Scheduled Report - public distribution

Date: 2/15/1999

GAIN Report #NL9009

The Netherlands

Grain and Feed

Grain & Feed Annual Report

1999

Approved by:
Phil Letarte
U.S. Embassy
Drafted by:
Jacques de Graaf
Statistics Compiled by Mary Ann Kurvink

Report Highlights:
Dutch compound feed production is clearly trending downward after decades of expansion. Estimates put output at the end of this century at more than one million tons below the 1990 level.

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

Executive Summary

According to official estimates, Dutch grain production was fairly stable in 1998 at 1,485 million metric tons. Yields of winter wheat increased from 7,800 kg/ha to 8,000 kg/ha while the yields of summer wheat were down 19% due to poor wheather. As a result of the poor weather during the 1998/99 winter season, only 55% of the usual acreage was seeded to winter wheat which means that more summer wheat will be seeded in March.

Total compound feed production fell by about 3% in 1998 as compared to 1997. The decline is mainly attributable to a drop in demand for feed from the hog industry due to a restructuring in that sector which will reduce hog numbers. Feed consumption in the hog sector is expected to continue to decline due to the Dutch Ministery of Agriculture's plan to reduce hog numbers by about 20%. Feed production for the poultry sector increased between 1 and 2% in 1998 in response to an increase in the number of chickens from 93 million in 1997 to 99 million in 1998. Although increased demand from the poultry sector partly compensated for the decline in demand from the hog sector, total Dutch feed production is expected to end the century more than one million tons below the 1990 output level. Total Dutch feed production is clearly on a downward trend after decades of expansion.

Hendrix/Nutreco, the largest private compound feed mill in the Netherlands producing in excess of one million tons per year, merged with UTD, the largest cooperative feed mill. Combined, the two mills will produce approximately 2 million tons of compound feed annually, roughly 13 percent of the total produced in the Netherlands. Industry sources expect an overall restructuring to take place within the Dutch compound feed sector which, over the long-term, will result in fewer but larger mills with a minimum operating capacity of one million tons.

There is no commercial rice production in the Netherlands. However, the Netherlands is an important importer and miller of brown rice. The United States is the major supplier to the Dutch market with exports valued at approximately $36,000,000, followed by Italy ($ 27,000,000), the Netherlands Antilles ($ 14,000,000), Aruba ($ 13,000,000), Thailand ($ 10,000,000) and other EU member states.

Total Dutch rice imports jumped 8% in 1998 as compared to 1997. Although most of the imported rice is re-exported to other EU member states, exports to Eastern European countries have been growing steadily. Other destinations such as the Czech Republic, Russia and Poland are also reportedly becoming more importantdestinations for Dutch exports. However, prospects for increased exports are threatened by the poor economic situation in Russia and competition from other suppliers, particularly Thailand.

Grain

Production

According to official estimates, Dutch grain production was fairly stable in 1998 at 1,485 million metric tons. Yields of winter wheat increased from 7,800 kg/ha to 8,000 kg/ha while the yields of summer wheat were down 19% due to poor wheather. As a result of the poor weather during the 1998/99 winter season, only 55% of the usual acreage was seeded to winter wheat which means that more summer wheat will be seeded in March.

Although acreage planted to wheat fell by 0.2% in the EU, total yield went up by 2% as compared to 1997.

Table 1: Grain Production in the Netherlands
(1000 Mt)

	1996	1997	1998*
Wheat	1,269	1,063	1,096
Barley	235	268	221
Corn	87	104	98
Others	69	55	70
Total	1,660	1,490	1,485

* Official estimate
Source: Stigevo

Dutch wheat milling increased slightly in marketing year 1997/98, due primarily to increased exports of flour. Dutch flour production is expected to increase further in 1999 due to expanded milling capacity. The utilization of Dutch wheat for milling continues to decline and flour is mainly imported from other EU countries, including the United Kingdom. Wheat quality is reportedly poor this season and prices for good quality what have inched upward. In spite of the favorable supply situation, U.S. wheat will still be imported for specialty products.

