



# ***Agri-Food News from Europe***



2016 / Number Three • November 2016 • Page 1 of 42

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## ***Agri-Food News from Europe***

***October 2016***

***with the support of  
Agriculture and Agri-Food Canada***

**Drafted by: Nora Grüters  
Approved by: Marthe Lemay**



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 2 of 42

---

## CONTENT

|   |           |
|---|-----------|
| <b>ACTIVITIES</b>   | <b>4</b>  |
| <b>PRESS REVIEW</b>   | <b>5</b>  |
| <b>GERMAN / EU ECONOMY AT A GLANCE</b>  | <b>5</b>  |
| GERMAN ECONOMIC OUTLOOK   | 5         |
| ECONOMIC SNAPSHOT FOR THE EURO AREA   | 5         |
| EUROPE BY NUMBERS   | 6         |
| <b>CURRENT DISCUSSIONS IN GERMANY / THE EU</b>                                  | <b>7</b>  |
| UK FOOD COMPANIES REPORT INCREASE IN INGREDIENT PRICES AMID WORRIES OVER BREXIT | 7         |
| <b>FOOD RETAIL TRADE</b>  | <b>8</b>  |
| GERMAN FOOD RETAIL TRADE CONTINUES TO GROW IN 2015                              | 8         |
| MILLENNIALS LEAD THE ONLINE GROCERY SHOPPING REVOLUTION IN EUROPE               | 9         |
| <b>FISH AND SEAFOOD</b>   | <b>12</b> |
| GERMAN DISCOUNTERS BOOSTING FRESH FISH SALES                                    | 12        |
| GERMANY: FROZEN FISH RECORDED SALES INCREASES OF 3.2% IN 2015                   | 12        |
| GERMANY: DELICATESSEN OUT OF THE CAN  | 13        |
| GERMANY: SUSTAINABLE FISH IN TREND  | 14        |
| UK: PESCETARIANISM A FAST-GROWING TREND TO WATCH                                | 16        |
| DENMARK TO INVEST €11.7M IN BOOSTING AQUACULTURE OVER NEXT TWO YEARS            | 17        |
| DANISH NORTH SEA COD RECEIVES MSC CERTIFICATION                                 | 17        |
| UK: SWORDFISH, MONKFISH SALES SOAR AS TESCO SHOPPERS DEMAND 'UNUSUAL' SPECIES   | 18        |
| UK: FISH AND CHIPS LOSING OUT IN HEALTHY EATING CRUSADE                         | 19        |
| <b>MEAT MARKET</b>  | <b>20</b> |
| GERMAN MEAT MARKET IN FIGURES   | 20        |
| MEAT SUBSTITUTES NOT TOO POPULAR IN GERMANY                                     | 22        |
| UK DEMAND FOR ORGANIC MEAT ON THE RISE, SAYS SOIL ASSOCIATION                   | 22        |
| <b>ORGANICS</b>   | <b>23</b> |
| DENMARK - THE WORLD LEADING ORGANIC NATION                                      | 23        |
| FRANCE CATCHING UP WITH ORGANIC LEADERS   | 27        |
| <b>VEGETABLES MARKET</b>  | <b>28</b> |
| SIGNIFICANT LOSSES OF EU VEGETABLE CROP   | 28        |



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 3 of 42

---

## CONTENT

|   |           |
|---|-----------|
| <b>BEVERAGES</b>  | <b>29</b> |
| GERMANY: CURE OUT OF THE BOTTLE   | 29        |
| INDIAN SUMMER HAS GERMAN WINEGROWERS SMILING  | 31        |
| BRANDS SCORE IN SLUGGISH GERMAN SPIRITS MARKET  | 32        |
| CRAFT SPIRITS TODAY ACCOUNT FOR ONE IN SEVEN GLOBAL SPIRIT LAUNCHES                                     | 33        |
| WORLD: 100% JUICE PRODUCTS TO EXPAND BEYOND FRUIT BASE DRINKS TO VEGETABLES, EXOTIC PLANTS AND COCONUTS | 35        |
| <b>PRIVATE LABELS</b>   | <b>37</b> |
| PRIVATE LABELS IN GERMANY: LOCAL, PLEASE!   | 37        |
| CONSUMERS PREFER GERMAN BRANDS  | 38        |
| BRAND POWER TO PUT PRESSURE ON PRIVATE LABEL CONFECTIONERY IN EUROPE                                    | 38        |
| <b>GMO &amp; PESTICIDES</b>   | <b>40</b> |
| EU COMMISSION ALLOWS GMO-SOY FOR IMPORT   | 40        |
| GERMAN RETAIL TRADE WANTS MORE GMO-FREE MILK  | 41        |
| <b>MISCELLANEOUS</b>  | <b>41</b> |
| GERMAN ICE CREAM CONSUMERS ARE INTERESTED IN NON-DAIRY ALTERNATIVES                                     | 41        |



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 4 of 42

---

## ACTIVITIES

### 2016

**October**                    **Veggie World**, National trade fair for vegetarian and vegan products  
Düsseldorf, Oct 28 – 30, 2016, [www.veggieworld.de](http://www.veggieworld.de)

**November**                **Brau Beviale 2016**, Trade fair for raw materials, technologies, and  
logistics of beverage production  
Nuremberg, Nov 8 – 10, 2016, [www.braubeviale.de/en](http://www.braubeviale.de/en)

**EuroTier**, International Trade Fair for animal production  
Hanover, Nov 15 – 18, 2016, [www.eurotier.com/home-en.html](http://www.eurotier.com/home-en.html)

**Hi Europe & Ni**, Health and Natural Ingredients Europe  
Frankfurt, Nov 29 – Dec 1, 2016, [www.figlobal.com/hieurope/home](http://www.figlobal.com/hieurope/home)

### 2017

**January**                    **International Green Week**, Exhibition for the Food Industry and Agriculture  
Berlin, Germany, Jan 20 – 29, 2017, [www.gruenewoche.de](http://www.gruenewoche.de)

**IPM**, International Trade Fair for Plants and Horticulture  
Essen, Germany, Jan 24 – 27, 2017, [www.ipm-messe.de](http://www.ipm-messe.de)

**ISM**, International Trade Fair for Sweets & Biscuits, Snacks  
Cologne, Germany, Jan 29 – Feb 1, 2017, [www.ism-cologne.de](http://www.ism-cologne.de)

**February**                 **Fruit Logistica**, International Trade Fair for Fruit and Vegetable Marketing  
Berlin, Germany, Feb 8 – 10, 2017, [www.fruitlogistica.de](http://www.fruitlogistica.de)

**BioFach**, World Organic Trade Fair, Nürnberg, Germany  
Feb 15 – 18, 2017, [www.biofach.de](http://www.biofach.de)



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 5 of 42

---

## PRESS REVIEW

### German / EU Economy at a Glance

#### **German Economic Outlook**

The German economy slowed to a 0.4% quarterly expansion in Q2, restrained by shrinking fixed investment and construction. Conversely, public and private consumption continued to grow, albeit less than in Q1, and strong net exports were a bright spot. In Q3, Europe's largest economy likely grew at a broadly stable pace. Unemployment held steady at a record-low level in August and consumer sentiment was upbeat in September, pointing to household spending as a key growth engine. While July's declines in exports and industrial production and September's drop in the PMI are signs for caution, September's jump in business confidence was welcome news. [...]

Growth dynamics in the domestic economy remain intact and will sustain GDP this year. Private consumption is benefiting from low interest rates, muted inflation and a strong labor market. Rising state incomes due to record tax revenues and low interest rates allow the government to boost spending while running a fiscal surplus. [...]

The seasonally- and calendar-adjusted trade surplus increased from EUR 19.4 billion in July to EUR 22.2 billion in August, driven up by recovering exports. On a seasonally-adjusted basis, exports surged 5.4% from the previous month in the largest increase since May 2010, which contrasted July's 2.6% drop. Imports also recovered, turning around from a 0.7% decline in July to 3.0% growth in August. Our panelists (FocusEconomics) expect GDP to grow 1.7% this year, which is unchanged from last month's forecast. For 2017, panelists forecast a 1.3% expansion.

Source: [www.focus-economics.com](http://www.focus-economics.com), articles published in September/October 2016

### **Economic Snapshot for the Euro Area**

#### *Domestic economy drags on growth in Q2*

The driver of the Eurozone's recovery, domestic demand, lost traction in the second quarter, causing GDP growth in the common-currency bloc to slow to a two-year low. Detailed data confirm that growth came in at 0.3% over the previous quarter, nearly half of the pace of the first quarter's expansion (Q1: +0.5% quarter-on-quarter). The slowdown was driven by the domestic side of the economy, while exports were a bright spot, growing at the fastest pace in one year. However, the result was partly due to base effects as Q1 benefitted from the early timing of Easter and a milder winter. In addition, gains from low oil prices began to fade, causing consumer spending to lose steam. Data for the third quarter suggest that the economy's momentum has not picked up and the FocusEconomics panel sees growth stable at 0.3%. While some high frequency indicators have pointed downwards in recent months, a large Brexit-induced shock to the Euro area's economy has not yet materialized and the recovery is expected to continue, albeit at a meagre pace. Improving labor dynamics should support consumption across the bloc, but previous boons from low oil prices are expected to fade. The FocusEconomics panel sees growth remaining muted and the economy expanding 0.3% in Q4 for the third consecutive quarter. [...]

Source: [www.focus-economics.com/regions/euro-area](http://www.focus-economics.com/regions/euro-area), September 28, 2016



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 6 of 42

## Europe by Numbers

| Comparative Price Level Indices 2015<br>Purchasing power parities (EU28=100) |            |                               |            |            |                        |
|--|------------|-------------------------------|------------|------------|------------------------|
|  | Food       | Of which bread<br>and cereals | Meat       | Fish       | Milk, cheese &<br>eggs |
| Denmark  | 142        | 162                           | 137        | 129        | 127                    |
| Sweden   | 125        | 131                           | 131        | 115        | 116                    |
| Austria  | 122        | 137                           | 132        | 125        | 105                    |
| Finland  | 119        | 125                           | 124        | 110        | 118                    |
| Ireland  | 119        | 111                           | 106        | 108        | 128                    |
| Luxembourg   | 118        | 113                           | 131        | 113        | 122                    |
| Italy  | 111        | 116                           | 112        | 110        | 121                    |
| France   | 111        | 112                           | 128        | 108        | 92                     |
| UK   | 110        | 97                            | 112        | 105        | 118                    |
| Belgium  | 109        | 108                           | 119        | 110        | 113                    |
| Cyprus   | 107        | 116                           | 88         | 111        | 140                    |
| Germany  | 104        | 101                           | 117        | 109        | 91                     |
| Malta  | 103        | 102                           | 89         | 109        | 114                    |
| Greece   | 103        | 114                           | 88         | 113        | 131                    |
| <b>EU28 = 100</b>  | <b>100</b> | <b>100</b>                    | <b>100</b> | <b>100</b> | <b>100</b>             |
| Netherlands  | 98         | 90                            | 111        | 99         | 93                     |
| Slovenia   | 97         | 101                           | 96         | 102        | 100                    |
| Spain  | 93         | 104                           | 85         | 89         | 96                     |
| Portugal   | 93         | 95                            | 78         | 95         | 101                    |
| Croatia  | 91         | 94                            | 77         | 93         | 92                     |
| Slovakia   | 87         | 88                            | 73         | 94         | 96                     |
| Estonia  | 87         | 89                            | 79         | 94         | 90                     |
| Latvia   | 86         | 83                            | 69         | 82         | 101                    |
| Hungary  | 78         | 72                            | 71         | 89         | 87                     |
| Czech Republic   | 78         | 73                            | 74         | 103        | 83                     |
| Lithuania  | 76         | 77                            | 63         | 73         | 85                     |
| Bulgaria   | 68         | 58                            | 55         | 64         | 88                     |
| Romania  | 63         | 53                            | 60         | 71         | 92                     |
| Poland   | 61         | 61                            | 54         | 64         | 65                     |

Source: Eurostat



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 7 of 42

---

## Current discussions in Germany / the EU

### **UK food companies report increase in ingredient prices amid worries over Brexit**

More than two thirds of UK food and drink companies are less confident about UK business following the country's vote to leave the EU, with the majority reporting increased ingredient prices, while some EU employees based in the UK have said they now feel "unwanted", according to a new survey.

The survey has been conducted by the Food and Drinks Federation (FDF), the trade body which represents the UK's food and drinks industry and whose members include PepsiCo UK & Ireland and Associated British Foods. It coincides with figures from UK retailers showing food sales at their highest levels since 2013, indicating a disparity between business and consumer confidence. The survey took place between September 16 and October 7, just a few months after the June 24 result of the referendum, in which FDF members voted to remain in the EU.

More than two thirds (69.5%) said they were less confident about the UK business environment post-Brexit, compared to around one in ten (11.2%) which said they were more confident. The negative sentiment was slightly more acute in small to medium enterprises (SMEs), 70%, compared to large businesses with 69% expressing concern. The majority of those polled cited concerns about increased ingredients prices, a drop in product margins, and concern about EU workers working in the UK. "We have already seen our cost of raw materials increase by 20%," said one respondent. Another said: "Management has halted new investment in UK facilities, preferring instead to invest inside the EU." However, there were some positive responses, such as those businesses which had seen a boost to exports amid a decline in the value of sterling. [...]

More than six in ten (63%) said their products margins had decreased while over 20% said capital expenditure had decreased. More than three quarters (76%) reported increased ingredient/raw material prices post Brexit.

