COFAMI
Encouraging Collective
Farmers Marketing Initiatives

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Status-quo analysis (WP3)

National report Denmark (D3.2)

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Background and objectives

1 Collective action by farmers has played an important role in the history of European agriculture and rural development. During the 20th century the joint actions of farmers in many EU countries gave rise to the foundation of agricultural marketing co-operatives, resulting in better market access, increased farm incomes and regional employment. More recently farmer collectives have made an important contribution to the spread of sustainable production methods.

2 Now European agriculture is facing a range of new challenges. Farmers have gradually lost control over supply chains, due to the growing power of retailers, and are also confronted with a general decline and reorientation of policy support. At the same time, there is a need to respond to changing consumer demands for food safety, quality and an attractive countryside. Again, collective action may help in finding appropriate answers for these new challenges.

3 Against this background the COFAMI project studies the potential role of collective farmers' marketing initiatives (COFAMIs) in finding adequate responses to changing market and policy conditions. More specifically it aims to identify the social, economic, cultural and political factors that limit or enable the development of such initiatives. The project also seeks to identify viable strategies and support measures to enhance the performance of collective farmers' marketing initiatives.

Steps in the research

- At the start of the research a **conceptual framework** for the study of COFAMIs will be developed. A review of relevant scientific literature and a 'quick-scan' of 8 previous EU research projects which included COFAMI cases will provide the basis for this.
- For each study country a **status-quo analysis** of collective marketing initiatives and relevant contextual factors will be made. This involves an overview of existing COFAMIs, their aims, organisational forms and strategies, relations with other supply chain partners, and relevant market and policy environments.
- A series of 18 in-depth **case studies** of different types of COFAMIs will be conducted. These will provide more detailed insights into the influence of different factors that limit and enable the development, performance and continuity of COFAMIs. The performance of initiatives in terms of social, economic and environmental impacts will also be assessed.
- In the **synthesis** the results of these different research activities will be integrated into general conclusions about the relative importance of various limiting and enabling factors for different types of COFAMIs. Support strategies for COFAMIs and measures to improve their performance and dissemination will also be formulated.

Project results and consultation

Participatory methods and stakeholder consultation will play a key role in all stages of the project, to ensure that research outcomes are grounded in field experiences and policy debates. A National Stakeholder Forum will be established in each participating country. In addition a European-level expert group of scientific and field experts will be formed to broaden geographical coverage beyond the 10 countries represented in the project.

The research will provide farmer groups, support organisations and government agencies with insights into different collective marketing strategies, their success and failure factors, and suggestions of measures that support COFAMIs. Additionally, the project will contribute to scientific and policy debates on the role of farmers' initiatives and new supply chain arrangements in promoting sustainable rural development and the supply of safe and quality food.

All project results will be made available through the project website www.cofami.org

Project partners

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1 Introduction

Since the invention of the cream separator in the middle of the 19th century and the establishment of the first cooperative dairy in 1882, the cooperation among farmers and other stakeholders along the food chain has played a very important role in the development of modern Danish agriculture. However, at the moment, agriculture is in a transition period that challenges traditional cooperative processing and marketing strategies, and probably also calls for innovative initiatives in order to cope with changing surrounding conditions.

Being part of a larger EU-project, the main objective of this status quo report is to give a general overview of the present situation of collective farmers' marketing strategies (COFAMIs) in Denmark, comprehending their historical development and identifying factors that are encouraging or hampering the development and continuation of COFAMIs. The main focus of the report will therefore be upon factors of specific importance in a Danish context, and leave out the analysis of general and common factors such as globalisation, modernisation, etc.

In chapter 2 a general description of the importance of collective farmers' marketing initiatives is presented. To begin with, focus is put upon the historical context in which collective farmers' marketing initiatives have developed since 1880. The historical overview is followed by an in-depth description and analysis of the present situation and trends of COFAMIs in Denmark.

Chapter 3 provides detail information on the main forms and types of COFAMIs in Denmark, and illustrates it's point by characteristic examples of COFAMIs for each category. The main types introduced in this chapter are: 1) Traditional (modern) cooperative companies; 2) Neo-cooperative companies 3) Homogeneous Network-associations protecting and branding a certain product; 4) Network associations of alternative food chains; 5) Heterogeneous plural-activity-networks promoting regional development.

The traditional (modern) COFAMIs are very successful in Denmark, whereas the other four forms of COFAMIs can be seen as different strategies to exploit the empty room created by the strategy of the traditional farmers' cooperatives combined with the global market liberalisation, structural development and internationalisation. However non-traditional farmers' marketing is a novel phenomenon and trend in Denmark and many of the initiatives are still in a developing phase.

An extensive analysis of contextual factors that affect the emergence and performance of COFAMIs in general is performed in chapter 4. In this regard focus is put on political and institutional factors, economic and market factors, technical and knowledge factors, social and cultural factors as well as on the influence of geography or location. The analysis is based on an extensive literature and Internet research.

Finally, some conclusions on the situation, performance and development trends of COFAMIS in Denmark are presented. The chapter points at new, still open research questions that can form the basis for further work, especially within WP4 in the COFAMI project.

The major findings and conclusions will be discussed at a Stakeholder Forum meeting in October.

2 General description of the importance of collective farmers' marketing in the country

2.1 Historical context in which collective farmers' marketing has developed

The Danish agricultural marketing strategy is an exclusive story of collective marketing strategies. In all agricultural sectors the vast majority of industries are farmers' cooperatives (more than 90 %).

The origin to this development path way is to be found in the late 19th century. First of all, it has to bee seen as a reaction to a severe cereal crisis. Until about 1880 Danish export was mainly based on production and exportation of cereals. But in the 1870'ies market prices of cereals decreased dramatically (cf. table 1). In the 1880'ies the Danish farmers responded to this crisis by shifting to animal production.

Table1: *Danish agricultural export in million DKr (Ingemann 2006)*

Year	*Living animals*	*Animal produce*	*Cereals*
1866-70	15	12	38
1871-75	34	26	39
1876-80	44	22	28
1881-85	50	30	3
1886-90	35	66	-10

Note: The figures are average net export of five-year periods

A key element of this transition was the creation of cooperative processing and marketing, and the development of a Danish cooperative movement. The first cooperative dairy was established in 1882 and a wealth of cooperative dairies was established in the following years. In 1890 about 1/3 of Danish farmers were delivering their milk to cooperative dairies. In 1888 alone 244 new cooperative dairies were established. The other sectors of agricultural production soon followed and by the end of the 19th century 2.650 cooperative enterprises had been established (Ingemann 2006).

In first half of the 20th century this development continued and in the 1950'ies a peak in numbers of cooperative enterprises and associations in the agricultural sector was reached. This is illustrated for the branch of slaughterhouses in figure 1. In the early 1960'ies a new fusion trend in the structure of cooperatives started both in the organisation and processing of enterprises. Similar changes occurred within all the different sectors, which can bee seen as the cooperative movements' collective response to the various changes within the period of time, among others the new demands of packaging and delivering by the supermarket chains, changes to the export market, necessary investment in new processing technology and other technologies in order to increase efficiency and saving labour (Ingemann 2006).

