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Global Agricultural Information Network

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Exporter Guide

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Snack Foods

Tree Nuts

Wine

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Report Highlights:

The exporter guide focuses on Consumer-Oriented and Fishery products and provides practical tips for U.S. exporters on how to conduct business in Denmark. Although a small market in the EU, Denmark offers export opportunities for U.S. exporters of seafood, wine, craft beer, almonds and specialty foods.

Introduction

Denmark is a small country in Northwest Europe and totals only one percent of total EU population, but it has one of the highest GDP's in the world and low unemployment and inflation rate. The Danes are among the most affluent consumers in the EU. Due to its size and climate, Denmark depends on imports for compound feed ingredients and fresh produce. In addition to an overview of the macroeconomic situation, this report also gives a brief overview of the food retail landscape in Denmark. Section III provides detailed information on the best products prospects for seafood, wine, craft beer, almonds and specialty foods.



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I. Market Overview

Macroeconomic Situation

Denmark is a constitutional monarchy which shares a southern border with Germany and is connected by bridge to Sweden. The country has been a member of the European Union (EU) since 1973. Denmark has decided not to participate in the Euro, but the Danish Krone (DKK) is pegged to the Euro with a very narrow band (2.25 percent) of Central Bank intervention rates.

Denmark is a social welfare state, with a thoroughly modern service-based market economy. The social welfare system ensures low poverty and low inequality. Denmark consistently ranks as one of the world's least corrupt nations, and is also top-ranked for its ease of doing business, transparency, openness to foreign investment, and competitiveness. It also ranks as one of the happiest country in the world. Denmark is a world leader in "green energy" industries, and sectors such as information and telecommunications, health and life sciences, shipping and pork.

The population is only 5.5 million, with a per capita GDP of \$45,800 (2015 est.). The economy is highly dependent on foreign trade, with exports comprising the largest component of GDP. Denmark is a strong supporter of liberalized trade policy, including the Transatlantic Trade and Investment Partnership now under negotiations. The United States is Denmark's third largest trading partner and its largest non-European trading partner for goods, totaling an estimated \$9.95 billion in trade in 2015.

Denmark has achieved modest growth (1.25 percent) in recent years, with the government optimistically estimating growth of 1.9 percent in 2016 and 2.0 percent 2017. Inflation was just 0.4 percent in 2015 while unemployment steadily declined to 5.8 percent by February 2016.

Advantages and Challenges U.S. exporters Face in Denmark

<i>Advantages (product strengths and market opportunities)</i>	<i>Challenges (product weakness and competitive threats)</i>
Favorable image of American products.	Transatlantic transportation is costly and takes time.
Affluent and open-minded consumers.	Fierce competition on price, quality, unique-ness and innovation.
Growing demand for fresh and processed food products that contribute to a healthier lifestyle.	Sustainability standards are increasingly becoming a requirement of the Danish food retail industry (MSC, ACS, etc.).
Growing demand for sustainable and organic food products.	Competition from suppliers from EU MS due to tariffs and non-tariff trade barriers and transportation costs.
Interest in experimenting with new and innovative products and/or concepts.	Standard U.S. product labels do not comply with Danish product labels.
Denmark often serves as a distribution point for other markets in the Nordics and Baltics.	Selected meat and meat products, products containing GMO derived ingredients that are not EU approved, some seafood cannot be exported to Denmark.
	Denmark has the highest sales tax (VAT) in the world after Hungary

II. Exporter Business Tips

Most business people in Denmark speak English and have a high level of education (Masters or Bachelor’s degree). They require timely follow-up and do not like hierarchy. Furthermore, the Danes are punctual, straightforward and business-minded. They like to be well informed about the product, price and their business partner. As a result they can be quick decision makers while valuing long-term partnerships.

Danish Retail Sector

Based on Euromonitor figures, the turnover of total food sales in Denmark in 2015 was valued at \$27 billion, of which roughly a fifth was sold via the foodservice industry. Food retailers were responsible for the remaining sales, or DKK138 billion (\$21 billion). Supermarket chains (full-service supermarkets, discounters, and convenience stores) dominate the food retail landscape. In Denmark there are hardly any independent grocers or large hyper-marches.

In cities like Copenhagen, there is a close density of shops. There are a few supermarkets generally within walking distance anywhere in the city, many with long opening hours. In addition to well-known A-brands, most supermarkets have their own private labels often a low budget brand and a high end brand. The Danes are price conscious and look for ‘value for money’ and products ‘on sale’. This explains why discounters like Fakta, Netto, Kiwi, Aldi and Lidl fare well in Denmark.