"Our margins have dropped 12% on products manufactured in the UK and the cost of imported raw materials is up 15%. We have not experienced any increase in sales" a respondent said. However, the majority of business reported that key metrics such as volume of exports outside the EU and volume of exports to the EU was unchanged after Brexit. Looking ahead, 81% said they expected ingredient prices to rise over the next 12 months while 69% expected product margins to be down. John Stevenson MP, Chair of the APPG for Food and Drink Manufacturing which meets, said: "Brexit will present both challenges and, through sensible negotiation, opportunities for businesses in the UK's largest manufacturing sector – food and drink. "Government and industry partnership has never been more important to the future of this vital sector. It is essential that colleagues in Government go into negotiations equipped with a clear understanding of this sector's priorities, which is why open dialogue and the active participation of food companies and their representative bodies in this debate is so essential. "Food and drink is a national success story, with massive untapped opportunity to boost exports and improve its already impressive productivity performance, delivering even more for the UK economy."

Source: [www.foodingredientsfirst.com](http://www.foodingredientsfirst.com), October 12, 2016



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 8 of 42

## Food Retail Trade

### German food retail trade continues to grow in 2015

This was revealed in the market study Top Companies in 2017 conducted by Nielsen TradeDimensions, which included an analysis of the 2015 figures for the German food retail trade.

The overall growth rate of 2.8% was slightly higher than in 2014 (+0.6 percentage points), with total turnover reaching €256.7 billion in 2015. Food turnover alone accounted for €191.5 billion last year, up from €186.3 billion in 2014.



Source: Nielsen/Trade Dimension

The Edeka Group continues to lead the list of the top 5 companies: With a total turnover of €53.17 billion, they held a market share of 20.7%, followed by the Rewe Group with a turnover of €39.5 billion and a market share of 15.4% (+3.0%). The Schwarz Group maintained its third place and recorded an increase in turnover of 2.7% up to €35 billion. The Metro Group ranked fourth once again, but suffered marginal losses, while the Aldi Group (North and South) retained its fifth place with an increase in turnover of 1.6%.

### Strong growth of organic segment

The organic trade recorded the highest growth rates last year. The Berlin-based organic supermarket chain Bio Company recorded double-digit growth of +16.9%, followed by Dennree with +15.4% and organic wholesaler Weiling with +11.5%. Supermarket chains EBL and Basic followed with +10.9% and +10.2% respectively, ahead of SuperBioMarkt (+9.1%) and Alnatura (+6.6%).

The discount trade recorded growth of 2.4% last year, thus increasing its total turnover by almost €1.8 billion. [...]



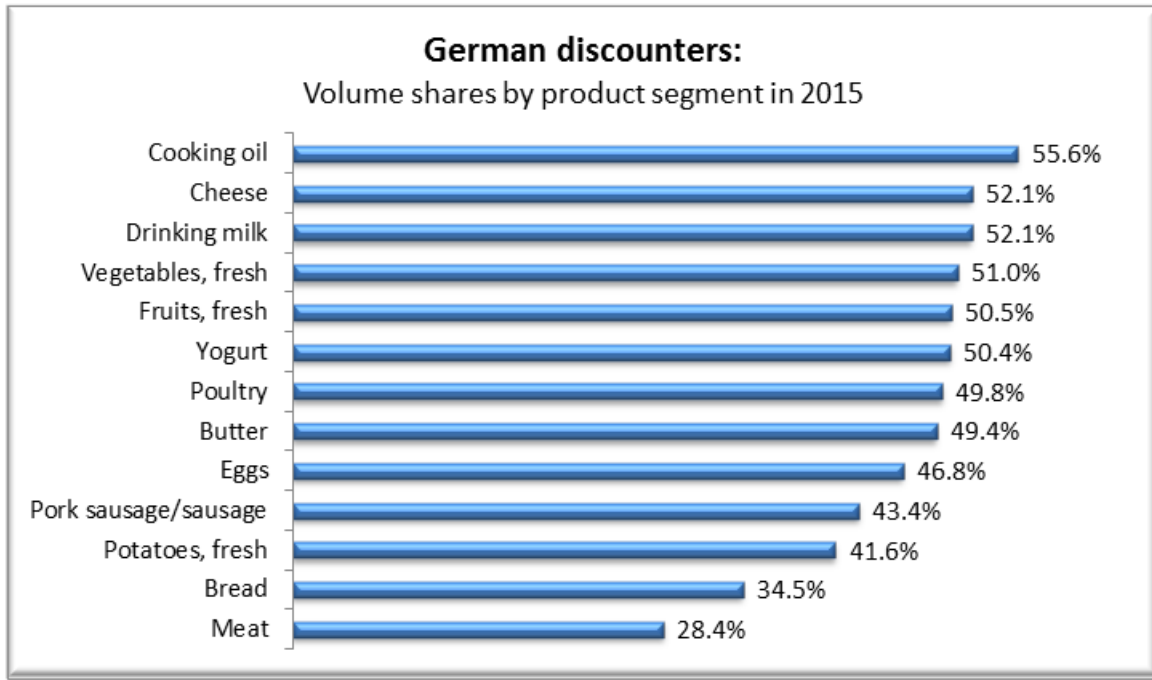


# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 9 of 42

German food retail trade continues to grow in 2015 – Cont'd



Source: AMI GmbH, GfK Householdpanel

## Forecast for 2016

The food retail trade does not expect any major changes in 2016. This year's winners are anticipated to record major growth again next year, while the losers of 2016 will most likely be Kaiser's Tengelmann due to the current acquisition talks and Metro Group because of its sluggish wholesale and retail trade.

Source: [www.fruchtportal.de](http://www.fruchtportal.de) October 12, 2016

## Millennials lead the online grocery shopping revolution in Europe

While physical grocery stores have long been king in Europe, it seems like Millennials are now leading the online grocery shopping revolution on the continent, as they increasingly opt for the stress-free and time saving convenience of online shopping.

Indeed, new research from Mintel finds that almost half (45%) of Germans aged 16 to 24 have shopped online for groceries from a retailer with physical stores in the six months prior to the survey (took place in May 2016), compared to only 31% of Germans overall. Albeit not on the same scale, this divide is mirrored in other key European markets. In **Spain**, 46% of consumers aged 16 to 24 have shopped online for groceries from a retailer with physical stores, compared to 40% of consumers overall. In **Poland**, 44% of 16 to 24 year olds, compared to 41% overall, in **France** 33%, compared to 29%.



# Agri-Food News from Europe



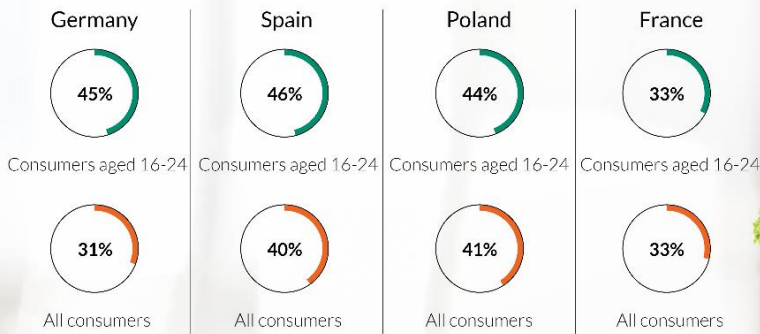
2016 / Number Three • November 2016 • Page 10 of 42

Millennials lead the online grocery shopping revolution in Europe – Cont'd

## FREQUENCY OF ONLINE GROCERY SHOPPING IN EUROPE



Share of consumers who have shopped online for groceries in the six months to May 2016



Base: 1002 German, 1001 Spanish, 1000 Polish and 1000 French internet users aged 16+  
Source: Mintel



When asked about the reasons for doing their grocery shopping online, avoiding stress seems to play a major role for Millennials. According to the research, 36% of German, 31% of French, 29% of Spanish and 28% of Italian shoppers (who have shopped for groceries online in the six months prior to the survey) aged 16 to 24 find online shopping less stressful than shopping in-store.

While avoiding stress is a priority, saving time is also one of the top reasons why Millennials choose to shop for groceries online. Around a third of German (34%), Italian (33%), French (29%), Polish (28%) and Spanish (27%) shoppers aged 16 to 24 agree it takes less time to do a shop online compared with in-store. Moreover, one out of three German (30%), French (29%) and Polish (27%) shoppers aged 16 to 24 finds it easier to stick to a budget when shopping for groceries online.

Regina Haydon, Food & Drink Analyst at Mintel, says: “Outside of the UK market, Europe’s online grocery market is still in its infancy, but it is growing fast as young consumers increasingly opt for the stress-free and time saving convenience of online shopping. More and more retailers and speciality players are pushing into the channel to stay connected with the younger generation, promising a bright future for the online market at a time when connectivity and on-demand are playing an ever more important role in youth culture.”

However, many Millennials in key European markets are still harbouring doubts about the quality and freshness of groceries bought online. In fact, when asked about the reasons for not using online services when shopping for groceries, 51% of Polish and 50% of German shoppers (who have not shopped for groceries online in the six months prior to the survey) aged 16 to 24 say they are concerned about the quality or freshness of products. This view is supported by Millennials in other key European markets: 41% of Spanish, 39% of Italian and 30% of French shoppers aged 16 to 24 voice similar concerns.



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 11 of 42

---

*Millennials lead the online grocery shopping revolution in Europe – Cont'd*

Not being able to select the products in person is also barrier for online grocery shopping, as 62% of Spanish, 49% of Italian, 48% of Polish and 41% of German shoppers aged 16 to 24 don't like the fact that they are not able to choose products in person.

## **Minimum amount and delivery time the biggest hurdles in Germany**

Spending extra money seems to be a problem in particular for thrifty Germans, as 47% of German shoppers aged 16 to 24 say they don't like having to spend a minimum amount, while only 33% of Spanish, 25% of Polish, 23% of Italian and 19% of French consumers of the same age group agree.

Germans also seem to be the most impatient with home delivery, as almost two out of five (37%) German shoppers aged 16 to 24 say they currently aren't shopping for groceries online as they don't like having to wait for delivery. In comparison, only 21% of Polish, 19% of French, 18% of Spanish and 16% of Italian 16 to 24 year olds see this as a problem. "Online grocery has had a tough start in Germany, which is owed in part to the country's particularly high density of food stores and the dominance of discounters Aldi and Lidl, who have little incentive to push high-cost deliveries considering their already thin margins. However, consumers are growing accustomed to the benefits of digital in other retail settings and are beginning to expect them in grocery as well." Regina adds.

But overall habit remains the biggest reason why European Millennials don't shop for groceries online. According to Mintel research, over half of Polish (55%), Italian (55%), German (53%), Spanish (51%) and French (50%) shoppers aged 16 to 24 say they don't shop for groceries online as they prefer to shop the way they are used to.

This is one of the reasons why physical stores are still so popular among European Millennials, with 97% of German, 97% of Italian, 95% of Spanish, 94% of Polish and 87% of French shoppers aged 16 to 24 having shopped in-store at a supermarket for groceries in the six month period prior to the Mintel survey. Similarly, 95% of German, 92% of Polish, 90% of Spanish, 79% of Italian and 71% of French 16 to 24 year olds have shopped in-store at discounters such as Aldi or Lidl. "While Europeans are gradually embracing online grocery shopping, there are still a significant number of consumers across major European markets that prefer to shop the way they are used to. The freshness of the products and lack of ability to choose products themselves is an important factor behind consumers not choosing online grocery shopping. This needs to be addressed by retailers by putting extra efforts into delivering the freshest products and possibly cutting delivery time." Regina concludes.

Press copies of the research and interviews with Food and Drink Analyst Regina Haydon are available on request from the press office.

Source: <http://www.mintel.com/press-centre/retail-press-centre/millennials-lead-the-online-grocery-shopping-revolution-in-europe>, published on September 19th, 2016



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 12 of 42

## Fish and Seafood

### German discounters boosting fresh fish sales

While German consumers bought more fresh fish in the first half of 2016, sales of frozen fish dropped for the second year in a row, revealed the figures from the Federal Association of the German Fish Industry and Fish Wholesale Trade (BV Fisch). Sales of MAP (modified atmosphere packaging) products at discounters, especially fresh salmon, were the main drivers of the fresh fish segment, which achieved sales growth of 13.8% compared to the same period of the previous year, reported Dr. Matthias Keller, General Manager of the association. The value of the category, however, was up by only 2.5%, whereas fishery products overall accounted for an increase in value of 4.2%. Sales of frozen fish products dropped by 3.3% in the first six months of 2016, following a decline of 5.5% in the same period last year.

Prices for frozen fish rose by 6.3%, according to Keller, who also points out that a kilogram of frozen fish still costs half as much as MAP products: "This shows that the consumer is willing to pay more for value-added fish products." High raw material prices for salmon have not yet had an impact on smoked salmon, but are already noticeable at fresh fish counters.

Source: FischMagazin 9/2016

### Germany: Frozen fish recorded sales increases of 3.2% in 2015

The German Frozen Food Institute (Deutsches Tiefkühlinstitut - dti) reported that sales of frozen fish were up by +3.2% last year, despite price increases due to higher raw material prices. Fish meals, fish fingers, breaded fish and specialties developed particularly well. Sales rose by +2.9% in the food retail trade and by +4.1% in the out-of-home market. Fish fillets faced strong competition from self-service fish counters in the food retail trade, especially at discounters. In the out-of-home market, however, fish fillets saw an upward trend, with increases of +4.5%.

