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Report Highlights:

Despite the dramatic impact of the COVID-19 pandemic, retail sales revenues in Germany have grown continuously since 2019. In 2021, the German retail sector recorded over \$618 billion euros in sales revenues. Retailers benefitted from higher consumer spending for premium food products, while food service businesses suffered from low hospitality and catering demand during the series of lockdowns put in place. The importance of e-commerce continues to grow, with online supermarkets now flooding the market in Germany's major cities.

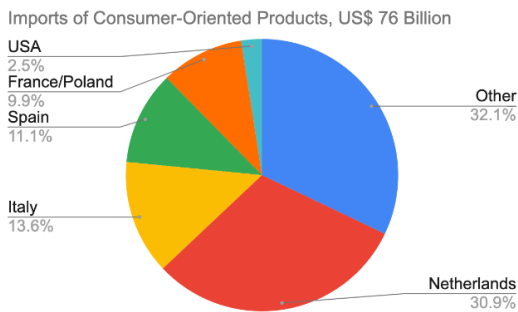
MARKET SHEET GERMANY

Executive Summary

With more than 83 million of the world’s wealthiest consumers, Germany is by far the biggest market for food and beverages in the European Union. In 2021, Germany’s nominal GDP reached U.S. dollar (USD) 4.21 trillion, positioning the country as the 4th largest economy in the world. Germany is a major producer of food and agricultural products and a leading player in the global marketplace. Germany is also the third largest importer of agricultural products after the United States and China. In 2021, imports of food products reached USD 108.5 billion, an increase of 7.7 percent compared to 2020. While 79 percent of these imports originated from other EU member states, the United States was the largest supplier outside the bloc. Imports of agricultural products from the United States totaled USD 2.1 billion in 2021. The macroeconomic situation and key data about the German economy can be found in the 2021 [Exporter Guide](#).

Imports of Consumer-Oriented Products

In 2021, Germany imported consumer-oriented agricultural products worth USD 76.1 billion; the majority (85 percent) of these originated from other EU member states.



Food Processing Industry

In 2020 the German food processing industry employed about 614,036 people in 6,163 companies. The sector is dominated by small and medium size companies; 95 percent of which have less than 250 employees. In 2021, the sector generated a turnover of roughly \$203 billion¹; accounting for 5.8 percent of the German GDP. The largest subsectors by value were meat (24%), dairy (15.5%), bakery (9.4%), confectionary and long-life bakery products (7.8%), and processed fruits and vegetables (6.3%).

Food Retail Industry

German food retail sales reached \$249 billion in 2020. Consolidation, market saturation, strong competition, and low prices are key characteristics of the German retail food market. The top five retail groups together account for roughly 75 percent of the total market. However, small neighborhood and convenience stores are seeing a revival. The Covid-19 related lockdown measures have impacted German consumers’ shopping and consumption

patterns, with nearly 30% of Germans cooking more at home. While online grocery shopping remains a niche market in Germany, it has seen a boost with increases of over 50 percent in 2020.

Quick Facts CY 2021

Imports of Consumer-Oriented Products (USD billion)
USD 76.144

List of Top 10 Growth Products in Host Country

- | | |
|--------------------------|------------------------|
| 1) Pistachios | 2) Almonds |
| 3) Walnuts | 4) Wine |
| 5) Food Preparations | 6) Condiments & Sauces |
| 7) Vinegar & Substitutes | 8) Peanuts |
| 9) Sweet potatoes | 10) Cocoa preparations |

Food Industry by Channels (USD billion) 2020

Food Industry Output	204
Food Exports	67.9
Food Imports	61.8
Retail	249
Food Service	59

Food Industry Gross Sales (USD Billion) 2021

Food Industry Revenues
- Food (Domestic market) USD136

Top 10 Host Country Retailers

- | | |
|-----------------------------|------------------|
| 1) Edeka/Penny | 6) Lekkerland |
| 2) Rewe/Netto | 7) dm |
| 3) Schwarz (Lidl/ Kaufland) | 8) Rossmann |
| 4) Aldi North/South | 9) Globus |
| 5) Metro C+C/Real | 10) Transgourmet |

GDP/Population

Population (millions): 83.9
GDP (billions USD): 4,21
GDP per capita (USD): 50,734

Sources: GATS, BVE, Destatis, TDM

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:

USDA/FAS Global Agricultural Trade System (GATS), German Office of Statistics (destatis), German Food Industry Association (BVE)

Contact: FAS Berlin, Germany, AgBerlin@fas.usda.gov

I. Market Summary

Germany is by far the biggest market for food and beverage products in the European Union. As the second largest importer and third largest exporter of consumer oriented agricultural products worldwide, it is a key European market for foreign producers. Germany still has the lowest food prices in Europe. In fact, German citizens spent only [15.5](#) percent of their income on food and beverages in 2020. The retail market's key characteristics are consolidation, market saturation, strong competition, and low prices, which result from high competition between discounters and the grocery retail sale segment.

