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Livestock and Products

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Approved by:

Phil Letarte

U.S. Embassy, The Hague

Prepared by:

Bob Flach

Report Highlights:

During the first three quarters of 2000, the Dutch livestock sector benefitted from better prices. It is however, expected that Dutch pork and beef production have passed their peak level due to strict environmental regulations and recent BSE crisis.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Semi-Annual Report

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Executive Summary

Cattle, Beef and Veal

During the last fifteen years, Dutch cattle numbers declined steadily from more than 5 million to about 4 million animals. Despite reorganizations in 1995 and 1997, slaughterhouses are still coping with over capacity. In contrast the Dutch veal sector is growing, driven by good demand in the EU. During the first three quarters of 2000, the Dutch beef sector benefitted from better prices but then suffered severely from the BSE crisis in the EU. BSE concerns in the EU member states have resulted in lower beef consumption. Consumption has been restricted to domestically produced beef. As a consequence, the trade of live cattle and beef has declined. Dutch slaughtering has been reduced and prices have tumbled. Interestingly, beef imports from third countries, such as Brasil, Argentine and Uruguay, remained stable. Relative to France and Germany, Dutch consumption has reportedly only slightly affected by the BSE crisis.

Swine and Pork

The Netherlands is one of the world's five largest exporters of live pigs and pork, despite increasing production restrictions by the Dutch government. For Dutch pig farming future regulations regarding food safety, animal welfare and environment are expected to decrease the sector's competitiveness. Many pig farmers have already sold their farms to the government. During 1997 - 2000, the Dutch pig numbers shrunk from 15.2 to 13.0 million. Despite larger imports of live pigs, slaughterhouses still had to cope with overcapacity due to lower slaughter of Dutch hogs. During 2000, Dutch pork imports stabilized, but pork exports dropped. Consumption of pork declined marginally due to a higher prices. From 1998 until 2000, the financial position of many pig farms seriously deteriorated. In 2000, incomes of pig farmers improved due to higher pork prices.

Policy and Marketing

The Dutch government wants to transform Dutch intensive animal farming into a safe, environmentally friendly, ethical and consumer driven operation. As the government's transition subsidies are limited, the Dutch sector is reluctant to lower production efficiency. The Dutch livestock sector however, depends on exports for more than fifty percent of sales and is thereby very sensitive to consumer concerns in these markets. The Product Board for Livestock, Meat and Eggs (PVE) developed a quality assurance system to secure food safety and traceability. Furthermore, the PVE supports consumer labeling and aims to produce with non GM feeds, if requested and feasible. The PVE expects that, even with pressure on the suppliers, about two years are needed to have a viable supply of non GM ingredients for feed.

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, **2000**, average December EURO 1.00 = US\$ 0.89

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, **2000**, average December US\$ 1.00 = Dfl. 2.47

Acronyms used in Report	
Dutch	English
AID = Algemene Inspectie Dienst	General Inspection Service
CBS = Centraal Bureau voor de Statistiek	Central Bureau for Statistics
COV= Centrale Organisatie voor de Vleessector	Central Organization for the Meat Sector
IKB = Integraal Ketenbeheer	Integrated Quality Control
LEI = Landbouw Economisch Instituut	Agricultural Economic Institute
PVE = Produktschap Vee, Vlees en Eieren	Product Board for Livestock, Meat and Eggs
RVV = Rijksdienst voor de keuring van Vee en Vlees	National Inspection Service for Livestock and Meat
Stichting Natuur en Milieu	Foundation Nature and Environment

Cattle, Beef and Veal

Production

PSD Table						
Country	Netherlands					
Commodity	Animal Numbers, Cattle				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Total Cattle Beg. Stks	4,200	4,200	4,200	4,200	4,100	4,050
Dairy Cows Beg. Stocks	1,588	1,588	1,525	1,520	1,400	1,500
Beef Cows Beg. Stocks	0	0	0	0	0	0
Production (Calf Crop)	2,019	2,019	1,880	2,007	1,830	1,900
Intra EC Imports	700	700	685	678	705	700
Other Imports	3	3	10	10	10	10
TOTAL Imports	703	703	695	688	715	710
TOTAL SUPPLY	6,922	6,922	6,775	6,895	6,645	6,660
Intra EC Exports	72	72	65	58	65	35
Other Exports	19	19	30	25	30	15
TOTAL Exports	91	91	95	83	95	50
Cow Slaughter	671	671	660	667	650	650
Calf Slaughter	1,399	1,399	1,380	1,420	1,370	1,400
Other Slaughter	261	261	260	224	250	200
Total Slaughter	2,331	2,331	2,300	2,311	2,270	2,250
Loss	300	300	280	451	280	360
Ending Inventories	4,200	4,200	4,100	4,050	4,000	4,000
TOTAL DISTRIBUTION	6,922	6,922	6,775	6,895	6,645	6,660
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Source: Product Board for Livestock

PSD Table						
Country	Netherlands					
Commodity	Meat, Beef and Veal			(1000 MT CWE)(1000 HEAD)		
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	2,331	2,331	2,300	2,311	2,270	2,250
Beginning Stocks	1	2	0	0	1	0
Production	509	508	505	485	500	475
Intra EC Imports	175	175	175	175	175	165
Other Imports	26	26	30	21	32	32
TOTAL Imports	201	201	205	196	207	197
TOTAL SUPPLY	711	711	710	681	708	672
Intra EC Exports	317	317	314	310	312	300
Other Exports	84	84	85	69	85	57
TOTAL Exports	401	401	399	379	397	357
Human Dom. Consumption	310	310	310	302	310	310
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	310	310	310	302	310	310
Ending Stocks	0	0	1	0	1	5
TOTAL DISTRIBUTION	711	711	710	681	708	672
Calendar Yr. Imp. from U.S.	1	1	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Source: Product Board for Livestock

