USDA United States Department of Agriculture
Foreign Agricultural Service

GAIN Global Agricultural Information Network

Voluntary Report – Voluntary - Public Distribution **Date:** November 02, 2026

Report Number: NL2026-0021

Report Name: Outlook of the Dutch Swine Sector

Country: Netherlands

Post: The Hague

Report Category: Livestock and Products

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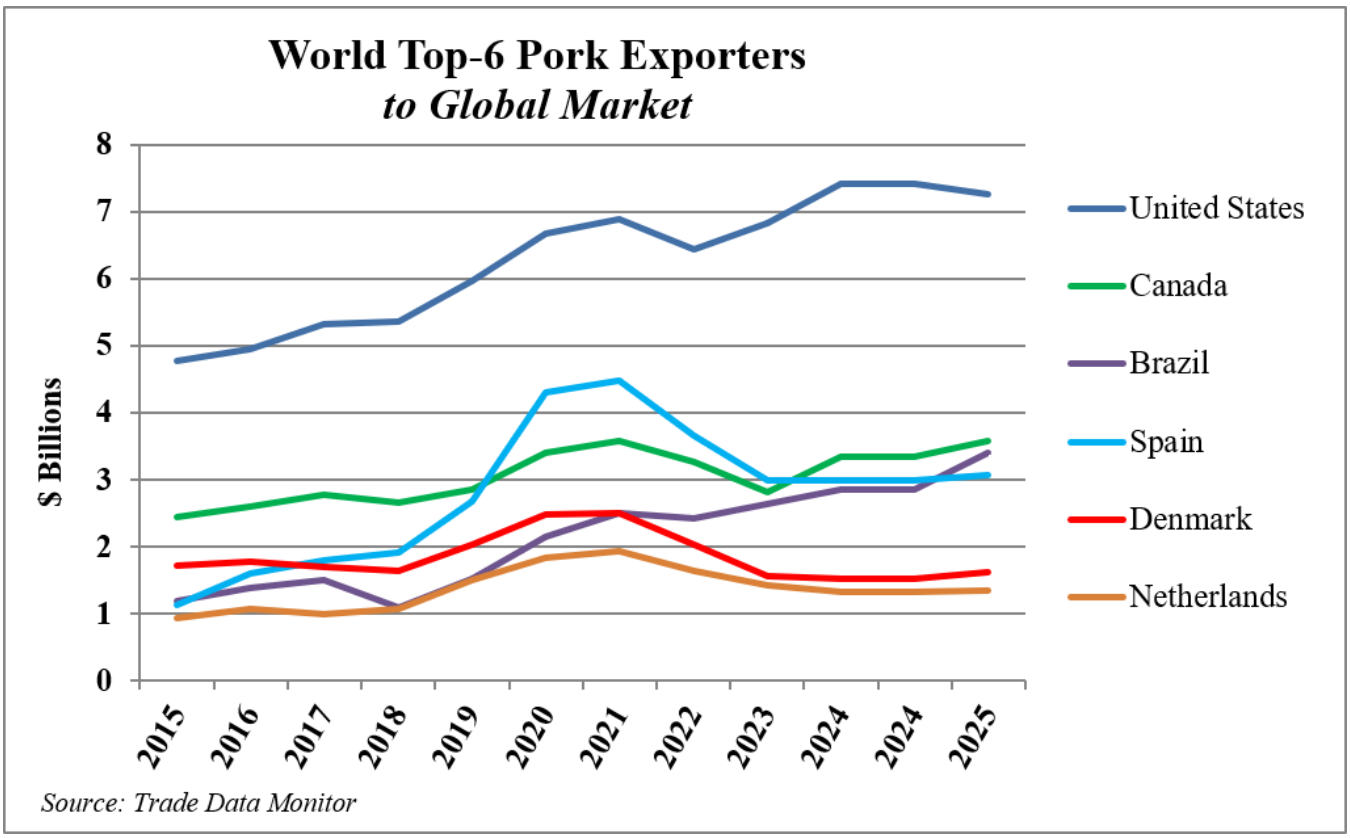
Approved By: Laura Geller

Report Highlights:

The current dim market perspectives and mounting demands from policy and society are shaping the Dutch swine sector, creating different production and supply chains for the EU domestic market.

