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MARKET ACCESS SECRETARIAT
Global Analysis Report

Health and Wellness Series

Organic Packaged Food Trends
In Germany

October 2016

EXECUTIVE SUMMARY

- Canada enjoys preferential access to the European Union resulting from an equivalency agreement established in 2011 and recently expanded in 2016. This access is expected to be expanded by reduced tariffs when the Comprehensive Economic and Trade Agreement between Canada and the European Union is ratified.

- With a value of US$3.4 billion, the German organic packaged food market was the second largest in the world in 2015, behind the United States. The market is expected to grow to US$3.9 billion by 2020, representing a compound annual growth rate of 2.79%.

- Organics made up 3.88% of the German packaged food market in 2015. Only Denmark, Austria and Sweden had larger proportions of their packaged food market devoted to organics. According to Euromonitor's forecast, the German organic share will grow slightly to 3.92% in 2020.

- Germany's organic packaged food market is highly segmented: the leading companies in terms of new products were Alnatura, Aldi Group and Edeka Zentrale, while the leading companies in terms of market share were Alnatura, Rapunzel Naturkost and Hipp.

- German consumers rely on German, EU and NGO labelling to help them make decisions. Different labels appeal to different consumer groups. German consumers of organic food are also highly motivated by environmental, ethical and animal welfare concerns.

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MARKET OVERVIEW

Germany is Europe's largest organic packaged food market and the second largest in the world, after the United States (Euromonitor International, 2016). Proportionally, organic packaged foods made up 3.88% of the total German packaged food market in 2015, up from 3.50% in 2010. Over the last five years, the organic packaged foods sector has grown faster than the entire packaged food sector: organics had a compound annual growth rate (CAGR) of 3.68% from 2010-2015, compared to a CAGR of 1.76% for the entire sector. Positive growth for the organic sector is forecasted through 2020, but is expected to be lower and more in line with growth in the overall sector (2.79% vs 2.67% CAGR).

Organic food processors and importers have been growing significantly in number (up 19% and 17.3%, respectively, from 2013 to 2014), whereas the growth of organic agricultural land has been much more flat (up only 1.1% over the same period). The number of agricultural producers in the EU fell by 0.2% from 2013 to 2014 (Willer et al., 2016).

German consumer confidence is likely to be affected by political and economic risks related to the stability of the European Union, especially in the wake of the UK's decision to leave the European Union. According to Business Monitor International (2016), Germany is expected to have to commit more resources into maintaining the European Union if and when the UK leaves. Furthermore, the resulting uncertainty could lead to a new recession, which could in turn result in belt-tightening by consumers and therefore a reduction of organic and packaged food purchases (Euromonitor International, 2016).

Prior to Britain's leave vote, the German economy was forecasted to keep growing until 2020, but at a slower rate than over the last five years. Real 2016 GDP growth was expected to be 1.6%, declining to 1.4% in 2017 and 1.1% in 2020 (Euromonitor International, 2016). If these forecasts play out, Germany will grow more slowly than the EU as a whole, which was forecasted to average real growth of about 1.8% over the next five years. In part, this reflects the fact that Germany does not have as much ground to make up, but demographic factors such as an ageing population will also slow down growth.

MARKET SIZE

Top 10 Organic Packaged Food Markets Worldwide in 2015, US$

Country	Retail Sales	CAGR, 2010-2015
1. United States	$13.4 billion	5.92%
2. Germany	$3.4 billion	3.68%
3. France	$2.2 billion	7.90%
4. China	$1.6 billion	42.42%
5. United Kingdom	$1.6 billion	1.69%
6. Italy	$1.4 billion	12.30%
7. Canada	$896 million	3.33%
8. Denmark	$644 million	4.81%
9. Netherlands	$577 million	10.26%
10. Sweden	$574 million	3.92%

Source: Euromonitor International, 2016 *CAGR=Compound Annual Growth Rate

CONSUMER CHARACTERISTICS

Organic packaged food products enjoy widespread appeal in Germany, since they are not strictly seen as luxury good. In fact, a study by Seegebarth et al. (2015) found that Germans choose to purchase organic goods because they consider such goods to offer better value for money than non-organic alternatives.

