

Facts about Danish organics

Denmark is an ancient agricultural country with rich traditions, but consumers, who put health, the environment and animal welfare at the forefront when shopping, are now challenging conventional farming.

Danes have become mass-consumers of organics and that shows in the sales of organic products, which have risen with 65 per cent from 2003 till today. After Switzerland, Denmark sells more organic products per capita than any other country in the world. Organic milk has a market-share of 30 per cent in Denmark.

Denmark was the first country in the world to establish governmental rules for organic production and an efficient state-control of organic foodstuffs and producers. Producers who fulfil the strict criteria can sport the well-respected Ø-mark on their products.

Public authorities also support the organic sector by special green purchases and organic food for retirement homes, schools and other institutions such as nurseries and borstals.

The Danish retail sector already took on organics in the 1990s and now all supermarkets offer a great variety of organic products. Thus Danish consumers do not need to go to speciality stores or farm-shops to buy organic produce – they can find it all in their supermarket.

The huge interest for organics means companies feel encouraged to experiment with developing alternative products such as organic ice cream and organically farmed trout. In 2007 this has manifested itself in a 52 per cent increase of new organic products on the market compared to the previous year.

Denmark is one of the leading countries in terms of research into organic farming, which directly benefits producers.

The Danish organic companies are joined in the organisation, Organic Denmark, which with innovative ideas, high quality-standards and self-regulation is leading within European organics. Organic Denmark arranges popular, national events where Danish consumers can experience organic farming themselves out in the countryside where it all happens. One such event is Organic Day when the cows are let out on the pastures in Spring and the harvest-markets in Autumn.

Together with the development of renewable energy sources, the introduction of environmental policies and energy-research, the organic movement contributes to making Denmark a green and healthy country.

Denmark:

Population: 5,4 million

Area: 44,000 square kilometres spread across the Jutlandic peninsula and hundreds of islands with a combined coastline of 7,000 kilometres

Farmed land: 2,711,000 (of which 164,000 hectares are organic)

Number of farms: 45,370 (of which 2,889 are organic)

Organic (ECO) Production And Marketing in Denmark

1. Legislative Framework.

State control ensures credibility

The players on the Danish organic scene attach great importance to the principles of organic integrity. Denmark was the first country to introduce public control of organic agricultural production and processing. This was in 1987, the same year that saw the launch of the Danish eco-label, the red "Ø" symbol. The eco-label enjoys widespread credibility and is recognised by almost 100 per cent of the Danish population. It is used on the domestic market by almost all organic producers.

At least once a year, all organic farmers and companies are paid a scheduled visit by a state inspector. In addition to these visits, the inspectors make unannounced visits each year. The purpose of these inspections is to ascertain whether all regulations are being complied with and to ensure that only products produced in compliance with the regulations are sold as organic, be it for the domestic or the export markets.

Danish regulations with a European background

The Danish regulations are based on the regulations of the European Union (Council Regulation EEC No 2092/91 of 24 June 1991). This is one of the reasons why Danish organic products can be sold all over the world with the EU organic label.

Based on the pan-European set of regulations, Danish products can also carry the national organic labels of other countries, for instance in Germany where Danish organic products can be labelled with the German state eco-label Bio-Siegel.

Denmark has a long tradition of organic farming, and over the years organic food production has attracted great attention from politicians, authorities and organizations. Effective control of the organic production has given Danish organic products a high degree of credibility. This is an important condition for the marketing of the organic products.

Trade in organic foods is widespread in Denmark, and the products are sold mainly through ordinary places of purchase such as supermarkets, but also market sales, subscription sales, internet sales and farm outlets are common.

Danish legislation on organic production

since various non-governmental organizations (NGO's) in Denmark have been very active in developing organic production for several years, Denmark became one of the first countries in the world to introduce legislation on organic production. The first act was

passed in 1987. Shortly afterwards, the state inspection logo, known as the red Ø logo, was introduced.

At the same time, the interest in organic production increased at the European Union level, resulting in rules from 1991 on organic production of vegetable foods. The work for common EU rules cumulated with the adoption of rules on animal production, which were put into force in the summer of 2000. Denmark has always been very active during the entire process to influence the rules. Denmark makes use of the right to have more stringent national requirements in a number of fields, one aspect being stricter inspection rules. Denmark has for instance strict rules for the transportation and slaughtering of organically produced livestock and for pigs' free access to coarse fodder – yet another important field to Denmark, as this means increased animal welfare.

