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Netherlands

Retail Foods

The Dutch Food Retail Report 2019

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Report Highlights:

The Dutch retail sector is fairly consolidated, with the two largest food retailers controlling 55 percent of the market. Consumers are increasingly looking for sustainable products, products that are healthy, and convenience products. The Dutch will continue to buy more private label brands and groceries online. Borders between new food retail formats and innovative foodservice concepts are beginning to blur.

Market Fact Sheet

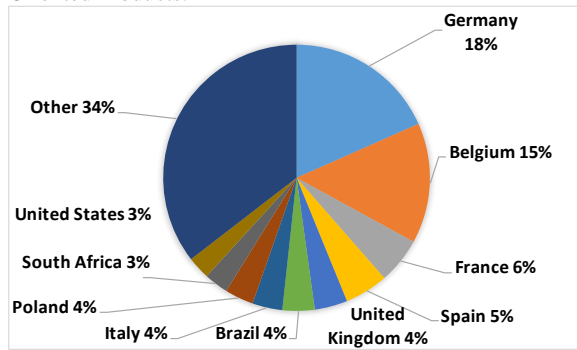
Executive Summary

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. The Dutch are known for their expertise in transportation and logistics. The macroeconomic situation and key data about the Dutch economy can be found in the [GAIN Exporter Guide February 13, 2019](#).

Imports of Consumer-Oriented Products

Dutch imports of consumer-oriented products are led by products coming from other EU Member States. In 2018, the United States was the 10th largest supplier of these products to the Netherlands with imports valued at almost \$1.2 billion.

EU Member States Dominate Dutch Imports of Consumer-Oriented Products:



Food Processing Industry

There are 6,195 food companies in the Netherlands, employing approximately 140,000 people, or six percent of total employment in the Netherlands. The sector generated an estimated \$92.4¹ billion in 2018 and accounts for around five percent of Dutch GDP. The subsectors of meat, dairy and fresh produce each account for roughly a quarter of the industry’s turnover.

Food Retail Industry

The Dutch retail sector is rather consolidated with the two largest retailers controlling over 50 percent of the market. For 2018 the turnover of the Dutch food retail industry is estimated at \$45.9 billion.

Foodservice – HRI Industry

The turnover of the Dutch foodservice market in 2018 was valued at \$23.5 (€19.9) billion. 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, authenticity, hospitality and enjoying eating out are the main consumer drivers currently influencing the Dutch foodservice industry

Quick Facts CY2018

Imports of Consumer-Oriented Products, total: \$42.1 billion

List of Top 10 Growth Products in the Netherlands:

- | | |
|-------------------------|------------------|
| 1. Food Preparations | 2. Fresh Grapes |
| 3. Bread, Pastry, Cakes | 4. Bananas |
| 5. Live Plants | 6. Butter |
| 7. Pet Food | 8. Chicken Cuts |
| 9. Malt Extracts | 10. Fresh Apples |

Food Industry by Channels:

Food Industry:	\$92.4 billion
Consumer-Oriented Products Imports:	\$42.1 billion
Consumer-Oriented Products Exports:	\$78.3 billion
Ag. & Related Products Imports:	\$79.6 billion
Ag. & Related Products Exports:	\$112.3 billion
Food Retail:	\$45.9 billion
Food Service:	\$23.5 billion

Top 10 Food Retailers in the Netherlands, Market Share:

Albert Heijn	35.3%	Jumbo	20.2%
Lidl	10.5%	Aldi	6.7%
Plus	6.4%	Coop	4.1%
Dirk	3.8%	Deen	2.2%
Hoogvliet	2.1%	Dekamarkt	1.8%

GDP/Population:

Population: 17.2 million
 GDP: \$773 billion
 GDP per capita: \$44,942

Strengths/Weaknesses/Opportunities/Challenges

Strengths:

Local traders and food processors prefer to work with U.S. suppliers because they are professional and deliver products with a consistent quality. U.S. companies also have a great variety of products to offer.

Weakness:

Shipping time & costs, import tariffs and EU approved product labels make U.S. products more expensive.

Opportunities:

Dutch consumers are affluent, open minded and curious, and are willing to pay for products that have a premium and/or add something new.

Threats:

U.S. exporters face competition from other EU member states and third countries such as Canada and Mexico that have negotiated lower tariff rates through trade agreements.

