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Denmark

Fishery Products

Annual

2005

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Report Highlights:
Denmark ranks fourth among world suppliers of fishery products and is a large international trader. Fresh fish is generally imported from non-EU countries, then processed and re-exported to other EU member countries. Constantly declining EU cod quotas are increasing Danish interest in finding alternative suppliers and import substitutes. Niche markets also exist for U.S. shellfish.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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The Hague [NL1]
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Executive Summary

With rising exports over the past ten years, Denmark remains one of the world's leading seafood exporters and the largest in the EU. Denmark imports raw material from other (mainly Nordic) countries and sells fresh or processed product to other EU member countries. While Denmark records the largest landings in the EU, most of these are for industrial production of fishmeal and fish oil.

Seventy percent of raw material imports come from countries outside the EU (principally Norway, Greenland, Faeroe Islands and Russia), although Danish seafood traders increasingly are sourcing their supplies for the European markets from China, Vietnam and other Far East countries. 80 percent of exports are sold within the EU – primarily to Germany (25 percent), France and UK. Apart from trade through Denmark, Danish traders are also active in importing directly from third countries to other EU markets.

Export quantities in 2004 were almost unchanged from 2003. In 2004, Denmark exported 662,000 tons of total fish and seafood products, a slight decrease of 10,000 tons from the previous year. Denmark continues to export significant quantities of fish oil and meal processed from, mainly, imported raw material. In 2004, those products accounted for 367,000 tons (or 35 percent) of all exports.

Export value also decreased in 2004, down by 6 percent to DKK 15.7 billion (U.S.$2.5 billion). Exports of unprocessed fish decreased by 11 percent in 2004 while processed seafood exports decreased by 1.5 percent. Processed seafood exports now constitute 57 percent of total seafood exports.

In quantity terms, imports of non-processed fish decreased by 11 percent to 409,000 tons and imports of processed fish increased by 7 percent to 151,000 tons. All landings (including landings in Denmark from other EU and third countries) of edible fish in 2004 amounted to 480,000 tons, unchanged from 2003. Relatively high prices in 2003 decreased in 2004 by 3 percent. Import value of unprocessed seafood decreased by 17 percent to DKK 4.8 billion ($806 million) while imports of processed seafood increased by 7 percent to DKK 3.8 billion ($639 million).

In general, quotas dictate total Danish catch. Cod quota reductions are putting the fishing industry under great pressure. Decreased Danish cod harvest is being fully substituted by increased cod imports from other countries and imports of other species, e.g., sea bass from Lake Victoria in Africa and Hoki from New Zealand.

Total domestic seafood consumption in 2004 is estimated almost unchanged at 125,000 tons. These figures are only estimates and do not take into account stock changes. In general, Danish consumption is rather stable at about 24 kg. per person. Of this amount, only 6.5 kg are fresh fish.

The reduction in (especially groundfish) quotas has increased the Danish processing industry's needs for imports. Denmark is seeking raw material from all over the world. Seafood imports from U.S. have increased significantly in recent years; from 2,980 tons in 2000 to 7,400 tons in 2004. Imports of groundfish fillets have increased from 0 in 2001 to 1,697 tons in 2004. Imports of salmon declined substantially in 2004 to 1,041 tons, down from 1,800 tons in 2003.

Market opportunities exist for increased U.S. exports of smaller (about 1 to 2 kg) salmon, while market opportunities for scallops and lobsters (around New Year) and cold-water shrimp should be explored. Demand for Alaska pollack (frozen) has grown to fill the void left by reduced imports of Atlantic Pollack. Demand also exists for catfish. The Office of Agricultural Affairs in Copenhagen can supply interested exporters with details of possible Danish importers.

A new EC Directive on traceability for seafood (effective as of January 1, 2005) requires labels to indicate whether seafood is farmed or caught wild. Still unresolved is the question of how to label fish that is caught wild and subsequently farm-raised to full maturity. The Danish Minister for Food, Agriculture and Fishery will try to have them labeled as wild, as that definition will include all fish, especially cod, caught under quota. It is hoped that such labeling would improve the competitiveness of Danish-produced cod versus farm-raised cod from Sweden.

