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**Report Name:** The Organic Food Market in Denmark

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**Report Highlights:**

The organic market in Denmark is often seen as a success model for the organic industry. Over 11 percent of agricultural farmland in Denmark is used for organic production. Denmark is the seventh largest organic consumer market in the EU which is impressive given the fact it only has 5.6 million consumers. As a percentage of overall food, organic products account for 12 percent of Danish food sales. Most of the sales of organic foods in Denmark are generated by regular food retailers, 1,935 million USD. The growing demand for organic products in Denmark, in combination with the U.S.-EU equivalency agreement, is expected to lead to more trade opportunities for U.S. exporters. There are opportunities for U.S. exporters of fresh produce, pulses, tree nuts, specialty grains, healthy snack options, confectionery products, and (alcoholic and non-alcoholic) beverages.

**Production:**

Over 11 percent of agricultural farmland in Denmark (or 280,000 hectares) is used for organic production. This number is almost twice as high as the European Union (EU) average. Most of the organic farmland in Denmark is found in Jutland, the Northern continental part of Denmark. Last year, an additional 34,000 hectares of farmland were converted from conventional to organic farming.

The number of organic farmers also continues to grow. In 2018, this number grew by 325 to a total of 4,000 farmers. It is expected that more farmers will continue to convert from conventional to organic farming, driven by both economic reasons and consumer demand. According to a recent study by the Danish Agricultural Agency, when compared to conventional farming, organic farming improves the welfare of animals, prohibits the use of synthetic pesticides, and results in less nitrate runoff into the environment.

Before products can be sold as organic, however, organic farms must go through a conversion period which takes approximately two years. During this transition period, while farming practices are conducted according to organic standards, products cannot be sold or labelled as organic. Farmers also need to invest in new agricultural equipment and storage facilities while finding new clients for their products. Since the use of chemical plant protection is not permitted in organic farming, it can be labor intensive to keep organic fields weed-free.

While the size of individual farms varies, many of the organic farms in Denmark are highly specialized. Organic production in Denmark is dominated by the production of organic cereals, legumes, seeds, fresh produce, pork, beef, poultry, eggs, and milk. There are farms that also produce a diverse range of products for direct sale to the public through farm shops and online shopping, or through partnerships with local shops.

**Trade:**

Danish producers of organic products are not only successful in the Danish market, but often depend on export markets, including those outside of the EU. In 2018, foreign demand grew to an estimated \$443 million (DKK 2,951 million). Denmark's biggest export market is Germany, responsible for 42 percent of total exports. Other important export markets are Sweden (16 percent), China (10 percent), and France (7 percent).

There are no organic trade statistics available for Denmark because organic products are only differentiated through certification -- there are not specific HS codes for organic products. Store checks have shown that U.S. organic products or organic products using U.S. organic ingredients are regularly sold in Danish supermarkets. Despite relatively high production volumes of organic products, the Danes depend on imports as well. This is particularly true for products that, due to climate, cannot be grown (e.g., (tropical) fresh produce items such as grapefruit and sweet potatoes). Denmark also depends on imports of wines, grains, and feedstuffs. Importers are always on the lookout for new, innovative, and value-added organic products.

**Policy and Regulations:**

The production and import regulations and standards for organics are harmonized in the EU. For more information please visit the website of the U.S. mission to the EU at: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/organic-production/>.

In Denmark, the [Ministry of Environment and Food](#) (MEF) is the lead government agency for organic food and farming. The Danes created a certificate of organic production which is a statement that each organic producer in Denmark should have. It includes the last organic inspection date, an overview of conversion dates, whether or not the farm's crops and livestock can be sold as organic, etc. The certificate is created based on information that is annually reported in the online register that all organic farmers in Denmark use (a mandatory requirement). The MEF only issues the certificate of organic production when all of the required information has been entered into this online register and the producers have been inspected by the [Danish Agricultural Agency](#).

