

# Market Analysis Report: Blueberry Industry in Germany

October 2022

This market research was conducted by OCO Global within the Business Lead Generation Project for Agricultural Commodities implemented by **the USAID Agriculture Program** in cooperation with **Enterprise Georgia** and **Rural Development Agency**



**USAID**

FROM THE AMERICAN PEOPLE

The USAID

Agriculture Program

USAID-ის სოფლის მეურნეობის პროგრამა



ENTERPRISE GEORGIA



სოფლის  
განვითარების  
სააგენტო

# Contents

Industry Overview & Trends

Business Practices/Cultures

Regulations & Tariffs

Country Restrictions

Business Opportunities

Recommended Route to Market

Product Price Points

Logistics

Identification of Competitors

Specific and General Enquiries on Ad-Hoc  
Basis

# **GERMANY : Market Overview**

# Germany Key Facts



## 16 Federal States

Bavaria, North Rhine-Westphalia, Baden-Württemberg, Thuringia, Hesse, Berlin & Hamburg amongst others



## Currency

Euro (EUR)



## Population

82.9 million



## Capital

Berlin

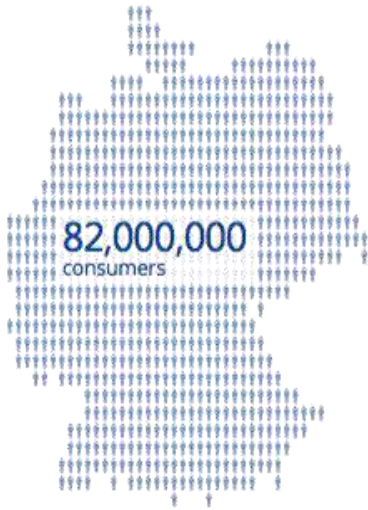


## Language

German is the primary language across the country.  
In general, Germans are experienced in conducting international business and have English language skills.

**The world's 4th largest  
economy &  
largest national  
economy in Europe**

# The German Economy Snapshot



Germany is the **largest economy in Europe**. It constitutes 21% of European GDP and is home to **82m consumers** (16% of the EU population)

The German economy is widely considered the **stabilizing force** within the EU – and particularly within the eurozone.

The economic strength is driven by **highly innovative SMEs**, the renowned *Mittelstand* that constitutes 99.5% of all companies (hidden champions), with many being family-owned.

# GERMANY : Food Industry Overview

# The German Food & Drink Industry is Europe's leader



**82 m** consumers help make Germany the largest retail market for food and beverages in Europe

Germany is both the **third-largest exporter and importer of agricultural and food products** worldwide.

**EUR 243 bn** in retail sales due to a growing population with higher average income

**EUR 180 bn** production value demonstrate the sector's significance for the German economy

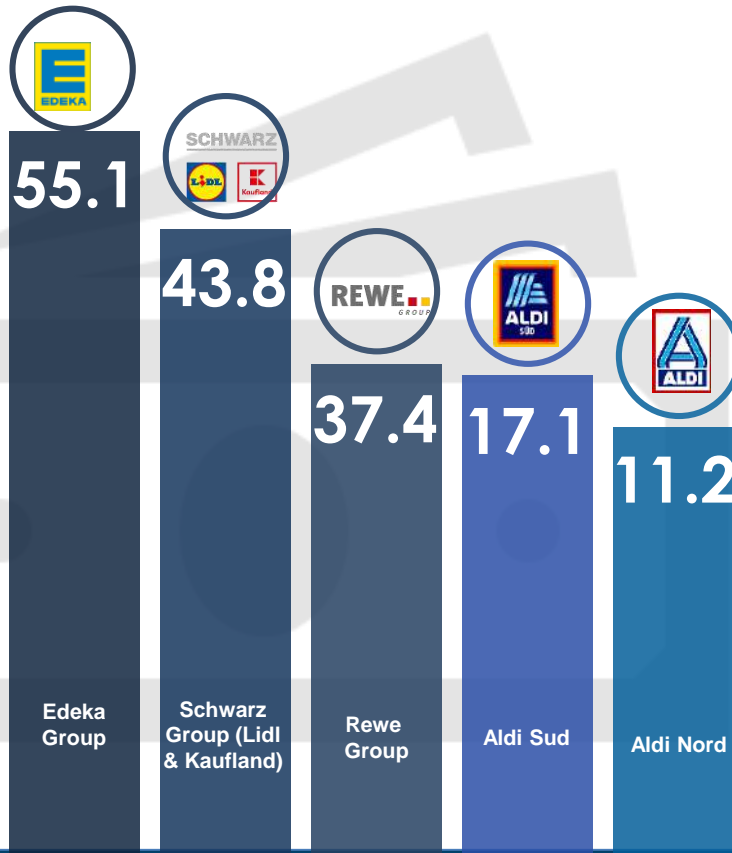


600,000 employees



6,000 businesses

# Germany's Leading Grocery Retailers



## Leading retailers in Germany by net sales in billion euros (2021)

In 2021, the leading grocery retailer by net sales in Germany was Edeka, with 55.1 billion euros, followed by Schwarz Group with 43.8 billion euros.

By 2026, net sales of Edeka are forecast to reach 62.1 billion in 2026, Schwarz Group is projected to reach 52.2 billion, Rewe 39.6 billion, Aldi Sud 20.5 billion and Aldi Nord 12.4 billion.

# Convenience and health are driving the trends for European consumers as they look to meet the demand for healthier lifestyles whilst becoming increasingly time-conscious



## Convenience is Key

Consumers in Europe are increasingly time poor, as longer working hours and an always-on culture have become commonplace.

This has driven a constantly evolving demand for convenience and 'food-on-the-go.' Consumers now prefer to do either standalone daily shops or using them to top up a bigger weekly shop.



## Convenient, Yet Healthy

Healthy snacking has been fuelled in part by the rise of bloggers and social media influencers who focus on diet, nutrition and wellbeing. Consumers now expect more from their snacks, requiring them to provide a range of health benefits, from increasing energy and strength to promoting regular sleep patterns. They also pay close attention to the ingredients and nutritional facts.



