



Market Notes

DENMARK

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General Market Information

DENMARK



Economic Snapshot (2009 estimates)

GDP (purchasing power parity): \$197.8 billion

GDP (real growth rate) -4.7%

GDP per capita: \$36,000

GDP composition by sectors: agriculture: 1.2%

(barley, wheat, potatoes, sugar beets, pork, dairy products, fish)

industry: 23.8%

services: 74.9%

population: 5.5 million

labor force: 2.84 million

unemployment rate: 4.3%

currency: Danish kroner

Immigrant populations are prominent in Denmark. These include Indians, Pakistanis, Turks, Iranians and Somalis.

(Source: CIA Factbook 2010)

Denmark Import Statistics								
Commodity: 0713, Vegetables, Leguminous Dried, Shelled W/N Skinned Or Split								
Year To Date: January - July								
Partner Country	Unit	Quantity			% Share			% Change
		2008	2009	2010	2008	2009	2010	2010/2009
World	T	13298	8438	11,198	100.00	100.00	100.00	32.72
France	T	940	957	4,270	7.06	11.35	38.13	345.98
Sweden	T	2625	346	1,496	19.74	4.10	13.36	332.63
United States	T	221	217	1,148	1.66	2.57	10.25	428.83
Germany	T	905	1224	960	6.80	14.51	8.57	- 21.59
United Kingdom	T	16	2695	846	0.12	31.94	7.55	- 68.62
Turkey	T	400	539	652	3.01	6.38	5.82	20.98
Lithuania	T	446	467	647	3.35	5.54	5.77	38.36
Netherlands	T	247	296	424	1.86	3.51	3.79	43.43
Austria	T	0	101	203	0.00	1.19	1.81	101.09
China	T	266	173	166	2.00	2.05	1.48	- 3.99

Source: Global Trade Atlas

These statistics show that the US has made good progress in Denmark, exporting 1,148 MT of dry legumes to this market in the period January-July 2010, an increase of over 400% compare with the same period in 2009. China, on the other hand, has lost market share and dropped to only 166 MT of product in the January-July 2010 time period.

FAS Statistics for Denmark

For dry beans only, FAS gives the following statistics for Denmark during the annual periods of January-December 2008 and 2009. The change is +78% in volume, on an admittedly small base. The best performing dry bean class over the two-year period was dark red kidney beans.

Area/Partners of Destination	January - December
And Commodities Exported	Quantities/Values in Thousands of Dollars

Partner	Product	UOM	2008		2009		Period/Period % Change (Value)	Period/Period % Change (Qty)
			Value	Qty	Value	Qty		
Denmark(*)	Dried Beans	MT	230	300.4	373	534.4	62	78
Denmark(*)	0713391500 - BLEYE BEAN/CWPEA	MT	0	0.0	182	275.8	--	--
Denmark(*)	0713335020 - DK RD KIDNEY BNS	MT	121	182.8	136	204.2	12	12
Denmark(*)	0713335050 - DRIED PINK BEANS	MT	97	104.8	54	54.4	-44	-48
Denmark(*)	0713322000 - SML RED BEANS	MT	8	9.1	0	0.0	--	--
Denmark(*)	0713395020 - GRT NTHRN BEANS	MT	3	3.7	0	0.0	--	--
Grand Total		MT	230	300.4	373	534.4	62	78

These market notes are a summary of the Denmark Trade Mission Report, presented to the USDBC in December 2008, and new information collected through data research and company telephone interviews.

