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Germany

HRI Food Service Sector Report

2004

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Report Highlights:
The German food service sector is highly fragmented. Total turnover in 2003 amounted to 55.5 billion Euro ($62.8 billion). Following two years of economic downswing, the outlook for the near future is gradually improving. Based on the continuing trend for foreign foods, the German HRI sector offers good potential for U.S. suppliers.

Includes PSD Changes: No
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SECTION I. MARKET OVERVIEW

Macro Economic Situation

Germany, with its 82.5 million people, is the world's 5th largest national economy and is the leading market for food and beverages in the European Union.

Since the mid 1990s, the German economy has slowed down to the point that it has become one of the slowest growing economies in the entire Euro zone. Growth in 2001-2003 fell short of 1 percent and a quick turnaround is not expected in the foreseeable future. Growing export demand is expected to drive significant growth in the near future.

In addition to stagnant growth, the German economy is also plagued by high unemployment and budget deficits. Unemployment in 2003 reached 10.7 percent, while the budget deficits rose to an estimated 3.7 percent of GDP in 2002 and 2003. As a result of these negative economic indicators and negative media reports, consumer confidence in Germany has plummeted. Demand for consumer products has declined in recent years and does not appear to be improving. In fact, consumer savings are estimated at 10.6 percent in 2003 up from 9.8 percent in 1999.

Since January 2002, eleven EU countries including Germany replaced their national currencies to the Euro currency. This money exchange process was accompanied with noticeable price increases in the restaurant and gastronomy sector and in parts of the retail sector. However, the officially reported inflation rate remained relatively low at 0.9 percent in 2003.

Key Demographic Trends

- The average German consumer can be characterized as relatively affluent and older. Increases in the number of working women and the number of single-person households, as well as the large immigrant population, are other notable demographic characteristics.

- Germany has one of the lowest birth rates in the world of only 1.4 babies per woman of childbearing age that has led to an older age structure of the German populace. This trend is not expected to reverse in the foreseeable future. Currently, of Germany's 82.5 million inhabitants, 35.4 million, or more than 40 percent, are 45 years of age or older. Given current demographics, by the year 2030, every other German will be 50 years of age or older.

- Along with an aging population, a rising number of single-person households and of women in the workforce has also had a substantial impact on food consumption. Currently there are about 14.4 million single-person households in Germany, about 40 percent of which are accounted for by persons under 45 years of age.

- The growing number of working women has increasingly contributed to Germany's high average net household income. The percentage of working women in the 15-65 age group is 58.9 percent.

- The high share of single-person households and the rising number of working women has led to strong growth in the consumption of more convenient types of foods and beverages, such as frozen foods, snacks, prepared and other convenience foods. People spend less time preparing meals, which has increased the frequency of dining out and eating on the run.

- More than a decade after reunification, the income gap between the 67 million people living in the western German states and the 15 million in the former East Germany still exists. Average incomes in the eastern states are still markedly lower than in the west and the unemployment rate in the east is more than twice as high than in the west. For example, in June 2004, unemployment in the former eastern states was 18.1 percent versus 8.1 percent in the former western states.

- A large immigrant population and the penchant by Germans to travel abroad have also influenced domestic food consumption behavior.

- About 7.3 million foreigners without German passports live in Germany, the majority of whom have been in Germany more than 10 years. These foreign populations, with their special products and cuisines, have exerted considerable influence on the consumption patterns of the entire nation.

- As "world class" travelers, many Germans have been exposed to a large variety of different cultures, which has also been translated into consumer preferences for certain foods.

Expenditures of German households in billion Euros (Dollars)			
	2001	**2002**	**2003**
Food, Beverages And Tobacco Products	186.23 ($166.79)	188.68 ($178.42)	191.74 ($216.90)
Hotel and Gastronomy Expenditures	57.3 ($51.32)	54.5 ($51.54)	51.6 ($58.37)

