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Food and beverage industry in Denmark: Market potential for Ukraine

Market research

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Table of content

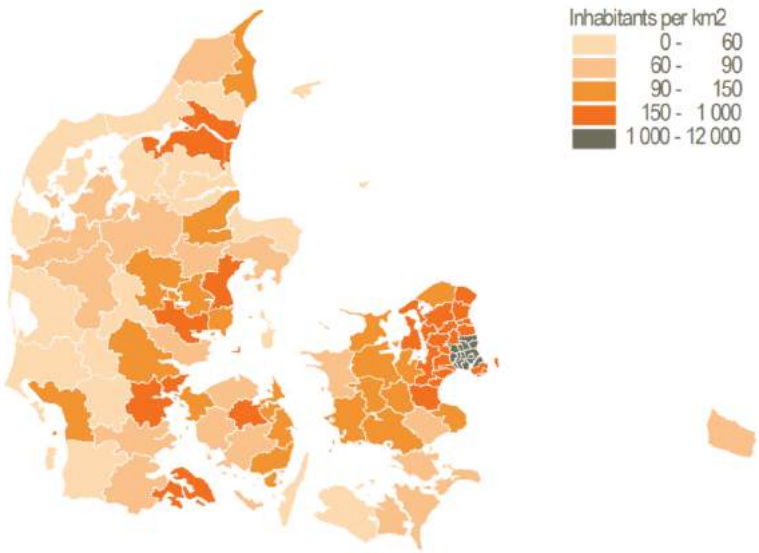
1. Country profile

1.1. Geography and population

Denmark is a relatively small country with an area of 42 934 km^2, which is 10 times smaller than neighboring Sweden, and 8 times smaller than neighboring Germany. On the other hand, Denmark has a coastline of more than 8 500 km, which is extraordinary given the size of the country. Besides Denmark, the Kingdom of Denmark includes the self-governing areas of Greenland and the Faroe Islands. Overall, some 61% of the country's landscape consists of man-made agricultural areas. However, forests are also evident in the landscape. [1]

Given the relatively small size of the country, Denmark has a moderate level of population density compared to other European countries. In 2019, its population size reached 5.9 million people, and population density - 135 persons per km^2. In comparison, in Norway, Finland and Sweden the population density is as low as 20 persons per km^2, but in some of the most populated European countries, such as the Netherlands, this number is 503 persons per km^2. The most densely populated area in Denmark is the capital city Copenhagen, which held 0.6 million people and had a population density of 8 116 per km^2 in 2019. It is followed by surrounding areas of Copenhagen and the eastern Denmark (Figure 1).[2]

Figure 1. Population distribution in Denmark by regions, 2018 [3]



In the last decade, Denmark's population density has been increasingly rising, due to its population growing by about 0.5% annually. This is despite the fertility rate in Denmark standing at 1.8 children per women, which is lower than the required 2.1 children needed for population to reproduce itself. Population growth in Denmark can be explained largely by birth rates surpassing death rates, and immigration outnumbering emigration. This, in turn, has created 2 major population composition changes in the country. Firstly, there is a growing number of elderly people in Denmark, with around 25% of the population being aged 60 years or older, and the average life expectancy being 82.9 years for women and 79.0 years for men. And, secondly, the share of immigrants and their descendants is increasing in the total population in the country, making

[1] Statistics Denmark. Denmark in Figures, 2018. Available at: https://www.dst.dk/Site/Dst/Udgivelser/GetPubFile.aspx?id=28923&sid=denmark2018
[2] Statistics Denmark. Population and elections. Table BY3. Available at: https://www.statistikbanken.dk/BEV22
[3] Statistics Denmark. Denmark in Figures, 2018. Available at: https://www.dst.dk/Site/Dst/Udgivelser/GetPubFile.aspx?id=28923&sid=denmark2018

up around 13% of the population. The majority of immigrants in Denmark come from Poland, Syria, Turkey, Germany and Romania. [4] [5]

1.2. Macroeconomic development

Denmark has one of the strongest economies in Europe, characterised by a balanced state budget, stable currency, low interest rates and low inflation. However, for the past 2 decades, economic development in Denmark has been somewhat stagnant compared to the average growth rate for the EU and the USA. During this period, Danish economy grew by 19%, while USA saw a growth rate of 36% during the same period, and the EU average ranges around 27%.[6]

The Danish economy was hit hard by a sharp downturn after the financial crisis, but with the GDP decline of -4.9% in 2009, it was far from being one of the countries that had had a GDP decrease of nearly -15.0%, like the Baltic countries. However, Denmark also took a long time to recover from the recession. Since 2013, the economy has been developing positively, but the GDP growth has not been as rapid as in other EU countries. In fact, Denmark's GDP growth of 1.5% in 2018, is among the lowest in the region. Several of Denmark's neighbouring countries have performed better in terms of GDP development, like Sweden with GDP growth of 2.4% in 2018 (Table 1).

In current prices, Denmark's economy in 2018 measured at EUR 298.3 billion, with GDP per capita reaching EUR 51.5 thousand, marking a steady growth from EUR 45.5 in 2012. When compared by this indicator with other EU countries, Denmark ranks as the 3rd highest among other EU-28 countries, indicating on very high standard of living. Accordinlgy, consumers' purchasing power in Denmark also is among the highest in the region, nearly 10 times above the EU-28 average. In 2018, purchasing power parity in Denmark was 9.83, when measured against the EU-28 average level – 1.00. However, over the past few years, as other economies have catched up due to rapid GDP growth, rising income and price levels, Denmark's purchasing power has comparatively declined. In addition, the reduction in inflation has also played a part in this – in 2018, the annual inflation in Denmark was measured at just 0.8%, when in 2012 it was 3 times higher at 2.4%, thereby slightly reducing the difference in price levels in comparison to the EU-28 region (Table 1).

Denmark's competitiveness currently remains good, reflected in stronger industrial output, a large part of which is exported. The favourable economic environment has also helped reduce the current account surplus and brought down the level of household debt. Labour market and pension reforms have helped bring the number of people in employment to historically high levels. In 2018, annual unemployement reached just 3.9%, almost reaching pre-crisis levels. However, challenges remain, as companies are increasingly reporting shortages of skilled workers, the supply of labour is unsufficient, and the productivity growth is relatively slow.

[4] Thelocal.dk. Here's where Denmark's foreign residents live and where they come from (2018). Available at: https://www.thelocal.dk/20180411/heres-where-denmarks-foreign-residents-live-and-where-they-come-from
[5] Statistics Denmark. Denmark in Figures, 2018. Available at: https://www.dst.dk/Site/Dst/Udgivelser/GetPubFile.aspx?id=28923&sid=denmark2018
[6] Statistics Denmark. Denmark in Figures, 2018. Available at: https://www.dst.dk/Site/Dst/Udgivelser/GetPubFile.aspx?id=28923&sid=denmark2018

Table 1. Denmark's key macroeconomic indicators, 2012-2018 [7] [8] [9] [10] [11] [12]

Indicator	2012	2013	2014	2015	2016	2017	2018
Population, thsd	5 580.5	5 602.6	5 627.2	5 659.7	5 707.3	5 748.8	5 781.2
Nominal GDP, EUR bln	254.6	258.7	265.8	273.0	282.1	292.8	298.3
Nominal GDP per capita, EUR	45 500	46 100	47 100	48 000	49 200	50 800	51 500
Annual real GDP growth, %	0.2	0.9	1.6	2.3	2.4	2.3	1.5
Purchasing power parity, GDP (EU28=1)	10.01	10.01	9.94	9.72	9.94	9.84	9.83
Price level indices, GDP (EU28=100)	134.5	134.2	133.4	130.3	133.5	132.3	131.8
Annual inflation, %	2.4	0.8	0.6	0.5	0.3	1.1	0.8
Unemployment, %	6.0	5.8	5.0	4.5	4.1	4.2	3.9

Overall, the outlook for Denmark's economy in 2019 and further coming years is positive, but overall development pace is expected to slightly decline, as the economic growth in the world is projected to slow down. Nevertheless, with the Danish government being prepared for addressing the risks, including some dampening of growth abroad, and with several structural reforms being expected, Denmark can currently be considered among the strongest economies in the EU-28 region.

[7] Statistics Denmark. AULP01, Full-time unemployed persons in per cent of the labour force by sex, age, region and time. Available at: https://www.statistikbanken.dk/AULP01

[8] Eurostat database. Purchasing power parities (PPPs), price level indices and real expenditures for ESA 2010 aggregates [prc_ppp_ind]. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_ppp_ind&lang=en

[9] Statistics Denmark. PRIS9, Consumer price index, annual rate of change (1900=100) by type and time. Available at: https://www.statistikbanken.dk/PRIS9

[10] Eurostat database. Real GDP growth rate – volume (tec00115). Available at: https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tec00115&plugin=1

[11] Eurostat database. Gross domestic product at market prices (tec00001). Available at: https://ec.europa.eu/eurostat/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tec00001&language=en

[12] Statistics Denmark. AULP03, Full-time unemployed persons in per cent of the labour force by region, country of origin and sex. Available at: https://www.statbank.dk/statbank5a/SelectVarVal/Define.asp?Maintable=AULP03&PLanguage=1

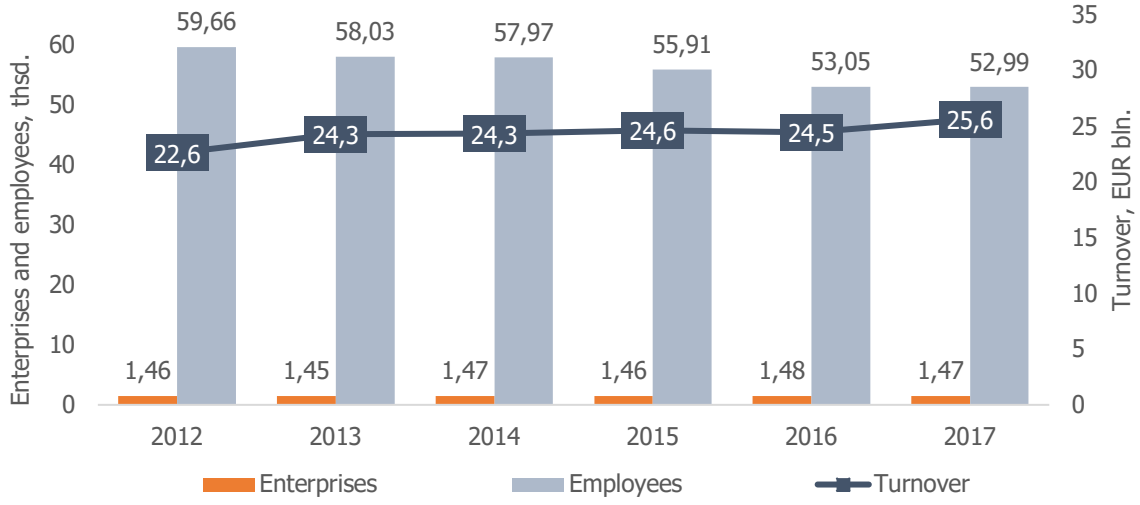
2. Production and foreign trade

2.1. Production

Among the most important industries in Denmark, being major contributors to the overall economy development, is agriculture and food manufacturing. Historically, Denmark's reliance on these industries, both domestically and as a major source for exports, has been considerably greater than now, but in the post-war era the composition of Denmark's exports radically changed, with manufacturing and industrial goods becoming more important. However, both agriculture and food manufacturing industries still play an important role in Denmark's economy, as reflected in numerous Danish bacon factories, dairies, corn mills and breweries.

Although overall in a good state, during the past few years, the food manufacturing industry in Denmark has experienced some challenges for its growth, mostly related to limited growth in productivity. The rising costs of human labour has promoted the interest of Danish food manufacturers to invest in development and use of new production technologies, which, in turn, has led to a significant decrease in the need for human labour and rise in profitability. From 2012 to 2017, the number of employees in Denmark's food manufacturing industry has decreased by 11.2% - from 59.7 thousand to 53.0 thousand, while the turnover has risen by 13.3% - from EUR 22.6 billion to EUR 25.6 billion during this period (Figure 2).

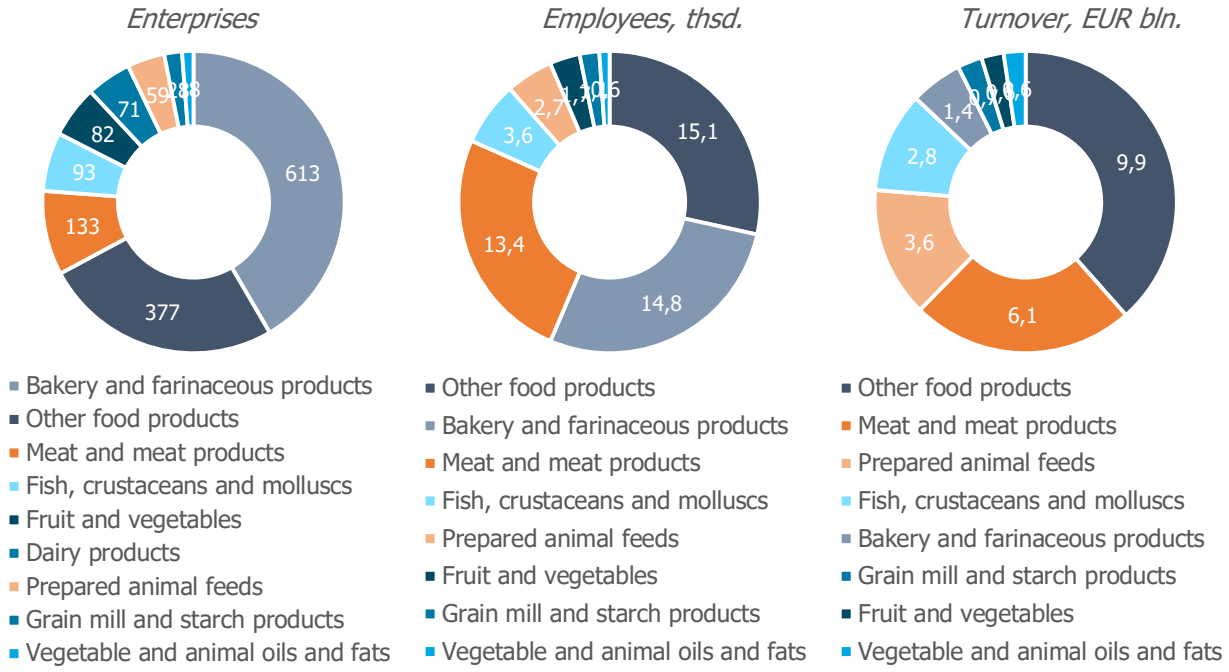
Figure 2. Key indicators of Denmark's food manufacturing industry, 2012-2017 [13]



By breaking down industry data by product sectors, it can be deduced that most of Denmark's food industry's turnover comes from manufacture of meat and meat products, prepared animal feeds, as well as fish and other seafood. Manufacture of dairy products also plays a major role in the industry, estimated to be just as significant as the manufacture of meat, but there was no data on turnover available. In 2017, turnover of meat and meat product manufacturing sector was EUR 6.1 billion or 23.9% of the total industry's turnover, followed by prepared animal feed sector with EUR 3.6 billion or 13.9%, fish and other seafood sector with EUR 2.8 billion or 10.8%, bakery and farinaceous product sector with EUR 1.4 billion or 5.6%, grain mill and starch product sector with EUR 0.7 billion or 0.7% (Figure 3).

[13] Eurostat, Structural Business Statistics database. Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E) [sbs_na_ind_r2]. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=sbs_na_ind_r2&lang=en

Figure 3. Breakdown of Denmark's food manufacturing industry by product sectors, 2017 [14]

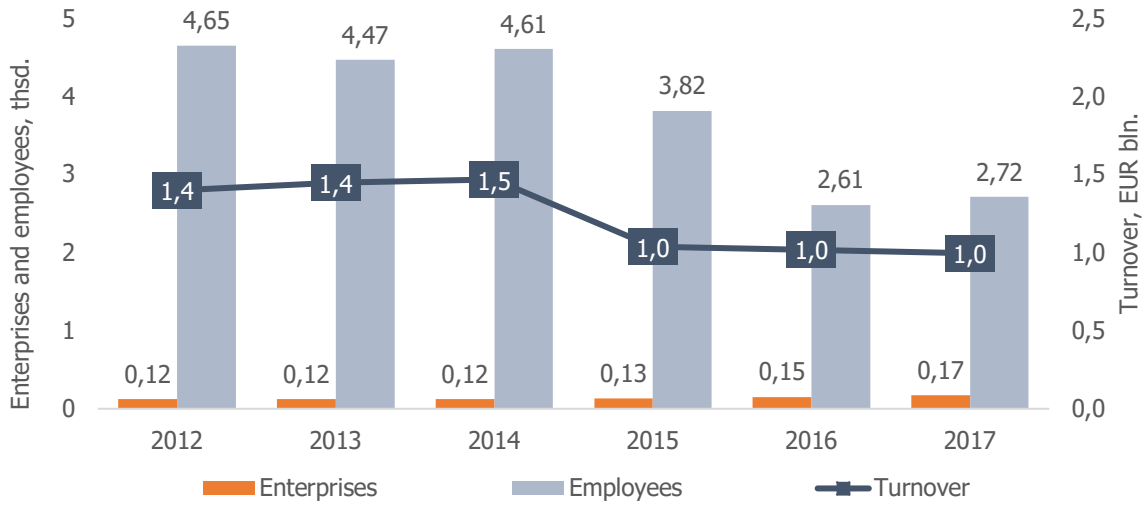


Denmark's beverage manufacturing industry is considerably smaller than food manufacturing, but is still prominent, when compared to industry's share in othe EU-28 countries. However, the industry in Denmark has been contracting for the past few years, with the greatest reduction from 2014. This is partly due to the fact that the industry in Denmark has heavily relied on manufacture of alcoholic drinks, especially beer, but the consumption of alcohol in Denmark has been on the decline – for the past decade, the consumption of alcohol per capita in Denmark has reduced by an average of 16.4%.[15] Also, the structure of alcohol consumption in Denmark has been changing as well, withc Danes increasingly preferring to wine and other drinks over beer. As a consequence, from 2012 to 2017, the turnover of Denmark's beverages manufacturing industry has shrunk by 28.6% - from EUR 1.4 billion to EUR 1.0 billion, and the number of employees has decreased by a considerable 41.5% - from 4.7 thousand to 2.7 thousand during this period (Figure 4).