Germany's retail sector posted record sales in 2021, increasing its turnover by 3.1 percent year-on-year, according to an estimate published by the Federal Statistical Office ([Destatis](#)). German retail sales revenue has remained relatively stable over the past 20 years, and despite ongoing challenges posed by the COVID-19 pandemic, even increased in recent years. Based on preliminary figures, [German retail sales](#) generated over \$618 billion in revenue in 2021. This was due to changing shopping patterns of German consumers and consumer behavior in general. Another massive influence on the development of retail in Germany is the increasing popularity of e-commerce.

German retail revenue is distributed over a variety of [sales channels](#), among them supermarkets, discount, department, and self-service stores, as well as online retail, to name a few examples. Most recently, specialty shops account for the highest share in retail revenue distribution in Germany, followed by discount stores and specialist retailers that are not part of a chain. Based on a survey conducted in 2021, German consumers were not averse to [spontaneous shopping](#), though the majority of respondents disagreed with the idea of visiting shops just to browse and then purchase an item they liked, with no plan made in advance.

Key market drivers and trends

- Germany remains a price-focused market, but the share of consumers who are willing to pay for quality is increasing.
- There is a growing share of consumers who view their purchasing decisions as a political or life-style statement (non-GMO, only free-range eggs, vegetarian or vegan diet), and they demand traceability and information about production methods.
- Ethnic foods, beauty and superfoods, clean label foods, “free from” products (e.g., gluten or lactose free), and locally grown are further trends that attract more and more German consumers.
- The importance of e-commerce continues to grow. Online supermarkets are flooding the market in Germany's major cities, offering food at prices that strongly compete with those of traditional supermarkets.
- Retailers have benefitted from higher consumer spending for premium food products, while food service businesses suffered from low hospitality and catering demand during the lockdowns. For more information, please see the GAIN report: [Food Service - Hotel Restaurant Institutional Berlin Germany 09-30-2021](#)
- Germany has experienced a continuous increase in the demand for organic food. Organic edible oils and organic sauces have been among the fastest growing product lines in supermarkets and benefited from increasing focus among Germans on health issues and

sustainability. For more information, please see the GAIN report: [COVID Fuels Historic Growth in Organic Sales Berlin Germany 01-17-2022](#)

- Food labeling with special seals is very common in Germany and has a large impact on the industry. Various regional, organic, sustainability, and animal welfare labels have been introduced to or are being discussed in Germany.
- Innovative manufacturing and processing technologies bring new products to the market and give good old products a new taste - for example, bottled cold brew coffee. For more information on this topic, please see the GAIN report: [Edible Insects Invade the German Food Sector Berlin Germany 05-10-2021](#)
- The popularity of ‘Cooking boxes’ has sky-rocketed since the beginning of COVID-19 pandemic and continues to grow
- Vegan and meat alternatives are becoming increasingly popular, especially among younger Germans

Table 1: Advantages and Challenges

Advantages	Challenges
Germany is the biggest market in Europe with one of the highest income levels in the world. Due to its central location in Europe and excellent transportation channels, Germany is a good base for exporting products to other EU countries.	German consumers demand quality and low prices. Clean label foods, “free from” and locally grown products attract more and more German consumers. In addition, listing fees paid to retailers limit the introduction of new U.S. brands.
The demand for sustainable food ingredients and sustainable foods is growing.	Private sector sustainability standards in Germany can act as barriers to trade. Misconceptions about U.S. agriculture necessitates putting time and effort into communicating this attribute of exported food and beverage products.
Germany is among the largest food importing nations in the world. It has a large, well-developed food processing industry requiring a wide range of ingredients, from low-value, unprocessed foods to high-value, highly processed ingredients.	U.S. exporters face competition from tariff-free products from other EU member states. Non-tariff barriers such as phytosanitary restrictions and traceability requirements can make exporting to Germany complicated.
The United States has a reputation as a reliable supplier of food inputs in terms of availability, delivery, and quality.	Some products of modern biotechnology are prohibited as they are not approved in the EU.
Germany is the largest EU market for U.S. beef under the EU import quota for high quality beef, which was expanded in January 2020.	The beef import quota only applies to beef from animals not treated with growth-promoting hormones. New meat alternatives are becoming increasingly popular.

