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Report Highlights:

With more than 83 million of the world's wealthiest consumers, Germany is the largest market for food and agricultural products in the European Union. The German market offers good opportunities for U.S. exporters of consumer-oriented food and agriculture products, particularly nuts, fish and seafood products, dried fruits, bakery products, and organic products. COVID-19 related lock-down and physical distancing measures heavily impacted the German food sector in 2020. In comparison to 2019, German food service sales decreased by 38.6 percent to USD 68 billion, with all three major market segments - hotel, restaurant, and catering - suffering from sales losses. The entire sector has been hit hard by the pandemic and government financial support was often not enough to compensate for the losses.

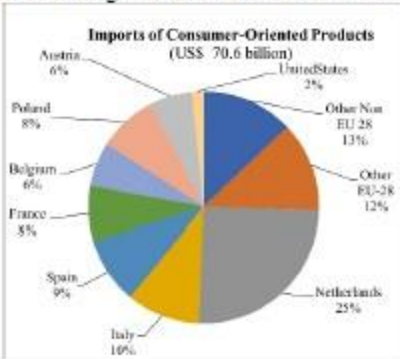
Market Fact Sheet: Germany

Executive Summary

Germany is the biggest market for food and beverages in the EU with 83.1 million consumers. In 2020, Germany's nominal GDP was over USD 3.8 trillion[1], making it the world's 4th largest economy. Germany is a major producer of food and agricultural products and a leading player in the global marketplace. It is also the third largest importer of agricultural products. In 2020, imports reached USD 114.9 billion[2]. While 80 percent of these imports originated from other EU member states[3], the United States was the largest supplier outside the bloc. Imports of agricultural products from the United States totaled USD 2.4 billion in 2020. The macroeconomic situation and key data about the German economy can be found in the 2020 [Exporter Guide]

Imports of Consumer-Oriented Products

In 2020, Germany imported consumer-oriented agricultural products worth USD 70.6 billion; the majority (85 percent) of these originated from other EU member states.



Food Processing Industry

Germany's 6,123 food processing companies employ 618,721 people. The sector is dominated by small and medium size companies, 90 percent of which have less than 250 employees[4]. In 2019, the sector generated a turnover of roughly USD 207 billion[5], accounting for 5.4 percent of the German GDP. The largest subsectors by value were meat, dairy, bakery, confectionary, and alcoholic beverages accounting for 25, 15, 10, 7, and 6 percent, respectively.

Food Retail Industry

The sector is saturated, highly consolidated, and competitive. The top four retail groups together account for around 74.5 percent of the total revenue. Small neighborhood retailers continue to face strong competition from modern grocery retailers. Online food sales increased in the wake of the COVID-19 outbreak. Germans are generally price sensitive, but wealthy consumers are willing to pay a higher price for premium quality products..

Quick Facts CY 2020

Imports of Consumer-Oriented Products
USD 70,566 *(USD million)*

List of Top 10 Growth Products in Host Country

1) Pistachios	2) Almonds
3) Walnuts	4) Alaska Pollock
5) Food preparations	6) Wine
7) Hops	8) Peanuts
9) Bread & Pastry	10) Cranberries

Food Industry by Channels (USD billion) 2019

Food Industry Output	207.4
Food Exports	69.6
Food Imports	62.4
Retail	234.9
Food Service	92.7

Food Industry Gross Sales (USD Billion) 2019
Food Industry Revenues
- Food (Domestic market) USD 137.5

Top 10 Host Country Retailers

1)	**Edeka/Netto**	**6)**	**Real**
2)	**Rewe/Penny**	**7)**	**Rossmann**
3)	**Schwarz (Lidl/ Kaufland)**	**8)**	**Metro**
4)	**Aldi North/South**	**9)**	**Globus**
5)	**dm**	**10)**	**Bartels Langnes**

GDP/Population
Population *(millions)*: 83.1
GDP *(billions USD)*: 3,810
GDP per capita *(USD)*: 45,878
Sources: TDM, BVE, Destatis, Lebensmittel Praxis

Strengths/Weaknesses/Opportunities/Challenges

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.

