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Product Brief Fresh Fruits

Report Categories:
Product Brief
Fresh Fruit
Fresh Deciduous Fruit
Citrus
Stone Fruit
Strawberries

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Report Highlights:
Germany is one of the largest markets for fruit in Europe. The relative affluence of its population of 82 million people makes it an attractive outlet for exporters from many countries. This product brief highlights certain aspects of the German fruit market to aid U.S. exporters in successfully marketing their products in Germany.

General Information:

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Section I. Market Overview

Germany, with a population of 82 million (16 percent of the EU-28 total population), has the largest economy in Europe and is a leading European market for foods and beverages. In 2013 food retail sales in Germany totaled 148 billion Euros (approx. $185 billion).

Germany is the 6th largest fruit producer in the EU-28 and the largest fruit consumer. In MY 2012/13, Germans consumed approximately 8.5 million MT of fruit, including frozen and canned fruits on a fresh weight basis. Germans show a preference for fresh fruits, but in MY 2012/13 consumed 68,900 MT of frozen fruits and 110,000 MT of dried fruits. Additionally Germans consume more fruit juices and nectars per capita than any other European country and the United States. The top five fruits consumed in Germany are apples, bananas, oranges, grapes, and clementines. However, Germans are also quite familiar with exotic fruits such as mangos, passion fruit, avocados, and lychees.

Germany's position as the largest EU-28 consumer of fruits results from the size of its population rather than high per capita consumption. Per capita consumption of fruits has been declining since 2005, aggravated by stiff competition from sweets and other snacks.

Other factors of the German socio-economic makeup, in particular its aging and increasingly foreign-born population, favor an increase in per capita fruit consumption. Between 2007 and 2010, 50-59% of fresh produce in Germany was bought by older households—a demographic that will likely continue to grow. Moreover, Germany has a high number of immigrants from Turkey and other Mediterranean countries whose diets include a higher percentage of fruits than the traditional German diet. Immigrants in Germany also tend to spend a higher percentage of their income on food. As of 2014, more than 7 million citizens of other countries live in Germany, and 16 million German residents had a migrant background (dual citizenship).

Advantages	Challenges
Germany's 82 million inhabitants make up the biggest market in Europe.	Germany is a very price-sensitive market, and both, consumers and retailers are looking for top quality at a discount price.
The average income of consumers in Germany is among the highest in the world.	German (EU) import tariffs on certain products are high. EU Member States benefit from preferential market access with no tariffs.
Germany has many well-established importers. The distribution system is well developed.	Retailers rarely import products into Germany on their own.

The U.S. has a good reputation for quality.	Retailers often charge high listing fees for products.
The strong Euro should help to make U.S. products more competitive in Germany.	It can be a challenge for U.S. companies to promote a particular brand because private label products are popular.

Section II. Market Sector Opportunities and Threats

Market entry strategy
German wholesale companies import fruit and distribute it to wholesale markets and retail chains. Small greengrocers, including the popular Turkish greengrocers, buy their produce from wholesale markets. Retails chains very rarely participate in the importation process. We highly recommend working with an importer, as these companies have valuable experience in fulfilling certification, labeling, and other import requirements.

Germany is a very price-sensitive market. Exports to Germany will thus be difficult during the peak of the local season when prices are low, and in some cases, tariffs are high. Nevertheless, significant off-peak export opportunities exist.

German consumers typically prefer to buy produce that is in season. Charts 1-5 illustrate the seasonal buying patterns in Germany. The trend of buying locally-grown produce gained traction in recent years, in part due to an increase in the use of quality seals stating that the produce is “regional”. On the other hand, many consumers enjoy the variety of exotic fruits and want their favorite fruit at any time of the year. As a result, some retail markets proudly advertise seasonal produce stocked year-round, but prices are higher off-season. Consequently, out-of-season strawberries or cherries can fetch high premiums, but only for small volumes.