## Improving Quality Alternatives

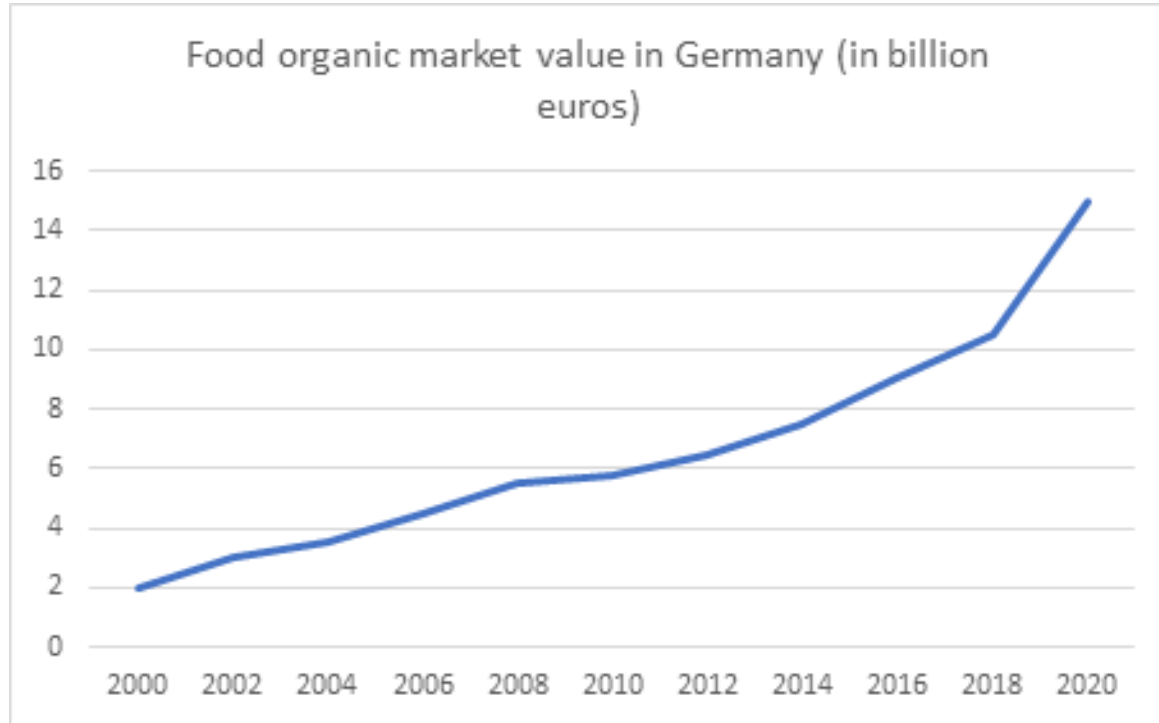
Consumers are increasingly adjusting their diets because of allergies and intolerances. European consumers believe that gluten-free tastes better. Not only are allergies driving the need for a wider variety of diet adjustments, but even those who don't need it are influenced to.



## Clean Labelling

Consumers more than ever want food brands and retailers to be honest and transparent about what is in their food and drink, and where it comes from. Clean labeling encourages producers to highlight certain key information in labeling and packaging. Whether good or bad, displaying nutritional facts, origin of produce, and sustainability impact to build trust with consumers.

## A shift towards health, bio, and organic in German supermarkets

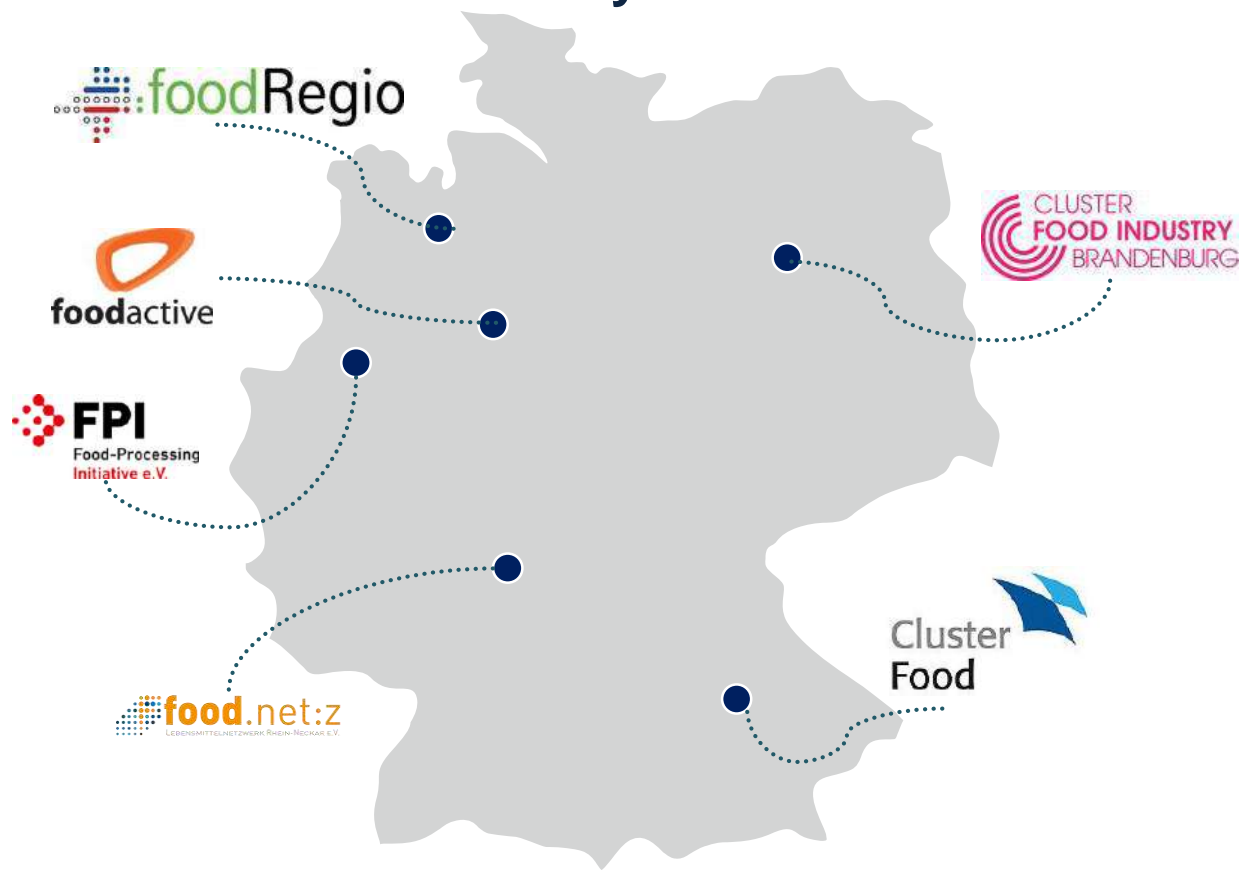


Organic food products already represent a mainstream, well-established trend in Germany.

In 2020, the German organic market accounted for € 14,99 billion (6.4% share of the food market), which represents a market growth of 22.3% (AMI).

It positions Germany as the first European country in the organic sector.

# Food Clusters Germany



## Relevant Trade Shows in Germany

Name	Date	Location	Info
Internationale Grüne Woche (IGW)	20. - 29. January 2023	Berlin	World's largest exhibition for the Food Industry, Agriculture and Horticulture
Fruit Logistica	08. – 10 February 2023	Berlin	Fair of fresh fruit and vegetables: trade, storage, packaging, distribution, marketing, purchasing, organic products
BIOFACH	14 - 17 February 2023	Nuremberg	World's Leading Trade Fair for Organic Food
Anuga	07. - 11. October 2023	Cologne	World's leading food fair for the retail trade and the food service and catering market

# GERMANY : Blueberry Industry

# Market Size and Growth



## Market Overview

- In Germany the food industry is the fourth largest industrial sector with more than 6,000 companies – 90 percent of companies in the industry are small and medium-sized.
- The most important import goods include milk and dairy products, meat and fish, and processed fruit and vegetables.
- Defying the weak overall economic trend, the food industry again proved its capabilities in 2019, increasing its sales by 3.2 percent to 185.3 billion euros.
- With around 170,000 products, the range of food on offer is higher quality, safer and more varied than ever before. And the demands of consumers are constantly increasing.