Source: FAS Berlin

II. Road Map for Market Entry

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

Germany is a potential market for those U.S. companies who are willing to invest the time and resources to cement contacts. New products in the German market may require up to 12 to 18 months of testing to determine market acceptance. There are a number of potential technical barriers to trade, thus exporters may want to consult the latest [Food and Agricultural Import Regulations and Standards \(FAIRS\)](#) report on Germany. This report provides an overview of food laws in force in Germany which are not yet harmonized with the EU.

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

Table 2: Major Food Related Trade Shows in Germany

Trade Show	Description	Location
FRUIT LOGISTICA April 5-7, 2022 www.fruitlogistica.com	World's leading trade fair for the fresh fruit and vegetable business	Berlin
INTERNORGA April 30 - May 4, 2022 www.internorga.com	International trade show for hotel, restaurant, catering, baking, and confectionery trades	Hamburg
ProWein May 15-17, 2022 www.prowein.com	International trade show for wine and spirits	Duesseldorf
Interzoo May 24-27, 2022 www.interzoo.com/en	Leading trade show for pet food and supplies	Nuremberg
BIOFACH July 26-29, 2022 February 14-17, 2023 www.biofach.com	Leading European tradeshow for organic food and non-food products	Nuremberg
ANUGA (every two years) October 7-11, 2023 www.anuga.com	One of the leading food fairs for the retail trade and the food service and catering market	Cologne
BCB - Bar Convent Berlin October 10-12, 2022 www.barconvent.com/en/	International trade show for bars and beverages	Berlin
FI Global / Hi Europe December 6-8, 2022 https://www.figlobal.com/hieurope/	Leading trade show for food and health ingredients	Frankfurt
ISM January 29 - February 1, 2023 www.ism-cologne.com	World's largest show for snacks and confectionery products	Cologne

Source: FAS Berlin

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

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

The **U.S. Agricultural Export Development Council** is composed of U.S. commodity trade associations and other organizations, in addition to the SRTGs, with an interest in promoting U.S. agricultural exports. For an overview and additional information on the various Commodity Groups, you can go to www.usaedc.org. The Commodity Cooperator Groups regularly organize (reverse) trade missions, often organized around trade shows or other events. They also are excellent platforms for U.S. suppliers of food ingredients to meet with foreign buyers. Currently, about 40 U.S. Cooperator organizations operate USDA-funded marketing programs in Germany. For the full list of participating U.S. organizations, please visit or www.delicious-usa.com/trade-associations/.

U.S. exporters looking for German food importers, wholesalers, or distributors can obtain reliable information from the Foreign Agricultural Service based in Berlin (FAS), the Federation of German Food and Drink Industries ([BVE](#)), the Federal Association of the German Retail Grocery Trade ([BVLH](#)), and from the different food market segments industry associations.

Import Procedures

As a member of the EU, Germany follows all EU directives, regulations, and obligations where available. Since the EU is a customs union, all member states apply the same import duties on goods imported from outside the EU based on tariff classification of goods and the customs value. For details on the EU legislation and import duties, please see the [EU FAIRS report](#) for further information.

Importers represent the first link in the domestic sales chain and are consequently responsible for the compliance of imported products with national and EU regulations. The European Commission has published the following guidance document which refers to key Community law requirements: "[Guidance document – Key questions related to import requirements and the new rules on food hygiene and official food controls](#)". Once imported goods are cleared in one member state, they can move freely throughout the territory of the EU. This means U.S. products coming into Germany via another EU member state, for example the Netherlands, have to clear customs there. No additional controls are carried out when crossing the border to Germany.

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

Market Structure

Consolidation, market saturation, strong competition, and low prices are key characteristics of the German retail food market. The top five grocers account for around 75 percent of the total market

(Source: Euromonitor). The German market is largely dominated by domestic players. This is particularly true for hypermarkets, supermarkets, and discounters. German consumers are very particular about what they like and what they do not like in their grocery retailers, and grocery retailers can count on a strong base of loyal customers. The failure of Walmart to establish itself in Germany over a decade ago shows how hard it is for international players to successfully enter the German market. [In 2021](#), the leading grocery retailer by net sales in Germany was Edeka, with 55.1 billion euros, followed by Schwarz Group with 43.8 billion euros. Net sales of Edeka were forecast to reach 62.1 billion in 2026, while for Schwarz Group 55.2 billion is projected.

