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Germany

Retail Food Sector

Retail Guide

2007

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Report Highlights:
With a population of more than 82 million people, Germany has the world's third largest economy after the United States and Japan, and it is the leading market for food and beverages in the European Union. In Calendar Year (CY) 2006, Germany's consumers spent more than €188 billion (approximately $224 billion) on food and beverages or about 15 percent of total national expenditures. Of this amount, about 5 percent was spent in restaurants, canteens, and other places where food and beverages were served on-premise. The remaining amount was spent in retail food and beverage outlets. Germany imported more than $550 million worth of consumer-oriented agricultural products from the United States in CY 2006, nearly 14 percent more than a year earlier.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Berlin [GM1]
[GM]

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Market Summary

With a population of more than 82 million people, Germany has the world's third largest economy after the U.S. and Japan, and it is the leading market for food and beverages in the European Union. Germany's consumers spent more than €188 billion (approximately $224 billion) in Calendar Year (CY) 2006 on food and beverages, or about 15 percent of total national expenditures. Of this amount, about 5 percent was spent in restaurants, canteens, and other places where food and beverages were served on-premise. The remaining amount was spent in retail food and beverage outlets.[1]

Germany's improving economy and the depreciation of the dollar should bode well for U.S. exports to Germany. In 2005, Germany's food and beverage retailers registered annual sales turnover of nearly €128 billion (or about $152 billion).[2] (See Table 1) Since 2001, overall food and beverage sales have increased by 8 percent. The €128 billion generated in 2005 were primarily from the sale of food products. These items are usually sold by organized food retailers such as supermarkets, hypermarkets, discount stores, and small traditional retail stores. An additional €66 billion in food and beverage sales were generated by restaurants, canteens, and snack shops (imbiss) where food and beverages are served on the premises. Bakeries, butcher shops, farmer's markets, drugstores, gas stations, and kiosks also play a key role in Germany's retail food sector. [3]

In CY 2006 Germany imported $550 million worth of consumer-oriented agricultural products from the United States, 14 percent more than the year before. The increase in imported consumer products from the United States occurred mainly in wine and various tree nut products. [4] The major competitors for consumer-oriented products market are from EU countries, particularly the Netherlands, France, Italy, Belgium, and Spain. The United States is the fourth largest non-EU supplier of consumer-oriented products to Germany, after Turkey, Switzerland, and Brazil.

Germany's Retail Profile

Germany's retailing sector is highly complex and intertwined. Margins are thinner than anywhere else in Europe, which together with a well-developed distribution system, results in a very competitive sector. Over the past several years, the retail sector has gone through considerable consolidation and more is expected.

The most dynamic sector within Germany's retail food trade is the discount store segment. It is fiercely competitive with the largest two discount companies – Aldi and Lidl – engaged in price wars since 2002. In terms of annual sales, discounters accounted for 40.6 percent of the retail market in 2005, up from 4 percent from the previous year. (See table 1) Most of the items marketed by discounters are private label products. This sector is expected to remain an important factor in the future of German food retailing.

[1] Germany's Federal Statistics Office
[2] Exchange rate of 1.19. Latest data available.
[3] EuroHandels Institute (EHI)
[4] Consumer-oriented products include snack foods, fresh and frozen meat products, poultry, eggs, fresh vegetables, fruit & vegetable juices, wine, beer, pet foods, breakfast cereals, dairy, tree nuts, and nursery products.

Table 1: Composition of Germany's Food and Beverage Retail Trade:

	Number of Stores			Market	Value of Sales (Billion Euros)			Market
	2003	2004	2005	Share 2005	2003	2004	2005	Share 2005
Hypermarkets	2,494	2,688	2,880	4.7%	31.9	32.9	33	25.9%
Discount Stores	13,750	14,214	14,610	23.8%	47.4	49.6	51.8	40.6%
Supermarket	8,790	8,620	8,770	14.2%	30.1	29.7	29.3	23.0%
Traditional Stores	39,900	37,350	35,200	57.3%	14.5	13.8	13.4	10.5%
Total	**64,934**	**62,872**	**61,460**	100.0%	**123.9**	**126**	**127.5**	100.0%

Source: Eurohandel Institute (EHI).

