

e b L e n
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DIE LEBENSMITTELWIRTSCHAFT

WEIL ESSEN GESELLSCHAFT IST

THE GERMAN CHALLENGE

LOW PRICES, HIGH QUALITY, CRITICAL
CONSUMER AND POWERFUL NGO'S

2016

Stephan Becker-Sonnenschein
DIE LEBENSMITTELWIRTSCHAFT





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Bünting
UNTERNEHmensgruppe



Nordzucker



Good Food, Good Life



Goals & Visions

Goals:

- Inform media and opinionleaders about food related topics
- Contribut as a Think Tank to a better understandig of how the food chain works – from farm to fork
- Build upon scientific evidence

Vision:

Receive the deserved recognition and appreciation for the food chain



1. FOOD RETAIL AND INDUSTRY IN GERMANY
2. BEING A CONSUMER IN GERMANY
3. MEDIA LANDSCAPE
4. INNOVATION AND COMMUNICATION
5. LET'S TALK ABOUT DIFFERENCES

FOOD – FROM AVAILABILITY TO REDUCTION? FROM FREEDOM TO REGULATION?

Post war objective:

Enough food at reasonable prices to prevent hunger and enable performance

Current issue:

Abundance shows side effects on consumer health

Future Challenge:

How to govern personal reduction in an era of digital change in communication and technology

– should German state intervene?

Food issues are driving policies in developed countries.



1.

FOOD RETAIL & THE INDUSTRY IN GERMANY

THE BIG FIVE

TOP TEN 2016 NACH FOOD-UMSATZ

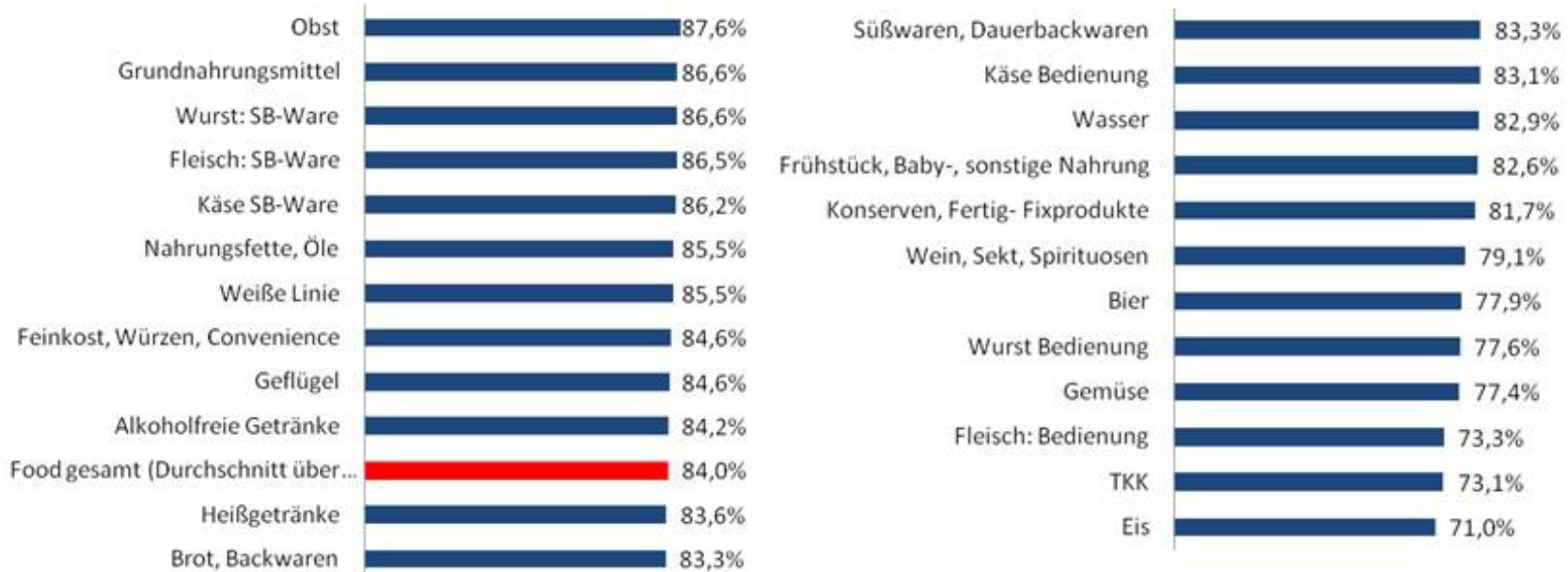
| Rang | Unternehmen | Food-Umsatz 2015 Mio. Euro | Food-Umsatz 2014 Mio. Euro | Veränderung zu Vj. Prozent | Food- Anteil Prozent | Gesamtumsatz 2015 Mio. Euro |
|------|----------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------|-----------------------------------|
| 1 | Edeka-Gruppe ¹⁾ | 48 274 | 46 999 | +2,7 | 90,6 | 53 282 |
| 2 | Rewe-Gruppe ¹⁾ | 28 569* | 27 559 | +3,7 | 72,1 | 39 606* |
| 3 | Schwarz-Gruppe | 28 048* | 27 657 | +1,4 | 81,2 | 34 540* |
| 4 | Aldi-Gruppe ²⁾ | 22 794* | 22 463 | +1,5 | 82,0 | 27 797* |
| 5 | Metro-Gruppe ²⁾ | 10 271* | 10 556 | -2,7 | 39,3 | 26 130* |
| 6 | Lekkerland | 8 984 | 8 702 | +3,2 | 99,0 | 9 075 |
| 7 | dm | 6 326 | 5 760 | +9,8 | 90,0 | 7 029 |
| 8 | Rossmann | 5 175 | 4 866 | +6,4 | 90,0 | 5 750 |
| 9 | Globus | 3 230 | 3 170 | +1,9 | 67,0 | 4 821 |
| 10 | Bartels-Langness-Gruppe | 3 088* | 3 020 | +2,3 | 77,7 | 3 977* |
| | Top 10 Food | 164 759* | 160 752 | +2,5 | 77,7 | 212 007* |

* Schätzung von Trade Dimensions

1) inklusive Außenumsatz des SEH 2) veränderte Food-Umsätze aufgrund Neubewertung der Vorjahres-Gesamtumsätze

HIGH BARGAINING POWER

Gemeinsamer Anteil von Edeka, Rewe, Kaufland, Lidl und Aldi an der Beschaffung durch den Lebensmitteleinzelhandel in D - Gesamt



