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Report Highlights:

Germany is by far the biggest market for food and beverages in the European Union. The food retail sector is saturated, highly consolidated, and competitive. There is good sales potential on the German market for U.S. exporters of nuts, fish and seafood products, distilled spirits, wine, and food preparations. While e-commerce sales grew during the pandemic, online purchases across different product categories decreased in 2022. However, online grocery sales still recorded an increase. The war in Ukraine raised prices for energy, feed, and fertilizer, and subsequently groceries. As a result, many German consumers have cut back spending even on essential products.

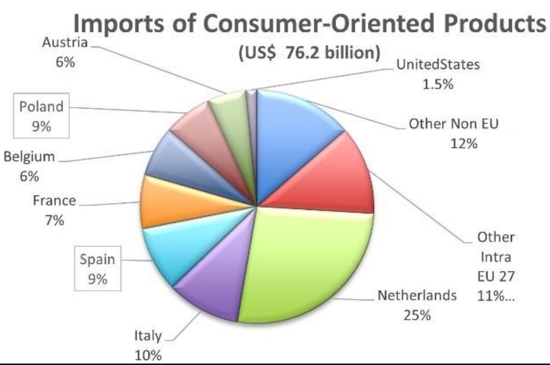
Market Fact Sheet: Germany

Executive Summary

Germany is the biggest market for food and beverages in the EU with more than 84 million consumers[1]. In 2022, Germany's nominal GDP reached USD 4.08 trillion[2], making it the world's 4th largest economy. Germany is a major producer of food and agricultural products and a leading player in the global marketplace. It is also the third largest importer of agricultural and related products. In 2022, imports reached USD 136.3 billion[3]. While more than 75 percent of these imports originated from other EU member states[4] the United States was the third largest supplier outside the bloc after Brazil and China. Imports of agricultural & related products from the United States totaled USD 2.8 billion in 2022. The macroeconomic situation and key data about the German economy can be found in the 2022 [Exporter Guide]

Imports of Consumer-Oriented Products

In 2022, Germany imported USD 76.2 billion worth of consumer-oriented agricultural products. The majority (85 percent) of these originated from other EU member states.



Food Processing Industry

In 2021, the German food processing industry employed around 638,831 people in 6,152 companies. The sector is dominated by small and medium size companies; 90 percent of which have less than 250 employees[5]. In 2021, the sector generated a turnover of roughly USD 220 billion[6], accounting for 5.2 percent of the German GDP. The largest subsectors by value were meat, dairy, bakery, confectionary, and pet food accounting for around 22, 16, 10, 8, and 7 percent, respectively.

Food Retail Industry

The sector is saturated, highly consolidated, and competitive. The top four retail groups together account for around 76 percent of the total revenue. Small neighborhood retailers continue to face strong competition from modern retailers. Online food sales grew during the pandemic and continue to record an increase. Germans are generally price sensitive, but wealthy consumers are willing to pay a higher price for premium quality products.

1 Source: Federal Statistical Office (Destatis)
2 Source: Federal Statistical Office (Destatis)
3 Source: Trade Date Monitor
4 UK was still part of the EU Single Market and Customs Union in 2020.
5 BVE Statistical leaflet: https://tinyurl.com/yzsxn5k2
6 Exchange rate 2021: 1 USD = 0.8455 Euro

Quick Facts CY 2022

Imports of Consumer-Oriented Products
USD 76,238 *(USD million)*

List of Top 10 Growth Products in Host Country

1) Almonds	2) Pistachios
3) Walnuts	4) Seafood Products
5) Distilled Spirits	6) Wine
7) Food preparations	8) Condiments/Sauces
9) Peanuts	10) Bakery Goods

Food Industry by Channels (USD billion) 2021

Food Industry Output	220.3
Food Exports	77.8
Food Imports	70.3
Retail	273.8
Food Service	67.3

Food Industry Gross Sales (USD Billion) 2021
Food Industry Revenues
- Food (Domestic market) USD 142.5

Top 10 Host Country Retailers

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

GDP/Population
Population *(millions)*: 84.3
GDP *(trillion USD)*: 4.08
GDP per capita *(USD)*: 48,630
Sources: TDM, BVE, Destatis, Lebensmittel Praxis

Strengths/Weaknesses/Opportunities/Challenges

Strengths	**Weaknesses**
Germany is the biggest market in Europe with one of the highest income levels in the world.	U.S. exporters face competition from tariff-free products from other EU member states and FTA partners.
Opportunities	**Threats**
A large, well developed food processing industry requiring a wide range of ingredients, from low-value, unprocessed foods to high-value, highly processed ingredients.	Non-tariff barriers such as phytosanitary restrictions and traceability requirements can make exporting to Germany complicated.

