

Required Report: Required - Public Distribution

Date: December 19, 2022

Report Number: GM2022-0038

Report Name: Exporter Guide

Country: Germany

Post: Berlin

Report Category: Exporter Guide

Prepared By: Jessica Loeser

Approved By: Kirsten Luxbacher

Report Highlights:

Germany has more than 84 million of the world's wealthiest consumers and is by far the biggest market in the European Union. The German market offers good opportunities for U.S. exporters of consumer-oriented agricultural products. In 2021, total U.S. exports of agricultural and related products to Germany reached \$2.5 billion. The largest segments were – apart from soybeans – tree nuts, seafood products, wine, beef, and condiments. This report provides U.S. exporters with background information and suggestions for entering the German market. COVID-19 related measures continued to impact the German food sector throughout 2021. Recovery to pre-pandemic levels began with the end of restrictions in spring 2022. Rising food prices are also impacting the market.

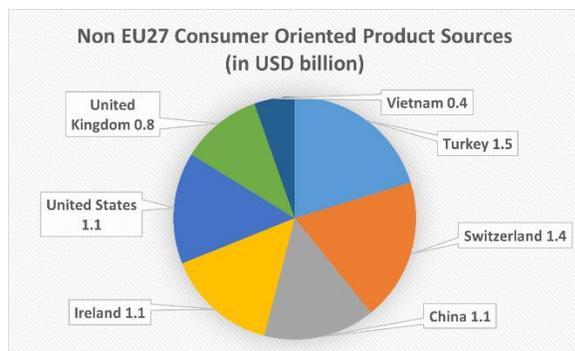
Market Fact Sheet: Germany

Executive Summary

Germany is by far the biggest market for food and beverages in the EU with 84 million consumers. In 2021, Germany's nominal GDP reached U.S. dollar (USD) 4.21 trillion, positioning the country as 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 products after the United States and China. In 2021, imports of agricultural and related products reached USD 129 billion. While 80 percent of these imports originated from other EU member states, the United States was the second largest supplier outside the bloc, after China. Imports of agricultural products from the United States totaled USD 2.5 billion in 2021.

Imports of Consumer-Oriented Products

In 2021, Germany imported consumer-oriented agricultural products worth USD 77.5 billion; the majority (72 percent) of these originated from other EU member states.



Food Processing Industry

Germany's 6,152 food processing companies employ 638,831 people. The sector is dominated by small and medium size companies; 90 percent of which have less than 250 employees. In 2021, the sector generated a turnover of roughly USD 220 billion, accounting for 5.6 percent of the German GDP. The largest subsectors by value were meat, dairy, bakery, confectionary, and pet food accounting for 22, 16, 10, 8, and 7 percent, respectively.

Food Retail Industry

The sector is saturated, highly consolidated, as well as competitive and dominated by low prices. The top five retail groups together account for around 75 percent of the total revenue. However, small neighborhood and convenience stores are seeing a revival. COVID-19 related lockdown measures impacted German consumers' shopping patterns, i.e. online shopping and delivery services. Germans are generally price sensitive but wealthy consumers, who are willing to pay higher prices for premium quality products.

Quick Facts CY 2021

Imports of Consumer-Oriented Products

USD 77.5 billion (U.S. imports USD 1.1 billion)

List of Top 10 Growth Products in Host Country

- | | |
|----------------------------|-------------------|
| 1) Almonds | 2) Pistachios |
| 3) Walnuts | 4) Alaska Pollock |
| 5) Whiskies | 6) Wine |
| 7) Food Preparations | 8) Sockeye Salmon |
| 9) Sauces and Preparations | 10) Peanuts |

Food Industry by Channels (USD billion)

Food Industry Output	187.2
Food Exports	66.1
Food Imports	59.6
Retail	232.6
Food Service	57.2

Food Industry Gross Sales (USD billion)

Food Industry Revenues

- Food (Domestic market) USD 187

Top 10 Host Country Retailers

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

GDP/Population

Population (million): 84

GDP (billions USD): 4.03

GDP per capita (USD): 48.398

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:

Federal Statistical Office Germany (Destatis), Federation of German Food and Drink Industries (BVE), Trade Date Monitor (TDM), World Bank

Exchange rate: USD 1.00 = EUR 0.99543 (Nov 2022)

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

SECTION I. MARKET OVERVIEW

With more than 84 million of the world's wealthiest consumers, Germany is by far the most populous and economically powerful of the European Union's member states. At the same time, Germany has an ageing society. Every other person is above 45 years old and every fifth above 66. However, Germany's birth rate has seen an uptake in recent years. Since 2010 more people are settling in Germany than moving away.

With a total GDP of USD 4.03 trillion in 2021, Germany remains the largest economy in Europe. However, the German economy suffered a deep recession, starting in 2020 due to the COVID-19 pandemic. This translated into a lower per capita GDP of USD 46,252 in 2020. Germany recovered quickly though, with a per capita GDP of USD 50,801 in 2021. The inflation rate was at 3 percent in 2021 and is currently at 10.4 percent (October 2022). Unemployment was at 5.1 percent in 2021. It has been rising since 2020.

Germany is a major producer of food and agricultural products and a leading player in the global marketplace. Germany is also the world's third largest importer of agricultural products after the United States and China. In 2021, Germany imported a record USD 77.5 billion in consumer-oriented agricultural products. The majority of these imports originated from other EU member states. However, there is a trend toward imports from outside the EU. In fact, non-EU imports rose 13 percent from 2020 to 2021 (72 percent in 2021 and 85 percent in 2020). Imports of consumer-oriented agricultural products from the United States totaled UD 1.1 billion in 2021.

Imports from the United States consisted mostly of soybeans, tree nuts, pollock, food preparations, wine, spirits, condiments & sauces, salmon, and beef. Germany's main trading partners of consumer-oriented agricultural products are other EU countries followed by Turkey, Switzerland, China, Ireland, the United States, the United Kingdom, and Vietnam. In total, Germany is a net importer of food and feed. In the past ten years, food imports have steadily increased underlying the rising demand for foreign and "exotic" foods.

Key market drivers and consumption trends

- Fair trade and organic products are increasingly prominent in the German grocery market. Germany is the second largest organic market in the world (behind the United States) and presents good prospects for exporters of organic products.
- An aging population and increased health consciousness of consumers is fueling the demand for health and wellness products and functional food products.
- Increasingly high-paced society and the rising number of single households are driving the demand for convenient ready-to-eat meals, desserts, and baking mixes.
- Ethnic foods, beauty and super foods, clean label foods, "free from" products (e. g. gluten or lactose free), and locally grown are further trends that increasingly attract German consumers.
- The share of consumers who view their purchasing decision as a political or life-style statement (non-GMO, "free-range" eggs, vegetarian or vegan diet, etc.) is increasing.
- Consumers increasingly require traceability and information about production methods. According to a [report](#) from the German Federal Ministry of Food and Agriculture published in

May 2022, labelling is becoming more important for consumers, especially the animal welfare label, the organic label, and the sustainable fishing label.

- Germany remains a price-focused market, but the share of consumers who are willing to pay for quality is increasing in most cities.
- Two and a half years of COVID-19 related lock-down and physical distancing measures heavily impacted the German food sector and consumer shopping and consumption patterns. With the closure of schools and most shops and services, and many people working in a home-office setting, much of the demand for food and agricultural products shifted from the restaurant and food service sector to food retail and/or was significantly reduced. Germany is still recovering, especially due to employee shortages in the hospitality and service sectors.
- Food prices increased 20.3 percent from October 2021 to October 2022 (while the increase from 2000 to 2019 was 1.5 percent). This rise is linked to rising agricultural input prices and disruptions to international trade as a result of Russia’s invasion of Ukraine. A sharp increase in energy costs is also influencing German consumers purchasing decisions.

Please see FAS Berlin’s Germany country page at www.fas-europe.org for more information and reports.