Due to the growth in the discount segment, the majority of traditional retailers like Edeka, Rewe, Spar, and Tengelmann have started to develop and further invest in their own discount store chains/niches. In direct response to the threat by discount stores, many food retailers have increased the use of private labels in their stores in order to reduce prices and maintain quality.

Despite the consolidation of retailers and the increasing popularity of discounters, German consumers continue to frequent small convenience stores despite the higher prices. In addition, these stores are open longer hours each week (as is the case with stores in train stations and gas stations) and they also carry ready-to-eat meals. In these cases, sales are motivated more by convenience rather than price.

Large retailers have applauded a new German law extending retail hours. Under the new German law, retail stores can stay open Monday through Saturday until 8 pm. Although Germany still lags behind France, UK, Denmark and other European countries, which have much more liberal store hours, these changes are making a moderate contribution to the slight increase in retail sales.

Buying associations or buying groups also play an important role in German retailing. These associations or groups are often operated by a wholesale company, which may do the purchasing, marketing, and provide other services for independent retailers. Markant is the largest buying association in Germany.

Advantages/Opportunities and Challenges Facing U.S. Products in Germany

Advantages/Opportunities	**Challenges**
Germany's 82.5 million inhabitants have one of the highest income levels in the world.	Very competitive market combined with low growth in retail sales.
Germany is among the largest food/beverage importing nations in the world.	German (EU) import tariffs on certain products are high. EU enlargement gives preferential access to products from accession countries.
Fast growing market for organic products.	German buyers demand quality, but also low prices; discounters are fastest growing segment of retail market.

Germany has many, well-established importers. Distribution system is well developed.	Retailers often charge high listing fees for products.
The "American-Way-of-Life" and U.S.-style foods are popular, principally among the affluent younger generation.	Margins on food at the retail level are very thin.
Large non-German population and German's penchant to travel abroad help fuel demand for a variety of foreign products.	Retailers seldom import products into Germany (EU) on their own.
Private label products are popular, not only in discount stores but are also being utilized by supermarkets.	It can be a challenge for U.S. companies to promote a particular brand.

II. Road Map for Market Entry

"Traditional" Retail Outlets- Supermarkets, Superstores, Hyper Markets or Super Centers, Club, and Warehouse Outlets

Entry Strategy
Success in introducing a product in the German market normally depends on local representation and personal contact. The local representative should be able to provide market information and guidance on business practices and trade-related laws, sales contacts with existing and potential buyers, market development expertise, and the intricacies of the distribution system. The local representative may or may not also be the importer and distributor. The Agricultural Affairs Office in Berlin maintains extensive listings of potential importers and maintains information about ongoing activities that provide opportunities to meet the German trade.[5]

Specialized Importers
In Germany, specialized importers usually handle the import and distribution of food and beverage products from countries outside of the EU. German retail organizations rarely import directly from countries outside the EU, except for items that they purchase in large quantities. Traditional importers normally specialize in products or product groups. As a result of frequent contacts with their customers, traditional importers usually have an in-depth knowledge of individual retailers and the market conditions in Germany. Because of their close relationships, importers usually source products, handle import (customs) formalities, logistics, supply, maintenance and often even pricing and labeling for their customers. They also advise foreign exporters and ensure that imported products meet food, labeling, packaging, packaging material disposal (including "Green Dot" licenses and fees), and other market requirements.

Importers can also arrange for consolidated shipments, which enable specialty food companies to test the market and gain access to distribution channels. Importers normally

[5] A directory of European Importers "American Foods in Europe - Your Guide to European Importers of U.S. Food & Beverage Products" is available online at www.american-foods.org or in hard copy. Please contact the Agricultural Affairs Office in Berlin for a printed copy.

distribute nationwide, either through their own sales force or through a network of independent sales agents.