The Netherlands - Cattle - May Livestock Census (1,000 Head)				
	1998	1999	2000	2000/1998
Cattle Total	4,283	4,206	* 4,058	0.96
of which :				
beef/veal animals	1,222	1,233	1,244	1.02
- calves for white veal prod.	610	634	647	1.06
- calves for rosé veal prod.	101	118	146	1.45
- other cattle for meat prod.	366	328	286	0.78
dairy animals	3,061	2,972	2,856	0.93
young animals	1,442	1,374	1,332	0.92
dairy cows	1,611	1,588	* 1,567	0.97

*Updated **Preliminary Source :CBS

The Dutch cattle herd declined steadily from 4.9 million in 1992 to 4.1 million head in 2000. During the last ten

years, the number of dairy cows declined from 1.86 million in 1990 to 1.51 million in May 2000, mainly due to the quota system and increased milk production per cow. During May 1999 - May 2000, the CBS (Central Bureau for Statistics) census revealed a continuation of this trend, with the total Dutch cattle herd and the dairy herd declining 2.5 percent and 4.7, respectively. For the coming years, it is expected that the number of dairy cattle will further decline because the number of animals younger than two years old decreased.

The Dutch veal sector is growing, driven by good demand in the EU. Between May 1998 - May 1999, the number of calves rose 5.9 percent to a total of 753,000 and the number of veal farms rose 8.3 percent. The growth of the number of calves for rosé (pink colored) veal is attributable to former steer farmers shifting to veal production. Between May 1999 and May 2000, the number of calves further increased to 793,000.

The Netherlands: Bovine Slaughter (1,000 head)				
	1997	1998	1999*	2000**
Steers/bulls	314	282	203	162
Cows	795	684	665	667
Heifers	43	73	65	62
Calves	1,351	1,373	1,399	1,420
Total	2,503	2,412	2,332	2,312

*Updated **Preliminary Source: Product Board for Livestock, Meat and Eggs

The reduction of the different categories of the cattle herd is reflected in the slaughter numbers. After a 30 percent decrease in slaughter capacity in 1995 and another 10 percent drop in 1997, only one small slaughterhouse was closed in 1999. In 2000, Dutch slaughtering of cattle declined about 1 percent, mainly because of 20 percent less of steer slaughter. The slaughtering of cows remained stable, while the slaughtering of calves increased 1.5 percent. The lower steer slaughtering figure is explained by the reduction in steer farming in The Netherlands.

By the end of 2000, the sector was dealing with an overcapacity of 30 to 40 percent due to a smaller Dutch cattle herd. To utilize the capacity available, about 100,000 head of German cattle are slaughtered in The Netherlands each year. It is believed that five of the nine main slaughterhouses, with capacity of 60,000 to 200,000 head per year each, will eventually close down. The four remaining slaughterhouses will have 85 percent of the market. This reorganization will be paid for by a levy per slaughtered animal. Currently, discussions with the Product Board for Livestock, Meat and Eggs and the sector are in a deadlock. The BSE crisis in Europe will further deteriorate the position of Dutch slaughterhouses. Slaughtering is reportedly down by 40 percent and exports have decreased by 40 to 50 percent due to reduced demand from Germany and France, and bans in third countries (Poland, Russia, Bulgaria, Morocco, Algeria and Egypt). For more information of the BSE crisis see report NL0074.

The 2000 slaughter weight figure for calves cannot be directly compared with previous figures because the method of weighing changed to an EU harmonized method. The slaughter weight of calves in 1999 is relatively high due to termination of the "early slaughtering premium".

The Netherlands: Slaughter weight in Kilos

	1990	1995	1997	1998	1999	2000*
Cows	303	303	299	304	302	305
Heifers	268	269	270	269	257	242
Steers	366	382	379	385	392	391
Average, cows, heifers and steers	320	328	320	324	318	316
Calves	154	162	145	144	151	143

*Preliminary

Source: Product Board for Livestock, Meat and Eggs

Consumption

The Netherlands: Per Capita Consumption of Meat in Kilos					
	1996	1997	1998	1999	2000*
Beef	19.3	19.0	18.4	18.3	17.8
Veal	1.1	1.2	1.3	1.3	1.3
Pork	44.5	43.0	44.0	43.6	43.3
Poultry	-	21.8	21.8	21.4	21.0

*Preliminary

Source: Product Board for Livestock, Meat and Eggs

Meat consumption by Dutch consumers is primarily price driven. Lower beef consumption in 1998 was probably caused by price competition with pork and poultry. During the first three quarters of 2000, beef consumption declined 3.3 percent, while pork consumption declined 6.3 percent. According to the Product Board for Livestock, Meat and Eggs, the reason for the decline was the price increase of pork and beef. Sector representatives for cattle farmers, butchers and retailers, stated that the BSE crisis had no noticeable effect on Dutch beef consumption (see report NL0074). There are, however, indications that sales of organic beef increased during the BSE crisis. Recent food scandals have made Dutch consumers more aware of food safety and the ethics of food production. It is expected that the growth of organic meat will be limited by the price sensitivity of Dutch consumers. Interestingly the prosperous Dutch economy is supporting increased consumption of beef and veal in restaurants. During 2000, the trend of eating easy to make meat products and snacks continued.

Trade

Dutch Imports of U.S. Beef/Veal		
	Metric Tons / Carcass Wght	% of HQB Quota (±)
1995	2,886	25
1996	5,088	44
1997	5,539	48
1998	3,520	31
1999	1,291	--
1/00-6/00	9	--

Source: Central Bureau for Statistics

Import

BSE concerns and the resulting EU wide crisis has slowed the trade of live cattle and beef. In some member states domestically produced beef was preferred by the industry and consumers (Germany and Italy) and other states saw beef consumption dropping down drastically (France and Germany). For more information of the BSE crisis, see report NL0074. In 2000, imports of beef and veal, (including live animals), declined 3.5 percent to 246,000 MT (EURO 0.75 billion). Dutch imports of cattle for slaughter purposes were especially reduced.

