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Germany

Exporter Guide

Road Map to the German Market

2005

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Report Highlights:
Germany, with its 82.5 million people, has the world's 3rd largest economy after the U.S. and Japan 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 are fish and other consumer-oriented products. Consumer-oriented products comprise over one-third of German agricultral imports from the United States. In 2004 Germany's imports of U.S. consumer-oriented products amounted to $652 million, well above the $558 million in 2003.

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

Table of Contents

SECTION I. MARKET OVERVIEW

Macro Economic Situation

Germany, with its 82.5 million people, has the world's 3rd largest economy after the U.S. and Japan[1 2], and is the leading market for food and beverages in the European Union.

Since the mid 1990s, the German economy has been one of the slowest growing economies in the entire Euro zone. Although Germany's real GDP grew only 1.2 percent between 2000 and 2004, higher growth is forecast in 2005/2006 because of increased export demand. High crude oil prices, however, may have a negative impact on the overall world economy and Germany in 2006.

The sluggish German economy is also plagued by high unemployment and budget deficits. Unemployment in 2006 is forecast to reach 10.7 percent overall, although the unemployment rates continue to vary according to region, with western Germany experiencing only 5 percent unemployment and regions in eastern Germany facing up to 22 percent. The budget deficit rose to an estimated 3.8 percent of GDP in 2004, causing Germany to exceed the maximum limits as fixed in the Treaty of Maastricht for the 4th year in a row. As a result of these negative economic indicators and unfavorable media reports, demand for consumer products has declined in recent years. Conversely, consumers have gradually increased their savings rate from 9.7 percent in 2000 to an estimated 14.3 percent by the start of 2005.

Since January 2002, twelve EU countries including Germany replaced their national currencies with the Euro currency. Increasingly, the Euro has become the currency of choice for international trade and currency reserves in Europe. With respect to international markets, the Euro has appreciated approximately 40 percent against the US dollar since the spring of 2002. The dollar's depreciation is expected to continue to have a positive impact on US exports to Germany in 2005 and 2006. In 2004, high oil prices have driven up inflation to an estimated 2.1 percent, still very low compared to inflation rates of the 1980s.

Key Demographic Trends

- Germany has one of the lowest birth rates in the world, with only 1.4 babies born per woman of childbearing age. This development is not expected to reverse in the foreseeable future. Currently, of Germany's 82.5 million inhabitants, 36.8 million, or almost 45 percent, are 45 years of age or older.

- The number of women in the workplace is growing; currently 58 percent of women in the 15-65 age group work outside the home.

- The high share of single-person households and the rising number of women in the workforce have led to strong growth in the demand for convenient foods and beverages such as frozen foods and snacks. Germans are increasingly eating on the run and skipping at least one meal a day, having snacks instead.

- More than a decade after reunification, the income gap still exists between the 67 million people living in the western German states and the 15 million in the former East Germany. Average incomes in the eastern states are still markedly lower than in

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[1] Source: World Bank ranking of GDP, 2004. http://www.worldbank.org/data/databytopic/GDP.pdf

[2] Alternative sources, such as the CIA World Factbook, cite Germany as having the world's 5th largest economy.

the west and the unemployment rate in the east is more than twice as high than in the west.

- 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. The large immigrant population and the penchant by Germans to travel abroad have led to increased consumer preferences for certain foreign foods.

- German consumers are adopting “healthier” eating habits and are increasing their purchases of natural and organically produced items. These habits include:
    - High consumption of fruits and vegetables, although it has leveled off during the past several years;
    - Increasing consumption of organic products: consumption increased 14% in 2004 compared to 2003;
    - Increased interest in functional foods;
    - Flat level of consumption of most alcoholic beverages; and,
    - High interest in fruit juices and soft drinks, and an increasing interest in lighter fruit-based beverages.

- Consumer concerns about the environment and the safety of the food supply have 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 173 billion (approximately $215 billion) in 2004 on food and beverages, or about 14.2 percent of total national expenditures. Of this amount, about 15 percent was spent in restaurants, canteens, and other places where food and beverages were served on-premise. The remaining amount was spent in retail food and beverage outlets.

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

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. Moreover, 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.

