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The Netherlands

Planting Seeds

Annual Planting Seeds Report

1999

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Report Highlights:
The Dutch seed industry is becoming increasingly concentrated. The most important factor contributing to this on-going trend is the high cost of research and development, especially in biotechnology.

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Executive Summary

Grass seeds are the most important seed crop grown in the Netherlands. Acreage planted to grass seeds fell dramatically from 32,000 hectares in 1998 to about 23,000 hectares in 1999 due to excessive rainfall hampering the planting of grass seeds.

According to the Dutch Seed Inspection Service, the harvested acreage and production of field crops and pulse seeds fell by about 7% in 1999. The decline is primarily attributable to a decrease in field crop production due to bad weather conditions. According to the Dutch Seed Inspection Service, acreage planted to fiber flax increased from about 3,000 hectares in 1998 to about 3,400 hectares in 1999.

According to the Dutch General Inspection and Seed Analysis Service (NAKG), about 1,044 hectares was seeded to vegetable planting seeds in 1999, as compared to 766 hectares in 1998. This was mainly attributable to increased seeding of peas, spinach, cauliflower, and cucumber. The others remained fairly constant or fell slightly.

The Dutch seed industry is becoming increasingly concentrated. The most important factor contributing to this on-going trend is the high cost of research and development, especially in biotechnology. Although the Dutch seed industry has traditionally focused on the development and distribution of high quality seeds, the future focus will be on the use of modern biotechnology, especially for improvement of crops such as fibre flax and the creation of functional foods, especially vegetables. However, biotech remains one of the most pressing policy issues for the near future. The main issue in the Netherlands is related to the acceptance of GM food products by the consumers

Production

Table 1: Planting Seed Acreage (in hectares)				
	1996	**1997**	**1998**	**1999**
Grass seeds	22,049	27,015	31,900	23,000
Field crops	9,590	9,810	9,260	8,469
Vegetable seeds	1,204	1,005	766	1,044
Pulses	226	264	255	240
Forages	59	48	50	49

Sources: NAK/NAKG

Grass seeds

Production

Acreage planted to grass seeds, the most important seed crop in the Netherlands, fell dramatically from 32,000 hectares in 1998 to about 23,000 hectares in 1999 due to excessive rainfall which hampered grass seed planting. Industry contacts mentioned that grass seed cultivation in the spring of 1999 did not make up for the decline in acreage because the soil was still too wet. Also, fewer seeds of other feed crops were sold to other EU member states due to bad weather conditions.

Due to lower demand, the prices for grass seeds fell further during the year. The price for Italian and English perennial rye grass was lower than last year. Prices for grasses for recreational purposes were stable in 1998/99, since the recreation grass market depends less on the weather conditions. Nevertheless, by the end of the year, prices for recreation grass dropped slightly. Due to the decrease in acreage, the Product Board for Grains, Seeds and Pulses anticipates that prices will slightly increase by the beginning of 2000 due to limited supplies.

Demand for grass seed for both recreational purposes and home use is expected to remain firm because of the favorable economic situation.

Trade

The Dutch seed industry depends largely on exports because the Dutch home market is quite limited. After France and the United States, the Netherlands is the largest supplier of seeds to the world market and exports about 75 percent of its grass seed production. Other EU member states are the major destinations, although some growth is notable in Eastern Europe (such as Hungary and Poland), particularly for turf seeds.

Denmark is the major competitor for Dutch traders in the European market. American exports of grass seeds to the Netherlands consist mainly of high quality turf seeds, excluding annual blue grass for golf courses, a small niche market. Dutch seed traders expect that for the years 2000-2005, the acreage planted to grass will increase slightly in the Netherlands due to improved crop rotation schemes and new grass seeding. Grass seed trade with Eastern Europe will likely increase in the near future as these countries expand livestock production.

Policy

The Dutch seed industry is specialized along seed category lines and each sector has its own characteristics. But in each of the different sectors, international strategies in the form of subsidiaries, joint ventures or partnerships have been established. Several factors have led to a concentration in the Dutch seed industry, particularly that of increasing costs for research and development, especially in biotechnology. Concentration of the industry is expected to continue in the future and is apparent for all market segments. The Dutch seed industry traditionally focuses on the development and distribution of high quality seeds.

