Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Required Report - public distribution

Date: 3/1/2001

GAIN Report #NL1014

The Netherlands

Grain and Feed

Annual - Revised

2001

Approved by:
Phil Letarte
U.S. Embassy, The Hague
Prepared by:
Bob Flach

Report Highlights:
In 1999/2000, Dutch feed grain consumption and related trade fell significantly. CAP reforms, however, are expected to lower feed grain prices and increase their use in animal feeds. The expected price decline of feed grains and the shrinkage of livestock numbers should bring the shortage of proteins into equilibrium in Northwestern Europe created by the meat and bone meal ban.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
The Hague [NL1], NL

Table of Contents

Executive Summary

Grains

The Netherlands is a minor producer of grains but is a major importer, processor and distributor. About 7 to 8 million MT of grains are processed annually in The Netherlands. In 1999/2000, Dutch grain imports fell significantly, probably due to higher price levels of feed grains. For the 2000/2001 season it is expected that feed grain prices will decline due to the CAP reforms, and Dutch imports will recover. Furthermore, since the tariffs for high quality wheat were lowered by CAP reforms, imports of US wheat continued to climb.

Compound Feed

The Netherlands imports about 22 million MT annually of agricultural bulk commodities and produces about 15 million MT of compound feeds. The US share of these imports consists mainly of vegetable proteins: 2.3 million MT of soybeans and 1.3 million MT of corn gluten feed. The shortage of proteins in Northwestern Europe, as an effect of the meat and bone meal ban, is expected to be largely leveled out by the shrinkage of the livestock herd and the expected price decline of feed grains in the EU. It is, however, forecast that demand for specific proteins, relative to similar animal proteins, will grow. From July 1, 2001, suppliers of feed ingredients must adhere according to the GMP. The Product Board for Livestock, Meat and Eggs, acknowledges the demand for meat produced with non GM feed, especially in the important export market Germany, but expects two years are needed before non GM feed ingredients can be supplied in sufficient volume.

Rice

Since 1995, Dutch per capita rice consumption rose 40 percent. Rice from Thailand and Guyana is particularly gaining in popularity. In contrast, rice imports from the United States have been falling since 1995, probably due to more competitive prices, affected by the strong U.S. dollar, and the preference of the Dutch consumer for more exotic rice varieties.

Conversion rates:
1997 EURO 1.00 = US$ 1.16**, 1998** EURO 1.00 = US$ 1.08, **1999** EURO 1.00 = US$ 1.06
2000 EURO 1.00 = US$ 0.92, **2001**, average January EURO 1.00 = US$ 0.94

1997 US$ 1.00 = Dfl. 1.89**, 1998** US$ 1.00 = Dfl. 2.03, **1999** US$ 1.00 = Dfl. 2.07
2000 US$ 1.00 = Dfl. 2.39, **2001**, average January US$ 1.00 = Dfl. 2.35

Acronyms used in Report	
Dutch	**English**
AID = Algemene Inspectiedienst	General Inspection Service
BENELUX = België, Nederland, Luxemburg	Belgium - The Netherlands - Luxembourg
CAP	Common Agricultural Policy
CBS = Centraal Bureau voor de Statistiek	Central Bureau for Statistics
IKB = Integraal Ketenbeheer	Integrated Quality Control
KCR = Kwaliteits Controle Runderen	Cattle Quality Inspection
KDD = Stichting Kwaliteits Dienst Diervoeders	Quality Service Animal Feeds
KDLL = Kwaliteitsdienst Landbouwkundige Laboratoria	Quality Service Agricultural Laboratories

KKM = Keten Kwaliteit Melk	Chain Quality Milk
LEI = Landbouw Economisch Instituut	Agricultural Economic Institute
MOP	margin of preference
OAC	Office of the Agricultural Counselor
PA = Productschap Akkerbouw	Product Board for Arable Crops
PDV = Productschap voor Diervoeders	Product Board for Animal Feed
PGZP = Productschap Granen, Zaden en Peulvruchten	Product Board for Grains, Seeds and Pulses
PVE = Produktschap voor Vee, Vlees en Eieren	Product Board for Livestock, Meat and Eggs
PZ = Productschap voor Zuivel	Product Board for Dairy
RIKILT = Rijks-Kwaliteitsinstituut voor Land- en Tuinbouwprodukten	State Institute for Quality Control of Agricultural Products
RVV = Rijksdienst voor de keuring van Vee en Vlees	National Inspection Service for Livestock and Meat

Grain

Production

The production of grains in The Netherlands is less than 1 percent of the EU total. About 20 percent of the Dutch arable crop acreage consists of grains, with a production of 1.4 million MT of grains per year, including corn. Wheat and barley are the most important grains produced, with an annual production of about 1 million MT and 350,000 MT, respectively. The production of oats (15,000 MT), rye (35,000 MT) and triticale (40,000 MT) are relatively small. The average yield of wheat is high in The Netherlands, between 8 and 9 MT per hectare. The annual production of corn is about 150,000 MT per year and covers about 30 percent of the Dutch arable crop acreage. Most corn is produced for animal feeds.

In 1999, winter wheat production fell 40 percent because a smaller area was seeded to winter wheat due to adverse weather conditions. In 2000, winter wheat acreage was doubled and the production of grain increased nearly 30 percent to a new record of 1.6 million MT. The two mosaic viruses, migrating from Southern Europe, found in rye (soil born cereal mosaic furovirus) and wheat (wheat spindle streak mosaic bymovirus), were not found in The Netherlands.