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

¹ 1\$=0.85€

SECTION I. MARKET SUMMARY

Overall Business Climate

Strengths of the Dutch economy include the Netherlands's stable political and macroeconomic climate, a highly developed financial sector, strategic location, a well-educated and productive labor force, and high-quality physical and communications infrastructure. In the wake of the worldwide financial crisis a decade ago, the Dutch government implemented significant reforms in key policy areas, including the labor market, the housing sector, the energy market, the pension system, and health care. After years of recovery since late 2013, the macroeconomic outlook in the Netherlands has improved significantly. According to the Netherlands Bureau for Economic Policy Analysis (CPB), Dutch Gross Domestic Product (GDP) will grow by 2.2 percent in 2019, tapering off after higher growth rates in 2017 (2.9 percent) and 2018 (2.6 percent). For the fourth consecutive year, 2019 will see the Dutch economy growing at a faster pace than the EU Eurozone average (1.7 percent). Labor market participation and unemployment have returned to pre-crisis levels and increasingly scarce labor, along with higher sales taxes and a booming real estate market are contributing to a rising inflation rate. For the third consecutive year, 2019 will see a budget surplus in the Dutch public finances of one percent or more. Additional information on the overall business climate in the Netherlands can be found in the [GAIN Exporter Guide February 13, 2019](#).

Dutch Food Retail Market

In 2018, the turnover of the Dutch food retail industry grew by two percent and totaled \$45.9² billion, or €39.0 billion. There are roughly 4,300 food retail outlets in the Netherlands providing almost 300,000 jobs. Around 80 percent of all food retail outlets are full service supermarkets, operating on floor space between 500 and 1,500 square meters located downtown and in 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 convenience stores (near office buildings, city center, motorways and train/metro stations), some wholesalers and just a few superstores (conveniently located in shopping malls and industrial parks).

The top two food retailer formulas in the Netherlands, Albert Heijn and Jumbo, have a market share of almost 54 percent. The market share held by German discounters Aldi and Lidl combined has further increased to almost 18 percent this past year. Independent food retail stores are increasingly leaving the scene due to shrinking margins, growing online sales and on-going consolidation. The latest market shares of leading food retailers in the Netherlands can be found [here](#).

Market Dynamics

Demand for Sustainable Food Products Is Up

During the last decade, Dutch food retailers increasingly prefer to source food products which are either produced sustainably or obtained in a sustainable manner. Wageningen University and Research publishes annually in October the "Monitor Duurzaam Voedsel" report, which gives an overview of consumer spending on sustainable food in the Netherlands. The most recent accurate figures available are 2017 figures. Total consumer spending on foods certified as sustainable grew by 19 percent in 2017 to over \$5.3 billion, or €4.5 billion. The share of sustainable food compared to total spending on food grew from ten percent in 2016 to an estimated 11 percent in 2017. Sustainable food is expected to be one of the fastest growth markets in the Dutch food industry in 2019 and the consumption of certified sustainable products is expected to continue to increase. A wider range of certified products and changing consumer preferences — paying more attention to sustainability and health — explains the growth in spending on these products. Most of the spending takes place in the supermarket, mainly due to a wider availability of sustainable products. The "Monitor Duurzaam Voedsel 2018," which details the 2017 figures, can be found [here](#).

Private Label Products

² \$1=€0.85

Nielsen figures show that the market share for private label increased last year in most European countries and now stands at 30 percent or higher. The largest market shares are to be found in the Western European countries, led by Spain (52 percent), Switzerland (50 percent), the U.K. (46 percent) and Germany (46 percent). The Netherlands' market share continues to be around 30 percent.

The market share of private label is high in retail markets; these markets are highly consolidated and innovative. Several retailers in the Netherlands market have developed two private labels; one focusing on price and the other on enhancing quality. Consumers are discovering the good value for money that private label brands are offering; they can be a good alternative for A-branded products.

Picture 1. The Private Label Market Shares



Source: www.plmainternational.com

Private label seems to fare well not only in years of recession but also in more prosperous times. The profitability of private label products has fueled retailers' interest to offer more private label products (e.g. gluten-free, healthy, and organic) and move into other areas of private label (e.g. bakery and cosmetics). The on-going expansion of local and international discounters continues to boost the growing market for private label products as well.

The largest trade show for the private label industry takes place in Amsterdam, the Netherlands. Every year around 15 U.S. companies exhibit at the Amsterdam Private Label Manufacturers Association (PLMA) fair; the next edition is scheduled for May 26 – 27, 2020. Please contact us should you require more information about the show, and also check if your commodity cooperator or State Regional Trade Group is planning on participating.

