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Report Highlights:

The Dutch retail sector is fairly consolidated, with the two largest food retailers controlling 56 percent of the market. Consumers are increasingly looking for sustainable products, healthy foodstuffs, and convenient products. The Dutch are expected to continue to buy more plant-based foods and private label brands. Moreover online shopping is expected to remain popular, and consumers are expected to continue to utilize home delivery services for their groceries. Finally, food retailers are expected to continue to invest in innovative food service concepts at their supermarkets in order to attract customers.

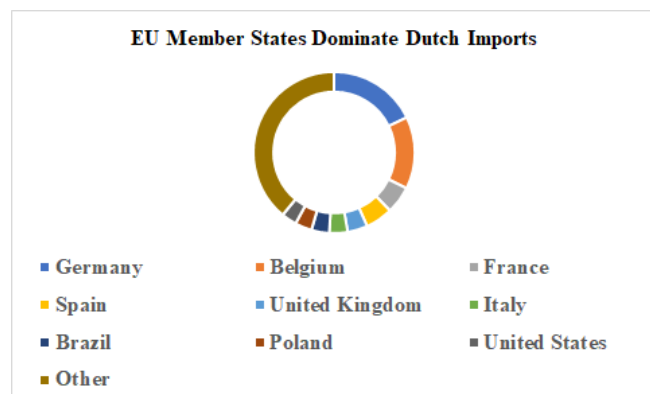
Market Fact Sheet: The Netherlands

Executive Summary:

Although the Netherlands is a small country geographically, it is the gateway for U.S. products into the European Union (EU) due to the presence of the Port of Rotterdam, Schiphol Airport, the confluence of two major European rivers, and an excellent road and railway infrastructure. It is the EU's largest importing country and continues to be the second largest exporter of agricultural products in the world, after the United States and before Germany. These exports include products produced in the Netherlands as well as imported products that are re-exported, often after further processing and adding value.

Imports of Consumer-Oriented Products:

Products from other EU Member States lead Dutch imports of consumer-oriented products. In 2019, the United States was the tenth largest supplier of these products to the Netherlands, with imports valued at almost \$1.3 billion.



Source: Trade Data Monitor

Food Processing Industry:

Over 6,500 food companies in the Netherlands generated net sales of \$91.6 billion in 2019, up 3.5 percent compared to 2018. The meat, dairy, and fresh produce subsectors each accounted for roughly a quarter of the food processing industry's turnover.

Food Retail Industry:

The Dutch retail sector is rather consolidated, employing over 300,000 people and operating 4,300 stores. The net sales of the Dutch food retail industry are estimated at \$46 billion in 2019. Turnover is expected to further increase in 2020. High-end supermarkets are gaining popularity, as consumers are demanding service, variety, and fresh and convenient products.

Foodservice – HRI Industry:

The net sales of the Dutch foodservice market in 2019 was valued at \$24 billion. However, sales are expected to drop significantly in 2020 due to the Corona virus outbreak. Public enterprises, including bars, cafés, and restaurants had to close their doors (with take-out and delivery keeping some restaurants going). After a prolonged shutdown, most of the foodservice outlets are expected to re-open on June 1, 2020, under strict conditions.

Quick Facts CY2019

Imports of Consumer-Oriented Products, total:
\$41.7 billion

List of Top 10 Growth Products in the Netherlands (imported from the World):

- | | |
|-------------------------|--------------------------|
| 1. Cocoa | 6. Avocados |
| 2. Food preparations | 7. Prepared chicken meat |
| 3. Bread, pastry, cakes | 8. Malt extract |
| 4. Bananas | 9. Beer |
| 5. Cheese | 10. Enzymes |

Food Industry by Channels 2019:

Consumer-Oriented Products Imports	\$41.7 billion
Consumer-Oriented Products Exports	\$77.9 billion
Agricultural & Related Products Imports	\$80.7 billion
Agricultural & Related Products Exports	\$112.4 billion
Food Industry	\$91.6 billion
Food Retail	\$46.0 billion
Foodservice	\$24.0 billion