[14] Eurostat, Structural Business Statistics database. Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E) [sbs_na_ind_r2]. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=sbs_na_ind_r2&lang=en

[15] Statistics Denmark. ALKO2, Consumption and sales of alcohol and tobacco, subject to excises duties, by pop. by type and time. Available at: https://www.statistikbanken.dk/ALKO2

Figure 4. Key indicators of Denmark's beverage manufacturing industry, 2012-2017 [16]



To sum up, Denmark's food and beverages manufacturing industry has experienced notable changes during the past few years, with introduction of new production technologies and a decreased need for human labour. But only manufacturing of food has had a positive growth, with the most important sectors being manufacture of meat and meat products, dairy products, prepared animal feeds, fish and other seafood, grain mill and starch products, and bakery and farinaceous products. In contrast, Denmark's manufacturing of beverages, which relied heavily on alcoholic drinks sector, has been negatively impacted by a reduced consumption of alcohol by Danes.

2.2. Foreign trade

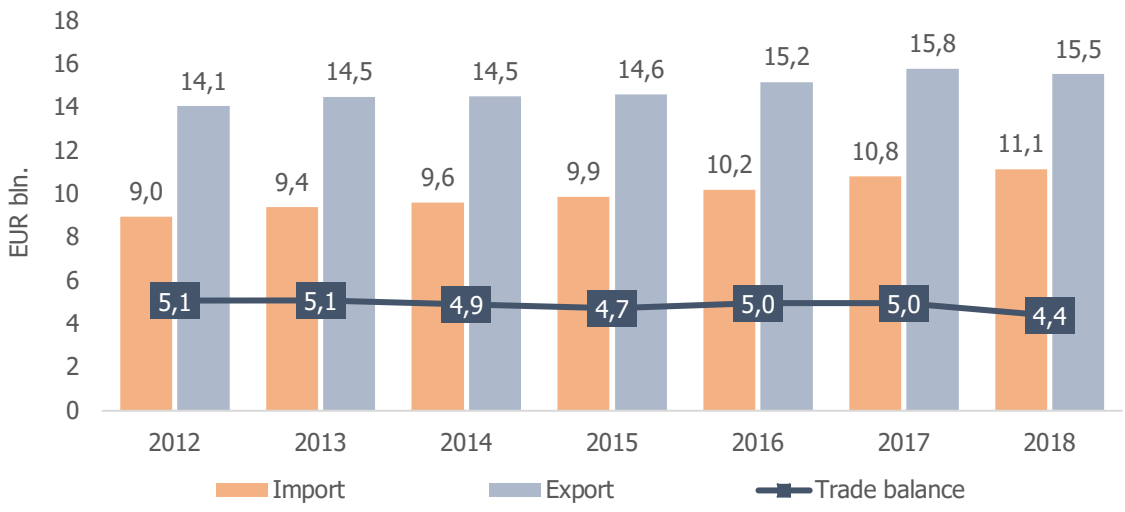
2.2.1. Foreign trade with the world

The Danish economy is small, open and highly geared to trade with other countries. Consequentially, Denmark is a member of collaborative organisations such as the EU, OECD and WTO. However, Denmark has chosen to stay outside the Eurozone, and its currency is thus still the Danish Krone (DKK), although thightly binded to the Euro. Denmark's location in Europe's most prosperous region between the Nordic countries, Western and Central Europe, has given it a prime access to the strongest and largest markets in Europe, and allowed to establish strong trade relations. Nowadays, Denmark's most important trading partner is Germany, followed by Sweden, Great Britain and Norway. Outside Europe, the US and Japan are also important trading partners.[17]

Denmark's trade of food and beverages comprise a significant share of its total foreign trade. In 2018, Denmark's exports of food and beverages totalled to EUR 15.5 billion and made up 16.8% of country's total exports, while imports of food and beverages equalled to EUR 11.1 billion and made up 12.8% of total imports. Accordingly, with exports exceeding imports, Denmark's trade balance in food and beverages is positive, constituing EUR 4.4 billion in 2018, however, it has reduced by 13.7% since 2012, when it was EUR 5.1 billion. This is due to increasing imports of food and beverages, which have grown by 23.3% during this period, while exports have risen just by 9.9% (Figure 5).

[16] Eurostat, Structural Business Statistics database. Annual detailed enterprise statistics for industry (NACE Rev. 2, B-E) [sbs_na_ind_r2]. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=sbs_na_ind_r2&lang=en
[17] Ministry of Foreign Affairs in Denmark. anish Business and Economy. Available at: http://ukraine.um.dk/en/about-denmark/danish-business-and-economy/

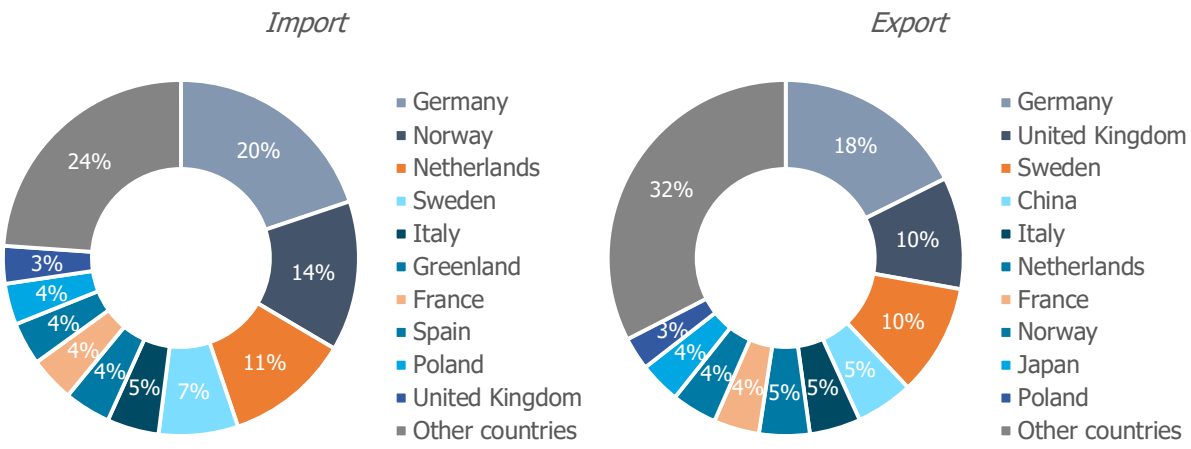
Figure 5. Denmark's foreign trade of food and beverages with the world, 2012-2018 [18]



Most of Denmark's foreign trade of food and beverages takes place within the boundaries of the EU. In 2018, 67.1% or EUR 7.5 billion of food and beverage imports in Denmark came from EU countries, while just 32.9% or EUR 3.7 billion came from countries outside the EU. This is also true for exports – in 2018, 66.7% or EUR 10.4 billion of food and beverage exports from Denmark were sent to EU countries, and only 33.3% or EUR 5.2 billion were sent to countries outside the EU. [19]

In 2018, Denmark's top partner countries for import of food and beverages were the neighbouring Germany with EUR 2.2 billion or 19.9% of total imports, Norway with EUR 1.5 billion or 13.6%, Netherlands with EUR 1.3 billion or 11.3%, Sweden with 0.8 billion or 7.2%, as well as the further located Italy with EUR 0.5 billion or 4.7% of total imports (Figure 6). Food and beverage imports from Ukraine comprised just EUR 68.32 million or 0.6% of all imports. [20]

Figure 6. Breakdown of Denmark's foreign trade of food and beverages by partner countries, 2018 [21]



[18] Eurostat, PRODCOM database. EU Trade Since 1988 By HS2-HS4 (DS-016894). Available at: https://ec.europa.eu/eurostat/web/prodcom/
[19] Eurostat, PRODCOM database. EU Trade Since 1988 By HS2-HS4 (DS-016894). Available at: https://ec.europa.eu/eurostat/web/prodcom/
[20] Eurostat, PRODCOM database. EU Trade Since 1988 By HS2-HS4 (DS-016894). Available at: https://ec.europa.eu/eurostat/web/prodcom/
[21] Eurostat, PRODCOM database. EU Trade Since 1988 By HS2-HS4 (DS-016894). Available at: https://ec.europa.eu/eurostat/web/prodcom/

The Top 10 product groups in Denmark's imports of food and beverages by import value in 2018 were as follows (Table 2):

- Fish and other seafood with an import value of EUR 2.55 billion or 22.9% of total imports;
- Beverages, spirits and vinegar with an import value of EUR 1.12 billion or 10.1%;
- Meat and meat offal with an import value of EUR 0.96 billion or 8.6%;
- Preparations of meat, fish and other seafood with an import value of EUR 0.82 billion or 7.3%;
- Fruit and nuts with an import value of EUR 0.74 billion or 6.6%;
- Dairy produce, eggs, honey with an import value of EUR 0.73 billion or 6.5%;
- Animal and vegetable fats and oils with an import value of EUR 0.70 billion or 6.3%;
- Preparations of cereals and flour, pastrycooks' products with an import value of EUR 0.56 billion or 5.0%;
- Vegetables, roots and tubers with an import value of EUR 0.47 billion or 4.2%;
- Preperations of vegetables, fruit and nuts with an import value of EUR 0.44 billion or 4.0%.

However, not all of these product groups have a negative trade balance, as Denmark has a strong production of dairy, meat and cereal products and is able to meet the major part of demand. Instead, foreign importers have the best potential in product groups with the greatest negative trade balance, which in 2018 were as follows (Table 2):

- Fruit and nuts with a negative trade balance of EUR 0.62 billion;
- Vegetables, roots and tubers with a negative trade balance of EUR 0.30 billion;
- Preperations of vegetables, fruit and nuts with a negative trade balance of EUR 0.23 billion;
- Beverages, spirits and vinegar with a negative trade balance of EUR 0.19 billion;
- Coffee, tea, mate and spices with a negative trade balance of EUR 0.18 billion;
- Cocoa and cocoa preparations with a negative trade balance of EUR 0.13 billion;
- Animal and vegetable fats and oils with a negative trade balance of EUR 0.05 billion.

Table 2. Breakdown of Denmark's trade of food and beverages with the world by product groups, 2018 [22]

Product group	Import, EUR mln.	Export, EUR mln.	Trade balance, EUR mln.
Fruit and nuts	735.88	116.93	-618.95
Vegetables, roots and tubers	471.87	168.44	-303.43
Preperations of vegetables, fruit and nuts	442.24	212.98	-229.25
Beverages, spirits and vinegar	1 121.42	936.31	-185.11
Coffee, tea, mate and spices	242.47	62.13	-180.33
Cocoa and cocoa preparations	275.59	145.13	-130.46
Animal and vegetable fats and oils	699.72	653.39	-46.33
Cereals	267.30	260.97	-6.33
Sugars and sugar confectionery	243.00	273.64	30.64
Oil seeds and oleaginous fruits	321.03	385.17	64.14
Products of milling, malt, starches, gluten, etc.	106.49	239.82	133.33
Preparations of meat, fish or crustaceans, molluscs, etc.	815.00	1 127.91	312.91
Other edible preparations	598.27	1 028.50	430.23
Preparations of cereals and flour, pastrycooks' products	562.37	1 158.50	596.13

[22] Eurostat, PRODCOM database. EU Trade Since 1988 By HS2-HS4 (DS-016894). Available at: https://ec.europa.eu/eurostat/web/prodcom/

Fish and crustaceans, molluscs etc.	2 554.11	3 202.17	648.06
Dairy produce, eggs, honey	721.97	2 471.29	1 749.32
Meat and meat offal	962.53	3 091.53	2128.99
Foods and beverages, total	**11 141.26**	**15 534.81**	**4 393.55**
*Organic foods and beverages**	*471.17*	*379.83*	*-91.33*

**Data on trade for organic foods and beverages is only available for 2017*

Organic foods and beverages also present attractive opportunities for product import in Denmark, as this product group also has a negative trade balance, in 2018 standing at EUR 0.09 billion. Overall, import of organic foods and beverages in Denmark makes up 4.2% of all imported foods and beverages, while export of such products – just 2.5%. Organic foods and beverages in Denmark has seen a rapid increase in imports from 2012 to 2017, growing by 157.9% during this period, and it also has negative trade balance of EUR 91.33 million. Within organic foods and beverages, nearly half or 43.4% of the imported product groups are vegetable and fruits, followed by cereals and cereal proparations with 17.0%, coffee, tea, cocoa, spices with 8.7%, sugars, sugar preparations and honey with 6.5%, and beverages with 5.0%. Accordingly, these product groups also have the largest negative trade balance. Overall, most of imported organic product groups in Denmark have a negative trade balance, except dairy products and bird egs, meat and meat preparations, and fish, crustaceans, molluscs, which generally have a strong local production, resulting in higher exports than imports.[23]

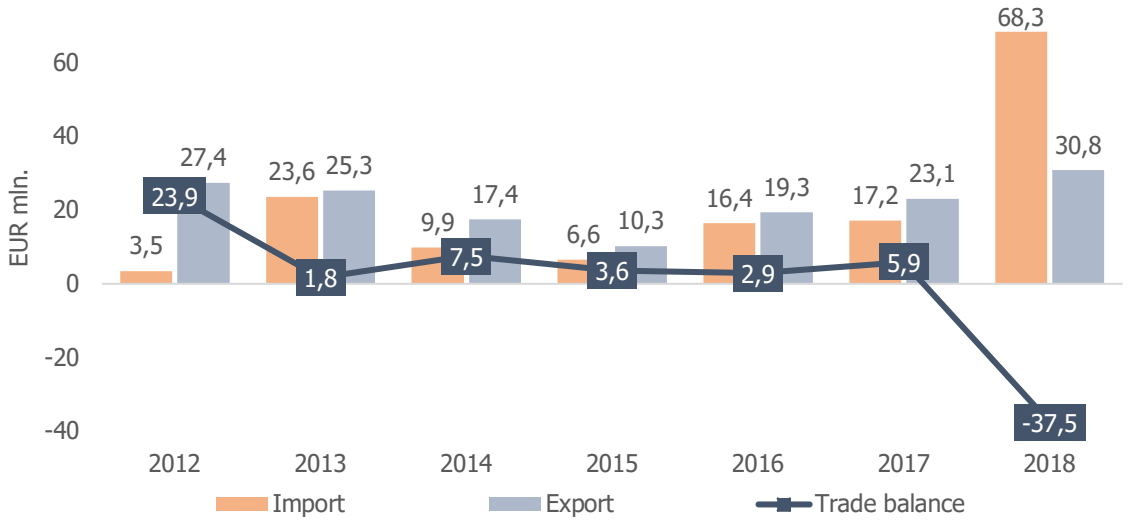
2.2.2. Foreign trade with Ukraine

For the past few years, Denmark's trade activities with Ukraine have substantially increased. Although Denmark's export of goods to Ukraine has grown just slightly – by 0.7% from 2012 to 2018, Denmark's import of goods from Ukraine has increased by a significant 63.4% during this period[24]. This is largely an effect of the application of Deep and Comprehensive Free Trade Agreement (DCFTA) in 2016 between the EU and Ukraine, which has opened free trade between both markets and facilitated access of Ukrainian businesses to the EU market. The DCFTA has been especially valuable for Ukrainian food manufacturers, as most of the export growth has arised specifically from trade in food and beverage products. In addition, the AA/DCFTA has been supplemented with Autonomous Trade Measures (ATMs) regulation for several industrial goods and agricultural products from 2017, allowing duty-free exports to the EU for a large amount of wheat, corn, barley, oats and barley cereals and granules.

As a result, the introduction of AA/DCFTA, as well as ATMs between Ukraine and the EU, resulted in a rapid spike in imports of food and beverages from Ukraine in the EU countries, including Denmark. In fact, food and beverage imports from Ukraine have grown 19.5 times in terms of value from 2012 to 2018, increasing from a mere EUR 3.5 million up to EUR 68.3 million, with most of the growth occurring from 2017, when ATMs began to be applied. Accordlingly, with Denmark's exports to Ukraine having a marginal growth, trade balance have shrunk considerably from 2012 to 2018 – from a positive balance of EUR 23.9 million to a negative balance of EUR 37.5. In addition, it can be predicted that trade activity between both countries will continue to grow, but most of the growth will likely stem from Ukraine's exports (Figure 7).

[23] Statistics Denmark. OEK06, External trade with organic products by imports and exports, country and main SITC groups (2003-2017). Available at: https://www.statbank.dk/statbank5a/SelectVarVal/Define.asp?MainTable=OEKO6&PLanguage=1&PXSId=0&wsid=cftree
[24] Denmark Statistics.
SITC2R4Y, Value of imports and exports (DKK 1,000) by main SITC groups, country and imports and exports (2007-2018). Available at: https://www.statbank.dk/statbank5a/SelectVarVal/Define.asp?MainTable=SITC2R4Y&PLanguage=1&PXSId=0&wsid=cftree

Figure 7. Denmark's foreign trade of food and beverages with Ukraine, 2012-2018 [25]



Because the ATMs and exclusion of duty applies mostly to trade with cereals, this product group has comprised the largest part of Denmark's imports from Ukraine. The Top 5 product groups in Denmark's imports of food and beverages from Ukraine by import value in 2018 were as follows (Table 2):

- Cereals with an import value of EUR 47.3 million or 69.2% of total imports;
- Dairy produce, eggs and honey with an import value of EUR 11.7 million or 17.1%;
- Cocoa and cocoa preparations with an import value of EUR 0.7 million or 1.0%;
- Preparations of cereals and flour, pastrycooks' products with an import value of EUR 0.6 million or 0.9%;
- Fruit and nuts with an import value of EUR 0.2 million or 0.4%.

