)

### Second Best High Growth Product Groups:

- Prepacked bread
- Dry snacks, peanuts and tree nuts
- Soups
- Wine
- French and Italian cheese
- Fresh meat
- Paste, rice and other basic components
- Biscuits and cakes
- Prepacked vegetables
- Exotic food, delicacies and specialties

See appendix 4 for an overview of turnover development of product groups in Dutch food retail.

## Best Product Prospects

### U.S. Products Present in the Dutch Market with Good Sales Potential

- Texmex food
- Snack food
- Fruit and vegetable juices concentrates
- Processed fruit and vegetables
- Fruit
- Tree nuts
- Wine
- Salmon
- Pet food

**U.S. Products Not Present in Significant Quantities but with Good Sales Potential**

- Sauces and mixes for meals
- Functional food (e.g. bars)
- Soy milk
- Fresh fruit juices
- American cheeses
- Organic food
- Halal and Kosher food
- Sweets
- Natural food supplements
- Ethnic food

**U.S. Products Not Present Because of Significant Barriers**

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

**For further information, please contact**

American Embassy, Office of Agricultural Affairs.  
Lange Voorhout 102, 2514 EJ The Hague  
Tel. +31 (0)70-3109299  
Fax. +31 (0)70-3657681

## Appendix 1. Top 17 Food Processing Companies Profiles

Company	Product Types	Sales 2000 (U.S.\$ Million)	End-User Channels	Processing Locations	Procurement Channels
<b>Avebe</b> Prins Hendrikplein 20, P.O. box 15 9640AA Veendam Tel: + (31) 0598 66 42 86 Fax: + (31) 0598 66 42 30 www.avebe.com	Potato starch and supplies products based on wheat-, tapioca- and waxy maize starches	611.0	Food, Paper, Textile, Adhesives, Oil Drilling and Building industries	The Netherlands, Germany, France, Sweden, U.S., North America (4), Asian Pacific (3), South America (2), Middle East	Direct
<b>Campina Melkunie b.v</b> Hogeweg 9, P.O. box 2100 5300 CC Zaltbommel Tel: + (31) 0418 57 13 00 Fax: + (31) 0418 54 00 66 www.campina.nl	Dairy, food, pharmaceutical	3,404.0	Retail, food industry, pharmaceutical industry and HRI	The Netherlands, Germany, France, Belgium, UK, Spain, Eastern Europe (3), U.S., Argentina, Asia (2), Ukraine	Direct Distributor
<b>Coöperatie Koninklijke Cebeco Groep UA</b> Blaak 31, P.O. box 182 3000 AD Rotterdam Tel: + (31) 010 45 44 911 Fax: + (31) 010 41 13 889 www.cebeco.nl	Material for agriculture, raw agricultural material and agricultural products and ready-to-eat meals, meal components, snacks	2,992.0	Agriculture, catering	The Netherlands, Eastern Europe (2), China, U.S.	Direct
<b>Coöperatie Cosun UA</b> Zuilenstraat 100, P.O. box 3411 4800 MG Breda Tel: + (31) 076 53 03 222 Fax: + (31) 076 53 03 303 www.cosun.com	Single ingredients, customer-specific ingredients, fruit & vegetable applications markets	961.0	Fine bakery, food service & snacks, fruit & vegetable applications markets	The Netherlands, Eastern Europe (2), UK, Germany, France, Spain, Canada, Africa, U.S., China	Direct
<b>CSM n.v.</b> Nienoord 13, P.O. box 349 1000 AH Amsterdam Tel: + (31) 020 59 06 911 Fax: + (31) 020 69 51 942 www.csmnv.com	Bakery ingredients and products, food, sugar confectionery, sugar, lactic acid	2,382.0	Bakery, food industry	The Netherlands, Germany, Belgium, UK, Ireland, France, Southern Europe (2), Eastern Europe (3), Northern Europe (4), Central Europe (1), Canada, U.S., Brazil, Asia (3)	Distributor Direct
<b>DSM Food Specialties b.v.</b> Wateringseweg 1 P.O. box 1 2600 MA Delft Tel: + (31) 015 27 93 474 Fax: + (31) 015 27 93 540 www.dsmfoodspecialties.com	Dairy-, savory-, beverage-, meat-, nutritional- and agri ingredients	2,300.0	Food industry	The Netherlands, France, UK, Germany, Eastern Europe (1), Southern Europe (4), U.S., South America (3), Asia (2)	Direct Distributor