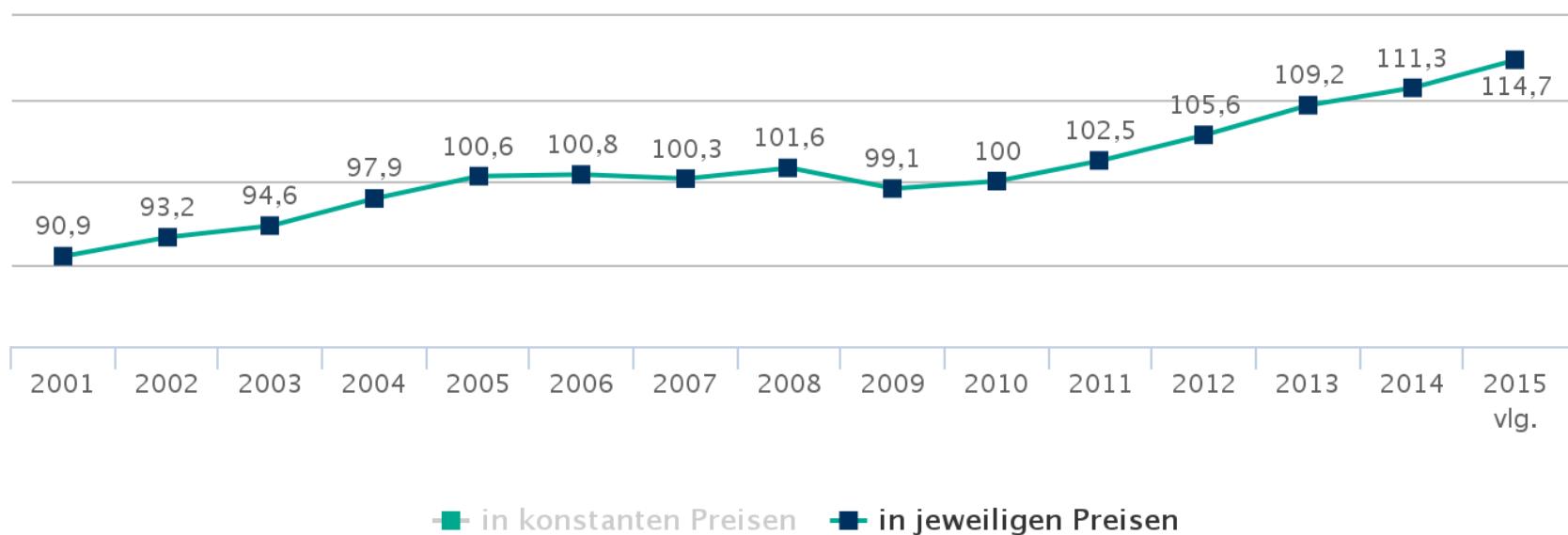
LESS BUT BIGGER STORES



REVENUE ON THE RISE

Umsatzentwicklung im Einzelhandel mit Lebensmitteln

jährliche Entwicklung



Daten: Statistisches Bundesamt

THE GERMAN FOOD INDUSTRY

Fourth-largest sector

Revenue 166 billion € (2015 vs 172 in 2014),
6% GNP in Germany

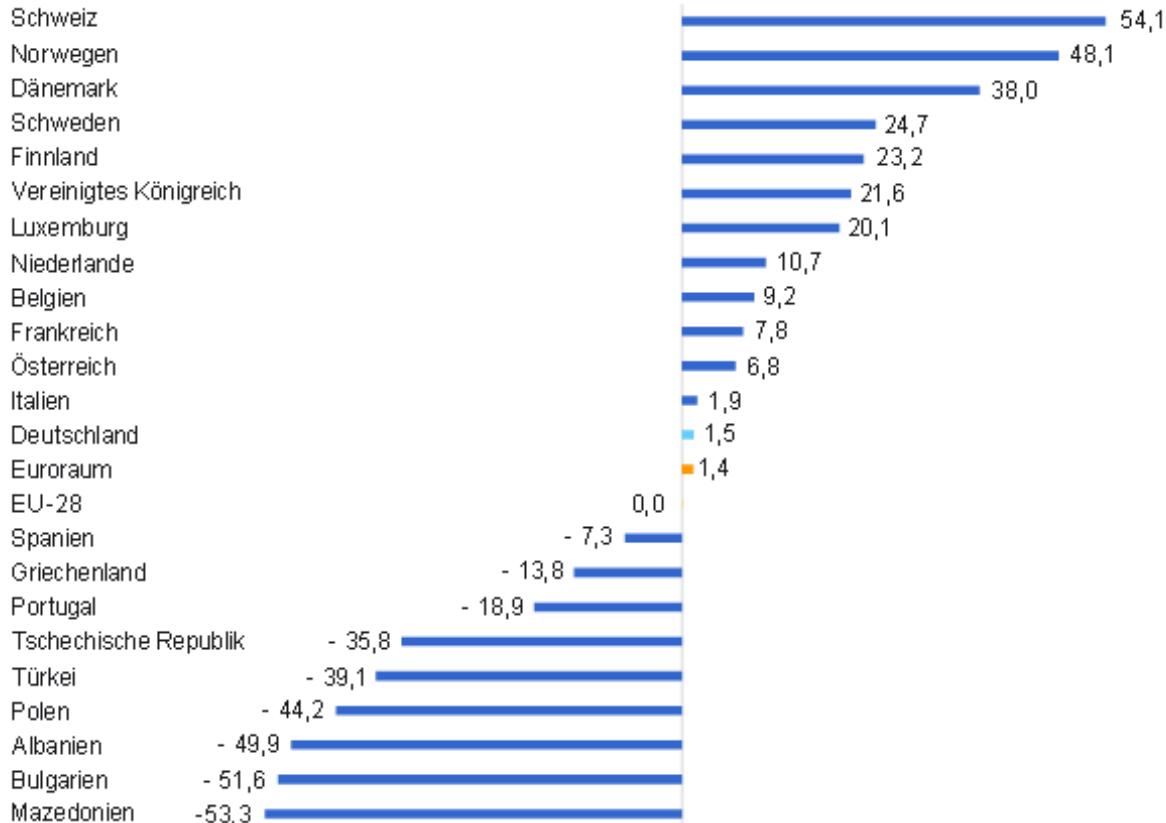
Including agricultural production and the
mechanical engineering second largest branch.

90 % small or medium sized food businesses

| Jahr | Umsatz in Mrd. Euro | Export in Mrd. Euro | Exportquote | Importe* in Mrd. Euro |
|------------------------------------|------------------------|------------------------|-------------|--------------------------|
| 1998 | 116,9 | 20,3 | 17,4 % | 23,4 |
| 1999 | 116,6 | 19,8 | 17,0 % | 24,6 |
| 2000 | 120,4 | 22,0 | 18,3 % | 25,7 |
| 2001 | 126,7 | 24,1 | 19,0 % | 27,5 |
| 2002 | 126,4 | 24,8 | 19,6 % | 28,1 |
| 2003 | 127,3 | 26,1 | 20,5 % | 28,4 |
| 2004 | 131,8 | 27,7 | 21,0 % | 29,2 |
| 2005 | 133,5 | 29,6 | 22,2 % | 30,5 |
| 2006 | 138,2 | 32,6 | 23,6 % | 33,6 |
| 2007 | 147,0 | 35,0 | 23,8 % | 34,9 |
| 2008 | 156,0 | 41,4 | 26,5 % | 39,2 |
| 2009 | 147,7 | 39,2 | 26,5 % | 36,7 |
| 2010 | 151,8 | 42,8 | 28,2 % | 39,2 |
| 2011 | 163,3 | 48,0 | 29,5 % | 44,1 |
| 2012 | 169,3 | 51,2 | 30,5 % | 44,9 |
| 2013 | 175,2 | 53,3 | 30,0 % | 46,1 |
| 2014 | 172,2 | 54,4 ** | 32,0 % | 47,2 ** |
| Veränderung 2014 gegenüber 1998 | +47 % | +168 % | +84 % | +102 % |

Source: Statistisches Bundesamt, BVE

REASONABLE PRICES



Vorläufige Ergebnisse (bezogen auf die Konsumausgaben der privaten Haushalte für ausgewählte europäische Länder).