These also have been product groups with the largest negative trade balance in food and beverage trade between both countries.

Table 3. Breakdown of Denmark's trade of food and beverages with Ukraine by product groups, 2018 [26]

Product group	Import, EUR thsd.	Export, EUR thsd.	Trade balance, EUR thsd.
Cereals	47 290.66	1.60	-47 289.07
Dairy produce, eggs, honey	11 704.70	2 296.76	-9 407.93
Cocoa and cocoa preparations	651.77	30.26	-621.51
Preparations of cereals and flour, pastrycooks' products	615.99	83.40	-532.59
Fruit and nuts	242.12	0.00	-242.12
Products of milling, malt, starches, gluten, etc.	6.33	0.00	-6.33
Vegetables, roots and tubers	0.05	1.82	1.77
Coffee, tea, mate and spices	4.67	13.43	8.76
Preperations of vegetables, fruit and nuts	0.32	41.49	41.17
Sugars and sugar confectionery	0.05	188.91	188.86
Animal and vegetable fats and oils	62.62	261.25	198.63
Preparations of meat, fish or crustaceans, molluscs, etc.	0.39	327.01	326.62

[25] Eurostat, PRODCOM database. EU Trade Since 1988 By HS2-HS4 (DS-016894). Available at: https://ec.europa.eu/eurostat/web/prodcom/
[26] Eurostat, PRODCOM database. EU Trade Since 1988 By HS2-HS4 (DS-016894). Available at: https://ec.europa.eu/eurostat/web/prodcom/

Oil seeds and oleaginous fruits	135.44	549.93	414.49
Beverages, spirits and vinegar	11.21	769.98	758.77
Other edible preparations	475.96	1 727.72	1 251.77
Meat and meat offal	24.20	8 705.43	8 681.23
Fish and crustaceans, molluscs etc.	7 093.18	15 791.78	8 698.60
Foods and beverages, total	**68 319.66**	**30 790.77**	**-37 528.89**
Organic foods and beverages	*79.96*	*17.14*	*-62.82*

**Data on trade for organic foods and beverages is only available for 2017*

With the introduction of ATMs, Denmark's import of organic foods and beverages from Ukraine also have increased, becoming an attractive opportunity for Ukrainian businesses, although it yet makes up a comparatively small share. In 2017, Denmark's import of organic foods and beverages from Ukraine totalled to EUR 79.96 thousand, making up just 0.1% of all imported foods and beverages from Ukraine. However, Denmark's trade balance in this product group is negative, standing at EUR 62.82 thousand in 2017, with Denmark importing more organic foods from Ukraine than it is exporting.[27]

2.2.3. High potential trade for Ukraine

For Ukraine, food and beverage products compose a significant portion of country's total exports, making it very important to find new trade partners in order to expand exports. In 2018, Ukraine's exports of food and beverages totalled to EUR 14.32 billion or 35.7% of country's total exports. Most of Ukraine's exports within the category in 2018 were comprised of cereals, which accounted for EUR 6.1 billion or 42.9% of total country's exports of food and beverages, followed by animal and vegetable fats and oils with EUR 3.8 billion or 26.6%, oil seeds and oleaginous fruits with EUR 1.7 billion or 11.6%, meat and meat offal with EUR 0.6 billion or 3.8%, dairy produce, eggs and honey with EUR 0.4 billion or 2.8% (Table 4).

Table 4. Breakdown of Ukraine's export of food and beverages to the world by product groups, 2018 [28] [29]

Product group	Export, EUR mln.	Export, % of total food and beverage export
Cereals	6 136.8	42.9%
Animal and vegetable fats and oils	3 811.1	26.6%
Oil seeds and oleaginous fruits	1 656.2	11.6%
Meat and meat offal	547.6	3.8%
Dairy produce, eggs, honey	407.9	2.8%
Sugars and sugar confectionery	310.9	2.2%
Preparations of cereals and flour, pastrycooks' products	227.4	1.6%
Vegetables, roots and tubers	199.8	1.4%
Beverages, spirits and vinegar	194.8	1.4%
Fruit and nuts	193.7	1.4%

[27] Statistics Denmark. OEK06, External trade with organic products by imports and exports, country and main SITC groups (2003-2017). Available at: https://www.statbank.dk/statbank5a/SelectVarVal/Define.asp?MainTable=OEKO6&PLanguage=1&PXSId=0&wsid=cftree

[28] Ukraine State Statistics. Commodity Pattern of Foreign Trade of Ukraine, 2018. Available at: https://ukrstat.org/en/operativ/operativ2018/zd/tsztt/tsztt_e/tsztt1218_e.htm

[29] Currency exchange rate used: USD 1 = EUR 0.847541 (annual average of 2018) . Available at: https://www.ofx.com/en-au/forex-news/historical-exchange-rates/yearly-average-rates/

Cocoa and cocoa preparations	173.0	1.2%
Products of milling, malt, starches, gluten, etc.	149.1	1.0%
Preperations of vegetables, fruit and nuts	146.0	1.0%
Other edible preparations	111.9	0.8%
Fish and crustaceans, molluscs etc.	21.2	0.1%
Preparations of meat, fish or crustaceans, molluscs, etc.	18.4	0.1%
Coffee, tea, mate and spices	10.2	0.1%
Food and beverages, total	**14 316.0**	**100.0%**

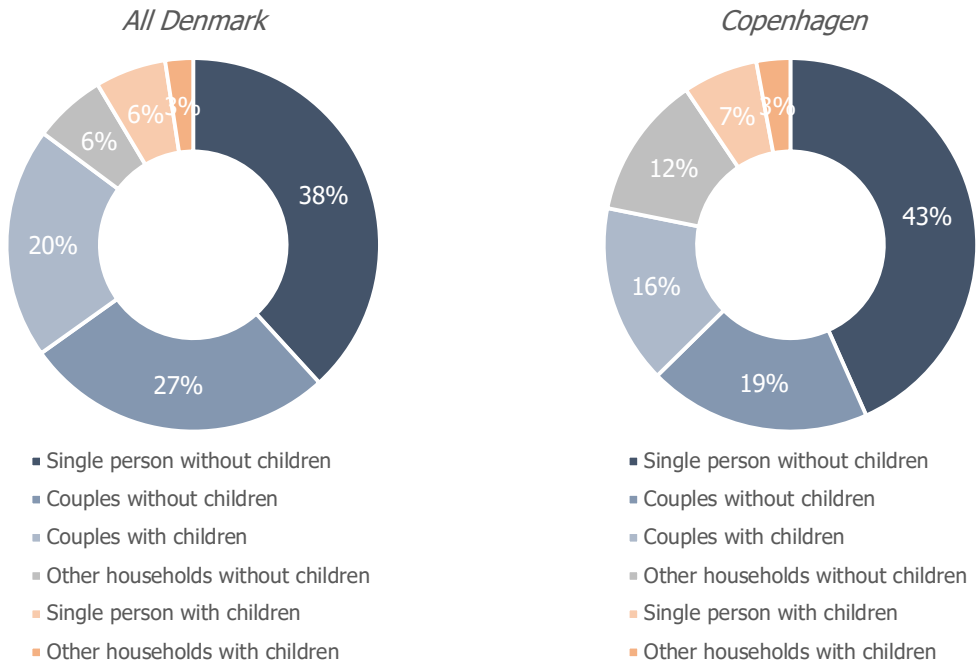
To a large extend, it can be concluded that Ukraine is properly exploiting its export capabilities to Denmark by focusing on its specialization – cereals, but export of dairy produce, eggs and honey could be increased, taking into account Denmark's high import amounts within this product category. Also, Ukraine has good potential of expanding its exports of preparations of cereals and flour, pastrycooks' products to Denmark. However, the greatest discrepancy in Denmark's demand and Ukraine's export capabilities is in the trade of meat and meat offal, as this is the 3rd largest imported product group in Denmark, but import from Ukraine in this group is very low. Also, product groups such as animal and vegetable fats and oils, vegetables, roots and tubers, as well as beverages, spirits and vinegars, have potential to achieve higher trade activity, as the trade balance for there groups also is negative in Denmark.

3. Consumer profile analysis

3.1. Consumer profile

In 2019, there were a total of 2.71 million households in Denmark, of which 0.31 million households were located in the capital city of Copenhagen. The average household size in Denmark is 2.1 people. The most common types of household in Denmark are couples, comprising 47% of all households, followed by single persons with 44%, while other types of households made up 9%. Households with children under the age of 18 make up 29% of all households, while households without children - 71%. However, in the capital city of Copenhagen, the composition is slightly different, with the main type of household being single persons making up 50% share of all households, couples - 35%, and other types of households - 15%. Households with children under the age of 18 make up 25% of all households, while households without children - 75% (Figure 8).

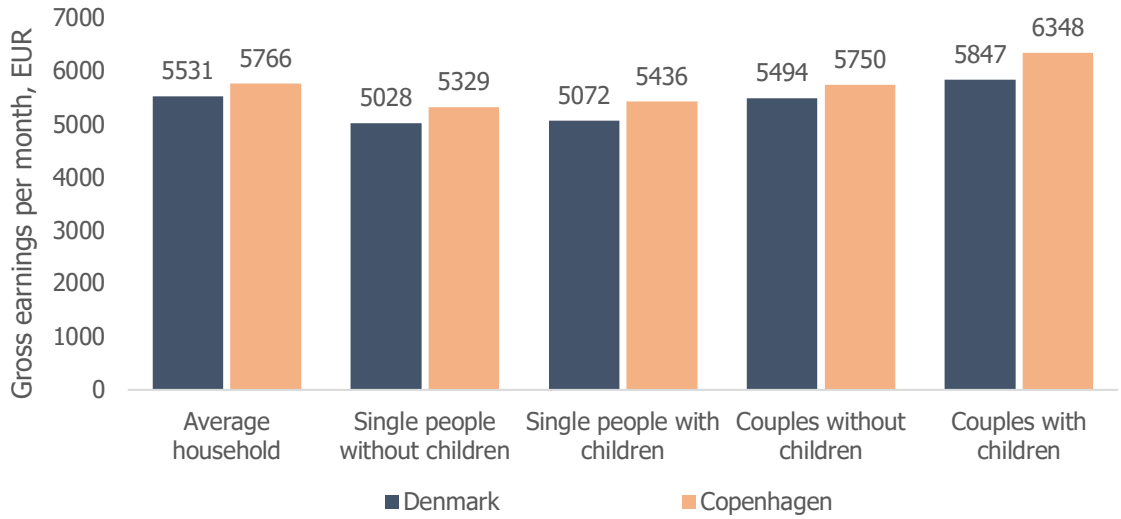
Figure 8. Households in Denmark broken down by demographic type, 2019 [30]



The average level of gross earnings for the average household in Denmark was EUR 5 531 per month in 2017, and it was even higher in Copenhagen at EUR 5 766 per month. When broken down by household type, the summed gross earnings were higher for couples, especially for couples with children. The average level of gross earnings for men in Denmark is also higher than for women – at accordingly EUR 5 905 and EUR 5 118 per month. Also, the highest average level of gross earnings is for people aged 40-49 years at EUR 6 058 per month, followed by people aged 50-59 years ar EUR 5 957 per month, people aged 60 and more at EUR 5 828, people aged 30-39 years at EUR 5 384 per month, and, finally, people aged 20-29 at EUR 4 000 (Figure 9). Also worth noting that income varies largely depending on other demographic characteristics, such as nationality – e.g., the income level of immigrant households in Denmark is generally much lower than that of Danes, but this also depends on the origin country of immigrants.

[30] Statistics Denmark. FAM55N, Households 1 January by region, type of household, household size and number of children in the household (1986-2019). Available at: https://www.statistikbanken.dk/FAM55N

Figure 9. Average level of gross earnings per month in Denmark by household type, 2017 [31]



It has to be taken into account that in Denmark personal income, such as salary and employment benefits, self-employment, income, profit from renting out real estate, etc., is subject to various levels of applicable tax. Most personal income is subject to AM tax of 8%, which is deducted from the income before the other taxes are calculated, such as the income tax. In Denmark, income tax rates are progressive and comprise state, municipality and church taxes. Tax rates vary from 36% up to a marginal income tax rate of 51%. [32]

3.2. Consumer expenditure

Data on consumption expenditure reveal that Denmark has among the highest expenditures per capita among the EU-28 countries. In 2018, total annual consumption expenditure per capita was EUR 33 270, whereas the average in the EU-28 countries was EUR 21 075. Annual consumption expenditure on food and non-alcoholic beverages of the average consumer in Denmark comprised EUR 2 721 per capita, equalling to a share of 8.2% of the total expenditure, while in the EU-28 countries the expenditure was lower ar EUR 2 057, but made up a larger share of total expenditure – 9.8% (Table 5). This is because, even though price levels of food and beverages in Denmark are considerably higher than on average in the EU-28 countries, the disposable income in Denmark is significantly greater as well, resulting in a greater freedom for consumption choices.

Of food and non-alcoholic beverages, the average Danish consumer spends the most on meat and meat products, with the annual expenditure in 2018 standing at EUR 548 per capita or 20.1% of all expenditure on food and non-alcoholic beverages. It was followed by fruits, vegetables, potatoes with the average annual expenditure of EUR 434 per capita or 15.6% of expenditure on food and non-alcoholic beverages, and milk, cheese and eggs with the expenditure of EUR 365 per capita or 13.4%. The average annual expenditure on bread and cereals was EUR 349 per capita or 12.8%, and the expenditure on non-alcoholic beverages was

[31] Statistics Denmark. LIGELB1, Level of earnings by work/residence, region, age, sex and family type (2009-2017). Available at: www.statistikbanken.dk/LIGELB1
[32] Deloitte. Working and living in Denmark. Tax 2019. Available at: https://www2.deloitte.com/content/dam/Deloitte/dk/Documents/tax/Downloads/Deloitte-Working-living-in-Denmark-2019.pdf

EUR 344 per capita or 12.6%. Alcoholic beverages also comprise a significant part of expenditure of Danish consumers, with the average annual expenditure standing at EUR 401 per capita (Table 5).

Table 5. Annual expenditure per capita in Denmark and EU-28 by product group, current prices, 2018 [33]

Product group	Denmark		EU-28	
Expenditure product group	*EUR per capita*	*Of total expenditure, %*	*EUR per capita*	*Of total expenditure, %*
Food and non-alcoholic beverages	*2 721*	*8.2%*	*2 057*	*9.8%*
Food	2 377	7.1%	1 861	8.8%
Bread and cereals	349	1.0%	337	1.6%
Meat	548	1.6%	440	2.1%
Fish	110	0.3%	115	0.5%
Milk, cheese and eggs	365	1.1%	269	1.3%
Oils and fats	80	0.2%	61	0.3%
Fruits, vegetables, potatoes	434	1.3%	394	1.9%
Non-alcoholic beverages	344	1.0%	196	0.9%
Alcoholic beverages	401	1.2%	264	1.3%
Total individual consumption	**33 270**	**100.0%**	**21 075**	**100.0%**

Overall, the expenditure on food and non-alcoholic beverages, as well as alcoholic beverages has been rising in Denmark, and, while growing disposable income has played a part in this, the key reason for this remains the rising price levels, even despite the fact that inflation growth has significantly reduced over the past few years.

[33] Eurostat database. Purchasing power parities (PPPs), price level indices and real expenditures for ESA 2010 aggregates [prc_ppp_ind]. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_ppp_ind&lang=en

4. Food price levels

Danes have among the highest average disposable income of households among the EU-28 countries, with total individual consumption purchasing power being 10 times above the average of the region in 2018, the purchasing power in countries such as Luxembourg, Ireland, Netherlands and Austria exceeds that of Denmark. This discrepancy is a result of the high price levels in Denmark. With a price level of 38.1% above the average price level of EU-28 countries, Denmark ranks as the second highest country by consumer price levels in the region in 2018. Higher prices were registered only in the EFTA countries – Iceland, Switzerland and Norway[34].

In terms of the price level of food and non-alcoholic beverages, Denmark ranks first in the EU-28 region, with a price level of 30.1% above the average of the EU-28 in 2018. Higher prices were registered only in the EFTA countries – Iceland, Switzerland and Norway[35]. Within the food and non-alcoholic beverages, product group with especially high prices is bread and cereals with a price level of 51.8% above the EU-28 average. It is followed by non-alcoholic beverages with price levels higher by 32.1% than the EU-28 average, fish with price levels higher by 29.9%, alcoholic beverages – by 23.5%, and meat – by 20.9% (Table 6).

Table 6. Purchasing power and price levels in Denmark by product group, 2018 [36]

Product group	Purchasing power parities (EU28=1)	Price level indices (EU28=100)
Food and non-alcoholic beverages	*9.70*	*130.1*
Food	9.71	130.3
Bread and cereals	11.31	151.8
Meat	9.01	120.9
Fish	9.68	129.9
Milk, cheese and eggs	8.72	117.1
Oils and fats	8.33	111.8
Fruits, vegetables, potatoes	8.69	116.5
Non-alcoholic beverages	9.85	132.1
Alcoholic beverages	9.20	123.5
Total individual consumption	**10.29**	**138.1**

Average prices of food and beverages in Denmark, broken down by products, are summarised in Table 7.

