

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 9/27/2018

GAIN Report Number: NL8043

Netherlands

Food Service - Hotel Restaurant Institutional

Dutch Food Service Report

Approved By:

Susan Phillips

Prepared By:

Marcel Pinckaers

Report Highlights:

The turnover of the Dutch foodservice market in 2017 was valued at \$22.4 billion, up by 4.1 percent. While sales were up in all segments, sales of home delivery saw an exceptional growth rate of 23 percent last year, driven by growing demand for convenience and flexibility. In addition, Dutch consumers want food products that are healthy, authentic and tasty. Foodservice chains from the United States are and continue to be successful on the Dutch market because they have been able to respond to changing consumer needs; more U.S. chains are now opening outlets in the Netherlands. This report furthermore presents a road map for U.S. exporters who wish to expand business in the Dutch foodservice market. U.S. food products that are innovative, convenient, tasty, healthy, and affordable have the best sales potential on the Dutch market.

Market Fact Sheet: The Netherlands

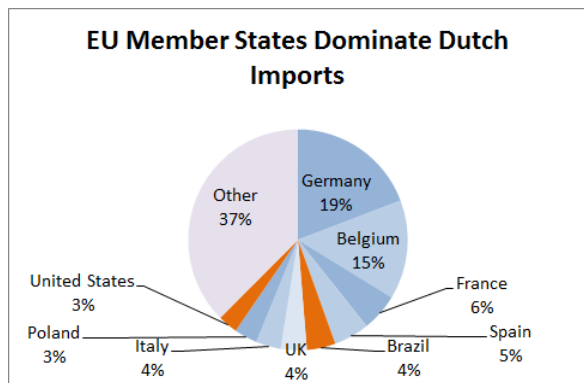
Executive Summary

The Netherlands is a small country geographically, but is the perfect gateway for U.S. products into the EU due to the presence of the Port of Rotterdam, Amsterdam Schiphol Airport, the confluence of two European rivers and an excellent road and railway infrastructure. As a result, the Netherlands continues to be the second largest exporter of agricultural products in the world, after the United States.

The macroeconomic situation and key data about the Dutch economy can be found in the [GAIN Exporter Guide September 20, 2017](#).

Imports of Consumer-Oriented Products

Products coming from other EU Member States lead Dutch imports of consumer-oriented products. In 2017, the United States was the 9th largest supplier of these products to the Netherlands with imports valued at almost \$1.2 billion.



Food Processing Industry

Almost six thousand food companies in the Netherlands generated a turnover of \$82.5¹ billion last year. With an increase of five percent, it demonstrated the highest production growth in five years. The subsectors of meat, dairy and fresh produce each account for roughly a quarter of the food processing industry's turnover.

Food Retail Industry

The Dutch retail sector is rather consolidated with the two largest retailers controlling 54 percent of the market. For 2017, the turnover of the Dutch food retail industry was valued at \$42 billion.

Foodservice – HRI Industry

The turnover of the Dutch foodservice market in 2017 was valued at \$22.4 billion. While sales were up in all sub segments, sales of home delivered hot meals saw an exceptional growth of 23 percent last year. The Dutch foodservice market continues to grow, especially for U.S. foodservice chains that want to tap into the on-line delivery of hot meals. Convenience, health, affordability, consciousness, authenticity, hospitality and enjoying eating out are the main consumer demands that currently effect the Dutch foodservice industry.

Quick Facts CY2017

Imports of Consumer-Oriented Products, total:
\$39.5 billion

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

- | | |
|-------------------------|----------------------|
| 1. Wine | 6. Avocados |
| 2. Vegetables | 7. Butter |
| 3. Cocoa | 8. Food Preparations |
| 4. Bread, pastry, cakes | 9. Grapefruit |
| 5. Bananas | 10. Tomatoes |

Food Industry by Channels:

Food Industry	\$82.5 billion
Consumer-Oriented Products Imports	\$39.5 billion
Consumer-Oriented Products Exports	\$74.3 billion
Agricultural & Related Products Imports	\$75.2 billion
Agricultural & Related Products Exports	\$107.6 billion
Food Retail	\$42.2 billion
Food Service	\$22.4 billion

Top 10 Food Retailers in the Netherlands, Market Share:

1. Albert Heijn	35.3%	6. Dirk	3.8%
2. Jumbo	18.7%	7. Coop	3.1%
3. Lidl	10.5%	8. Emté	2.5%
4. Aldi	6.7%	9. Deen	2.2%
5. Plus	6.4%	10. Hoogvliet	2.1%

GDP/Population:

Population: 17.2 million
GDP: \$815 billion
GDP per capita: \$47,384

Strengths/Weaknesses/Oportunities/Challenges

<u>Strengths:</u> U.S. consumer products that are innovative, unique or have special certification fare well in the Netherlands.	<u>Weakness:</u> Shipping time & costs, import tariffs and EU approved product labels make U.S. products more expensive.
<u>Opportunities:</u> There is growing demand for convenient and healthy food products at an affordable price and willingness to pay for authenticity and taste.	<u>Threats:</u> 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: Global Trade Atlas, industry experts, company websites
Contact: FAS The Hague, agthe Hague@fas.usda.gov

SECTION I. MARKET SUMMARY

The Overall Business Climate

Four years of economic recovery continue to propel the Dutch economy to growth that is higher than the EU average. In its September 2018 economic forecast, the Netherlands Bureau for Economic Policy Analysis (CPB) projects annual economic growth in 2018 to be 2.8 percent and 2.6 percent in 2019. According to the CPB, sustained economic growth continues to drive down unemployment to the fourth lowest level in four decades, from 3.9 percent in 2018 to 3.5 percent in 2019. Table 1 provides additional information on inflation and GDP development. Brexit is the one dark cloud on the horizon. CBP studies have found that Brexit will cost the Netherlands billions of euros due to the decline in trade with the United Kingdom that may result in a decline in Dutch GDP of 1-2 percent.

Table 1. Key Data Dutch Economy

	2016	2017	2018	2019
Economic Growth, percentage	2.2	2.9	2.8	2.6
Unemployment, percentage	6.0	4.9	3.9	3.5
Inflation (CPI), percentage	0.3	1.4	1.6	2.4
GDP (billion \$)	833	867	909	956

Source: Central Bureau of Statistics, Netherlands Bureau for Economic Policy Analysis/Eurostat

Consumer Trends

The Foodservice Institute Netherlands (FSIN) follows the trends in the Dutch foodservice market. Below are the main consumer trends that affect the foodservice market:

Seven Consumer Demands:

1. *Convenience*
2. *Health*
3. *Affordability*
4. *Consciousness*
5. *Authenticity*
6. *Hospitality*
7. *Enjoy*

Increasingly consumers seem to be rushed. They are struggling to do many things on a regular weekday such as taking care of the children, doing their job, going to the gym, engaging socially and of course eating. Consumers are faced with a dilemma: less time for buying food and preparing meals versus a growing awareness of health and nutrition. As a result, the demand for convenient and healthy food products (albeit at an affordable price) is growing more than ever before. Demand is also growing for packaged food in smaller portions due to the growing number of people that are watching their weight and the shrinking average household size. People are increasingly eating alone and/or dining out.

Consumers' consciousness about food products is growing. More than ever, want to know whether the food they bought was produced in a sustainable way. are also interested in fair-trade, locally grown and organic food products. This of consumer, often Millennials (or Generation Z, the most populous generational cohort of all time), is also willing to pay for authenticity. They to hear or read about who produced this food product and what the story behind product is.

... "real products, real ingredients and real stories"

they
They
type
want
the

This desire for authenticity also applies to foodservice outlets. Hosts that have a story to tell about their restaurant, breakfast place or craft beer bars appeal to today's consumers. Furthermore, consumers want to feel welcome, at ease and be noticed by their host. Finally, they want to have a good time and enjoy their delicious food and drinks.

Foodservice – HRI Market

The turnover of the Dutch foodservice market last year was valued at \$22.4 billion, up by 4.1 percent compared to 2016. There are three categories in the Dutch foodservice market: the traditional foodservice industry, catering and convenience.