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

Despite improved market access as part of the Uruguay Round, many U.S. agricultural products still face tariff rate quotas and high tariffs when entering the EU. Particularly high tariffs are assessed on EU imports of American 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. Since then, all products, including processed foods produced with approved biotech ingredients of more than 0.9 percent, must be labeled as containing genetically modified organisms (GMO).

52 percent of Germanys agricultural imports from the United States were comprised of consumer-oriented products. In 2004, Germany's imports of U.S. consumer-oriented products amounted to $651 million, a substantial increase over the $557 million imported in 2003.

The increase in imported consumer products from the United States occurred mainly in fish and fish products. Although German imports of U.S. fish and fish products decreased in 2003 due to China's re-entry into the German market, U.S. fish exports to Germany have rebounded, with 48 percent growth in 2004. Further increases occurred in such products as tree nuts, processed fruits, and fruit juices.

Despite the increases in fish and consumer products, however, overall agricultural imports from the U.S. have increased only marginally. In addition, there has been a marked decrease in snack foods imported from the U.S.

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

Advantages/Opportunities	**Challenges**
Germany's 82.5 million inhabitants have one of the highest average income levels in the world.	Germany has a very competitive market, but stagnant growth in retail sales.
Germany is among the largest food/beverage importing nations in the world.	German (EU) import tariffs on certain products are high. EU enlargement will give preferential access to products from accession countries.
There is a growing market for organic products. Private label products are popular.	German buyers demand quality, but also low prices; discounters are the fastest growing segment of retail market.
Germany has many well-established importers. The 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.
A large non-German population and Germans' penchant to travel abroad help fuel demand for a variety of foreign products.	Margins on food at the retail level are among the lowest in Europe.

SECTION II. EXPORTER BUSINESS TIPS

The German market offers good opportunities for U.S. exporters of consumer-oriented agricultural products. Germany, however, is not a market in which to "dump" excess product. 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 German/EU food law, packaging, and labeling requirements;
- Invest time and money to develop the market (e.g. provide samples to test the market);
- Start with smaller shipments (pallets instead of container loads); and
- Assist the German importer with sales promotion support, especially when such products are not well known to German consumers.

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.

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 and pancake syrup. Once a US processed food product is sold in large quantities or meets a current trend in the market, production is often relocated to somewhere within the EU.

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. Private registered food laboratories are available, however, to provide these types of services.

With the exception of dried aromatic herbs and spices, irradiated foods are prohibited in Germany, although such imports are allowed in other EU countries.

Meat 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. Moreover, due to EU import restrictions, US poultry meat is currently not permitted entry into the EU.

For more comprehensive information regarding German/EU food importing regulations and standards please refer to the Food and Agricultural Import Regulations & Standards (FAIRS) report on the FAS home page at http://www.fas.usda.gov. Visit http://www.useu.be/agri/usda.html for further US/EU agricultural trade information.

Import and Distribution

In Germany specialized importers usually handle the import and distribution of food and beverage products from countries primarily outside of the EU. German retail organizations rarely import directly from countries outside the EU, except for items that they purchase in large quantities.

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. For example, they source products, handle import (customs) formalities, logistics, supply maintenance and often even pricing and labeling. They also typically advise foreign exporters and ensure that imported products meet food, labeling, packaging, packaging material disposal (including "Green Dot" licenses and fees), and other market requirements.

Importers can also arrange for consolidated shipments of products, such as specialty foods to test the market and gain access to distribution channels. Importers normally distribute nation-wide, either through their own sales force or through a network of independent sales agents.

Direct sales to the central purchasing organizations of food retailers may be the most desirable product-entry 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.

New products on the German market may require up to 12 to 18 months of testing to obtain market acceptance. Listing (slotting) fees in the equivalent of several thousand dollars or more per product are common and do not assure shelf space if a profitable turnover is not achieved rather quickly. The exception may be a retailer's desire to maintain a competitive edge with a full-service assortment.

Competition/Promotion

The German food retail market is highly diversified and extremely price competitive, with domestic and foreign suppliers competing fiercely for shelf space. Food promotions under a national banner have a solid foundation 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.

Germany also imports significant quantities of agricultural products from non-EU countries such as the United States, Japan, Brazil, 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 serve to limit the range of products imported from third countries. 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 or New Zealand lamb and game meats.

