

**Voluntary Report** – Voluntary - Public Distribution

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**Report Highlights:**

German food culture is turning more and more vegan. In 2017-2018, 15 percent of worldwide new vegan food and drink product launches occurred in Germany. According to a study from the Federal Ministry of Food and Agriculture, about 35 percent of the population see the availability of vegetarian or vegan products as ‘very important’, and 63 percent of Germans are trying to reduce their meat consumption, making the country one of the most vegetarian places in the world.

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## I. Executive Summary

Finding vegetarian and even vegan options is becoming easier in Germany - a land more commonly known for its sausages, schnitzel and abundant meat-plates, which usually star pork. Germany has the highest rate of vegetarianism compared to its European neighbors; the number of vegans is also on the rise. According to [Proveg International](#), an international food awareness organization, there are 1.3 million vegans — people who don't consume any animal products – and 8 million vegetarians among Germany's population of 82 million. It's a number that increases every year. The food and beverage industry is changing - that much is clear. This report presents a closer look at the German vegan landscape and its health-focused consumers.

## II. Meet the Vegans

In recent years, the vegan population (people who do not eat or use animal products) in Germany has rapidly expanded. Since 2014, the number of people identifying as either complete or nearly complete vegetarians has grown by approximately 700 thousand individuals, reaching about 8 million people in 2019. According to a study from the [Federal Ministry of Food and Agriculture](#), 1 percent of this number are vegans (814,000 individuals). In addition, about 35 percent of the population see the availability of vegetarian or vegan products as “very important,” and 63 percent of Germans are [trying to reduce](#) their meat consumption, making the country one of the most vegetarian places in the world.

Much of the vegan population sees veganism as a lifestyle choice, not just a dietary restriction. An increase in desired wellness resulted in changes in consumer diets, facilitating the rise of vegetarianism and veganism among the German population, that is increasingly concerned about animal welfare, the environment, and, especially, their health. In 2019, the vegan supermarket chain [Veganz](#) conducted a survey, where at least 55 percent of the participants cited health reasons and 80 percent cited environmental reasons when asked why did they become vegan.

People are increasingly motivated to refuse meat for the sake of the planet. Faux animal products boomed in 2019. California-based Beyond Meat had the biggest initial public share offering (IPO) of the year in May, as its value rose nearly 500 percent (quarterly sales reported this week also tripled year-on-year). Alternative meat is a favorite of “flexitarians,” who salve their conscience by choosing the occasional Impossible Burger or the Beyond Meat version, that was [sold out in hours](#) after its triumphal debut in Lidl’s 3,200 German stores in May. The price for one package (227 grams) with two patties was EUR 4.99.

According to [Statista](#), about 70 percent of German households would like to see a larger variety of vegetarian products in supermarkets, with slightly less than two-thirds buying such products intentionally. German consumers interested in vegan and vegetarian products generally have serious and attentive attitudes towards what they want to buy. [Statista](#) surveys also show that customers would like to see independent store seal indicators that a product is vegan or vegetarian, as well as a wider range of such products overall. Vegan culture in Germany prioritizes unprocessed, natural, and wholesome products, more specifically organic, no additives, no/low allergens, and gluten-free.

### III. The Market

Germany has nearly 83 million of the world's wealthiest consumers. This makes Germany 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. Overall, Germany is a net importer of all major categories of food products. Grocery retailing reached an estimated USD 273.5 billion in 2018 and imports of agricultural products increased by 2.9 percent to USD 108 billion. Imports of consumer-oriented agricultural products totaled USD 64.4 billion in 2018.

Over the past few years, German food market experienced a rapid growth of vegan food development and restaurants. In 2018, the vegan/vegetarian market was worth \$1.96 billion. Proveg (formerly Vegetarierbund Deutschland or VEBU) recorded a 5 percent growth in 2017 in vegan catering establishments throughout Germany as compared to 2016.

