

Voluntary Report – Voluntary - Public Distribution

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Report Name: US Organic Food Exports will more than double in 2019

Country: Germany

Post: Berlin

Report Category: Agricultural Situation, Retail Foods, Product Brief

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Report Highlights:

Germany is the 2nd largest organic market of the world with good prospects for U.S. organic products such as tree nuts, fruits and vegetables, and processed food products. The German organic market is heavily dependent on imports to meet consumer demands. U.S. organic exports are set to reach records in 2019, though just a fraction of the trade can be tracked officially. This report sets out information on the German organic market, including best prospects such as participation in BioFach, the world's largest organic trade fair, taking place 12 – 15 February 2020 in Nuremberg, Germany.

General Information

After the US, Germany is the 2nd largest organic food market in the world. Sales of organic food in Germany have steeply increased over recent years, peaking in 2018 with organic food sales reaching over €10.91 billion (USD \$12.50 billion). That represents nearly a third of the total organic food sales in the European Union and 4% of the total food sales in Germany. Since 2000, sales of organic food in Germany have more than tripled. Domestic production is unable to meet demand leading to higher import volumes (and values). Adding to imported organic food's rising market share are increasing prices for conventional products, rising land prices (sale and rental), and lingering uncertainty about the financial support for organic farming.

Organic Food Retail Channels

Organic food sales in Germany are split between traditional food retail companies (e.g. grocery stores) and specialty organic food stores. The major driver for the growth in recent years in the organic food sales was the expansion of specialty organic shops. Traditional food retail accounts for one half of the organic food sales in Germany, with the other half going to organic retail shops and specialty shops like bakeries, butchers, fruit and vegetable stores, open markets, or direct sales from the farm. In contrast to the conventional food retail market, the organic food retail scene is not consolidated, concentrated, nor saturated. (For more information about the food retail market in Germany and other characteristics, please see our [country page](#)).

It is estimated that there are over 2,400 organic food retail shops in Germany. But just the company “Denn’s” is truly nationwide and notes the highest sales and number of outlets. Other big organic food chains are regional or in selected cities.

Profiles of Top 5 Organic Retail Companies

Company	Sales (€Mio, 2017/18)	Number of Outlets	Locations
Denn’s	1,025	280	nationwide
Alnatura	822	134	Mainly in Southern and Western Germany but also in Berlin, Bremen, Hannover, and Hamburg.
Basic	140	31	Berlin, Rhine-Ruhr Area, Munich, Stuttgart, Frankfurt.
BioCompany	124	57	Strong in Berlin, and Potsdam but also in Dresden and Hamburg.
Ebl	64	27	Nuremberg and Bamberg

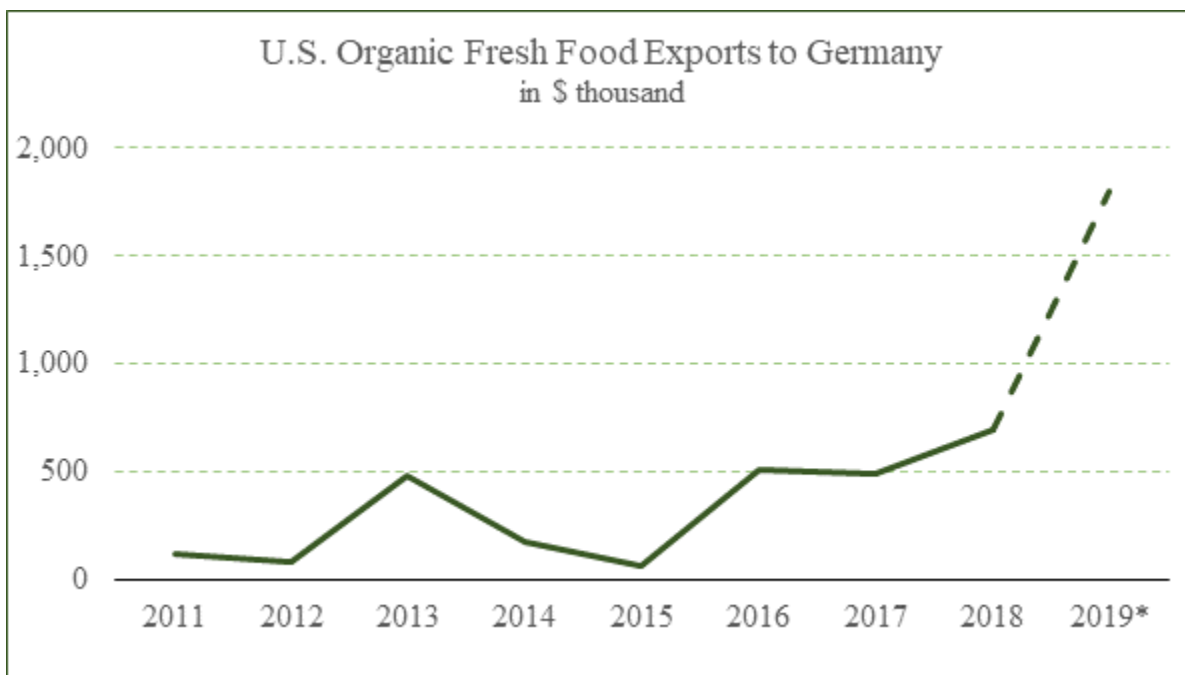
SuperBioMarkt	57	26	North-Rhine Westphalia and Osnaabrück
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Sources: FAS Berlin, Lebensmittelzeitung ; statista.de ; alnatura.de ; denns-biomarkt.de ; basicbio.de

