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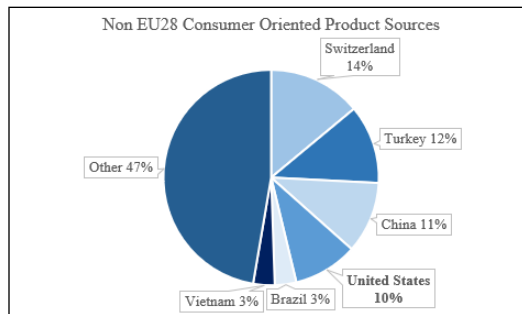
**Report Highlights:**

Germany has 83 million of the world's wealthiest consumers and is by far the biggest market in the European Union. The German market offers good opportunities for U.S. exporters of consumer-oriented agricultural products. In 2018, total U.S. exports of agricultural products to Germany reached \$ 1.7 billion. The largest segments were soybeans, tree nuts, Alaskan pollock, wine, beef, and other consumer-oriented products. This report provides U.S. food and agriculture exporters with background information and suggestions for entering the German market.

## Executive Summary

With nearly 83 million of the world's wealthiest consumers, Germany is by far the largest market for food and beverages in the European Union. In 2018, Germany's nominal GDP reached U.S. dollar (USD) 4 trillion, positioning the country as the fourth largest economy in the world. Germany is a major producer of food and agricultural products and a leading player in the global market. Germany is also the third largest importer of agricultural products after the United States and China. In 2018, imports reached USD 108 billion, an increase of 2.9 percent compared to 2017.

## German Agricultural Imports



In 2018, Germany imported consumer-oriented agricultural products worth USD 64 billion; the majority (85 percent) of these originated from other EU member states. The US exported USD 1.3 billion worth of consumer-oriented products to Germany. When all agricultural and related products are included, the US becomes the biggest exporter to Germany outside the EU28, primarily due to soybeans.

## Food Processing Industry

The 6,119 food processing companies employ about 608,553 people. The sector is dominated by small- and medium-sized companies; 96 percent of which have less than 250 employees. In 2018, the sector generated a turnover of roughly USD 210 billion; accounting for 5.25 percent of the German GDP. The largest subsectors by value were meat, dairy, bakery, confectionary and ice cream, and alcoholic beverages; accounting for 24, 15, 10, and 8 percent respectively.

## Food Retail Industry

German food retail sales reached USD 273.5 billion in 2018. The sector is saturated and highly consolidated. The top five retail groups together account for 70 percent of sales. Online food sales are still a niche market. While Germans are very price sensitive in general, many wealthy consumers are looking for premium quality products and are willing to pay a higher price.

## Food Service Industry

The German food service industry is made up of 222,365 businesses and is dominated by restaurants, snack bars, public housing, guest housing, and catering services. Turnover in the hotels, restaurants, and industry (HRI) sector has increased steadily since 2009, reaching USD 99 billion in 2018.

## Quick Facts CY 2018

### Imports of Consumer-Oriented Products (USD million)

USD 64,463

### List of Top 10 Growth Products in Host Country

- |                            |                                |
|----------------------------|--------------------------------|
| 1) Walnuts                 | 2) Pistachios                  |
| 3) Pecans                  | 4) Dextrins and other starches |
| 5) Vinegar and substitutes | 6) Peanuts (shelled)           |
| 7) Cocoa preparations      | 8) Sweet potatoes              |
| 9) Fermented beverages     | 10) Waffles and wafers         |

### Food Industry Gross Sales (USD Billion) 2018

Food Industry Revenues (Domestic market) USD 140.6

### Top 10 Retailers in Germany

- |                             |                     |
|-----------------------------|---------------------|
| 1) Edeka/Netto              | 6) Lekkerland       |
| 2) Rewe/Penny               | 7) dm               |
| 3) Schwarz (Lidl/ Kaufland) | 8) Rossmann         |
| 4) Aldi North/South         | 9) Bartels-Langnese |
| 5) METRO C+C/Real           | 10) Globus          |