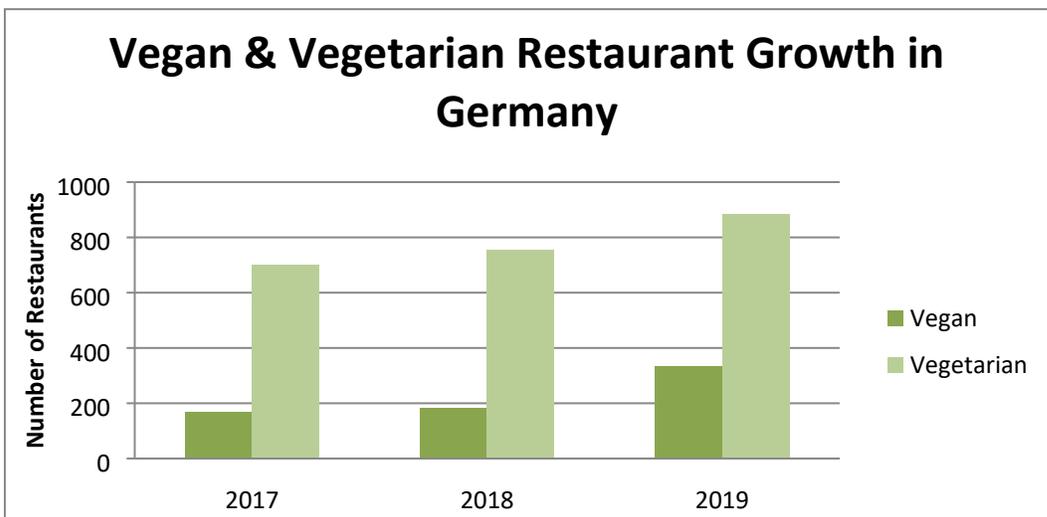
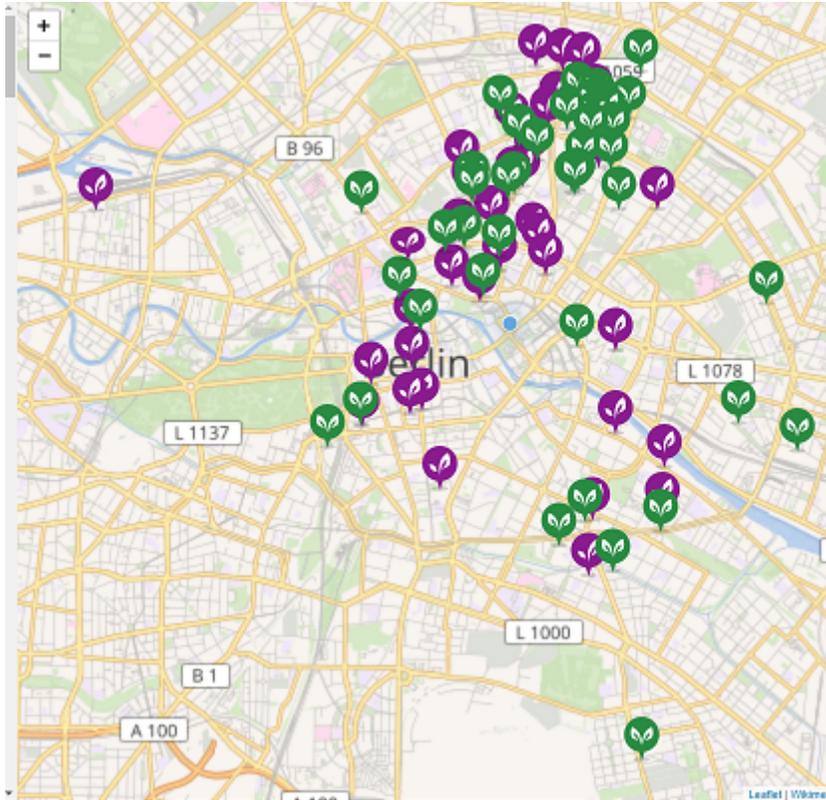
Between 2013 and 2018, introduction of new vegan ready-made foods has nearly tripled. In 2017-2018, 15 percent of worldwide new vegan food and drink product launches occurred in Germany. That is the largest percentage worldwide. In 2012, only 1 percent of these launches occurred in Germany, which highlights the massive growth of the market in recent years.