Table 1: Grain Production in The Netherlands

	1997	1998	*1999		**2000	
	1,000 MT	1,000 MT	1,000 ha	1,000 MT	1,000 ha	1,000 MT
Wheat	1,063	1,072	103	851	138	1,183
- Winter Wheat	-	-	62	543	122	1,063
- Summer Wheat	-	-	41	309	16	120
Barley	268	214	58	365	47	319
- Winter Barley	-	-	2	12	4	25
- Summer Barley	-	-	56	352	44	294
Grains Total	1,490	1,443	168	1,255	201	1,589
Corn For Starch -"korrelmais"	-	-	16	96	20	120
Corn for feed -"snijmais"	-	-	2,316	#2,772	2,067	#2,472
-"corn cob mix"	-	-		**g** 36		**g** 42

(*) Update (**) CBS estimate (#) OAC estimation (based on a yield of 12 MT dry matter whole corn crop per hectare)
(**g**) OAC estimation (based on a yield of 6 MT per hectare) Source: Central Bureau for Statistics (CBS)

Dutch Policy
In January 2001, arable crop farmers requested financial support. The low income of arable crop farmers in 1999 and 2000, was partly due to rainy weather and high water levels. Dutch government policy is that arable crop farmers should be supported in transforming their farms into stronger and smaller operations and not by price support. Some parliamentarians argued that, considering the low income, special services and programs were needed, like private insurance. For more information on Dutch agricultural policy see report NL0059.

Usually, the average income of arable farmers, about EURO 30,000 yearly, is more stable than the income of livestock farmers. The Agricultural Economic Institute (LEI) figures for the season 1999/2000, however, report a significant decline in income to EURO 11,000. For the 2000/2001 season, the LEI predicts a further decline to EURO 6,500. This is by far the lowest income of all Dutch agricultural sectors.

Consumption
In The Netherlands, 7 to 8 million MT of grains are processed annually by the milling industry, starch industry, malting industry and feed compounders.

The Dutch milling industry mills yearly about 1.7 million MT of wheat. Dutch consumers prefer fluffy, well risen, bread. For the production of this bread, a high elasticity of wheat gluten (protein) is needed. The Dutch climate is too wet to produce this wheat quality, so imports are needed from France and Germany. Dutch annual consumption of wheat flour is about one million MT. There is a tendency toward reduced domestic flour production, and increased flour imports from Germany.

The Dutch starch industry consumes about 1.7 million MT of corn yearly, from Southwest France, and wheat, produced domestically and imported from France and Germany. In addition, in The Netherlands, about 2 million MT of potatoes are processed annually the starch industry. A large part of starch and starch containing products are exported.

The Dutch malting industry processes about 0.5 million MT of barley yearly, either of Dutch origin or imported from Germany, Denmark, or the UK. The Dutch brewing industry produces about 525 million gallons of beer annually. The Netherlands is the largest exporter of beer in the world.

The Dutch animal feed industry incorporates about 3 to 4 million MT of grains yearly in about 15 million MT of compound feeds. Consumption of grains and products and oilseeds and products by sector is: for broilers, 50 and 20 percent respectively, hogs, 30 and 25 percent, and dairy cows, 30 percent for each. The incorporation of grains is highly dependent on relative price levels. Due to high prices for grains during 1999/2000, feed grain usage was reduced and was shifted to oilseed meals. For the 2000/2001 season, however, recovery in the use of grains for animals feeds is expected as a result of lower prices versus oilseed meals.

Table 2: Feed Grain Usage in The Netherlands
(x 1,000 MT)

	94/95	95/96	96/97	*97/98	*98/99	**99/00	#00/01	##01/02
Wheat	1,022	1,509	1,530	1,361	1,752	1,005	1,500	1,500
Barley	696	990	902	428	668	805	750	800
Oats	-	-	-	21	15	37	35	35
Rye	-	-	-	44	45	25	40	40
Corn	811	767	659	1,220	1,190	800	1,000	1,000
Others	83	418	258	216	208	160	200	200
Total	2,612	3,684	3,349	3,290	3,851	2,832	3,525	3,575

(*) Updated (**) Estimation (#)Forecast (##) Forecast OAC Source: Stigevo

Policy & Marketing

EU Common Agricultural Policy

The EU's agricultural policy concerning grains, oilseeds and rice is largely harmonized. The Common Agricultural Policy (CAP) for grains consist of:

- Intervention prices, which have been reduced by 15 percent in three steps since 1999/2000 to 101.3 EURO/MT.
- Direct payments, which have been increased 16 percent in three steps since 1999/2000 to 63 EURO/MT.
- Compensation for set aside land, 63 EURO/MT.
- Export subsidies.
- Import tariffs, linked to intervention prices by the margin of preference.

The tariff applicable to imports from the United States is the Most Favored Nation (MFN) tariff which also applies to other signatories to the WTO agreement. However, many countries enjoy lower preferential tariffs within the scope of various trade agreements. Under the Uruguay Round Agreement, the EU committed to reduce import tariffs for agricultural products by 36 percent on average over the 6-year implementation period. As part of its Uruguay Round market access commitments, the EU agreed to maintain a fixed relationship, the margin of preference (MOP), between the duty paid import price and the support price for several grains, including rice and wheat. Basically, the duty paid price for imports is not supposed to be more than 155 percent of the intervention price for cereals, 180 percent of the effective intervention price for long grain (Indica style) brown rice, and 188 percent of the effective intervention price for short grain (Japonica style) brown rice (Source: US Mission to the EU, Brussels). Each week the EC determines import tariffs, calculated as the difference between the world market price and duty paid import price (155 percent of the intervention price of 101.3 EURO/MT). The tariff on high quality wheat has been zero since the world market price rose and the duty paid import price was lowered. For more information on the CAP, see the USEU website: http://www.useu.be/agri/usda.html.