Source: Federal Statistical Office.
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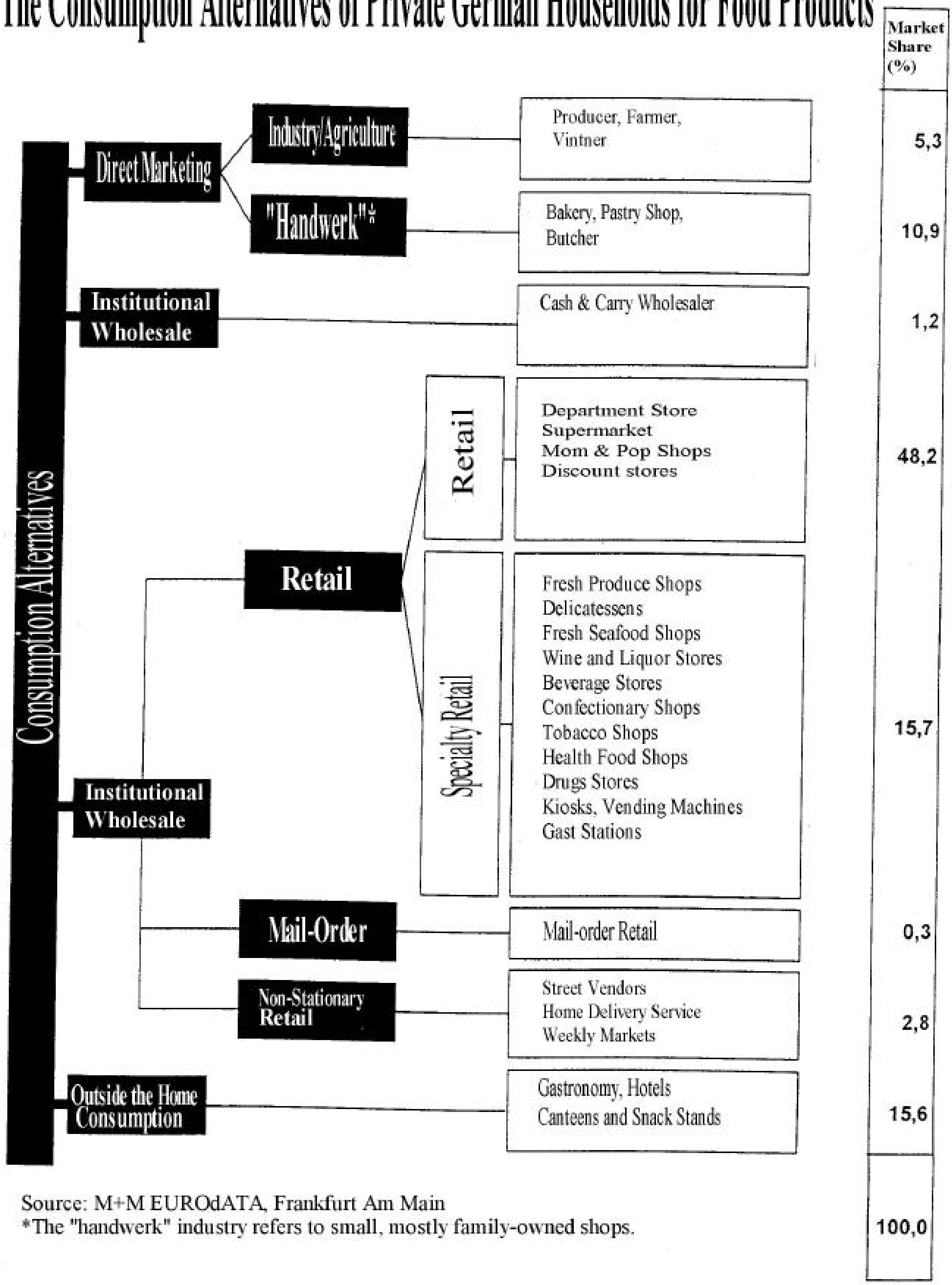
The Consumption Alternatives of Private German Households for Food Products



Source: M+M EUROdATA, Frankfurt Am Main
*The "handwerk" industry refers to small, mostly family-owned shops.

Food Service Sector Overview:

The German food service sector is large and highly fragmented. Total turnover of the German food service market amounted to 55.5 billion Euro in 2003 ($ 62.8 billion), 5.1% less that 2002. This decrease can be attributed primarily to the depressed economic climate. High unemployment and the uncertainty of the economic future induces consumers to increase savings and reduce expenditures, e.g. by eating out less. According to M+M EUROdATA research, German consumers primarily purchase food and beverage products at the retail level. A little over 15 percent of German food and beverage expenditures are from the food service sector (restaurants, hotels, etc).

The traditional full-service gastronomy (restaurants, pubs, cafes) suffered most from the economic downswing, whereas the bigger players actually achieved a small increase in revenue. This can be attributed largely to their ability to streamline expenses and reduce overhead costs. The outlook for the near future is gradually improving, albeit only marginally. Take away foods and hand-held snacks, the least expensive options for consumers are viewed as trends with the most potential in the near future, while fine dining and similar service providers are the most impacted by the economic situation.