Chart 1: Distribution of Fruit Purchases by Fruit Type and Month

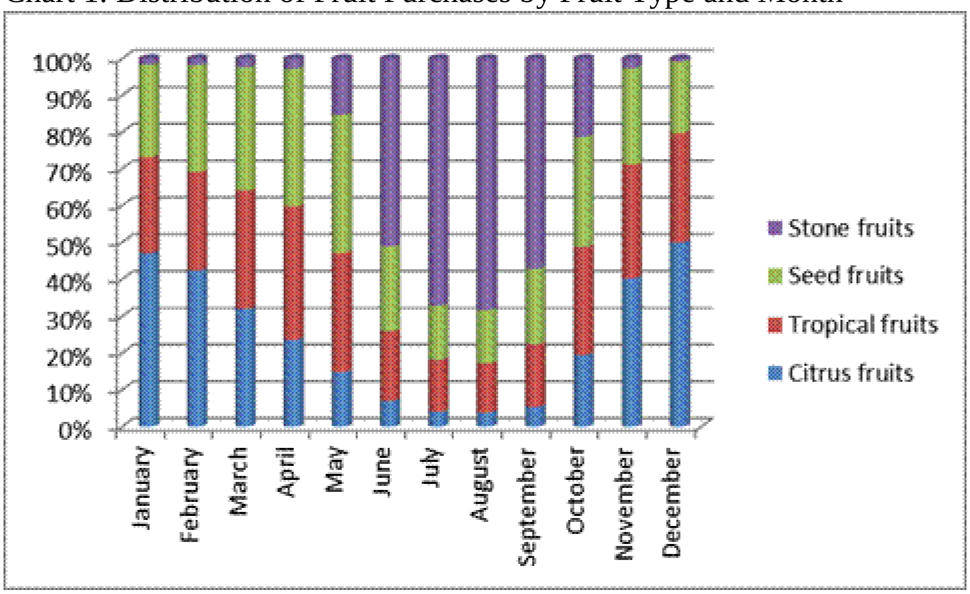


Chart 2: Distribution of Purchases of Stone Fruits by Month

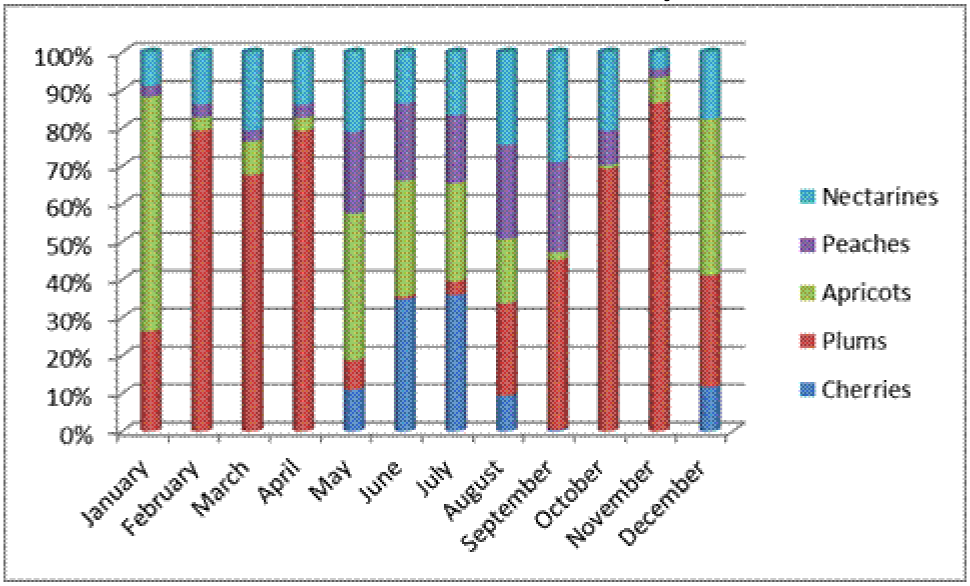


Chart 3: Distribution of Purchases of Seed Fruits by Month

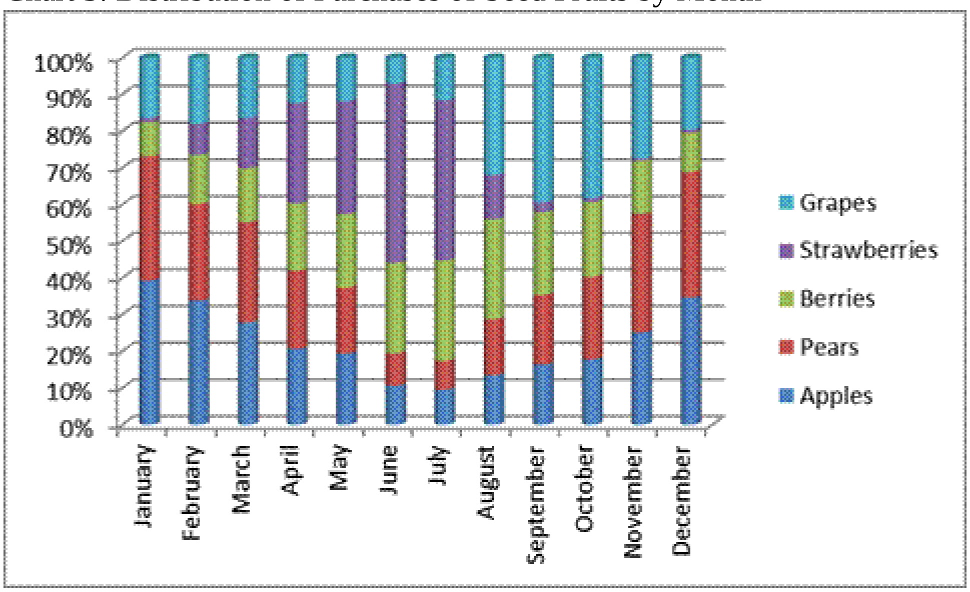


