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Report Highlights:

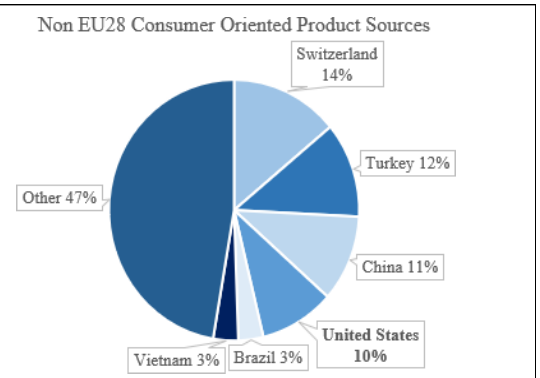
The German food industry represents the third-largest processing industry in Germany. In 2018, Germany produced an estimated USD 210 billion of processed food and drinks. When meeting EU standards, the following products have good sales potential on the German market: nuts, fish and seafood products, highly processed ingredients, dried fruits, sweet potatoes, bakery products, organic products, and pulses.

Market Fact Sheet: Germany

Executive Summary

With nearly 83 million of the world's wealthiest consumers, Germany is by far the biggest 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 marketplace. 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. The macroeconomic situation and key data about the Germany economy can be found in the 2019 Exporter Guide.

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 USA exported USD 1.3 billion worth of consumer-oriented products to Germany. When all agricultural and related products are included, the USA becomes the biggest exporter to Germany outside the EU28, primarily due to soybeans.

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 show some growth, but it is 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 by Channels (USD billion) 2018

Food Industry Output	209.8
Food Exports	69.5
Food Imports	108
Retail	273.5
Food Service	99

Food Industry Gross Sales (USD Billion) 2018
Food Industry Revenues
- Food (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

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 states and 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.

Contact:

FAS Berlin, Germany AgBerlin@fas.usda.gov

I. Market Summary

Germany is the second largest importer and third largest exporter of consumer oriented agricultural products worldwide, and by far the most important European market for foreign producers. The retail market's key characteristics are consolidation, market saturation, strong competition, and low prices. Germany is an attractive and cost-efficient location in the center of the EU. While many consumers are very price sensitive, the market also provides many wealthy consumers who follow value-for-money concepts. These are looking for premium quality products and willing to pay a higher price. Germany still has the lowest food prices in Europe; German citizens spend only 12.3 percent of their income on food and beverages. Low food prices result from high competition between discounters and the grocery retail sale segment.

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 (for more information, please see the GAIN report: US Organic Food Exports will more than double in 2019).
- Berlin is spearheading the trend of sustainable food consumption, other German cities are following the lead. Out of 333 registered vegetarian/vegan restaurants in Germany, 202 are in Berlin.
- Berlin itself is a key market driver. Today, food is receiving unprecedented attention in the city, bringing together tradition and innovation, humble and fine dining. Each year, around 50,000 new inhabitants are shaping its diverse and innovative food landscape.
- 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 the share of consumers who are willing to pay for quality increases.

Table 1: Advantages and Challenges

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.
The demand for sustainable food ingredients and sustainable foods is growing.	Private sector sustainability standards can act as barrier to trade.
Germany is among the largest food importing nations in the world.	U.S. exporters face competition from tariff-free products from other EU member states.
Germany is centrally located in Europe with excellent transportation channels. Food processors are well situated to export products to other EU countries.	Listing fees paid to retailers limit the introduction of new U.S. brands.
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.
The United States has a reputation as a reliable supplier of food inputs in terms of availability, delivery, and quality.	Some products of modern biotechnology are prohibited as they are not approved in the EU.

Source: FAS Berlin

II. Road Map for Market Entry

Entry Strategy

U.S. companies seeking to export goods to Germany are advised to do thorough research for a good understanding of the market. FAS GAIN Reports are a good source for country specific information: https://gain.fas.usda.gov/#/. Contact the USDA Foreign Agricultural Service (FAS) Office in Berlin for clarification on specific questions; for example, for information on veterinary and phyto-sanitary certificates. Contact information is provided at the end of this report.

Once U.S. companies have acquired this background information, they may consider attending or visiting one of the following USDA endorsed trade shows and other trade shows in Europe like the Health Ingredients show and the Food Ingredients show. They serve as a gateway into the market, helping companies to establish new trade contacts and gauge product interests. Germany hosts many of the largest trade shows in the world. Therefore, it is an excellent location for U.S. exporters to promote their products to get in contact with potential business partners, buyers, and to run product introductions.

