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Germany

Retail Food Sector

Report

2004

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Report Highlights:

Although Germany's stagnant economy has affected retail sales, including sales of food products, retail sales data indicates that real food sales may be recovering. In 2003, total sales (turnover) by retailers of food and beverage in Germany was Euro 123.4 billion (or \$ 139.6 billion) compared to Euro 120.5 billion (\$ 113.9 billion) in 2002. Combined with the small price deflation for food, this represents an almost 2 percent real increase in turnover after several years of relatively flat real growth. Despite slower growth in the discount segment, it will remain an important driver in future German food retail growth.

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I. Market Summary

Germany, with its 82.5 million people (or 18 percent of the EU 25 population) and the largest economy in Europe, is a leading European market for foods and beverages. However, Germany's stagnant economy has affected retail sales, including sales of food products. In 2003, total sales (turnover) by retailers of food and beverage in Germany were Euro 123.4 billion (or \$ 139.6 billion) compared to Euro 120.5 billion (\$ 113.9 billion) in 2002. Despite slower growth in the discount segment, it will remain an important driver in future German food retailing.

In addition to the Euro 123 billion recorded by the organized food retailers such as supermarkets, hypermarkets, discount stores, and small traditional retail stores, food products are also sold by bakeries, butcher shops, farmer's markets, drugstores, gas stations, kiosks, and other retail venues. For example, an additional Euro 36 billion in food and beverage sales was recorded by restaurants, canteens, and snack shops (imbiss) where food and beverages are served on-premise. Bakeries (bread stores), pastry shops and butcher shops also recorded Euro 27 billion in sales in 2003. This correlates with the Euro 193 billion German consumers report spending on food and beverage products (including tobacco) in 2003. According to the German Federal Statistics Office, 129.2 billion (approx. \$122 billion) was spent by German consumers on food alone (excluding beverages), or about 11 percent of total expenditures. Monthly German household expenditures on food (excluding beverages) averages about Euro 282.

In 2003, Germany imported consumer-oriented agricultural products valued at \$656.1 million from the U.S., up from \$596.5 million a year earlier. Approximately one-third of all U.S. agricultural exports to Germany are in this category.

The major competitors in the consumer-oriented market are other EU countries, particularly the Netherlands, France, Italy and Spain. The U.S. is the second largest non-EU supplier of consumer-oriented products to Germany, following Turkey.

Germany's Retail Profile

Germany's retailing sector can be characterized as very competitive, highly complex and intertwined, and currently in the process of considerable consolidation. Margins are perhaps thinner than anywhere else in Europe, which together with a well-developed distribution system, results in a very competitive sector.

The most dynamic segment within Germany's retail trade is the discount store segment, which is fiercely competitive with the largest two discount companies – Aldi and Lidl – engaged in a price war since 2002. In 2003, Lidl recorded an astonishing 21 percent growth in sales from 2002, compared to Aldi's 4.3 percent growth. In terms of annual sales, discounters comprised 38.4 percent of the retail market in 2003, up from 26 percent in 1993 and 37 percent last year. Most of the products marketed by discounters are private label products.

Table: Composition of Germany's Food and Beverage Retail Trade:

	Number of Stores			Market Share 2003	Value of Sales (Billion Euros)			Market Share 2003
	2001	2002	2003		2001	2002	2003	
Hypermarkets	2,380	2,409	2,494	3.8%	30.4	30.4	31.4	25.4%
Discount Stores	13,180	13,400	13,750	21.2%	40.9	44.6	47.4	38.4%
Supermarket	8,842	8,810	8,790	13.5%	30.1	30	30.1	24.4%
Traditional Stores	43,950	42,200	39,900	61.4%	16.6	15.4	14.5	11.8%
Total	68,352	66,819	64,934	100.0%	118	120.4	123.4	100.0%

Source: Eurohandel Institute (EHI).

Due to the growth in the discount segment, the majority of traditional retailers like Edeka, Rewe, Spar, and Tengelmann have started to develop and further invest in their own discount store chains/niches. In direct response to the threat by discount stores, many food retailers have also increased the use of private labels in their stores in order to reduce prices for consumers while maintaining quality.

