OVERVIEW OF THE DANISH FOOD SECTOR

BUSINESS SWEDEN

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Denmark
DENMARK HAS THE THIRD LARGEST FOOD CLUSTER IN THE WORLD

OVERVIEW OF DANISH FOOD INDUSTRY
- In 2012 the food industry in Denmark employed 180,000 people which is about six percent of the total Danish labour market
- Denmark has the third largest food cluster in the world in terms of employment
- The 100 largest Danish companies within the food sector amounted a revenue of 319 billion DKK in 2012
- The Danish ingredients sector accounts for 14 percent of the global ingredients market
- In a survey including all European countries, Denmark scored highest in Food R&D expenditure, innovation collaboration, knowledge and business environment
- Denmark produces enough food for 15 million people every year

CLUSTER ORGANISATION
- Danish Food Cluster has over 120 members and covers about 75 percent of the total turnover
- One of the aim is to attract international business
- Good network possibilities
- Read more on homepage: http://danishfoodcluster.dk

SOURCE: DI FØDEVARER - MEGET MER END MAD (2013), EUROPEAN HUB FOR FOOD INNOVATION - DANISH FOOD CLUSTER
CENTRAL DENMARK REGION HAS THE HIGHEST CONCENTRATION OF JOBS IN THE FOOD INDUSTRY

SHARE OF TOTAL NUMBER OF JOBS – FOOD SECTOR

- Capital Region - 14 percent
- Region Zealand - 12 percent
- Region of southern Denmark - 24 percent
- **Central Denmark Region** - 37 percent
- Northern Denmark Region - 13 percent

OVERVIEW OF DANISH FOOD EMPLOYMENT

- 37 percent of the jobs in the food sector area as a whole are located in Central Denmark Region
- 24 percent of the Danish food employment is found in the Region of Southern Denmark
- Region Zealand is the smallest employer within the food sector with only 12 percent of the jobs
- Northern Denmark Region and Region of Southern Denmark have a higher concentration of people employed in the primary sector than Central Denmark Region

SOURCE: TOWARDS AN INTERNATIONAL FOOD CLUSTER IN DENMARK - THE DANISH CLUSTER ACADEMY
THREE MAJOR GROUPS CONTROL THE FOOD RETAIL MARKET IN DENMARK

- Shops: More than 1200 shops across Denmark
- Concepts: Kvickly, Superbrugsen, Dagli´Brugsen, Fakta, Irma
- Market share: 38 percent

- Shops: 559 shops in Denmark
- Concepts: Netto, Føtex, Bilka
- Market share: 32 percent

- Shopes 680 shops in Denmark
- Concepts: Meny, Spar, Kiwi, Min Købmand
- Market share: 14 percent
THREE CATEGORIES REPRESENTS 50 PERCENT OF SWEDISH FOOD EXPORT TO DENMARK

SWEDISH FOOD EXPORT TO DENMARK IN 2013

- Coffee, tea and spices: 23%
- Fish and seafood: 17%
- Grain: 17%
- Fruits and vegetables: 9%
- Meat: 6%
- Oil and fats: 5%
- Dairies and eggs: 3%
- Beverages and tobacco: 8%
- Sugar and sugar based products: 5%

COMMENTS

- In 2013 Swedish companies exported food to Denmark for a value of 6.9 billion SEK
- Fish and seafood increase heavily and was the largest product groups in Swedish exports to Denmark in 2013
  - Grain and coffee, tea and spices are other large export products
- All product groups except from beverages and tobacco have experienced an overall growth after a large decrease in 2009

SOURCE: SCB, JORDBRUKSVERKET
THREE FOOD SEGMENTS HAS BEEN IDENTIFIED WITH HIGH-POTENTIAL FOR SWEDISH COMPANIES

<table>
<thead>
<tr>
<th>Food ingredients</th>
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<tbody>
<tr>
<td>▸ Expected growth in Danish ingredients industry can lead to new investments</td>
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<tr>
<td>▸ Production constraints in Danish agriculture can lead to lack of raw materials for the Danish ingredients industry where Swedish companies can find opportunities</td>
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<td>▸ High technology is a growing demand from Danish Ingredients companies</td>
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<th>Food online</th>
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<tr>
<td>▸ Online food shopping in Denmark is currently booming and opportunities can be identified within Danish online food distributors</td>
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<td>▸ Opportunities for Swedish companies to reach a new growing consumer segment</td>
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<th>Organic food</th>
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<tr>
<td>▸ Dairies are the largest group in organic food sector in Denmark and is expected to grow</td>
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<tr>
<td>▸ Danish supply of organic eggs are not expected to meet the demand from the market where Swedish companies can find opportunities</td>
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<tr>
<td>▸ Expected growth in organic baby food is a concrete business opportunity for Swedish companies</td>
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DANISH INGREDIENTS ACCOUNTS FOR 14 PERCENT OF THE GLOBAL INGREDIENTS MARKET

