Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Required Report - public distribution

Date: 9/28/2000

GAIN Report #GM0035

Germany

Fishery Products

Annual

2000

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Report Highlights:
Total Sales of German fish increased by 1.9 percent to US$ 2.09 billion in 1999. The U.S. supplied about US$ 38.5 million worth of fish and fish products. German per capita consumption is calculated at 12.6 kg, forecast to rise to 15 kg within the next five years. Salmon preparations are especially gaining market shares.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Berlin [GM1], GM

Executive Summary

Total turnover of German fish products increased by a moderate 1.9 percent to DM 3.83 billion (US$2.09 billion) in CY 1999 (this includes sales of the fish processing industry, wholesale fish and deep sea fishing vessels). The fish industry produced 389,568 MT of fish and fish products in 1999 (-1.5%) with a product value of DM2.76 billion (US$1.50 billion). Per capita consumption of fish amounted to 12.6 kg in 1999. The German fish industry forecasts an increase in per capita consumption to 15 kilogram by 2005.

Germany supplies approximately 29 percent of its fish consumption. Thus, imports of fish and fish products (either raw or in the form of fish products) account for over 70 percent of total consumption. Total imports in CY 1999 amounted to DM 4.02 billion (US$2.19 billion), DM 1.59 billion (US$0.87 billion) from member countries of the European Union (EU) and DM 2.43 billion (US$1.33 billion) from third countries.

The United States supplied about DM 70.7 million (US$38.5 million) worth of fish and fish products in 1999, mainly frozen groundfish, Alaska salmon, frozen fillet, live lobsters and caviar substitutes. This amounts to approximately two percent of the German import market. Compared to 1998 imports dropped by 18 percent in value, mainly due to reduced shipments of frozen Pacific salmon. Instead salmon preparations are considerably gaining market shares. During the first half of 2000, the United States increased its market share to 25 percent.

Since 1998, generic fish marketing has been carried out by the recently formed Fish Information Center. Total available funds per year of voluntary contributions by the fish industry are expected to be about DM 300,000. The industry hopes to increase the funding to DM 500,000 within the next few years. Its focus is on public relations campaigns and on initiatives to create a positive image for fish and fish products in Germany, especially to sustain domestic coastal and sea fisheries and directly related industries in federal states with

fishing industries.

In 1997, there were public funds of DM 29 million (US$17 million) earmarked for structural aid intended for the fish industry; DM 18 million (US$10.5 million) for capacity reduction aid and DM 11 million (US$6.5 million) for investment aid. In CY 1998, DM 26 million (US$14.5 million) were intended for the fish industry, DM 15 million (US$8.3 million) for capacity aid and DM 11 million (US$6.1 million) for investment aid.

Note 1: Entries in the PSD's and trade matrices for salmon and groundfish fillet or whole/eviscerated are in catch weight.

Note 2: The entry in the canned production line of the total edible fishery PSD's comprises all fish products except cured and fresh/frozen fish, e.g., canned, in plastic containers, fish salads, other fish preparations, live/frozen caviar or crayfish.

Note: In recent years the U.S. dollar/German mark exchange rate has been as follows:
1996: US$1 = DM 1.5037;
1997: US$1 = DM 1.7348;
1998: US$1 = DM 1.7592;
1999: US$1 = DM 1.8351;
2000: US$1 = DM 2.2875 as of September 18, 2000

Further exchange rates are for:	ECU **i** /German mark:	ECU 1 = DM 1.95583,
	i /U.S. dollar:	ECU 1 = US$ 0.8538 - 09/15/00.

Situation and Outlook

Production

The German ocean fishing fleet consists of 15 factory vessels at an average age of 15 years plus 2,298 cutter fisher boats. Total catch amounted to 297,000 MT (live weight) in 1999, a reduction of 20,000 MT over 1998. German raw fish imports amounted to 1.442 million tons, a reduction of 241,000 tons versus 1998. However, a major portion of the 1998 imports took place in December of 1998 instead of January 1999. The major fishing region is the North Sea, about 57 percent. Of the total catch of 282,700 MT about 36 percent (102,100 MT) were landed in German ports. About 12,000 aquaculture operations produce an estimated 42,000 MT of fish. 1,400 of these operations are full-time fish farms.