**Frozen fish sales in 2015**  
Domestic sales in metric tons

|                        | Food retail trade |         |       | Out-of-home market |        |       | Total market |         |       |
|------------------------|-------------------|---------|-------|--------------------|--------|-------|--------------|---------|-------|
|                        | 2014              | 2015    | +/-   | 2014               | 2015   | +/-   | 2014         | 2015    | +/-   |
| <b>Total</b>           | 206,648           | 212,625 | 2.9%  | 87,602             | 91,196 | 4.1%  | 294,286      | 303,790 | 3.2%  |
| Fish fillets (natural) | 42,651            | 41,372  | -3.0% | 19,101             | 19,961 | 4.5%  | 61,752       | 51,332  | -0.7% |
| Fish meals             | 44,862            | 46,881  | 4.5%  | 5,657              | 5,770  | 2.0%  | 50,591       | 52,651  | 4.2%  |
| Fish fingers           | 52,760            | 56,506  | 7.1%  | 4,397              | 4,472  | 1.7%  | 57,157       | 60,977  | 6.7%  |
| Breaded fish           | 42,423            | 42,848  | 1.0%  | 44,454             | 74,166 | 6.1%  | 86,877       | 90,013  | 3.6%  |
| Other fish/seafood     | 23,988            | 25,020  | 4.3%  | 13,994             | 13,798 | -1.4% | 37,982       | 38,817  | 2.2%  |

Source: dti

Source: FischMagazin 8/2016



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 13 of 42

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## Germany: Delicatessen out of the can

Is the can a cheap alternative to premium food? Those times are over, say manufacturers, while trying to push the segment with all kinds of innovations – not least to better distinguish their products from the basic range of the discount trade. They are looking for added value – ideally on the shelves of full-range supermarkets.

The classics out of the can remain undisputed: Canned tuna holds a market share of 51%, followed by herring (32%). According to IRI Information Resources, total sales in the canned fish segment amounted to €530 million from June 2015 until May 2016, representing a slight decline in turnover of 0.4%. Full-range supermarkets achieved 47% of this turnover, while hard discounters accounted for 35% and soft discounters for 18%. Private labels make up the lion's share of the market with 60%. Together with the discount trade, they have large market shares, although only in the basic segment. As soon as a product provides added value, innovative product developers, brand manufacturers and full-range supermarkets gain significance and market shares.

Consumers are increasingly looking for products that are different from mass-produced goods: Delicatessen Maître Philippe & Filles in Berlin specializes in vintage sardines. They are imported from France, Portugal or Spain, are only caught in September and are stored for several years. The cans are designed by artists. This all has its price: One can costs between €6 and €15, rare ones up to €100. Saupiquet is creating a new trend segment with grilled mackerel. "This is the latest innovation on the German market," says General Manager Helmut Bröker. They can barely meet the demand.

## Time for innovation

Premium fish products are mostly seasonal. "The times between festivities are ideal for innovations," explains Kathrin Runge, Marketing Manager with Gottfried Friedrichs. The manufacturer feels well prepared with its fjord trout carpaccio. Eva Koch, Nordsee Retail Brand Manager with Homann Feinkost, sees potential for growth in the chilled product segment: "Fish will remain an important food item, but consumers expect diversity, for instance through new recipes."

Source: Rundschau für den Lebensmittelhandel 08/2016



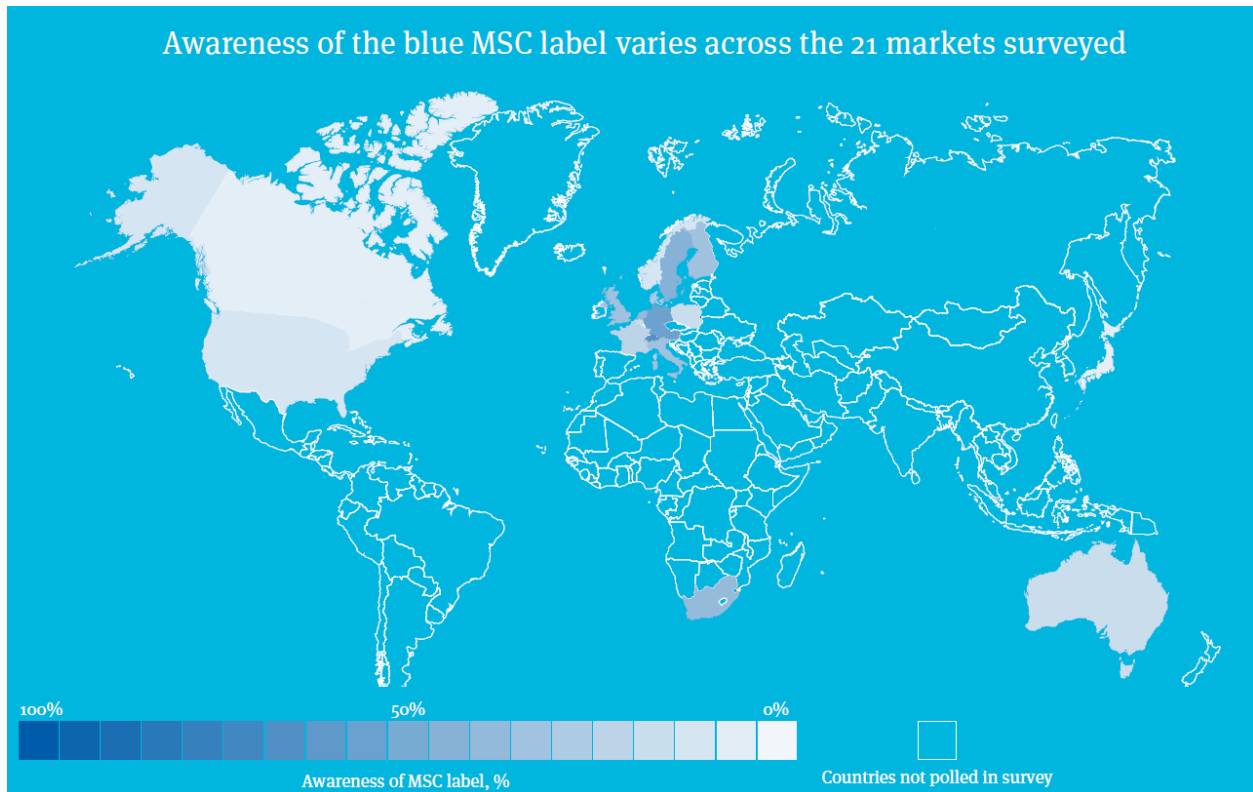
# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 14 of 42

## Germany: Sustainable fish in trend

*Consumers trust in positive influence of NGOs – MSC interviewed consumers*



Almost two thirds of German consumers believe that sustainable fishing will help maintain oceans and fish stocks in the long run. This is the result of a worldwide survey of attitudes on fish consumption initiated by the Marine Stewardship Council. Some 1,300 German consumers participated in the survey conducted by the research institute 'Globescan' on behalf of the Marine Stewardship Council.

Older consumers demonstrate a greater concern for sustainability. 76% of seafood consumers aged 55+ agreed with the need to eat seafood only from sustainable sources, compared to 70% of 18 to 34 year olds. 63% of the interviewees state to act accordingly and purchase sustainable fish and seafood wherever possible – and the trend is rising. 34% claim to purchase sustainable fish more often than in 2015.

When asked which institutions they believed were contributing the most to protecting the oceans, German consumers ranked NGOs first (46%), followed by international and scientific institutions (32%). Every fifth interviewee believes that his own purchasing behaviour already has an impact on the protection of the oceans.





# Agri-Food News from Europe

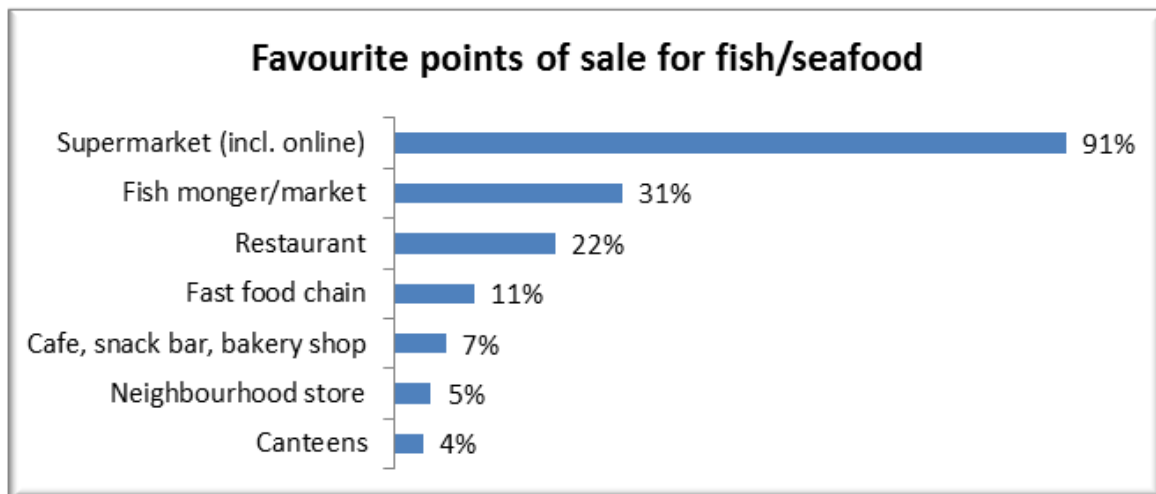


2016 / Number Three • November 2016 • Page 15 of 42

Germany: Sustainable fish in trend – Cont'd

The high trust in NGOs and scientific organisations is consistent with consumers' perception of the MSC, where 70% who have seen the label say they trust it and are positive about the organisation's impact. Overall, 65% of the consumers agreed that ecolabels on seafood products raise their trust and confidence in the brand. Three quarters are also convinced that there is a need for brands and supermarkets to independently verify their claims about sustainability.

A recently published scientific study of MSC on the situation of the oceans shows that the worldwide share of sustainably caught fish has doubled in the past five years, thus leading to a numerous quantifiable positive changes: While only 5% of the global catch (4.5 million tons) was MSC-certified in 2010, the figure went up to almost 10% (8.8 million tons) today. There are currently a total of 298 MSC-certified fisheries who harvest and supply products to certified fish processors and wholesalers in more than 100 countries worldwide. Another 88 fisheries are preparing to get MSC-certified, many more are not yet in a position to meet the strict criteria of MSC certification (or are no longer able to meet them, in case of suspended fisheries), but are working hard to improve their fishing techniques or management to be able to (once again) carry the blue MSC label.



Source: MSC/Globescan; graphic: Lebensmittel Zeitung

- 25% of German consumers have seen the MSC label frequently, 36% occasionally, 31% haven't noticed it at all
- 63% of the German fish consumers prefer products bearing a label of sustainability
- 73% believe that consumers should only buy sustainably caught fish/seafood to protect the oceans
- 75% want that sustainability claims be verified by an independent source

Source: Lebensmittel Zeitung No. 35, September 2, 2016



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 16 of 42

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## UK: Pescetarianism a fast-growing trend to watch

A small but growing group of people in the U.S., the U.K., and many other countries are choosing to adopt a pescetarian diet, in which they eat a vegetarian diet while adding in fish and shellfish.

In fact, five percent of American consumers who eat fish and shellfish once a month or more do so because they follow a pescetarian/flexitarian diet (in which they primarily eat a plant-based diet but occasionally eat meat), according to global market and research firm Mintel.

In the U.K., “We are seeing a ‘meat free’ trend...and vegetarian, vegan and pescetarian diets appear to be on the increase,” said Heather Middleton, marketing manager for Seafish. In fact, over the past year, meat and poultry sales dropped 4.1 percent (according to Nielsen data for the 52 weeks ending 26 March) in grocery stores, while seafood sales remained steady, growing 0.1 percent.

American seafood experts also see pescetarianism as a growing trend. “We have seen that health-conscious people describe their diets as being mostly plant-based, with adding fish and shellfish a couple of times a week,” said Linda Cornish, executive director of Seafood Nutrition Partnership.

Middleton believes pescetarianism is on the rise because there are unique health benefits from seafood that consumers don’t get from other proteins. “It’s one of the best sources of omega 3s and vitamin D, so there is no need to take additional supplements if you’re eating at least two portions of seafood a week,” she said. “It’s also low in fat for those who are calorie counting – adding some prawns or mackerel to a salad will keep you fuller for longer than a salad with legumes or cheese and you’ll also have more energy. The variety you get with seafood is unrivalled too. In the U.K., there are more than 100 species that can be eaten, so there are plenty of options to keep the diet exciting,” Middleton added.

One of the primary drivers of pescetarianism is the fact that more Americans and Britons are eating light, healthy and local foods, according to Christine Couvelier, owner and president of Culinary Concierge, and an executive chef who develops products for food brands. “The pescetarian trend is connected to the whole awareness of healthful and healthy eating. Vegetables have begun to take over the center of the plate, and then they have seafood accompanying them,” Couvelier said.

More people are going pescetarian because of the flavor, variety and healthy attributes of seafood, said Janis Jibrin, a registered dietitian and author of *The Pescetarian Plan*. “People who like seafood tend to really like it,” Jibrin said. “They [also] know that seafood is healthy in its own right, and is a heck of a lot healthier than red meat.” In addition, Jibrin sees more people subscribing to pescetarianism because they are “vegan or vegetarian-weary.”

“They got tired of being vegan or vegetarian, and figured (rightly!) that adding fish would still offer a healthy way of eating,” she said.