Trade in Organic Products between the U.S. and Germany

U.S. organic food exports to Germany, which are covered by codes in the Harmonized System (HS), increased to \$0.7 million in 2018. Between January and September 2019 (latest available statistics), exports of selected organic products nearly tripled compared to the same period in the previous year. Exports are expected to reach record levels by the end of the year with tracked exports nearing \$1.8 million in 2019.

Please note that the existing HS codes cover only a fraction of organic trade with Germany and include, mostly, organic fresh products like milk, fruits and vegetables but not popular processed products or organic nuts. Actual U.S. exports of organic products to the EU are likely multiple times higher than reported data. But so far, the HS system provides a useful tool for tracking covered products and to see the export dynamics for those specific products.



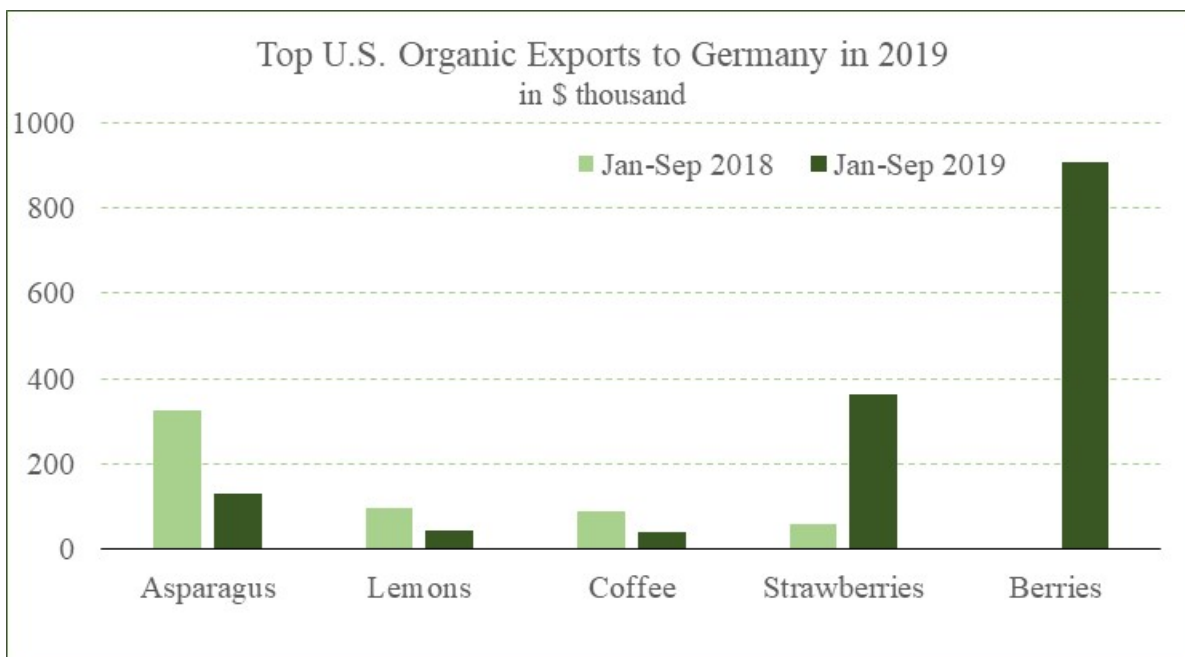
Source: U.S. Census Bureau Trade Data (USDA’s Global Agricultural Trade System Online – GATS), 2019* FAS Berlin Estimate, U.S. organic food exports can be just tracked for fresh products