Top 10 Food Retailers in the Netherlands, Market Share:

1. Albert Heijn	34.7%	6. Dirk/Deka	5.5%
2. Jumbo	19.1%	7. Coop	3.2%
3. Lidl	10.9%	8. Deen	2.1%
4. Aldi	6.8%	9. Hoogvliet	2.1%
5. Plus	6.4%	10. SPAR	1.2%

GDP/Population:

Population: 17.3 million
GDP: \$808 billion
GDP per capita: \$46,705

Strengths/Weaknesses/Opportunities/Challenges

Strengths:

U.S. producers are professional, offer great variety, and deliver products with a consistent quality. U.S. farmers have a good story to tell about sustainability, farm to table supply chains, and their State/regional heritage.

Weakness:

Shipping time & costs, import tariffs, and EU labeling regulations make U.S. products more expensive. Some U.S. food products suffer from a negative perception among Dutch consumers due to misinformation and an image issue.

Opportunities:

Importers of products targeting supermarkets have had good experiences working with U.S. suppliers. There is a growing demand for functional, fresh, and processed food products that contribute to a healthier lifestyle.

Threats:

There is fierce competition on price, quality, uniqueness, and innovation from other EU member states and from third countries that have negotiated lower tariff rates, such as Canada and Mexico.

Data and Information Sources: Trade Data Monitor, industry experts, company websites
Contact: FAS The Hague, agthe Hague@fas.usda.gov

SECTION I. MARKET SUMMARY

Overall Business Climate

Fundamental strengths of the Dutch economy continue to be the Netherlands' stable political climate, highly developed financial sector, strategic location, a well-educated and productive labor force, and high-quality physical and communications infrastructure. Due to the COVID-19 pandemic, however, the Netherlands Bureau for Economic Policy Analysis (CPB) recently adjusted the outlook for the Netherlands. In late March 2020, the CPB developed four scenarios to outline the possible economic impact of the coronavirus in 2020 and 2021. The scenarios used different starting points with respect to the duration of the physical contact restrictions and the severity of the economic impact. All scenarios resulted in a recession, with GDP declining by between 1.2 percent and 7.7 percent in 2020. In its mildest scenario, the economy will rebound as early as in the third quarter of 2020, whereas in its gravest scenario, problems will expand to include the financial sector as the situation abroad continues to worsen. This last scenario also projects GDP to decrease by 2.7 percent in 2021. Under three of the four scenarios, the economic downturn will be more severe than in the 2008 – 2009 financial crisis. Additional information on the overall business climate in the Netherlands can be found on the website of the CPB at: <https://www.cpb.nl/en/corona-crisis-scenarios>. Additional information on the overall business climate in the Netherlands can be found in the [GAIN Exporter Guide December 16, 2019](#).

Dutch Food Retail Market

In 2019, the turnover of the Dutch food retail industry grew by two percent and totaled €41.4 billion (\$46 billion¹). There are roughly 4,300 food retail outlets in the Netherlands accounting for almost 300,000 jobs. Roughly 80 percent of all food retail outlets are full-service supermarkets, operating between 500 and 1,500 square meters of floor space and located in cities or residential areas. Retailers with full-service supermarkets have responded to the need of the Dutch to have these supermarkets close to their homes. The remaining 20 percent includes: mainly 'on the go' or convenience stores including *SPAR City*, *Jumbo City*, *COOP Vandaag*, and *AH To Go*, located near office buildings, and train/metro stations, and high traffic areas in city centers; some wholesalers; and a few superstores like *Albert Heijn XL* and *Jumbo Foodmarkt* (all conveniently located in shopping malls or industrial parks).