In addition to quality and price, German consumer spending patterns are also driven by convenience. Despite the consolidation of retailers and the increasing popularity of discounters, German consumers continue to frequent small convenience stores despite the higher prices, especially if these stores are open longer hours (as is the case with stores in train stations and gas stations) and carry ready to eat meals. In these cases, sales are motivated by convenience rather than price.

Large retailers have applauded a new German law extending retail hours. Under the new German law, retail stores can stay open Monday through Saturday until 8 pm. Although Germany still lags behind France, UK, Denmark and other European countries, which have much more liberal store hours, these changes are making a moderate contribution to the slight increase in retail sales.

Buying associations or buying groups also play an important role in German retailing. These associations or groups are often operated by a wholesale company, which may do the purchasing, marketing and provide other services for independent retailers. Markant is the largest such buying association in Germany.

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 low growth in retail 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.
Fast growing market for organic products.	German buyers demand quality, but also low prices; discounters are fastest growing segment of retail market.
Germany has many, well-established importers. Distribution system is well developed.	Retailers often charge high listing fees for products.
The "American-Way-of-Life" and U.S.-style foods are popular, principally among the affluent younger generation.	Margins on food at retail are very thin.
Large non-German population and German's penchant to travel abroad help fuel demand for a variety of foreign products.	Retailers seldom import products into Germany (EU) on their own.
Private label products are popular, not only in discount stores but are also being utilized by supermarkets.	It can be a challenge for U.S. companies to promote a particular brand.

II. Road Map for Market Entry**"Traditional" Retail Outlets- Supermarkets, Superstores, Hyper Markets or Super Centers, Club and Warehouse Outlets****Entry Strategy**

Success in introducing your product in the German market normally depends on local representation and personal contact. The local representative should be able to provide market information and guidance on business practices and trade-related laws, sales contact with existing and potential buyers, market development expertise, and the distribution system. The local representative may or may not also be the importer and distributor. The Agricultural Affairs Office in Berlin maintains extensive listings of potential importers and

maintains information about ongoing activities that provide opportunities to meet the German trade¹.

Each of Germany's leading retail groups has a different business structure and purchasing and distribution system. Many of the leading retailers have multiple retail chains, often with various types of retail formats, i.e., large hypermarkets, discount and small neighborhood stores, or perhaps beverage and/or delicatessen outlets. The purchasing departments for the large retailers may also be divided by retail format and, sometimes, by region of the country.

Specialized Importers. Specialized importers normally handle the importation and marketing of food and beverages sold in German retail establishments. These importers often specialize in products or product groups (including from a particular country) and frequently distribute products nationwide, either through their own sales force or through a distribution network of independent sales agents.

Selling Direct. Direct sales to the central purchasing department of one of Germany's leading retailers is typically very difficult, as most German retail buyers are usually not interested in taking on the added responsibility or the time and resources necessary to import products directly.

This is especially true for new-to-market products, which may not comply with German/EU import requirements, food laws and packaging and labeling requirements. Retail buyers may only be interested in importing products directly if they are unique or possess some specific attribute or offer significant advantages in terms of quality, price or financial promotional support.

¹ A directory of European Importers see "American Foods in Europe - Your Guide to European Importers of U.S. Food & Beverage Products" is available online at www.american-foods.org or in hard copy. Please contact the Agricultural Affairs Office in Berlin for a printed copy.

Table: Food and Beverage Retailing Profile**Retail Food/Beverage Sales, Number of Retail Outlets, 2000-2003**

					5-yr Growth Rate
Category	2000	2001	2002	2003	
Total Sales (billion Euros)	115.8	118	120.4	123.4	8.15%
Total Sales (billion U.S. Dollars)	107	105.7	113.9	139.6	10.09%
Share of top 5 retailers (% of total sales)	63.50%	68.00%	68.00%	73.00%	14.96%
Share of top 10 retailers (% of total sales)	84.00%	90.00%	90.00%	90.00%	7.66%
Retail outlets (1,000)	70.3	68.4	66.8	64.9	-11.58%

Note: Sales by the organized food retail industry.

Source: EuroHandels Institute (EHI), A.C. Nielsen.

