

# FOOD & CULTURE

With knowledge, insight and perspective  
The Danish Agriculture & Food Council / 2012 EU Special

## Does the EU have the political **will to growth?**

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EU SPECIAL



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**Keep Europe together** and develop the Single Market further, says the Danish Minister for European Affairs. Do not forget equal conditions for all and therefore, do not punish countries for being visionary, says Chairman of the Danish Agriculture & Food Council.

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**Tican** Research funding is necessary for EU development

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**Link payment of subsidies** to environment and climate initiatives

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**Editorial**

**Results for the future**

Denmark has now formally taken over the rotating presidency of the European Union. For Denmark, EU policy is about being party to decisions that are important to all EU member states. Agricultural policy reform and the budget for 2014-2020 are particularly high on the agenda, and agricultural policy should support Europe's transition to a growth economy with a focus on green solutions.

The European Union consists of 27 (presumably soon 28) highly diverse countries. In some countries the economy is almost falling to pieces, and in other countries living conditions in rural areas are comparable to those we had in Denmark many years ago.

From a Danish perspective there is a natural

wish that future EU policies will be formulated with a view to the future. In other EU member states, both government and population are short of funds in a more urgent way, and it is highly likely that these problems will attract the greatest attention during the Danish presidency.

On behalf of the EU, Denmark should, however, be able to think beyond the immediate budgetary shortages. At a time of economic crisis, nations are looking for ways to kick start their economies. Our proposal is that those of us in the food industry can help create growth, and at the same time contribute to society's transition to green energy. For this reason in particular, the Danish presidency should make

sure that efforts transcend immediate crisis management and enable the EU to become an engine for the development of a stable, environment-friendly, innovative and strong common Europe. ★



**Danish Agriculture & Food Council**

# DANISH FOOD MINISTER: EU FARM SECTOR ON MARKET TERMS

*Denmark's Food Minister Mette Gjerskov is prepared to work for a European agricultural sector that functions on market terms during the Danish EU presidency. Although international political work is a slow process, she still **hopes to help lay the foundations for a "sensible" reform of the EU agricultural policy.***

BY Felix B. Stark / PHOTO Rune Johansen

The Danish Minister for Food, Agriculture and Fisheries Mette Gjerskov (SDP) welcomes the Commission's proposal for reform even though she knows that Danish hopes for a complete abolition of agricultural subsidies are unrealistic. Instead we should work for greener subsidies, she says.

"In Denmark we must realise that we cannot compete on low pay and low land prices. Instead we must win through our environmental approach, which benefits society and should be rewarded through the subsidies," she says.

But there are also problems in the Commission's proposal. Mette Gjerskov questions the proposal's rigid rules on control, which require governments to check that active farmers are the only ones that get support. "It means that Denmark would have to check 40,000 subsidy recipients to make sure that they were active. That is a bad idea and involves a lot of administration," she says.

The Minister hopes the reform will strengthen the European agricultural and food sector in global competition.

"There are a lot of people in the EU who struggle to maintain the agricultural subsidy programme as it is today. I will be working for a policy where the sector functions on market terms and rewards efficiency. In Switzerland they have been able to retain small but highly efficient farm units. It is important to reform the agriculture regime so that it promotes the will and ability to compete," Mette Gjerskov says.

Mette Gjerskov agrees with the views of the Danish Agriculture & Food Council that the CAP should be a growth and environment policy rather than a social policy.



"There is no doubt that there is a move towards more subsidies for the poor regions, and I do not believe that is the idea of the funding. The intention must be to support production which benefits society in that it is efficient, environment-friendly and takes animal welfare into consideration," she says.

Mette Gjerskov adds that her strategy is to maintain personal contact with key players so that the Danish presidency lays the basic foundations for a CAP2013. ★

# DOES THE EU HAVE THE POLITICAL WILL TO GROWTH?

*The Danish Minister for European Affairs and the Danish Agriculture & Food Council agree that the agricultural and food sectors will play a central role in finding solutions to the most important challenges of the future. Both agree that solving these challenges will require a strong and collaborative European Union. Denmark will demonstrate its value as the Union's president over the next six months.*

BY Thomas Hovgaard / PHOTO Carsten Andersen

On January 1st, Denmark takes over the presidency of the European Union and remains at the helm until the middle of 2012. With six presidencies on its CV, Denmark is an experienced helmsman and expectations are high as to how Denmark can help the 27 nations find common ground. Among those with the highest hopes is the Danish Agriculture & Food Council, which is particularly interested in the proposal for CAP2013 - a new agricultural reform. "We would like the Danish government to work hard to think growth and competitiveness into the agenda during its presidency. The current economic crisis will take up a lot of time and attention at a time when Europe and the world is also facing serious challenges regarding climate change and a growing population. These problems require controversial solutions if we,

as a continent, are to have a real chance of producing the right solutions," says Chairman of the Danish Agriculture & Food Council Niels Jørgen Pedersen.