### Top 5 Restaurants/Fast Food Outlets in Germany

- |                |             |
|----------------|-------------|
| 1) McDonalds   | 4) Autobahn |
| 2) Burger King | 5) Yum!     |
| 3) LSG         |             |

### GDP/Population

Population (millions): 83

GDP (billions USD): 4.0

GDP per capita (USD): 53,089

Sources: GTA, BVE, Destatis, TDM

## German Market Advantages and Disadvantages

Strengths	Weaknesses
Germany is the biggest market in Europe with one of the highest income levels in the world.	U.S. exporters face competition from tariff-free products from other EU member and an expanding number of FTA partners.
Opportunities	Threats
A large, well developed food processing industry requiring a wide range of ingredients, from low-value, unprocessed foods to high-value, highly-processed ingredients.	Non-tariff barriers such as phytosanitary restrictions and traceability requirements can make exporting to Germany complicated.

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## SECTION I. MARKET OVERVIEW

Germany has 83 million of the world's wealthiest consumers and is by far the most populous and economically powerful of the European Union's 28 member states. Germany's population is increasing at a slow rate; increased immigration can balance the low birth rates only to some extent. It is estimated that 52 percent of its population will be older than 47 years old in 2025 and by 2060 the population will have decreased to about 74 million.

The German economy continued to experience positive development in 2018. With a total GDP of USD 4.0 trillion in 2018, Germany remains the largest economy in Europe. It posted an average annual growth rate of 1.6 percent during the period 2012-2018, roughly in line with the EU average during the same period. In 2018, German economy grew by 1.9 percent compared to the previous year, reaching a per capita GDP of over \$53,089 according to OECD. Inflation stayed at roughly 1.7%. In 2018, unemployment was 3.2 percent, reaching the lowest level since German reunification, thirty years ago, with a total of 42 million people employed.

Germany is a major producer of food and agricultural products and a leading player in the global marketplace. Germany is also the third largest importer of agricultural products after the United States and China. In 2018, Germany imported consumer-oriented agricultural products worth USD 64 billion; the majority (85 percent) of these originated from other EU member states. The US exported USD 1.28 billion worth of consumer-oriented products to Germany. When all agricultural and related products are included, the US becomes the biggest exporter outside the EU28.

The U.S. share of the German agricultural import market consists mostly of soybeans, almonds, walnuts, pistachios, Alaskan pollock, wine, beef, dried fruits, food preparations, sauces and other consumer-oriented products. Germany's main trading partners in the food sector are the other EU countries followed by Switzerland, Turkey, Brazil, the United States, China, and Thailand. In total, Germany is a

Strengths/Weaknesses/Opportunities/Challenges	food imports have stimulated	Strengths/Weaknesses/Opportunities/Challenges
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rising demand for foreign as well as exotic foods.

### Key market drivers and consumption trends

- Fair trade and organic products have become more important on the German grocery market. Germany is the second largest organic market in the world (behind the US) and presents good prospects for exporters of organic products.
- Ageing population and increased health consciousness of consumers is fueling the demand for health and wellness products, as well as functional food products.
- Increasingly high-paced society and the rising number of single households are driving the demand for convenient ready-to-eat meals, desserts, and baking mixes.

- Ethnic foods, beauty and super foods, clean label foods, “free from” products (e.g. gluten or lactose free), and locally grown are further trends that attract more and more German consumers.
- Increasing share of consumers who view their purchasing decision as a political or life-style statement (no GMO, only free-range eggs, vegetarian or vegan diet).
- Consumers increasingly require traceability and information about production methods.
- Germany remains a price-focused market, but share of consumers who are willing to pay for quality increases.

