USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 10/20/2004

GAIN Report Number: GM4041

Germany

Exporter Guide

Road Map to the German Market

2004

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Report Highlights:
Germany, with its 82.5 million people, has the world's 4th largest economy after the U.S., Japan and China and is the leading market for food and beverages in the European Union. The fastest growing component of Germany's agricultural imports from the United States is consumer-oriented products. Consumer-oriented products comprise 45 percent of German agricultural imports from the United States. In 2002, Germany's imports of U.S. consumer-oriented products amounted to $597 million, slightly more than the $537 million imported in 2001. The increase occurred mainly in fish and fish products.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Berlin [GM1]
[GM]

SECTION I. MARKET OVERVIEW

Macro Economic Situation

Germany, with its 82.5 million people, has the world's 4th largest economy after the U.S., Japan and China and is the leading market for food and beverages in the European Union.

Since the mid 1990s, the German economy has slowed down to the point that it has become one of the slowest growing economies in the entire Euro zone. Growth in 2001-2003 fell short of 1 percent and a quick turnaround is not expected in the foreseeable future. Growing export demand is expected to drive significant growth in the near future. However, high crude oil prices may have a negative impact on the overall world economy in 2005.

The still relatively slow growth of the German economy is also plagued by high unemployment and budget deficits. Unemployment in 2004 is forecast to reach 10.7 percent, while the budget deficits rose to an estimated 3.8 percent of GDP in 2003. In 2004, the German budget deficit will exceed the maximum limits as fixed in the Treaty of Maastricht for the 3rd year in a row, with Germany's budget deficit estimated to reach 4.0 percent or more. As a result of these negative economic indicators and many negative media reports, demand for consumer products has declined in recent years. Consumers have gradually increased their savings rate from 9.7 percent in 2000 to an estimated 10.8 percent in 2004.

Since January 2002, eleven EU countries including Germany replaced their national currencies with the Euro currency. This money exchange process was accompanied with noticeable price increases in the restaurant and gastronomy sector and in parts of the retail sector. However, the officially reported inflation rate remained relatively low at 1.1 percent in 2003. In 2004, high oil prices drive inflation up to an estimated average of 1.7 percent, still very low if compared with inflation rates of the 1980s.

With respect to the international markets, the Euro significantly regained value versus the US dollar since the spring of 2002, a recovery of approximately 34 percent. This is expected to continue to have a positive impact on U.S. exports to Germany in 2004 and 2005.

Key Demographic Trends

- The average German consumer can be characterized as relatively affluent and increasingly older. Increases in the number of working women and the number of single-person households, as well as the large immigrant population, are other notable demographic characteristics.

- Germany has one of the lowest birth rates in the world of only 1.4 babies per woman of childbearing age that has led to an older age structure of the German populace. This trend is not expected to reverse in the foreseeable future. Currently, of Germany's 82.5 million inhabitants, 35.4 million, or more than 40 percent, are 45 years of age or older. Given current demographics, by the year 2030, every other German will be 50 years of age or older.

- Along with an aging population, a rising number of single-person households and of women in the workforce has also had a substantial impact on food consumption.

  - Currently there are about 14.2 million single-person households in Germany, about 40 percent of which are accounted for by persons under 45 years of age.
  - Single-person households have about 25 percent more disposable income than individuals in multi-person households.

- The growing number of working women has increasingly contributed to Germany's high average net household income. The percentage of working women in the 15-65 age group is 58.9 percent.

- The high share of single-person households and the rising number of working women has led to strong growth in the consumption of more convenient types of foods and beverages, such as frozen foods, snacks, prepared and other convenience foods. People spend less time preparing meals, which has increased the frequency of dining out and eating on the run.

- More than a decade after reunification, the income gap between the 67 million people living in the western German states and the 15 million in the former East Germany still exists. Average incomes in the eastern states are still markedly lower than in the west and the unemployment rate in the east is more than twice as high than in the west.

- A large immigrant population and the penchant by Germans to travel abroad has also influenced domestic food consumption behavior.

- About 7.3 million foreigners without German passports live in Germany, the majority of whom have been in Germany more than 10 years. These foreign populations, with their special products and cuisines, have exerted considerable influence on the consumption patterns of the entire nation.

- As "world class" travelers, many Germans have been exposed to a large variety of different cultures, which has also been translated into consumer preferences for certain foods.

- German consumers are adopting "healthier" eating habits and are increasing their purchases of natural and organically produced items.
  - Shift toward lower fat meats and dairy products.
  - High consumption of fruits and vegetables, which leveled off during past several years.
  - Increased interest in functional foods.
  - Consumption of most alcoholic beverages is flat.
  - High interest in fruit juices and increasing interest in lighter fruit-based beverages.

