

Agriculture in Denmark

**Facts and
Figures 2008**



LANDBRUGSRÅDET

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Denmark is a Nordic country and the oldest monarchy in the world. It is a fertile country with proud agricultural traditions. It is a country of many islands located in the far north of Europe. It covers 44,000 sq. km and has a coastline of approximately 7,000 km. The climate is tempered and fairly distinct in four annual seasons.

Denmark has a population of approx. 5.5 mill. people and one fourth of the population lives in and around the capital of Copenhagen.

Denmark is characterised by a thriving business life and a highly competitive research and development environment.

For centuries, agriculture has been the main industry in Denmark and farming still plays a vital role in Denmark. Today, Danish agriculture is among the most efficient and high-tech based agricultural sectors in the World. This is mostly due to a high level of organisation and education and good agricultural soil.

Danish agriculture is constantly changing due to international competition, demanding export markets and conscientious and demanding consumers.

The annual production of Danish agriculture is sufficient to meet the food requirement of 15 mill. people. Denmark export about two thirds of its agricultural production. The rest is consumed in the domestic market.

On a global scale, Denmark is in the lead when it comes to food quality and safety and development of new agricultural products.



In Denmark, farmers own the production and processing facilities. These types of businesses are called co-operative companies or simply co-operatives. This structure is unique and uncommon in other sectors. The co-operative structure is nearly 150 years old and co-operatives have been very successful in Denmark – and they still are.

Co-operatives are of great importance to Danish agriculture and society. A defining characteristic of co-operatives is that they are 100 per cent owned by the Danish farmers – the so called members of the co-operative society. The formation and existence of co-operatives are based on some general co-operative principles, of which the most important are:

- Voluntary and open membership for all who can and wish to be part of the community
- Democratic member control. One man – one vote
- Right and obligation to supply products
- Protection of the company's capital.

Surpluses belong to the members and are allocated, benefiting member in proportion to their transactions with the co-operative. The co-operative companies in Denmark were initially small and centrally located in the local community. They were established to support individual farmers, and also to obtain the obvious advantages of large-scale production and processing. In 1935, Denmark counted 1,404 co-operative dairies. In 2007 only 12 remained. A similar development has been observed within the meat sector; where there were 62 co-operatives in 1961 and only 2 remain today.

Despite a considerable structural development, the original co-operative principles are maintained today. This proves that active ownership even today provides advantages – financial as well as managerial. Danish agriculture is confident that the co-operative structure is a key parameter of success.

■ Danish Co-operatives

Sales, mill. DKK	2006
Dairy sector	
Mejeriforeningen (Danish Dairy Board)	386
Arla Foods	45,491 ¹
Abattoir sector	
Danish Crown	48,534
Tican	3,035
Daka	806 ¹
DAT-Schaub	1,873
Farm supply sector	
DLG, Dansk Landbrugs Grovvarereselskab	17,325
Den Lokale Andel (DLA Agro)	11,481 ²
Rest of the agricultural sector	
Danæg	817
Kopenhagen Fur	4,887
DLF-Trifolium	2,008
Danish potato starch companies	423
Insurance sector	
Alm. Brand founded in 1792	6,855
AP Pension	1,673
Oil and petrol	
OK a.m.b.a.(excl. taxes)	5,111

¹ Incl. turnover of Swedish members

² Group turnover of DLA Agro members

Today, Danish co-operatives are among Denmark's largest enterprises. This development is due to mergers and the ongoing globalisation process. Danish co-operatives have substantial market shares in Denmark. The turnover is close to 10 per cent of the GDP in Denmark. Danish co-operatives are the largest co-operatives in Europe in the dairy and beef sectors.

■ Land Use - Agricultural Area in the EU, 2005

	Total area mill. ha	Number of holdings, 1,000	Average size of holdings, ha	Area in in per cent of total EU-27 area
Total (EU-27)	183.3	14,479	12	100
Czech Republic	3.6	42	86	2.0
Denmark	2.7	52	55	1.5
France	29.6	567	52	16.2
Germany	17.0	390	44	9.3
Italy	14.7	1,729	9	8.0
Netherlands	1.9	82	23	1.0
Poland	15.9	2,476	6	8.7
Spain	25.7	1,079	24	14.0
Sweden	3.2	76	42	1.7
UK	16.8	287	59	9.2

SOURCE: EUROSTAT

Denmark accounts for less than 2 per cent of the total EU-27 agricultural area despite having one of the largest average farm sizes (55 ha per farm) in the EU. Among EU-15, only Britain has a slightly higher average farm size. Over the past 40 years, Denmark has undergone a structural development concentrating livestock on fewer but larger herds. In Denmark, it is possible for farmers to increase their farm size by purchasing additional land, because many farms are traded in a free market.

Denmark is often compared with the Netherlands which is also a small EU country with a relatively large agricultural production. However, the average farm size of Dutch farms is only 23 ha. Farms in the Netherlands are mostly inherited and the land may sometimes be divided between family members.

The Danish production of grain accounts for only 3 per cent of the total EU production, and grain cover 55 per cent of the arable land

■ Arable Production in the EU

	Cereals* 1,000 tons	Potatoes 1,000 tons	Sugar beets 1,000 tons	Rape seeds 1,000 tons
Total (EU-27) 2004	324,765	70,920	132,292	15,370
Total (EU-27) 2005	287,143	62,267	135,527	15,338
Total (EU-27)	269,416	56,702	..	15,658
Czech Republic	6,386	692	3,138	880
Denmark	8,632	1,361	2,314	342
France	61,726	6,354	29,879	4,145
Germany	43,475	10,031	20,647	5,337
Italy	20,207	1,783	4,770	6
Netherlands	1,750	6,240	5,414	12
Poland	21,776	8,982	11,475	1,652
Spain	19,363	2,502	6,045	9
Sweden	4,128	773	2,189	211
UK	20,878	5,684	7,150	1,674

*Estimate for EU-27

SOURCE: EUROSTAT

in Denmark. Wheat and barley are the main crops. The production of roughage used for feeding dairy cows is quite high. Roughage consists of both maize or barley silage and grass. 17 per cent of the agricultural land is covered by grass.

Denmark has developed from being a net importer of grain into being a net exporter. The country mainly exports feed grain and imports milling grain as well as feed grain. Denmark is also a major exporter of seeds for sowing. The export of seeds – mainly perennial ryegrass and red fescue seeds – amounts to 100,000 tonnes per year.