Recently, Dutch demand for calves increased due to expanding veal production and lower supply of calves by the shrinking dairy herd. Dutch imports of calves increased 1.5 percent to 590,000 head, with Germany and Belgium as the main suppliers. In 2000, imports of beef decreased by 4.4 percent to 175,000 MT. Imports from third countries, especially from Brazil, Argentine and Uruguay, remained stable. Beef imports from EU member states declined, especially from Germany.

Export

The total Dutch export volume of beef and veal (volume 396,000 MT, value EURO 1.27 billion), including live animals, decreased steadily over the last five years. Live cattle exports, predominantly animals for breeding and dairy production, remained relatively stable during this period. Until the BSE crisis, main export destinations for Dutch breeding and dairy cattle were Morocco, Poland, Algeria and the Gulf states but now third country imports are gone. Also, the export of calves declined by 19 percent to 28,000 head, mainly due to lower imports by France. Dutch beef exports dropped nearly 6 percent, especially to third countries such as Russia and Iran. During the first ten months of 2000, Dutch veal exports rose due to high price levels in the export markets, but were effected by the BSE crisis at the end of 2000, especially to Germany and Italy. Note that the trade figures of veal during 2000 cannot be compared with previous years as weighing methods were harmonized.

Trade Matrices

Import Trade Matrix					
Country	Netherlands		Units:	1,000 Head	
Commodity	Animal Numbers, Cattle		Partial Begin	January	
			Partial End	June	
Imports for:	1998	1999	2000	1999	2000
	Full	Full	Full Forecast	Partial	Partial
U.S.					
Others					
E.U.	434	472	450	239	227
-Germany	206	244	200	125	104
-Belgium/Lux	125	130	140	64	71
-Italy	29	2	1	1	1
-France	34	19	10	7	3
-Denmark	27	45	60	21	27
-Spain	6	3	2	2	1
-Ireland	5	27	25	18	17
Poland	3	3	4	1	2
Total for Others	437	475	454	240	229
Others not Listed	1	0	6	1	1
Grand Total	438	475	460	241	230

Export Trade Matrix					
Country	Netherlands		Units:	1,000 Head	
Commodity	Animal Numbers, Cattle		Partial Begin	January	
			Partial End	June	
Exports for:	1998	1999	2000	1999	2000
	Full	Full	Full Forecast	Partial	Partial
U.S.					
Others					
E.U.	48	58	47	28	20
-France	19	14	5	8	2
-Belgium/Lux	8	8	8	4	4
-Germany	5	9	15	2	4
-Italy	4	10	12	5	6
-Portugal	3	4	2	3	1
-Spain	5	6	5	3	2
Poland	3	4	4	2	2
Morocco	10	6	6	3	4
Algeria	3	2	2	2	3
Total for Others	64	70	59	35	29
Others not Listed	9	7	11	2	7
Grand Total	73	77	70	37	36

Source: Central Bureau for Statistics (CBS).

Import Trade Matrix					
Country	Netherlands		Units:	1000 MT CWE	
Commodity	Meat, Beef and Veal		Partial Begin	January	
			Partial End	June	
Imports for:	1998	1999	2000	1999	2000
	Full	Full	Full Forecast	Partial	Partial
U.S.	3,520	1,291	1,000	1,291	9
Others					
E.U.	116,525	134,942	130,000	63,251	50,938
-Germany	61,068	62,176	40,000	31,357	20,490
-Belgium/Lux	18,387	19,314	20,000	8,471	10,991
-Ireland	16,272	23,346	22,000	8,822	8,760
-France	5,603	7,536	6,000	3,815	3,076
-Italy	8,023	8,749	6,000	4,127	2,674
Brazil	14,136	18,533	19,000	6,731	8,467
Argentina	3,585	4,165	3,000	1,903	1,485
Uruguay	2,707	2,394	2,000	1,430	1,336
Total for Others	136,953	160,034	154,000	73,315	62,226
Others not Listed	1,334	680	0	389	181
Grand Total	141,807	162,005	155,000	74,995	62,416

Export Trade Matrix					
Country	Netherlands		Units:	1000 MT CWE	
Commodity	Meat, Beef and Veal		Partial Begin	January	
			Partial End	June	
Exports for:	1998	1999	2000	1999	2000
	Full	Full	Full Forecast	Partial	Partial
U.S.					
Others					
E.U.	285,720	305,118	300,000	153,381	152,573
-France	72,320	79,415	90,000	38,379	44,540
-Germany	65,312	70,096	64,000	35,694	32,580
-Italy	72,356	74,360	65,000	38,613	33,520
-Greece	13,697	9,569	10,000	4,796	5,456
-Denmark	14,505	21,917	24,000	11,484	12,764
Egypt	21,380	34,672	37,000	16,702	17,814
Russia	20,652	30,814	10,000	20,466	6,103
V.A.E.	1,188	989	1,000	489	528
Philippines	1,504	5,149	12,000	2,740	6,128
Total for Others	330,444	376,742	360,000	193,778	183,146
Others not Listed	23,029	12,257	5,000	7,777	683
Grand Total	353,473	388,999	365,000	201,555	183,829

Trade Matrices Note: Source: Central Bureau for Statistics (CBS).

Policy and Marketing

Quality and Marketing

The Product Board for Livestock, Meat and Eggs developed, in cooperation with the government and other agricultural organizations, the Integrated Quality Control (IKB) system. IKB is a quality assurance system to ensure safety and traceability through the whole production chain, from raw materials for feed to slaughtering and processing of meat. Animals and meat are screened on the usage of hormones and prohibited medicines. Considering the current growth, it is expected that the majority of the Dutch meat will be IKB certified (currently 95 percent of the veal producers have joined the IKB). The PVE believes that the total export volume of the sector can be maintained if production emphasizes quality.