Table 3: Profiles of Top Food Retailers in Germany

Retailer Name and Outlet Type	Total Sales (\$million ¹ ./2021)	Change %, 2020/2021	Locations
1. Edeka-Group <ul style="list-style-type: none"> • Edeka (Supermarkets) • Netto (Discounter) 	72,600	+2.7	nationwide
2. Rewe-Group <ul style="list-style-type: none"> • Rewe (Supermarkets) • Penny (Discounter) 	59,426	+1.6	nationwide
3. Schwarz-Group <ul style="list-style-type: none"> • Lidl (Discounter) • Kaufland (Hypermarkets) 	51,226	+6.3	nationwide
4. Aldi-Group <ul style="list-style-type: none"> • Aldi Süd (Discounter) • Aldi Nord (Discounter) 	32,583	+1.6	Southern Germany Northern Germany
5. dm (retail chain similar to RiteAid or CVS)	9,532	+5.8	nationwide
6. Rossmann (retail chain similar to CVS)	8,330	+7.8	nationwide
7. Real	6,696	-17,5	nationwide
8. Globus	5,554	+0.5	nationwide
9. Bartels-Langness-Gruppe	5,364	+4.4	nationwide
8. Metro	5,330	-3.0	nationwide

Source: [Lebensmittel Praxis](#)

Large grocery retailers in Germany are mainly driven by competition between each other. They are very well-established and compete mainly on price, outlet networks, and consumer trust, which, amongst other factors, requires them to maintain their standards in terms of quality. Retailers also try to differentiate themselves through additional services and standards which add value to their original value proposition.

The growth of discounters is slowing because of market saturation and the continuing trend towards shopping at supermarkets in convenient city locations. As urbanization grows and consumers' lifestyles change, more and more people seek convenience when doing their grocery shopping. To counter this, discounters are also attempting to adapt and expand in hopes of differentiation. Additionally, they are focusing more on quality and choice rather than price with new concepts and the introduction of more premium and convenience foods.

Supermarkets had another excellent year of sales in Germany in 2021, due to the continued restrictions on foodservice and the new shopping behaviors developed by consumers spending more time at home. Despite seeing a slight decline in overall value of sales in 2021 compared with 2020 (when sales grew by double digits), sales in 2021 were still much higher than they were in 2019, and they are expected to remain at a high level for the next five years. This means the huge sales boost supermarkets received during the pandemic led to a permanent increase for the channel (source: Euromonitor).

[BEVH](#) (der Bundesverband E-Commerce und Versandhandel Deutschland e.V), Ecommerce Europe’s German national association, recently [published](#) the e-commerce growth figures of the German market for 2021. In 2021, e-commerce accounted for more than a quarter (27.2 percent) of total chain retail sales in Germany. According to estimates, the online segment would make up one-third of all retail sales in the European country by 2026. The most important driver of new grocery sales in supermarkets for the coming years will continue to be online grocery shopping and delivery. By 2021, all major supermarkets had either expanded their own delivery offerings or had partnered with a delivery start-up, forming exclusive partnerships they hope to scale in the coming years as the demand for delivery services outpaces the current supply. This will contribute to organic growth in supermarkets and help grow the channel in the coming years.

In addition to more services, new models are also scaling quickly in Germany. Some existing players in delivery have pivoted to groceries, including for example [Flaschenpost](#), a popular bottled drinks delivery service. A new wave of impulse grocery delivery services is appearing and scaling quickly as well. Companies such as [Gorillas](#) and [Flink](#) now offer the delivery of groceries within 10 minutes of ordering for a small delivery fee. For supermarkets, there is now a lot of potential to incorporate these kinds of services into their broader brand universe of services. Supermarkets may act as suppliers, selling private label products through an independent delivery service. Other supermarkets are finding room with exclusive partnerships or are likely to acquire a delivery start-up outright. Companies like the meal-kit provider [HelloFresh](#) and [Amazon Fresh](#) were also able to benefit from the shift to online grocery shopping, as this trend is expected to continue (source: Euromonitor).