- Consumer concerns about the environment and the safety of the food supply has led many to look for alternative or organic product sources, which they view as perhaps better for the environment, safer and more nutritious.

Consumer-Ready Food Market Overview

With the largest economy and population in Western Europe, Germany represents the biggest market for consumer-oriented foods and beverages. Germany's consumers spent Euro 191.7 billion (approx. $170 billion) in 2003 on food and beverages, or about 14 percent of total expenditures. Of this amount, about one-third is spent in restaurants, canteens and other places where food and beverages are served on-premise. The remaining two-thirds is spent in retail food and beverage outlets, e.g., supermarkets.

Changing lifestyles have fueled a sharp rise in the consumption of processed, snack and other consumer-ready foods in Germany. Competition in the agriculture, food and beverage markets is fierce, from both domestic and imported products. German imports of these products are large, mostly from neighboring EU member countries. However, U.S.-style snack and processed foods are viewed favorably in Germany, particularly by the younger generation and by German visitors to the USA.

Fierce Retail Competition - Relatively slow growth in overall food and beverage sales and fierce competition among retailers has encouraged buyouts and consolidation in the sector. As a result, a handful of giant retailing companies now dominate food and beverage sales in Germany and throughout Western Europe. However, competition in the market from domestic and imported products is fierce and significant funds are spent on promotion by governments, quasi-governmental organizations and companies.

Tariff and Non-Tariff Barriers - Despite improving access as part of the Uruguay Round, many U.S. agricultural products still face tariff rate quotas and high tariffs entering the EU. Particularly high tariffs are assessed on EU imports from the United States of consumer-oriented products such as animal-based products, fruit and fruit-based products, and processed food products containing added sugar, flour, starch or milk. The EU passed Biotech legislation in July 2003, which became effective on April 18, 2004. Therefore, since then all products, including processed foods, produced with approved biotech ingredients of more than 0.9 percent must be labeled containing GMO.

The domestic market for consumer-oriented food products shows diverging trends:

- low prices for basic food products and
- relatively high prices for premium and specialty items

Staple foods are often sold by retailers at, or occasionally even below, cost. Meanwhile, the market for specialty foods (convenience, ethnic, snack foods, etc.), which usually command premium prices, is growing steadily.

German imports of consumer-oriented products comprised 45 percent of total agricultural imports from the United States. In 2002, Germany's imports of U.S. consumer-oriented products amounted to $597 million, slightly more than the $537 million imported in 2001. The increase occurred mainly in fish and fish products. Further slight increases occurred in such products as snack foods, tree nuts, fresh fruits and processed fruits and vegetables.

According to trade data obtained from the Federal Office of Statistics, German imports of tree nuts and snack foods from the United States continued to increase in 2003. Further positive trends were noted for citrus fruit, walnuts and almonds, sweets, canned fruits and vegetables and wine. As opposed to 2002, German imports of U.S. fish and fish products show a clear decrease in 2003 due to China's re-entry into the German market. But U.S. exports are expected to remain steady in 2004.

Advantages/Opportunities and Challenges Facing U.S. Products in Germany

Advantages/Opportunities	**Challenges**
Germany's 82.5 million inhabitants have one of the highest income levels in the world.	Very competitive market combined with stagnant growth in retail sales.
Germany is among the largest food/beverage	German (EU) import tariffs on certain

importing nations in the world.	products are high. EU enlargement will give preferential access to products from accession countries.
Growing market for organic products. Private label products are popular.	German buyers demand quality, but also low prices; discounters are fastest growing segment of retail market.
Germany has many, well-established importers. Distribution system is well developed.	Retailers often charge high listing fees for products.
The “American-Way-of-Life” and U.S.-style foods are popular, principally among the affluent younger generation.	Retailers seldom import products into Germany (EU) on their own.
Large non-German population and German’s penchant to travel abroad help fuel demand for a variety of foreign products.	Margins on food at retail are very thin.

SECTION II. EXPORTER BUSINESS TIPS

Exporter Business Tips

By law, the German importer has legal liability for imported products marketed in Germany and therefore has a strong interest in working with the foreign supplier to ensure that the product meets all food law and marketing requirements. Finding the right partner is the key to success in the German market.

All imported food products must comply with German/EU food law regulations with regard to ingredients, packaging and labeling, as well as with applicable veterinary or phytosanitary requirements. In Germany, no official agency is responsible for food label registration, review, clearance and approval. However, private registered food laboratories are available to provide these types of services.