Advantages	Challenges
Germany is the biggest market in Europe with one of the highest income levels in the world.	German consumers demand quality and low prices.
Large non-German population and Germans’ inclination to travel abroad help fuel demand for foreign products	Private sector sustainability standards can act as barrier to trade.
Germany is among the largest food importing nations in the world.	EU import regulations and tariffs; EU gives preferential access to products from EU countries.
Many German consumers are uninformed about the details of sustainability, and there is still room to define a U.S. sustainability message.	No unified U.S. sustainability message in the German market, looming misconceptions about U.S. agriculture.
U.S. style is popular, especially among the younger generation; good reputation for U.S. foods like dried fruits, seafood, wine.	Non-tariff barriers such as phytosanitary restrictions and traceability requirements can make exporting to Germany complicated.
Germany is the largest EU market for U.S. beef under the EU import quota for high quality beef, which should expand in Jan 2020.	The quota only applies to beef from animals not treated with growth-promoting hormones.

Source: FAS Berlin

## SECTION II. EXPORTER BUSINESS TIPS

The German market offers good opportunities for U.S. exporters of consumer-oriented agricultural products. U.S. suppliers of consumer-ready foods and beverages interested in developing a market for their products in Germany must be prepared to:

- Offer a product that meets German/EU food law, packaging, and labeling requirements
- Pay particular attention to animal product health certificates, many of which are now filed using a new electronic system

- Watch out for potential testing for unapproved biotech crops (i.e., there is a zero tolerance for some U.S. corn varieties)
- Invest time and money to develop the market, paying special attention to identify the right marketing channel for your product.
- Participate in food, beverage, industry trade shows.
- Explore marketing approaches that build on strong societal themes
- Highlight the particular product or industry's 'sustainability' attributes
- Consider including a certified organic, vegan, or vegetarian item in your product line

## **Market Access**

If a potential exporter is considering working through a distributor in another country (the Netherlands is common), they should be aware that food imports from other countries within the European Union fall under the "free movement of goods" principle. This means that products that are imported by other EU-countries may be brought into Germany even if they do not meet German food laws. If this is the case, importers must obtain a permit from the Federal Office for Consumer Protection and Food Safety ([BVL](#)) in order to sell the product in Germany.

To determine current tariffs and other measures applied to imports into Germany and the EU in general, please see the TARIC, the [Online Customs Tariff Database](#).

There are a number of potential technical barriers to trade, thus exporters may want to consult with the [latest Food and Agricultural Import Regulations and Standards \(FAIRS\) report on Germany](#). This report provides an overview of food laws in force in Germany that cover areas which are not yet harmonized.

## **Distribution Channels**

The German food and beverage industry is highly fragmented and competitive. Few German retailers import products directly from other countries. Most food retailers prefer to buy from central buyers/distributors specialized in food and beverages importing. In general, these wholesalers specialize in products or product groups, and some are even experts in food products from a specific country of origin. These specialized importers have in-depth knowledge of all importing requirements, such as the necessary product certificates, labeling and packaging, and also take care of the shipping, customs clearance, warehousing, and distribution of the products within the country. It is advisable that U.S. exporters find a local representative in order to place and promote their products successfully within Germany.

Another successful way of finding the right distribution for products of U.S. food and beverages companies is to participate in the various food trade fairs taking place in Germany. Trade shows like ANUGA or BioFach that take place in Germany enjoy an exceptional reputation among industry experts worldwide. Participating in trade shows facilitates the direct contact with German food brokers, importers, and wholesalers. A listing of upcoming trade shows in Germany may be found at [www.fas-europe.org/germany](http://www.fas-europe.org/germany)

Germany is a potential market for those U.S. companies willing to invest the time and resources to cement contacts. New products on the German market may require up to 12 to 18 months of testing in order to determine market acceptance.

**Supporting Institutions**

Currently, about 40 U.S. cooperator organizations operate USDA-funded marketing programs in Germany. These groups include include American Soybean Association, Alaska Seafood Marketing Institute, Almond Board of California, California Walnut Commission, California Wine Institute, Cranberry Marketing Association, and U.S. Meat Export Federation. For the full list of participating U.S. organizations, please visit [www.fas-europe.org/partners](http://www.fas-europe.org/partners)

Foreign companies looking for German food importers, wholesalers, or distributors can obtain reliable information from the Foreign Agricultural Service based in Berlin ([FAS](#)), the Federation of German Food and Drink Industries ([BVE](#)), the Federal Association of the German Retail Grocery Trade ([BVLH](#)) as well as at the different food market segments industry associations.