Data and Information Sources:
Trade Date Monitor (TDM), German Office of Statistics (Destatis), Federation of German Food and Drink Industries (BVE), Lebensmittel Praxis

Contact: FAS Berlin, Germany
AgBerlin@usda.gov

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[1] Source: bit.ly/3xlC9yS/ 2020: 1 USD = EUR 0.8755
2 Source: Trade Date Monitor
[3] UK was still part of the EU Single Market and Customs Union in 2020.
[4] BVE Statistical booklet: bit.ly/3wyeJqc
[5] Exchange rate 2019: 1 USD = 0.8933 Euro

I. Market Summary

The German food service sector is large and highly fragmented but can be divided into the commercial and institutional food service markets. The German commercial food service market includes hotels, restaurants, fast food and take-away outlets, bars, cafeterias, coffee shops, and similar channels. The institutional food service market consists of hospitals, universities, nursing homes, and cafeterias. In comparison to 2019, German food service sales decreased by 38.6 percent to USD 68 billion in 2020. COVID-19 related lockdown measures were the primary reason for this decrease. With the closure of hotels, restaurants, and canteens, much of the demand shifted from restaurant and food service to food retail. The sector not only suffered from sales losses but also from employment losses. Many employees worked reduced hours or became unemployed.

Annual Turnover in the German Hotel/Restaurant/Institutional Sector

Sales (in USD Billions)	2017	2018	2019	2020[1]	% Change (2017 to 2020)
Hotels	34.2	35.4	39.1	21.1	-38.3
Restaurants, Fast Food Outlets	51.9	53.3	60.0	39.2	-24.5
Canteens and Caterers	9.9	10.3	11.7	7.7	-22.2
Total	**96.0**	**99.0**	**110.8**	**68.0**	-29.2

Source: DEHOGA, Sep 2021.

Restaurants had to get creative to stay open during the lockdown. They not only expanded their takeout options, but they often introduced their own delivery services. Others turned their dining rooms into makeshift grocery stores. After several months of lockdown measures, hotels and restaurants were able to reopen again in May 2021. In August 2021, hotels and restaurants achieved the best turnover since the beginning of the pandemic in March 2020 (5.7% decrease in sales in comparison to August 2019[2]). However, the sector currently faces a shortage of qualified workers. Sales for 2021 will be reflected in next year's report when the full year data is available.

Advantages and Challenges of the German Food Service Market

Sector Strengths & Market Opportunities	Sector Weaknesses & Competitive Threats
Germany is the biggest market in Europe with one of the highest income levels in the world.	Strong price sensitivity. German consumers demand quality but expect low prices.
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.
Germany is among the largest food-importing nations in the world.	EU import regulations and tariffs; EU gives preferential access to products from EU

[1] Exchange rate: 2020: 1 USD = 0.8755 Euro
[2] DEHOGA Press release, Sep 2021

	countries.
U.S. style is popular, especially among the younger generation; good reputation for U.S. foods like dried fruits, seafood, wine.	HRI companies rarely import products into Germany on their own, but rather utilize specialized wholesalers.
Germany is the largest EU market for U.S. beef under the EU import quota for high quality beef, which expanded in January 2020.	The quota only applies to beef from animals not treated with growth-promoting hormones.
Large non-German population and Germans' inclination to travel abroad help fuel demand for foreign products.	

II. Road Map for Market Entry

a) Market Structure

Purchasing by hotels, restaurants, and institutions is fragmented and competitive. Few of these businesses import products directly from other countries, except for items that they purchase in large quantities. Most HRI companies would rather purchase from central buyers/distributors importing food and beverages. In general, these wholesalers specialize in products or product groups. Some are even experts in food products from a specific country of origin. Specialized importers have an in-depth knowledge of import requirements, such as product certification, labeling, and packaging. They also typically handle shipping, customs clearance, warehousing, and distribution of products within the country. The two major distribution channels for the German food service trade are "cash and carry" wholesalers and specialized distributors/wholesalers.

