Seafood Export Profiles

NETHERLANDS

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SECTION 1 MATCHING PROFILE

1.1 THE TRADE ENVIRONMENT

Fast facts	Source: Euromonitor International
Population	16.3 million
Land area	41,543 sq km
Inhabitants per sq km	482
No. of households	7.2 million
Capital	Amsterdam
Other main cities	Rotterdam, The Hague, Utrecht
Languages	Dutch
Religion	Christian
Currency	Euro (€)
Exchange rate (2006)	€/£ = 1.45
Total GDP (2006)	£364 billion
Real GDP growth rate (2006)	3.0%
GDP per capita (2006)	£22,305.61
Inflation (2006)	1.14%
Unemployment rate (2006)	5.2%
International status	Member of the EU
Government type	Constitutional monarchy
Total food and drink imports	€26.5 billion
Total food and drink exports	€44.3 billion
Top 3 import countries	Germany (20%); Belgium (11%); USA (8%)

- Dutch economic growth in 2007 came to 3.5%. This is the highest growth rate since 2000. The expectation for 2008 is growth of 1.9%. In 2006 economic growth was 3%. Again in 2007 exports contributed most to economic growth, but fixed capital formation and consumption also played an important part. The construction industry and commercial services showed above average production growth rates. Expectation for 2008 is positive for the food and beverage sector. National production and export will show a further growth.

- The Netherlands is among the richest countries of the European Union. The gross domestic product per capita was the third highest in the EU in 2006, only surpassed by Luxembourg and Ireland. The average income in the Netherlands was 25% higher than the overall EU average.

- The number of households has increased by more than 600,000 in the space of ten years. Single households were responsible for a large part of this increase: their number increased by 380,000 to over 2.5 million. The number of couples without children rose to 2.1 million. This number is now the same as the number of couples with children. The number of single-parent households is still growing (460,000).

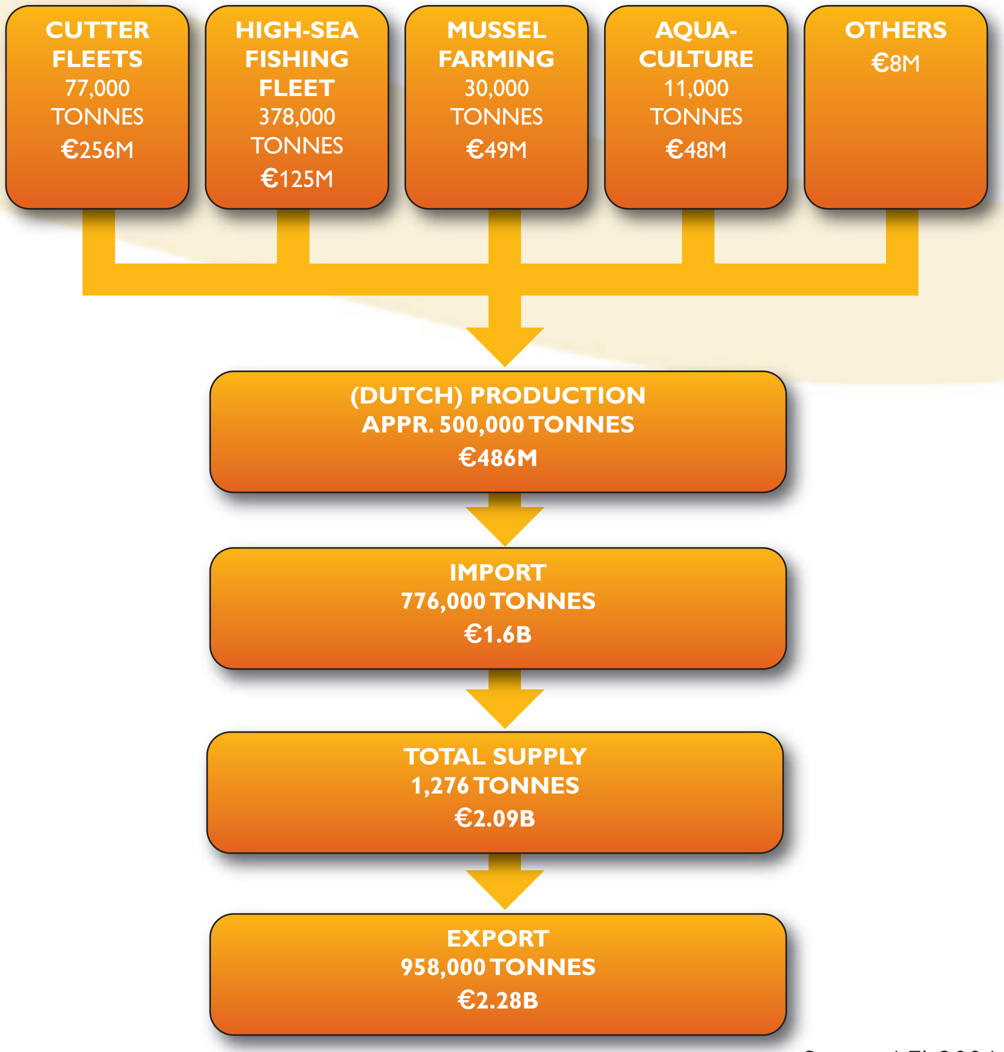
- Immigration is still growing. This is mainly attributable to an increase in immigrants from the new EU member states. Over the same period immigration from Turkey and Morocco has declined.

