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# Denmark

# Retail Food Sector Report

# 1999


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**Report Highlights:**
**The Danish retail market is dominated by a handful of wholesale importers supplemented by individual agent companies. Growth areas are convenience food, fresh food, and speciality foods.**


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Includes PSD changes: No
Includes Trade Matrix: No
Annual Report
Copenhagen [D11], DA

## Section I. Market Summary

**Key Population data**

| | 1990 | 1994 | 1996 | 1999 |
|---|---|---|---|---|
| Total population (in millions) | 5.1 | 5.2 | 5.3 | 5.3 |
| Annual growth rate (%) | 0.09 | 0.33 | 0.52 | 0.40 |
| % Youth (age < 15) | 17 | 17 | 18 | 18 |
| % Elderly (age >64) | 16 | 15 | 15 | 15 |
| Number of households (in million) | 2.2 | 2.3 | 2.3 | 2.4 |
| Population density (persons/sq km) | 120 | 121 | 122 | 123 |

- Denmark's supermarket industry reported sales of $10.7 billion in 1998.
- Sales growth in 1999 is expected to stay just above inflation level and reach 3 percent.
- The market is dominated by two store chains (FDB and Danish Supermarket) with 1500 outlets and a total market share of 61%.
- Concentration tendencies are in the import/purchase groupings, more than retail sales.
- Denmark's competitive food manufacturers supply a wide range of pork, poultry, dairy products, seafood, beer, soft drinks and fruit and vegetables during the domestic growing season.
- About 25% of products sold in supermarkets are imported.
- Denmark imported about $4.5 million in consumer-ready food products in 1998. The U.S. market share was about 3%.
- U.S. exports of consumer ready foods to Denmark consist mainly of "shelf-stable" canned or dried food products as well as frozen vegetables and seafood.
- The Danish retail sector is covered by 8 wholesalers supplying hypermarkets, supermarkets, neighbor stores, minimarkets, discount markets, gas marts, and kiosks. These wholesalers are also the biggest importers. In addition, a limited number (about 25) individual importers also supplies the retailers.
- Warehouse outlets and wholesale clubs have not yet made an appearance.

| Advantages | Challenges |
|---|---|
| Well organized trading system, everyone speaks English | Great competition from Danish and EU producers |
| Favorable image of U.S. products | U.S. growing seasons for fruits and vegetables correspond to Europe's |
| Growth potential for branded products | Low overall growth |
| Increased interest for organic and ethnic food | Label and ingredient requirements |

## Section II. Road Map for Market Entry

### Entry Strategy

The Danish market is extremely competitive and new to market exporters may offer a different product or a known product at a competitive price. Danish importers/buyers are every day visited by sellers. You therefore have to be well prepared including ready to negotiate prices, discounts, delivery periods, and ordering time. Exporter contact should be directly to the importers/wholesalers (listed in Annex 3).

A product will be of interest to a buyer it he thinks that it is innovative and will bring him a profit. Innovative, that could either be the product itself, the packaging and/or pricing.

New to market products in the U.S. would normally also be attractive in Denmark.

The Danish supermarket chains often sell new products in campaigns planned at least 6 months ahead. You should be prepared to contribute to these.

Knowledge of specific Danish ingredient requirements is essential, as these still differs from other EU countries. Your product will have to adhere to these regulations.

The two large European trade shows, ANUGA in Cologne and SIAL in Paris are the most visited by all Danish importers/buyers and they normally show great interest in U.S. pavilions. Other European trade shows visited by Dainish importers include Grüne Woche in Berlin, The Convenience in Birmingham, UK and Elmia in Jönköbing, Sweden.. FMI in Chicago is also visited by a number of Danish purchasers. Each year in May, the California Wine Institute promotes California wines at a specific California wine fair in Copenhagen, Denmark . Office of Agricultural Affairs in Copenhagen may help you mail specific invitations to potential customers.

### Market Structure

In Denmark, about 82 percent of food sales take place in supermarkets, 9 percent in kiosks, 7 percent in gas stations' stores, and 3 percent in speciality shops (Wine, tobacco, chocolate shops).

Retail food stores, 1998

| Retail type | Turnover , billion $ | Market share, % | Number of outlets |
|---|---|---|---|
| Supermarkets | 10.7 | 81.6 | 3593 |
| Kiosks | 1.2 | 9.0 | 2961 |
| Petrol stations | 0.9 | 6.7 | 1522 |
| Speciality shops | 0.3 | 2.6 | 793 |
| **Total** | **13.1** | **100** | **8869** |

- The speciality stores are continuously losing market shares to the super markets because they do not have the economy of scale.

- Relative new food retailers in the Danish market are gas stations, food stores at railway stations and small convenience food stores. The large wholesale/retail food organizations are suppliers to these outlets.