Table 2: Major Food Related Trade Shows in Germany

Trade Show	Description	Location
INTERNORGA March 13-17, 2020 www.internorga.com	International tradeshow for hotel, restaurant, catering, baking, and confectionery trades	Hamburg
ProWein March 15-17, 2020 www.prowein.com	International trade show for wine and spirits	Duesseldorf
Interzoo (*every two years*) May 19-22, 2020 www.interzoo.com/en	Leading trade show for pet food and supplies	Nuremberg
ANUGA (*every two years*) October 9-13, 2021 www.anuga.com	One of the leading food fairs for the retail trade, and the food service, and catering market	Cologne
BCB - Bar Convent Berlin October 12-14, 2020 www.barconvent.com/en/	International trade show for bars and beverages	Berlin
Hi Europe December 1-3, 2020 https://www.figlobal.com/hieurope/	Leading trade show for health ingredients	Frankfurt
ISM January 31-February 3, 2021 www.ism-cologne.com	World's largest show for snacks and confectionery products	Cologne
FRUIT LOGISTICA February 3-5, 2021 www.fruitlogistica.com	World's leading trade fair for the fresh fruit and vegetable business	Berlin
BIOFACH February 17-20, 2021 www.biofach.com	Leading European tradeshow for organic food and non-food products	Nuremberg

Source: FAS Berlin

U.S. exporters can also contact their respective U.S. State Regional Trade Groups (SRTG), their Commodity Cooperator Group, and their state Department of Agriculture to obtain additional support.

State Regional Trade Groups (SRTG) are non-profit trade development organizations that help U.S. food producers and processors to enter overseas markets. They are funded by USDA/FAS and the private industry. They carry out promotional activities to increase exports of U.S. high-value food and agricultural products. For more information, contact the state regional trade group responsible for your state: https://www.fas.usda.gov/state-regional-trade-groups.

The **U.S. Agricultural Export Development Council** is composed of U.S. commodity trade associations and other organizations, in addition to the SRTGs, with an interest in promoting U.S. agricultural exports. For an overview and additional information on the various Commodity Groups, you can go to www.usaedc.org. The Commodity Cooperator Groups regularly organize (reverse) trade missions, often organized around trade shows or other events. They also are excellent platforms for U.S. suppliers of food ingredients to meet with foreign buyers.

Import Procedure

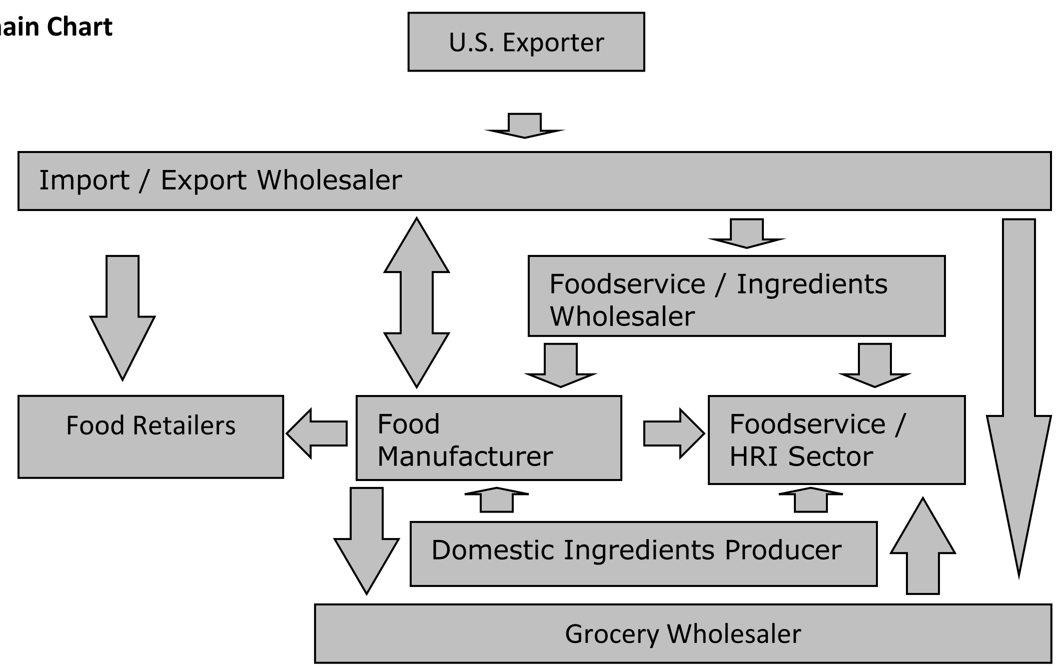
Importers represent the first link in the domestic sales chain and are consequently responsible for the compliance of imported products with national and EU regulations. The European Commission has published the following guidance document which refers to key Community law requirements: "[Guidance document – Key questions related to import requirements and the new rules on food hygiene and official food controls]”.