Total sales of German fish products rose to DM 3.83 billion in 1999. Domestic sales that year were DM 3.22 billion, which reflects a 2.9 percent increase from the previous year. Exports sales dropped by 2.8 percent to DM 612.7 million. Production of fish and fishery products in CY 1999 dropped by 1.5 percent to 389,568 MT product weight, and off-factory sales increased from DM 2.70 billion to DM 2.76 billion. About 16 percent of domestic fish production was re-exported in 1999 compared to 16.8 percent in 1998. Major fish products sold in Germany are frozen products (fillet, fish sticks), herring, smoked fish and fish preparations.

The German fish industry and wholesalers successfully increased market prices for certain fish products (in response to higher world market prices for raw fish). Additionally, an increased demand for fish convenience products boosted total turnover.

In Germany in 1999, 104 companies with more than ten employees were active in fish processing, employing a total 10,410 workers.

Consumption

Total calculated food consumption of fish amounted to 1.032 million tons in 1999, the lowest level since German reunification in 1990. However, since 1996 consumption has stabilized, and the German fish industry actually is very confident that consumption will increase to about 1.23 million tons by 2005. This would represent a per capita consumption of 15 kilograms, compared to a calculated per capita consumption of 12.6 kilograms in 1999.

German consumers' favorite fish are herring and Alaska salmon followed by tuna, other salmon and cod. About 29 percent of total consumption is purchased as canned fish preparations, followed by deep-cooled fish (25%) and fresh fish (13%).

Favorite German Fish Consumption, in Percent		
Type	1998	1999
Herring	18.2	22.6
Alaska Salmon	27.5	19.8
Tuna	8.0	13.2
Oth. Salmon	8.5	10.4
Cod	8.8	7.0
Perch	4.4	6.0
Sea Pike	3.7	5.4
Trout	4.1	5.1
Pollack	6.1	4.6
Mackerel	1.7	2.0
Plaice	1.0	1.6
Halibut	2.7	0.8
Source: Fish Information Center		

A recently published consumer study indicates that about 70 percent of the population likes fish, which means that these people eat fish at least once a month. Only nine percent never eat fish. About 20 percent have fish once a week or more. Germans are increasingly having their meals away from the home, due to ever increasing numbers of single households and multiple income families. The fish industry is confident it can take advantage of this development. The study reveals that the total volume of away-from-home meals might grow by 78 percent over the period 1997-2005. The traditional scheme of three meals per day is increasingly being replaced by more and smaller servings per day. This requires the offering of more flexible snack units and provides a great challenge to the industry to develop new attractive food offerings. Consumers are also increasingly health-conscious, preferring low-fat, high-vitamin and fresh foods. Total fish consumption is forecast to grow by 34 percent over the period 1997-2005. It is expected that gastronomy will cover about 75 percent of the fish sales by 2005. In particular, quick-service gastronomy is expected to take advantage of these anticipated developments.

These trends require that the industry provide easy-to-handle fish products (convenience) both for the family and the at-home-eating single, who do not want to take much time for meal preparation. It can be foreseen that consumer preferences for fish specialities may change rapidly, and require a high degree of industry flexibility. Currently smoked fish products are of increasing consumer interest.

Trade

Generally, imports determine 83 percent of total German processing of raw fish. In 1999, 62 percent of German fish imports by product weight and on a volume basis were delivered by non-EU countries, and 60 percent on a value basis (see Table 10). Total imports in CY 1999 amounted to DM 4.022 billion, but only DM 1.59 billion of raw fish and fish products originated from EU countries, whereas imports from third countries accounted for DM 2.433 billion. In terms of sales, Norway was Germany's biggest non-EU supplier of fish with DM 645.8 million in 1999, followed by Russia with DM 207.7 million and the Peoples Republic of China with

DM 146.6 million. In terms of quantity, imports from Denmark and Norway were the most significant in CY 1999, followed by those of Russia, Poland and China (by product weight).

The United States supplied DM 70.7 million worth of fish and fish products, mainly frozen groundfish meat, Alaska salmon, live lobsters, caviar substitutes and frozen fillet. This amounted to 1.8 percent of the German import market. Imports in 2000 strongly suffer under the extreme weakness of the Euro. Average import prices expressed in DM went up by about 70 percent for U.S. origin fish products. Consequently, arrivals of U.S. fish during the first half of 2000 dropped by 60 percent. During the same period, total fish imports remained stable at 361,000 MT. The U.S. share dropped to 0.7 percent in quantity and 1.2 percent in value.