- Within the supermarket groups, the two largest, FDB and (especially) Danish Supermarket are increasing their market share, while smaller, grocery owned supermarkets are declining or merging.

**Company Profiles**

In Denmark, because of concentration, most of the retail food buying is done by a few companies.

Top ranking wholesalers (1998):

| **Group Name** | **Int. buying ass.** | **Shop type** | **Number of outlets/ Total retail surface in sq.m.** | **Market share, percent** |
|---|---|---|---|---|
| FDB | NAF | Supermarket | 1155 / 644,000 | 38.3 |
| Danish Supermarket | | Discounter | 324 / 270,000 | 22.3 |
| Supervib | EMD | Supermarket | 954 | 21.8 |
| Dagrofa | BIGS | Neighbor stores | 770 | 8.8 |
| Aldi | | Discounter | 176 / 70,300 | 4.2 |
| Metro | | Wholesale club | 4 / 60,500 | 1.9 |
| Chr. Kjaergaard | | Minimarket | 540 | 2.3 |

**Buying Procedures**

Danish supermarket organizations are organized in buying groups with the exception of FDB and Danish Supermarkets and Aldi.

In addition, a small number of individual agent companies supplies the chains.

Profile of the Danish Businessman/woman.

These are some generalities often heard about Danish Businessmen and women:

- Practically all speak English, but not as fluent as you do. Therefore, they usually keep their sentences short and might forget to use polite formalities.
- The Danes are very direct in their verbal and written communication. They do not mean to be rude but don't want to waste your time, nor their time.
- They seldom have time for business lunches or dinners.
- The Danes are rather direct. After a brief introduction, they expect you to come straight to the point. They give you their frank opinion and let you know if you offer them something they don't want.
- Danish food buyers, the category managers, and/or product managers, are fully responsible for the buying process and profits the product will bring. They are only interested in speaking to decision makers.
- The Danes prefer a relationship, almost a partnership. Once you start doing business with him, he expects a continued support from you.
- The Danes usually know their business and what your competitors are doing. The Danish businessman understands that you need to make a profit, but he is a tough negotiator.

## Section III. Competition

Denmark and its EU member countries produces a large variety of foods at competitive prices. These products are not charged with import duties but face the same ingredient and labeling requirements.

The U.S. has a significant share of Danish import market for the following products:

| | |
|---|---|
| Raisins | 97 percent |
| Almonds | 91 percent |
| Prunes | 90 percent |
| Peanuts | 82 percent |
| Walnuts | 67 percent |
| Sunflower seeds | 64 percent |
| Rice | 34 percent |
| Corn | 49 percent |
| Wine | 5 percent |

## Section IV. Best Products Prospects

### A. Products in the Market Which are Selling Well

- Organic products
- Pet food
- Wine
- Dried Fruits
- Tree nuts
- Popcorn

### B. Products not Present in Significant Quantities but Which have a Good Potential

- Frozen Salmon
- Grape fruit
- Beef
- Pork
- Cranberries
- Sweet potatoes
- Pecans
- American cheese

### C. Products not Present Because They Face Significant Barriers

Frozen whole turkeys (phytosanitary)
Poultry meat (phytosanitary)

## Section V. Post Contact and Further Information

Office of Agricultural Affairs (OAA), American Embassy
Postal Address: American Embassy, FAS, APO AE 09716
Phone (direct): +45 3526 1081, Fax: +45 3543 0278, e-mail: agcopenhagen@fas.usda.gov
Visitor Address: Dag Hammarskjölds Alle 24, Copenhagen O, Denmark

Questions in regard to ingredient and labeling requirements may be addressed to the Danish Veterinary and Food Administration, Moerkhoej Bygade 19, DK-2860 Soeborg. Tel: +45 3395 6000, Fax: +45 3395 6696, Internet: www.vfd.dk, e-mail: vfd@vfd.dk. A more detailed report which specifically addresses labeling and ingredient requirements in the Danish market entitled, Denmark: Food and Agricultural Import Regulations & Standards (FAIRS) report can be obtained from the FAS homepage : http://www.fas.usda.gov. Etc

