







Procedure file

Basic information			
BUD - Budgetary procedure		2024/0044(BUD)	
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in Denmark		Awaiting Parliament's position on the draft budget	
Subject			
3.40.13 Food industry			
4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)			
8.70.54 2024 budget			
Geographical area			
Denmark			
Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		28/02/2024
		 LEWANDOWSKI Janusz	
		Shadow rapporteur	
		 LARROUTUROU Pierre	
		 VANA Monika	
		 RZOŃCA Bogdan	
		 PAPADIMOULIS Dimitrios	
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs	Chair on behalf of committee	05/03/2024
Council of the European Union		 PÎSLARU Dragoș	
	REGI Regional Development	The committee decided not to give an opinion.	
European Commission	Commission DG Employment, Social Affairs and Inclusion	Commissioner SCHMIT Nicolas	
Key events			
	Non-legislative basic document published		Summary

29/02/2024		COM(2024)0035	
29/02/2024	Committee referral announced in Parliament		
08/04/2024	Vote in committee		
09/04/2024	Budgetary report tabled for plenary	A9-0171/2024	

Technical information

Procedure reference	2024/0044(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Awaiting Parliament's position on the draft budget
Committee dossier	BUDG/9/14308

Documentation gateway

Non-legislative basic document		COM(2024)0035	29/02/2024	EC	Summary
Committee draft report		PE759.752	05/03/2024	EP	
Amendments tabled in committee		PE759.852	26/03/2024	EP	
Specific opinion	EMPL	PE759.835	02/04/2024	EP	
Budgetary report tabled for plenary, 1st reading		A9-0171/2024	09/04/2024	EP	

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in Denmark

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to support Denmark in the face of redundancies in the sector of food product manufacturing.

PROPOSED ACT: Decision of the European Parliament and of the Council.

CONTENT: on 6 December 2023, Denmark submitted an application EGF/2023/004 DK/Danish Crown for a financial contribution from the EGF, following displacements in Danish Crown and 2 suppliers and downstream producers in Denmark.

Following its assessment of this application, the Commission has concluded, in accordance with all applicable provisions of the EGF Regulation, that the conditions for awarding a financial contribution from the EGF are met.

Grounds for the application

Denmark submitted the application under the intervention criteria of Article 4(2), point (a), of the EGF Regulation, which requires the cessation of activity of at least 200 displaced workers over a reference period of four months.

The application relates to 692 displaced workers whose activity has ceased in Danish Crown (Danish Crown A/S) and 2 suppliers and downstream producers. The primary enterprise operates in the economic sector classified under the NACE Revision 2 division 10 (Manufacture of food products). The reference period of four months for the application runs from 19 May 2023 to 19 September 2023.

Events leading to the displacements and cessation of operations

Danish Crown is a group of Danish food companies engaged in the butchery, processing and sale of primarily pork and beef. The event giving rise to these displacements is the closure of Danish Crown's slaughterhouse in Sæby in Frederikshavn Municipality following the decline of pig available for slaughtering.

The Danish slaughterhouse sector is in a structural crisis. Since 2005, the number of pigs slaughtered in Denmark has decreased by 4.4 million (20 %). The decline is largely due to the shift from raising pigs for slaughter to raising piglets for export. Exporting piglets is more profitable for Danish farmers than fattening pigs for slaughter due to low pork prices.

The number of pigs slaughtered has been decreasing in parallel with the increase in piglets exported. Denmark exported 13.8 million piglets in 2022, 380 % more than in 2005 (3.65 million piglets). Most exports went to Germany (41.3 %) and Poland (45 %). Germany and Poland have been plagued by African swine fever for several years, so they have not been able to raise enough pigs to meet their domestic demand.

Local demand drives Danish production of pork only to a limited extent. Danish Crown exports 90 % of its production to the European, Chinese and US markets.

Beneficiaries

The estimated number of displaced workers expected to participate in the following measures is 390.

The personalised services to be provided to the redundant workers include the following actions: (i) motivation; (ii) retention; (iii) training on general competences; (iv) upskilling/reskilling training; (v) training/job-search allowance.

The estimated total costs are EUR 3 137 021, comprising expenditure for personalised services of EUR 2 878 001 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 259 020.

Budgetary proposal

The EGF should not exceed a maximum annual amount of EUR 186 million (in 2018 prices), as laid down in Council Regulation (EU, Euratom) No 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027.

Having examined the application, the Commission proposes to mobilise the EGF for the amount of EUR 1 882 212, representing 60 % of the total costs of the proposed measures, in order to provide a financial contribution for the application.