The top two food retailers in the Netherlands, Albert Heijn and Jumbo, had a combined market share of almost 56 percent in 2019. The combined market share held by German discounters, Aldi and Lidl, was almost 18 percent last year. Independent food retail stores are increasingly leaving the market due to shrinking margins, growing competition from online sales, and on-going consolidation. The latest market share data for the leading food retailers in the Netherlands can be found online at: https://www.distriboed.nl/food-data/marktaandeelen?_ga=2.37870691.1717217347.1589972844-1374025108.1589972844.

Market Dynamics

Sustainable Food Products

Over the last decade, Dutch food retailers have increasingly preferred to source food products that are sustainably produced or obtained in a sustainable manner. Wageningen University and Research (WUR) annually publishes the "[Monitor Duurzaam Voedsel](#)" report, which provides an overview of

¹ Exchange rate of \$1 = €0.9

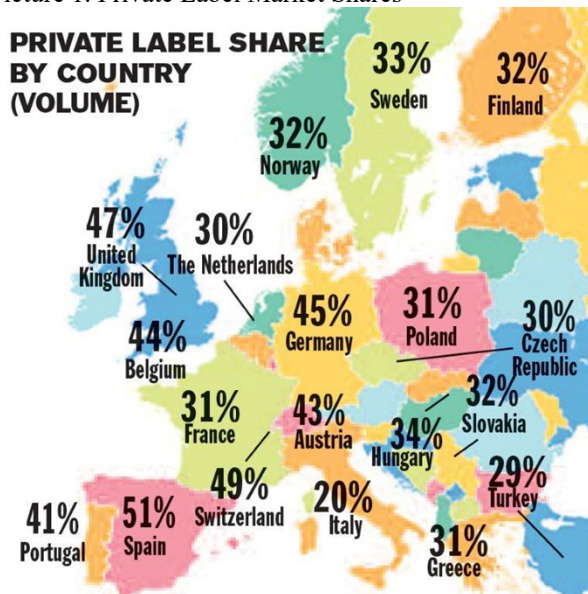
consumer spending on sustainable food in the Netherlands.² Total consumer spending on foods certified as sustainable grew by seven percent in 2018, to more than €4.9 billion (\$5.4 billion). The share of sustainable food purchases compared to total spending on food stabilized at 11 percent in 2018. While spending on eggs and bread & bakery products was up, consumers spent less money on sustainable certified meat and meat products in 2018.

Sustainable food is expected to be one of the fastest growth markets in the Dutch food industry in 2019 and 2020, and the consumption of certified sustainable products is expected to continue to increase in the out years. A wider range of certified products and changing consumer preferences — paying more attention to sustainability and health — explains the growth in demand for these products. Most of the spending takes place in the supermarket, mainly due to a wider availability of sustainable products.

Private Label Products

Nielsen figures show that the market share for private labels is strong at 30 percent or higher in most European countries. Brian Sharoff, President of the Private Label Manufacturing Association (PLMA), said, “{t}he latest Nielsen statistics reveal clearly that the popularity among consumers of private label across Europe remain enormous. In 17 countries researched, at least every third product sold is a private label product. In the lead are Spain and Switzerland where every second product sold is a retailer brand.”³ Other countries with a high private label market share are the United Kingdom (47 percent), Germany (45 percent), Belgium (44 percent), and Austria (43 percent). The Netherlands’ market share continues to be around 30 percent. Several retailers in the Dutch market have developed two private labels; one focusing on price and the other on enhanced quality. Consumers are discovering the good value-for-money that private label brands are offering and that they can be a cheaper alternative for A-branded products.

Picture 1. Private Label Market Shares



Private labels appear to fare well, both in years of recession as well as in more prosperous times. The profitability of private label products has fueled retailers’ interest to offer more of them (e.g. gluten-free, healthy, and organic) and move into new areas for private labels, such as bakery products and cosmetics. The largest trade show in the world for the private label industry, the Amsterdam Private Label Manufacturers Association (PLMA) fair, is held annually in Amsterdam. The next edition is scheduled for December 2-3, 2020. Please contact agthe Hague@fas.usda.gov if you are a U.S. interested party and require more information about the show.