Field Crops and Pulse Seeds

Production

According to the Dutch Seed Inspection Service, the harvested acreage and production of field crops and pulse seeds fell by about 6% in 1999. The decline is primarily attributable to a decrease in field crop production. According to the Dutch Seed Inspection Service, acreage planted to fiber flax increased from about 3,000 hectares in 1998 to about 3,400 hectares in 1999. The increase in fiber flax production is mainly attributable to slightly higher market prices in 1999, as compared to 1998, and increased demand since flax has become more important in the textile industry. According to the Dutch Product Board for Grains, Pulses and Seeds, the future for the production of flax looks relatively bright for the coming years (2000-2002). Demand from Asian countries increased slightly.

The production of grains in the Netherlands declined from 1,444 metric tons in 1998 to about 1,320 metric tons in 1999. This decrease was mainly due to high humidity caused by heavy rains. Wheat production fell from 1,072 metric tons to 812 metric tons, a decline of about 24%. The Product Board expects that the acreage seeded to winter wheat and rye will slightly increase in 1999/2000 although much depends on the weather conditions.

The acreage sown to pulses has been relatively stable during the last few years (but much lower compared to 1995) but a substantial decline in the EU subsidy levels are making it difficult to profitably to produce these seeds.

Policy

The production of high quality fibre fax is receiving considerable attention in the Netherlands. Especially the Center for Plant Breeding and Reproduction (CPRO) and the Agro-Technological Research Institute (ATO-DLO) are strongly involved in conducting research. Genetic modification is applied to the development of plants with a very high fibre content. This will result in increased production per unit of land and therefore areas seeded to field crop seeds could be reduced as high total production can be achieved.

Vegetable Seeds

Production

According to the NAKG (Dutch General Inspection and Seed Analysis Service), about 1,044 hectares was seeded to vegetable planting seeds in 1999, as compared to 766 hectares in 1998. This was mainly attributable to increased seeding of peas, spinach, cauliflower, and cucumber: the others remained fairly constant or fell slightly. Despite the increase in production of the above mentioned vegetable seeds, which is reportedly considered an temporary upsurge, the Dutch industry anticipates a decline in area under vegetable seed production in the Netherlands for the coming 5 years. The Dutch seed producing companies have subsidiaries in many countries which produce the planting seeds. There is however, a tendency to contract seed production out to other companies and institutions, especially in Asia, North America and Australia. Dutch acreage planted to vegetable seeds is merely an addition to the acreage Dutch companies contracted out to subsidiaries or third parties in other countries. The ecological

conditions in these areas are generally more suitable for the production of these particular seed types.

Policy

The Dutch vegetable seed business traditionally had a wide range of different vegetable seeds. Each year around 350 new vegetable seeds are registered of which tomato, lettuce and peppers remain the most important varieties. However, competition with Southern European countries such as Spain and Italy, is forcing the Dutch horticultural sector away from these traditional seeds and increasingly attention is paid to product quality and the development of new varieties. Dutch companies have very strong research and development departments, which traditionally focused on breeding aspects such as yield increases, disease resistance and general quality. Over the past several years, attention has increasingly been given to new value-added products and consumer wishes. This trend will continue in the future.

Biotechnology

A large number of innovative seed companies are active in biotechnology. The Product Board predicts that by the year 2005, biotechnological innovations will account for 25-35% of total sales in the seed industry. The field is populated by both established companies, including Konst Nurseries, Bejo Seeds, ZaadUnie, Van der Have, as well as relative newcomers such as Ts Agro Research and Development, Virto Flora. Other names of interest are Royal Sluis, Cebeco and Joordens Seeds. Apart from the private industry, there are two main government sponsored research institutes involved in biotechnology in the Netherlands which are the Netherlands Organization for Applied Scientific Research (TNO) and the Agro-Technological Research Institute (ATO-DLO). These institutes work not only by government assignment but also accept orders from individual companies or other organizations. Research is specifically conducted on product quality, concentrating on complex physiological processes such as ripening, discoloration and senescence. Biotechnology remains, however, one of the most pressing policy issues for the near future. The main issue in the Netherlands is related to the acceptance of GM food products by the consumers (see also marketing).