- The turnover of the Dutch retail sector grew 3.7% in 2007, versus growth of 5.3% in 2006. Volume sales increased by 2.4% in 2007 and prices were 1.3% higher. Turnover rose in both the food and the non-food sectors. The growth in non-food slowed down in the last months of 2007. Within the retail sector, internet retailers realised the highest increase in turnover.

Sources: www.cbs.nl

1.2 THE SEAFOOD SECTOR

Figure 1: The Dutch supply chain volume and value in 2006

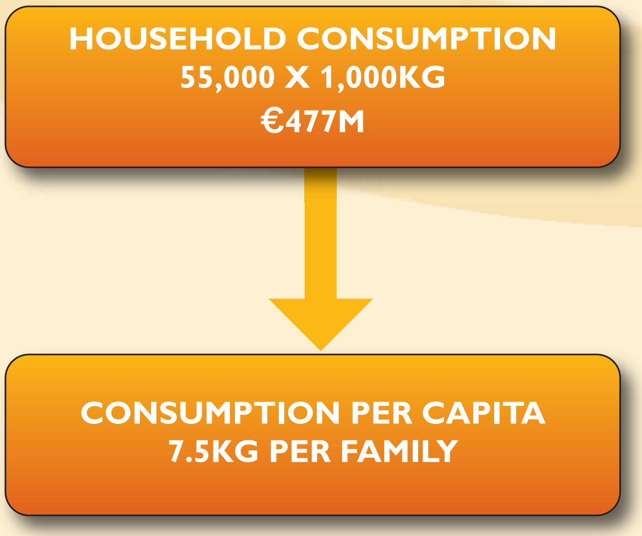


Source: LEI, 2006

- The total production value of the Dutch fish and seafood sector was €486 million, including revenue of €438 million generated by the Dutch fishing fleet (slightly lower than the previous year) and €48 million from the fish farming sector.
- Over the years the Dutch fishing industry has won a major position on the international market. The national fleet lands a quarter of all fish in the Dutch market. The remaining three quarters are imports. 75% of all fish (by volume) is sold abroad which makes the Netherlands one of Europe's few net exporters, countries whose fish exports exceed their imports.
- Imports of fish are currently some €1.6 billion (+23% in value and +15% in volume), whereas exports, going mostly to European countries (+5% compared to 2005), generate almost €2.3 billion. Export volumes decreased by 6% to just fewer than one million tonnes. Frozen fish accounted for the great majority of the volume (70%); fresh and chilled fish accounted for just 6%. The export value of frozen fish amounted to 45% of the total; fresh and chilled fish accounted for 15%. Belgium, Germany, Italy, Spain and France remain the major export markets for Dutch fish, and jointly account for 67% of the total value of exports.

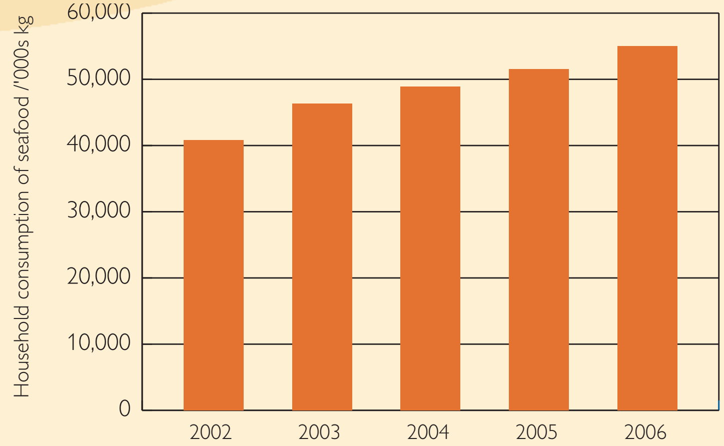
1.2 THE SEAFOOD SECTOR

Figure 2: Dutch seafood household consumption, 2006



- In volume, the market grew by 5% compared to 2005, towards 55,000 tonnes. Salmon, shrimps and frozen fish did especially well. Prices increased up to 13% in 2006.
- Growth is due to more households buying seafood and a higher volume per buyer. The health aspects and the increased knowledge of the preparation of seafood are the motives behind the increase in seafood consumption.