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With 1.41 million metric tons (source: Eurostat) the Netherlands is the sixth largest pork producer in the European Union (EU) after Spain, Germany, France, Poland, and Denmark. Dutch production represents only 6.4 percent of the total EU pork production. However, based on pork exports to third countries, the Dutch swine sector is an important player on the global market (see graph below). Since 2015, the Netherlands has been consistently the sixth largest pork exporter globally (source: Trade Data Monitor). The question raised in this brief report is: What is the outlook of the Dutch swine sector, and will it remain an important player on the global pork market?

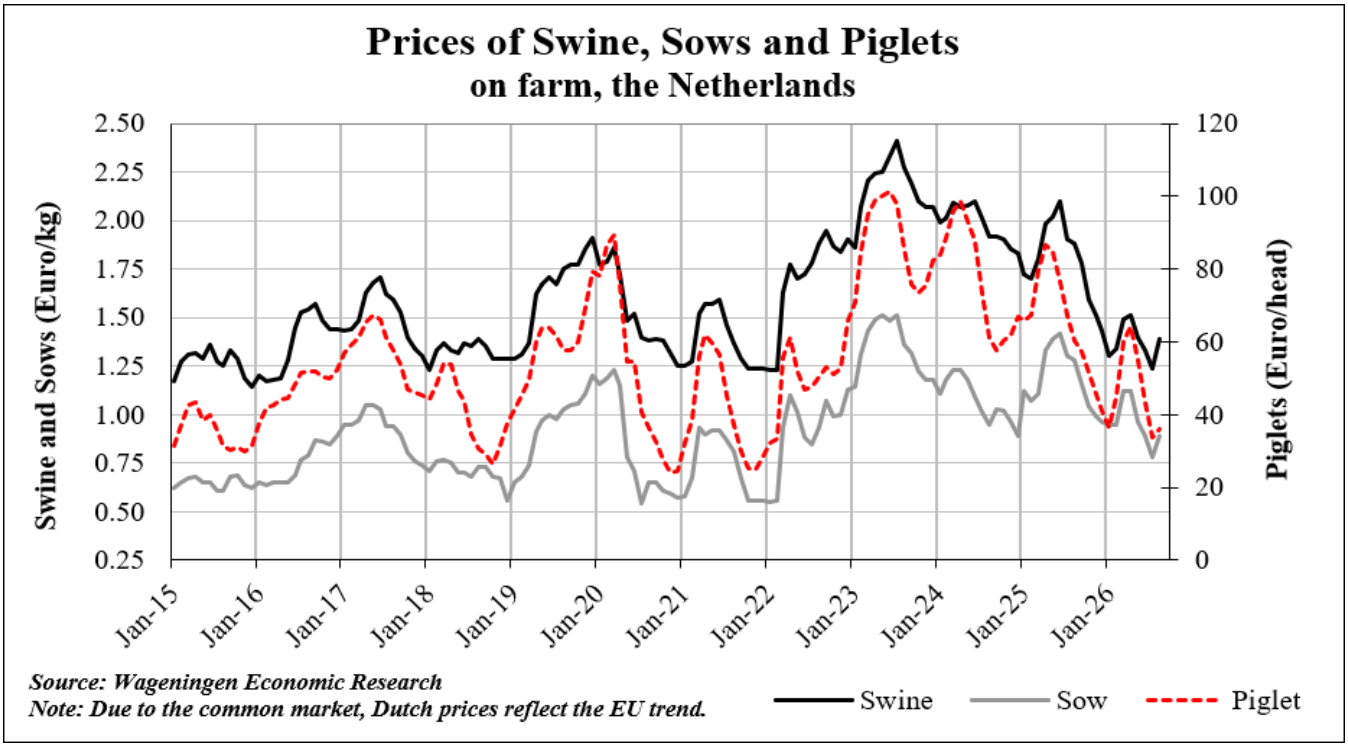


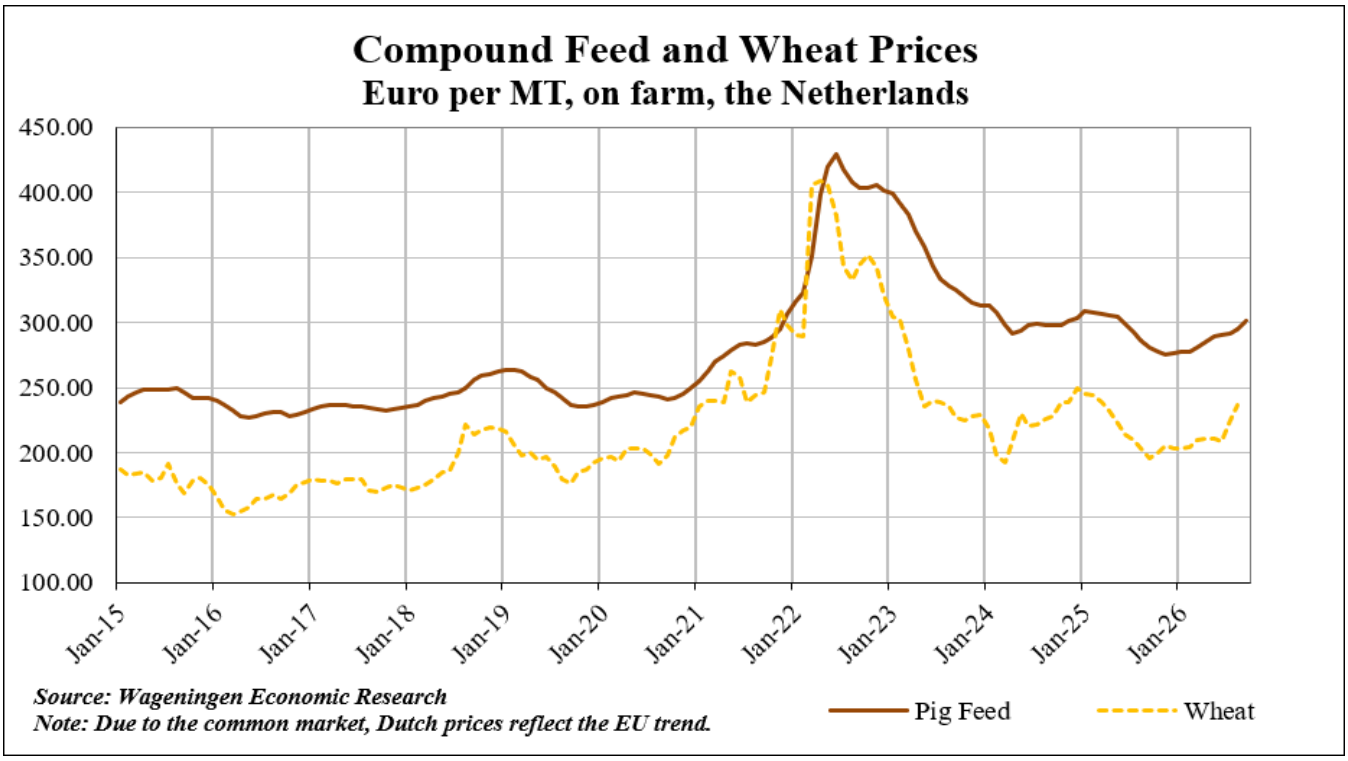
Current Market Situation

With the swine cycle in a downturn (see graph below) the profit margin for swine fatteners have been negative during the first seven months of 2026, with a slight improvement to a positive margin in August, while for swine breeders the profit margin deteriorated to negative margins in July and August 2026. The low carcass prices are a result of EU overproduction. In addition, have pork exports been limited by Chinese restrictions on imports and strong competitive exports by Brazil on the global market. For more information see the Livestock and Products Annual, published on September 16, 2026.

While carcass prices are at a four-year low, input costs, such as for feed and energy, have risen sharply for swine farming. Feed costs account for about half of the sum of paid expenses. While feed prices are currently lower than reported during the peak in 2022, they are structurally higher than reported five to ten years ago (see graph below). Other cost categories also show an increase in 2025: manure disposal costs rose by 13 percent, financing, animal health and labor costs by 6 percent, and energy costs rose by

2 percent. Cost for disposing of manure reached an average of €142,000 per swine farm, 8.5 percent of the total costs (source Wageningen University and Research). Many producers are exiting the industry because profit margins are low or even negative.





The lower supply of slaughter hogs initiated strong competition between the Dutch slaughterhouses, which has resulted in the closure of some plants. Meat company Vion is set to close its slaughterhouse in Apeldoorn (province of Gelderland). Production will be transferred to the company's other facilities. Vion cites the shrinking Dutch pig herd as the reason for the closure. Dutch slaughterhouses are currently processing 50,000 fewer pigs per week than they were five years ago (331,500 head per week in 2021).