III. Competition

The United States ranked thirteenth worldwide in exports of consumer-oriented agricultural products to Germany in 2021, but when accounting for the single EU market, the United States is a much larger source of imported consumer-oriented products. The main competitors for U.S. suppliers include domestic producers and producers from other EU member states, such as the Netherlands, Italy, Spain, Poland, France, Austria, and Belgium. The U.S. industry’s advantages include a good reputation for consistent quality and stable supply. The main advantages of competitors are proximity and price.

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 531,8 USD 3.6 billion	1. USA – 24.6% 2. Turkey – 17.7% 3. Netherlands – 10.7%	USA is the leading supplier of almonds, walnuts, and pistachios. Turkey has the lead in hazelnuts. 3) Netherlands is a large re-	Domestic production is minimal. Germany is a leading producer of marzipan.

		exporter of cashew nuts.	
Fish & Seafood (HS 03 + HS 16) MT 1,265 USD 8.1 billion	1. Netherlands – 16% 2. Poland – 15.5% 3. Denmark – 11.8% 6. USA – 3.8%	1-3) 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: 2,1671 billion USD 3.8 billion	1. Italy – 24.5% 2. Spain – 18.8% 3. France – 12% 12. USA – 1.6%	1-3) Proximity, reputation, climatic conditions for wine growing.	Wine primarily grows in the southern part of the country. Insufficient domestic supply.
Food Preparations (HS 210690) MT 613,54 USD 2.26 billion	1. Netherlands – 18.2% 2. France – 9.9% 3. Poland – 8.3% 9. USA – 2%	1-3) Proximity and availability.	Strong domestic food industry.
Peanuts (HS 1202) MT 134,188 USD 216.8 million	1. Netherlands – 53.9% 2. Argentina – 13.4% 3. USA – 8.1%	1) Volumes consist of re-exported peanuts from Argentina, USA, Brazil.	No local availability, high demand from well-established snack food industry.
Dried Prunes (HS 081320) MT 9.652 USD 37.4 million	1. USA – 33.9% 2. Chile – 21.5% 3. Netherlands – 14.2%	1) Product pricing, zero duty access through EU-Chile FTA. 2) Good reputation for quality, California origin adds value.	No local availability.
Raisins (HS 080620) MT 72,044 USD 161.9 million	1. Turkey – 39.4% 2. South Africa – 22.6% 3. Netherlands – 10.1% 4. USA – 3.8%	1) Pricing.	No local availability.
Meat (HS 02) MT 2.125 million USD 7.3 billion	1. Netherlands – 25% 2. Belgium – 16.4% 3. Poland – 14% 27. USA – 0.02%	1-3) Proximity and availability. U.S. imports consist of hormone-free beef under Hilton beef quota, which was not filled due to COVID-19 impact on gastronomy in 2020.	Focus on pork rather than beef production.
Sauces and Preparations (HS 2103) MT 38,315 USD 886.1 million	1. Netherlands – 28% 2. Italy – 25.2% 3. Poland – 8.7% 19. USA – 1%	1-3) Proximity and availability USA is well known as supplier of BBQ sauces.	Strong domestic food industry.
Snack Foods excl. nuts (HS 1905 + 1704) MT 1,173 USD 3.8 billion	1. Netherlands – 20% 2. Poland – 16.6% 3. Belgium – 11.2% 25. USA – 0.12%	1-3 Proximity and availability. 1) Volumes also consist or re-exports from China, Thailand, USA.	Tradition in snack food production. Germany is one of the global market leaders in snack foods.

Source: Trade Data Monitor, March 2022

IV. Best Product Prospects Categories

Products in the market that have good sales potential

- Nuts: Almonds, hazelnuts, pecans, pistachios, walnuts
- Organic products
- Products featuring “sustainable” or other social issue-based marketing labels
- Fish and Seafood: Salmon, surimi, roe and urchin, misc. fish products
- Highly processed ingredients (dextrins, peptones, enzymes, lecithin and protein concentrates)
- Dried and Processed Fruit: Raisins, prunes, cranberries, sour cherries, wild berries
- Fruit juice concentrates: Cranberry, grapefruit, prune
- Beef and Game: Hormone-free beef, bison meat, exotic meat, and processed meat products

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

- Ingredients for the natural and healthy foods industry
- Ready to eat meals
- Bakery products
- Pulses
- High quality beef
- Innovative sauces, condiments, and confectionary products

Products not present because they face significant boundaries

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

V. Key Contacts and Further Information

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

U.S. Department of Agriculture Foreign Agricultural Service

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Attachments:

No Attachments