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Report Highlights:

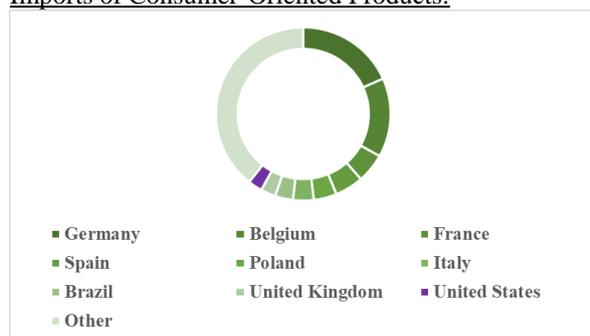
The turnover of the Dutch food processing industry in 2021 (most recent data available) was valued at \$99 billion. There are almost 8,500 food processing companies active in the Netherlands and together they account for over 150,000 jobs. The industry is largely depends on imported (unprocessed) ingredients. The majority of its finished goods, however, are sold in foreign markets. The food processing report also describes the quick increase of important costs for the food industry and that the effects of these cost increases are affecting consumer prices for foodstuffs. The report also provides a road map and overview of import requirements and standards for U.S. exporters that wish to enter the Dutch market, as well as a summary of the competitive situation U.S. suppliers face in the Dutch food processing sector.

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). It is also the largest importing country within the EU and continues to be the second largest exporter of agricultural products in the world.

Imports of Consumer-Oriented Products:



Source: Trade Data Monitor

Food Processing Industry:

Over 8,435 food companies in the Netherlands generated net sales of \$99 billion in 2022. The industry has been a steady supplier of jobs in the Netherlands (152,000) and the number of food companies continues to grow due to the growing number of small food companies (with less than 10 employees).

Food Retail Industry:

The Dutch retail sector is rather consolidated, employing over 300,000 people, and operating in an estimated 6,130 stores. The sector's turnover for 2023 was valued at \$54 billion (€50 billion). Due to the increased costs of living, consumers are looking for products on sale and moving from branded products to private labeled products. Cheaper, further processed variants are gaining popularity as well as discount stores. Interest in shopping for groceries on-line continues to grow.

Foodservice – HRI Industry:

Post pandemic, the Dutch foodservice industry's turnover rebounded in 2021. This trend continued the following year when all COVID-19 restrictions were lifted, and the Dutch returned to foodservice establishments in higher numbers and greater frequency. Last year its turnover was up by nine percent and valued at \$16.7 billion. Although this time turnover was up due to inflation. At the same time, rising costs of living are negatively impacting the frequency the Dutch are visiting foodservice establishments. The competition between foodservice companies and food retailers intensified with the latter investing in the delivery of ready meals and meal kits and expanding the number of convenience stores.

Quick Facts CY2023

Imports of Consumer-Oriented Products, total:
\$56.4 billion

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

- | | |
|---------------------------|-------------------------|
| 1. Fresh fruit | 6. Fresh vegetables |
| 2. Dairy products | 7. Poultry products |
| 3. Bakery goods | 8. Processed vegetables |
| 4. Flowers, nursery prod. | 9. wine |
| 5. Cocoa products | 10. Juices |

Food Industry by Channels 2023, in \$ billion:

Consumer-Oriented Products Imports	\$56
Consumer-Oriented Products Exports	\$105
Agricultural & Related Products Imports	\$109
Agricultural & Related Products Exports	\$153
Food Processing Industry	\$99
Food Retail	\$54
Food Service	\$17

Top 10 Food Retailers in the Netherlands, Market Share:

1. Albert Heijn	35.9%	6. Dirk/Deka	5.1%
2. Jumbo	21.8%	7. Hoogvliet	2.0%
3. Lidl	10.7%	8. Spar	1.2%
4. Plus/Coop	10.4%	9. Jan Linders	1.1%
5. Aldi	5.2%	10. Poiesz	1.0%

GDP/Population:

Population: 17.9 million
GDP: \$1,048 billion (€964 billion)
GDP per capita: \$58,404 (€53,732)

Strengths/Weaknesses/Opportunities/Challenges

Strengths:
The Netherlands is within the EU the gateway for U.S. products and the home to specialized traders and food processing companies. There is a long tradition of processing food ingredients.

