



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Scheduled Report - public distribution

Date: 10/8/1998

GAIN Report #GM8315

Germany

ATO ACTIVITIES reports

Agricultural Export Opportunities Report, August 1998

Prepared by:

Andrew C. Burst

U.S. Agricultural Trade Office

Drafted by:

Andrew C. Burst

Report Highlights:

Excellent U.S. company participation is expected in the USA Pavilion at the Food Ingredients - Europe trade show held in November 3-5, 1998 in Frankfurt. The ATO-Hamburg is finishing a new version of the American Foods in Europe Directory containing listings of 250 European companies selling over 600 different U.S. food and beverage products in Europe. An internet version of the directory is also in the works. FAS/Germany has just completed a major market study: "Accessing Germany's Retail Food Sector: A Guide for U.S Food and Beverage Suppliers".

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Hamburg [GM2], GM

Contents of report**I. UPCOMING PROMOTIONAL ACTIVITIES/EVENTS**

Trade Shows

Other Promotions/Activities

II. KEY MARKET INFORMATION

Food/Beverage Market Developments

Reports of Interest

Web Page Sites

I. Upcoming promotional activities/events

The following section presents trade shows and other promotional activities and events for food, beverages and other agricultural and related industries taking place in Germany. The Agricultural Trade Office (ATO) in Hamburg will update the details concerning these activities/events, and add new ones, as information becomes available. The ATO-Hamburg would appreciate receiving details on other promotional opportunities for U.S. food and beverage products that will be taking place in Germany. The ATO-Hamburg can be reached at (49-40) 414607-0, by FAX at (49-40) 414607-20, or by E-Mail at ATOHamburg@fas.usda.gov

NOTE: The promotional events listed are provided for informational purposes only. No endorsement should be implied unless specifically stated. Terms and conditions of participation are the responsibility of the activity organizer. Please contact the organizer directly for further information.

German trade shows (major food and agriculture):**1998 Trade Shows****ANUGA SPEZIAL 1998**

Cologne, Germany, October 15-18, 1998 (Interval: 2 years)

Show Organizer: Messe- und Ausstellungs-GmbH

Tel: (49-221) 821-0; Fax: (49-221) 821-2574

Trade/consumer show for regional cuisines.

Target Market: Europe/International

Note: This is a new show to feature cuisines and products from throughout the world. October 15-16 is for trade only; October 17-18 show is open to consumers.

FOOD INGREDIENTS-EUROPE 1998

Frankfurt, Germany

November 3-5, 1998 (Interval: yearly, venue rotates)

Show Organizer: Miller Freeman BV

Tel: (31-346) 55944; Fax: (31-346) 573811

International trade show for the food ingredients market.

Target Market: Europe/International

Note: U.S. Pavilion at the show is organized by T&G Food Ingredient Services Inc. (Miller Freeman's N. American Agent), Tel: (847) 635-9960; Fax: (847) 635-6801.

1999 Trade Shows**FRUIT LOGISTICA 1999**

Berlin, Germany, January 21-23 (Interval: yearly)

Show Organizer: Messe Berlin GmbH

Tel: (49-30) 3038-2047; Fax: (49-30) 3038-2030

International trade show for the fruit and vegetable industry held in conjunction with International Green Week.

Target Market: Germany/Central & Eastern Europe

Note: A U.S. Pavilion is being planned, if interested in participating, please contact the ATO-Hamburg.

INTERNATIONAL GREEN WEEK 1999

Berlin, Germany, January 22-31 (Interval: yearly)

Show Organizer: Messe Berlin GmbH

Tel: (49-30) 3038-0; Fax (49-30) 3038-2019

Large international consumer show for food, beverages and other agricultural products.

Target Market: Germany/Europe

Note: The show usually contains a U.S. Pavilion.

IPM 1999 (International Plant Show)

Essen, Germany, January 29-31 (Interval: yearly)

Show Organizer: Messe Essen GmbH

Tel: (49-201) 72 44-0; Fax: (49-201) 72 44 448

European trade fair for the horticultural and nursery industry.

Target Market: Germany/Europe

Note: U.S. Pavilion is organized by Messe Essen's U.S. office, Tel: (212) 356-0406; Fax: (212) 356-0404.

ISM 1999 (International Sweets and Biscuit Show)

Cologne, Germany, January 31 - February 4 (Interval: yearly)

Show Organizer: Messe- und Ausstellungs-GmbH

Tel: (49-221) 821-0; Fax: (49-221) 821-2574

World's largest show for snacks and confectionery products.

Target Market: Europe/International

Note: National Confectioners Association organizes a U.S. Pavilion, Tel: (703) 790-5750; Fax: (703) 790-5752.

BIO FACH 1999

Nuremberg, Germany, February 18-21 (Interval: yearly)

Show Organizer: Oekowelt Veranstaltungen GmbH

Tel: (49-9171) 9610-0; Fax: (49-9171) 96104016

International trade show for natural and organic food/non-food products.

Target Market: Germany/Europe

Note: A U.S. Pavilion is being considered for the 1999 show; contact the ATO-Hamburg for further information.

