



Press release

10 December 2001

OrganicDenmark launches in UK

Well-known Danish manufacturers of organic products are set to increase exports of organic products to the British market, where demand for organic foods is outstripping local production. The new export initiative will be supported by the first non-profit, national portal, for organic products - www.organic-denmark.com. The aim is to provide wholesalers and buyers from retail chains with easy and reliable information about products and other issues related to organic production in Denmark.

According to the UK Soil Association, UK organic farming covers only 2.3 percent of cultivated land, and this is insufficient to meet growing consumer demand. UK sales of organic foods rose by 55% between 1999 and 2000 and it is estimated that they will grow by 40 per cent in each of the next five years. Despite an increase in UK organic output, the UK organic market still relies heavily on imports. Home produced food accounts for only 25 per cent of sales. This is largely due to the fact that the rate of conversion of UK farms is not keeping pace with the demand for organic food, although consumer preferences for exotic fruit and vegetables also play a part.

Denmark has a long and strong tradition of farming and agricultural research. Danish farmers produce a wide range of agricultural foodstuffs sufficient for 15 million people - three times the population of Denmark.

"Large quantities of Danish farm products are exported, but there remains a large untapped potential, especially within the organic sector and Danish organic companies expect to increase exports by 20 per cent this year," says Jens Eybye, Market Development Executive from Danish Organic Service Centre, the marketing association responsible for OrganicDenmark.

Organic farming in Denmark currently accounts for almost 10 per cent of the total cultivated land, ranking it among the top five organic countries in Europe. More than 90 per cent of domestic sales are via the retail sector, and organic produce accounts for approximately 5 per cent of the total turnover of food produce. The UK, Sweden and Germany are the most important export markets.

Early movers in organics

Denmark was one of the first countries in Europe to identify the trend towards organic products. Development in organic produce started in 1993 when the largest retail group in the country, the co-op FDB, reached agreement with a number of companies producing organic foods to reduce prices and simultaneously increase the marketing of organic products.

The biggest-selling organic product in Denmark – organic fresh milk– has a market share of almost 30 cent. However, the production of organic milk surpasses the consumption allowing further growth in exports of dairy products.

www.organic-denmark.com is the crank

The brand OrganicDenmark is an umbrella for various joint international marketing activities including trade fairs, activities in retail chains and the new portal - along with the individual companies' own branding activities. More than 40 Danish companies have joined forces under the brand to gain exposure for their products and increase international demand. Among them, Thise, an innovative organic dairy, Urtekram, which is known for its multi-product assortment in organics, and Svansø Food, whose jams are enjoyed worldwide.

The national portal has been developed to provide an efficient, free tool for busy buyers and wholesalers abroad in order to minimize the distance between the relatively small Danish exporters and the international supermarkets chains and shops. Buyers can receive direct and detailed information about all new organic products through an on-line newsletter.

Unique state-control of organic production

The confidence of Danish consumers in organic foods is high and is based upon an effective regulatory system. The Ministry of Food, Agriculture and Fisheries is responsible for authorising and inspecting farms and companies. There are no similar inspection and authorisation systems for organic foods to be found anywhere else in the world. In Denmark, only state-authorized farms, companies and importers may use the word "organic" and the state-controlled "Ø logo" (Ø for "økologisk" which means organic in Danish) in connection with the marketing of organic food products.

"The Danish rules and regulations comply with EU regulations. But in order to simplify the international certification process The Ministry of Food, Agriculture and Fisheries is holding equivalence negotiations with the Soil Association at the moment. A mutual agreement will recognise each others' rules and standards and ease the way for Danish organic exporters to obtain the Soil Association's logo. As we go through this process, it's a clear advantage that all Danish organic products are certified according to one rigorous, national system," says Jens Eybye.

All organic products in Denmark are carefully screened for pesticide residues. Last year, the Danish Veterinary and Food Administration found no incidences in their random samplings of Danish fruit and vegetables.

Two trade barriers to overcome

"As an importer and distributor of organic products we are facing two major trade barriers," says John Svensson of Futura Foods, a 10-year-old UK-based company specializing in organic dairy products and ingredients from producers all over the world.

"First and foremost, it takes a long time to locate producers of organic products and get information about their new products, since many organic producers are relatively small businesses which focus on product development. Any initiative, like OrganicDenmark, to ease

the search process is welcome. In terms of certification we tend to use the logo of the national certifying bodies – in the case of Denmark the Danish: Ø. The fact that the Danish certification is established and controlled by the Danish Government makes it a highly trustworthy logo appreciated by our customers and eventually the consumers. However in some cases and in certain countries we need to apply the local certification symbol. This can be very time consuming in terms of co-ordinating organic rules internationally. We would therefore welcome the use and international acknowledgement of just one logo and one set of rules, if this was at all possible", he says.

