Federation of German Food and Drink Industries

Active Responsibility for the Environment

The German food industry is committed to the principle of sustainability and works actively to protect the environment and conserve resources when manufacturing its products. Environmental, sustainability and quality standards are observed strictly throughout the industry and manufacturers also participate in conservation and environmental protection initiatives like the Rain Forest Alliance, the Common Code for the Coffee Community (4C) and the Marine Stewardship Council. Great progress has already been made in the reduction and recycling of packaging material, which has significantly reduced environmental pollution. The food industry is also committed to using all forms of energy as efficiently and ecologically as possible. Among other things the Federation of German Food and Drink Industries (BVE) has established the "Food Industry Energy Efficiency Network", which works to maximise efficient use of energy throughout the industry.

Trade Fairs – An Important Marketing Platform

This year (2009) the trade-only Anuga fair is being staged in Cologne from 10-14 October. The Anuga is the leading international trade show for the food industry, food retailing and catering and one of the industry's most important trend barometers, both nationally and internationally. In 2007 the Anuga was attended by over 163,000 visitors and 6,600 exhibitors from 95 countries, who rented 304,000 square metres of floor space.

Another show that provides an excellent opportunity to get to know the German food industry is International Green Week (IGW), which is next taking place in Berlin from 15-24 January 2010. Attended by over 400,000 visitors and 1,600 exhibitors, it is the world's biggest consumer event of its kind for the food and agriculture industries. Food, beverages and tobacco products manufacturers from all over the world exhibit at the IGW with joint presentations and markets, using it as a sales channel, test market and for image-building.

The Federation of German Food and Drink Industries (BVE) is the first port of call for businesses seeking contacts in and information on the German food industry. The BVE is the main trade association of the German food industry and represents the interests of its members in the worlds of business, politics and the public (www.bve-online.de). The Federal Ministry of Food, Agriculture and Consumer Protection and its associated government agencies are also good sources of information on foreign trade and marketing questions (www.bmelv.de).

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Claire-Waldoff-Straße 7
10117 Berlin
030 200786-0
030 200786-299
bve@bve-online.de
www.bve-online.de

The German Food and Drink Industry

Food Products

Made in Germany

Outstanding and Delicious






Food Products “Made in Germany” – Outstanding and Delicious

Germany’s food industry turns agricultural produce into high-quality food products for consumers in Germany and all over the world. In 2008 the German food industry generated an aggregate turnover of 155 billion euros, which was just under 6 percent more than the previous year. With a work force of over 530,000 in 5,800 companies it is one of Germany’s five biggest industries – the others are the automobile, electrical, mechanical engineering and chemical industries – and makes a major contribution to the country’s prosperity, growth and employment market. The German food industry shares first place with France in the European food producers ranking.

The German food industry is dominated by small and medium-scale enterprises. A full 75 percent of all its firms have less than 100 employees. There are a few big global players, but the majority of the companies are still operated by families or individuals, which mean that the proprietors are personally responsible for the quality of their products. The diversity of the products is reflected in the long list of branches in the food industry. The highest-volume sectors include meat (22%), milk and dairy products (17%), alcoholic beverages (9%) and sweets and baked goods (8-9% each).

As in previous years, growth in 2008 was driven mainly by exports, which increased by 15 percent to a total volume of 42.4 billion euros, equivalent to 27 percent of the German food industry’s total sales volume. The lion’s share of the exports (84%) went to EU countries; only 16 percent were sold outside the EU, primarily to Russia, the USA and Switzerland.

The main reasons for the success of German food products on the international markets are outstanding and delicious quality, dependable hygiene and reliable deliveries. “Made in Germany” is recognised all over the world as a seal of quality for food products ranging from traditional German specialities to the latest innovations. German food manufacturers are particularly good at responding to the needs and wishes of their customers. In addition to dairy and meat products their top exports also include sweets and alcoholic beverages.

The Domestic German Market – Trends and Target Groups

In 2008 Germany imported processed foods with a value of 40.7 billion euros, the majority of which came from member states of the European Union. With a population of 82 million Germany is the biggest market in Europe. In 2008 every resident of Germany had an average of 18,700 euros of disposable income, which is significantly higher than the European average of 12,500 euros per person and year.

Food and beverages only account for around 12 percent of the monthly spending of German households. This is because of the low food prices in Germany; whilst the general cost of living has increased by 85 percent over the last thirty years, food and beverage prices only went up by a moderate 50 percent in the same period.

The German food market is highly competitive and the price pressure is intense. In 2007 food retailers in Germany generated a total turnover of 157.6 billion euros. The five big retail chains accounted for three quarters of this volume. Gains were made in particular by the discounters, who increased their market share to over 43 percent.

Alongside the growth of the discount sector there has also been a trend towards a greater emphasis on quality, freshness and service in recent years – the mega-trends in the food sector are convenience, enjoyment, health and wellness.

Consumer interest in healthy nutrition is giving the wellness food sector a particularly strong boost. A full 13.2 million households are interested in “wellness foods”, but so far only 4.2 million are actually purchasing these products. This means that there is plenty of potential for growth here for fresh fruit and vegetables, full-grain products, low-fat and low-calorie products, diet foods, probiotic foods and organic products of all kinds.

Where, how and under what conditions products are manufactured are increasingly important issues for a growing number of consumers. Organic foods play a specially important role in this trend and they are becoming increasingly popular with consumers. In 2008 the organic foods market grew by around 10% to a total volume of 5.8 billion euros.

Chilled foods are also immensely popular with consumers. This trend, which originated in Great Britain and France, is finding more and more adherents in Germany. It is still a relatively small segment of the market but there is already a wide range of products, from fresh pasta, delicatessen salads and fresh cut fruits and fruit juices to convenience meals. In 2007 this segment had a volume of around 3 billion euros (+7%).

Society and its demographic structure are changing and the sales channels of the food industry are changing with them. New styles of living and working, smaller households, larger numbers of older people and greater mobility are increasing consumption of food away from home. In 2007 the food-away-from-home sector had a volume of around 44 billion euros, making it the second most important marketing channel for the food industry after the retail sector.

Catering with service is by far the largest segment here, accounting for around 50 percent, followed by quick service (32%), catering at work (13%) and event and entertainment catering (5%). The growing importance of the away-from-home sector makes it a very interesting market for the food industry, but it also has a complex structure that makes development of its potential quite difficult.

The main challenges for the food industry are catering to the very different requirements of the wide diversity of kitchens that prepare the foods and responding quickly to the rapid changes in the individual market segments.