Table 7. Average prices of food and beverages in Denmark by products, 2019 [37]

Product group	Average price, EUR	Price range, EUR
Milk (regular), (1 liter)	1.13	0.94 - 1.34
Loaf of fresh white bread (500g)	2.31	1.34 - 3.62
Rice (white), (1kg)	1.87	1.34 - 2.68
Eggs (regular) (12)	3.10	2.41 - 4.02
Local cheese (1kg)	10.18	6.43- 14.74

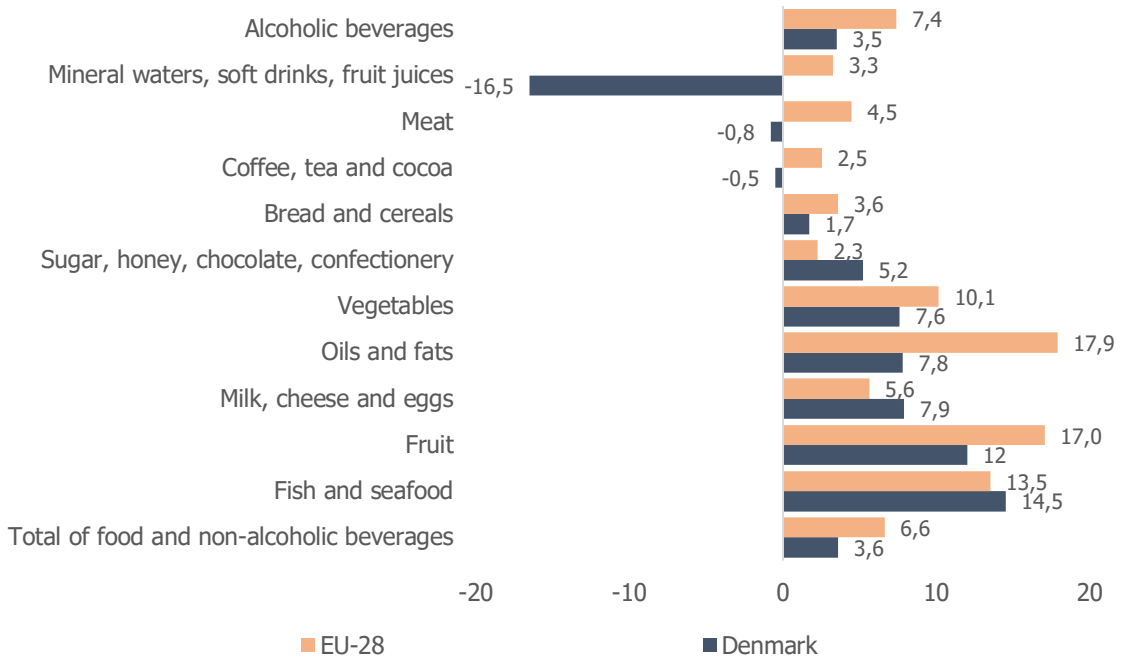
[34] Eurostat database. Purchasing power parities (PPPs), price level indices and real expenditures for ESA 2010 aggregates [prc_ppp_ind]. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_ppp_ind&lang=en
[35] Eurostat database. Purchasing power parities (PPPs), price level indices and real expenditures for ESA 2010 aggregates [prc_ppp_ind]. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_ppp_ind&lang=en
[36] Eurostat database. Purchasing power parities (PPPs), price level indices and real expenditures for ESA 2010 aggregates [prc_ppp_ind]. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_ppp_ind&lang=en
[37] Numbeo.com. Cost of living in Denmark. Available at: https://www.numbeo.com/cost-of-living/country_result.jsp?country=Denmark&displayCurrency=EUR

Chicken breasts (boneless, skinless), (1kg)	8.12	6.03- 10.72
Beef round (1kg) (or equivalent back leg red meat)	11.91	6.97- 20.10
Apples (1kg)	2.52	1.61 - 3.35
Banana (1kg)	2.34	1.54 - 3.35
Oranges (1kg)	2.68	2.01 - 3.75
Tomato (1kg)	2.85	2.01 - 4.56
Potato (1kg)	1.60	1.07 - 2.28
Onion (1kg)	1.28	0.94 - 1.88
Lettuce (1 head)	1.47	1.21 - 1.88
Water (1.5 liter bottle)	1.30	0.67 - 2.68
Bottle of wine (mid-range)	8.71	6.70 - 13.26
Domestic beer (0.5 liter bottle)	1.65	0.88 - 2.55
Imported beer (0.33 liter bottle)	2.10	1.34 - 2.68

Price levels of food and beverages in Denmark have been steadily increasing, although inflation growth has slowed down over the past few years. In fact, when compared to the EU-28 region, growth in prices of food and beverages from 2012 – 2018 has been slower in Denmark, standing at 3.6% against 6.6% in the EU-28. Nevertheless, this is in part due to the different economic growth rates between Denmark and most of the EU-28 less developed countries, which have been catching up over the past years (Figure 10).

From 2012 – 2018, the greatest increase in price levels among food and beverage products in Denmark has been registered for fish and other seafood with consumer prices rising by 14.5%. It was followed by rising consumer prices of fruit, which increased by 12% in this period, milk, cheese and eggs – by 7.9%, oils and fats – by 7.8%, and vegetables – by 7.6%. The largest decline in price levels has occurred for non-alcoholic beverages – mineral waters, soft drinks and juices, with consumer prices falling by 16.5% (Figure 10).

Figure 10. Change in consumer prices by product group in Denmark and EU-28, 2012-2018, % [38]



[38] Eurostat database. HICP (2015 = 100) - annual data (average index and rate of change) [prc_hicp_aind]. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_aind&lang=en

Overall, the high price levels in Denmark are largely due to the relatively high VAT of 25%[39], overall prosperity and high wages. It is well known that the more prosperous the country, the lower is the overall price pressure. Also, for Danish consumers, price is becoming a less important factor in their choice, with factors such as freshness, sustainability, animal welfare, local production and others being more important. However, this does depend on the economic state in the country, for example, in 2011, when the impact of the crisis was being felt by many Danes, price was the most important factor for almost a third or 27% of consumers, but in 2015, only 19% still thought so.[40]

In addition, there is a relatively weak competition in the retail trade in Denmark among food producers, which is why they can set higher prices than in other countries.[41] This is because Denmark is located in the peripheral area in Europe that does not attract large international retail chains that could push down retail prices. Denmark's modest population base, the relatively small population concentration, the distance from the major European centers and limited opportunities to exploit economies of scale are some of the key reasons for this. It is notable that the large international retail chains such as Carrefour, Walmart, Tesco, who otherwise expand greatly outside their country's borders, have not come to Denmark. [42]

[39] European Commission. VAT rates applied in the Member States of the European Union (2019). Available at: https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf

[40] Landbrug & Fidevarer. Pris betyder mindre for danskernes fødevarevalg. Available at: https://lf.dk/tal-og-analyser/forbrugere-og-trends/foedevareanalyser/2016/pris-betyder-mindre-for-danskernes-fodevarevalg

[41] BT.dk. Danske supermarkeder er dyrest i hele EU: Derfor skal du betale kassen for dine dagligvarer (2017). Available at: https://www.bt.dk/danmark/danske-supermarkeder-er-dyrest-i-hele-eu-derfor-skal-du-betale-kassen-for-dine

[42] Institut for Fødevare- og Ressourceøkonomi, Københavns Universitet. Hvorfor er danske fødevarer dyre? Available at: http://dsk.dk.linux86.wannafindserver.dk/wp-content/uploads/2015/08/1-Dyre_Foedevarer_2.pdf

5. Food consumption

5.1. Traditional Danish cuisine

Traditional Danish food is based on what was historically available nearby or could be farmed during Denmark's short summers. Cabbage and root vegetables like beets were an important part of the diet, along with rye bread, fish, and pork. Larger traditional meals were often based on fish or pork, sometimes ground and fried as meatballs. The national dish of Denmark is *stegt flæsk* - pieces of pork, fried until crisp, and then served with boiled potatoes and parsley sauce. However, among the best known examples of traditional Danish cuisine, are open-faced sandwiches, known as *smørrebrød* – small half-pieces of rye bread are topped with fried fish, pickled fish, eggs, potatoes, or cold meat, and sometimes horseradish and onion. They are eaten at lunchtime, either as part of a packed lunch or in a company cantine. Sweets, particularly cake, take a special place in hearts of Danes'. Whether it is a homemade *drømmekage* or dream cake with coconut and brown sugar or an elaborate strawberry tart from one of the country's many bakeries, no celebratory dinner is complete without a cake. Danes also have a passion for chocolate and for liquorice, particularly salt liquorice. [43]

In the past 30 years, Danish food culture has rediscovered its roots and re-invented old recipes for contemporary diners. In general, New Nordic cuisine is characterised mainly by the innovative use of seasonal ingredients of the Nordic larder - some long-forgotten, many organic. The trend also has brought changes for many traditional Danish foods to match contemporary tastes. For example, the Danish creation known as the French hot dog - a sausage stuck in a round piece of bread and sold from a sidewalk cart - now often features organic meats, a sourdough bun, and healthy mashed roots on the side. Also, Danish *rugbrød* or rye bread, the basis of many meals, is now available freshly-made from many bakeries and supermarkets. The bread contains no sugar and little fat, and it is rich in whole grain and dietary fiber. [44]

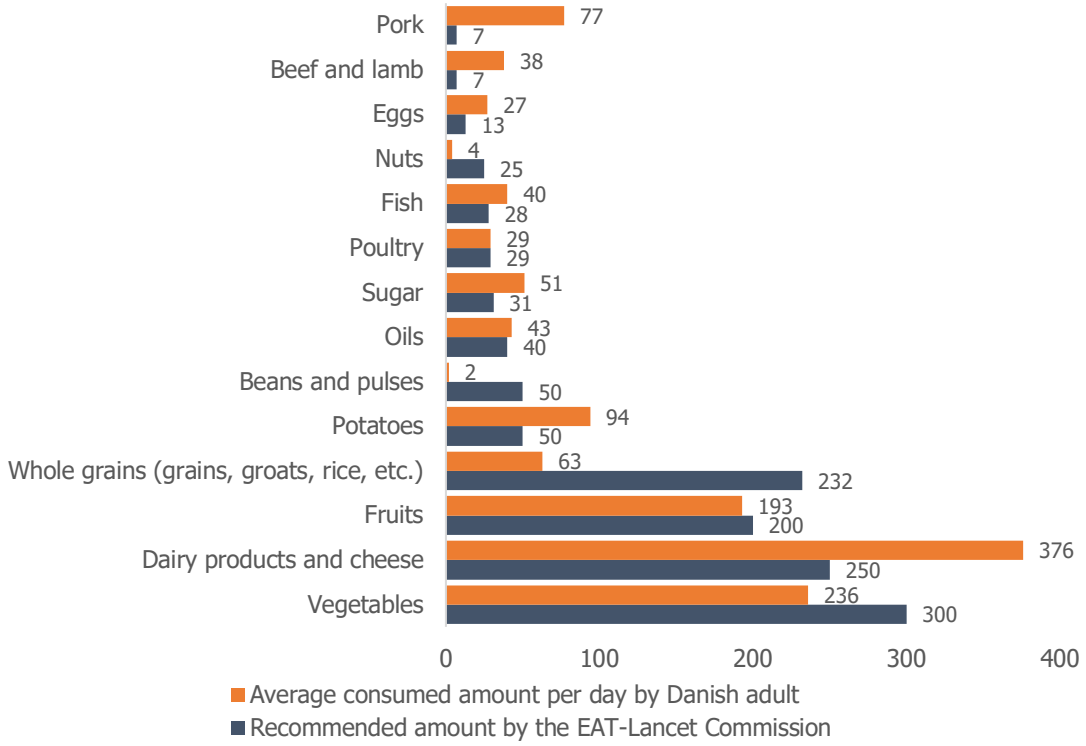
5.2. Daily food consumption

The traditional Danish cuisine has a strong impact on the current daily diets of Danes. When comparing the average daily food consumption of Danish adults with the international recommendations by the EAT-Lancet Commission, it is possible to somewhat evaluate the impact of the culture on the diet and analyse which product groups are being consumed more when compared to an international reference point, and which product groups – less.

Overall, the Danish food culture is characterized by a diet which generally does not meet the international recommendations for a healthy diet, as it has relatively large amounts of animal products such as meat and dairy products, and it contains too little vegetables and wholegrain products and virtually no beans, legumes and pulses. There is therefore a comparatively large difference between the current dietary habits of Danes and the international reference point. Among the major differences are the EAT-Lancet Commission recommendations on red meat consumption (7 grams/day) and the current daily intake of pork, meat and lamb by Danes (77 grams/day), exceeding recommended amount 11 times. Also, Danes are exceeding the recommended amount of dairy products and cheese, as well as sugar, and not meeting the recommended amount of vegetables and whole grains (Figure 11).

[43] Denmark.dk. Danish cuisine. Available at: https://denmark.dk/people-and-culture/cuisine
[44] Denmark.dk. Danish cuisine. Available at: https://denmark.dk/people-and-culture/cuisine

Figure 11. Average daily food consumption of Danish adults by product groups, grams/day[45]



However, as Danes are becoming increasingly aware of health hazards of red meat consumption, both due to vegan, vegetarian and flexitarian movements and national health campaigns, it is predicted that the consumption of red meat is going to reduce in Denmark, similarly as it is being registered across Europe, and, therefore, the demand is going to increase for high protein content plants, such as beans and pulses, nuts, as well as plant based products, such as soy products etc. Similarly, it is projected that the consumption of sugar will decline and be replaced by an increased consumption of fruits.

5.3. Food consumption trends

Food consumption trends in Denmark are made up of a mixture of influences from the local and global culture, with the global trends taking on an ever greater role, as Denmark is very open toward foreign movements and changes. However, several trends are specific to Nordic culture only and strongly impact the average Danish consumer, and thereby should be taken into account when planning entry into the Danish market.

Clean eating

Overall, healthy and clean diet has become a trend among consumers all over the world brought on by an aging population and the incidence of lifestyle diseases. However, it can be very individual how such diet is interpreted, especially with regard to which foods and consumption patterns contribute to health and which ones do not. Consumers go their own way in their search for healthy lifestyle, and use the internet, for example, to find their own individual understanding of healthy and clean diet. However, this trend has an several underlying uniting features, such as an increasing popularity of products with reduced salt and sugar content, strong demand for natural, organic and functional foods, as well as diet adjustments to avoid certain

[45] DTU Fødevareinstituttet. På vej mod en sundere og mere bæredygtig kost. Available at: http://www.food.dtu.dk/-/media/Institutter/Foedevareinstituttet/Publikationer/Pub-2019/E-artikel-Paa-vej-mod-en-sundere-og-mere-baeredygtig-kost.ashx?la=da

products or product ingredients by replacing them with vegan and vegetarian products with high protein content, and othetr gluten-free, palm-oil- free, GMO-free and lactose-free products. In addition, consumers are becoming ever more demanding in regards to ingredient transparency, clear communication on product's attributes and origin.

Changes in Denmark's food consumption are driven largely by changing demographics and consumer readiness to pay more for healthier, higher-quality food. Many of the Danish consumers have lost confidence in foods with additives and would like to go back to basics, where quality, freshness and naturalness are the key characteristics of food. Also, the desire for naturalness means less processing and fewer additives. Danish consumers are beginning to doubt products with, for example, reduced fat content, as it is believed such products have lost their natural properties. [46]

Changes in the perception of Danish consumers regarding their diet have also been promoted though national campaigns and government supported public-private partnierships, such as the Danish Meal Partnership, whose purpose is to encourage healthier eating habits among Danes, the Salt Partnership, whose objective is to reduce the intake of salt among Danish consumers, and the Whole Grain Partnership with the aim to ensure that Danes consume more whole grain. [47] [48]

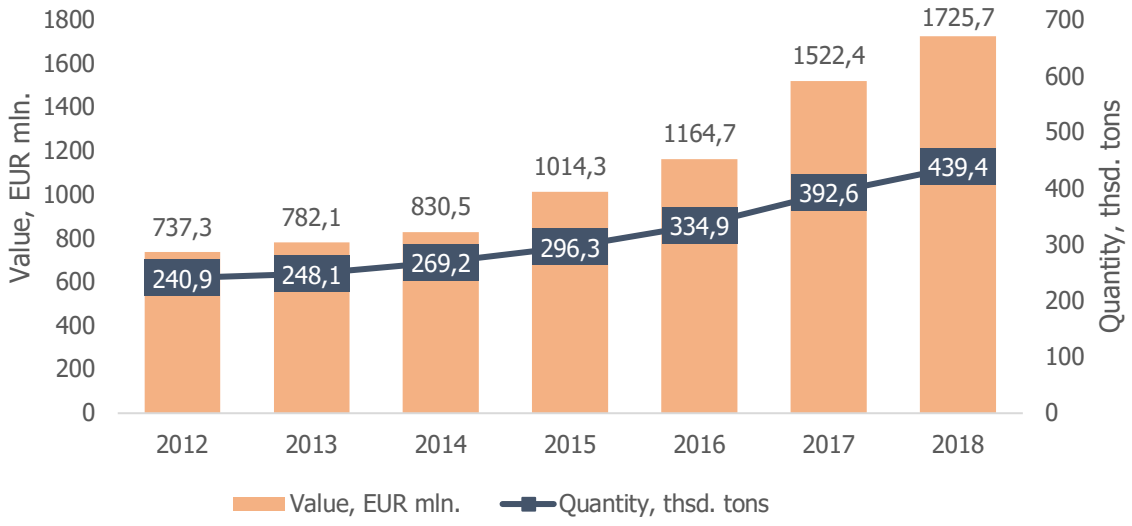
Sustainability and organic foods

Sustainability and organic food movement has become an increasingly important niche for Danish food manufacturers, as consumers are becoming more aware of healthy food choices, environmental and ethical issues surrounding agricultural and food manufacturing practices. Currently, Denmark is one the world's leading eco-nations with an estimated 11.5% of the total food and beverages sales being organic, thus placing Denmark as the leading country in the world by this indicator, followed by Sweden and Switzerland.[49] This is a result both from the market-driven interest, as well as from public agenda, with Danish government actively promoting responsibility for healthy and sustainable development of food and beverages industry at all levels – starting from manufacturers and distributors, to foodservice businesses, public institutions (including schools) and end-consumers. Being able to state that the company or the institution puts sustainability as one of their most important values, has even become from a matter of responsibility to a matter of prestige, and this fact is used as an important part in promotional and marketing materials.