#### **Europe must work towards the same goals**

Naturally, Niels Jørgen Pedersen's primary

focus is directed at the food sector and solving the long term challenges facing the highly developed European farms and food manufacturers that are vital, and should be the main focus for European politicians.

"We have a tradition of being among the most ambitious in terms of green solutions and ef-

"We would like the Danish government to work hard to think growth and competitiveness into the agenda during its presidency."

Niels Jørgen Pedersen, Chairman of the Danish Agriculture & Food Council

efficient food production. That is precisely why it is important to use the funds where they have the greatest effect, and make sure to put priority on the necessary research and development," says Niels Jørgen Pedersen.

In the reform proposal that EU Agricultural Commissioner Dacian Cioloș has presented, the idea is to level out agricultural subsidies. This means that Danish farmers and food companies are to receive less, even though they are already under the highest cost pressures and have the most environmentally friendly and efficient production.

"The fundamental purpose of the Single Market – of which we are great supporters – has been to create a marketplace with equal conditions for all. We should be able to expect the same rules to apply no matter whether you are Danish or Cypriot. The EU should not punish countries such as Denmark for being visionary and good examples in environmental and veterinary matters. If Europe is to have a chance against the new growth economies, and at the same time solve some of the greatest challenges of modern man, we must be at our strongest. We must play by the same rules internally in the EU," says Niels Jørgen Pedersen.



Niels Jørgen Pedersen, Chairman of the Danish Agriculture & Food Council

### Single Market should be further developed

The Danish Minister for European Affairs Nicolaj Wammen (SPD) agrees. And he is also certain that the agenda for the next six months will be marked by Europe's serious economic situation.

"We must keep Europe together and build bridges between those countries that are inside the Eurozone and those that are outside. We must regain the confidence of markets and populations in the European project, and we must create growth and jobs. That is a vital priority for the government during the presidency. In general, we want to help secure the European budget and cooperation by focusing on green growth," says Nicolaj Wammen.

He sees the Single Market as playing a central role in Europe's future growth. "Since its establishment in 1992, the Single Market has been a gigantic success for Europe's businesses and

consumers. But we cannot rest on our laurels. All parts of the Single Market should continue to be developed. This applies for instance in digital issues," he says.

### Agricultural subsidies must be effective

Nicolaj Wammen will not hesitate to use agricultural policy as an instrument when the EU takes responsibility for climate and the environment.

"A very important task for the Danish EU presidency will be a reform of the Common Agricultural Policy. It has to be considered in close connection with the talks on the EU budget for 2014-20. At the general level, we want to work for a reduction in EU agricultural subsidies in a way that benefits research, innovation and market access for the developing

countries. For the Danish government it is vital that agricultural subsidies should contribute much more to a cost-effective fulfilment of the EU's goals for nature, the environment and climate," he says.

"First of all, the EU must stick together. No country in the EU, irrespective of its size, can handle the challenges of the globalised world without cooperation. We must strengthen our strategic partnerships and promote further openings for European businesses on the global markets. We should also target EU policies and budgets more directly at the growth areas of the future. We must keep thinking along new lines and invest in innovation and knowledge," the Minister concludes. ★

BY Ulla Plon

# SLAUGHTERHOUSES BENEFIT FROM EUROPEAN RESEARCH COOPERATION

**The Danish pork industry has long been a shining international beacon, but Danish slaughterhouses also benefit from innovative inputs from their European sister organisations. Research funding from the EU is vital in the development of slaughterhouse technology and methods.**

With a production of nearly 1.8 million pigs a year, Tican in Thisted in Northern Jutland is one of the Danish slaughterhouses contributing to and enjoying the technological advances that keep Danish pork at the top of the world league.

Much of this technological progress is a result of research and development carried out in cooperation with the Danish Meat Research

Institute (DMRI) and partly financed by the European Union.

“It is a great opportunity for us that DMRI can apply for funding from Brussels. EU funds help to pay the expensive research that is involved in developing new technology,” says Tican Production Director Torben Kock.

Tican contributes manpower for research projects that involve DMRI and sometimes also the Faculty of Life Sciences under the University of Copenhagen.

### European research cooperation

According to Kock, his company benefits from exchanging experiences and know-how with European slaughterhouses through personal relations and the DMRI networks.