<b>Dumeco b.v.</b> Boseind 10, P.O. box 1 5280 AA Boxtel Tel: + (31) 0411 65 85 55 Fax: + (31) 0411 68 31 94 www.dumeco.nl	Meat	1,442.0	Industry and retail	The Netherlands, Belgium, UK, Germany, France, Southern Europe (3)	Distributor Direct
<b>Friesland Coberco Dairy Foods b.v.</b> Blankenstein 142, P.O. box 124 7940 AC Meppel Tel: + (31) 0522 27 62 76 Fax: + (31) 0522 27 64 44 www.fcdf.nl	Dairy, juices	3,596.0	Industry and retail	The Netherlands, Belgium, West-Europe, South-East Asia	Direct
<b>Heineken n.v.</b> Tweede Weteringsplantsoen 21, P.O. box 28 1000 AA Amsterdam Tel: + (31) 020 52 39 239 Fax: + (31) 020 62 63 503 www.heineken.nl	Beer	**7,087.0	Retail and HRI	The Netherlands, UK, Ireland, Southern Europe (7), Eastern Europe (2), Central Europe (1), Asia Pacific (12), Western world (16), Africa (16)	Direct
<b>Maxeres n.v.</b> Koninginnegracht 15, P.O. box 30449 2500 GK Den Haag Tel: + (31) 070 31 25 200 Fax: + (31) 070 36 17 980	Flour, bakery products, mixed food products	*591.0	Industry	The Netherlands, France, Germany, Belgium, UK	Distributor Importer
<b>Van Melle n.v.,</b> Zoete Inval 20 4815 HK Breda Tel: + (31) 076 52 75 000 Fax: + (31) 076 52 28 692 www.vanmelle.com	Confectionary	**391.0	Retail	The Netherlands, Belgium, France, Germany, Central & Eastern-Europe (6), Middle East, Africa, India, U.S., North- and South America (3), Canada, Asia (4)	Importer Direct Distributor
<b>Nestlé Nederland b.v.</b> Diemermere 1, P.O. box 12365 1100 AJ Diemen Tel: + (31) 020 56 99 323 Fax: + (31) 020 56 99 789 www.nestle.nl	Dairy, chocolate bars, baby- and child food, potato flakes and granulates, soups, sauces, stocks	709.0	Retail, HRI	The Netherlands, Parent company in Switzerland	Distributor Importer
<b>Nutreco Holding n.v.</b> Veerstraat 38, P.O. box 220 5830 AE Boxmeer Tel: + (31) 48 55 89 955 Fax: + (31) 48 55 74 518 www.nutreco.nl	Fish feed, specialist feed ingredient, compound feed, meat processing	2,733.0	Retail, wholesaler, processors, farming	The Netherlands, Belgium, Luxembourg, Spain, U.S. Canada	Direct

<b>Koninklijke Numico n.v.</b> Rokkeveenseweg 49, P.O. box 1 2700 MA Zoetermeer Tel: + (31) 079 35 39 000 Fax: + (31) 079 35 39 620 www.numico.com	Infant food, meals, juices, drinks and corn products for baby and toddler, food with specific needs and diet products, nutraceuticals and health products	3,693.0	Retail, hospitals	The Netherlands, Australia, North Europe (30), Southern Europe (11), Eastern Europe (14), America (11), Asia Pacific (9), Dairy & Drinks (10)	Distributor Importer Direct
<b>Sara Lee / DE n.v.</b> Vleutensevaart 100, P.O. box 2 3500 CA Utrecht Tel: + (31) 030 29 27 311 Fax: + (31) 030 29 72 330 www.saralee-de.com	Food and beverages	17,511.0	Retail, HRI	Part of Sara Lee Corporation Coffee and Tea: The Netherlands, Belgium, France, Germany, UK, Eastern Europe (3), North Europe (2) Southern Europe (3), AU.S.tralia, Canada, Thailand, U.S. Bakery Europe: France, Italy, UK	Importer
<b>Unilever n.v.</b> Weena 455, P.O. box 760 3000 DK Rotterdam Tel: + (31) 010 21 74 000 Fax: + (31) 010 21 74 798 www.unilever.com	Food and beverages	41,600.0	Retail, HRI	The Netherlands UK, Belgium	Importer Direct Distributor
<b>Koninklijke Wessanen n.v.</b> Prof. E.M. Meijerslaan 2, P.O. box 410 1180 AK Amstelveen Tel: + (31) 020 54 79 547 Fax: + (31) 020 64 59 160 www.wessanen.com	Natural and specialty foods, convenience food, cereals, dairy	3,439.0	Retail, HRI	The Netherlands, Germany, France, UK, U.S., Thailand, Brazil	Importer Distributor Direct