U.S. Census Bureau Trade Data shows very volatile U.S. organic food exports to Germany. The top export product changes every year, indicating that decisions are based the current U.S. price and supply situation rather than long-term, established contracts between U.S. and German companies. Just exports of organic lemons and coffee show solid growth every year. In 2016, tomato sauce and strawberries were the top export product while it was berries, beets and lettuce in 2017. Asparagus, coffee, lemons and strawberries were the top exports in 2018.



Source: U.S. Census Bureau Trade Data (USDA’s Global Agricultural Trade System Online – GATS)

So far, 2019 has been a year with extremely strong exports of U.S. organic products to Germany. Berries have again taken the number 1 spot in 2019, which might drive organic fresh products exports to a total record value of \$1,8 million in 2019. Strawberry exports were also strong.



Source: U.S. Census Bureau Trade Data (USDA’s Global Agricultural Trade System Online – GATS)

Road Map to the German Market

Germany is not only the largest market for organic products in Europe but also the largest organic producer. Despite this fact, Germany is increasingly dependent on imported organic products not just for products that aren't grown in Germany but also for potatoes, fruit and vegetables, dairy products, meat, and others.

With this demand, the German organic market offers good opportunities for U.S. organic exporters. However, there are several challenges U.S. exporters must be aware of before exporting to Germany. Success in introducing food products depends mainly on knowledge of the market and personal contacts. Any potential U.S. supplier should analyze German/EU food law, packaging and labeling requirements, business practices, and trade-related laws and tariffs, potential importers and the distribution system. The Office of Agricultural Affairs (OAA) in Berlin offers guidelines on business practices and import regulations.

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 have 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 importing requirements, such as product certification, labeling and packaging. They also typically handle shipping, customs clearance, warehousing, and distribution of products within the country.

Participating in German food trade shows is a proven way to find the right distributor and facilitates the direct contact with German food brokers, importers, and wholesalers. Trade shows like the BioFach show in Germany enjoy an exceptional reputation within the global organic food industry and its outreach is global. Biofach 2020 takes place 12 - 15 February in Nuremberg. Please contact us for more information on the Biofach show:

AgBerlin@fas.usda.gov

Booming vegan market creates export opportunities

In Germany, veganism has become increasingly popular; Germany launches the most vegan product in the world. Recent articles with titles such as, "Germany is the vegan capital of the world" name Berlin as the "vegan Mecca." This creates export opportunities for U.S. companies as most major vegan food producers are based in the United States. There is good potential for meat and dairy substitutes as well as breakfast foods. For more information please see GAIN report: [Vegan Market is Cooking in Germany](#).

The EU-U.S. Organic Equivalence Arrangement

Signed in February 2012, the Arrangement was fully implemented on June 1, 2012. Since then, organic products certified in the United States or EU may be labeled as sold as "organic" in either market. This partnership streamlines trade between the two largest organic producers in the world, and provides organic farmers and businesses access to an over USD \$50 billion growing combined market. The growing market for organics in the EU in combination with the partnership creates more trade opportunities for U.S. exporters. The EU offers

market potential for U.S. organic fresh produce, dried fruit and nuts, specialty grains and processed products. For Germany, the arrangement has created export opportunities for U.S. companies in the following market segments: tree nuts, fresh fruit, specialty grains, dried fruit, vegetables, and processed food products.

For more information on the EU-U.S. Organic Equivalence Arrangement, the European organic market and organic trade between the U.S. and the EU please see GAIN report "[U.S. Organic Food Exporters Set to Double Sales to EU](#)".

Post Contact and Further Information

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

USDA/FAS/Berlin	www.fas-europe.org
U.S. Mission to the European Union	www.fas.usda.gov/posthome/useu/usda.html
FAS Washington	www.fas.usda.gov
Organic Trade Association	www.ota.com

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:

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Home Page: www.fas-europe.org

Please view our Home Page for more information on exporting U.S. food and beverage products to Germany, including market and product "briefs" available on specific topics of interest to U.S. exporters. Importer listings are available from the Agricultural Affairs Office for use by U.S. exporters of U.S. food and beverage products.

Attachments:

No Attachments.