**SECTION III. IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES**

As a member of the EU, Germany follows all EU directives, regulations, and obligations where available. Since the EU is a customs union, all Member States apply the same import duties on goods imported from outside the EU based on tariff classification of goods and the customs value. For details on the EU legislation and import duties. Please see [EU 28 FAIRS report](#) for further information.

Incoming goods go either to the customs storage (small) or to a freight forwarder’s facility. Storing and removal from storage is carried out under the terminals supervision of a customs officer who compares the documents with the commodities. Later, the invoice for import duty is issued. Food inspectors at the port of entry storage do not routinely check packaged foods. However, the customs officer may take samples to double check for ingredients (sugar, milk powder, alcohol) as they are responsible for correct assessment of customs duty.

Once import goods are cleared in one Member State, they can be moved freely throughout the EU territory. This means U.S. products coming into Germany via another EU member state, for example the Netherlands, have to clear customs there. No additional controls are carried out when crossing the border to Germany thereafter. For more information on import food standards and import procedures which are not yet harmonized with EU legislation please consult the [FAIRS report 2018](#).

**SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS**

Trade within the EU-28 is significantly easier for Germany than abroad the EU, so it comes as no surprise that the top three exporters of most products are almost always other European competitors to the United

States. The US ranked fifteenth of all countries to export customer-oriented products to Germany in 2018, but when accounting for the single market EU28, the US was the 4th largest source for imported customer-oriented products. (When animal feed, e.g. soybeans, is taken into consideration, the US is the 1<sup>st</sup> largest source for imported food and agricultural products.) Therefore, the biggest competition for German market share is with Switzerland, Turkey, and China, all of whom exported slightly more to Germany last year; and Brazil, Vietnam, and New Zealand, all of whom exported slightly less than the US.

The following tables present products with good sales potential, good current sales, and products not available on the German market. The data for each come from the Global Trade Atlas.

**a) Products present in the market that have good sales potential**

<b>Product Category</b>	<b>Total German Imports 2018 [million USD]</b>	<b>Total German Imports from the U.S. [million USD]</b>	<b>U.S. Import Growth (2014-2018)</b>	<b>Market attractiveness for USA</b>
Soybeans	1,479	532,5	6%	The US became the top exporter of soybeans to Germany in 2018!
Tree nuts	3,234	730	2%	The USA is consistently the leading exporter of almonds and walnuts to Germany; demand is strong for tree nuts, particularly for snacking and confectionery.
Sugars and confectionary	1,840	10	12%	German imports in this segment have increased by 10% over the past five years, with demand steadily rising.
Hops	18,6	14.4	50%	German demand for imported hops has more than doubled in the past five years, and the popularity of craft brewing continues to drive demand up.

Sweet potatoes	44	2	38%	German demand for imported sweet potatoes has nearly tripled in the past five years; sweet potatoes are becoming more popular in processed snacks and in cooking.
Pulses	151	5.8	22%	Vegetarian and vegan diet is becoming increasingly popular. Lentils, beans
Fish and Seafood	4,655	167	-3%	High demand for fish products. Frozen Alaska pollock, sockeye and pacific salmon, cod
Whiskey	546	102	1%	Continuously strong demand. Other alcohols, such as Rum and Liquors, are also imported in the \$millions

**b) Top consumer-oriented products imported from the world**

Product	Total German Imports 2018 [million USD]	Total German Imports from the US [million USD]	U.S. Import Growth (2014-2018)
Cheese	4,428	1,6	4%
Coffee, not roasted or decaf	2,791	6,5	18%
Wine	3,181	45,2	-17%
Tomatoes, fresh or chilled	1,482	0	-
Bread, Pastry, Cakes etc.	2,464	8,5	+1%

**c) Products not present in significant quantities but which have good sales potential**

- High quality beef
- Cranberries and cranberry products
- Innovative sauces, condiments, and confectionary products