Advantages	Challenges
Germany is the biggest market in Europe with one of the highest income levels in the world.	German consumers demand quality and low prices.
Large multi-cultural and international population and Germans’ inclination to travel abroad help fuel demand for foreign products.	Private sector sustainability standards can act as a barrier to trade.
Germany is among the largest food importing nations in the world.	EU import regulations and tariffs; EU gives preferential access to products from EU countries.
Many German consumers are uninformed about the details of sustainability, and there is still room to voice the U.S.’s sustainability message.	Getting the audience’s attention amongst many competing actors and crises.
U.S. style is popular, especially among the younger generations; good reputation for U.S. foods like dried fruits, seafood, and wine.	Non-tariff barriers such as phytosanitary restrictions and traceability requirements can make exporting to Germany complicated.
Germany is the largest EU market for U.S. beef under the EU import quota for high quality beef, which was expanded in 2021.	The quota only applies to beef from animals not treated with growth-promoting hormones.

Source: FAS Berlin

SECTION II. EXPORTER BUSINESS TIPS

The German market offers good opportunities for U.S. exporters of consumer-oriented agricultural products. U.S. suppliers of consumer-ready foods and beverages interested in developing a market for their products in Germany must be prepared to:

- Offer a product that meets European Union and German food law, packaging, and labeling requirements
- Pay particular attention to animal product health certificates, many of which are now filed using a new electronic system ([VEHCS](#))
- Watch out for potential testing for unapproved biotech crops
- Invest time and money to develop the market, paying special attention to identify the right marketing channel for your product
- Participate in food, beverage, and industry trade shows
- Explore marketing approaches that build on strong societal themes
- Highlight a particular product or industries' sustainability attributes
- Consider including a certified organic, vegan, or vegetarian item in your portfolio

Market Access

If a potential exporter is considering working through a distributor in another country (the Netherlands is common), they should be aware that food imports from other countries within the European Union fall under the "free movement of goods" principle. This means that products, which are imported by other EU-countries, may be brought into Germany even if they do not meet German food laws. If this is the case, importers must obtain a permit from the Federal Office for Consumer Protection and Food Safety ([BVL](#)) in order to sell the product in Germany.

To determine current tariffs and other measures applied to imports into Germany and the EU in general, please see the TARIC, the [Online Customs Tariff Database](#).

There are a number of potential technical barriers to trade, thus exporters may want to consult with 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 that cover areas which are not yet harmonized.

Distribution Channels

The German food and beverage industry is highly fragmented and competitive. Few German retailers import products directly from other countries. Most food retailers prefer to buy from central buyers/distributors specialized in food and beverage importing. In general, these wholesalers specialize in products or product groups, and some are even experts in food products from a specific country of origin. These specialized importers have in-depth knowledge of all importing requirements, such as the necessary product certificates and, labeling and packaging. They also take care of the shipping, customs clearance, warehousing, and distribution of the products within the country. It is advisable that U.S. exporters find a local representative to place and promote their products successfully within Germany.

Another successful way of finding the right distribution for products of U.S. food and beverage companies is to participate in the various food trade fairs taking place in Germany. Trade shows, like ANUGA or BIOFACH, enjoy an exceptional reputation among industry experts worldwide. Participating in trade shows facilitates direct contact with German food brokers, importers, and wholesalers. A listing of upcoming trade shows in Germany may be found at www.fas-europe.org/germany.

Germany is a potential market for those U.S. companies willing to invest the time and resources to cement contacts. New products on the German market may require up to 12 to 18 months of testing to determine market acceptance.

Supporting Institutions

Currently, about 40 U.S. trade associations operate USDA-funded marketing programs in Germany. For the full list of participating U.S. organizations, please visit www.fas-europe.org/partners

Foreign companies looking for German food importers, wholesalers, or distributors can obtain reliable information from the Foreign Agricultural Service ([FAS](#)) based in Berlin, 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.

SECTION III. IMPORT FOOD STANDARDS & REGULATIONS AND 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.