Denmark accounts for 2 per cent of the sugar beet production in the EU. Sugar beets are mainly grown in the eastern part of Denmark on the island of Lolland. Today, the production of sugar beets covers 1.5 per cent of the Danish agricultural area. The sugar beet area may be further reduced in the future if the EU prices of raw sugar are lowered.

■ Livestock Population in the EU 2006

Thousands	Cattle	Pigs
	Total	Total
Total (EU-27)	88,463	161,008
Czech Republic	1,390	2,741
Denmark	1,579	13,613
France	18,902	15,009
Germany	12,677	26,602
Italy	6,340	9,281
Netherlands	3,673	11,220
Poland	5,281	18,813
Spain	6,184	26,034
Sweden	1,516	1,662
UK	10,335	4,731

SOURCE: EUROSTAT (DECEMBER CENSUS)

The Danish agricultural production volume equals the production of new EU countries such as the Czech Republic and Hungary. However, the Danish pork production exceeds the production of these two countries as it accounts for approx. 8 per cent of the total EU pork production. Denmark counts a total of 13.6 mill. pigs and is hence the fifth largest pig-producing country in the EU in terms of number of pigs - only exceeded by Germany, Spain, Poland and France.

Danish milk production accounts for 30 per cent of the total production value. Even though the Danish milk production accounts for only 3 per cent of the total EU milk production, it is a very important sector in Danish agriculture.

■ Livestock Production in the EU

	Beef and Veal		Pork		Poultry meat		Milk	
	1,000 tons	Percentage of total EU production	1,000 tons	Percentage of total EU production	1,000 tons	Percentage of total EU production	1,000 tons	Percentage of total EU production
Total (EU-27) 2004	8,243		21,634		11,123		153,937	
Total (EU-27) 2005	8,060		21,484		10,997		154,663	
Total (EU-27) 2006	7,998		21,605		10,661		153,829	
Czech Republic	80	1.0	359	1.7	231	2.2	2,782	1.8
Denmark	129	1.6	1,749	8.1	171	1.6	4,627	3.0
France	1,473	18.4	2,011	9.3	1,556	14.6	25,041	16.3
Germany	1,167	14.6	4,500	20.8	1,025	9.6	28,488	18.5
Italy	1,109	13.9	1,559	7.2	915	8.6	11,831	7.7
Netherlands	355	4.4	1,230	5.7	711	6.7	10,532	6.8
Poland	368	4.6	2,092	9.7	1,010	9.5	12,003	7.8
Spain	671	8.4	3,230	14.9	1,069	10.0	7,379	4.8
Sweden	135	1.7	275	1.3	110	1.0	3,206	2.1
UK	762	9.5	706	3.3	1,582	14.8	14,577	9.5

SOURCE: FAO

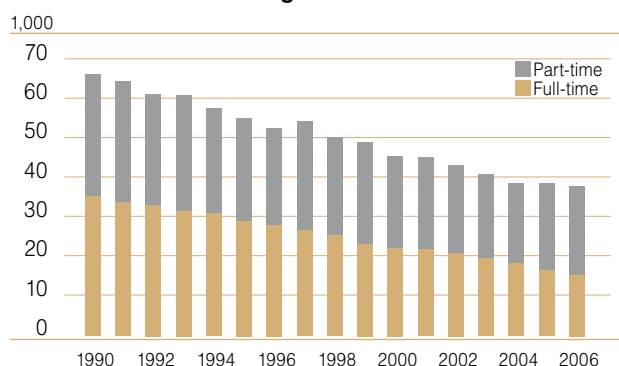
■ Number of Pigs by Herd Size

	2004	2005	2006
1-249 head	238,095	198,280	148,470
250-499 head	387,013	316,857	263,860
500-999 head	1,169,123	991,227	873,011
1.000-1.499 head	1,415,798	1,213,353	974,639
1.500-1.999 head	1,444,691	1,345,280	1,219,490
2.000-4.999 head	5,680,574	5,840,301	5,710,046
5.000 head and more	2,897,942	3,629,137	4,171,584
Total number of pigs	13,233,236	13,534,435	13,361,100

SOURCE: STATISTICS DENMARK

During recent years, the pork production has increased its share of the total livestock production in Denmark. Previously, many Danish farmers kept both cows and pigs. Today, production has become more specialised and often a herd consists of one type of livestock only. Moreover, the herds have increased in size. For example, 75 per cent of the Danish pig population is kept on farms with more than 2,000 pigs.

■ Number of farm holdings

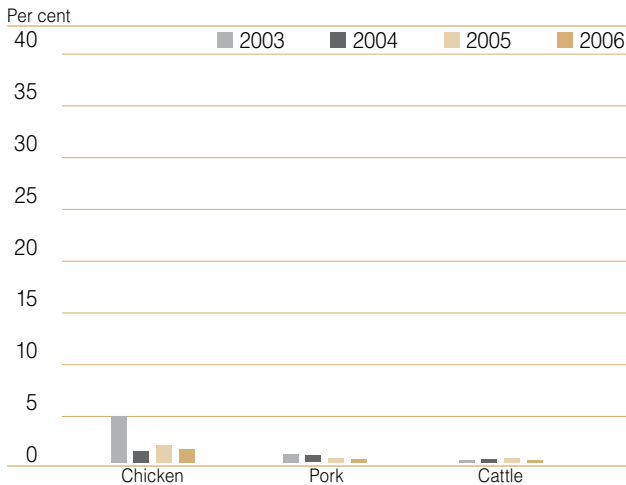


SOURCE: INSTITUTE OF FOOD AND RESOURCE ECONOMICS

In EU-27, only the Czech Republic has an average farm size that exceeds the size of Danish and British farms. In Denmark, there are many medium-sized farms, and the size of nearly half of the farms ranges from 30 to 200 ha. All in all, the number of farm holdings has been steadily reduced since the 1960s as a result of the mechanisation of Danish agriculture. Especially the number of full-time farms continues to decline, whereas the number of part-time farms has more or less remained unchanged since 2000.