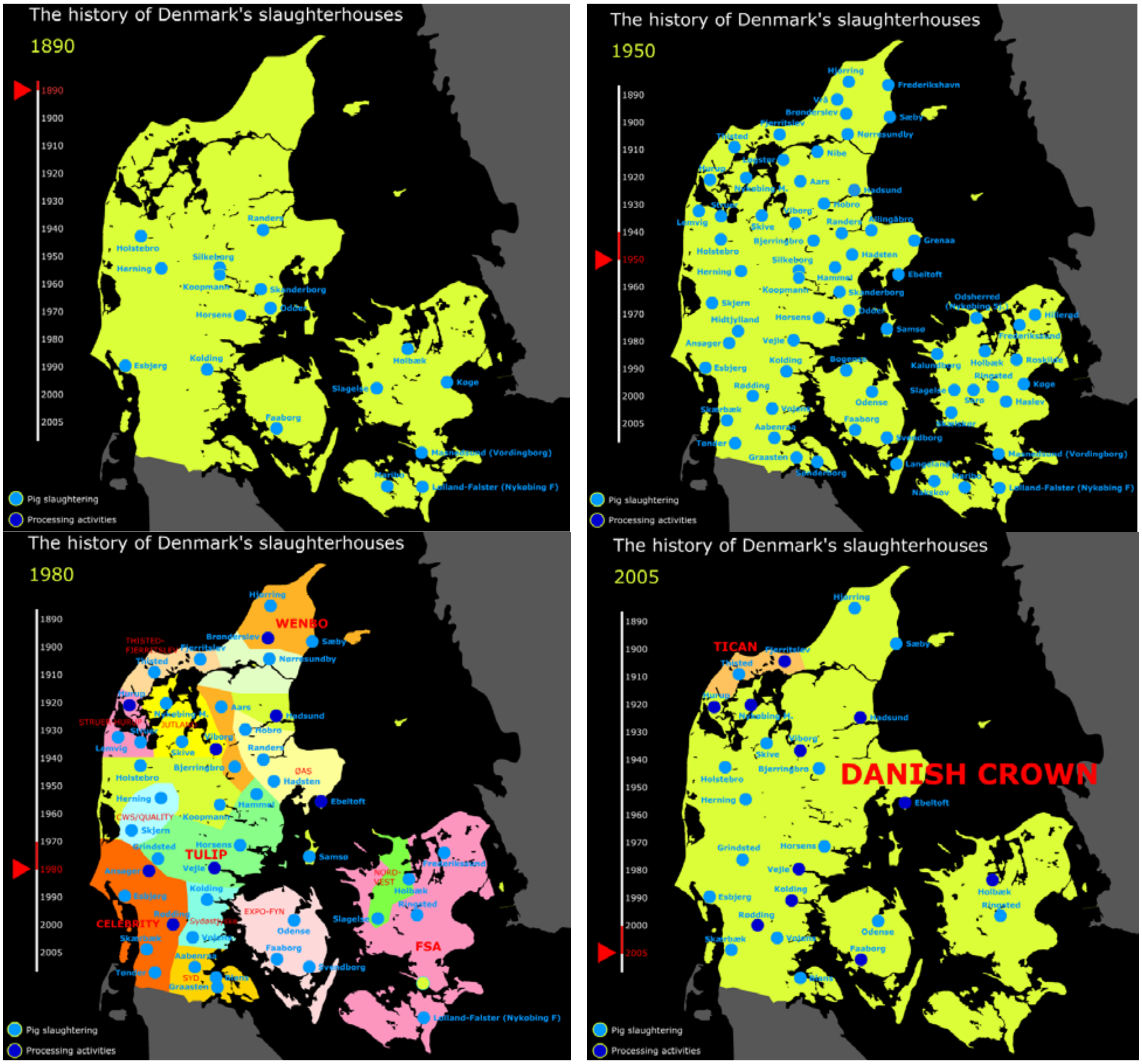

Figure 1: Source Danish Crown 2005: http://www.danishcrown.dk/custom/Visit/Danmark-slagterier_forweb_done.swf

By the mid-1990'ies the fusion process among the cooperatives was almost completed and today, within most sectors, there is only one big cooperative processing enterprise and association left (The federation of Danish cooperatives 2006).

This above development is mirrored in the structural development of Danish farm enterprises (cf. figure 2). For a period of time the increase in farm size has been the heaviest in Europe. Thus the average size of a Danish farm is 45 ha, i.e. the second biggest in Europe and more than twice the average of Dutch farms with which we normally compare.

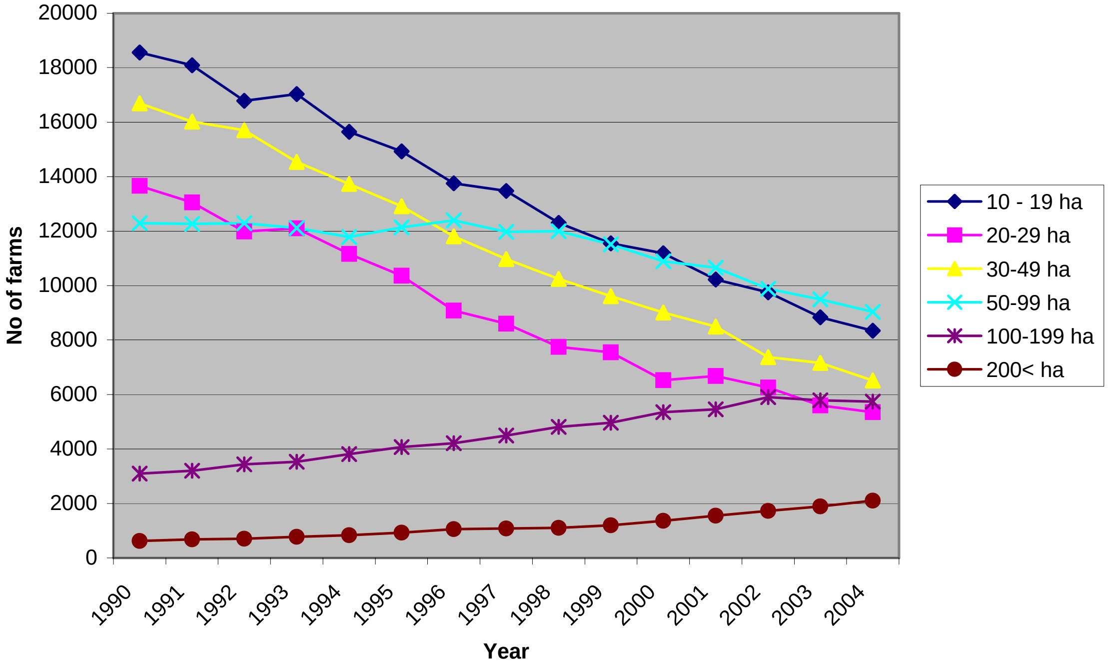

Figure 2: Overview of the development in farm size in Denmark, 1990-2004 (source: Statistic Denmark: http://www.statistikbanken.dk).

Even though there have been conflicts within the cooperative movement between different groups of interests, no serious successful attempts to follow alternative development pathways have been made (Michelsen 1984). Historically, this can be explained by the fact that a very strong independency culture evolved among the Danish farmers. Farmers were released from villainies by law in 1790'ties and law released the smallholders in 1850. The emerging cooperative strategy of processing and marketing was seen as a strategy to maintain independency from the landlords and improve income and livelihood, and at the same time the cooperatives did not interfere with the internal affairs of the farms. Right from the beginning it has been a core characteristic of the cooperative movement that farmers were to be treated equally and to have equal influence on the decision-making, the principle being one head one vote independent of farm size.