See pictures at www.organic-denmark.com

For further information please do not hesitate to contact: Jens Eybye, Market Development Executive, Danish Organic Service Centre, phone +45 87 32 27 00/ e-mail: je@organic-denmark.com

Fact sheet

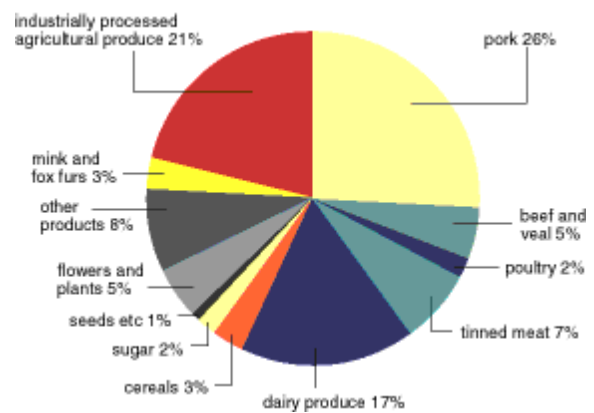
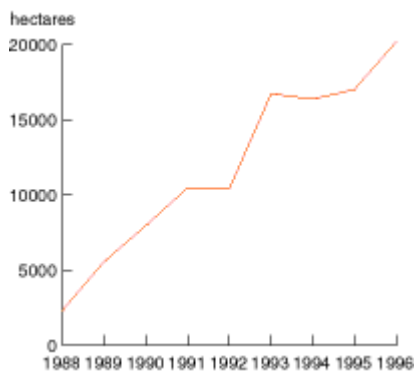
Statutory instruments

Since 1991, when Denmark entered into an agreement on common EU regulations for cultivation of organic crops, Danish regulations for arable farms have been based on the EU's own regulations – but strengthened on a number of dimensions.

Read more about Danish rules and regulations for organic foods at:

http://fvm.anet.dk/oko_uk/high_final_okouk_forside.asp?page_id=217

Danish organic farming



Denmark's export of agricultural products in the 1990's

Annual export of agricultural products

Total exports of agricultural products were valued at DKK 49 billion (appr. £ sterling 4,1 billion) in 2000. According to Danmarks Statistik the export of foods and living animals amounted to DKK 53 billion in the first 8 months of 2001. This is 16% higher than in the same period last year. In total, the export of foods increased by 10% in 2000.

The export of Danish organic products amounts to more than DKK 250 million (appr. £ sterling 20,9 m), i.e. approximately 10% of domestic sales, which are valued at approximately DKK 2,5 billion (appr. 208 m £ sterling). The export of organic products is expected to make up 25% of the domestic sales within a few years.

About 60 Danish companies currently export organic products or expect to do so soon. These companies represent a broad range of food categories. Statistically, 40% of export activities in Denmark are reactive – i.e. initiated by external contact.

Organic export markets:

Countries exporting	Number of food companies
Sweden	21
Other Nordic countries	18
Other countries	16
The USA	6
France	4

Exporting companies grouped in terms of product categories

Dairy products	11
Fruit and vegetables incl. processing	8
Cereals	8
Meat, delicatessen and production of sausages	4
Eggs and eggproducts	1
Other groceries	13

Growth in the value of the export from 1999 to 2000

Dairy products	Appr. 70 %
Fruit and vegetables	Appr. 80 %
Cereals	Appr. 80 %
Meat, delicatessen	Appr. 500 %
Eggs and eggproducts	No exports in 1999
Other groceries	-

Source: Danish Organic Service Centre

Danish consumers grouped according to consumption of organic products

Consumer	Share (%) 1999	Share (%) 2000
Light-user	52	54
Non-user	7	6

In 2000 13% of the Danish 'organic' households were heavy-users, and they account for 60% of total organic sales (within 15 selected product categories).

Heavy-user are households that spend more than 10% of the food budget on organic products.

Medium-users are households that spend 2.5 – 9.9% of the food budget on organic products.

Light-users are households that spend up to 2.49% of the food budget on organic products.

Source: Gfk, ConsumerScan 1999 and 2000

Relevant links:

Denmark covers a total area of 43,004.39 km². For more information about Denmark, see:

The Danish Ministry of Food, Agriculture and Fisheries (the organic portal):
http://fvm.anet.dk/oko_uk/high_final_okouk_forside.asp?page_id=217

The Danish Foreign Ministry:
<http://www.um.dk/english/>

The commercial section at the website of the Royal Danish Embassy in the UK:
<http://www.dk-export.com>