Picture 1: Selection of U.S. products

The food retail market in Denmark is highly consolidated. The top 3 leading food retail buying groups Coop, Dansk Supermarket and Dagrofa have a market share of 84 percent. A detailed list of all leading buying groups can be found in

Appendix I. The average Danish supermarket has a good selection of U.S. wines and a few brands U.S. craft beer. In addition, you will find tabasco, dates, almonds, cranberries, sweet potatoes, grapefruits, Alaska Pollack, raisins, pulses, dressings and barbeque sauces from the U.S.

Source: FAS/The Hague

Denmark has the highest consumption of organic products in the world. Almost 8 percent of all food sold in Denmark is organic, which is the highest percentage in Europe. In 2014, organic retail sales totaled \$1 billion. In order to keep up with the growing demand, the Danish government released an ambitious plan to double the area under organic cultivation by 2020. You will find organic products at any supermarket in Denmark. There are no special organic sections; they are rather placed within a product category next to conventional products.

Entry Strategy

Success in introducing your product in the Danish market depends mainly on the level of knowledge of the market and the relationship with an importer who knows the market, the trade barriers and the required documentation. Prior to shipping any product, invest in researching the Danish food culture (concepts, flavor, price, etc.). There are State Regional Trade Groups that offer tailor-made analysis on specific Danish market segments. Also be aware of non-tariff trade barriers that can complicate exporting to Denmark, like regular U.S. beef, poultry and food with GMO ingredients. The EU also has several FTAs which may advantage other 3rd country competitors.

The EU Food and Agricultural Import Regulations and Standards ([FAIRS](#)) report lists the import regulations and standards that are harmonized within the EU. Ninety-eight percent of all food legislation is harmonized. It is highly recommended that U.S. exporters verify the full set of import requirements with their Danish buyer, who is in the best position to research such matters with local authorities, before shipping any goods. Final approval of any product is subject to the Danish rules and regulations as interpreted by border officials at the time of product entry.

The wine institute is the only U.S. cooperator that has a local representative in Denmark. However other cooperators like the Alaska Seafood Marketing Institute, Brewers Association, U.S. Dry Bean Council, U.S. Dry Pea & Lentil Council, American Hardwood Export Council, SUSTA, Food Export USA Northeast, California Raisins, Washington State Wine Commission, Washington Apple Commission and USA Pears are all active in Denmark. They have specific information and experience in helping U.S. companies in their endeavors expanding business in Denmark.

The local State Department of Agriculture and State Regional Trade Groups can also be of assistance in promoting your product in the Netherlands. An overview of the local State Department of Agriculture can be found at <http://www.nasda.org/9383/States.aspx>.

Trade shows are excellent venues for U.S. exporters to make contact with potential Danish buyers, to conduct product introductions and to gauge buyers' interest. Depending on the products, U.S. exporters should consider visiting or exhibiting at one of the many trade shows in Europe. A detailed overview of the trade shows can be found in Appendix II.

Another excellent tool to find Danish buyers is to participate in a Buyers Mission. Several State Regional Trade Groups and commodity groups organize Inbound Trade Missions. Danish buyers have successfully participated in the past.

III. Best Products Prospects

U.S. exports of agricultural, fish and forestry products to the EU in 2015 were \$15.3 billion of which 2 percent, or \$343 million, was exported to Denmark. Although a relative small market, Denmark is an interesting market and offers export potential for U.S. exporters of seafood, wine, craft beer, almonds and specialty food products. More trade statistics on U.S. trade to the EU and Denmark can be found at <http://apps.fas.usda.gov/gats/default.aspx>.

Figure 1: Denmark, The Best High-Value Products Prospects, 1,000 \$

Product	Imports, 2015	Imports from U.S., 2015 (U.S. market share)	Key Constraints Over Market Development	Market Attractiveness for USA
Seafood	53,372	2,816,844 (2 percent)	Competition from neighboring Norway, Greenland and Faroe Islands.	Growing demand for seafood by the food processing industry and high-end foodservice.
Almonds	35,310	72,571 (49 percent)	Some competition from Spain.	Strong demand from food manufacturers, large bakeries, confectionary and snack industry.
Wine	25,664	613,655 (4 percent)	Wines from Italy, France, Spain and Germany are very popular. Chilean wines are popular New World wines.	Denmark fully depends on wines and the Danes are among the most affluent consumers within the EU.
Beer	3,631	46,532 (8 percent)	Competition from Belgium and Germany.	Demand for specialty craft beers from microbreweries.
Specialty foods	645	493,978 (<1 percent)	Strong competition from neighboring countries. Specialty food products containing GMO ingredients that are not EU approved cannot be exported.	Danes are among the most affluent consumers within the EU and like American products.