In line with the IKB system, the Dutch feed industry is asking for new commitments from the suppliers of raw materials. From October 1, 2000, suppliers must adhere to a Good Manufacturing Practice (GMP) or a comparable quality assurance system (such as HACCP), or at least state that GMP or a comparable system is in preparation.

In September 2000, a EC directive was implemented requiring labeling to contain the country where the cattle is slaughtered. In January 2002, EC regulations will also require labeling specifying the place of birth and fattening (for minced beef this took effect in September 2000). The goal of the compulsory labeling is to regain the consumer trust after the BSE crisis in the UK and to improve traceability.

The Animal Husbandry Research Station in Lelystad recently conducted a study on the marketing of beef. The study revealed that twelve labels for beef are used in The Netherlands. Two are for organic beef (EKO and Demeter) and ten labels for high quality beef (such as Boeuf d'Or and Waterlants Weelde). The study concluded that a 5 percent market share for organic beef is feasible in 2010 (equal to 25,000 head annually). Currently, 4,000 head of organic cattle are slaughtered in The Netherlands.

Biotechnology

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 framework 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. The goal of the debate is to clarify the conditions under which the application of biotechnology for food is acceptable. According to the 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 an amount sufficient for demand.

Veterinary Situation

The new measures imposed by the EC are expected to increase BSE testing frequency to 60,000 per month, eliminate about 750,000 MT of slaughter waste, and replace 300,000 MT of MBM with vegetable proteins in compound feeds. The Dutch sector seems capable of fulfilling their task within the prescribed time frame but the costs will be considerable, about EURO 0.5 to 0.9 billion. In The Netherlands, nine cases of BSE have been found, the latest on January 11, 2000.

On December 22, 2000, the Standing Veterinary Committee accepted the EC proposal to exempt The

Netherlands and Denmark for the “Purchase and Destruction” scheme (the intervention and destruction program for non tested cattle older than 30 months). The Standing Veterinary Committee believed that The Netherlands has sufficient testing capacity and agriculture, the Minister, and the PVE are content with the EC decision.

On January 2, 2001, The Netherlands started the BSE testing program for cattle older than 30 months, as imposed by the EC. The sampling is conducted by the RVV and the testing is done by ID Lelystad. At the moment, testing capacity is 2,500 per day and on schedule. It is expected that the supply of cattle will increase so the testing capacity will be raised to 3,000 tests per day, after January 15. Between January 2 - 11, 11,000 test were conducted in The Netherlands, and no cows were found positive.

According to the PVE Japanese import requirements for Dutch veal have been now less stringent. Previously, the Dutch sector could only export to Japan during a specific three month period, and the slaughterhouses only produced for the Japanese market.

For further information regarding the Veterinary Situation and impact of BSE measures, see Report NL0070.

Prices

Between summer 1998 and spring 2000, prices of steers and cows were under pressure because economic problems in Russia. During the summer of 2000, prices for live cattle recovered to levels comparable to levels before the crisis. Prices increased because of lower intervention stocks and more demand in the world market. At the end of November, however, prices for cows tumbled by 15 percent and 2 to 5 percent for steers, due to the BSE crisis. In mid December, prices appeared to stabilize in response to farmers not selling their cattle (at a loss).

The income of dairy farmers has declined during nineties as a result of the common EU market but has been stronger compared to intensive livestock farmers. Research conducted by the Agricultural Economic Institute (LEI) revealed that the annual income of dairy farmers declined from EURO 28,200 in 1997/1998 to EURO 20,900 in 1999/2000. During 2000/2001, a slight increase is expected due to a higher milk price paid to the farmer. The LEI revealed that the income per steer farmer (with more than 75 steers) declined from EURO 900 in 1997/1998 to minus EURO 15,500 in 1998/1999, mainly because of the Russian rouble crisis. For 1999/2000, a negative income of EURO 30,900 per farmer is expected. The LEI reported that the income per farmer in the veal sector increased steadily from EURO 15,900 in 1996/1997 to EURO 17,300 in 1998/1999. During the year 2000, an annual income of EURO 24,500 is expected. The income of cattle farmers will be further affected if beef prices remain low, as a result of the recent BSE crisis.

Cattle, producer prices in Dutch Guilders per kilo live weight									
	The Netherlands			Change		Belgium			Change
	1998	1999	2000			1998	1999	2000	
January	2.67	2.12	2.27	7.4%		2.80	4.30	4.04	-6.2%
February	2.65	2.20	2.33	6.0%		2.74	4.27	4.05	-5.3%
March	2.65	2.23	2.36	5.8%		2.70	4.20	4.09	-2.7%
April	2.66	2.26	2.43	7.9%		2.74	4.17	4.10	-1.6%
May	2.71	2.33	2.56	9.7%		2.90	4.24	4.12	-2.9%
June	2.74	2.43	2.57	5.7%		2.93	4.20	4.15	-1.2%
July	2.73	2.37	2.61	10.4%		2.92	4.06	4.18	3.1%
August	2.72	2.34	2.63	12.4%		2.90	3.99	4.23	6.0%
September	2.62	2.35	2.62	11.5%		2.80	3.94	4.26	8.1%
October	2.48	2.30	2.57	11.9%		2.80	3.92	4.18	6.7%
November	2.39	2.25	2.41	6.9%		2.71	3.96	4.06	2.6%
December	2.39	2.24	2.22	-0.8%		2.69	4.00	3.81	-4.6%

Source: Dutch Product Board for Livestock, Meat and Eggs

Note : 1998 and 1999 Belgian prices for live, mature cattle are not comparable because of an EU change in weighing coefficients.