No additives, please

It is important to Denmark that organic foods contain no additives, if at all possible and acceptance of the use of additives requires them to be essential to production. Denmark's policy on additives in organic foods is therefore very strict. At the moment, the Danish list of additives allowed in organic animal foods is very short – for example colouring agents and flavourings are not allowed. These rules will apply until negotiations on lists applicable to the entire EU have been concluded for this particular field. Denmark works along these very restrictive principles when EU rules are laid down on the use of additives.

Efficient state inspection from stable to table

It is difficult to compare private against state inspection of organic production. Public authorities are regarded as independent and impartial and are subject to parliamentary control. The same effect can be ensured by accreditation of private inspection bodies. Public authorities thus do not need such accreditation.

Only authorities under the Ministry of Food, Agriculture and Fisheries carry out inspection under the government rules for organic production. The Danish Plant Directorate inspects the primary production, while the Danish Veterinary and Food Administration inspects processing. Some undertakings are inspected daily, while other undertakings have inspection visits at least once a year.

Inspection of organic foods in Denmark applies to all stages from stable to table. Also those who are exclusively wholesalers or store organic foods at the wholesale level are encompassed by the organic food inspection. This means enhanced conditions for carrying out cross checks. Accounting and documentation information exchanged by undertakings is crosschecked as part of the ordinary organic food inspection as well as inspected by a special task force exclusively set up for that very purpose.

Crosschecking is one of the most efficient means when it comes to uncovering actual fraudulent trade in organic products. Although few, the cases of fraud or serious mistakes have thus almost all of them been discovered by comparing accounting information from different undertakings. Danish authorities therefore attach great importance to crosschecking as a means of complementing the ordinary inspection on internal accounts.

The legislation on Public Law

The inspection of organic food production is usually carried out as a part of the ordinary control according to the food legislation. The inspectors are impartial and independent. They have no personal or financial interests in the inspected undertakings. Like all Danish authorities, they are subject to the Danish Public Access Act and the Danish Public Administration Act.

Basically, The Public Access Act secures that any Danish citizen, undertaking or reporter can request access to the files of the public administration with a few exemptions such as strictly confidential or personal information. The purpose of The Public Access Act is that everybody should have access to the reasons for the decisions made by public authorities. The Public Administration Act ensures that a citizen is given the opportunity to submit his comments before a decision is taken in a case concerning him.

Frequent inspection

All organic farmers need a license for organic operation from the authorities, and it is a condition for all organic production, processing or labelling that the work may not start until the relevant authority has issued a report stating all the conditions for the activities.

The number of inspections, with or without notice, for each organic operation depends on the complexity of the production involved. Most inspection visits are made without notice. A slaughterhouse, for example, has daily inspections, while a potato producer or packer may only need one ordinary inspection visit annually.

Inspectors visit organic crop producing farms at least once during the growing season and in addition about 25 per cent of organic farms are visited at random without notice during the year. All authorized organic crop producing farms submit a report every year. This report is the basis of the inspection. The inspectors also review the accounts and check that vouchers, feeding plans and the log of drug use are satisfactory. The animals and their housing are inspected and the inspectors check that the food available is in accordance with the rules.

During an inspection visit to a farm, an inspection report is drafted. The inspection report is the basis for continued authorization of the farm. Deviations from the rules may result in warnings or a prohibition against marketing the products as organic for a period. Serious violations may result in fines, or the license may be withdrawn.

Competent and independent inspectors

All inspectors have relevant education in e.g. agriculture, food science or veterinary science, and they are full-time employees of local inspection units. As the inspectors also carry out inspection according to the ordinary food legislation in addition to the rules on organic production, they make inspection visits quite often and have a thorough knowledge of the production form or type of undertaking involved.

The inspectors' competence in organic farming is ensured through their attendance at annual courses both for new and experienced inspectors, through working groups and detailed inspection manuals.

Fraudulent production is reported to the police

The Danish authorities intervene if irregularities occur in the organic production.

Direct fraud is reported to the police, and in case of serious or persistent violation of the rules, the undertaking is divested of the right to market organic products for a period of up to five years. Minor violations are handled through the imposition of orders, administrative fines or prohibition against marketing a product.

Any violation of the rules on organic production resulting in a fine or marketing prohibition is published, which is believed to have a great preventive effect.

The Ø logo

The Ø logo is an inspection label. From its very introduction, it has been of great importance to the credibility of the inspection of organic foods in Denmark.

The red Ø logo shows that the latest preparation of the product has taken place in a Danish company inspected by the public authorities. Therefore, the logo can be seen on both foods that originate from Danish organic farms and on imported foods that are processed, packed or labelled in Denmark.