Trade

Prices for wheat have fallen to their lowest level in 21 years and are at roughly the same level as forty years ago (about $10.00 per 100kg). As of August 1998, 14 million tons of wheat had already been sold into intervention in the EU. Against this backdrop, the EU Commision is proposing in the so-called “Agenda 2000" to reduce intervention prices by 20% . Although farmers would be provided with a partial compensation package, they would have to make up the difference through increased exports to the world market.

The supply and demand situation for wheat (especially feed wheat) is not expected to improve in the near future. Prices are therefore expected to remain low. As a result, there is a general unwillingness to sell wheat at such depressed prices and most Dutch growers are storing their grain waiting for better times. Feed wheat prices are around US$14.00/MT and there is hardly any trade in barley. Future price developments will depend to a large extent on Thai tapioca production and Thai export levels (tapioca is used in the feed industry as a grain replacer). Nevertherless, the Dutch Product Board for Grains and Seeds anticipates that feed wheat will be attractive to the feed industry as high stock levels have resulted in low er prices. Barley imports are expected to drop as more wheat will be used for cattle feed thereby replacing barley (wheat has a higher protein content than barley). More barley is expected to be sold into EU intervention in 99/2000.

Compound Feed

Production

Table 2:Compound Feed Production in the Netherlands (Calender Year/1,000 tons)

	1995	1996	1997	1998*	2000*	2002*
Cattle Feed	4,037	3,804	3,654	3,725	3,700	2,900
Pig Feed	7,481	7,459	7,052	6,500	5,800	5,700
Poultry Feed	3,424	3,581	3,740	3,800	3,700	4,100
Others	752	784	795	775	800	750
Total	16,694	15,628	15,241	14,800	14,000	13,450

* Estimate
Source: Stigevo

Total compound feed production fell by about 3% in 1998 as compared to 1997. The decline is mainly attributable to a drop in demand for feed from the hog industry due to a restructuring in that sector which will reduce hog numbers. Feed consumption in the hog sector is expected to continue to decline due to the Dutch Ministery of Agriculture's plan to reduce hog numbers by about 20%.

Feed production for the poultry sector increased between 1 and 2% in 1998 in response to an increase in the number of chickens from 93 million in 1997 to 99 million in 1998. Although increased demand from the poultry sector partly compensated for the decline in demand from the hog sector, total Dutch feed production is expected to end the century more than one million tons below the 1990 output level. Total Dutch feed production is clearly on a downward trend after decades of expansion.

The EU's recent ban on the use of four antibiotics (growth promoters) in animal feed is expected to result in a 2-5% increase in feed utilization in order to attain similar weight gain levels. As the wheather has been extremely bad, and the country was flooded for several days, yields of most crops (corn, potatoes) were down drastically. Also roughage production is down and therefore more raw materials will likely be imported by the feed industry. At the end of 1998 prices for corn gluten feed were up by 2% as compared to 1997.

Total Dutch compound feed production is expected to fall significantly, with estimates ranging from 10 to 25 percent through 2005. The expected decline is attributable to:

1 the Dutch Government policy to reduce pig numbers

2 strict manure and environmental regulations which restrict growth in the livestock sector

3 the Government's decision to restrict growth in the poultry sector (which means that the number of layers, broilers and turkeys in the Netherlands will not be allowed to increase beyond the current level of 98 million. A new law is expected to be passed in the near future which will specify the exact number of chickens/turkeys a farmer can keep.)

4 animal welfare concerns which negatively influence production and increase costs (more space for chickens, free range pigs etc.)

5 the reduction in cattle feed production due to improving productivity of milk production and declining beef consumption. Growth is expected in the use of both on-farm mixed feed and industrial by-products- at the expense of compound feed.