EU's grain market

The following developments are of importance for the 2000/2001 and 2001/2002 season:
(1) Due to the EU's CAP reforms, it is expected that the profitability of oilseeds production will decrease more than that of wheat, which could lead to higher EU wheat production.
(2) Due to large anticipated wheat production, wheat stocks are expected to increase during 2000/2001.
(3) In addition, due to the CAP reforms, internal grain prices are expected to fall which could lead to higher domestic consumption of grains for feed and non feed use.
(4) Furthermore, it is expected that EU grains will be more competitive on world markets.
(5) Lower import duties, however, may attract high quality grain imports from third countries.
(6) US corn imports will resume depending on GMO approvals by the EU.
(7) The amount of grains used for animal feeds will be effected by the shrinking cattle and pig stock in the EU.

Table 3 : Total Grain Supply - Demand in the EU
(x 1,000 MT)

	MY 98/99	MY 99/00	MY *00/01
Area harvested (million ha)	37.2	36.1	37.0
Production	207.9	199.0	208.7
Imports third countries	6.7	5.5	6.3
Imports US	1.7	1.6	1.7
Total imports	41.1	40.0	40.9
Exports third countries	23.9	26.3	25.7
Total exports	57.1	59.5	58.9
Feed consumption	113.9	111.9	113.1
Total consumption	184.2	183.0	184.6
Ending stocks	44.0	40.5	46.5

Source: USEU Brussels * Estimation OAC

Trade

The BENELUX (Belgium - The Netherlands - Luxembourg) is by far the main importer of grains in Europe. The Netherlands alone imports annually about 3.5 million MT of wheat, 1 million MT of barley, and 2 million MT of maize. In addition, The Netherlands is one of the world's main oilseed importers and crushers. It's the world's largest soybean importer next to Japan. To emphasize that this is not just a transhipment point for food and agricultural products, the Netherlands is the second largest farm trade surplus in the world. The Netherlands largely depends on grain imports from EU member states, especially France and Germany.

In 1999/2000, Dutch grain imports fell significantly. Dutch wheat imports fell 6 percent to 3.4 million MT, after a continuous increase since 1993/1994. Dutch barley imports declined steadily since 1995/1996, from 1.2 million MT to a current 0.8 million MT. Dutch maize imports declined nearly 20 percent to 1.6 million MT. The lower incorporation of grains in animal feeds is probably the main reason for the reduction in Dutch grain imports. In 2000/2001 and 2001/2002, a modest recovery in grain imports is expected due to higher utilization levels in feeds.

Outlook US Trade

As EU levies against third country wheat rose, imports of wheat from the United States stopped in the mid eighties. Currently, WTO agreements have lowered the EU levies and certain varieties of US wheat are now being used again in the EU. In the BENELUX, spring wheat and to a lesser extent, durum wheat is imported from the United States. Durum is used for pasta, and spring wheat for specialty bakery products, such as whole wheat bread (volkoren brood), Dutch rusk (beschuit), fritters (oliebollen), frozen dough products, and McDonald's hamburger buns. In the BENELUX, a basic import demand for high quality wheat exists nearly unaffected by price variations.

With three major importers, Belgium is the main gateway and distributor of US wheat in the BENELUX. The Netherlands has only one major importer, since there are no borders, US wheat import estimates vary greatly between sources because of: (a) undocumented trade within the EU; (b) re-exports in Rotterdam and Antwerpen; and (c) internal sales within a company, but between countries. BENELUX imports of US wheat are estimated at about 50,000 MT per year, and with re-exports and inter-company trade included, at about 250,000 MT per year (Source US Wheat). Imports of US wheat are mainly dependent on the value of the US$ versus the EURO, and the presence of high quality wheat traders.

PSD & Trade Matrices

PSD Table						
Country	Netherlands					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**07/1999**		**07/2000**		**07/2001**
Area Harvested	102	103	130	138	0	150
Beginning Stocks	200	100	250	251	400	284
Production	851	851	1,150	1,183	0	1,285
TOTAL Mkt. Yr. Imports	3,850	3,415	3,650	3,500	0	3,700
Jul-Jun Imports	3,850	3,415	3,650	3,500	0	3,700
Jul-Jun Import U.S.	0	1	0	10	0	25
TOTAL SUPPLY	**4,901**	**4,366**	**5,050**	**4,934**	**400**	**5,269**
TOTAL Mkt. Yr. Exports	800	415	800	650	0	1,000
Jul-Jun Exports	800	415	800	650	0	1,000
Feed Dom. Consumption	1,900	1,005	1,800	1,500	0	1,500
TOTAL Dom. Consumption	3,851	3,700	3,850	4,000	0	4,000
Ending Stocks	250	251	400	284	0	269
TOTAL DISTRIBUTION	**4,901**	**4,366**	**5,050**	**4,934**	**0**	**5,269**

Source: CBS & Stigevo.

Import Trade Matrix			
Country	Netherlands		
Commodity	Wheat		
Time period	Jul - Jun	Units:	Metric Tons
Imports for:	**1999**		**2000**
U.S.	1,279	U.S.	999
Others		Others	
E.U.	2,989,020	E.U.	3,370,893
- France	1,584,929	- France	1,628,358
- Belgium/Lux	221,273	- Belgium/Lux	247,662
- Germany	998,567	- Germany	1,117,182
- U.K.	87,176	- U.K.	347,283
- Denmark	67,167	- Denmark	20,413
Hungary	5,891	Hungary	9,930
Canada	15,045	Canada	13,366
Ukraine	8,695	Ukraine	11,378
Slovakia	769	Slovakia	3,456
Total for Others	3,019,420		3,409,023
Others not Listed	341		5,454
Grand Total	3,021,040		3,415,476

Export Trade Matrix			
Country	Netherlands		
Commodity	Wheat		
Time period	Jul - Jun	Units:	Metric tons
Exports for:	**1999**		**2000**
U.S.		U.S.	
Others		Others	
E.U.	220,406	E.U.	218,505
- France	8,482	- France	3,505
- Belgium/Lux	62,150	- Belgium/Lux	89,381
- Germany	46,183	- Germany	37,287
- Portugal	65,287	- Portugal	67,561
- Ireland	0	- Ireland	11,989
- U.K.	87,176	- U.K.	37,287
Total for Others	220,406		218,505
Others not Listed	3		1,012
Grand Total	220,409		219,517

Source: CBS.