Traditionally, Norway is the main supplier of salmon to the German market, way ahead of Denmark, Great Britain and the United States. Due to the strong increase in Norwegian salmon exports to the European Union in CY 1996, salmon import prices dropped drastically. The European Commission and Norway concluded an agreement which curtails salmon imports through quotas and minimum export prices between 1997 and 2002. German salmon imports from Norway decreased by six percent in CY 1999 from 53,348 MT to 50,598 MT. Great Britain is increasing its market share for whole and eviscerated salmon to 13 percent in the first half of CY 2000, twice as high as in CY 1999. For salmon filets, Danish suppliers are increasing their shipments and market share at the expense of Norwegian suppliers.

Groundfish filets predominantly originate from Russia and China. These two countries make up 66 percent of the market, followed by Poland and Norway.

German exports of fish and fish products in CY 1999 decreased by 20 percent to DM 1.44 billion, including DM 1.21 billion to the EU and DM 185 million to third countries. Major export destinations in the EU were France, the Netherlands, Italy and Austria. Poland and Switzerland were a major non-EU destinations. Exports to the United States have not been significant in the past and stagnated at around 530 MT at a value of DM 4.2 million in CY 1999.

Marketing

Consumer preference is for convenient, prepared or easy to prepare high-quality products or specialties like caviar, live lobsters or frozen crayfish. These products include frozen or fresh fillets, fish marinades and fish salads but also pre-sliced smoked salmon. They are sold increasingly in supermarkets and large discounters and distributors and, to a lesser extent, in specialty shops, farmers' markets and restaurants.

For several years the traditional distribution channel of fish and fishery products in Germany through specialized fish retail shops has been losing market share to other distributors. Particularly, food retail shops are more and more successful and competitive in selling especially frozen fish products in Germany. The industry is confident that quick-service gastronomy and institutional gastronomy (canteens and cafeterias) will spur consumption of fish. Success of the industry will strongly depend on interest-catching marketing campaigns.

The industry has to be very flexible to respond to rapidly changing consumer preferences. The industry therefore prefers to prepare consumer tailored products in-country and is highly-dependent on high quality raw fish imports. The recent certification of Alaska salmon by the Marine Stewardship Council may be a very helpful tool to better position this product on the German market. So far the consumer is not yet aware of the certification and therefore does not yet ask for certified products. However, this may change with time.

German consumers are highly concerned about environmental issues. Reports about over fishing of certain species and inhumane fishing practices quickly catch public interest and therefore can have a negative impact on attitudes towards marine fish in general. The German fishing industry takes a positive public position in favor of sustainable fishing practices, a position which is easy to take for a small fishing nation.

Since 1998, generic fish marketing has been carried out by the Fish Information Center (Fisch Informations Zentrum). This office is part of the Federal Association of the German Fish Industry and the Fish Wholesalers (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.). It is open to private industry and associations and is funded through voluntary contributions by its members. Total available funds per year are expected to be less than DM 1 million. The focus will be on public relations campaigns and on initiatives to create a positive image for fish and fish products and fishing practices in Germany, e.g., addressing questions like quality and health aspects, animal welfare and fish harvesting practices, resource protection and the impact of fishing on the environment and third world countries, especially to sustain domestic coastal and deep sea fisheries and directly related industries in federal states with fishing industries.

The focus will be less on sales promotion events. This policy shift reflects the enormous cost of generic or branded sales promotions and advertising which may be carried out by private companies. A positive image for their own fish industry and stable or rising prices are also more important for German fishermen and small-scale coastal fish industries than increased sales of imported fish and fish products by large scale fish companies, given the limited market share of the German catch of about 17 percent of total landings. Direct sales promotions to increase sales and per-capita consumption will not be an issue.

German Capacity Adjustment and Investment Aid for the Fish Industry

In 1999, the federal budget allocated DM 23 million to support the fishing fleet, of which DM 12 million was for capacity adjustment aid and DM 10.7 million for investment aid. In CY 2000, DM 19.9 million are programed for the fish industry, DM 12 million for capacity aid and DM 9.2 million for investment aid. Capacity reduction programs are underway for flat fish and crayfish cutter boats. These programs are intended to last three more years. Investment aids are destined for modernization of other fishing ships.

