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Global Analysis Report

Health and Wellness Series

Vegetarian and Vegan Food
in Germany

January 2017

EXECUTIVE SUMMARY

- German meat consumption is falling. Two causes underlie this shift: many German consumers are increasingly turning to vegetarian or vegan lifestyles, and many others are consciously choosing to reduce their meat consumption for ethical, environmental and health-related reasons.

- The meat substitutes subsector has grown rapidly: from 2010 to 2015, it exhibited a compound annual growth rate (CAGR) of 22.36%. Going forward, this growth rate is expected to slow down slightly, to 12.94% CAGR over the period 2016-2020. Nearly 10% of new vegetarian products introduced on the market between 2011 and 2015 were meat substitutes.

- Germany has passed laws that clearly define the terms “vegan” and “vegetarian” as they appear on products so as to reduce consumer confusion. These specific definitions are explained in the section “Certification and Labeling”.

- In addition to the labeling laws, several voluntary labels can be used by vegetarian and vegan food producers. These labels are meant to allow consumers to quickly and easily determine whether or not certain goods are suitable for their eating habits.

- The retail sector is increasingly friendly to vegans and vegetarians. For example, the grocery chain Edeka hosts “Vegithek” counters featuring meat-free dishes, while an entire grocery store chain, Veganz, has sprung up in order to cater to vegan lifestyles and dietary choices.

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INTRODUCTION

Vegetarian and vegan foods in Germany are increasing in popularity. In part, this reflects the fact that more consumers are adopting meat-free diets, but it is also a consequence of meat-eating German consumers consciously choosing to reduce their consumption of animal products due to increased awareness of the health and environmental issues linked to meat consumption.

Vegetarian-labeled foods are becoming increasingly prevalent on German grocery store shelves: more and more products are being released with vegan or vegetarian claims. While some merely mention that they are suitable for vegans or vegetarians, others bear official logos from the European Vegetarian Union.

Vegans as a consumer group have become significant enough in numbers to sustain vegan-centred grocery stores: Veganz, Europe's first vegan-only grocery chain, was founded in Berlin in 2011 and now operates ten locations in three countries. This report contains an overview of the Veganz chain, since it represents a new kind of retail experience and reflects the new consumer realities of Germany.

GERMAN CONSUMER CHARACTERISTICS

According to Euromonitor International (2016), Germans eat slightly more meat than the average European. In 2015, Germans ate 65.9 kg of meat per capita during the entire year, compared to an average of 64.1 kg in the entire EU. Meat and dairy consumption are declining in Germany. Partially, this reflects the increasing proportion of vegetarians and vegans in German society, but it is also due to the fact that health-consciousness is challenging traditional attitudes towards food. Meat is increasingly regarded as a potential health risk, and there are growing numbers of "flexitarians", who are inclined to eat meat in sparing quantities, both for health and ethical reasons (Euromonitor International, 2016).

Historical Meat Consumption in Europe, Kilograms per Capita per Year

Country	2010	2011	2012	2013	2014	2015	2010-2015 CAGR*
EU	**63.36**	**63.59**	**63.80**	**64.01**	**64.50**	**64.07**	0.22%
Germany	**68.9**	**69.4**	**68.1**	**67.5**	**66.7**	**65.9**	-0.89%
Austria	99.9	100.7	101	101.1	100.9	101.3	0.28%
Belgium	75.7	74.7	74.2	74.3	74.2	74.3	-0.37%
Denmark	63.9	63.8	63.6	62.9	62.2	61.7	-0.70%
Finland	49.4	49.6	49.7	49.3	48.8	48.2	-0.49%
France	70.7	69.9	69.4	68.8	69.4	69.6	-0.31%
Poland	65.1	65.5	66.4	67.4	70.8	70.8	1.69%
Czech Republic	70	70.4	70.4	72.3	74.4	73.3	0.93%
Greece	59.1	58.7	58.0	57.2	56.0	54.7	-1.54%
Italy	65.2	65.2	65	63.5	61.6	60.9	-1.36%
Netherlands	74	74.3	74.6	73.7	72.8	71.9	-0.57%
Portugal	80.2	81.1	82.5	82.8	82.6	82.7	0.62%
Spain	60.5	59.3	58.9	58.9	58	58.1	-0.81%
United Kingdom	57.4	57.1	56.4	55.7	54.9	54.1	-1.18%