“International cooperation confirms that although we are good in Denmark, we also benefit from developing through these projects. Otherwise we risk lagging behind,” he says.

Director Lars Hinrichsen at DMRI concurs; European cooperation is a vital element in the institute’s research activities. “We have a lot of cooperation within the EU. We have contact with competence centres in many countries and I would particularly stress our collaboration with Germany and France – both research institutions and slaughterhouse companies,” he says. “We are like a family in the international pork business, and Denmark is traditionally the leader in that industry. Our capabilities in pork are the foundation and for many years the others have leaned on us,” he says. ★

## CURRENT AND PROPOSED EU RESEARCH PROGRAMMES IN WHICH DMRI IS A COLLABORATOR

Coordinating country (institution)	Title	Status
Ireland (Teagasc)	Advancing beef quality and safety through research and innovation	2007-2012
Denmark (KU-Life)	Improving the quality of pork and pork products for consumers	2007-2012
Spain (IRIS)	Novel method for improving vacuum cooling meats	2010-2013
Netherlands (Pro Support)	Novel transport system for slaughter pigs	2010-2012
Germany (DIL)	Electrohydraulic shockwaves	2011-2013
Denmark (AAU)	Food factory of the future – design study	2012-2014
Britain (Scottish Agricultural College)	Optimising and standardising non-destructive imaging and spectroscopic methods for determination of body composition and meat quality in farm animals	2011-2015
Germany (DIL)	Pulsed light/UV surface decontamination of packed meat products	Proposal submitted
Denmark (DMRI)	Automatic grading system for determining lean-fat distribution in pigs	Proposal submitted
Croatia (Osijek)	Upgrading and unlocking research capacities towards healthy food and environment	Proposal submitted

# WITH A LITTLE HELP FROM THE UNION

*Denmark's dairy giant Arla Foods aims to further improve its strong position in Northern Europe and hopes the EU will help win a share of the growth opportunities in the New Markets.*

BY Ulla Plon

Scandinavia, Britain and Germany are Arla strongholds. With leading positions in Denmark, Sweden and Finland, the company is expanding strongly in Germany and wants to further develop in Britain, which is Arla Foods' largest market.

"We use a lot of our energy in our five home markets in Northern Europe. We want to continue growing in the UK and are working to achieve a position among the Top 3 dairy companies in Germany. And when we say Top 3, we mean as a broad player in the dairy industry with top positions in all main products," explains Arla Foods Executive Vice President Jais Valeur.

## Major growth in a flat market

In 2010 Arla had revenues of DKK 49 billion (€ 6.6 billion), and this year expects a turnover of DKK 54-55 billion (€7 billion) – a 12 per cent increase.

"It is quite a major growth in a flat European market, but of course the European market remains our home market and it continues to be a market where standards for sustainability and innovation are set," Jais Valeur says.



"In a time of crisis it is normal to react by being more inward looking and protective, but we think that it is all important to do exactly the opposite to secure the free flow of goods in a transparent way in the internal European market," he adds.

## Expanding markets

At the same time, Arla Foods is looking to the expanding markets in Russia, China, the Middle East and Africa.

"Since Europe does not look too promising going forward, our plan is to have a share of higher growth outside Europe," Jais Valeur says. "We expect that growth in demand will continue to increase outside of the EU due to population growth and GDP growth. In Europe - and at Arla - we need to invest more in innovation and in building new market opportunities outside of Europe in order to capitalise on those opportunities," he says, calling for the EU to use its influence to push for the trade barriers to fall.

"Arla wants free and equal opportunities for everybody - everywhere and this is where it is important that the EU continues to create a level playing field," he concludes. ★

# THE FUTURE COMMON AGRICULTURAL POLICY'S GREEN COMPONENT ADMIN **TOO RIGID**

*The Danish Agricultural & Food Council welcomes the Commission's idea of a greening component in CAP2013. Danish landowners, however, are concerned that they will not get credit for already implemented efforts to make their property green.*

BY Ulla Plon

In its outline for a reform of the agricultural programme, the European Commission proposes that 30 per cent of direct subsidies will be linked to climate and environment goals. The Danish Agricultural & Food Council welcomes the idea of linking payment to the environment and climate initiatives. But the Danish Council is dissatisfied with its bureaucratic and uncompromising administration and fears that Danish farms that have already introduced green measures will not be credited for their endeavours. Danish farmers, for instance, are already required by law to fertilise 15 per cent below the optimum level and to establish catch crops on at least 10 per cent of their land. None of these measures have yet been implemented by other EU member states.

"We are not on a level playing field. Danish farmers should be rewarded for what they are doing – and the Danish measures should be

integrated in the greening proposal as an incentive for all European farmers to do the same," says Senior Advisor European Affairs Niels Lindberg Madsen, the Danish Agricultural & Food Council.