In 2003, Germany's retailers registered annual food and beverage sales (turnover) of Euro 123.4 billion (\$139.6 billion). Combined with the small price deflation for food, this represents an almost 2 percent real increase in turnover after several years of relatively flat real growth. In the past 5 years (1998-2003) food/beverage sales grew about 8 percent. Once food price inflation was taken into account, real retail sales for food and beverages during this period grew by 5 percent. Most of this growth was over the last two years where according to official statistics, food sales not only grew but the growth also outpaced food price inflation. For 2003, official statistics record a small price deflation for food and beverages. Despite a resumption in real sales growth, the food industry remains cautious and concerned about future growth as thin margins, fierce competition, and reported weak consumer demand continue to make Germany a tough market for food retailers. News reports about the state of the German food retail sector are thus still quite somber.

Despite efforts by the German government to protect small retailers, the market share of small retailers continues to drop. In 2003, small traditional shops comprised only 11.7 percent of the food retail market. At the same time, the concentration of giant retail organizations in Germany has increased dramatically and is expected to continue in the near future as competition laws continue to be loosened. In particular, large hypermarkets and discount chains are dominating the German market. In 2003, the top five food and beverage retailers accounted for 73 percent of national sales and the top ten accounted for 90 percent of national sales. Per current trends, the five largest food and beverage retailers are well on

their way towards accounting for 75 percent of national food and beverage retail sales by 2010. The top five largest German retailers of food and beverages (Rewe, Edeka, Aldi, Metro, Schwarz/Lidl) also rank among the top ten retailers in Europe.

With relatively flat domestic retail food sales, German retailers have sought to expand their sales -- and gain market share -- by buying-out their competitors, opening new stores, and by focusing on markets outside of Germany. Many of the major German retailers already generate a significant portion of their total sales from non-German operations. For example, the following German retailers had significant sales outside of Germany in 2002: Metro (46 percent), Aldi (38 percent), Tengelmann (56 percent), Schwarz-Gruppe (31 percent) and Rewe (23 percent). Edeka stands out with only 8 percent of sales outside Germany.

In September 2004, Wal-Mart celebrated its 7-year anniversary on the German retail market. In 1997, Wal-Mart purchased 21 hypermarket outlets previously owned by the Wertkauf Group, followed by the purchase of 74 hypermarket outlets from Spar AG in late 1998. New super centers were built in Guettersdorf (2001), Pattensen (2001), and Bergkamen (2002). Although Wal-Mart is the 13th largest retailer in Germany, the chain continues to struggle to attract customers and establish itself as a dominant player in the German market. In summer 2004, Wal-Mart announced the closure of one of its stores in Germany. In 2003, Wal-Mart recorded sales of \$3.19 billion in Germany. Food products comprise about 50 percent of Wal-Mart's gross sales in Germany.

Table: Top ranked Retail Stores in Germany 2003

**The Top Ranked Retail Stores in Germany
2003**

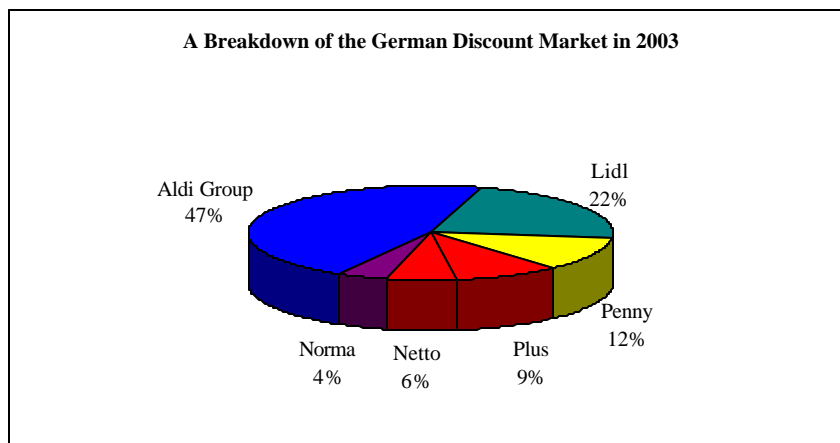
Company	Ownership	Gross Sales	Food Receipts	Percent from Food	Turnover by Type
Metro-Gruppe	German/Swiss	32,232	14,311	44.4%	H: 37%; CC: 20%; O: 43%
Rewe-Gruppe	German	30,373	21,170	69.7%	H: 6%; S: 39%; D: 16%; CC: 27%; O: 12%
Edeka/AVA-Gruppe	German	29,090	24,407	83.9%	H: 80%; O: 20%
Aldi-Gruppe	German	24,000	19,200	80.0%	D: 100%
Schwarz-Gruppe	German	21,500	17,243	80.2%	H: 46%; D: 51%; CC: 3%
Tengelmann-Gruppe	German	13,108	7,878	60.1%	S: 20%; D: 45%; O: 45%
SPAR-Gruppe	French	9,000	8,370	93.0%	H: 18%; D: 40%; CC: 42%
Lekkerland-Tobaccoland	German	8,230	1,629	80.0%	O: 100%
Schlecker	German	5,600	5,320	95.0%	H: 2%; O: 98%
Dohle-Gruppe	German	2,828	2,376	84.0%	H: 82%; S: 17%; O: 1%
Wal-Mart	U.S.	2,820	1,410	50.0%	H: 100%