Most of organic sales in Denmark come from grocery retail stores (including online stores), as this channel made up 80.1% of all sorganic foods and beverages sold in 2018. Foodservice comprised up 15.6% of organic sales, and mini markets - 4.3%.[50] From 2012 – 2018, turnover of organic foods and beverages in grocery retail stores in Denmark has grown by 234.1% in terms of value and by 82.4% in terms of volume, reaching a total value of EUR 1.7 billion and total volume of 439.4 thousand tons (Figure 12).

[46] Nørgård Mikkelsen. Food Trends 2018. Available at: http://moboy.dk/wp-content/uploads/FoodTrends.pdf
[47] Danish Veterinary and Food Administration. Facts, the DAnsih Veterinary and Food Administration. Available at: https://www.foedevarestyrelsen.dk/english/SiteCollectionDocuments/Ledelsessekretariatet/Fact-Book-DVFA-2015.pdf
[48] Fulkornspartnerskabet. Danish Whole Grain Partnership. Available at: https://www.fuldkorn.dk/english
[49] Organic Denmark. Facts and Figures about Danish organics (2019). Available at: https://www.organicdenmark.com/facts-figures-about-danish-organics
[50] Organic Denmark. Facts and Figures about Danish organics (2019). Available at: https://www.organicdenmark.com/facts-figures-about-danish-organics

Figure 12. Turnover of organic foods and beverages in grocery retail stores in Denmark [51]



It has been estimated that more than half of the Danes or 51.4% buy organic food every week[52]. Most Danes identify organic foods by their respective certifications, of which the most recognized ones are the Ø-label and the EU organic logo, which is why it is highly important for manufacturers to obtain these cettifications to market organic foods in Denmark.

Observing the demand from consumers in the form of increased sales of organic products and readiness to pay higher prices for sustainability, Danish grocery retailers have positively responded to the movement by extending the product range. Most popular organic products among Danish consumers are organic milk, cheese aand eggs, as well as vegetables. In 2018, milk, cheese and eggs comprised 42.7% of total sales volume of organic foods and beverages, followed by vegetables – 21.8%, fruits – 11.0% and grains and grain products (rice, bread, pasta, flour, groats, cakes) – 10.7%.[53]

In addition to products and their ingredients, sustainability of the packaging also has become more important for Danish consumers to, thus putting a pressure on manufacturers to find sustainable alternatives to plastic-based packaging. Sustainable packaging initiatives are also encouraged from the government and even grocery retailers, which encourage customers to bring their own bags or containers for, for example, fruits and vegetables. Sustainability has also become a focus area for cafes and restaurants that have begun to drop straws and disposable take-away packaging. These are just some of the clues which suggest that in Denmark, demand for organic and sustainable products will become more and more common.[54] This is especially true because sustainability is most important for younger consumer groups, which will become the main group of consumers in the coming years. A survey of Danish consumers revealed that sustainability as a factor is the most important for Danes aged 18-24, as 19% of respondents in this age group linked this as a key factor in their food purchasing choices, whereas in other age groups the share was considerably lower.[55]

[51] Statistics Denmark. LIGELB1, Level of earnings by work/residence, region, age, sex and family type (2009-2017). Available at: www.statistikbanken.dk/LIGELB1
[52] Organic Denmark. Facts and Figures about Danish organics (2019). Available at: https://www.organicdenmark.com/facts-figures-about-danish-organics
[53] Statistics Denmark. LIGELB1, Level of earnings by work/residence, region, age, sex and family type (2009-2017). Available at: www.statistikbanken.dk/LIGELB1
[54] Nørgård Mikkelsen. Food Trends 2018. Available at: http://moboy.dk/wp-content/uploads/FoodTrends.pdf
[55] Landbrug & Fodevarer. Bæredygtighed betyder mest for unge. Available at: https://lf.dk/tal-og-analyser/forbrugere-og-trends/foedevareanalyser

Animal welfare and flexican food

Although the share of vegetarians and vegans among Danish consumers is still not as high as in other countries, mostly because the traditional Danish cuisine is largely based on meat and meat products, the latest data reveals that more and more Danes are becoming concerned with animal welfare and are reducing their meat consumption or even opting out of it. It has been estimated that in 2018, around 140 000 people or 2.4% of all Danes considered themselves as being vegetarians, and 35 000 people or 0.6% identified as being vegans.[56]

However, the largest growth can be seen in a group of consumers identifying as flexitarians, i.e., people who do not completely cut out animal products of their diet, but are commited to reducing their intake of such products and consume them only from time to time. It is estimated that in 2018, 680 000 people or 12% of al Danes identified as being flexitarians, while in 2010 the proportion of such people was only 3.8%.[57] In addition, as many as 56% of Danes are open to eating less meat in the future.[58] The key reasons for Danes increasingly becoming flexitarians are healthy diet considerations, environmental sustainability and animal welfare.

Vegetarians and flexatarians, as well as other consumer groups who consume some animal products, are especially concerned with buying products that are produced sustainably, taking into account animal welfare. There are several labels that allow Danes to identify such products, of which the most recognized ones are Bedre Dyrevelfærd (Better Animal Welfare) and Anbefalet af Dyrenes Beskyttelse (Recommended by Animal Protection Organization). Also for these consumer groups, animal welfare is more important than price when buying food products. In fact, a survey of Danish consumers revealed that around 80% of Danes were willing to pay extra for better animal welfare.[59]

Because of the growing number of vegans, vegetarians and flexitarians, plant products with high protein content, such as legumes – lentils, peas and beans, mushrooms, nuts and seeds, as well as soy products, are gradually replacing consumption of animal products and are expected to have a rapid consumption increase in the nearest future. [60] The trend has become so influential, that even the largest meat producers in Denmark, such as Danish Crown, Tulip Food Company and Hanegal, have either already developed products with a reduced meat content or are in the process of doing so.[61]

However, the trend of consuming less animal products is not equally as popular among all consumer groups. In a consumer survery of Danes regarding the most important factors when buying food, it was revealed that animal welfare is prioritized as one of the key factors significantly more often among women, while men prioritized taste instead. Specifically, animal welfare was the most important factor in food choice for 16% of all surveyed women, and just 7% of all surveyed men. [62]

Fight against food waste

Denmark is among the most ethically aware countries in the world regarding food waste and the amount of people worldwide that doesn't have adequate access to food. This is why the Danish government, non-profit organizations, as well as Danish businesses and consumers are following the path to fight food waste.

[56] Dansk Vegetarisk Forening. Statistik om Danmark. Available at: https://vegetarisk.dk/statistik-om-danmark/
[57] Dansk Vegetarisk Forening. Statistik om Danmark. Available at: https://vegetarisk.dk/statistik-om-danmark/
[58] Landbrugsavisen.dk. Antallet af danskere der lever vegetarisk næsten fordoblet (2017). Available at: https://landbrugsavisen.dk/antallet-af-danskere-der-lever-vegetarisk-n%C3%A6sten-fordoblet-opdateret
[59] Danish Veterinary and Food Administration. The governmental animal welfare label. Available at: https://www.foedevarestyrelsen.dk/english/Animal/AnimalWelfare/Pages/New_animal_welfare_label_will_win_the_hearts_of_Danes.aspx
[60] Nørgård Mikkelsen. Food Trends 2018. Available at: http://moboy.dk/wp-content/uploads/FoodTrends.pdf
[61] Fodevare Watch. Veganertendensen fik sit gennembrud i 2017. Available at: https://m.fodevarewatch.dk/article/10155790
[62] Landbrug & Fidevarer. Pris betyder mindre for danskernes fødevarevalg. Available at: https://lf.dk/tal-og-analyser/forbrugere-og-trends/foedevareanalyser/2016/pris-betyder-mindre-for-danskernes-fodevarevalg

Denmark has more projects aimed at reducing food waste than any other European nation. Several food banks and other non-profit organizations in Denmark get their supplies through donations from local supermarkets or restaurants. There even is a supermarket in Copenhagen, Wefood, which only sells food that would have otherwise been wasted. Typically, this is food that has reached its sell-by date or has not been used up at the end of restaurant business hours. Sometimes, this food consists of perfectly healthy fruits and vegetables that simply appear too misshapen and unattractive to reach market shelves.

Fight against food waste in Denmark is targeted towards all participants in the food industry – from manfacturers and distributors, to foodservice businesses, public canteens and end-consumers. The major part of the awareness is a result one of the largest and most impactful waste-fighting organizations in Denmark – Stop Spild Af Mad (Stop Wasting Food), which is working directly with the Danish government and has ongoing partnerships with both EU and U.N. organizations. The organization largely harnesses nationwide media attention to raise public awareness of food waste and promotes thoughtful approach toward purchasing food, helps food insecure families, lobbies supermarkets to implement waste-reducing policies in their stores, and encourages manufacturers to tackle the problems at hand by reforming their production practices.[63]

In the partnership with Stop Spild Af Mad, several of the biggest Danish food suppliers and stores have agreed to create more transparency around food loss and waste and actively work to reduce individual levels of useable food thrown out. Some of the companies have introduced new systems of best before dates, some companies have turned to education initiatives for consumers, but some allocate support for charities. For example, grocery retail group Salling Group has put in place a strategy to ensure that the unsold food is either donated or used for animal feed or for making biogas, and its retail chain Netto has developed an app with information on where goods have been shipped which are close to shelf life. Either way, fighting the food waste has become a significant mark for companies that is also highly valued by consumers.[64]

Convenience, snack foods and foodservice

Danish consumers are having an increasingly busy lifestyles, and preparation of meals at home, as well as the habit of having traditional family meals is dwindling. As a result of the changing meal culture, in Denmark there is rising demand for convenience foods, such as frozen foods and microwaveable meals, but one of the most significant increases has been observed in demand for meal boxes based on monthly subsriptions. This market opportunity has been attracting interest from the largest grocery retailer chains in Denmark, such as Salling Group and Coop, which have invested in companies in this sector. [65]

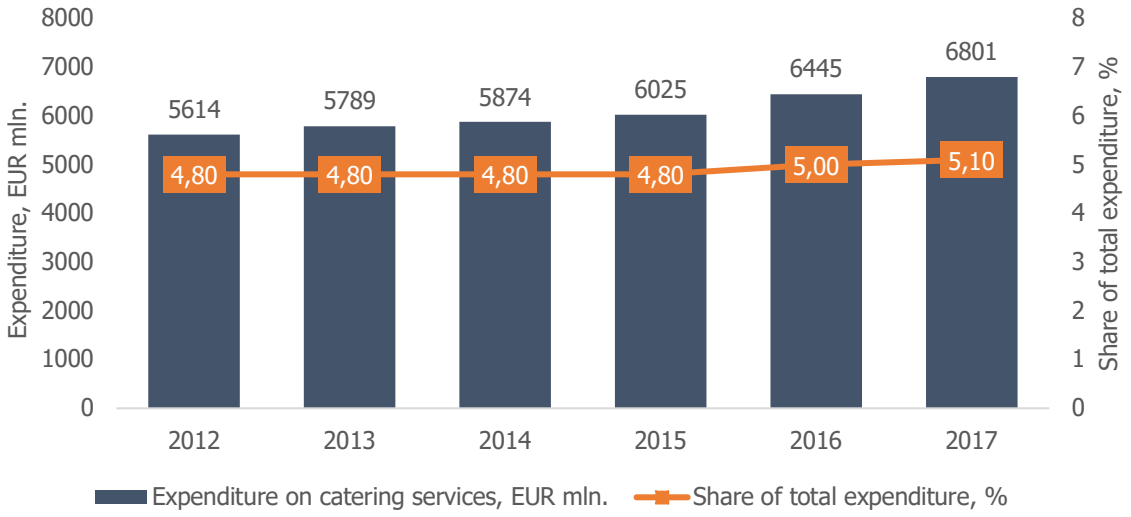
With the increased need for food on-the-go, another trending food category among the Danish consumers are snacks, but the demand for unhealthy snacks has been rapidly replaced with a demand for healthier options, such as fruit snacks, snack bars, packs of dried fruits and nuts, healthy biscuits, as well as liquid snacks, such as smoothies, health shots, juices and yoghurts. The consumption of snacks also has been driven by consumers' demand for novelties, which has resulted in an expanded variety of new products, especially superfood products, such as supergrains, dried superfruits and superseeds. Moreover, this trend has successfully merged with the boosted consumption of organic foods, so many of the healthy snacks tend to be marketed as being organic as well.[66]

Take aways and eating out is also on the rise, especially with younger consumers. There a significant increase of Danish consumers who regularly have meals at cafes and restaurants, and the average expenditure is has

[63] Stop Wasting Food Movement. Our projects. Available at: https://stopwastingfoodmovement.org/our-projects/
[64] European Supermarket Magazine. Dansk Supermarked Group Targets Food Waste. Available at: https://www.esmmagazine.com/retail/danish-supermarket-group-targets-food-waste-42134
[65] Retail News. Stor fremgang i salg af måltidskasser (2017). Available at: https://www.retailnews.dk/article/view/551103/stor_fremgang_i_salg_af_maltidskasser
[66] Norgard Mikkelsen. Food Trends 2018. Available at: http://moboy.dk/wp-content/uploads/FoodTrends.pdf

risen as well. In 2017, the total expenditure on catering services of households in Denmark reached EUR 6.8 billion, increasing by 21.1% since 2012. When measured per capita, this indicator in Denmark corresponds to EUR 1 200 per capita annualy, which is at the same level as in EU-28 countries on average, but far less than in highest ranking coutnries, signifying that there is a high potential of expenditure growth in Denmark. Also, expenditure of households on catering services in Denmark has grown as a share of total expenditure – from 4.8% in 2012 to 5.1% in 2017 (Figure 13).

Figure 13. Consumption expenditure of households on catering services in Denmark, 2012-2017 [67]



Overall, the segment of convencience foods, snacks and foodservice is one of the fastest growing in Denmark, similarly to other countries with rise in mobile lifestyles and high standards of living, and nothing suggests that the growth could slow down.[68] And, even though traditionally food on-the-go and eating out has been associated with less healthy eating options, this has completely changed, with Danish consumers creating an increasing demand for a wide range and easy access to healthier food.

E-commerce sales

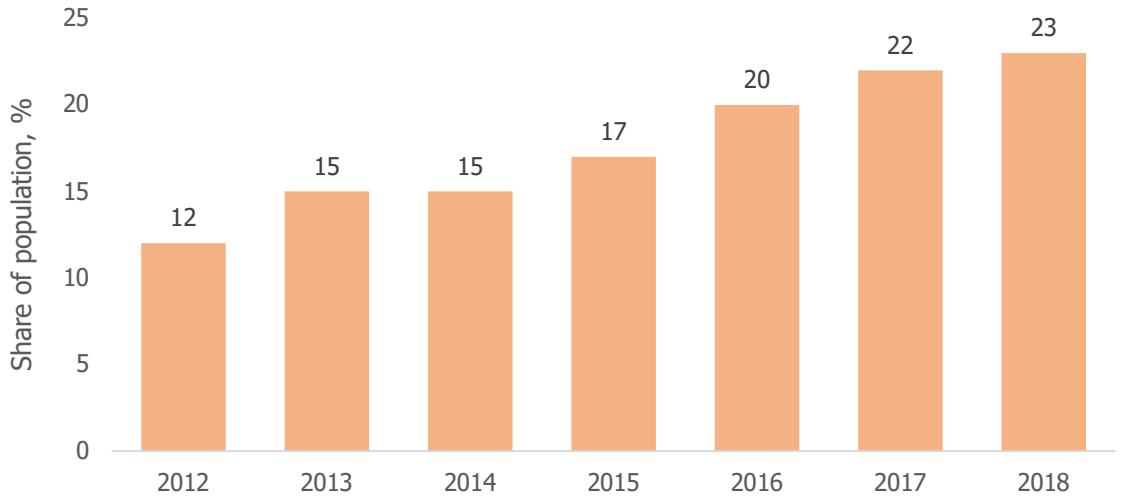
Denmark is an exceptionally connected country in terms of digital networks with an estimated 93% of Denmark's households having an access to internet.[69] Also, around 89% of Denmark's population aged 16 – 74 years with an access to internet are e-commerce users, having made purchases on the internet.[70] However, within e-commerce, groceries make up a relatively small share of sales value in Denmark, in comparison to other product groups. The key reason for this is that Danish consumers still do not trust that the quality of the food bought online will be as good as in retail stores.[71] Overall, in Denmark, just 2% of all

[67] Eurostat database. Final consumption expenditure of households by consumption purpose [nama_10_co3_p3]. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_10_co3_p3&lang=en
[68] Landbrug & Fogevarer. Vigtige trends i 2018 og deres relevans for Fødevarekategorier. Available at: https://lf.dk/tal-og-analyser/forbrugere-og-trends/befolkning-adfaerd-og-samfund/2017/vigtige-trends-i-2018
[69] Statistics Denmark. FABRIT01, Access to computer and internet in by household type - (2008) by type, time and access. Available at: https://www.statbank.dk/statbank5a/SelectVarVal/Define.asp?Maintable=FABRIT01&PLanguage=1
[70] Statistics Denmark. PBEBRIT07, Purchase via internet - per cent of the population (16-74 years) by type, time and latest purchase. Available at: https://www.statbank.dk/statbank5a/SelectVarVal/Define.asp?MainTable=BEBRIT07&PLanguage=1&PXSId=0&wsid=cftree
[71] FDIH.dk. Nemt, sundt og bæredygtigt at købe dagligvarer på nettet (2018). Available at: https://www.fdih.dk/analyser/fdih-e-handelsanalyser/2018/dagligvare-online

groceries sales in terms of value come from e-commerce, however, such a low proportion is similar to indicators in other EU-28 countries.[72]

Nevertheless, in the past few years, e-commerce sales of groceries in Denmark has grown, as more and more people are becoming accustomed to purchasing groceries online. From 2012 to 2018, the share of Denmark's popularion that have bought groceries online during the past year, has grown from 12% to 23% (Figure 14). For most consumers that do buy food online, convenience is the main reason, but for many others, it is the possibility to choose healthier and more varied products, especially when opting to buy meal boxes. [73]

Figure 14. Share of Denmark's population that have bought groceries online during the year, %[74]



For a long time, the leading market player in Denmark's grocery e-commerce niche was Nemlig.com, but with the grocery retail giant Coop launching its e-commerce shop in 2016, and expanding its offer with meal boxes and its services with same-day delivery in 2018, Coop.dk/MAD has taken the leading spot. Other significant market players include BilkaToGo.dk, Osuma.dk, Aarstiderne.com and Skagenfood.dk.