Weakness:
transportation is costly and takes time. U.S. products are subject to import tariffs and non-tariff trade barriers. Some U.S. food products suffer from a negative perception among Dutch consumers due to misinformation.

Opportunities:
Dutch traders and food processors like to work with U.S. suppliers. There is demand for food products with a special claim and sustainable production method.

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.

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

SECTION I. MARKET OVERVIEW

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, Amsterdam Schiphol Airport, the confluence of two major European rivers, and an excellent road and railway infrastructure. It is the largest importing country within the EU and continues to be the second largest exporter of agricultural products in the world, after the United States and before Germany. These exports (\$153 billion in 2023) include products produced in the Netherlands as well as imported products that are re-exported, often after further processing and adding value.

Overall Business Climate

The CPB Netherlands Bureau for Economic Policy Analysis published on February 22 its latest projections in the Central Economic Plan 2024 (CEP). After a year of stagnation, the Dutch economy is returning to a moderate growth trajectory. Dutch households, at the same time, will see their purchasing power recover in 2024, by 2.7 percent. Finally, CPB warns the government deficit will exceed the EU-mandated three percent limit by 2028 without changes to current expenditure plans. More detailed information can be found on the website of the CBP, <https://www.cpb.nl/en/projections-february-2024-cep-2024#>.

Market Dynamics and Underlying Causes

The turnover of the Dutch food processing industry for 2022 (most recent data available) was valued at \$99.1 billion (or €91.2 billion), up by 21 percent driven mainly by price increases. The number of companies in the food industry increased to 8,435 companies, due to a growing number of small food companies, those with less than 10 employees. The sector has been a steady supplier of jobs in the Netherlands (152,000).

The Dutch food industry is an internationally operating sector. The majority (58 percent in 2022) of what the sector produces are sold internationally, in 2022, 40 percent ended up on the German, French, and Belgian consumer market. Conversely, the Dutch shopping basket is largely dependent on imported food ingredients including fresh produce, grains, coffee, tea, cocoa, and spices. In the same year, the export value of the food industry was at \$57.5 billion (€52.9 billion), an increase of 22.4 percent compared to the previous year. The import value of the food industry increased by 18.2 percent to \$34.1 billion (€31.4 billion). The export balance, the difference between exports and imports amounted to \$23.4 billion (€21.5 billion), an increase of 29 percent. The increasing import, export, and export balance value can largely be explained by rising food prices.

What is Driving the Food Industry

In the period from January 2021 onwards, several important costs for the food industry increased quickly; energy, raw materials, labor, packaging materials, and logistics. The effects of these cost increases are affecting consumer prices for foodstuffs. In the Netherlands, energy prices peaked in the summer of 2022. Since then, prices dropped slightly, and in particular in the spring of 2023. Nevertheless, energy prices in July 2023 were still one and a half times higher than in the first half of 2021. An important part of the operating costs for the food industry consists of agricultural raw materials. International prices of commodities were the highest in March 2022 and decreased from then onwards gradually. Compared to January 2021, agricultural commodities prices were nine percent higher in July 2023.

Labor costs is another essential part of the industry’s operating costs. Wages increased gradually in 2021 and 2022 and increasingly faster in 2023. In July 2023, wages were on average 11 percent higher than in January 2021 and are among the highest within the European Union. Prices for packaging materials have also increased since the beginning of 2021 and peaked in the summer of 2022. Since then, prices for packaging materials have fallen, but prices were still higher in June 2023 than in January 2021. Finally, transport and storage costs rose until the third quarter of 2022. In June 2023, the costs for freight transport by sea were 53 percent higher than in January 2021. Road transportation costs also increased and were in June 2023 a fifth higher than in January 2021.