Traditional HRI \$11.4 billion +4.2 percent	Catering \$3.8 billion +1.5 percent	Convenience \$7.2 billion +5.3 percent
-Restaurants \$4.9 billion +5.5 percent	-Companies \$1.9 billion +0.4 percent	-Fast service \$3.1 billion +6.7 percent
-Drinks industry \$1.9 billion +3.6 percent	-Institutions \$1.4 billion +2.5 percent	-Foodservice – transport \$0.6 billion +5.1 percent
-Accommodation \$2.1 billion +3.0 percent	-Education \$0.3 billion +2.6 percent	-Foodservice – retail \$1.5 billion +7.0 percent
-Leisure \$2.5 billion +3.3 percent	-Inflight \$0.3 billion +3.0 percent	-Gas stations \$2.0 billion +1.9 percent
		-Delivery \$1.5 billion +23.3 percent

Sales in all subcategories were up in 2017 compared to sales in the previous year. Sales in the delivery subcategory, especially for hot meals, saw an exceptional growth rate of 23 percent. There are many new-to-market restaurants delivering hot meals, supported by on-line platforms, such as Deliveroo, Foodora and UberEATS. Thuisbezorgd.nl continues to be the largest hot meal delivery company in the Netherlands with an estimated turnover of \$494 million last year.

Established fast-food chains from the United States are also active in the Dutch market and are having a huge impact on the hot meal delivery market. Burger King, KFC and McDonald’s are all relative new entrants for home delivery. Smaller chains, such as

Pizza Hut, Subway and Papa John’s are also getting into home delivery. New fast-food chains, such as Taco Bell and Five Guys will become serious players in the delivery market in the near future.

Table 2. Advantages and Challenges of the Dutch Foodservice Market

Advantages <i>U.S. Suppliers Strengths & Market Opportunities</i>	Challenges <i>U.S. Suppliers Weaknesses and Competitive Threats</i>
-Dutch foodservice market is strong and growing; especially for U.S. foodservice chains that want to tap into the on-line delivery of hot meals.	-Transatlantic transportation is costly and takes time.
-The Dutch are affluent, open minded and curious consumers. This creates opportunities for convenient and healthy food products at an affordable price.	-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.
-Consumers’ consciousness about food products is growing and there is willingness to pay for authenticity and taste.	-U.S. suppliers of composite products (products that require health certificates from more than one U.S. competent authority), can no longer be exported to the EU ² .

Source: FAS The Hague

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

Before introducing your product, Post advises U.S. new-to-market exporters to research the Dutch market. Besides this report, FAS The Hague annually writes an Exporter Guide, the Food Processing Ingredients Market report, The Food Retail Market report and the Food and Agriculture Import Regulations and Standards report. These and other commodity reports can help a new-to-market exporter better understand the Dutch market and can be downloaded from the [FAS](#) website.

In addition, Post advises U.S. exporters to reach out to U.S. industry groups for their expertise and local network and representatives. [Food Export USA](#) for instance offers a Market Scan, which is an in-depth market research for a specific product.

When the results of the research have been analyzed, U.S. companies should consider visiting and/or exhibiting at U.S. and foreign trade shows. These are excellent venues to make contact with local buyers, to conduct product

introductions and to gauge buyers' interest. A detailed overview of European trade shows and their product focus can be found on <http://fas-europe.org/countries/netherlands/>. Participation in Trade Missions organized by the U.S. industry groups has also proven to be a very effective way to meet local buyers.

Market Structure

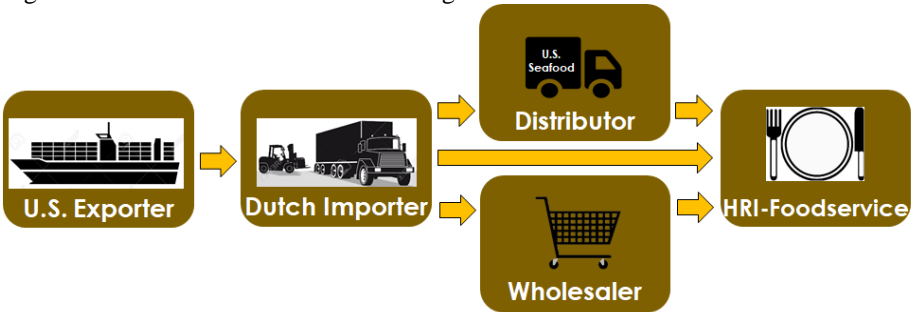
Unlike the retail sector, the Dutch foodservice industry is fragmented and has many independent players. This is especially the case for cafés/bars, restaurants, cafeterias and street stalls/kiosks. The majority of fast food and delivery outlets however are consolidated and often part of an (international) chain. Well-known examples of international foodservice chains active in the Netherlands include McDonalds, Domino's Pizza, KFC, Burger King and New York Pizza. Chains from the United States are popular in the Netherlands because of their efficiency and consistency but also because the meals are affordable and you will receive your order fast. They continue to be successful because they have been able to respond to changing consumer demands and now for instance offer vegetarian and healthy food products. More U.S. chains recently opened outlets in the Netherlands, including Dunkin' Donuts (coffee and donuts), Five Guys (burgers and fries), Taco Bell (tacos, burritos and quesadillas) and TGI Friday's (casual dining fast food style).