With respect to the performance of a mixture of cooperation and independency, two strategies have been of particular importance. The first strategy was to develop a kind of pragmatic consensus culture, in which all are equal and share interests and the second was to focus on an ever improving standard quality through product processing and farmers general education, etc. Probably, the success of these two strategies constitute a major explanation to the fact that Danish cooperatives made very little qualitative inventions to farming production methods and product quality during the period of time. Simultaneously consensus culture has led to very strong and firmly united agricultural associations and lobbies in Denmark.

In order to understand the present situation for developing new cooperative marketing strategies it is important also to consider the economic importance of agricultural produce. Even though no longer central to Danish economy, agricultural export still plays an important role This means that until now there has been very little focus on the development of the domestic market and on diversifying into domestic specialities. For instance Danish Bacon is hardly eaten in Denmark; in stead we eat bacon made out of cheaper parts of the pig, and in the 1960'ies and 1970'ies most people ate margarine instead of Danish "Lurpak" butter.

2.2 Present situation and trends: General configuration of collective farmers' marketing

To summarise, historically farmers' cooperative processing and marketing strategies have played and still plays and overwhelming role in Danish agriculture. Generally, these COFAMIs have been very efficient in modernising themselves and in coping with changes in the surrounding society. On the other hand their successful development has led to harsh conditions for alternative COFAMIs to emerge, i.e. a limited demand for niche products on the home market and strong farmers' cooperatives controlling the market.

Due to the above context, the description of the present situation and trends of COFAMIs in Denmark will be divided in two parts. The first part considers what happens within the traditional farmers' cooperatives and their marketing strategies and the second part treats of the development of alternative COFAMIs in Denmark.

Traditional farmers' cooperatives

Until the 1990'ies farmers' cooperatives had been organised around processing and marketing of standard, undifferentiated raw material. Although there could be a price differentiation in quality the producers were all in the same boat, they shared interests and the pricing system was transparent.
In the early 1990'ies globalisation, market liberalisation and structural development made traditional cooperatives respond in three different ways, namely by transforming themselves into

- Multiple string organisations
- Transnational organisations
- Different related enterprises by way of diversification

At the beginning of the nineties multiple string organisation came in the form of merged cooperatives dealing with different raw materials like slaughterhouses with pig and cattle. Multiple string also meant differentiation into different production methods like UK-pigs and multi pigs or like organic and conventionally produced milk. In the mid-1990'ies this strategy gave rise to some conflicts between organic and non-organic farmers within the cooperation of MD-foods (now Arla-food), especially due to the fact that only ½ of the delivered organic milk was processed and soled organic, albeit the organic farmers was paid full premium (Noe 2006). On the one hand this multiple string strategy gave cooperatives the possibilities to rationalise processing, management and logistic procedures and to deal with (and control) new differentiated market opportunities and niche products, like organic farming (Lynggard 2001; Michelsen 2001). On the other hand this also touched upon some of the fundamental principles of farmers' cooperatives; see table 2.

Table 2: Comparison of traditional cooperatives and an imaginary example of sophisticated multiple string cooperatives (source: Federation of Danish cooperatives 1999. p9)

	Traditional co-operative	Multiple string co-operative
Raw material	- Standard	- Differentiated
Market for selling the final product	- Perfect competition in the market	- Imperfect competition in the market
Members	- Homogeneous – one group	- Heterogeneous – several producer groups
Members' interests	- Similar	- Different (special interests)
Member governance	- Geographical representation	- Producer group representation
Rights and obligations	- Everyone has the same rights and obligations	- Varies, depends on the producer group
Decision makers among members	- All members (indirectly)	- Selected producer groups (in some matters)
Price system	- Uniform – a common system	- Several systems - Guaranteed prices
Organisation of the enterprise	- One string	- Divided into divisions according to product areas - Activities hived off into subsidiaries
Control by the co-operative of members' raw materials	- None, or limited, indirect control	- Close direct control - Quantity control - Restrictions in form of production - Tradable delivery rights - Conversion schemes

Due to internationalisation and the effort to match the expanding limited companies on the world market, by now farmers' cooperatives have started to merge across boarders. In the Agricultural Council of Denmark discussions of different possibilities for farmers' cooperatives to internationalize are continuously taking place, e.g. cooperation, joint venture and involvement of external investors. Thus, in the year 2000, the Danish dairy cooperative, MD- Foods merged with the Swedish Arla into Arla-foods and become one of the worlds leading dairy companies.

Simultaneously farmers' cooperatives have started to diversify into business groups, in order to obtain synergy effects by processing or producing other kinds of products. This is e.g. nicely illustrated in description by the case of DLG, a farmers supply cooperative that develops Agrova food, a marketing company of vegetables: They explain:

> *"Agrova Food is synonymous with DLG within the consumption area. The department was founded at the beginning of 1998 and the objective is to determine the business strategy as well as to coordinate activities and measures that are taken within the foodstuffs area.*
> *One of DLG's visions from Vision 2008 is thus to get the company involved in a number of new trades that are closely related to the traditional core area – feeding stuffs. The consumption area is one example of this. It was once a small activity but has today developed into being one of the areas with the highest growth within the DLG Group, and the overall mission is clear; The companies in Agrova Food shall work on achieving a better economy for their owners by,*

among other things, obtaining a market position that can generate a high, financial return in Agrova Food's area" (DLG 2006)

The traditional farmers' cooperatives have undergone a tremendous transformation process fromsmall cooperative processing and marketing companies to big multinational business groups, a transformation process that has also changed the internal strategic logic of the companies to a mixture of cooperative and limited logic.

The success of the cooperatives and the underlying consensus strategy of the farmers also mean that they have a very strong influence on the Danish policy, regulation and food regime, facilitating the logic of mass production, and the way that food security and quality standards are handled. In order to protect export interests the big Danish cooperatives opt for a very strict control on quality (standardisation) and food safety.

Development trends of alternative COFAMIs

No comprehensive review on the recent development of Danish COFAMIs, has yet been made. Nevertheless, an extensive review of literature and Internet sources reveals three alternative development pathways evolving at the moment, influencing the emerging new COFAMIs:

1. Development of organic agriculture
2. A new trend on gourmet food initiated by chefs
3. A revitalisation of local regional food in relation to regional development.

Since the early 1980'ies there have been a series of individual and collective marketing initiatives from organic farmers, e.g. organic dairies and fresh food terminals (Oldrup 2000), farmers' markets, farm shops, etc. Even though organic food has a very high market share in Denmark the dominating food regime has been able to assimilate organic produce into their own marketing strategy as a niche produce. Only 12% of the organic food consumed in Denmark is sold through alternative sales channels (Kledal 2006). Still these alternative processing and marketing initiatives are facing very hard times to survive. Very recently two apparently successful initiatives have gone bankrupt. These initiatives were and are driven mainly by two desires, i.e. to expand the organic market in order to get the necessary additional price for organic products and to establish a close value based relationship between consumers and producers (Oldrup 2000; Kjeldsen 2005).

In the mid-1990'ies a new generation of Gourmet chefs gained a strong popularity in Danish television and become a part of a new gourmet wave in Denmark. Even though it has mainly resulted in a fashion of very expensive kitchens, it has also helped to increase demand of high quality and aesthetic food products. Seemingly a growing niche market is developing in the wake of the highly expensive gourmet kitchens. However most initiatives directed towards niche markets have been either individual initiatives or mimicking strategies of the established businesses.

