

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Organic Food Retail 2016

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Report Highlights:

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 heavily depending 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.

General Information:

Organic Food Market

After the U.S., the German organic food market is the 2nd biggest market of the world. Sales of organic food in Germany have steeply increased over the last couple of years and peaked in 2014 with organic food sales reaching over €7.9 billion (\$8.5 billion). That's nearly a third of the total organic food sales in the European Union and just about 4% of the total food sales in Germany. Since 2000, sales of organic food in Germany have more than tripled, but domestic production has failed to keep pace and the increasing demand was mostly covered by higher imports. Numerous products were imported into an ever greater extent which can potentially be produced domestically. Main reasons for the higher share of imports are price increases for conventional products, high sale and rental prices for agricultural land, and uncertainty about the financial support for organic farming.

Organic Food Retail Channels

Organic food sales in Germany are split between traditional food retail companies and specialist organic food stores. Major driver for the growth in organic food sales was the expansion of specialist organic retail shops in recent years. Traditional food retail accounts for one half of the organic food sales in Germany, and the other half goes to organic retail shops and specialty shops like bakeries, butchers, fruit & vegetable stores, open markets or direct sales from the farm. In contrast to the conventional food retail market the organic food retail scene is neither consolidated, concentrated, nor saturated. (For more information about the food retail market in Germany, please see [GAIN report](#)). It is estimated that there are over 2,400 organic food retail shops in Germany. But just the company, "Denn's," is truly nationwide. The other big organic food chains are regional or only in some cities.

Profiles of Top 6 Organic Retail Companies

Company	Sales (€Mil/2014)	Number of Outlets	Locations
Alnatura	407	99	Mainly in Southern and Western Germany but also in Berlin, Bremen, Hannover, and Hamburg.
Denn's	214	80	nationwide.
Basic	137	32	Berlin, Rhine-Ruhr Area, Munich, Stuttgart, Frankfurt.
BioCompany	124	44	Strong in Berlin, and Potsdam but also in Dresden and Hamburg.
Ebl	64	24	Nuremberg and Bamberg
SuperBioMarkt	51	23	North-Rhine Westphalia and Osnabrück

Source: FAS Berlin, Lebensmittelzeitung

Road Map to the German Market

Germany is not only the largest market for organic products in Europe but also the largest organic producer. In spite of 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.

The German organic market offers good opportunities for U.S. exporters of organic products. However, there are a number of challenges U.S. exporters must meet before exporting to Germany. Success in introducing food products depends mainly on knowledge of the market and personal contact. The 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) 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. Please contact the FAS office in Berlin for more information on the BioFach show: AgBerlin@fas.usda.gov

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 have been 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 "[Plenty of opportunities for U.S. organics in the EU market](#)".

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.usda-mideurope.com

U.S. Mission to the European Union www.fas.usda.gov/posthome/useu/usda.html

FAS/Washington www.fas.usda.gov

European Importer Directory www.american-foods.org

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.usda-mideurope.com

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.

Recent reports of interests to U.S. exporters interested in the German Market include:

Report Title	Report Number	Month Report was written
FAIRS Report	GM15006	January 2015
Retail Report	GM15017	May 2015
Exporter Guide	GM15030	August 2015