■ Salmonella in danish meat

2003-2006 (based on samples)



SOURCE: DANISH VETERINARY AND FOOD ADMINISTRATION

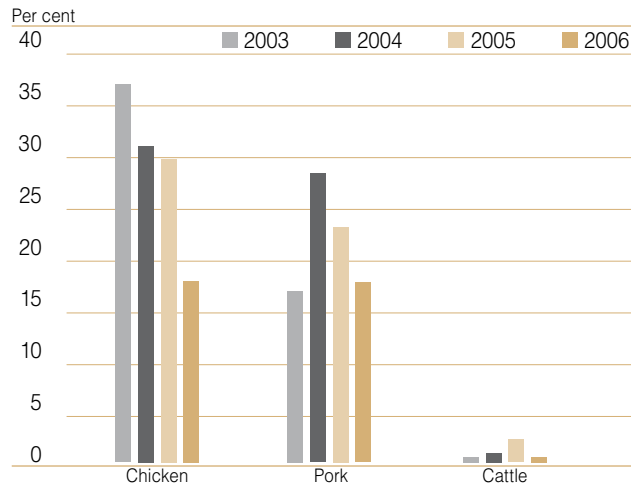
Denmark is world known for its high-quality food products and its focus on food safety. Denmark is considered to have one of the highest levels of food safety in the world. This is the result of the fact that all links in the production chain – from producers of animal feed, farmers, slaughterhouses and other processing companies to authorities and trade associations – are part of an established, well-functioning food safety system comprising comprehensive documentation, extensive traceability and efficient control.

The Danish food safety system is designed to examine and control all diseases, medicine residues and other factors of importance to food safety. This system has existed for several years and makes it possible to quickly trace back infected animals to their point of origin.

Extensive documentation and control also make effectively combating of diseases possible and keep the level of different kinds of

■ Salmonella in imported meat

2003-2006 (based on samples)



SOURCE: DANISH VETERINARY AND FOOD ADMINISTRATION

residues in meat at an absolute minimum. This provides importers food from Denmark with documentation for the best food safety in the world.

From Farm to Fork

Food safety is an integrated part of the EU policy on consumer protection and health. In recent years, the EU member states have implemented several directives on how to achieve the highest level of food safety. Denmark seeks to take the lead in this field by implementing new legislation quickly and smoothly.

Food safety is an integrated part of the EU policy on consumer protection and health. In recent years, the EU member states have implemented comprehensive legislation on how to provide consumers with safe food. The interpretation of the directives may vary from country to country and hence it is not easy to make a direct

comparison between the member states. Denmark seeks to take the lead in this field by implementing new legislation quickly and smoothly.

Traceability

Full traceability is a key element in EU food safety legislation. Feed and food business operators must establish a system of traceability applying to all stages of production so that targeted and accurate withdrawals can be undertaken.

Salmonella programme

Food safety is an issue of high political salience in Denmark. Denmark is making great efforts to maintain a high standard of food safety and this is among others reflected in the Danish salmonella programme. In 1994, Denmark implemented the requirements of the zoonoses directive as the first EU member state. The Danish salmonella programme applies to the poultry, cattle and pig industries.

The programme has resulted in a significant reduction in the level of salmonella in animals and, most importantly, in the human population in Denmark. Compared to most European countries, the level of salmonella in fresh meat is very low. In 2006, salmonella was only detected in 0.3 per cent of the beef samples, 0.9 per cent of the pork samples and 1.9 per cent of the broiler samples.

Future

Denmark will continue to focus on food safety in the future and to introduce new and improved initiatives to ensure a high level of food safety. Action plans for handling existing and potential sources of infection that may endanger the food safety are being prepared continuously – for example in the cases of BSE outbreak, etc.

Based on the outstanding results achieved, Denmark is endeavouring to gain special status within the EU as regards eradication of salmonella. This will allow Denmark to make additional food safety demands on food produced in other countries.

Animal welfare

Farmers in Denmark consider animal welfare an important issue, and constantly seek to improve the quality of their production systems. For several years farmers and their organisations have been working to improve animal welfare through research, development of new housing equipment, improved management, better transport systems, etc.

Through a project called Welfare Quality, the EU is engaged in developing a common European standard for assessing animal welfare. The project involves developing practical strategies and tools for improving animal welfare in agriculture and common assessment methods. Moreover, a common standard for converting welfare assessments into easily assessable product information that consumers can trust is being developed under the Welfare Quality project.

For further information about the Welfare Quality project please visit: www.welfarequality.net

Denmark is in many ways a pioneer country in animal welfare. All EU-legislation on animal welfare is implemented in Denmark, and Danish legislation often goes beyond the requirements of EU directives. The Danish legislation lays down more specific minimum standards on pigs, layers and broilers regarding the production conditions.

EU and DK legislation on pigs

According to Danish law, all pig producers must enter into a health advisory agreement with a veterinarian, and sick pens must be available for sick or injured animals. On farms built after 1st July 2000, all pigs exceeding 20 kg must have access to sprinkling or another form of cooling. Today new farm buildings must be provided with a minimum of 1/3 solid or drained floor. These are some of the Danish pig welfare requirements which go beyond the EU legislation.

EU and DK legislation on laying hens

In 1999, the EU passed a directive laying down minimum standards for the protection of laying hens. The main difference between these minimum standards and the more comprehensive Danish minimum standards is that caged hens in Denmark have more space and better access to feed and water.

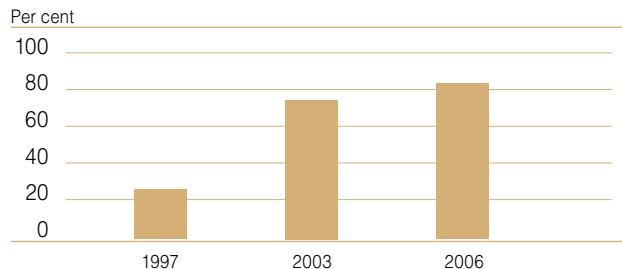
EU and DK legislation on broilers

In 2007, the EU passed a directive laying down minimum standards for the protection of broilers. The directive stipulates a maximum stocking density and a minimum light level of 20 lux. The main difference between these minimum standards and the more comprehensive Danish rules is that an uninterrupted dark period of 8 hours instead of only 4 hours is required in Denmark. Moreover, foot pad quality is not covered by the EU directive.

Besides complying with the Danish legislation, the Danish food manufacturing companies have also developed quality assurance programs for animal welfare. Generally Danish farmers approve of animal welfare requirements laid down by the food manufacturing companies which may maintain or increase sales. Danish farmers also engage in different special productions like organic or outdoor pig production. These production systems are subject to special regulations including requirements on animal welfare and production facilities.