PSD Table						
Country	Netherlands					
Commodity	Wheat, Durum				(1000 HA)(1000 MT)	
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**01/1999**		**01/2000**		**01/2001**
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
TOTAL Mkt. Yr. Imports	0	14	0	25	0	50
Jul-Jun Imports	0	14	0	25	0	50
Jul-Jun Import U.S.	0	0	0	5	0	10
TOTAL SUPPLY	**0**	**14**	**0**	**25**	**0**	**50**
TOTAL Mkt. Yr. Exports	0	10	0	18	0	40
Jul-Jun Exports	0	10	0	18	0	40
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	0	4	0	7	0	10
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	**0**	**14**	**0**	**25**	**0**	**50**

Source: CBS & Stigevo.

Import Trade Matrix			
Country	Netherlands		
Commodity	Wheat, Durum		
Time period	Jul - Jun	Units:	Metric Tons
Imports for:	**1999**		**2000**
U.S.		U.S.	
Others		Others	
E.U.	57,405	E.U.	14,088
- France	4,699	- France	3,000
- Belgium/Lux	9,700	- Belgium/Lux	5,485
- Germany	42,990	- Germany	5,593
Canada	12	Canada	0
Total for Others	57,417		14,088
Others not Listed	87		134
Grand Total	57,504		14,222

Export Trade Matrix			
Country	Netherlands		
Commodity	Wheat, Durum		
Time period	Jul - Jun	Units:	Metric Tons
Exports for:	**1999**		**2000**
U.S.		U.S.	
Others		Others	
E.U.	9,811	E.U.	329
- France	2	- France	6
- Belgium/Lux	4,069	- Belgium/Lux	195
- Germany	5,726	- Germany	107
Total for Others	9,811		329
Others not Listed	2		7
Grand Total	9,813		336

Source: CBS.

PSD Table						
Country	Netherlands					
Commodity	Barley				(1000 HA)(1000 MT)	
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**10/1999**		**10/2000**		**10/2001**
Area Harvested	60	58	50	47	0	50
Beginning Stocks	184	60	229	50	224	49
Production	365	365	320	319	0	340
TOTAL Mkt. Yr. Imports	900	1,220	900	1,000	0	1,000
Oct-Sep Imports	900	1,220	900	1,000	0	1,000
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	**1,449**	**1,645**	**1,449**	**1,369**	**224**	**1,389**
TOTAL Mkt. Yr. Exports	250	195	200	170	0	150
Oct-Sep Exports	250	195	200	170	0	150
Feed Dom. Consumption	630	805	700	750	0	800
TOTAL Dom. Consumption	970	1,400	1,025	1,150	0	1,200
Ending Stocks	229	50	224	49	0	39
TOTAL DISTRIBUTION	**1,449**	**1,645**	**1,449**	**1,369**	**0**	**1,389**

Source: CBS & Stigevo.

Import Trade Matrix			
Country	Netherlands		
Commodity	Barley		
Time period	Oct - Sep	Units:	Metric Tons
Imports for:	**1999**		**2000**
U.S.		U.S.	
Others		Others	
E.U.	820,122	E.U.	951,841
- France	434,606	- France	439,301
- Belgium/Lux	73,511	- Belgium/Lux	53,124
- Germany	271,977	- Germany	417,305
- U.K.	34,418	- U.K.	36,348
- Denmark	5,232	- Denmark	0
		Slovakia	3,314
Total for Others	820,122		955,155
Others not Listed	929		30
Grand Total	821,051		955,185

Export Trade Matrix			
Country	Netherlands		
Commodity	Barley		
Time period	Oct - Sep	Units:	Metric Tons
Exports for:	**1999**		**2000**
U.S.		U.S.	
Others		Others	
E.U.	62,721	E.U.	164,642
- Belgium/Lux	16,468	- Belgium/Lux	49,593
- Germany	41,733	- Germany	95,855
Saudi Arabia	54,425	Saudi Arabia	38,137
Canada	43,799	Canada	0
Hungary	2,900	Hungary	7,838
		Iceland	698
Total for Others	163,845		211,315
Others not Listed	0		3,012
Grand Total	163,845		214,327

Source: CBS.

PSD Table						
Country	Netherlands					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**10/1999**		**10/2000**		**10/2001**
Area Harvested	16	24	16	27	0	25
Beginning Stocks	0	50	0	78	0	95
Production	130	132	130	162	0	150
TOTAL Mkt. Yr. Imports	2,000	1,636	2,000	1,650	0	1,650
Oct-Sep Imports	2,000	1,636	2,000	1,650	0	1,650
Oct-Sep Import U.S.	0	0	0	0	0	5
TOTAL SUPPLY	**2,130**	**1,818**	**2,130**	**1,890**	**0**	**1,895**
TOTAL Mkt. Yr. Exports	50	40	50	45	0	50
Oct-Sep Exports	50	40	50	45	0	50
Feed Dom. Consumption	1,100	800	1,100	1,000	0	1,000
TOTAL Dom. Consumption	2,080	1,700	2,080	1,750	0	1,750
Ending Stocks	0	78	0	95	0	95
TOTAL DISTRIBUTION	**2,130**	**1,818**	**2,130**	**1,890**	**0**	**1,895**

Source: CBS & Stigevo.