All food and beverage products imported into Germany for retail sale must:

- be labeled in German,
- use metric units of measure,
- list the ingredients and any additives,
- contain a minimum shelf-life date, and
- list the name and address of the manufacturer, packer, or an importer within the EU.

In addition, special labeling requirements exist for nutritional value and for vitamin-enriched and dietetic foods. Germany also identifies mandatory and non-mandatory standard container sizes for specific products.

Food and feeds imported into Germany must comply with the recently enacted (April 18, 2004) EU Traceability and Labeling regulations for food and feeds produced with genetically modified organisms. These EU regulations can be accessed via the following hyperlinks:

http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_268/l_26820031018en00010023.pdf and
http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_268/l_26820031018en00240028.pdf

EU regulations maintain a positive list of allowable food additives. With the exception of a limited number of additives approved for general use, most additives, colorings and artificial sweeteners are approved only for specific purposes and foods. With the exception of dried aromatic herbs and spices, irradiated foods are prohibited in Germany, although such imports are allowed in some other EU countries. Germany's irradiation prohibition is currently under discussion.

Meat, poultry and seafood products (including game) from the United States can only be imported into Germany from plants approved by EU veterinarians. An EU-wide ban on growth-promoting hormones used for beef production has sharply reduced U.S. access to the EU beef market. Despite a favorable ruling by the World Trade Organization (WTO) the EU has yet to lift the ban. Due to EU import regulations, U.S. poultry meat is currently not permitted entry into the EU.

U.S. exports to Germany (EU) of fresh fruits and vegetables and unprocessed/raw nuts must be accompanied by a USDA phytosanitary certificate.

Any product produced or legally imported into one EU-member country can -- in principle -- be distributed in all other EU-member countries, even though national food laws are not yet fully harmonized. Competition remains keen among European food processors and manufacturers, importers, distributors, and retailers as they seek to expand market share, especially in the more affluent EU food markets such as Germany.

*For additional information on EU/German Regulations see the Food and Agricultural Import Regulations & Standards (FAIRS) report on the FAS Home Page - http://www.fas.usda.gov .

The German market offers good opportunities for U.S. exporters of consumer-oriented agricultural products and other food items. However, Germany is not a market to "dump" excess product or to look to "make a fast buck." U.S. suppliers of consumer-ready foods and beverages interested in developing a market for their products in Germany must be prepared to:

- o offer a product that meets German/EU food law, packaging and labeling requirements,
- o invest time and money to develop the market (e.g. provide samples to test the market),
- o start with smaller shipments (pallets instead of container loads), and
- o assist the German importer with sales promotion support, especially when such products are not well known to German consumers

Because of transportation costs, duties and other costs associated with importing, many U.S. products sold in Germany become relatively high-priced specialty items and may only be sold in smaller quantities. This also pertains to products that are almost considered "staple" foods in the United States, such as pre-mixes, pancake syrup, etc. Once a U.S. processed food product is sold in large quantities, or meets a current trend in the market, production is often relocated to somewhere in the EU. For example, this substitution has increasingly occurred in the very popular Mexican or Tex-Mex segment.

Import and Distribution

In Germany the import and distribution of food and beverage products, primarily from countries outside the EU, is usually handled by specialized importers. German retail organizations rarely import directly from countries outside the EU, except for items that they purchase in large quantities. These volume imports are often made through agents or brokers.

Traditional importers normally specialize in products or product groups. Due to regular intensive contact with their customers, they usually have an in-depth knowledge of the requirements of individual retailers and of the market conditions in Germany. They source products, handle import (customs) formalities, logistics, supply maintenance and often even pricing and labeling. They also typically advise foreign exporters and insure that imported products meet food law, labeling, packaging, packaging material disposal (including "Green Dot" licenses and fees) and other market requirements.

Importers can also arrange for consolidated shipments of products; for example, specialty foods to test the market in order to gain distribution. Importers normally distribute nation-wide, either through their own sales force or through a network of independent sales agents. Choosing the right partner and developing an appropriate marketing strategy is a key component in gaining access to and insuring success in the German food market.

Direct sales to the central purchasing organizations of food retailers may be the most desirable system for a foreign supplier. Due to their wide range of distribution, central buyers are generally flooded with offers from competing suppliers. Purchasing organizations often have only a limited interest in working with new suppliers, unless particular advantages in quality, price or promotional support are offered.

For U.S. suppliers, gaining a foothold in the German market and adequate distribution in the retail trade, while a challenge, can be very rewarding.