Source: [www.seafoodsource.com](http://www.seafoodsource.com), published on July 21, 2016, editor: Christine Blank





# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 17 of 42

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## Denmark to invest €11.7m in boosting aquaculture over next two years

Unhappy with the stagnation of the farming sector, the Danish government has agreed to pledge DKK 87 million (€11.7m) to aquaculture initiatives in 2016- 17. The farming sector in other countries has grown around 7% per year since 2000, while in Denmark the sector has barely moved, prompting all political parties to agree on changes. "There is an urgent need for measures to develop the aquaculture sector so that it can produce more and more sustainable production," said environmental and food minister Esben Lunde Larsen. "We'll help to find space for new mariculture, where the environment is robust enough for it, and we have allocated additional quota for the most modern and environmentally friendly farms, that produce with the least environmental impact." This will not only provide additional export income to Denmark, it will also create jobs in rural areas, he said. The growth plan allows for an increased production of up to 36,000 metric tons of fish, from the 40-45,000 tons the sector has produced for the last 25 years.

The government has already decided the marine environment in the Kattegat is robust enough to handle an additional production of up to 16,000t of fish, and interested parties have agreed to meet for further discussions over the scope for increased production in other waters. The first new site is expected to be ready for the release of fish and production in the spring of 2018. The industry estimates that the growth plan's overall initiatives can increase employment in the primary sector and the accompanying industries by up to 1,000 new Danish jobs, and increase exports by DKK 500m (€67.2m). Around 90% of the fish produced by Danish hatcheries are exported to other countries, primarily Germany and the Netherlands.

Rasmus Jarlov of the Conservative Party noted that there are around 50 small operations which have hung on environmental approval for years, unable to begin operation. These will be pushed through as part of the new measures. Of the approximately 175 fish farms found in Denmark, around 140 are older facilities, which do not utilize modern environmental technology. The new measures will encourage these to modernize, or aid the largest and most modern players to acquire the older ones.

Source: [www.undercurrentnews.com](http://www.undercurrentnews.com), July 1, 2016

## Danish North Sea cod receives MSC certification

With its stocks returning to levels last seen in the early 1980s, Denmark's North Sea cod fishery has benefited from reforms intended to heal it from a history of overfishing. Those efforts resulted in the announcement last week that the fishery has achieved certification from the Marine Stewardship Council as sustainable. Independent certification firm Acoura Marine found in its stock assessment that the fishery is recovering well, with enough mature fish to allow continued growth, along with reduced catches.

"The MSC certification of the North Sea cod clearly demonstrates that the fish stock is moving in a positive direction," World Wildlife Fund Denmark Fisheries and Aquaculture Manager Christoph Mathiesen said. "This is a very iconic fishery and we are delighted to see that it meets the MSC requirements, and hope that the fishery will continue its journey towards increased sustainability through the conditions attached to this fishery."



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 18 of 42

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*Danish North Sea cod receives MSC certification – Cont'd*

The North Sea cod fishery was certified in large part due to the efforts of the Danish Fishermen's Producers' Organization, according to an MSC press release. The DFPO's successful implementation of a long-term recovery plan, involving catch reductions, in-depth research and analysis and careful management of the fishery has resulted in market improvements, MSC said. "The DFPO has been instrumental in driving improvements of the North Sea cod stock and it is timely that the management and fishery gets the credit they deserve for this success story," said Minna Epps, director of Marine Stewardship Council in Scandinavia.

The DFPO North Sea cod fishery has been certified as an extension to the already-certified DFPO North Sea and Skagerrak saithe fishery. While only the newly added cod stock was evaluated in the Acoura assessment, the entire fishery, including both cod and saithe, will be fully reassessed in 2017, according to MSC. The fishery must maintain sustainable levels of cod catch and populations in order to sustain certification, MSC said. [...]

In its press release, the MSC said high demand for its certified cod will reap dividends for DFPO members. In addition to domestic consumption in Denmark, DFPO fishers also export their cod to Germany, France, Portugal, Spain, Sweden and the United Kingdom as fresh and frozen fillets. The Danish fishery catches approximately 9,000 metric tonnes of cod annually.

Source: [www.seafoodsource.com](http://www.seafoodsource.com), editor: Cliff White, published on September 12, 2016

## **UK: Swordfish, monkfish sales soar as Tesco shoppers demand 'unusual' species**

By Jason Holland, Contributing Editor reporting from London

A change in fish shopping habits has led to a sharp rise in sales of megrim, swordfish, monkfish and other lesser utilized species, said Tesco.

The increase is a result of a scheme devised by the U.K. retailer, which has seen staff on the 650 fish counters across the country trained to help shoppers discover alternative varieties of fish, as well as offer helpful advice on recipes and serving tips.

In the last year, the supermarket has seen a significant increase in demand for more unusual dinner table fish, with sales of grey mullet up by nearly 600 percent, megrim sales 400 percent higher, and sales of monkfish tail and swordfish steaks both up by 50 percent. Tesco also confirmed sales of mackerel had increased by nearly 200 percent, ray wing sales were up by more than 40 percent and whole crab sales had risen by almost 25 percent over the same period.

In recent months, Tesco has introduced Marine Stewardship Council (MSC) certified fish to all fish counters and across 28 different types of chilled pre-packed fish. "We now offer more fish choices than ever before, which has helped our customers explore and discover some of the more unusual but fantastic tasting varieties that are now readily available, like monkfish tail, swordfish and megrim," said Andrew Haigh, fish buyer at Tesco.



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 19 of 42

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*UK: Swordfish, monkfish sales soar as Tesco shoppers demand 'unusual' species - Cont'd*

"All of our fish counters colleagues are specially trained so they can help customers, angling for something different, with their fish choices and offer cooking, recipe and serving tips. "We are seeing that shoppers' tastes are changing, which is taking the pressure off the demand for the U.K.'s traditional favorites like cod and haddock," said Haigh.

Tesco said interest in trying lesser-known fish species has also been driven by the popularity of TV cooking programs as well as through the work of food campaigners like Jamie Oliver and Hugh Fearnley-Whittingstall.

Source: [www.seafoodsource.com](http://www.seafoodsource.com), editor: Jason Holland, published on Monday, August 15, 2016

## **UK: Fish and chips losing out in healthy eating crusade**

*Fish and chips are being dropped from catering menus in the UK at an alarming rate*

One of the most iconic British dishes when eating out, fish and chips has declined dramatically in popularity from third place in foodservice outlets in 2011, to eighth place today. A study of 800 restaurants, pubs and hotels found that a quarter of these outlets are no longer offering fish and chips on their menus, but have replaced the former national favourite with salad dishes instead. More than 50% of foodservice outlets have introduced main course salads such as goat cheese, tuna and grilled chicken during the past year. They have rocketed in popularity and are now the fourth most requested dish on UK menus despite not featuring in last year's top 20.

According to foodservice market analyst firm Horizon, which conducted the survey, the use of pulses and fruit has also seen a rapid year-on-year increase. The term "super food" to describe certain items is becoming commonplace, being used 75% more often than it was this time last year. Vegetarian dishes now have twice the share they had in 2010, while vegan dishes are on the up-and-up, with 21% of the eating out brands surveyed now offering a vegan option. Gluten-free terminology is also more common, having risen 89% over the past two years and wheat-free options are up 80% on menus since last year.

All this, of course, is part of the current trend towards healthy eating and the decision to shun ingredients such as fats, particularly saturated fats, salt and sugar, which consumers now recognize as being harmful to their health. Consumer analyst Nielson recently reported that nearly two thirds of UK consumers say they are cutting down on fats, while 62% say they are eating less chocolate and sugary sweets.

What consumers are actually doing, rather than say they are doing, can be two different things, however. The BBC has just reported that consumers are drastically understating the calorie content of their diets. Nevertheless they are obviously ordering the different dishes appearing on menus and these dishes are reflecting changes in consumer attitudes. "Customers are now much more willing to try new foods, particularly those with perceived health benefits, said Horizons' managing director Peter Backman. "Trends in foods and ingredients are translated into dishes on high street menus quicker than ever as operators acknowledge the importance of keeping up with fast-moving food fashions, many of which are currently for healthier options and novel ingredients."



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 20 of 42

UK: Fish and chips losing out in healthy eating crusade – Cont'd

Greggs, the high street bakery chain which has more outlets in the UK than McDonalds, is certainly altering the mix of products it sells and is thinking of offering sushi which it says fits with consumers' changing tastes. So while sushi and tuna salads are becoming popular seafood menu choices, it is not necessarily the end of the road for fish and chips.

In 2013, the Daily Telegraph looked at 10 foods which might be considered unhealthy but are better to eat than most people might think. Fish and chips came top of the list in that while the dish is high in calories, the fish is very nutritious. It was stated that fish and chips can be part of a healthy diet as long as it is eaten in moderation. However, it is now up to the UK seafood industry to look at how fish and chips can be better presented as a healthy choice on foodservice menus. A small chain of fish and chip outlets in south west London/Surrey is illustrating one way forward. It offers grilled fish in addition to deep fried fish in batter, and salad is available as an optional extra. It would be thought that the current health trend sweeping the UK is a golden opportunity for the seafood industry to increase the consumption of fish and shellfish.

Unfortunately, the current obsession with only selling sustainably caught fish seems to have taken over the industry to such an extent that not much thought is being given to promoting seafood as the healthy choice when eating out.

Source: [www.seafoodsource.com](http://www.seafoodsource.com), editor: Mike Urch, August 25, 2016

## Meat Market

### German meat market in figures

**Demand of private households in Germany**  
(January – June 2016, y/y change in %)

|                          | Volume | Price | Expenses |
|--------------------------|--------|-------|----------|
| <b>Total meat market</b> | -1.5%  | -1.0% | -1.6%    |
| Meat                     | -2.8%  | 0.1%  | -2.7%    |
| Beef                     | 0.4%   | 1.3%  | 1.6%     |
| Pork                     | -4.5%  | -1.3% | -5.7%    |
| Beef/pork mix            | 1.0%   | 0.3%  | 1.3%     |
| Processed meat/sausages  | -0.8%  | -0.7% | -1.6%    |
| Poultry                  | -0.3%  | 1.7%  | 1.5%     |

Source: AMI analysis, [www.ami-informiert.de](http://www.ami-informiert.de), GfK household panel

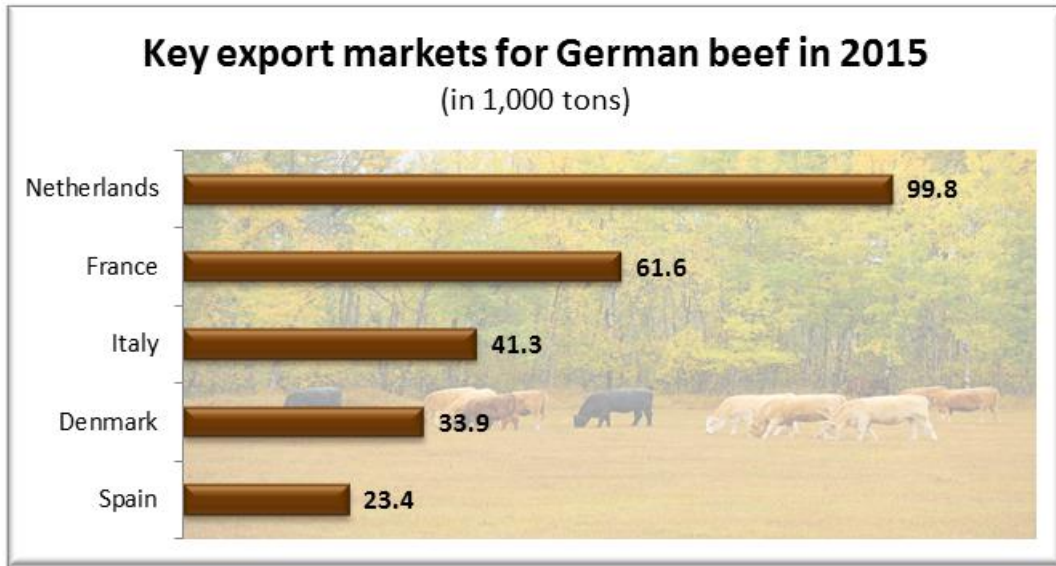


# Agri-Food News from Europe

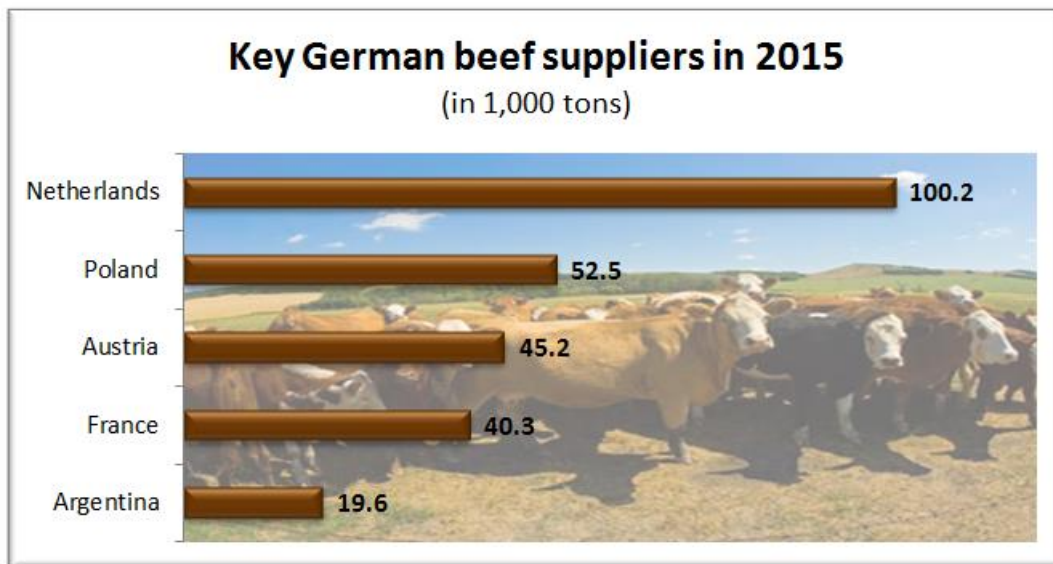


2016 / Number Three • November 2016 • Page 21 of 42

German meat market in figures – Cont'd



Source: AMI, [www.ami-informiert.de](http://www.ami-informiert.de), Federal Office of Statistics, BLE