In addition to regular annual inspections, the agency also carries out random inspections based on production and risk analyses. The Danish Agricultural Agency authorizes the use of the Danish organic label, a red Ø symbol. This label may only be applied to products from Danish farms authorized for organic production. More information can be found online at: <https://eng.lbst.dk/agriculture/organic-farming/>.

Picture 1. EU organic logo



Picture 2. Danish organic logo



EU rules include the mandatory use of the EU organic logo (picture 1) on pre-packed organic products produced in any EU Member State as of July 1, 2012. The EU organic logo can be accompanied by national or private organic logos, including the Danish organic logo (picture 2). Processed products where 95 per cent or more of the ingredients are from organic farming may carry the organic classification.

Picture 3. Labels on Danish products

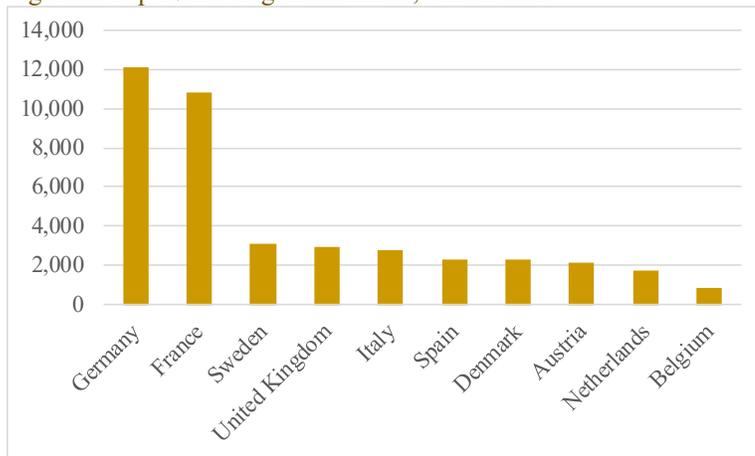


The United States and the EU have had an equivalency arrangement on organics since 2012. This means that as long as the terms of the arrangement are met, organic operations certified to the USDA organic or EU organic standards may be labeled and sold as organic in both countries. The following website provide more information on the arrangement including requirements, certifying agents and certificates, <https://www.ams.usda.gov/services/organic-certification/international-trade/European%20Union>.

**Consumer Market:**

Two markets, Germany and France, together represent nearly half of the EU organic market. Denmark was the seventh largest organic consumer market in the EU in 2018, growing by 14 percent to an estimated \$2.3 billion (DKK 16 billion). Danish industry experts expect the market to continue to grow at a similar pace in 2019.

Figure 1. Top 10 EU Organic Markets, billion USD



Source: USDA/FAS

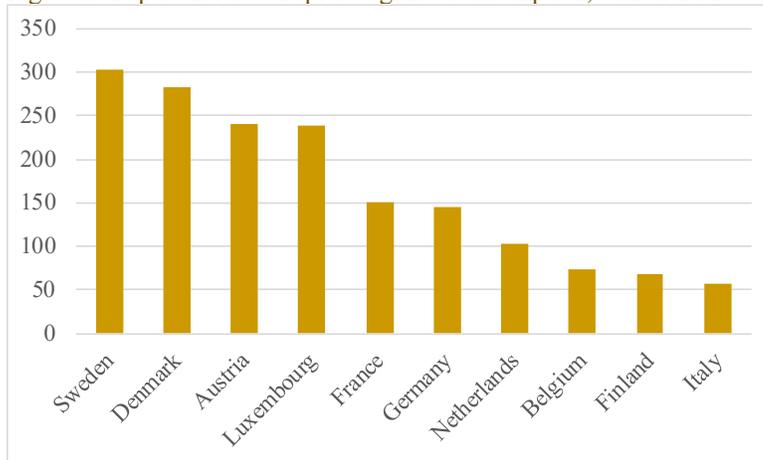
Almost 12 percent of the Danes' grocery shopping is for organic food products, the largest share compared to any other country in the world.