On September 6, 2005, the Danish Minister for Food Agriculture and Fisheries launched the marketing of organic farmed fish (mainly trout), a production that had been underway since March 2005. The organic production focuses on using organic feed, less use of medicine, more attention to fish welfare and less impact on the environment

Exchange rates: 2003: DKK 6.59=US$1
2004: DKK 5.99=US$1

Present: DKK 6.20 =US$1

Salmon, Whole/Eviscerated

Production

PSD Table

Country Denmark

Commodity Salmon, Whole/Eviscerated (MT)

	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [	Estimate[NA	Official [	Estimate[NA	Official [	Estimate[New]	
Market Year Begin		01-2004		01-2005		01-2006	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(MT)
Total Production	0	5500	0	5500	0	5500	(MT)
Intra-EC Imports	0	7125	0	7000	0	7000	(MT)
Other Imports	0	69977	0	63000	0	80000	(MT)
TOTAL Imports	0	77102	0	70000	0	87000	(MT)
TOTAL SUPPLY	0	82602	0	75500	0	92500	(MT)
Intra-EC Exports	0	49943	0	45000	0	55000	(MT)
Other Exports	0	5056	0	5000	0	5000	(MT)
TOTAL Exports	0	54999	0	50000	0	60000	(MT)
Domestic Consumption	0	8913	0	10000	0	10000	(MT)
Other Use/Loss	0	18690	0	15500	0	22500	(MT)
TOTAL Utilization	0	27603	0	25500	0	32500	(MT)
Ending Stocks	0	0	0	0	0	0	(MT)
TOTAL DISTRIBUTION	0	82602	0	75500	0	92500	(MT)

Note: Statistics on salmon include sea trout. Other uses include production of salted, smoked or otherwise processed salmon.

The only sea where Danish fishermen catch salmon is the Baltic, in competition with Swedish, Polish and Finnish fishermen. This catch is forecast to remain unchanged in the coming years. The quality of the Baltic salmon is considered excellent and it is especially good for smoking and curing.

Danish production accounts for less than 10 percent of total supply, which underscores the importance of imports.

There is no salmon farming in Denmark. There is, however, farm production of trout. This farmed production is only economically viable for the months when the trout can be caught with roe.

Prices

Auction statistics are no longer publicized as most salmon are caught and sold directly to the industrial users. In general, retail prices are more than six times as high as the price paid to the fishermen at the landing places.

Consumption

No official statistics exist on Danish fish consumption. Consequently, the consumption figures are residually determined from production (catches + imports - exports - other use). However, import statistics seem to be underestimated. The reason for this is probably that imports declared for re-export are not registered although, when re-exported, they are included in export figures.

Domestic consumption is expected to vary only slightly from the present level of about 14,000 tons. The increased availability of salmon from extensive farm production in, among other countries, Norway, has lowered the price considerably. Salmon has therefore become affordable for a larger group of consumers.

Trade

Import Trade Matrix

Country	Denmark		
Commodit	Salmon, Whole/Eviscerated		
Time Period	CY	Units:	Tons
Imports for:	2003		**2004**
U.S.	1780	U.S.	1041
Others		Others	
Faeroe Islands	25188	Faeroe Islands	18920
Norway	58789	Norway	49153
Sweden	3608	Sweden	4050
Total for Others	87585		72123
Others not Liste	5143		3938
Grand Total	94508		77102

Effective May 1, 2005, EU introduced an anti-dumping duty on Norwegian salmon of 16 percent in order to protect the farmed salmon industries in Scotland and Ireland. Although not prohibitive, this additional duty on Norwegian salmon disrupted trade and substantially reduced supplies of salmon for the Danish processing industries. By July 4, 2005, the anti-dumping duty was replaced by a minimum price system. Consequently, imports of salmon during 2005 has been lower than previous years, but is forecast to recover and continue the upward trend for 2006.