Furthermore, the widespread sale of organics in discount supermarkets has helped to widen their reach and convert consumers (Gottschalk and Leistner, 2012). First-time purchasers, who may previously have considered organic goods too expensive, will become repeat purchasers, and therefore inexpensive organic goods can create demand for more organic goods.

Growth rates in Health and Wellness Food and Beverages, 2010-2015

Sector	CAGR%*, 2010-2015
Better For You (BFY)	1.9%
Food Intolerance	2.9%
Fortified/Functional (FF)	1.1%
Naturally Healthy (NH)	2.4%
Organic	3.7%
Health and Wellness	2.2%

Source: *Euromonitor International, 2016*
**CAGR=Compound Annual Growth Rate*

According to Euromonitor International (2016), Germany's population is growing older and more obese. Organic and naturally healthy products are primed to outperform sectors such as "better for you" or "fortified/functional", since consumers are increasingly inclined to believe that low fat or sugar content goods do not necessarily assist in weight loss. Organic packaged food and beverages outperformed all other sectors of the health and wellness sector between 2010 and 2015, measured by compound annual growth rate.

One challenge facing packaged goods producers, particularly international ones, is the fact that German consumers want fresh and local goods in order to minimize waste and carbon footprint (Gottschalk and Leistner, 2012). Therefore, it is important to emphasize traceability and environmental impact reduction when marketing goods in Germany.

GERMAN ORGANIC MARKET SHARES

Organic Subsectors by Retail Value and Percent of Overall Subsector – 2015

Product	Retail Value, $US millions	Percentage of overall sector which is organic
Organic Packaged Food	**3,420.80**	**3.88%**
Organic Baked Goods	785.60	4.77%
Organic Dairy	767.90	4.39%
Organic Baby Food	319.80	33.58%
Organic Confectionery	284.60	2.67%
Organic Oils and Fats	156.70	3.81%
Organic Spreads	126.90	8.51%
Organic Ready Meals	50.60	1.20%
Organic Breakfast Cereals	49.30	6.67%
Organic Rice, Pasta and Noodles	26.70	1.65%
Organic Biscuits and Snack Bars	22.10	1.11%

Source: *Euromonitor International, 2016*

The overall organics market is fairly fragmented: the top five German companies comprised 19.1% of retail sales between them in 2015, with the rest being shared by dozens of competitors. Among top competitors, Alnatura makes a variety of organic goods, while Hipp are focused on organic baby food and enjoyed a 67.4% market share in their subsector in 2015 (Euromonitor International, 2016).

Retail Sale Shares by Company

Company	2010	2011	2012	2013	2014	2015
Alnatura Produktions- & Handels GmbH	7.40%	7.40%	7.40%	7.40%	7.50%	7.60%
Hipp GmbH & Co Vertrieb KG	7.70%	7.30%	7.00%	6.70%	6.50%	6.30%
Rapunzel Naturkost GmbH	1.90%	1.80%	1.80%	1.80%	1.80%	1.90%
BWK GmbH	-	-	-	-	-	1.70%
Andechser Molkerei Scheitz GmbH	1.60%	1.50%	1.60%	1.50%	1.50%	1.60%

Source: *Euromonitor International, 2016*

SUBSECTOR GROWTH

Historical and Forecast Retail Sales for the Organic Sector and its Subsectors – $US Mn