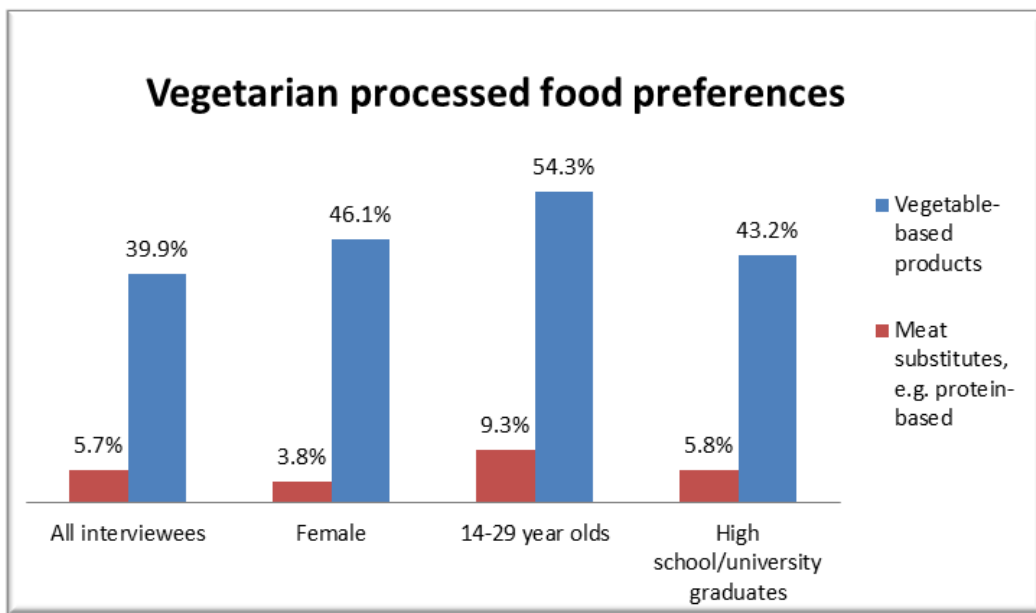
Source: AMI, [www.ami-informiert.de](http://www.ami-informiert.de), Federal Office of Statistics, BLE





## Meat substitutes not too popular in Germany

There is no doubt that Germans love vegan food. A Mintel study shows that more vegan products were launched in Germany in 2015 than in any other European country. The term ‘vegan’ has left ‘vegetarian’ far behind on product labels. It is interesting that vegetarians, too, appear to prefer processed foods made of ‘real’ vegetables rather than protein-based meat substitutes, according to TNS Infratest.



Source: TNS Infratest

Source: Rundschau für den Lebensmittelhandel 08/2016

## UK demand for organic meat on the rise, says Soil Association

By Niamh Michail+, 29-Jul-2016

UK sales of organic red meat are on a high, boosted by a belief that it is healthier than conventionally produced meat, according to the Soil Association. The UK's organic certification body, the Soil Association, believes sales of organic meat have been boosted by a scientific study published in the British Journal of Nutrition earlier this year which suggested organic meat contains up to 50% more omega-3 fatty acids than conventionally produced meat. Nielsen's UK head of retailer and business insight, Mike Watkins, told FoodNavigator the movement is also being fuelled by an increased interest in provenance of food.

“UK food and food provenance is important to shoppers: 61% of shoppers look to buy British food and 50% wish to buy local. This motivation helps sales of organic food and drink.” Spokesperson for the Soil Association Emily McCoy said it had noticed a variety of meat companies seeking organic certification - both manufacturers of processed meat products and producers of whole cuts.



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 23 of 42

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*UK demand for organic meat on the rise, says Soil Association – Cont'd*

“Some companies selling direct will look at selling specific products, i.e. cuts and joints of meat, but there is also an increased demand for organic meat through the Food for Life Catering Mark scheme, with more catering companies progressing to a gold Catering Mark and searching for organic meat to serve in their meals for schools, hospitals, workplaces etc.,” she said. Demand was mostly for organic certification of beef and lamb.

Another trend sweeping the meat sector is the rise in demand for antibiotic-free meat. Last month leading British pork processor Karro trademarked its on-pack logo for meat products produced from animals reared without the use of antibiotics. The Soil Association's Organic Market report released earlier this year showed UK sales of organic grocery products were outstripping conventional foods, climbing 4.9% to reach £1.95 billion (€2.30 billion) compared with a 0.9% fall for non-organic. Fish saw particularly high growth, up by 25.1%.

Source: <http://www.foodnavigator.com/content/view/print/1288755>

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## Organics

### **Denmark - the world leading organic nation**

The Danish organic market has grown by 17.8% in the first six month of 2016 and the organic share is 9.9% of the total food sales in the Danish retail sector. That makes Denmark to the most well-developed organic market worldwide, says a report. Organic products worth almost DKK 1.7 billion (€228 Mio.) were sold to professional kitchens in Denmark in 2015, according to the latest statement from Statistics Denmark. This corresponds to an increase of 27% relative to 2014. More than a trebling within five years. And the positive development continues: OrganicDenmark expects that the organic sale to food service will increase by 25% in 2016.

In a recent report by OrganicDenmark the very dynamical development of the Danish organic market is described: „The Danish consumers are the most pro-organic consumers in the world. In fact Denmark has the world's highest organic share and the most well-developed organic market. “ Latest numbers are showing that in the first six month of the 2016 organic sales has grown by 17,8% and the organic share is 9,9% of the total food sales in the Danish retail sector. That makes Denmark to the world leading organic nation (#worldleadingorganicnation).



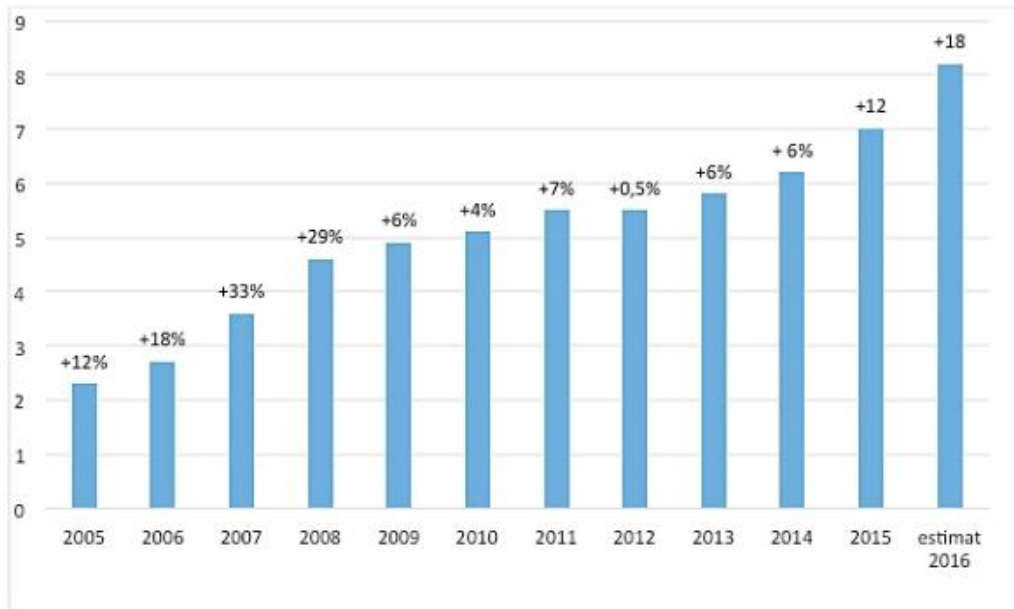
# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 24 of 42

Denmark - the world leading organic nation – Cont'd

## Denmark: Growth rate of organic sales from 2005 – 2016



Graphics 2005 – 2015: Calculated on the basis of figures from GfK / 2003-20151

Organic sales in Denmark have been continuously growing for more than ten years. In the period 2005 till 2015, the Danish, organic market share rose with index 1263 from 3.2% till 8.4% (2015) indicating a great demand and development in the market, explains the report. The unique and governmentally certified Ø-label has been very important for the widespread success: it started 1989 and celebrates its 25<sup>th</sup> anniversary this year.

### The Danish market in general

Denmark is at the top of the ranking among the European organic market shares. From 2014 to 2015 it gains another 10 % and has grown from 7.6 % to 8.4% in 2015 - in the first six month of 2016 market share reaches 9.9% - followed by Switzerland (7.1%) and Austria (6.5%) in 2014. (Source: OrganicDataNetwork survey 2014 based on national data sources and FiBL-AMI Survey 2016). The organic sales in 2015 were DKK 7 billion – or approximately € 939. In 2016, the overall turnover of organic food aggregated €1.3 billion. This corresponds to an average consumption of €223 per capita. The 10 most popular organic products of Danish consumers in 2015 were:

- |                              |                        |
|------------------------------|------------------------|
| 1. Oatmeal (40.1%)           | 6. Flour (25.8%)       |
| 2. Cooking/salad oil (30.7%) | 7. Pasta (24.1%)       |
| 3. Carrots (30.4%)           | 8. Bananas (22.0%)     |
| 4. Milk (29.9%)              | 9. Soured milk (18.9%) |
| 5. Eggs (29.8%)              | 10. Vegetables (14.0%) |





# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 25 of 42

Denmark - the world leading organic nation – Cont'd

The organic turnover in Denmark rose from 2014 till 2015 within several categories: the sale of fish and shellfish rose with index 1462, dairy and eggs with index 1117, wine and liquor with index 164, fruit with index 137 and vegetables with index 121. Wholesalers and caterers for the public sector, private canteens and restaurants sold organic products for approximately €228million which is an increase of 27% compared to 2014. The organic sales at mini markets, farm stores, internet and health food stores amounted to €134 million.

### Sales channels of Danish, organic food

The sales channels for organic food in Denmark are dominated by the traditional channels. In 2015, Danish discount stores, supermarkets and department stores sold organic food products for the value of about €940 million representing an increase of index 112 compared to 2014. With a market share of 44.1%, supermarkets are the leading sales channel of the total, organic sale. In comparison the specialised health food stores could only reach a market share of 2% in 2015.

| SALES CHANNELS 2015 |        |
|---------------------|--------|
| Supermarkets        | 44,1 % |
| Discount Stores     | 43,7 % |
| Online retailers    | 7 %    |
| Mini Markets        | 2,2 %  |
| Health Food Stores  | 2 %    |
| Others              | 1 %    |

Source: GfK ConsumerScan 2016

### The catering sector contributes a lot

The organic food services make an important part of the market. The numbers show a very dynamic development in the last five years from 2010 to 2015: the sales rose from DKK 509 million (€68 Mio) to DKK 1661 million (€223 Mio). For 2016 Organic Denmark organisation expects a growth of 25% in the organic food service sector.

### Development of the Danish catering sector

The sector includes public institutions – such as kindergardens, nursing homes, schools and hospitals, canteens in public and private workplaces, hotels, restaurants, cafés but also diner transportable and take-away. The most important products are dairy and dry goods with a percentage of 36% and 33%, followed by frozen food (20%), fruits and vegetables (8%). Meat poultry and fish has only a 3% share.

### The organic cuisine label

The organic catering sector is a success story in Denmark. That has a lot to do with the organic cuisine label. It was introduced already in 2009 in addition to the state-controlled red Ø label. The organic cuisine label in gold, silver and bronze – constituting state-controlled proof that a restaurant carrying the label has committed itself to using organic products. The label shows the proportion of organic food and beverages purchased at the restaurant and thus functions as a guideline for the consumers.



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 26 of 42

---

Denmark - the world leading organic nation – Cont'd

There are three organic cuisine labels:



Organic cuisine label in gold: 90-100% organic food and beverages  
Organic cuisine label in silver: 60-90% organic food and beverages  
Organic cuisine label in bronze: 30-60% organic food and beverages

„Just as the red organic label, the organic eating label constitutes the Ministry of Environment and Food of Denmark's state-controlled organic logo for Danes eating out“, explains Rikke Thorøe Grønning, chief consultant of the Økologisk Landsforenings, Department Foodservice. And she continues: „Both public and private restaurants can get the organic cuisine label, for example restaurants, cafés and cafeterias, institutional kitchens (e.g. day care centres, nursing homes, schools, hospitals etc.), canteens and catering and take-away operations. Today, about 1.800 Danish kitchens have the organic cuisine label. In just one year, the number of kitchens with the label has doubled. And Organic Denmark has a goal of reaching 6.000 labels in 2020.“

The organic cuisine label is controlled by the Danish Veterinary and Food Administration, which also manages the rules in the area. The Danish Veterinary and Food Administration and Organic Denmark are collaborating on providing information about – and spreading the use of – the organic cuisine label.