Distribution

Foodservice establishments can purchase products in three different ways: directly from U.S. suppliers, from Dutch importers or local wholesalers/distributors. Large fast food chains might be importing some unique specialty ingredients directly from the United States but for the most part, they will depend on local partners. Independent players, like restaurant owners and hotels, prefer to purchase from wholesaler and distributors.

The latter prefer to have products delivered since this will save them time. Delivery of pre-ordered products also ensures that products arrive on time and in the ordered quantities. High-end hotel and restaurant players prefer to buy fresh products like bakery, produce, seafood, meat, wine and dairy products from specialized distributors. The benefit lies in the possibility to have tailor-made orders and the interpersonal relationship. Beer and non-alcoholic beverages are generally bought directly from breweries. For shelf stable grocery products, like spices, nuts, sauces, cooking ingredients and also distilled spirits and cider, hotels and restaurants turn to wholesalers.

Figure 1. Distribution Channel Flow Diagram



Source: FAS/The Hague

Due to the strict EU import requirements but also because of scale and shipping time, Dutch wholesalers and distributors prefer to work with Dutch importers that are specialized in buying U.S. products. For meat, seafood and wine, importers also often distribute imported products.

The following wholesalers are active in the Netherlands: Bidfood, Horesca, Hanos, de Kweker, Makro, Sligro, VHC and Zegro. Almost all wholesalers have shops and delivery services. Bidfood and Horesca have no shops and only deliver their products while Marko only has shops and hardly delivers. Most wholesalers operate nationwide with the exception of de Kweker, Zegro and Horesca who are active regionally.

Sub-Sector Profiles

Table 3. Top Five Largest Fast Food Companies, million USD, 2017 figures

	Name	Turnover	Sub sector
1	McDonalds	811	Fast food
2	KFC	120	Fast food
3	Burger King	109	Fast food
4	Subway	61	Fast food
5	Franchise Friendly Concepts	58	Fast food

Source: Misset Horeca

Table 4. Top Five Largest Delivery/Takeaway Companies, million USD, 2017 figures

	Name	Turnover	Sub sector
1	Thuisbezorgd.nl	250	delivery/takeaway
2	Domino's Pizza	152	delivery/takeaway
3	New York Pizza	90	delivery/takeaway
4	De Beren	41	delivery/takeaway
5	Spare Rib Express	23	delivery/takeaway

Source: Misset Horeca, FSIN

Table 5. Top Five Largest Self-Service Catering Companies, million USD, 2017 figures

	Name	Turnover	Sub sector
1	Vermaat Groep	207	self-service catering
2	HMS Host	204	self-service catering
3	La Place	125	self-service catering
4	HEMA	119	self-service catering
5	Albron	113	self-service catering

Source: Misset Horeca

Table 6. Top Five Largest Full Service Restaurants, million USD, 2017 figures

	Name	Turnover	Sub sector
1	Van Der Valk	658	full service restaurants
2	Landal Greenpark	361	full service restaurants
3	Accor Hotels	297	full service restaurants
4	NH Hotels	273	full service restaurants
5	Eden Hotels	210	full service restaurants

Source: Misset Horeca

SECTION III. COMPETITION

This section summarizes the overall competitive situation that U.S. suppliers face in the foodservice industry. U.S. exporters of products that are also grown or produced within the EU are at a disadvantage due to proximity, shipping time, tariffs and certification issues. For other products, U.S. companies compete with other third country suppliers. There are only a few products where the U.S. has limited competition. Below table outlines the strengths of the key supplying countries and the advantages and disadvantages of local suppliers are discussed per product category.