It is also important to note that it is not only the e-commerce market players that have to develop their online presence. Even for purchases made in physical retail stores, many Danish consumers tend to research products online beforehand or even via smartphone while visiting the store.[75] Therefore, for a brand to become popular among Danish consumers, it must have a strong online presence with all of the relevant information about the product available, such as ingredients, country of origin, measures of sustainability etc.

[72] Dansk Erhverv. Flere danskere køber dagligvarer online (2019). Available at: https://www.danskerhverv.dk/presse-og-nyheder/nyheder/flere-danskere-kober-dagligvarer-online/
[73] FDIH.dk. Nemt, sundt og bæredygtigt at købe dagligvarer på nettet (2018). Available at: https://www.fdih.dk/analyser/fdih-e-handelsanalyser/2018/dagligvare-online
[74] Statistics Denmark. BEBRIT08, E-commerce during the past year by product, type and time. Available at: www.statistikbanken.dk/BEBRIT08
[75] Postnord. E-commerce in the Nordics 2018. Available at: https://www.emota.eu/media/1217/e-commerce-in-the-nordics-2018_eng_low.pdf

6. Food retail industry analysis

6.1. Industry development

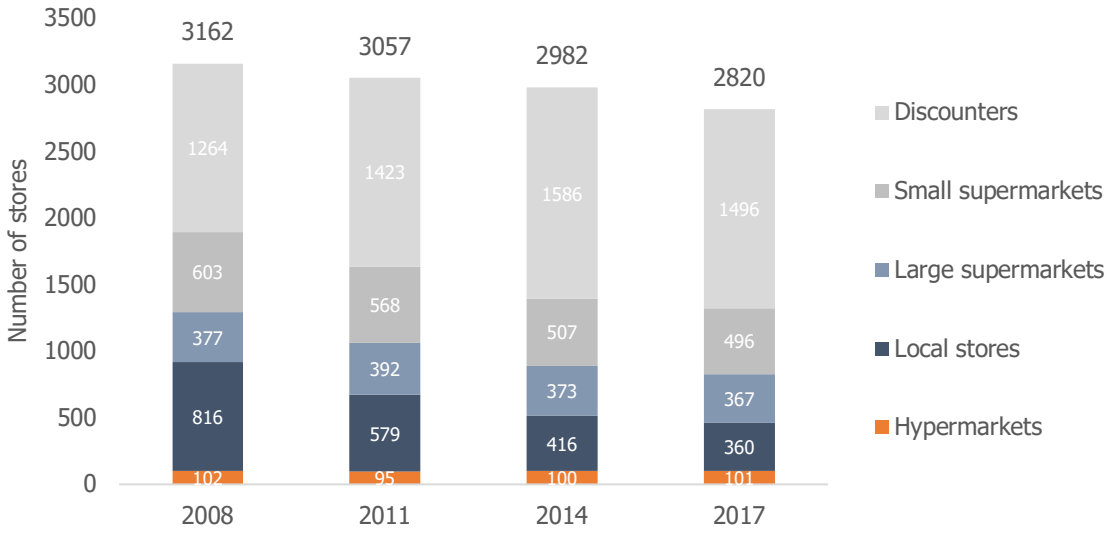
The vast majority of the Danish grocery trade occurs in retail chains, with supermarkets, hypermarkets and discounters being the key sales channels. Due to the growing urbanization, convenience and popularity of retail chains over traditional independent retailers, as well as the changing shopping habits of Danses, the number of independent stores in Denmark has considerably reduced. Because the Dansih consumers often prefer to shop at bigger retailers with a wider choice, they are even willing to travel a bit further to reach the store, and often it also means less frequent store visits, but larger basket sizes.[76] These changes have resulted in a decline of the total number of grocery stores in Denmark, which have reduced from a total of 3 162 in 2008 to 2 764 in 2018.[77] The market shares by store formats also have changed, largely in favour to discounters, whose market share in Denmark has risen from 28.8% in 2007 to 41.2% in 2017, and this trend projected to continue to increase even more in the near future.

In 2017, the market shares of grocery store formats in Denmark by the number of stores were as follows (Figure 15)[78]:

- Discounters with different store area sizes, e.g. Aldi, Fakta, Lidl, Netto and Rema 1000, constituted 1 496 stores or 41.2% of all grocery stores;
- Small supermarkets with a store area of 400 – 1 000 m^2, e.g. Dagli Brugsen, Mind Kobmand, totalled to 496 stores or 25.3%;
- Large supermarkets with a store area of 1 000 – 2 500 m^2, e.g. Super Brugsen, Meny, ABC Lavpris, Irma, Lovbjerg, amounted to 367 stores or 16.9%;
- Local stores with a store area of 200 – 400 m^2, e.g. small grocery stores, kiosks, mini markets, petrol stations, corresponded to 360 storess or 12.6%
- Hypermarkets with a store area of over 2 500 m^2, e.g. Bilka, totalled to 101 stores or 4.1%.

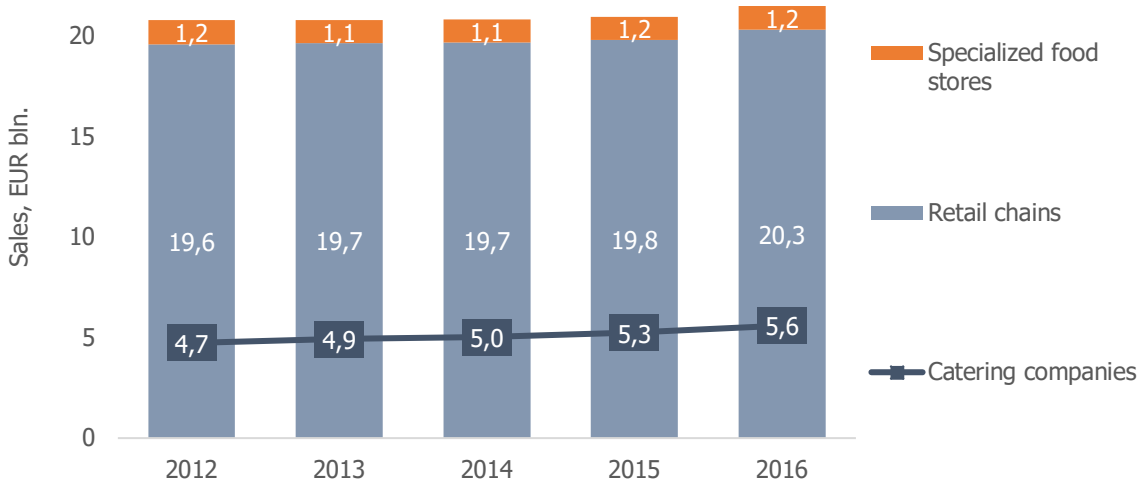
[76] GfK. Dansk dagligvarehandel (2018). Available at: https://www.mldk.org/pageimages/files/Dansk%20dagligvarehandel%20status.pdf
[77] De Samvirkende Købmænd. Udviklingen i dansk dagligvarehandel (2019). Available at: https://dsk.dk/udviklingen-i-dansk-dagligvarehandel/
[78] Dansk Handelsblad. DH Magasiner HVEM ER HVEM 2018. Available at: https://view.joomag.com/dh-magasiner-hvem-er-hvem-2018/0754263001518005073?page=18

Figure 15. Breakdown of grocery stores in Denmark by store format, 2008 - 2017 [79] [80]



The data on sales of grocery retailers in Denmark reveal that overall, from 2012 to 2016, the combined turnover of retail chains and specialized food stores has grown by 3.4%, reaching EUR 21.5 billion. However, while turnover growth of retail chains has been positive, achieving 3.7% during this period, turnover of specialized food stores has been the decline, registering a fall of -1.3%. However, in comparison, foodservice industry has developed considerably faster than retail, with catering companies growing their turnover by 14.9% during this period, reaching EUR 5.6 billion, indicating on greater perspectives for market suppliers (Figure 16).

Figure 16. Sales development of Denmark's grocery retail and food service industries, 2012-2016 [81]



According to the Danish Competition Authority, there is a high concentration in the supply chain in Denmark within several product categories. This is largely a result of few large branded suppliers that account for the majority of the sales in the category, while supplying the same products to all the grocery chains. Overall,

[79] TV2. Discountbutikker kvæler supermarkeder og små købmænd. Available at: http://nyheder.tv2.dk/2015-01-18-discountbutikker-kvaeler-supermarkeder-og-smaa-koebmaend
[80] Dansk Handelsblad. DH Magasiner HVEM ER HVEM 2018. Available at: https://view.joomag.com/dh-magasiner-hvem-er-hvem-2018/0754263001518005073?page=18
[81] Statistics Denmark. GF2, General enterprise statistics by unit, industry (DB07 127-grouping) and time. Available at: https://www.statbank.dk/GF2

the fight for the space on the supermarket shelves is tough, and when it is achieved, it is important to build and maintain the best place on the shelf. [82]

The competition among suppliers for place on shelves of grocery stores in Denmark highly differs from product group to product group. The competition is greatest in categories with a high concentration of private labels, such as bread, as the retail chains have largely taken over these categories, excluding suppliers out of the equation. The competition also is great in categories with a high share of imports from foreign countries, such as fruit and vegetables. In addition, in fresh food categories, there is an increasing emphasis on locally supplied food, meaning that importers have reduced chances of getting their spot in the store.[83] Generally, having an importer, agent, broker and/or distributor is essential to penetrate the Danish market.

6.2. Leading food retailers

In Denmark, the gorecery retail scene is concentrated among 4 leading market players, taking up a market share of approximately 92.6%, according to 2017 data by Danish grocery retail specialist publisher Dansk Handelsblad. Among the 4 leading players are COOP Danmark A/S with 36.9%, Salling Group A/S with 33.4%, Dagrofa A/S with 11.4% and REMA 1000 Danmark A/S (Reitan Group) with 10.9%. Additionally, there are 2 other market players - Lidl Danmark K/S and ALDI Danmark APS, which, although take up considerably smaller market shares of accordingly 2.8% and 2.6%, still play a significant role.[84]

However, by 2018 data from company's financial accounts, market leaders have a slightly different ranking. With a turnover of EUR 7 969.1 million in 2018, Salling Group A/S (formerly Dansk Supermarked A/S) takes the leading place as Denmark's largest retail group. The Danish group owns several retailers in Denmark - Netto, Føtex, Bilka and Salling, - with a total of 616 stores in the country. All of these chains operate exclusively in Denmark, except Netto, which has expanded into Germany, Poland and Sweden. Salling Group A/S also operates in other business areas, such as e-commerce and HoReCa.

The second largest retail group with a turnover of EUR 5 018.5 million in 2018, is COOP Danmark A/S. Coop Danmark A/S is a Danish retail cooperative, which unites a total of 1 073 both independent and owned stores. The cooperative manages grocery retailers Kvickly, SuperBrugsen, Dagli'Brugsen, Fakta and Irma. The cooperative also operates in banking and investment sectors.

The third largest retail group with a turnover of EUR 2 508.4 million in 2018, is REMA 1000 Danmark A/S, owned by the Norwegian Reitan Group. Rema 1000 is a chain of discounters that specializes in providing fresh produce. Rema 1000 chain's business is based on franchising, where an independent merchant is a franchisee. Group's wholesale business is operated by Reitan Servicehandel A/S. Reitan Grou palso operates in wholesale and real estate operations.

The fourth largest retail group with a turnover of EUR 2 340.3 million in 2018, is Dagrofa A/S. Dagrofa A/S is a Danish grocery retail company which controls distribution to franchise stores operating under the SPAR, Min Kobmand and and Meny brands in Denmark. Dagrofa group also operates in wholesale, logistics and food service areas, selling groceries and other products to both internal and external customers.

And, finally, the fifth and sixth largest retail groups are Aldi Danmark APS with a turnover of EUR 492.3 million in 2018, and Lidl Danmark K/S, whose turnover is not publicly available, but it is estimated that its

[82] Dansk Handelsblag. DH Magasiner HVEM ER HVEM – 2018. Available at: https://view.joomag.com/dh-magasiner-hvem-er-hvem-2018/0754263001518005073?page=18
[83] Dansk Handelsblag. DH Magasiner HVEM ER HVEM – 2018. Available at: https://view.joomag.com/dh-magasiner-hvem-er-hvem-2018/0754263001518005073?page=18
[84] Dansk Handelsblag. DH Magasiner HVEM ER HVEM – 2018. Available at: https://view.joomag.com/dh-magasiner-hvem-er-hvem-2018/0754263001518005073?page=18

turnover in Denmark is slightly below that of Aldi. Both Aldi and Lidl are German discounter chains, with Aldi Danmark APS owned by Aldi Nord, and Lidl Danmark K/S – by Schwarz Gruppe.

Table 8. Top 10 Denmark's leading grocery retailers and wholesalers by turnover in 2018 [85] [86] [87]

No.	Company/Group	Turnover, 2018, EUR thsd.	Turnover growth, 2017/2018	Profit, 2018, EUR thsd.	Number of employees, 2018	Website
1.	Salling Group A/S	7 969 079.2	1.0%	183.4	27 497	www.sallinggroup.com
2.	COOP Danmark A/S	5 018 467.6	-3.3%	72.3	10 658	www.coop.dk
3.	REMA 1000 Danmark A/S	2 508 414.7	7.4%	50.6	801	www.rema1000.dk
4.	Dagrofa A/S	2 340 344.3	0.5%	-81.7	3 412	www.dagrofa.dk
5.	Fleggaard Holding A/S	947 804.7	9.6%	51.8	1 181	www.fleggaard-holding.dk
6.	ALDI Danmark APS	492 339.4	-4.1%	-51.1	1 777	www.aldi.dk
7.	Horkram Holding A/S	432 220.9	9.5%	8.9	881	www.hoka.dk
8.	KNI A/S	325 708.4	2.6%	9.3	759	www.kni.gl
9.	Pisiffik A/S	157 517.1	2.1%	4.3	766	www.pisiffik.gl
10.	Lovbjerg Supermarked A/S	139 760.4	1.1%	0.9	390	www.lovbjerg.dk

When broken down by retail chain brands, Denmark's leading retailers by market share are Netto with 15.6%, followed by SuperBrugsen with 12.5%, Fotex with 11.6%, Rema1000 with 10.8%, Fakta with 9.2%, Kvickly with 8.2%, Meny (SuperBest) with 6.5% and Bilka with 6.0% (Table 9).[88]

Other than the major supermarkets, hypermarkets, discounters and department stores, the small local stores and convenience stores still remain an important part of the Danish retail arena, especially for products such as coffee, snack foods, confectionery, soft drinks, as well as ready-to-eat foods. Within the retail subcategory of the small local stores, the leading chains in Denmark are Naerkob, Letkob and Elite, all operated by Dagrofa Group. Within the subcategory of convenience stores and gas stations, the leading chains are 7-Eleven, Circle K, Q8, OK Plus, also all operated by Dagrofa Group, and Shell, operated by Reitan Group.[89]

Table 9. Top 6 Denmark's leading grocery retail groups and their retail chain brands in 2018 [90] [91] [92] [93]

No.	Parent company/brand	Number of stores	Business format	Website
1.	salling group	**616**	**Parent company**	**www.salinggroup.com**
	NETTO	495	Discount supermarkets	www.netto.dk

[85] FINANS. Brancheanalyse: Dagligvarer 2019 (2019). Available at: https://finans.dk/analyse/ECE11452635/brancheanalyse-dagligvarer-2019/?ctxref=ext
[86] FINANS. Brancheanalyse: Dagligvarer 2018 (2018). Available at: https://finans.dk/analyse/ECE10704107/brancheanalyse-dagligvarehandel-2018
[87] Lidl Danmark K/S does not publish its financial accounts in Denmark, so is not included in this list, but theoretically it is also among the Top 15 leading grocery retailers in Denmark.
[88] Dansk Handelsblag. DH Magasiner HVEM ER HVEM – 2018. Available at: https://view.joomag.com/dh-magasiner-hvem-er-hvem-2018/0754263001518005073?page=18
[89] Dansk Handelsblag. DH Magasiner HVEM ER HVEM – 2018. Available at: https://view.joomag.com/dh-magasiner-hvem-er-hvem-2018/0754263001518005073?page=18
[90] FINANS. Brancheanalyse: Dagligvarer 2019 (2019). Available at: https://finans.dk/analyse/ECE11452635/brancheanalyse-dagligvarer-2019/?ctxref=ext
[91] FINANS. Brancheanalyse: Dagligvarer 2018 (2018). Available at: https://finans.dk/analyse/ECE10704107/brancheanalyse-dagligvarehandel-2018
[92] Dansk Handelsblag. DH Magasiner HVEM ER HVEM – 2018. Available at: https://view.joomag.com/dh-magasiner-hvem-er-hvem-2018/0754263001518005073?page=18
[93] Retail Institute Scandinavia A/S. Supermarkeds Håndbogen
2013. Available at: https://services-webdav.cbs.dk/doc/CBS.dk/Library/smh.pdf

	fotex	101	Supermarkets	www.fotex.dk
	Bilka	18	Hypermarkets	www.bilka.dk
	Salling	2	Department stores	www.salling.dk
2.	coop	**1 073**	**Parent company/supermarkets**	**www.coop.dk**
	fakta	368	Discount supermarkets	www.fakta.dk
	Dagli' Brugsen	322	Convenience stores	www.daglibrugsen.dk
	Super Brugsen	238	Supermarkets	www.superbrugsen.dk
	Kvickly	76	Department stores	www.kvickly.dk
	Irma	69	High-end supermarkets	www.mad.coop.dk/irma
3.	REMA 1000	**314**	**Parent company/Discounters**	**www.rema1000.dk**
4.	Dagrofa	**429**	**Parent company**	**www.dagrofa.dk**
	Min KØBMAND	171	Supermarkets	www.minkobmand.dk
	SPAR	138	Various formats	www.spar.dk
	MENY	120	Supermarkets	www.meny.dk
5.	ALDI	**189**	**Discounters**	**www.aldi.dk**
6.	LIDL	**112**	**Discounters**	**www.lidl.dk**

Nearly all of the leading market players in Denmark purchase products from their own established food purchasing alliances, and often cooperate with other European grocers as their strategic international partners. COOP Danmark A/S buys from a purchasing alliance Coop Trading Denmark, Dagrofa A/S – from United Nordic, EMD and Spar International, Reitan Group/REMA 1000 Danmark A/S – from Reitan Servicehandel, ALDI Danmark APS – from ALDI NORD, and Lidl Danmark K/S – from Schwarz Gruppe. Foodservice operators, as well as the public sector institutions, mostly purchase products from foodservice wholesalers, of which the largest ones are Dansk Cater, FoodService Danmark (owned by Dagrofa Group), and Horkram FoodService.