## Exporting organic – almost 50% to Germany

Denmark exported €231 million in 2014. Germany is the most important partner with 48% of the total. The most popular, exported, organic product category is dairy, including eggs, with a total export rate of 51%. In general, most organic product categories have experienced an increase in export. Overall, Danish organic export is expected to grow minimum at a level of + 10% year per year.



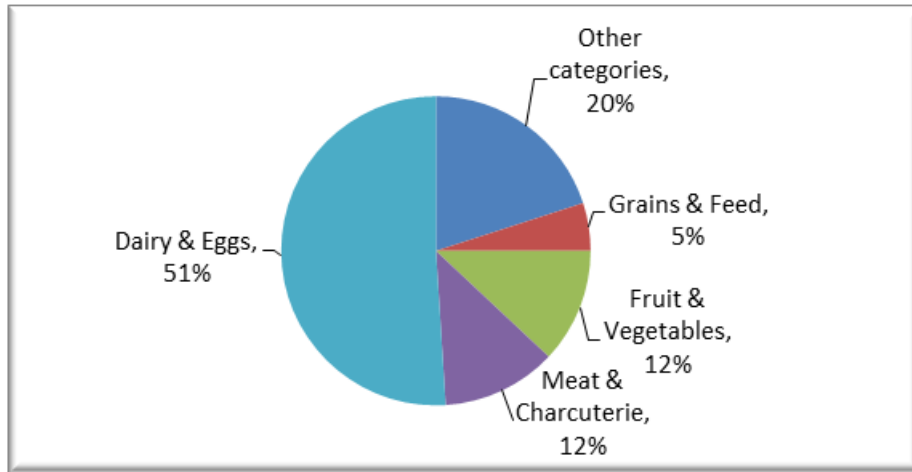
# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 27 of 42

Denmark - the world leading organic nation – Cont'd

## Export of Danish, organic food by category



Source: Statistics Denmark

Source: <http://organic-market.info>, article published on Oct 11, 2016, editor: Karin Heinze

## France catching up with organic leaders

Even though France is the largest agricultural producer in Europe, its development regarding organic food has been rather slow. Countries like Germany have traditionally been more active in the organic sector. But France seems to be on the way to catching up. According to the organic agency Agence Bio, the first half of this year has proved to be very fruitful. Organic food sales increased by 20% during this period compared with the same period in 2015. It is the fastest increase that the country has experienced in the last seven years. France is expecting to reach €6.9 billion in organic sales by the end of the year - a gain of €1 billion in just one year.

Also the surface area of land used for organic agricultural purposes increased from 1.4 million hectares (2015) to 1.57 million hectares, which equates to 5.8% of the total farmland. This is also facilitated by the increase in the number of organic farms – a rise of 10% since the beginning of 2016.

The retail area is developing at a fast pace as well. 200 new organic food stores were opened the first half of 2016. The sales in specialist stores went up by 25% and by 18% in supermarkets. According to the latest Barometer Agence BIO / CSA 2015, 9 out of 10 French (89%) now consume organics, at least occasionally, whereas in 2003 the figure was only 54%. As many as 65% use organics regularly, that is to say at least once a month, against 37% in 2003. Carrefour is establishing stand-alone shops in Paris that will sell exclusively organic food. The company is investing in more possibilities for the consumer to have access to organic food because since last year sales of these products have increased by 11% in their chain stores.

Source: [www.organic-market.info](http://www.organic-market.info), article published on October 7, 2016



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 28 of 42

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## Vegetables market

### Significant losses of EU vegetable crop

On 15 June, and again on 8 July 2016, PROFEL voiced concerns about potential crop losses following exceptionally heavy rains in May and June<sup>1</sup>, in the main producing countries in the North of Europe. The cold and wet weather in the early part of the summer which delayed sowing and slowed crop growth, was replaced by extreme heat and drought conditions in July and August, continuing to mid-September, which caused crop stress in a number of vegetables. The combination of two extreme weather patterns in the same growing season in the north of Europe has resulted in even lower field yields than predicted back in July. With the harvest of several crops either complete or nearing completion, vegetable processors and vegetable growers confirm that the yield losses for a number of crops are profound.

Average reductions in field yields reported in Belgium, the Netherlands, France, Germany and the UK:

| Crop                              | Average loss |
|-----------------------------------|--------------|
| Peas                              | 31%          |
| Beans                             | 20 – 25%     |
| Spinach                           | 30%          |
| Baby carrots and Parisian carrots | 37%          |

The green bean campaign is not yet completed, so the indicated 20-25% shortfall is an estimate. This prediction however, relies on the weather turning more favorable during the second part of September.

In addition to the crops listed above, cauliflower, pumpkin, turnip cabbage, red cabbage, salsify, Brussels sprouts, peppers and kale have also experienced yield reductions, with the German summer kale production reporting expected shortfalls of 25%. Elsewhere in the East and South of Europe, exceptionally high temperatures often exceeding 40°C, have led to reduced yields in broccoli, beans, peas and sweet corn.

Source: Press Release of Sept 20, 2016, PROFEL (Europe) is the European Association of Fruit and Vegetable Processing Industries, contact: Aline Rutsaert, [profel@agep.eu](mailto:profel@agep.eu), [www.profel-europe.eu](http://www.profel-europe.eu)



# Agri-Food News from Europe



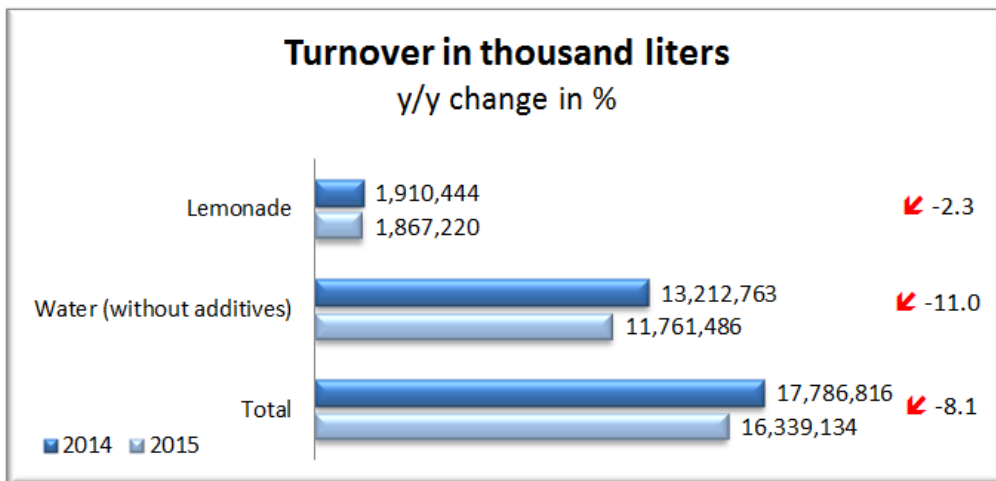
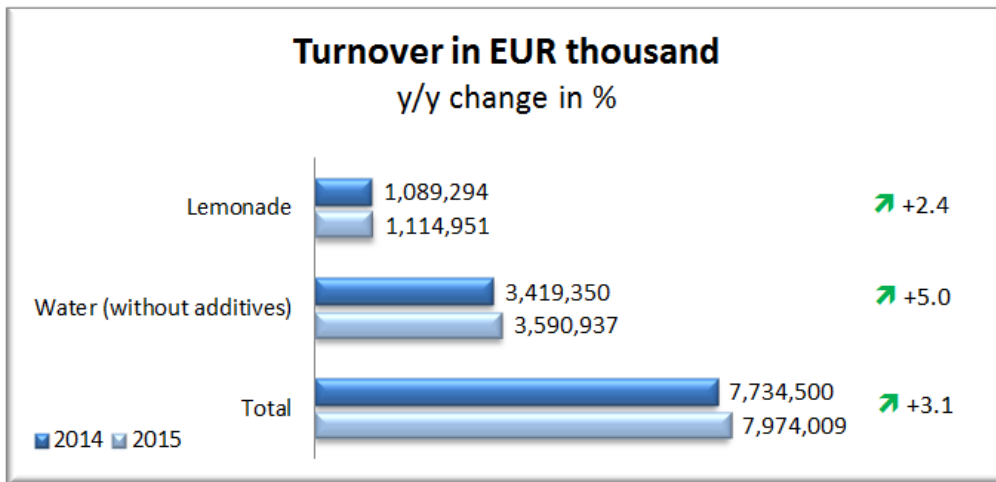
2016 / Number Three • November 2016 • Page 29 of 42

## Beverages

### Germany: Cure out of the bottle

The promised cure out of the bottle has many names: organic, vegan, no sugar, no additives, or no stabilizers. Organic drinks and the like still occupy a niche among non-alcoholic beverages, but are fuelling growth in an otherwise weak segment.

The water industry does not really have any reason to complain right now: Things are running well. The Germans drank a total of 152 litres of mineral, healing, spring and table water per head last year, amounting to an increase of 2.5% over 2014. At first glance, this does not look like strong growth, but it certainly does when looking at the six-year trend: The per capita consumption of water stood at 136 litres in 2010, reported the Association of the Non-alcoholic Beverage Industry (WAFG). In 2015, sales of water dropped by 11% down to 11.8 billion litres (see chart below), while the turnover achieved with water without additives increased by 5% to €3.59 billion, according to IRI Information Resources.



Source: IRI; basis: Food retail trade >200 sqm + discounters + drugstores + beverage stores



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 30 of 42

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*Germany: Cure out of the bottle – Cont'd*

Mineral water is the strongest category in the non-alcoholic beverage segment, both in terms of volume and value. While the per capita consumption of spring and table water has been stagnating in recent years, consumers are buying more premium and organic water. Neumarkter Lammsbräu has been recording rising sales for their organic water Bio-Kristall for several years now. Susanne Horn, General Manager of the organic brewery, explains: “We are noticing a stable trend and expect the positive development to continue in the future.”

When they launched their first organic mineral water in 2009, it caused a stir in the industry. “Can water be organic?” was the question the Federal Court decided in Lammsbräu’s favour in 2012. “We received a lot of support after the decision of the Federal Court,” comments Dr. Franz Ehrnsperger, owner of Lammsbräu. In the meantime, a number of mineral water producers have also discovered this niche for themselves. Some of them have joined forces in the Quality Association for Organic Mineral Water. The association introduced its own quality seal and those who want to join have to get certified. The criteria are stricter than those defined in the Mineral and Table Water Regulation, with transparency and sustainable water protection among the requirements. Christinenbrunnen was certified in 2015: “It is important that we, the mineral water industry, clearly state that short-term thinking has no place in the food production business,” states Carsten Heß, General Manager of Gehring-Bunte Getränke-Industrie.

A comparable quality seal is awarded by SGS Institut Fresenius: It certified brands of the Hassia Group as premium water of organic quality earlier this year. “The new seal is another step in our quality strategy,” explains Marcus Macioszek, Marketing Director.

## **Benefits for the soft drink segment**

The health trend is not only giving the water market new impetus, the soft drink segment is benefitting as well, even if the thirst for sweet beverages is not as great as it used to be: The Germans drank a total of 37.2 litres per head in 2009, reported WAFG, compared to 29.9 litres in 2015. IRI further reports that total soft drink sales dropped by 2.3% last year, down to 1.86 billion litres. Industry leaders are also feeling this effect: Coca Cola is facing a decline in sales; PepsiCo reported a lower turnover for the first quarter. The winners in the soft drink segment are not the big players: Eckes Granini entered the soft drink market three years ago. Its Limo soft drink, which does not contain any artificial additives, is aimed at adult consumers. The concept is bearing fruit. In the value-added brand segment, they are, according to their own information, the No. 1 in soft drinks sold in non-returnable bottles in the traditional retail trade.

The trend towards naturalness is driving the growth of other manufacturers as well. Producer Voelkel recorded growth rates of up to 30 percent with its organic range Bio Zisch. The craft trend of the beer market seems similarly popular in the soft drink market: “Our customers are again putting more and more emphasis on authentic, craft products,” explains Voelkel. This, in turn, opens the door for innovations, such as Voelkel’s new varieties ‘cucumber’ and ‘carrot’.





# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 31 of 42

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*Germany: Cure out of the bottle – Cont'd*

## High demand for premium ingredients

The question of ingredients is becoming increasingly important in the soft drink segment, says Susanne Horn: “Consumers don’t want sugar-flavoured water anymore.” Thus, Neumarkter Lammsbräu is focusing on naturalness with its ‘now’ range: pink rhubarb, for example, contains 25% rhubarb juice, which is a lot for a soft drink. When looking at the sales figures, the big names still dominate the market. “But it’s the small, creative manufacturers who stand out and inspire customers to try out something new.”

One company driving innovation is Selo Good Beverages. The Berlin start-up produces soft drinks with caffeine extracted from the coffee fruit, a hitherto neglected by-product. Before launching their products, founder Laura Zumbaum had worked with chefs, sommeliers and a brewery to create the right recipe. She tested the first Selosoda soft drinks in the catering trade and on food markets. “I asked myself: Is ‘no sugar’ a promise that consumers are truly looking for?” The main ingredient is made up of the dried skins of coffee cherries. The skins are supplied by an organic farm in Panama.