Cattle welfare

In cattle breeding a health index has been developed to improve the following traits: strong hooves and good udder health. The welfare of cows is also improved by the use of loose housing systems, anti-slip flooring and sleeping mattresses. When building new cattle houses, the latest knowledge of animal welfare is taken into consideration. 80 per cent of Danish cows were kept in loose systems in 2006.

Number of Cows in Loose Housing

SOURCE: DANISH AGRICULTURAL ADVISORY SERVICE, NATIONAL CENTRE.

Danish cattle industry has drawn up a sector policy for animal welfare. Moreover, the industry has developed a recording system to assess animal welfare at farm level. Among others, the industry focuses on reducing calf mortality and production diseases in dairy herds.

Pig welfare

Since 1996, pig breeding has focused on developing extra strength via the two traits: leg position and the hoof quality, and today sows are more robust. In 2007, Danish farmers, authorities and advisers joined efforts to reduce the occurrence of shoulder sores in sows. Action plans have been prepared both to prevent disease and treat sick sows, and in half a year they have succeeded in reducing the problem considerably.

Pig production systems

By the end of 2006, nearly 75 per cent of pregnant sows in Denmark were kept loose. 80 per cent of piglets were housed in pens with a dual climate system, which provides a healthy environment.

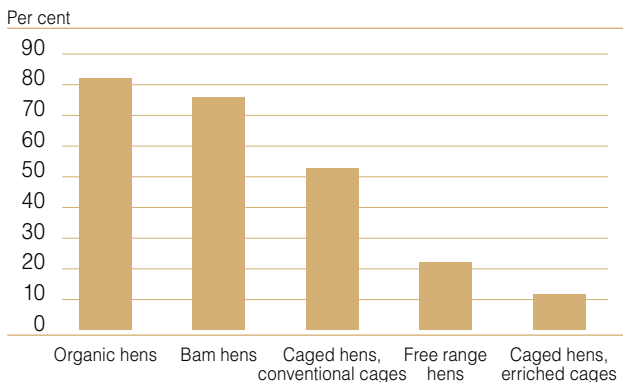
Poultry welfare

A large part of Danish table eggs are produced in production systems allowing the hens to move around freely and express their natural behaviour. Only 22 per cent of the Danish farms with hens for egg production use conventional cage systems. As of 2012, all hens in the EU must be kept in so-called enriched cages where hens have access to nest, perch and a dust bath.

In Denmark, eggs produced under alternative production systems include barn, free range and organic eggs. The organic poultry sector continuously work to test the pedigree of hens and develop rearing methods.

■ Number of Commercial Poultry Holdings Producing Table Eggs

April 1th 2007



SOURCE: DANISH AGRICULTURAL ADVISORY SERVICE, NATIONAL CENTRE.

Transport

Besides complying with Danish legislation, Danish food manufacturing companies have developed quality assurance programs for animal transport that make even further demands on animal welfare, education of staff, etc. A special focus on animal welfare in connection with long transports has resulted in a code of practice for road transport of cattle and pigs issued by the Danish agricultural organisations in co-operation with Danish exporters. The code of practice requires that exporters must guarantee that carriers and drivers irrespective of nationality comply with current EU regulations for road transports, even outside the EU.

Code of practice for transport

The code of practice for road transport of cattle shall ensure animal welfare from loading to final destination. Among others, the code bans long transports which require more than 24 hours rest. The code prescribes mandatory contingency plans for all transports to be implemented by the driver in case of emergencies such as engine failure or delay when crossing the border.

Animal welfare inspection

To ensure that production complies with the legislation on animal welfare, Danish authorities have implemented a comprehensive inspection program. At least 5 per cent of all livestock productions and animal transports are randomly inspected every year. Productions with welfare problems will be subject to follow-up inspections, and plans of action will be requested.

■ Pesticides

Sales in ton of active ingredient	2000	2001	2002	2003
Austria	3,563	3,133	3,080	3,386
Belgium	9,953	8,845	9,204	..
Denmark	2,747	2,890	2,722	..
Finland	1,146	1,424	1,614	..
France	97,490	99,635	82,448	74,524
Germany	30,331	27,885	29,531	30,164
Greece	11,131	11,111
Ireland	2,133	2,246	2,796	2,913
Italy	79,831	76,346	94,711	..
Netherlands	9,653	7,865	8,073	7,868
Portugal	15,470	15,491	17,435	17,046
Spain	34,597	35,700
Sweden	1,652	1,738	1,711	2,049
United Kingdom	33,109	32,971	31,064	..

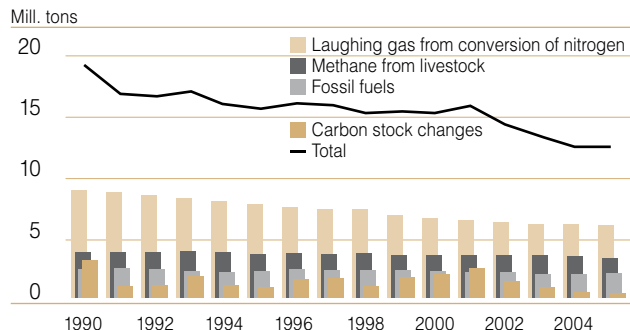
SOURCE: EUROSTAT

Danish agriculture focuses highly on sustaining agricultural production with respect to nature and the environment. In recent years, special focus has been on the emission of greenhouse gases. This has resulted in a decrease of 0.32 tons CO₂ equivalent emissions from agriculture per year from 1990 to 2005. During this period, emissions were reduced by 27 per cent.

The decrease is primarily due to reduced emissions of laughing gas, and changes in cultivation methods have also contributed to the reduction in CO₂ emissions.

Moreover, about half of the Danish farmers established small plantations, hedgerows, waterholes, spraying-free zones/field margins and the like in 2006/7. Similar measures have been planned for 2007/8.

■ Emissions of greenhouse gases from agriculture



Please note that emissions from fossil fuels includes emissions from forestry and fishing.

