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Netherlands

Planting Seeds

Annual

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Approved by:
Roger Wentzel
U.S. Embassy, The Hague

Prepared by:
Bob Flach

Report Highlights: During the past four years, Dutch trade in planting seeds has shown a continuous increasing trend. In 2004/2005, Dutch imports increased by more than six percent to USD 386 million, while exports increased by more than four percent to USD 880 million. It is expected that for the coming three to five years, U.S. planting seed exports to The Netherlands will remain at an annual value of about USD 50 million.

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Executive Summary

The Netherlands is one of the world's largest planting seed exporters. The sector consists of about 180 seed companies employing 10,000 people, with an annual sales volume of approximately Euro 2 billion. Planting seed production is increasingly moving to Southern European, African and Middle American countries, because of lower costs, (such as labor and heating) and cumbersome regulations. Part of this production is shipped to The Netherlands for cleaning, coating and nursing, and re-exported to the final destination. For that reason, The Netherlands remains an important trader, processor and packager of planting seeds. During the past four years, Dutch planting seed exports grew from USD 490 million in 2000/2001 to USD 880 million in 2003/2004.

It is expected that in the coming three to five years, U.S. planting seed exports to The Netherlands will remain at annual levels of about USD 50 million. The largest share of U.S. exports consists of vegetable seeds, with a value of about USD 33 million. The trade between The Netherlands and the United States depends mainly on intra company trade and cooperation.

Conversion rates:

Year	U.S. $	Euro
2000/2001	1	1.121
2001/2002	1	1.117
2002/2003	1	0.958
2003/2004	1	0.840
2004/2005	1	0.787

Season July / June

SECTION I. SITUATION AND OUTLOOK

During the past four years, from 2000/2001 to 2004/2005, Dutch imports of U.S. planting seeds rose continuously from about USD 40 million to about USD 55 million, and now passed the pre-2000 level. The drop in 2000 is attributable to the lower maize seed imports from the United States as a consequence of restrictions on GM varieties. The largest, and fastest growing share of remaining U.S. exports consists of vegetable seeds, the value of which further increased by nearly thirty percent to USD 33 million during 2004/2005.

It is expected that for the coming three to five years, U.S. planting seed exports to The Netherlands will remain stable. Opportunities for U.S. companies exist in specialty seed markets, such as organic seeds, seeds for vegetables produced in greenhouses, and specialty grass seeds for golf courses and sports fields. The trade in vegetable seeds between The Netherlands and the United States is mainly dependent on intra company trade and cooperation. The trade in grass seed between the United States and Europe is mainly influenced by the achieved yields and thus supply and demand situation in the two markets, in combination with the USD / EURO exchange rate. The EU demand for high quality U.S. produced grass seeds for non-agricultural purposes is, however, a relatively stable market.

Until now, there are no sales of genetically modified seeds for food and feed crops in The Netherlands. Apart from the limits on biotech crops themselves, conventional U.S. planting seed exports to the EU are also impeded by fears of possible GMO co-mingling in shipments of non-biotech seed. If, however, pressure on farmers will increase to produce grains competitively and environment friendly, the EU market for GM corn seed could improve. The

use of GM varieties will also depend on the approval process and future traceability, labeling and coexistence regulations.

SECTION II. STATISTICAL TABLES

Planting Seeds Production (hectares)						
	2000	2001	2002	2003	2004	2005
Grains	5,786	5,489	5,272	5,131	5,011	4,952
Oilseeds (flax)	3,420	3,668	3,353	3,731	3,745	3,790
Grasses	23,049	20,784	18,138	21,815	25,896	28,006
Forages	28	54	141	136	170	44
Vegetables	795	874	886	1,012	935	792
Pulses	79	231	268	251	129	92
Flowers	554	415	375	392	378	375
Total	**33,711**	**31,515**	**28,433**	**32,468**	**36,264**	**38,051**