Denmark – Market Highlights

- Denmark is a small country, with a population of only 5½ million people, but is a dynamic market for dry legumes.
- The growing popularity of dry legumes can be attributed to the influx of immigrant populations from the Middle East and Turkey, which has impacted on Danish eating habits.
- More than any other group, it has been importers of Turkish origin who have opened up the Danish market for dry legumes; as a result, most Danes will tell you that all dry legumes come from Turkey (Turkish companies have chosen to present their packaged product with Turkish names, to reinforce this belief).
- Twenty years ago, dry legumes were unknown in Denmark. Today, two Danish import companies of Turkish origin – Unifood and Mega Food - dominate the market in the retail sector, the food service industry, and the ethnic food market. These companies import dry legumes from all over the world, including the US.
- Two importers hold most of the Danish dry packaged market: Unifood and Mega Food. These importers supply the three big retailers: Coop Norden, Dansk Supermarked, and Supergros. The three retail groups control virtually all of the food outlets in Denmark, which are comprised of over a dozen different supermarket chains. The German hard discounters, Aldi and Lidl, are also present in the market and are gaining in market share.
- The Danish retail sector is characterized by product tenders: several times a year, the major chains send out requests to importers for competitive bids to supply specified products.
- Denmark has no canning industry; canned beans are imported principally from Italy and France.
- Denmark is an organic market. No other European country is so focused on organic foods, which Danes associate with good health and food safety – the two major concerns of the Danish consumer. According to the trade, 12% of food sold nationally is organic, rising to 23% in the capital city of Copenhagen.

Market Summary – Denmark

Danes spend a fifth more of their disposable income on food than other Europeans. The Danish consumer is willing to pay more for top quality products, and food and drink play an especially important role in daily life. Good health and healthy foods are paramount concerns in Denmark. Fast food outlets are not popular (e.g. there are only 3 Burger Kings in Denmark).

In marked contrast to many other Western European countries, organic food products are extremely popular in Denmark. Organic food is perceived as being healthier, better quality, and beneficial to the environment and animal welfare. Consumers are continually demanding a wider, more diversified range of organic products. At the moment organic dry legumes are being imported into Denmark from Turkey, where a number of Turkish companies have specialized in organic agriculture.

With increasing prosperity (at \$36,000 per annum, Denmark has one of the highest per capita incomes in the world), Danes are eating out more and cooking less. They are living increasingly busy lifestyles, are working more, and have less time for meal preparation. The food service industry is expected to continue to expand to meet the needs of a population that loves to eat out. At the same time, convenience foods, sophisticated ready-to-eat meals and quality delicatessen foods are very much in evidence in the retail sector.

Food Retail Sector

Three food groups control more than 95% of the retail market in Denmark:

1) Coop Norden

Coop Norden, a large pan-Nordic conglomerate that buys food products for Denmark, Sweden and Norway, dominates the sector, with an estimated 35% of the market. Coop Danmark (owned by Coop Norden) runs various different supermarket chains in Denmark. Coop Norden Group has over 3,000 outlets throughout Scandinavia and an annual turnover of over \$13 billion. Its Danish chains include:

- LokalBrugsen
- Dagli'Brugsen
- SuperBrugsen
- Fakta
- Kvickly
- Kvickly xtra
- Irma

2) Dansk Supermarked Gruppen

Dansk Supermarked Gruppen (Danish Supermarket Group) is a corporation with several store chains and 30% of the Danish market. Dansk Supermarked chains only operate in Denmark, with the exception of the discount store, Netto, which has expanded into several neighboring countries. The corporation was founded by Herman Salling as Jysk Supermarked, but the name was changed to the Dansk Supermarked Gruppen when Salling partnered with the A.P. Møller-Maersk Group.

Chains owned by Dansk Supermarked include:

- Netto
- Føtex
- Bilka
- Rema 1000

Coop Norden and Dansk Supermarked have been able to strengthen their market share by opening new stores, especially discounters. They have also expanded their product offerings into non-grocery areas, and have reduced operating costs, driving down retail price levels.

3) Independents

The Danish retail market's third largest group, with a share of 30%, consists of a range of individual stores and chains owned by independents, plus stores and chains controlled by such wholesalers as Supergros and Edeka Danmark. The SuperBest, Super Spar, Spar and Kwik Spar are owned by Supergros. The independent grocers also include the discount chain, Rema 1000, and the smaller chains, Løvbjerg, Alta and ABC.