Product range offered in Danish grocery retailers consists of a mix of local and international food and beverage brands. However, brand analysis of offering in Denmark shows that nearly all of Top 20 leading food and beverage brands by turnover are Danish. The Top 20 brands are as follows:[94]

1. Dairy producer Arla Foods (Denmark) (www.arla.com);
2. Meat processing company Danish Crown (Denmark) (www.danishcrown.com);
3. Beverage company Royal Unibrew (Denmark) (www.royalunibrew.com);
4. Meat processing company Tulip Food (Denmark) (www.tulipfoodcompany.com);
5. Beverage producer Carlsberg (Denmark) (www.carlsberg.com);
6. Seafood processing compay Royal Greenland Seafood (Denmark) (www.royalgreenland.com);
7. Seafood processing company Polar Seafood (Denmark) (www.polarseafood.dk);

[94] Dansk Handelsblag. DH Magasiner HVEM ER HVEM – 2018. Available at: https://view.joomag.com/dh-magasiner-hvem-er-hvem-2018/0754263001518005073?page=18

8. Meat processing company Tican Fresh Meat (Denmark) (www.tican.dk) ;
9. Seafood processing company Espersen/Rahbekfish (Denmark) (www.espersen.com);
10. Dairy and frozen foods producer Uhrenholt (Denmark) (www.uhrenholt.com);
11. Soft drinks producer C-Ro Food (Denmark) (www.co-ro.com);
12. Meat processing company Danpo (Denmark) (www.danpo.dk);
13. Confectionary producer Toms Gruppen (Denmark) (www.tomsgroup.com);
14. Packaged food producer Unilever (Denmark/Great Britain) (www.unilever.com);
15. Beverage producer Harboe Bryggeri (Denmark) (www.harboes-bryggeri.dk);
16. Packaged foods producer Orkla Foods (Norway) (www.orkla.com);
17. Alcoholic beverage producer Hans Just (Denmark) (www.hansjust.dk);
18. Packaged food producer Dragsbaek (Denmark) (www.dragsbaek.dk);
19. Chilled and frozen food producer Geia Food (Denmark) (www.geiafood.com);
20. Baked goods producer Kelsen (Denmark) (www.kelsen.com).

7. Industry events

The annual food trade events in Denmark are very domestic and mainly cater to their own export market. Instead, Danish buyers who are interested in procuring foreign products, visit the major European food shows, most commonly – ANUGA (Germany), SIAL (Paris) and BIOFACH (Germany). Therefore, long term exhibition at one of these shows is an excellent route to making a product known to Danish buyers, as a personal visit to the market afterwards is essential to sell the product. Nevertheless, local food trade events also should not be dismissed and can present better opportunities to connect with smaller local buyers. The most important industry events in Denmark, as well as other Nordic countries, are summarized in Table 10.

Table 10. Major food and beverage industry events in Denmark and other Nordic countries, 2019-2020

Event	Place	Date	Specialization	Website
Bite Copenhagen 3 000 visitors 120 exhibitors	Bella Center, Copenhagen, Denmark	28.08.2019.-29.08.2019.	Trends in food, technology and innovation	www.bitecopenhagen.dk
Fastfood & Café Goteborg 200 exhibitors	Abymassan, Goteborg, Sweden	11.09.2019.-12.09.2019.	Food and beverages for HoReCa industry	www.easyfairs.com/fastfood-cafe-restaurangexpo-goeteborg-2019/fastfood-cafe-goeteborg-2019
Turku Food and Wine Fair/Ruoka ja Viinimessut	Turku, Finland	04.10.2019.-06.10.2019.	Food, wine, foodservice	www.turunruokamessut.fi
DanFish International 14 000 visitors 400 exhibitors	Aalborg, Denmark	09.10.2019.-11.10.2019.	Fishing industry	www.danfish.com
Food Proteins Europe	Copenhagen Towers, Copenhagen, Denmark	17.10.2019.-28.10.2019.	Protein ingredients	www.cmtevents.com/aboutevent.aspx?ev=191028&
Wine & Food/Viini ja ruoka	Messukeskus, Helsinki, Finland	24.10.2019.-27.10.2019.	Food, wine, foodservice	http://www.viiniruoka.fi/ www.viinilehti.fi/tapahtumat/viini-ja-ruoka-tapahtuma
VeggieWorld	Halmtorvet, Copenhagen, Denmark	02.11.2019.-03.11.2019.	Vegan, vegetarian foods	www.veggieworld.de/en/event/copenhagen
Sthlm Food & Wine 30 000 visitors 250 exhibitors	Stockholmsmassan, Stockholm, Sweden	08.11.2019.-10.11.2019.	Food, wine, foodservice, equipment	www.sthlmfoodandwine.se
Nordic Organic Food Fair 5 000 visitors 500 exhibitors	MalmoMassen, Sweden	13.11.2019.-14.11.2019.	Organic, vegan and "free from" food and beverages	www.nordicorganicexpo.com
Smak 30 000 visitors	Norges Varemesse, Lillsetrom, Norway	03.03.2020.-06.03.2020.	Food, beverages, foodservice, equipment	www.smakmessen.no
Gastro 16 000 visitors 300 exhibitors	Messukeskus, Helsinki, Finland	11.03.2020.-13.03.2020.	Food and beverages for HoReCa industry	www.gastro.messukeskus.com
FoodExpo 26 000 visitors 300 exhibitors	MCH Messecenter, Herning, Denmark	22.03.2020.-24.03.2020.	Food, beverages, wine, foodservice, grocery retail, sustainability	www.foodexpo.dk
FoodTech 9 000 visitors 300 exhibitors	MCH Messecenter, Herning, Denmark	29.09.2010.-01.10.2020.	Food processing, ingredients and technology	www.foodtech.dk

Worlds Leading Wines Copenhagen 1 000 – 5 000 visitors 100 – 500 exhibitors	Copenhagen, Denmark	31.01.2020.	Wine production, distribution	www.worldsleadingwines.com

8. Trade regulations

8.1. EU-Ukraine trade relations

Denmark, being part of the EU, has a harmonized legislation with the EU, and, overall, trade with Denmark must comply with the rules and regulations set in the region. The EU and Ukraine have provisionally applied their Deep and Comprehensive Free Trade Agreement (DCFTA) since 2016. This agreement means both sides will mutually open their markets for goods and services based on predictable and enforceable trade rules. This is part of the broader Association Agreement (AA), which came into force in 2014.[95]

The key role of the AA/DCFTA is a facilitated access of Ukrainian food business operators to the EU market. Overall, the AA/DCFTA is bringing Ukraine's rules in line with the EU's in certain industrial sectors and agricultural products, as well as eliminating all existing tariffs for agricultural goods. On one hand, this access is based on the conditions of compliance with stringent EU requirements, which result in high costs of reforms for Ukraine and its food industry. On the other hand, compliance with the EU rules could help Ukrainian manufacturers gain other international markets.

In addition, the AA/DCFTA has been topped off with Autonomous Trade Measures (ATMs) regulation for several industrial goods and agricultural products, which entered into force in 2017. The EU Regulation on ATMs is set to increase the volume of agricultural products that Ukraine can export to the EU under the AA, without paying customs duties. In addition, from 2018, Ukraine has been allowed duty-free exports to the EU for a large amount of wheat, corn, barley, oats and barley cereals and granules.

8.2. Regulations and duties

Denmark's national food and beverages laws and regulations are based on EU regulations and directives, and national laws, of which the most important one is the Danish Food Act (No. 999 of 2018[96]). The Danish Food Act aims to ensure that consumers are provided with healthy and high quality food which has been subjected to safety and hygiene inspections at all stages of production, and that consumers are protected from fraud, including false marketing claims and unsolicitated dietary advice. Other important laws include Food Quality Act (No. 402 of 1997[97]), Act on Nutrition (No. 595 of 2011[98]) and Order of the Product Safety Act (Nr. 3 of 2019[99]).

Agricultural and food industries in Denmark are governed by the Ministry of Environment and Food of Denmark. Responsibility for the safety of food and agricultural products is shared between 3 Danish authorities – The Danish Veterinary and Food Administration, the Danish Plant Directorate and the Danish Directorate for Fisheries. The Danish Veterinary and Food Administration[100] is the central supervisory authority for matters relating to food, including imports. The Danish Veterinary and Food Administration administers Danish food legislation (i.e., inspection services, labeling, etc.), and it also has the responsibility

[95] European Commission. Countries and regions: Ukraine. Available at: http://ec.europa.eu/trade/policy/countries-and-regions/countries/ukraine/
[96] Miljø- og Fødevareministeriet, Bekendtgørelse af lov om fødevarer. Available at: https://www.retsinformation.dk/Forms/R0710.aspx?id=202105
[97] Lov om fødevarekvalitet. Available at: http://extwprlegs1.fao.org/docs/texts/den64979.doc
[98] Økonomi- og Erhvervsministeriet. Lov nr. 595. Available at: https://www.kk.dk/sites/default/files/edoc/72b5a11e-b8d4-453f-afc2-1ced0167bd29/47347867-d0f0-4e36-91d3-0267a35fc4ce/Attachments/724dc7fd-52aa-47ee-a4ee-ce58c7a9ac7c.PDF
[99] Økonomi- og Erhvervsministeriet. Bekendtgørelse af lov om produktsikkerhed. Available at: https://www.retsinformation.dk/Forms/R0710.aspx?id=206230
[100] The Danish Veterinary and Food Administration. Available at: www.foedevarestyrelsen.dk

for setting food policy governing production and sales to ensure healthy and high quality products and to provide a high level of information to consumers.

Generally, law in Denmark, just like in the EU distinguishes between animal and non-animal foods, and the conditions for importation and the procedures to be followed for importation are different for animal and non-animal foods. Non-animal foods (plant based foodstuffs) imported from third countries or imported through trade must, as a general rule, comply with the same manufacturing and safety requirements imposed on similar products made in Denmark for free circulation. In contrast to animal foodstuffs, there are generally no stipulations that non-animal foodstuffs be imported via special channels or control locations. Such requirements may be made in connection with specific restrictions. Non-animal foodstuffs can thus normally be imported directly to the receiving business, from which they can be turned over. [101]

However, animal foods (meat, milk, eggs, fish, honey, etc.) imported from third countries is subjected to stricter rules and must meet a number of additional animal health, public health and production hygiene requirements. Animal foodstuffs from third countries must enter the EU via an authorized border control post at the EU's outer borders. The border control post must always be notified in advance of the import, as the producys are checked by the veterinary border control at the border inspection post where the lots are imported into the trade. However, it is the importer who is responsible for imported foods when they are traded in Denmark, both for non-animal and animal prodicts. The border control Danish Veterinary and Food Administration's control is mainly a check of the importer's own checks, possibly supplemented with samples.[102]

All food business operators, including importers of food from other EU Member States or third countries, and producers or importers of food contact materials must be registered or approved by the Danish Veterinary and Food Administration. To register or apply for approval, the applicant must either fill in a registration form and send it to the DVFA, or contact the DVFA by phone or writing.[103]

The competent customs administration authority in Denmark for all products imported from countries outside the EU is the Danish Tax Agency (Skattestyrelsen[104]), which is governed by the Ministry for Taxation. The documentary basis for customs declarations in Denmark is the single administrative document, which is used within the framework of trade with third countries and for the movement of non-EU goods within the EU. The document may be presented both by the importer or its representative either by physically lodging it at the designated customs office or via submitting it electronically on the customs authority website.

There are no additional import duties for agricultural imports from Ukraine, since the introduction of DCFTA in 2016 and ATMs in 2017. The new trade regime has removed all import duties on agricultural products, as well as allowed Urkainian companies to set up a subsidiary or a branch office in the EU on a non-discriminatory basis and enjoy the same benefits as domestic companies do.

8.3. Food safety and hygiene

Denmark has an excellent reputation for its high level of food safety, as well as high standards of hygiene, but overall its national requirements are based on the EU standards, such as the Food Regulation (No. 178/2002), Control Regulation (No. 882/2004), Hygiene Regulation (No. 852/2004), Hygiene Regulation for Animal Food (No. 853/2004), and Animal Food Control Regulation (No. 854/2004). All food hygiene standards

[101] Danish Veterinary and Food Administration. Import and trade of food. Available at: https://www.foedevarestyrelsen.dk/Foedevarer/Import_af_foedevarer/Sider/forside.aspx
[102] Danish Veterinary and Food Administration. Import and trade of food. Available at: https://www.foedevarestyrelsen.dk/Foedevarer/Import_af_foedevarer/Sider/forside.aspx
[103] Contact information of the DVFA: https://www.foedevarestyrelsen.dk/english/Aboutus/Contact/Pages/default.aspx
[104] Skattestyrelsen. Available at: https://www.sktst.dk/

in Denmark have been harmonized with the EU, including phytosanitary standards in order to avoid diseases and pests. For plants, fresh fruits and vegetables, as well as raw and unprocessed nuts, a phytosanitary certificate is also required. Overall, the food business itself is responsible for the food safety of its food. It is the responsibility of the company to ensure that there is no health risk to consumers by using or eating the food.[105]

Generally, food vendors in Denmark do not need special permissions, except for sales of novel and dietetic foods, which are subject to general authorization requirements. However, even if all the requirements have been taken into account, customs authorities can sometimes initiate an additional investigation of imported food products, especially if a national or European institution has given an alert. In such cases, an official laboratory report proving the product's safety is usually requested. A general digital manual of food hygiene guidelines in Denmark can be found in the website of the Danish Veterinary and Food Administration (link).

8.4. Marketing and labelling

The marking and labeling requirements for food products sold in Denmark are numerous and vary from product to product, which is why the assistance of the Danish importer can be essential. Even though the responsibility for compliance with Denmark's marking and labeling regulations falls on the importer, exporters, however, should carefully follow importers' instructions. Failure to do so can cause customs delays and extra expenses which may harm future business.

However, the general rule is that companies exporting products to Denmark must follow the EU marketing standards, especially those regarding health claims, as well as labelling and packaging requirements which emphasize consumer safety and environmental friendliness. Products that already are in conformity with any standards adopted by the United Nations Economic Commission for Europe (UNECE), are considered as conforming to the general marketing standard in the EU, regarding such criteria as quality, size, labelling, packaging and presentation. The compliance with food marketing standards in Denmark is controlled by the Danish Veterinary and Food Administration.[106]

The specific requirements for Denmark is that the contents of the labelling must be in Danish or another Scandinavian language understood by Danes, e.g. or Swedish. Particular emphasis is also on the provision of proper and well visible food information to consumers, such as all food ingredients, allergens, precise nutritional value and instructions for use. Labels and marking must accurately describe the contents of packages. Traceability of food products is also of utmost importance. For example, the country of origin must always be listed on food labels and all intermediaries, such as suppliers and distributors, must be included as well. In some cases, the importer may do the marking following arrival of the goods in Denmark. A general digital manual of food labelling guidelines in Denmark can be found in the website of the Danish Veterinary and Food Administration (link).

Food labels in Danish supermarkets

Food labelling in Denmark is very common, both in supermarkets and food service industry. Food labels are seen not only a useful marketing tool for companies, but ialso an effective tool for the government to educate consumers on important health and environmental issues and promote certain types of products, as well as as an aid for consumers to quickly identify high quality products made by companies whose values they wish

[105] Danish Veterinary and Food Administration. Hygiejneregler. Available at: https://www.foedevarestyrelsen.dk/Selvbetjening/lovstof/Sider/Hygiejneregler.aspx
[106] Danish Veterinary and Food Administration. Labeling and marketing of food. Available at: https://www.foedevarestyrelsen.dk/Foedevarer/Maerkning_og_markedsforing_af_fodevarer/Sider/forside.aspx

to support. Some of the most widespread labels for food and beverages in Denmark are summarized in Table 11.