Chart 4: Distribution of Purchases of Tropical Fruits by Month

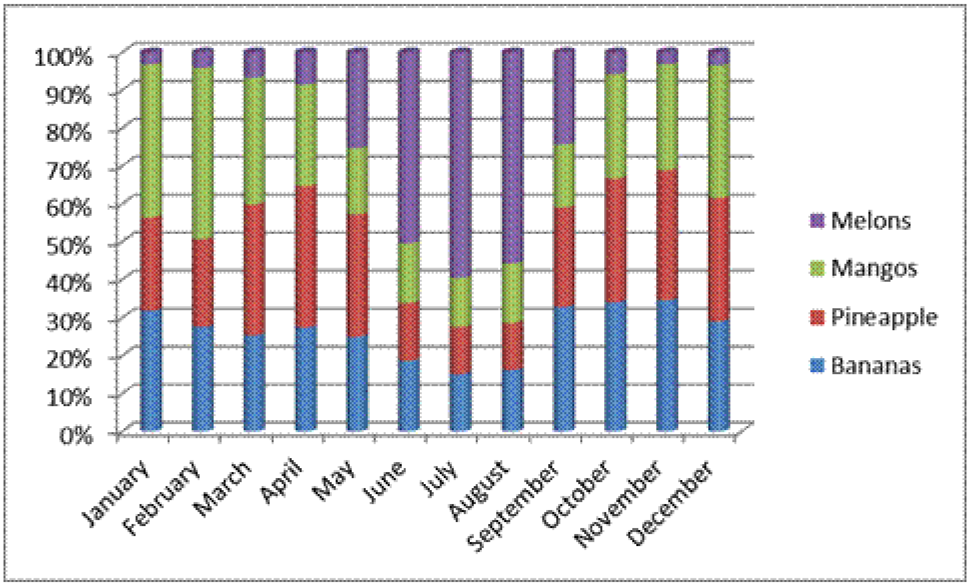
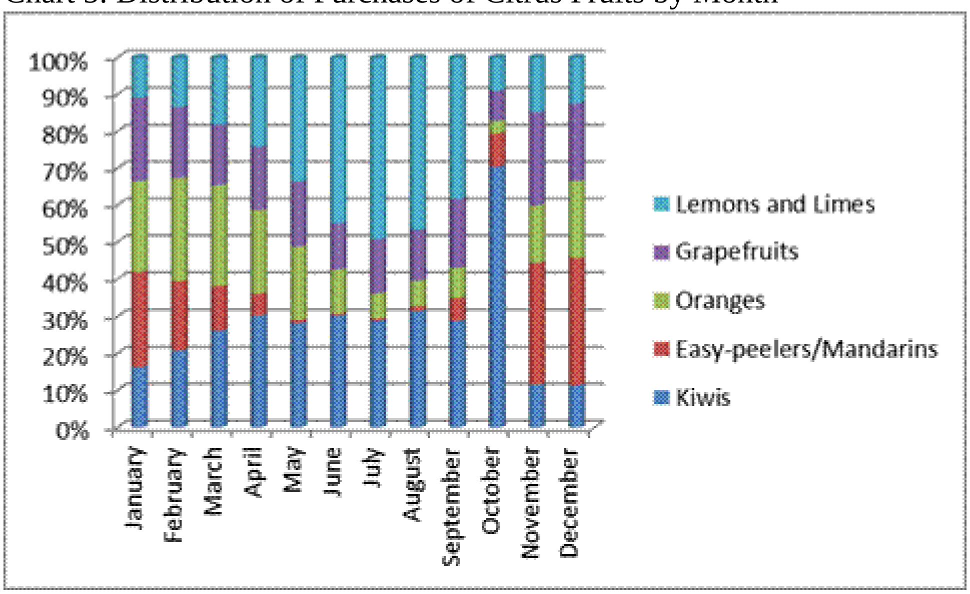


Chart 5: Distribution of Purchases of Citrus Fruits by Month



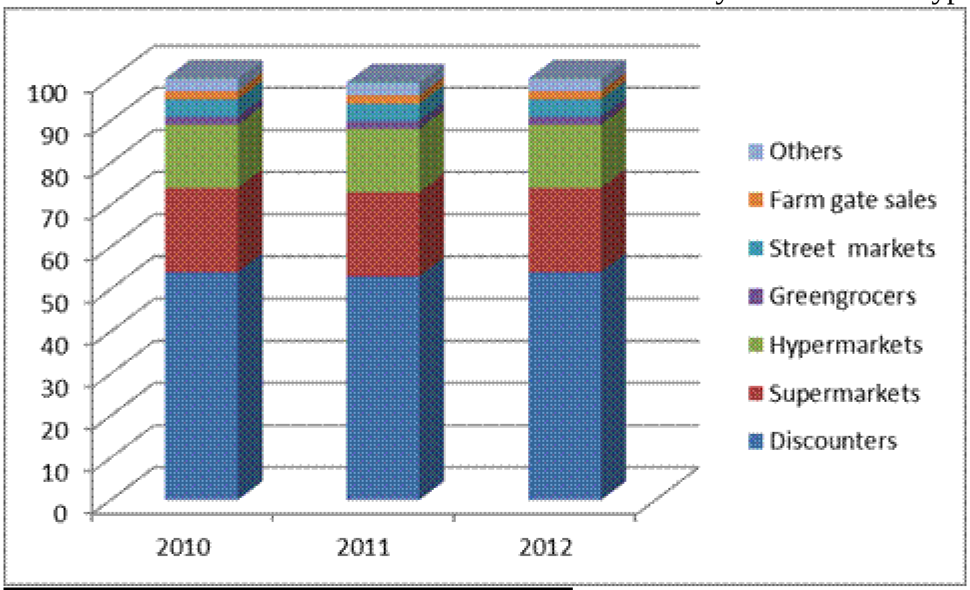
Source: AMI Markt Bilanz Obst 2014

The United States has a good reputation for quality. In some cases it would also be advantageous to include the state of origin in addition to the U.S. origin on packaging. For example, produce from California and Florida is particularly well-received because consumers associate these states with sunshine.