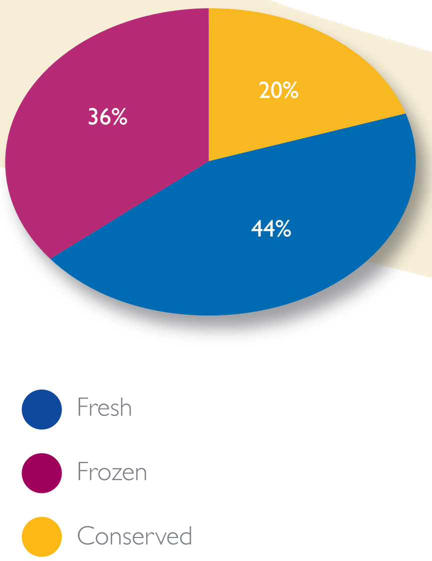
Chart 1: Household consumption of total seafood



Source: Nederlands Visbureau

1.2 THE SEAFOOD SECTOR

Chart 2: Volume shares in seafood, 2006



Source: Nederlands Visbureau

- The market share of fresh crustaceans and shellfish is decreasing (caused by a constant purchase frequency but a decreasing volume per buyer) in comparison to fresh fish. In expenditure terms, the market share stayed nearly at the same level. The price increase in the crustaceans and shellfish market was the highest (+35% price increase), and was most applicable for mussels (+56%)

- Household purchasing of frozen fish is stable. Consumers buy more frequently and are more loyal to frozen fish. As a result of the price increase of fresh crustaceans and shellfish, the consumer now often chooses the frozen variant.

Table 1: Top 10 species landed in the Netherlands 2005-2006

Rank	Species	2005 (€m)	2006 (€m)	% Chg 05/06	Price per kg Dutch auction (€)
1	Dover sole	135.3	126.5	-7%	12.7
2	Plaice	85.0	89.1	5%	2.1
3	Mussels	55.8	49.1	-12%	1.5
4	Turbot	25.0	24,7	-1%	10.4
5	Shrimp	15.3	20.5	34%	2.9
6	Cod	16.2	17.1	6%	2.5
7	Brill	8.3	8.4	1%	8.4
8	Dab	7.5	6.7	-11%	0.9
9	Lemon sole	4.8	5.6	17%	4.4
10	Whiting	2.4	2.6	8%	1.2

Source: Productschap Vis

- Overall, the value of top ten fish species has been decreasing since 2004 but the most common fish is still Dover sole, accounting for 36% of the top ten species landed in the Netherlands.

- Shrimps showed a significant growth in 2006 compared to 2005. However, this is a return to previous years since the value is now at the 2004 levels, but not back to 2003 levels when turnover was €27.1 million.

1.2 THE SEAFOOD SECTOR

Table 2: Top 10 species consumed by volume in 2007

Ranking 2005	Ranking 2006	Ranking 2007	Species	Index 2006	Index 2007
3	2	1	Tuna/bonito (canned)	119	102
1	1	2	Pollack (frozen)	95	92
4	5	3	Fish sticks (frozen)	100	103
5	4	4	Salmon (frozen)	102	97
6	6	5	Herring (salted)	102	98
2	3	6	Herring (in a jar)	89	87
9	8	7	Salmon (smoked)	112	100
24	18	8	Pangasius/panga (frozen)	188	223
7	7	9	Cod (frozen)	119	85
10	9	10	Salmon (natural)	115	102

Aandeel Top 10 van 2005: 46.9%
Aandeel Top 10 van 2006: 47.5%
Aandeel Top 10 van 2007: 46.8%

