

Often dubbed the largest of the small countries of the European Union, or the smallest of the big member states, the Netherlands (three quarters the size of Nova Scotia with a population of 16 million in an area of 41,500 square kilometres) is a player of significance in the food scene in Europe and beyond. As a producer,

rapidly and the catering industry is doing quite well. The Dutch like the North American style of working and living, and this clearly shows in the big centres.

What does the structure of the food market look like?

Leaving the food service sector aside, roughly two thirds of the food sold

tics are some of the reasons that may explain the absence of Canadian products on most Dutch supermarket shelves. However, U.S. producers do only slightly better.

As a Canadian food producer, should I bother?

It depends on your company's strategy. If you have developed your markets in North America and are equipped to expand production, the Netherlands — as one of many European markets — remains a worthwhile option. Chances are best if your product has unique features and a distinct brand name identity, and you are willing to adjust to European food and drug regulations and are prepared to arrange for packaging and labelling as required by the importer or the end buyer. An Ontario company is selling successfully in various Dutch markets by meeting all these demands.

Going direct or working with an importer, which is preferable?

Dutch supermarket buyers would certainly be interested if you have a sufficiently attractive product. At the same time, they will tell you that they are not interested in storing the product and that they want guaranteed just-in-time delivery. This means that you would need to arrange for local storage and distribution yourself. This is easy because the Netherlands has a very sophisticated physical distribution industry with many providers of advanced logistical services. But it is a cost factor of some kind. Working with a good importer capable of taking stock on the other hand, allows wider market coverage and the ability to deliver on call. The importer's mark-up roughly cancels out the cost of privately arranged physical distribution. What's more, the importer is in a better position to provide advice and recommendations on packaging and labelling and to discuss market conditions.

Is private label an option?

Each year in May, the Amsterdam chapter of the Private Label Manufacturers Association organizes the

Worth a taste test
The Dutch food retail market

this tiny nation ranks among the top three agriculture and agri-food exporters in the world. This enviable position is threatened somewhat by changes taking place in farming which, traditionally reputed for its high efficiency and dynamic entrepreneurship, is beleaguered by increasingly rigid environmental requirements and strong demand for land for urban expansion and industrial purposes.

In addition to being a world exporter, the Netherlands is a considerable buyer of farm and food products. Domestic production of grains, oilseeds and feed materials, for instance, are insufficient to meet the needs of the processing industry. But imports of semi-prepared and packaged food have grown consistently over the past few decades.

Can you give an indication of the size of the food market?

According to estimates by AC Nielsen, retail sales will reach a total of \$48 billion in 2000. Add to this the value of the food service market estimated at \$20 billion and it is a total of nearly \$70 billion. The food service market shows especially strong growth, as more consumers turn to eating outside the home. The number of fast food outlets is expanding

in the Netherlands is through supermarkets. The next major channel are the specialized stores, whose number may be slowly declining, but which continue to fulfill an important function. The discriminating consumer would prefer to buy such items as fresh nuts, cheese, wine, fish or vegetables in a specialty shop. Much of the balance is taken up by the street trade, which is favoured by many consumers, including ethnic communities, because of its local colour and competitively priced products.

Two organizations dominate the Dutch grocery industry scene: Albert Heijn, the undisputed leader with a share of about 28%, and Laurus, whose share is estimated at 22%. An array of smaller chains and other outlets make up the remaining half.

Are Canadian products available in Dutch stores?

Unfortunately, Canada is under represented in local supermarkets. While the Dutch are among the more important buyers in Europe of Canadian primary and semi-processed farm products, packaged food imports from Canada are light. Lack of items perceived to have sufficient appeal to the consumer here, prices and logis-