Nutri-Score

On January 1st, 2024, the Dutch government introduced the Nutri-Score logo. This logo should give consumers more information about a food product and be an aid to choose the product with the better composition within a product category. Food companies are not obliged to put the logo on their products. The [Wheel of Five](#) remains the advice for a healthy diet. Nutri-Score does not replace the Wheel of Five. For more on the Nutri-Score label, see [Nutri-Score Labeling Takes Hold in the Netherlands](#).

Forecasts of What Lies Ahead

Most food processing companies were forced to increase their prices and the costs increase resulted in a decline in the industry’s value added and led to reduced profit margins. The food industry is, as a result, in the middle of a broader social discussion about the affordability of groceries in the Netherlands. Despite the challenging and uncertainties, the Dutch food industry remains a relatively stable and resilient industry. The economic importance of the food industry in the Dutch economy remains substantial at almost four percent in 2022. The industry is asking itself the question what impact high inflation, changing consumer patterns, tough price negotiations with customers, development of wages, and high interest rates will have on the profit margins of the food industry.

Table 1. Advantages and Challenges

Advantages – U.S. Supplier strengths and Market Opportunities	Challenges – U.S. Supplier weaknesses and Competitive Threats
U.S. suppliers are professional, deliver food ingredients with a consistent high quality, and have a wide product range. Dutch food processing companies have had positive experiences working with U.S. suppliers.	U.S. suppliers of beef from hormone-treated cattle, poultry, and products containing genetically engineered-derived ingredients that are not EU approved cannot export to the Netherlands.
U.S. producers tell a good story about their heritage, sustainability, and quality. Strong demand for ingredients with a special claim and sustainable production method.	The EU has several Free Trade Agreements (FTAs) that may advantage other 3rd country competitors, including Canada and Mexico.
The Netherlands is the most important gateway for U.S. products to the European Union (EU) as the specialized traders and food processing companies are often located in the Netherlands.	Transatlantic transportation is costly, takes time, and requires the use of containers. U.S. products are subject to import tariffs and non-tariff trade barriers.

Source: FAS/The Hague

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

Gaining a thorough understanding of the market, its players (buyer and users of U.S. products) is crucial in understanding the market and determining if there is a market for the product. Dutch buyers of U.S. products can be both specialized importers as well as food processing companies.

Trade shows serve as a springboard into the market, to establish new trade contacts, and to gauge product interests. U.S. exporters are encouraged to exhibit at one of the shows in the United States as Dutch buyers regularly attend these shows as well. Visiting or exhibiting at trade show in Europe may be considered as well, and depending on your product, one of the following trade shows. Trade Missions, which are often organized around trade shows in the United States or other industry trade events, have also proven to be an excellent platform for U.S. companies to meet with Dutch buyers.

Table 2. Trade Shows in Europe

Leading Trade Shows in Europe	
SIAL , Paris, France Europe's largest food & beverages show (alternating with Anuga) <i>*USDA Endorsed*</i> sialparis.com	ANUGA , Cologne, Germany Europe's largest food & beverages show (alternating with SIAL) <i>*USDA Endorsed*</i> anuga.com
Food Ingredients Europe , Frankfurt, Germany European food ingredients show <i>*USDA Endorsed*</i> foodingredientsglobal.com	Free From Food Expo , Amsterdam, the Netherlands Regional show for products with special certification amsterdam.freefromfoodexpo.com
Fruit Logistica , Berlin, Germany European produce, dried fruit, and nuts show <i>*USDA Endorsed*</i> fruitlogistica.com	PLMA World of Private Label , Amsterdam, the Netherlands World's largest private label show plmainternational.com
BioFach , Nuremberg, Germany European organic show <i>*USDA Endorsed*</i> biofach.de	World Bulk Wine Exhibition , Amsterdam, the Netherlands Leading trade show for bulk wine. worldbulkwine.com

U.S. exporters can also consider reaching out to the U.S. [State Regional Trade Groups \(SRTG\)](#), a [commodity Cooperator Group](#), and the [National Association of State Departments of Agriculture](#) to obtain additional market entry support.