Source: Nederlands Visbureau / Gkf Panel Service 2007

1.2 THE SEAFOOD SECTOR

Table 3: Key Dutch ports by volume and value landed

Rank	Name	2005 (tonnes)	2006 (tonnes)	% Chg 05/06	2005 (€'000s)	2006 (€'000s)	% Chg 05/06	Website
1	Yerseke	59,661	31,261	-48%	56	49	-13%	www.shipdata.nl
2	Urk	36,676	36,163	-1%	109	110	1%	www.urk.nl
3	Harlingen	12,393	11,531	-7%	37	33	-11%	www.harlingen.nl
4	Lauwersoog	6,689	8,286	24%	14	19	36%	www.visafslaglauwersoog.com
5	IJmuiden	10,486	9,221	-12%	39	37	-5%	ww.amports.nl
6	Den Helder	8,077	7,537	-7%	34	33	-3%	www.havendenhelder.nl
7	Stellendam	6,497	6,100	-6%	27	26	-4%	www.unitedfishauctions.com
8	Vlissingen	6,542	5,942	-9%	28	28	0%	www.zeeland-seaports.com
9	Schevingen	3,861	3,887	1%	14	17	21%	www.unitedfishauctions.com
10	Den Oever	3,645	4,304	18%	12	14	17%	www.visafslag-denhelder.nl

Source: Productschap Vis

1.3 CONSUMER TRENDS

- Dutch seafood consumption is still growing (in 2000: 5.9kg per family and in 2006 7.5kg per family, which is an increase of 27.1%). On average, consumers bought seafood 18 times in 2006 or once every two and a half weeks.

- More than 50% of seafood customers are aged over 55 (consuming an average of 10kg of seafood in 2006) but there is also a strong increase in consumption among consumers under 35 years old.

- In 2006, 55% of seafood purchased was bought in supermarkets, compared to 40% in seafood shops and market stalls.

- Specialised seafood shops are trying to compete against supermarkets by offering more meals, speciality products, catering services and the option for consumers to eat in their premises.

- Seafood is mainly eaten as the main dish of a meal and tends to be prepared in the oven.

1.4 UK SHARE AND EXPORT OPPORTUNITIES

- Both the value and volume of seafood imports increased by a substantial amount between 2005 and 2006. The import value increased by 23%, and the volume by 15%. A total of 776,000 tonnes of seafood was imported, at a cost of €1.6 billion.

Table 4: Top countries importing into the Netherlands by value, 2005-2006

Rank	Country	2005 (€m)	2006 (€m)	% Chg 05/06
1	Germany	266	258	-3%
2	Belgium/Luxembourg	159	170	7%
3	Denmark	166	158	-5%
4	United Kingdom	121	143	18%
5	Other European countries	157	209	33%
6	Outside EU	442	669	51%

Source: CBS

- Gaps in the market and opportunities for UK suppliers can be found in the Netherlands if a supplier can offer either organic, added value and/or sustainable seafood. Examples of added value products are oven ready products that at the moment only are seen at the largest retail chain (Albert Heijn) but other retailers will follow. Other possibilities for added value, high-end premium products are crustaceans such as lobster and crab in retail packs.