Fresh produce makes up one-third of total organic sales in Denmark and constitutes the largest organic product category. This is followed by dairy, which accounts for one-fifth of total sales. The other leading product categories have achieved an organic market share of between six and 12 percent of total organic sales.

According to the Danish organic industry association, Organic Denmark, the ten most popular organic products in Denmark are carrots, oatmeal, natural yoghurt, cooking/salad oil, milk, bananas, flour, eggs, baby food and infant formula, and oranges.

Per-capita spending on organic food products in Denmark is estimated at \$280 (DKK 2,300) and, along with Sweden, Austria, and Luxembourg, is among the highest per-capita spending on organic food stuffs in Europe. The lowest sales, less than \$15 per person, are found in Eastern European countries.

Figure 2. Top 10 EU Per Capita Organic Consumption, billion USD



Source: USDA/FAS

### **Consumer Profile:**

There are roughly two consumer groups in Denmark that buy organic products. The first and rather small group is made up of loyal buyers. These tend to be older buyers who have been consuming organic products for decades. These consumers are extremely valuable to the organic industry because of their dedication and willingness to continue buying organic products. This loyal group tends to prefer unprocessed foods rather than packaged food, such as fresh produce, cheese, dried fruit and nuts, and meat. This group is also typically interested in buying local food that is produced in an environmentally friendly way and with consideration for animal welfare. Price is not an important purchasing factor for this group.

The other and much larger group is more diverse. Affluent consumers, millennials, Generation Z, and consumers seeking new trends fall into this category. They don't buy organic products because they think it is the right thing to do. Instead, they are focused on healthier lifestyles, taste, quality, and attractive packaging, and are often concerned with animal welfare, the environment, and production methods. They purchase their organic products at supermarkets or online. Due to its size and diversity, it is this group the organic industry focusses on to generate further growth in the future.

Eight out of every ten Danes regularly purchase organic products, with over half buying organic food stuffs every week. The Danish organic label has been very important for the widespread success of organic food products in Denmark. Over 80 percent of Danes have high levels of trust in the red Ø symbol as the requirements for the red Ø symbol are higher than those for the EU organic logo.

### **Distribution:**

Most of the organic sales in Denmark are generated by regular food retailers (\$1.935 billion (DKK 12.9 billion) in 2018). The foodservice industry (\$375 million) and other distribution channels (\$90 million), including on-farm sales and farmers markets, are responsible for the remainder.

#### *Food retail:*

Full-service supermarkets in Denmark play an important role in offering organic products to their clients. They offer a variety of organic products ranging from fresh produce and fresh meat to dry goods and beverages. Organic products are generally placed next to conventional products on the shelves.

Picture 4. Products Labeled Organic



Source: [www.organicdenmark.com](http://www.organicdenmark.com)

Based on a visit to retail chains in Copenhagen, organic products are, on average, 50 percent more expensive than conventional products. For some products, including lentils, chickpeas, cranberries, and rice crackers, the price difference is even more than double. However, for other products, including raisins, pasta sauce, feta cheese, cream, and butter, the price is less than 20 percent more expensive than the conventional variant.

The table in Appendix I compares prices between the conventional and organic variant for selected products. Industry sources expect the price difference between organic and conventional products at supermarkets to eventually decrease. This is due to greater efficiencies within the supply chain and faster rotations on retail shelves. For more information about the Danish retail sector, its turnover, retail formats, characteristics and developments, please download the Danish Exporter Guide which can be accessed online at: <https://fas-europe.org/countries/denmark/>.

#### *HRI Foodservice industry*

Ten years ago, the Danish government introduced labels for the marketing of organic food in large-scale kitchens, restaurants, cafés, hospitals, schools, and larger businesses. The share of organic food and food products is given in percentage intervals: 30-60 percent, 60-90 percent, or 90-100 percent. Large-scale kitchens can use one of three Organic Cuisine Labels to show how much organic raw materials are used in their food production. Today, 2,000 establishments, like cafés, restaurants, and public kitchens, use the Organic Cuisine Label.