Industry sources estimate the growth chances in the German food service sector over the next 2-3 years as follows (based on a scale of +5 to –5):

Take away	2.39
Coffee bars/shops	2.04
Gas station snacks	1.66
Home-delivery	1.64
Leisure	1.38
Bakery/butcher snacks	1.09
Event catering	1.03
Travel	0.79
Big events	0.75
Fast food classics	0.73
Retail restaurants	0.54
Canteens	- 0.05
Fine dining	- 0.10
Snacks classic	- 0.27
Full service / a la carte	- 0.46

Source: FoodService Europe & Middle East

Number of Outlets in the German Hotel / Restaurant / Foodservice Sector

	1999	2000	2001
Hotels, Guesthouses, B&B, etc.	42,853	42,123	41,543
Holiday Parks, Camping Grounds, Hostels	6,666	6,857	6,988
Restaurants – Food oriented, Cafes, Snack shops, Ice Cream shops, etc.	133,876	133,417	132,586
Gastronomy – beverage oriented (bars, discos, pubs, etc.	63,670	61,258	59,287
Canteens and Caterers	7,816	8,210	8,359
Total	**254,881**	**251,865**	**248,763**

Source: DEHOGA (latest available data)

Annual Turnover in the German Hotel / Restaurant / Foodservice Sector

Turnover	2001		2002		2003	
	Billion Euro (dollar)	% Change	Billion Euro (dollar)	% Change	Billion Euro (dollar)	% Change
Hotels	19.4 ($17.4)	+ 1.2	18.8 ($17.8)	- 2.7	18.1 ($20.5)	- 3.7
Restaurants & Fast Food Outlets	37.9 ($33.9)	+ 6.5	35.7 ($33.8)	- 5.8	33.5 ($37.9)	- 6.2
Canteen & Caterers	4.1 ($3.7)	+ 0.1	4.0 ($3.8)	- 3.8	3.9 ($4.4)	- 1.5
TOTAL	61.4 ($55.0)	+ 1.2	58.5 ($55.3)	- 4.7	55.5 ($62.8)	- 5.1

Source: DEHOGA
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- The number of outlets in the German food service industry shows diverging trends. While the number of restaurants has continuously declined from 201,356 in 1996 to 191,873 in 2001 (latest available figure), the number of canteens and caterers has increased from 6,870 to 8,359 during the same time frame.
- In 2003, German consumers spent an average of EURO 351 ($ 397) on foods and beverages away from home, 19 EURO less than 2002.

Advantages/Opportunities and Challenges Facing U.S. Products in Germany

Advantages/Opportunities	**Challenges**
Germany's 82.5 million inhabitants have one of the highest income levels in the world.	Very competitive market combined with stagnant growth in food service sales.
Germany is among the largest food/beverage importing nations in the world.	German (EU) import tariffs on certain products are high. EU enlargement will give preferential access to products from accession countries.
Relative weakness of the U.S. dollar versus the EURO could benefit U.S. products.	German buyers demand quality, but also low prices; U.S. exporters must comply with German/EU standards and regulations
Germany has many, well-established importers. The distribution system is well developed.	Products often lose US-origin identification.
The "American-Way-of-Life" and U.S.-style foods are popular, principally among the affluent younger generation.	German food industry produces "US-style" foods domestically.
Large non-German population and German's penchant to travel abroad help fuel demand for a variety of foreign foods.	Quantitative demand for particular brands or products is often too small for commercially viable imports.

Structure of the German Foodservice Sector

The German food service sector can be divided into commercial and institutional food service:

<u>Commercial Foodservice:</u>

The German commercial foodservice market includes hotels, restaurants, fast food & take out outlets, bars, cafeterias, coffee shops, and similar outlets.

The 5 key sectors in the commercial foodservice sector are:

Sector	**% of total sales in 2003**	**Increase in sales 2003**
Fast food	52.0 %	0.6 %
Travel	23.0 %	0.4 %
Retail	9.0 %	3.9 %
Full service	8.7 %	- 6.7 %
Leisure	7.3 %	3.7 %

Total sales in the German fast food sector in Germany amounted to 4.13 billion Euro in 2003 ($4.67 billion), which is 0.6 percent more than in 2002. The number of outlets declined by 1.9 percent to 9,368. The top 5 players in the German fast food sector are:

2003 turnover (in million)

Company	Euros	Dollars	Outlets
McDonald's	2,270.0	$ 2,567.9	1,244
Burger King	504.0	$ 570.1	404
Nordsee	296.9	$ 335.9	367
Aral	132.0	$ 149.3	1,134
YUM!	122.4	$ 138.5	123
TOTAL Fast Food	**4,134.6**	**$ 4,677.2**	**9,368**

Total sales in the German travel gastronomy sector in Germany amounted to 1.831.0 billion Euros ($ 2.1 billion) in 2003, which is 0.4 percent more than in 2002. The number of outlets declined by 1.5 percent to 1,388. The top 5 players in the German travel food service sector are:

2003 turnover (in million)

Company	**Euros**	**Dollars**	**Outlets**
Lufthansa LSG	727	$ 822	44
Tank & Rast	498	$ 563	395
Mitropa	120	$ 136	203
Gate Gourmet	106	$ 120	11
Stockheim	102	$ 115	27
TOTAL Travel	**1,831**	**$ 2,071**	**1,388**