Product	2010	2011	2012	2013	2014	2015	CAGR*% 2010-14
Organic Packaged Food	**2,855.80**	**2,995.50**	**3,106.50**	**3,233.50**	**3,334.60**	**3,420.80**	**3.68%**
Organic Baked Goods	727.90	731.40	738.00	749.90	766.60	785.60	1.54%
Organic Dairy	612.70	648.70	676.80	716.20	746.70	767.90	4.62%
Organic Chilled Processed Meat and Seafood	340.70	381.60	412.10	430.50	445.60	459.80	6.18%
Organic Baby Food	296.00	298.00	301.30	310.40	316.10	319.80	1.56%
Organic Confectionery	231.10	240.30	246.20	259.70	272.50	284.60	4.25%
Organic Oils and Fats	108.40	120.00	125.30	142.60	151.00	156.70	7.65%
Organic Spreads	112.80	114.90	118.10	122.90	125.30	126.90	2.38%
Organic Ready Meals	40.10	41.80	44.30	46.70	48.80	50.60	4.76%
Organic Breakfast Cereals	45.40	46.10	46.70	47.40	48.30	49.30	1.66%
Organic Rice, Pasta and Noodles	24.70	24.70	24.90	25.50	26.10	26.70	1.57%
Organic Biscuits and Snack Bars	21.10	20.90	21.20	21.50	21.80	22.10	0.93%

Product	2016	2017	2018	2019	2020	CAGR% 2016-20
Organic Packaged Food	***3,526.60***	***3,635.80***	***3,741.90***	***3,840.30***	***3,937.20***	***2.79%***
Organic Baked Goods	*809.20*	*833.60*	*856.80*	*879.70*	*901.70*	*2.74%*
Organic Dairy	*789.60*	*810.60*	*831.90*	*851.50*	*873.10*	*2.54%*
Organic Chilled Processed Meat and Seafood	*476.60*	*493.70*	*509.70*	*524.50*	*538.60*	*3.10%*
Organic Baby Food	*326.70*	*333.40*	*340.20*	*344.70*	*348.50*	*1.63%*
Organic Confectionery	*300.40*	*316.60*	*332.50*	*347.90*	*362.30*	*4.80%*
Organic Oils and Fats	*162.90*	*169.30*	*175.30*	*180.80*	*186.00*	*3.37%*
Organic Spreads	*129.20*	*132.00*	*134.90*	*137.80*	*140.90*	*2.19%*
Organic Ready Meals	*52.60*	*54.60*	*56.60*	*58.40*	*60.00*	*3.35%*
Organic Breakfast Cereals	*50.50*	*51.90*	*53.20*	*54.50*	*55.70*	*2.48%*
Organic Rice, Pasta and Noodles	*27.60*	*28.40*	*29.30*	*30.00*	*30.80*	*2.78%*
Organic Biscuits and Snack Bars	*22.50*	*22.90*	*23.40*	*23.90*	*24.50*	*2.15%*

Source for both: *Euromonitor International, 2016 *CAGR=Compound Annual Growth Rate*

Growth occurred across all organic packaged food sectors from 2010 to 2015, and is forecasted through 2020. Oils and fats, chilled processed meat and seafood, ready meals and dairy all outpaced the growth of the overall market and are forecasted to continue to do so. Larger subsectors such as organic spreads and baby food will experience slower growth relative to the entire sector.

Baked Goods

Organic baked goods are projected to grow at a faster rate through 2020 than they did from 2010 to 2015. Most of this growth will be led by organic bread, which forms the largest subsector and which has therefore grown at roughly the same rate as the overall baked goods sector.