Consumption: Feed Use

The Dutch compound feed industry has traditionally used a significant percentage of non-grain feed ingredients in their feed rations such as tapioca, soybean meal and corn gluten feed (imported from the U.S.). 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. Tapioca exports from Thailand to the Netherlands fell by 15 percent in 1998 and reached a level of 2 million metric tons.

During MY 1997/98, total grain utilization in compound feed production declined by 3%, due primarily to lower demand for grains and a favorable price/quality relationship vis-a-vis tapioca. The usage of barley in particular dropped drastically (20%) as compared to MY1996/1997. The decline was mainly attributable to reduced availability because of poor weather. Corn, of which production was down by 7%, was of poor quality due to bad wheather conditions at harvest.

The grain share in animal feed is expected to inch up 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). Historically low grain prices should also stimulate grain utilization. Lower prices brought about by CAP reform will also favor the use of grain in feed rations. However, grains are not expected to account for more than 20% of the overall compound feed formula.

Table 3: Feed Grain Usage in the Netherlands
(Marketing Year/1,000 MT)

	94/95	**95/96**	**96/97**	**97/98***	**98/99****
Wheat	1,022	1,509	1,530	1,400	1,450
Barley	696	990	902	700	600
Corn	811	767	659	900	900
Others	83	418	258	250	200
Total	2,612	3,684	3,349	3,250	3,150

* revised, ** official estimate
Source: Stigevo

Trade

Dutch compound feed exports total about one million tons, of which 80 percent is exported to other EU countries (Germany, Belgium, UK). As the consumption of animal feed is expected to continue to decline in the Netherlands, exports will become more important. According to the Dutch Compound Feed Producers Association, the main obstacle to expanding exports is high transport costs.

Hendrix/Nutreco, the largest private compound feed mill in the Netherlands producing in excess of one million tons per year, merged with UTD, the largest cooperative feed mill. Combined, the two mills will produce approximately 2 million tons of compound feed annually, roughly 13 percent of the total produced in the Netherlands. This Dutch Giant has, since the end of 1998, a new competitor called De Heus Brokking Koudijs. The latter now has a market share of 11 percent and produces 1.6 million metric tons of feed. Both compound feed mills announced that their aim is to produce high quality feed, without chemical additives and antibiotics. They will also conduct research on how they can more aggresively target the export market. Industry sources expect an overall restructuring to take place within the Dutch compound feed sector which, over the long-term, will result in fewer but larger mills with a minimum operating capacity of one million tons.

Policy

In December 1998, the European Union banned the use of four antibiotics in animal feed. The decision was based on the concern that the four antibiotcis (tysolin phosphate, bacitran zinc, spiramycin, virginiamycin) could weaken the efficacy of drugs used for human beings. The antibiotics are used as growth promotants, primarily for poultry and pigs. The ban is part of the EU's safety-first approach to food prompted by the controversy over BSE disease. Although EU scientists argue that there is no proof that the use of antibiotcis in animal feed can weaken human resistance, many believe there is a risk. The EU's agricultural commisioner, Franz Fischler, also ordered an investigation into four other antibiotics which are licensed for use in animal feed, raising the possibility that they could also be banned. The ban may make it more difficult to import animal products such as beef from the U.S. in which these antibiotics are used.

Contamination of Brazilian citrus pulp pellets with dioxin caused great concern among Dutch traders and consumers. Brazilian citrus pellets contained 900-30,000 picograms per gram of dioxin. In a sample of citrus pulp imported from the U.S., less than 250 picograms per gram were found (a concern for human health occurs with dioxin level of 6 picograms per gram in the human body).

According to the Dutch Product Board for Grain and Feed, the Netherlands is the top market for U.S. corn gluten feed (CGF), which is mainly used as animal feed. U.S. CGF exports to the Netherlands are approxiamately $400 million annually. However, to the extent that CGF is increasingly derived from genetically modified corn varieties, U.S. exports to the Dutch market could be threatened.