Selling Direct
Direct sales to the central purchasing department of Germany's leading retailers is typically very difficult; however, it may be the most desirable product-entry system for a foreign supplier. Due to their wide range of distribution, central buyers are generally flooded with offers from competing suppliers and they are usually not interested in taking on the added responsibility to import products directly. This is especially true for new-to-market products, which may not comply with German/EU import requirements, food laws and packaging and labeling requirements. Retail buyers may only be interested in importing products directly if they are unique, possess some specific attribute, or offer significant advantages in terms of quality, price, or financial promotional support.

Each of Germany's leading retail groups has a different business structure, purchasing, and distribution system. Many of the leading retailers have multiple retail chains, often with various types of retail formats such as large hypermarkets, discount and small neighborhood stores, or perhaps beverage and/or delicatessen outlets. The purchasing departments for the large retailers may also be divided by retail format and, sometimes, by region of the country.

New products on the German market may require up to 12 to 18 months of testing to gain market acceptance. Listing (slotting) fees equivalent to several thousand dollars or more per product are common and do not ensure shelf space if a profitable turnover is not achieved rather quickly. The exception may be a retailer's desire to maintain a competitive edge with a full-service assortment.

Table 2: Food and Beverage Retailing Profile

Retail Food/Beverage Sales, Number of Retail Outlets, 2000-2005

Category	2001	2002	2003	2004	2005
Total Sales (billion Euros)	118	120.4	123.9	126.0	127.5
Total Sales (billion U.S. Dollars)	105.7	113.9	137.5	149.9	151.7
Share of top 5 retailers (% of total sales)	62.0%	61.2%	62.4%	62.4%	70.6%
Share of top 10 retailers (% of total sales)	84.4%	84.9%	85.7%	85.2%	85.8%
Share of top 20 retailers (% of total sales)	94.4%	94.8%	95.4%	95.1%	95.7%

Note: Sales by the organized food retail industry.
Source: EuroHandels Institute (EHI), A.C. Nielsen.

Despite efforts by the German government to protect small retailers, the market share of small retailers continues to drop. In 2005, small traditional shops comprised only 10.5 percent by turnover of the food retail market. Total turnover amounted to a little more than €13 billion. At the same time, the concentration of giant retail organizations in Germany has increased dramatically and is expected to continue in the near future as competition laws continue to be loosened. With the fierce competition in the retail food sector, German retailers have sought to expand their sales, particularly large hypermarkets and discount retailers -- and gain market share -- by buying-out their competitors, opening new stores, and focusing on markets outside of Germany.

In 2005, the top five food and beverage retailers accounted for nearly 71 percent of national sales and the top fifty accounted for 99.5 percent of national sales. The five largest food and beverage retailers are expected to continue increasing their share of the overall market. By 2010, market experts predict that more than 80 percent of the national food and beverage retail sales will be generated by these retailers.[6] The top five largest German retailers of food and beverages (Edeka, Rewe, Schwarz/Lidl, Aldi, and Metro) also rank among the top ten retailers in Europe.

Many of the major German retailers already generate a significant portion of their total sales from non-German operations. For example, the following German retailers had significant sales outside of Germany in 2006: Metro (55.9 percent), Aldi (36 percent), Tengelmann (51 percent), Schwarz-Gruppe (42 percent) and Rewe (28 percent). Edeka stands out with only 8 percent of sales outside Germany. However, in 2005 Edeka took over the Spar AG retail chain from the French owners and has turned the Edeka/AVA/Spar Group into the largest retailer in Germany.

Wal-Mart struggled to attract customers and establish itself as a dominant player in the German market. As a result, in 2006, Wal-Mart exited the German market and sold its stores to Metro. Metro plans to integrate the new stores into its Real chain.[7] Food products comprised about 55 percent of Wal-Mart's gross sales in Germany.