Total sales in the retail foodservice sector in Germany amounted to 711.9 million Euros in 2003 ($ 805 million), which is 3.9 percent more than in 2002. The number of outlets declined by 0.7 percent to 684. The top 5 players in the German retail food service sector are:

2003 turnover (in million)

Company	Euros	Dollars	Outlets
Karstadt	253.6	$ 286.9	212
Metro	232.0	$ 262.4	291
Ikea	100.0	$ 113.1	32
Globus	49.0	$ 55.4	56
Kaufland	23.0	$ 26.0	23
TOTAL Retail	**711.9**	**$ 805.3**	**684**

The full service food segment suffered the largest decrease in this sector. Total sales in the full service sector in Germany amounted to 690.0 million Euros in 2003 ($ 782 million), which is 6.7 percent more than in 2002. The number of outlets declined by 6.8 percent to 373. The top 5 players in the German full service sector are:

2003 turnover (in million)

Company	Euros	Dollars	Outlets
Moevenpick	102.9	$ 116.4	38
Whitbread	94.0	$ 106.3	66
Kuffler	72.0	$ 81.5	35
Block House	69.4	$ 78.5	40
Kaefer	67.0	$ 75.8	8
TOTAL Full Service	**690.9**	**$ 781.6**	**373**

Total sales in the leisure sector in Germany amounted to 538.7 million Euros in 2003 ($ 660 million), which is 3.7 percent more than in 2002. The number of outlets increased by 8 percent to 663. The top 5 players in the German leisure sector are:

2003 turnover (in million)

Company	Euros	Dollars	Outlets
G&Tanz	58.5	$ 66.2	47
Mitchells & Butlers	56.5	$ 63.9	47
Extrablatt Group	40.7	$ 46.0	41
Europa-Park	40.5	$ 45.8	34
Cinemaxx	40.0	$ 45.3	49
TOTAL Leisure	**583.7**	**$ 660.3**	**663**

Top 20 German Gastro Service Companies

Rank	Company	Type * /	No. of outlets	Turnover - 2003 Million EUR	Million USD	Growth rate 2003/02 (in %)
1	Mc Donald's Deutschland Inc., Munich	FF	1,244	2270.0	2567.9	-0.4
2	LSG Lufthansa Service Europe/Africa GmbH, Neu-Isenburg	VG	44	727.0	822.4	1.4
3	Burger King GmbH, Munich	FF	404	504.0	570.1	9.6
4	Autobahn Tank & Rast GmbH, Bonn	VG	395	498.0	563.3	1.0
5	Nordsee Fischspezialitaeten GmbH & Co.KG, Bremerhaven	FF	367	296.0	334.8	-3.7
6	Karstadt Quelle AG, Essen	HG	212	253.6	286.9	11.3
7	Metro AG, Duesseldorf	HG	291	232.0	262.4	-0.9
8	Aral AG, Bochum	FF	1,134	132.0	149.3	-8.0
9	YUM! Restaurants Int'l., Duesseldorf	FF	123	122.4	138.5	2.0
10	Mitropa AG, Frankfurt/Main	VG	203	120.0	135.7	3.8
11	Gate Gourmet GmbH Deutschland, Neu-Isenburg	VG	11	106.0	119.9	-1.5
12	Moevenpick Deutschland, Stuttgart	AS	38	102.9	116.4	-35.0
13	Stockheim Gruppe, Duesseldorf	VG	27	102.0	115.4	-5.9
14	Ikea Deutschland GmbH & Co.KG, Hofheim-Wallau	HG	32	100.0	113.1	14.0
15	Whitbread Restaurants Holding GmbH, Duesseldorf	AS	66	94.0	106.3	-2.9
16	Deutsche Bahn AG, Frankfurt/Main	VG	533	80.0	90.5	-12.5
17	Haus Kuffler GmbH & Co.KG, Munich	AS	35	72.0	81.4	-4.2
18	Kamps AG, Duesseldorf	FF	1,047	70.0	79.2	-4.3
19	Block House Gruppe, Hamburg	AS	40	69.4	78.5	0.1
20	Shell Deutschland Oil GmbH, Hamburg	FF	898	68.2	77.1	-18.9
	Total turnover TOP 20			**6,019.5**	**$ 6,809.4**	**0.1**
	Total turnover gastro service			**7,952.1**	**$ 8,995.6**	**0.4**

* **Categories:**
AS - Full service
FF - Fast food / Snacks
FZ - Leisure gastronomy
HG – Retail gastronomy
VG – Transportation / Fairground gastronomy

Source: Food-Service
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Institutional Foodservice:

The majority of the institutional foodservice market is covered by caterers. The 2003 market can be segmented as follows:

Company Restaurants/Cafeterias – 54 %
2003 Sales in millions

Top 5 players	Euro	Dollar	% change from 2002
Compass	484.0	$ 547.5	0.2
Aramark	238.0	$ 269.2	- 1.0
Dussmann	111.5	$ 130.7	1.8
Sodexho	97.2	$ 110.0	0.5
DB Gastronomy	69.2	$ 78.3	-12.0
TOTAL	1,321.2	$ 1,494.6	0.2

Hospitals – 26.5 %
2003 Sales in millions

Top 5 players	Euro	Dollar	% change from 2002
Dussmann	114.0	$ 129.0	1.8
Schubert	109.2	$ 123.5	18.8
Compass	105.0	$ 118.8	2.6
Klueh Service	86.0	$ 97.3	21.1
SV	46.0	$ 52.0	6.3
TOTAL	648.0	$ 733.0	9.5

Nursing/Retirement Homes – 12.3 %
2003 Sales in millions

Top 5 players	Euro	Dollar	% change from 2002
Klueh	51.0	$ 57.7	54.5
Victor's Health Care	50.1	$ 56.7	0.2
Dussmann	43.0	$ 48.6	- 4.4
Schubert	31.3	$ 35.4	27.8
Apetito	21.3	$ 24.1	10.9
TOTAL	302.0	$ 341.6	14.3

Schools, Universities – 3.7 %
2003 Sales in millions

Top 5 players	Euro	Dollar	% change from 2002
Sodexho	43.4	$ 49.1	7.7
Dussmann	20.1	$ 22.7	11.0
Apetito	9.9	$ 11.2	4.2
Haenchen	6.5	$ 7.4	16.1
GVL	4.0	$ 4.5	0.0
TOTAL	91.3	$ 103.3	13.2

New Markets – 3.5 %

Top 10 German Caterers

		Turnover in million Euro ($)		% Change
Company	Area of Business	2003	2002	
Compass Group, Eschborn	Company Restaurants Hospitals Nursing/Retirement New Markets	609.0 ($ 688.9)	602.3 ($ 569.6)	1.1
Dussmann AG Berlin	Company Restaurants Hospitals Nursing/Retirement Schools, Universities New Markets	288.6 ($ 326.5)	285.6 ($ 270.1)	1.2
Aramark Holdings Neu-Isenburg	Company Restaurants Hospitals Nursing/Retirement Schools, Universities New Markets	288.0 ($ 325.8)	290.5 ($274.7)	- 0.9
Sodexho Catering Hochheim	Company Restaurants Hospitals Nursing/Retirement Schools, Universities	162.4 ($ 183.7)	160.8 ($ 152.1)	1.0
Schubert Group Duesseldorf	Hospitals Nursing/Retirement Schools, Universities New Markets	153.0 ($ 173.1)	121.0 ($ 114.4)	26.5
Klueh Service Duesseldorf	Company Restaurants Hospitals Nursing/Retirement Schools, Universities	139.7 ($ 158.0)	106.7 ($ 100.9)	30.9
Apetito Catering Rheine	Company Restaurants Hospitals Nursing/Retirement Schools, Universities	100.2 ($ 113.3)	92.7 ($ 87.7)	8.1
SV GmbH Langenfeld	Company Restaurants Hospitals Nursing/Retirement Schools, Universities New Markets	92.2 ($ 104.3)	84.6 ($ 80.0)	9.0
DB Gastronomie Frankfurt	Company Restaurants	69.2 ($ 78.3)	78.8 ($ 74.5)	- 12.0
Bayer Leverkusen	Company Restaurants New Markets	55.2 ($ 62.4)	51.8 ($ 49.0)	6.6

Source: gv-praxis

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II. ROAD MAP FOR MARKET ENTRY

A. Entry Strategy

German food service operators rarely import products directly from third (non-EU) countries, because of

- Quantities needed
- Complex import procedures
- Language
- Time difference
- Availability of specialized imports who take potential risks

To ensure that the products they use meet all sanitary and health requirements, major operators from the institutional catering sector often buy through central buying offices. Large caterers may occasionally import directly or ask their importers or brokers to import products they are especially interested in.

All food products imported must comply with German/EU food law requirements. For details see the Food and Agricultural Import Regulations & Standards (FAIRS) report on the FAS Home Page - http://www.fas.usda.gov

The two major distribution channels for the German food service trade are:
Cash & Carry Wholesalers and Specialized Distributor/Wholesalers.

Cash & Carry (C&C) wholesalers operate large stores with food and non-food products. They sell to retailers, restaurants, and other food service operators. C&C stores offer a variety of products at competitive prices during extended operating hours. They are not open to the average consumer.

Specialized distributors (GV) 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. In order to cover the entire German food service market, regional distributors have organized in groups, e.g. Intergast and Service Bund. Some of those distributors organize in-house food shows once or twice a year where their suppliers can demonstrate their products to potential customers. This is an excellent opportunity for U.S. suppliers of products ready to enter the German food service market.

