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Country: Germany

Post: Berlin

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Prepared By: Jessica Loeser

Approved By: Kirsten Luxbacher

Report Highlights:

Germany is the second largest organic market in the world with good prospects for U.S. organic products, such as tree nuts, fruits and vegetables, and processed food products. This report sets out information on the German organic market, including best prospects, and opportunities such as participation in BioFach eSPECIAL, the world's largest organic trade fair, taking place online February 17 – 19, 2021.

General Information

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

After the United States, Germany is the second largest organic food market in the world. Sales of organic food in Germany increased rapidly in recent years, reaching over €11.97 billion (USD \$14.68 billion) in 2019. That represents nearly a third of total organic food sales in the European Union and 5.6 percent of total food sales in Germany. Organic food sales in Germany tripled between 2000 and the present. Domestic production is unable to meet demand, leading to higher import volumes (and values). Adding to imported organic food's rising market share are increasing prices for conventional products, rising land prices (sale and rental), and lingering uncertainty about the financial support for organic farming.

Due to the COVID-19 pandemic, German consumers purchased 17 percent more organic products through September 2020 than during the same period the previous year. Fueled by government measurements to curb the pandemic that impacted the food service sector (including the closure of restaurants, hotels, etc.), consumers generally purchased more food retail items in 2020. As part of this trend, organic products, in particular, saw a rise in sales numbers.

Organic Food Retail Channels

Organic food sales in Germany are split between traditional food retail companies (e.g., grocery stores) and specialty organic food stores. The major driver of growth in organic food sales in recent years is the expansion of specialty organic shops. Traditional food retail accounts for 60 percent of organic food sales in Germany, with the other 40 percent going to organic retail shops and specialty shops like bakeries, butchers, fruit and vegetable stores, open air markets, or direct sales from the farm. In contrast to the conventional food retail market, the organic food retail sector is neither consolidated, concentrated, nor saturated. For more information about the food retail market in Germany and other characteristics, please see our [country page](#).

It is estimated that there are over 2,400 organic food retail shops in Germany. The company “Denn’s” is the only truly nationwide store. It records the highest sales and number of outlets. Other big organic food chains are regional or in larger cities only.

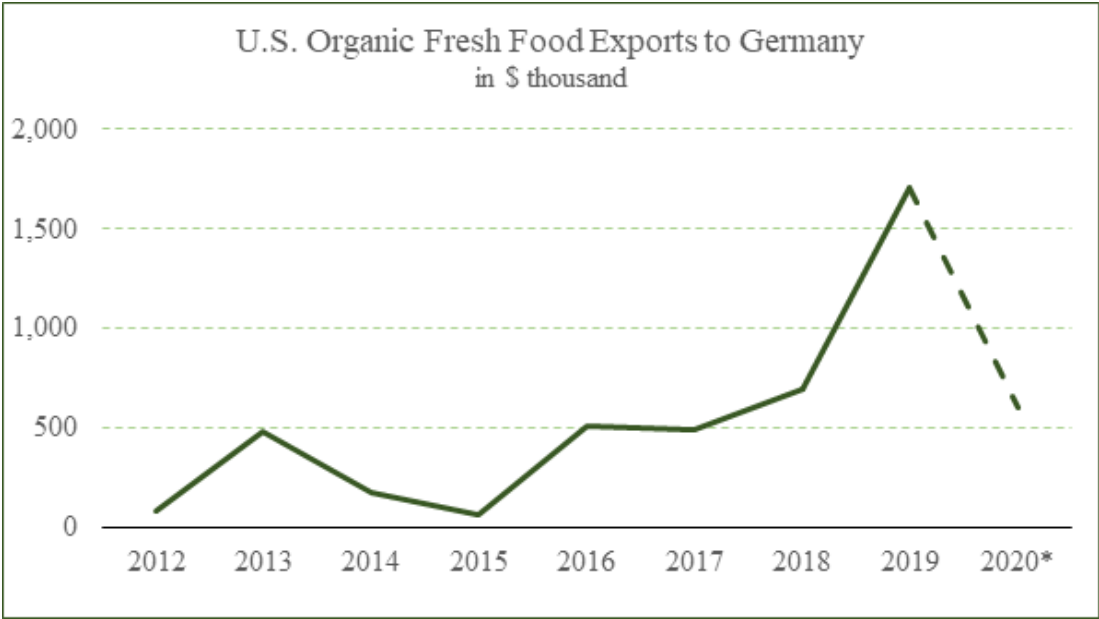
Company	Sales (€Millions, 2018/19)	Number of Outlets	Locations
Denn's	1,100	311	nationwide
Alnatura	901	136	Mainly in Southern and Western Germany but also in Berlin, Bremen, Hannover, and Hamburg.
Basic	150	31	Berlin, Rhine-Ruhr Area, Munich, Stuttgart, Frankfurt.
BioCompany	189	60	Predominant in Berlin and Potsdam but also in Dresden and Hamburg.
Ebl	86	30	Nuremberg and Bamberg
SuperBioMarkt	60	24	North-Rhine Westphalia and Osnabrück