A network called The European network on Culinary Heritage has its' origin in a cooperation between people from the south of Sweden (South East Scania) and the Danish island of Bornholm in the mid-1990'ies. It was initiated as a Leader II initiative. More regional culinary projects have followed with the Leader II+ programme, among them "Smagen af Nordjylland" [The taste of Northern Jutland], Kulinarisk Netværk Falster [Culinary Network, Falster], Sønderjyske madglæder [The relish of Southern Jutland]. One could say that Leader II+ has facilitated a kind of national wave of reinventing local food specialities that had almost disappeared through the industrialisation of agriculture and orientation towards export markets. However, this wave has not as much been initiated and driven by farmers as by other kinds of actors involved in and concerned by rural development. Especially the smaller islands of Denmark have been in the vanguard of this development.

From a Danish perspective, a reasonable question springing from globalisation discourse could be: Why focus so much on alternative COFAMIs and their home market, whilst 90% of our produce is exported to the world market *and* cooperatively produced? In volume, t he innovative COFAMIs linked to the above mentioned development pathways are not that important the moment, but more circumstances point to fact that they may have a strong indirect importance on what is presently going on, both in terms of introducing new brands and quality standards into the shelters of mainstream retailers, and by paving the circuit for alternative relations between producers and consumers. Kledal (2006) foresees a development towards a further polarisation among retailers, where the majority of food will be sold through discount and hypermarkets, which will leave more space to niche market of high quality food associated with aesthetical experiences as well. According to this scenario Mid-size retailers will gradually disappear.

2.3 Conclusions to the general importance of collective farmers' marketing

The cooperative movement has been very successful in Denmark both with respect to developing a strong and unified processing and marketing strategy and also with respect to coping with changing conditions and developments. This also applies to recent development trends where the answer to globalisation is the merge of local processing factories into national and further to multinational enterprises, and to new trends in quality where the answer is internal differentiation. Both within milk and meat traditional farmers' cooperatives are processing and marketing more the 90 % of the Danish produce. Historically, this has left very little space to other development pathways and led to a strong unified food chain policy regime in Denmark.

However, the sublimation of the development strategy of these traditional cooperatives, combined with an emerging focus on rural development issues and changing expectations from the social surroundings are opening new space for innovative alternative COFAMIs. Within the resent years a myriad of new initiatives have emerged, reflecting the human and social capital present. Unfortunately, only few of the latter have yet proved long term successfulness.

Collective farmers' marketing initiatives have played a paramount role in the history of Danish agriculture (and culture) and they are a strong part of the present social capital. However, we are at a kind of crossroads in terms of collective actions. On the one hand, more and more the traditional farmers' cooperatives are taking the shape of limited companies. Structural development is happening fast and the producing units reach a size, where cooperation is no longer necessary. On the other hand there seems to be lot of resources in terms of human and social capital to initiate new innovative collective marketing strategies. However, these strategies seem to face harsh conditions gaining ground. . It seems to be a very interesting period of time to study, to learn and hopefully to be able to facilitate these innovative collective actions on marketing.

3. Characterisation of the main forms of collective farmers' marketing in the country

3.1 Different forms of collective farmers' marketing that can be found

Although farmers' marketing in Denmark are dominated by modernised cooperative societies, these years a wide range of new initiatives are taking form. Many of these initiatives are not yet maturely developed and pathways therefore not well exploited. In the effort to make a typology based on these cases we have chosen to start from the rationale around which the collective marketing initiatives are organised. By rationale we mean the values, skills and knowledge that create and sustain a connection between the actions of the marketing strategy.

We have reached the following major forms of COFAMIs:

1. **Traditional (modern) cooperative companies:**

   Pooling products in processing, logistic and sales.

2. **Neo-cooperative companies:**

   Production, processing and sales of distinct quality produce, including the quality of primary production

3. **Homogeneous Network-associations protecting and branding a certain product**

   Collective branding of a distinct production concept often regionally bounded.

4. **Network associations of alternative food chains:**

   A collective action to establish and reproduce a platform or framework of alternative relations between producers and consumers.

5. **Heterogeneous plural-activity-networks promoting regional development**

   An umbrella organisation to exploit and support possible synergies between locally or regionally based activities and enterprises

3.2 Individual characterisation of each 'main' form

3.2.1 Traditional cooperative companies

As described in chapter 2, almost exclusively all agricultural produce in Denmark is processed and marketed through traditional (modern) cooperative companies. Nevertheless, traditional farmers' cooperatives that have gone through a tremendous transformation process from the beginning in the late 19th century:

- They have merged into one or two cooperatives within each branch
- Cooperative societies still have the ownership but in most cases with limited liability. The board is held by farmers' representatives. However, the executive board held by professional business managers.
- Cooperatives nowadays consist of a mixture of a farmer's cooperative society and a modern business group, involving an array of subsidiaries and activities. There is a growing internal differentiation into sub- divisions of production (The Federation of Danish cooperatives, 1999). This means differentiated production and payment to different producer groups, e.g. to organic

and conventional cooperative shareholders. This is leading to a situation with declining common interests and less transparency in market prices and internal costs.

- Due to their big volume these cooperatives have a strong position on the domestic market and a strong bargaining power on the international market. Common to these companies is the fact, that they are responsive to globalisation, and that they primarily compete on price and standardization of quality and health safety. The main market is the big retailers' chains offering a full product range within a certain branch of products, e.g. milk or meat.
- They operate on national and international scale, with no particular local or regional affiliation. Processing plants are centralised and situated at strategic points in relation to the infrastructure.

These cooperative companies have been very successful in creating responses to the changes in the surrounding society, in terms of changes in technology, globalisation, etc.

Illustrative case: ***Arla-food*** *(Source: www.arlafoods.com)*

Arla Foods was formed in the spring of 2000 following the merger between the Danish MD Foods and the Swedish Arla. The objective of the merger was to enable the company to match the size of its customers, the large, international multiples.

Arla Foods is a co-operative owned by approx. 10,600 milk producers in Denmark and Sweden.

The Arla Foods Group is Europe's second largest dairy company. In the 2004/05 financial year, the Group received 8.4 billion kg milk and a turnover of approx. DKK 46 billion. The figures include milk volume and turnover from the UK dairy company, Express Dairies, which merged with Arla Foods' UK subsidiary, Arla Foods plc, in October 2003. Following the merger, the UK has become the Group's largest market, accounting for 33% of the total turnover. Sweden and Denmark account for 22% and 19% respectively while other European markets account for 13%. The remainder of the turnover derives from overseas markets.

Besides Denmark, Sweden and the UK, Arla Foods operates subsidiaries in the 19 most important export markets.

The Group exclusively produces milk-based products. Besides Denmark, Sweden and the UK, Arla Foods has production plants in Saudi Arabia, Argentina, Brazil and Poland and licensed production in USA and Canada.

3.2.2 Neo-cooperative companies

Neo-cooperative companies are farmers' collective marketing strategies that build their cooperation around one processing and/or marketing company.

It is not necessarily only the producers that are shareholders; other persons involved in the food chain such as processors can be shareholders, as well. Strong commitment to the cooperative marketing strategy and the values and ideas behind are some of the keywords, and the strategy of collective marketing to some extends goes ahead of the strategy of the individual farmer. This strategy of commitment is possible because the initiatives are initiated and steered by farmers.