Statistical Section

PSD-Table Salmon w/e

PSD Table						
Country	Germany					
Commodity	Salmon, Whole/Eviscerated			(MT)		
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Beginning Stocks	0	0	0	0	0	0
Total Production	43	40	43	40	0	40
Intra-EC Imports	15100	16950	15000	18000	0	18000
Other Imports	66263	49109	70000	44000	0	45000
TOTAL Imports	81363	66059	85000	62000	0	63000
TOTAL SUPPLY	81406	66099	85043	62040	0	63040
Intra-EC Exports	42000	16591	42000	40000	0	35000
Other Exports	450	1499	450	200	0	500
TOTAL Exports	42450	18090	42450	40200	0	35500
Domestic Consumption	38956	48009	42593	21840	0	27540
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	38956	48009	42593	21840	0	27540
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	81406	66099	85043	62040	0	63040

Price Table: Salmon w/e

Prices Table			
Country	Germany		
Commodity	Salmon, Whole/Eviscerated		
Prices in	US$	per uom	Metric Ton
Year	1998	1999	% Change
Jan	3894	3795	-2.54%
Feb	3891	3808	-2.13%
Mar	3707	3519	-5.07%
Apr	3897	3914	0.44%
May	4075	3760	-7.73%
Jun	4416	3737	-15.38%
Jul	4124	3581	-13.17%
Aug	4022	4013	-0.22%
Sep	3827	3548	-7.29%
Oct	3686	3789	2.79%
Nov	3853	3888	0.91%
Dec	3953	3656	-7.51%

Import Trade Matrix: Salmon w/e

Import Trade Matrix			
Country	Germany		
Commodity	Salmon, Whole/Eviscerated		
Time period	Jan/Dec	Units:	Metric Tons
Imports for:	1998		1999
U.S.	5316	U.S.	3311
Others		Others	
Norway	46438	Norway	43758
Denmark	8877	Denmark	8986
Great Britain	4268	Great Britain	5848
Sweden	754	Sweden	509
Netherlands	724	Netherlands	537
Faroer Islands	601	Faroer Islands	1451
Ireland	341	Ireland	683
		Canada	480
Total for Others	62003		62252
Others not Listed	969		506
Grand Total	68288		66069

Export Trade Matrix: Salmon w/e

Export Trade Matrix			
Country	Germany		
Commodity	Salmon, Whole/Eviscerated		
Time period	Jan/Dec	Units:	Metric Tons
Exports for:	1998		1999
U.S.	0	U.S.	0
Others		Others	
France	21019	France	6912
Spain	5508	Spain	4356
Netherlands	4164	Netherlands	1257
Bel/Lux	2373	Bel/Lux	514
Italy	2731	Italy	1820
Poland	1317	Poland	1393
Denmark	1234	Denmark	1083
Great Britain	807	Great Britain	106
Portugal	823	Portugal	313
Total for Others	39976		17754
Others not Listed	949		336
Grand Total	40925		18090

PSD Table: Groundfish Fillets

PSD Table						
Country	Germany					
Commodity	Groundfish, Fillets				(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Beginning Stocks	0	0	0	0	0	0
Total Production	54000	44700	54000	45000	0	46000
Intra-EC Imports	30000	20968	41000	25000	0	25000
Other Imports	550185	162250	525000	220000	0	220000
TOTAL Imports	580185	183218	566000	245000	0	245000
TOTAL SUPPLY	634185	227918	620000	290000	0	291000
Intra-EC Exports	147798	41222	146000	55000	0	55000
Other Exports	6000	5157	7300	2000	0	2000
TOTAL Exports	153798	46379	153300	57000	0	57000
Domestic Consumption	480387	181539	466700	233000	0	234000
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	480387	181539	466700	233000	0	234000
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	634185	227918	620000	290000	0	291000

Price Table: Groundfish Fillets

Prices Table			
Country	Germany		
Commodity	Groundfish, Fillets		
Prices in	US$	per uom	Metric Ton
Year	1998	1999	% Change
Jan	2334	3131	34.15%
Feb	2391	3456	44.54%
Mar	2252	3076	36.59%
Apr	2550	2917	14.39%
May	2821	3149	11.63%
Jun	2731	2843	4.10%
Jul	2843	2938	3.34%
Aug	2903	2986	2.86%
Sep	2959	2700	-8.75%
Oct	3219	2789	-13.36%
Nov	3213	2669	-16.93%
Dec	3031	2694	-11.12%

Import Trade Matrix: Groundfish Fillets

Import Trade Matrix			Germany
Commodity	Groundfish, Fillets		
Time period	Jan/Dec	Units:	Metric Tons
Imports for:	1998		1999
U.S.	4295	U.S.	3722
Others		Others	
Russia	94748	Russia	43235
PRChina	40723	PRChina	35548
Norway	18963	Norway	13351
Iceland	16829	Iceland	14986
Denmark	15376	Denmark	13591
Poland	13571	Poland	16748
Chile	5371	Chile	6774
Peru	5075	Netherlands	4375
Argentina	5063	Argentina	4288
New Zealand	4591	New Zealand	11439
Total for Others	220310		164335
Others not Listed	20143		15161
Grand Total	244748		183218