Source: BVE e.V. ([Link](#)), Statista 2020



YoY % of Growth

+5.1%



Demographics

over 600,000 employees



Import/export stats

33% export quota

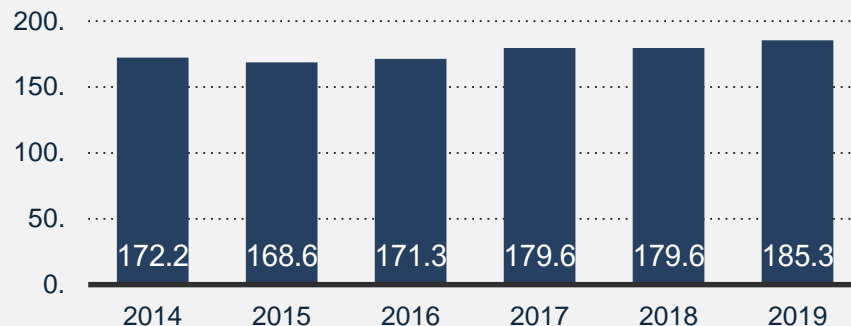


Growth forecast

n/a

*Revenue in the German food industry from 2014 to 2019*

Revenue in billion €



Germany had a total import value of €241m in 2021, down €90m from the previous year due to the COVID-19 pandemic. German Exports of Blueberries totaled €44.6m in 2021.

133k

2019  
European  
Blueberry  
import **Value**

41%

Percent  
European  
Blueberry  
Import  
**Value**  
**Growth**

Germany provides the market with the most potential for blueberries - evidenced by its high and fast-growing volume. Germany overtook the United Kingdom in import volume with 61,000 tons in 2019, with German growers adding another 15,000 tons to the import total.

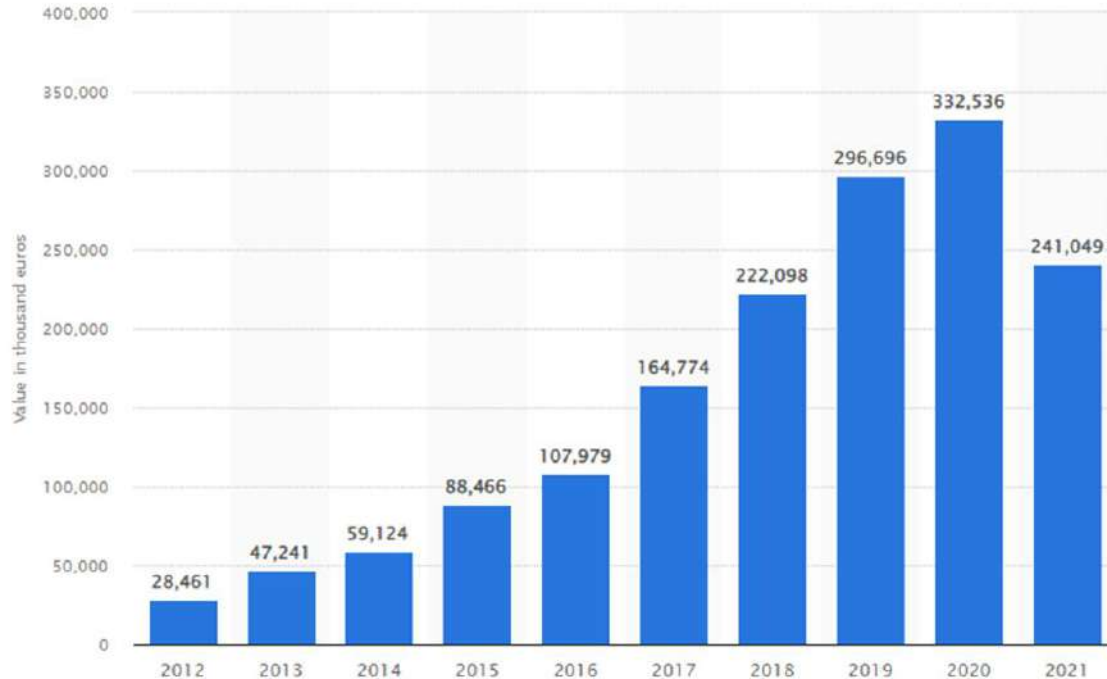
Most blueberries in Germany come from either Spain or are grown locally, this is due to consumers' preference to have **locally sourced and sustainable berries**. Germany is also a price-conscious market however and may drive consumers to source berries from **more economic sources** – providing an opportunity for International entrants to the market.

Germany is also the largest market in Europe for frozen berries, with a 17% share in the European market.

## Landscape

Germany and the United Kingdom are the two largest markets for Blueberries in Europe, with Germany importing 61,000 tons of Blueberries in 2019 – which was up from 43,000 the previous year. Germany produced only 14,800 tons of Blueberries showing that the **market is import reliant** which will provide an opportunity for international supply.

## Value of blueberry imports into Germany from 2012 to 2021



- Germany had seen continuous growth from 2012-2021, with an increase of over €212m. This shows that the market for Blueberries is growing rapidly and the need for a higher supply is evident to meet the growing consumption by consumers.
- Although there is a drop of around €90m from 2020-2021 it is predicted the market will recover rapidly with the drop being attributed to the Covid-19 pandemic.

# Import Data

## Certification is as important as the product itself

- Significant supplies in Europe come from Chile, Peru, and Morocco. However, counter-seasonal options have been increasing from growers in Spain, Poland, Ukraine, and Serbia. This creates significant competition for potential Georgian companies.
- Current demand for blueberries is increasing, but the sub-sector growing the most is “high quality” blueberries. This should be a focus for Georgian companies as simply supplying commodity blueberries is not enough.
- Most German blueberries are produced locally and are often organically certified – this is important for consumer preferences.
- Georgian producers should put extra effort into the following product documentation and certification.
- German customers are also wary of using pesticides on their produce, so alternatives such as natural or integrated pest management should be used.



# Packaging Trends

- German consumers frequently choose environmentally-friendly foods and packaging over others.
- Less plastic – many German grocery stores have committed to reducing their packaging by 2025
- Ready-to-eat/Grab and Go containers – snack packs in small sizes
- Large certifications on the cover