New products on the German market require some 12 to 18 months in order to test for market acceptance and potential.

Keen competition for shelf space coupled with among the lowest retail price margins in Europe requires strong and defensible arguments for new-to-market products.

Listing (slotting) fees in the equivalent of several thousand dollars or more per product are not unusual and do not assure shelf space for long if a profitable turnover is not achieved. The exception may be a retailer's desire to maintain a competitive edge with a full-service assortment.

Competition/Promotion

Food promotions under a national banner have a solid founding within the trade and retail sectors and, when appropriately designed and stocked, can yield effective results for the exporter and the domestic sales partner.

Third-country promotions for food products in Germany strongly focus on generic aspects. Examples of these types of promotions are: in-store promotions, special combined editorial and advertising sections in trade magazines and national exhibits at trade and consumer fairs. In department stores, a country may be featured with a full line of food and non-food products as well as other economic segments, such as tourism.

Well over half of Germany’s agricultural imports, including consumer-oriented products, are sourced from other EU-member countries, principally France, the Netherlands and Italy. Germany’s major consumer-oriented agricultural imports from other EU-member countries are: meat and products, dairy products, fresh and processed fruit and vegetables, wine, flowers and nursery products, and processed food.

In addition to the United States, Germany also imports significant quantities of agricultural products from other non-EU countries. In 2003, Germany’s agricultural imports from all non-

EU member countries, excluding those from the United States, totaled $12.9 billion. Primary suppliers are countries in Eastern Europe, the Mediterranean region, Latin America and the Caribbean, and South Africa. Germany's major consumer-oriented product imports from these countries include: fresh and processed fruit and vegetables, nuts and dried fruit, and meat and products.

EU import restrictions and food law requirements effectively act to limit the range of products imported from third countries. Thus, large promotion campaigns typically concentrate on products not available in the EU, or products not available in sufficient quantity because of season or climate, for example, Chilean fresh fruits; New Zealand apples, pears and kiwifruit; New Zealand lamb and game meats; South African deciduous and citrus fruits; and tropical fruits, spices and coffee from countries throughout the world.

The German food retail market is highly diversified and extremely price competitive, with domestic and foreign suppliers fiercely competing for shelf space. Staple foods are typically sold strictly on price, with extremely low margins. Retailers have increasingly sold such products as milk, sugar, and flour at bare minimum prices, while high-quality specialty foods command premium prices. The higher mark-ups on these high-quality specialty items sometimes allow the more basic products to be sold at extremely low margins or to be "subsidized."

During special promotions, original U.S. products may be featured which do not meet German labeling laws. However, any U.S. supplier seriously interested in marketing products in Germany must comply with German regulations. Also, marketing and promotional support is normally expected from a foreign (United States) supplier.

SECTION III. MARKET SECTOR, STRUCTURE AND TRENDS

Food Retail

Germany is the largest retail food and beverage market in Europe. In 2003, Germany's consumers spent approximately $170 billion on food and beverages. Of this amount two-thirds is spent in retail food and beverage outlets such as supermarkets and discount stores. Although Germany continues to be an excellent market for U.S. products, Germany's stagnant economy has affected retail sales.

In 2002, Germany's food and beverage retailers registered annual sales (turnover) of Euro 148 billion (equivalent to about $ 140 billion). Growth in sales remains relatively flat, with food/beverage sales growing only about 5 percent over the last five years. Taking into account retail price inflation, real growth in sales over this period was about zero.

The slowth in sales has affected how food and beverages are being marketed in Germany. Small local shops and supermarkets still comprise the bulk of outlets but they are increasingly being replaced by large hypermarkets and discount food stores. The latter now accounts for about 60 percent of all retail food and beverage sales, despite accounting for less than one-quarter of all the outlets. Metro AG is Germany's largest operator of hypermarkets and Aldi and Lidl are the leading operators of discount markets.

The discount segment is the most dynamic in Germany. Discounters have prospered in recent years, as German consumers have become more and more price conscious. Currently, in terms of sales, discount stores comprise close to 35 percent of the retail food market, up from 24.3 percent a decade ago. Aldi is the largest discounter with close to 48 percent of the discount market.

German retailers are some of the largest in Europe and the world. Many of the major German retailers already generate a significant portion of their total sales from non-German operations. For example, the following German retailers had significant sales outside of Germany in 2000: Metro (41.3 percent), Aldi (28.5 percent), Tengelmann (22.5 percent), Rewe (20.2 percent).