Table 3: Top ranked Retail Stores in Germany 2006

The Top Ranked Retail Stores in Germany 2006

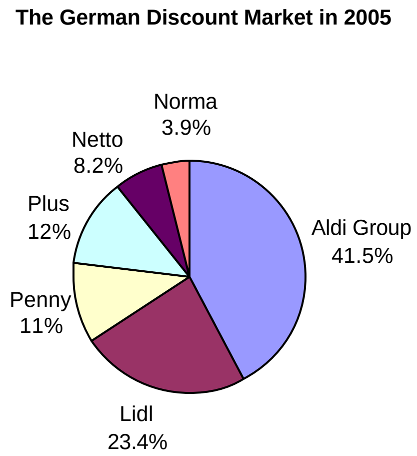
Rank	Company	Ownership	Gross Sales (€ Millions)	Food Receipts	Percent from Food
1	Edeka-Gruppe	German	35,750	30,898	85.7%
2	Metro-Gruppe	German	31,930	13,097	46.2%
3	Rewe-Gruppe	German	31,209	22,257	71.6%
4	Schwarz-Gruppe	German	22,700	18,410	81.2%
5	Aldi-Gruppe	German	23,000	17,360	81.0%
7	Tengelmann-Gruppe	German	14,262	8,141	58.6%
6	Karstadt/Quelle	German	12,500	285	2.2%
8	Lekkerland-Tobaccoland	German	7,233	6,144	96.0%
9	Schlecker	German	5,600	5,225	95.0%
10	Globus	German	3,570	1,942	55.0%

Source: EHI and M+M Eurodata.

[6] Euromonitor International
[7] Deutsche Welle

There are also major changes occurring in how food and beverages are being marketed in Germany. Small local shops and supermarkets still comprise the bulk of outlets, but they are increasingly being replaced by large hypermarkets and discount food stores. Hypermarkets and discounters now account for about 66.5 percent of all retail food and beverage sales, despite accounting for less than one-quarter of all the outlets. Metro AG is Germany's largest operator of hypermarkets. Aldi is the leading operator of discount markets followed closely by the Schwarz Group (Lidl).

Chart 1: A Breakdown of the German Discount Market



Source: EuroHandels Institute

The discount segment has been the most dynamic retail segment in Germany. Discounters have prospered in recent years, as German consumers have become increasingly price conscious. In addition, discount stores, which generally tend to be small in size, have benefited from German laws favoring small retailers. In terms of sales, discount stores comprise of 40.6 percent of the retail food market sales, up 3 percent from CY 2004. From CY 2000 to CY 2005, the number of discounter outlets grew from 12,970 to 14,610, whereas the total number of German food retail outlets decreased from 70,463 to 61,460 during the same time frame. On a sales basis, Aldi is the largest discounter with about 41.5 percent of the discount market; however, in 2005, Lidl recorded stronger sales growth than Aldi.

Most of the German consumers perceive the quality of discount products, particularly Aldi's, to be as good as branded products found in supermarkets and other retail-type stores. High quality products, convenient locations, combined with lower prices make discount stores a favorite shopping option for Germans.

Gross Sales for the Leading Discount Stores in Germany
(Million Euros)

Discount Stores	2002	2003	2004	2005	1-Yr Growth
Aldi Group	23,000	22,700	22,100	21,500	-3%
Lidl	9,500	11,500	11,900	12,100	2%
Penny	5,800	6,000	5,900	5,670	-4%
Plus	5,700	4,900	6,100	6,200	2%
Netto	2,900	3,200	3,500	2,980	-17%
Norma	2,347	2,300	2,100	2,000	-5%
Total Sales:	49,247	50,600	51,600	50,450	2%

Source: EuroHandels Institute

Convenience Stores, Gas Stations, and Kiosks

Entry Strategy

Convenience outlets -- small shops, often located at gasoline and train stations, highway rest stops, kiosks, and bakeries -- were among the fastest growing retail formats in Germany. However, in the last couple of years growth has leveled off. Convenience stores in gas stations reported roughly the same amount of turnover as CY 2004 with a much smaller number of outlets. In addition to non-food items, the most popular items at these outlets include: fruit juice and fruit drinks, soft drinks, beer, wine, other beverages, confectionery products, snacks, and convenience-type foods. Products sold in these outlets typically are priced 30-70% higher than in more conventional outlets. However, sales are motivated by convenience – especially the longer store hours – rather than price.