Source: www.plmainternational.com

² The most recent figures available are for 2018.

³ See, e.g., <https://storebrands.com/private-label-continues-grow-europe>

Online Shopping

The market for online shopping, as a percentage of total food retail, is estimated at three to four percent (small but growing). Most traditional supermarkets are active online and their combined market share is 75 percent. Picnic is the only Dutch supermarket that exclusively operates online. It had an estimated market share of 25 percent in 2019. The introduction of Picnic in 2015 -- the first supermarket to offer free delivery in the Netherlands -- boosted online sales of groceries across the country. In 2019, an estimated 25 percent of Dutch consumers say they have bought their groceries online at least once in the last six months (up from 22 percent in 2018). Consumers aged 18-44 are most likely to shop for groceries online, driven by saving time and money. Consumers are likely to continue to shop online if they have a high quality online experience and a good experience with the delivery of purchased goods.

Industry Consolidation is Blurring Boundaries

Particularly in Dutch cities, consumers are no longer shopping at traditional times and/or locations. Breakfast is increasingly purchased on the way to work. During lunch breaks, people decide what they want to eat for lunch and buy it on the spot. Dinner is increasingly bought on the way home. As a result, innovative convenience stores, either small independent stores or franchises that are part of a larger chain, are opening near metro/train stations, schools, office buildings and shopping malls. For expansion, food retailers are now looking at other, perhaps less-conventional locations that attract a lot of traffic, including hospitals, schools, and office buildings or near highways, train stations, and airports.

In November 2019, Marqt, a Dutch retail chain exclusively selling organic and sustainably produced food products, reached an agreement with Udea, the owner of the much larger organic supermarket chain Ekoplaza. Udea will take over Marqt, and its 19 stores, and sell some stores to Jumbo and to Albert Heijn. The remaining stores are planned to be converted into Ekoplaza stores.

One month later, Jumbo announced its intention to formally cooperate with Dutch department store, HEMA. Under the partnership, Jumbo will take over 17 HEMA stores located in popular locations in cities, and convert them into Jumbo supermarkets. In addition, Jumbo will become responsible for the supply of food products sold at six HEMA stores inside Dutch train stations. On the other hand, HEMA is expected to see a significant increase in exposure for its non-food items as these will soon be found in nearly seven hundred Jumbo stores (increasing convenience for consumers).

Plant-Based Diets

Another growing trend in the Netherlands is the rising interest in plant-based diets, supported not only by an increase in the number of vegetarians and vegans in the country, but also a general shift in consumer lifestyles. Specifically, the health trend is encouraging an increasing numbers of consumers to adopt a flexitarian attitude and reduce the amount of animal-based products that they consume. Sustainability concerns over animal welfare and health trends are driving this movement, and continue to benefit sales of meat substitutes. With Unilever taking over the Dutch company De Vegetarische Slager (The Vegetarian Butcher), and burgers from U.S.-brand Beyond Meat being produced in the Netherlands and offered at local supermarkets, meat-free alternatives are moving into the mainstream.

Health and Well-Being

Consumers are becoming more aware of and are more concerned about the effects foods may have on their health and well-being. There is a trend towards a healthier lifestyle in Western countries. The following U.S. industries have all benefitted from this trend: healthy food snacks, tree nuts, so-called

super fruits, products with special certification, and pulses. Consumers are looking for and finding more information on healthier living, including from influencers who are rapidly gaining power in persuading consumers. Food retailers play a crucial role as well, as they market food products to create, anticipate, and meet consumers' needs.

