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**“ORGANIC FARMING AND IMPORT
MARKET IN GERMANY”**



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ORGANIC FARMING AND IMPORT MARKET IN GERMANY

Introduction

Germany is the country with a longest tradition in organic farming and marketing for health products. The first reform shops opened more than 100 years ago as part of a food reform movement. About 30 – 35 years ago the first natural food stores were founded. Mainly carrying organic products, they expressed criticism of industrial society and presented an alternative to conventional grocery trade. Together with growing organic agriculture they experienced double-figure growth rates. Only many years later (early 1990s) supermarkets entered the field.

Today Germany is one of the largest organic markets in the world and the number one market in the EU with the value of Euros 12.0 billion. Germany is also one of the biggest importers of organic products. The recent BSE crises (mad cow disease) and other food scares had a positive impact on the organic market in Europe because of rising awareness among consumers.

The guiding principle of organic farming is management in harmony with nature. The agricultural holding is mainly perceived as an organism comprising the components man, flora, fauna and soil. In its various forms, organic farming enjoys a long-standing tradition. Biodynamic farming was introduced in 1924 and the origins of organic-biological and environmentally adapted farming also date back well into the last century in Germany.

Organic Farms and main production regions in Germany

There was a decline in the number of conventional farms in Germany, decreasing from 684,803 hectares in 1990 to 429,000 hectares in 1999, or 34 percent decline, organic agriculture spread very quickly during last two decades and reached 34,110 farms by the end of 2019 with 1,623,834 hectares under organic production. *The share of 9.7 percent of the total agricultural area and 12.9 percent of the total number of farms were under the organic production in Germany in 2019.* This is roughly one tenth of all agricultural enterprises. To achieve the government target, a further 30,000 to 40,000 farmers would have to change over to organic farming.

In term of the share of organic farming in the total agricultural area of the individual federal states, Saarland is ahead with 18.1 followed by Hesse with 15.5 and Baden-Württemberg and Brandenburg with share of 13.2 each estate.

After the reunification of Germany in 1990, organic farming also spread quickly in the former German Democratic Republic (GDR) where organic farming was previously prohibited. Nevertheless, a very small number of farms had practiced organic farming methods and nowadays, farmers convert to organic agriculture there, especially in agriculture regions with poor soils (classified as disadvantaged areas). The designation of large conservation areas with restrictive conditions on agriculture that can be easily fulfilled by organic farmers has led to further conversion.

Organic products in Germany

The most important organic crops in Germany (based on hectares planted) are cereals, followed by legumes and oil plants, vegetables, root crops and fruits. Unfortunately, no data are available on value, as yields and values of the different crops can be very distinct from their relative land surface. For example, vegetables and, especially, fruit can have a very high value, but their share of agricultural land surface is very small.

Organic food revenues in Germany grew in the last decade, from 6.64 billion euros in 2011 to almost 15 billion euros in 2020. With increasing consumer interest in how food is produced and attention to healthy lifestyles, this trend is set to continue a long-term basis.

Germany is a key player in the global organic market and has played a pioneering role in the organic food movement from the very beginning. Today the country at the heart of Europe is well-established as a vital powerhouse of the organic world. Growing awareness surrounding Germany's food supply, environmental issues and sustainability have led to a steady increase in demand for food produced in keeping with natural and organic principles and standards. Adding to this trend is the seemingly unending wave of food scares and scandals which are cause for growing concerns about food safety and quality control.

According to a recent GfK (The largest Market Research Institute in Germany) study, demand for organic food and beverages in Germany has risen significantly again compared to 2018. The number of households buying organic continued to rise at a quick pace. Compared to the previous year, shoppers bought organic products much more frequently (+8 percent) and added more organic goods to their shopping carts on this occasion (+4 percent).

