

Agriculture Industry in the Netherlands¹:

Introduction:

This paper is divided into three parts.

- The first gives general background information to the agriculture and agriculture related industries in The Netherlands;
- The second part informs of Dutch agriculture news – on issues such as Bluetongue, Tuberculosis and dioxin contamination. These have also been issues in Northern Irish agriculture over the past year;
- The final part gives background information on The Netherlands' current position to utilise renewable sources to meet energy requirements.

1. Background Information of the Dutch Agriculture Industry:

Land and Population:

The Netherlands is one of the smaller countries of the European Union, comprising about 41,500 km². More than half of this area is farmed. As at *January 1st 2007*, the Netherlands had a population of over 16.4 million people.

By comparison, the total land area of Northern Ireland is 13,576 km². In 2007 there were 26,146 farms with an average farm size of 38.8 (Ha)

Agricultural Trade:

In 2006, the Netherlands exported agricultural products with a value approximating €54.2 bn, which was the equivalent to 17% of the total export value in that year.

Most exports go to other Member States of the European Union.

By comparison, the Northern Irish food and drink processing sector had export sales in 2006 of £550 million. The total income from farming in Northern Ireland 2007 was £233 million.

Types of Trade:

¹ http://www.minlnv.nl/cdlpub/servlet/CDLServlet?p_file_id=26009

The trade in agricultural products to and from the Netherlands is diverse. Ornamental² plants make up the bulk of agricultural exports.

Trading Partners:

Over 80% of Dutch exports are within the EU. Germany has always been the most important trading partner, followed by the United Kingdom, France and Belgium.

Composition of Dutch Farms:

- In 2006, the number of farms in the Netherlands amounted to 79,435;
- Dairy farms made up the largest group, totalling 20,429, followed by farms with grazing stock, cows for slaughter, sheep and goats, which amounted to 18,369;

By comparison, there are 3,618 dairy farms in Northern Ireland.

- The number of arable farms, producing mainly cereals, potatoes and sugar beets, was 12,163. By comparison, the number of arable farms in Northern Ireland in 2007 was 982.
- There were 7,091 intensive livestock farms, i.e. farms with pigs or poultry. In Northern Ireland, there are 547 pig and poultry farms.
- 14,480 businesses operated in the field vegetable and glasshouse sector.

Developments in the Agri-Sector:

Between 1990 and 2006 the number of farms has fallen by almost a third, which is mainly due to a decline in the number of small farms. In 2006 the average intensive livestock farm was twice as large as in 1990, and the average broiler farm was three and a half times larger.

This trend is similar to that of Northern Ireland: the number of active Northern Irish farm businesses included in the June 2007 census³, 26,146, was 593 fewer than 2006. This is a net change, with some new businesses being created and other merging or ceasing to be active. The downward trend in the number of farms is 2% per annum for the past ten years in Northern Ireland.

Large Scale Farming (Mega Farms):

² Ornamentals are flowers and house plants that do not have a utilitarian function, i.e. they are grown for decorative purposes.

³

<http://www.northernireland.gov.uk/news/news-dard/news-dard-november-2007/news-dard-201107-agricultural-census-june.htm>

Some large farms have increased in size by such an extent that they are now classed as mega-farms. A typical mega-farm would have some 410 dairy cows, 12,800 fattening pigs, 186,000 layer hens or 385 ha of arable land.

The Netherlands had almost 1,600 mega-farms in 2006, representing 2% of the total amount of farms. In 2006 mega-farms accounted for 22% of total production capacity, compared to 17% in 2004.

Organic Agriculture:

In 2006, the land under organic crops was 2.5% of total farmland. The EU average is 3.9%.

Fisheries:

In 2005, the Dutch fisheries fleet consisted of 441 vessels and 2,274 crew members. Many of the fleet are active in the North Sea and primarily comprise family-run operations. In recent years, there has been an imbalance in quotas and the fleets' catching capacity. The Dutch government has on several occasions offered owners the opportunity to permanently withdraw their vessels from fishing activities.