Table 11. The most common lables used for food and beverages in Denmark [107]

Label/Logo	Description
Bedre Dyrevelfærd (Better Animal Welfare)[108]	Bedre Dyrevelfærd (Better Animal Welfare) is a national animal welfare label introduced by the Danish Ministry of Environment and Food in 2017. The label aims to create better animal welfare for Danish pigs and broiler chickens throuh influencing consumer purchasing choices, i.e., creating market driven animal welfare. The label makes it possible for consumers to identify which products meet requirements for better animal welfare and by selecting thes products with a slightly higher cost, the consumer is helping ensure that more animals are produced under improved conditions. The label has three levels. The one-star-labeled product must meet the basic requirements for animal welfare, but for the two- and three-star products, the requirements are increased. The label can be applied not only to products in retail, but in restaurants and eateries as well.
Nyckelhalet (The Keyhole)[109]	Nyckelhalet (The Keyhole) is a Nordic nutrition label which was launched in Denmark by The Swedish National Food Agency in 2009. The Keyhole label aims helping consumers to identify the healthier options when buying food, such as marking products with a low content of sugar, salt, fats, no added sweeteners etc. The label has gained rapid success with substantial support from Danish food producers and major retailers on the market. Most of the Danish consumers recognize the brand, and many find that healthy food choices have become easier. Labelling with the symbol is voluntary and free of charge. The label is obtainable for prepacked food products in retail and is also used in restaurants and eateries.
Nordic Swan Ecolabel[110]	The Nordic Swan Ecolabel is a voluntary ecolabelling scheme for the Nordic countries - Denmark, Finland, Iceland, Norway and Sweden, established in 1989. The label aims to reduce the environmental impact from production and consumption of goods, and to make it easy for consumers to choose the environmentally best goods and services. Although the label is not applicable to foods and beverages, it is often used to indicate environmentally friendly liquid food packaging and food disposables.
The Danish Organic Label[111]	The Danish Organic Label is the most common organic label for foods and beverages in Denmark, used for the first time in 1990. The label indicates that the product complies with the EU and the Danish rules for organic produce, and that quality control has taken place in a Danish company by the Danish public authorities. The logo can be seen on both foods that originate from Danish organic farms and on imported foods that are processed, packed or labeled in Denmark. Nearly all Danes recognize and respect The Danish Organic Label.
The EU organic logo[112]	The EU organic logo is another common organic label in Denmark. It is a sign of recognition to organic products produced in the EU. The logo can only be used on products if they contain at least 95% of organic ingredients. This makes it easier for the consumers to identify organic products and helps farmers to market them across the entirety of the EU. The logo can also be used on organic foods imported from third countries, however, if they have been certified as organic by an authorised control agency or body in the EU. This means that they have fulfilled strict conditions on how

[107] De Samvirkende Købmænd. Forbrugermærker. Available at: https://dsk.dk/forbrugermaerker-2/
[108] Danish Veterinary and Food Administration. Bedre Dyrevelfærd. Available at: https://www.foedevarestyrelsen.dk/kampagner/Bedre-dyrevelfaerd/Sider/Information-in-English.aspx
[109] Swedish Food Agency. Labelling, The Keyhole. Available at: https://www.livsmedelsverket.se/en/food-and-content/labelling/nyckelhalet?AspxAutoDetectCookieSupport=1
[110] Nordic Ecolabel. The Nordic Swan. Available at: http://www.nordic-ecolabel.org/the-nordic-swan-ecolabel/
[111] The Danish Veterinary and Food Administration. Ø-mærket. Available at: https://www.foedevarestyrelsen.dk/Leksikon/Sider/%C3%98-m%C3%A6rket.aspx
[112] European Commission. The organic logo. Available at: https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/organics-glance/organic-logo_en

	they must be produced, processed, transported and stored. Next to the EU organic logo, a code number of the control body must be displayed as well as the place where the agricultural raw materials composing the product have been farmed.
Fuldkornslogoet (Whole Grain label)[113]	The Whole Grain label is a recognition logo for products that are made up of whole grains. The label was created in 2006 by Whole Grains Partnership, which is a public-private partnership collaboration between the Danish Veterinary and Food Administration, a number of health NGOs and food companies, with an aim to promote consumption of whole grains among the Danes as part of a healthy diet. The partnership has been very successful, as the consumption of whole grains has risen substantially.
Guideline Daily Amount (GDA)[114]	Guideline Daily Amount (GDA) is a state recommented nutrition facts label that has been adapted from the UK, where it was introduced in 1998 as a collaboration between the UK government, the food industry and consumer organizations. Aim of the GDA is to translate nutritional data into consumer friendly information, providing guidelines on pack that help consumers put this information into the context of their overall diet. GDAs are guidelines for healthy adults and children about the approximate amount of calories, fat, saturated fat, total sugars, and sodium/salt. The GDA labels have the percentage of daily value per serving and the absolute amount per serving of these categories. The control of the label in Denmark takes place via the Danish Veterinary and Food Administration.
MSC label[115]	MSC is an international label of the Marine Stewardship Council, which is an independent organization that works to preserve the natural marine environment and ensure the wild fish stocks. The label can be used by fish producers when the catch meets the label's rules for environmentally friendly and sustainable fishing. The MSC scheme is based on three principles – firstly, fishing must be at a level that is sustainable for fish stocks, secondly, fishing must be regulated in a way that preserves the marine ecosystems, and, thirdly, fisheries must comply with all local, national and international laws and have a management system that maintains sustainability. In addition to MSC, which certifies wild-caught fish, there is also an ASC label, which certifies environmentally sustainable breeding practices.
Varefakta[116]	Varefakta is a voluntary Danish labelling scheme that guarantees that the product is consistent with its marketing claims and labelling. Varefakta label is found on food, nonfood groceries, animal feed, childcare products, cosmetics, hygiene products, etc. Products with Varefakta label have been tested by an independent laboratory, and are a subject to random checks as well. One of the purposes of the scheme is to reduce the technical barriers for trade in the EU, so it is available to manufacturers, importers and wholesalers.
Anbefalet af Dyrenes Beskyttelse[117]	Anbefalet af Dyrenes Beskyttelse is another Danish animal welfare label, which aims to improve the wellbeing of animals through consumer choices. The label is accesible for meat and meat products from pigs, poultry and cattle, if the products comply with general health, safety and quality requirements, as well as if the animals have been farmed taking into account environmental considerations and they have had proper conditions ensuring their health, natural behaviour and access to free roaming outdoors.
Halal-mærket[118]	Halal-mærket is a label that identifies halald-slaughtered meat in Denmark. In Denmark, the rules on slaughter and killing of animals stipulate that slaughtering after religious rituals must take place with prior anesthesia. It is also a condition that the slaughtering takes place at an authorized slaughterhouse. However, not all halal-

[113] Fuldkornspartnerskabet. Fuldkornslogoet. Available at: https://www.fuldkorn.dk/om-partnerskabet/71-fuldkornslogoet
[114] Foedevarer.dk. Portionsmærkning (GDA). Available at: https://foedevarer.di.dk/Vi%20goer/Ern%C3%A6ringogsundhed/Portionsm%C3%A6rkning%20(GDA)/Pages/default.aspx
[115] Marine Stewardship Council. Hvad er MSC? Available at: https://www.msc.org/dk/om-msc/hvad-er-msc
[116] Varefakta. Varefakta requirements. Available at: https://varefakta.dk/en/about/requirements/
[117] Dyrenes Beskyttelse. Anbefalet af Dyrenes Beskyttelse. Available at: https://www.dyrenesbeskyttelse.dk/anbefalet-af-dyrenes-beskyttelse
[118] Landbrug & Fødevarer. Fakta om halal-slagtning. Available at: https://lf.dk/viden-om/foedevareproduktion/slagtning/fakta-om-halal-slagtning

	slaughtered meat is labeled, and if it is labeled, it must be documented and controlled by the Danish Veterinary and Food Administration.

All of these labels are voluntary, but many companies find that most Danish consumers have a high awareness of schemes available on the market, and are increasingly choosing to adopt at least one label. For organic foods and beverages, labelling is especially important, because nearly all products in Denmark are labelled. Beside the local Danish lebelling schemes mentioned, international labels are also used in Denmark, although not as often. The most popular of the international labels in Denmark include French EcoCert mark, the German BioSiegel label, the Swedish KRAV label, the Dutch EKO Quality label, as well as international Fairtrade and Rainforest Alliance labels, etc.

9. Conclusions and recommendations

A relatively small country in comparison to its neighbours with a moderate population density, Denmark has established one of the strongest economies in Europe, characterised by a balanced state budget, stable currency, low interest rates and inflation, but very high purchasing power and high living standard. The general outlook for Denmark's economy in the coming years is positive, but with a slower development pace due to dampening of the global economy.

Denmark's food industry is one of the backbones of country's economy, but the role of agriculture and food manufacturing has decreased in the post-war era, when compared the period before. Yet, the industry remains strong, as reflected in numerous Danish bacon factories, dairies, corn mills and breweries. Because most of Denmark's food industry is based on product groups such as meat and meat products, fish and other seafood, dairy products, grain mill and starch products, and bakery and farinaceous products, the export potential in these product groups is limited. However, the consumption and imports of these product groups remain high, even though exports largely exceed imports.

To a large extend, Ukraine is properly exploiting its export capabilities to Denmark by focusing on its specialization – cereals, but export of dairy produce, eggs and honey could be increased, taking into account Denmark's high import amounts within this product category. Also, Ukraine has good potential of expanding its exports of preparations of cereals and flour, pastrycooks' products to Denmark. However, the greatest discrepancy in Denmark's demand and Ukraine's export capabilities is in the trade of meat and meat offal, as this is the 3rd largest imported product group in Denmark, but import from Ukraine in this group is very low. Also, product groups such as animal and vegetable fats and oils, vegetables, roots and tubers, as well as beverages, spirits and vinegars, have potential to achieve higher trade activity, as the trade balance for there groups also is negative in Denmark.

The Ukrainian exporter of any food product group must take into account that the Danish market is driven by mainly health, sustainability and ethical considerations of consumers, with the key consumption trends being organic and natural products, clean foods free from additives, vegetarian and vegan foods, healthy snacks and convenience foods. For Danish consumers, price is becoming a less important factor in their choice, with factors such as environmental friendliness, animal welfare, local production and others being valued higher.

The high consumer demands of Danish consumers are also reflected onto supply purchasing process. Competition is increasing among producers and retailers, and major pressure is put on trade operators across all of the product supply chain, largely due to an increasing share of private labels owned by retailers themselves. Also, it is quite difficult to compete with branded products in the Danish market, especially if the brand originates from smaller non-EU countries. This is because most of the leading brands are of Danish origin, as consumers strongly support local manufacturers. Foodservice industry is

Food suppliers in Denmark must compete not only with product quality, prices and brands, successful representation and recognition of the supplier and its products is also of major importance. Online presence and local trade show visits are a must when trying to establish new trade connections in Denmark.

In order to succeed in the Danish market as a supplier of foodstuffs from Ukraine, which is a non-EU country, the recommended path is to trade in bulk with the target consumer being retailers with own private-labels, food service industry, as well as in food processing industry. The most efficient trade channels for in this case would be specialized importers and wholesalers, which have good knowledge of the legal requirements and the local market, as well as offer a wider contact network. A particularly attractive trade channel are those importers which also are processors and marketers of their own branded products or offer private-label development services for major retailers. However, several key entry models for Ukrainian food exporters have been described and compared in Table 12, such as direct export to retailers, food producers and food service industry, as well as indirect export via importers and wholesalers.

Table 12. Key market entry models for Ukrainian food exporters targeting Denmark

	Entry Model	Advantages	Disadvantages	Suitability
Bulk products	Indirect export via importers/ wholesalers	• Good accessibility • Local knowledge and contact network • Assistance with trade requirements • Many importers also act as processors/ private label developers	• Must mainly compete with mainly price	High
Bulk products	Direct export to food processors, producers and food service providers	• Ability to compete with lower prices due to cutting out middlemen • Full control over the supply process • An in-depth knowledge of the client needs	• Difficult to establish connections • Must ensure fulfilment of specific purchase requirements • Must mainly compete with either the price or be able to offer special foodstuffs • Specific purchase requirements	Medium
Bulk products	Direct export to retailers	• Ability to compete with lower prices due to cutting out middlemen • Good opportunities for supplying foodstuffs for private-label development • An in-depth knowledge of the client needs	• Difficult to establish connections • Must have good knowledge of Danish consumers and trade requirements • Must mainly compete with either the price or be able to offer specialty foodstuffs • Specific purchase and delivery requirements	Medium to low
Branded products	Indirect export via importers/ wholesalers	• Good accessibility for foreign importers • Local knowledge and contact network • Assistance with marketing, promotion and trade requirements • Good opportunities for specialty foodstuff suppliers	• Must have good knowledge of Danish consumers and trade requirements • Need to have a strong brand to compete • Consumers prefer local brands • Packaging and marketing related costs	Medium to low
Branded products	Direct export to retailers	• Ability to compete with lower prices due to cutting out middlemen • Full control over the supply process • An in-depth knowledge of the client needs • Good opportunities for specialty food suppliers	• Difficult to establish connections • Must have good knowledge of Danish consumers and trade requirements • Need to have a strong brand to compete • Consumers prefer local brands • Packaging and marketing related costs • Specific purchase and delivery requirements	Low

By comparing main advantages and disadvantages of each model for Ukrainian food businesses, it was determined that the most suitable models are indirect export models based on trade in bulk, particularly – indirect export via importers and wholesalers, especially importers who also act as processors and private-label developers. The indirect export trade models are recommended as they have more advantages and present less barriers than others. Also, in these models there are no additional costs associated with marketing and the competition is based more on the price. For exporting and distributing food products in bulk, traditional trade partnerships are recommended, but for high quality, organic and other specialty foods, specialized wholesalers should be contracted.

Overall, the solid state of Denmark's economy, high price levels, strong purchasing power and increased household expenditure, makes the market very attractive for foreign importers. Although local food production strong and competition among importers is tightening, with proper knowledge of the local market, consumer segmentation and key trends, there is a potential in most food product groups in Denmark.

APPENDIX

Table 13. Detailed breakdown of average household annual expenditure on food and beverages by product group in Denmark, 2017 [119]

Product group	Expenditure	
Expenditure product group	*EUR, current prices*	*Share of total food and alcoholic beverages, %*
Food and non-alcoholic beverages	4 960	100.0%
Rice	18	0.4%
Flours and other cereals	15	0.3%
Bread	285	5.7%
Other bakery products	187	3.8%
Pizza and quiche	23	0.5%
Pasta products and couscous	48	1.0%
Breakfast cereals	50	1.0%
Other cereal products	22	0.4%
Beef and veal	300	6.0%
Pork	152	3.1%
Lamb and goat	21	0.4%
Poultry	159	3.2%
Other meats	3	0.1%
Edible offal	4	0.1%
Dried, salted or smoked meat	198	4.0%
Other meat preparations	206	4.2%
Fresh or chilled fish	62	1.3%
Frozen fish	12	0.3%
Fresh or chilled seafood	14	0.3%
Frozen seafood	10	0.2%
Dried, smoked or salted fish and seafood	40	0.8%
Other preserved fish and seafood-based preparations	102	2.1%
Milk, whole, fresh	62	1.2%
Milk, low fat, fresh	74	1.5%
Milk, preserved	1	0.0%
Yoghurt	101	2.0%
Cheese and curd	251	5.1%
Other milk products	104	2.1%
Eggs	81	1.6%
Butter	80	1.6%
Margarine and other vegetable fats	21	0.4%
Olive oil	16	0.3%
Other edible oils	13	0.3%
Other edible animal fats	1	0.0%
Fresh or chilled fruit	305	6.1%
Frozen fruit	9	0.2%
Dried fruit and nuts	110	2.2%
Preserved fruit and fruit-based products	25	0.5%

[119] Statistics Denmark. FU02, Household average consumption by price unit, group of consumption and Time. Available at: https://www.statistikbanken.dk/FU02

Fresh or chilled vegetables other than potatoes	322	6.5%
Frozen vegetables other than potatoes	30	0.6%
Dried, preserved or processed vegetables	78	1.6%
Potatoes	83	1.7%
Crisps	42	0.8%
Other tubers and products of tuber vegetables	15	0.3%
Sugar	14	0.3%
Jams, marmalades and honey	36	0.7%
Chocolate	147	3.0%
Confectionery products	174	3.5%
Edible ices and ice cream	99	2.0%
Artificial sugar substitutes	2	0.0%
Sauces, condiments	104	2.1%
Salt, spices and culinary herbs	54	1.1%
Baby food	9	0.2%
Ready-made meals	87	1.8%
Other food products n.e.c.	28	0.6%
Coffee	139	2.8%
Tea	24	0.5%
Cocoa and powdered chocolate	4	0.1%
Mineral or spring waters	29	0.6%
Soft drinks	165	3.3%
Fruit and vegetable juices	93	1.9%
Alcoholic beverages	608	100.0%
Spirits and liqueurs	91	15.0%
Alcoholic soft drinks	1	0.2%
Wine from grapes	335	55.0%
Wine from other fruits	6	1.0%
Fortified wines	21	3.4%
Wine-based drinks	1	0.2%
Lager beer	131	21.5%
Other alcoholic beer	19	3.2%
Low and non-alcoholic beer	2	0.3%
Beer-based drinks	1	0.1%

"Ukraine: Consolidation of SME export potential and facilitation of access to foreign markets" Program

The Project was launched in the end of 2017 **under the EU4Business Initiative by the EBRD.**

The overall objective of the Project is to improve access of Ukrainian SMEs to export markets through:

- development of a unique country positioning for promotion on foreign markets (Export Brand);

- conducting international market mapping, opportunities and constraints;

- capacity development of local consultants and SMEs to engage in export support activities;

- facilitation of efficient participation of local SMEs in international trade shows and trade missions;

- facilitation of access to information.

The main Project results over the last 1.5 years include:

- Development and presentation of the **Export Brand of Ukraine**, which is actively used by Ukrainian producers, Associations and other market players in order to promote Ukrainian goods and services on international markets under a single identity.

- Organization of **5 trade missions** for Ukrainian SMEs to Israel (two times), Germany, France, and India.

- Development, implementation and presentation of **The National Stand of Ukraine** at China International Import Expo (CIIE) in 2018 in line with the new Export Brand for the first time.

- Information about the trade opportunities and **market research materials** of France, China, Germany, India and Israel were presented to Ukrainian SMEs within the educational events.

- **National Sectoral Education Program** for exporters is currently under development.

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