

Prepared by the New Zealand Embassy in Berlin.

Rāpopoto – Summary

- Germany is Europe's largest importer of fresh fruit and vegetables, a market worth more than NZD250 million for New Zealand exporters of apples, kiwifruit, onions, and squash.
- Demand and prices have increased over the past 2 years. German consumers are eating fresh fruit and vegetables more regularly, with a preference for locally grown/seasonal products.
- Prospects for our kiwifruit, some apple varieties, and niche products such as squash look promising. Shipping times constrain opportunities for avocados or blueberries.

Pūrongo – Report

As New Zealand's horticulture sector continues to grow, so too does German demand for fresh fruit and vegetables. Germany is Europe's largest importer of fresh fruit and vegetables with a self-sufficiency rate of only 36% for vegetables and 22% for fruit.

New Zealand's fresh fruit and vegetables exports to Germany – trends

Kiwifruit and apples dominate our fruit and vegetables trade with Germany. Both have fluctuated over the years in volume and value, but overall the value/volume ratio has improved strongly. Last year, 35,000t of apples worth €50 million and nearly 31,000t of kiwifruit worth nearly €90 million made it to Germany, compared with a combined 74,000t worth €100 million ten years ago.* Germany has increased its own production of apples over that period but produces no kiwifruit.

Germany stands out as the lead market for New Zealand onions, our #3 fruit and vegetables export earner in this market. Whilst domestic production has increased, imports from New Zealand have fluctuated somewhat over the years (2020: 25,000 tons worth €14.5 million).

A striking newcomer is squash. Germany did not import squash from New Zealand until a few years ago. Since then squash has become our #4 export earner in Germany, with more than 560t worth nearly €1 million shipped last year. This is despite domestic production doubling over the past decade. Other, more perishable New Zealand fruit and vegetables (cherries, pears, avocados, and blueberries) have not been imported in recent years or only in very small quantities.

Market trends: Covid-19, healthy diets, local and seasonal sourcing

The COVID-19 pandemic has impacted significantly on the German market for fresh fruit and vegetables, with demand shifting from out-of-home to retail (and to less perishable products), reduced availability of seasonal workers, additional hygiene requirements, and supply chain issues triggering cost increases. In 2020, German households spent nearly 16% more year-on-year for fresh fruit and vegetables (purchased mainly at discount stores and supermarkets), driven by higher prices for most fruit and more demand for vegetables. Turnover and prices have continued to grow modestly in the first half of this year. The European harvest has been mixed so far,

with poor yields for some produce (e.g. pears) or delays due to difficult weather conditions (e.g. onions).

According to the latest annual nutrition survey of the Federal Ministry for Food and Agriculture (BMEL), German consumers choose fruit and vegetables for their taste and healthiness. A growing number eat fruit and vegetables daily, up from 70% to 76% in one year - the highest rate of all product categories ahead of dairy or meat products. This trend may partially be influenced by a nationwide “5 portions a day” (of fruit or vegetables) campaign, backed by industry, the health sector and academia. Three in five German consumers say they are aware of this advice.

Furthermore, according to the BMEL survey, the share of vegetarians has doubled from 5% to 10% in just one year. 86% prefer locally grown and/or seasonal fresh fruit and vegetables, but only 24% care when choosing processed products. Whereas country of origin/regional labelling informs consumer choice at the point-of-sale, buying seasonal products requires informed consumers.

While demand for apples has been stagnating in recent years (though it is still the top seller), avocados, blueberries and squash have become a lot more popular, and increasingly available year round. The growing overall demand for fresh fruit and vegetables is significantly driven by demand for organic produce (+15% year-on-year) which, due to insufficient domestic supply, is largely met by imports. There is also a growing trend toward unpacked, or more lightly or sustainably packed, produce.

Opportunities for New Zealand fruit and vegetables exports

Germany is a strong market for fresh fruit and vegetables. Self-sufficiency rates remain low and prices are increasing overall. Preference for seasonal produce appears to be strong with regard to fresh cherries and pears, but less relevant for apples, kiwifruit, onions, avocados, blueberries and squash. Preference for locally grown produce potentially affects our apple and onions exports, but is less of a factor when German consumers want kiwifruit (absent domestic production) or squash (outside the domestic season). A future New Zealand-European Union free trade agreement would potentially improve market access for the sector.

However, there are some limitations to the potential for our exporters. Shipping times of up to four weeks effectively rule out exports to Germany of fresh avocados or blueberries, and air freight is usually not an option either due to limited capacity, high costs, and a much higher carbon footprint. Prospects seem most promising for kiwifruit (healthy, not competing with domestic production) and specific varieties (apples) or niche products (squash) with a longer shelf-life. Additional opportunities may exist to the extent the New Zealand horticulture industry is producing within Europe or out-licensing successful protected varieties to Europe.

Exporters wishing to explore the German or other European markets may wish to consider visiting next year's [FRUIT LOGISTICA](#) (9-11 February 2022), Europe's leading trade show for fresh fruit and vegetables.

*NOTE: This report draws on German trade statistics as they more accurately account for the real origin of the product (New Zealand) and final destination (Germany), irrespective of where in Europe it first landed (often Belgium or the Netherlands).

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