# Consumption of Blueberries in Germany

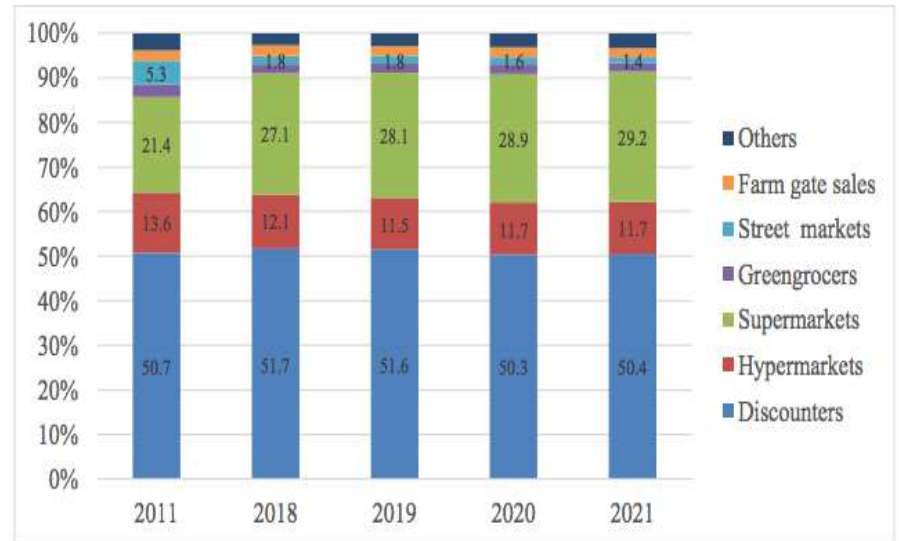
- In 2018 (latest available data), German households spent **€28.45 per month** on fruit. In 2021, Germany was the **7th** largest producer of fresh fruit in the European Union and **the largest fruit consumer**.
- During the 2020/2021 period, Germans consumed approximately 8.8 million MT of fruit, including frozen and canned fruit with the majority of fresh fruit.
- Blueberries in Europe have become popular as a healthy and easy-to-snack fruit.
- Figures from the Federal Information Centre for Agriculture (BZL) found that every German citizen consumed around **five kilograms** of bush berries in 2020, with **raspberries and blueberries being most popular**.
- Most blueberries in the German market come from Spain and Germany itself (in the area of the Bayerischer Wald and Oberpfalz)

# Consumer Behavior: Purchasing

As seen on a volume basis, roughly **50 %** of fresh fruit sold in Germany is being sold at discount grocers. While other 'traditional' food retailers have a market share of 41%; street markets, greengrocers, and farm gate sales together only account for 5.3% of fresh fruit sales.

When it comes to consumers, the overall message is that people want more **sustainable**, and more **affordable** fresh fruits and vegetables.

Percent of Fresh Fruit Purchases by Retail Outlet Type and Year



# Market Buying Patterns

## Preference for local seasonal products

- There is a growing preference for **local produce** in Europe. When products are available from local sources, you could have more difficulties getting your product on German shelves unless you have a significant competitive advantage, for example, **price or a superior variety**.
- Consumers are becoming more **conscious about seasonality** and there is a common conception that fruit from local growers is more sustainable. The preference for local products can pose a **risk for Georgian exporters**.
- The competition of German producers is strong during specific seasons i.e. the main harvest takes place from the beginning of July to the beginning of August. Normally, the main German crop is marketed until **mid-October**.
- However, currently a significant part of blueberry demand is still met by imports. As a non-European supplier, the **best chances are during the off-season periods**. Adverse weather and increases in production costs also offer opportunities to Georgia exporters.

# Economic, Social, Technological & Environmental factors



**Social and health market drivers:** In Germany, consumers are health conscious and the demand for blueberries can be attributed to consumers who are looking for healthy foods. Linked to this health trend is the importance of product quality and product safety, with certification high on consumers and buyers agenda. Blueberries marketed as “organic”, and additive-/preservative-free” feature strongly.



**Technological market drivers:** Innovation will continue to be crucial for manufacturers in order to stay ahead of the competition. The industry is innovating with new packages. Further, online food shopping is continuing to grow, in conjunction with the importance of social media in communicating new products, ideas for recipes and flavor combinations.



**Economic market drivers:** Germany is a very price sensitive market, and both consumers and retailers are looking for top quality at a discount price. Cost and value for money is a significant driver of consumption in German and often trumps other drivers and consumer values.

**Environmental Factors:** German consumers are particularly environmentally conscious in terms of recycling and disposal of packaging.

# German Business Culture



- German business people are **experienced** in conducting international business
- German business culture is marked by **organisation, planning and perfectionism**
- Evident characteristic of **uncertainty avoidance** across the German business culture
- **Management** style especially in family-owned SME's (99.5% of all German companies) has a reputation for being **risk-averse**
- Germany has a culture that likes **task-orientation, forward-thinking** and is very **process-driven** and **detailed**, with each aspect of a project being examined in great detail

# The German Business Culture-Communication

- Germany is one of the so-called "**low-context**" cultures. All details are transmitted **explicitly**
- **Written business** communication, both to **back up decisions** and to **maintain a record** of decisions and discussions
- German business people prefer **contracts and written agreements** of all types
- Germans are **reserved and direct** at the same time – very straightforward without “window dressing”
- It may ease business decisions with German business partners if one can **reduce the perceived risk** and uncertainty for them in embracing these points

# The German Business Culture- Influencing

- German business executives might **not easily recognise** and respond to **verbal subtleties**  
(indirect hints, messages 'between the lines')
- **Concentrating** much more **on the actual business**, and less on formalities and rituals  
(e.g. gift-giving )
- Business relations are **very formal**, and they reflect German values of **order, privacy and punctuality**
- Follow the established **protocol** and respect the **formality** of communication style
- Germans **do not need a personal relationship** to do business; work and personal lives are rigidly divided

# The German Business Culture - Negotiating

- A **strict vertical hierarchy** is established & respected
- Decision-making is held **at the top**
- Meetings without an **agenda** are a rare event
- Serve a German business partners' **central idea**, aiming their preparation toward a comprehensive/governing **concept**
- During negotiations, the German businessman likes to go over **all the details** → need for preparation
- It is highly unusual to get into an oral contract. German business people prefer all the terms & agreements **written and signed into a legal format**.

# There are a number of regulations to be aware of when seeking to export to the European Union

The European Union, through its various institutions, such as the European Parliament and Commission, typically drafts and implement minimum standards regulation on behalf of all member states in an attempt to alleviate trade frictions.

However, it is important to recognize that **each country** is free to draft **more stringent legislation, should they wish to do so.**

Generally speaking, there are several forms of regulatory barriers that companies need to be aware of, when exporting food related produce into Europe, this includes:

- **Packaging and labelling legislation**
- **Mandatory regulations**
- **Tariffs and other related barriers**
- **Other additional, non-mandatory certifications**

However, we would encourage prospective exporters to look at the **relevant regulatory bodies and legislation at a national level, in order to ensure compliance.**

# When exporting to the EU, Georgian exporters must conform to EU Food labelling and packaging requirements

## Labeling Requirements

Nuts and other related products that are being exported to the EU must conform to their food labeling requirements.

This including various aspects, such as:

- ✧ font-size **standards**, and **language**
- ✧ identification of **genetically modified ingredients** and relevant **nutrition information**.

Moreover, labels must not be misleading and display, at a minimum:

- ✧ **Country of origin** and manufacturers information
- ✧ **Specifications** and **description**
- ✧ Weight, volume, quantity or other **dimensions**
- ✧ **Ingredients** and nutritional composition
- ✧ Relevant hazard **warnings**, such as allergen information
- ✧ Best before, use by and sell by **dates**
- ✧ Cooking and storage **instructions**
- ✧ Indication of **substitute ingredient** for 'imitation' foods
- ✧ Indication of **defrosted or preserved** products.

## Packaging Requirements

Georgian companies that are exporting foodstuffs to the EU must make sure that packaging complies with EU requirements for **food contact materials**.

EU regulation requires that materials and articles intended to come into contact with foodstuffs (e.g. packaging materials etc.) must be **safe** and must be manufactured so that they are both **recyclable** and **do not transfer their constituents to food**. They must also **appropriately protect the integrity of the foodstuffs themselves** from **contamination** from outside sources and from **potential damage** during transportation or handling.