Data and Information Sources: Trade Date Monitor (TDM), German Office of Statistics (Destatis), Federation of German Food and Drink Industries (BVE), Lebensmittel Praxis
Contact: FAS Berlin, Germany
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I. Market Summary

Germany has more than 84 million of the world's wealthiest consumers. This makes it the third largest importer 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. In 2021, grocery retailing reached an estimated USD 307.3 billion[7]. Imports of agricultural and related products increased by 4.8 percent to USD 136.3 billion in 2022. Imports of consumer-oriented agricultural products totaled USD 76.2 billion in 2022.

The retail market's key characteristics are consolidation, market saturation, strong competition, and low prices. Germany is an attractive and cost-efficient location in the center of the EU. While many consumers are very price sensitive, the market also has many wealthy consumers who follow value-for-money concepts. These consumers are looking for premium quality products and are willing to pay a higher price. In 2021, German citizens spent only 15.3 percent[8] of their income on food and beverage products.

Whereas Germans could rely on relatively cheap groceries, the war in Ukraine raised prices for energy, feed, and fertilizer. Inflation reached two-digit numbers with increasing food prices being one of the main drivers besides energy. From April 2022 to April 2023, food prices increased by 17.2 percent across all food categories (as a comparison, between 2000 and 2019 the rate was below 1.5 percent)[9]. Therefore, many German consumers have cut back spending even on essential products[10].

Key market drivers and consumption trends

- Increasingly high-paced society and a rising number of single households are driving the demand for convenient ready-to-eat meals, desserts, and baking mixes.
- 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.
- On-demand grocery delivery platforms are flooding the market in Germany's major cities, offering food at prices that strongly compete with those of traditional supermarkets.
- Germany is the second largest organic food market in the world, after the United States. During the COVID-19 pandemic, German consumers purchased more organic products. This reflected a shift in consumer food purchases from the food service sector to the food retail sector because of government pandemic control measures. However, in 2022 inflation reversed this trend. German consumers felt like they had to save money and changed shopping patterns to a certain extent. For more information, please see the GAIN report: German Organic Market Takes a Dip.
- 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

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[7] German Farmers' Association (DBV) Situation Report 2022/2023, p. 7

[8] German Farmers' Association (DBV) Situation Report 2022/2023, p. 7

[9] Federation of German Consumer Organizations (Verbraucherzentrale Bundesverband): https://tinyurl.com/yc737hy3

[10] https://www.thelocal.de/20221124/most-germans-cutting-back-spending-amidst-soaring-inflation

topic, please see the GAIN report: [Edible Insects Invade the German Food Sector_Berlin_Germany_05-10-2021]

- Meal kit delivery services like "Hello Fresh" experienced a boom during the COVID-19 pandemic. Whereas sales revenues increased by more than 60 percent in 2021, the company only saw an increase of 18 percent in 2022. For the first time, "Hello Fresh" started losing clients[11].
- Vegan and meat alternatives are becoming increasingly popular, especially among younger Germans.

Please see our German country page at www.fas-europe.org with more information and reports.

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 can act as barriers to trade. Absence of a unified U.S. sustainability message in the German market results in looming misconceptions about U.S. agriculture.
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

[11] https://www.sueddeutsche.de/wirtschaft/hellofresh-umsatz-kunden-bilanz-1.5764058

II. Road Map for Market Entry

Entry Strategy

U.S. companies seeking to export goods to Germany are advised to do thorough research to develop 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 Europe's USDA endorsed trade shows like the ANUGA show and other trade shows in Europe. They serve as a springboard into the market, helping companies to establish new trade contacts and gauge product interests. Germany hosts many of the world's largest trade shows. Therefore, it is an excellent location for U.S. exporters to promote their products, to get in contact with potential business partners, buyers, to meet with FAS Berlin, and to conduct product launches.