Note: Sales are in millions of Euros.

H = Hypermarkets, S= Supermarkets, D= Discounter, CC= Cash & Carry; and O=Other.

Source: EHI and M+M Eurodata.

There are also major changes occurring in how food and beverages are being marketed in Germany. Small local shops and supermarkets still comprise the bulk of outlets but they are increasingly being replaced by large hypermarkets and discount food stores. Hypermarkets and discounters now account for about 60 percent of all retail food and beverage sales, despite accounting for less than one-quarter of all the outlets. Metro AG is Germany's largest operator of hypermarkets and Aldi the leading operator of discount markets, followed closely by the Schwarz Group (Lidl).

Chart: A Breakdown of the German Discount Market

The discount segment has been the most dynamic retail segment in Germany. Discounters have prospered in recent years, as German consumers have become more and more price conscious. In addition, discount stores, which generally tend to be small in size, have benefited from German laws favoring small retailers. In 2003, growth in the discount segment has slowed down after a decade of strong growth. Currently, in terms of sales, discount stores comprise 38.4 percent of the retail food market up from 26.3 percent a decade ago and 37 percent a year ago. The number of discount stores also grew during this time period from 9,300 to 14,200. Aldi is the largest discounter with about 46 percent of the discount market, on a sales basis but in 2003 Lidl recorded stronger sales growth than Aldi.

Table: Gross Sales for the leading Discount Stores in Germany

Gross Sales for the Leading Discount Stores in Germany
(Million Euros)

Discount Stores	2001	2002	2003	1-Yr Growth
Aldi Group	21,600	23,000	24,000	4%
Lidl	6,300	9,500	11,500	21%
Penny	4,900	5,800	6,000	3%
Plus	5,300	5,700	4,900	-14%
Netto	3,000	2,900	3,200	10%
Norma	2,100	2,347	2,300	-2%
Total Sales:	43,200	49,247	51,900	5%

Source: EHI.

Most of the German consumers perceive the quality of discount products, particularly Aldi's, to be as good as branded products found in supermarkets and other retail-type stores. High quality products, convenient locations, combined with lower prices make discount stores a

favorite shopping option for Germans. According to a poll conducted by AC Nielsen, German consumers spend about \$21 per visit to Aldi compared to \$23 in hypermarkets, \$15 in other discount stores, and \$13 in supermarkets.

Convenience Stores, Gas Stations, Kiosks, Etc.

Entry Strategy

Convenience outlets -- small shops, often located at gasoline and train stations, highway rest stops, kiosks and bakeries -- were among the fastest growing retail formats in Germany. In the last couple of years growth has leveled off. There are currently 48,000 snack stands and kiosks in Germany. Although in terms of turnover, over half the convenience stores in Germany are kiosks or snack stands, convenience stores in gas stations reported roughly the same amount of turnover with a much smaller number of outlets. In addition to non-food items, the most popular items at these outlets include: fruit juice and fruit drinks, soft drinks, beer, wine, other beverages, confectionery products, snacks and convenience-type foods. Products sold in these outlets typically are priced 30-70% higher than in more conventional outlets. However, sales are motivated by convenience -- especially the longer store hours -- rather than price.

There are several large wholesalers that supply food and non-food products to these convenience outlets. The leading supplier to the convenience sector is Lekkerland-Tobaccoland (L-T), which carries about 10,000 different items and services more than 70,000 customers, including gas station shops, kiosks, beverage stores and bakeries. In 2003, the turnover of Lekkerland was Euro 7.374 billion, of which food products accounted for Euro 1.519 billion. Metro, Spar, and Tengelmann compete with Lekkerland in supplying these convenience outlets in Germany.