Minimum prices for Norwegian salmon were set at Euro 3.12 for eviscerated salmon without head, Euro 4.99 for salmon fillets, and Euro 6 for small fillets below 300 grams. These minimum prices have since been below the market prices.

Norway and Faeroe Islands are by far the main suppliers followed by Sweden and the U.S. Most of the salmon imported from Norway and the Faeroe Islands are farm- raised while salmon imported from North America is wild salmon. Imports from the U.S. are partly smaller salmon (1 to 2 kg) sold frozen in super markets, and partly 6 to 9 kg salmon that are smoked, portioned/sliced and exported to other European countries.

Norway and the Faeroe Islands are expected to continue to be the main suppliers. Import levels from the U.S. and Canada depend on the price difference between farmed Norwegian salmon and the wild caught North American salmon. Growing demand may exist for 1 to 2 kg Alaska salmon for sale by major supermarkets.

Exports of salmon products are dominated by two categories, whole salmon and smoked salmon. Exports of fresh salmon fillets in 2004 amounted to 10,479 tons, of which only 83 tons were for U.S. down from 1,006 tons the previous year.

Export Trade Matrix

Country Denmark

Commodit Salmon, Whole/Eviscerated

Time Period	CY	Units:	Tons
Exports for:	2003		**2004**
U.S.	17	U.S.	115
Others		Others	
France	9693	France	5463
Belgium	4315	Belgium	2915
Netherlands	3420	Netherlands	1665
Germany	21475	Germany	21945
Italy	6661	Italy	3222
UK	768	UK	1330
Spain	9916	Spain	8207
Sweden	1656	Sweden	2131
Russia	1107	Russia	1766
Total for Others	59011		48644
Others not Liste	5009		6240
Grand Total	64037		54999

Smoked salmon is one of the very few products for which exports are increasing, although at reduced prices. In 1993, a total of 8,081 tons was exported with a value of DKK 925 million (U.S. $115 million). In 2004, Denmark exported 9,896 tons with a value of DKK 729 million ($122 million). Just 31 tons of smoked salmon (half of 2003 exports) were exported to the U.S. for a total of DKK 1.4 million ($225,000), or $7.25 per kilo.

Policy

Denmark has a small marine aquaculture sector, which produces sea trout but no salmon. The Danish government is very concerned about nitrate pollution and has taken stringent measurements to reduce nitrate runoff from agriculture. Since a large number of fish farms could present a serious pollution risk to the Danish fjords, the government has placed limits on the amount of feed that might be introduced into these waters (and consequently on production).

Production has stabilized at 8,000 tons.

Tariff

EU tariffs on salmon are as low as 2 percent.

Marketing

Market Development Opportunities

Increased availability of salmon at affordable prices has opened up the market for additional increases in consumption. The versatility of salmon has made it a popular fish among the consumers. The market share for processed/ready-to-eat salmon is increasing and there is considerable room for additional expansion for this kind of product.

Health experts continue to stress that eating certain fish (e.g. salmon) is healthy and currently newspapers report that eating such fish once or twice a week reduce the likelihood of senility by as much as 35 percent. As most imported salmon from Norway and the Faeroe Islands is used by the industry, market opportunities exist for smaller, frozen salmon, typically sold through supermarkets. Danish supermarkets import directly themselves. The Alaska Seafood Marketing Institute has worked to establish contact with Danish supermarkets.