Historical and Forecast Retail Sales for the Organic Baked Goods Subsector – $US Mn

Product	2010	2011	2012	2013	2014	2015	CAGR*% 2010-14
Organic Baked Goods	**727.90**	**731.40**	**738.00**	**749.90**	**766.60**	**785.60**	**1.54%**
Organic Bread	695.90	699.20	705.60	716.90	733.10	751.40	1.55%
Organic Cakes	10.00	10.10	10.20	10.40	10.50	10.60	1.17%
Organic Frozen Baked Goods	22.00	22.10	22.30	22.60	23.10	23.60	1.41%

Product	2016	2017	2018	2019	2020	CAGR% 2016-20
Organic Baked Goods	***809.20***	***833.60***	***856.80***	***879.70***	***901.70***	***2.74%***
Organic Bread	*774.20*	*797.70*	*820.00*	*841.90*	*863.00*	*2.75%*
Organic Cakes	*10.70*	*10.90*	*11.10*	*11.30*	*11.60*	*2.04%*
Organic Frozen Baked Goods	*24.30*	*25.10*	*25.80*	*26.40*	*27.10*	*2.76%*

Source for both: *Euromonitor International, 2016 *CAGR=Compound Annual Growth Rate*

National brands are much less significant for baked goods than for other organic sectors: 44.8% of organic baked goods in Germany were from artisanal manufacturers while 38.5% were private label in 2015. The largest single brand, Naturata AG, had a market share of only 1.4% in the same year.

Retail Sale Shares for Organic Baked Goods Subsector by Company

Market share for Org. Baked Goods	2010	2011	2012	2013	2014	2015
Artisanal	41.80%	42.10%	42.70%	43.70%	44.20%	44.80%
Private Label	41.00%	38.30%	38.30%	38.70%	38.60%	38.50%
Naturata AG	1.50%	1.40%	1.40%	1.30%	1.40%	1.40%

Source: *Euromonitor International, 2016*

Dairy

Significant growth occurred across the entire organic dairy sector from 2010-2015. Over the forecast period, however, growth is expected to be below that of the overall organic packaged food market. The main subsectors that make up organic dairy are cheese, cream, milk and yogurt. Milk has experienced high growth over the last five years relative to the overall dairy category, but cheese, cream and yogurt have all grown less rapidly than the overall sector. Looking forward, all of these subsectors are expected to slow down along with the entire dairy sector.

Historical and Forecast Retail Sales for the Organic Dairy Subsector – $US Mn

Product	2010	2011	2012	2013	2014	2015	CAGR*% 2010-14
Organic Dairy	**612.70**	**648.70**	**676.80**	**716.20**	**746.70**	**767.90**	**4.62%**
Organic Chilled and Shelf Stable Desserts	6.60	6.90	7.90	8.50	8.90	9.30	7.10%
Organic Cheese	147.70	152.90	162.90	165.90	170.70	174.00	3.33%
Organic Condensed Milk	6.20	6.30	6.40	6.60	6.90	7.10	2.75%
Organic Cream	68.50	70.20	72.20	74.90	77.20	78.70	2.82%
Organic Flavoured Milk Drinks	1.70	1.70	1.80	1.90	2.10	2.20	5.29%
Organic Fromage Frais and Quark	44.10	46.50	49.80	53.50	56.90	60.10	6.39%
Organic Milk	195.50	216.90	222.40	246.90	258.00	265.60	6.32%
Organic Sour Milk Products	3.40	3.50	3.50	3.70	3.80	3.90	2.78%
Organic Non-Dairy Milk Alternatives	27.40	28.60	30.50	33.20	35.50	37.10	6.25%
Organic Yogurt	111.60	115.20	119.50	121.20	126.70	129.90	3.08%