Planting Seeds Production (MT)						
	2000	2001	2002	2003	2004	2005
Grains	28,768	28,873	27,258	26,366	27,200	27,000
Oilseeds (flax)	4,152	3,373	3,967	4,841	3,850	3,900
Grasses	32,304	30,227	26,889	21,204	35,000	35,000
Forages	1,453	1,980	1,828	1,750	2,200	550
Pulses	551	431	644	426	3,003	2,500
Total	**67,228**	**64,884**	**60,586**	**54,587**	**71,253**	**68,950**

Import Value of Planting Seeds (USD) Season July / June					
	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Grains and Oilseeds	**31.3**	**41.6**	**47.6**	**67.0**	**87.8**
France	8.7	15.4	18.5	25.2	38.8
Germany	5.0	9.6	14.1	14.4	18.2
Hungary	Na	3.5	4.0	6.2	10.2
Grasses	**15.7**	**17.2**	**29.9**	**35.7**	**30.0**
Germany	1.5	1.4	10.1	15.8	5.8
United States	5.3	4.7	7.2	6.0	5.8
Denmark	3.1	4.7	5.3	6.0	7.4
Forages	**24.7**	**13.3**	**8.1**	**32.6**	**21.1**
Australia	21.6	9.9	2.7	25.4	11.2
New Zealand	Na	0.5	0.9	1.2	1.7
Germany	0.3	0.4	1.6	1.2	1.5
Vegetables	**115.4**	**113.2**	**135.5**	**156.3**	**180.1**
France	24.2	22.7	23.4	29.0	39.5
United States	20.7	22.5	27.0	25.5	32.5
Italy	Na	8.0	13.0	11.0	14.5
Pulses	**10.8**	**12.9**	**12.0**	**15.0**	**19.6**

Tanzania	1.0	4.1	2.1	5.1	3.4
United States	5.4	4.5	3.0	4.2	4.1
Hungary	Na	0.4	0.8	0.8	6.6
Flowers and Trees	**32.5**	**31.2**	**36.2**	**36.5**	**31.0**
United States	7.0	5.8	7.7	8.8	8.1
Germany	2.9	3.4	3.9	3.9	4.4
France	1.8	1.5	2.6	2.9	2.0
Other	**14.2**	**12.7**	**12.3**	**19.6**	**16.5**
Belgium	1.2	0.7	3.9	9.6	0.0
United States	Na	1.25	1.04	2.38	3.94
Germany	Na	5.55	0.21	0.24	5.08
Total	**244.6**	**242.2**	**281.6**	**362.9**	**386.0**
France	37.6	43.2	49.8	60.7	84.4
Germany	23.6	27.2	39.1	49.3	45.6
United States	42.0	40.4	47.0	47.6	55.3

Export Value of Planting Seeds (USD)
Season July / June

	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Grains and Oilseeds	**37.8**	**35.7**	**43.0**	**49.8**	**52.7**
France	12.0	9.3	8.9	15.7	11.9
Germany	9.7	7.6	10.6	11.3	8.6
Belgium	3.9	7.3	11.7	8.9	15.9
Grasses	**33.5**	**39.0**	**42.6**	**52.6**	**70.8**
Germany	10.1	9.6	12.8	15.8	22.2
France	3.6	5.8	6.5	7.3	10.2
United Kingdom	3.7	4.5	4.5	6.2	7.8
Forages	**24.4**	**29.5**	**27.8**	**42.6**	**42.4**
Germany	10.5	7.7	4.0	11.5	6.9
Belgium	1.4	5.6	7.0	8.3	7.6
United Kingdom	2.8	3.5	3.7	5.5	5.7
Vegetables	**312.1**	**344.9**	**478.0**	**580.4**	**585.3**
Spain	51.4	56.6	89.2	104.8	89.3
Italy	27.0	35.6	49.9	61.9	60.4
France	29.8	28.8	42.3	53.0	51.8
Pulses	**24.8**	**29.0**	**25.9**	**33.2**	**33.9**
France	7.2	8.3	6.6	9.0	9.0
Belgium	1.9	3.4	3.8	5.8	5.8
Italy	3.0	3.8	2.5	3.5	2.8
Flowers and Trees	**39.6**	**39.8**	**53.0**	**49.4**	**48.4**
United States	11.4	9.8	11.5	13.3	12.3
Germany	5.8	7.3	11.3	10.8	13.2
United Kingdom	3.3	3.7	5.5	5.1	5.3
Other	**17.8**	**14.6**	**24.0**	**35.1**	**46.3**
United States	1.6	0.9	3.3	4.6	8.1
Spain	3.0	3.5	4.9	7.5	8.0