As there is a lack of a concise EU regulation on the use of GMO varieties, the Dutch Government decided to have corn varieties tested in the Netherlands by the Dutch Institute for Quality Control (Rikelt). On the basis of the analysis made in the Netherlands, the Dutch Government authorized the use of corn gluten feed for the animal feed industry. The Dutch Government generally complies with the EU regulations. For the 1999/2000 marketing year the CGF issue will likely return on the agenda unless the EU takes appropriate steps to regulate CGF trade. The Dutch will have the varieties tested by Rikelt if EU alternatives are not forthcoming.

PSD & Trade Matrices

PSD Table						
Country:	Netherlands					
Commodity:	Wheat					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Area Harvested	138	141	137	137	0	137
Beginning Stocks	100	100	100	100	100	103
Production	1,063	1,063	1,140	1,100	0	1,000
TOTAL Mkt. Yr. Imports	3,450	3,500	3,325	3,400	0	3,450
Jul-Jun Imports	3,450	3,000	3,325	3,300	0	3,450
Jul-Jun Import U.S.	2	11	0	11	0	10
TOTAL SUPPLY	4,613	4,663	4,565	4,600	100	4,553
TOTAL Mkt. Yr. Exports	1,013	1,013	1,015	1,017	0	1,018
Jul-Jun Exports	1,013	1,013	1,015	1,017	0	1,018
Feed Dom. Consumption	1,300	1,300	1,250	1,381	0	1,400
TOTAL Dom. Consumption	3,500	3,550	3,450	3,480	0	3,435
Ending Stocks	100	100	100	103	0	100
TOTAL DISTRIBUTION	4,613	4,663	4,565	4,600	0	4,553

Import Trade Matrix			
Country:	Netherlands	Units:	Metric Tons
Commodity:	Wheat		
Time period:	Jul - Jun		
Imports from	**1997**		**1998**
U.S.	574	U.S.	11,255
Others		Others	
E.U.	2,909,608	E.U.	2,672,890
- France	1,693,015	- France	1,290,101
- Belgium/Lux	160,831	- Belgium/Lux	88,792
- Germany	877,324	- Germany	1,176,644
- U.K.	129,572	- U.K.	35,221
- Denmark	42,708	- Denmark	58,137
Hungary	1,079	Hungary	597
Total for Others	2,910,687		2,673,487
Others not listed	1,832		319
Grand Total	2,913,093		2,685,061

Export Trade Matrix			
Country:	Netherlands	Units:	Metric Tons
Commodity:	Wheat		
Time period:	Jul - Jun		
Exports to	**1997**		**1998**
U.S.		U.S.	
Others		Others	
E.U.	249,684	E.U.	277,895
- France	16,879	- France	7,718
- Belgium/Lux	51,789	- Belgium/Lux	71,984
- Germany	64,078	- Germany	51,319
- Portugal	80,124	- Portugal	87,624
Turkey	25,181	Turkey	22,556
Morocco	-	Morocco	7,941
Total for Others	274,865		308,392
Others not listed	1,057		2,577
Grand Total	275,922		310,969

PSD Table						
Country:	Netherlands					
Commodity:	Wheat, Durum					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
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	80	80	80	80	0	80
Jul-Jun Imports	80	0	80	80	0	80
Jul-Jun Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	80	80	80	80	0	80
TOTAL Mkt. Yr. Exports	55	55	55	55	0	55
Jul-Jun Exports	55	55	55	55	0	55
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	25	25	25	25	0	25
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	80	80	80	80	0	80

Import Trade Matrix			
Country:	Netherlands	Units:	Metric Tons
Commodity:	Wheat - Durum		
Time period:	Jul - Jun		
Imports from	**1997**		**1998**
U.S.	18,839	U.S.	451
Others		Others	
E.U.	7,303	E.U.	32,109
- France	1,844	- France	1,448
- Belgium/Lux	1,106	- Belgium/Lux	497
- Germany	4,352	- Germany	30,164
Canada	54,028		212
Total for Others	61,331		32,321
Others not listed	4		39
Grand Total	80,174		32,811