The EU logo

The EU logo shows that the organic product is produced and controlled equivalent to the standards in the European legislation (2092/91). It is voluntary to use both the Ø logo and the EU logo. They can be used alone or combined.

2. Organic Certification bodies and standards

Danish Agricultural Council
Tel: +45 3339 4000
E-mail: landbrugsraadet@landbrug.dk
www.landbrugsraadet.dk

Statistics, export policy issues, trade policy matters, links to farmers' associations

Danish Dairy Board
Tel.: +45 8731 2000
E-mail: info@mejeri.dk
www.danishdairyboard.dk

Statistics, economic and political issues, veterinary conditions, milk quality, product legislation.

The Ministry of Food, Agriculture and Fisheries
Tel.: +45 3392 3301
E-mail: fvm@fvm.dk
www.fvm.dk

Organic farming as such – organic food policies, import and export issues, newsletter subscription

Danish Ministry for Family and Consumer Affairs
Tel.: +45 3395 1310
E-mail: minff@minff.dk
www.minff.dk

Family policies, consumer policies and consumer protection, food safety. Focus is on family life in the widest possible sense and protecting consumer rights and safety.

The Directorate for Food, Fisheries and Agri Business
Tel.: +45 3395 8000
E-mail: dffe@dffe.dk
www.dffe.dk

National strategy issues, product development issues, equivalence agreements and pending negotiations with foreign certification bodies, action plans on organic farming, EU-related issues.

The Danish Plant Directorate
Tel.: +45 4526 3600
E-mail: pdir@pdir.dk
www.pdir.dk

Organic inspection in the primary sector, legislation issues, laboratory testing.

Danish Research Centre for Organic Farming
Tel.: +45 8999 1035
E-mail: forjo@agrsci.dk
www.darcof.dk

Farming research, research methodology, ecological management, and education programmes.

Denmark.dk
www.denmark.dk
Denmark's official web portal and export directory offering access to Danish embassies and trade representatives worldwide with versions in Danish, English, German, French and Spanish; on-line business news.



The Development of Organic Farming in Denmark

Organic farming has its roots in alternative farming systems, and these systems have existed for many years both in Denmark and other countries around the world, questioning whether intensive agriculture, which uses artificial fertilisers and sprays to provide the greatest possible yield, is the best way to produce foods that promote human health. Furthermore agreeing that the impact of the production method on the surrounding environment should be included as a parameter of quality.

Roughly speaking the alternative systems have been significant in two periods in modern times. The first period was 1920-1940, and the second period was from 1960 and onwards.

In the 1920's Denmark experienced a widespread interest in natural living and natural foods, not least influenced by the biodynamic agricultural system from Germany. In 1936 The Biodynamic Association was established by influential landowners from the aristocracy.

The development of modern organic farming in Denmark can be divided into four periods:

- [1960-1980](#) – Organic pioneers emerge
- [1981-1986](#) – Limited Consumption
- [1987-1992](#) – Mass media and Politicians
- [1992-2003](#) – Organic Commercial Breakthrough
- [2003-2005](#) - Standstill

▫ [Highlights](#)

1960-1980 - Organic pioneers emerge

Throughout the 1960s and 1970s we experienced acute environmental degradation. In particular, nitrate and pesticides in drinking water, residues of pesticides and medicine in foods, eutrophication of marine and fresh water, and eutrophication and acidification of terrestrial ecosystems caused the environmental problems. For these problems agricultural production carried a major responsibility and organic farming seemed to offer a solution to some of these problems. This led pioneers in organic farming to start out – many of them being young townspeople with no experience in farming wanting to show how real sustainable (organic) farming should be practised. The new term "organic" farming was based to a greater extent on the farming principles of the Howard Balfour method and the organic biological system, rather than the biodynamic approach.

In organic plant production, emphasis was laid on the avoidance of all chemical pollution by forbidding the use of chemical sprays and artificial fertilisers. Organic farming does not exclude loss of nitrogen when organic animal manures and legumes are used. It was however a clear objective to avoid all forms of pollution from agricultural activities and to avoid excessive use of organic fertilisers, and an upper limit was set for the amount of animal manures that may be applied per hectare. All this was designed to limit the losses of nitrogen. Alongside the environmental debate, the intensification of animal production methods stimulated increased concern about the well being of animals in modern farm buildings. For this reason concern for animal welfare became an integral part of the

objectives of organic farming. Within a few years all these concerns created the basis of the framework of the first Danish organic regulations

The organic pioneers worked alongside approx. 100 biodynamic farmers at that time. The production and consumption of organic goods were in this period very modest - under one per cent.