Trade

For trade within the European Union, a special document known as the "Plant Passport" is required. By using this “Plant Passport” system, information is provided which is a EU-wide phyto-sanitary certification and allows seeds to pass freely between member states (see marketing on GM seeds).

Policy - Planting Seeds Production Policy

The EU subsidizes the production of various seeds. The support levels are set once every two years. The EU subsidies for marketing year 1998/1999 and 1999/2000 are unchanged from the previous two years and range from ECU 14.37/100 kg to as high as ECU 75.95/100 kg. However, due to a higher exchange

rate, support levels in Dutch currency this year increased by 4%. These support levels are available for several seed varieties, including grass, pulse and rice seeds.

Marketing

As previously reported, U.S. companies must have extensive knowledge of both the European Plant Protection system (EU legislation) and a thorough understanding of the variety lists maintained by each of the EU member states in order to capture a larger share of the Dutch market. Opportunities for U.S. companies exist in the specialty seed markets (special lettuce such as corn-lettuce and gardening cress) and grass seeds for golf courses, provided U.S. suppliers are both quality and price competitive. Restrictions for exports of American seeds are of course imposed by differences in climate and day length. U.S. companies should be aware of EU legislation with regard to Genetically Modified Seeds. Information can be obtained from the USEU Mission in Brussels. The EU legislation is extremely bureaucratic, complicated and cumbersome. If a company wants to market its seeds on the Dutch and/or EU market than it should be well aware about seeds variety approval procedures and EU legislation. A breeder who wishes to have a genetically modified seed variety approved in the EU has to submit a request in one of the EU member states. The variety approval process follows two types of criteria: botanical and for certain crops, agronomic value or value for use. After being subjected to trials and tests, the application is either rejected or leads to the genetically modified seed variety being added to the national catalogue. It can only be added to the EU Common Catalogue if no EU member states objects to it. There is a gap of about two years between the national lists and the EU catalogue. This delay is expected to increase considering the discussions concerning genetic modification. Also a procedure must be initiated with national environmental authorities to comply with the 90/220 requirements and with the national health authorities according to food safety requirements. This could be complemented in the future by still non-existent feed safety regulations.

Seed Certification

Two agencies are responsible for seed certification in the Netherlands: the Dutch Seed Inspection, Registration and Seed Analysis Institute (NAKG) is responsible for vegetable seeds and one for field crop and other seeds are controlled by the Dutch General Inspection Service for Agricultural Seeds and Seed Potatoes (NAK). For the past several years, the Dutch Government as well as the European Commission have considered transferring the responsibility for field testing and some laboratory testing to individual seed companies. The Council Directive was adopted in December 1998. This means that the member states may authorize a private individual to perform field inspection for seed certification. The Dutch industry welcomed this new approach because it is a move towards the privatization of controlling seed certification. Now, seed inspectors can either belong to a member state Government administration, or can be authorized by the administration to do the inspection work. This means that a person who works for a private seed company could be appointed as a seed inspector. However, the approach is that such an authorized inspector must report to the institutions responsible for certifying seeds. Apparently, most member states and the European Parliament agreed on that approach from the beginning. The only demand made by the European Parliament was for more stringent measures about the relationship between the new kind of inspector and the authorities issuing certificates.

Plant Variety Protection

Since 1995, breeders have been eligible to request Plant Variety Protection at the EU level. Breeders have the option of applying to a member state if they want to enter a specific national market or submit an EU- wide application which guarantees them protection throughout the 15 member states.

The EU legislation is considered more up-to-date and stricter than most of the national regulations. However, it is a comprehensive option since some member states such as Spain and Greece have either no plant variety protection or incomplete regulations. Although the EU is not a member of the UPOV (International Union for the Protection of New Varieties of Plants), the legislation is based upon the latest UPOV 91 treaty (which is still in the process of being ratified) and exists in addition to national regulations. The new legislation will address the issue of the so-called "farmers-privilege". Essentially, the new legislation will forbid the saving of seeds from protected varieties for individual usage. Exceptions will be made for potatoes and grains in a separate regulation provided a "reasonable compensation" is made to the owners of the plant variety protection right. At present, there is considerable discussion regarding what constitutes "reasonable compensation". The law will also address "dependant" Plant Variety Protection. Breeders, who adjust a protected variety only marginally, have to ask permission for usage of the variety from the original owner. This article is intended to prevent misuse of new techniques, such as biotechnology.