Cash and carry wholesalers operate large stores with food and non-food products. They sell to retailers, restaurants, and other food service operators. Cash and carry stores offer a variety of products at competitive prices. They are not open to the average consumer.

Specialized distributors to the food service sector have dry and cold storage facilities with refrigerated/frozen trucks for deliveries. They buy from processing companies, importers, and occasionally, foreign exporters. To cover the entire German food service market, regional distributors have organized in groups, such as Intergast and Service-Bund. Some of those distributors organize in-house food shows once or twice a year, during which their suppliers can showcase their products to potential customers. This is an excellent opportunity for U.S. suppliers of products to enter the German food service market.

b) Entry Strategy

The German market offers good opportunities for U.S. exporters of consumer-oriented agricultural products. However, there are several challenges U.S. exporters must overcome before exporting to the German market. Success in introducing food products depends largely on market knowledge and personal contact with key decision-makers. The U.S. supplier should analyze German/EU food law, packaging and labeling requirements, business practices, trade-related laws and tariffs, potential importers, and the distribution system. The FAS Office of Agricultural Affairs (OAA) in Berlin offers guidelines on business practices and import regulations. The FAS Foreign Buyers List gives important information on German buyers of food and beverage products, including seafood.

Participating in German food trade shows is a proven and cost-effective way to find the right distributor and facilitate direct contact with German food brokers, importers, and wholesalers. Germany offers a wide variety of trade show venues for food and beverage products. Trade shows like ANUGA or Internorga enjoy an exceptional reputation and have a wide reach within the global food industry. U.S. exporters who are looking to sell to Germany should consider participating in or visiting the following trade shows.

Upcoming International Trade Shows in the HRI Sector in Germany

Trade Show	Date	Description
Chefs Culinar https://www.chefsinspiration.de/	**September 13 - October 1, 2021** (virtual event)	Trade fair for wholesale food trade for restaurant, hotel, and community catering.
Bar Convent Berlin https://www.barconvent.com/en-gb.html	**October 11-13, 2021** Berlin	International trade show for bars and beverages.
Nord Gastro & Hotel www.nordgastro-hotel.de	**January 31 – February 1, 2022** Husum	Trade fair for hotels and catering.
Internorga https://www.internorga.com/en/	**March 18-22, 2022** Hamburg	International tradeshow for hotel, restaurant, catering, baking, and confectionery trades.
GASTRO Summit Hanover https://www.gastro-summit.de/hannover/	**April 3-4, 2022 Hanover**	Trade fair for hotels, restaurants, and catering.

c) Distribution and Sub-Sector Profiles

With the temporary closure of hotels and restaurants due to COVID-19 related lockdown measures, the entire sector has suffered from the consequences of the pandemic. Consumer food service sales have been decreasing across all sectors. Hotel sales decreased from USD 39.1 billion in 2019 to 21.1 billion 2020.

Restaurants led the food service market in 2020, however, their sales were down considerably from the previous year (USD 39 billion in 2020 vs. USD 60 billion in 2019). International chains like McDonald's, Burger King, and Yum! Restaurants (KFC, Pizza Hut) have a very strong position in the German food service market.

Institutions were the smallest sector in food service in 2020, with sales of USD 7.7 billion. The majority of the institutional food service market is covered by caterers, of which Compass, Aramark, Sodexo, Klüh, and apetito are among the largest in Germany.