German capital has become a haven for vegans, with specialized restaurants, butchers, and even sex shops. In today's Berlin, food is receiving unprecedented attention, bringing together tradition and innovation, humble and fine dining. The city is known as a fast-growing startup hub, attracting young professionals from all over the world. Each year, around 50 thousand new inhabitants are shaping its diverse and innovative food landscape. This rich concentration of traditional regional German and international cuisines offers new flavors for the booming trendy food scene that can be witnessed at [Berlin Food Week](#).



Source: [Berlin Food Week](#)

Berlin is one of Europe's most influential cities when it comes to vegetarian, vegan, and sustainable cuisine. Being one of the places in the Western hemisphere with the most vegan restaurant options, Berlin's vegetarian and vegan populations are growing steadily and many cities in the country are adopting Berlin's attitude of sustainable food consumption. According to HappyCow, a vegetarian restaurant database, currently there are at least 333 vegetarian/vegan restaurants in Germany, 202 of which are located in the German capital.



Source: [HappyCow](https://www.happy-cow.com/)

Berlin is also the host for the largest vegan summer festival in Europe. In 2019, the 12<sup>th</sup> annual festival took place on August 23-25 at Alexanderplatz. Sponsors of this event include LPG, fritz-kola, Vitam and other vegan cooperators. Additionally, there is a so-called “vegan avenue” on Schivelbeiner Straße in the north of the city - a full city block dedicated to vegan food, clothes, and restaurants.

German fast food and snack culture is also undergoing a noticeable change. Classic fat and salty options are generally considered unhealthy and constantly lose their followers. A demand for vegetarian and

vegan snacks and fast food options is growing as the stalls and snack bars adapt by adding more falafel or tofu on the menu. Nearly every international fast food chain now offers alternative burgers and other vegetarian options to their health-aware customers in Berlin.



*Veganz located at Schivelbeiner Straße. Source: [Road trips around the world](#)*

#### **IV. Labeling**

Germany has gone so far as to create legal definitions of vegan and vegetarian for food labeling. To be defined as vegan, foods must not be of animal origin or contain ingredients, processing aides, or other substances of any animal origin. Vegetarian goods have the same restrictions as vegan ones except that they may contain milk, colostrum, eggs, honey, beeswax, propolis, or wool grease. These legal definitions do not differ from the usual U.S. definitions, though they do not have the legal standing. The EU-vegetarian label has become a well-recognized, registered symbol for labelling vegan and vegetarian products and services as seen below:



At the end of 2018, the German food book Commission ([Deutsche Lebensmittelbuch-Kommission](#)) published new guidelines for vegan and vegetarian food. These new principles reflect manufacturing and commercial practices as well as consumer expectations, in particular with respect to vegan and vegetarian food products that have a sensory similarity to products from animal origin.

## V. Best Prospects

According to the Institute for Commercial Research (IFH) in Cologne, the three top-selling product groups are vegetarian-vegan meat and milk alternatives, superfoods (foods that are rich in health beneficial compounds like fiber, antioxidants etc) and "breakfast" category. Germany has a reputation as a meat loving country and, in Berlin, that seems to be true of its vegan population. More and more eateries in the German capital - from gourmet restaurants to fast food joints – are [serving up tasty Vleisch](#), or vegetarian Fleisch (meat).

This is great news for U.S. vegan brands as it shows that Germany could be a strong market.