Import Procedure

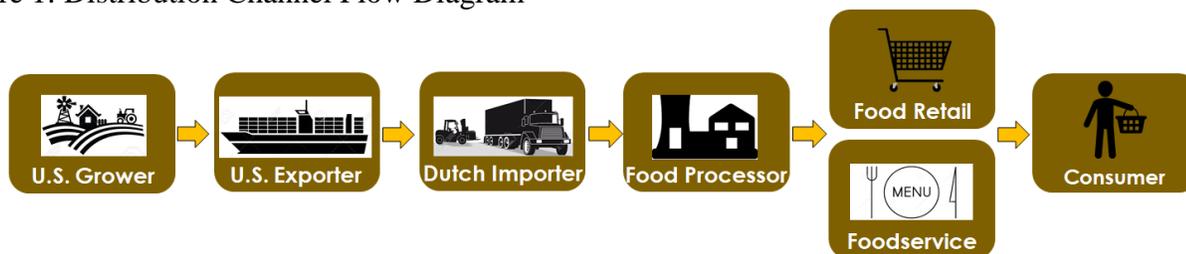
While almost all import regulations and standards within the European Union (EU) are harmonized, U.S. exporters should be aware that, due to a lack of EU harmonized regulations, national measures still exist for the choice of language, use of stickers, samples, special use foods, vegetarian and vegan products, packaging waste management, food contact materials, enzymes, processing aids, product registration, novel foods, fortified foods, food supplements, and irradiated foodstuffs.

The [2023 EU Food and Agricultural Import Regulations and Standards](#) provides an overview of the regulation standards as well as links to the required health certificates. It is recommended that U.S. exporters verify the full set of import requirements with their Dutch buyer. The buyer and local freight forwarder or customs agent are often in the best position to research such matters, advise U.S. exporters, and verify it with the [Netherlands Food and Product Safety Authority](#). The final approval of any U.S. product is subject to the Dutch rules and regulations as interpreted by border officials at the time of product entry. Additional information about importing food products from the Netherlands can be found here, <https://www.nvwa.nl/onderwerpen/themas/import>.

Market Structure and Distribution Channels

The Dutch food processing industry is mature, well organized, has a long tradition, and has access to nearly all food ingredients. Dutch food companies will source ingredients locally and if needed internationally. Quality, availability, price, specifications, time are all factors that are taken into consideration. For food ingredients originating from the United States, Dutch food companies often prefer to source through specialized local traders rather than sourcing directly. Only large or highly specialized food companies might opt to import ingredients directly from the United States. Many of the food companies' finished product are sold directly to food retailers and the HRI-foodservice industry, who subsequently sell the products to end-consumers.

Figure 1: Distribution Channel Flow Diagram



Share of Major Segments in the Food Processing Industry

Dairy, meat, and animal feed account for almost half of this turnover. Fresh produce, bakery, beverages, and oils & fats each have a share of approximately seven percent. The share of other foodstuffs is estimated at approximately 20 percent and includes confectionary, tea and coffee, ready-made meals, and spices & herbs.

Company Profiles and Company Products

The table below provides an overview of some of the largest Food Companies in the Netherlands. All companies supply both the food retail as well as the HRI-foodservice industry. The presented turnover figures are for 2023, unless otherwise indicated.

Table 3. Largest Food Companies in the Netherlands

Company Name	Website	Turnover, USD million	Product Group	End Use Channel
AB Inbev	Ab-inbev.com	59,580	Beer	All
Arla Foods	Arla.com	14,550	Dairy	All
Beyond Meat	Beyondmeat.com	343	Plant Based	All