Nutrition Labeling



Dutch consumers are becoming increasingly aware of the need to reduce their sugar, salt, and fat intake, particularly with the rising incidence of diabetes and obesity in the Netherlands. According to Euromonitor[©], this has led to food companies producing healthier and higher quality packaged foods. EU Member States are permitted to use additional forms of expression or presentation of the nutrition declaration, such as front-of-pack labeling. The Dutch government

has chosen to endorse the Nutri-Score scheme as of mid-2021. This scheme includes a color-coded designation from 'A' (highest nutritional quality) to 'E' (lowest nutritional quality). Several Dutch retailers along with some food manufacturers have already voiced support for the Nutri-Score scheme, see, e.g., [GAIN report NL9024](#). Before the European Commission's (EC) is due to publish its "farm to fork strategy", the Dutch food retail umbrella organization, CBL, together with almost 40 other European stakeholders, called on the EC to make the use of the Nutri-Score on packaging mandatory⁴.

Impact of COVID-19 on Dutch Food Retail

The impact that COVID-19 has had, to date, on the overall Dutch food retail sector is discussed in [GAIN Report NL2020-0020](#).

Table 1. Advantages and Challenges of the Dutch Food Retail Market

<i>U.S. Supplier Strengths & Market Opportunities</i>	<i>U.S. Supplier Weaknesses and Competitive Threats</i>
Importers of products targeting supermarkets have had good experiences working with U.S. suppliers because they are professional and deliver products with a consistent quality. U.S. companies also have a great variety of innovative products to offer.	The Dutch are price-conscious consumers. Transatlantic transportation is costly which adds to the price. Products from the United States are subject to import tariffs. Suppliers from other EU Member States have a competitive advantage on tariffs, transportation costs, and transportation time.
Growing demand for food products with a special claim and sustainable production methods. U.S. farmers have a good story to tell (provenance) about sustainability, their supply chain (farm-to-table) and their State/regional heritage.	Growing demand for single-portion packaged food products. U.S. companies tend to manufacture packaged food in larger packages. Transatlantic transportation takes time, which can negatively affect the remaining shelf life of U.S. products.
Growing demand for new products, innovative food concepts, and international cuisine. U.S. producers fabricate products that are innovative, often trend setting, and known for their strong brands.	Some products fabricated by U.S. food producers suffer from a negative perception among Dutch consumers due to misinformation (e.g. local and small-scale is better) or an image issue (e.g. U.S. foodstuffs are unhealthy).
The Netherlands is the most important gateway for American products to the EU.	Beef that is not hormone-free, poultry, live bivalve mollusks and products containing GMO derived ingredients (that are not EU approved) cannot be exported.
Growing demand for functional, fresh, and processed food products that contribute to a healthier lifestyle.	The EU has several Free Trade Agreements that may advantage other 3 rd country competitors, including Canada and Mexico.

⁴ <http://www.beuc.eu/press-media/news-events/cross-sector-call-nutri-score-all-foods-eu>

	Fierce competition on price, quality, uniqueness, and innovation.
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Source: FAS/The Hague

SECTION II. ROAD MAP FOR MARKET ENTRY

U.S. exporters seeking to enter the Dutch market have many advantages, as indicated in the above table. However, there are a number of challenges U.S. exporters must meet before exporting to the Dutch market.

Entry Strategy

Success in introducing your product to the Dutch market will depend mainly on your knowledge of the market and your ability to build relationships with knowledgeable and established importers. An importer knows the market, the trade barriers, and the required documentation. Prior to exporting, invest in research that analyzes the Dutch food culture (e.g., concepts, flavor, prices, requirements, etc.). Once the product has been chosen, be aware that the competition will be fierce. There are tariff and non-tariff trade barriers that can complicate exporting to the Dutch market. The EU also has several Free Trade Agreements (FTAs) which may advantage other third country competitors. FAS/The Hague offers guidelines on business practices and import regulations and also maintains lists of Dutch buyers. Please contact our office in The Hague by email at agthehague@fas.usda.gov for additional information.