### 1. Meat substitutes:

- The German food industry is reacting to customer demand for a less meat-heavy diet. The amount of plant-based foods and drinks on the market has quadrupled between 2014 and 2018.
- The projected growth of meat substitute sales between 2019-2023 is 5.8 percent Compound Annual Growth Rate (CAGR). There is room for future growth, but substitutes are usually seen as a transition food rather than a long-term staple of a vegan diet.
- Meat substitutes are the most popular processed vegan products in Germany, reaching US\$ 200 million in sales last year.
- According to Statista, the UK and Germany are the [leading markets for meat substitutes](#) in Europe. Both countries were also among the top five countries, together with Italy, Sweden, and Spain, whose population were most likely to eat alternative meats.

### 2. Dairy product substitutes:

- The projected growth of dairy alternatives sales between 2019-2024 is 7.2 percent CAGR.
- According to Nielsen data, plant-based milk comprised 15 percent of total milk sales in 2018.
- It is important to note that the European Court of Justice ruled in a case that says dairy terms, such as milk and butter, cannot be used on plant-based products that are designed as substitutes.

### 3. Superfoods and breakfast foods like muesli, cornflakes, and spreads on the basis of herbs, seeds, nuts, legumes, vegetables, and vegetable oils.

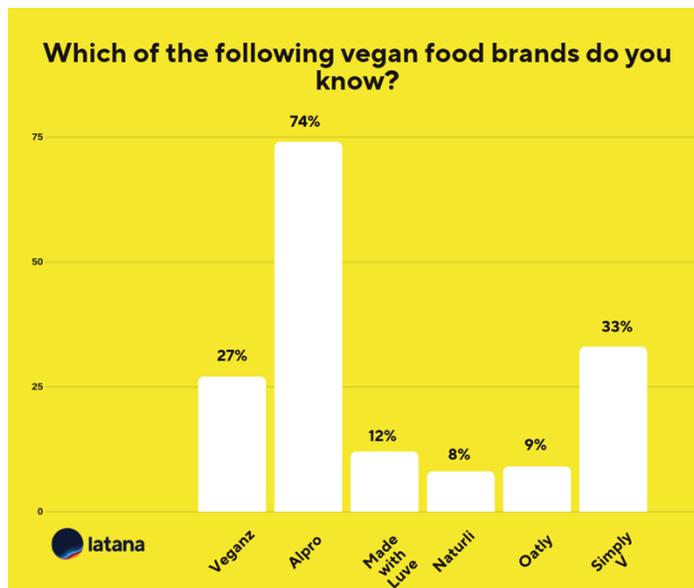
- Germany is one of the world's leading markets for superfoods with constantly growing customer demand and the second highest rate of new product launches.
- Inside the German superfood market is a growing demand for organic superfood alternatives.
- Mintel's research reveals that between 2013 and 2016, Germany witnessed a more than four-fold increase (+433 percent) in the number of new food and drink launches containing the descriptors 'superfood', 'superfruit', 'supergrain', 'supergreen' or 'superseed'.

### 4. Innovative foods and hemp-based products:

- Hemp has been known for many years, but it has only become a ‘trend’ in the last 2–3 years. In Europe the “Hemp Hype” started in Italy and from there has spread over the Europe continent. Interestingly, in the EU hemp products must not contain more than 0.2 percent of THC, while in the US the limit is set to be 0.3 percent. Today the range of hemp products that can be purchased in-stores or online is quite wide: protein powder, hemp oil, soft drinks, snacks just to name a few.
5. Sustainability. Sustainability. Sustainability.
- German consumers are becoming more aware of sustainability and are making their purchases accordingly. Just like the clean label movement, growing demand for sustainable products is ‘pushing’ the food industry to come up with new innovative solutions.
  - According to the [Forsa Institute](#), when asked about their food values and eating habits, German respondents over the age of 14 said they regularly cooked at home, and were committed to reducing waste. Not long ago, Germany would have been called a paradise for meat-lovers, and while meat also goes through a [sustainable renaissance](#) with high standards to origin and animal welfare, more and more chefs put vegetarian and vegan fare high up on their menus.