Organizations like Lekkerland, as well as other suppliers to convenience stores, normally source most if not all of their imported products from specialized importers. Most U.S. companies interested in exporting to Germany and in developing a position in the German market are advised to work with an importer(s) or with an agent/broker that services these sectors.

Buying Associations (Groups)

Entry Strategy

Buying associations or buying groups play an important role in German food and beverage retailing. Buying associations are generally operated by a wholesale company that provides services for a group of independent retailers.

The largest and last remaining true buying association in Germany is Markant. Markant members have a total annual turnover valued at about 44.8 billion Euros. Markant is an association of more than one hundred independent enterprises, selling both food and non-food products. The goal of the company is to provide a cooperative platform for purchasing and marketing and providing of services for medium-sized merchants throughout Germany (and Europe). In Germany, Markant members include a number of major food retailers, including market leaders Bartel-Langness, Schlecker, Dohle and Wal-Mart. Markant is part of the European-wide buying association EMD, whose members have a total annual turnover valued at over 110 billion Euros.

Markant Hans-Martin-Schleyer-Straße 2 77656 Offenburg Tel: 49-781-61 6-0 Fax: 49-781-61 6-494	Edeka -Gruppe New-York-Ring 6 22297 Hamburg Tel: 49-40-63 77-0 Fax: 49-40-63 77 22 31	Rewe/Fuer Sie Domstraße 20 50666 Köln Tel: 49-221-1 49-0 Fax: 49-221-1 49 90 00
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Other Channels

Home food delivery, mail order, and selling foods and beverages over the Internet are alternatives to the traditional German retailing sector. Germany's leading retailers have become more and more involved in e-commerce with an estimated \$8 billion in business to consumer sales being conducted on-line. However, the value of food and beverages sold over the Internet is still very small and is not growing. Home food delivery is not a new phenomenon in Germany, especially for frozen food.

III. Competition

As the world's largest importer of agricultural products, Germany is an attractive and very sought-after market for exporters throughout the world. The EU internal market results in food products from the other EU member states having a competitive advantage in the German market; an advantage, which cannot be easily overcome by competing third countries. Approximately two-thirds of Germany's agricultural imports are sourced from other EU countries, many of which target the German market through the use of promotional programs. The enlargement of the EU in 2004 will give products from the accession countries preferential access to the EU market and will further disadvantage U.S. products in the German market.

In addition to the United States, Germany also imports significant quantities of agricultural products from other non-EU countries. Much of the third-country imports are sourced from Eastern Europe, North Africa and Israel, South Africa, and Latin America and the Caribbean. Germany's major consumer-oriented product imports from these countries include: meat and poultry, fresh fruit (particularly bananas), processed fruit and vegetables, and pistachios.

Third-country promotions for food products in Germany strongly focus on generic aspects. Examples of these types of promotions are: in-store promotions, special combined editorial and advertising sections in trade magazines, and national exhibits at trade and consumer fairs. In department stores a country may be featured with a full line of food and non-food products as well as other economic segments, such as tourism.

Consumer-ready processed food products are imported and distributed by a large number of German importers and import agents. In addition to cooperative advertisement with importers and suppliers, individual country promotions in the German retail trade are organized to increase visibility and awareness of those products and, consequently, increase distribution. Such promotions in Germany are normally organized and sponsored (often also financed) by the foreign country's Embassy or other government representation, in close cooperation and coordination with local importers and the retail organization.

Biotechnology

As of April 2004, new EU regulations concerning the labeling and traceability of GMO and GMO-containing products were put in place. These regulations require that all products, including processed foods, produced from approved biotech ingredients must be labeled if adventitious or intended GMO presence exceeds a threshold level of more than 0.9 percent of one single ingredient. However, this labeling requirement does not apply to livestock products even if the animals have been fed with GMO-containing feedstuffs. Food manufacturers are still wary that European consumers will not purchase products with a GMO label. So far, the major German food retailers have avoided stocking their shelves with labeled GMO products. Instead EU food processors have substituted other raw materials not derived from genetech products for GMO ingredients - primarily soybean oil. At the moment FAS Berlin is not aware of any GMO labeled products being sold on German retail shelves.

IV. Best Product Prospects

Below is a list of products identified as having a strong market potential in Germany and some helpful tips for interested exporters.