Cargill	Cargill.com	177,000	Commodities	
Coca Cola	Cocacolanederland.nl	45,754	Soft drinks	All
Cono Kaasmakers	Cono.nl	#327	Cheese	All
Danone	Danone.com	29,840	Dairy	All
Dr. Oetker Nederland	Oetker-group.com	**4,000	Baking and Pizza	All
Grolsch	Koninklijkegrolsch.nl	***304	Beer	All
Heineken	Heineken.com	36,375	Beer	All
Jacob Douwe Egberts	Jacobdouweegberts.com	8,860	Coffee	All
Kraft Heinz	Kraftheinzcompany.com	26,640	Beverages, dairy, and convenience, snacks	All
Lamb Weston Meijer	Lambweston.com	6,346	Potato products	All
Mars	Mars.nl	50,000	Confectionary and sauces	All
Nestlé	Nestle.com	12,700	Coffee, pet food, chocolate, and dairy	All
Pepsico	Pepsico.nl	91,471	Soft drinks	All
Royal Cosun	Cosun.com	# 3,704	Ingredients	All
Royal FrieslandCampina	Frieslandcampina.com	13,100	Dairy	All
The Greenery	Thegreenery.com	*** 954	Fresh produce	All
Unilever Nederland	Unilever.com	59,600	Specialty foods	All
Upfield	Upfield.com	*** 3,400	Spreads	All
Van Drie Group	Vandriegrup.nl	*** 3,370	Veal	All
Vion Food	Vionfoodgroup.com	*** 5,300	Meat	All
Zwanenberg Food Group	Zwanenberg.nl	# 645	Meat	All

Source: FAS/The Hague, industry experts, and company websites

* Estimates, ** 2022 figures, *** 2021 figures, # figures in €

Sector Trends

In 2022, the average Dutch consumer spent approximately \$35,326 (€32,500) on goods and services, and of this amount, just under \$3,478 (€3,200 (or 9.8 percent)) was spend on food. That was less than the European Union average spendings on food products (12.6 percent). Due to inflation and increased consumption, Dutch consumers spent more than \$1,000 more on foodstuffs in 2022 compared to 2010 resulting in an increased spending on food from 8.6 percent in 2010 to 9.8 percent in 2022.

The Dutch population is aging, increasingly lives in urban areas (cities) in smaller households and are increasingly ethnically diverse. This has led to demand for more (affordable) convenience, more variety, and smaller packaging. There is demand for foodstuffs with a special certification (including

sustainability, animal welfare, and organic) and interest in healthy and nutritious food products while plant-based options are becoming more mainstream. There is a growing number of vegetarians in the country while many other consumers follow a flexitarian diet. More detailed information about current trends can be found in the [Netherlands Exporter Guide](#), dated December 18, 2023.

SECTION III. COMPETITION

The table below summarizes the competitive situation U.S. suppliers face in the Dutch food processing sector in terms of regionally produced goods and imports and their respective market shares. The strengths of supplying countries and also the advantages and disadvantages of local suppliers are discussed. The statistical information is obtained from Trade Data Monitor.

Table 4: Overall Competitive Situation for Select Food Ingredients in the Netherlands, 2023

Product Category	Leading Countries of Origins, and USA, in Percentage	Strengths of Key Supply Countries	Advantages and Disadvantages of local suppliers
Food Preparations (HS210690) Total Imports: \$2,292 million	Germany: 19% Belgium: 16% USA: 13% U.K.: 9% France: 9%	Due to proximity, neighboring countries are the leading suppliers of flavored or colored sugar, isoglucose, lactose, and glucose and maltodextrine syrups.	Food preparations are produced and used throughout the EU.
Sweetpotatoes (HS071420) Total Imports: \$67 million	USA: 44% Egypt: 35%	Competition from Egypt, China, and Honduras.	The availability of fresh and processed sweetpotato products continues to grow. Strong demand for variety and quality.
Mixtures or preparations of animal or vegetable fats or oils (HS151790) Total Imports: \$275 million	Belgium: 29% USA: 23% Germany: 12% Sweden: 6%	EU demand for oils and fats is growing due to advanced biofuels production.	EU availability of animal and waste fats is limited.
Peanuts (HS120242) Total Imports: \$633 million	Argentina: 62% USA: 13% Brazil: 8% China: 4%	Argentina continues to dominate the market.	No local supply.
Sunflower Seeds (HS120600) Total Imports:	Romania: 33% Bulgaria: 39% France: 8%	Third country suppliers are price competitive at EU ports. The United	EU production of sunflower seed is limited.