There are several large wholesalers that supply food and non-food products to these convenience outlets. The leading supplier to the convenience sector is Lekkerland-Tobaccoland (L-T), which carries about 10,000 different items and services more than 70,000 customers, including gas station shops, kiosks, beverage stores and bakeries. In 2006, the turnover for Lekkerland was €7,233 billion, of which food products accounted for €6,944 billion. Metro, Spar, and Tengelmann compete with Lekkerland in supplying these convenience outlets in Germany.

Organizations like Lekkerland, as well as other suppliers to convenience stores, normally source, most if not all, their imported products from specialized importers. U.S. companies interested in exporting to Germany and in developing a position in the German market are advised to work with an importer(s) or with an agent/broker that services these sectors.

Buying Associations (Groups)

Entry Strategy

Buying associations or buying groups play an important role in German food and beverage retailing. Buying associations are generally operated by a wholesale company that provides services for a group of independent retailers.

The largest and last remaining true buying association in Germany is Markant. Markant members have a total annual turnover valued at about €39.5 billion.[8] Markant is an association of more than one hundred independent enterprises, selling both food and non-food products. The goal of the company is to provide a cooperative platform for purchasing and marketing and providing of services for medium-sized merchants throughout Germany (and Europe). In Germany, Markant members include a number of major food retailers, such as market leaders Bartels-Langness, Schlecker, and Dohle. Markant is part of the European-wide buying association EMD, whose members have a total annual turnover valued at over €110 billion.

Other Channels

Home food delivery, mail order, and internet sales are alternatives to the traditional German retailing sector. Germany's leading retailers have become increasingly involved in e-commerce with an estimated $10 billion in business attributed to consumer sales conducted on-line.[9] However, the value of food and beverages sold over the Internet is still very small and is not growing. Home food delivery is not a new phenomenon in Germany, especially for frozen food.

III. Competition

As the world's second largest importer of agricultural products, Germany is an attractive and very sought-after market for exporters throughout the world.[10] The internal EU market structure gives member states a competitive advantage in the German market; an advantage, which cannot be easily overcome by non-EU members. Approximately two-thirds of Germany's agricultural imports are sourced from other EU countries, many of which target the German market through the use of promotional programs.

Besides the United States, Germany also imports significant quantities of agricultural products from other non-EU countries. Many of the third-country imports are also sourced from China, Russia, Turkey, Israel, South Africa, and the Caribbean. Germany's major consumer-oriented product imports from these countries include: meat and poultry, fresh fruit (particularly bananas), processed fruit and vegetables, and tree nut products.

Third-country promotions for food products in Germany focus on generic aspects. Examples of these types of promotions are: in-store promotions, special combined editorial and advertising sections in trade magazines, and national exhibits at trade and consumer fairs. In department stores a country may be featured with a full line of food and non-food products as well as other economic segments, such as tourism.

Consumer-ready processed food products are imported and distributed by a large number of German importers and import agents. In addition to cooperative advertisement with importers and suppliers, individual country promotions in the German retail trade are organized to increase visibility and awareness of those products and, consequently, increase distribution. Such promotions in Germany are normally organized and sponsored (often also financed) by the foreign country's Embassy or other government representation, in close cooperation and coordination with local importers and the retail organization.

[8] Markant Homepage
[9] Euromonitor International
[10] Global Trade Atlas

Biotechnology

In April 2004, the EU implemented Regulation (EC) No 1830/2003, concerning the labeling and traceability of biotech and biotech-containing products. These regulations require that all products, including processed foods, produced from approved biotech ingredients must be labeled if adventitious or intended biotech presence exceeds a threshold level of more than 0.9 percent of one single ingredient. Food manufacturers are still wary that European consumers will not purchase products with a biotech label. So far, the major German food retailers have avoided stocking their shelves with labeled biotech products. Instead EU food processors have substituted other raw materials not derived from biotech products for biotech ingredients - primarily soybean oil. At the moment FAS Berlin is not aware of any biotech labeled products being sold on German retail shelves.