Belgium	0.3	0.4	0.6	0.6	5.1
Total	**489.9**	**532.6**	**694.3**	**843.1**	**879.8**
Spain	60.2	66.2	100.9	119.4	106.9
Germany	77.3	76.1	85.0	102.5	99.7
France	60.6	60.6	73.2	91.7	92.1

Import Volume of Planting Seeds Season July / June, (MT)				
	2001/2002	**2002/2003**	**2003/2004**	**2004/2005**
Grains and Oilseeds	39,069	63,674	56,706	56,031
Grasses	17,290	20,862	35,806	23,748
Forages	64,458	23,873	141,705	67,616
Vegetables	10,533	13,796	11,111	8,157
Pulses	14,195	14,805	22,202	21,890
Flowers and Trees	771	893	708	809
Other	3,936	17,779	17,056	6,673
Total	**150,252**	**155,682**	**285,294**	**184,924**

Export Volume of Planting Seeds Season July / June, (MT)				
	2001/2002	**2002/2003**	**2003/2004**	**2004/2005**
Grains and Oilseeds	23,942	30,402	27,663	24,324
Grasses	41,794	33,214	34,073	42,256
Forages	37,063	22,893	54,645	30,503
Vegetables	8,882	10,572	10,505	8,722
Pulses	13,643	8,899	11,142	10,591
Flowers and Trees	1,359	1,347	895	619
Other	1,407	1,523	2,014	770
Total	**128,090**	**108,850**	**140,937**	**117,785**

Land Use Season July / June, (hectares)				
	2001/2002	**2002/2003**	**2003/2004**	**2004/2005**
Grains and Oilseeds				
Wheat	124,722	135,849	129,944	138,088
Barley	66,760	56,939	55,025	47,987
Total	208,837	208,944	201,413	202,382
Pasture	993,000	1,000,000	985,000	983,000
Forages				
Corn	238,718	244,787	248,511	253,677
Lucern	7,114	5,981	6,259	5,984
Vegetables				
Open field	41,599	44,683	45,724	43,005
Cabbages	11,425	11,236	11,738	10,894
Leek	3,226	3,319	3,241	3,038
Carrots	7,848	7,890	8,267	7,886

Lettuce	1,082	1,151	1,360	1,372
Greenhouses	4,270	4,287	4,320	4,267
Tomatoes	1,223	1,225	1,257	1,352
Peppers	1,193	1,235	1,213	1,205
Pulses	9,252	10,125	11,769	10,318
Flowers and Trees				
Open field				
Flowers	2,378	2,684	2,606	2,528
Bulbs	22,618	24,221	24,538	23,520
Trees	12,672	13,401	13,151	13,749
Greenhouses				
Cut flowers	3,605	3,577	3,499	3,401
Border plants	1,282	1,272	1,312	1,340
Total	6,221	6,213	6,148	6,087
Other				
Sugarbeets	109,126	108,893	102,787	97,736
Unions	20,464	21,100	23,243	26,212

SECTION III. SUPPLY AND DEMAND, POLICY AND MARKETING

SUPPLY AND DEMAND

During the past five years, Dutch planting seeds imports surged from USD 245 million in 2000/2001 to USD 386 million in 2004/2005. During the same time span, Dutch exports of planting seeds continuous rose from USD 490 million to USD 880 million. Both the growth in imports and exports is mainly attributable to a strong increase in the transshipment of vegetable seeds.

Planting seed production is increasingly contracted out to Southern European, African and Middle American countries, because of lower costs, such as labor and heating, and partly because of cumbersome regulations. This trend began with the transfer of production of grain seeds but now production of vegetable seeds is moving out of The Netherlands. A part of this production is sent to The Netherlands for cleaning, coating and nursing, and re-exported to the final destination. An increasing share is, however, directly exported to the end users. The preparation and packaging of seeds persists in The Netherlands as a consequence of the stringent criteria on seed purity.