The responsibility for enforcing food law provisions in Germany lies with the federal states (Laender). Whether a specific product complies with the legal requirements is be evaluated by considering the actual product in its entirety, considering its origin, import certificate, composition, intended purpose, and presentation. Please contact FAS Berlin for clarification on questions concerning the interpretation and application of import provisions in individual cases.

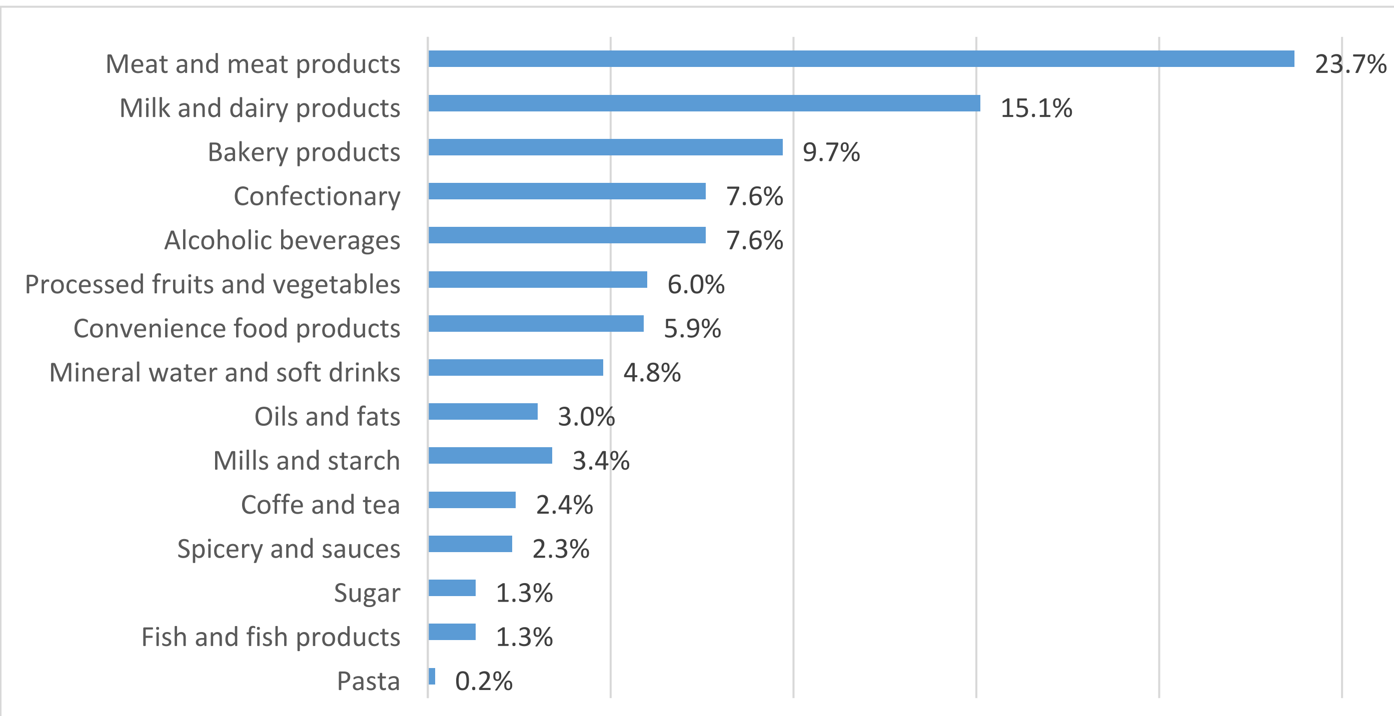
Market Structure

Germany’s food processing industry is well developed and has access to various food ingredients. Generally, German food processors source their ingredients from local producers or local importers. Only large processors import ingredients directly from foreign suppliers. A good importer will be your partner in promoting your product to his or her customers.