IV. Best Product Prospects

According to the Global Trade Atlas, below is a list of products identified as having a strong market potential in Germany and some helpful tips for interested exporters.

Best Product Prospects	Tips/Facts
Snack Foods	Germany imports more than $2 billion worth of snack food products each year. This market consists mainly of chips and other salty items, followed by specialty snacks and nuts. Growth primarily driven by product innovation, like flavored snacks.
Fresh Fruit & Vegetables	Good opportunities exist for supplying fresh produce, particularly citrus, pears, table grapes, and green asparagus during the winter months (Nov.-Feb.).
Dried Fruits & Nuts	The market for most nuts and dried fruit is fairly stable throughout the year but sales generally peak in anticipation of the Christmas season. Imports are generally in bulk.
Organic Products	Germany is Europe's largest market for organic products, with sales roughly estimated at $4.5 billion in 2006.
Alcoholic Beverages	Although overall alcohol consumption is declining, the market for imported beer, wine, and spirits is stable or growing.
Pet Food	Sales of cat food have the biggest market share, followed by dog food. Market potential exists for premium pet food.
Fitness foods and beverages	Good prospects for "functional" products with added nutritional properties such as vitamins and minerals.
Frozen Fish	Good prospects exist for frozen Alaska Pollack and other frozen fish with Marine Stewardship certification (sustainable fishing certification).

For more information on the German market please refer to Germany's Exporter Guide and the Food and Agriculture Import Regulations (FAIRS) report.

V. Upcoming Trade Shows

German Trade Shows for Consumer-Oriented Products

Participating or simply attending a trade show can be a very cost-effective means to test the German market, to introduce a product, or to expand sales. Germany offers a wide variety of trade show venues for food and beverage products. The following table provides details on major trade shows for food, beverages, and other agricultural and related industries taking place in Germany.

Important German Trade Shows –		
ISM (International Sweets and Biscuit Show) Cologne, Germany (Interval: yearly) Target Market: Europe/International World's largest show for snacks and confectionery products.	January 27 – 30, 2008	U.S. Pavilion Organizer: National Confectioners Association (NCA) Tel: (703) 790-5750 Fax: (703) 790-5752 http://www.ism-cologne.com/ http://www.koelnmessenafta.com/
Fruit Logistica Berlin, Germany (Interval: yearly) Target Market: Germany/Central & Eastern Europe Good venue for exhibiting fresh and dried fruit, nuts and related products.	February 7 – 9, 2008	U.S. Pavilion Organizer: B*FOR International: Tel: (540) 373-9935 Fax: (540) 372-1411 www.fruitlogistica.com http://www.b-for.com/fruitlogistica.html
Bio Fach Nuremberg, Germany (Interval: yearly) Target Market: Germany/Europe The leading European tradeshow for organic food and non-food products.	February 21 – 24, 2008	U.S. Pavilion Organizer: B*FOR International: Tel: (540) 373-9935 Fax: (540) 372-1411 www.biofach.de http://www.b-for.com/biofach.html
Internorga Hamburg, Germany, (Interval: yearly) Target Market: Northern Germany Show for the hotel, restaurant, catering, baking and confectionery trades.	March 7 – 12, 2008	Show Organizer: Hamburg fair authorities, Tel: (49-40) 35 69 0 Fax: (49-40) 36 69 21 80 www.internorga.de info@hamburg-messe.de
ProWein Duesseldorf, Germany, (Interval: yearly) Target Market: International International Trade Show for wine and spirits.	March 16 – 18, 2008	Show Organizer: Duesseldorf Messe Authorities Tel: (49-211) 4560 01 Fax: (49-211) 4560 668 www.prowein.de info@messe-duesseldorf.de
Interzoo Nuernberg, Germany, (Interval: 2 years)	May 22-25, 2008	U.S. Pavilion Organizer: Nuremberg fairground's U.S.