Multinational Companies (Food Production):

The Netherlands houses a number of large foreign multinational companies. *Unilever*⁴ and the Swiss-based company *Nestle*⁵ are among the world's leading food giants located here.

Heineken is the biggest brewer in Europe and has a 50% share in the Netherlands home market.

Wholesale Food Trade and Agri-Logistics:

Due to its geographical position, the Netherlands has built a coordinating role for itself, managing the trade flows of farm products and food coming in from overseas and going out to the European hinterlands.

Rotterdam, for instance, is Europe's largest port for imports of fruit, vegetables and vegetable oils whereas Amsterdam is the world's leading transshipment port for cocoa.

The Netherlands accounts for 30% of the world's cacao powder and cacao butter production and as such is a leading producer in the global market. Some 60% of the world's stock of cocoa beans is stored in Amsterdam warehouses.

Food Retailing:

⁴ <http://www.unilever.com/>

⁵ <http://www.nestle.co.uk/Home>

Dutch supermarkets are in the hands of a small number of chains. *Albert Heijn*⁶ is the biggest, with a share of 27.5%.

The German discount food retailer Aldi has a 10% market share.

Other Facts:

Only 3.5% of the Dutch population works in the agricultural sector;

A quarter of the Netherlands is below sea level;

The Netherlands is the largest supplier of potatoes and potato products on the European market.

2. Recent News for Agriculture in Netherlands:**Contamination of Dioxins:**

In 2006, the European Commission investigated cases where dioxins were found in animal feed. Several hundred farms were closed in Belgium and Holland. The contamination was caused by malfunctioning filters at Belgian chemical producer Tessenderlo Chemie.

Bluetongue⁷:

The Netherlands veterinary authorities reported that a new serotype of Bluetongue virus (BTV-6) was detected in four cattle. The serotype has never been reported before in the EU and is not known to be present in Europe or surrounding areas. As a result of these initial suspicions, the Netherlands temporarily suspended exports of all susceptible animals for fattening and breeding.

The Netherlands declared the whole country a restriction zone for BTV-6 and BTV-8, hence animals cannot be exported to other EU Member States. A 50km containment zone was established to prevent the spread of the virus.

Tuberculosis⁸:

⁶ <http://www.ah.nl/>

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http://www.minlnv.nl/portal/page?_pageid=116,1640363&_dad=portal&_schema=PORTAL&p_news_item_id=22112

⁸ http://www.ciwf.org.uk/news/transport_of_live_animals/tb_spreads_to_netherlands.aspx

In summer 2008, it had been reported that calves were exported to the Netherlands in March when they were thought to be free from TB. However, after their arrival to a number of Dutch farms, the parent herd in Britain tested positive for the disease – Defra swiftly contacted the Dutch Agricultural Ministry to inform them. The British calves in the Netherlands were tested soon after and twelve of them were found to be carrying TB. The news came as a grave shock to Dutch farmers as the Netherlands had been TB free since 1999.

3. Renewable Energy⁹:

Current Renewable Energy Source Requirements – Targets in Netherlands:

The Netherlands set a global target of 5% renewable energy by 2010, and 10% by 2020. According to the EU Directive, the electricity production from renewable energy sources should reach 9% of the gross electricity consumption in 2010.

A key source of renewable energy in the Netherlands is biomass.

Taken together, biogas, solid biomass and biowaste accounted for more than half of renewable energy source market in 2004. Between 1997 and 2004, solid biomass is growing at an average rate of 140% per year.

Another resource with a sizable market share is wind. The Netherlands are ranked fourth highest in Europe in terms of wind power production. The UK is currently ranked fifth in Europe for use of wind power. Initially, Dutch wind farms were placed onshore, but since 2006, they can be found offshore as well.

⁹ http://ec.europa.eu/energy/energy_policy/doc/factsheets/renewables/renewables_nl_en.pdf