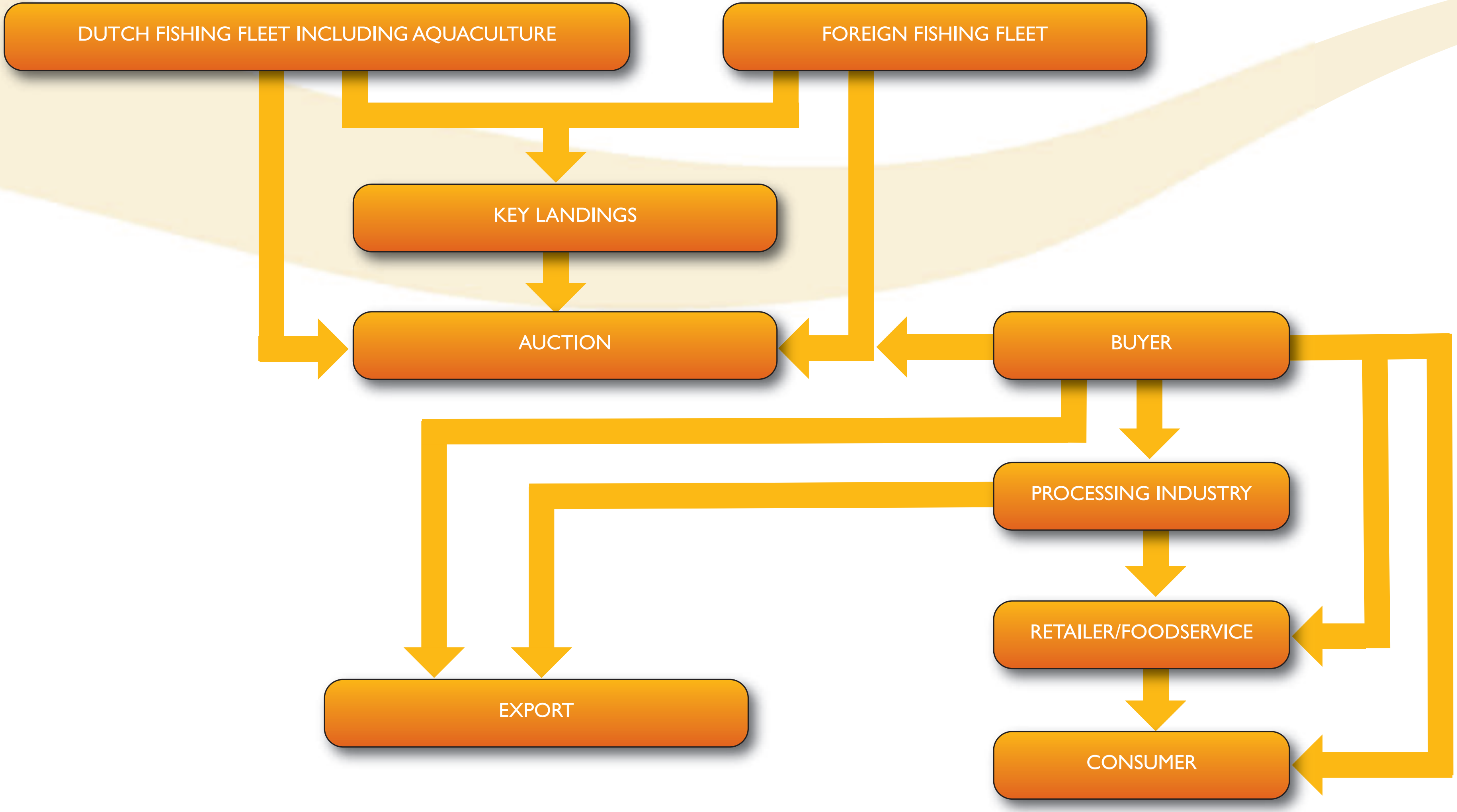
- Sustainability is a hot issue in the Netherlands and almost a condition to introducing new seafood products on to the market. Retailers are pressurized by consumer groups to follow sustainability guidelines. Innovative retailer Albert Heijn is working on its own special sustainability trademark for their own label products, including seafood.

- Opportunities on a per species basis cannot be specified since price changes have a large effect on seafood bought by the industry and consumers. Most common seafood species like salmon, cod and shrimps have potential in the Dutch retail and foodservice market. More important than the species is to add value to the product and to have good sustainability credentials.

SECTION 2 DOING BUSINESS PROFILE

2.1 THE SUPPLY STRUCTURE

Dutch seafood supply chain



Source: Productschap Vis

2.2 THE RETAIL CHANNEL

Auction

- Seafood arrives in the Netherlands either via Dutch fisheries or via import. Both arrive at the key landings ports where from it goes to the auction. The Netherlands has 11 auctions located around the Ijsselmeer where fresh water fish are traded. The auction provides space to unload and sort the fish and temporarily store it. Auction field staff assess the quality of every batch arriving. Each auction has a hall, known locally as the 'mijnzaal', where the actual auction takes place. The Dutch fish auctions are equipped with modern equipment and meet all requirements with regard to temperature control, hygiene and efficient fish handling. In the future the internet will be used more to buy fish.

Buyer

- Buyers are traders, the processing industry, wholesalers and large retailers. Commission-agents buy most of the time on behalf of the above-mentioned groups.

Processing industry

- Fish is often filleted, breaded, preserved or processed in one way or another before it is offered to the consumer. The Netherlands has approximately 400 companies involved in such processing and further trading. Large processors have special contracts with ship-owners.

- The processing of flat fish, crustaceans and shellfish accounts for the major part of turnover. Most companies are located in Urk or IJmuiden. Processing herring and other pelagic species account for 15% of the turnover of the processing industry. Most of the companies involved in this industry are located in Katwijk, Scheveningen and Vlaardingen (East coast of the Netherlands).