Picture 5. Organic Cuisine Labels



Source: [www.organicdenmark.com](http://www.organicdenmark.com)

The label provides consumers with relevant and accessible information about the use of organic products in catering kitchens. At the same time, they support the work of large-scale kitchens in using more organic raw produce.

**Marketing:**

The growing demand for organic products in Denmark, in combination with the U.S.-EU equivalency arrangement, is expected to create more trade opportunities for U.S. exporters.

The market for fresh produce is growing due to tighter MRLs within the EU for conventional variants. There is also a market for sweet potatoes, broccoli and lettuce, especially when locally grown produce is not available in sufficient quantities. Pulses, especially beans and lentils, are increasingly becoming popular because of a growing demand for healthy food products. There is also strong demand for a variety of fresh fruit including apples, pears, citrus, cranberries, strawberries, and cherries.

Driven by the snack and bakery industry there is a growing demand for tree nuts. Demand is especially high for almonds, hazelnuts, walnuts, and pistachios. Demand for specialty grains is also increasing.

Danish importers and food companies are always on the lookout for innovative U.S. organic specialty products. Consumers are increasingly looking for healthy snack options, confectionary products, and alcoholic and non-alcoholic beverages.

**Road Map for Market Entry:**

The first step for U.S. companies that would like to start exporting organic products to Denmark is to determine whether there is a potential market for their product. It is important to gain a good understanding of who the client and end-users could be.

Table 2. Advantages and Challenges U.S. Exporters Face in Denmark

Advantages:	Challenges:
There is demand for fresh produce when it is out of season in Denmark or in short supply.	Import duties, shipping time, and costs.
Education and promotion may help Danish consumers understand and value the difference between conventional and organic products.	Growing attention to local production will temper the demand for organic products from the United States.
Danish supermarkets provide the best chances for exporters of new, innovative, and value-added products.	In addition to a product being organic, consumers are increasingly interested in how the product was produced and by whom; consumers are increasingly engaged and want to hear the story behind the product.
The Danes believe organic products to be healthier and safer and are also produced in a more sustainable and transparent supply chain.	Organic products are in general more expensive than conventional products.

Source: FAS/The Hague

After ascertaining whether there is a market for your product, it helps to understand the supply chain and the role of the various players within the supply chain. Danish retailers, not wanting to deal with price volatility, documentation, and other import requirements, work with specialized traders to buy organic products, rather than sourcing directly from overseas countries.

Organic products from the United States have a connotation of having good quality. However, after import duties and taxes, the product may not be price competitive. Shipping costs and time might be

disadvantages for U.S. exporters compared to other suppliers (particularly those within the EU). In addition to looking into competition, it is highly recommended to study the EU import requirements since 98 percent of the import requirements are harmonized within the EU. More information can be found online at: <https://www.usda-eu.org/>.

Once a U.S. exporter has this background information, there are several options on how to connect with Danish distributors. Exporters could consider exhibiting at a specialized trade show in the United States. Danish buyers regularly travel to the United States to see new products and make new contacts. Exporters should also consider visiting or even exhibiting at a European trade show. Trade shows can serve as a springboard into the market, helping companies to establish new trade contacts and gauge product interests. Danish buyers visit these shows and often have an exhibitor booth as well. FAS/The Hague maintains a list of trade shows frequently visited by Danish buyers of organic products. Please contact the office in The Hague at [agthehague@fas.usda.gov](mailto:agthehague@fas.usda.gov) for a list of these trade shows. There are three trade shows in Europe, see Appendix II, where exhibitors exclusively showcase organic products.

U.S. exporters can also contact their respective U.S. State Regional Trade Groups (SRTG), their commodity cooperator group and/or their state Department of Agriculture to obtain additional market entry support. Cooperators regularly organize Trade and Reverse Trade Missions which are often arranged around trade shows or other events. These missions have proven to be an excellent platform for U.S. suppliers of organic products to meet and do business with foreign buyers. An overview of U.S. commodity cooperators can be found online at <http://www.fas.usda.gov/pcd/PartnersSearch.aspx>. Be aware, however, that not all U.S. cooperators have programs for organic products in the EU.