Sources: FAS Berlin, Lebensmittelzeitung; statista.de; alnatura.de; denns-biomarkt.de; basicbio.de

Trade in Organic Products between the U.S. and Germany

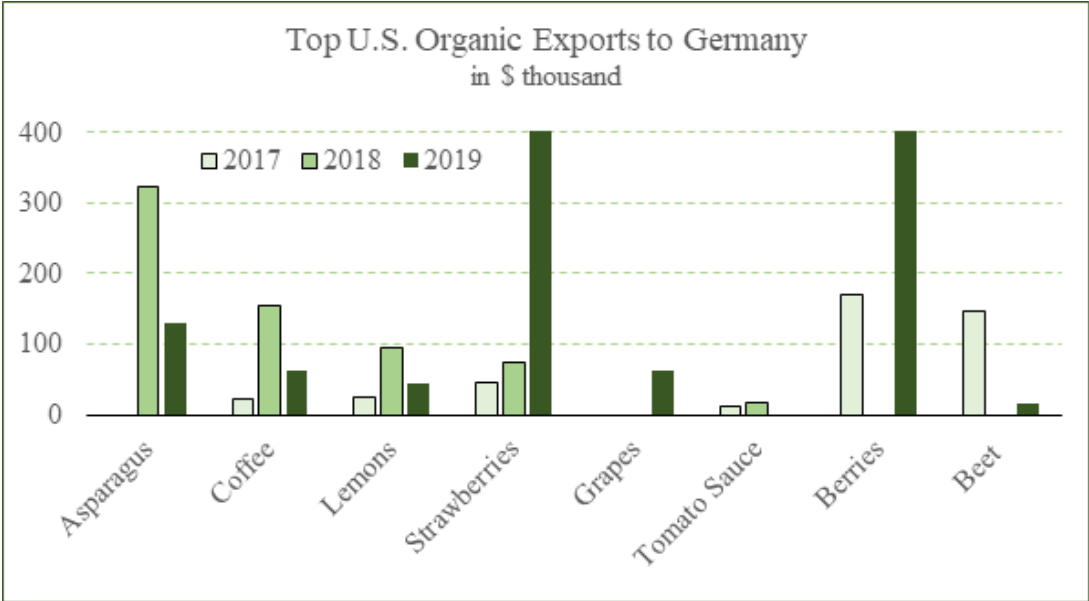
U.S. organic food exports to Germany that have Harmonized System (HS) codes associated with them increased to \$0.7 million in 2018 and nearly tripled to \$1.7 million in 2019. However, between January and October 2020 (latest available data), exports of U.S. organic products decreased by 68 percent compared to the same period in 2019, to a total value of \$0.6 million.

Note that the Harmonized System covers a limited number of organic commodities. Existing HS codes cover only a fraction of organic trade with Germany. Products covered by HS codes include fresh organic products like milk, fruits, and vegetables, but not popular processed products or organic nuts. Actual U.S. exports of organic products to the EU and Germany are likely multiple times higher than reported data shows. Despite this shortcoming, the HS system is a useful tool for tracking covered products and to see the export dynamics for those specific products.



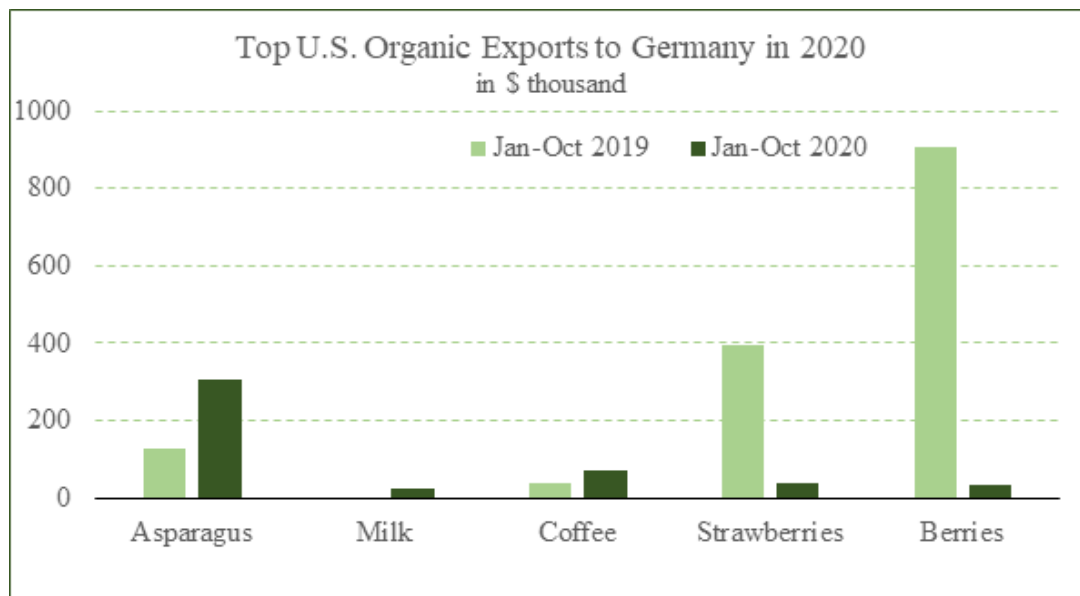
Source: U.S. Census Bureau Trade Data (USDA’s Global Agricultural Trade System Online – GATS), 2020* FAS Berlin Estimate