Import Trade Matrix			
Country	Netherlands		
Commodity	Corn		
Time period	Oct - Sep	Units:	Metric Tons
Imports for:	**1999**		**2000**
U.S.	351	U.S.	595
Others		Others	
E.U.	1,774,890	E.U.	1,997,491
- France	1,459,495	- France	1,441,456
- Belgium/Lux	38,357	- Belgium/Lux	83,358
- Germany	274,586	- Germany	470,148
- U.K.	1,823	- U.K.	2
- Austria	24	- Austria	1,588
Argentina	60,278	Argentina	78,616
Hungary	1,225	Hungary	1,730
Total for Others	1,836,393		2,077,837
Others not Listed	2,625		3,145
Grand Total	1,839,369		2,081,577

Export Trade Matrix			
Country	Netherlands		
Commodity	Corn		
Time period	Oct-Sep	Units:	Metric Tons
Exports for:	**1999**		**2000**
U.S.		U.S.	
Others		Others	
E.U.	31,192	E.U.	51,863
- France	865	- France	5,717
- Belgium/Lux	18,682	- Belgium/Lux	28,907
- Germany	7,295	- Germany	13,452
- U.K.	1,548	- U.K.	3,343
- Denmark	2,618	- Denmark	90
Total for Others	31,192		51,863
Others not Listed	100		81
Grand Total	31292		51,944

Source: CBS.

PSD Table						
Country	Netherlands					
Commodity	Oats				(1000 HA)(1000 MT)	
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**10/1999**		**10/2000**		**10/2001**
Area Harvested	2	3	2	2	0	0
Beginning Stocks	5	0	4	2	3	2
Production	14	14	13	13	0	13
TOTAL Mkt. Yr. Imports	20	38	20	35	0	35
Oct-Sep Imports	20	38	20	35	0	35
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	**39**	**52**	**37**	**50**	**3**	**50**
TOTAL Mkt. Yr. Exports	1	5	1	6	0	6
Oct-Sep Exports	1	5	1	6	0	6
Feed Dom. Consumption	10	37	10	35	0	35
TOTAL Dom. Consumption	34	45	33	42	0	42
Ending Stocks	4	2	3	2	0	2
TOTAL DISTRIBUTION	**39**	**52**	**37**	**50**	**0**	**50**

Source: CBS & Stigevo.

Import Trade Matrix			
Country	Netherlands		
Commodity	Oats		
Time period	Oct - Sept	Units:	Metric Tons
Imports for:	**1999**		**2000**
U.S.		U.S.	
Others		Others	
E.U.	24,724	E.U.	30,608
- France	10,165	- France	7,320
- Belgium/Lux	1,809	- Belgium/Lux	601
- Germany	10,137	- Germany	12,217
- U.K.	1,564	- U.K.	8,273
- Finland	1,049	- Finland	2,197
Total for Others	24,724		30,608
Others not Listed	3		167
Grand Total	24,727		30,775

Export Trade Matrix			
Country	Netherlands		
Commodity	Oats		
Time period	Oct - Sept	Units:	Metric Tons
Exports for:	**1999**		**2000**
U.S.		U.S.	
Others		Others	
E.U.	7,171	E.U.	5,143
- Germany	6,334	- Germany	3,295
Switzerland	24	- France	1,060
Norway	10		
Total for Others	7,205		5,143
Others not Listed	1		3
Grand Total	7,206		5,146

Source: CBS.

Compound Feed

Production

Table 4: Compound Feed Production in the Netherlands
(x 1,000 MT)

	1997	1998	1999	2000*	2001*
Cattle Feed	3,656	3,597	3,560	3,400	3,300
Pig Feed	7,054	6,951	6,820	6,600	6,250
Poultry Feed	3,740	3,727	3,810	3,850	3,900
Others	774	766	790	800	800
Total	15,224	15,041	14,980	14,650	14,250

* Estimate Source: Product Board for Animal Feed & Stigevo

Table 5: Turn Over of Compound Feed in the Netherlands
(July'99 to June 2000/ x 1,000MT)

	Cattle	Pigs	Poultry	Other	Total
Cehave Landbouwbelang	440	1,335	695	15	2,485
Hendrix UTD	550	1,100	530	20	2,200
De Heus Brokking Koudijs	400	400	550	55	1,400
ABCTA	370	775	200	5	1,350
ACM	425	205	320	10	960

*Company's annual reports and CLO de Schothorst

Dutch compound feed production is steadily declining due to the reduction in pig stocks as a result of environmental restrictions and the lower cattle stocks due to milk quota system and the effects BSE. It is expected that this trend will continue in the following years. The two main feed producers in The Netherlands, Cehave Landbouwbelang and Hendrix UTD, expect a reduction of the Dutch livestock herd by about 30 percent during the next five years. This would indicate an annual feed production of roughly 10 million MT.

Consumption

The Dutch compound feed industry has traditionally used a significant percentage of imported non-grain feed ingredients in their feed rations such as tapioca, soybean meal and corn gluten feed. This ingredient usage pattern is partly explained by the proximity of the port of Rotterdam to the Dutch compound feed factories which makes the duty-free import and domestic usage of non-grain feed ingredients relatively attractive vis-a-vis imports of grain from France or other EU origins.

The grain share in animal feed is expected to increase gradually through 2001 due to a variety of reasons including the expected increase in the use of on-farm mixed feed (at the expense of compound feed). Lower prices brought about by CAP reform will also favor the use of EU grain in feed rations.

Pet Food Market

The number of households in The Netherlands is 6.3 million with about 1.50 million dogs and 2.25 million cats. The annual sales of dog food are about 115,000 MT of which the percentage dry and wet food is about 80 percent and 20 percent, respectively. Annual sales of cat food are about 80,000 MT of which the percentage dry and wet food is about 25 percent and 75 percent, respectively. Total annual sales value of dog and cat food is about EURO 0.55 billion. In 1999, Dutch imports of dog and cat food were 232,000 MT, exports were 1,064,000 MT. The product variety in the Dutch market is highly diverse with about 1,000 products from 40 different suppliers. There are roughly four categories of pet: puppy and kitten feed; adult feed; senior feed and diet feed.