With respect to Fresh Fruit and Berries, the EU implements a strict standard for packaging and labelling, which is aligned with the United Nations Food and Agriculture Organisation. This is known as the Recommended International Code of Practice for Packaging and Transport of Tropical Fresh Fruits and Vegetables (CAC/RCP/ 44-1995).

# There are some Tariff Barriers applied to berry imports to the EU

As previously mentioned, the **European Union** determines **general legislation** on **behalf of all of its members**, which includes Germany.

A key element of the **EUs International Trade Regulation** is **protectionism**. This is where the **Bloc imposes tariffs** and other related **trade restrictions** on foreign importers in an attempt to protect domestic industries.

The **tariffs** themselves typically take the form of **ad valorem tariffs**, however **specific nominal tariffs** and other import controls, such as **quotas, licences and documentation** can also come into effect.

With respect to **importing various berries**, such as **blueberries**, the **EU does impose a 9.6% tariff or duty**, which is **applicable for “third countries”**. However, as **Georgia** falls within **The Deep and Comprehensive Free Trade Area (DCFTA)** with the European Union, it actually receives **preferential tariff treatment**, hence there are currently **no tariff barriers** in place pertaining to the **trade of blueberries** between the **EU and Georgia**.

For more information on tariff lines, please see [here](#).

# There are a number of additional non-tariff barriers namely regulations that are in place, that must be considered...



## Food Safety

The **General Food Law Regulation** ([EC No178/2002](#)) sets out the **overarching** and coherent **framework** pertaining to **general food hygiene and safety** in the EU. The legislation covers a wide variety of topics, from **minimum standards** to **maximum levels of substances** that can be used in food. This is **regulated and enforced** in conjunction by the [European Food Safety Authority](#).



## Special Requirements

A significant number of **fruit and vegetables originating outside the EU**, including berries, are **subject to special requirements or treatment**. In this instance, fruit and vegetables may have to **undergo inspections, treatments or have accompanying declarations** stating that there are **no pests, soil or chemical residue present** on the goods. More information on special requirements can be found [here](#).



## Traceability and Responsibility

Food Traceability is **regulated** somewhat under the EUs **General Food Law**, however, as it becomes **more important**, it is almost now treated separately. The **laws themselves mandate traceability and transparency throughout the entire supply chain**. With respect to fresh fruit, traceability, particularly within the “**cold chain**”, is required to ensure they are **suitable for consumption**.



## Phytosanitary requirements

**EU import requirements** with respect to **Phytosanitary certification** of Plants and other Foods of Plant Origin, are laid out in the **Directive 2000/29/EC**. **outside the EU**. In the case of **most fruit and vegetables**, a **Phytosanitary certificate is needed** to ensure the plants health, and to reduce the spread of harmful organisms. More information can be found [here](#) and [here](#)

# In addition to the mandatory regulations imposed by the EU, there are some voluntary accreditations that suppliers may wish to obtain...

## EU-Eco Labels



The EU Eco-Label is a **voluntary label** that **demonstrates environmental excellence**. The label itself can be **affixed to goods**, and **guaranteeing and conveying to consumers** that the producer has had a **low environmental impact**. In order to obtain this, producers must meet **high environmental standards throughout the supply chain**, from farming, to harvesting, through to processing and distribution.

## Certified Organic



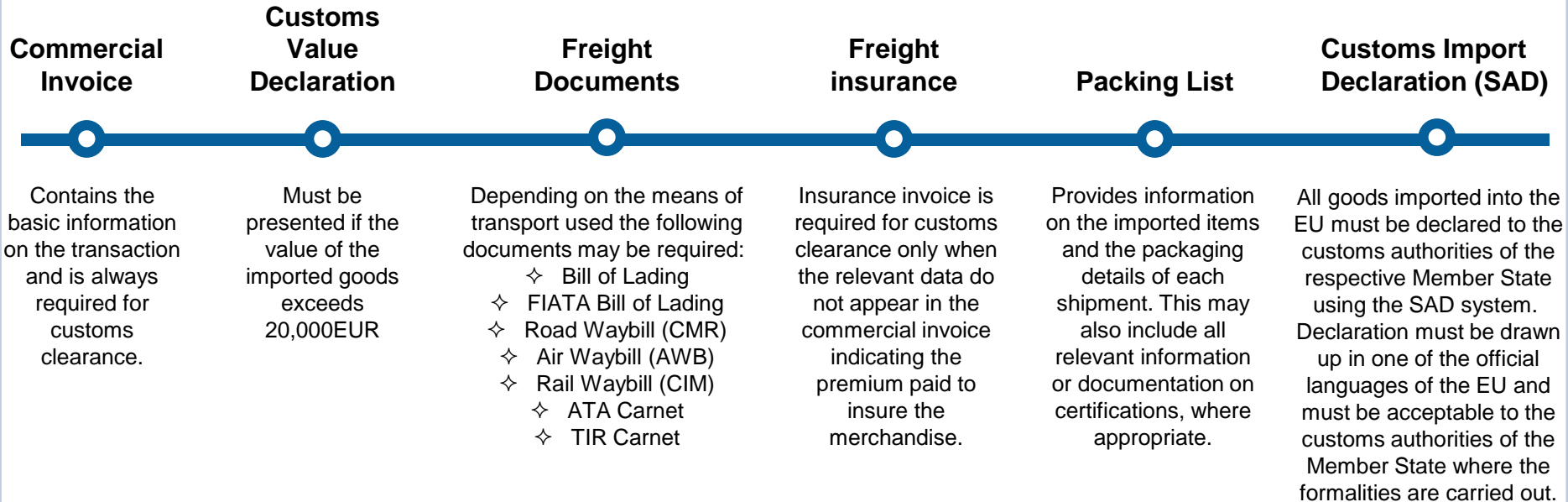
Organic Certification is another **voluntary logo** that producers can obtain in order to **signal to prospective consumers** that their goods are **all natural** and that they **have maintained very high standards**, from production, through to processing, transportation and storage. These labels typically **command a price premium**, and in some instances, **buyers are now expecting suppliers to have such accreditations**.

## Other Standards



There is a wide range of **other voluntary accreditations** or standards that suppliers can meet or obtain, for example, the **International Featured Standards** for food safety, the *Global GAP* which regulates agricultural practices, the **Sedex Members Ethical Trade Audit**, which focuses on working conditions, The **Rainforest Alliance** and **Fairtrade**, which focus on the environment and sustainability, among others.

# As Georgia is not a member of the European Union, certain documentation must accompany all products passing through customs into the bloc, including...