PROWEIN 1999

Dusseldorf, Germany, March 21-23 (Interval: yearly)

Show Organizer: Duesseldorf Messengesellschaft mbH

Tel: (49-211) 456-01; Fax: (49-211) 456-668

Trade show for wine and other alcoholic beverages.

Target Market: Germany/Europe

Note: Wine Institute's office in the Netherlands organizes a U.S. Pavilion, Tel: (31-172) 47 15 71; Fax: (31-172) 47 55 45.

ANUGA 1999

Cologne, Germany, October 9-14 (Interval: 2 years)

Show Organizer: Messe- und Ausstellungs-GmbH

Tel: (49-221) 821-0; Fax: (49-221) 821-2574

International trade show for food/beverages, "World Food Show".

Target Market: Europe/International

Note: USA and Meat/Poultry Pavilions planned, contact FAS Trade Show Branch for details, Fax: (703) 690-4374.

Other promotions/activities:**USA FOOD PROMOTION IN "kochWoche"**

"kochWoche", a major German culinary publication, is planning a USA special in September or October 1998. "kochWoche" is published by Axel Springer Verlag every two weeks and has a circulation of 203,000. The USA special will have abt. 60 pages, including a minimum of 15 paid advertisement pages. For further information please contact the publication directly: "kochWoche", Chefredaktion, P.O.Box 4810, D-20350 Hamburg, Fax: (49-40) 347 26220, or one of the following persons: Alfred Hermsdoerfer, Editor-in-Chief, Tel: (49-40) 347 29130; Undine Borck, Editor, Tel: (49-40) 347 27662; Tatjana Kopacsy, Advertising Sales, Tel: (49-40) 347 24786.

DIRECTORY OF AMERICAN FOODS IN EUROPE

The ATO-Hamburg, together with other FAS offices in Europe, is in the final process of producing an updated version of the American Foods in Europe Directory (AFE), a Guide to European Importers of U.S. Food and Beverage Products. The AFE contains listings of European companies that import/distribute U.S. food and beverage products in Europe. The new AFE will be an updated version of the previous American Foods in Europe 1996/97 Directory. The new version of the Directory will be available late this month (August), followed by an Internet version.

II. Key Market Information**Food/beverage market developments:**

The following are some recent developments in the German food and beverage market that may be of interest to U.S. exporters. Some of these developments also may have been included in previous versions of this report.

GERMAN FOOD AND AGRICULTURAL IMPORTS DOWN IN 1997

German imports of agricultural and food products in 1997 totaled \$38.6 billion (including EU intra-trade), down 13.7 percent from 1996, according to preliminary official German statistics. Imports from the United States in 1997 totaled \$1.56 billion, about 20 percent below the year-earlier figures.

In DM terms, Germany's total imports of agricultural and food products in 1997 were only about one-half percent lower than in 1996. Notably, Germany's imports from all non-EU and non-US destinations rose about 14 percent in DM terms in 1997. A 15.4 percent appreciation in the U.S. dollar relative to the German mark (DM) in 1997 likely contributed to slow German imports.

German Agricultural and Food Imports, 1995-97
(billion USD/DM)

| Country/Region | 1995 | 1996 | 1997 | Pct chg 97/96 |
|-------------------|-------|-------|-------|------------------|
| In US dollars | | | | |
| - US | 1.84 | 1.95 | 1.56 | -20.3% |
| - From EU-members | 29.19 | 29.43 | 23.87 | -18.9% |
| - Others | 14.18 | 13.40 | 13.23 | -1.3% |
| Total | 45.21 | 44.78 | 38.65 | -13.7% |
| In German marks | | | | |
| - US | 2.64 | 2.94 | 2.70 | -8.1% |
| - From EU-members | 41.85 | 44.25 | 41.40 | -6.4% |
| - Others | 20.34 | 20.14 | 22.95 | -13.9% |
| Total | 64.82 | 67.33 | 67.05 | -0.4% |

Source: Germany's Federal Office of Statistics

METRO CONTINUES TO PURCHASE THE COMPETITION

Metro AG, Germany's largest retailer, and the fourth largest food/beverage retailer, has announced the purchase of German food and non-food retailer Kriegbaum. Kriegbaum had total 1997 sales (turnover) of DM 3.0 billion (\$1.7 billion), of which about 60 percent was comprised of food, ranking it as the sixteenth or seventeenth largest retailer in Germany.

This purchase follows Metro AG's February 1998 purchase of Allkauf, Germany's ninth largest retailer and tenth largest food/beverage retailer, with total retail turnover of about DM 7.0 billion (\$4.0 billion), of which about one-half was from food/beverages.

WAL-MART RUMORED TO BE INTERESTED IN ALDI

The German press has reported that Wal-Mart may be considering purchasing the privately-held German company Aldi. Aldi ranks as Germany's fourth largest retailer, with 1997 sales of DM 34.5 billion (\$19.9 billion), and the third largest food retailer, after Rewe AG and Edeka/AVA, with sales of DM 29.3 billion. In addition to Germany, Aldi has operations in other European countries and in the United States.