Grain and Forage Seeds

Domestic production: The Dutch acreage for grain seed production declined for the fifth successive year, to about 4,950 hectares in 2005 (from 5,800 hectares in 2000). In 2005, Dutch grain seed production is expected to be about 27,000 MT. The production mainly consists of wheat (about 19,500 MT) and summer barley (about 5,500 MT). Because of unfavorable climate conditions, there is no production of certified corn seeds in The Netherlands. The declining trend in production is a result of the acquisition of the grain seed activities of Advanta, Cebeco and Zelder, by respectively French, Danish and Danish/German companies. There are reportedly two Dutch grain seed companies left: Vandijke Semo, predominantly a trading company, and Wiersum, a company both producing and trading grain seeds.

International Trade: Dutch grain seed imports surged from USD 31.1 million in 2000/2001 to USD 87.8 million in 2004/2005. This increase is mainly attributable to increased hybrid maize seed imports from France, Hungary, Austria and in lesser extent South American origins, mainly Chile and Argentina. Imports of wheat and barley seed show a steady decline during the past five years. Because of the possibility of adventitious presence of GMOs in planting seeds lots, Dutch buyers are reluctant to purchase maize seeds from the United States and some countries in South America. This development has positively influenced maize seed production in Hungary, France and Turkey. Imports from France are expected to increase as the Dutch company Advanta has been taken over by Limagrain. Fluctuations in the Dutch trade of hybrid maize seed are mainly driven by transshipments and changing demand in other EU countries.

Dutch imports of forage seeds mainly fluctuate due to shipments of Australian lupine seed. Considering the low price, about USD 200 per MT, it is however likely that these seeds are for feed uses and are reported under the wrong Harmonized System Code.

Grass Planting Seeds

Domestic Production: During the past four years, Dutch grass seed acreage increased from about 18,100 hectares in 2002 to about 28,000 hectares in 2005. Major acreage expansion is reported for Perennial ryegrass, from about 14,000 hectares in 2003 to nearly 20,000 hectares in 2005. Sources expect the acreage could increase further as this grass species can efficiently be produced in The Netherlands. Other significant grass seed species include Tall fescue, Red fescue and Westerwold ryegrass with acreages of about 1,200 to 2,400 hectares each. During the past ten years, production of Kentucky Blue grass seed declined from 4,000 hectares to about 1,200 hectares reportedly due to restrictions on the pesticide use. Currently, Kentucky Blue grass seed can reportedly not be produced efficiently enough in order to compete with other suppliers such as the U.S.

Despite increased acreage, the Dutch harvest of 2005 is expected to be the same as previous year due to lower yields. Assuming a lower yield due to unfavorable weather conditions, the total grass seed harvest is estimated at about 35,000 MT in 2005. The following yields per hectare are anticipated; Red fescue 1.2 – 1.5 MT, Tall fescue 1.4 – 1.8 MT, and Perennial ryegrass 1.4 – 2.1 MT. Important producers of grass seeds in The Netherlands include: Innoseeds (previously Cebeco Seeds) and Barenbrug.

During the past two seasons, 2003/2004 and 2004/2005, the market for grass seed has reportedly been strong with high prices. From July 2000 to July 2004, Dutch July grass seed stocks declined continuously from 48,000 MT to 24,000 MT. The market for this year's crop of Perennial ryegrass and Red fescue seed, however, is expected to weaken due an oversupply of the market. This is mainly a result of increased production in the EU, in particular Denmark. During the past ten years, total EU-15 grass seed acreage increased from about 125,000 hectares to over 200,000 hectares, producing about 150,000 MT of seed. It is expected that European production will increase further due to expansion in the Czech Republic, Poland and Hungary. Another factor for the declining price trend for Perennial ryegrass is the lower demand in France and Italy, due to wet weather conditions during the sowing period, September and October. Traders hope, however, that this will be compensated with a higher demand during the spring of 2006. In Northern Europe, except Germany, the demand for Perennial ryegrass was relatively good due to favorable sowing conditions in October. In addition, the Dutch market for feed grasses, pre-dominantly Perennial ryegrass, is reportedly expected to grow by thirty percent as a result of new manure regulations. The new regulations permit a higher use of manure on farms, which include at least seventy percent pasture. Prices for the high quality U.S. produced Kentucky Blue grass seed species, used for lawns and golf courses, are expected to be stable in