Export Trade Matrix			
Country:	Netherlands	Units:	Metric Tons
Commodity:	Wheat - Durum		
Time period:	Jul - Jun		
Exports to	**1997**		**1998**
U.S.		U.S.	
Others		Others	
E.U.	55,032	E.U.	730
- France	2,102	- France	0
- Belgium/Lux	109	- Belgium/Lux	461
- Germany	52,804	- Germany	263
Total for Others	55,032		730
Others not listed	0		0
Grand Total	55,032		730

PSD Table						
Country:	Netherlands					
Commodity:	Barley					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Area Harvested	42	42	42	39	0	38
Beginning Stocks	50	50	50	58	50	83
Production	268	268	270	245	0	240
TOTAL Mkt. Yr. Imports	1080	1145	1050	1140	0	1080
Oct-Sep Imports	1080	1145	1050	1140	0	1080
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1398	1463	1370	1443	50	1403
TOTAL Mkt. Yr. Exports	218	225	220	220	0	200
Oct-Sep Exports	218	225	220	220	0	200
Feed Dom. Consumption	650	700	650	690	0	650
TOTAL Dom. Consumption	1130	1180	1100	1140	0	1143
Ending Stocks	50	58	50	83	0	60
TOTAL DISTRIBUTION	1398	1463	1370	1443	0	1403

Import Trade Matrix			
Country:	Netherlands	Units:	Metric Tons
Commodity:	Barley		
Time period:	Oct - Sep		Oct - Jun
Imports from	**1997**		**1998**
U.S.		U.S.	
Others		Others	
E.U.	1,143,404	E.U.	426,276
- France	475,013	- France	144,676
- Belgium/Lux	50,228	- Belgium/Lux	40,752
- Germany	516,099	- Germany	219,935
- U.K.	53,852	- U.K.	11,776
- Denmark	41,868	- Denmark	3,821
Total for Others	1,143,404		426,276
Others not listed	1,470		197
Grand Total	1,144,874		426,473

Export Trade Matrix			
Country:	Netherlands	Units:	Metric Tons
Commodity:	Barley		
Time period:	Oct - Sep		Oct - Jun
Exports to	**1997**		**1998**
U.S.		U.S.	
Others		Others	
E.U.	59,425	E.U.	86,241
- Belgium/Lux	26,372	- Belgium/Lux	23,568
- Germany	23,763	- Germany	61,318
Saudi Arabia	141,412	Saudi Arabia	82,901
Total for Others	200,837		169,142
Others not listed	24,608		5,695
Grand Total	225,445		174,837

PSD Table						
Country:	Netherlands					
Commodity:	Corn					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Area Harvested	8	8	7	7	0	7
Beginning Stocks	70	70	50	30	50	25
Production	60	60	54	59	0	58
TOTAL Mkt. Yr. Imports	1,650	1,510	1,670	1,500	0	1,500
Oct-Sep Imports	1,650	1,510	1,670	1,500	0	1,500
Oct-Sep Import U.S.	90	350	90	340	0	340
TOTAL SUPPLY	1,780	1,640	1,774	1,589	50	1,583
TOTAL Mkt. Yr. Exports	30	39	24	40	0	40
Oct-Sep Exports	30	39	24	40	0	40
Feed Dom. Consumption	900	900	900	880	0	880
TOTAL Dom. Consumption	1,700	1,571	1,700	1,524	0	1,524
Ending Stocks	50	30	50	25	0	19
TOTAL DISTRIBUTION	1,780	1,640	1,774	1,589	0	1,583