Wal-Mart first entered the German (European) market in 1997 through the purchase of the German retailer

Wertkauf Group. Wertkauf had yearly sales of about DM 2.5 billion (\$1.4 billion), of which about 40 percent was comprised of food.

PRIVATE LABEL MAKING SLOW INROADS IN GERMANY

About 21 percent of all food and non-food products sold in Germany at the retail level is reportedly comprised of private label products. This percentage is up from about 19 percent in 1990 and 14.5 percent in 1980. However, total sales value of these products is currently more in the range of about 12 percent, given that the private label products are priced significantly lower than their branded competitors. Private label products are most common on the shelves of the discount retailers, particularly chains like Aldi. Frozen fruit, prepared fruit, milk, and frozen bread are among the products most likely to carry a private label.

MCDONALD'S STILL TOPS IN GERMANY

McDonald's Germany is still tops in the gastronomy sector in Germany. In 1997, McDonald's had total sales of DM 3.4 billion (\$1.96 billion), up from DM 3.2 billion a year earlier. McDonald's has a total of 850 outlets in Germany. Others in the top five include: SSG Lufthansa Service Holding AG (airline, airport and party services), Autobahn Tank & Rest (highway reststops), Mitropa (travel, convention and theme parks) and Dinea Gastronomie (company cafeterias). The top 90 companies in Germany's gastronomy sector recorded 1997 sales (turnover) of about DM 13 billion (\$7.5 billion).

OPPORTUNITIES IN THE PET FOOD MARKET

Pets are very popular in Germany, particularly cats and dogs. The German retail market for pet food is estimated at DM 3.9 billion (US\$2.2 billion) annually. The top products are wet cat and dog food, at \$810 million and \$397 million, respectively. Sales of dry dog and cat food are estimated at \$299 million and \$142 million, respectively. Other major pet food products are snacks/treats and bird and fish foods.

More than three-quarters of all pet food is sold in food and drug stores; pet stores, building supply stores and garden centers account for the remainder. Effem, an affiliate of Mars, is the market leader in most of the pet food product segments. Germany imports significant quantities of pet food, including an increasing amount from the United States (an estimated \$43 million in 1997). The German market offers good opportunities for U.S. pet food suppliers, both for prepared products and for supplying pet food ingredients.

Reports of Interest:

FAS GERMAN MARKET BRIEFS

The ATO Hamburg, together with the FAS office in Bonn, Germany, has produced a series of Market Briefs on the German Market. Briefs have been prepared on the following topics:

- Food Law, Labeling, Packaging and Certification
- Gaining Access to the German Retail Food Market
- Floricultural Products Market
- Organic Market
- Beef and Beef Product Market
- German Food and Beverage Trade Publications
- Wine Market
- Beer Market

- German Food, Beverage and Agricultural Trade Fairs
- Retail Food Market
- Walnut Market
- Almond Market

Copies of these Market Briefs can be obtained from the U.S. Trade Assistance and Promotion Office (TAPO) at FAS in Washington, DC; phone (202) 720-7420; FAX (202) 690-4374.

FAS MARKET INFORMATION REPORT FOR GERMANY

The ATO-Hamburg has just completed the annual version of the:

- “Market Information Report for Germany”

This report should be available at the TAPO office at FAS in Washington.

FAS MARKET STUDY ON GERMANY’S RETAIL FOOD SECTOR

FAS/Germany has just completed a study entitled:

- “Accessing Germany’s Retail Food Sector: A Guide for U.S. Food and Beverage Suppliers.”

The study should also be available at the TAPO office at FAS in Washington.

PROMAR INTERNATIONAL

Promar International, a marketing and business consultancy, has prepared a number of studies on the European food and beverage market. Details on these studies can be obtained by contacting Produce Studies in the UK at: tel: (44) 1635 43363, fax: (44) 1635 43945, by e-mail: promar@produce-studies.com, or their Web Site: www.produce.studies.com

AGRA EUROPE

Agra Europe in London offers two food-related publications: “EuroFood, The Business Report for the Food Industry in Europe”, issued every two weeks, and “European and Packaging and Waste Law”, published every month. These are in addition to other publications by Agra Europe, including “Agra Europe” a weekly publication on European and international policy and trade developments for major agricultural commodities. Information on Agra Europe’s publication can be obtained from Agra Europe in their London office at: tel: (44) 1892 533813; fax: (44) 1892 544895; e-mail: 100637.3460@compuserve.com

Web Page Sites:

The following are some Home Pages of potential interest to U.S. exporters:

| | |
|--|--|
| www.fas.usda.gov | FAS/Washington |
| www.usembassy.de/atohamburg | ATO Hamburg |
| www.auma.de | AUMA - page contains details on exhibitions and trade fairs taking place in Germany. |

www.fruchtsaft.de/english/

German Fruit Juice Association - facts
and figures on the German fruit juice
industry 1996.

www.fish-international.com

International Seafood Suppliers Directory

Check them out!