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

Although Germany's stagnant economy has affected retail sales, Germany continues to be an excellent market for U.S. products. In 2003, Germany's food and beverage retailers registered annual sales turnover of Euro 136.9 billion (or about $155 billion). Food and beverage sales grew only about 5 percent over the last five years and taking into account retail price inflation, real growth in sales over this period was about zero.

The slowing of 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.

The discount segment is the most dynamic in Germany. Discounters have prospered in recent years as German consumers have become increasingly price conscious. In terms of sales, discount stores comprise close to 31.9 percent of the retail food market, up from 24.8 percent in 1999. Aldi, the largest discounter, has close to 30 percent of the discount market, although Lidl is the fastest growing. Metro Group is Germany's largest operator of hypermarkets.

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) Foodservice

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

Only 15 percent of German food and beverage expenditures are in the food service sector. Total sales turnover of the German food service market amounted to 26.2 billion Euros in 2004 ($32.3 billion), 2.8% less than 2003. This decrease can be attributed primarily to the depressed economy.

The traditional full-service gastronomy (restaurants, pubs, cafes) suffered the most from the economic downswing, whereas the bigger players such as McDonalds and Autobahn Tank & Rast actually achieved a small increase in revenue. This can be attributed largely to their ability to streamline expenses and reduce overhead costs. Industry sources predict that the largest growth opportunities in the German consumer foodservice sector over the next 2-3 years will be 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:

- The relatively small quantities needed;
- Complex import procedures;
- Language barriers;
- Time differences; and,
- Unavailability of specialized importers willing to take potential risks.

To ensure that the imported 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 obtain 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 Homepage - http://www.fas.usda.gov and 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 EU member-countries, as well as differing among the different regions of Germany. Generally, those U.S. products with the best export opportunities in the German market meet one or more of the following criteria:

- The basic product is not produced in Europe in sufficient quantities or the American quality is superior;
- The product (usually fresh) is available on a counter-seasonal basis; and,
- The product is unique to the United States.

The following products from the United States may have good potential for market niches 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, and nutritional foods and supplements.

- **Ethnic Foods**: One of the fastest growing segments of the German food service sector is ethnic food. European ethnic foods, for example Italian, Greek, and Spanish foods, have been popular in Germany for years. Recently, 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. Such domestically produced products can often be sold at lower prices than imports, because of mark-ups on imported products due to transportation costs and import duties.

- **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, for ice cream, confectionery, breakfast cereals, and baked goods. 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 that 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, 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, because 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 German companies dominate the prepared pet food market, however, U.S. pet food and ingredients still face good prospects in the German market.

  NB: EU regulation 1774/2002 introduced certain restrictions related 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, and lobster) from the United States have enjoyed increasing 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. Although these products are normally very expensive, they have found 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, to 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 – 2006/2007		
Heimtextil (International Fabrics Show) Frankfurt, Main, Germany (Interval: yearly) Target market: Germany/Europe The world's biggest trade fair for home and commercially used textiles.	January 11 – 14, 2006	Show Organizer: Messe Frankfurt GmbH Ludwig-Erhard-Anlage 1 60327 Frankfurt/Main Ph: (+49-69) 7575-0 Fax: (+49-69) 7575-6433 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.	February 2 – 5, 2006	U.S. Pavilion Organizer: Essen fairground's U.S. office: Tel: (212) 356-0406 Fax: (212) 356-0404 www.messe-essen.de www.ipm-messe.de info@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 29 – February 1, 2006	U.S. Pavilion Organizer: National Confectioners Association (NCA) Tel: (703) 790-5750 Fax: (703) 790-5752 www.koelnmesse.de/ism www.ism-cologne.de
Fruit Logistica Berlin, Germany (Interval: yearly) Target Market: Germany/Central &	February 2 – 4, 2006	U.S. Pavilion Organizer: B*FOR International: Tel: (540) 373-9935 Fax: (540) 372-1414.