Table 2: Major Food Related Trade Shows in Germany

Trade Show	Description	Location
ANUGA (every two years) October 7-11, 2023 www.anuga.com	Leading food fair for retail trade, food service, and catering market	Cologne
Bar Convent October 9-11, 2023 www.barconvent.com/en-gb.html	International trade show for bars and beverages	Berlin
ISM January 28-31, 2024 www.ism-cologne.com	World's largest show for snacks and confectionery products	Cologne
FRUIT LOGISTICA February 7-9, 2024 www.fruitlogistica.com/en/	World's leading trade fair for the fresh fruit and vegetable business	Berlin
BIOFACH February 13-16, 2024 www.biofach.de/en	World's leading trade show for organic food and non-food products	Nuremberg
Internorga March 8-12, 2024 www.internorga.com/en/	Europe's leading trade show for foodservice and hospitality	Hamburg
Gastro Vision March 8-11, 2024 en.gastro-vision.com/	Germany's business forum for decision-makers from the hotel, restaurant, and catering industry	Hamburg
ProWein	International trade show for wines	Dusseldorf

March 10-12, 2024 www.prowein.com	and spirits	
Interzoo (every two years) May 7-10, 2024 www.interzoo.com/en	Leading trade show for pet food and supplies	Nuremberg

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: 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 http://www.usaedc.org/. The Commodity Cooperator Groups regularly organize trade missions, which often take place around trade shows or other events. They are also 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 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 Procedure

Importers represent the first link in the domestic sales chain and are consequently responsible for the compliance of imported products to national and EU regulations. The European Commission has published the following guidance documents which refer to key EU rules: "Guidance document – Key questions related to import requirements and the new rules on food hygiene and official food controls."

The responsibility for enforcing food law provisions in Germany lies with its federal states (*Laender*). Whether a specific product complies with the legal requirements is evaluated by considering the actual product in its entirety, taking into account 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.

Purchasing by German food retailers is fragmented and competitive. Few German retailers import products directly from other countries, except for items that they purchase in large quantities. Most food retailers would rather buy from central buyers/distributors importing food and beverages. In general, these wholesalers are specialized in products or product groups, and some are even experts in food products from a specific country of origin. Thus, specialized importers have an in-depth knowledge of import requirements, such as product certification, labeling, and packaging. They also typically handle shipping, customs clearance, warehousing, and distribution of products within the country.

Market Structure

Consolidation, market saturation, strong competition, and low prices are key characteristics of the German retail food market. The top four grocers account for around **76 percent**[12] of the total market. 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.

Table 3: Profiles of Top Food Retailers in Germany

Retailer Name and Outlet Type	Total Sales ($million[13]/2022)	Food Sales (Percentage)	Locations
1. **Edeka-Group** • Edeka (Supermarkets) • Netto (Discounter)	76,679	92.5	nationwide nationwide
2. Rewe-Group • Rewe (Supermarkets) • Penny (Discounter)	64,272	81.6	nationwide nationwide
3. Schwarz-Group • Lidl (Discounter) • Kaufland (Hypermarkets)	55,493	83.1	nationwide nationwide
4. Aldi-Group • Aldi Süd (Discounter) • Aldi Nord (Discounter)	33,801	82.0	Southern Germany Northern Germany
5. dm (retail chain specialized in cosmetics, healthcare items, household products & health food, similar to RiteAid or CVS)	10,446	90.0	nationwide
6. Rossmann (retail chain specialized on cosmetics, healthcare items,	8,898	90.0	nationwide

[12] Source: Lebensmittel Praxis, edition 5_2023

13 Exchange rate: 2022: 1 USD = 0.94967 Euro

household products & health food, similar to RiteAid or CVS)			
7. Bartels-Langness Group	6,363	80.0	Northern Germany
8. Globus	6,156	67.0	nationwide

Source: Lebensmittel Praxis, edition 05_2023

Large grocery retailers in Germany are mainly driven by competition between each other. They are very well-established and compete mostly 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 is growing and consumers' lifestyles are changing, 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.

Whereas e-commerce sales grew during the pandemic, online purchases across different product categories have decreased by 2.5 percent in 2022[14]. However, online grocery sales recorded an 8% increase[15]. This equally applies to other convenience categories like pet supplies and drugstore products according to the German E-Commerce and Distance Selling Association (bevh)[16].

The pandemic has also accelerated the rise of on-demand grocery delivery platforms like Gorillas and Flink which deliver groceries within minutes of ordering for a small delivery fee. The sector has seen significant competition with several apps launching in 2021. However, only a handful of players remain, among them the Berlin-based startup Flinch. After hitting more than €400 million in sales in 2022, Flink expects growth to be slower in 2023 as it reduces investment in expansion to focus on the profitability of its existing business[17].