Limited Consumption



More organic farms were established, and the Danish organic movement was organised in 1981 with the foundation of the Danish Organisation for Organic Farming (LØJ). The organisation was made up of farmers, consumers and processors with its own growing and breeding regulations and an independent inspection. The set of rules was to a large degree inspired by the IFOAM basic standards.

The Danish Organic Agricultural College was founded in 1982 to educate organic farmers and is also in charge of continuing education for conventional farmers. In 1985 The Danish Family Farmers Association established a special organic advisory service, in co-operation with The National Association for Organic Farming and The Biodynamic Association. From 1987 The Danish Farmers' Union also contributed to the advisory work.



In the spring 1982 the first organic carrots were sold in the Coop Denmark supermarkets. The interest from consumers was very limited, and the development in the 1980's was slow. In January 1988 the best selling organic products were potatoes, carrots and celery root with a market share of more than 10 per cent of the total organic turnover. However the total turnover of organic fruit and vegetables was less than 1 percent of the total turnover of fruit and vegetables in Coop Denmark at that time.

1987-1992 - Mass Media and Politicians

In particular politicians and the mass media drove the development forward in this period. The Danish Parliament adopts the world's first comprehensive legislation on organic farming in 1987, not least inspired by media attention to lobsters dying of oxygen depletion in Danish coastal waters.

An important step was the establishment of the Council on Organic Food and Agriculture in 1987. The council serves as a platform for consensus building on organic policies and has been a catalyst for initiatives in every area of the organic food production. It has representatives from the state, the organic farmers' organisations and the conventional farmers' organisations, the labour organisations, the processors, retail organisations and the consumers.

The Danish State control-label, red Ø-label, was launched in 1990 strengthening the consumption of organic products, leading to more processors and retailers being interested in producing and selling organic products, and State control of organic production was established to give the consumer confidence with regard to the genuineness of products.

The organised sale of organic milk was initiated by the organic farmers themselves in 1988 through the establishment of organic dairy circles.

1993-2003 - Organic Commercial Breakthrough

1993 was the “Year Zero” in the sales of organic products in Denmark. Suddenly the market turned around with a massive increase in the production and sales of especially organic milk and eggs.

The same year as general economical support for organic farming was established, the consumer prices in the biggest retail-store chain were lowered combined with an intensive marketing effort. A few figures illustrate the vastly positive effect: In the beginning of 1993 Coop Denmark sold weekly approx. 100.000 litre of organic milk. In the beginning of 1995 the sales were 350.000 litres weekly, and Coop Denmark could have found sale for minimum 200.000 litre more. Thus the demand increased in two years from 100.000 litres to more than 500.000 litres weekly.

The Danish Research Centre for Organic Farming was established in 1996 co-ordinating Danish research in organic farming. In the same year The Danish Institute of Animal Sciences established Rugballegaard as an organic research station at Research Centre Bygholm, Horsens. The research station is officially approved as an organic farm. The aim of establishing the organic research station was to provide the scientists with the possibility to carry out analytic and comprehensive research, partly focusing on the conditions of the various animal species (feeding, livestock houses, welfare, etc.), and partly on the interplay between animals and crops (feed supply, grazing systems, utilisation of manure, crop rotations, etc.). Finally, the aim was to develop and demonstrate new techniques relevant to organic farming.

The Logo of the research centre



2003-2005 - Standstill

In this period Denmark experienced what should be described as a natural weakening – the export did not expand, the domestic consumption stagnated, and we experienced a surplus production. In 2003 we saw a 5.5 per cent decrease in the number of organic farms – the first decline since 1989. The year after the Danish Ministry of Food, Agriculture and Fisheries launched an information campaign to promote the EU organic logo.

The political focus has shifted from an environmental approach to a market approach. Observers of organic production in Denmark doubts today (2005) that the free sway of the market forces can ensure a continued growth in organic farming. But it is hard to predict the future. One thing however seems certain: Never has the alternative farming been so predominant and such a strong source of inspiration for the traditional farming community.