German retailers, including buying associations such as Markant normally source most if not all of their imported products from specialized importers. Most U.S. companies interested in exporting to Germany and in developing a position in the German market are advised to work with an importer(s) or with an agent/broker that services these sectors.

For more information on the retail market, please see the report entitled Germany's Retail Food Sector on the FAS home page at http://www.fas.usda.gov.

Hotel, Restaurant and Institutional (HRI)

The German food service sector is large and highly fragmented. The German food service sector can be divided into commercial and institutional food service. The German commercial foodservice market includes hotels, restaurants, fast food & take out outlets, bars, cafeterias, coffee shops, and similar outlets. The institutional foodservice market is comprised of hospitals, universities, nursing homes, and cafeterias.

Total turnover of the German food service market amounted to 55.5 billion Euro in 2003 ($ 62.8 billion), 5.1% less that 2002. This decrease can be attributed primarily to the depressed economic climate. High unemployment and the uncertainty of the economic future induces consumers to increase savings and reduce expenditures, e.g. by eating out less. According to M+M EUROdATA research, German consumers primarily purchase food and beverage products at the retail level. Only a little over 15 percent of German food and beverage expenditures are from the food service sector (restaurants, hotels, etc).

The traditional full-service gastronomy (restaurants, pubs, cafes) suffered most from the economic downswing, whereas the bigger players actually achieved a small increase in revenue. This can be attributed largely to their ability to streamline expenses and reduce overhead costs. The outlook for the near future is gradually improving, albeit only marginally. Take away foods and hand-held snacks, the least expensive options for consumers are viewed as trends with the most potential in the near future, while fine dining and similar service providers are the most impacted by the economic situation.

Industry sources estimate the largest growth opportunities in the German food service sector over the next 2-3 years are in coffee bars/shops, gas station snacks, home-delivery, and leisure snack shops.

German food service operators rarely import products directly from third (non-EU) countries, because of

- Quantities needed
- Complex import procedures
- Language
- Time difference
- Availability of specialized imports who take potential risks

To ensure that the products they use meet all sanitary and health requirements, major operators from the institutional catering sector often buy through central buying offices. Large caterers may occasionally import directly or ask their importers or brokers to import products they are especially interested in. The two major distribution channels for the

German food service trade are Cash & Carry Wholesalers and Specialized Distributor/Wholesalers.

All food products imported must comply with German/EU food law requirements. For details see the Food and Agricultural Import Regulations & Standards (FAIRS) report on the FAS Home Page - http://www.fas.usda.gov for more information about the German gastronomy sector please see the HRI report for Germany.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

Despite the existence of a "single" EU market, consumer demand and the structure of the food and beverage market vary substantially between the individual member-countries of the EU, as well as between north, south, east, and west Germany. Generally, those U.S. products with the best export opportunities in the German market meet one or more of the following criteria:

- product is not grown/produced in Europe
- the basic product is not produced in Europe in sufficient quantities or quality
- a fresh product is not currently in season
- the product is specifically unique to the U.S. or to a region within the U.S.

The following products from the United States have good potential for finding markets in Germany:

- **Specialty Items**: Specialty food items and products, particularly those with little or no competition from European production, have good sales potential in Germany. These products include: delicatessen and snack foods, novelty products, food products germane to the United States, spices, dried vegetables, wild rice.

- **Ethnic Foods**: One of the fastest growing segments of the German food service sector is ethnic foods. European ethnic foods, for example Italian, Greek, and Spanish foods, have been popular in Germany for years. In recent years, Asian and Mexican or Tex-Mex foods have experienced increasing popularity due in part to the extensive international travel by Germans. These ethnic products have become so popular, and sold in sufficient quantities, that they are now being produced by the German/European food industry and adapted to local tastes.

- **Nuts**: Germany imports significant quantities of a wide assortment of tree nuts, as well as peanuts and sunflower seeds. In Germany, most tree nuts are used as ingredients by the food processing sector, e.g., ice cream, confectionery, breakfast cereals, baked goods, etc. Sunflower seeds are also used mostly as a food ingredient, particularly in very popular sunflower seed bread and bread rolls. The German food service industry offers good opportunities for U.S. exporters of almonds, walnuts, hazelnuts, pecans, pistachios, as well as peanuts and confectionery quality sunflower seeds.

- **Dried Fruit**: Like nuts, Germany imports a significant quantity and a wide assortment of dried fruits. Dried fruit is mostly used as an ingredient by the food-processing sector for use in breakfast cereals, baked goods, etc. Dried fruit is also popular as a snack, often in combination with nuts.