contrast to the bulk Kentucky Blue grass seed species, which prices are at a low level at the moment. Prices for Tall fescue are anticipated to be higher this season due to low production and thus stocks in the U.S. and lower production and increased demand in the EU.

International Trade: During 2004/2005, Dutch imports of grass seeds declined for the first time in five years, but are still twice the import value in 2000/2001, about USD 30 million. The reduction is mainly due to lower imports of hybrid ryegrass seeds from Germany. Growth is reported for Italian ryegrass seed from Germany and Red fescue seed from various European destinations and Canada. Imports from the United States declined from USD 7.2 million in 2002/2003 to USD 5.8 million in 2004/2005, due to lower imports of Perennial ryegrass seed. Also next season imports of U.S. grass seed are expected to decline due to relatively high prices in the U.S. compared to the EU. In addition, the U.S. is expected to have increased opportunities for grass seed exports to China. The U.S. remained the main supplier of Kentucky Blue grass seeds to The Netherlands. The Dutch-based Cebeco Seeds Group reportedly moved a part of their grass seed production (principally Kentucky Blue grass) to the United States, and began exporting seed to The Netherlands. This move was a result of restrictions on several pesticides essential for production of this seed variety. Traditionally, U.S. exports of grass seeds to The Netherlands consist mainly of high quality Blue grasses, used for golf courses and athletic fields. About fifty percent of EU demand (90,000 MT) is for use on sports fields, lawns and golf courses. During the past five years, Dutch grass seeds exports increased continuously, from USD 33.5 million in 2000/2001 to USD 70.8 million in 2004/2005, with a volume of 42,300 MT of mainly Perennial ryegrass seed. Important export markets are Germany, France and the U.K.

Vegetable Planting Seeds

Domestic Production: Important producers of vegetable planting seeds in The Netherlands include: EMZA, Rijk Zwaan, Seminis, Syngenta and Numza. Most of the vegetable seed production of these Dutch companies (reportedly 95 percent) is produced outside The Netherlands. Vegetable seeds produced in The Netherlands mainly consist of expensive seeds such as tomato, pepper and lettuce seeds and breeder's seeds used for seed production. The United States is an important destination for these breeder's seeds, in particular lettuce, carrot, beet and cabbage seed. The reproduced seeds are exported to The Netherlands for treatment and sampling and mostly re-exported to their final destination.

During the past ten years, Dutch acreage planted to vegetable seeds has been fluctuating between 750 and 1,050 hectares. In 2005, the acreage was 792 hectares, a reduction of about 140 hectares compared to the acreage in 2004. Acreage of tomato, pepper and cucumber seed production fluctuate around respectively, 7 hectares, 3 hectares and 15 hectares. Yearly fluctuations in vegetable seed production are due to changes in demand and stocks.

International Trade: The Netherlands is an important trader, processor and packager of vegetable seeds. Vegetable seeds account for nearly 45 percent of the total import value and nearly 70 percent of the total export value of the Dutch planting seeds trade. The USD value of Dutch imports increased strongly, but remained relatively stable in EUROs. Important seeds for the trade include, peppers, tomato, onion, cabbage and carrots. Main origins are France, the United States, Italy, Israel and Chile. The value of U.S. exports of vegetable seeds to the Dutch market are relatively stable at about USD 30 million annually. Main destinations of Dutch vegetable seed exports are Spain, Italy, France, Germany and the United States.

Flower and Tree Seeds

Domestic Production: Ornamental plants and flowers are mainly reproduced by vegetative propagation. Due to the high labor costs, vegetative reproduction is increasingly moved to African and Middle American countries. During the past four years, the acreage for the production of flower seeds fluctuated around 400 hectares.