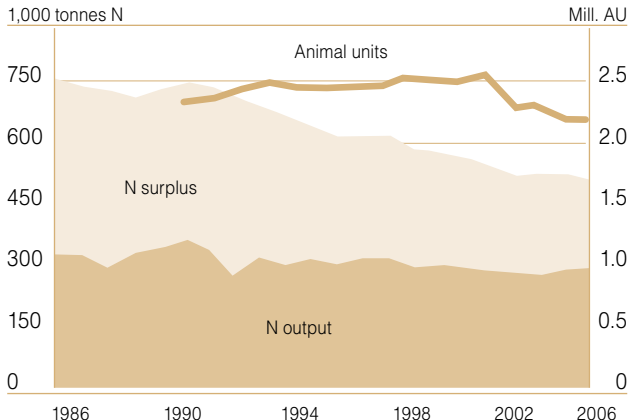
SOURCE: NATIONAL ENVIRONMENTAL RESEARCH INSTITUTE.

The agricultural sector in Denmark has already reduced the consumption of additives affecting the environment considerably. The development since 1985 shows that:

- The nitrogen surplus from fields has been reduced by 52 per cent.
- The phosphorus surplus from fields has been reduced by 72 per cent.
- The ammonia emission has been reduced by 47 per cent.
- The use of pesticides in terms of active ingredients has been reduced by 61 per cent.
- The intensity of combating in terms of treatment frequency has been reduced by 32 per cent.

The Danish Agricultural Act contains restrictions on the application of animal manure. In general, it is allowed to spread liquid manure/slurry corresponding to 1.4 animal units (AU) per hectare. One AU is equivalent to 100 kg nitrogen in manure. The calculation of AU depends on the type of animal. A large domestic animal like a dairy cow (Jersey cattle) corresponds to one AU while 167 layers also equal one AU.

Balance of Nitrogen Input and Output in the Field



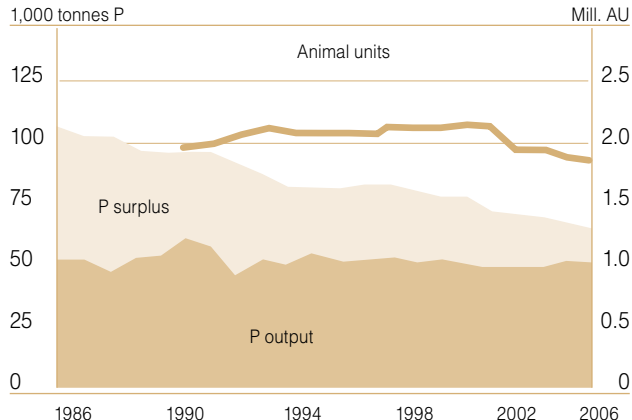
Note: Fur-bearing animals are included in the animal units

SOURCE: NATIONAL ENVIRONMENTAL RESEARCH INSTITUTE AND STATISTICS DENMARK

The purpose of the legislation on nitrogen leaching is to ensure a balance between the amount of animal manure produced and the size of the farm in terms of ha. Mission-oriented research where the focus has been to optimise the use of nutrients in the compound has resulted in a constant declining rate of leaching nitrogen and phosphorus from the domestic animals. Concurrently with better and more efficient compound the calculation of AU is calibrated. The number of AU has therefore been nearly constant in recent years despite a general increase in the livestock production over the same period of time.

The Danish production of domestic animals is not the only source of nitrogen leaching. Besides the nitrogen leaching from the farm, a certain amount of atmospheric fall-out falls to the ground. The total atmospheric fall-out from foreign countries amount to 62 per cent of the total nitrogen fall-out on Danish soil.

Balance of Phosphorus Input and Output in the Field



Note: Fur-bearing animals are included in the animal units

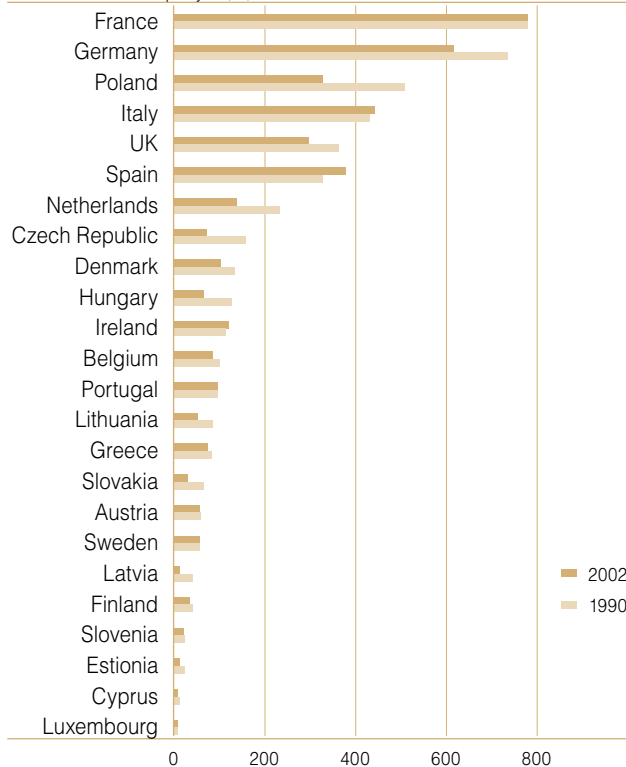
SOURCE: NATIONAL ENVIRONMENTAL RESEARCH INSTITUTE AND STATISTICS DENMARK

In accordance with the emission limits for ammonia laid down by the EU, Denmark has been directed to reduce ammonia emission by 43 per cent from the 1990 level by 2010. This reduction in ammonia emissions is nearly three times higher than the average reduction expected in the EU. The reduction in absolute amounts of ammonia is expected to amount to 53,000 tonnes. Only Germany, the Netherlands and the Czech Republic have absolute reduction targets that are higher than in Denmark.

In the years to come, it is expected that the EU will tighten the environmental requirements concerning agricultural production. Denmark has a reputation of being in the lead when it comes to implementing new environmental legislation. The goal is that all EU countries will implement the EU legislation in the same manner and at the same pace in the future.