Organic is the oldest healthy and sustainable food trend and has long since entered the mainstream. There is almost no household in Germany that does not buy an organic product at least once a year. The percentage of private households buying organic/organic products in all households in Germany is currently over 96 percent. Over the past ten years, the organic share of household expenditure on food and beverages has almost doubled from 3.2 percent (2009) to six percent (2019). Overall, around 85 percent of expenditure is attributable to this area. The remainder is spent on natural cosmetics, detergents, cleaning agents and products, and paper products.

Import of Organic Products to Germany

Demand for organic products is much higher than organic production in Germany. The highest import ratio in comparison to the domestic market is for fruits followed by oilseeds, vegetables and wine, poultry, and cereals. Few meat and milk products are imported. The market situation may change in the future. In the case of cereals, eggs, poultry and many vegetables, Germany mainly buys from neighboring countries.

In general, the German fresh sector favours supply from local or nearby producers. The three principal trading partners are Spain, the Netherlands and Italy. Spain is the productive back garden for many northern European countries. Germany is the leading buyer of citrus, berries, sweet pepper and tomatoes from Spain.

Italy has a similar role as Spain's and supplies Germany with mainly apples and grapes. The Netherlands also exports fresh products to Germany, especially vegetables such as tomatoes, sweet peppers and onions, but it also has a much more logistical and commercial role in the supply and re-export of products overseas.

Overseas imports are mainly focused on tropical fruit and supply windows when production in Europe is low. The largest non-European suppliers are: Colombia, mainly thanks to the banana trade complemented by exotic fruit and a growing volume of avocados. Costa Rica mainly exports bananas and pineapples to Germany. Turkey is in the German market with stone fruit, grapes and figs.

Other suppliers of organic products to Germany are Russia, Kazakhstan, Romania, Slovakia, Lithuania, Kazakhstan, Argentina, India, Israel, Egypt, Austria, Argentina, Australia, Japan, Canada, New Zealand, Switzerland, Tunisia, the USA, South Korea, Chile etc..

In order to supply to Germany directly, the products must comply with the high standards and have excellent infrastructure, reliability and quality packing. If the products are not supplied directly and using trade hubs such as the Netherlands or Belgium, where traders are knowledgeable about which products are suitable for the German market and they can also redirect such product to other markets.

Organic products import procedures.

At present, there are two different import procedures for organic products. First, import from recognized third countries as per EC Regulation (EC) No. 834/2007, Art. 33 Par. 2. Currently, 13 countries are listed in Annex III of EC Regulation No. 1235/2008, namely: Argentina, Australia, Costa Rica, India, Israel, Japan, Canada, New Zealand, Switzerland, Tunisia, the USA, South Korea and Chile. The EU has recognized the national organic regulations of these countries as being equivalent – partly with restrictions. A Certificate of Inspection is required for every shipment.

Secondly, import of products certified by recognized control bodies EC Regulation (EC) No. 834/2007, Art. 33 Par. 3. All control bodies recognized by the EU-Commission are listed in Annex IV of EC Regulation (EC) No. 1235/2008. Here, too, a Certificate of Inspection is required for every shipment. Code numbers assigned for third countries or rather control bodies acting in those countries, vary according to the import procedure and can be found in annex III an annex IV of EC Regulation (EC) No. 1235/2008.

Applicable standards, regulations and labeling requirements for imports

Organic products imported from countries outside the European Union (EU) – so-called third countries may be labelled with an indication on organic farming and the EU organic farming label. These products must meet the EU requirements. Compliance has to be controlled on-site, and at all stages of production, processing, storage as well as marketing and products have to be certified.

The essential EU regulations on organic farming are:

- » Regulation (EC) No. 834/2007
- » Regulation (EC) No. 889/2008 and
- » Regulation (EC) No. 1235/2008.

Importers established in Germany and importing organic products from third countries must be certified by a private control body accredited in Germany for import controls.

Sources:

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Fresh Plaza Newsletters, Netherlands,
CBI market information, Ministry of Foreign Affairs.
Federal Office Agriculture and Food, Germany.*

Acknowledgment of Content Contribution:

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