Quelle: Eurostat

© Statistisches Bundesamt, Wiesbaden 2015

REASONABLE PRICES

The average household spends per year on food consumed at home (2011):

\$2,390 America

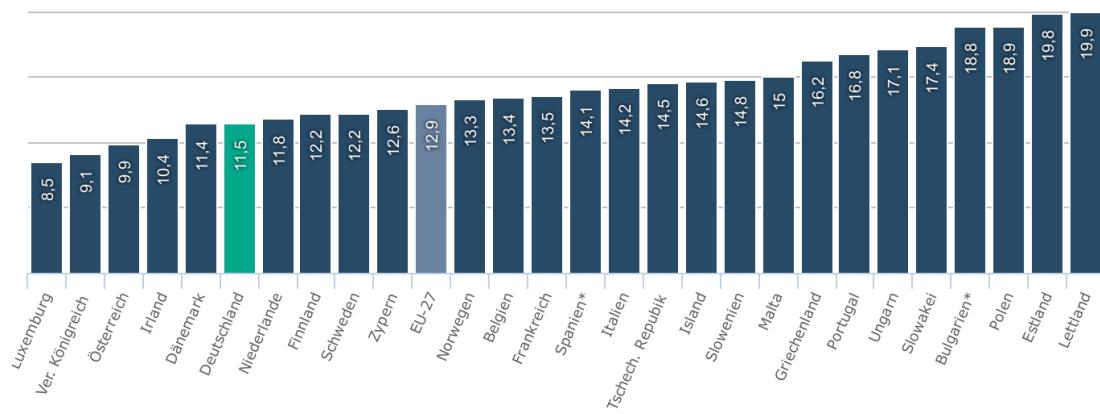
\$2,646 Germany (11,5%)

\$3,241 France (13,5%)

\$4,454 Norway (13,3%)

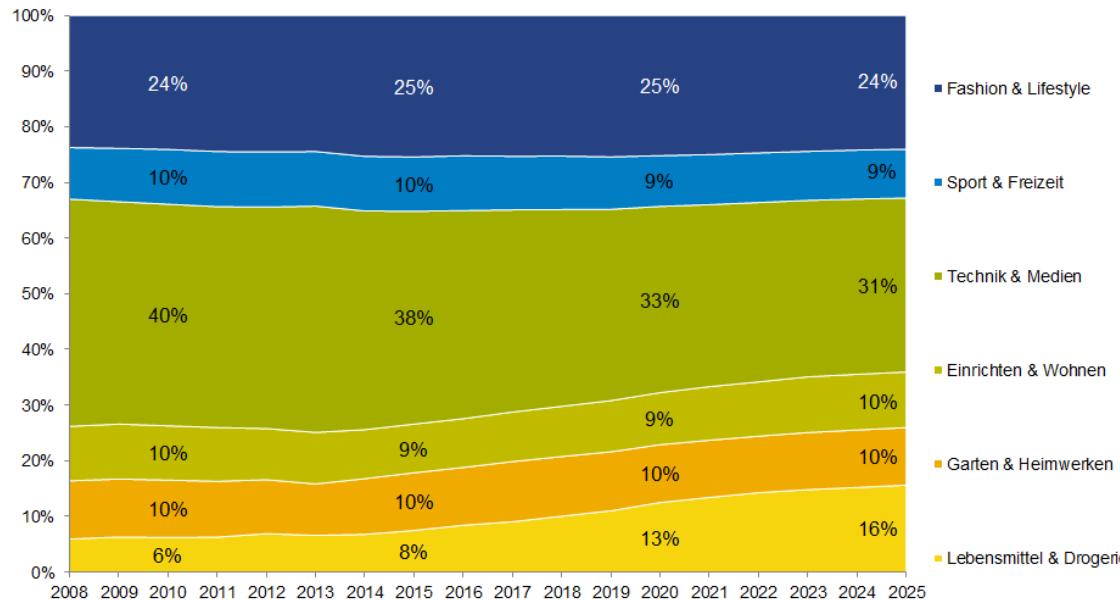
Konsumausgaben privater Haushalte nach Ländern

Anteil der Ausgaben für Nahrungsmittel und alkoholfreie Getränke (2011) an den Gesamtausgaben in Prozent



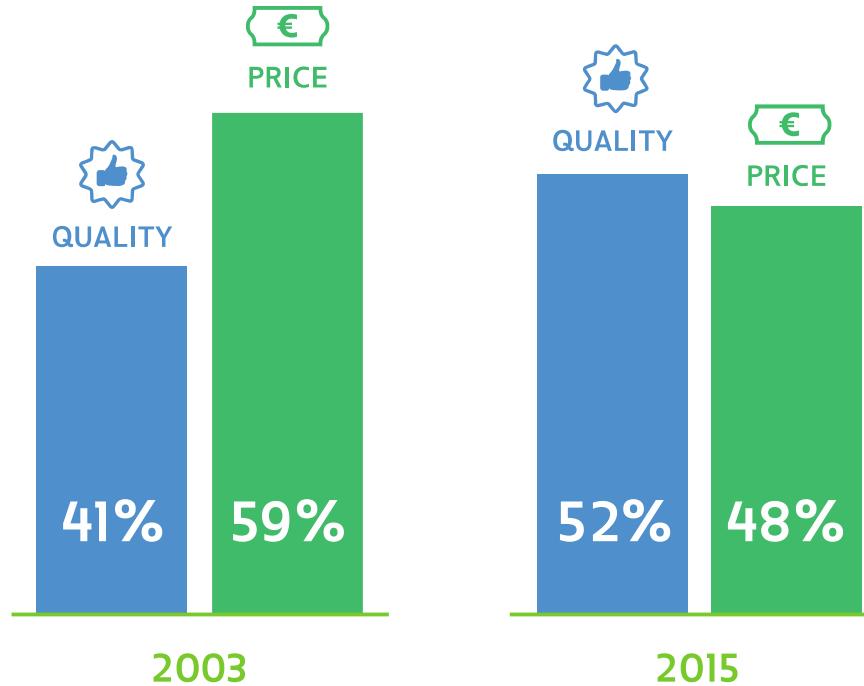
Daten: Eurostat. * Angaben beziehen sich auf das Jahr 2010.

ONLINE SALES GROW BUT SLOWLY



Absolut betrachtet wachsen alle Sortimente,
allerdings verschieben sich die Gewichte innerhalb des Onlineumsatzes.

DEMAND FOR HIGH QUALITY PRODUCTS ON THE RISE



SUMMARY: REGIONAL BRANDS – NATIONAL TRADE – INTERNATIONAL AMBITIONS

German market –

complex

competitive

abundant

price sensitive

depends on export

2.

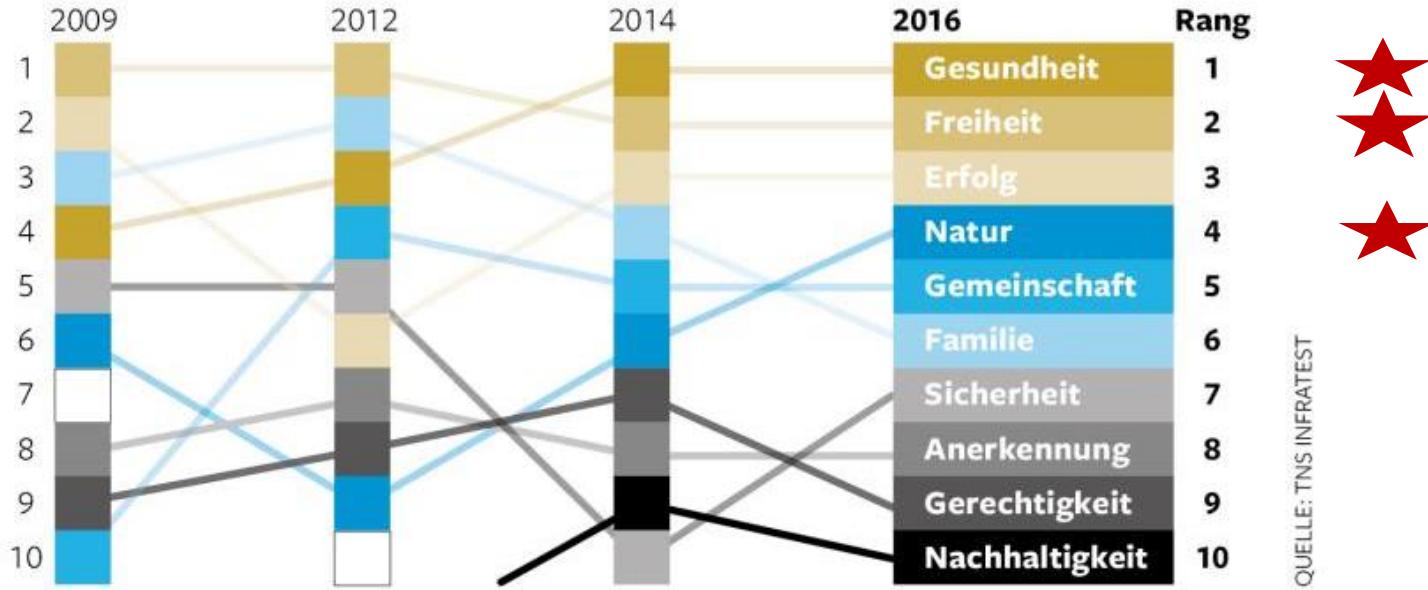
BEING A CONSUMER IN GERMANY



AVAILABILITY AND CHOICE



VALUE #1: HEALTH, #2 FREEDOM



DIE WELT

MASLOV's HIRACY OF NEEDS



IT IS NOT ABOUT IF IT IS ABOUT HOW ...