- **Wine**: Wine consumption in Germany has been growing during recent years. In particular, the demand for red wine is strong. Good prospects exist for "new world" wines, including those from the United States. Germany is the world's largest importer of wine, with imports accounting for about one-half of domestic consumption.

- **Fresh Fruits and Vegetables**: Opportunities are greatest for products which are not grown in Europe, or are grown in only limited quantities. Potential also exists for fresh products that can be supplied when EU product is off-season, which may be a period of several weeks prior to or after the local crop is marketed. Green asparagus, grapefruit, pears and certain soft fruits and berries offer the best opportunities.

- **Fruit Juices**: Germany has one of the highest rates of per capita juice consumption in the world. The most popular juices are apple and orange, and these two items also account for most imports. The best opportunities for U.S. products in the German market are citrus (orange and grapefruit) and specialty (cranberry and prune) juices.

- **Dairy Products:** Opportunities in this sector are mostly limited to niche products, as the EU is a net exporter of dairy products. EU import tariffs typically increase the price for imported dairy products well beyond that of domestic product, which leaves only limited potential for specialty products at relatively high prices.

- **Pet Food:** The German market for pet food and pet-related products is large, reflecting a large pet population and German's affinity for their pets -- particularly dogs, cats, birds and horses. Several large companies for prepared pet food dominate the German market; however, U.S. pet food and ingredients used in producing pet food still face good prospects in the German market.

  Please note: EU regulation 1774/2002 introduced certain restrictions in relation to pet food production. It requires that animal by-products used in the production of feeds and pet food be derived from the carcasses of animal declared fit for human consumption following veterinary inspection. Provisions include a ban on intra-species recycling and fallen stock and restrictions on yellow grease. Certain categories of pet food have to be denatured with specified substances. Pet food plants have to be dedicated to production of product fit for human consumption. For further details please see the website of the US mission to the EU: http://www.useu.be/agri/by-products.html

- **Fish and Seafood**: Fish and certain seafood products (Alaska pollock, Alaska salmon; lobster, etc.) from the United States have enjoyed success in the German market in recent years.

- **High Quality Beef and Game Products**: Limited opportunities exist for hormone-free, high quality beef, game, and exotic meat products. Even though those products are normally very expensive, they find a market in German gourmet restaurants. All meat must originate from plants certified and approved by EU authorities before it can be shipped to or sold in the German market.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

German Trade Shows for Consumer-Oriented Products

Participating or simply attending a trade show can be a very cost-effective way to test the German market, introduce a product or to expand sales. Germany offers a wide variety of trade show venues for food and beverage products. The following table provides details on major trade shows for food, beverages and other agricultural and related industries taking place in Germany.

Important German Trade Shows - 2005		
Heimtextil (International Fabrics Show) Frankfurt, Main, Germany (Interval: yearly)	January 12 – 15, 2005	Show Organizer: Messe Frankfurt GmbH Ludwig-Erhard-Anlage 1 60327 Frankfurt/Main Ph: (+49-69) 7575-0 Fax: (+49-69) 7575-6433 http://www.messefrankfurt.com info@messefrankfurt.com
IPM (International Plant Show) Essen, Germany (Interval: yearly) Target Market: Germany/Europe European trade fair for the horticultural and nursery industry. The Southern Nurserymen and SUSTA participate jointly in the U.S. Pavilion at the show.	January 27 - 30, 2005	U.S. Pavilion Organizer: Essen fairground's U.S. office: Tel: (212) 356-0406 Fax: (212) 356-0404. http://www.messe-essen.de
ISM (International Sweets and Biscuit Show) Cologne, Germany (Interval: yearly) Target Market: Europe/International World's largest show for snacks and confectionery products.	January 30-February 2, 2005	U.S. Pavilion Organizer: National Confectioners Association (NCA) Tel: (703) 790-5750 Fax: (703) 790-5752 http://www.koelnmesse.de/ism
Fruit Logistica Berlin, Germany (Interval: yearly) Target Market: Germany/Central & Eastern Europe Good venue for exhibiting fresh and dried fruit, nuts and related products.	February 10-12, 2005	U.S. Pavilion Organizer: B*FOR International: Tel: (540) 373-9935 Fax: (540) 372-1414. http://www.fruitlogistica.de
Bio Fach Nuremberg, Germany (Interval: yearly) Target Market: Germany/Europe The leading European trade show for organic food and non-food products.	February 24-27, 2005	U.S. Pavilion Organizer: B*FOR International: Tel: (540) 373-9935 Fax: (540) 372-1411. http://www.biofach.de