Incoming goods go either to customs storage (small shipments) or to a freight forwarder's facility. Storing and removal from storage is carried out under the terminal's supervision by a customs officer who compares the documents with the commodities. Later, the invoice for the import duty is issued. Food inspectors at the port of entry's storage area do not routinely check packaged foods. However, the customs officer may take samples to double check for ingredients (sugar, milk powder, alcohol) as they are responsible for the correct assessment of customs duties.

Once imported goods are cleared in one Member State, they can move freely throughout the EU territory. This means U.S. products coming into Germany via another EU member state, for example the Netherlands, must clear customs there. No additional inspections are carried out when crossing the border into Germany. For more information on import food standards and import procedures which are not yet harmonized with EU legislation please consult the relevant FAIRS reports.

SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

Trade within the EU bloc is significantly easier for Germany than trading outside the bloc, so it comes as no surprise that the top three exporters of most products to Germany are typically other European competitors to the United States. The United States ranked thirteenth of all countries in exports of customer-oriented agricultural products to Germany in 2021, but when accounting for the single market EU, the United States is a much larger source of imported customer-oriented products. Therefore, the biggest competition for German market share is with Turkey, Switzerland, and China – which exported

slightly more consumer-oriented products to Germany than the United States last year, and the United Kingdom, Vietnam, and Thailand, which exported slightly less.

The following tables present products with good sales potential, good current sales, and products not available on the German market.

a) Products present in the market that have good sales potential

Product Category	Total German Imports 2021	Total German Imports from the USA	U.S. Import Growth (2017-2021)	Market attractiveness for USA
Soybeans	\$1,942,462,817	\$610,138,279	-0.7%	The U.S. became the top exporter of soybeans to Germany in 2021.
Tree nuts	\$3,612,996,399	\$760,298,592	+15.1%	The U.S. is consistently the leading exporter of almonds, pistachios, and walnuts to Germany. Demand is strong for tree nuts, particularly for snacking and confectionery.
Sugars & confectionery	\$1,939,844,601	\$10,149,774	-7.2%	In recent years, German imports have remained relatively stable, fluctuating between USD 1.7 to 1.9 million.
Hops	\$80,484,574	\$25,972,643	+50.2%	German demand for imported hops more than doubled between 2015 and 2020 but saw a steep fall in 2021. The U.S. is still the top exporter to Germany.
Sweet potatoes	\$62,450,083	\$1,972,569	-10.2%	German demand for imported sweet potatoes has nearly doubled over the past five years. Sweet potatoes are becoming more popular in processed snacks and in cooking. The EU placed a 25 percent tariff on U.S. sweet potatoes in November 2020. In July 2021, the tariff was suspended for five years.
Pulses	\$172,633,218	\$6,428,457	-29.4%	Generally, increased interest in pulses as an alternative protein source.

Fish and Seafood	\$6,040,999,966	\$227,080,588	+7.4%	After a downward trend in 2018, demand in Germany is on the rise again. The EU placed an additional duty of 25 percent on some species of fish and mollusks in November 2020. In July 2021, the tariff was suspended for five years.
Whiskey	\$494,772,892	\$82,178,798	-8.1%	The U.S. is the second largest exporter of whiskies after the UK. The EU agreed to remove tariffs on American whiskey and bourbon in October 2021.

(Source: Trade Date Monitor, LLC (TDM) accessed on December 1, 2022)

b) Top consumer-oriented products imported from the world

Product	Total German Imports 2021	Total German Imports from the USA	U.S. Import Growth (2017-2021)
Cheese	\$5,162,161,257	\$2,190,956	+99.3%
Coffee	\$1,298,415,020	\$1,350,003	-64.6%
Wine	\$3,383,858,200	\$83,336,314	+9.8%
Bread, Pastry, Cakes etc.	\$3,067,826,899	\$3,997,792	-55%
Chocolate & Cocoa Products	\$3,909,201,666	\$3,387,564	+9.1%
Nuts	\$2,404,661,270	\$755,999,197	+15.1%
Food Preparations (nesoi)	\$2,349,427,941	\$46,851,976	+44%