U.S. Census Bureau Trade Data shows very volatile U.S. organic food exports to Germany. The top export product changes every year, indicating that decisions are based on the current U.S. price and supply situation rather than long-term, established contracts between American and German companies. Only exports of organic lemons and coffee show somewhat steady numbers from year to year. In 2017, berries and beets ranked as top exports, while asparagus and coffee led in 2018. In 2019, berries and strawberries topped exports.



Source: U.S. Census Bureau Trade Data (USDA’s Global Agricultural Trade System Online – GATS)

At the time of writing, available trade numbers (January-October 2020) show a drop in exports of U.S. organic products to Germany in 2020. This appears to be caused by a drop in berry exports. While berries drove record exports in 2019, a decline is observed in 2020, with exports of these fruits dropping from \$0.91 million in 2019 to \$0.03 million in 2020. FAS Berlin estimates that asparagus will be the top organic export in 2020, with a value of about \$0.31 million.



Source: U.S. Census Bureau Trade Data (USDA's Global Agricultural Trade System Online – GATS)

Road Map to the German Market

Germany is not only the largest market for organic products in Europe, but it is also the largest organic producer. In spite of this, the country is increasingly dependent on imported organic products to meet demand. This includes organic products that are produced in Germany, but for which there is not enough supply, such as potatoes, fruits, vegetables, dairy products, and meat.

With this demand, the German organic market offers good opportunities for U.S. organic exporters. However, there are a number of challenges that U.S. exporters must be aware of before exporting to Germany. To successfully introduce food products, knowledge of the market and personal contacts are essential. Any potential U.S. supplier should analyze German and EU food law, packaging and labeling requirements, business practices, trade-related laws, tariffs, potential importers, and the distribution system. The Foreign Agricultural Service (FAS) office in Berlin offers guidelines on business practices and import regulations. Please refer to its [Exporter Guide](#) and Food and Agricultural Import Regulations and Standards [Country](#) and [Certificate](#) Reports for more information.

German food retailers' purchasing habits are 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 are 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 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. That being said, BioFach is the largest organic trade show in the world. From 2019 to 2020, projected twelve-month sales doubled for U.S. exhibitors while on-site sales increase yearly. BioFach 2021 takes place online, February 17 – 19. Please contact FAS Berlin for more information on the BioFach trade show.

Booming vegan market creates export opportunities

In Germany, veganism is increasingly popular. The nation launches the most vegan products in the world. This creates export opportunities for U.S. companies as most major vegan food producers are based in the United States. There is good potential for meat and dairy substitutes as well as breakfast foods. For more information please see GAIN report: [Vegan Market is Cooking in Germany](#).

The EU-U.S. Organic Equivalency Arrangement

Signed in February 2012, the EU-U.S. Organic Equivalency [Arrangement](#) entered into force on June 1, 2012. Since then, organic products certified in the United States or EU may be labeled and 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, and growing, combined market. The growing market for organics in the EU in combination with the equivalency arrangement creates more trade opportunities for U.S. exporters. The EU offers market opportunities for U.S. organic fresh produce, dried fruit and nuts, specialty grains, and processed products. The arrangement created export opportunities in Germany 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 the Organic Market EU 2020 GAIN report [Good Prospects for U.S. Organic Exports in the EU](#).”

The European Union adopted its updated Organics Regulation in 2018. The Regulation is set to enter into force on January 1st, 2021. The following report gives an overview of the main regulatory changes to occur and highlights those that may impact U.S. exporters of organic products: [“New EU Organic Regulation Entering Into Force in 2021 Regulatory Update.”](#)

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.fas-europe.org
U.S. Mission to the European Union	www.fas.usda.gov/posthome/useu/usda.html
FAS Washington	www.fas.usda.gov
Organic Trade Association	www.ota.com

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:

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

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.

Attachments:

No Attachments.