

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Impact of COVID-19 on the Dutch Food Retail Market

**Country:** Netherlands

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**Report Highlights:**

Overall sales of the Dutch food retail industry have increased nine percent since the outbreak of the coronavirus (COVID-19). Because social distancing recommendations have prevented most people from “eating out,” consumers are increasingly buying more food from their local supermarket, including treating themselves with comfort food as a form of compensation. However, supermarkets and convenience stores located in tourist-focused areas, busy shopping streets, train stations, airports, and other places that depend on foot traffic have seen a significant decline in sales (or have closed their doors entirely). With the increased number of people at home, supermarkets have seen their online sales burgeon, as home deliveries have increased by 40 percent.

## Background

On February 27, 2020, the first patient was diagnosed with COVID-19 in the Netherlands. Since then over 40,000 Dutch have tested positive.<sup>1</sup> In response to the crises, the Dutch government introduced a so-called “intelligent lockdown,” and emphasized hygiene rules, encouraging individuals to avoid public venues (including bars, cafés, restaurants), and recommending people maintain physical distance from each other (known as social distancing). These measures led to a significant slowing of infection in the Netherlands, and the government announced a roadmap in early May to begin to ease some of the restrictions. For example, foodservice outlets will be permitted to open their doors on June 1, 2020, under strict conditions, including providing patrons with 1.5 meters of social distance, feeding a maximum number of 30 guests, requiring guests reserve a table ahead of their arrival, and not allowing guests to stand at bars.<sup>2</sup>

The COVID-19 outbreak and the temporary closure of foodservice-HRI outlets has had an enormous impact on the Dutch food retail industry. Although no official figures have been released, below is a summary of what industry experts are saying the preliminary impact has been to date.

## Shopping in the New 1.5 Meter Economy

The Dutch government and the Dutch umbrella organization for food retailers (known by its Dutch acronym of CBL) have developed a plan to keep Dutch supermarkets operational. Stores can allow a maximum of one customer per 10 square meters (m<sup>2</sup>) of floor space at a time (e.g., a maximum of 100 customers in a store of 1,000 m<sup>2</sup>). To ensure that too many people do not enter a supermarket at one time, some stores are using a traffic light system or limiting the number of shopping carts and baskets. If a shopping cart or basket is not available then customers may not enter at that time.

Supermarkets are also urging customers to do their shopping alone to limit the number of people in a store, and to facilitate social distancing of 1.5 meters. Supermarkets are reminding shoppers of the need to keep their distance through posters (picture 1) and other signage throughout their stores. At cashier counters, there are markings on the floor in order to keep those that are ready to checkout at least 1.5 meters apart.

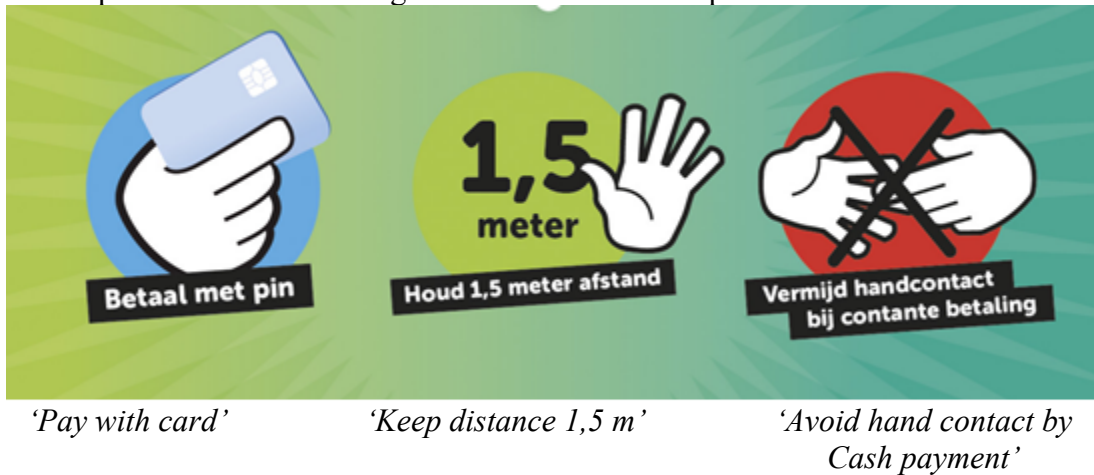
Transparent plastic screens have also been placed at many cash registers to protect the cashier and the customer. Supermarket employees that fill the shelves wear special clothing to alert customers to keep their distance. Moreover, some have put rolling containers around themselves to ensure sufficient distance.

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<sup>1</sup> <https://www.rivm.nl/coronavirus-covid-19/actueel>

<sup>2</sup> Guests will also be permitted to sit outside on outdoor terraces.

