

Germany is confirmed as the premier country for Italian food exports which still presents good opportunities especially for certified, organic and premium products

by Francesca Zecca

The German market is still able to absorb a large portion of made in Italy food. It is not necessarily an obvious choice on the part of Italian producers to explore emerging countries, while the main destination for Italian food exports has further growth potential. As shown by Eurostat estimates for 2012, Italy ranks third among the countries supplying Germany, behind France and the Netherlands (respectively with a share of 8% and 19%), with sales of more than 5.8 billion Euro, an increase of 5.1%, and an overall impact on imports of 8 percent. From an analysis of the top 10 export areas, it appears that the best sellers are vegetable products, with 29%, followed by wine, a classic that is well-known and has been appreciated by the German public for some time now, which absorbs another 20 percent.

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ake way for top quality

But those which showed the best performance, with a growth trend of 16.67% in 2012 over the previous year, were the processed fruits products and, in second place, confectionery and baked products, with an increase equal to 11.67 percent. The latter trend is in sharp contrast with the market average, which marked a decrease of 0.57 percent. “The data confirm that some made in Italy products are now consolidated in the Teutonic consumer habits, such as wine – says **Alessandro Goldaniga, senior manager of Gea Management Consultants** – or vegetables, both fresh and processed, which also show how others are making inroads and gaining interesting positions with substantial growth trends. In particular, the best performing are typical, premium and organic products”. In absolute terms with regard to the main types of products, in 2012, German imports of Italian wine, which see our country lead the standings in the supplier



countries ahead of France and Spain, have developed a sales volume of over 900 million Euro, an increase of 3% over the previous year, and a trend that enhances the long term performance. If we consider, in fact, the years 2008 to 2012, the increase was 12.4 percent. It also confirms Italian leadership among the supplying countries for imports of fresh fruit (650 million Euro sales volume in 2012, an increase of 5.2% compared to 2011), preserved vegetables (304 million Euros, +6.1%), virgin olive oil (129 million Euros, -4.1%), and rice and derived products (86 million Euros, +7.1%).

record numbers for Italian organic foods

To assess the prospects of development of Italian food products on the German market, Gea is finalizing a study based on an analysis of current performance, which could provide the stimulus for producers on strategies to be undertaken. Everything will be discussed at an ad-hoc meeting between industry and trade operators scheduled for 2014. “The German market is particularly competitive in terms of prices – points out Goldaniga – a factor accentuated by a polarization between high-quality retail and discount stores and a private label positioned at the lower end of the market”. This context presents good opportunities for quality Italian food products, which can carve out an interesting slice of the market.

Among the expanding sectors, a real boom is currently being registered by Italian organic products in Germany, as is also evidenced by the performance of niche products such as Ribera oranges and Grana Padano Terra nostra (see box at right). “Our organic products enjoy an excellent reputation among German consumers – emphasizes **Luigi Consiglio, president of Gea management consultants** – and still have good prospects for development, especially for some key products such as fruit and vegetables, wine and oil”. Germany, the premier organic market in Europe, imports 90% of fruits and vegetables, except for potatoes. ICE (Italian trade commission) has estimated that on the medium term, the German market for Italian organic exports will reach a value of 13 billion Euros. Traditional retail trade will cover about 10.5 billion Euros, equal to 80% of the total, with a potential for market growth equal to 120 percent.

Ribera Oranges

a Dop product ideal for export

A small organization in the panorama of Italian citrus fruits that has been able to earn a position internationally in the fruit and vegetable market. Ribera oranges, of excellent quality and medium-large size, with a double certification of organic production and protected designation of origin (Dop), have won over new Italian and European markets with incisive promotional actions. And Germany is the flagship as the first country in terms of volume of oranges exported. This is where Ribera citrus has achieved its own identity, thanks to work conducted both by the producers (distributed throughout a citrus growing area that includes 14 municipalities in Agrigento and in part in Palermo), and by the trade operators who have learned to appreciate the product. In particular, the protected designation of origin has allowed the consortium to access the benefits of promotional policies on quality brands of the Sicilian Region and the Ministry of Agricultural, with greater visibility through advertising and promotion initiatives, arousing the interest of trade and consumers.



Organic Grana Padano

takes off in Germany

A successful case history that shows how Italian companies can find out development opportunities for their quality niche products. It's the case history of Organic Grana Padano from Piacenza, which earlier this year landed on the shelves of German supermarkets. A specific brand was created (Terra nostra) and the product is delivered directly from the manufacturers. A share of 65% of the total volume produced by the companies in Piacenza that are involved in the project is intended for the German and Swiss markets. In total, there are 18 companies in Piacenza producing organic milk: using about 5 tons of organic milk, eight forms of Grana Padano are produced per day for a total of 2,920 per year. The initiative aims specifically to protect agricultural companies and to enhance production in the high hills and mountains of Piacenza.



products with the largest share of export

Wines and fermented products	13%
Fresh fruit (excluding citrus fruits)	10%
Vegetables and legumes	5%
Cheese	5%
Canned tomato products	3%
Juices	2%
Partially processed, fresh, chilled and frozen meat	2%
Olive oil	2%
Coffee	4%
Processed or canned fruit	2%
Other products	54%

Year 2012 - Source: Elaboration by Gea on Istat data

products with the greatest variation

Frozen seafood (shellfish and molluscs)	+194.33%
Liquid milk	+140.73%
Coffee, tea and spices	+71.88%
Durum wheat flour	+61.90%
Prepared beef	+44.24%
Confectionery products	+41.50%
Ham	+41.43%
Carbonated drinks	+34.97%
Dried fruits	+23.12%
Fruit juices	+23.05%

Variations 2012 vs. 2011 - Source: Elaboration by Gea on Istat data

market areas with the greatest share of exports

Vegetable products	26%
Wine industry	18%
Dairy industry	7%
Pasta industry	6%
Confectionery and baked products	6%
Processed vegetables	5%
Processed meats	5%
Processed fruit	5%
Livestock products	5%
Other food industries	5%

Year 2012 - Source: Elaboration by Gea on Istat data

market areas with the greatest variation

Processed fruit	+16.67%
Confectionery and baked products	+11.67%
Milling industry	+11.09%
Rice industry	+7.86%
Production of mineral and carbonated water	+7.70%
Pasta industry	+7.63%
Manufacture of prepared meats	+5.77%
Wine industry	+4.37%
Coffee industry	+3.93%
Processed vegetables	+3.01%

Variations 2012 vs. 2011 - Source: Elaboration by Gea on Istat data

the most promising channels for Italian food

With regards to channels, which ones are able to enhance made in Italy products? “Surely the German high quality national chains, department stores and Horeca – answers Consiglio –. In these areas, the products that can gain appeal are the top quality ones, the typical products and all those with a high content of differentiation, which are able to express a competitive advantage”. But to further establish made in Italy quality, it is appropriate to increase the educational activities on the value of the products, their intrinsic characteristics and on how to prepare them. This is why the role of Horeca and the promotional initiatives in stores that provide tastings and cooking demonstrations are of great importance.