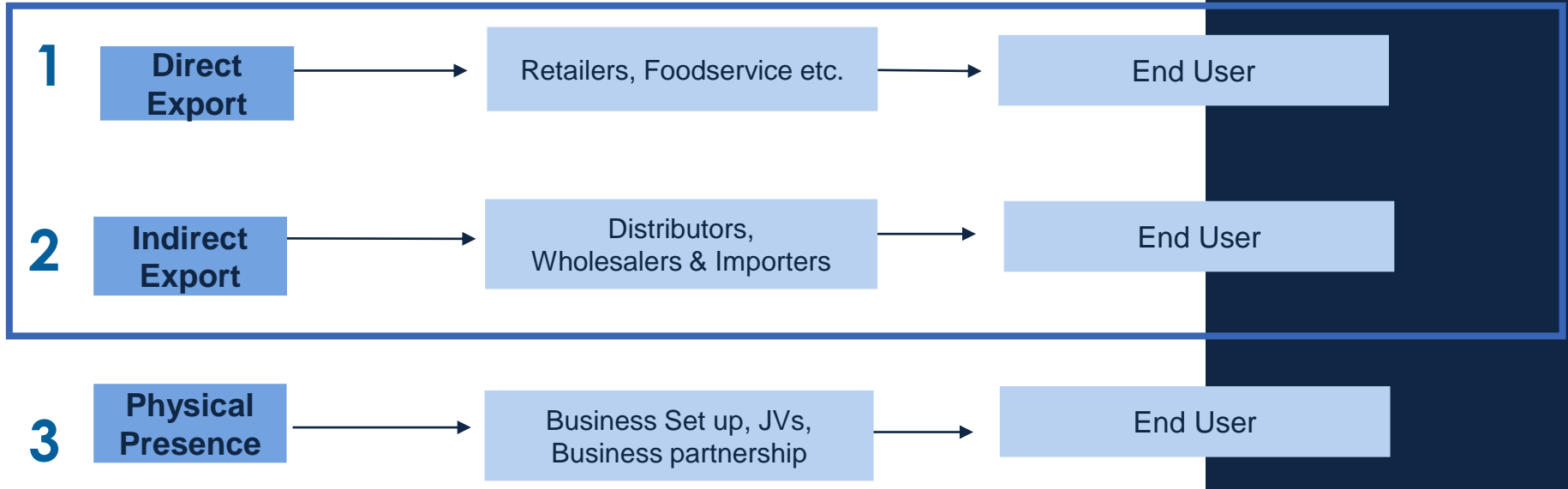
# Opportunities

- **Convenience** is growing in Germany. Easy to grab and go such **as snack packages** are especially popular among retailers. Companies that can package their blueberries in a variety of sizes and styles will have an advantage.
- Consumers in Europe are becoming more aware of a healthy diet. This includes a focus on **organic and vegan products**. If blueberry growers can certify their products and highlight these, they will have an advantage.
- Low availability of fresh berries in Germany during the winter season (November–March) offers most opportunities for berry producers in developing countries to import their products in Germany.
- Worker shortages in Germany as well as frost damage to the crops, resulted in a smaller harvest of local German blueberries in recent years. This creates more **need for foreign companies** to import their blueberries.



# Routes to Market

There are typically 3 routes to grow in the German market:



In order to enter the German market, building brand recognition in-market by targeting distributors/ wholesalers and end-users (retailers/ supermarkets) is recommended. Gaining access to the end user buyer can be difficult as access is often built on relationships. Thus, utilizing good distributor/ importer networks may help break down these barriers and create a steppingstone for growth.

# Direct Export

## Direct to End User

The direct to end-user (e.g. retail/ supermarket) route to market is one where sales are driven entirely in the domestic market directly to key buyers in target retailers. The German retail landscape is saturated and highly consolidated, with four large food retail groups controlling 60% of the market. According to Statista, the Edeka Group was the leader on the German food retail market with a 27% share in 2021. The Rewe Group and Schwarz Group (Lidl & Kaufland) followed. Further, as previously mentioned when it comes to fresh fruit sales, around 50%, take place in the discounter supermarkets.

This route does allow for greater control of sales and marketing/ branding activity, as it does not rely on a third-party partner to represent the company. However, in order to build effective brand awareness, attendance at trade shows and undertaking frequent missions would be recommended.

PROS	CONS
<ul style="list-style-type: none"><li>• Absolute control over sales and marketing activities (depending on retailer approval)</li><li>• Greater margin as no commission or fees to third parties (but still margins to retailers)</li></ul>	<ul style="list-style-type: none"><li>• Gaining access to retailers/ supermarkets can be difficult without a solid referral from wholesale partner.</li><li>• No in-market presence so harder to respond to changing trends.</li><li>• Required to build own network and (potentially) organise own warehousing</li><li>• Learning curve to understand new culture</li><li>• Travel and time costs for senior staff to build brand awareness</li></ul>

## End Users by Type



### Multiple Retailers

Major, discount, convenience and conventional retailers are the basic community grocery stores or supermarkets offering a range of food items. These maintain low profit margins, relying on large sales volume to earn a profit.



### Specialty Retailers

These retailers specialise in specific offerings for specific target consumer. For example, an organic food shop that provides solely organic food for its customers. This type of retailer also extends to cover farm shops, food halls and high end retailers.



### Online Retailers

Hitting the market over the past decade, brick and mortar stores started to have their own online stores. Other than that, there are online only Retailers. These stores have shown high demand especially since the global pandemic.



### Foodservice Industry

Germany is one of the EU's top foodservice markets. In 2019, (pre pandemic) German foodservice sales increased by 3.1% to US\$99.5 billion, with all three major market segments—hotel, restaurant and catering/institutional—enjoying increased sales. Key trends include sustainability, regional produce, convenience, health and wellness, and ethnic cuisines.

## Examples of end users in the German market

### Multiple Retailers



### Specialist Retailers



### Online Retailers



### Foodservice Companies



# Indirect Export

## Via Distributor or Importer

German retailers typically only import fresh fruits and vegetables in very large volumes. Therefore, importers and distributors play a central role in the distribution of blueberries. They are familiar with all the different requirements of end clients and can distribute to different markets. As a new entrant, very often you would need to offer the same quality but possibly better prices than your competitors, at the start of the relationship.

This route to market offers many benefits for initial market entry. This route essentially allows in-market representation without the costs or risk associated with Investment. A key potential benefit of partners is the ability to support customers on the ground in their own time zones, resulting in greater customer satisfaction. However, it does come with its challenges such as exclusivity agreements and the reliance on a third party to offer continuity on branding and sales and marketing.

PROS	CONS
<ul style="list-style-type: none"><li>▪ Can provide access to new markets/ customers and key buyers in retailers/ supermarkets</li><li>▪ Cover multiple target industries</li><li>▪ Complementary product lines offer greater opportunities for system or bundling strategies</li><li>▪ Can advise on changing trends on products and packaging</li><li>▪ Potential warehousing partner to reduce lead time to retailer</li><li>▪ Partner on the ground proactively selling products</li><li>▪ Country cultural alignment</li></ul>	<ul style="list-style-type: none"><li>• Commission fees</li><li>• Less control of sales and marketing/ branding activities than direct sales</li></ul>

## Examples of potential partners in the German market



Global Fruit Point import and distribute fruit from all over the world with a strong focus on overseas produce. Global Fruit Point can also fulfill all packaging requirements and act as a partner for logistic issues.

[www.frupo.de](http://www.frupo.de)



Zerres & Co is a German based company specialised in international import, trade, services and consulting in the field of fresh fruit and vegetables.