#### **Anticompetitive**

Christian Danneskiold Lassen, a major landowner and grain grower in Southern Zealand, shares the concerns.

"For my part, we have already created natural environments on 20 per cent of my land and I have no more to give away. What is left is what I live from – and that is very productive land. If the programme does not consider the individual farm, farmers lose the incentive," says Christian Danneskiold Lassen.

The end result could be anticompetitive since Danish farmers who have already invested in making their farms green, could end up with

higher costs than their counterparts in other European countries.

"For our part, we have chosen organic farming and sustainability for many reasons but mainly because we are interested and think it is a good idea. My property is simply more attractive when I can go out and see the partridges and deer or some birds of prey I would otherwise not have had on my land if it was not a biotope," says Christian Danneskiold Lassen. ★

The greening components include measures such as crop rotation and diversification, ecological focus areas and permanent grasslands. According to the proposal, each farm must have 7 per cent of its land, excluding permanent pastures, reserved for ecological focus areas such as fallow farmland, hedges and various other landscape elements.

# SAME LAW – DIFFERENT EXPECTATIONS

*In Denmark and Sweden all organically bred sows are left to grass while a majority of Italian sows stroll around in the woods. In Austria and Germany, on the other hand, sows are mainly kept indoors.*

BY Felix B. Stark

Organic pig producers across Europe are subject to the same EU rule entitled Regulation 1804/1999. But due to national interpretations and special rules, breeding methods still vary greatly across the Union, according to a new study.

Among the more significant differences are the conditions under which sows are kept. In Austria for example both pregnant and lactating sows are typically in roofed sties with access to an outdoor concrete run, while 100% of Danish and Swedish and 70% of French sows stroll around on grass and have access to huts. The majority of Italian sows have their enclosures in the woods and access to huts while most German sows are exclusively kept indoors. Another difference is the use of nose rings.

“While nose rings are used in Denmark, Germany and France to prevent the pigs from rooting, they are prohibited in Austria, Italy and Sweden,” explains Senior Researcher Tine Rousing at the Department of Animal Science, Aarhus University.

## Different levels of knowledge

In cooperation with scientists from other European countries, Rousing has studied some of the most significant differences in production methods. The findings are published in a report entitled “Epidemiological study concerning the characteristics of organic pig farming in selected European countries”.

“In the study we have asked producers about their practices. We have found major national differences in the level of knowledge. Some countries have extensive use of quarantine, pest control and vaccines to allay disease while

other countries do not have a similar focus on these problems,” says Tine Rousing.

Six European countries with 101 organic pig farms took part in the study, which also looked at the use of antibiotics in fodder. With very strict rules on antibiotics for organic pigs, only 11 of the 101 farms added the medication to the fodder.

Of the 101 farms that took part in the survey, 16 were from Denmark, 13 from Sweden, 20 from Germany, 20 from France, 16 from Italy and 16 from Austria. ★