Source: World Trade Atlas

Seafood

The turnover of the Danish seafood industry is around \$3.5 billion of which \$0.7 billion is domestic fish (mainly herring and cod) while the remaining \$2.8 billion is imported fish. Denmark increasingly depends on imports as domestic consumption is growing and its EU Total Allowable Catch (TAC) quota is down. Norway is responsible for almost half (\$ 1.3 billion) of Danish fish imports. In 2015, Greenland and Faroe Islands together exported \$600 million worth of seafood products to Denmark. In the same year U.S. seafood exports were valued at \$53 million. The U.S. market share has been stable at 2 percent of total imports.

Picture 2. Alaska Pollock is offered at DKK 44.95 (\$6.85) per half kilo



Denmark is a growing market for U.S. shrimps and prawns; demand is especially up for U.S. Jordani shrimp. U.S. exports of Alaska Pollock are destined for the Danish seafood processing industry. Denmark also proves to be a good market for high-value U.S. seafood like scallops, Sockeye salmon and frozen lobster for the Danish HRI industry. The market has also gone up, albeit in small quantities, for fish livers and roes, and frozen flat fish fillets.

Source: FAS/The Hague

Danish consumption of seafood is estimated at 22 kg and growing due to increased awareness of the health benefits of eating fish. The Danish consumers are starting to get more familiar with the MSC/ASC labels and are increasingly demanding sustainability schemes; MSC continues to be the most recognizable.

In 2010, the Danish Seafood Association (DSA) was formed and represents Danish fishermen, traders and processors. Sourcing sustainable seafood is high on DSA's agenda and their ambition is to have all catches from Danish waters certified within a few years. The Danish supermarket chains are also starting to demand seafood products to be certified as sustainable and labeled accordingly. This will have an impact on U.S. seafood exports to Denmark as the products will be required to meet these certification requirements.

The Office of Agricultural Affairs (OAA) in The Hague maintains a list of Danish buyers of seafood.

Wine

Denmark is a very competitive market for wines. Denmark does not produce wine and fully depends on imports. In 2015, total wine imports were valued at \$614 million. Every other bottle the Danes buy comes from either Italy or France. Their combined exports to Denmark totaled \$308 million. Wines from Chile, Spain and Germany are also popular.

U.S. exports of wine to Denmark were valued \$25.7 million in 2015 and represent a market share of 4 percent. The vast majority of wine sales are done via supermarkets (80 percent) with the remaining sold by liquor stores and wine boutiques. The average price range for wines is DKK 50 – DKK 90 (\$7.6 - \$13.8). Special offers are important in this price-conscious market. The Danes buy 70 to 80 percent of wines when on sale.

Due to the 25 percent VAT in Denmark, roughly one quarter of all consumers purchase their wines across the border in Germany since it has one of the lowest taxes on alcohol. Wine consumption in Denmark is stagnant and faces competition from beer, especially craft beers.

Denmark has a large number of importers; estimated at 1,600. Most of these importers purchase wine are referred to as "garage" importers; entrepreneurs that import wine as a part-time occupation. Most wine is purchased from other EU member states.

Picture 3. A good selection of U.S. wines



Retailers offer several U.S. wines, ranging from about five different U.S. wines in supermarkets up to about 15 different wines in wine boutiques and liquor stores. Wines sold at wine boutiques range in price from DKK 150 – DKK 350 (\$23 - \$53). In addition to wines from California you will also find a several Washington State wines. The Wine Institute of California and the Washington State Wine Commission are both active in the Danish market. Denmark also offers opportunities for wines from Oregon, Idaho, Virginia and New York. Source: FAS/The Hague

Craft Beer

A revolution has taken place in the Danish beer industry. Ten years ago there were ten breweries and now there are around 120 of which some are very small. The Danes were tired of the traditional lagers. At the same time they were inspired by what was happening in the United States with the proliferation of microbreweries. Changes



in domestic packaging laws made it easier for Danish microbreweries to enter the market. Also, microbreweries receive a special tax break if they produce fewer than 50,000 hectoliters.