\*1999 \*\*2001

Source: Voedingsmiddelenjaarboek 2001 and annual reports

## Appendix 2. Food Retail Companies

Company	Supermarket Chain	Number of Stores	Market Share (%)	Area
<b>Ahold</b>	Albert Heijn	706	27.6	Nation wide
<b>Laurus</b>	Super de Boer	426	9	Nation wide
	Edah	300	7	Nation wide
	Konmar	140	± 5	Nation wide
	Basismarkt	183	N.A.	Nation wide
<b>Schuitema (TSN)</b>	C1000	516	13.8	Nation wide
<b>Superunie</b> (Food buying group)	Boni-markt	33	± 0.7	Regional
	Boon Sliedrecht	46	± 0.7	Regional
	<b>Coop - Codis</b> E-markt and others	375	± 2.0	Regional
	Deen	29	1.3	Regional
	DekaMarkt	88	1.6	Regional
	<b>Van Eerd Food Group</b> Jumbo and others	89	1.4	Regional
	EM-TÉ	11	0.4	Regional
	Hoogvliet	32	1.5	Regional
	Jan Linders	43	0.9	Regional
	Nettorama Distributie	20	0.75	Regional
	Poiesz Supermarkt	34	0.5	Regional
	Sanders Supermarkt	18	0.3	Regional
	<b>Sligro</b> Cash and Carry (37) Golf Attent and others	237	N.A.	Nation wide
	<b>Sperwer Holding</b> Plus Spar Garantmarkt and others	280	2.9	Nation wide
	Vomar	34	1.3	Regional
<b>Aldi</b>	Aldi	377	6.4	Nation wide
<b>Koopconsult</b>	Dirk van den Broek Bas van der Heijden and others	85	3.7	Regional
<b>Lidl</b>	Lidl	85	0.8	Nation wide

Source: AC Nielsen / IRI (because of different sources market shares don't add up to 100%)

### Appendix 3. Most Important Trade Shows

Show	When	Contact
<b>SIAL</b> , Paris, France	October 20 - 24, 2002	Tel: +33-(0)149-685488 Fax: +33-(0)149-685632 www.sial.fr
<b>National Food Week</b> , Utrecht, The Netherlands	March 23 - 26, 2003	Tel: +31-(0)30-2955911 Fax: +31-(0)30-2940379 www.nationalefoodweek.nl
<b>World of Private Label (PLMA)</b> , Amsterdam, The Netherlands	May, 2003	Tel: +31-(0)20-5753032 Fax: +31-(0)20-5753093 www.plmainternational.com
<b>ANUGA</b> , Cologne, Germany	October 11 - 15, 2003	Tel: +49-(0)221-8212214 Fax: +49-(0)221-8213410 www.koelnmesse.de/anuga
<b>Food Ingredients Europe (FIE)</b> Frankfurt, Germany	November 18 - 20, 2003	Expoconsult BV trading as CMP Information Tel: +31-(0)346-559444 Fax: +31-(0)346-573811 www.fi-events.com

