

FACT SHEET

Food processing industry in Denmark

1. Introduction

1.1 There are 4.3 million hectares of agricultural land in Denmark, of which approximately 62% has been cultivated for agricultural purposes. At present, there are about 130 000 people employed in the Danish agricultural sector, with 73 000 of them in farming and 58 000 in food processing industry. Denmark can produce enough food to feed 30 million people (six times its population). As such, Denmark is an exporter of food and its annual exports of agricultural and agri-food products currently accounts for about 20% of the Danish total annual exports.

1.2 Denmark has one of the world's most advanced food processing sectors. Some of Europe's major food and beverage companies are based in Denmark: well-known names include the two industry giants Arla Foods (dairy sector) and Danish Crown (meat processing) as well as Danisco (sugar) and Carlsberg (beer). In addition, Denmark boasts global leaders such as Novozymes (in enzymes), Christian Hansen (in food ingredients) and Royal Greenland (in fish and seafood production and processing).

2. Factors contributing to the development of food processing industry in Denmark

2.1 A number of factors have contributed to the success of the Danish food processing industry in recent years. These include (a) rigorous quality assurance and regulatory standards, (b) establishment of farmer co-operatives, (c) investment in research and development ("R&D") and training of technical staff, and (d) conducive research environment.

Rigorous quality and regulatory standards

2.2 Denmark exports more than two thirds of its agricultural products, so farmers have an absolute focus on the need to achieve success. This extends to their acceptance of rigorous quality assurance and regulatory standards, and understanding of the importance of maintaining a reputation for quality and safety.

Establishment of farmer co-operatives

2.3 The major food producing companies in Denmark are co-operatives formed by farmers to strengthen their position in the value chain. Danish farmers are well aware of the fact that they are a relatively small group competing in the international trading environment. As such, they have a strong commitment to working together to achieve success, be that as part of marketing co-operatives (such as Danish Crown¹), or as part of co-operatives supplying farm inputs (such as the DLG group²).

Investment in R&D and training of technical staff

2.4 The Danish government, farmers and the food industry are committed to continuous investment in R&D, and the training of technical staff for both the farm and the food sector. To become a farmer, a person is required to have completed a "Green Ticket" which involves up to four years of technical level training. Farmers also pay commodity levies which fund research.

Conducive research environment

2.5 In Denmark, strong emphasis on R&D in the food processing industry has been a government policy in recent years. Universities conduct food-related research, and they build and share knowledge on everything from primary production to process technology and from final food products to markets and consumers.³

¹ Danish Crown is a co-operative owned by Danish farmers. It is one of the most successful pig-meat exporters in the world.

² The DLG Group is one of the largest agricultural companies in Europe and is currently owned by 30 000 Danish farmers.

³ The three major universities, the University of Copenhagen, Aarhus University and the Technical University of Denmark, account for most of food-related research in Denmark.

2.6 Partnered with the Ministry of Food, Agriculture and Fisheries, the Danish Agriculture and Food Council aligns with the government's objective in strengthening the food processing industry by investing in R&D. The Council is an industry association representing the farming and food industries of Denmark, including businesses, trade and farmers' associations. Under its umbrella, the Knowledge Centre for Agriculture, the Pig Research Centre and the Danish Dairy Board share knowledge and promote industry interests through their operation as research and innovation centres.

3. Key regulatory authorities and industry association

Ministry of Food, Agriculture and Fisheries

3.1 The Ministry of Food, Agriculture and Fisheries is the leading authority responsible for food policy matters. It has established the Danish AgriFish Agency to support the development of the food industry and the Danish Veterinary and Food Administration to handle food health and safety issues from farm to fork.⁴

The Danish AgriFish Agency

3.2 By means of grants, development programmes, guidance, regulation and control, the Danish AgriFish Agency supports the development of a food sector that is capable of meeting the challenges of the future, whilst remaining in balance with the environment. In addition, the Agency participates in global collaboration and acts as a representative for Denmark in international organizations such as the Food and Agriculture Organization of the United Nations.

The Danish Veterinary and Food Administration

3.3 The Danish Veterinary and Food Administration deals with food health and safety issues. Food control and veterinary inspections are handled by three regional veterinary and food control centres, which also function as information centres for food-related topics for consumers, livestock owners, businesses and veterinarians. The Administration also works with international organizations such as the World Health Organization.

⁴ Farm-to-fork (or farm-to-table) refers to the stages of the production of food: harvesting, storage, processing, packaging, sales, and consumption.

Danish Agriculture and Food Council

3.4 The Danish Agriculture and Food Council is a working partner of the Ministry of Food, Agriculture and Fisheries in R&D, as well as trade promotion association for the food processing industry. The Council has a strong political presence in Denmark and attracts membership of in excess of 90% of all Danish farmers, as well as all the major food processors and exporters. Apart from fostering members' interests, market access and export promotion, the Council also provides advisory services to the government and supports the industry's research.

4. Government's policies to support the industry development

Merger of the government research institutes with universities

4.1 In 2007, most of the Danish government research institutes were removed from their responsible ministries and merged with universities.⁵ The purpose of mergers was to optimize research co-operation and to exploit the scientific experience of the institutes for the future education of candidates from the universities. After the merger, the ministries maintain the funding and sign agreements annually with the universities for research-based services.

Establishment of the Oresund food cluster

4.2 To support the development of the food industry, the Danish government has helped establish a comprehensive food industry cluster in the Oresund region. The Oresund region, consisting of Southern Sweden and Eastern Denmark, is one of the fastest developing food clusters in Europe. It is the bridge between eastern and western Denmark and close to Denmark's major export markets in Europe.

⁵ It included a transfer of the National Food Institute, the National Veterinary Institute and the National Institute for Aquatic Resources from the Ministry of Food, Agriculture and Fisheries to the Technical University of Denmark, as well as a transfer of the Danish Institute of Agricultural Sciences from the Ministry of Food, Agriculture and Fisheries together with the National Environmental Research Institute from the Ministry of Environment and Energy to Aarhus University.

4.3 The Oresund region is officially appointed as a highly prioritized area by both the Swedish and Danish governments. The area is supported by the governments of the two countries regarding research, education and infrastructure. This, together the combination of large international companies, small innovative companies, strong academic centres, professional research institutions and competitive support organizations in the Oresund food cluster, creates a combination of resources that can make the cluster a centre of excellence in food.

4.4 Leading Danish food processing companies, such as Arla Foods, Carlsberg and Danish Crown all have their offices and R&D centres in the Oresund food cluster. The dominant food processing industries in the cluster are the meat and dairy industries, followed by the fish, ingredients, cakes, confectionary and processed fruits and vegetables industries.

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