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

Forecast Meat Consumption in Europe, Kilograms per Capita per Year

Country	2016^E	2017^F	2018^F	2019^F	2020^F	2016-2020 CAGR*
EU	***64.10***	***64.39***	***64.87***	***65.30***	***65.75***	**0.64%**
Germany	***65.1***	***64.3***	***63.3***	***62.3***	***61.3***	**-1.49%**
Austria	*101.3*	*100.9*	*100.4*	*99.7*	*98.8*	-0.62%
Belgium	*73.9*	*73.4*	*72.9*	*72.2*	*71.5*	-0.82%
Denmark	*61.1*	*60.6*	*59.8*	*59*	*58.2*	-1.21%
Finland	*47.7*	*47.1*	*46.5*	*45.8*	*45.1*	-1.39%
France	*69.2*	*68.7*	*68.2*	*67.6*	*67.2*	-0.73%
Poland	*71.8*	*73.3*	*75.4*	*77.4*	*79.2*	2.48%
Czech Republic	*73.6*	*75*	*77*	*78.9*	*80.8*	2.36%
Greece	*53.8*	*52.9*	*52.3*	*51.6*	*51.1*	-1.28%
Italy	*60.2*	*59.6*	*59.1*	*58.7*	*58.6*	-0.67%
Netherlands	*71.2*	*70.2*	*69.2*	*68.1*	*67.1*	-1.47%
Portugal	*82.8*	*83.1*	*83.4*	*83.5*	*83.6*	0.24%
Spain	*58.2*	*58.4*	*58.7*	*58.8*	*59*	0.34%
United Kingdom	*53.9*	*53.8*	*54*	*54.2*	*54.5*	0.28%

Source: *Euromonitor International, 2016/E=Estimate/F=Forecast/*CAGR=Compound Annual Growth Rate*

Eastern Europe is increasing its meat consumption due to rising income, but Western Europeans are choosing to consume less meat. As a result, meat consumption in the EU increased slightly from 2010 to 2015, whereas it declined in Germany during the same period. Through 2020, Euromonitor International is forecasting that Germany will have the most rapid decline in meat consumption per capita in the EU.

According to the European Vegetarian Union (Strecker, 2015), 10% of German consumers (7.8 million individuals) are vegetarians, and 1.1% are vegans (900,000 individuals). Since 2006, the number of vegetarians in Germany has doubled (Strecker, 2015); as a result, there is an increasing need for clear labeling and universal, agreed-upon definitions for vegetarian and vegan food.

Animal welfare, environmental concerns and loss of trust are important considerations for German consumers (Thomasson, 2015). Scandals related to horse meat in beef products, alongside concerns over GMOs and antibiotics, are leading Germans to want to reduce or eliminate meat from their diets. Due to these concerns, as many as 60% of Germans are willing to reduce their meat intake, according to a survey related by Reuters (Thomasson, 2015). With regards to vegan consumers, Janssen et al. (2016) found that animal welfare, health and environmental concerns were the three primary reasons indicated by vegan consumers, with 89.6%, 69.6% and 46.4% of respondents indicating these reasons as being among the top three factors encouraging them to maintain a vegan diet.

GROWTH PERSPECTIVES

Compared to processed meat and seafood, meat substitutes are a very small market[1], but they are growing in importance. Growth in the overall processed meat and seafood category has been flat over the last 5 years, at 1.41% CAGR, whereas meat substitutes have increased by 22.36% over the same period (Euromonitor International, 2016).

