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Danish Pork Industry Developing New Export Competition Strategy

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Report Highlights:

This report provides our overview of Danish export strategies for pork including a new animal welfare labeling scheme.

Includes PSD changes: No
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Unscheduled Report
Copenhagen [DA1], DA

Danish Pork Industry Developing New Export Competition Strategy

The Danish pork industry is developing a new export competition strategy in order to enhance their competitive position in the world market place vis a vis the U.S. pork industry. The strategy focuses on marketing Danish pork as an “animal-friendly” product produced under the strictest of hygienic conditions.

The Danish pork industry is an important player on the international pork market with an estimated 40% share of world trade in pork. In 1997, Denmark exported 85% of its production valued at \$3.7 billion, or 1,387,367 metric tons (of which 470,346 metric tons were exported outside of the European Union). With the recent merger between Danish Crown and Vestjyske Slagterier, two of the largest Danish pork companies, Denmark may be in an even better position to compete on the world market. The new company, called DC-JVS, will own and operate Europe’s largest slaughterhouse slaughtering 80% of total Danish pork production. With sales of more than \$6 million, the company will also be Europe’s largest pork exporter.

After a recent study tour to the United States which was headed by the President and Director General of the Federation of Danish Pig Producers and Slaughterhouses, a Danish newspaper reported that the participants came away with the sense that U.S. sanitary standards and animal welfare conditions were not on a par with those in Denmark. After the study tour, discussions among the participants focused on how Danish farmers can compete internationally with U.S. producers who seemingly do not give adequate attention to food safety issues such as salmonella and animal welfare. The Danish Minister of Food and Agriculture, Henrik Dam Kristensen, responded by suggesting that Danish exporters find other markets which are willing to pay for animal welfare.

The Danish pork producers seem to be doing just that. Improving animal welfare conditions is one of several issues the Dutch pork industry has been addressing in the recent past. Other major issues include combating the environmental problems resulting from pork production and reducing the use of antibiotics in feed.

On the animal welfare front, the Danish pork industry is in the process of implementing EU animal welfare regulations concerning tethers, space requirements, weaning and ventilation. In addition, the Danes have implemented an additional regulation concerning group housing. (All buildings built after January 1, 1999 must accommodate group housing for sows and all sows must be housed in group conditions as of January 1, 2014.) Jointly with the Ministry of Food and Agriculture, the Danish pork industry is developing a labeling scheme for Danish pork that has been produced in an “animal-friendly” way. The standards for the new labeling scheme are expected to be completed this fall. It is estimated that “animal-friendly” pork could account for up to 10% of pork sales in the Danish market (which is roughly equivalent to 2% of total Danish pork production).

Regarding the use of antibiotics in feed, the Danish Agriculture Council and the Federation of Danish Pig Producers and Slaughterhouses have reached a voluntary agreement with the Ministry of Food, Agriculture and Fisheries to completely phase out the use of antibiotics as a growth promotants in feed by the end of year 1999. This issue is high on the Minister’s agenda and was given added impetus recently when an elderly Danish women died from salmonella poisoning which did not respond to antibiotics. At present, there is already a voluntary ban on the use of antibiotics as a growth promotant in feed for pigs fed for slaughter. The Danish Food Minister is trying to convince his EU colleagues to implement a ban and has requested that this issue be put on the October and November agenda of the EU Council meetings. The Danish Agriculture Minister is hopeful that the EU will eventually put a ban in place. Other officials in the Benelux/Denmark region feel that

this proposal will be successful.