Food safety and environmental concerns are major issues in Germany. The public reacts strongly to food scandals that involve high levels of pesticides or contaminants and stops buying products associated with the scandal. This can be an advantage for U.S. products because of the U.S.'s high food safety standards.

German consumers frequently choose environmentally-friendly foods and packaging over others. Accordingly, consumption of organic products is rising steadily in Germany. Conventional products that convey a natural image are also viewed positively. For example, many consumers prefer to buy individual or bulk fruits rather than those in what is considered to be extraneous plastic packaging. Some consumers even avoid fruits labeled with a plastic PLU code sticker. However, the proportion of prepackaged fruits on the market is increasing, especially in the convenience and the discount sectors. The rapid increase of food purchases at German no-frills discount grocers ("discounters") has tapered off in recent years to stabilize at just over half of all food purchases. From 1999 to 2007 discounters were able to increase their market share on a volume basis for fruits from 38 to 53 percent at the expense of all other retail forms. From 2008 to 2012 the discounters' share remained stagnant at about 54 percent. This is a sign of the extreme price sensitivity of German consumers prevalent in almost all areas, but especially developed when it comes to food.

Chart 6 and Table 1: Percent of Fresh Fruit Purchases by Retail Outlet Type and Year



Outlet Type	2010	2011	2012
Discounters	54	53	54
Supermarkets	20	20	20
Hypermarkets	15	15	15
Greengrocers	2	2	2
Street markets	4	4	4
Farm gate sales	2	2	2
Others	3	3	3

Source: Fruchthandel Directory 2013 based on market total quantity of fruit sales

Discounters = no-frills stores with a limited selection of items, also characterized by generally lower prices than at traditional supermarkets
Hypermarkets = retail stores with more than 5000 square meters or about 53,820 square feet
Supermarkets = retail stores with less than 5000 square meters.

Imports

Although Germany produces a number of fresh fruits, self-sufficiency varies between 10 and 15 percent. The top five fruits produced in Germany are apples, strawberries, pears, cherries (sweet and sour), and plums. For climatic reasons Germany does not produce tropical fruits, but imports them from all over the world.

The majority of imports excluding bananas originate in other EU countries with Spain, Netherlands, and Italy being the top EU suppliers. In 2013, Germany imported fresh fruits worth USD 6.6 billion. Imports from the U.S. amounted to USD 11 million. On a value basis, Ecuador, Costa Rica and Turkey were the top non-EU suppliers in 2013. See Table 2 for a list of German fruit imports from the United States.

Table 2: German imports of fresh fruits from the United States by value, volume and year

		2012			2013		
CN/HS		Volume	Value		Volume	Value	
Code	Product	MT	1000 Euro	1000 USD	MT	1000 Euro	1000 USD
	Total	**5489**	**8028**	**10316**	**6091**	**8639**	**11458**
0805 40	Grapefruits	2901	2714	3534	2838	2809	3740
0804 50	Guava, Mango, fresh and dried	1014	1412	1756	1415	2213	2917
0810 2010	Raspberries, fresh	481	1129	1449	1107	1527	2021
0804 10	Dates fresh or dried	85	583	753	73	504	670
0804 40	Avocado	13	32	41	75	271	355
0808 3090	Fresh Pears	698	1020	1330	172	238	316
0810 4050	Cranberries	35	228	295	36	219	296
0810 4010	Mountain berries	36	170	220	32	161	218
0810 10	Strawberries	7	17	21	40	122	164
0805	Other Citrus	45	55	72	92	119	156
0810 4030	Blueberries	2	16	21	17	110	144
0810 2090	Blackberries	22	33	42	121	100	133
0807 20	Fresh Papaya	15	72	93	8	45	60
0809 20	Fresh Cherries	86	335	417	5	45	59
0806 10	Fresh Grapes	3	12	15	14	37	49
0804 30	Pineapples	4	12	15	11	25	34
	Other	42	188	242	35	94	126