## ‘No sugar’ polarizes

Selosoda contains neither additives, nor stabilizers, nor any type of sugar. This was an experiment for Zumbaum at first: “There are many soft drinks with little sugar. But no sugar at all? This irritates many consumers.” It polarizes people, she says. But it appears to capture the spirit of the moment: Selosoda can be found in the catering industry as well as in delicatessens, both in Germany and Switzerland. The product is soon to enter the retail trade and internationalization is planned for 2017. Some customers comment that sugar is missing. This may be why the latest Selosoda variety contains grape juice and tastes slightly sweeter. But this hasn’t altered their conviction at all. Zumbaum points out that they don’t want to be the second Coca Cola.

Source: Rundschau für den Lebensmittelhandel 09/2016

## Indian summer has German winegrowers smiling

[...] As the German Wine Institute (DWI) announced, harvest volumes will be slightly lower this year due to the extremely wet weather in early summer, which resulted in lower yields from downy mildew. According to current estimates, the DWI expects a total harvest volume nationwide of approx. 8.6 million hectoliters – albeit with very large deviations from the mean depending on region and individual estate. This year’s crop would then lie 5% below the ten-year average and 4% behind last year’s totals. [...]

Source: German Wine Institute (DWI) on figures supplied by the German Winegrower’s Association (DWV)



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 32 of 42

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## Brands score in sluggish German spirits market

After positive half-year results from January to June 2014 and 2015, the figures for spirits sales in the food retail trade and drugstores in the first half of 2016 are somewhat sobering.

Preliminary figures for January to June 2016 show that the food retail trade sold 3.9 million fewer bottles than in the same period of the previous year (-1.6%), with the total sales volume dropping to 243.5 million bottles worth €1.843 billion (-0.7%). The spirits market, however, is still recording slightly increased price levels, in part due to price increases. The trend towards brand products with an average price of €10 or more for a 0.7 litre bottle is continuing unabated.

The main reason for the slight decline in the overall spirits market is the discount trade, which dominates the market due to its strong position and has seen a negative development in the spirits segment. Discounters account for more than one third of the total turnover in the spirits segment (37%). The decline stems from their bricks and mortar business and their private labels. The overall decline in sales hit almost every distribution channel, above all the supermarket business. Hypermarkets, however, were the exception to the rule: They sold almost one million more bottles and saw a slightly positive development. Germany-wide promotion sales recorded strong increases in the first half of 2016 (+5.5%), thus boosting sales in this channel.

Vodka, the No. 1 on the spirits list, recorded the highest sales figures with an increase in sales of 4%, up to 37.1 million bottles. Whisky and rum were far less successful: Whisky recorded a slight increase in turnover but stagnating sales volumes, while rum sales remained stable in terms of value, with marginal decreases in volume.

Brandy retained its place among the top five spirits, but is facing problems. Sales in the food retail trade were down by four million bottles, a decrease in volume of 13%. Other large product groups such as liqueurs remained stable, although herb liqueurs recorded a 4% decrease due to a drop in private label semi-bitter liqueurs. Clear spirits (excluding vodka) also recorded slight losses. In small product segments (with market shares of below 5%) aniseed-based spirits developed positively. Gin, once again, recorded strong growth of +19%.

Almost 65% of the turnover with spirits in the food retail trade is achieved with brand products. Private labels are the big losers with a decline in sales of 5.5% throughout all segments, dropping to a total of about 115 million bottles (-1.5 percentage points, down to 47.4%). The losses were mainly generated in the discount trade, and, to a lesser extent, in full-range supermarkets. The entry-level price segment for spirits continues to grow at the expense of medium-range products (€5-€7.50).





# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 33 of 42

Brands score in sluggish German spirits market – Cont’d

|                                     | Turnover in € million |                | Change in % |    |
|-------------------------------------|-----------------------|----------------|-------------|----|
|                                     | Jan-June 2015         | Jan-June 2016  |             |    |
| <b>Spirits Total</b>                | <b>1,855.6</b>        | <b>1,843.9</b> | <b>-1</b>   |    |
| Vodka                               | 245.5                 | 255.2          |             | 4  |
| Clear spirits (excl. vodka)         | 180.7                 | 184.5          |             | 2  |
| Brandy                              | 198.2                 | 174.1          | -12         |    |
| Herb liqueurs                       | 268.2                 | 260.1          | -3          |    |
| Liqueurs                            | 225.5                 | 222.5          | -1          |    |
| Rum and blends                      | 169.8                 | 169.0          |             | 0  |
| Whisky                              | 206.1                 | 209.9          |             | 2  |
| Spirits with additives              | 86.1                  | 84.3           | -2          |    |
| Fruit brandy                        | 96.6                  | 90.8           | -6          |    |
| Aniseed spirits                     | 79.2                  | 85.8           |             | 8  |
| Aperitif (<15% AbV)                 | 40.1                  | 43.1           |             | 7  |
| Grappa                              | 21.3                  | 22.0           |             | 3  |
| Limes (fruit puree based cocktails) | 2.4                   | 3.3            |             | 39 |
| Tequila                             | 7.5                   | 7.4            | -2          |    |
| Mixed boxes of mini bottles         | 11.4                  | 14.6           |             | 28 |
| Cocktails (> 15% AbV)               | 4.6                   | 4.1            | -10         |    |
| Others                              | 12.5                  | 13.4           |             | 7  |

Source: AC Nielsen, graph: Lebensmittel Zeitung

Source: Lebensmittel Zeitung No. 40, October 7, 2016

## Craft spirits today account for one in seven global spirit launches

While craft beer has taken the world by storm, today there is a new drink taking a shot at global popularity – craft spirits. Indeed, new research from Mintel reveals that spirits positioned as “craft”\* have so far accounted for one in seven (15%) new global spirit launches up until May 2016, up from just one in 20 (5%) in 2011.

Overall, research from Mintel GNPD (Global New Products Database) reveals craft spirit launches increased by 265% globally between 2011 and 2015, and it seems that it is the US that has been driving the craze. Of all craft spirits launched in this time, half (49%) have been in the US and 42% in Europe, compared to just 4% in Latin America and 3% in Asia Pacific.



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 34 of 42

*Craft spirits today account for one in seven global spirit launches – Cont'd*

And it seems the surge in launches of craft spirits is backed globally by strong consumer demand for artisanal alcoholic beverages. Over half (55%) of US alcohol drinkers agree that craft alcohol brands are of higher quality than big brands and demand is mirrored across Europe too. Around half of consumers in France (55%), Italy (53%), Germany (50%) and Poland (46%) agree that spirits from small/craft distillers are more appealing than large, mass-produced brands. While in the UK, 37% of dark spirits/liqueur drinkers are prepared to pay more for craft variants.

Jonny Forsyth, Global Drinks Analyst at Mintel, said: "Craft spirit launches are growing at a rapid pace and will continue to rise in more mature markets – particularly the US – as consumers continually seek out 'special' offerings. Despite being a relatively small sector of the market, craft spirits are growing in response to the huge consumer-led demand for more authentic, more distinctive, more local, less processed and more interesting spirit brands."

When it comes to the 'craftiest' spirit, currently whisky reigns supreme, accounting for 43% of global craft spirit launches in 2015, up from 37% in 2011. However, gin is hot on its heels, accounting for 23% of global craft spirit launches in 2015, up from 9% in 2011.

"For craft producers, gin has the advantage of taking days rather than years to produce, unlike whisky. Therefore as startups seek to balance production of more nuanced spirits with the commercial realities, gin is an appealing choice," added Forsyth.



\*Spirits with "micro," "craft," "artisan" or "small" in the the product description with word variants



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 35 of 42

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*Craft spirits today account for one in seven global spirit launches – Cont'd*

Mintel research reveals that it is Millennials (defined as consumers aged 18-36 in Europe and 22-39 in the US) who are driving demand for craft spirits around the globe. Three quarters (75%) of US Millennials agree craft alcohol brands are higher quality than big brands and 34% of UK Millennials agree craft drinks are worth paying more for.

Furthermore, Mintel research indicates that almost half (46%) of German Millennial spirits buyers say “high quality” is an important factor influencing their purchase intention, up from 35% in 2013. “Millennials are a driving force behind the growth of craft spirits, having taken their ‘creative’ and ‘unique’ ethos into their spirits-buying habits. Rather than wanting to affiliate themselves with bigger brands, Millennials often seek to define themselves by more niche, higher quality brands with a quirky backstory; and ideally, they are brands their peers have not even heard of,” continued Forsyth. [...]

Although flavored spirits aren't as established in Europe, consumers still show an interest in these drinks. Around one fifth (23%) of consumers in Poland agree that spirits with added flavor are worth paying more for, followed by 19% in Spain, 18% in Germany and 18% in Italy. “Traditionally, many craft distillers have stayed away from flavoring spirits as this is seen as less premium. However, with flavor a key driver for spirits drinkers in many countries, craft innovators are now seeking to use more premium, nuanced and naturally flavored innovation. This is a route that craft brewers have previously followed,” concluded Forsyth.

Press copies of the research and interviews with Jonny Forsyth, Global Drinks Analyst, are available on request from the press office.

Source: [www.mintel.com](http://www.mintel.com), article published on May 31, 2016

## **World: 100% juice products to expand beyond fruit base drinks to vegetables, exotic plants and coconut**

100% juice products are capturing the imagination of consumers and driving growth, which will see expansion beyond traditional fruit base drinks to include vegetables, exotic plants and coconut, according to Tetra Pak. The company has carried out an Index report on 100% juice: the first on juice in the eight year history of these reports. Every year, it commissions research to look at new opportunities for growth in key customer categories publishing information on the latest facts, figures and trends.

### **China & Brazil**

Dennis Jönsson, president/CEO, Tetra Pak, told Beverage Daily, this year it focused on what people value about 100% juice and what they are looking for in juice products, and said the modern consumer is looking for ‘all natural’, vegetable nutrition and functional products that promote good health and they are willing to pay more for them.



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 36 of 42

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*World: 100% juice products to expand beyond fruit base drinks... – Cont'd*

“We see particularly strong growth of 100% juice in emerging markets, with consumption in countries such as China and Brazil rising at a fast pace,” said Jönsson. “Combined with other growth hotspots, such as Malaysia, India and Indonesia, we expect rising demand in these new 100% juice nations to more than offset declines in recession-hit established markets. “In North America and Europe, 100% juice’s traditional heartlands, the market remains tough, prompting brand owners to explore new opportunities for growth. “Not-from-concentrate 100% juice is gaining share from its reconstituted namesake, reflecting a clear trend for natural products. The top end is performing particularly well, both in terms of volume and price, with consumers willing to pay more for products that offer what they are after, especially when it comes to health and wellness.”

## **On-the-go consumption**

According to the report findings, over 70% of consumers are snacking and skipping meals, creating opportunities for on-the-go consumption. Healthy and natural are the two standout characteristics associated with 100% juice, alongside tasty. “100% juice is still widely cited in expert nutritional advice as a key contributor to a healthy diet, particularly as an easy and convenient way to secure one of the five daily portions of fruit and vegetables recommended by the World Health Organization – a target that the majority of adults and children are still failing to meet,” added Jönsson.

It is no surprise to find that, while our survey shows wide awareness of the sugar debate, which has attracted much media interest and industry concern in some markets, few consumers doubt the goodness of 100% juice. “That said, excessive sugar consumption is a public concern in many countries, and our survey does show that, in some cases, consumers have lowered their consumption of 100% juice as a result. It is clear there is a good deal of confusion, spurred by alarmist media coverage, sometimes from less-than-rigorous sources.”

## **The sugar debate**

He added, on the plus side, none of the existing regulatory actions to address sugar consumption target 100% juice, which has no added sugar. “We believe by working together to bring clarity to the debate, the sugar issue can be turned into an opportunity within the 100% juice category. Campaigns are now under way in Europe to do just that, such as the programs driven by AIJN, the European Fruit Juice Association. “The key to success is innovation: offering the right product at the right time to meet consumer’s needs, capturing their attention and making a connection. An excellent example of this is packaged coconut water, a formerly niche or loose product that has become a global phenomenon with extraordinary speed.”

The Tetra Pak Index 100% juice products findings will be presented at the European Fruit Juice Association (AIJN) Juice Summit , in Antwerp, Belgium, on October 12 and 13. AIJN is embarking on a pan-European campaign to improve the public image of 100% fruit juice – particularly orange juice. More than 200 companies from over 45 countries will attend the summit to discuss the dynamics of juice.



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 37 of 42

World: 100% juice products to expand beyond fruit base drinks... – Cont'd



Source: [www.foodanddrinkeurope.com/content/view/print/1309170](http://www.foodanddrinkeurope.com/content/view/print/1309170)

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## Private Labels

### Private labels in Germany: Local, please!

Private labels are popular and the sales figures speak for themselves. Consumers would prefer products to be even more local, though. A study by market research institute Ipsos revealed that 64% of customers would favour private label foods produced in their home region in order to support the regional economy. The preference for regional private label foods is particularly strong among consumers aged 60+ (71%). In the 18-39 age group, the figure is still 58%. What is more: 42% of the interviewees had noticed a growing trend towards regional products among private labels. But when it comes to money, their passion for their home region wanes: Just 40% of the interviewees would be prepared to pay more for locally produced private labels.

Source: Rundschau für den Lebensmittelhandel





# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 38 of 42

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## Consumers prefer German brands

56% of German consumers prefer German to international brands and want to support their local economy. Only 7% do not agree with this statement. This is the result of a worldwide study by market researchers ACNielsen.

The main argument of Germans in buying local brands is the price-performance ratio, followed by eco-friendliness, past experience with the product and promotion activities. The packaging, however, is relatively unimportant when purchasing local brands. 42% of Germans consider local brands to be more trustworthy than international ones.