Market Structure

Figure 1. Distribution Channel Flow Diagram



Source: FAS/The Hague

The vast majority of supermarkets and superstores buy foreign (specialty) products via specialized importers. This is especially true for retail-ready consumer-oriented products like sauces, condiments, beverages, produce, and snack products. In general, convenience stores operate on a much smaller scale and, therefore, often buy smaller quantities through wholesalers. Department stores either work through importers or sometimes buy directly from U.S. exporters. Many imported intermediate and even some consumer-oriented products are often processed, mixed, or packed before being sold to the consumer. Products like tree nuts, bulk wines, and, in most cases, fish products fall into this category.

Retailers increasingly have their stores divided into different categories. For each category they will have two or three preferred suppliers who are responsible for supplying the full range of products within that category. This way, the retailer negotiates with just a handful of suppliers for produce, meat products, seafood products, groceries, beverages, bakery products, etc. For the international specialty products (covering branded retail ready U.S. products) area within supermarkets, retailers usually work with only a few specialized importers who are responsible for selecting products and filling those shelves.

Company Profiles

As described in Section I, the Dutch retail industry is rather consolidated. However, on the purchasing side, the industry is even more consolidated since several smaller food retailers have joined forces. The following data will give you an overview of the different buying combinations in the Netherlands.

Table 2. Leading Buying Groups in the Netherlands

Purchase Group:	Market Share, percentage:	Name of retail formats:
Albert Heijn Provincialeweg 11 1506 MA Zaandam www.ah.nl	34.9	Albert Heijn, AH XL, Albert.nl, AH To Go
Superunie Industrieweg 22B 4153 BW Beesd www.superunie.nl	27.5	Plus Holding, Deen Supermarkten, Coop Holding, Hoogvliet Super, Spar Holding, Boni-Markten, Boon Beheer, Detailresult Groep, Jan Linders, Nettorama Distributie, Poiesz Supermarkt, Sligro Food Group
Jumbo Groep Rijksweg 15 5462 CE, Veghel www.jumbo.com	21.0	Jumbo
Lidl Huizermaatweg 45 1273 NA Huizen www.lidl.nl	10.7	Lidl
Aldi Holding Pascalweg 21 4104 BE Culemborg www.aldi.com	5.9	Aldi

Source: <https://www.distrifood.nl/food-data>

Most of the food retail stores are full-service supermarkets. In addition there are some department stores (HEMA and Bijenkorf), convenience stores, gas markets (On the Run/Snack & Shop Shell Station, GO shops – the fresh way, Café Bonjour, and Wild Bean Café) and wholesalers (De Kweker, Sligro, Makro, Bidfood, VHC – Horesca, Hanos, and Zegro) that all sell food products.

SECTION III. COMPETITION

In 2019, total Dutch agricultural and related products imports were valued at \$80.8 billion. Imports from the United States totaled \$3.0 billion, down 15 percent due to lower U.S. soybean exports. The United States was the 10th largest supplier of consumer-oriented products to the Netherlands, after several EU member states and Brazil. While total Dutch imports of consumer-oriented products (\$41.7 billion) dropped by one percent last year, imports from the United States (\$1.3 billion) were up by nine percent, driven by higher imports of tree nuts, food preparations, processed produce, pet food, and other products.

The table below summarizes the competitive situation that U.S. suppliers face in the Dutch food retail market in terms of locally produced goods and imports (and their respective market shares). In addition, the strengths of supplying countries and also the advantages and disadvantages of local suppliers are discussed.