Source: German Federal Office of Statistics, Wiesbaden

Food safety

The number of food scandals in Europe in recent years involving various commodities including fresh produce has prompted the food industry to come up with various programs to ensure the safety of the traded food. For fruits and vegetables two main control programs evolved in Germany - the Q+S and GLOBALG.A.P. While Q+S is a 3-tier system that involves every participant in a food's production from the farmer to wholesalers and retailers, GLOBALG.A.P mainly focuses on the producer level and is often supplemented by the IFS (International Food Standard) on the wholesale level. A major component of both systems is the extensive documentation requirement for all stages of the production process.

Both systems are available for the use of both German and international producers. Also a combined certification for both Q+S and GLOBALG.A.P at the same time is possible at the producer level. Non-certified produce is still accepted. However, U.S. exporters should monitor the issue closely because some European retailers are already requiring GLOBALG.A.P certification.

For detailed information on both systems please view the following websites:

http://www.q-s.de/en

www.globalgap.org

Packaging and Waste Avoidance Law / "Green dot"

The German Packaging and Waste Avoidance Law (Verordnung über die Vermeidung und Verwertung von Verpackungsabfällen, or VerpackV) establishes recyclability requirements for packaging material. The "Green Dot" (Der Grüne Punkt) system was developed to assure that product materials will be recycled in a controlled facility. The "Green Dot" symbol which is found on the packaging material of virtually all retail products in Germany. Though it is not legally required for products to carry the "Green Dot" symbol, it is virtually impossible to market a product in Germany without it. Typically, the producer or the importer pays a fee and enters into a licensing agreement with, for example, Duales System Deutschland GmbH, and provides the licensing company necessary product information in order to use the "Green Dot".

For further information on the "Green Dot" packaging material disposal and recycling program you may wish to consult your German importer and/or contact any of the following companies:

Duales System Deutschland GmbH (DSD)
Frankfurter Strasse 720-726
D-51145 Köln, Germany
Tel: (+49-2203) 937-0
Fax: (+49-2203) 937-190 or 495
http://www.gruener-punkt.de/en/corporate/company.html

BellandVision GmbH, Pegnitz - www.bellandvision.de
EKO-PUNKT GmbH, Mönchengladbach - www.eko-punkt.de
INTERSEROH Dienstleistungs-GmbH, Köln - www.interseroh.de
Landbell AG, Mainz - www.landbell.de
Reclay VFW GmbH & Co. KG, Köln – www.reclay-group.com
Veolia Umweltservice GmbH, Hamburg - http://www.veolia-umweltservice.de

Zentek GmbH & Co. KG, Köln - www.zentek.de

Section III. Market Access

Tariffs:
Tariffs for fruits and vegetables very much depend on the season. During local (EU) peak season the tariffs tend to be higher than otherwise. Tariff levels for 2015 are published in EU Regulation 1101/2014. For details please refer to http://eur-lex.europa.eu
For tariffs on edible fruits see Chapter 8, pp. 94 et seq.

Certain fruits and vegetables are subject to a special tariff system called the “Entry Price System”. In this system fruits and vegetables imported at or over an established entry price are charged an ad valorem duty only. Produce valued below the entry price are charged a tariff equivalent in addition to the ad valorem duty.