III. Competition

Trade within the EU27 bloc is significantly easier for Germany than trading outside the bloc, so it comes as no surprise that the top three exporters of most products to Germany are typically other European competitors to the United States. The United States ranked twelve of all countries in exports of customer-oriented agricultural products to Germany in 2020, but when accounting for the single market EU27, the United States is a much larger source for imported customer-oriented products. Therefore, the biggest competition for German market share is with Switzerland and Turkey, which exported slightly more to Germany last year, and China, New Zealand, South Africa, and Argentina, which exported less than the United States.

Table 4: Overall Competitive Situation for Consumer-Oriented Products (2020)

Product category Total German Import	**Main suppliers in percentage**	**Strengths of Key supply countries**	**Advantages and Disadvantages of Local Suppliers**
Tree Nuts (HS 0801 +0802 +200819) **MT 503,786** **USD 3.6 billion**	1. **USA – 23.2%** 2. Turkey – 18.2% 3. Netherlands – 9.9%	USA is the leading supplier of almonds, pistachios, and walnuts. 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 1.172 million** **USD 5.9 billion**	1. Poland – 23.1% 2. Netherlands – 15.2% 3. Denmark – 11% **5. USA – 3.8%**	Proximity and availability. USA is the second largest supplier of Alaska Pollock fillets.	Tradition in seafood trading and processing. Fish is popular.
Wine & Beer (HS 2203, 2204, 2205, 2206) **Liters: 2.164 billion** **USD 3.6 billion**	1. Italy – 32.4% 2. France – 25% 3. Spain – 11.4% **10. USA – 2%**	1-3) Proximity, reputation, climatic conditions for wine growing.	Wine only grows in southern part of country. Insufficient domestic supply.
Food Preparations (HS 210690) **MT 440,884** **USD 2 billion**	1. Netherlands – 18% 2. France – 11% 3. Poland – 10% **9. USA – 3%**	1-3) Proximity and availability.	Strong domestic food industry.
Peanuts	1. Netherlands – 58%	1+3) Volumes consist of re-	No local availability,

(HS 1202) **MT 140,406** **USD 212.8 million**	2. Argentina – 11% 3. Belgium – 8% **4. USA – 7%**	exported peanuts from Argentina, USA, Brazil	high demand from well-established snack food industry
Dried Prunes (HS 0813 20) **MT 11,994** **USD 41.7 million**	**1. USA – 34.8%** 2. Chile – 32.5% 3. Netherlands – 13.9% 4. France – 5.3%	1) Good reputation for quality, California origin adds value 2) Product pricing, zero duty access through EU-Chile FTA	No local availability
Raisins (HS 0806 20) **MT 81,294** **USD 170.9 million**	1. Turkey – 32.7% 2. South Africa – 25.4% 3. Netherlands – 11.2% **4. USA – 6.8%**	1) Pricing	No local availability
Meat (HS 02) **MT 2.193 million** **USD 7.1 billion**	1. Netherlands – 25.4% 2. Poland – 12.7% 3. Belgium – 11.8% **18. 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.
Sauces and Preparations (HS 2103) **MT 358,127** **USD 782.9 million**	1. Italy – 29% 2. Netherlands – 22% 3. Poland - 6% **11. USA – 2%**	1-3) Proximity and availability. USA is well known supplier of BBQ sauces.	Strong domestic food industry.
Snack Foods excl. nuts (HS 1905 + 1704) **MT 1.1 million** **USD 3.4 billion**	1. Poland – 16,9% 2. Netherlands – 16,8% 3. Italy – 12,2% **25. USA – 0.4%**	1-3 Proximity and availability. 1) Volumes also consist of re-exports from China, Thailand, & USA.	Tradition in snack food production. Germany is one of the global market leaders in snack foods.

Source: Trade Date Monitor, Products ranked according to value of U.S. products (last update: June 21, 2021)

IV. Best Product Prospects Categories

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 Trade Data Monitor.