The first COFAMI of this form was established in the late 1980'ies and emerged from the organic movement as a countermovement to the trajectory of the traditional farmers' cooperatives. Especially within the organic sector we find mature cases of this form of COFAMI, but also emerging ones.

- Contrary to the traditional farmers' cooperatives neo-cooperativeness is not only a question of a cooperative strategy of processing and marketing, it is also largely dealing with the way farming proceeds based on an understanding of quality, that re-link production, processing and marketing.
- Neo-cooperative COFAMIs orientate their marketing strategy towards niche markets, both through conventional retailing and alternative market channels like box schemes and special shops and they try to avoid competition on price on the bulk market.
- In order to decrease vulnerability of mimicry and to establish a strong connection with both retailers and consumers, neo-cooperatives strive to have a large assortment.
- Neo-cooperative COFAMIs do not necessarily have a particular local affiliation. But they are woundable to enlargement beyond the farmers' commitment and the logic of niche markets.

Illustrative case: ***Thise Dairy***

An organic co-operative dairy established in 1988 in cooperation between a group of newly converted organic farmers and a privately owned dairy. The dairy is situated at Salling in the middle of Jutland south of the Limfiord, with farmers spread in a radius of about 100 km.

Presently, there are 64 members of the cooperative, and 25 farmers on the waiting list. Even though the dairy in the beginning of the 1990'ies for a longer period of time was unable to pay the same price to the producers as MD-foods farmers stayed with the dairy and even more farmers joined (Noe 2006). The total turnover is 27 billion litres of milk, app. 0.6 % of the total Danish milk produce and 6,6% of the total organic milk production in Denmark.

Thise's strategy builds exclusively on a niche market. This is how Thise's strategy is formulated [authors translation]:

> *"According to the trend units have to be larger and larger in order to survive and to have a right to exist. When other actors go for the advantages of scale Thise Dairy strives to optimise the advantages of small-scale production, i.e. to obtain maximum utility of the advantages of being a small producer: manoeuvrability, adaptability and the desire and skills to develop niche products"* (Thise, 2006).

Thise Dairy has established a strong brand with a full portfolio of dairy products and in 2006 the dairy won an image prize being the best branded Danish company.

To strengthen the relationship of product quality and the quality of the raw milk, the cooperative is continuously developing new products e.g. by introducing new ways of feeding (like hey feeding) and by separating milk form different cattle breeds. Furthermore the farmers have established farmer field schools in order to increase animal health and milk quality and to reduce the use of antibiotics (Vaarst 2006).

3.2.3 Homogeneous Network-associations protecting and branding a certain product

Here we are dealing with a form of COFAMI that is promoting and protecting a regionally based and typically protecting one particular product and brand. Such products could be branded on a mixture of certain geological/natural conditions; a certain set of production methods and shared history and storytelling.

- The network organisation is typically organised as a guild, with formal board and executive committee. Members are mostly farmers, however other actors involved in processing can be members as well.
- Due to the logic of a marketing strategy of protection the number of members is limited, and typically demarcated by natural borders. However the number of members can be up to 40, such as in the case of Lammefiord Carrots.
- The initiatives are typically initiated and steered by the guild, not in order to obtain power in terms of volume and market share, but more build a quality relations with the other actors of the food supply chain.
- Members are typically from a particular locality, but marketing can be national or even international.

This type of COFAMI or network is a relatively new phenomenon in Denmark, but has been known in other areas of Europe for centuries. Only a few of these initiatives have reached a matured stage of development, most are only just in an evolving phase.

Illustrative cases: **"Lammefiord Carrots"**

The Lammefiord, was reclaimed land in 1873, from an inlet. Due to the very fertile soil Lammefiord has become a popular place for growing vegetables, especially carrots. To extend the knowledge of Lammefiord and to promote the sale of produce a guild was formed in 1996 which today has 40 members. It is one of very few Danish demarcations that has obtained the EU logo of PDO/PGI.
The members of the guild do not have a shared packaging and food chain strategy, but all members are allowed to market their products under the brand of "Lammefiord. As reclaimed land the area has a clear boarder of membership (Lammefjordens Groentsagslaug 2006).

Store Vildmose kartofler[Big Wild Bug potatoes**]**

This COFAMI is organised as a guild to promote a shared marketing of potatoes grown in the raised bog. The guild is initiated and managed by 6 farms, together growing potatoes in about 250 hectares of about 900 hectares of cultivated land. The guild was supported by art. 33 means. The shared vision of the guild is formulated as follows [authors translation]:

"…to explain to the surrounding world the extraordinary quality of potatoes grown in" Store Vildmose" [Big Wild Bug] due to special and favourable conditions for growing quality potatoes in the soil of the bog, and due to growing methods applied by the farmers, the combination of both giving sublime taste experiences, a quality that cannot be produced elsewhere (Kartoffellauget 2006).

3.2.4 Network associations of alternative food chains

Network associations to establish shared market platforms for alternative relations between producers and consumers. These platforms can be based on a physical market place, a marketing cooperation, or a virtual market place on the Internet.

- Characteristic to these COFAMIs is that they deal with a wide range of fresh food products, and the fact that in some cases, they involve provision of quality products to the food service sector, such as restaurants, schools etc.
- In contrary to the above mentioned three types of COFAMIs this kind does not interfere with production and processing, but provide a platform for marketing of niche products. The rationale of this kind of COFAMI can best be expressed by a quotation from one of the initiatives "Free birds are flying in flock" [author's translation] (Smagen på nordjlylland 2006).
- Typically, networks of associations of alternative food chains are not the exclusive marketing strategy for farmers but a supplement to traditional sales channels.

It is not possible to say anything definite about locality and scale of these initiatives, some are linked to a physical place, like a weekly farmers market; others are linked to a virtual place like an internet portal, but common for these marketing strategies is the short distance in the food chain between producer and consumer, and thereby the possibility for direct communication.

- The initiatives and workload seem often to come from a few farmer or consumer idealists that want to promote niche markets. However the number of members that use the platform can vary from a few to more that 100.
- Network associations of alternative food chains can both be formed as independent associations with their own board, etc., or they can be formed in relationship with a larger association e.g. run and supported by a subdivision of the farmers union.

The number of this kind of COFAMIs have been decreasing for decades to the level of almost disappearing in the mid 1980'ies, however two circumstances seems to facilitate the emergence of new initiatives, one is the new focus on food quality, authenticity and not least the aesthetics of food quality, the other is the is the internet and the reinvention of the virtual locality. A lot of initiatives are emerging right now, but only a few have reached some degree of maturity. Among maturing cases are the ones below:

Illustrative case: Landkoeb. [Farm shops]

Landkoeb is an Internet portal to promote shared marketing of farmers' shops. Landkoeb is owned and run by the farmers union as an offer to all members of the union that want to marketing directly to the consumers. It was originally initiated in 2001 by the small holders association. After the fusion in 2003, between the two farmers associations to Danish Agriculture, it was decided to transfer the activities of the portal to "Danish Agriculture". About 230 farmers and small food producers are marketing through Landkoeb (Landkoeb 2006).

3.2.5 *Heterogeneous plural-activity-networks promoting regional development*

Heterogeneous plural-activity-networks promoting regional development are cooperative networks and umbrella organisations that explore and support possible synergies between locally or regionally based activities and enterprises in marketing.