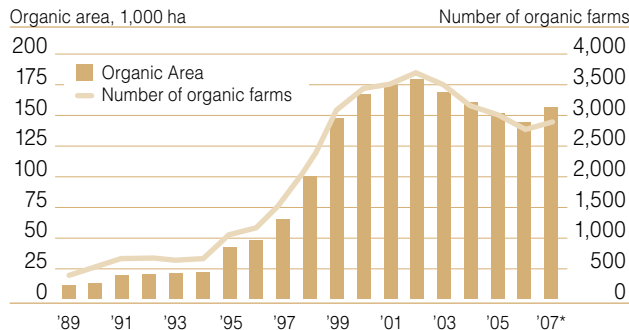
Ammonia Emissions from Agriculture

Ammonia emissions per year, 1,000 tonnes



SOURCE: OSA STATISTIC NEWS NR. 6 2005

Development in the Number of Organic Farms and the Organic Area



*The 2007 figures are forecasts made by Danish Agricultural Advisory Service, National Centre

SOURCE: THE DANISH PLANT DIRECTORATE

The organic production area covers more than 5 per cent of the total agricultural area, placing Denmark in the top 5 of the EU-15 countries. In organic livestock, the milk production is the sector with the largest volume. The production of organic eggs accounts for about 15 per cent of the total Danish egg production.

The average size of organic holdings in Denmark is 54 ha. According to FiBL, Research Institute of Organic Farming, this is almost 10 ha above the average size of organic holdings in the EU-15 countries. According to Danish legislation on organic production, all animals must have access to outdoor areas and be fed by roughage, regardless of the type of organic production.

■ Retail Sales of Selected Groups of Organic Food

Quantity, 1,000 tons	2005	2006	% change from '05-'06
Rye bread and flour	7.1	8.3	17
Oats, cornflakes, muesli and the like	5.9	5.5	-6
Meat	2.5	3.0	17
Milk products	112.2	123.9	10
Eggs	4.8	5.7	19
Fruit	4.8	5.6	16
Vegetables, total	21.2	22.3	5
Fats, cooking oils	2.2	2.4	9
Sugar, jam, chocolate, sweets, ice cream	1.6	1.6	0
Value, Euro mill.			
Rye bread and flour	11.7	13.8	19
Oats, cornflakes, muesli and the like	10.0	11.5	16
Meat	26.1	34.3	31
Milk products	124.3	140.4	13
Eggs	25.6	30.7	20
Fruit, total	16.6	23.5	41
Vegetables, total	36.6	44.1	21
Fats, cooking oils	17.1	17.7	3
Sugar, jam, chocolate, sweets, ice cream	7.0	8.4	20

In Denmark, the market share of organic food products was at 4.6 per cent in 2006. The sales of organic food have increased rapidly over the past three years. In 2007, sales increased by about 25 per cent compared to the previous year.

■ Foreign Trade in Selected Organic Products

1,000 Euro	Import		Export	
	2005	2006	2005	2006
Meat	102	1,118	6,467	6,856
Dairy products	314	517	9,576	11,498
Eggs	16	68	1,533	325
Cereals	11,814	17,810	3,610	4,343
Vegetables	8,118	11,563	1,717	2,111
Fruit	13,652	21,368	2,432	3,081
Animal feed	3,919	5,790	2	1
Plants and Seeds	596	879	2,161	1,920

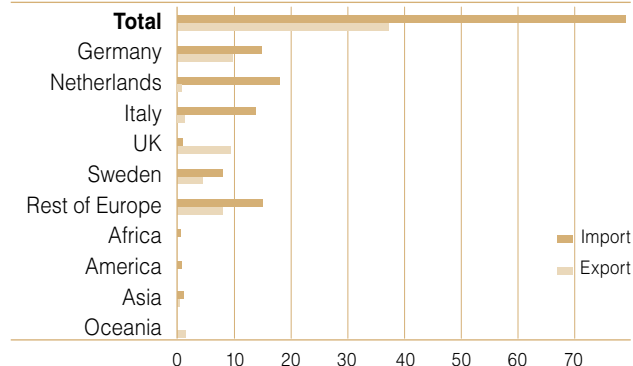
Euro exchange rate: Average rate for 2006

SOURCE: STATISTICS DENMARK

The value of imported organic products in 2006 was at 79.1 mill. Euro and the export value was at 37.1 mill. Euro. The foreign trade of organic products has increased by 30 per cent from 2005 to 2006. The net import shows that the relatively large production of organic food is exceeded by the consumption.

■ Foreign trade in Organic Products, 2006

Mill. Euro

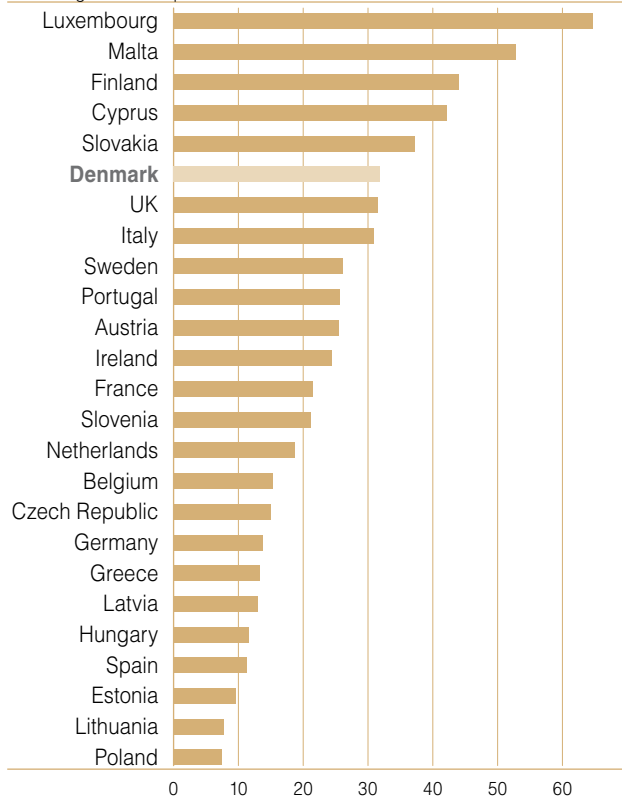


SOURCE: STATISTICS DENMARK

Denmark imports organic products with a low level of processing such as fruits, vegetables and cereals, whereas it exports organic dairy and meat products with high added value.