Swine and Pork

Production

PSD Table						
Country	Netherlands					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
TOTAL Beginning Stocks	13,418	13,418	13,139	13,140	12,500	12,900
Sow Beginning Stocks	1,390	1,390	1,338	1,338	1,300	1,300
Production (Pig Crop)	29,091	29,092	26,951	28,818	25,875	26,960
Intra EC Imports	507	507	300	528	300	500
Other Imports	0	0	0	0	0	0
TOTAL Imports	507	507	300	528	300	500
TOTAL SUPPLY	43,016	43,017	40,390	42,486	38,675	40,360
Intra EC Exports	3,588	3,588	3,840	4,446	3,825	4,000
Other Exports	735	735	50	100	50	60
TOTAL Exports	4,323	4,323	3,890	4,546	3,875	4,060
Sow Slaughter	0	0	0	0	0	0
OTHER SLAUGHTER	19,554	19,554	18,500	18,800	17,800	17,800
Total Slaughter	19,554	19,554	18,500	18,800	17,800	17,800
Loss	6,000	6,000	5,500	6,240	5,000	6,000
Ending Inventories	13,139	13,140	12,500	12,900	12,000	12,500
TOTAL DISTRIBUTION	43,016	43,017	40,390	42,486	38,675	40,360
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Source: Product Board for Livestock, Meat and Eggs.

PSD Table						
Country	Netherlands					
Commodity	Meat, Swine			(1000 MT CWE)(1000 HEAD)		
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	19,554	19,554	18,500	18,800	17,800	17,800
Beginning Stocks	93	93	134	134	94	134
Production	1,711	1,711	1,625	1,643	1,570	1,575
Intra EC Imports	125	125	100	125	100	100
Other Imports	0	0	0	0	0	0
TOTAL Imports	125	125	100	125	100	100
TOTAL SUPPLY	1,929	1,929	1,859	1,902	1,764	1,809
Intra EC Exports	1,002	1,002	1,000	956	900	900
Other Exports	105	105	75	125	65	90
TOTAL Exports	1,107	1,107	1,075	1,081	965	990
Human Dom. Consumption	688	688	690	687	690	685
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	688	688	690	687	690	685
Ending Stocks	134	134	94	134	109	134
TOTAL DISTRIBUTION	1,929	1,929	1,859	1,902	1,764	1,809
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Source: Product Board for Livestock, Meat and Eggs.

The Netherlands - Swine - May Livestock Census (1,000 Head)					
	1997	1998	1999	2000	2000/1997
Total Number of Pigs	15,189	13,446	13,567	13,255	0.87
of which:					
piglets up to 20 kilos	5,996	5,094	5,239	5,171	0.86
slaughter hogs	7,433	6,591	6,774	6,569	0.88
breeding hogs	1,761	1,760	1,554	1,515	0.86

Source: Central Bureau for Statistics (CBS)

In 1997, the Dutch pig stock was reduced by the swine fever outbreak and the future of Dutch pig farming still remains uncertain. In 2000, the Dutch Minister of Agriculture, Laurens Brinkhorst, introduced a program by which subsidies are given to pig and poultry farmers who are closing down their farms. A large number of farmers used the opportunity to sell their farms (see also section Policy and Marketing). The Agricultural Economical Institute (LEI) expects that the number of farms will decline from the current 16,200 to 10,000 in 2003, 8,000 in 2010, and 5,000 in 2015. The census of CBS (Central Bureau for Statistics) in August 2000, showed a further decline of the pig stock to 13.03 million animals. During the 2000-2003 period, the number of pigs should decline to about 10.5 million. We expect much of the land to be permanently taken out of production, so production should not recover.

The Netherlands - Slaughter hog Production (1,000 Head)				
	1998	1999*	2000**	2001**
1 st quarter	4,411	5,912	5,865	5,540
2 nd quarter	4,910	5,653	5,470	5,100
3 rd quarter	5,890	5,682	5,625	
4 th quarter	6,800	6,223	5,900	
Annual Total	22,011	23,470	22,860	

*Updated **Preliminary Source: Product Board for Livestock, Meat and Eggs

In 1999, the swine stock temporarily grew with slaughter hog production increasing 7 percent to 23.5 million head, (compared with 1998, which was 5 percent below the 1996 production). Because of increased exports of live slaughter hogs, the Dutch slaughter numbers stayed behind production. During 1999, total slaughter increased only 1 percent to 19.5 million head. Between 1995 and 1999, the slaughter production ratio varied between 87 and 90 kg. During 2000, the supply of slaughter hogs declined 3.9 percent to 18,800 animals, due to a shrinking pig stock in The Netherlands. The weight per slaughter hog remained relatively stable at 87.4 kg. Due to the shortage of pigs for slaughter, slaughterhouses are facing over capacity and price of slaughter hogs is increasing.

The Central Organization for the Meat Sector (COV) supports a 20 percent reduction of the Dutch slaughter capacity. The COV estimated overcapacity at 4 million head per year (on a total of 19-20 million). The slaughterhouses do not agree with the COV and expect Dutch imports of slaughter hogs to increase. The import of live pigs for slaughtering, however, is hampered by the absence of quality assurance programs in the country of origin and the risks of swine fever transfer.

Consumption

The Netherlands: Per Capita Consumption of Pork Kilos per inhabitant					
	1996	1997	1998	1999	2000*
Pork	44.5	43.0	44.0	43.6	43.3

* Preliminary Source: Product Board for Livestock, Meat and Eggs

Meat consumption by Dutch consumers is primarily price driven. During the first three quarters of 2000, household purchases of pork and beef declined 6.3 percent 3.3 percent, respectively. The reason for the decline, according to the PVE is higher prices for pork and beef. During 2000, Dutch consumption of pork declined only 1 percent. The figures of the household purchases over the entire year are not yet available. Despite the price sensitivity of the Dutch consumer, there is a growing interest for high quality and labeled meat. There is also increasing consumption of easy to make meat products (5%) and a lower consumption of naturel pork (5%). For more information on Dutch meat consumption see the chapter on cattle, beef and veal.