Commission Delegated Regulation (EU) No 499/2014 has introduced provisions on the entry price system, which standardizes the clearance of goods that are subject to the entry price to the Custom Code. These provisions, applicable since October 1, 2014, introduced a flat rate, which is the standard import value, for clearing customs when products are sold on consignment.

The following products are subject to the entry price system:
tomatoes, cucumbers, gherkins, globe artichokes, courgettes, oranges, mandarins, clementines and similar citrus hybrids, lemons, grapes, apples, pears, quinces, apricots, cherries, peaches, nectarines, plums, sloes, fruit juices and wine.

For tariffs on products to which an entry price applies see Annex 2, pp. 679 et seq.

Labeling requirements
All fruits that are subject to the EU marketing standards must be labeled with the nature of produce, the country of origin, standard/class, plus the variety if stated so in the standard. If sold pre-packaged, the following additional information has to be stated on the product label: name and address of packer, weight or number of items in the package, lot number, plus the size if stated so in the standard. We recommend contacting your importer about the details of labeling requirements prior to shipping.
As of December 13, 2014, additional labeling standards set forth in EU Regulation 1169/2011 are in effect in all EU Member States. The regulation mandates the declaration of nutrition and allergen information and sets forth minimum font sizes for pre-packaged and non-pre-packaged foods. For more information on how to comply with the new standards, please consult your importer and the following additional GAIN reports:
New EU Food labeling rules published
How to Comply with the EU's New Food Labeling Rules

For information on other marketing standards please consult the following websites:
http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/marketing-standards/
http://ec.europa.eu/agriculture/fruit-and-vegetables/marketing-standards/index_en.htm

Maximum Residue Levels for Fruits
Maximum Residue Levels (MRLs) for pesticides are harmonized throughout the EU. For detailed current information please refer to the EU database at
http://ec.europa.eu/sanco_pesticides/public/?event=homepage

As a marketing tool, some retail chains in the EU exceed the EU regulations and require their suppliers to adhere to stricter company policies that limit the maximum residues to 30, 50, or 70 percent of the respective EU MRL.

Phytosanitary requirements
European Council Directive 2000/29/EC contains provisions concerning compulsory plant health checks for products entering the EU. The checks consist of documentary, identity, and physical plant health checks to verify compliance with EU import requirements. More information can be accessed on DG Health & Consumer Protection's website:
http://ec.europa.eu/food/plant/organisms/imports/inspection_en.htm.

An overview of EU mandatory and voluntary certificates can be found on pages 33-35 of the USEU FAIRS certificate report at:
FAIRS Export Certificate Report

Section IV. Post Contact and Further Information
For more information concerning market entry and a current importer list contact:

Embassy of the United States of America
Office of Agricultural Affairs
Clayallee 170
14191 Berlin
Germany
Tel: +49-30-8305-1150
E-mail: agberlin@fas.usda.gov

Trade fairs
In Germany, trade fairs play a key role in presenting new products to the trade or in finding additional buyers and importers. The major international trade fair for the fruit and vegetable trade is held each February in Berlin:

Fruit Logistica Berlin, Germany (Interval: yearly) Target Market: Europe. Good venue for exhibiting fresh and dried fruit, nuts and related products. http://www.fruitlogistica.de	Next Fair: February 4-6, 2015 9am – 6pm	U.S. Pavilion Organizer: B*FOR International Tel: (540) 373-9935 Fax: (540) 372-1414 brandusapavilion@exhibitpro.com

For organic products, there is a special trade fair held annually in Nuremberg:

Bio Fach Nuremberg, Germany (Interval: yearly)	Next Fair: February 11-	U.S. Pavilion Organizer: B*FOR International

Target Market: Germany/Europe. The leading European trade show for organic food and non-food products. http://www.biofach.de	14, 2015 9am – 6pm (Wed, Thu) 9am – 5pm (Fri)	Tel: (540) 373-9935 Fax: (540) 372-1411 brandusapavilion@exhibitpro.com

Related GAIN reports:

Report Number	Date	Title
AU1415	10/28/2014	**EU-28 Fresh Deciduous Fruit Annual** **Ample Domestic Supply and Russian Import Ban to Put Pressure on the Fresh Fruit Market** This report provides EU-28 production, supply, and demand forecasts for fresh apples, fresh pears, and table grapes. Ample domestic supply of apples and pears in MY (marketing year) 2014/15 (good crop and abundant commercial stocks for both), together with the Russian import ban on those products, puts pressure on the fresh deciduous fruit market. Fresh Deciduous Fruit Annual_Vienna_EU-28_10-28-2014
E80065	12/20/2013	**EU-27** **Food and Agricultural Import Regulations and Standards – Narrative** **FAIRS Country Report** This report updates each of the nine sections and provides an overview of food laws currently in force in the EU-28. Developments in EU food legislation and initiatives that may have an impact on U.S. exports of food and agricultural products are highlighted on a blue background. For updates of the information provided in this report check the USEU/FAS website www.usda-eu.org. Food and Agricultural Import Regulations and Standards - Narrative_Brussels USEU_EU-27_12-30-2013
GM14001	1/3/2014	**Germany** **FAIRS Country Report 2014** **Food and Agricultural Import Regulations and Standards – Narrative** Germany is a member of the European Union (EU) and generally follows EU directives and regulations, including those relating to the importation of food products. This report provides an overview of food laws in force in Germany that cover areas which are not yet harmonized. Food laws currently in force in the EU-27 are summarized in the EU-27 FAIRS report. Disclaimer This report was prepared by the USDA/Foreign Agricultural Service in Berlin, Germany, for U.S. exporters of domestic food and ... Food and Agricultural Import Regulations and Standards - Narrative_Berlin_Germany_1-3-2014
GM13019	5/8/2013	**Germany** **Exporter Guide**

		Good Market Opportunities for U.S. Exporters of Consumer-Oriented Agricultural Products Germany has 82 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 2010, U.S. exports of consumer oriented products to Germany totaled US$ 0.9 billion. Largest segments were tree nuts, fish & seafood products, and wine & beer. This report provides U.S. food and agriculture exporters with background information and suggestions for entering the German market. Exporter Guide_Berlin_Germany_4-25-2013
GM13008	2/22/2013	**Germany** **Results of German Fruit Tree Census** This report summarizes the results of the 2012 German fruit tree census and developments in the variety mix of apples and pears. While 14 percent of the German deciduous fruit farms have stopped operating since the previous census in 2007, total planted area only decreased by 3 percent. However, there was a shift towards apples whose area was expanded by 1 percent at the expense of tart cherries, plums, and pears, whose area decreased by 33, 11, and 4 percent, respectively. Results of German Fruit Tree Census_Berlin_Germany_2-22-2013
GM14006	1/31/2014	**Germany** **Organic Food Retail** **Agricultural Situation Market Development Reports** Germany is the 2nd biggest organic market of the world with good prospects for U.S. organic products like salmon, tree nuts, fruits and vegetables, processed food products and others. The German organic market is heavenly depended on imports to meet consumer demands. The EU-U.S. Organic Equivalence arrangement has created new export opportunities for some U.S. companies. BioFach, the world's largest strictly organic trade fair, is held annually in Germany. Organic Food Retail_Berlin_Germany_1-31-2014
GM14028	8/25/2014	**Germany** **Retail Foods** Germany is by far the biggest market in the European Union with good prospects for U.S. food products like tree nuts, wine, processed fruits and vegetables, fruit juices and others. The food retail market is fairly consolidated with discounters dominating the market. Food marketing trends in Germany show an increase in private labels and in demand for organic, convenience, health, sustainable, wellness, and new innovative as well as luxury products. The EU-U.S. Organic Equivalence Cooperation has created new export opportunities for U.S. companies. Retail Foods_Berlin_Germany_8-25-2014