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Denmark

Agricultural Situation

Scope Paper

2007

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Report Highlights:

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Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Copenhagen [DA1]
[DA]

POLITICAL SITUATION: The Capital is Copenhagen. The Government is a constitutional monarchy, broken down into three branches: the Executive, Legislative and Judicial.

Executive: Queen Margrethe II is the titular Head of State. Anders Fogh Rasmussen is the Prime Minister and head of the government. **Legislative:** The Parliament is unicameral consisting of 179 members. Elections are held at least every four years, but the Prime Minister can dissolve the Parliament at any time and call for elections. **Judicial:** Appointed Supreme Court. The country is subdivided into 5 regions and 98 municipalities.

ECONOMIC SITUATION: The population of the Denmark is 5.4 million, with a population density of 125 people per square kilometer. Farmers constitute 1.5% of the total. About 60% of the country's land is devoted to agriculture. The Danish economy expanded by 3.3 percent last year, resulting in per capita GDP of US\$49,760. Unemployment is about 4 percent and inflation is moderate (1.9%). Denmark's industrialized market economy depends on imported raw materials and foreign trade. Within the European Union, Denmark advocates a liberal trade policy. Its living standard is among the highest in the world. The Danes devote 0.8 percent of gross national income to foreign aid.

TRADE SITUATION: Denmark is a strong proponent of free trade. The current Agriculture Minister, Hans Christian Schmidt, has been an outspoken supporter of further WTO reforms to assure European agricultural competitiveness. Denmark derives more than two-thirds of its GDP from merchandise trade. The country enjoys a positive balance of trade estimated at about \$7 billion. There are no significant barriers to trade or investment. Its principal exports are machinery, instruments, and food products. Germany is Denmark's largest trading partner. The U.S. is Denmark's largest non-European trading partner, accounting for about 5 percent of total Danish merchandise trade. Aircraft, computers, machinery, and scientific and technical instruments are among the major U.S. exports to Denmark. Among major Danish exports to the U.S. are industrial machinery, chemical products, furniture, pharmaceuticals, and pork.

AGRICULTURAL SITUATION: Danish environmental policy for livestock requires that farmers have a certain amount of land to dispose of animal waste products. Denmark requires special measures for the reduction of carbon dioxide and phosphorus, and minimum space and living conditions for farm animals. The Agricultural Council is the farm sector's representative and lobbying group. They provide their analyses and opinions on Danish and EU farm support, environmental and other issues to the Danish Ministry of Food, Agriculture and Fisheries.

AGRICULTURAL TRADE SITUATION: Denmark has a highly intensive, export-oriented agriculture. It is the world's seventh largest agricultural exporter and the number one exporter of pork. Total Danish agricultural exports, which account for 22% of total Danish exports, were \$15.5 billion in 2006. About \$560 million of agricultural products are shipped to the U.S., while farm imports from the U.S. are about \$220 million. Major Danish agricultural exports worldwide are pork (\$3.8 billion), cheese (\$1.2 billion), furs (\$875 million), and poultry (\$240 million). The EU is the most important export destination for Danish agricultural products, accounting for 75% of the total.

REGULATORY SYSTEM: The Danish Veterinary and Food Administration under the Ministry of Family and Consumer's Affairs is responsible for the animal health and food safety controls. It is administratively decentralized into five regions, which are independently responsible for inspection of processing facilities, stores and restaurants.

FAS COOPERATORS: The Wine Institute is the most active cooperator in Denmark and employs a local consultant in Copenhagen. With an annual budget of \$ 180,000, Wine Institute undertakes biannually wine tastings, and other wine promotion activities such as newsletters and wine seminars. Other cooperators active in Scandinavia include, Alaska Seafood Marketing Institute, Brewers Association, U.S. Dry Bean Council, American Hardwood Export Council, American Quarter Horse Association, SUSTA, Food Export USA Northeast and California Raisins.

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