(Source: Trade Data Monitor, LLC (TDM) accessed on December 2, 2022)

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

- High quality beef
- Cranberries and cranberry products
- Innovative sauces, condiments, and confectionary products
- Products featuring “sustainable” or other social issue-based marketing labels

d) Products not present because they face significant barriers

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

For sector specific information about U.S. exports of consumer-oriented products check out the following FAS Berlin reports:

Hotel, Restaurant and Institutional → [Food Service Report 2022](#)

Retailers and Retail food → [Food Retail Report 2022](#)

Food Processing → [FPI Report 2022](#)

SECTION V. AGRICULTURAL AND FOOD IMPORTS

Germany’s agricultural and related product imports from the United States totaled USD 2.5 billion in 2021, an increase of more than 4 percent from 2021. In 2022, Germany’s imports of U.S. agricultural and related products are up by 15 percent (latest available trade data: January to July 2022). At time of writing in December 2022, post forecasts Germany’s imports of these products at USD 2.6 billion. Germany also offers a good market for processed food products like sauces, snacks, condiments, confectionery products, distilled spirits, wine, craft beer, bread, pastry, cakes, products with a special certification, and health food snacks from the United States. The following table presents Germany’s top 20 agricultural and food imports from the United States since 2017.

Top German imports from United States, in Million USD

HS Code	Commodity	2017	2018	2019	2020	2021
1201	Soybeans	615	532.6	754.3	519.8	610.2
080212	Almonds	344	342.2	327.1	352.7	293.8
080251 080252	Pistachios	123.8	147.1	227.9	233.1	252.8
080231 080232	Walnuts	152.1	196.4	142.7	195.3	156
030475	Alaska Pollock	103.7	97.2	114.8	149.2	133
030474	Hake (frozen fillets)	1.6	7.9	11.8	5	4.2
220421	Grape Wine	55.6	20.3	13.3	15.5	49
220830	Whiskies	89.4	102	75.2	76.9	82.2

030311	Salmon Sockeye (red) frozen	55	26.6	47.6	28.1	44.7
350790	Prepared Enzymes	40.6	36.2	33	26.5	35.5
08029010	Pecans	35	40.6	46.1	38.5	49
35040010	Milk Proteins	1	0.9	0.04	5	0.3
081320	Dried Prunes	21.8	17	14	14.5	12.6
080620	Raisins	20.6	10.8	11.2	11.6	6.2
1202	Peanuts	22	22.4	14.9	15.4	16
20081110	Peanut Butter	14.7	13.7	3.3	0.04	0.06
2103	Sauces and Preparations	16.4	16	18.3	13.4	17.5
0406	Cheese and Curd	1.1	1.6	2	2.3	2.2
020130	Beef (fresh/chilled)	11.9	12.7	9.8	13.2	9
020220	Beef (frozen)	5	2.9	12.2	18.6	0

(Source: Trade Data Monitor, LLC (TDM) accessed on December 8, 2022)

For more detailed U.S. trade statistics check [USDA's Global Agricultural Trade System \(GATS\)](#).

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

Homepages of potential interest to the U.S. food and beverage exporters are listed below:

Foreign Agricultural Service Berlin	https://de.usembassy.gov/
Foreign Agricultural Service Washington	https://www.fas.usda.gov/
USDA/FAS/Europe	http://www.fas-europe.org
U.S. Mission to the European Union	http://www.usda-eu.org

One tip for U.S. exporters is to access the German business portal, which is maintained by the Ministry of Economics and Technology. Provided in English, it serves as a central contact platform that can steer inquiries into the right channel. More information about the food and beverage sector can be found [here](#).

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

Foreign Agricultural Service
U.S. Department of Agriculture
Embassy of United States of America
Clayallee 170
14195 Berlin
Tel: (49) (30) 8305 – 1150
E-Mail: AgBerlin@usda.gov
Homepage: www.fas-europe.org

Please view our [country](#) 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 Foreign Agricultural Service for use by U.S. exporters of U.S. food and beverage products.

Attachments:

No Attachments