The U.S. Organic Trade Association (OTA) also has experience in helping U.S. companies expand their business opportunities overseas. If interested, information about the OTA can be found online at: <http://www.ota.com/index.html>.

If you have questions or comments regarding this report, need assistance exporting to Denmark, or would like to receive the Foreign Buyers Lists (FBL) of organic products, please contact FAS in the Netherlands:

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## Appendix I. Prices of Selected Organic and Conventional Products

Product:		Price, USD:	Weight / volume:	Price difference:
Red and green lentil	Organic	3.89	500 gr	+132%
	Conventional	1.68	500 gr	
Baguette	Organic	8.97	1 kg	+40%
	Conventional	6.41	1 kg	
Sweet corn	Organic	7.65	1 kg	+65%
	Conventional	4.65	1 kg	
Chickpeas	Organic	4.04	500 gr	+116%
	Conventional	1.87	500 gr	
Raisins	Organic	5.24	500 gr	+17%
	Conventional	4.49	500 gr	
Cranberries	Organic	11.72	250 gr	+213%
	Conventional	3.75	250 gr	
Almonds	Organic	5.86	200 gr	+66%
	Conventional	3.53	200 gr	
Walnuts	Organic	6.54	150 gr	+82%
	Conventional	3.60	150 gr	
Hazelnuts	Organic	4.79	150 gr	+37%
	Conventional	3.49	150 gr	
Pasta sauce	Organic	2.24	0.42 l	+7%
	Conventional	2.09	0.42 l	
Feta	Organic	3.29	150 gr	+19%
	Conventional	2.76	150 gr	
Eggs	Organic	5.92	15 eggs	+66%
	Conventional	3.59	15 eggs	
Cream	Organic	3.44	500 cl	+15%
	Conventional	2.99	500 cl	
Butter	Organic	3.18	250 gr	+18%
	Conventional	2.69	250 gr	
Milk	Organic	1.91	1 l	+61%
	Conventional	1.19	1 l	
Rice crackers	Organic	1.64	100 gr	+173%
	Conventional	0.60	100 gr	
Knakebrod	Organic	1.94	225 gr	+67%
	Conventional	1.16	225 gr	

Source: FAS/The Hague, SuperBrugsen/Coop, REMA, IRMA (November 14, 2019)

## Appendix II. Trade Shows for Organic Products in Europe

Name Trade show:	Dates:	Comments:
Bio Beurs, Zwolle, the Netherlands Contact: Marcel Pinckaers +31 70 3102 305 marcel.pinckaers@usda.gov	January 22 – 23, 2020	Bio Beurs is the leading organic event in the Netherlands where mostly Dutch suppliers exhibit their latest food products and technologies, <a href="http://www.bio-beurs.nl">www.bio-beurs.nl</a>
BioFach, Nuremberg, Germany <i>*USDA Endorsed*</i> Contact: Hanna Khan +49 3083 05 1152 hanna.khan@usda.gov	February 12 – 15, 2020	BioFach is the largest international trade show for organic products in the world. BioFach is USDA endorsed which means that the show organizer works with the U.S. Organic Trade Association and the Foreign Agricultural Service to create a U.S. pavilion, <a href="http://www.biofach.de">www.biofach.de</a>
Nordic Organic Food Fair, Malmo, Sweden Contact: Marcel Pinckaers +31 70 3102 305 marcel.pinckaers@usda.gov	November 11 – 12, 2020	Nordic Organic Food Fair is the leading organic event in the Nordic region where exhibitors showcase their latest food products to mainly Nordic buyers, <a href="http://www.nordicorganicexpo.com">www.nordicorganicexpo.com</a>

Source: FAS/The Hague

### Attachments:

No Attachments.