The top 10 German food service wholesalers in 2002 were:

Turnover in million Euros

Company	**GV**		**C&C**		**TOTAL**	
	Euros	**Dollars**	**Euros**	**Dollars**	**Euros**	**Dollars**
Metro C+C	-		6,093	$5,762	6,094	$5,762
Fegro/Selgros	-		1,640	$1,551	1,640	$1,551
Intergast	400	$378	1,050	$993	1,450	$1,371
GV-Partner	833.1	$788	428	$405	1,626	$1,193
Edeka	308	$291	921	$871	1,230	$1,162
Rewe GV-Service	515	$487	34	$32	548	$519
Ratio	42	$40	349	$330	391	$370
Service-Bund	380	$359	-		380	$359
Stoever	195	$184	-		195	$184
Deutsche See	178	$168	-		178	$168
Top 10	2,851.3	$2,696	1,0515.9	$9,944	13,367.1	$12,640

Source: Food-Service
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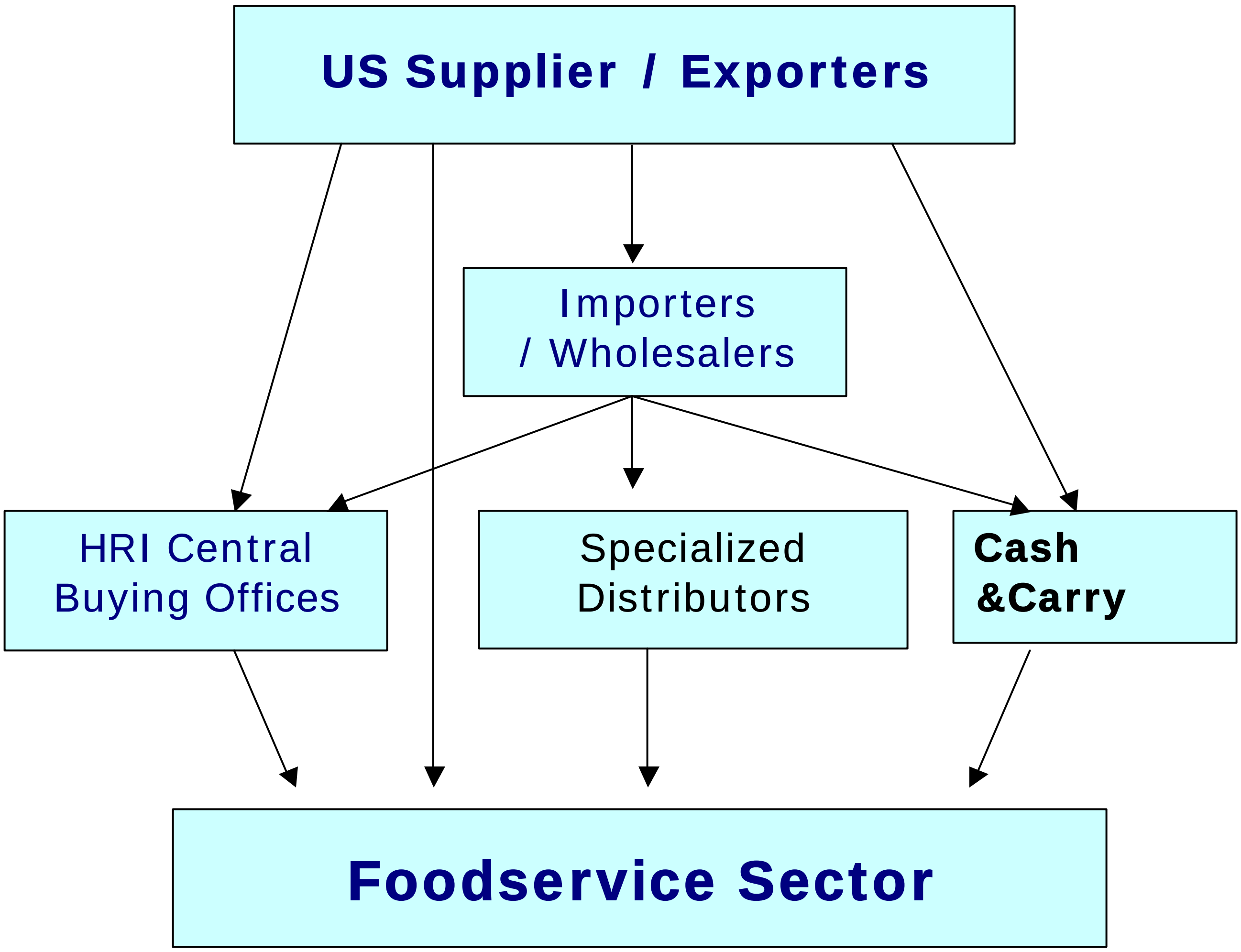
The diagram below indicates product flow in this market segment.