Policy and Society

The Dutch Government Is Preparing Regulations Based on EU Environmental Policies

While the market is squeezing profit margins, the swine sector is also affected by demands from policy and society, laying down environmental and animal welfare standards. The environmental standards are mainly the result of the enforcement EU Natura 2000. Due to the lack of a national policy to restrict nitrogen emissions and depositions, and conflicting Dutch court rulings to protect the nature reserves, there is an uncertainty by the Dutch provinces to issue permits, preventing the intensive livestock sector to invest.

On June 26, 2026, the Dutch Cabinet proposed a nitrogen plan worth €20 billion until 2035 to reduce nitrogen emissions from agriculture and other sectors and restore nature. The plan introduces new farm-level ammonia emission standards, a maximum of 2.6 livestock units per hectare by 2035 for dairy farming, and nitrogen-sensitive zones around Natura 2000 areas. How this will precisely affect farmers remains unclear. The plan has political support in the Dutch Parliament but will also require approval in the Senate. Currently, the Dutch government is working on sector-specific targets for 2035 and measures to reach these. The measures are planned to be announced in 2027. The implementation is anticipated to be hindered by legal complexities.

While the measures remain unclear, and uncertainty in the sector is accumulating, the Dutch government imposed two buy out programs; the National Termination Program Livestock Locations (LBV) and LBV plus, with a total budget of nearly €3 billion. Over one third of the farmers requesting funding are swine farmers (573 of the 1,576).

Dutch Society Forces the Livestock Sector to Adapt Higher Animal Welfare Standards

In addition to environmental standards, the Dutch swine sector is also affected by mounting animal welfare requirements. As the Netherlands becomes more urbanized, animals have acquired a different status in Dutch society. Consequently, political parties and dominant market players are imposing new animal welfare rules on Dutch livestock farming. On September 11, 2026, the Dutch Cabinet proposed new rules for animal welfare which will be implemented by 2040. Beginning in 2030, traditional farrowing boxes may no longer be built in new barns, and swine fattening stables must be designed so that the animals have more space for their natural behavior.

Along with the government, retailers and restaurant chains increasingly desire specific animal welfare standards. In cooperation with the Duch Animal Protection Society the Dutch livestock sector developed the quality schemes Better Live. This concept sets standards with a minimum of one star and a

maximum of three stars. About a quarter of the hogs slaughtered in the Netherlands are part of the Better Live concept, while the share of organic hogs is estimated to be much lower at 1.5 percent.

The Swine Sector Is Reacting to the Market and Developing Separate Supply Chains

There is also an increased focus on the carbon footprint of the whole production and distribution supply chain of pork production, which is problematic for organic farming and animal welfare concepts like Better Life, as these production methods generally have a higher carbon footprint. Reducing carbon emissions and improving animal welfare are generally considered incompatible goals, effectively creating separate supply chains. The diversification of the production concepts is brought in practice by the Dutch pork sector. For instance, the main Dutch swine slaughterer Vion has set up different production and supply chains to accommodate the different demands by the market, maximizing the value of the product and the whole carcass. The different Vion concepts include Better Life, Good Farming Welfare, Good Farming Organic, as well as products for the United States and the United Kingdom. There is also a supply chain developed called Robusto, which accommodates product specifications such as for premium hams for the Italian and Spanish market and pork bellies for the South Korean market.

At the conference held at the Pork and Poultry Expo in Hardenberg on October 14-15, 2026, swine farmers expressed their concerns to join the concepts, given the current dim market situation and the higher input costs of the related production methods. The discussion which followed made clear that farmers which don't participate face direct competition with other producers in the EU and on the global market with Brazil and the United States. The experts at the conference (private sector senior management, sector representatives, and market analysts) explained that production and marketing concepts help to create a stable sales channel and a steady farmer income. While Dutch swine slaughter is forecast to decline in 2027, the outlook for these concepts is forecast to remain stable and increase its share. With the adoption of shared production concepts, further standardization and integration of the sector is anticipated with the benefits of scale, cutting costs throughout the supply chain. The experts further explained that the concepts help retain a larger share of the carcass on the Dutch or EU market at a higher price than received on the global market. With the further adaption of such concepts, it is expected that on the longer term the Dutch sector will focus more on the Dutch and EU domestic market and will only export the parts for which no market exists in the EU. Given the above developments, it is expected that Dutch pork exports to third countries will decline and the sector's position in the global market will weaken.

Attachments:

No Attachments.