Important German Trade Shows – 2006/2007

Eastern Europe Good venue for exhibiting fresh and dried fruit, nuts and related products.		www.fruitlogistica.de
Bio Fach Nuremberg, Germany (Interval: yearly) Target Market: Germany/Europe The leading European tradeshow for organic food and non-food products.	February 16 – 19, 2006	U.S. Pavilion Organizer: B*FOR International: Tel: (540) 373-9935 Fax: (540) 372-1411. www.biofach.de
Equitana Essen, Germany (Interval: 2 years) Target Market: Germany/Europe The leading European tradeshow for the equestrian market.	March 10 – 18, 2007	Show Organizer: Messe Essen GmbH Tel: (+49-201) 7244-0 Fax: (+49-201) 7244-513 www.messe-essen.de www.equitana.de info@equitana.de
Internorga Hamburg, Germany, (Interval: yearly) Target Market: Northern Germany Show for the hotel, restaurant, catering, baking and confectionery trades.	March 3 – 8, 2006	Show Organizer: Hamburg fair authorities, Tel: (49-40) 35 69 0 Fax: (49-40) 36 69 21 80 www.internorga.de info@hamburg-messe.de
ProWein Duesseldorf, Germany, (Interval: yearly) Target Market: International International Trade Show for wine and spirits.	March 26 – 28, 2006	Show Organizer: Duesseldorf Messe Authorities Tel: (49-211) 4560 01 Fax: (49-211) 4560 668 www.prowein.de info@messe-duesseldorf.de
ANUGA Cologne, Germany, (Interval: 2 years) Target Market: Europe/International One of the leading international trade shows for food and beverages, and the premier show of its kind held in Germany. Traditionally there is a large U.S. Pavilion at this show featuring about 150-200 U.S. companies and associations. USDA-endorsed show.	October 13 – 17, 2005	U.S. Pavilion Organizer: Koelnmesse, Inc. Chicago Tel: (773) 326-9920 Fax: (773) 714-0063 www.koelnmessenafta.com www.anuga.com

Note: More information about these and other German exhibitions and trade shows can be found under the following Internet address: 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
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14195 Berlin
Tel: (49) (30) 8305 - 1150
Fax: (49) (30) 8431 - 1935
Email: AgBerlin@usda.gov
Home Page: 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
Fish Products Report	GM 5036	September 2005
FAIRS Report	GM 5030	August 2005
Fruit Market Brief	GM 5002	January 2005
Wine Report	GM 4047	November 2004
Retail Report	GM 4044	November 2004
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 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 they are based on annual exchange rates, not the floating rate. All percentage changes mentioned in this report are based on the Euro levels.

Average Annual Currency Conversion Rates:

2002	1 U.S. $ = 1.0575 Euro
2003	1 U.S. $ = 0.8840 Euro
2004	1 U.S. $ = 0.8030 Euro

APPENDIX/ STATISTICS

A. KEY GERMAN TRADE & DEMOGRAPHIC INFORMATION

Key Trade & Demographic Information - 2004	U.S. $Millions	Percent
Agricultural Imports from World/U.S. Market Share (%)[1]	$48,834	3%
Consumer-Ready Food Product Imports from World/U.S. Market Share (%)[1]	$35,135	2%
Edible Fishery Imports from World/U.S. Market Share (%)[1]	$2,617	6%
Forest Product Imports from World/U.S. Market Share (%)[1]	$4,919	4%
Urban Population (Millions)/Growth Rate[2]	72.6	0.5%
Number of Major Metropolitan Areas[3]	5	
Unemployment Rate[3]	10.6%	
Size of Middle Class (Millions)	N.A.	
Per Capita Gross Domestic Product (U.S. Dollars)[4]	$28,700	
Per Capita Food Expenditures (U.S. Dollars)[3]	$2,146	
Percent of Female Population Employed[3]	58.7	
Exchange Rate (Average Annual for 2004)[5]	U.S. $1 = 0.8039 Euro	

[1] Source: FAS's Global Agricultural Trade System using data from the United Nations Statistical Office
[2] Source: Unicef Statistics by Country
[3] Source: Federal Statistical Office Germany, Statistical Yearbook
[4] Source: CIA World Factbook
[5] Source: Internal Revenue Service, US Embassy Paris