Product	2016	2017	2018	2019	2020	CAGR% 2016-20
Organic Dairy	***789.60***	***810.60***	***831.90***	***851.50***	***873.10***	***2.54%***
Organic Chilled and Shelf Stable Desserts	*9.70*	*10.00*	*10.40*	*10.60*	*11.00*	*3.19%*
Organic Cheese	*177.00*	*180.10*	*182.90*	*185.10*	*188.70*	*1.61%*
Organic Condensed Milk	*7.30*	*7.40*	*7.60*	*7.80*	*7.90*	*1.99%*
Organic Cream	*80.70*	*82.90*	*84.80*	*86.60*	*88.50*	*2.33%*
Organic Flavoured Milk Drinks	*2.30*	*2.40*	*2.50*	*2.60*	*2.70*	*4.09%*
Organic Fromage Frais and Quark	*62.10*	*64.40*	*66.70*	*69.00*	*71.20*	*3.48%*
Organic Milk	*274.10*	*282.00*	*290.40*	*297.50*	*305.20*	*2.72%*
Organic Sour Milk Products	*4.00*	*4.10*	*4.30*	*4.40*	*4.50*	*2.99%*
Organic Non-Dairy Milk Alternatives	*38.90*	*40.60*	*42.40*	*43.90*	*45.30*	*3.88%*
Organic Yogurt	*133.50*	*136.70*	*140.00*	*144.10*	*148.20*	*2.65%*

Source for both: *Euromonitor International, 2016 *CAGR=Compound Annual Growth Rate*

Baby Food

The organic baby food market is mature and expected to keep growing at a steady rate. Dried baby food was the fastest growing subsector from 2010-2015, and is expected to continue outpacing other subsectors of organic baby food. Prepared food makes up the largest portion of organic baby food. It too has grown steadily. The market for organic milk formula has shrunken in importance between 2010 and 2015.

Historical and Forecast Retail Sales for the Organic Baby Food Subsector – $US Mn

Product	2010	2011	2012	2013	2014	2015	CAGR*% 2010-14
Organic Baby Food	**296.00**	**298.00**	**301.30**	**310.40**	**316.10**	**319.80**	**1.56%**
Organic Milk Formula	46.80	46.10	45.70	45.50	45.80	45.40	-0.61%
Organic Dried Baby Food	11.70	11.70	11.90	12.30	12.70	13.10	2.29%
Organic Prepared Baby Food	202.90	205.10	208.10	216.10	220.00	222.90	1.90%
Organic Other Baby Food	34.60	35.10	35.60	36.60	37.70	38.40	2.11%

Source: *Euromonitor International, 2016 *CAGR=Compound Annual Growth Rate*

Product	2016	2017	2018	2019	2020	CAGR*% 2016-20
Organic Baby Food	***326.70***	***333.40***	***340.20***	***344.70***	***348.50***	***1.63%***
Organic Milk Formula	*45.70*	*46.20*	*46.60*	*46.80*	*47.20*	*0.81%*
Organic Dried Baby Food	*13.40*	*13.80*	*14.20*	*14.50*	*14.90*	*2.69%*
Organic Prepared Baby Food	*228.40*	*233.40*	*238.60*	*242.10*	*244.60*	*1.73%*
Organic Other Baby Food	*39.10*	*40.00*	*40.70*	*41.30*	*41.80*	*1.68%*

Source: *Euromonitor International, 2016 *CAGR=Compound Annual Growth Rate*

As mentioned above, the organic baby food sector is very concentrated: Hipp had a 67.4% market share in 2015, and their closest competitor BWK GmbH (formerly marketed under the Nestlé brand) made up 17.9% of the sector in the same year.

Retail Sale Shares for Organic Baby Food Subsector by Company

Market share for Org. Baby Food	2010	2011	2012	2013	2014	2015
Hipp GmbH & Co Vertrieb KG	74.40%	73.10%	71.70%	70.10%	68.70%	67.40%
BWK GmbH	-	-	-	-	-	17.90%
Nestlé SA	9.30%	12.40%	14.50%	16.50%	17.40%	-

Source: *Euromonitor International, 2016*

Confectionery

The growth of the organic confectionery sector outpaced that of the overall organic packaged food market between 2010 and 2015. The sector is expected to grow even more rapidly over the next four years. The chocolate subsector makes up the majority of the sector and represents most of the growth: the smaller sugar confectionery subsector has grown more slowly than the overall market.