Best Product Prospects	Tips/Facts
Snack Foods	The \$15 billion German snack food market consists mainly of chips and other salty items, followed by specialty snacks and nuts. Growth primarily driven by product innovation, like flavored snacks.
Fresh Fruit & Vegetables	Good opportunities exist for supplying fresh produce, particularly citrus, pears, table grapes and green asparagus, during the winter months (Nov.-Feb.).
Dried Fruits & Nuts	The market for most nuts and dried fruit is fairly stable throughout the year but sales generally peak in anticipation of the Christmas season. Imports are generally in-bulk.
Organic Products	Germany is Europe's largest market for organic products, with sales roughly estimated at \$ 3 billion in 2002.
Alcoholic Beverages	Although overall alcohol consumption is declining, the market for imported beer, wine and spirits is stable or growing.
Pet Food	Sales of cat food have the biggest market share, followed by dog food. Market potential exists for premium pet food.
Fitness foods and beverages	Good prospects for "functional" products with added nutritional properties such as vitamins and minerals.
Frozen Fish	Good prospects exist for frozen Alaska Pollack and other frozen fish with Marine Stewardship certification (sustainable fishing certification).

For more information on the German market please refer to Germany's Exporter Guide and the Food and Agriculture Import Regulations (FAIRS) report.

V. Upcoming Trade Shows

Important German Trade Shows - 2005		
ISM (International Sweets and Biscuit Show) Cologne, Germany (Interval: yearly) Target Market: Europe/International World's largest show for snacks and confectionery products.	January 30- February 2, 2005	U.S. Pavilion Organizer: National Confectioners Association (NCA) Tel: (703) 790-5750 Fax: (703) 790-5752 http://www.koelnmesse.de/ism
Fruit Logistica Berlin, Germany (Interval: yearly) Target Market: Germany/Central & Eastern Europe Good venue for exhibiting fresh and dried fruit, nuts and related products.	February 10- 12, 2005	U.S. Pavilion Organizer: B*FOR International: Tel: (540) 373-9935 Fax: (540) 372-1414. http://www.fruitlogistica.de
Bio Fach Nuremberg, Germany (Interval: yearly) Target Market: Germany/Europe The leading European trade show for organic food and non-food products.	February 24-27, 2005	U.S. Pavilion Organizer: B*FOR International: Tel: (540) 373-9935 Fax: (540) 372-1411. http://www.biofach.de
ProWein Duesseldorf, Germany, (Interval: yearly) Target Market: International International Trade Show for wine and spirits.	March 6-8, 2005	Show Organizer: Duesseldorf Messe Authorities Tel: (49-211) 4560 01 Fax: (49-211) 4560 668 http://www.prowein.de info@messe-duesseldorf.de
ANUGA Cologne, Germany, (Interval: 2 years) Target Market: International International Trade Show for food and beverages.	October 8-12, 2005	Show Organizer: Köln Messe Tel: (49-221) 821-0 Fax: (49-221) 821-2574 http://www.koelnmesse.de info@koelnmesse.de

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>.

VI. Contacts for Further Information

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@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
Wine Report	not yet available	December 2004
Fish Products Report	GM 4035	October 2004
Exporter Guide	GM 4041	October 2004
HRI Food Service Sector	GM 4028	August 2004
FAIRS Report	GM 4027	July 2004

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>

VII. Currency Conversion Rates and Definitions

Yearly Currency Conversion Rates:

		Euro
1999	1 U.S.\$ =	0.93827
2000	1 U.S.\$ =	1.08271
2001	1 U.S.\$ =	1.11656
2002	1 U.S. \$ =	1.0575
2003	1 U.S. \$ =	0.8840 Euro

Store Definitions:

Hypermarkets are defined as large retail stores with between 1,500 square meters and 5,000 square meters of sales space, with an emphasis on self-service. They carry a significant amount of non-food items.

Supermarkets are defined as a self-service food stores with sales space of between 400 to 800 square meters. The share of non-food items comprises less than 25 percent of store sales.

Discounters are defined as a no frills, self-service food store that concentrate on a limited range of products with a high turnover rate. Their main attraction is through their low prices.

Cash & Carry are membership style retail/wholesale stores with a varied selection of products sold under a warehouse style format. These stores have a broad product range in the food and non-food area.