Trade Matrices

IMPORTS OF SEEDS

GRASSES

Meadow fescue (120923110)	
TOTAL	397
E.U.	61
Czech Rep.	46
Canada	171
U.S.A.	0

Red Fescue (Creeping fescue) (120923150)	
TOTAL	1,665
E.U.	1,174
Czech. Rep.	0
U.S.A.	352
Canada	126

Other fescue (120923800)	
TOTAL	421
E.U.	268
Czech. Rep.	0
U.S.A.	109

Blue grass (common meadow grass) (120924000)	
TOTAL	1,056
E.U.	263
U.S.A.	771
Canada	20

Meadow barley grass (120925100 + 120925900)	
TOTAL	5,809
E.U.	3,550
Hungary	384
Czech.Rep.	800
USA	34

Other (raw meadow grass, cocksfoot) (120929100)	
TOTAL	1,027
E.U.	309
U.S.A	67
New Zealand	55
Australia	415

SUGAR BEET SEED (120911000)	
TOTAL	3,374
E.U.	3,365

Other beet seed (120919000)	
TOTAL	30
E.U.	13
USA	4

FORAGES

Alfalfa (120921000)	
TOTAL	362
E.U.	54
USA	12

Clover (120922100 + 120922800)	
TOTAL	641
E.U.	121
USA	0
New Zealand	382

Lupineseed (120929500)	
TOTAL	101,839
E.U.	813
Poland	172
Australia	91,760

Other forages (120929800)	
TOTAL	559
E.U.	363
Hungary	31
U.S.A.	31
Canada	52
Australia	10

FLOWER SEEDS

Plant seeds for flowers (120930000)	
TOTAL	266
E.U.	111
Hungary	31
Tanzania	31
U.S.A.	4

VEGETABLE SEEDS (120991100-900)	
TOTAL	4,854
E.U.	3,023
Czech Rep	28
U.S.A.	948

TREE SEEDS (120999100)

TOTAL	293
E.U.	57
U.S.A.	41
Brazil	45

OTHER FLOWER SEEDS (120999910)

TOTAL	162
E.U.	35

OTHER SEEDS (120999990)

TOTAL	320
E.U.	41
U.S.A.	69

VEGETABLE SEEDS-HYBRIDS (071290110)

TOTAL	86
E.U.	3
US	50
Australia	31

LEGUMINOUS VEGETABLES

"Kekers" (071320100)

TOTAL	580
E.U.	144
Turkey	388

Bean (071332100)

TOTAL	181
E.U.	1

Others (071339100)

TOTAL	5,032
E.U.	164
USA	1,471
Turkey	25
China	888
Canada	999

Broad Bean (071350100)

TOTAL	434
E.U.	390

Beans Vigna Mungo (071331100)	
TOTAL	1,445
E.U.	447
Tanzania	0
USA	0
China	276
Australia	47
Beans Phaseolus Vulgaris (071333100)	
TOTAL	7,154
E.U.	257
Tanzania	3,613
USA	2,623
Canada	39
Chile	365
Peas (071310100)	
TOTAL	5,343
E.U.	389
USA	718
Hungary	1,942
Lentils (071340100)	
TOTAL	3,218
E.U.	1,432
Turkey	696
USA	28
Canada	1,044

FIELD CROPS

Soybeans seeds (120100100)	
TOTAL	0
E.U.	0
Groundnuts seeds (120210100)	
TOTAL	0
Rapeseed (120500100)	
TOTAL	63
E.U.	40
Flaxseed (120400100)	
TOTAL	355
E.U.	355