Organic Production in Denmark

1936	The Biodynamic Association and Demeter Association were established.
-------------	--

1972	An umbrella organisation, the International Federation of Organic Agriculture Movements (IFOAM), was set up for societies working towards alternative agriculture.
1981	The Danish Association of Organic Farming is founded and a number of specific rules are formulated. The association sets up its own inspectorate.
1982	The first Danish organic agricultural college is set up in Jutland.
1985	The first organic agricultural advisory service was set up.
1987	The Danish parliament adopts the world's first comprehensive legislation on organic farming. State inspection and certification scheme are introduced.
1988	The first litre of organic milk is bottled at a small dairy.
1990	Launch of a national campaign for organic agriculture.
1993	The largest Danish supermarket chain, Coop Denmark, reduced prices by 15 to 20 percent on a large number of organic products. Boom in consumption.
1993	General economical support for organic farming is introduced.
1995	The Danish Ministry of Food, Agriculture and Fisheries presents a comprehensive Action plan I designed to propel organic farming towards the year 2000.
1996	The 7th IFOAM World Conference is held in Denmark. The Danish Ministry of Food, Agriculture and Fisheries introduce an increased support to plant producers. The Danish Research Centre for Organic Farming is established, and the Organic research station Rugballegaard is established.
1998	The number of organic farms more than triples over a five-year period.
1999	Organic organisations establish co-operation in the Centre for Organic Agriculture. Action plan II is introduced.
2000	Organic e-commerce is launched by the company "Aarstiderne" – www.aarstiderne.com .
2001	Denmark hosts the European Organic Food and Farming Conference.
2003	General economical support scheme for organic farming is changed.
2004	Launch of a national campaign for the European logo for organic agriculture. The first year since 1989 with a decrease in the number of organic farms. National regulation opened up for organic fish in Denmark.

Organic objectives and principles

Organic farming differs from conventional farming in that it is based on principles of:

- Preserving the fertility of the soil
- Avoiding all forms of pollution
- Producing goods of optimum nutritional quality
- Utilising local resources and labour in a closed cycle
- Reducing the use of non-renewable resources to a minimum
- Providing domestic animals with good living conditions
- Ensuring that the farmer can generate sufficient income from his farm.

The organic associations in Scandinavia have agreed on the following definition of organic farming:

“Organic farming means a self-sufficient and sustainable agro-environmental system in equilibrium. The system is based as far as possible on local, renewable resources. Organic farming builds on an integrated ethos, which encompasses the environmental, economic and social aspects in agricultural production both from a local and from a global perspective. Thus, organic farming perceives nature as an entity, which has value in its own right; human beings have a moral responsibility to steer the course of agriculture so that the cultivated landscape makes a positive contribution to the countryside.”

The use of industrially produced pesticides and other chemicals foreign to the environment are prohibited in organic farming, as is the use of artificial fertilisers. Genetically modified organisms (GMO) are forbidden in animal feedstuffs and in connection with plant production or processing.

Organic farming is also about animal welfare, and the regulations governing organic farming contain detailed guidelines as to how specific livestock should be bred and fed. Generally, it involves conforming to the objective of “providing all livestock with good conditions that are in keeping with their natural behaviour and needs”.

A common feature of all organic objectives is that farming people are considered to be part of nature - in a rotation. Nature is so complex, however, that we do not have a full understanding of the consequences of our actions on it - we therefore work carefully. Finally, the cultural and social aspects of agriculture have a central place in organic farming.

Inspection and Label

Denmark is exceptional in having an official set of regulations and a single unique symbol for organic products, and also in that the State undertakes inspections. In general Danes contrary to other neighbouring countries have great confidence in the State as a serious and neutral body of inspection and labelling.

All farmers who practice organic farming must be authorised in organic management. Amongst other things, in collaboration with an organic agricultural adviser, the farmer must

set out a plan for converting to organic management. Authorisation is not granted until the farm has been inspected and the conversion plan accepted by the Plant Directorate.

An inspector visits all Danish organic farms from the Plant Directorate at least once a year. The control visit normally occurs during the summer period, whilst the crops are still in the field. In addition, an unannounced visit is paid to 25 per cent of the farms each year.

The control consists partly of a physical check, in which fields, animal buildings, and other farm buildings are inspected, and partly of an inspection of documents. The latter includes control on the purchase of feeds and manures, and inspection of the farmer's feeding, sowing and manure application plans.

When a product is sold as "organic", a control must also be made to see that any processing (such as that involved in the case of juice and sandwich spreads, etc.) complies with organic rules.

Furthermore, a control must be made of the wrapping and packaging processes to ensure that there is no mixing with non-organic products. Companies that, for example, process, pack or import organic foods must notify the public authorities.

In association with the company, the authorities will work out an organic report that, amongst other things, describes how organic products are to be kept separate from non-organic products, and how accounts for purchases and sales must be presented.

In addition, a very comprehensive control of organic production is carried out at least once a year. To strengthen the control of organic products The Danish Veterinary and Food Administration also makes crosschecks. Each year a random selection of companies is made, and their accounts are compared with those of their suppliers and customers. This process establishes whether the amount of organic products bought and sold tallies between companies.