- Products featuring “sustainable” or other social issue-based marketing theme

d) **Products not present because they face significant barriers**

- Poultry (non-tariff barrier)
- Processed food with GMO ingredients
- Food additives not approved by the European Commission
- Red meat and meat products with hormones

For information and assessment for U.S. exports of consumer-oriented products to different sectors check the following reports:

Hotel, Restaurant and Institutional → [Food Service Report 2019](#)

Retailers and Retail food → [Food Retail Report 2019](#)

Food Processing → [FPI Report 2019](#)

**SECTION V. AGRICULTURAL AND FOOD IMPORTS**

Germany’s agricultural and related product imports from the United States in 2018 totaled \$1.6 billion, a decrease of almost 6% from 2017. The decrease in agricultural exports to Germany is mostly due to a decrease in soybean, wine and some other commodities..Main exports were raw commodities for further processing like soybeans and tree nuts. But, Germany presents also a good market for high-value products and offers export potential for processed food products like sauces, snacks, condiments, and confectionary products, distilled spirits, wine, craft beer, bread, pastry, cakes, and products with a special certification and healthy food snacks from the United States. The following table presents top 20 German agricultural and food imports from United States since 2013. For more detailed U.S. trade statistics check [USDA’s Global Agricultural Trade System \(GATS\)](#).

Top German Imports from United States, in Million U.S. Dollars

HS Code	Commodity	2014	2015	2016	2017	2018
1201900095	Soybeans	431.9	560.6	574	614.8	532.6
802120000	Almonds	405.3	480.6	356.1	344	342
802510000	Pistachios	136.1	108.9	56.6	123.8	147.1
802320000	Walnuts	153.4	190.1	168.1	152.1	196.4
304750000	Hake (frozen fillets)	2.5	3.7	2.6	1.6	7.9

2204214000	Grape Wine	73.9	69.1	65.1	55.5	20.3
220830000	Whiskies	98.3	92.0	83.8	89.4	102.0
303110000	Salmon Sockeye (red) frozen	30.2	31	38.3	55	26.6
3507907000	Prepared Enzymes	38.2	46.4	46.7	40.6	36.2
802901500	Pecans	4.4	14.7	20.1	35	31.3
3504001000	Protein Isolates	1.1	2.8	1.1	1	0.9
813200000	Dried Prunes	25.3	32.2	27	21.7	17
1501200060	Yellow Grease	43.5	23.3	21.4	19.4	20.5
806200000	Raisins	34	17.3	20.2	20.5	10.7
1202410000	Peanuts (in-shell)	30.7	21.3	25	22	22.3
2008111000	Peanut Butter	8.1	9	9.5	15	14
2103909090	Sauces and Preparations	13.5	14.4	14.5	17.9	19.7
2208306040	Bourbon	13.8	14.4	14.3	13.2	14.2
201306000	Beef (fresh/chilled)	45.7	35.1	16.3	11.9	9.6
202206000	Beef (frozen)	3.3	3.9	3.8	4.9	2.9

Source: TDM

## SECTION VI. KEY AND FURTHER INFORMATION

Homepages of potential interest to the U.S. food and beverage exporters are listed below:

Foreign Agricultural Service Berlin	<a href="https://de.usembassy.gov/">https://de.usembassy.gov/</a>
Foreign Agricultural Service Washington	<a href="https://www.fas.usda.gov/">https://www.fas.usda.gov/</a>
USDA/FAS/Europe	<a href="http://www.fas-europe.org">http://www.fas-europe.org</a>
U.S. Mission to the European Union	<a href="http://www.usda-eu.org">http://www.usda-eu.org</a>

One tip for U.S. exporters is to access the German business portal, which is maintained by the Ministry of Economics and Technology. Provided in English, it serves as a central contact platform that can steer inquiries into the right channel. More information about the food and beverage sector can be found [here](#).

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

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Please view our [country](#) 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 Foreign Agricultural Service for use by U.S. exporters of U.S. food and beverage products.

**Attachments:**

No Attachments