Supply Chain Chart



Share of Major Segments in the Food Processing Industry



Source: German Association of Food and Drink Industry, BVE https://www.bve-online.de/presse/infothek/publikationen-jahresbericht/bve-jahresbericht-ernaehrungsindustrie-2019, page 28

Sector Trends

- The food product portfolio is becoming more specialized and complex.
- The share of convenience and ready-to-eat products as well as smaller packaging sizes is increasing while the share of milk and dairy products, alcoholic beverages, and sugar is declining.
- The food industry is adjusting to the increasing demand for organic products; the total number of organic-certified products rose from 24,000 in 2004 to 81,537 in 2019.
- Food labeling with special seals is very common in Germany and has a large impact on the industry. Various regional, organic, sustainability, and animal welfare labels are introduced or being discussed in

Germany. Most companies have a sustainability strategy that demonstrates sustainability in the entire chain from cultivation all the way through to food processing.

III. Competition

The main competitors for U.S. suppliers include domestic producers as well as producers in other EU member states such as the Netherlands, Italy, Spain, France, Austria, and Belgium. However, for dried fruits and nuts the main competitors are Turkey (hazelnuts and raisins), Chile (dried prunes), South Africa (raisins), and Canada (cranberries). The U.S. industry's advantages include a good reputation for consistent quality and stable supply. The main advantages of competitors are proximity and price. A detailed table with competitive advantages and disadvantage is listed as an attachment to this report.

IV. Best Product Prospects

Products in the market that have good sales potential

- Nuts: Almonds, hazelnuts, pecans, pistachios, walnuts
- Fish and Seafood: Salmon, surimi, roe and urchin, misc. fish products
- Highly processed ingredients (dextrins, peptones, enzymes, lecithin and protein concentrates)
- Dried and Processed Fruit: Raisins, prunes, cranberries, sour cherries, wild berries
- Fruit juice concentrates: Cranberry, grapefruit, prune
- Essential oils (peppermint oil)
- Beef and Game: Hormone-free beef, bison meat, exotic meat and processed meat products
- Organic products

Products not present in significant quantities, but which have good sales potential

- Ingredients for the natural and healthy foods industry
- Bakery products
- Pulses

Products not present because they face significant boundaries

- Food additives not approved by the European Commission
- Red meat and meat products with hormones
- Most poultry and eggs
- Biotech-derived products that are not approved in the EU

V. Key Contacts and Further Information

If you have questions or comments regarding this report, or need assistance exporting to Germany, please contact the Foreign Agricultural Service in Berlin. Importer listings are available from the Foreign Agricultural Service for use by U.S. exporters of U.S. food and beverage products.

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Attachments: Attachment I: Overall Competitive Situation for Selected Food Ingredients (2018)

Product category Total German Import	**Main suppliers (USD value) in percentage**	**Strengths of Key supply countries**	**Advantages and Disadvantages of Local Suppliers**
Tree Nuts (HS 0801 +0802 +200819) MT 444,329 USD 3.2 billion	1. USA – 22.5% 2. Turkey – 17% 3. Netherlands – 11.7%	The United States is the leading supplier of almonds, walnuts, and pistachios. Turkey has the lead in hazelnuts. Netherlands is a large re-exporter of cashew nuts.	Domestic production is minimal. Germany is a leading producer of marzipan.
Fish & Seafood (HS 03 + HS 16) MT 1.4 billion USD 8.2 billion	1. Poland – 17% 2. Netherlands – 15.4% 3. Denmark – 11.2% 13. USA – 2.3%	Proximity and availability; the USA is the second largest supplier of Alaska Pollock fillets.	Tradition in seafood trading and processing, fish is popular.
Beer & Wine (HS 2203 &2204) Liters 2.2 billion USD 3.7 billion	1. Italy – 30.2% 2. France – 23.9% 3. Spain – 13.5% 13. U.S. – 2.4%	1-3) Proximity, reputation, climatic conditions for wine growing.	Wine only grows in southern part of country. Insufficient domestic supply.
Enzymes (HS 350790) USD 359 million	1. Denmark – 29.1% 2. Finland – 23.6% 3. Netherlands – 11.5% 4. USA – 10.1%		
Odoriferous substances (HS 330210) USD 865 million	1. Ireland – 59% 2. Switzerland – 14.2% 3. France – 6.9 % 6. USA – 2.4%	Odoriferous substances are used in the food and drink industry to influence the smell.	
Peanuts (HS 1202) MT 136,504 USD 207 million	1. Netherlands – 57.6% 2. USA – 10.8% 3. Argentina – 9.4%	1+3) Volumes consist of re-exported peanuts from Argentina, USA, and China.	No local availability, high demand from well-established snack food industry.
Dried Prunes (HS 081320) MT 10,839 USD 41 million	1. USA – 41.3% 2. Chile – 30.2% 3. Netherlands – 10.4%	1) Good reputation for quality, California origin adds value. 2) Product pricing, zero duty access through EU-Chile FTA.	No local availability
Raisins	1. Turkey – 35.8%	1) Pricing	No local availability