Groundfish, Whole / Eviscerated

Production

PSD Table

Country	**Denmark**						
Commodity	**Groundfish, Whole/Evisceral** (MT)						
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [	Estimate[N	USDA Official [	Estimate[N	USDA Official [	Estimate[New]	
Market Year Begin		01-2004		01-2005		01-2006	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(MT)
Total Production	0	48130	0	43000	0	45000	(MT)
Intra-EC Imports	0	26041	0	25000	0	25000	(MT)
Other Imports	0	47669	0	45000	0	45000	(MT)
TOTAL Imports	0	73710	0	70000	0	70000	(MT)
TOTAL SUPPLY	0	121840	0	113000	0	115000	(MT)
Intra-EC Exports	0	69956	0	60000	0	60000	(MT)
Other Exports	0	8802	0	10000	0	10000	(MT)
TOTAL Exports	0	78758	0	70000	0	70000	(MT)
Domestic Consumption	0	8882	0	10000	0	10000	(MT)
Other Use/Loss	0	34200	0	33000	0	35000	(MT)
TOTAL Utilization	0	43082	0	43000	0	45000	(MT)
Ending Stocks	0	0	0	0	0	0	(MT)
TOTAL DISTRIBUTION	0	121840	0	113000	0	115000	(MT)

The groundfish category consists of the following species: cod, haddock, pollock, whiting, light and dark coalfish, and hakes. Cod is by far, the biggest species in this category. 85 percent in 2000 but decreasing to 57 percent in 2004 due to steadily reduced cod quotas and increased quotas for other groundfish. The Total Allowable Catch (TAC) quotas limit actual landings. Next to cod, haddock is the most important species of the groundfish with an 11 percent share. Cod are caught in the Baltic Sea as well as in the North Sea. While the quota (TAC) for the North Sea was left unchanged for 2004, the quota for the Baltic Sea, which account for 66 percent of all cod catch, was reduced by 20 percent for 2004, though it remained stable for 2005. The cod population in the Baltic Sea is rebounding, and agreement has been reached to use nets with larger mesh, in order to further increase the population. No such agreement seems imminent for the North Sea. These limits are not forecast to change the Danish supply situation notably, as cod landings will be substituted byother groundfish species and imports from other waters. Quotas for haddock were increased by 16 percent in 2005 and account for 6,000 tons.

To supply retailers and industry, Danish seafood traders are looking for substitutes for traditional cod consumption. In competition with the U.S., importers are sourcing Nile perch or Victoria Bass from Lake Victoria. Due to high prices for cod, these species are still competitive. Such seafood arrives fresh in Denmark about 24 hours after landing at Lake Victoria and is distributed fresh around Europe within another 24 hours.

Consumption

Most of the whole/eviscerated groundfish is used for further processing into fillets and other processed products. It is estimated that about 5 percent of domestic consumption is consumed directly as fresh fish. Of landed whole groundfish, approximately 40 percent is guts, fins, heads and other waste products. In spite of retail prices having increased 20 to 30 percent the last year, consumption seems to have remained stable.

An increasing share of sales is shifting from specialized fish retailers to supermarkets, which have improved the quality of their seafood through fast sales and special packing. While supermarkets' share of the seafood market was about 15 percent just a few years ago, it is now estimated at about 50 percent, and is forecast by some to increase to about 80 percent in a five-year period.

Trade

Import Trade Matrix

Country Denmark

Commodit Groundfish, Whole/Eviscerated

Time Period	CY	Units:	Tons
Imports for:	2003		**2004**
U.S.	5822	U.S.	3955
Others		Others	
Norway	24495	Norway	19454
Russia	25303	Russia	14439
Sweden	9178	Sweden	11179
Faeroe Islands	9125	Faeroe Islands	4517
Greenland	2532	Greenland	3268
Iceland	124	Iceland	257
Germany	5106	Germany	7216
Netherlands	1552	Netherlands	3267
Total for Others	77415		63597
Others not Liste	6537		6158
Grand Total	89774		73710

As EU quotas are decreasing, Russia and Norway have become dominant suppliers, supplying 46 percent of all imports in 2004. Sweden predominantly supplies fresh cod, fished in the Baltic Sea. Danish imports of fresh frozen cod from Alaska (Aleutian Islands) have been gradually increasing from 473 tons in 2000 to 5,800 tons in 2003 but reduced to 3,955 tons in 2004. The fish are frozen on board fishing vessels, and after defrosting in Denmark, are salted, filleted and exported to southern European countries. Interest also exists for imports of Alaska Pollock of more than 1 kg., caught by line, frozen on board, Japanese cut.