Table 7. Competitive Situation U.S. Suppliers Face in the Dutch Foodservice Market, 2017

Product Category	Major Supply Sources	Strengths of Key Supply Countries	Advantages and Disadvantages of local suppliers
Seafood	1.Germany – 11%	Iceland is the leading supplier of cod while Germany dominates Dutch imports of pelagic fish. The United States dominates the supply of Alaska Pollack (AP), scallops and Sockeye	The Netherlands is an international trader in seafood products, serving foodservice markets throughout Europe. The Dutch depend on imports
Total imports:	2.Iceland – 11%		

4,215 million USD	3.Russia – 7% 13.United States – 3%	salmon. For shrimps & prawns, cod and lobster, the U.S. competes with several other non-EU exporters.	for AP, scallops, Sockeye salmon, shrimps & prawns, cod and lobster.
Beef Total imports: 2,319 million USD	1.Germany – 17% 2.Belgium – 13% 3.Ireland – 7% 4.Uruguay – 7% 7.United States – 6%	Germany and Belgium sell lower quality and price competitive beef. The United States exports high quality and grain fed beef, known for its quality, consistency and taste, for the high-end foodservice industry.	There is not enough Dutch beef of high quality available. Ireland, Uruguay, Brazil, Argentina and the United States all profit from this deficit.
Wine Total Imports: 1,313 million USD	1.France – 27% 2.Germany – 15% 3.Italy – 11% 14.United States – 1%	France, Germany, Italy and Spain have well known good quality wines at competitive prices. They are popular holiday destinations.	No commercial availability of domestic wine in the Netherlands.
Fresh fruit Total imports: 6,081 million USD	1.South Africa – 15% 2.Spain – 9% 3.Peru – 9% 4.Chile – 9% 30.United States – 1%	Southern hemisphere countries complement EU's fresh fruit production. The U.S. mainly exports grapefruits, guavas and cranberries to the Netherlands.	The Netherlands is a large importer of grapes, bananas, avocados and oranges.

Source: Global Trade Atlas

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Products that in addition to a competitive price are unique and innovative or not sufficiently available have the best prospects on the Dutch market:

Products Present in the Market Which Have Good Sales Potential

- Nuts
- Seafood
- Fresh produce
- Sauces and condiments;
- Snack foods;
- California wines and craft beer

Top Consumer-Oriented Products from the World

- Wine
- Beef
- Cheese
- Grapes

Top Consumer-Oriented Products from the United States

- Tree nuts
- Beef
- Sweet potatoes
- Cranberries

Products Not Present in Significant Quantities, but Which Have Good Sales Potential

- Food products with special certification
- Pulses
- Sweet corn
- Wines from other States

Products Not Present Because They Face Significant Barriers

- Specialty products containing non EU approved GMO derived ingredients;
- Poultry
- Non-NHTC beef
- Molluscan shellfish (n.b. the U.S. and EU are working to reopen bilateral trade targeting winter 2018/2019)

Table 8. Table Best Product Prospects for the Netherlands, in million USD, 2017

Product category	Dutch imports	Dutch imports from the United States	2012-2017 Average annual import growth, percent	Key constraint over market development	Market attractiveness for the United States
Whiskies	395	44	5	Competition from EU suppliers.	Hotels and restaurants want whiskies with unique and attractive packaging
Craft beer	406	4	20	Transportation costs and time. Competition from EU suppliers.	Restaurants are increasingly serving craft beer to complement different meals.
Sockeye salmon	12	10	25	Price concern and unawareness among the average Dutch consumer.	Growing interest in wild salmon and products that have a good story to tell.
Sweet potatoes	83	54	25	Unfamiliarity with sweet potatoes.	Restaurants are increasingly serving sweet potatoes.
Sauces, condiments and seasonings	352	8	5	Competition from suppliers in other EU countries	Strong demand for new flavor, cuisines, formats and innovative products.

Source: Global Trade Atlas

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

If you have questions or comments regarding this report, require listings of local importers or need assistance exporting to the Netherlands, please contact FAS The Hague, the Netherlands.

U.S. Department of Agriculture’s Foreign Agricultural Service

Mr. Marcel Pinckaers

Embassy of the United States | John Adams Park 1, 2244 BZ Wassenaar, the Netherlands

+31 (0)70 3102 305 | marcel.pinckaers@fas.usda.gov | www.fas.usda.gov | www.fas-europe.org

Notes:

1. exchange rate: \$1 = €0.85

2. For more information about EU regulations, please reference the [Food and Agricultural Import Regulations and Startards Report \(FAIRS\)](#)