International Trade: The Dutch sector controls about forty percent of the world export market of propagation of ornamental plants and flowers. During the past five years, Dutch import value of flower and tree seeds fluctuated around USD 35 million, with the United States as the main supplier. The United States is also an important export destination of Dutch exports of flower and tree seeds.

POLICY

Common Agricultural Policy

An important issue for the planting seed sector is the CAP reform by which the farm subsidies are decoupled from production. In ten of the twenty-five EU Member States the decoupling started on January 1, 2006. The Dutch government decided to postpone the decoupling of support by one year and to flax seed producers by four years. In Spain, Italy and Portugal, the support remains reportedly coupled for the production of all seed species. A positive effect of the CAP reforms is that they reportedly give more freedom to the farmer in choosing crops, which will eventually lead to more opportunities to seed companies. Trade sources expect that the decoupling of EU support will have a negative effect on the profitability of the culture of some grass seed varieties. Trade sources believe that the culture of Kentucky Blue grass, Red fescue, Tall fescue and Italian ryegrass seed could move to the United States and Canada. More important factors which influence U.S. exports to the EU, mentioned by traders, are the supply demand situation on the U.S. domestic market and EURO / USD exchange rate.

Intellectual Property Rights, Variety Approval

In the European Union, the Community Plant Variety Office (CPVO) protects plant varieties. The holder of the plant variety patent receives the exclusive right to propagate and trade this variety. Other parties may receive this right on approval of the holder. In The Netherlands, production and trade of plant propagation material is regulated by the Dutch Planting Seed and Propagation Material Law (Zaaizaad- en Plantgoedwet). This law is partly based on EU directives and legislation. On January 1, 2006, a new, and reportedly more streamlined version of this law will be enforced. Application of the breeders right and commercialization of plant varieties is expected to be less cumbersome. The new law will also consolidate four organizations for variety approval in one organization: the Council for Plant Varieties (Raad voor Plantenrassen).

In Europe, illegal propagation of planting seeds is an increasing problem. In The Netherlands, reportedly only about fifteen percent of the grain seeds are certified. But the problem of farm saved seeds is reportedly not as serious as in other EU Member States such as France and Germany as Dutch farmers agreed to pay a “growers’ fee” to the planting seed companies. Farmers are reportedly increasingly ask for more influence on the investment of the funds. Dutch seed companies are, however, more concerned about the illegal vegetative reproduction of ornamental plants and vegetables, in particular tomatoes, peppers and lettuce.

Plant and Seed Health and Certification

The Netherlands Inspection Service for Agriculture (NAK), its privatized subsidiary NAK AGRO, and the Netherlands Inspection Service for Horticulture (NAK Horticulture) are the inspection and analysis institutes for the agricultural sector. NAK AGRO carries out inspection and analysis throughout the entire agricultural sector. The NAK is responsible for the quality inspection of Dutch seed potatoes, grain seeds and grass seeds. NAK Horticulture is in charge of the inspection of horticultural, floricultural and vegetable seeds and propagating material. At the moment, the Plant Protection Service (PD) is responsible for the inspection of seed imports. The Dutch government is, however, planning to shift these responsibilities to the NAK and NAK Horticulture. Both organizations are also authorized to formulate certain rules and quality requirements for the industry by means of binding regulations. On January 1, 2006, the legislative responsibility will, however, be taken over by the Ministry of Agriculture as part of the new Dutch Planting Seed and Propagation Material Law.

Pesticide Regulations

Planting seed production is reportedly hampered by the strict legislation on the use of pesticides. More restrictions on the use of pesticides could lead to further contracting-out of seed production to companies located outside The Netherlands. Most of the vegetable seed production in The Netherlands, however, is conducted in greenhouses in which pests can be controlled with minimal amounts of pesticides. Seed production conducted in the field, (e.g. for pulses), is more dependent on pesticides. Plantum NL has urged more specific regulations on the use of pesticides exclusively for the production and treatment of planting seeds.