The Danish Brewers' Association (Bryggeriforeningen) was founded in 1899 and is the trade organization for the Danish beer brewers, including microbreweries. Carlsberg is Denmark's largest brewery and has a 50 percent market share. Carlsberg also imports craft beer from the U.S. Brooklyn Brewhouse. Royal Unibrew is Denmark's second largest brewery (20 percent market share). Harboe, Vestfyen, and all

microbreweries together have a market share of roughly 10 percent each. Danish micro brewers are in the super premium segment, the lagers are in the mainstream segment while discount beers are considered B Brands.

It used to be that Carlsberg and Royal Unibrew were considered a discount brand (small margins but big volume) and only microbreweries were considered super premium brands. Now both Carlsberg and Royal Unibrew have super premium brands. Carlsberg has the Jacobson brand while Royal Unibrew has the brands Faxe and Ceres.

Per capita consumption of lager beer has dropped from 120 liters in 1995 to 70 liters in 2015. However, actual consumption in 2015 is estimated at 90 liters due to the cross border trade with Germany. Danes travel just over the border in Germany to buy beer with a much lower VAT. There is great interest among the Danes in trying new products and varieties. This explains the growing consumption of craft beer, or so-called premium and super premium beer. The value of the market is growing as consumers drink higher priced craft beer. Although much like wine, consumers are very price conscious and there is a culture of special offers.

Picture 4. Craft beer are offered at DKK 29 (\$4.40) per bottle

Denmark's beer import in 2015 is valued at \$46.5 million. Imports represent about 5 percent of the market. Imports of premium and super premium beer are growing. After Germany and Belgium, the United States is the third largest supplier of craft beer. U.S. exports to Denmark were up by 40 percent to \$3.6 million and represent eight percent of total U.S. beer export to the EU.

Source: FAS/The Hague

Due to the financial crisis, the Danish foodservice sector lost quite a bit of market share and now represents only 23 percent of total beer sales. The other sales are generated by supermarkets and liquor stores. Food retail buying groups like Coop, Dansk Supermarket and Dagrofa buy craft beer directly from the U.S. Supermarkets on average sell 3 to 4 different U.S. craft beer. Wholesalers and beer importers traditionally tend to supply HRI outlets and liquor stores.

Denmark offers ample opportunities for U.S. craft beers. The OAA in The Hague maintains a list of Danish buyers of craft beer, see Section IV.

Almonds

Picture 5. Almonds are offered at DKK 17.50 (\$2.70) per pack



Like many other EU Member States, Denmark largely depends on the United States for its almond supply. Almond imports from the United States were valued at \$35 million in 2015. Actual use of U.S. almonds are expected to be much higher since almond imports from Germany, Sweden and the U.K. are in fact predominantly re-exported almonds from the United States.

Such re-exports also applies to U.S. walnuts and pistachios. Danish importers of almonds and other tree nuts are not organized in an umbrella trade organization. Some of the big importers are Danish food manufacturers, large bakeries and snack companies. The OAA in The Hague does not have a list of Danish buyers of tree nuts.
Source: FAS/The Hague

Specialty Products

Picture 6. Barbecue sauces are popular



Denmark also provides good opportunities for U.S. snack and specialty foods. Imports have gone up in the third consecutive year and totaled \$650,000 in 2015. Snack foods are not only sold at supermarkets, but also via caterers, hotels, gas-stations, etc. Snack and specialty foods are imported by a handful specialized Danish importers. Although there is growing demand, you will not yet find a lot of healthy food products like cereal bars, trail mixes, innovative beverages, etc. The OAA in The Hague maintains a list of buyers of specialty food products.

Source: FAS/The Hague

IV. Key Contacts and Further Information

The FAS Office of Agricultural Affairs (OAA) in The Hague

Marcel H. Pinckaers
Lange Voorhout 102
2514 EJ The Hague, The Netherlands
Tel: +31 70 310 2305
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Danish Veterinary and Food Administration

Stationsparken 31-33
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Tel: +45 72 27 69 00
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Danish Seafood Association

Poul Melgaard Jensen
H. C. Andersens Boulevard 37, 1.
DK - 1553 Copenhagen, Denmark
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E-mail: pmj@danishseafood.org
www.danishseafood.org

Danish Wine and Spirits Association

Marie Louise Thorstensen
Borsen
DK-1217 Copenhagen, Denmark
Tel: +45 33 74 6137
E-mail: vsod@vsod.dk
www.vsod.dk