[1] Meat substitutes represented less than 1% of the overall processed meat and seafood sector in 2015 (Euromonitor International, 2016).

Historical Meat Substitute Sales in Germany, US $ Millions

Category	2010	2011	2012	2013	2014	2015	2010-2015 CAGR*
Processed Meat and Seafood	**13,902.1**	**13,778.9**	**13,797.8**	**14,242.1**	**14,582.3**	**14,907.5**	**1.41%**
Meat Substitutes	**49.0**	**59.5**	**72.0**	**92.0**	**108.8**	**134.4**	**22.36%**
Chilled Meat Substitutes	14.0	17.1	20.7	26.5	31.4	47.1	27.46%
Frozen Meat Substitutes	26.4	32.0	38.8	49.6	58.6	66.2	20.19%
Shelf Stable Meat Substitutes	8.6	10.4	12.5	15.9	18.8	21.1	19.66%

Forecast Meat Substitute Sales in Germany, US $ Millions

Category	2016	2017	2018	2019	2020	2016-2020 CAGR
Processed Meat and Seafood	***15,314.3***	***15,729.8***	***16,136.8***	***16,540.6***	***16,937.7***	***2.55%***
Meat Substitutes	***157.1***	***180.3***	***204.7***	***229.3***	***255.6***	***12.94%***
Chilled Meat Substitutes	*60.0*	*73.6*	*89.0*	*105.2*	*123.2*	*19.71%*
Frozen Meat Substitutes	*73.8*	*81.3*	*88.3*	*94.7*	*100.9*	*8.13%*
Shelf Stable Meat Substitutes	*23.3*	*25.4*	*27.4*	*29.4*	*31.5*	*7.83%*

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

Through 2020, Euromonitor International is forecasting further growth in the meat substitutes sector, with most of the growth occurring in the chilled meat substitutes subsector. Sausages and cold cuts, which many Germans consider integral to their diets, have a great deal of appeal to people seeking to reduce their meat consumption, and both Euromonitor International (2015) and Reuters (Thomasson, 2015) noted that processed meat manufacturers are putting out vegetarian versions of their meat products. Additionally, foodservice providers are including vegetarian options for customers. Edeka, a leading retail chain, offers “Vegithek” counters in its stores where meat-free versions of traditional German meat dishes are sold (Thomasson, 2015).

NEW PRODUCT ANALYSIS

Mintel has noted an increasing number of products suitable for vegetarians being released in Germany. Over the last 5 years of data (2011-2015), 4347 products bearing “vegan”, “vegetarian” or “no animal products” claims were launched in Germany. The most common goods category among these were meat substitutes: 410 such products were catalogued over the 5 year period.

New Products Launched, 2011-2015

Feature	Launch Count
Top 10 categories	
Total New Vegan/Vegetarian Products	4,347
Meat Substitutes	410
Savoury Vegetable Pastes/Spreads	239
Snack/Cereal/Energy Bars	149
Potato Snacks	141
Prepared Meals	138
Sweet Biscuits/Cookies	127
Baking Ingredients & Mixes	121
Wet Soup	120
Cold Cereals	116
Chocolate Tablets	111
Storage	
Shelf stable	3,066
Chilled	992
Frozen	289
Top five launch types	
New Product	2,007
New Variety/Range Extension	1,467
New Packaging	541
Relaunch	218
New Formulation	114
Top five claims*	
Organic	2,421
Low/No/Reduced Allergen	2,034
Gluten-Free	1,495
No Additives/Preservatives	1,202
Low/No/Reduced Lactose	1,037
Price range in US dollars**	
0-$1.99	688
$2-$3.99	1,818
$4-$5.99	898
$6-$7.99	273
$8 and more	129

Source: *Mintel, 2016*
Compiled using all new product launches containing "Vegetarian", "Vegan" and/or "No Animal Ingredients"
**Claims excluding the ones used to compile data. Note that many claims overlap.*
***Records for which data is available*

Two of the top five claims relate to the natural qualities of the products, while the other three relate to food intolerance. Organic goods form more than 50% of the total new launches, which is unsurprising given the importance of organic food in Germany[2].