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[14] German Retail Federation (HDE), Online Monitor 2023, page 3

[15] German Retail Federation (HDE), Online Monitor 2023, page 3

[16] German E-Commerce and Distance Selling Association (bevh), Interactive commerce in Germany 2022, page 17

[17] Financial Times, Flink hits EUR 400 in sales as German grocery app seeks to narrow losses

III. Competition

The main competitors for U.S. suppliers include domestic producers and producers from other EU member states, such as the Netherlands, Italy, Poland, France, and Belgium. However, for dried fruits and nuts the main competitors are Turkey (hazelnuts and raisins), Chile (dried prunes), South Africa (raisins), and Canada (cranberries). 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.

Table 4: Overall Competitive Situation for Consumer-Oriented Products (2022)

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 495,809** **USD 3.2 billion**	1. **USA – 25.7%** 2. Turkey – 18.1% 3. Netherlands – 8.9%	1) USA is the leading supplier of almonds, pistachios, and walnuts. 2) Turkey has the lead in hazelnuts. 3) Netherlands is a large re-exporter of cashew nuts.	Domestic production is minimal. Germany is a leading producer of marzipan.
Fish & Seafood (HS 03 + HS 16) **MT 1.121 million** **USD 6.4 billion**	1. Poland – 21.4% 2. Netherlands – 14.8% 3. Denmark – 10.9% **12. USA – 2.6%**	1-3) Proximity and availability. 12) USA is Germany's third largest supplier of Alaska Pollock fillets.	Tradition in seafood trading and processing. Fish is popular.
Wine & Beer (HS 2203, 2204, 2205, 2206) **Liters: 2.072 billion** **USD 3.5 billion**	1. Italy – 32.1% 2. France – 27.4% 3. Spain – 11.0% **8. USA – 2%**	1-3) Proximity, reputation, climatic conditions for wine growing.	Wine only grows in southern part of country. Insufficient domestic supply.
Food Preparations (HS 210690) **MT 491,415** **USD 2.26 billion**	1. Netherlands – 18.4% 2. Poland – 11% 3. France – 9.1% **14. USA – 1.8%**	1-3) Proximity and availability.	Strong domestic food industry.
Peanuts (HS 1202) **MT 127,116** **USD 199.7 million**	1. Netherlands – 50.7% 2. Argentina – 22.5% **3. USA – 11.3%**	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 0813 20) **MT 9,952** **USD 47.1 million**	1. Chile – 40.2% **2. USA – 23.3%** 3. Netherlands – 11.6%	1) Product pricing, zero duty access through EU-Chile FTA 2) Good reputation for quality, California origin adds value	No local availability
Raisins	1. Turkey – 46.9%	1) Pricing	No local availability

(HS 0806 20) **MT 67,413** **USD 134.2 million**	2. South Africa – 22.2% 3. Netherlands – 7.7% **6. USA – 3.6%**		
Meat (HS 02) **MT 2.056 million** **USD 7.9 billion**	1. Netherlands – 26.1% 2. Poland – 15.6% 3. Belgium – 11.1% **25. USA - 0.1%**	1-3) Proximity and availability. 25) U.S. imports consist of hormone-free beef under Hilton beef quota.	Focus on pork rather than beef production.
Sauces and Preparations (HS 2103) **MT 385,855** **USD 879.4 million**	1. Italy – 27.9% 2. Netherlands – 23.8% 3. Poland – 7.9% **10. USA – 2.4%**	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 1.2 million** **USD 3.9 billion**	1. Poland – 18.4% 2. Netherlands – 17,5% 3. Italy – 11.9% **28. USA – 0.15%**	1-3) Proximity and availability. 2) Volumes also consist of re-exports from China, Thailand, & USA.	Tradition in snack food production. Germany is one of the global market leaders in snack foods.

Source: Trade Date Monitor, Products ranked according to value of U.S. products (last update: May 26, 2023)

IV. Best Product Prospects

- Nuts: Almonds, hazelnuts, cashews, walnuts, pistachios, macadamia nuts
- Fish and Seafood: Pollock, salmon, shrimp and prawns, surimi, miscellaneous fish products
- Dried and Processed Fruits: Prunes, apricots, raisins, cranberries
- Beef and Game: Hormone-free beef, bison meat, exotic meat, and processed meat products
- Soup & Other Food Preparations
- Organic 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
- 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 or comments 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.

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FAS Germany publishes numerous market and commodity reports available through the Global Agricultural Information Network (GAIN) at: https://gain.fas.usda.gov/#/search

Attachments:

No Attachments