If, at a control visit, it is established that a company is not complying with the regulations for organic production, the authorities will step in. In minor cases the company will receive a sharp reminder to comply with regulations. Serious cases can lead to an order, fine and possible report to the police.

The ECO label :



The "Ø"-label is an inspection label launched in 1990. The regulations associated with the Ø label are based on EU legislation - although Danish rules still apply in a few areas because EU legislation still does not cover all aspects of organic activities. Fundamentally the red Ø label signifies that the Danish authorities have carried out a control on the farms and work places that produce, process, package or label the goods in Denmark. The red Ø-label shows that the latest preparation of the organic product has taken place in a Danish company under inspection of the public authorities. Therefore, the label can be seen both on foods of Danish origin and on imported foods processed or packaged and labelled in Denmark.

Maintaining confidence in organic production is dependent on adherence to and strengthening of the Ø-label. The production standards on which the symbol is based must satisfy the standards of both consumers and organic producers as to respect for the environment, health, livestock, welfare etc.

Approximately 94 per cent of the Danish consumers are familiar with the "Ø"-label, and 81 per cent have confidence in the label. A study shows that 85 per cent of the consumers do not trust foreign organic products without the Ø-label. The more distant and exotic the product is, the less confidence the consumers had.

The red Ø-label symbolises the organic origin; the crown in the middle symbolises the Danish Ministry of Food, Agriculture and Fisheries. The red colour symbolises that the inspection is Danish – the Danish flag being red and white.

In autumn 2004 the Danish Ministry of Food, Agriculture and Fisheries launched an information campaign to promote the EU organic logo, which was introduced in 2000. It might seem paradoxical that Denmark was initiating a campaign for the EU logo since an effective national organic logo already existed. The authorities wanted however to contribute to the development of organic movement in the EU, and increased trade is regarded as necessary if the organic production is to continue its development. The campaign will run until September 2005. The campaign targets the entire organic food chain from farmers to the processing industry, retail trade and consumers. A mid-evaluation of the campaign in 2004 showed that 42 per cent of the population in 2004 was familiar with the EU logo. Before the campaign only 7 per cent were aware of the EU logo.

Domestic Sales

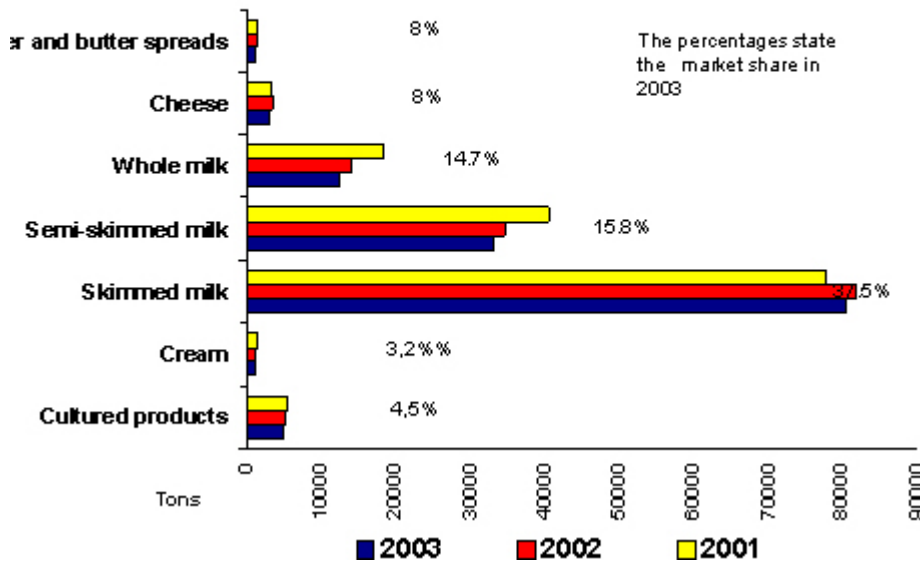
Until the beginning of the 1990s, most of the organic products in Denmark were sold at the farm gate, markets or from health-food shops. The situation is very different today where 85 percent of all organic products are sold in the supermarkets. One could describe the Danish market for organic foods as relatively mature; it does not suffer seriously from the supply shortages and barriers, which dominate other markets outside Denmark. A study from 2003 shows that supermarkets actively promoting organic food still experience growing market shares. The IRMA chain experienced a 19 per cent growth in the organic turnover in 2004. In total organic products represent 11 per cent of the turnover in IRMA.

The advice from supermarkets is that organic products needs to differentiate in taste, quality and "storytelling" if sales are to propel.