Within the Netherlands, the following (international) processors have a strong position:

- Kennemervis Group is a Dutch company active in the whole of Western Europe in processing, trading and distributing fish and fish products. Kennemervis Group is active in all market segments: fish speciality shops, supermarkets, foodservice, wholesale and retail trade.
  Web: www.kennemervis.nl

- Fjord Seafood is a leading, integrated, global supplier of value added seafood. The company focuses on customers' and consumers' needs, quality, innovation and environmental responsibility. Fjord Seafood Pieters Belgium prepares products for the Dutch retail and the foodservice markets (eg fresh portion packages, ready-to-eat food and smoked salmon). Fjord Seafood Sterk in the Netherlands is the company's specialist in coated products.

2.2 THE RETAIL CHANNEL

Top 5 mainstream retail chains in the Netherlands

Albert Heijn

Market share	29.5% 750 stores; (excluding the 75 stores which will be bought over from C1000 in near future).
Store and type of ownership	100% subsidiary of Koninklijke Ahold.
Product range	Market leader/innovator Positioned in the market as up-market full service supermarket with a wide and varied range.
Best practices	Strong focus on fresh products.
Consumer demographic	High education scale; two person household; class AB.
Web	www.albertheijn.nl

Superunie

Market share	29.5% (main supermarket members Plus market share of 5.9% and Jumbo 4.5%) 1,772 stores.
Store and type and ownership	Superunie has 16 supermarket members with regional focus where they are very strong. Every member has its own characteristics.
Product range	Positioned as full service supermarket with average pricing strategy. Members have a wide product range.
Buying practices	Purchase all goods at the best price-quality ratio.
Consumer demographic	Customer profiles depend on the member.
Web	www.superunie.nl every member has its own webpage.

Schuitema (C1000)

Market share	14.5% (451 supermarkets of which approx 75 will be taken over by Albert Heijn in near future).
Store type and ownership	Independent entrepreneurs.
Product range	Market follower Positioned in the market as full service supermarket with wide product range.
Consumer demographic	Customer profile are families with children; class C and D.
Web	www.c1000.nl

Aldi

Market share	9% (430 stores).
Store type and ownership	100% subsidiary of Aldi North, Germany.
Product range	Positioned as hard discounter with very small assortment and many upmarket labels.
Best practices	Increasing attention for chilled and frozen products.
Buying practices	Massive volumes.
Consumer demographic	Customer profile are trendy shoppers; families; class C and D.
Web	www.aldi.nl

Super de Boer

Market share	7.5% (327 stores).
Store type and ownership	Mainly franchise (Casino has part of shares).
Product range	Positioned as full service to their shoppers with a wide product range.
Consumer demographic	Customer profile: high education scale; two-person household; class AB.
Web	www.superdeboer.nl

- In the Netherlands the share of seafood sales through the specialised fish shops is still relatively high compared to European standards. The specialised shops constitute about 1800 outlets, half of which are mobile (for instance on markets). However market share of supermarkets has increased in recent years and reached 55% of sales in 2006. Seafood shops and market stalls realised 40% of the sales.