Important German Trade Shows –		
Target Market: Germany/Europe Leading trade show for pet food and supplies.		representative, Tel: (208) 265-1714 Fax: (208) 265-1713 www.interzoo.com www.concordexpogroup.com
ANUGA Cologne, Germany, (Interval: 2 years) Target Market: Europe/International One of the leading international trade shows for food and beverages, and the premier show of its kind held in Germany. Traditionally there is a large U.S. Pavilion at this show featuring about 150-200 U.S. companies and associations. USDA-endorsed show.	October 13 – 17, 2007 October 10 – 14, 2009	U.S. Pavilion Organizer: Koelnmesse, Inc. Chicago Tel: (773) 326-9920 Fax: (773) 714-0063 www.koelnmessenafta.com www.anuga.com

Note: More information about these and other German exhibitions and trade shows can be found under the following Internet address: www.auma-messen.de

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

Internet Home Pages

Internet home pages of potential interest to U.S. food and beverage exporters are listed below:

U.S. Mission to the European Union	http://useu.usmission.gov/agri/usda.html
FAS/Washington	www.fas.usda.gov
European Importer Directory	www.american-foods.org
FAS/Berlin	http://germany.usembassy.gov/germany/fas/index.html
Ausstellungs und Messe-Ausschuss (AUMA)	www.auma-messen.de

If you have questions or comments regarding this report, or need assistance exporting to Germany, please contact the U.S. Agricultural Affairs Office in Berlin at the following address:

Foreign Agricultural Service
U.S. Department of Agriculture
Embassy of United States of America
Clayallee 170
14195 Berlin, Germany

Tel: (49) (30) 8305 - 1150
Fax: (49) (30) 8431 - 1935
Email: AgBerlin@usda.gov
Home Page: http://germany.usembassy.gov/germany/fas/index.html

Please view our Home Page for more information on exporting U.S. food and beverage products to Germany, including market and product “briefs” available on specific topics of interest to U.S. exporters.

Importer listings are available from the Agricultural Affairs Office for use by U.S. exporters of U.S. food and beverage products. Recent reports of interests to U.S. exporters interested in the German Market include:

Report Title	Report Number	Month Report was written
Exporter Guide	GM 7039	August 2007
FAIRS Report	GM 7031	August 2007
Wine Report	GM 7002	January 2007
Fish Products Report	GM 6037	September 2006
Kosher Market Report	GM 6036	September 2006

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service Home Page at www.fas.usda.gov

Currency Conversion Rates
The value of the dollar has been decreasing against the Euro since 2002. This report includes the dollar equivalents for the reader's convenience, but they are based on annual exchange rates, not the floating rate. All percentage changes mentioned in this report are based on the € levels.

Average Annual Currency Conversion Rates:

2002 1 U.S. $ = 1.0575 €
2003 1 U.S. $ = 0.8840 €
2004 1 U.S. $ = 0.8051 €
2005 1 U.S. $ = 0.8078 €
2006 1 U.S. $ = 0.7580 €

Store Definitions:

Hypermarkets: Large retail stores with between 1,500 square meters and 5,000 square meters of sales space, with an emphasis on self-service. They carry a significant amount of non-food items.

Supermarket: Self-service food stores with sales space of between 400 to 800 square meters. The share of non-food items comprises less than 25 percent of store sales.

Discounters: No frills, self-service food store that concentrate on a limited range of products with a high turnover rate. Their main attraction is low prices.

Cash & Carry: Membership style retail/wholesale stores with a varied selection of products sold under a warehouse style format. These stores have a broad product range in the food and non-food area.

Attachment I

KEY GERMAN CONTACTS FOR THE FOOD RETAIL TRADE

Note: While it is impractical to provide a complete list, this partial list is for your information only with the understanding that no discrimination is intended and no guarantee of reliability implied.