- These kinds of collective strategies involve a heterogeneous group of actors, e.g. farmers, NGOs, local authorities, local industry, tourist agencies etc., with a shared interest in promoting the development of a certain rural area.
- These networks typically consist of a wide range of more or less interlinked activities. They can be more or less formalised, and they often work as umbrellas for different smaller projects.

Seemingly, these kinds of pluri-activity-networks are quite new phenomena in Denmark, and they have an almost exclusive connection to Leader and goal 5b means.

There is a big variety in the degree of the involvement of farmers to these networks; in some cases local authorities in other cases have taken initiative by farmers' associations. Many of these networks organisations are probably on the borderline of what can be characterised as COFAMIs. However there is at the moment an increase in numbers and they play and important role in the Danish discourse in relation to rural development.

Illustrative case: ***Bornholms Madkultur [Food Culture of Bornholm]***

Bornholm is a larger Danish island situated south of Sweden some hours by boat from Copenhagen. Bornholm has been very affected by the decreasing employment and income from agriculture and fishery. Today tourism is the major income at the island. Food Culture of Bornholm started in 1996, supported by Leader II means, as a part of the invention of the idea of culinary heritage. A regional development centre was established in an old mill. The main purpose of this centre was to support small food processing initiatives and shared marketing strategies. Among the activities, a known radio speaker was hired to support marketing of regional products, and he managed to get a contract with a small but lucrative supermarket chain in Copenhagen.

3.3 Conclusions to the identified different main forms

The traditional modernised farmers' cooperatives have played an overwhelming role in development of Danish agriculture and processing and marketing strategy. Analytically, the emerging forms of COFAMIs can be seen as different strategies to exploit an empty room left over by mainstream production. The identified forms can be seen as four different strategies to reinvent "locality" in marketing:

1. By strengthening the relationship between the quality of production and quality of processing
2. By strengthening the relationship between locality (soil, nature and culture) and products
3. By strengthening the personal relationship between producer and consumer, and finally
4. By utilising the possibilities of synergy of local cooperation between different actors

Many of the identified initiatives are very young, and it will be interesting to follow the development of these initiatives in the coming years, and to see how these initiatives will cope with the contextual factors enabling and hampering their development.

3.4 How important are the following broad forms of collective farmers' marketing in the country?

To support a trans-national analysis of the importance of different form of COFAMIs, we have tried to estimate the importance based on the following typology. However, despite from the traditional cooperatives, there is very little quantitative information available. The following section is therefore based on a qualitative estimation of the importance of the different forms. Further-more this should be seen in the light of the dominating role of the traditional cooperatives, which means that the role of the other forms of COFAMIs must be understood as predominantly of qualitative importance as a fundament upon which to build new innovative pathways.

Traditional cooperatives:

In the branches of milk and meet one single farmers' cooperative is controlling more that 90% of the total Danish turnover. Within fruit and vegetables 2 farmers' cooperatives are controlling a market share between 60 – 80 %.

COFAMIs focusing on product quality production

There are no data available on the number of COFAMIs focusing on product quality. During the present investigation 4- 5 have been identified. Importance in turn over and market shares are low; probably less than 2% of the total turn over. However there is an overlap to next two types of COFAMIs

Territorially embedded COFAMIS

As explained above there are two kinds of territorially embedded COFAMIs in Denmark: 3-4 of the cases we know of are based on particular growing conditions including fruit growing on small islands. Other 5 or 6 cases are dealing with promoting a particular rural area, initiated by Leader+ means. There are no data assessing these initiatives yet and the importance of these initiatives is widely expected to be indirect through the support til individual initiatives.

Producer-consumers network

Roughly estimated 6-8 COFAMIs. Most of these are based on personal initiatives or a private company. Farm shops play a significant role in the marketing of high quality products and to some extent there is a co-operation between farmers in terms of shared internet marketing. One box scheme (Årstiderne [Seasons]), which is not a COFAMI, plays an important role in the market shares of organic food networks.

Non-food COFAMIs

There is a strong growing interest in Denmark in non-food production and processing.
But to our knowledge no COFAMIs meeting these criteria are existing, however there could be emerging initiatives.

Public goods COFAMIs

The situation is here the same as for non-food COFAMIs

4 Contextual factors that affect the emergence and performance of COFAMIs

4.1 Description of the different contextual factors

In the following analysis we will not focus on general development trends that are influencing the conditions of forming COFAMIs but focus on factors that are particularly important in order to understand and interpret the development of new COFAMIs in Denmark. The structure of this section follows the questions asked in the guidelines.

4.1.1 Political and institutional factors

Institutions and Policies that somehow affect COFAMIs

The mid term evaluation of LeaderII+ 2003 recommend in its' conclusion that: "the composition of the programme should be changed in order to focus more on rural development." (Kvistgaard Consult 2002 p. 17). The former programme was formulated under the dogma of 'what is good for agriculture is good for rural development'. And the majority of measures were targeting and supporting development of the individual farm in terms of scale and enlargement and in terms of environmental supportive measures. As such measures reflected the two main policy powers involved: a strong well organised and widely unified farmers union, and a strong NGO: Danish Society for Nature Conservation (DSNC).

Role of stakeholders?

At least rhetorically, much more attention has been attached to rural development issues in the development of the coming rural development program, and to follow the EU-political desire on moving support from pillow 1 to pillow 2 and 3. However, it seems as if the majority of the money, at least in the short run, are channelled to nature 2000 measures, and only a limited amount will be targeting pillow 3. A solution that satisfies both the farmers' desire of 'returning' the money directly to the farmers, in line with the mainstream development pattern of Danish Agriculture, and DSNC objective of protection to valuable nature areas.

Attention on collective marketing in policy discourses and the impact of Danish legislation on COFAMIs

The Danish policy institutions have played an important role in the development of organic farming, both in developing the Ø-label and certification and control, together with the pioneer farmers. Policy institutions have also supported research, education and conversion within organic farming. However, in accordance with the Danish development pathway, described in the introduction and the strong policy influence of the farmers' cooperatives, Danish legislation is naturally fitted to the interest and logic of the big processing companies. Danish legislation has not been supportive to niche production so far. Present regulation on food safety and control is adjusted to large-scale production and make small-scale production difficult and expensive. For instance, at the moment it is almost impossible to have smaller amounts of chicken or lamb slaughtered in Denmark.

4.1.2 Economic and market factors

Recent trends: To what extend are farmers inclined to take up activities of diversification and value adding?

The reaction of Danish farmers to globalisation and market trends has almost exclusively been enlargements in scale, and Danish farmers are in the vanguard of the European farmers in that respect. As discussed in chapter 2, Danish farmers, so far, have been rather successful persuing that strategy in parallel with the development of the processing coops. Simultaneously, the small holders' association has become weaker and weaker, and has recently merged with the national farmers' association. Other farmers' movements are almost non-existing in Denmark. .

The push to diversify and to apply value added strategies does not come from the part-time farmers. Part time farmers in Denmark consist of a mixture of retired farmers and people with full time occupation outside the farm. The farm income plays of minor role of household economy.

There isa rather strong farmer driven organic movement in Denmark, that has been supportive to alternative marketing pathways and forms of cooperation, however within the organic movement cooperative strategies between organic and conventional processing and marketing are dominating. (Lynggaard 2001) labelled as a creative conflict strategy. Also we find the same major trend of specialisation and enlargement within organic farming as within conventional farming (Noe 2006).