Important German Trade Shows - 2005		
Equitana Essen, Germany (Interval: yearly) Target Market: Germany/Europe The leading European trade show for	February 26-March 3, 2005	Show Organizer: Messe Essen GmbH Tel: (+49-201) 7244-0 Fax: (+49-201) 7244-513 http://www.messe-essen.de http://www.equitana.de
Internorga Hamburg, Germany, (Interval: yearly) Target Market: Northern Germany Show for the hotel, restaurant, catering, baking and confectionery trades.	March 3-9, 2005	Show Organizer: Hamburg fair authorities, Tel: (49-40) 35 69 0 Fax: (49-40) 36 69 21 80 http://www.hamburg-messe.de
ProWein Duesseldorf, Germany, (Interval: yearly) Target Market: International International Trade Show for wine and spirits.	March 6-8, 2005	Show Organizer: Duesseldorf Messe Authorities Tel: (49-211) 4560 01 Fax: (49-211) 4560 668 http://www.prowein.de info@messe-duesseldorf.de
ANUGA Cologne, Germany, (Interval: 2 years) Target Market: Europe/International International Trade Show for One of the leading international trade shows for food and beverages and the premier show of its kind held in Germany. Traditionally a large U.S. Pavilion at this show featuring about 150-200 U.S. companies and associations. USDA-endorsed show.	October 8-12, 2005	U.S. Pavilion Organizer: B*FOR International, Tel: (540) 373-9935 Fax: (540) 372-1414 http://www.koelnmesse.de/anuga

Note: More information about these and other German exhibitions and trade shows can be found under the following Internet address: http://www.auma-messen.de .

Additional Market Information

Internet Home Pages

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

AUMA	www.auma-messen.de
U.S. Mission to the European Union	www.useu.be/agri/usda.html
FAS/Washington	www.fas.usda.gov
European Importer Directory	www.american-foods.org
FAS/Berlin	www.usembassy.de

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:

Agricultural Affairs Office
American Embassy
Clayallee 170
14195 Berlin
tel: (49) (30) 8305 - 1150
fax: (49) (30) 8431 - 1935
email: AgBerlin@usda.gov
Home Page: http://www.usembassy.de

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	GM 4027	July 2004
Retail Report	GM 3049	December 2003
Wine Report	GM 3046	November 2003
Fish Products Report	GM 3037	October 2003
HRI Food Service Sector	GM 4028	August 2004

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service Home Page at http://www.fas.usda.gov

Currency Conversion Rates
The value of the dollar has been decreasing against the Euro since 2002. This report includes the dollar equivalents for the reader's convenience but all trends and analysis in this report refer to changes on a Euro basis.

Average Annual Currency Conversion Rates:

2000 1 U.S.$ = 1.0827 Euro
2001 1 U.S.$ = 1.1166 Euro
2002 1 U.S. $ = 1.0575 Euro
2003 1 U.S. $ = 0.8840 Euro

APPENDIX I STATISTICS

A. KEY TRADE & DEMOGRAPHIC INFORMATION

Key Trade & Demographic Information - 2003	
Agricultural Imports (Million U.S. Dollars)/U.S. Market Share (%)	$47,934 / 3.5%
Consumer-Ready Food Product Imports (Value)/U.S. Market Share (%)	$23,650 / 2.7%
Edible Fishery Imports	$2,501 / 4%
Population (million)/Annual Growth Rate	82.54 / 0%
Urban Population (Millions)/Growth Rate	26.6 / -0.2%
Number of Major Metropolitan Areas	5
Unemployment Rate	10.8%
Size of Middle Class (Millions)	N.A.
Per Capita Gross Domestic Product (U.S. Dollars)	$22,804
Per Capita Food Expenditures (U.S. Dollars)	$2,061
Percent of Female Population Employed	65.3
Exchange Rate (Average Annual for 2003)	U.S. $1 = 0.8840

Table B: Consumer Food and Edible Fishery Product Imports

German Imports of Agriculture, Fish & Forestry Products
(in Millions of Dollars)