AND HOW IS IT PRODUCED ... TRANSPARENCY



DETOX PALEO VEGAN FRUGAN
VEGETARIAN DRY AGED FREE
OF LACTOSE FREE GLUTAMAT
FREE SUSTAINABLE GMO
RESPONSIBLE NATURAL
ORGANIC REGIONAL BIO
CARBON FREE ON PASTURE
ANIMAL JUSTICE **HEALTHY ...**

CONSUMER ON “TRANSPARENCY”: A LOT WANT LITTLE



38 per cent say: "Transparency? I've no idea what that means."

Transparency paradox

Consumers want to be able to know,
but don't make use of the available information.

Take-away



"The consumer" who has a certain basic need for transparency doesn't exist as such. The group of discerning consumers is hugely fragmented.

SMALL BUT LOUD GROUPS WITH SPECIAL INTERESTS

Identification of 5 consumer groups concerning:

- Preference for food transparency
- Consumer's trust
- Information overload

| | 6 % „sceptical-disinterested“ | 31,4 % „satisfied-unconcerned“ | 22 % „trust and insight“ | 17,1 % „confusion and trust“ | 23,4 % „demanding-detail-oriented“ |
|----------------------------------|----------------------------------|-----------------------------------|-----------------------------|---------------------------------|---------------------------------------|
| Preference for food transparency | very low | very low | high | high | very high |
| Consumer's trust | very low | moderate | high | high | low |
| Information overload | high | moderate | very low | very high | low |

SOURCE: „VERBRAUCHERVERSTÄNDNIS VON TRANSPARENZ“ (SPILLER 2014)

SUMMARY: FOOD TOPICS GAIN ATTENTION?

Live style topics are in.
Companies offer relevant products?
Good prices are paid.

NGOs support niches professionally,
ask for regulation.
Institutions / scientists deliver insights



3. ROLE OF MEDIA IN GERMANY



NGOS WITH BROAD MEDIA ACCESS



Journalists want sector PR to be more professional.
No product PR, participate in political discussion.

Important sources for journalists to quote are:

- Researchers
- NGOs
- Authorities

Very few journalists consider representatives of the food sector as good sources to quote. Reason: Relevant people (CEOs) remain silent.

Overall food is an important topic.

Take-away



- Too much product PR instead of journalistic stories
- That's why journalists avoid them and quote others
- The debate is therefore one-sided

WHAT CAN I EAT TO STAY HEALTHY ...



| 2014 | WERT | 2012 |
|------|----------------|------|
| 1 | Gesundheit | 3 |
| 2 | Freiheit | 1 |
| 3 | Erfolg | 6 |
| 4 | Familie | 2 |
| 5 | Gemeinschaft | 4 |
| 6 | Natur | 9 |
| 7 | Gerechtigkeit | 8 |
| 8 | Anerkennung | 7 |
| 9 | Nachhaltigkeit | - |
| 10 | Sicherheit | 5 |

„Werte-Index“
Peter Wippermann
Trendbüro
Hamburg

... AND WHO TELLS ME

Personal Trainer
Nutrition advisor
Best friends
Web communities
Peers
TV / Radio
Governmental institutions
WHO

...



Der Feind auf meinem Teller

Ernährung Fast jeder vierte Deutsche glaubt, dass er bestimmte Stoffe in der Nahrung nicht vertragen würde – nach der Laktose ist vor allem das Gluten in Verruf gekommen. Mit zweifelhaften Bluttests schüren Geschäftemacher die Angst vor dem falschen Essen.

JOURNALISTS PREFER OFFICIAL STATEMENTS

München 7°

Süddeutsche Zeitung SZ.de Zeitung Magazin

Jobs | Immobilien | Anzeigen
Login & | Abo

Politik Wirtschaft Panorama Sport München Bayern Kultur Wissen Digital Chancen Reise Auto Stil mehr...

Home > Wirtschaft > Glyphosat: Neue Warnung vor Risiken durch Glyphosat

20. Januar 2016, 18:52 Uhr Pestizid

Neue Warnung vor Risiken durch Glyphosat

Als "unbedenklich" will das Umweltbundesamt das umstrittene Pestizid Glyphosat nicht bezeichnen. Foto: Christian Endt, Fotografie & Lic)

- Das Umweltbundesamt warnt vor möglichen Risiken des umstrittenen Unkrautvernichters Glyphosat - es besteht weiterer Forschungsbedarf.
- Die Bewertung steht in Kontrast zu den Einschätzungen anderer wichtiger Behörden, die das Pestizid als "unbedenklich" eingestuft hatten.
- Glyphosat ist das meistverkaufte Pestizid der Welt, die Europäische Kommission wird in den kommenden Monaten entscheiden, ob es zugelassen bleibt.

Von Silvia Liedrich

en

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Glyphosate herbicide: don't renew its authorisation, urge MEPs

ENVI Press release - Public health – 22-03-2016 - 14:34

So long as serious concerns remain about the carcinogenicity and endocrine disruptive properties of the herbicide glyphosate, which is used in hundreds of farm, forestry, urban and garden applications, the EU Commission should not renew its authorisation. Instead, it should commission an independent review and disclose all the scientific evidence that the European Food Safety Authority (EFSA) used to assess glyphosate, said Environment Committee MEPs on Tuesday.

The European Commission should not renew the approval of the herbicide substance glyphosate on the EU market for another 15 years, until 2031., without any restrictions as proposed, said the Environment Committee in a resolution passed by 38 votes to 6, with 18 abstentions.