[www.zerresfruitpartners.com](http://www.zerresfruitpartners.com)



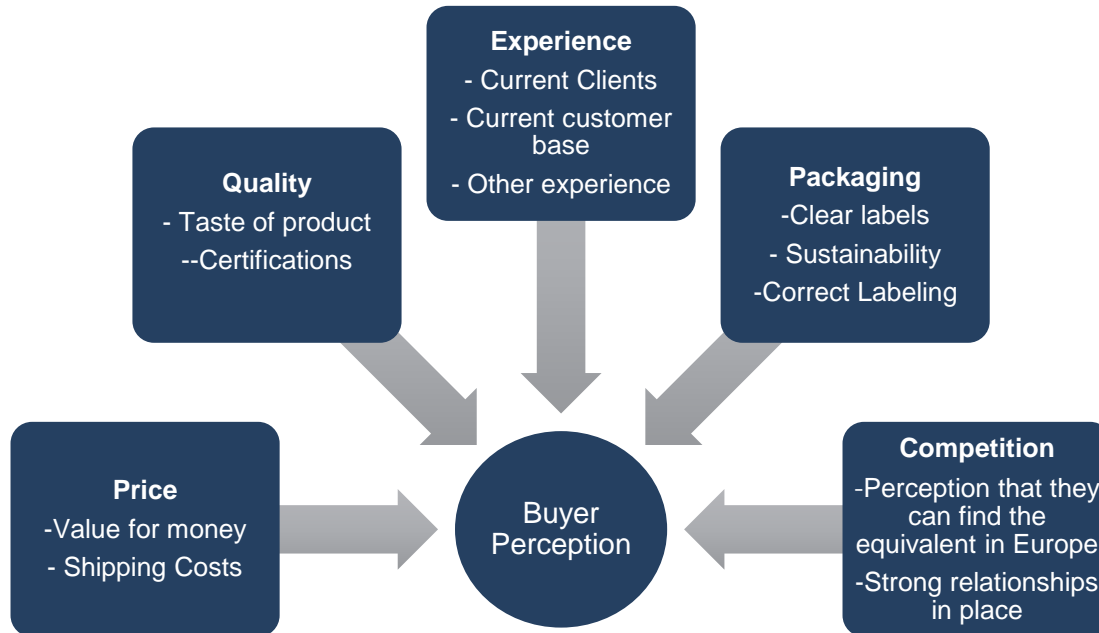
**ANTON  
DÜRBECK**

Founded in 1986, Anton Dürbeck is a medium-sized fruit importing company based in Germany that currently import blueberries from Chile. Anton Dürbeck offer a range of services including storage and cooling facilities.

[www.duerbeck.com](http://www.duerbeck.com)

# Finding Buyers in Germany

German buyers are often very price sensitive. Consequently, price is an important competitive factor, but quality, timely delivery and service remain equally important. The following diagram details some of the key factors that will influence buyers.



# Tips for Finding a Buyer

## 1 Define your offer

Before engaging with buyers, it is important to define the product you are offering. This includes factors such as product description, exact quality, quantity, relevant technology, certificates, prices and delivery terms. Secondly, your USP (unique selling proposition) this show your buyers why your offer is unique and different from your competition

## 2 Understand the Buyer

Consider factors such as market growth, level of competition, common buyer requirements, legal requirements, price competitiveness and trends influencing demand

## 3 Find the best Fit

Buyers of blueberries can be classified into several categories. E.g. those that trade with a range of products or specialised importers/ distributors of fresh fruit

## 4 Help Buyers find you

Make sure your website and social channels are active.

## 5 Attend Industry Events

Visit trade fairs such as Fruit Logistica, Biofach, Anuga, and ISM Cologne to raise your profile in the German Market and build connections for long term growth.

# Product Price Points

## Price still remains a barrier to consumption

- Germany, having one of the largest economies in Europe, is wealthy both in terms of GDP and the average personal income.
- Average food prices in Germany are significantly higher than in Georgia for practically all food products. According to Eurostat the prices of fresh fruit and vegetables in Germany are 15% above the European average.
- However, many Germans are still concerned with price and value for money. As previously mentioned, German consumer typically purchase their fruit from discount retailers.

# Pricing by Market Segment

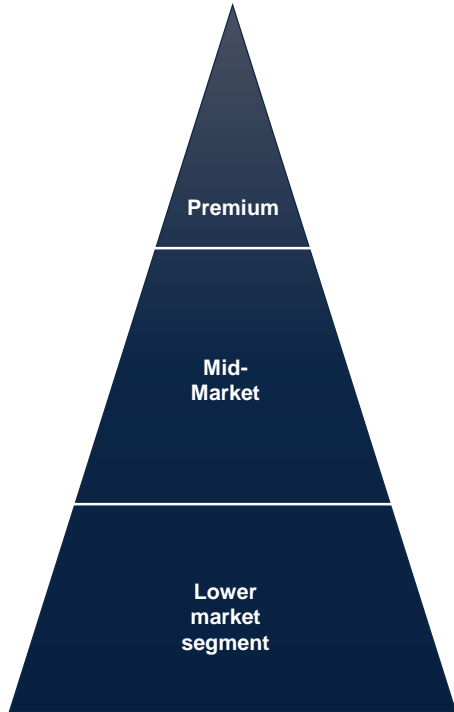
## INDICATION OF PRICE RANGES AND MARKET SEGMENTS

Before setting a price you will need to determine who your target customer is for example, there will be major price differences between those in lower market segment vs. the premium market as explained below:

**Premium:** Premium quality and additional standards from processing to consumer packaging.  
Main sales channel: Specialist retail

**Mainstream retail:** Good quality and standard retail requirements.  
Main sales channel: General Retailers/Supermarket

**Bulk product for the food industry:**  
Average to good quality for use as food ingredient  
Main sales channel: Foodservice



# Pricing



- Blueberries are refrigerated in the fresh fruit and vegetable Aisles in German supermarkets, with popular products including both blueberries and raspberries. The rise of breakfast and brunch foods that include berries may further fuel popularity in the segment.
- In the segment there is both organic and non-organic products, with organic products commanding a slightly higher price. Organic products have the higher price point due to the consumer's perception of the quality difference.

## Pricing - Berries



### Blueberries

Price - €2.19

Size – 200g



### Organic Blueberries

Price - €3.19

Size – 300g



### Frozen Blueberries

Price - €2.99

Size - 500g

- Blueberries are mostly sold under the supermarkets own brand in Germany. This would mean that providing berries for white label products may be a potential opportunity.
- Blueberries come standard, organic & frozen and the price is dependent upon this.
- Organic blueberries which aren't supermarket brands command a price which is 54% higher than standard.

# Example Pricing Blueberries (Retail)

**Retailer:** Amazon Fresh  
Germany

**Brand:** SanLucar

**Product:** SanLucar XXL  
Heidelbeere, 130 g, Peru

**Price:** €3.50 (€26.92 / kg)



**Retailer:** REWE

**Brand:** REWE

**Product:** Blueberries, 200g

**Price:** €2.39 (€11.95 / kg)



**Retailer:** Aldi Nord

**Brand:** Class 1; Peru, Republic of  
South Africa, Zimbabwe

**Product:** Cultivated blueberries, 200g

**Price:** €1.49 (€7.45 per kg)



# Blueberries Prices

Blueberry's trade price is determined according to **availability, market demand, season, origin and quality.**

At the **low-end** bulk wholesale prices are typically €6 to €7 euros, up to €11 to €15 euros in a good market for 12 x 125 g packages (1.5 kg). This price excludes importer commission fees and handling costs.

**Retail prices** are usually between **€12 and €24 per kilo**. With **premium or organic** blueberries sometimes sold for more than **€24/kg**.