Trade

Table 6: Feed Ingredients Trade in the Netherlands
(X 1,000 MT)

	1998		1999		2000*	
	Import	Export	Import	Export	Import	Export
Grains (feed and non feed)	6,240	495	5,981	489	5,500	400
Grain by products	473	252	420	326	450	230
Oilseeds (feed and non feed), of which	6,505	1,208	6,260	1,061	6,300	1,100
- Soybeans	5,469	1,108	5,267	992	5,300	1,050
-- Soybeans US	2,172	-	2,231	-	2,300	-
Meals, of which	3,597	3,749	2,912	3,679	4,000	4,750
- Corn gluten feed	1,844	681	1,376	802	1,350	810
-- Corn gluten feed US	1,666	-	1,260	-	1,250	-
Animal proteins	330	203	270	226	200	150
Pulses	844	139	825	165	770	250
Manioc	1,076	84	1,426	182	1,500	350
Citrus Pulp	99	140	406	310	730	340
Molasses	776	172	742	165	800	130
Feed	397	1,594	351	1,619	325	1,400
Other	1,644	740	1,538	814	1,300	750
Total	21,981	8,776	21,131	9,036	21,875	9,890

Source: Product Board for Animals Feeds and Product Board for Margarine, Fats and Oils, derived from CBS figures
*Forecast OAC

Grains and Oilseeds

In 2000/2001, grain prices are expected to be more competitive versus oilseeds relative to 1999/2000. As a consequence their usage for animals feed and related trade will pick up in the coming years. During 2000, Dutch trade in oilseeds and meals remained below trade in 1999. Soybean imports from the US, however, recovered from the lowest imports in a decade (for more information about oilseeds and products see Oilseeds and Products Annual Report, NL0022).

Corn Gluten Feed (CGF)

The Netherlands imports yearly about 1.5 million MT of CGF, which is about 20 percent of US production. About half of imports are re-exported, mainly to Germany. CGF is commonly incorporated into dairy feeds for the protein and fibre content. In 1998 and 1999, Dutch consumption of CGF was about 95,000 MT and 48,000 MT, respectively. For the year 2000, Dutch usage of CGF is estimated at 45,000 MT per month (30,000 MT in cattle feed and 15,000 MT in sow and laying hen feed), which is an historic low point. The main reasons for lower usage of CGF are the strong US$ and the GMO issue. The retaliation measure by the EU as a result of the Wheat Gluten Dispute Settlement of 5 EURO per MT of corn gluten feed will have little effect on the sales. The trade informed us that the import duty is relatively small compared to high price level of CGF (EURO 134 per MT at 02/13/01), and the price variation. The trade expects more influence from the GMO issue, reportedly Dutch buyers increasingly demand non GMO CGF (See also Chapter Policy and Marketing, EU CAP).

Policy & Marketing

Dutch Feed Compounders

Cehave Landbouwbelang is one of the two main feed compounders in The Netherlands. Cehave and Landbouwbelang merged in January 1, 1999. The company's annual production is 2.5 million MT, with eight factories and 3,000 employees. Facing a reduction in domestic livestock herd, both companies are planning to increase efficiency by reorganizations and diversification of the product and service supply.

Hendrix UTD, annual production of 2.2 million MT, was formed by a merger between Hendrix Voeders and UTD Mengvoeder in mid 1998 and is a subsidiary of Nutreco. After upcoming reorganizations, two factories will be closed, Hendrix UTD will have six factories and 460 employees left. Nutreco is one of the leading feed companies in the world with an annual turnover of EURO 2.6 billion in 2000. Nutreco is highly integrated in the livestock sector, with breeding operations, feed production and meat processing plants. Over the first half year of 2000, their profit was EURO 26 million compared to EURO 15 million in the first half of 1999. The results in the domestic market were disappointing, while returns in Spain expanded. Growth in returns was mainly realized in salmon farming. Currently, a quarter of the turnover is generated by salmon farming which makes Nutreco one of the main salmon producers in world. Recently, Nutreco took over Marine Harvest in Scotland and Hydro Seafood in Norway, Ireland and France.

Dutch Policy

Food Safety and Quality

In June 2000, MinAg published the policy note "Policy Agreement Animal Feeds" (Beleidsbesluit Diervoeders). The stringent measures consist of; (1) The "no unless" principle by which suppliers are obliged to prove the safety of the feed ingredient; (2) Controversial raw materials will be forbidden, such as sick animals, pets, kitchen waste and sludge; (3) The government will have a stronger position in safeguarding food safety; (4) Transparency to the consumer (labeling); (5) Implementation of quality assurance systems, such as HACCP by the Product Boards, see under Quality Assurance Systems; (6) Harmonization with international legislation via Codex Alimentarius; (7) Development and implementation of an Early Warning System (EWS). The policy note will be implemented in Dutch Law and regulations enforced in January 2002. The General Inspection Service (AID), National Inspection Service for Livestock and Meat (RVV), and the Quality Service for Animal Feeds (KDD) will be responsible for the inspections.

- In 2001, the Product Board for Livestock, Meat and Eggs (PVE) will start a program "Action Plan Salmonella and Campylobacter 2000+" to lower the infection frequency of Salmonella under 10 percent before December 2001, and under 5 percent before December 2002. The costs of the Action Plan will be paid by the sector and are estimated at EURO 35 to 40 million over a two year time period.
- There is a tendency to insist on antibiotic free feed. The European Retailers Organization Eurep is planning to limit their supply to poultry fed with feed deficient of antibiotics. The Dutch Consumers Organization reported that 10 percent of chicken breast filets are contain with antibiotics.