Export Trade Matrix: Groundfish Fillets

Export Trade Matrix			Germany
Commodity	Groundfish, Fillets		
Time period	Jan/Dec	Units:	Metric Tons
Exports for:	1998		1999
U.S.	17	U.S.	115
Others		Others	
France	19780	France	14437
Netherlands	8814	Netherlands	8251
Great Britain	5872	Great Britain	6971
Bel/Lux	4691	Bel/Lux	3822
Austria	3472	Austria	3301
Poland	1543	Poland	1015
Denmark	1302	Denmark	1187
Russia	902	Spain	548
Sweden	789	Sweden	929
Italy	848	Italy	1194
Total for Others	48013		41655
Others not Listed	2097		2609
Grand Total	50127		44379

German Production of Fish and Fish Products

German Production of Fish Products (in MT, DM1,000)						
	MT			DM 1,000		
Product	1997	1998	1999	1997	1998	1999
Fresh chilled	16,289	12,906	12,533	135,215	128,375	119,343
Frozen						
- Seafish	1,392	4,383	3,766	11,833	22,258	18,982
- Freshwater	370	349	306	6,085	5,478	n.a.
- Filets	36,946	32,665	30,691	204,992	206,490	198,382
- Fish meat	n.a.	836	1,034	n.a.	8,323	10,537
Salted						
- Smoked Salmon	5,064	5,594	8,040	114,428	143,924	161,842
- Smoked Herring	2,430	2,114	1,873	14,944	12,611	11,319
- Oth smoked Fish	11,942	11,029	12,127	157,455	143,751	159,903
Other fish preparations						
- Salmon	n.a.	n.a.	5,103	n.a.	81,960	56,501
- Herring	69,866	66,645	66,604	402,689	387,858	387,550
- Sardines, sprat	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
- Mackrels	2,157	1,688	1,783	18,326	14,408	14,226
- Baked filets/sticks	123,073	137,022	126,271	545,316	671,532	709,611
- Oth fish	65,374	51,203	43,437	332,109	281,512	278,770
- Fish salad	32,786	30,178	28,847	203,891	200,147	197,062
- Otherwise prepared	34,307	31,563	39,923	191,705	180,785	226,426
- Caviar substitutes	866	810	888	27,187	25,086	26,160
- Frozen crayfish	n.a.	445	282	n.a.	6,333	n.a.
- Crayfish preparations	1,450	1,794	1,874	28,306	38,516	39,944
- Preserved Crayfish	3,962	4,117	4,186	60,650	64,373	62,824
Total Production	408,042	395,341	389,568	2,455,131	2,623,720	2,679,382
Source: Annual Report of the German Fish Industry						

German Import of Fish and Fish Products

German Import of Fish and Fish Products (in MT, DM1,000)						
	MT			DM1,000		
Product	1997	1998	1999	1997	1998	1999
Freshwater Fish (live/fresh/frozen)	111,510	115,047	107,961	788,187	857,780	813,688
Herring (fresh/frozen)	86,988	82,190	82,848	134,818	113,361	107,771
Seafish (fresh)	68,229	64,593	60,462	343,970	418,492	380,819
- Whole	48,357	45,044	43,159	220,894	253,060	231,060
- Fillet	19,872	19,549	17,303	123,076	165,432	149,759
Seafish (frozen)	245,097	280,955	211,123	807,710	1,239,804	1,018,035
- Whole	25,577	25,009	19,231	98,324	102,391	78,299
- Fillet	196,126	233,218	175,835	663,674	1,083,466	894,128
- Fish meat	23,394	22,728	16,057	45,712	53,947	45,608
Seafish (salted/dried/smoked)	40,009	40,235	30,501	345,303	365,408	325,684
Seafish, preparations	130,001	143,177	147,941	583,844	673,668	662,134
Crayfish, Mollusks	72,268	75,568	71,718	604,582	717,424	620,635
- Fresh/frozen	47,455	51,824	50,368	326,224	423,891	356,332
- Prepared	24,813	23,744	21,450	278,358	293,533	264,303
Total Imports	756,278	803,800	715,068	3,704,773	4,480,842	4,022,763
Source: Annual Report of the German Fish Industry						