## Appendix 4. Specialty Food Importers and Wholesalers

<b>American Food Service</b> Gageldijk 1 3602 AG Maarssen <a href="http://www.americanfood.nl">www.americanfood.nl</a>	Ph. 030-2613604 fax. 030-2613624	Contact: Mr. G. Chin A. Kwie info@americanfood.nl
<b>Bickery Food Group</b> Stichtsekade 1 1243 HW s'Gravenland <a href="http://www.bickery.nl">www.bickery.nl</a>	Ph. 035-6560244 fax. 035-6563824	info@bickery.nl
<b>BOAS b.v.</b> Stephensonstraat 40 2723 RN Zoetermeer	Ph. 079-3442600 fax. 079-3421722	Contact: Mr. Roebbers
<b>Bruce Foods Europe b.v.</b> Klarenanstelerweg 25 6468 EP Kerkrade	Ph. 045-5465700 fax. 045-5465777	Contact: Mr. Henk Pelzer brucefoodseurope@compuserve.com
<b>GranFood b.v.</b> Saturnusstraat 43 2516 AE Den Haag <a href="http://www.granfood.nl">www.granfood.nl</a>	Ph. 070-3815007 fax. 070-3815013	Contact: Mr. Onno Brokke info@grandfood.nl
<b>International Food &amp; Gourmet Products b.v.</b> <b>IFGP</b> De Lasso Zuid 17 2371 EV Roelofarendsveen	Ph. 071-3316450 fax. 071-3316440	Contact: Mr. W. de Wit
<b>De Kweker</b> Centrale Groothandelsmarkt S1 1051 KL Amsterdam	Ph. 020-6063606 fax. 020-6063600	Contact: Mr. P.F. Poelstra info@kweker.nl
<b>Lusto b.v.</b> Vareseweg 115 3047 AT Rotterdam <a href="http://www.lusto.nl">www.lusto.nl</a>	Ph. 010-4621233 fax. 010-4621270	Contact: Mr. W. Storm Mr. F.M.J.W. Luijk
<b>Pietercil Barends b.v.</b> Bleiswijkseweg 51 2712 PB Zoetermeer	Ph. 079-3441100 fax. 079-3420831	Contact: Mr. J. Hoop Mrs. R. Andreoli
<b>Sligro b.v.</b> Corridor 11 5466 RB Veghel <a href="http://www.sligro.nl">www.sligro.nl</a>	Ph. 0413-343500 fax 0413-341520	Contact: Mr. G. van de Ven info@sligro.nl
<b>Suncomex b.v.</b> Vanadiumweg 15 3812 PX Amersfoort <a href="http://www.suncomex.nl">www.suncomex.nl</a>	Ph. 033-4659075 fax 033-4651449	Contact: Mr. B.E. Boerema

Note: Country Code for The Netherlands is +31

**Appendix 5. Major Players in Wholesale for Food Service are:**

		Tel:
DeliXL (part of Ahold)	Ede	+31-(0)318-678922
FGN / Kruidenier Food Service	Rotterdam	+31-(0)10-4950788
ISPC	Brussels	+32-(0)2-4237300
Sligro	Veghel	+31-(0)413-343500

In food catering the French company Sodexo is market leader. Other major companies in food catering for in-company restaurants are Albron and Compass Group.

## Appendix 6. An Overview of Turnover Development of Product Groups in Dutch Food Retail

Product group	2000 Sales (Million U.S. \$)	Share in Total Food Sales	Growth 1999 / 2000 (%)	Growth 2000 / 2001* (%)
Dairy	1,825	9.5	2.5	5.5
Potatoes, Vegetables and Fruit	1,589	8.3	2	4.3
Fresh Meat	1,482	7.8	3.3	9
Soft Drinks	716	3.8	3.3	4
Beer	594	3.1	-2	6
Biscuits and Cakes	508	2.7	4.6	4.0
Dry Snacks, Peanuts & Tree Nuts	464	2.5	5.6	4.0
Coffee	448	2.4	4.4	(1.0)
Plain Wines	409	2.1	4.7	3.0
Prepacked Bread	407	2.1	9	2.0
Yellow Fat	316	1.7	4.7	5.0
Fruit Juices, Drinks and Dairy	285	1.5	6.1	8.5
Chocolate Products	284	1.5	4.3	1.0
Ready-to-eat Meals	234	1.2	15.1	11.0
Confectionary	230	1.2	4.7	3.0
Soups	207	1.1	3.9	8.0
Pet Food	203	1.1	1	0.0
Groceries Sandwich Filling	203	1.1	2.8	3.0
Frozen Snacks	149	0.8	7.4	7.0
<b>Total Food Sales</b>	<b>19,070</b>	<b>100</b>	<b>3.8</b>	<b>N.A.</b>

\* sales up to and included week 40 2001 in comparison with the same period in 2000

Source: AC Nielsen, Distrifood, IRI