Historical and Forecast Retail Sales for the Organic Confectionery Subsector – $US Mn

Product	2010	2011	2012	2013	2014	2015	CAGR*% 2010-14
Organic Confectionery	**231.10**	**240.30**	**246.20**	**259.70**	**272.50**	**284.60**	**4.25%**
Organic Chocolate Confectionery	176.40	183.20	187.30	199.10	210.70	221.60	4.67%
Organic Sugar Confectionery	54.70	57.10	58.90	60.60	61.80	62.90	2.83%

Product	2016	2017	2018	2019	2020	CAGR% 2016-20
Organic Confectionery	***300.40***	***316.60***	***332.50***	***347.90***	***362.30***	***4.80%***
Organic Chocolate Confectionery	*235.40*	*249.00*	*261.90*	*273.80*	*284.30*	*4.83%*
Organic Sugar Confectionery	*65.00*	*67.50*	*70.60*	*74.10*	*77.90*	*4.63%*

Source for both: *Euromonitor International, 2016 *CAGR=Compound Annual Growth Rate*

Retail Sale Shares for Organic Confectionery Subsector by Company

Market share for Org. Confectionery	2010	2011	2012	2013	2014	2015
Alnatura Produktions- & Handels GmbH	17.10%	17.20%	17.00%	17.10%	17.00%	16.90%
Gepa Fair Handelshaus	14.80%	15.20%	16.20%	15.70%	15.70%	15.80%
Rapunzel Naturkost GmbH	13.60%	13.60%	13.40%	13.40%	13.60%	13.70%
Naturata AG	8.30%	8.30%	8.30%	8.10%	8.00%	8.00%
EcoFinia GmbH	4.00%	4.00%	4.30%	4.30%	4.30%	4.40%

Source: *Euromonitor International, 2016*

The organic confectionery sector is fairly concentrated: five companies account for 58.8% of the market. Nonetheless, no company controls more than a 17% market share, and the market shares of the top three competitors are relatively close to each other.

NEW PRODUCT ANALYSIS

Animal welfare is extremely important to Germans; taken together, vegan, vegetarian and no animal product claims adorned fully 24.2% of new product launches over the last five years (Mintel GNPD, 2016). Ethical concerns also predominate: environmentally friendly packaging and products as well as human/fair trade claims were all among the top 10 claims.

Younger consumers, especially those under 30, are increasingly aware of food intolerances they may have to gluten or lactose, thanks in part to the influence of food bloggers and social media (Euromonitor International, 2016). It is therefore unsurprising that Gluten-Free and Low/No/Reduced Lactose claims are among the most frequently used on new products. Finally, given the emphasis German consumers place on natural foods, it is similarly unsurprising that so many goods advertise their lack of preservatives.

New Claims and New Products, 2011-2015

Feature	Launch Count
Top 10 claims	
Total New Organic Products	**10,013**
Low/No/Reduced Allergen	2,609
No Animal Ingredients	1,973
Vegan	1,948
Gluten-Free	1,912
No Additives/Preservatives	1,358
Low/No/Reduced Lactose	1,164
Ethical - Environmentally Friendly Product	885
Ethical - Environmentally Friendly Package	806
Ethical – Human	778
Vegetarian	768
Storage	
Shelf stable	7495
Chilled	1991
Frozen	527
Top five launch types	
New Product	4,276
New Variety/Range Extension	3,789
New Packaging	1,410
Relaunch	362
New Formulation	176
Top five companies by new launches	
Alnatura	417
Aldi Group	367
Edeka Zentrale	360
NORMA	333
REWE Group	265

Source: *Mintel Global New Products Database (GNPD), 2016*

Note that some claims partially overlap, such as "vegan" and "vegetarian"