Trade

Import

During 2000, Dutch imports of swine and derived meat products grew 1.8 percent to 167,000 MT, the import value rose 29 percent to EURO 0.31 billion. Before 1999, the Dutch imports of live pigs were limited but they grew to 530,000 head in 2000. The rise in live pig imports, which consists mostly of slaughter hogs (470,000 animals), is explained by the need of the Dutch slaughterhouses to try to use excess capacity and low domestic supply. Dutch imports of pork meat remained stable at 125,000 MT yearly.

Export

The Netherlands is one of the world's five largest exporters of live pigs and pork, despite increasing restrictions by the Dutch government. During 2000, Dutch exports of swine and derived meat products declined 1.5 percent to 1.26 million MT, although the export value rose 22 percent to EURO 2.19 billion. Exports of live animals rose sharply, from 2.94 million head in 1998 to 4.42 million head in 1999, as a result of fewer of veterinary trade barriers in the EU. In 2000, Dutch exports of live pigs rose further by nearly 3 percent to 4.6 million animals, mainly due to increased exports of piglets (3.2 million). The strong export of piglets is explained by an over supply of piglets in The Netherlands. As result of lower domestic supply of slaughter hogs, Dutch exports of slaughter hogs declined 3 percent to 1.4 million, main markets were Germany (65%) and Italy (21%). The world market for pork improved considerably during 2000. EU pork production declined and while demand in Eastern Europe, Russia and the Far East grew. Dutch exports, declined 2.4 percent, due to the decline in domestic production. A further reduction of exports is expected, especially to Greece and Italy, due to the increasing prices of Dutch pork. Spain is an important competitor. Dutch pork exports to the UK benefitted from the lower production in the UK and the strong British Pound. Dutch bacon exports to the UK rose from 114,000 MT to 118,000 MT in 2000. In Japan, although demand for pork is growing, Dutch exports declined 34 percent to 8,200 MT. This is because Japanese pork imports from the US (154,000 MT), Denmark (178,000 MT), Germany (7,800 MT) and France (18,300 MT) increased during January - October 2000.

Trade Matrices

Import Trade Matrix					
Country	Netherlands		Units:	1,000 Head	
Commodity	Animal Numbers, Swine		Partial Begin	January	
			Partial End	June	
Imports for:	1998	1999	2000	1999	2000
	Full	Full	Full Forecast	Partial	Partial
U.S.					
Others					
E.U.	202	431	450	161	235
-Belgium/Lux	80	234	325	65	170
-Germany	87	128	50	63	28
-France	230	37	40	16	22
-U.K.	7	21	15	10	10
-Spain	-	4	5	1	4
-Italy	0	1	2	3	1
Total for Others	202	431	450	161	235
Others not Listed	0	0	0	0	0
Grand Total	202	431	450	161	235

Export Trade Matrix					
Country	Netherlands		Units:	1,000 Head	
Commodity	Animal Numbers, Swine		Partial Begin	January	
			Partial End	June	
Exports for:	1998	1999	2000	1999	2000
	Full	Full	Full Forecast	Partial	Partial
U.S.					
Others					
E.U.	1,807	3,075	3,250	1,472	1,466
-Germany	700	1,275	1,300	570	613
-Spain	456	650	650	308	301
-Italy	396	668	500	361	263
-Belgium/Lux	168	261	400	100	162
-France	76	204	300	95	124
-Greece	6	12	5	3	0
Bosnia-Herz.	10	5	5	5	-
Total for Others	1,817	3,080	3,255	1,477	1,466
Others not Listed	1	730	745	0	1
Grand Total	1,818	3,810	4,000	1,477	1,467

Source: Central Bureau for Statistics (CBS).

Import Trade Matrix					
Country	Netherlands		Units:	1000 MT CWE	
Commodity	Meat, Swine		Partial Begin	January	
			Partial End	June	
Imports for:	1998	1999	2000	1999	2000
	Full	Full	Full Forecast	Partial	Partial
U.S.					
Others					
E.U.	50,396	73,235	72,500	38,372	36,593
-Belgium/Lux	11,746	17,497	24,000	6,941	12,336
-Germany	15,100	26,772	24,000	14,095	12,270
-U.K.	6,129	9,499	5,000	5,553	3,161
-Denmark	5,599	5,707	2,000	3,588	1,083
-Italy	2,882	3,885	3,000	2,360	1,848
-France	6,241	7,325	7,500	4,067	4,254
Croatia	43	20	25	20	22
Hungary	44	46	50	36	25
Russia	-	61	75	11	8
Total for Others	50,483	73,362	72,650	38,439	36,648
Others not Listed	87	191	350	38	45
Grand Total	50,570	73,553	73,000	38,477	36,693

Export Trade Matrix					
Country	Netherlands		Units:	1000 MT CWE	
Commodity	Meat, Swine		Partial Begin	January	
			Partial End	June	
Exports for:	1998	1999	2000	1999	2000
	Full	Full	Full Forecast	Partial	Partial
U.S.					
Others					
E.U.	719,206	753,585	700,000	368,953	310,437
-Germany	289,340	263,165	200,000	127,808	96,411
-Italy	189,906	208,630	150,000	103,939	80,042
-France	70,830	87,817	80,000	41,111	38,019
-Greece	68,053	81,738	60,000	36,760	28,992
-Belgium/Lux	46,163	38,100	38,000	22,038	21,560
Hong Kong	11,392	11,625	17,000	4,179	6,695
Japan	7,356	19,423	10,000	12,465	6,320
Russia	830	31,852	37,000	11,122	13,603
South Korea	2,751	12,263	20,000	6,736	10,856
Total for Others	741,535	828,748	784,000	403,455	347,911
Others not Listed	30,880	30,139	51,000	10,335	18,418
Grand Total	772,415	858,887	835,000	413,790	366,329

Source: Central Bureau for Statistics (CBS).