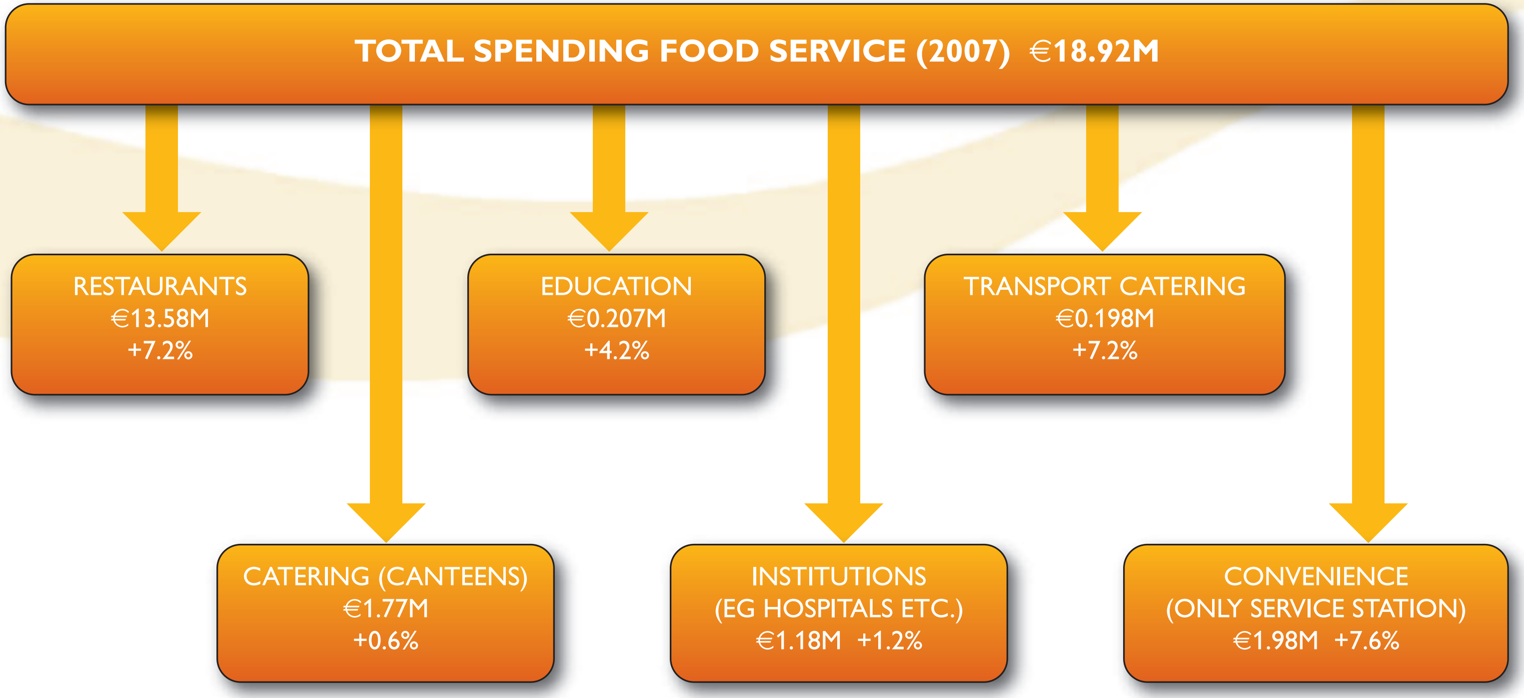
2.3 THE FOODSERVICE CHANNEL

- Spending within the foodservice channel has been growing over the last few years. In 2007, consumers spent around 35% of their total food spending (€54.4 million) in the foodservice sector (€18.9 million), which is a growth of 6% compared to 2006.

- Growth in this sector has been realised with less outlets due to consolidation. The expectations for the future are an increase of international formats.

- The trend for organic products which has been seen for some years in the retail market is also increasing its importance within the foodservice channel. Furthermore, convenience is the USP (unique selling point) to distinguish from competitors. Within restaurants, demand for healthy products is increasing and fish, with its perceived healthy properties, stands to benefit from this trend.

Figure 3: Total Dutch foodservice spend by outlet type, 2007



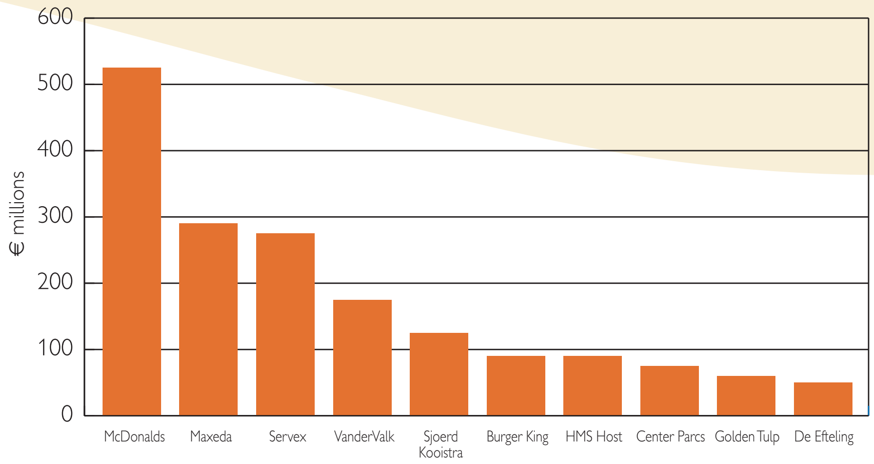
Source: FSIN

2.3 THE FOODSERVICE CHANNEL

Commercial catering

Within commercial catering McDonald's is the market leader followed by some national suppliers.