The amount of vegan and vegetarian products being identified by Mintel is trending upwards: 272 were identified in 2011, 1049 in 2014 and 1873 in 2015. So far in 2016, 1509 products have been launched (Mintel GNPD, 2016). In many cases, these may not represent new vegetarian and vegan products but

[2] For more information on the organic packaged goods market in Germany, see our related report.

may instead be the result of manufacturers affixing claims to their existing line of products in order to inform and attract consumers.

NEW PRODUCT EXAMPLES, 2016

Vegan Smoked Cold Cuts

Company: Topas
Brand: Veggyness
Subcategory: Meat Substitutes
Launch Type: New Packaging
Price in US$: $2.72
Claims: No Additives/Preservatives, Organic, Low/No/Reduced allergen, Vegan, High Protein, Carbon Neutral, Low/No/Reduced Lactose
Description: Veggyness Veganer Aufschnitt Rauch (Vegan Smoked Cold Cuts) have been repackaged, and are now available in a new 100g climate neutral pack bearing EU Green Leaf logo and a QR code, as well as the Vegan Society Trademark. The vegan product features a juicy texture with fine spicy notes. It has a high protein content, and contains no lactose, eggs or palm oil.
Also available from the same brand: Vegan Steak.

Veggie Curry Sausage with Fries

Company: Prima Menü
Brand: Prima Menü
Subcategory: Prepared Meals
Country: Germany
Launch Type: New Variety/Range Extension
Price in US$: $3.26
Claims: Microwaveable, Vegetarian, Ethical - Environmentally Friendly Package, Ethical - Environmentally Friendly Product, Vegan, No Animal Ingredients, Carbon Neutral
Product Description: Prima Menü Veggie Currywurst (Veggie Curry Sausage with Fries) comprises of a purely vegetable based soy protein roast sausage slices in curry ketchup sauce with French fries. This vegan product is carbon dioxide neutrally produced, can be prepared in the microwave or in the oven, and retails in a 400g pack that features the FSC Mix logo, the V-Label seal from the European Vegetarian Union, and preparation instructions.
Also available from the same brand: Veggie Thai Curry, Veggie Doner and Veggie Wok Stir Fry

Source for both: *Mintel, 2016*

Hazelnut Chocolate Bar

Company:	Veganz
Brand:	Veganz
Sub-Category:	Chocolate Countlines
Country:	Germany
Launch Type:	New Product
Price in US$:	$1.58
Claims:	Organic, Vegetarian, Low/No/Reduced Allergen, Vegan, No Animal Ingredients, Social Media
Product Description:	Veganz Haselnusscrèmeriegel mit Ganzel Haseinusskemen Überzogen mit Schokoladenkuvertüre (Coconut Chocolate Bar) is described as an organic couverture chocolate bar with hazelnut creme filling and whole hazelnuts. This vegan product contains no soya and retails in a 40g pack, featuring a Facebook link and the European Vegetarian Union, Vegan, Bio, and EU Green Leaf logos. ***Source:*** *Mintel, 2016*

RETAIL SPOTLIGHT: VEGANZ

Founded in 2011, Veganz is the first vegan-only supermarket chain in the European Union. Apart from their headquarters in Friedrichshain, Berlin, Veganz operates nine other locations in Germany, Austria and the Czech Republic. These are situated in Kreuzberg and Prenzlauer Berg, Berlin, Essen, Frankfurt, Hamburg, Liepzig, Munich, Prague and Vienna (Veganz website). Most locations, including both non German ones, feature vegan bistro cafés. Additionally, Veganz runs an online storefront out of its Hamburg store, offering pick-up and delivery.

Veganz has its own private label for packaged goods. An example of a Veganz private label product is highlighted in the New Product Examples, 2016 section below. These products are also distributed in other supermarkets throughout Europe such as Edeka and Switzerland's Coop (Mintel GNPD, 2016).