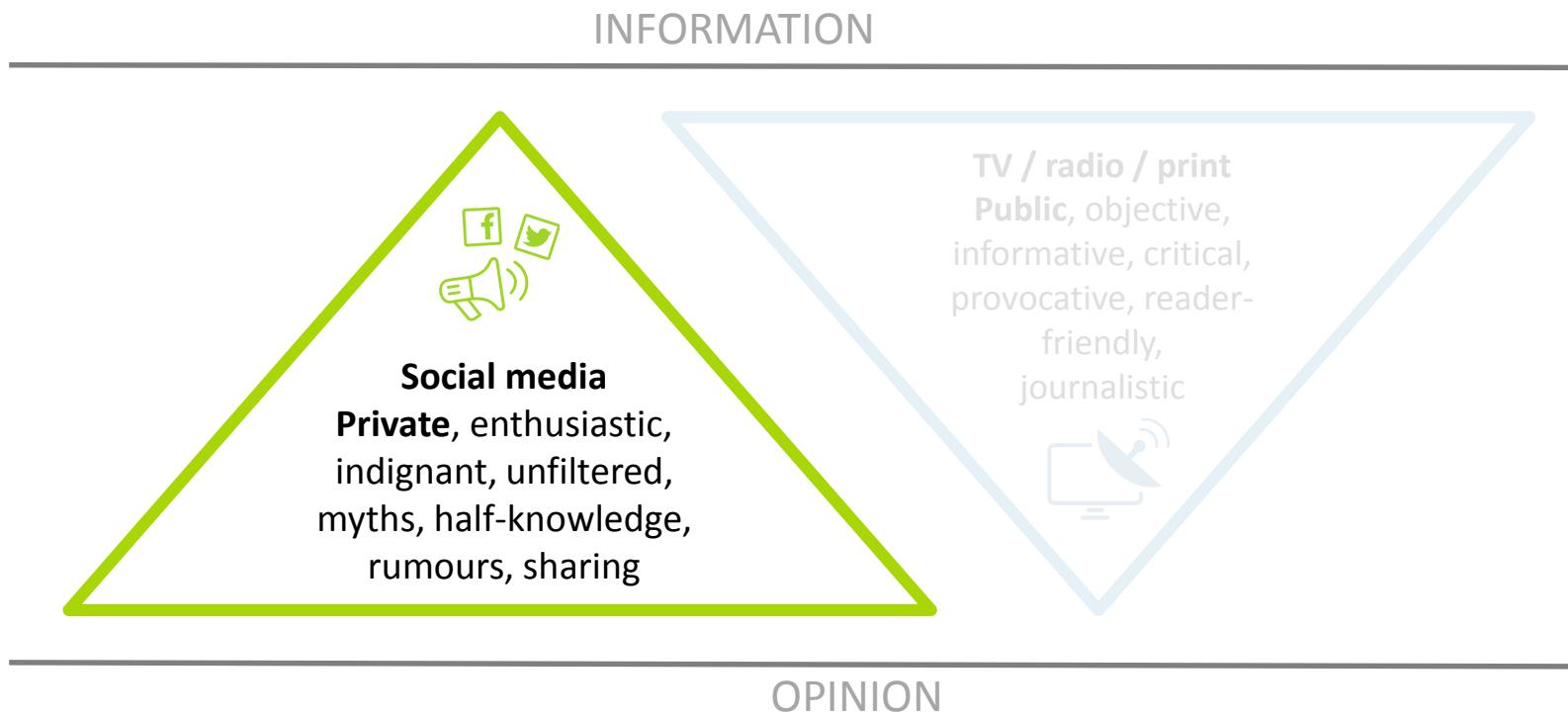
"The fact that we have to resort to a parliamentary objection shows that something has gone wrong in the decision process", said MEP Pavel Poc (S&D, CZ), who drafted the motion for a resolution.

"Glyphosate has been classified as probably carcinogenic by the World Health Organisation (WHO). While the industry claimed that the substance can be completely metabolised, it is now clear that glyphosate residues are everywhere: in the environment, in many products we consume every day, in our bodies", he continued.

FEAR DRIVES HEADLINES – FACTS ARE SECONDARY

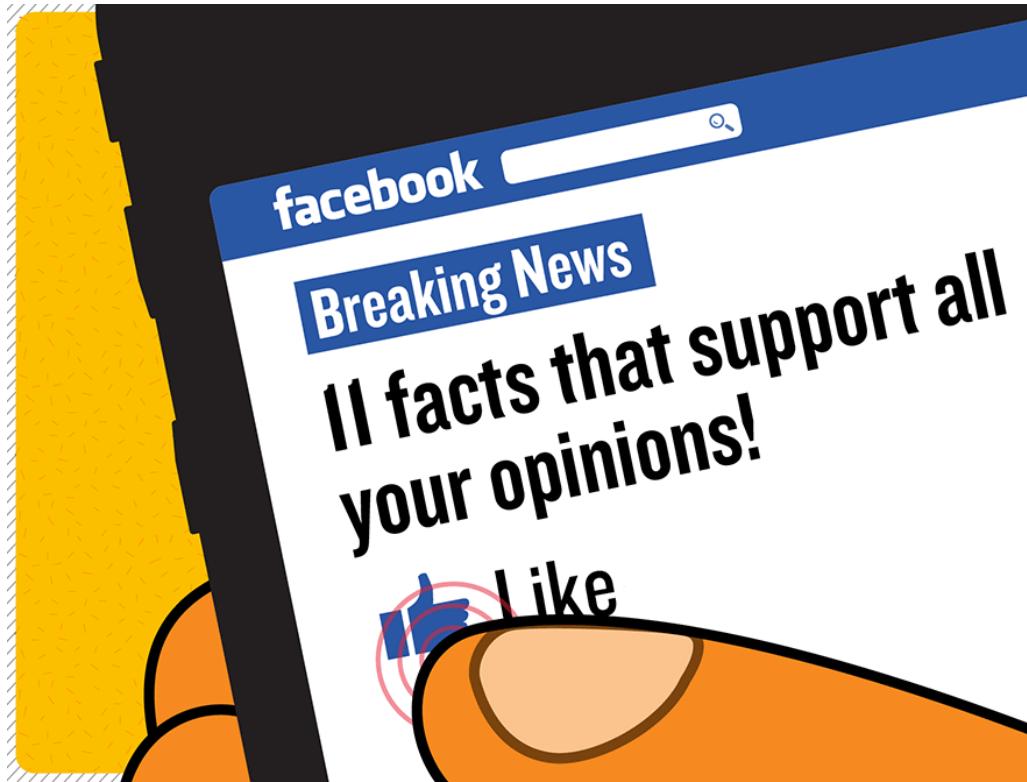


SOCIAL MEDIA – THE „NEW EXPERTS“

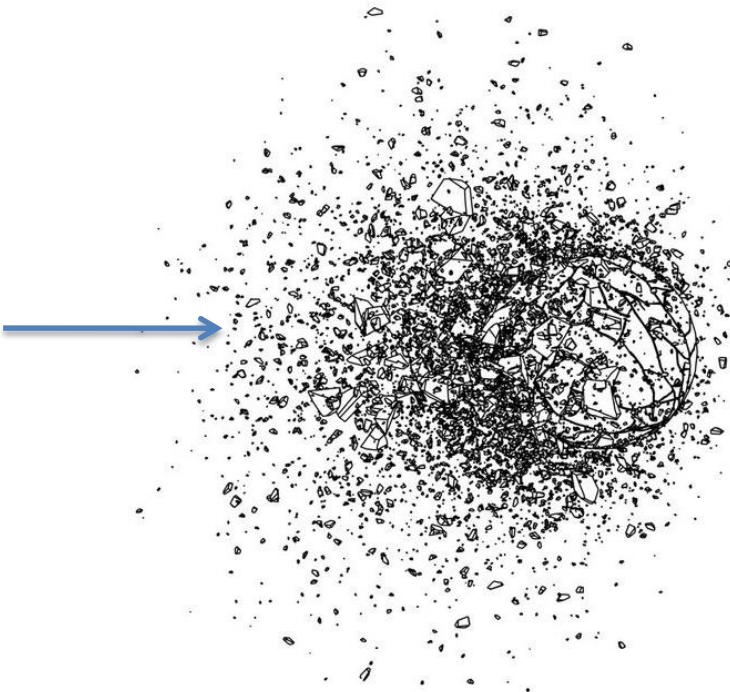
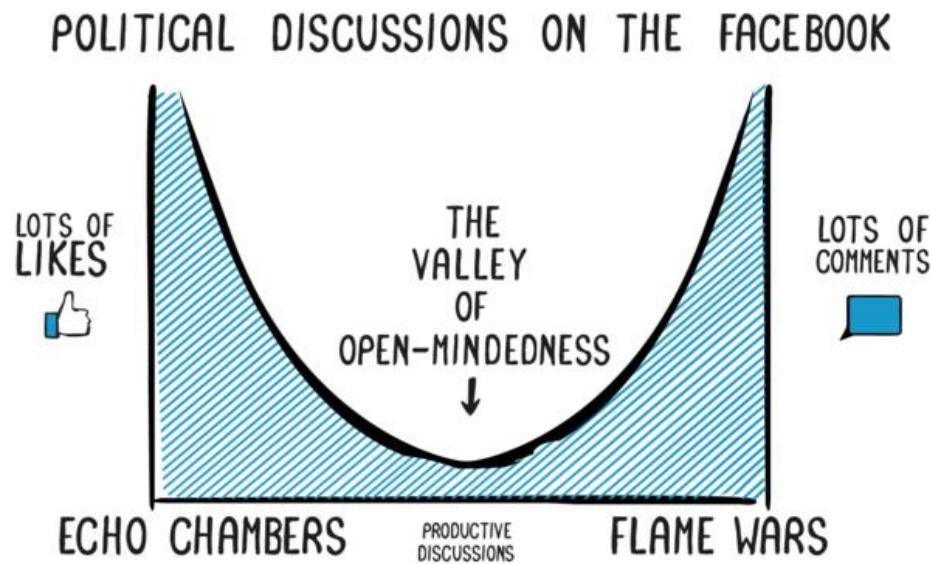