The overall conclusion is that the development so far has not led to any major trend in the direction of diversification and obtaining of value adding production forms. There has been a strong consensus around the scale and enlargement strategy among the major actors involved in agricultural development, a consensus that is rooted 50 years back. This strategy penetrates all the major market actors in the food chains in Denmark.

Only very recently, as discussed under the political institutional factors, attention has been paid to alternative pathways, partly due to the growing attention to the negative environmental effect of ever increasing specialisation t, that oppose a pressure on the scale and enlargement strategy.. Another important aspect is the pressure on rural development especially on the smaller islands and less dense populated areas of Denmark. Here the pressure/initiatives are primary coming from other people than farmers. And in these areas there is a growing attention to the need for diversification and value added production to maintain rural livelihood, and inhabitants of the islands at all.

Trends in food supply chains and COFAMIs

According to Kledal's (2006) analysis of the organic vegetable food chain there are four major factors of the recent development in retailing, which are relevant to stress in relation to the possibilities and strategies of the COFAMIs:

1) Shop size is increasing radically cf. table 4.
2) The numbers of medium size discount stores are increasing radically.
3) The number of independent retailers is decreasing dramatically and simultaneously a vertical integration among the stores is taking place. Two big supermarket chains control the Danish retailer market: Danish Supermarket and Coop Denmark, both with their own buyer organization. This means that independent wholesalers disappear and medium size processing industries have hard times to match the big actors.
4) Finally, there is a change in the power relation between producers and retailers, where producers more and more buy shelter space of the supermarkets. Producers here have to take all the risk burden of selling their products themselves, cf. table 5 (Kledal 2006). This makes it much more difficult for small scale production and marketing.

Table 4:	**Development in shop size among discount and supermarkets (1995-2005) (from Kledal 2006, p 75).**			
Shopsize m^2	No. of Discount stores		No. of Supermarkets	
	1995	2005	1995	2005
0-199	1	0	12	7
200-299	81	22	42	11
300-399	267	145	78	5
400-599	273	807	232	300
600-799	34	81	217	189
800- >	0	0	306	393
Total	656	1.055	887	905
Total m^2	266.864	510.371	644.666	755.013
^{m2}/shop	407	484	727	834

Source: Stockmann-Gruppen, 2005.

Table 5: **Retailer-producer transactions before and after year 2000 (from Kledal 2006, p 55)**	Before 2000	After 2000
Retailer obligations on production output	Yes	No
Producer start price negotiated before season start	Yes	No
Producer prices during season decided according to demand and supply	Yes	Yes
Various slotting fees for access to retailer space	No	Yes

In summary this development makes the condition for small-scale value-added production and marketing very harsh under Danish retailing structure, which really opt for collective marketing strategies on the one hand and the growing of big producer business and cooperative marketing on the other.

However according to Kledal (2006) a counter movement is emerging in terms of a growing number of small special shops e.g. under the umbrella of Hypermarkets, but also in new terms of new power relations in cooperation with the supermarket chains, e.g. in the case with Netto:
"In 2004 the 'National organic association' brought 22 organic firms and manufacturers together with the discount chain Netto to help each other understand better the requirements and specificities in production and retailing. The result of various meetings and seminars was an agreement on making an organic campaign launched by Netto and their 334 outlets during 12 weeks throughout the year 2005. The 12 weeks have different themes where different organic products connected to the themes are promoted. For example one theme is "Fair trade – make a good deal" promoting various organic products under the fair trade logo. Another is "convenience", "health" and "your farm shop" where organic products have been promoted in relation to the themes." Kledal 2006. p. 76

What happens in the field of quality standards / labelling?
In terms of quality standards and labelling, aside for specific brands only the Organic Ø label is strong in Denmark. The Ø-label was developed and driven in a unique cooperation between the organic movement and the state, and at the same time there Coop Denmark took great interest in promoting and using this label in their marketing (Michaelsen 1996).

In the 1990'ies a research driven initiative to establish IP label failed to become a marketing label, that support differentiation of prices. However, it has become a general quality standard for a wide range of conventional produced vegetables. According to Oldrup (2000) one of the explanations was that the retailers were not interested in promoting and marketing more labels.

Consumers' demands?
There is no direct analysis available on the consumers' demands on high quality food products, but there are some figures that can be used as indicators on the recent trends.

If we take the organic share of food consumption it is estimated to around 5 % in 2002, estimated with an increase of 0-5% per year. However it is also worth noting that the discount and supermarkets are having more than 50% of this turnover, cf. table 6. On the one hand this could be interpreted as a growing demand for quality products among mainstreams consumers. An alternative interpretation could be that there still are strong concerns linked to the price.

Table 6: Sales channels and their total turnover and sale of organic food (%) (from Kledal 2006, p40)

	Share of organic products in total turnover	Share of the total organic sale (per cent)
Big hypermarkets	4,3	7,0
Discount	4,5	22,5
Medium hypermarkets	4,8	15,8
Supermarkets	4,5	30,5
Mini markets	3,2	4,2
Alternative sales channels	29,7	12,6
Others	6,3	7,3
Total	5,0	100

Source: National Organic Association, www.alt-om-okologi.dk/forbrug/forbrugeranalyse.

A recent study on willingness to pay for quality and food safety on chilled chicken shows that consumers in average was willing to pay 43 D.Kr. (app. 5.7 Euro) extra for a chicken with documented animal welfare and food safety (Christensen et al. 2006). So even though the general trend is going towards discount market there is a contra movement in the direction of a growing demand for high quality food.

Attention on non-food products and services?
Except from some attention to bio-energy and a little attention on rural tourism, no real market has emerged on non-food and services yet. Opposite to e.g. Norway and The Netherlands we have no green care organisation. However in the rural development program being developed at the moment a strong emphasis will presumably be put on non-food and bio-energy.

4.1.3 Technical and knowledge factors
Development and access to technology relevant for COFAMIs
Access to Internet is well developed, cf. table 7. At the moment the Danish electricity supply companies are running a campaign to connect all Danish household with fibre-optics cables. Cf. table 8 Internet retailing is growing and at the moment more than 1 third of the population with internet access

are buying regularly over the internet. Another indicator is that, at the 1st of August a new internet supermarket has been open.

Table 7: Access to the Internet in the population.

Year	2001	2002	2003	2004	2006
Access to internet in %	73	76	79	83	89

Source: Statistic Denmark: http://www.statistikbanken.dk

Table 8: Ordering of goods or services over the Internet within the last month, % of Internet users.

	2004	2005	2006
Total	29	33	38
Men	33	37	43
Women	25	29	33

Source: Statistic Denmark: http://www.statistikbanken.dk

In general terms of technology and knowledge Danish agriculture and rural areas have widely access to high quality technology and knowledge. Education and infrastructure have been high priorities in the Danish policy. However one can claim that the technology, knowledge and infrastructure is embedded in the scale and enlargement regime, and that the skills knowledge and technicalities linked to alternative pathways may be scarce. However, the case of development of organic farming in Denmark shows that these barriers are only of short time importance, in the long run, there is a huge capacity to develop and obtain new knowledge and technology, given the desire of the farmers and other stakeholders.

Role of institutions and organisations in technology and knowledge extension and relevant changes
As mentioned under the policy part the support in terms of funding to research in the development of innovative (alternative) COFAMIs are rather limited. However, there are two public supported research institutions that somehow reflect a growing concern of development and dissemination of supportive knowledge and technology for innovative processing and marketing strategies.