What is unique is that pride in local products (8% in Germany) is not even half as important as it is in Europe as a whole. The purchase of local brands is more a question of trust than an emotional choice, concludes Nielsen.

Source: Lebensmittel Zeitung No. 34, August 26, 2016

## Brand power to put pressure on private label confectionery in Europe

Private label confectionery value shares are flat or declining in most Western economies, according to a recent research of market analysts IRI. The company has published its “Private Label in Western Economies” report, which analyses own label market in France, Germany, Italy, the Netherlands, Spain and the United Kingdom as well as Australia and US. Private label value market share for 2015 was 38.3% in Europe for all FMCG categories, while in some sectors – such as Frozen Food (43%) or Chilled & Fresh Food (39%) – private label manufacturers are the market leaders. In confectionery, however, private label has only a 12.1% value share, according to IRI.

## Confectionery category struggles to compete in this sector

The categories of confectionery, personal care and alcoholic drinks struggle to compete in this sector with value market shares of less than 15% in most countries in 2015. There is strong national brands affinity with shoppers who are more willing to buy their favourite brands. Despite some successful innovations in the past years, it is hard for private label to grow in these categories. Across Europe the promotion volume by category figures were similar to those in 2015, but decreasing overall. With the exception of pet food (5.5%) the data for private label volume on promotion was consistent, ranging from 18.4% for non-alcoholic drinks to 11.7% for frozen food.



# Agri-Food News from Europe



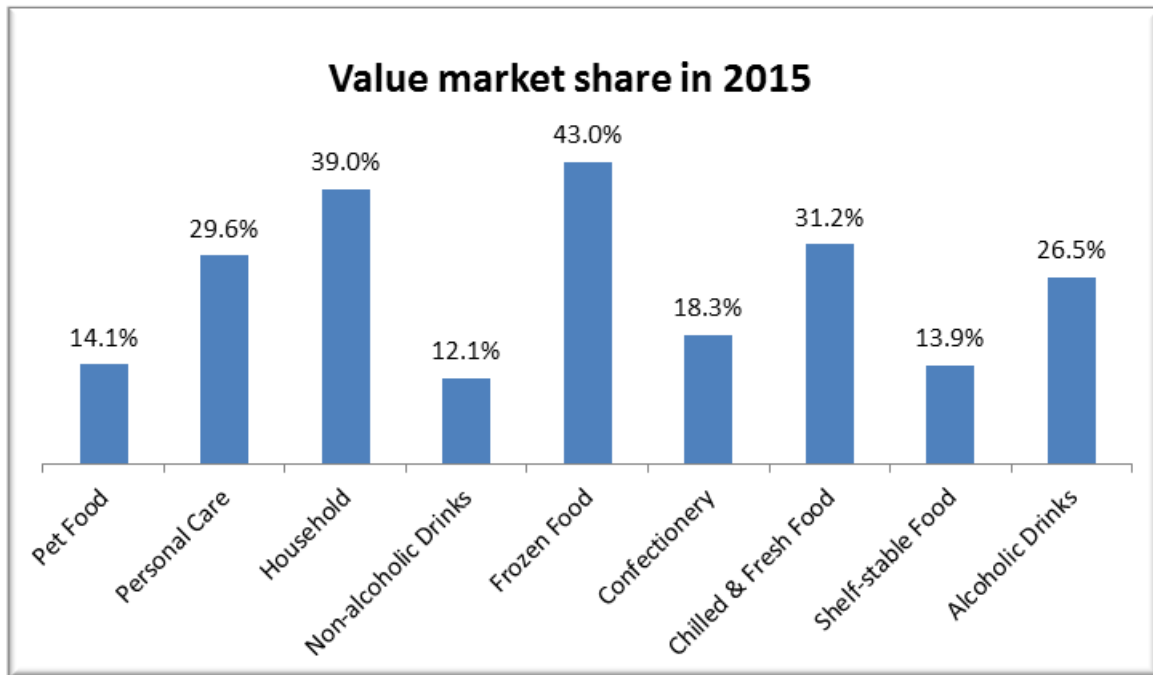
2016 / Number Three • November 2016 • Page 39 of 42

Brand power to put pressure on private label confectionery in Europe – Cont’d

## Germany driving sales

Tim Eales, Director of Strategic Insights at IRI, said, “Traditionally, confectionery has not been an area where private label has a stronghold due to the strengths of the brands.” In the six European countries analysed, private label confectionery value sales rose to €2.5 billion, up 3.6% on the year 2014. “It is only in Germany where the share is going up. There are a lot more places where private label confectionery is under pressure.” Private label confectionery’s value share was up 0.6 points in Germany, accounting for 14.1% of the market. The value shares in France (10.2%, -0.2 share points), Italy (5.0%, -0.1 share points), the UK (8.8%, -0.4 share points) and the Netherlands (13.6%, -3.4 share points) were flat. In the Spanish confectionery market, private label products have the highest value share in Western European countries (25.7%), which remained stable in 2015.

Last year, private label value market share for all categories in Europe fell by 0.6 points to 38.3% compared to the previous year as a share of the total FMCG market. Private label unit market share also dropped – by 0.5 points – to 47.4%. These figures show that the downward trend for 2014 is ongoing and highlight the challenging conditions that private label retailers and manufacturers across Europe continue to face. France has the highest private label share decrease of the eight countries that were monitored in 2015, yet it has a high private label value share at 34.1%, compared to Italy’s 17.2%-share and Australia’s (13.9%). The UK has the best result with an increase of 0.4 points that brings its value share to an impressive 51.8% in 2015. [...]



Sources: IRI Infoscane hypermarkets and supermarkets (UK, France, Italy, Spain and Netherlands), IRI Infoscane grocery and drugstores excluding hard discounters in Germany

Source: Sweets Global Network 8/2016



# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 40 of 42

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## GMO & Pesticides

### **EU Commission allows GMO-soy for import**

According to news agencies, the EU Commission has allowed the import of genetically engineered soybeans produced by Bayer and Monsanto. They can be used in food and feed despite unresolved concerns about health risks, reports testbiotech.

These crops can be sprayed with a combination of glyphosate and other herbicides such as dicamba or isoxaflutole. Market authorisation has been issued after massive pressure from industry, which already sold its patented seeds in the US for cultivation and now wants to import the harvest to the EU within the next months. The European Food Safety Authority EFSA only recently stated that the health risks resulting from herbicide residues cannot be properly assessed, and that safety levels cannot be defined since the relevant data are missing.

According to a recent toxicological dossier, mixtures of these residues are thought to have adverse effects on health such as genotoxicity, liver toxicity and tumours. Consumers and farm animals could be exposed to a combination of these substances that may be present as residues in the harvested crops. So far, safe residue levels for the herbicides cannot be defined, and there has been no assessment of the combinatorial effects.

“This looks very much like the final rehearsal for the free trade agreements, TTIP and CETA. The biotech industry is already acting as the co-decision maker in Brussels,” Christoph Then says for Testbiotech, “The EU Commission is selling out its credibility for the interests of Monsanto and Bayer. Apparently, the Commission had already promised to authorise the soybeans some months ago, during the talks about the free trade agreements.”

Genetically engineered soybeans awaiting authorisation for import into the EU are cultivated in countries such as Argentina, Brazil and the US, and contain residues from spraying with herbicide formulations with glyphosate as one of the ingredients. Further additives such as tallowamine can be mixed into these formulations and these are known to be much more toxic than glyphosate alone. Usage of these additives is already prohibited in some EU member states. The health risks of these formulations that are allowed in North and South America have never been assessed in the EU. This is a major gap in current risk assessment that was acknowledged for the first time in a letter the EU Commission sent to EFSA in February 2016. This gap still exists even though the EU Commission extended the approval period of the active substance glyphosate.

After the Testbiotech warning, thousands of emails were sent to the EU Commission by active citizens. In February, the EU Parliament also requested that the authorisation for these soybeans be stopped. Testbiotech now is considering taking legal steps against the decision of the EU Commission.

Source: [www.organic-market.info](http://www.organic-market.info), published on August 8, 2016





# Agri-Food News from Europe



2016 / Number Three • November 2016 • Page 41 of 42

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## German retail trade wants more GMO-free milk

With the introduction of its Milbona brand GMO-free fresh milk, the German discounter Lidl has set an example. More retailers are expected to follow suit and will be selling GMO-free milk.



The industry publication Lebensmittelzeitung (LZ) writes that Lidl's initiative with GMO-free fresh milk will increase the pressure on the industry. Other retailers are already asking the dairies for the same offer for their own brands. There will be a new round of negotiations in November on liquid milk and the issue will be discussed on that occasion. Arla Foods alone is anticipating demand of up to 1 billion kg of GMO-free milk by the middle of next year. The suppliers are currently paid a premium of one cent to encourage the use of GMO-free animal feed.

### Limited animal feed prevents rapid conversion

It's hardly likely that large quantities of GMO-free milk will be available quickly and countrywide. There is a shortage of the right kind of animal feed, but also the higher costs and the separate collection and storage of milk are creating big problems for the dairies. Lidl introduced its GMO-free milk in the middle of July. It is certified with the logo of the "Verband Lebensmittel ohne Gentechnik (VLOG)" and it uses this in its marketing. Lidl explains that more dairy products like cheese, crème fraiche and cream are to follow this year.

### GMO-free of interest for exporters too

VLOG Managing Director Alexander Hissting is convinced that more retailers will concentrate on offering GMO-free milk. He points out that it's worth applying the same standard to exports too. He sees as potential customers China, with its growing, quality-conscious middle class, and the USA. He says that it could be a unique selling point for German producers.

Source: [www.organic-market.info](http://www.organic-market.info), published on 26.07.2016

## Miscellaneous

### German ice cream consumers are interested in non-dairy alternatives

Demand for non-dairy ice cream is booming in Germany, as dairy alternatives are no longer strictly marketed to consumers with special dietary requirements, but appeal to a wider health-conscious consumer base. Indeed, new Mintel research finds nearly two-thirds (63%) of German ice cream consumers are interested in non-dairy alternatives, such as almond or coconut based ice cream. And it seems German consumers are even willing to pay a premium price for these options, as one in five (20%) German say that they would be willing to pay more for non-dairy ice cream, rising to nearly one third (30%) among 16 to 24 year olds.



# Agri-Food News from Europe



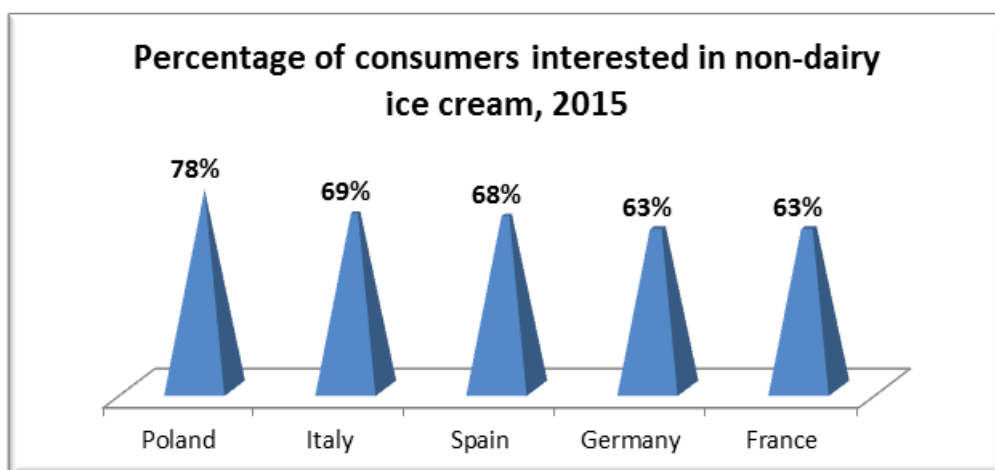
2016 / Number Three • November 2016 • Page 42 of 42

*German ice cream consumers are interested in non-dairy alternatives – Cont'd*

The high demand for non-dairy ice cream is also evident in other key European countries, with interest signalled by 78% of Polish, 69% of Italian, 68% of Spanish and 63% of French consumers. The willingness to spend more on such alternatives seems to be pronounced across Europe, with 27% of consumers in Poland, 21% in Italy, 25% in Spain and 18% in France agreeing they would pay a premium price for these options. Responding to strong consumer demand, dairy-free ice creams is gaining ground in Germany, where the share of non-dairy launches reached a sizeable 8% of total ice cream introductions (excl. sorbets), compared to just 2% between 2013 and 2014, according to Mintel's Global New Products Database (GNPD).

Mintel research has also found that even though the UK has held the crown as the most innovative non-dairy ice cream market for years, it looks like German manufacturers have upped their game in 2015. Indeed, the UK was leading non-dairy ice cream innovation between 2013 and 2015 overall, accounting for 19% of total launches in Europe, followed by Germany (16%), and Italy (14%). However, looking at 2015 alone, Germany launched 26% of all new non-dairy ice creams, outpacing both the UK (17%) and Italy (12%). [...]

Organic and ethical-production claims are also on the rise, accounting for an impressive 90% of all newly introduced non-dairy ice cream products in Germany in 2015. This comes as almost half (47%) of German consumers are interested in buying organic ice cream, with 28% willing to pay more for it. Meanwhile, three out of five (59%) Germans show an interest in ice cream that contains locally sourced ingredients such as milk from local farmers, and half (50%) of German consumers are keen on buying ice cream that is handmade. [...] [www.mintel.com](http://www.mintel.com)



Source: Mintel

Source: Sweets Global Network 10/2016