Sunflower Seed (120600100)	
TOTAL	189
E.U.	10
Turkey	88
USA	16
Sesame Seed (120740100)	
TOTAL	0
USA	0
Palm Kernel Seed (120710100)	
TOTAL	1
Mustard Seed (120,750,100)	
TOTAL	670
E.U.	300
Hungary	233
Poppy Seed (120791100)	
TOTAL	0
Other (120799100)	
TOTAL	360
E.U.	47
Turkey	1
Czech. Rep	6
USA	1
Corn Hybrids, Seed (100510110)	
TOTAL	56
USA	56
Corn Hybrids Seed (100510130)	
TOTAL	2,746
E.U.	1,996
Hungary	23
USA	402
Canada	321
Corn Hybrids Seed (100510150)	
TOTAL	2,631
E.U.	1,637
USA	361
Chile	456

Corn Hybrids Seed (100510190)	
TOTAL	157
E.U.	0
Corn Seed (100510900)	
TOTAL	1,984
E.U.	1,973
Chile	9
USA	2
Soft Wheat (100190910)	
TOTAL	15,231
E.U.	15,226
Barley (100300100)	
TOTAL	618
E.U.	618

EXPORTS OF SEEDS

GRASSES

Meadow fescue (120923110)	
TOTAL	463
E.U.	366
Red Fescue (Creeping fescue) (120923150)	
TOTAL	2,189
E.U.	1,717
Other fescue (120923800)	
TOTAL	741
E.U.	649
Blue grass (common meadow grass) (120924000)	
TOTAL	2,255
E.U.	1,756
Meadow barley grass (120925100 + 900)	
TOTAL	14,789
E.U.	12,991
Other (raw meadow grass, cocksfoot) (120929100)	
TOTAL	771
E.U.	699

SUGARBEET SEED (120911000)

TOTAL	192
EU	77

Other beet seed (120919000)

TOTAL	133
EU	129

FORAGES

Alfalfa (120921000)

TOTAL	291
EU	255

Clover (120922000)

TOTAL	292
EU	265

Lupineseed (120929500)

TOTAL	35,642
E.U.	35,472

Other forages (120929800)

TOTAL	3,128
E.U.	2,586

FLOWER SEEDS

Plant seeds for flowers (120930000)

TOTAL	543
E.U.	291

VEGETABLE SEEDS (120991100 +900)

TOTAL	4,364
E.U.	2,063

TREE SEEDS (120999100)

TOTAL	212
E.U.	202

OTHER FLOWER SEEDS (120999910)

TOTAL	299
E.U.	288

OTHER SEEDS (120999990)

TOTAL	170
E.U,	102

VEGETABLE SEEDS-HYBRIDS (071290110)

TOTAL	104
EU	68

LEGUMINOUS VEGETABLES

Kekers" (071320100)

TOTAL	178
EU	151

Bean (071332100)

TOTAL	113
EU	69

Others (071339100)

TOTAL	725
EU	598

Broad bean (071350100)

TOTAL	395
EU	350

Beans Vigna Mungo (071331100)

TOTAL	64
EU	50
USA	0

Beans Phaseolus vulgaris (071333100)

TOTAL	4,678
EU	3,487
USA	0

Peas (071310100)

TOTAL	3,576
EU	2,208
Switzerland	65

Lentils (071340100)

TOTAL	512
EU	413

FIELD CROPS

Soybeans seeds (120,100,100)

TOTAL	0

Groundnuts seeds (120210100)	
TOTAL	0
Rapeseed (120500100)	
TOTAL	53
EU	28
Flaxseed (120400100)	
TOTAL	1,651
EU	1,621
Sunflowerseed (120,600,100)	
TOTAL	247
EU	165
Sesame seed (120740100)	
TOTAL	0
Palm kernel seed (120710100)	
TOTAL	1
Mustard seed (120750100)	
TOTAL	80
E.U.	135
Poppy seed (120791100)	
TOTAL	0
Other (120799100)	
TOTAL	50
EU	46
Corn Hybrids, seed (100510110)	
TOTAL	10
EU	10
Corn hybrids, seed (100510130)	
TOTAL	2,248
EU	1,885
Poland	45
Czech Rep.	159
Corn hybrids, seed (100510150)	
TOTAL	3,045
EU	2,976

Corn hybrids, seed (100510190)	
TOTAL	0
Corn seed (100,510,900)	
TOTAL	35
EU	3
Hungary	0
U.S.	22
Soft wheat (100190910)	
TOTAL	1,444
EU	1,425
Barley (100300100)	
TOTAL	252
EU	246