Table B: Consumer Food and Edible Fishery Product Imports

German Imports of Agriculture, Fish & Forestry Products (in Millions of Dollars)									
Germany Imports	Imports from the World			Imports from the U.S.			U.S. Market Share		
(In Millions of Dollars)	2002	2003	2004	2002	2003	2004	2002	2003	2004
CONSUMER-ORIENTED AGRICULTURAL TOTAL	26805	31704	35135	463	558	652	2%	2%	2%
Snack Foods (Excl. Nuts)	1453	1852	1985	12	13	6	0.85%	0.71%	0.28%
Breakfast Cereals & Pancake Mix	104	127	153	1	1	1	0.49%	0.84%	0.59%
Red Meats, Fresh/Chilled/Frozen	2204	2366	3002	2	1	3	0.10%	0.03%	0.11%
Red Meats, Prepared/Preserved	883	1012	1074	1	1	1	0.15%	0.07%	0.01%
Poultry Meat	798	946	907	0	1	1	0.00%	0.00%	0.00%
Dairy Products (Excl. Cheese)	1557	2062	2179	1	1	5	0.03%	0.05%	0.21%
Cheese	1852	2246	2593	1	1	1	0.03%	0.02%	0.00%
Eggs & Products	342	430	492	4	6	6	1%	1%	1%
Fresh Fruit	3298	4058	4277	20	20	22	0.60%	0.50%	0.51%
Fresh Vegetables	2698	3066	3136	1	1	1	0.02%	0.03%	0.03%
Processed Fruit & Vegetables	2695	3289	3627	73	83	108	3%	3%	3%
Fruit & Vegetable Juices	813	1060	1044	9	8	15	1%	0.79%	1%
Tree Nuts	571	630	879	166	205	293	29%	33%	33%
Wine & Beer	1903	2218	2493	61	84	77	3%	4%	3%
Nursery Products & Cut Flowers	1780	2009	2231	17	17	18	0.98%	0.85%	0.80%
Pet Foods (Dog & Cat Food)	519	585	616	8	4	5	2%	0.69%	0.83%
Other Consumer-Oriented Products	3335	3750	4448	87	112	93	3%	3%	2%
FISH & SEAFOOD PRODUCTS	2233	2479	2617	134	104	155	6%	4%	6%
Salmon	250	269	292	6	7	13	2%	3%	4%
Surimi	44	47	45	6	5	8	15%	10%	17%
Crustaceans	230	271	309	3	4	6	1%	1%	2%
Groundfish & Flatfish	940	1051	1114	114	81	119	12%	8%	11%
Mollusks	59	63	74	1	1	1	0.44%	0.74%	2%
Other Fishery Products	709	777	784	6	7	9	0.84%	0.95%	1%
AGRICULTURAL PRODUCTS TOTAL	36837	43946	48834	1330	1607	1551	4%	4%	3%
AGRICULTURAL, FISH & FORESTRY TOTAL	42977	51069	56371	1617	1883	1886	4%	4%	3%

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

TABLE C: CONSUMER-ORIENTED AGRICULTURAL TOTAL			
Reporting: Germany - Top 15 Ranking	Import		
	2002	2003	2004
	Value	Value	Value
	1000$	1000$	1000$
Netherlands	5950764	6629479	7134092
Italy	3006881	3492017	3815748
France	3062352	3446402	3732398
Spain	2411199	2883192	3195079
Belgium	1724918	1963609	2265940
Denmark	1204371	1440609	1606506
Austria	970392	1063312	1245394
Poland	663965	1097889	994083
Turkey	553470	623011	967967
Ireland	674322	930748	902869
Switzerland	455335	616835	872375
Brazil	587603	746935	804542
United States	462941	557765	651939
New Zealand	377330	434079	494064
United Kingdom	415626	444250	472550
Other	4283414	5334366	5979921
World	26804699	31704498	35135467

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

TABLE D: FISH AND SEAFOOD PRODUCTS

FISH & SEAFOOD PRODUCTS			
Reporting: Germany - Top 15 Ranking	Import		
	2002	2003	2004
	Value	Value	Value
	1000$	1000$	1000$
Denmark	345350	356787	371586
Norway	265959	266052	280411
Netherlands	199543	221787	245977
China (Peoples Republic of)	100262	157655	195026
Poland	118384	170881	158442
United States	134457	104207	155137
Russian Federation	128780	118866	96509
France	85414	81406	74743
Iceland	90532	101831	73766
Chile	32796	39303	63129
United Kingdom	59962	73142	62964
Thailand	55730	53459	53162
Spain	43429	47305	50772
Ecuador	9696	14011	45502
Belgium	32549	38597	41193
Other	530147	633253	648779
World	2232958	2478542	2617098

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