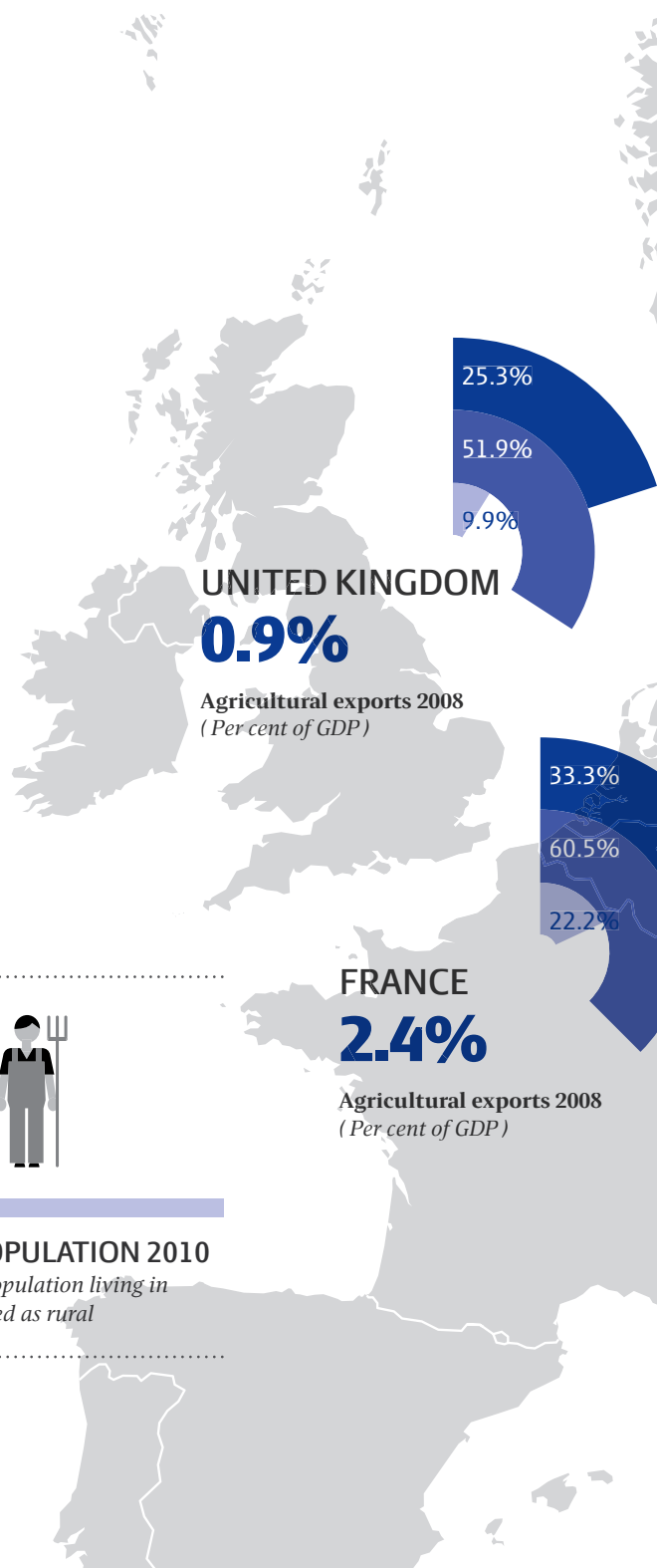
“While nose rings are used in Denmark, Germany and France to prevent the pigs from rooting, they are prohibited in Austria, Italy and Sweden.”

Tine Rousing, senior researcher at the Department of Animal Science, Aarhus University



# EUROPEAN AGRICULTURE

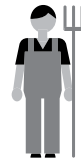
In many ways the 27 EU member states would like to appear as if they had similar backgrounds and held the same plans for the future. Looking into the statistics, however, the truth is rather that the countries are very different. This graphic presentation shows seven geographically scattered countries and comparable key indicators. We could have shown some other indicators. Denmark, for instance, would have been a matchless top scorer, had we instead of cattle looked at the share of total livestock comprised by pigs. Danish pig producers have so many pigs that they constitute 71% of Denmark's total livestock. Or we could have chosen other countries. Ireland would have stood out in the same category since 81% of the country's livestock is cattle. The conclusion is that the major internal differences in the EU may suggest the need for a differentiated policy that considers the weaknesses and differences of the various countries and promotes their strengths. ★



**FARMLAND**  
Per cent of total area



**LIVESTOCK 2005**  
Cattle's share of total livestock population

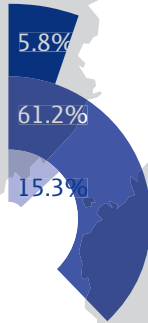


**RURAL POPULATION 2010**  
Per cent of population living in areas classified as rural

Sources: Eurostat, IBRD, FAO and OECD

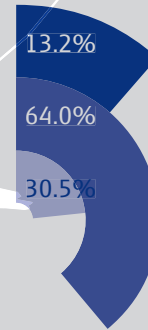
**SWEDEN**  
**1.2%**

Agricultural exports 2008  
(Per cent of GDP)



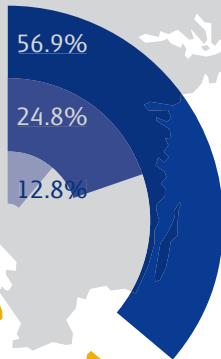
**ESTONIA**  
**4.0%**

Agricultural exports 2008  
(Per cent of GDP)



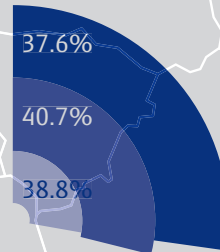
**DENMARK**  
**5.4%**

Agricultural exports 2008  
(Per cent of GDP)



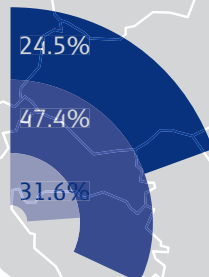
**POLAND**  
**2.9%**

Agricultural exports 2008  
(Per cent of GDP)



**ITALY**  
**1.6%**

Agricultural exports 2008  
(Per cent of GDP)





Danish Agriculture  
& Food Council