*Jens Lönneker, Rheingoldsalon, „Bullerbü oder Discount“, 2015

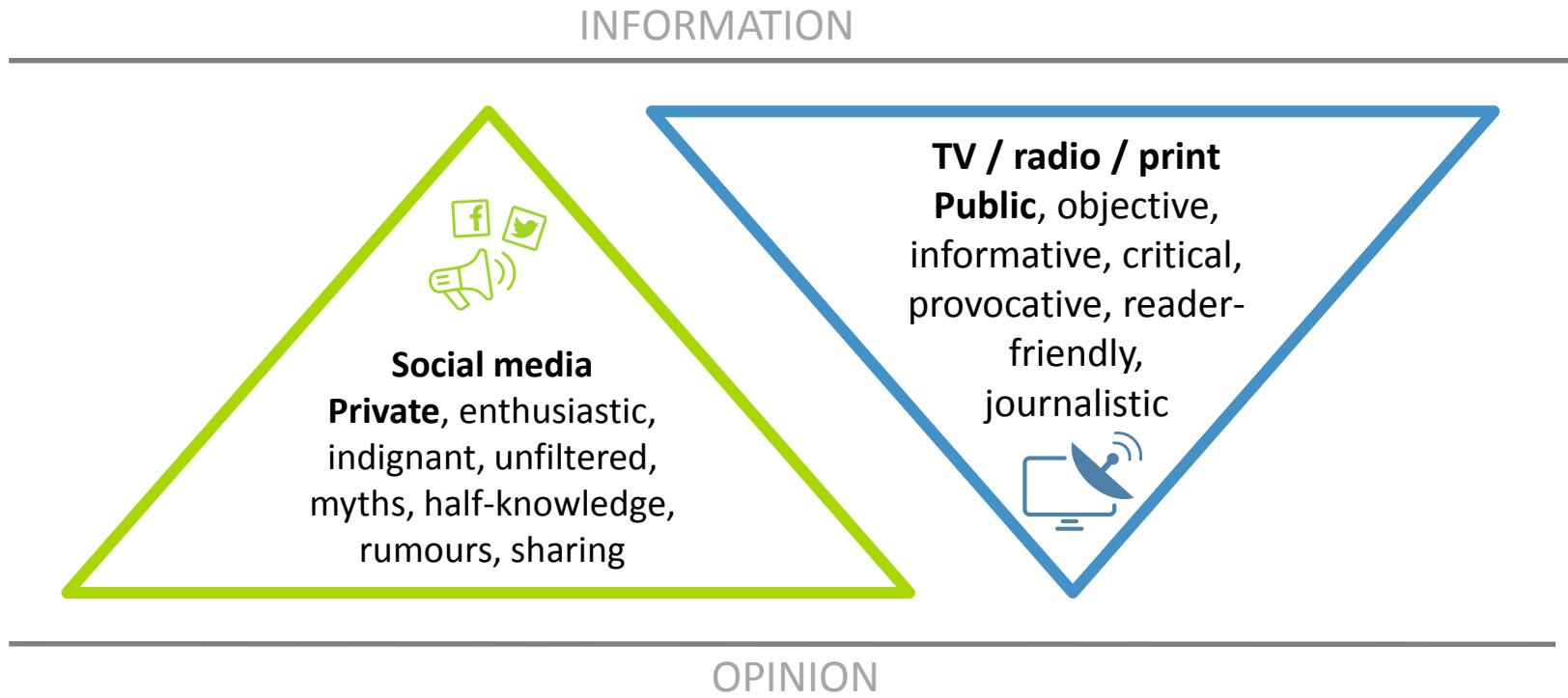
NGO CREATE ECHO CHAMBERS



THE ECHO CHAMBERS

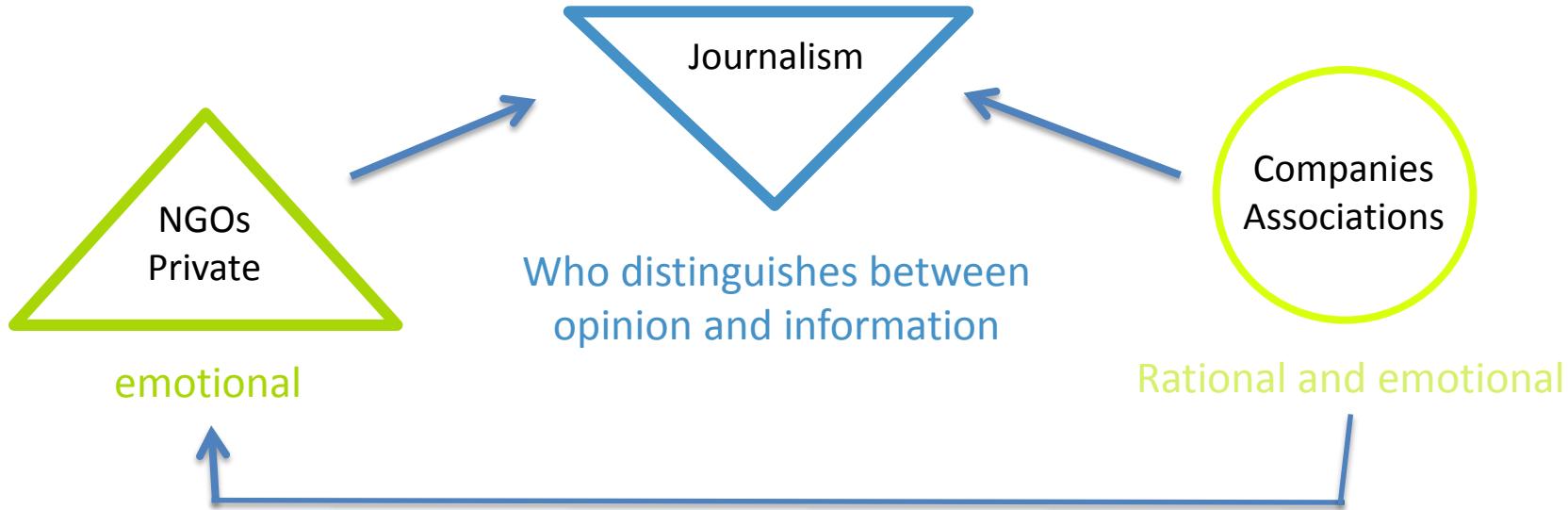


SOCIAL AND ESTABLISHED MEDIA MELD



*Jens Lönneker, Rheingoldsalon, „Bullerbü oder Discount“, 2015

COMPANIES AND ASSOCIATIONS NEED TO REACT

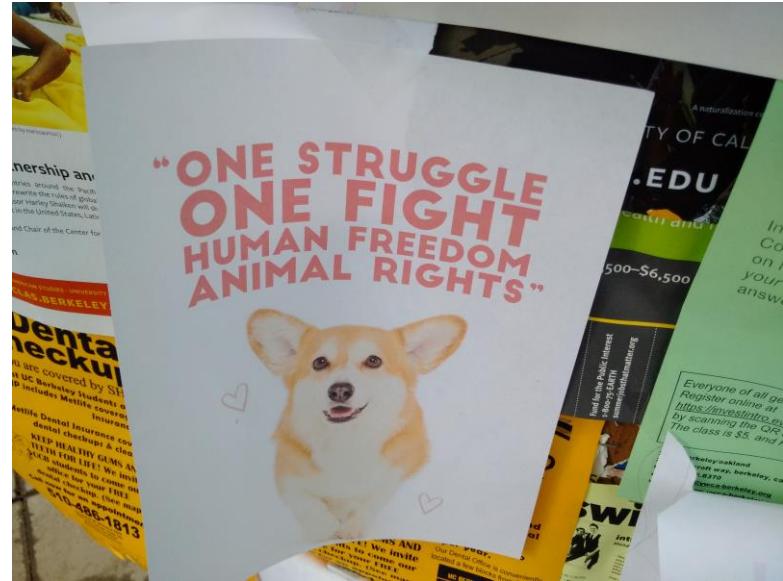


WHATS HAPPENING IN BERKELEY

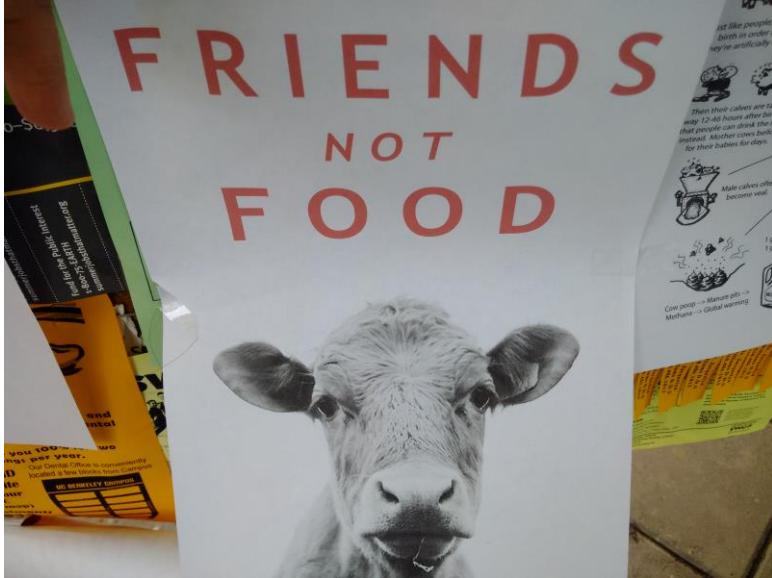
Couldn't we eat differently



ANIMAL RIGHTS: SHOULD WE STOP ...



COULD WE CHANGE: EAT VEGAN OR SOYLENT OR IN VITRO MEAT



IT'S NOT FOOD IT'S VIOLENCE



welcome

You are awesome. By taking this mini-guide from the bathroom stall, the bulletin board in Dwinnell, or from BOAA's table out on Sproul Plaza, you already took a huge step towards compassion.

Going vegan entails a bit of a lifestyle change, but it is well worth it. Not only will you be saving the lives of thousands of animals, you will be helping the planet tremendously, you will feel amazing, and you will be part of a movement that is saving the world every single day.

That pretty cool. You're pretty cool.

So take a look at this mini-guide and come to a BOAA meeting, a monthly potluck, or help us out at one of our book sales. Watch a documentary and open your eyes. The world is changing, and you have an amazing opportunity to be part of the reason it gets better.

Follow The Berkeley Organization for Animal Advocacy on Facebook for more information.