## VI. Competition

So how are other vegetarian and vegan brands doing in Germany? Have the ones who already tried to penetrate this market managed to develop a loyal and dedicated audience? [Latana Brand Analytics](#) conducted a survey in 2019 to see which vegan food brands German consumers they were aware of and which ones they would consider using, and these were the results. **Alpro** came top as 74 percent of respondents had heard of it. The Belgian brand is miles ahead of local German brands, unusual as Germans tend to stick to home products. 33 percent knew **Simply V** and 27 percent were aware of **Veganz**. The bottom three brands were **Made with Luve** (12 percent), **Oatly** (9 percent), and **Naturli** (8 percent).



Source: Latana Brand Analytics

Most major vegan food producers are based in the United States. The United States has most of the staple meat substitute companies for instance. However, there are several competitors in Canada. Additionally, the number of vegan producers, especially in places like Germany, is growing as the market expands rapidly. The majority of European vegan competition is based in the UK. A list of some major European vegan producers includes:

<b>Company (Country of Origin)</b>	<b>Products</b>
Alpro (Belgium)	organic and non-organic, non-GMO soy-based products
Happidog (UK)	vegetarian hot dogs
Huel (UK)	liquid vegan food
Quorn (UK)	meat substitutes and pre-packaged meals
Vegetarian Butcher (the Netherlands)	meat substitutes
Innocent (UK)	juices and smoothies
Plamil Foods (UK)	soy milk, horchata, egg-free mayonnaise, chocolate, and carbo bars
K-Take it Veggie (Germany)	bread spreads, dairy and meat alternatives, and prepared foods
Made with Luvé (Germany)	vegan dairy alternatives and ice cream
SimplyV (Germany)	vegan spreads and cheeses
Veganz (Germany)	bread spreads, dairy and meat alternatives, and prepared foods

It is important to note that this is not an exhaustive list, especially considering major companies that produce vegan products as only a portion of their inventory rather than the entirety. This includes but is not limited to:

- ❖ Erasco
- ❖ Kühne
- ❖ Lambertz
- ❖ Pfanner
- ❖ RUF
- ❖ Rügenwalder Mühle
- ❖ Demeter
- ❖ Gutfried

## **VII. Marketing opportunities**

### **Biofach Trade Show**

Biofach trade show is the world’s leading trade show for organic foods with 2,989 exhibitors and over 51,000 visitors (about half of which are from Germany) at the 2019 trade show. There was a special part of the exhibition titled “*Experience the World of VEGAN*” with many new vegan products being presented there. Biofach is a great opportunity for U.S. companies to connect with importers and

retailers and promote their products. Biofach 2020 will take place on February 12-15, 2020 in Nuremberg, Germany.

To sign-up as an exhibitor or visitor for Biofach 2020, visit <https://www.biofach.de/en/contact>. For more information on Biofach and German organic market, please contact the U.S. Office of Agricultural Affairs in Berlin, and view our latest GAIN report on this topic.

### **VeggieWorld**

VeggieWorld is Europe's largest consumer fair for the vegan lifestyle. Exhibitors show their latest products and services. Visitors have a chance to try, buy and get detailed information about the entire range of vegan food and non-food-products. The conference program with interactive panels and high-level speakers conveys the latest insights and trends in the fields of vegan products and lifestyle.

VeggieWorld will be held in Berlin on March 7-8, 2020.

### **Rohvolution**

The Rohvolution is an exhibition specializing in uncooked vegetarian food with the goal to present a healthier alternative diet. The focus lies on the exchange between exhibitors and visitors.

In 2020, the exhibition will be taking place in Berlin, Munich, and Speyer.

### **Veggie & Frei Von**

The exhibition Veggie & frei von is an exhibition focused on free from foods as well as vegetarian products. The show includes cooking workshops, dietary consulting as well as a huge variety of vegan, vegetarian and free from products.

The Veggie & Frei Von will take place November 19-22, 2020 in Stuttgart.

## **VIII. Post Contact and Further Information**

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

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**Attachments:**

No Attachments.