## Annex 1

## U.S. exports of Consumer Oriented Products to Denmark. U.S. $1,000

| **Consumer oriented products** | **1995** | **1996** | **1997** | **1998** |
|---|---|---|---|---|
| Snack Foods (excl. Nuts) | 1,987 | 2,601 | 1,719 | 1583 |
| Breakfast Cereals & Pancake mix | 411 | 227 | 206 | 230 |
| Red Meats, fresh/chilled/frozen | 2,907 | 1,559 | 3,077 | 2,395 |
| Red Meats, prepared/preserved | 13 | 15 | 447 | 367 |
| Poultry Meat | 390 | 740 | 1,509 | 236 |
| Dairy Products | 419 | 826 | 668 | 393 |
| Eggs and Products | 10 | 341 | 264 | 47 |
| Fresh Fruits | 1,176 | 526 | 1,014 | 1,280 |
| Fresh Vegetables | 948 | 141 | 194 | 418 |
| Processed Fruits and Vegetables | 16,877 | 17,092 | 16,358 | 13,752 |
| Fruit and Vegetable Juices | 76 | 120 | 164 | 609 |
| Tree Nuts | 15,488 | 20,367 | 15,470 | 14,962 |
| Wine and Beer | 5,022 | 9,103 | 10,394 | 10,694 |
| Pet Foods (dog and cat) | 5,889 | 5,549 | 5,022 | 5,701 |
| Salmon, whole or eviscerated | 5,000 | 5,773 | 3,516 | 2,590 |
| Surimi (fish paste) | 24 | 90 | 65 | 169 |
| Roe & Urchin (fish eggs) | 365 | 355 | 231 | 656 |

## Annex 2

## Food Shows Frequently Visited by Danish Food Buyers.

| | |
|---|---|
| SIAL, Paris, France | October 22-26, 2000 |
| Grüne Woche, Berlin, Germany | January 2000 |
| ROKA, Utrecht, the Netherlands | February 20-23, 2000 |
| The Convenience, Birmingham, UK | March 2000 |
| FMI, Chicago, U.S. | May 7-10, 2000 |
| California Wine Fair, Copenhagen, Denmark | May 11, 2000 |
| ANUGA, Cologne, Germany | October 13-18, 2001 |
| ELMIA, Jönköbing, Sweden | March, 2000 |

## Annex 3. Partial listing of Danish Importers/Wholesalers

| COMPANY/ADDRESS | TELEPHONE (INT'L) | FAX NUMBER |
|---|---|---|
| FDB<br>Roskildevej 65<br>DK-2620 Albertslund | (45) 4386 4386 | (45) 4386 3386 |
| Dansk Supermarked A/S<br>Bjoedstrupvej 18<br>DK-8270 Hoejbjerg | (45) 8930 3030 | (45) 8627 6563 |
| ALDI Marked KS<br>Roergangen 1-5<br>DK-2690 Karlslunde | (45) 4215 3344 | (45) 4215 3022 |
| Dagrofa a/s<br>Gammelager 13<br>DK-2605 Broendby | (45) 4322 8282 | (45) 4345 4075 |
| Edeka Danmark A/S<br>Mars Alle 32<br>DK-8700 Horsens | (45) 7927 2727 | (45) 7564 4002 |
| Irma<br>Korsdalsvej 101<br>DK-2610 Roedovre | (45) 4386 3822 | (45) 4386 3829 |
| Chr. Kjaergaard Akts.<br>Oestre Faelledvej 8<br>DK-9400 Noerre Sundby | (45) 9817 1777 | (45) 9817 9365 |
| Carl B. Feldthusen A/S<br>Vesterbrogade 2 D<br>DK-1620 Copenhagen V | (45) 3336 4646 | (45) 3391 2409 |
| Karl O. Christensen<br>Irisvej 8<br>DK-2970 Hoersholm | (45) 4576 3585 | (45) 4576 4540 |
| Carl Lange & Co. A/S<br>Kanalholmen 37<br>DK-2650 Hvidovre | (45) 3677 2002 | (45) 3677 6310 |
| Nordisk Andelsforbund<br>Fanøgade 15<br>DK-2100 Copenhagen Ø | (45) 3916 9000 | (45) 3916 9080 |

| | | |
|---|---|---|
| Bech & Kjeldahl A/S<br>Herlev Ringvej 2C<br>DK-2730 Herlev | (45) 4453 5653 | (45) 4453 5953 |
| O. Kavli A/S<br>Sydholmen 1-3<br>Avedore Holme<br>DK-2650 Hvidovre | (45) 3677 3322 | (45) 3677 3346 |
| Palm Trading<br>Morelgangen 10<br>DK-3460 Birkeroed | (45) 4582 1610 | (45) 4582 1613 |
| Paradiso, RKH<br>Naverland 5<br>DK-2600 Glostrup | (45) 4343 3050 | (45) 4363 1777 |
| Moeller & Melgaard A/S<br>Halmtorvet 17<br>DK-1700 Copenhagen V. | (45) 3131 3636 | (45) 3131 8016 |
| A/S Salko Import<br>Transformervej 16<br>DK-2730 Herlev | (45) 4291 1444 | (45) 4291 1468 |
| Viggo Rehlund A/S<br>Gøngesletten 29<br>DK-2950 Vedbæk | (45) 4566 3605 | (45) 4566 3606 |
| Supervib I/S<br>Tinvej 7<br>DK-4100 Ringsted | (45) 5768 8500 | (45) 5768 8550 |
| ARC<br>A. Rud Christiansen<br>Skodsborg Strandvej 288<br>DK-2942 Skodsborg | (45) 4566 2121 | (45) 4566 2323 |