Table 3. Netherlands' U.S. Market Share Versus Main Suppliers' Market Share in Consumer Oriented (U.S. exports), Million USD, 2019

Product Category	Main Suppliers, in	Strengths of Key Supply	Advantages and
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(product code) Imports in \$ million	percentage	Countries	Disadvantages of Local Suppliers	
Craft beer (HS2203) Total imports: \$480 From USA: \$5	1. Belgium 2. Germany 3. The U.K. 4. France 9. USA	62 13 6 6 1	Competition from neighboring countries, dominated by Belgium and Germany.	Strong demand for new flavors, funky labels, and innovative tastes.
Sweet potatoes (HS071420) Total imports: \$153 From USA: \$76	1. USA 2. Egypt 3. Spain 4. Honduras	50 12 4 4	Competition from Egypt, Spain, Honduras, and China.	Supermarkets are increasingly selling fresh and processed sweet potatoes. Demand for variety and quality products.
Condiments and sauces (Product group) Total imports: \$500 From USA: \$11	1. Germany 2. Belgium 3. Italy 4. The U.K. 4. Poland 11. USA	19 15 10 9 8 2	First four suppliers benefit from proximity and being in the EU market.	Demand for good quality and unique products.
Walnuts (HS080231) Total imports: \$8 From USA: \$4	1. USA 2. Chile 3. France 4. Hungary	57 23 4 3	Competition from Chile, France, and Hungary.	Growing demand from the snack industry. Walnuts benefit from their healthy reputation.
Ice cream (HS210500) Total imports: \$246 From USA: \$9	1. Belgium 2. Germany 3. France 4. The U.K. 6. USA	37 24 8 7 4	1, 2, 3, and 4 are close to the market and offer good quality products.	Demand for good quality and unique products.
Pistachios, shelled (HS080252) Total imports: \$11 From USA: \$2	1. Germany 2. Turkey 3. USA 4. Belgium	42 25 15 6	Turkey competes with the United States while Germany and Belgium re-export imported pistachios.	Growing demand from the snack industry. Pistachios benefit from healthy image.
Snack food (Product group) Total imports: \$903 From USA: \$6	1. Belgium 2. Germany 3. The U.K. 15. USA	35 28 5 1	1, 2, and 3 are close to the market and offer good quality products.	Demand for branded, good quality, and unique products that have a story to tell.
Onions and shallots (HS070310) Total imports: \$214 From USA: \$2	1. Egypt 2. N. Zealand 3. Spain 4. Poland 5. Germany 12. USA	30 14 12 10 10 1	The Netherlands is a global player in the trade of onions and shallots. Egypt and New Zealand are important suppliers of these products to the Netherlands.	There is demand for sweet and organic onions in the Netherlands.
Spices (Product group) Total imports: \$383 From USA: \$1	1. China 2. Indonesia 3. Germany 4. Vietnam 5. Belgium 20. USA	21 10 8 7 6 <1	Competition from countries in Asia.	Demand for new and good quality spices. Exports of U.S. spices including vanilla, anise, and cardamoms are growing.

Source: Trade Data Monitor

SECTION IV. BEST PRODUCT PROSPECTS

A. U.S. Products Present In the Market That Have Good Sales Potential

- Nuts and dried fruits
- Fruit juices (orange and grapefruit)
- Alcoholic and non-alcoholic beverages
- (Super) Fruits containing high levels of antioxidants

B. Top Consumer-Oriented Products from the World

- Wine
- Beef
- Food preparations
- Grapes

C. Top Consumer-Oriented Products from the United States

- Food preparations
- Beef
- Almonds
- Pistachios

D. U.S. Products Not Present In Significant Quantities but Which Have Good Sales Potential

- Functional/health/free-from foods
- High value organic products
- Innovative sauces, condiments and confectionary products

E. U.S. Products Not Present Because They Face Significant Barriers

- Poultry (sanitary procedures)
- bivalve molluscan shellfish (n.b. the U.S. and EU are working to reopen bilateral trade targeting fall 2020)
- Processed food with GMO ingredients, bleached flour etc.

SECTION V. POST CONTACT AND FURTHER INFORMATION

USDA - Foreign Agricultural Service (FAS)/The Hague, the Netherlands

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Attachments:

No Attachments