The most successful product in the Danish organic food sector is organic cereal. 29.5 per cent of the rolled oats sold in Coop Denmark is organic. On almost the same level is milk – especially in the capital, Copenhagen, the consumption of organic milk is high. – In one IRMA outlet in greater Copenhagen 9 out of 10 litres are organic. Organic eggs account for around 17 per cent of egg sales and organic carrots represent 13 per cent of the total carrot sales in the supermarkets.

Organic dairy production and market share

Organic production 2001-2003



Source: Danish Dairy Board

Consumption of organic vegetables is low but increasing steadily, the market share is estimated at over 6 per cent of the total vegetable market. Potatoes, carrots and onions, in terms of volume, dominate the sale of organic vegetables. Production and consumption of organic bakery has decreased in recent years.

The production of organic meat does not match the volumes of organic milk and organic vegetables. Managers from Danish supermarkets indicate that prices on organic meat are too high compared to conventional meat, thus being a curb on sales. However, a campaign in 2004 in supermarkets for organic beef, coordinated by The Danish Association of Organic Agriculture, resulted in an increase in sales of 70 per cent.

In 2003 there was a turnover of 2 billion+ DKK in organic foods and beverages in supermarkets and department stores, equalling approx. 3.5 per cent of the total turnover of foods and beverages in these outlets. Low-fat and skimmed milk account for 25 per cent of the total organic turnover followed by eggs, cheese and carrots. Products such as organic pork and organic apples each account for less than 1 per cent of the total turnover.

Total market shares in percentage - selected organic products

Product	1999	2000	2001	2002	2002*
Milk		22.2	25.9	23.5	30.5
Oat grains		24.4	23.8	27.2	29.5
Carrots		12.9	13.9	12.8	32
Eggs		18.7	16.8	16.8	26.1
Wheat flour		9.5	8.8	8.2	20
Pasta, fresh		14.5	9.0	8.0	13.4
Rye bread		6.8	5.4	5.0	6.4
Coffee		4.2	3.5	3.5	5.3
Pork		0.3	0.3	0.4	
Beef		0.9	0.7	0.9	
Curdled milk	8				9
Potatoes	7	3.3	3.6	3.2	
Onions	4				
Butter	3	4.5	4.5	4.3	8.3
Wholemeal flour	22				
Cheese	2				6.1

Source (200, 2001 and 2002): GfK Danmark A/S

* - Market share in Superbrugsen supermarkets, Coop Denmark 2002

Domestic production of organic milk has increased 400 percent since 1996. It is therefore hardly surprising, that the balance between supply and demand of organic milk in the last few years has been increasingly distorted. In 2001 Arla (dairy) accepted 415 million kilos of organic milk, but only 165 million kilos were marketed as organic. The rest was sold as ordinary milk. In 2002 the Product Manager, Mr. Karsten Jeppesen, Arla, explained, that only half of the organic milk is utilised as such, but that organic milk makes both ends meet economically for Arla.

COOP Denmark, one of the major Danish retail conglomerates and a retail co-operatives part of Coop Norden, has focused on organic products as part of its core strategy, and its organic market share lies around 5 per cent of their total food sales. In 1993 COOP reduced prices on organic products, which resulted in a substantial increase in demand. The reduction in prices and aggressive promotion in the media have increased the demand for organic products over the years. However the annual growth has slowed down since 2001.

Coop Denmark announced in summer 2003 that the domestic sales are becoming more and more polarised. The sales of organic products are increasing in urban areas whilst decreasing in rural areas.

Annual growth rates in organic sales for COOP Denmark

1996	1997	1998	1999	2000	2001
2.8	4.1	5.0	6.3	6.3	10.9

The typical Danish organic consumer is

- Well-educated
- Living in urban areas
- Having children younger than seven years
- Higher income, can afford to spend a larger part of budget on food
- Older than 40 years
- Being environment-conscious
- Being health-conscious
- Woman

Development in consumption of organic produce in per cent

	1999	2002	2003
Households spending more than 10 percent of their food budget on organic produce	15	13	13
Households spending 2.5-9.9 percent of their food budget on organic produce	26	27	28
Households spending up to 2.5 percent of their food budget on organic produce	52	55	52
Households which do not buy organic produce	7	5	7

Source: Gfk ConsumerScan, 1999, 2002, 2003

As it can be seen, 55 per cent of Danish consumers spent up to 2.5 percent of their food budget on organic products, but these consumers only constituted 11 percent of the total organic turnover in Denmark.

Export and Import

Both export and import of organic products has increased considerably during the 1990's but has slowed down in last year. Danish exporters experience that national regulation and certification making export difficult.