\$425 million	Chile: 4% Germany: 4% USA: 3%	States can compete on quality of seeds.	
Odoriferous Substances (HS330210) Total Imports: \$568 million	Ireland: 43% Germany: 22% USA: 11% U.K.: 6% France: 5%	Odoriferous Substances are compounds (natural and synthetic) with odors used in the manufacture of various non-food and food products and are locally available.	U.S. suppliers are often at a price disadvantage compared to EU suppliers, mainly due to time, shipping costs, and taxes.
Peptones and Derivatives (HS350400) Total Imports: \$590 million	USA: 18% Germany: 16% Belgium: 14% France: 11% New Zealand: 9%	Peptones are used by producers of food supplements and are locally available.	U.S. suppliers are often at a price disadvantage compared to EU suppliers, mainly due to shipping time, shipping costs, and taxes.
Almonds (HS080212) Total Imports: \$204 million	USA: 77% Spain: 9% Australia: 3%	Spain is an EU MS and located closer to the Netherlands than the U.S.; however, the U.S. still dominates international almond trade.	The food processing industry needs more almonds than Spain can supply.
Cranberries (HS200893) Total Imports: \$99 million	USA: 38% Canada: 34% Chile: 22%	Leading supplier of cranberries is the U.S., followed by Canada and Chile.	No local availability. There is a strong demand for cranberries which are now used in a variety of food and drink products.
Walnuts (HS080232) Total Imports \$71 million	USA: 42% Chile: 16% Germany: 13%	Competition from Chile and some from France.	Growing demand from the snack industry. Walnuts benefit from their healthy reputation.
Pistachios (HS080251) Total Imports: \$54 million	USA: 72% Germany: 18%	The U.S. dominates the international pistachios trade.	There are no local suppliers. Germany re-exports pistachios.
Alaska Pollock Fillets (HS030475) Total Imports: \$150 million	Russia: 39% USA: 31% China: 18%	Russia and the U.S. lead the supply of whole Alaska Pollock where China's exports are focused on fillets. Russia is excluded from the 2024-2026 EU Autonomous Tariff Quota (ATQ) .	No availability or not enough local availability of price competitive fish fillets.

Source: Trade Data Monitor

SECTION IV. BEST PRODUCT PROSPECTS

This section identifies the best product prospects by category and product.

Products Present in the Market with Good Sales Potential

- Food ingredients (food preparations and protein concentrates, essential oils, odoriferous substances, peptones and derivates, and enzymes)
- Alcoholic beverages (whiskies, wine, and beer)
- Seafood (whole flat fish, salmon, and hake)
- Nuts (almonds, peanuts, pistachios, walnuts, hazelnuts, and pecans)

Products Not Present in the Markets with Good Sales Potential

- Food ingredients with special certification
- Pulses

Products Not Present due to Significant Barriers

- Poultry
- Bleach wheat flour
- (Products containing) GMO derived ingredients that are not EU approved
- Products need to have a warning label if it contains ‘Southampton Six’ colors

Links to Top Food Processing Companies

See Table 3.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

The key contact for the Dutch food processing industry is the Federation of the Dutch Grocery and Food Industry (FNLI)

PO Box 96949, 2509 JH The Hague, the Netherlands

+31(0)703365150 | info@fnli.nl | www.fnli.nl

Ministry of Agriculture, Nature, and Food Quality

P.O. Box 20401, 2500 EK The Hague, the Netherlands

Website: <https://www.rijksoverheid.nl/ministeries/ministerie-van-landbouw-natuur-en-voedselkwaliteit>

U.S. Department of Agriculture’s Foreign Agricultural Service – Office of Agricultural Affairs

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Attachments:

No Attachments