Import Trade Matrix			
Country:	Netherlands	Units:	Metric Tons
Commodity:	Corn		
Time period:	Oct-Sep		Oct - Jun
Imports from	**1997**		**1998**
U.S.	75,908	U.S.	345
Others		Others	
E.U.	1,688,260	E.U.	1,519,690
- France	1,448,255	- France	1,219,207
- Belgium/Lux	37,012	- Belgium/Lux	27,747
- Germany	182,212	- Germany	261,856
- U.K.	78	- U.K.	8,220
- Austria	9,514	- Austria	2,587
Argentina	44,223	Argentina	40,042
Total for Others	1,732,483		1,559,732
Others not listed	11,266		779
Grand Total	1,819,657		1,560,856

Export Trade Matrix			
Country:	Netherlands	Units:	Metric Tons
Commodity:	Corn		
Time period:	Oct-Sep		Oct - Jun
Exports to	**1997**		**1998**
U.S.		U.S.	
Others		Others	
E.U.	20,056	E.U.	38,728
- France	3,473	- France	9,851
- Belgium/Lux	8,777	- Belgium/Lux	15,233
- Germany	5,377	- Germany	10,249
- U.K.	795	- U.K.	2,620
- Denmark	1,381	- Denmark	569
Total for Others	20,056		38,728
Others not listed	13		37
Grand Total	20,069		38,765

PSD Table						
Country:	Netherlands					
Commodity:	Oats					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Area Harvested	2	2	3	2	0	2
Beginning Stocks	5	5	5	3	5	3
Production	11	11	16	11	0	10
TOTAL Mkt. Yr. Imports	30	20	30	19	0	20
Oct-Sep Imports	30	20	30	19	0	20
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	46	36	51	33	5	33
TOTAL Mkt. Yr. Exports	10	10	10	10	0	11
Oct-Sep Exports	10	10	10	10	0	11
Feed Dom. Consumption	19	17	25	18	0	19
TOTAL Dom. Consumption	31	23	36	20	0	20
Ending Stocks	5	3	5	3	0	2
TOTAL DISTRIBUTION	46	36	51	33	0	33

Import Trade Matrix			
Country:	Netherlands	Units:	Metric Tons
Commodity:	Oats		
Time period:	Oct-Sep		Oct - Jun
Imports from	**1997**		**1998**
U.S.		U.S.	
Others		Others	
E.U.	30,050	E.U.	13534
- France	3,697	- France	1542
- Belgium/Lux	843	- Belgium/Lux	303
- Germany	5,192	- Germany	8783
- U.K.	8,898	- U.K.	307
- Finland	10,920	- Finland	2600
Total for Others	30,050		13,534
Others not listed	140		1
Grand Total	30,190		13535

Export Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	Oct-Sep		Oct - Jun
Exports to	**1997**		**1998**
U.S.		U.S.	
Others		Others	
E.U.	2,852	E.U.	1038
- Germany	2,229	- Germany	699
Switzerland	4,828	Switzerland	-
Total for Others	7,680		1,038
Others not listed	274		11
Grand Total	7,954		1,049

Rice

Production
There is no commercial rice production in the Netherlands. However, the Netherlands is an important importer and miller of brown rice. The United States is the major supplier to the Dutch market with exports valued at approximately $36,000,000, followed by Italy ($ 27,000,000), the Netherlands Antilles ($ 14,000,000), Aruba ($ 13,000,000), Thailand ($ 10,000,000) and other EU member states.

Consumption
Dutch rice consumption is fairly stable at 4 kilograms per capita per year (Central Bureau of Statistics). Fast-cooking rice accounts for over 80% of total rice consumption. Although rice is still viewed as a healthy and convenient food, competition with other foods such as Italian pasta and precooked potato products is increasing rapidly. The Dutch consumer is also demanding healthy, fresh and convenient (easy-to-prepare) products.

The Dutch culinary scene is becoming increasingly international and speciality restaurants from all over the world are found in the Netherlands. In 1998, Honig Company introduced a new product of pre-cooked Japanese style rice dinners onto the market which is apparantly extremely successful. The growth in the premium rice segment, particularly for pandan and basmati varieties, is continuing.