■ EU-25 Countries percentage of up-market export products

Percentage of total export

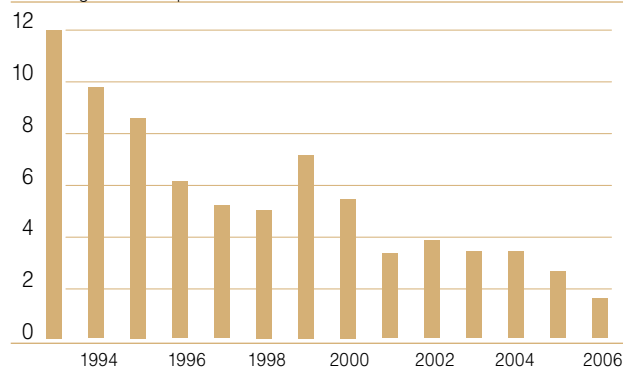


Note: The definition of upmarket products is products that obtain an export price at least 20 per cent higher than the EU-25 average price level.

SOURCE: EUROSTAT

■ Export Subsidies in Proportion to Total Danish Food and Agricultural export

Percentage of total export



SOURCE: THE DIRECTORATE FOR FOOD, FISHERIES AND AGRI BUSINESS

Today, Germany is the main purchaser of Danish agricultural products. United Kingdom ranks second, and Sweden is the third largest market for Danish agricultural exports. In total, the EU-25 countries purchased approx. 67 per cent of the Danish export in 2006.

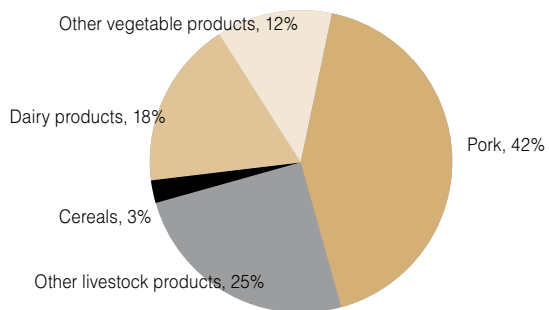
Pork and cheese are the main agricultural products in terms of export value. The export of agricultural products continues to grow and now accounts for 11 per cent of the total Danish exports.

EU aims at reducing export subsidies through its agricultural policy. At the latest WTO meeting in December 2005, the most important achievement was that all WTO members agreed to eliminate all forms of export subsidies on agricultural products by 2013 if the parties succeed in reaching an agreement. It is still unknown if and when such an agreement will come into force.

The export subsidies on Danish agricultural products have been reduced in recent years. The ratio between total Danish agricultural export and export subsidy was 1.6 per cent in 2006 compared to 12 per cent in 1993.

■ Distribution of Agricultural Exports by Market and Product

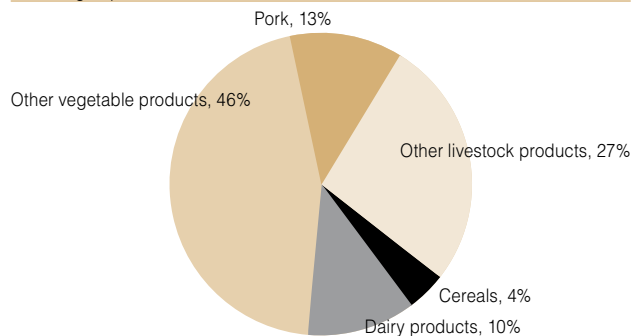
Product groups 2006



SOURCE: STATISTICS DENMARK

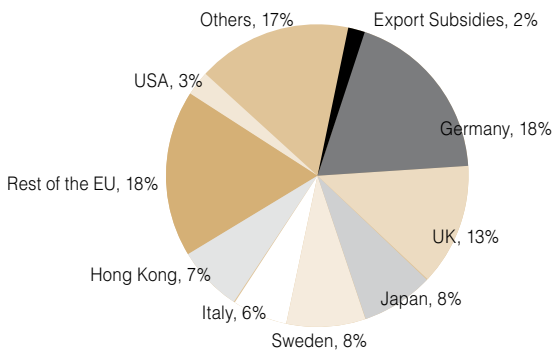
■ Agricultural Import by Market and Product

Product groups 2006



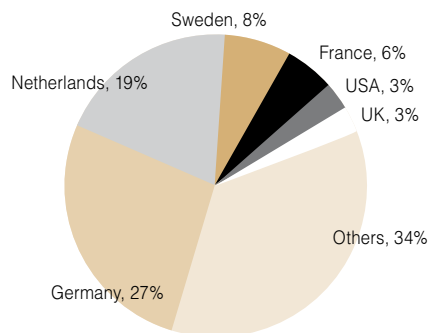
SOURCE: STATISTICS DENMARK

Countries 2006



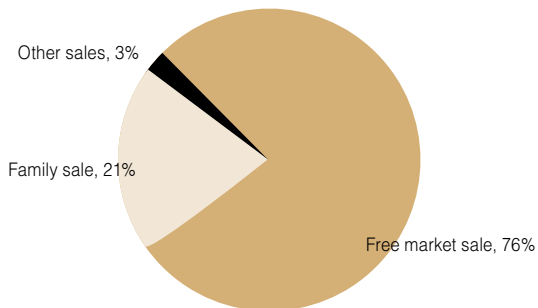
SOURCE: STATISTICS DENMARK

Countries 2006



SOURCE: STATISTICS DENMARK

■ Sales of Built-up Agricultural Properties, 2006



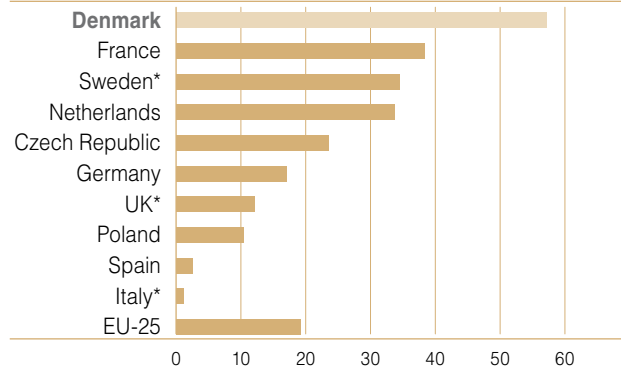
SOURCE: STATISTICS DENMARK

The Danish agricultural debt per cent is almost 3 times higher than the average agricultural debt per cent in EU-25. Instead of being inherited or sold to family members, most of the farms in Denmark are sold on the free market. This is the main reason why the financial cost is much higher in Denmark than in many other EU member states.