Quality Assurance Systems: Integrated Quality Control (IKB) and Good Manufacturing Practice (GMP)

The Product Boards for Livestock, Meat and Eggs (PVE) developed, in cooperation with the government and other agricultural organizations, the Integrated Quality Control (IKB) system for meat and eggs. Quality and safety of the production is guaranteed through the whole production chain, from feed to processing of meat. In addition, for the quality control of milk, the private sector organization "Chain Quality Milk" introduced "KKM" milk. In order to supply feed to IKB certified farms, the feed supplier must be GMP certified. From October 1, 2000, the suppliers of raw materials for feed production must adhere according to GMP, to a comparable quality assurance system (such as HACCP), or at least state that GMP or a comparable system is in preparation. From July 1, 2001, the quality assurance system has to be fully operational (see report NL0024 and NL0037).

Biotechnology

In the Netherlands, in anticipation of a so-called European "Novel Feed" directive the raw materials for animal feed are subjected to an animal feed safety test by the RIKILT. In this way it is guaranteed that only raw materials with GMO origin which have been tested and found safe by the EU are used (Source: Product Board for Animal Feeds).

In October 2000, the Dutch government published a biotech policy paper (see report NL0053). In the paper, the government suggested labeling GM products and their derivatives to the greatest extent possible, in the frame work of the Novel Feeds Regulation of the EU. In 2001, the Dutch government will initiate a national debate on the ethical and social aspects of biotechnology (see report NL0112). According to the Product Board for Livestock, Meat and Eggs (PVE), the Dutch market is not influenced by the scientific safety of the technology (since the imported GM varieties meet EC regulations) but by their acceptance from Germany, the main export market. The PVE agree that consumers should have the option of buying meat that was produced without GM feed but that two years are needed before non GM feed ingredients can be supplied in sufficient quantities.

BSE

In the past decade, The Netherlands has been ahead of harmonized measures against BSE. With the separation of production lines and distribution channels of ruminant feeds, the Dutch sector is theoretically safeguarded from BSE. Occurrences of BSE incidents in France and Germany, have spurred the EC to impose what are considered here to be unreasonable measures. The new measures imposed by the EC require a BSE testing frequency of 60,000 per month and replacement of 300,000 MT of meat and bone meal (MBM) with vegetable proteins in compound feeds. The total costs of testing, MBM incineration and replacement in compound feeds, is estimated at EURO 0.5 to 0.9 billion, 6 to 12 percent of the gross production value of the Dutch livestock sector.

If the MBM is replaced by soya, this would require additional imports of 375,000 MT of soybean meal equivalent (SME), taking into account the protein ratio. It is expected that the costs for poultry feed and pig feed will rise by EURO 18 and EURO 14 per MT, respectively. The rise in pig feed is lower than for poultry feed because more alternatives for MBM are available. The effect on cattle feed will be limited due to the fact that only a small amount of MBM was incorporated. The following feed ingredients could replace MBM: (1) Soya, because of the high protein content, it is the best candidate; disadvantages could be the price and GMO issue; (2) Fishmeal, could be prohibited in the future so significant increases in the use is not expected; (3) Corn gluten feed, the same arguments as given for soya; (4) Grains, have a low protein content, higher implementation in animal feeds was already anticipated due to low price; (5) Protein concentrates, are expected to be a good replacer besides soya, disadvantage is the high price. An example of a protein concentrate is the product Protastar of the potato processing company Avebe. Avebe can produce about 20,000 MT annually. The chairman of Avebe mentioned the possibility to reach higher protein content in potatoes by genetical modification; (6) Beans and peanuts, contain to much anti-nutrients. For more information about BSE see report NL0047, 60, 64, 68, 74, and NL0101, 06, 10 & 13.

EU Common Agricultural Policy

On June 1, 1998, the United States imposed a quota on wheat gluten imports. The quota came after three years of unproductive efforts to curb imports of low priced wheat gluten from the EU. The EU's Common Agricultural Policy creates high prices for starch, which in turn spurs production and consequently exports of low priced, high volumes of the by product wheat gluten. On July 14, 2000, a WTO Dispute Settlement Body released its final report finding in favor of the EU. The United States has appealed the recent WTO decision. January 19, 2001, the WTO Dispute Settlement Body acknowledged that the safeguard measure applied by the United States to wheat gluten imports is incompatible with the WTO agreements. Consequently, the EU established an autonomous duty of 5 EURO per MT on 2.73 million MT of corn gluten feed from the United States, entering the EU between January 24 and May 31, 2001 (Source: US Mission to the EU, Brussels). For more information on the CAP, see the USEU website: http://www.useu.be/agri/usda.html.

Outlook US Trade

The Netherlands imports yearly about 22 million MT of agricultural bulk commodities. The share of US commodities consist basically of vegetable proteins: 2.3 million MT of soybeans and 1.3 million MT of CGF. In the EU, the shortage of proteins was aggravated by the MBM ban and the restrictions to produce vegetable proteins domestically, established by the Blairhouse Agreement. This additional protein shortage is expected to disappear in Northwestern Europe due to the decline of cattle, pig and poultry stock and the expected price level declines of feed grains in the EU. There are, however, opportunities for specific proteins which have similar nutritional characteristics as MBM and fishmeal, such as required in aqua feeds and feeds for piglets.

Rice

Production

Table 7: The Import, Usage and Export of Rice in The Netherlands
(x 1,000 MT)

	Import	Supply	Industrial consumption	Human consumption	Export
Brown rice	110	35	-	15	20
Milled rice	100	190	25	65	100
Broken rice	40	25	5	0	20
Total	250	250	30	80	140

Source: Derived from figures of Central Bureau for Statistics (CBS) over the last 5 years.