Policy and Marketing

Environment

In The Netherlands, intensive animal farming is constrained and forced down by environmental measures. In mid 2000, the Ministry of Agriculture published a policy paper (“Voedsel en Groen”) supporting farming system based on a smaller number of animals, less environmental damage, improved animal welfare, better interaction throughout the chain, and better quality products. On December 15, 2000, the parliament discussed the function and destination of the Dutch landscape (living, recreation, farming, nature etc.) and it is anticipated that new measures will stop the further expansion of intensive animal farming, especially in areas of valuable natural environments. The expansion restrictions to intensive livestock farming is feeding the discussions of new agricultural production zones and so-called pig flats, intensive mixed farms of multiple floors with pigs, chicken and fish. The support for pig flats is absent in the Dutch sector and society but initiatives from local governments want to concentrate pig production to dedicated areas.

The PVE 1999 Annual Report saw that the current manure surplus problem as temporary, since technical solutions are in preparation. The Agricultural Economic Research Institute (LEI) estimated that in the year 2010, 65 to 75 percent of the manure surplus will be treated and 5 to 10 percent will be processed as a product comparable to artificial fertilizers

To reduce the present surplus of manure (21.5 million MT of phosphate), the Dutch government is allowing pig and poultry farmers to sell their farm to the government. At the end of May 2000, 3,500 pig and 2,000 poultry farmers, applied for a complete or partial buy out of their farms. These purchase should reduce phosphates by 7.5 MT. November 2000, The Ministry of Agriculture ended the first round of the buying-up program, and bought a number of farms equal to a production 2.7 million MT of phosphate. It is expected that most of the remaining farmers, which had applied in May 2000, will accept the bid from the Ministry. The average price paid by the ministry to the farmers was EURO 84 per square meter. The total amount available for purchase is EURO 305 million. Both the sector and the Ministry expect the successful measures to be extended (or repeated in 2001?) which could see animal production further declining another 10 to 15 percent.

Laurens Brinkhorst, Minister of Agriculture, agreed with his Hungarian colleague, Torgyán, to investigate the possibilities for emigration of Dutch pig farmers to Hungary. Currently, future EU Member States in Central and Eastern Europe are restricting the purchase of land to foreign farmers in order to prevent speculation and protect domestic farmers. Minister Brinkhorst theorizes to shift a part of the production activities to foreign countries while retaining knowledge intensive activities in The Netherlands.

In January 2000, various organizations in the pig sector (such as the PVE), the Foundation Nature and Environment and Platform Biologica (a governmental organization to support the Dutch organic production) agreed to cooperate to expand the organic stock of pigs to a total of 470,000 in 2005. Currently only about 0.6 percent of the pork supply is organic in The Netherlands. The major limitations in the growth of organic pork production are the high investment to switch from regular production and the small margin. The cost price for organic pork is calculated at EURO 2.45 per kg slaughtered weight, and EURO 1.45 for regular pork, while the price to the organic farmer is only EURO 2.00 (cost price includes an average salary of the farmer).

Food Safety

The PVE has started a research program to create a management program that can limit the infection frequency of Salmonella. Possible measures are separate slaughtering, treatment of water and feed, and disinfection after slaughtering. The program, which costs EURO 230,000, joins other PVE research programs design, designed to help the sector, such as feeding of by-products in relation to meat quality, climate control and energy consumption, and the nitrogen balance of farms.

Competitive Strength

The Dutch Ministry of Agriculture recently published a study on the U.S. pig sector. The report "The American Pig Sector in WTO Perspective" revealed that the cost of pork production in the U.S. is 25 to 30 percent lower than in the EU. In the near future, the costs of pork production in the U.S. will remain at least 20 percent lower, despite an expected decline of grain prices in the EU as a result of Agenda 2000. The main reasons for the lower U.S. cost is the lower grain prices and less problems with manure surpluses.

The Dutch LEI researched the costs of pig raising in the main pork producing countries in the EU. Germany has the highest (EURO 1.26 per kilo live weight), followed by The Netherlands, Denmark and France (EURO 1.06) and finally Spain (EURO 0.97). According to this study, in the U.S., the costs were 10 percent lower in 1998. The LEI expects a cost price increase for the Dutch sector of EURO 0.08 per kg live weight, which is higher than for competitors in the EU, due to future regulations regarding food safety, animal welfare and environment.

Veterinary Situation

Since mid September, all Dutch pig farms are released from the transport restrictions imposed after Contagious Swine Fever (CSF) was discovered in the UK pigs. In The Netherlands, 120 Dutch pig farms were blocked due to the CSF outbreak in the UK.

Prices

In the fourth quarter of 1998, prices of piglets and slaughter hogs reached a low point. This situation was a result of increased production of pork in the EU and the United States in combination with the stagnation of exports to Russia. Since the start of 1999, prices recovered to due to increased exports to Eastern Europe and Russia. During 2000, the price of slaughter hogs further increased due to the shrinking pig stock in The Netherlands. The PVE expects that prices for slaughter hogs will remain on a higher level.

The LEI reported that the income per slaughter hog sty declined from EURO 68 in 1997/1998 to a loss of EURO 32 in 1998/1999, primarily because of lower prices. The average annual family income declined from EURO 36,800 in 1996/1997 to a loss of EURO 27,300 in 1998/1999 and a loss of EURO 15,000 in 1999/2000. From 1998 until 2000, the financial position of a large number of pig farms deteriorated but the LEI expects a positive annual income of EURO 25,000 in 2000/2001.