	Imports from the World			Imports from the U.S.			U.S. Market Share		
	2000	2001	2002	2000	2001	2002	2000	2001	2002
CONSUMER-ORIENTED AGRICULTURAL TOTAL	24,083	24,420	26,805	485	461	463	2%	2%	2%
Snack Foods (Excl. Nuts)	1,221	1,360	1,453	9	9	12	0.74%	0.66%	0.85%
Breakfast Cereals & Pancake Mix	94	94	104	1	1	1	0.58%	0.27%	0.49%
Red Meats, Fresh/Chilled/Frozen	2,085	1,774	2,204	1	1	2	0.05%	0.07%	0.10%
Red Meats, Prepared/Preserved	788	957	883	2	2	1	0.30%	0.21%	0.15%
Poultry Meat	767	942	798	0	0	0	0%	0%	0%
Dairy Products (Excl. Cheese)	1,225	1,216	1,557	1	1	1	0.04%	0.10%	0.03%
Cheese	1,565	1,625	1,852	1	1	1	0.03%	0.04%	0.03%
Eggs & Products	284	292	342	8	5	4	3%	2%	1%
Fresh Fruit	2,959	2,997	3,298	16	19	20	0.56%	0.62%	0.60%
Fresh Vegetables	2,352	2,345	2,698	1	1	1	0.04%	0.03%	0.02%
Processed Fruit & Vegetables	2,463	2,553	2,695	74	71	73	3%	3%	3%
Fruit & Vegetable Juices	788	738	813	12	7	9	2%	1%	1%
Tree Nuts	648	619	571	188	152	166	29%	25%	29%
Wine & Beer	1,882	1,837	1,903	66	65	61	3%	4%	3%
Nursery Products & Cut Flowers	1,491	1,444	1,780	26	21	17	2%	1%	0.98%
Pet Foods (Dog & Cat Food)	395	418	519	8	8	8	2%	2%	2%
Other Consumer-Oriented Products	3,077	3,208	3,335	72	98	87	2%	3%	3%
FISH & SEAFOOD PRODUCTS	2,122	2,266	2,233	35	76	134	2%	3%	6%
Salmon	339	275	250	12	9	6	4%	3%	2%
Surimi	44	57	44	7	4	6	16%	8%	15%
Crustaceans	304	313	230	4	3	3	1%	1%	1%
Groundfish & Flatfish	774	937	940	5	53	114	0.66%	6%	12%
Molluscs	50	54	59	1	1	1	0.36%	0.40%	0.44%
Other Fishery Products	613	629	709	6	6	6	1%	0.96%	0.84%
AGRICULTURAL PRODUCTS TOTAL	34,266	33,979	36,837	1,401	1,329	1,330	4%	4%	4%
AGRICULTURAL, FISH & FORESTRY TOTAL	40,944	40,053	42,977	1,698	1,597	1,617	4%	4%	4%

Data: Harmonized Tariff Schedule (HS 6 Digit)
Source: FAS' Global Agricultural Trade System using data
from the United Nations Statistical Office

TABLE C: CONSUMER-ORIENTED AGRICULTURAL TOTAL			
Reporting Country: Germany Top 15 Ranking	Import		
	2000	2001	2002
	1000$	1000$	1000$
Netherlands	5,213,395	5,164,286	5,950,764
France	2,859,334	2,783,173	3,062,352
Italy	2,640,694	2,779,329	3,006,881
Spain	2,146,952	2,143,578	2,411,199
Belgium	1,502,326	1,577,725	1,724,918
Denmark	1,012,015	938,390	1,204,371
Austria	759,129	812,381	970,392
Ireland	571,785	530,925	674,322
Poland	514,033	599,037	663,965
Brazil	500,140	574,286	587,603
Turkey	576,245	643,332	553,470
United States	485,284	460,593	462,941
Switzerland	451,821	457,344	455,335
United Kingdom	429,540	376,086	415,626
New Zealand	296,648	363,089	377,330
Other	4,122,826	4,216,470	4,283,414
World	24,082,647	24,420,426	26,804,699

Data: Harmonized Tariff Schedule (HS 6 Digit)

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

FISH & SEAFOOD PRODUCTS			
Reporting Country: Germany Top 15 Ranking	Import		
	2000	2001	2002
	1000$	1000$	1000$
Denmark	367,718	416,078	345,350
Norway	314,592	271,936	265,959
Netherlands	193,191	185,008	199,543
United States	35,069	75,851	134,457
Russian Federation	153,321	146,849	128,780
Poland	114,381	120,911	118,384
China (Peoples Republic of)	80,544	140,813	100,262
Iceland	80,629	77,183	90,532
France	59,677	60,473	85,414
United Kingdom	73,458	69,778	59,962
Philippines	39,212	41,682	59,938
Thailand	68,358	70,530	55,730
Spain	31,177	44,442	43,429
Italy	25,583	34,632	36,033
Ireland	23,202	35,568	34,894
Other	461,802	474,462	474,323
World	2,122,041	2,266,280	2,232,958

Data: Harmonized Tariff Schedule (HS 6 Digit)

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office