Brewers Association

Gamle Karslberg Vej 16

DK-1799 Copenhagen, Denmark

Tel: +45 7216 2424

E-mail: kontakt@bryggeriforeningen.dk

www.bryggeriforeningen.dk

Organic Trade Association Denmark

Silkeborgvej 260

DK-8230 Åbyhøj, Denmark

Tel: +45 87 32 27 00

E-mail: organicdenmark@okologi.dk

www.ecoweb.dk

The Danish Food and Drink Federation

Hannemanns Alle 25

DK-300 Copenhagen, Denmark

Tel: +45 3377 3377

E-mail: foedevarer@di.dk; www.foedevarer.dk

Appendix I. Leading Buying Groups in Denmark

Purchase Group:	Market Share, percentage:	Retail chains:
Coop Trading Denmark Roskildevej 65, 2620 Albertslund, Denmark Phone: +45 4386 4386 om.coop.dk	37.7	SuperBrugsen (11.9 percent), Fakta (10.1 percent), Kvickly (8.4 percent) and DagliBrugsen (4.5 percent)
Dansk Supermarket Rosbjergvej 33, 8220 Brabrand, Denmark Phone: +45 8778 5000 dansksupermarked.com	32.2	Netto (14.6 percent), F øtex (11.4 percent) and Bilka (6.0 percent)
Dagrofa Kærup Industrivej 12, 4100 Ringsted, Denmark Phone: +45 7020 0268 dagrofa.dk	14.1	Meny (8.3 percent), Kiwi (1.9 percent) and Spar (1.8 percent)
Reitan Distribution Marsallé 32, 8700 Horsens, Denmark Phone: +45 8881 6000 reitandistribution.dk	9.7	Rema (8.5 percent)
Aldi Holding Herstedøstervej 27-29 C, 2620 Albertslund, Denmark aldi.dk	3.0	Aldi (3.0 percent)
Lidl Profilvej 9, 6000 Kolding, Denmark Phone: +45 7635 0000 lidl@lidl.dk lidl.dk	2.5	Lidl (2.5 percent)

Source: Dansk Handelblad, 2016

Appendix II. Trade shows in Europe

Show	When	Show Details & Organizers
<p>PLMA World of Private Label, Amsterdam, The Netherlands World's largest private label show Contact: Marcel Pinckaers +31 70 3102 305 marcel.pinckaers@fas.usda.gov</p>	<p>May 24 – 25, 2016</p>	<p>plmainternational.com</p>
<p>SIAL, Paris, France Europe's largest food & beverages show in 2016 <i>*USDA Endorsed*</i> Contact: Laurent Journo +33 14312 2245 laurent.journo@fas.usda.gov</p>	<p>October 16 -20, 2016 Bi-Annual</p>	<p>sial.fr</p>
<p>International Confectionary Fair (ISM), Cologne, Germany European confectionary show Contact: Kelly Stange +49 3083 05 1151 kelly.stange@fas.usda.gov</p>	<p>January 29 - February 01, 2017</p>	<p>ism-cologne.com</p>
<p>Fruit logistica, Berlin, Germany European fruit, vegetable and nuts show <i>*USDA Endorsed*</i> Contact: Kelly Stange +49 3083 05 1151 kelly.stange@fas.usda.gov</p>	<p>February 8 - 10, 2017</p>	<p>fruitlogistica.com</p>
<p>BioFach, Nuremberg, Germany European organic show <i>*USDA Endorsed*</i> Contact: Kelly Stange +49 3083 05 1151 kelly.stange@fas.usda.gov</p>	<p>February 15 - 18, 2017</p>	<p>biofach.de</p>
<p>ProWein, Dusseldorf, Germany Europe's largest wine trade show in 2017 Contact: Kelly Stange +49 3083 05 1151 kelly.stange@fas.usda.gov</p>	<p>March 19 – 21, 2017 Annually</p>	<p>prowein.com</p>
<p>Seafood Exhibition Global (SEG), Brussels, Belgium World's largest seafood show <i>*USDA Endorsed*</i> Contact: Marcel Pinckaers</p>	<p>April 25 - 27, 2017</p>	<p>euroseafood.com</p>

Show	When	Show Details & Organizers
marcel.pinckaers@fas.usda.gov +31 70 3102 305		
ANUGA, Cologne, Germany Europe's largest food & beverages show in 2017 <i>*USDA Endorsed*</i> Contact: Kelly Stange +49 3083 05 1151 kelly.stange@fas.usda.gov	October 07 - 11, 2017 Bi-Annual	anuga.com
Food Ingredients Europe, Frankfurt, Germany European food ingredients show <i>*USDA Endorsed*</i> Contact: Kelly Stange +49 308 305 1151 kelly.stange@fas.usda.gov	November 28 – 30, 2017 Bi-Annual	foodingredientsglobal.com