Aldi Einkauf GmbH & Co. oHG - Sued
Burgstrasse 37-39
45476 Muelheim/Ruhr, Germany
Tel: (49-208) 992 70
Fax: (49-208) 992 72 78 Homepage: www.aldisued.de

Aldi Einkauf GmbH & Co. oHG - Nord
Eckenbergstrasse 16
45307 Essen, Germany
Tel: (49-201) 859 30
Fax: (49-201) 859 33 19 Homepage: www.aldi-essen.de

Dohle Handelsgruppe Service GmbH & Co. KG
Alte Lohmarerstrasse 59
53721 Siegburg, Germany
Tel: (49-2241) 12 20
Fax: (49-2241) 12 24 44 Homepage: www.hit.de

EDEKA Zentrale AG & Co. KG
New-York-Ring 6
22297 Hamburg, Germany
Tel: (49-40) 63 770
Fax: (49-40) 63 77 22 31 Homepage: www.edeka.de

EHI Retail Institute e.V.
Spichernstrasse 55
50672 Koeln, Germany
Tel: (49-221) 57 99 30
Fax: (49-221) 57 99 345 Homepage: www.ehi.org
Organization representing the retail sectors; German counterpart of FMI.

Globus SB Warenhaus Geschaeftsfuehrungs-GmbH
Leipziger Strasse 8
66606 St. Wendel, Germany
Tel: (49-6851) 90 90
Fax: (49-6851) 90 96 00 Homepage: www.globus.net

KaDeWe Kaufhaus des Westens
Tauentzienstrasse 21-24
10789 Berlin, Germany
Tel: (49-30) 212 10
Fax: (49-30) 211 01 90 Homepage: www.kadewe.de
KaDeWe is the flagship of the Karstadt department store chain. It is comparable to Harrods in London and claims to have the biggest food & delicatessen department in Europe.

Karstadt Warenhaus AG
Hauptverwaltung
Theodor-Althoff-Strasse 2
45133 Essen, Germany
Tel: (49-201) 727-1
Fax: (49-201) 727 52 16 Homepage: www.karstadt.de

Kaufhof Warenhaus AG
Hauptverwaltung
Leonhard-Tietz-Strasse 1
50676 Koeln, Germany
Tel: (49-221) 22 30
Fax: (49-221) 22 32 800 Homepage: www.galeria-kaufhof.de
Kaufhof is part of the METRO Group.

Lekkerland GmbH & Co. KG
Europaallee 57
50226 Frechen, Germany
Tel: (49-2234) 182 10
Fax: (49-2234) 182 14 45 Homepage: www.lekkerland.com

Lidl Stiftung & Co. KG
Einkauf International
Stiftsbergstrasse 1
74167 Neckarsulm, Germany
Tel: (49-7132) 94-2000 Homepage: www.lidl.com

Markant Handels und Service GmbH
ZHG Ware
Hanns-Martin-Schleyer-Strasse 2
77656 Offenburg, Germany
Tel: (49-781) 61 60
Fax: (49-781) 61 81 83 Homepage: www.markant.com

MGB METRO Group Buying GmbH
Schlueterstrasse 1
40235 Duesseldorf, Germany
Tel: (49-211) 68860
Fax: (49-211) 6886-2000 Homepage: www.metrogroup.de

Norma Lebensmittelfilialbetrieb GmbH & Co. KG
Wuerzburger Strasse 196
90766 Fuerth, Germany
Tel: (49-911) 973 90
Fax: (49-911) 97 39 370 Homepage: www.norma-online.de

REWE-Zentral AG
Foreign Trade Dept. - HWA -
Domstrasse 20
50668 Koeln, Germany
Tel: (49-221) 1490
Fax: (49-221) 149 93 71 Homepage: www.rewe-group.com

Anton Schlecker
Im Schleckerland
89579 Ehingen/Donau, Germany
Tel: (49-7391) 58 40
Fax: (49-7391) 5 84 - 18 55 Homepage: www.schlecker.de

Schwarz Gruppe (Lidl und Kaufland)
Roetelstrasse 30-35
74172 Neckarsulm, Germany
Tel: (49-7132) 94 00 Homepage: www.lidl.de
Fax: (49-7132) 94 03 00 www.kaufland.de

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45478 Muelheim/Ruhr, Germany
Tel: (49-208) 580 60
Fax: (49-208) 5806-6401 Homepage: www.tengelmann.de