III. COMPETITION

Local food and beverage products dominate the German food service market. However, U.S.-origin ingredients could be contained in locally produced foods, e.g. nuts & dried fruits, or seafood. The majority of imported product originates from other EU countries. The table below gives an overview of foods and beverages imported from the U.S. and major competitors:

Product Category	**Major Supply Sources**	**Strength of Key Supply Countries**	**Advantages and Disadvantages of Local Suppliers**
Meat and Meat Products Net imports: $ 4.4 billion	1. Netherlands - 17.2% 2. Belgium - 13.3% USA - Minor supplier (0% share)	Proximity to the market. No duties and less stringent veterinary requirements. Outside EU-25, Brazil and New Zealand are major suppliers.	Chefs in high-class gastronomy like to buy from local suppliers. High quality beef and game products are not available in sufficient quantities.
Fish and Fish Products Net imports: $ 2.5 billion	1. Denmark - 14.5% 2. Norway - 10.6% USA - 4.2%	Proximity to the local markets. Aggressive marketing and highly competitive prices.	Germany does not produce saltwater fish and seafood in sufficient quantities.
Rice Net imports: $ 163.5 million	1. Italy - 27% 2. USA - 13.9% 3. Thailand - 12.9%	Proximity to market. No duties as an EU-member country (Italy).	Germany does not produce rice.
Pulses Net imports: $ 40.6 million	1. Canada - 22.8% 2. Turkey - 20.5% USA - 5.2%	Aggressive marketing. Established contacts to importers and distributors.	German production of pulses is negligible.
Dried Fruits & Nuts Net imports: $ 388.1 million	1. USA - 54.6% 2. Spain - 14.7% 3. Turkey - 10.4%	Traditional, established business contacts.	Product is not grown locally (e.g. pistachios), or not in sufficient quantities (walnuts, hazelnuts, etc.).
Candies, all types w/o cocoa Net imports: $ 340.0 million	1. Belgium - 14.6% 2. Netherlands - 14.4% USA - 2.5%	Proximity to the market and lack of duties as EU-member countries. Among non-EU-25 suppliers, the USA is second after Switzerland.	Germany has a highly developed sweets industry which quickly picks up trends and incorporates them in local production.

Sweets from non-nutr. Sweeteners Net imports: $ 1.0 billion	1. Ireland - 46.6% 2. Switzerland - 9.5% USA - 4.4%	Proximity to the market and lack of duties as an EU-member country. Among non-EU-25 suppliers, the USA is second after Switzerland.	Germany has a highly developed sweets industry, which quickly picks up trends and incorporates them in local production.
Wine, incl. sparkling wine Net imports: $ 2.1 billion	1. Italy - 33.7% 2. France - 30.7% USA - 4.1%	U.S. wines mainly compete with "New World" wines, e.g. Chile and Australia. U.S. is leading non-EU-25 suppliers.	Germany is a large wine producer, but also depends on imports.

IV. BEST PRODUCT PROSPECTS

Despite the existence of a "single" EU market, consumer demand and the structure of the food and beverage market vary substantially between the individual member-countries of the EU, as well as between north, south, east, and west Germany. Generally, those U.S. products with the best export opportunities in the German market meet one or more of the following criteria:

- product is not grown/produced in Europe
- the basic product is not produced in Europe in sufficient quantities or quality
- a fresh product is not currently in season
- the product is specifically unique to the U.S. or to a region within the U.S.

The following products from the United States have good potential for finding markets in Germany:

- **Specialty Items**: Specialty food items and products, particularly those with little or no competition from European production, have good sales potential in Germany. These products include: delicatessen and snack foods, novelty products, food products germane to the United States, spices, dried vegetables, wild rice.

- **Ethnic Foods**: One of the fastest growing segments of the German food service sector is ethnic foods. European ethnic foods, for example Italian, Greek, and Spanish foods, have been popular in Germany for years. In recent years, Asian and Mexican or Tex-Mex foods have experienced increasing popularity due in part to the extensive international travel by Germans. These ethnic products have become so popular, and sold in sufficient quantities, that they are now being produced by the German/European food industry and adapted to local tastes.

- **Nuts**: Germany imports significant quantities of a wide assortment of tree nuts, as well as peanuts and sunflower seeds. In Germany, most tree nuts are used as ingredients by the food processing sector, e.g., ice cream, confectionery, breakfast cereals, baked goods, etc. Sunflower seeds are also used mostly as a food ingredient, particularly in very popular sunflower seed bread and bread rolls. The German food service industry offers good opportunities for U.S. exporters of almonds, walnuts, hazelnuts, pecans, pistachios, as well as peanuts and confectionery quality sunflower seeds.