social

DXE meetups
OAKLAND
Every Saturday, the most compassionate people in the Bay Area get together to share coffee and pastries about veganism, activism, and everything in between.
[where/ 125 2nd St, #414 Oakland](http://125 2nd St, #414 Oakland where/)
when/ Saturdays at 10 AM
facebook.com/directactioneverywhere

resources

WEBSITES
HTTP://CUTS.NET
PETA.ORG
MERCYFORANIMALS.ORG
DIRECTACTIONEVERWHERE.COM
ONEGREENPLANET.ORG

DOCUMENTARIES
[Earthlings](#)
[Cowspiracy](#)
[Vegucated](#)
[Forks Over Knives](#)
[The Cove](#)
[Speciesism The Movie](#)

VEGANISM
(noun) veg•a-nism
"A way of living which seeks to exclude, as far as is possible and practicable, all forms of exploitation of, and cruelty to, animals for food, clothing or any other purpose."

"Violence begins with the fork."
~ Mahatma

project
RESTAGE PRODUCTIONS

CHERRY WHOLE FOODS MARKET BAKERY
HANDBAKED & FRESH

SUMMARY: CLEAR RULES – NO PATRONIZING

Culture is what a society agreed on in forms of rules, regulations, norms and behavior.

If rules are replaced with should, could or would we change our democratic system.

Cultural change has to include the society as a whole. So let them know what to expect and how to react.

Communicate what you do and organize an innovation friendly climate.

4.

INNOVATION AND COMMUNICATION



THE SUPPLY CHAIN – EFFICIENCY DRIVEN

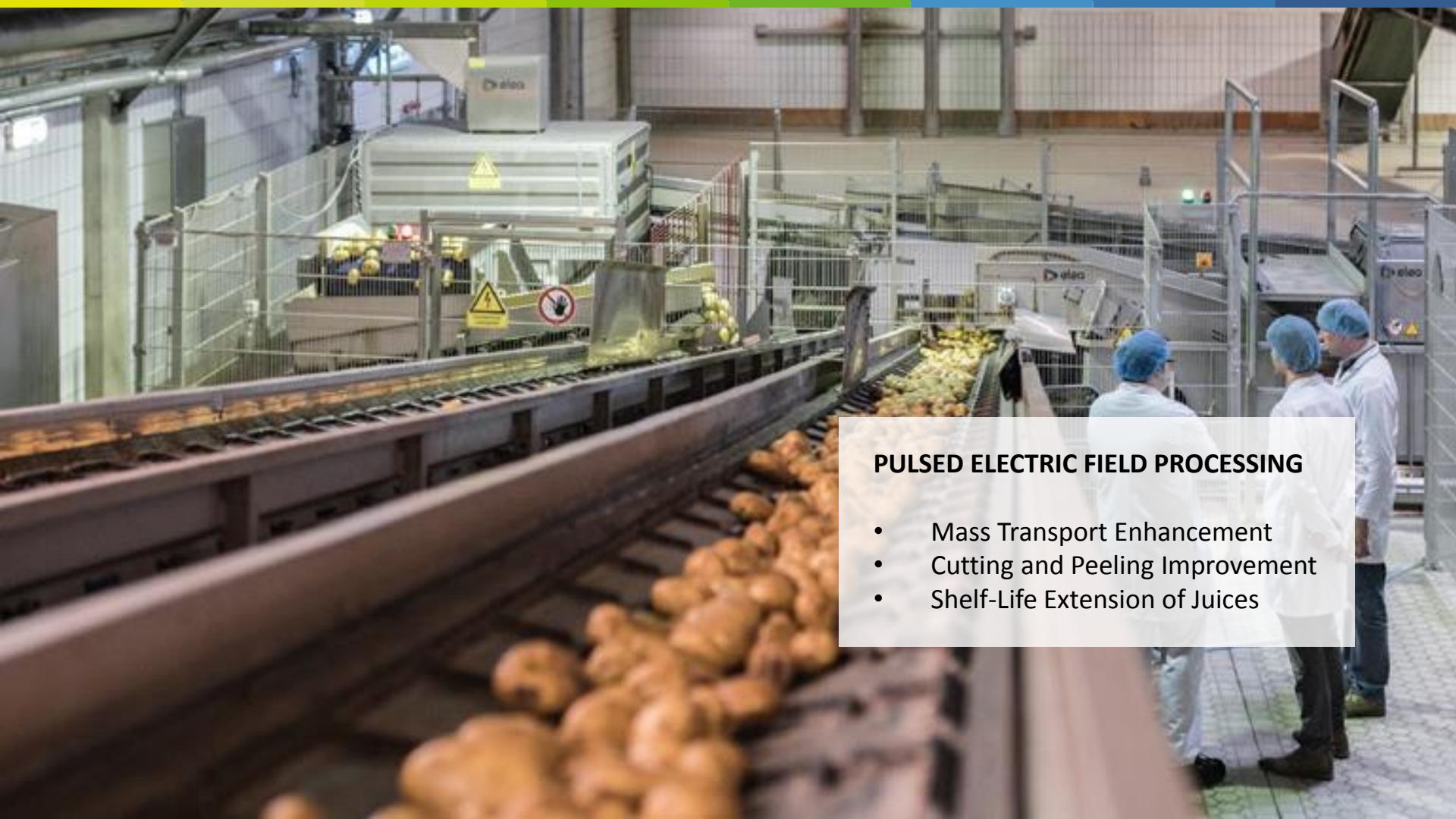
- Energy efficiency
- Ressource utilization
- Bio-economy
- SDG 2030