Online Shopping Offers Potential

The market for shopping online, as a percentage of the total food retail, is estimated at around four percent which is still small but growing rapidly. The introduction of an online supermarket called Picnic, which targets middle-income shoppers and is the first to offer free delivery in the Netherlands has further boosted online sales of groceries, especially in large cities. At the moment 2.4 percent of Dutch households are members of Picnic. In addition to Picnic, the largest supermarket chains are also the largest players in online grocery shopping. According to industry contacts, online shopping continues to offer great potential. The Dutch seem to prefer having their groceries delivered; the market for pick-up has declined and is almost non-existing. In 2018, 22 percent of Dutch consumers say they have bought their groceries online at least once in the last six months. This percentage was 18 percent in 2017. Of the Dutch consumers who shop online, consumers in the age group of 18-44 are most likely to do so, driven by saving time and money. Consumers are likely to continue to shopping online if they have a high quality online experience and a reliable delivery of the purchased goods. Shopping by using smart phones and tablets has boosted sales in the past five years, as well.

Blurring Boundaries

Especially in cities, consumers are no longer shopping at traditional times and locations. Breakfast is often bought on the way to work. During lunch breaks, people decide what they like 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 or part of a larger chain, are opening near metro/train stations, schools, office buildings and shopping malls. For expansion, food retailers are looking at other, perhaps less-conventional locations that attract a lot of people including hospitals, near highways, universities, and airports. In an interview, Jumbo Supermarket mentioned that *“the traditional supermarket is disappearing, instead it will become places where people meet and where we offer healthy and tasty food products.”* Albert Heijn also believes that the future for traditional

supermarkets is that it will become a place fresh food is prepared and where consumers can experience and eat. Dry goods can easily be purchased online and delivered to the consumers. In 2019 Albert Heijn (AH) joined forces with thuisbezorgd.nl, an online foodservice platform that delivers meals, to start also delivering AH To-Go products such as soups, poke bowls, sandwiches, salads, fruit snacks and fresh juices.

Awareness of 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 to a healthier lifestyle in Western countries. The following U.S. industries have all benefitted from this trend: healthy food snacks (“free from, low in, and rich in” products), tree nuts (pistachios, almonds, walnuts, etc.), so-called super fruits (cranberries, pomegranates, dried plums, and other berries), products with special certification (organic, sustainable, free-from) and pulses. Consumers are looking for and finding more information on healthier living, such as 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

Following retailers in France and Belgium, Albert Heijn will be the first Dutch retailer to start using the a nutri-score labeling scheme for online shoppers of private label products. The system aims to inform consumers about the nutritional quality of a product. It is based on a color-coded scheme associated with letters from A to E. Each product is thus positioned on a scale of five levels ranging from A (the most nutritionally favorable product to E (the least nutritionally favorable product). The Nutri-Score scheme will be launched on a voluntary basis. U.S. exporters that supply to Albert Heijn will not have to comply with this labeling scheme.



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>
Local traders and food processors prefer to work with U.S. suppliers because they are professional and deliver products with a consistent quality. U.S. companies also have a great variety of products to offer.	The Dutch are price-conscious consumers. Transatlantic transportation is costly. Products from the United States are subject to import tariffs. Suppliers from other EU member states have a competitive advantage on tariffs and non-tariff trade barriers, 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 the State/regional heritage.	Growing demand for single-portion packaged food products. U.S. companies tend to manufacture packaged food in larger packages.
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 to the Netherlands.
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.
	Fierce competition on price, quality, uniqueness and

Source: FAS The Hague

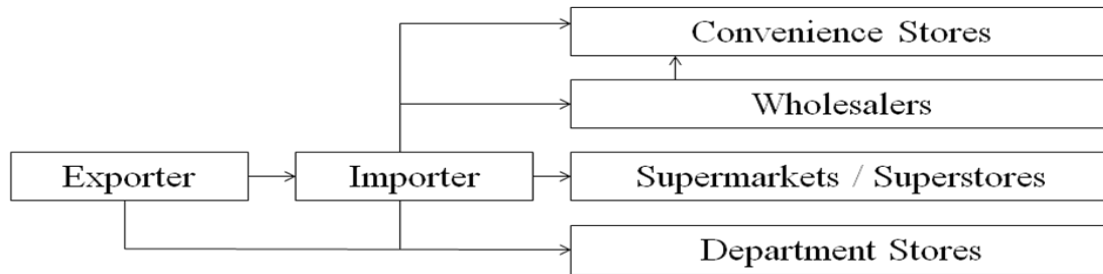
SECTION II. ROAD MAP FOR MARKET ENTRY

U.S. exporters seeking to enter the Dutch market place 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 in 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 any export, invest in research that analyzes the Dutch food culture (concepts, flavor, price, requirements). 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 agthe Hague@fas.usda.gov for additional information.