Picture 1: Example of Social Distancing Reminders in Dutch supermarkets



Source: [www.cbl.nl](http://www.cbl.nl)

Although the National Institute for Public Health and the Environment (RIVM) reports the likelihood of viral contamination via money is small, if the customer and the cashier exchange money, the chance of hand-to-hand contact is increased. Accordingly, supermarkets are calling for contactless or debit card payments. If a customer can only pay in cash, then the customer can put the money on the till. The cashier subsequently places any change on the cash register, so that the customer can grab it and neither come into physical contact with one another.

Supermarkets are also asking customers to maintain their normal shopping routine. The government has emphasized that buying and storing extra food and hygiene products is unnecessary as there is no shortage of these products in the Netherlands and supermarkets are restocked several times a day.

Self-service wholesalers Sligro, Makro, and Hanos, that require a membership or are normally only open for entrepreneurs, including restauranters, are now open to the public. This is expected to take some of the pressure off of traditional supermarkets while providing additional business to these wholesalers that saw a severe drop in sales due to the closure of restaurants, cafés, and bars.

### **Overall Dutch Food Retail Sales are Up**

With the closure of most foodservice outlets, consumers are buying more food at their local supermarkets. Most supermarkets saw strong growth in demand during the last weeks of February and the first weeks of March (when many consumers were hoarding food and hygiene products). According to IRI Research Institute, total Dutch retail sales during the first 19 weeks of 2020 were nine percent higher than during the same period in 2019. However, sales figures for individual supermarkets vary depending on the supermarket's location, formula, and type of store.

Since eating out has not been an option for several weeks, consumers are treating themselves, including buying comfort food as a form of compensation for what is happening around them. Consumers also made the most of important national holidays – including King's day (April 27), Liberation day (May 5) and Mothers' day (May 10). The weather in the Netherlands has been exceptionally warm and dry since

mid-March, which also led people to buy more BBQ-related food products. Moreover, consumers have spent more money on confectionary items, snack foods, and alcoholic beverages since the onset of the COVID-19 outbreak.

Supermarket chains saw their online sales burgeon, up 41 percent in the first 19 weeks of 2020 compared to the same period a year earlier. While half of Dutch consumers say they will revert to their old purchasing habits after the pandemic, roughly a quarter believe the long-term effects of COVID-19 will persist. Consumers say that for many categories (including dry groceries, beverages, and packaged foods) they plan to continue using online platforms after the crisis ends (instead of returning to a physical store).

Pictures 2 and 3: Examples of Picnic's and Jumbo's online home delivery services



Source: [www.connectholland.nl](http://www.connectholland.nl)



Source: [www.jumbo.nl](http://www.jumbo.nl)

Not all supermarkets have seen sales increases in the early part of 2020. Supermarkets and convenience stores located in tourist areas, busy shopping streets, train stations, airports, and other areas that depend on foot traffic have seen sales drop significantly (and some have even closed their stores). The demand for convenience products to be consumed 'on the go' has almost vanished with consumers predominantly staying at home. Brick and mortar supermarkets have also reportedly lost business as shopping is no longer seen as a fun and social activity during the weekend.

Picture 4 and 5: Empty Dam Square in Amsterdam and Schiphol Airport



Source: [www.parool.nl](http://www.parool.nl)



Source: [www.upinthesky.nl](http://www.upinthesky.nl)

Before COVID-19, industry source, DistriFood, anticipated the overall Dutch food retail market would grow by 2.7 percent in 2020. Now DistriFood expects growth to more than double, up 5.7 percent.

COVID-19 has also resulted in a boost in demand for home delivery. Since the virus outbreak, this market grew, on average, by 40 percent. Dutch supermarkets have reportedly hired hundreds of extra employees in recent weeks to expand their home delivery services and to ensure waiting times do not increase too much. Supermarkets are seeing that not only do customers order more frequently online, they are also ordering larger quantities because they no longer eat at work or outside-of-the-home. All supermarket chains in the Netherlands have seen their online sales grow.

It is difficult to say what the long-term impact of COVID-19 will be on the Dutch food retail industry. Online ordering and home delivery of food products is expected to decline over time, but remain at higher levels than before the pandemic. Business for convenience stores, ‘on the go’ stores, and shops in high traffic areas is expected to quickly pick-up once people start commuting and traveling more. However, the need to maintain 1.5 meters of distance, increased protection for cashiers, and increasing number of contactless or debit card payments is expected to remain.

For additional information on the impact COVID-19 has had on Dutch food and agribusinesses see, for example:

- [NL2020-0008 – COVID-19 and its Impact on Dutch Agriculture](#),
- [NL2020-0009 – Dutch Veal Sector Faces Sharp Decline in Demand](#),
- [NL2020-0010 – Impact of COVID-19 on the Dutch Potato Industry](#), and
- [NL2020-0014 – Financial Support to Help Businesses Endure Corona Crises](#)

**Attachments:**

No Attachments.