4) Aldi and Lidl

These two German discounters account for 4% of the food retail market in Denmark. Aldi has been in Denmark since 1977, while Lidl opened its first Danish stores in 2005.

Domestic food retailers in Denmark face fierce competition from foreign companies. With the increase in food prices, consumers have been shifting their shopping habits from traditional outlets to discount chains, as such Aldi, Lidl and Netto, all of which have gained market share.

In terms of brand recognition, Netto has the highest profile among leading Danish food retailers. This is a chain with a reputation for innovation and an ability to meet changes in consumer demand.

Discount chains are increasingly replacing local grocery stores. This is polarising the sector and forcing chains to be more distinctive in their operations and marketing. For example, such stores as 7-Eleven, Irma City, Døgn Netto and Fakta

Quick have created well-defined brand images, focusing primarily on very up-market food products, convenience foods and ready-to-eat meals.

The internationalization of Danish retailing has been slower than in other Western European countries. A large percentage of retailing finds itself in a blurred national/regional position, while foreign ownership of Danish companies is relatively low so far.

However, food retailing in Denmark has been impacted by cross-border influences. International trends provoked the introduction of the discount concept, heavy price competition and retail consolidation. The Danish Fakta and Netto discount chains were inspired by the entry of Aldi and Lidl into the market. However, it should be noted that Netto is a much more up-market discount chain than its German counterparts, Aldi and Lidl. All signs point to an increase in foreign part-ownership in Danish retailing and continued international expansion of Danish retail chains, with Netto the most dynamic example.

(Market Summary information taken from the December 2008 USDBC Denmark Trade Visit Report.)

Telephone interviews took place on November 10, 2010 with the two major importers of dry legumes in Denmark:

Unifood Import A/S

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Unifood is a leading importer of dry legumes, focusing in particular on dry beans. The company, founded in 1987, imports over 1,200 MT per year of 10 different types of beans, has 20 employees and a turnover of \$13 million.

The company has offices and a warehouse in Hvidovre, outside of Copenhagen, warehouses and packaging lines in Arhus (Jutland) and an operation in Valby, the Copenhagen wholesale market.

Unifood supplies three food sectors in Denmark:

- food service (including the market leaders, Inco, Metro, Dansk Cater)
- ethnic food market
- retail market (including the big three chains in Denmark: Coop Norden, Dansk Supermarked Gruppen and Supergros) and the discount chain, Aldi.

Unifood runs its own dry packaging lines and markets its own brand, *Unifood*. Especially active in the food service industry, Unifood supplies a large share of Danish hospitals, schools, and company canteens. The company also exports to Norway, Sweden, Finland and Germany. Unifood buys product from a variety of markets, including garbanzos from Mexico, and large lima beans from Peru.

Unifood is interested in:

- ***Pinto beans***
- ***Great Northern beans***
- ***Black beans***
- ***Blackeye beans***

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Mega Food, together with Unifood, dominates the Danish market in the dry legume sector. Like Unifood, Mega Food is a family-owned business, of Turkish origin.

Mega Food claims to hold 70% of the ethnic food sector in Denmark but both Mega Food and Unifood are also the principal dry legume suppliers in the retail sector. Both companies sell to the big three retail groups (Coop Norden, Dansk Supermarked Gruppen and Supergros) and now Aldi. In the food service sector, Mega Food supplies Metro, Inco and Dagrofa.

Mega Food imports nearly 2,150 MT of dry legumes per year, with special focus on white beans, red lentils, green lentils and garbanzo beans. Mega offers a wide range of dry legumes and purchases product from all over the world. The company handles 48 different products.

Mega Food tends to avoid Chinese product, preferring to buy from other producing countries such as Canada and Turkey. The Danish consumer is becoming increasingly concerned about food safety issues and food of Chinese origin could be treated with suspicion.

Mega Food is interested in:

- ***Pinto beans***
- ***Dark red kidney beans***
- ***Great Northern beans***

**Marketbase
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