Market Structure:



Source: FAS The Hague

The vast majority of supermarkets and superstores buy foreign (specialty) products via specialized importers. This is especially the case for retail-ready consumer-oriented products like sauces, condiments, beverages and snack products. In general, convenience stores operate on a much smaller scale and therefore often buy smaller quantities through wholesalers. Department stores work either 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, wines and in most cases fish products fall in this category.

Retailers increasingly have their stores divided in different categories. For each category they will have two or three preferred suppliers who are responsible for supplying the full range of products within the category. This way, the retailer negotiates with just a handful of suppliers for fruits & vegetables, 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 purchase side, the industry is even more consolidated since several smaller food retailers have joined forces. The following figures 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,	Name of retail formats:
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	percentage:	
Albert Heijn Provincialeweg 11 1506 MA Zaandam www.ah.nl	34.7	Albert Heijn, AH XL, Albert.nl, AH To Go
Superunie Industrieweg 22B 4153 BW Beesd www.superunie.nl	28.5	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 Holding Rijksweg 15 Veghel, 5462 CE The Netherlands www.jumbo.com	19.1	Jumbo
Lidl Huizermaatweg 45 1273 NA Huizen www.lidl.nl	10.9	Lidl
Aldi Holding Pascalweg 21 4104 BE Culemborg www.aldi.com	6.8	Aldi

Source: DistriFood Retailplanner

Most of the food retail stores are supermarkets. In addition there are some department stores (Bijenkorf, HEMA and Hudson's Bay), convenience stores (AH To Go, CoopCompact, Spar City Store and Attent), 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 2018, total Dutch agricultural and related products imports were valued at \$79.6 billion. Imports from the United States totaled \$3.6 billion, up for the seventh consecutive year. Other large EU export markets include the U.K. (\$3.3 billion) and Germany (\$2.5 billion).

The United States is the 10th largest supplier of consumer-oriented products to the Netherlands after several EU member states, Brazil and South Africa. Dutch imports of consumer-oriented products from the United States were on an upward trajectory until 2015 but have stabilized since.

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, 2018

Product Category (product code)	Main Suppliers, in percentage	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers

Imports in USD million				
Craft beer (HS2203) Total Imports: USD 442 From USA: USD 5	1. Belgium 2. Germany 3. The U.K. 9. USA	57 17 7 1	Competition from neighboring countries Belgium and Germany.	Strong demand for new flavors, funky labels and innovative tastes.
Sweet potatoes (HS071420) Total Imports: USD 105 From USA: USD 62	1. USA 2. Egypt 3. Spain 4. Honduras	59 6 4 4	Competition from Honduras, Spain, China and Egypt.	Supermarkets are increasingly selling fresh and processed sweet potatoes. Demand for variety and quality products.
Condiments and sauces (Product group) Total Imports: USD 509 From USA: USD 11	1. Germany 2. Belgium 3. The U.K. 4. Poland 11. USA	21 14 10 10 2	First four suppliers benefit from proximity and being in the EU market.	Demand for good quality and unique products.
Walnuts (HS080231) Total Imports: USD 11 From USA: USD 6	1. USA 2. Chile 3. Australia 4. France 3. Argentina	55 18 11 3 2	Growing competition from Argentina and Chile	Growing demand from food manufacturers, confectionary and snack industry. Benefit from healthy image
Ice cream (HS210500) Total Imports: USD 245 From USA: USD 1	1. Belgium 2. Germany 3. Italy 14. USA	40 22 9 1	1, 2 and 3 are close to the market and offer good quality products.	Demand for good quality and unique products.

Source: www.gtis.com

SECTION IV. BEST PRODUCT PROSPECTS

A. 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
- Almonds

- Beef
- Pistachios

D. 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
- Oysters

E. 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 2019)
- Processed food with GMO ingredients, bleached flour etc.

SECTION V. POST CONTACT AND FURTHER INFORMATION

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