Dutch rice consumption in 1999/2000 is expected to expand slightly -or remain similar to 1998 consumption levels- as the interest in foreign cuisine, health and convenience intensifies.

Trade
Total Dutch rice imports jumped 8% in 1998 as compared to 1997. Although most of the imported rice is re-exported to other EU member states, exports to Eastern European countries have been growing steadily. Other destinations such as the Czech Republic, Russia and Poland are also reportedly becoming more importantdestinations for Dutch exports. However, prospects for increased exports are threatened by the poor economic situation in Russia and competition from other suppliers, particularly Thailand.

Marketing
A Dutch rice miller (Silvo) introduced 100% U.S. rice on the Dutch market in 1996 along with other products such as basmati, Thai fragrant, parboiled quick cooking, and parboiled natural rice. According to Silvo's marketing division, it is likely that the U.S. rice will be taken off the market in 1999 as this product was not as successful as the other rice products marketed. This is mainly attributable to the fact that consumers found exotic basmati or fragrant rice more appealing. In addition, U.S. rice is not price competitive with basmati and fragrant rice.

Hill and Knowlton has been actively involved in promoting U.S. rice in the Dutch and Belgian markets on behalf of the USA Rice Federation since 1988. Their main objective is to enhance consumers awareness that the U.S. is one of the main rice producing countries in the world and that the long grain rice is a versatile, high quality product.

Policy

The EU's rice import regime is complex and contains no fewer than eight different methods of calculating duties depending on the rice type, country of origin, and status of the importer. One part of this regime, the Cumulative Recovery System (CRS), covers most of the U.S. shipments of husked rice. However, the CRS expired at the end of 1998 and has not been renewed. This means that the EU has returned to assessing final husked rice duties based only on a lower reference price (resulting in higher duties). The cumulative recovery system (CRS) has been operating to the benefit of fragrant Thai rice, a more expensive product than U.S. rice.

PSD & Trade Matrices

PSD Table						
Country:	Netherlands					
Commodity:	Rice, Milled					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Area Harvested	0	0	0	0	0	0
Beginning Stocks	50	50	50	67	50	72
Milled Production	0	0	0	0	0	0
Rough Production	0	0	0	0	0	0
Milling Rate(.9999)	0	0	0	0	0	0
TOTAL Imports	250	195	250	214	0	211
Jan-Dec Imports	250	195	250	214	0	211
Jan-Dec Import U.S.	68	68	68	68	0	68
TOTAL SUPPLY	300	245	300	281	50	283
TOTAL Exports	175	100	174	130	0	135
Jan-Dec Exports	175	100	174	130	0	135
TOTAL Dom. Consumption	75	78	76	79	0	79
Ending Stocks	50	67	50	72	0	69

Import Trade Matrix			
Country:	the Netherlands	Units:	Metric Tons
Commodity:	Rice		
Time period:	Jan - Dec		Jan - Jun
Imports from	**1997**		**1998**
U.S.	67,540	U.S.	42,596
Others		Others	
E.U.	58,208	E.U.	20,356
Suriname	9,330	Suriname	9,174
Aruba	21,380	Aruba	3,236
India	5,057	India	3,282
Thailand	12,779	Thailand	8,561
Antilles	22,743	Antilles	10,349
Guyana	12,943	Guyana	7,304
Total for Others	142,440		62,262
Others not listed	7,726		8,519
Grand Total	217,706		113,377

Export Trade Matrix			
Country:	the Netherlands	Units:	Metric Tons
Commodity:	Rice		
Time period:	Jan - Dec		Jan - Jun
Exports from	**1997**		**1998**
U.S.	2	U.S.	0
Others		Others	
E.U.	117,185	E.U.	67,070
Poland	1,631	Poland	893
Czech Rep	5,787	Czech Rep	2,987
Russia	1,188	Russia	945
Total for Others	125,791		71,895
Others not listed	5,144		1,262
Grand Total	130,937		73,157