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

Product Category	Total German Imports 2020 [USD]	Total German Imports from the USA 2020 [USD]	% Change from 2019	% Change from 2016	Market Attractiveness for USA
Tree Nuts	$3,586,145,783	$828,741,032	+10.4%	+36.9%	The USA is consistently the leading exporter of almonds, pistachios, and walnuts to Germany. Demand is

					strong for tree nuts, particularly for snacking and confectionery.
Hops	$101,246,919	$35,956,677	+4.4%	+82.1%	German demand for imported hops has more than doubled in the past six years, and the popularity of craft brewing continues to drive demand up.
Sweet Potatoes	$63,808,459	$2,043,862	-30.9%	+69.7%	German demand for imported sweet potatoes has doubled in the past six years. Sweet potatoes are becoming more popular in processed snacks and in cooking.
Pulses	$161,563,058	$7,194,875	+49.2%	+22.0%	Increased interest in pulses as alternative protein source.
Fish and Seafood	$5,940,755,464	$224,439,214	-3.5%	+7.1%	After a downward trend in 2018, demand in Germany is on the rise again.
Whiskey	$430,184,990	$76,926,441	+2.3%	-8.1%	The USA is the second-largest exporter of whiskies after the UK.

b) Top 5 consumer-oriented products imported from the world

Product	Total German Imports 2020	Total German Imports from the U.S. (USD)	U.S. Import Growth (2016-2020)
Dairy	$9,055,829,313	$19,665,073	-14.4%
Fresh Fruit	$7,916,735,361	$770,767	-75.7%
Fresh Vegetables	$5,967,951,825	$419,756	-28.9%

Chocolate & Cocoa Products	$3,742,161,465	$3,426,833	+15.9%
Food Preps. & Misc. Bev.	$2,100,158,547	$70,910,018	+103.9%

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

- High-quality beef
- Cranberries and cranberry products
- Innovative sauces, condiments, and confectionery products
- Products featuring "sustainable" or other social issue-based marketing labels

d) Products not present because they face significant barriers

- Food additives not approved by the European Commission
- Red meat and meat products with hormones
- Most poultry and eggs (non-tariff barrier)
- GMO-derived products that are not approved in the EU

V. Key Contacts and Further Information

Major Regulatory Agencies

Name	Contact	Info
Bundesministerium fuer Ernaehrung und Landwirtschaft (BMEL) (Federal Ministry of Food and Agriculture) Rochusstr. 1 53123 Bonn, Germany	Tel: +49-228 – 99-529-0 Fax: +49-228 - 99-529-4262 Website: www.bmel.bund.de	
Bundesamt für Verbraucherschutz und Lebensmittelsicherheit (BVL) (Federal Office of Consumer Protection and Food Safety) Bundesallee 51 38116 Braunschweig	Tel.: +49 30 18444-99999 Fax: +49 30 18444-99099 E-Mail: poststelle@bvl.bund.de Website: www.bvl.bund.de	The biotech division and the novel foods/feeds division of BVL are responsible for registration and approval of biotech products and novel foods.
Bundesanstalt für Landwirtschaft und Ernaehrung (BLE) (Federal Office for Agriculture & Food) Referat 521 Deichmanns Aue 29 53179 Bonn, Germany	Tel.: +49 228 6845 - 2915 or -3015 Fax: +49 228 6845-3109 Website: www.ble.de/EN/Home/home_node.html	BLE is the responsible German authority for organic import rules.

Other Import Specialist Technical Contacts can be found in the latest Food and Agricultural Import Regulations and Standards report for Germany.

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

- USDA/FAS Washington: https://www.fas.usda.gov/
- USDA/FAS Europe: http://www.fas-europe.org
- USDA/FAS U.S. Mission to the European Union: http://www.usda-eu.org

For U.S. exporters it might be helpful to access the German business portal IXPOS, 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.

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:

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

Tel: (49) (30) 8305 – 1150
E-Mail: AgBerlin@usda.gov
Homepage: www.fas-europe.org
Twitter: @FASEurope

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