New Product Pricing, 2011-2015

Sub-category	Number of Products	Average price, US$
Sweet Biscuits/Cookies	492	3.15
Pasta	384	3.14
Seasonings	383	3.84
Cold Cereals	379	4.37
Spoonable Yogurt	356	1.56
Savoury Vegetable Pastes/Spreads	306	3.03
Chocolate Tablets	288	2.92
Bread & Bread Products	273	3.14
Baking Ingredients & Mixes	270	4.08
Meat Substitutes	267	3.62
Vegetables	266	2.71
Snack/Cereal/Energy Bars	264	2.01
Savoury Biscuits/Crackers	241	2.77
Meat Products	200	4.24
Confiture & Fruit Spreads	196	3.94
Other	5,448	3.88

Source: *Mintel Global New Products Database (GNPD), 2016*

ORGANIC LABELLING

German organic goods consumers are diverse. As a result, the market has developed several labels with different specifications and requirements. According to Janssen and Hamm (2014), who interviewed various German consumers on organic goods, the most popular and widely trusted logo is the Bio-Siegel, which is regulated by the German government. Private NGO labels, however, often appeal to subsets of the organic consumer base. For example, the Demeter logo, which has criteria less permissive than European Union (EU) and German regulations, appeals to frequent purchasers of organic goods significantly more than the Bio-Siegel, whereas occasional buyers know and trust the Bio-Siegel, but may not be aware of private labels. Frequent buyers exhibit a high willingness to pay with regards to the Demeter logo. No organic buyers, whether frequent or infrequent, were willing to trust the word “organic” unaccompanied by a logo.

In Janssen and Hamm’s data collection, the old EU-wide organic logo was still in use and was found to enjoy lower trust than the Bio-Siegel, despite having the exact same requirements. Since 2012, however, the EU has implemented a mandatory new Green Leaf logo for organic packaged goods produced within the EU. This logo must specify whether the agricultural ingredients used in the manufacture of the product are of EU, non-EU or mixed origin (European Commission, 2015).

As per European Commission regulations No 1235/2008 and No 590/2011, Canadian organic certification is considered equivalent to European certification as long as it comes from one of 21 recognized control bodies. These organizations are Atlantic Certified Organic Cooperative Limited, British Columbia Association for Regenerative Agriculture, Certification Services Limited Liability Company, Centre for Systems Integration, Consorzio per il Controllo dei Prodotti Biologici Società a responsabilità limitata, Control Union Certifications, Ecocert Canada, Fraser Valley Organic Producers Association, Global Organic Alliance, International Certification Services Incorporated, LETIS SA, Oregon Tilth Incorporated, Organic Certifiers, Organic Crop Improvement Association, Organic Producers Association of Manitoba

Cooperative Incorporated, Pacific Agricultural Certification Society, Pro-Cert Organic Systems Ltd, Quality Assurance International Incorporated, Quality Certification Services, Organisme de Certification Québec Vrai and SAI Global Certification Services Limited.

CONCLUSION

The German market for organic packaged food is very mature, but it is large and diverse. Organic goods enjoy mainstream appeal and widespread trust in Germany, thanks in part to the efforts of discounters to offer value-for-money packaged organics. German consumers have a variety of concerns, but choose to consume organic goods because of ethical, environmental and health reasons.

Different organic subsectors have different market structures: baby food is extremely concentrated, whereas baked goods are primarily produced for private labels or artisanal bakers. Subsector analysis allows us to understand these market structures and trends, and to see which subsectors are forecasted to experience the most growth within sectors.

Despite the political risks facing the European Union, Germany remains the second most important organic market in the world. By knowing risks, regulations and consumer expectations, Canadian producers will be in a prime position to export value-added organic goods to Germany.

FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in Germany**
  www.tradecommissioner.gc.ca/de

- **Find a Trade Commissioner**
  www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

For additional intelligence on this and other markets, the complete library of Global Analysis reports can be found under *Statistics and Market Information* at the following link, arranged by sector and region of interest:

- ats-sea.agr.gc.ca

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ORGANIC PACKAGED FOOD: GERMAN CONSUMER TRENDS

Global Analysis Report

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