One is the establishment of the Centre (now institute) of Rural Research and Innovation, with the formulated objective to support rural development through research and consultancy work, evaluation and observation, knowledge gathering and documentation, development of concepts, teaching and dissemination of knowledge. This must inter alia, take place in a close exchange of ideas and experience with interested parties and through collaboration on research and development tasks with external research and development environments (IFUL, 2006).

The other initiative is the establishment of the Knowledge Centre for Development of Food. It is a knowledge centre with a strong regional affiliation, with the main purpose to build a bridge between research and the actors of innovative food production, processing and marketing. VIFU, 2006)

At the National Centre of the Danish Agricultural Advisory Service (owned and run by the farmers unions) a cross-disciplinary group of 16 consultants is established. It has as an objective development and support to initiatives within rural development and marketing. This indicates a growing attention to the issues of rural development and innovation. To support this interpretation the advisory service centre were quite fast to take up extension service to organic farming

4.1.4 Social and cultural factors

Territorial identity and Cultural heritance

As a natural effect of the development pathway of the Danish food regime, described in chapter 2, there is, compared to other European countries, a very weak territorial cultural/gastronomic identity in Denmark. However as described in chapter 2 and 3 there is a kind of reinvention of locality going on in many places, .e.g. resulting in new COFAMI initiatives. This could also be seen as a result of :

Changing composition and social capital of rural areas

While the numbers of farmers in rural areas and people involved in food production and processing are decreasing dramatically these years, new kinds of people are migrating to rural areas, and especially in beautiful places and places close to larger cities, people with different kinds of competences and resources are mowing in (Ærø, 2006). Many of these people are searching for a (new) rural cultural identity (Frandsen, 1997), and are therefore often very active and commited to organise and support local activities, building on historically embedded social capital that must be considered of great importance to the development of innovative production and marketing strategies (Svendsen & Svendsen, 2004).

4.1.5 Geographical / location factors

Denmark is an agricultural country. About 60 % are cultivated, and can be cultivated with modern technology. Nature quality is predominately linked to cultivated land as a product of former agricultural production and praxis. Two trends are threatening these values. One is that modern agriculture is not maintaining the semi natural areas like meadows and commons. It is not profitable to pasture these areas due to expenses to fencing and looking after the animals. The other is the strong reshaping of the agricultural landscape due to specialisation and enlargement of machinery, which codes for monocultures and large-scale fields (Højring et al. 2004).

Denmark can roughly be divided into three different types of rural areas. 1) Areas closer to bigger cities, where population increases. When urban people settle in rural areas it is because of space and nature qualities. In these areas there is a conflict on the use of rural areas between industrialised use of rural land and landscape and nature values. On the other hand there is good access to a market of nice products and high quality products. 2) Areas far away from cities with a decrease in population and a general decrease in economical activities, but favourable condition of industrialised agricultural production, with the necessary infrastructure. 3) Smaller islands where there also are decreasing population, but where industrial agricultural production is becoming less favourable due to more difficult infrastructure.

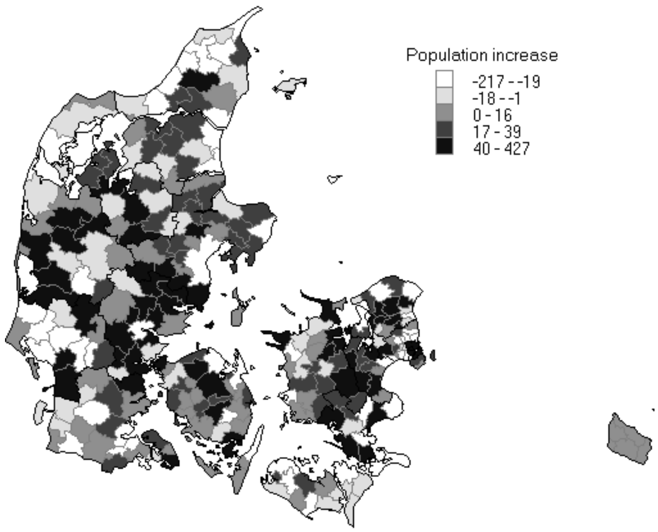

Figure 3: Population increase in Denmark 2006 (source: Statistic Denmark: www.statistikbanken.dk.)

As mentioned in chapter 3 above it is especially from Danish islands that new innovations of marketing strategies from farmers emerge in Denmark. In the second kind of areas other stakeholders holding a concern for rural development, like ”The Taste of Northern Jutland”, drive the initiatives.

5 Summary of the main points of the country report

Ever since the invention of the cream separator in the middle of the 19th century and the establishment of the first cooperative dairy in 1882, the cooperation among farmers and other stakeholders along the food chain has played a very important role in development of modern Danish agriculture.

The cooperative movement has been very strong and successful in Denmark both with respect to development of a strong and unified processing and marketing strategy and also with respect to cooping with changing conditions and developments. Also to the recent development trends, where the answer to globalisation has been the merge of small local processing factories to multinational enterprises, and new trends in quality by internal differentiation. Both within milk and meat farmers' cooperatives are processing and marketing more the 90 % of the Danish produce. Historically, this has left very little space to other development pathways, and to a strong unified food chain policy regime in Denmark.

However the sublimation of the development strategy of the traditional cooperatives, combined with an emerging focus on rural development issues and changing expectations from the surrounding society, are opening new space for innovative alternative COFAMIs. Within the recent years a myriad of new initiatives have emerged, reflecting the human and social capital present.

The following main forms was identified: 1) Traditional (modern) cooperative companies; 2) Neo-cooperative companies 3) Homogeneous Network-associations protecting and branding a certain product; 4) Network associations of alternative food chains; 5) Heterogeneous plural-activity-network promoting regional development.

Analytically, the typology of emerging forms of COFAMIs can be seen as different strategies to exploit the empty space and possibilities that the sublimation of mainstreams modernisation and globalisation strategies have left over. The identified forms can be seen as four different strategies to reinvent "locality" in marketing:

- By strengthening the relationship between the quality of production and quality of processing
- By strengthening the relationship between locality (soil, nature and culture) and products
- By strengthening the personal relationship between producer and consumer, and finally
- By utilising the possibilities of synergy of local cooperation between different actors

Many of the identified initiatives are very young, and it will be interesting to follow the development of these initiatives in the coming years, and to see how these initiatives will cope with the contextual factors enabling and hampering their development.

Among contextual factors that are hampering the development of innovative COFAMIs, are:

- The strong hegemony of the mainstream food regime penetrating policy, legislation and retailing, extension etc.
- A weak territorial cultural heritage and a weak gastronomic tradition
- A difficult retailing structure, dominated by a few supermarkets chains.

Among the contextual factors that are supportive to the development of innovative COFAMIs

- A strong human and social capital
- A growing attention towards culinary and locality
- A growing attention towards food quality and environmental concerns
- A god infrastructure both physically and virtually

Collective farmers' marketing initiatives have played a paramount role in the history of the development of Danish agriculture (and culture) and are a strong part of the present social capital. However we may be in at a crossroads in terms of collective actions. On the one hand traditional farmers' cooperatives are taking more and more shape of limited companies. Structural development is happening fast and the producing units reach a size, where cooperation is no longer necessary. On the other hand there seems to be lot of resources in terms of human and social capital to initiate new innovative collective marketing strategies. However these strategies seem to face harsh conditions to become a success. Therefore it seems to be a very interesting period of time to study, to learn and hopefully to be able to facilitate these innovative collective actions on marketing.

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