# There are some key considerations when thinking about setting a price and working out margins

## Trading Terms

- When does the retailer or distributor assume ownership of the product?
- **Logistics** - Do they collect from you? Do you deliver to them? Do you have to pay for storage at their 3rd party storage? Do they operate timed deliveries with penalties?
- What promotional support do they expect in the year ahead from you?
- Are you being asked to fix the price for a term?

## Setting a Price

- Actual cost of finished product to you including any changes to packaging, labelling etc for this product
- Cost of any testing for the product .
- Logistics, delivery insurance
- Marketing
- What will your margin be? What does the retailer expect?

# Setting an 'RRP' is a key element to enter the German market and will form an important part of discussions with buyers and distributors

**R**ecommended  
**R**etail  
**P**rice

A RRP is the price sellers suggest the reseller should sell the item in question for.

It's important to clarify that the manufacturer's suggested retail price is NOT the following:

- It's not the minimum price you're allowed to ask for a product
- It's not the true cost of manufacturing of the item

Manufacturers research what the best recommended retail price should be, because they want the item to perform well in the market. They already calculate mark-ups into the RRP's, keeping in mind that any sale must benefit the reseller in order to give them a reason to act as distributor and keep on ordering more stock.

# The Pricing Roadmap



## Raw Material

In pricing a product (local or abroad) we first use the cost of manufacturing the product



## Certification

You will need to add the costs of acquiring the certification to the price



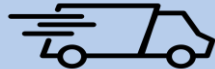
## Taxes & Duties

These include tariffs, customs fees, currency fluctuation, transaction costs (including shipping), and sales tax.



## Margin

Intended profit margin is then added to the total pricing



## Transport

This includes the transportation of goods to fulfilment centres and shipment to consumer



## Modification

This includes any costs spent to modify products for the market



## Packaging

Costs needed for changing packaging to fit local consumers



Final price is then compared to competitors pricing and adjusted accordingly

# Georgia exporters have a number of options to transport goods from Georgia to Germany

The best transport mode will depend on a number of factors including **cost-effectiveness** of transportation, **availability** and **frequency** of transportation mode, **type of product**, **shelf life** and well as the **customers demand** and requested **timeline for delivery**.

Many exporters have used multiple transportation modes to deliver their good to a market. **Multimodal** combines the best features of all modes and multiple uses.



## Air

The major cargo airport in Germany is Frankfurt/Main airport who saw the largest amount of cargo transported in 2021, at around 2.27 million tons. Followed by Leipzig/Halle and then Cologne/Bonn airport.

It is the **costliest** transport method available and is not ideal for transporting in bulk.



## Sea

Key Ports Germany include Hamburg, Duisburg and the port of Bremerhaven.

**Less expensive than air** and plays a major role, with specialized vessels such as **refrigerated cargo**. Typically the **slowest** method of transportation.



## Road

This route is highly **flexible**, **low cost**, and is best for bulk and finished goods. However, there are size and weight restrictions and can be affected by **weather**, **road conditions** and **traffic**.



## Rail

This route has **limited flexibility**. This is the **best for bulk and finished goods**. Rail can carry **larger volumes** over greater distances.

## Due to their geographic nature, shipments by sea and air are the common methods of shipping between Georgia & Germany

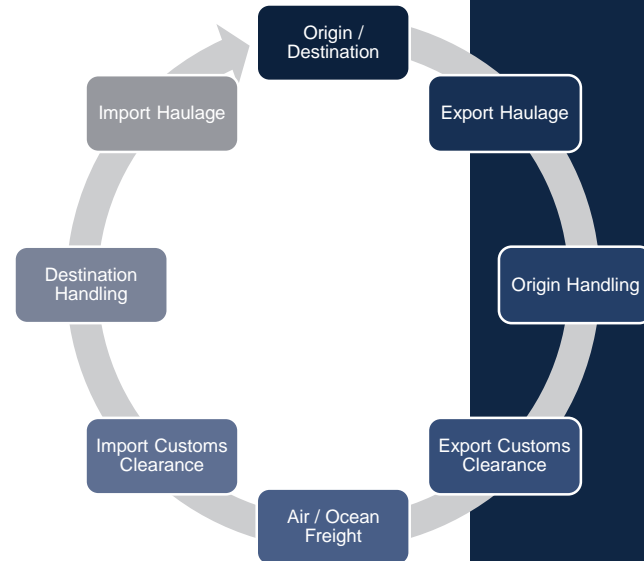
### When thinking about logistics:

- Are you flexible on quantities? Do you have an approach to minimum orders, shared logistics, or mixed pallets?
- What certification is required to export to that country
- What is the customs process?



# Logistics: The Process in Practice

1. Export Haulage  
Relates to the movement of cargo from the exporter to the freight forwarders premises.
2. Export Customs Clearance  
Prior to shipments leaving a country, customs clearance is required in order to ensure products meet the appropriate regulatory requirements and have the correct documentation. This step typically occurs before the cargo enters the forwarders origin warehouse.
3. Origin Handling  
Origin Handling encompasses all physical handling and inspection of the cargo from when it first arrives at the origin warehouse and until it is transported and loaded into containers.
4. Freight  
Refers to air and sea transportation from the country of origin to its destination country.
5. Import Customs Clearance  
A declaration of the products entering the country, which enables the appropriate authorities to levy the relevant customs duties on the shipment.
6. Destination Handling  
Transfer of the container from the destinations port to the forwarders warehouse.
7. Import Haulage  
Includes the actual delivery of the cargo.



# Competitor Profile

## Oxford



The world's largest supplier of blueberries, located in Nova Scotia, Canada. They focus on wild blueberries which have **more taste and twice the antioxidants.**

Oxford manages 9,713 acres of blueberry farms, making it the largest fruit farm in the world. With 8 processing facilities, they process 6 million pounds of blueberries per day.

Besides fresh blueberries, Oxford also specializes in frozen blueberries.



### Key Selling Points:

- Using micro-climates of East Coast to have multiple harvests of ripe fruit
- Health benefits such as cancer prevention and heart health
- Strong focus auf ESG – commitment to workers and the environment

Website: <https://oxfordwildblueberries.com/>

# Competitor Profile



Euro Berry, a Spanish company created from berry powerhouses Hortifrut and Atlantic Blue is the major supplier of berries to European markets.

Located in NL, UK, and Spain to increase European presence through efficient distribution. They supply **both wholesalers and retailers**.

Certifications include:



## Key Selling Points:

- Strong, internationally known brand selling to large retailers
- Serve customers in more than 80 countries including Germany
- Able to grow and deliver all year round through a network of growers
- Non-GMO certified
- Strong focus auf ESG – commitment to workers and the environment

Website: <https://euroberry.com/>

# Competitor Profile

## Royal



Royal is a Moroccan blueberry company with strong routes in Spain and Portugal.

With strong connections to Florida, USA, the company grows Blu Aroma, Royal Sweet, and Juanita varieties. Every year 9,500 Tons are produced.

The company has a strong focus on the environment:

- Reduces consumption of water and fertilizers
- Recycles organic materials to regenerate soil and plants



### Key Selling Points:

- Focused on science and climate
- Strong partnerships with universities to cultivate innovative genetic research
- Blueberry trade calendar ranges from October to June.
- Received funding from the EU and Spanish government to grow and improve processes