- **Dried Fruit**: Like nuts, Germany imports a significant quantity and a wide assortment of dried fruits. Dried fruit is mostly used as an ingredient by the food-processing sector for use in breakfast cereals, baked goods, etc. Dried fruit is also popular as a snack, often in combination with nuts.

- **Wine**: Wine consumption in Germany has been growing during recent years. In particular, the demand for red wine is strong. Good prospects exist for “new world” wines, including those from the United States. Germany is the world’s largest importer of wine, with imports accounting for about one-half of domestic consumption.

- **Fresh Fruits and Vegetables**: Opportunities are greatest for products which are not grown in Europe, or are grown in only limited quantities. Potential also exists for fresh products that can be supplied when EU product is off-season, which may be a period of several weeks prior to or after the local crop is marketed. Green asparagus, grapefruit, pears and certain soft fruits and berries offer the best opportunities.

- **Fruit Juices**: Germany has one of the highest rates of per capita juice consumption in the world. The most popular juices are apple and orange, and these two items also account for most imports. The best opportunities for U.S. products in the German market are citrus (orange and grapefruit) and specialty (cranberry and prune) juices.

- **Fish and Seafood**: Fish and certain seafood products (Alaska pollock, Alaska salmon; lobster, etc.) from the United States have enjoyed success in the German market in recent years.

- **High Quality Beef and Game Products**: Limited opportunities exist for hormone-free, high quality beef, game, and exotic meat products. Even though those products are normally very expensive, they find a market in German gourmet restaurants. All meat must originate from plants certified and approved by EU authorities before it can be shipped to or sold in the German market.

V. POST CONTACT AND FURTHER INFORMATION

German Trade Shows for Foodservice-Oriented Products

Participating or simply attending a trade show can be a very cost-effective way to test the German market, introduce a product or to expand sales. Germany offers a wide variety of trade show venues for food and beverage products. The following table provides details on major trade shows for food, beverages and other agricultural and related industries taking place in Germany.

German Trade Shows for the Foodservice Industry		
Name and Location of Show	**Date**	**Contact**
InterCool / InterMopro / InterMeat hogatec Duesseldorf, Germany, (Interval: 2 years)	September 26-29, 2004	www.messe-duesseldorf.de
BRAU Beviale Nuremberg, Germany, (Interval: yearly)	November 10-12, 2004	www.nuernbergmesse.de
*** ISM (International Sweets and Biscuit Show)** Cologne, Germany (Interval: yearly)	January 30 to February 2, 2005	www.koelnmesse.de
*** Fruit Logistica** Berlin, Germany (Interval: yearly)	February 10-12, 2005	www.messe-berlin.de
*** Bio Fach** Nuremberg, Germany (Interval: yearly)	February 24-27, 2005	www.nuernbergmesse.de
Internorga Hamburg, Germany, (Interval: yearly)	March 4-9, 2005	www.hamburg-messe.de
*** ProWein** Duesseldorf, Germany, (Interval: yearly)	March 6-8, 2005	www.messe-duesseldorf.de
*** ANUGA** Cologne, Germany, (Interval: 2 years)	October 8-12, 2005	www.koelnmesse.de
GAESTE Leipzig, Germany, (Interval: 2 years)	November 13-16, 2005	www.leipziger-messe.de

* Show has USA Pavilion – please contact FAS Berlin for further details.

Note: More information about these and other German exhibitions and trade shows can be found under the following Internet address: http://www.auma-messen.de.

Internet home pages of potential interest to U.S. food and beverage exporters are listed below:

FAS/Washington	www.fas.usda.gov
U.S. Mission to the European Union	www.useu.be/agri/usda.html
AUMA (trade show listing)	www.auma-messen.de

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

Agricultural Affairs Office
American Embassy
Clayallee 170
14195 Berlin
tel: (49) (30) 8305 - 1150
fax: (49) (30) 8431 - 1935
email: AgBerlin@fas.usda.gov
Home Page: http://www.usembassy.de/

Importer listings are available from the Agricultural Affairs Office for use by U.S. exporters of U.S. food and beverage products. Recent reports of interests to U.S. exporters interested in the German Market include:

Report Title	Report Number	Month Report was written
FAIRS Report	GM 4027	July 2004
Retail Report	GM 3049	December 2003
Wine Report	GM 3046	November 2003
Fish Products Report	GM 3037	October 2003
Exporter Guide	GM 3039	October 2003

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service Home Page at http://www.fas.usda.gov

VI. Currency Conversion Rates

The value of the dollar has been decreasing against the Euro since 2002. This report includes the dollar equivalents for the reader's convenience but all trends and analysis in this report refer to changes on a Euro basis.

Average Annual Currency Conversion Rates:

2000	1 U.S.$ =	1.0827 Euro
2001	1 U.S.$ =	1.1166 Euro
2002	1 U.S. $ =	1.0575 Euro
2003	1 U.S. $ =	0.8840 Euro