In Danish agriculture, owner-farmers predominate. The primary reason for Danish farmers to establish co-operatives is to combine their activities, for example they share machinery or run animal productions together. Very few Danish farms are owned by companies where the investors are not involved in the farming process. In Denmark, it is difficult for companies to take over farms due to restrictions.

■ Agricultural Debt Rate in the EU, 2005

Per cent

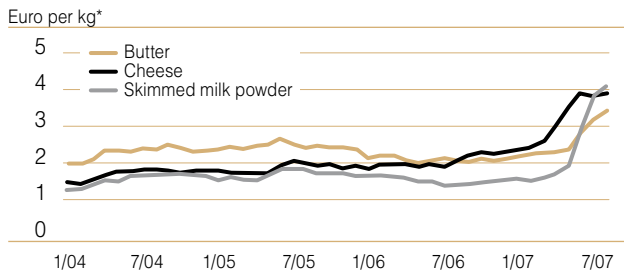


* Latest data is from 2004

SOURCE: RICA

The mortgage credit institutions are the main creditors of Danish Agriculture, accounting for 76 per cent of all loans to Danish agriculture in 2006. Rate resetter loans account for half of the gross lending which makes the agricultural sector quite sensitive to changes in interest rates.

World Market Prices of Dairy Products



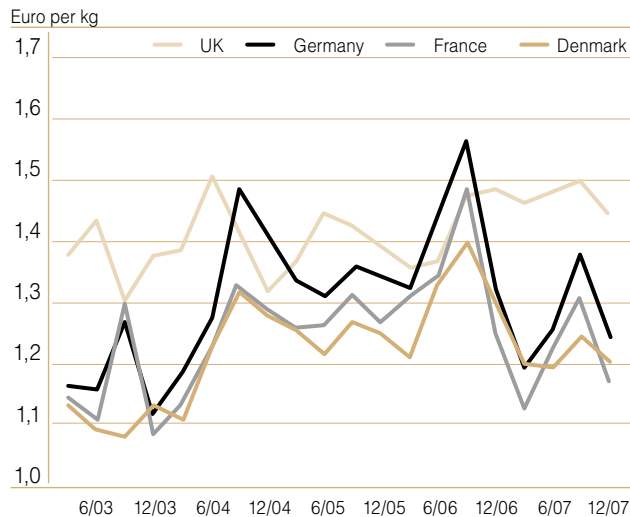
*Converted to Euro, 2006 avg.

SOURCE: DANISH AGRICULTURAL ADVISORY SERVICE, NATIONAL CENTRE.

Since the beginning of 2007, dairy prices have gone up considerably worldwide due to the increased demand from China and India among others. At the same time, draught in Australia has resulted in relatively low production.

In Denmark Arla Foods has a market share of 85-90 per cent. The remaining 10-15 per cent is divided between small dairies that have specialised successfully in differentiated products. The small dairies account for a relatively large share of the sale of organic milk for liquid consumption in Denmark.

Development in Pig Prices

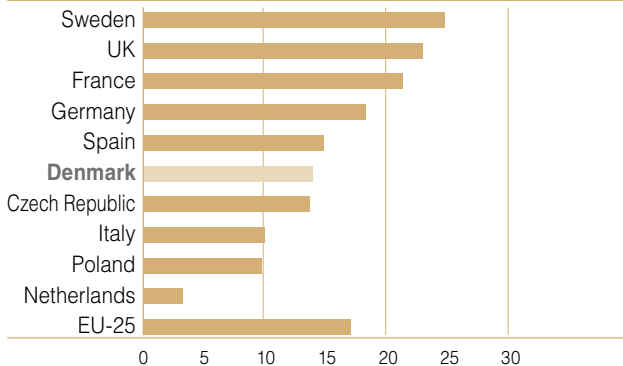


SOURCE: DANISH MEAT ASSOCIATION (DMA)

The gap between prices of slaughter pigs in Denmark, Germany and France has decreased during 2006. Increased amounts of meat are sold within the EU, hence equalising the meat prices of the member states. In all member states, except from the UK, prices have dropped in 2007 compared to 2006.

■ Farm Subsidies as a Percentage of Output, 2004

As a percentage of total gross farm receipts



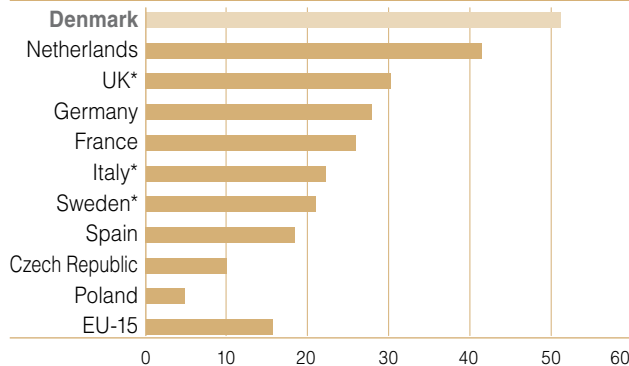
PSE: Producer Support Estimate is a indicator of the annual monetary value of gross transfers from consumers and taxpayers to support agricultural producers.

SOURCE: RICA

About one third of the total gross farm income in EU-25 comes from subsidies provided to the agricultural sector. These subsidies include payments to advisory services, research, etc. The farm income subsidy makes up only 17 per cent of the gross farm output on average. In Denmark, the share of farm output coming from subsidies only amounts 14 per cent on average. Denmark would probably have a stronger position in the EU if subsidies were removed.

■ Farm Net Value Added, 2005

1,000 Euro. per agricultural work unit



*Latest data is from 2004

SOURCE: RICA

The farm net value added corresponds to the payment for fixed factors of production (work, land and capital), whether they be external or family factors. Expressed per work unit it shows how much value (before paying rent, interest and salary) is created per person occupied in farming. As for Denmark this value is the highest in EU-25. The labour productivity is high, with efficient production facilities and a high level of capital per worker.



The values of the Danish food industry

Our trade is of great economic importance to society and has a great influence on the environment, animals and humans.

We are very aware of this, and we know that with this position comes responsibility. This is why we constantly seek to renew and improve our efforts.

We base our production on research and innovation, and we use our practical experience to develop the industry and the world that we live in.

We aim to be the world leader in turning biological and high-tech knowledge into competitive products for global consumers, while respecting our surroundings at the same time.



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