The Veganz chain has received positive reviews from numerous blogs dedicated to vegan and vegetarian lifestyles as well as to travel. For example, Mary Scherpe, a travel blogger, visited the Friedrichshain location in 2012 and commented positively on the food offered in their bistro (Scherpe, 2012). Vegan review website Veganoo (2014) favourably reviewed the selections at Veganz stores. Lena Tachdjian, a writer for the vegan lifestyle website ClearlyVeg visited the Hamburg location in 2016 and praised its décor, bistro, variety, unique products and samples.

Plans are currently in place to expand Veganz to North America: headquarters will be in Portland, private-label products will be distributed to grocery stores in the United States and online shopping will be available for Americans (Veganz blog, 2016).

CERTIFICATION AND LABELING

German lawmakers have adopted legal definitions for the terms "vegan" and "vegetarian". According to Niamh Michail of Food and Drink Europe (2016), the German government, in conjunction with VEBU, the German chapter of the European Vegetarian Union, have defined vegan foods as foods that are "not of animal origin" and which contain ingredients, processing aides or other substances of any animal origin. Vegetarian goods have the same restrictions as vegan ones except that they may contain milk, colostrum, eggs, honey, beeswax, propolis or wool grease. The aim of the law is to ensure that vegan and vegetarian labeled goods are in fact appropriate for vegan and vegetarian consumers.

Prior to the adoption of this standard, the European Vegetarian Union had developed its own label for vegetarian foods, the V-Label. This voluntary label, which was first introduced in 1985, has strict criteria: any product bearing the label cannot contain any animal that were produced from dead animals. For example, vegetarian-labeled cheese cannot contain rennet taken from dead calves (V-Label website). Furthermore, genetically modified organisms are prohibited. In Germany, the V-Label is administered by VEBU. Goods bearing the V-label can additionally be labeled vegan, but the V-Label is specifically geared towards vegetarian products. The V-Label is applied to both processed food products in stores and restaurant menus.

The Vegan Society, based out of Birmingham, England, promotes its Vegan Trademark, which has been in use since 1990 and which is registered in Europe, Canada, the United States, Australia and India (Vegan Society website). This logo is similar to the EVU's logo, but can only be applied to food and cosmetic products that feature absolutely no animal products or derivatives and whose production did not involve any animal testing. Genetically modified organisms are allowed, provided that the development of the organism did not involve animal genes or animal-derived substances. Yearly licensing fees are charged for the use of the Vegan Trademark, and the Vegan Society promotes licensed products through trade shows and on its website.

All labels allow goods to be manufactured in facilities that also produce non-vegan or non-vegetarian products, but require thorough cleaning of kitchen implements in order to reduce the risk of cross-contamination.

CONCLUSION

While a majority of German consumers still eat meat, the number of vegans and vegetarians in Germany is growing, such that individuals with plant-based diets are now a significant minority. Furthermore, meat eaters are choosing to consume less meat, and are increasingly drawn to vegan and vegetarian options for health and environmental reasons. Vegan and vegetarian foods are expected to have significant growth potential over the next few years. The number of vegan and vegetarian products being released each year is trending up, especially in the meat substitutes subsector.

In response to informational problems resulting from animal-derived ingredients, certain labels have been developed in order to allow consumers to rapidly check whether or not the goods they are considering are suitable for them. Additionally, the Veganz retail chain has emerged in Germany, allowing vegan and vegetarian shoppers to enjoy a worry-free shopping experience. The rapidity of its expansion is a testament to the growing importance of vegan and vegetarian foods in Germany.

As a final note, when CETA enters into force, almost 94% of EU agricultural tariff lines will be duty-free. The elimination of EU tariffs will help Canadian producers, processors and exporters to be more competitive in the EU.

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

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RESOURCES

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Health and Wellness Series

VEGETARIAN AND VEGAN FOOD IN GERMANY

Global Analysis Report

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