(HS 0806 20) MT 77,377 USD 162 million	2. South Africa – 25.8% 3. Netherlands – 8.3% 4. USA – 6.7%		
Peptones & Derivatives (HS 3504) USD 214 million	1. Netherlands – 17.2% 2. New Zealand – 11.5% 3. Belgium – 10.9% 5. USA – 8.7%	Peptones are protein components and are used in the production of food supplements.	
Meat (HS 02) MT 2.4 million USD 8 billion	1. Netherlands – 25.7% 2. Poland – 12.4% 3. Belgium – 11.3% 22. USA - 0.2%	1-3) Proximity and availability. U.S. imports consist of hormone-free beef under Hilton beef quota.	Focus on pork rather than beef production.

Source: Trade Data Monitor, Products ranked according to value of German imports of U.S. products, Feb 2020

Attachment II: The largest food processing companies in Germany

	Producer	Product Category	Company Website
1	Nestlé	Foodstuffs, coffee, sweets	http://www.nestle.com
2	Oetker	Foodstuffs, beer	http://oetker.com/de/startseite.html
3	DMK Deutsches Milchkontor	Dairy products	http://www.dmk.de/en/
4	Vion Food Group	Meat	http://www.vionfoodgroup.com/
5	Tönnies Lebensmittel	Meat	http://www.toennies.com/about-toennies.html
6	Tchibo	Coffee, non-food	http://www.tchibo.com/
7	Unilever	Foodstuffs	http://www.unilever.com/
8	Landgard	Fruits, vegetables, flowers, and plants	https://www.landgard.de/
9	Südzucker-Group	Foodstuffs	http://www.suedzucker.de/en/Homepage/
10	Mars	Sweets	http://www.mars.com/
11	Kraft Foods	Coffee, sweets, foodstuffs	http://www.kraftfoodsgroup.com/
12	Ferrero	Sweets	http://www.ferrerocsr.com/
13	PHW-Group Wiesenhof)	Poultry	http://www.phw-gruppe.de/
14	Theo Müller	Dairy products	http://www.muellergroup.com/startseite/
15	Westfleisch	Meat	http://westfleisch.de/en/home.html
16	FrieslandCampina	Dairy products	http://www.frieslandcampina.com/english
17	Bitburger	Beer	www.bitburger.com/
18	Heristo	Meat, pet nutrition	http://www.heristo.de/eng/
19	Bayernland-Gruppe	Dairy products	www.bayernland.de/
20	Barilla/Lieken	Pasta, baking products	http://www.barillagroup.com/
21	Danone Gruppe	Dairy products	http://www.danone.de/home/
22	Krüger	Foodstuffs	http://krueger.de/

23	Rotkäppchen-Mumm	Alcoholic beverages, spirits	http://www.rotkaeppchen-mumm.de/
24	Hochwald	Dairy products	https://www.hochwald.de/
25	Univeg	Fruits and vegetables	http://www.univeg.com/en/
26	August Storck	Sweets	http://www.storck.us/en/
27	Sprehe Gruppe	Poultry	http://www.sprehe.de/
28	Pfeifer & Langen	Sweets	http://www.diamant-zucker.de/startseite/
29	Arla Foods	Dairy products	http://www.arla.com/
30	Danish Crown	Meat products	http://www.danishcrown.com/

Source: Lebensmittel Zeitung

No Attachments