10 per cent of the Danish organic production is exported. Danish exports of organic food products totalled 224 million DKK (31.9 million USD) in 2002, compared to 290 million DKK for 2001. Sales of Danish organic food products in the United Kingdom fell to 75 million DKK for 2002 compared to 140 million DKK for 2001.

Per cent of total export

Meat products	19
Dairy products	33
Other products	48

Source: Organic Denmark

Meat and dairy products had earlier a larger share of the total volume, but other product types such as cereals, groceries, beverages and snacks are gaining importance.

Organisation of organic farmers in Denmark

There are three main reasons for farmers to organise themselves.

1: They want to increase productivity and efficiency in their production -> they create organisations for running an advisory and extension service.

2: They want to have low costs on inputs and high prices for their products -> they create organisations/cooperatives which process and sell their products

3: They want to have an influence on the frames for being producers and to have a political influence -> they create associations/unions

Organisations covering more than one of the above are very common.

In Denmark the organic producers have established the **National Ecological Association**, which is the main organisation in this field in Denmark. It was established in 1992. The main objectives of the Association are:

To represent the members towards the political institutions and the public
To promote the production and consumption of organic products
To ensure good advises and services to the members in the production and commercialisation of organic products

The members of the Association are:

- primary producers of all kinds of organic agricultural products, including fish farmers,
- cooperatives/companies dealing with supply, processing and commercialisation of organic products,
- individuals with a general interest in organic farming and production
- organisations, advisors etc. who are not covered in the groups above

The Association is registered as an official organisation. That means that e.g. the government is obliged to include the association in any hearing procedure and include the association in committees and working parties dealing with topics having influence on organic agricultural production.

The Association has a board of directors, which is supported by 11 committees and working parties.

The National Ecological Association is the Danish member of IFOAM.

The association employs 39 people, whereof 16 are advisors. A magazine – 26 editions/year – is produced. Homepage www.okologi.dk

All over the country there exist **regional Farmers' Unions**. Each Union have their own **advisory service** dealing with, as minimum: Management and economy, book keeping, plant production, Animal husbandry, organic production, young farmers and social affairs. The unions have sub committees for each of these areas, including a committee for organic farming. The unions support all kind of farmers. Only active farmers can be member. In this system a total of **55 advisors** are dealing with organic production, the most of them with milk production and plant production.

For improving the production a lot of experience circles are established on a voluntary basis.

All the regional farmers' Unions are members of **The National Farmers' Union**, which has a committee for organic farming.

Processing and commercialisation of organic products is done both in private companies, in cooperatives and producers organisations. Some of the cooperatives and producer organisations are only dealing with organic products, but most of them are dealing with both traditionally produced products and organic products. As for the Farmers' Unions the cooperatives are divided into sections. All cooperatives are member of a national association dealing with politics and to some extend service the member companies. These associations have committees for organic products.

The agricultural umbrella organisation in Denmark is the **Danish Agricultural Council**. The members are National farmers' Union, farmers' cooperatives and APEC organisations. The National Ecological Association is member Council.

The purpose of the Council is to represent the whole Danish agriculture nationally and internationally. Through the Council the National Ecological Association have access to other international organisations, e.g. COPA/COCEGA and the EU – commission in Bruxelles. Through the Council the National Ecological Association is represented in more than 60 committees.

Also the council have a number of committees, including a committee for organic farming.

Others

There exist a big number of smaller ngo's who among many activities, e.g. environmental issues alternative energy sources etc., also deal with organic food.

Examples of cooperatives dealing with organic products

Especially in the processing of milk and sales of milk products there are several dairies only dealing with organic produced milk.

The first, **Dansk Naturmælk AMBA** , was established in 1994 and is a cooperative. There are 40 members delivering 20 mill. Kg milk per annum. The number of different products is in the range of 50. The average size of the herds is 52 milking cows.

Thiese Mejeri AMBA is a dairy established for a century ago but changed to process only organic milk in 1988. Also Thiese is a cooperative and has since the establishment merged with two other dairies and now having 3 production units. The number of members is 62 producing 42 mill kg per annum.

ARLA Amba is the biggest cooperative dairy in Northern Europe. It is an international cooperative with members in Sweden and Denmark. Total production is 8.600 mill kg milk per annum, whereof 4.044 in Denmark. The fraction for organic milk production in ARLA FOOD in Denmark is 320 mill kg per annum, similar to 8 %. The share is increasing. Payment to farmers of organic milk is 6 Eurocent higher than traditionally produced milk.

Conclusion.

The organisational level and the quality of organisation of organic producers is high and working well for the benefit of the members. The most important is National Ecological Association and the fractions in farmers Unions and the Agricultural Council.