Swine, producer prices in Dutch Guilders per kilo slaughter weight.									
	The Netherlands					Belgium			
	1998	1999	2000	Change		1998	1999	2000	Change
January	2.58	1.55	2.10	35.3%		3.05	1.98	2.33	17.3%
February	2.87	1.90	2.43	27.8%		3.26	2.24	2.60	15.9%
March	2.68	1.82	2.51	37.6%		3.11	2.21	2.72	23.0%
April	2.57	1.80	2.65	47.0%		3.01	2.17	2.90	33.7%
May	2.35	1.95	2.86	46.7%		2.77	2.33	2.91	24.8%
June	2.41	2.42	2.97	22.9%		2.82	2.18	3.19	46.4%
July	2.32	2.32	2.90	25.3%		2.68	1.94	3.18	64.3%
August	2.10	2.41	2.92	20.8%		2.50	2.31	3.18	37.6%
September	1.96	2.35	2.88	22.6%		2.37	2.39	3.15	31.9%
October	1.77	2.15	3.04	41.2%		2.14	2.35	3.27	39.4%
November	1.54	2.08	3.15	51.9%		1.88	2.34	3.35	43.0%
December	1.78	2.13	3.17	48.7%		2.24	2.49	3.37	35.5%

Source: Product Board for Livestock, Meat and Eggs

Strategic Indicator Table for Feed

MEAT PRODUCTION				
		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Poultry				
Poultry Meat:	742	758	745	745
Eggs:	9,640	10,771	11,000	10,500
Pork:	1,717	1,711	1,625	1,600

COMPOUND FEED SECTOR				
		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Compound Feed Capacity	15,500	15,500	15,250	15,250
Total Compound Feed Produced	15,027	14,980	14,650	14,250
----- by integrated producers	7,787	7,790	7,650	7,450
----- by commercial producers	7,241	7,190	7,000	6,800

FEED GRAIN USE				
x 1,000 mt		Last Year	Current Year	Out Year Forecast
Marketing Year:	1998	1999	2000	2001
Corn (Domestic consumption: feed)	900	1,100	1,100	1,050
Barley (Dom consumptions : Feed)	250	360	350	350
Wheat (Domestic consumption: feed)	1,355	1,400	1,500	1,500

PROTEIN - ENERGY USAGE				
x 1,000 mt		Last Year	Current Year	Out Year Forecast
Marketing Year:	1998	1999	2000	2001
Total Protein Meal (feed waste domestic consumption)	4,195	5,078	4,507	4,900
Soy Bean Meal (feed waste domestic consumption)	2,410	2,927	2,500	2,800
Other Protein Meal, e.g. Palm Kernel Meal, Rape Meal (feed waste domestic consumption)	1,775	2,151	2,017	2,075
Fish Meal	42	24	20	25
Palm Crude Oil (feed waste domestic consumption)	3	2	5	4

TRADE (Metric Tonnes)				
		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Corn				
Imports:	2,130,000	1,840,000	1,800,000	1,800,000
Exports:	45,000	32,000	34,000	35,000
Soy Beans				
Imports:	5,607,000	5,226,000	5,250,000	5,600,000
Exports:	1,008,000	1,093,000	1,100,000	1,350,000
Soy Bean Meal				
Imports:	1,650,000	2,143,000	1,700,000	1,900,000
Exports:	2,454,000	2,401,000	2,330,000	2,500,000
Fish Meal				
Imports:	64,000	49,000	45,000	50,000
Exports:	22,000	25,000	25,000	25,000
Palm Crude Oil				
Imports:	748,000	681,000	700,000	700,000
Exports:	429,000	408,000	462,000	460,000

PROTEIN PRODUCTS TARIFFS AND TAXES				
		Bound Rate	Applied Rate	Other
	Product	(%)	(%)	Import
Report Year:	Description 1/			Taxes/Fees
0505.90	FEATHER MEAL	Free		
1501.00.00.60	YELLOW GREASE	Nothing to report		
1501.00.11	- - For industrial uses other than the manufacture of foodstuffs for human consumption	Free		
1501.00.19	- - other	17.2 Euro/100kg/net		
1501.00.90	- - Poultry Fat	11.5		
1502.00.00.40	INEDIBLE TALLOW	Nothing to report		
1502.00.10	- - For industrial uses other than the manufacture of foodstuffs for human consumption	Free		
1502.00.90	- - other	3.2		
1511	PALM OIL			
1511.10	- Crude Oil			
1511.10.10	- - For technical or industrial uses other than the manufacture of foodstuffs for human consumption	Free		
1511.10.90	- - other	3.8		

1511.90	- Other			
	- - Solid Fractions:			
1511.90.11	- - - In immediate packings of a net content of 1kg or less	12.8		
1511.90.19	- - - other	10.9		
	- - Other			
1511.90.91	- - - For technical or industrial uses other than the manufacture of foodstuffs for human consumption	5.1		
1511.90.99	- - - other	9.0		
1518	ANML/VG FTS & OILS			
1518.00.10	-Linoxyn	7.7		
	- Fixed vegetables oils, fluid, mixed, for technical or industrial uses other than the manufacture of foodstuffs for human consumption			
1518.00.31	- - Crude	3.2		
1518.00.39	- - other	5.1		
1518.00.91	- - Animal or vegetable fats and oils and their fractions, boiled, oxidized, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading No 1516	7.7		
	- - Other			
1518.00.95	- - - inedible mixtures or preparations of animal or of animal and vegetable fats and oils and their fractions.	2.0		
1518.00.99	- - - other	7.7		
2301.10	MEAT AND BONE MEAL	Free		
2301.20	FISH MEAL	Free		