Biotechnology and Genetically Modified Organisms

On July 23 2003, the European Council of Ministers agreed upon legislation for tracing and labeling of biotech products. Pending regulations on biotech tolerances have yet to be established by the Seeds Directive. The European Seed Association (ESA) and Plantum NL are reportedly upset by the delay. The ESA argues that small and medium sized businesses will be vulnerable to legal claims based on uncertain regulations over adventitious presence of GM material in conventional seeds.

Plantum NL supports the European Commission to add more GM corn varieties to the list of accepted corn strains. According several sector sources, European maize producers are increasingly in need of genetically enhanced seeds in order to be able to fight pests (wireworm and corn borer) and compete with producers using GM seeds, either outside the EU or in Member States such as Spain.

In The Netherlands, there are reportedly no sales of genetically modified seeds for food or feed crops. Apart from the limits on biotech crops themselves, conventional U.S. planting seed exports to the EU are also impeded by fears of possible GMO co-mingling in shipments of non-biotech seed. The NAK randomly tests non-GM labeled maize seeds imports for the presence of GMOs.

MARKETING

Competitor Programs

Since April 2001, about 500 Dutch breeders and propagators of agricultural and horticultural seeds have united in "Plantum NL." The association is active on a national, European and global level both directly and through umbrella organizations. International organizations

include ESA and International Seed Federation (ISF). The members of "Plantum NL" represent about Euro 1.6 billion of sales annually. The internet website of "Plantum NL" is: http://www.plantum.nl.

Increasing costs for research and development in the plant breeding and propagation sector have led to concentration of the Dutch seed industry. This trend is expected to continue or even accelerate. Another trend seen in Europe, is that seed companies are increasingly taken over by large agrochemical companies. With this strategy, the agrochemical companies are able to market seeds in combination with their pesticide brands. An example is the takeover of the European activities of Advanta by the French company Limagrain. The French company Maison Florimond Desprez, acquired the remaining sugar beet seed division of Advanta together with the seed company Vanderhave, forming the company SESVanderhave. Monsanto also increased its activities in the European market. With the takeover of Seminis, Monsanto purchased the Dutch division of Seminis, Seminis Vegetable Seeds (SVS). SVS has two subsidiaries, the seed companies Bruinsma Seeds, specialized in fruit seeds, and Royal Sluis, specialized in vegetable seeds. In order counterbalance the research supremacy of the large agglomerates, some small Dutch companies formed the institute Keygene in Wageningen. The major goal of Keygene is reportedly improving traditional breeding technologies, shortening the breeding time. The internet website of Keygene is: http://www.keygene.nl.

In emerging markets, the Dutch Ministry of Agriculture gives special attention to the promotion of Dutch agri-food expertise and technology. An example is the Sino Dutch Horticultural Training and Demonstration Centre (SIDHOC). SIDHOC has the goal of promoting Dutch expertise in the production of vegetables and ornamental plants and flowers. Despite China's adoption of the UPOV (Union for the Protection of New Varieties of Plants) agreements, control on illegal propagation is limited. This is reportedly the reason for the low planting seeds exports to China, only about USD 6 million in 2004/2005.

Organic Seeds

Since January 2004, new EU legislation, EC/2092/91, has been implemented which makes it obligatory to use exclusively organic seeds for organic agriculture unless the organic seed variety is unavailable in a sufficient quantity. On behalf of the Dutch Ministry of Agriculture, the Netherlands Inspection Service for Horticulture (NAK Horticulture) developed a databank of available organic propagation material. The Dutch Ministry of Agriculture will only issue a derogation for use of non-organic seed for organic cultivation if organic seed is not recorded in the databank. To the opinion of seed producers, the derogation to use non-organic seeds is too easily given and undermines investments in the production of organic seeds. Some organic farmers reportedly prefer to use conventional seeds because of the lower costs and the larger choice in the number of varieties. The number of varieties of organically multiplied seeds for the European market is estimated to be about 600. If the conditions for issuing derogations are tightened opportunities could arise for organic seeds produced in the United States.