There is no commercial rice production in the Netherlands. However, The Netherlands is an important importer and miller of brown rice.

Consumption

Dutch rice consumption rose from 3.5 kg per capita in 1995 to 5.0 kg per capita in 1998 (Central Bureau of Statistics). Fast-cooking rice accounts for over 80 percent of total rice consumption. The Dutch culinary scene is becoming increasingly international and speciality restaurants from all over the world are found in The Netherlands. Despite the interest in foreign cuisine, health and convenience food, alternatives to rice, such as precooked potatoes and pasta, are also on the market. Dutch rice consumption in 2001 is expected to remain similar to 1998 consumption levels.

Trade

Most Dutch rice imports consist of long grain rice (Indica style) imported from outside the EU. A large part of Dutch rice imports are milled in The Netherlands, and re-exported. In 1999 and 2000, Dutch rice imports declined drastically to about 200,000 MT. The decline is due to re-allocations of the EU rice imports probably based on a change in transport and distribution factors, such as port facilities. Rice exports to the UK, France, and Denmark intensified the last years.

In 1999, Dutch rice imports from Thailand and Guyana, however, increased for the second successive year to 26,000 MT and 36,000 MT, respectively. In contrast, rice imports from the United States fell by 15 percent to 56,000 MT, attributable to lower imports of US milled rice. Dutch imports of US brown rice remained at 35,000 MT. The decline of Dutch US rice imports is probably due to competitive prices, affected by the strong US$, and the preference of the Dutch consumer for exotic rice (aromatic and basmati rice).

Policy & Marketing

Policy
Currently, EU rice imports are governed by the margin of preference concession (MOP) negotiated between the United States and the EU at the conclusion of the Uruguay Round. Basically, the duty paid price for imports is not supposed to be more than 180 percent of the effective intervention price for long grain (Indica style) brown rice, and 188 percent of the effective intervention price for short grain (Japonica style) brown rice. The EC has circulated a proposal to reform the rice regime to the EU member states. The reform consist of replacement of intervention and intervention prices, and increasing compensatory payments to rice growers which could endanger US rice exports to the EU. Another matter of concern is the EU proposal which would eliminate import tariffs for all products including rice from the 48 poorest countries in the world (Least Developed Countries). For more information on the CAP, see the USEU website: http://www.useu.be/agri/usda.html.

Marketing
According to trading sources, one of the main problems with US rice is that it is not marketed as such and so remains invisible to the consumer. Hill and Knowlton has been actively involved in promoting US rice in the Dutch and Belgian markets on behalf of the USA Rice Federation. In 2000, however, the USA Rice Federation stopped promoting US rice in The Netherlands and focused on other EU member states.

Outlook US Trade
The outlook for US rice exports to The Netherlands, largely depends on the EU policy and the rate of the US$ versus the EURO. Given the relatively high price of US rice, opportunities are found in rice varieties with distinctive taste/color/shape, convenience, and/or nutritional characteristics.

PSD & Trade Matrices

PSD Table						
Country	Netherlands					
Commodity	Rice, Milled				(1000 HA)(1000 MT)	
	Revised	**1999**	**Preliminary**	**2000**	**Forecast**	**2001**
	Old	**New**	**Old**	**New**	**Old**	**New**
Market Year Begin		**01/1999**		**01/2000**		**01/2001**
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	1	0	1	0	1
Milled Production	0	0	0	0	0	0
Rough Production	@IF(B11 = 0, 0,ROUND(B 9/B11 * 10000, 0))	@IF(C11 = 0, 0,ROUND(C 9/C11 * 10000, 0))	@IF(D11 = 0, 0,ROUND(D 9/D11 * 10000, 0))	@IF(E11 = 0, 0,ROUND(E 9/E11 * 10000, 0))	@IF(F11 = 0, 0,ROUND(F 9/F11 * 10000, 0))	@IF(G11 = 0, 0,ROUND(G 9/G11 * 10000, 0))
MILLING RATE (.9999)	0	0	0	0	0	0
TOTAL Imports	250	219	250	205	0	205
Jan-Dec Imports	250	219	250	205	0	205
Jan-Dec Import U.S.	0	56	0	50	0	60
TOTAL SUPPLY	**250**	**220**	**250**	**206**	**0**	**206**
TOTAL Exports	75	126	75	110	0	110
Jan-Dec Exports	75	126	75	110	0	110
TOTAL Dom. Consumption	175	93	175	95	0	95
Ending Stocks	0	1	0	1	0	1
TOTAL DISTRIBUTION	**250**	**220**	**250**	**206**	**0**	**206**

Source: CBS and Product Board for Arable Crops.

Import Trade Matrix			
Country	Netherlands		
Commodity	Rice, Milled		
Time period	CY	Units:	Metric Tons
Imports for:	**1998**		**1999**
U.S.	54,532	U.S.	41,477
Others		Others	
E.U.	48,189	E.U.	49,386
Suriname	12,114	Suriname	8,083
Aruba	6,444	Aruba	9,641
India	6,588	India	2,518
Thailand	17,622	Thailand	24,199
Antilles	11,041	Antilles	1,494
Guyana	13,505	Guyana	27,415
		Pakistan	8,999
Total for Others	115,503		131,735
Others not Listed	11,735		6,060
Grand Total	181,770		179,272

Export Trade Matrix			
Country	Netherlands		
Commodity	Rice, Milled		
Time period	CY	Units:	Metric Tons
Exports for:	**1998**		**1999**
U.S.		U.S.	
Others		Others	
E.U.	129,469	E.U.	102,950
Poland	643	Poland	495
Czech Rep	1,527	Czech Rep	0
Russia	338	Russia	97
Total for Others	131,977		103,542
Others not Listed	3,773		1,667
Grand Total	135,750		105,209

Source: CBS.