Chart 3: Commercial catering sales by outlet by value for 2007



Source: FSIN

Key players within social catering are:

- Sodexho provides food and hospitality management services to companies, public agencies, schools, health care institutions and retirement communities. Sodexo Nederland is part of Sodexo Alliance France.
  Web: www.sodexho.com

- Compass Group is a market leader in providing food and a range of selected support services to customers in the workplace, schools, hospitals, at leisure or in remote environments.
  Web: www.compass-group.com

- Avenance is the number three in the European foodservice market.
  Web: www.avenance.nl
  Web: www.avenance.com

- Albron, is the largest independent caterer of the Netherlands.
  Web: www.albron.nl

Distribution specialists in seafood for foodservice channel is:

- Schmidt Zeevis belongs to the Kennemervis Group. A large proportion of the seafood products are supplied to restaurants, caterers and hotels. Quality and value for money are the hallmarks of Schmidt Zeevis. State-of-the-art technology is used in the storage and processing of products. All incoming seafood is scanned and supplied with a barcode, which means that they are traceable throughout the process.
  Web: www.schmidtzeevis.nl

- Jan van As is known as a company whose aim is to deliver optimal service and quality. All products are bought from Dutch suppliers.
  Web: www.janvanas.nl

- Smit Vis is one of the fresh partners of Sligro (Dutch retail organisation).
  Web: www.sligrofoodgroup.nl

2.4 KEY REGULATIONS AND TARIFFS

- Key regulations with regard to seafood are mentioned in the EU Common Fisheries Policy. Therefore, no specific import barriers are observed in the Netherlands as long as European regulations are followed. For detailed information see www.ec.europa.eu/fisheries/index

Labelling and packaging requirements

- EU legislation requires that all food, including seafood, must have a label that includes the name under which the product is sold, the list of ingredients (in descending order of weight), net quantity of pre-packed food ingredients in metric unit, date of minimum durability (except for fresh produce), any special storage conditions or conditions of use (except for fresh produce) and the name of the manufacturer, packer or EU seller (except for non-packed fresh produce). Furthermore, EU regulation 2065/2001 specifically outlines labelling requirements for fishery and aquaculture products.

- All products offered for retail sale in the EU must be properly labelled with the following information:

  1. Species commercial name;
  2. Production method used: "caught in…" for wild fish, "farmed" or "cultivated", for aquaculture products;
  3. Catch area must be listed: for products caught at sea a reference to areas (FAO zones), for products caught in freshwater a reference to the country of origin, for farmed products a reference to the country in which the product undergoes the final development stage.

- As from January 2008 onwards, the Dutch government will charge a packaging tax. Tax to be paid depends on the amount of packaging used for a certain product. Importers who sell a branded product in the Netherlands will be charged, when private label products are offered the buyer (retailer) has to pay the tax.

Organic farming

- While the EU currently does not have a specific regulation pertaining to 'organic' seafood, in December 2005 the EU Commission adopted a proposal for a new regulation concerning organic fish farming production. This proposal intends to improve clarity for both the consumers and the farmers. Producers of organic food will be able to choose whether or not to use the EU organic logo.

- Dutch institution SKALL is authorized to certify manufacturers for organic products. SKALL can be compared with the Soil Association and follows the same EU standards and regulations.

Tax on food

- The Dutch consumers pay VAT on all consumption goods and services (in Dutch this is referred to as BTW). The Dutch market makes a distinction between a high VAT level(19 %) and a low VAT level (6%). The high level is paid all luxury goods, including alcoholic drinks. The low level is paid on all food and drink products, including seafood.

Other legislation

All Dutch retailers use CBL crate and rolly system to provide unity in supplying chilled products to retailer's depots.

2.5 TIPS AND USEFUL LINKS

- Useful websites:
  - Web: www.visbureau.nl
  - LEI offers its customers a solid basis for socially and strategically justifiable policy choices.
    Web: www.lei.nl
  - Statistics Netherlands is responsible for collecting, processing and publishing statistics to be used in practice, by policymakers and for scientific research.
    Web: www.cbs.nl
  - The Dutch Fish Marketing Board offers comprehensive information on all aspects of the Dutch fishing industry including information on landings, auctions, importers and exporters.
    Web: www.dutchfish.nl/uk/

- For further information, contact:

  Annemieke Bouwmeester
  Senior Consultant
  Food from Britain the Netherlands
  P.O. Box 128
  3830 AC Leusden
  The Netherlands
  Tel: +31 33 434 02 50
  Email: abouwmeester@ffb.nl
  Web: www.foodfrombritain.nl

- For further business advice on entering the export market, contact:

  Marketing
  Sea Fish Industry Authority
  18 Logie Mill
  Logie Green Road
  Edinburgh
  EH7 4HS
  Tel: 0131 558 3331
  Fax: 0131 558 1442
  Email: marketinsight@seafish.co.uk
  Web: www.seafish.org