KEY PLAYERS - DANISH INGREDIENTS

- 33 billion DKK was the revenue for the Danish ingredients sector in 2012
- The sector has experienced a growth with 27 percent between 2007 – 2012
- Danish companies within the ingredients sector employs 6 000 people in Denmark and almost 12 000 abroad
- 94 percent of total ingredients sales are outside the Danish borders and accounted for 30 billion DKK in 2012
- The industry is expected to grow with at least 5 percent annually
  - Production, administration and R&D are the largest sectors within the Danish ingredients industry

SOURCE: IFAU - FØDEVAREINGREDIENSER EN DANSK STYRKEPOSITION
OVERVIEW DANISH ONLINE FOOD SHOPPING

- Analysis shows that online sales of groceries, food and beverages recorded in August 2014 with 7 percent of the total online sales volume in Denmark
- Online food shopping has previously accounted for between 2 and 4 percent of total online sales
- The industry is expected to grow with 15 percent during 2014 according to FDIH
- The growth is equivalent to total sales of 72 billion DKK
- Online shopping accounts for almost 20 percent of the total Danish consumption

WHAT LOCAL EXPERT SAY ABOUT ONLINE SHOPPING

“Online food shopping is currently booming in Denmark. We expect a continuous growth during next coming years. The word convenience is central when talking about online food shopping”

“The typical online food shopping consumer is a family with small children where online shopping will save them a lot of time. However, we can also see a growing trend within the premium segment where elderly people shop organic food online”

Industry expert, Foreningen for Dansk Internet Handel (FDIH)
ORGANIC FOOD IS ESTABLISHED ON THE POLITICAL AGENDA IN DENMARK

CONSUMERS ATTITUDE TOWARDS ORGANIC FOOD

- 90 percent of Danish consumers buys organic foods according to a survey by the Danish trade association Agriculture & Food Council
  - Price is the most important factor to Danish consumers
  - Second most important factor is the availability
- Wine, beer and chocolate make up a small part of the organic sales but has experienced a high growth lately
- Typical consumers are large city based families with one child
- Political initiatives to promote ecology in Denmark by Økologisk Action Plan 2020
  - In 2012 and 2013 a total of 138 million DKK has been marked to promote ecology in different areas

ECO LABELLING

- The Ø-label is an inspection label and shows that the latest preparation of the product has taken place in a Danish company inspected by the public authorities
- 98 percent of the Danes recognize the Ø-label and organic products that bear the red Ø-label are highly respected
COPENHAGEN FOOD FAIR OCH FOODEXPO ARE THE LARGEST FOOD FAIRS IN DENMARK

COPENHAGEN FOOD FAIR
- Copenhagen Food Fair is an exhibition professionals within hotel, restaurant and catering industries
- In 2015 the fair had 16,829 visitors
- The fair is divided in four main sections: Hotels and catering, interiors, food, wine & spirits and kitchen appliances
- Next Copenhagen Food Fair will be held in February 2017
- [www.copenhagenfoodfair.dk](http://www.copenhagenfoodfair.dk)

FOODEXPO
- Food Expo is organized every second year and gather professionals within catering and food supply
- In 2014 the fair had 420 exhibitors and 24,243 visitors
- Food Expo is located in Herning
  - Next dates for the fair are on the 6th – 8th of March in 2016
  - [www.foodexpo.dk](http://www.foodexpo.dk)

SOURCE: WWW.COPENHAGENFOODFAIR.DK, WWW.FOODEXPO.DK
BUSINESS SWEDEN IN COPENHAGEN HAS EXTENSIVE KNOWLEDGE OF THE DANISH FOOD SECTOR

- Business Sweden’s office in Copenhagen has extensive market knowledge and long experience of promoting Swedish businesses in the food sector in Denmark.

- Business Sweden has worked with a broad range of Swedish companies within food sector. Business Sweden has successfully conducted market analyses, partner searches, local company establishments as well as marketing and sales support. Business Sweden has also organized seminars on selected themes within food to create platforms for exchange between Sweden and Denmark and initiate business dialogues between Swedish and Danish companies.
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