Export Trade Matrix

Country Denmark

Commodit Groundfish, Whole/Eviscerated

Time Period	CY	Units:	Tons
Exports for:	2003		**2004**
U.S.	0	U.S.	0
Others		Others	
Germany	3247	Germany	2642
France	18030	France	26447
Iberia	11873	Iberia	21217
Netherlands	8026	Netherlands	7649
UK	6393	UK	3381
Sweden	2948	Sweden	3426
Norway	1547	Norway	3443
Total for Others	52064		68205
Others not Liste	28878		10553
Grand Total	80942		78758

Groundfish, Fillets

Production

PSD Table

Country	Denmark						
Commodity	Groundfish, Fillets			(MT)			
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [	Estimate[N	DA Official [	Estimate[N	DA Official [	Estimate[New]	
Market Year Begin		01-2004		01-2005		01-2006	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(MT)
Total Production	0	26364	0	23500	0	24500	(MT)
Intra-EC Imports	0	6579	0	3000	0	4000	(MT)
Other Imports	0	11903	0	15000	0	14000	(MT)
TOTAL Imports	0	18482	0	18000	0	18000	(MT)
TOTAL SUPPLY	0	44846	0	41500	0	42500	(MT)
Intra-EC Exports	0	35603	0	35500	0	36500	(MT)
Other Exports	0	3117	0	0	0	0	(MT)
TOTAL Exports	0	38720	0	35500	0	36500	(MT)
Domestic Consumption	0	6126	0	6000	0	6000	(MT)
Other Use/Loss	0	0	0	0	0	0	(MT)
TOTAL Utilization	0	6126	0	6000	0	6000	(MT)
Ending Stocks	0	0	0	0	0	0	(MT)
TOTAL DISTRIBUTION	0	44846	0	41500	0	42500	(MT)

Production of groundfish fillets is derived from the consumption figure for whole/eviscerated groundfish. There are approximately 15 factories that primarily process groundfish into fillets. In addition to production of fillets, some of these factories also produce ready-to-eat dishes.

Trade

Import Trade Matrix

Country Denmark

Commodit Groundfish, Fillets

Time Period	CY	Units:	Tons
Imports for:	2003		**2004**
U.S.	1458	U.S.	1697
Others		Others	
Faeroe Islands	3144		2678
Russia	1900		1001
Norway	1971		1552
Germany	1895		1803
Sweden	1298		1566
Greenland	791		730
Poland	1820		2420
Total for Others	12819		11750
Others not Liste	3013		5035
Grand Total	17290		18482

2004 imports of groundfish fillets were almost unchanged from 2003, at 18,482 tons, of which 65 percent is imported from countries outside the EU. Groundfish fillet exports totaled 38,720 tons in 2004, with 89 percent entering the EU market. Of third country exports, the U.S. was a relatively large importer. A significant part of the groundfish fillets exported to the U.S. enters the fast food industry. Denmark's biggest exporter of fish, A. Espersen A/S, supplies all McDonalds restaurants in Europe.

Imported fillets from the U.S. are further processed into fish fingers and ready-to-serve dishes, mainly for East European countries.

Export Trade Matrix

Country	Denmark		
Commodit	Groundfish, Fillets		
Time Period	CY	Units:	Tons
Exports for:	2003		**2004**
U.S.	494	U.S.	735
Others		Others	
Germany	12353	Germany	10243
UK	9181	UK	9072
France	4844	France	4145
Iberia	1844	Iberia	2166
Sweden	2321	Sweden	1154
Italy	3340	Italy	4115
Belgium	1842	Netherlands	564
Netherlands	675	Other EU	4144
Ireland	256		
Total for Others	36656		35603
Others not Liste	4554		2382
Grand Total	41704		38720