FROM BEER MARC TO DIETARY FIBER

Today beer marc is mainly sent to animal feed.

New methods will develop soluble dietary fiber from beer marc to use in beverage industry and for human consumption



PULSED ELECTRIC FIELD PROCESSING

- Mass Transport Enhancement
- Cutting and Peeling Improvement
- Shelf-Life Extension of Juices

INNOVATIONS

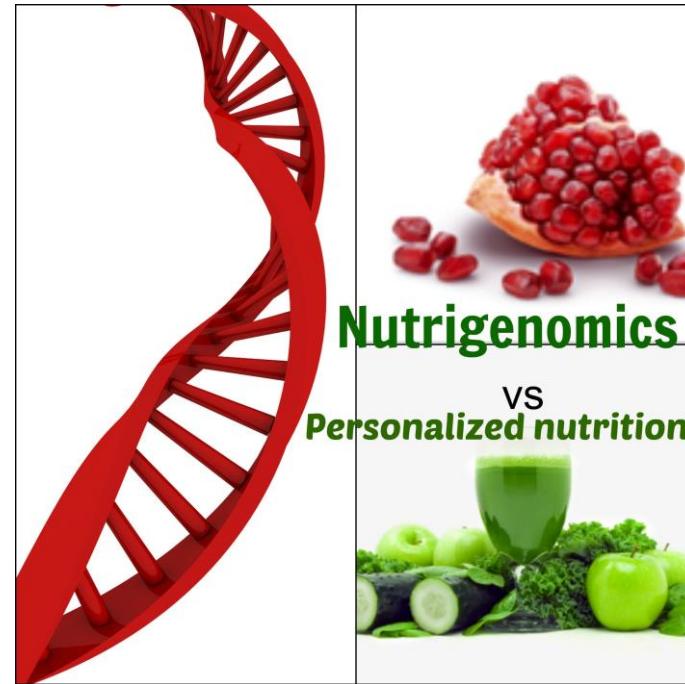
High pressure processing

Personalized nutrition

Crispr

GMO

Avoidence of waste (potato peel, coffee grounds, whey ...)



NO GENERAL SCEPTISIM TOWARDS INNOVATION



85 % agree

Innovative strategies are important to save resources.



64 % agree

Innovation is important to fight hunger.



34 %

are sceptical towards innovation in the food sector.



21 %

oppose innovations in the food sector because they fear health-risks.

WHY INNOVATION? EXPLAIN BENEFITS

77 % agree

I want to understand the additional benefit of innovative food before I buy it.

76 % agree

The agricultural sector should communicate more transparent.

73 % agree

I want to be involved more when it comes to technical innovations.

67 % agree

Traditional and innovative production is not mutually exclusive.

INNOVATIONS – WHERE TO COMMUNICATE THEM

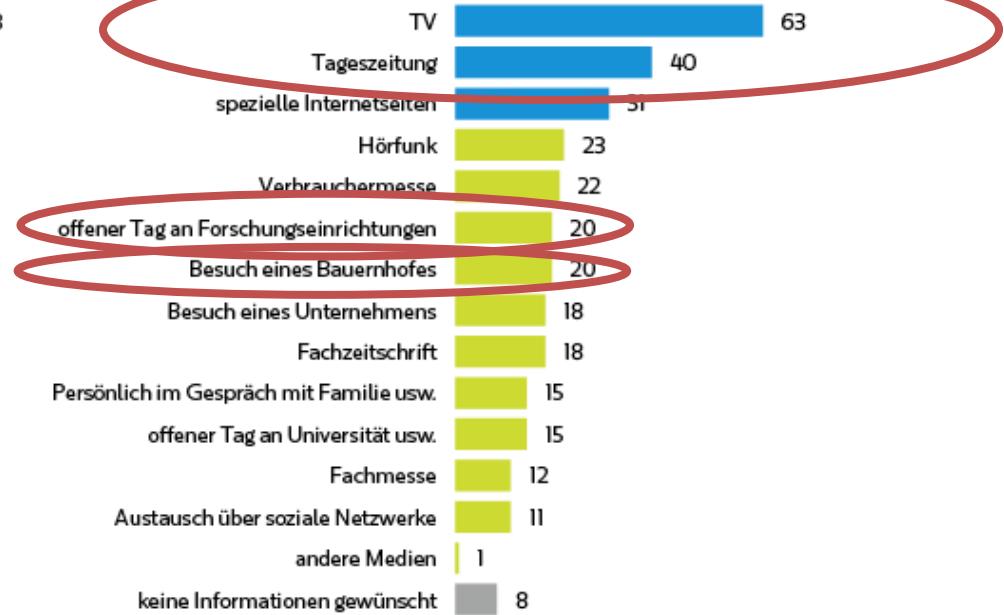
Wahrnehmung Innovationen

Wo haben Sie in den letzten 12 Monaten etwas über Innovationen im Lebensmittelbereich wahrgenommen?



Gewünschte Informationskanäle

In welchen Medien wünschen Sie sich persönlich mehr Informationen über Innovationen im Lebensmittelbereich?



OPPORTUNITY TO COMMUNICATE FOOD



- 90 per cent of TV broadcasting time and 68 per cent in print is everyday communication about food.
- Regionally, both positive and negative. Nationally, more critical
- Scandals constitute peaks

One-dimensional debate

- Central figures are consumers and customers.
- Speakers from the food sector are under-represented.
- Controversies and opposite standpoints are extremely rare.

Take-away



- The media interest in everyday life and consumption is high.
- Scandals are only the peaks
- The food sector does not have much of a say in the debate, except for a few individual voices.

OPPORTUNITY TO COMMUNICATE



1. FOOD RETAIL AND INDUSTRY IN GERMANY
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5. LET'S TALK ABOUT DIFFERENCES



5.

LET'S TALK ABOUT
DIFFERENCES - TTIP

THE EVALUATION OF RISK

| | EU | USA |
|------------------------------|---|---|
| WHO EVALUATES RISKS? | Government approval procedures | Risk evaluation mainly performed by companies |
| CHEMICALS IN FOOD PRODUCTION | Producers have to prove that chemicals used in food are safe. | Market authorities have to prove that chemicals used are harmful. (Toxic Substances Control Act) |

END OF PIPE VS PROCESS INTEGRATED

Today German / EU certifications are process integrated regarding production and product safety.

- High standards
- High expectations

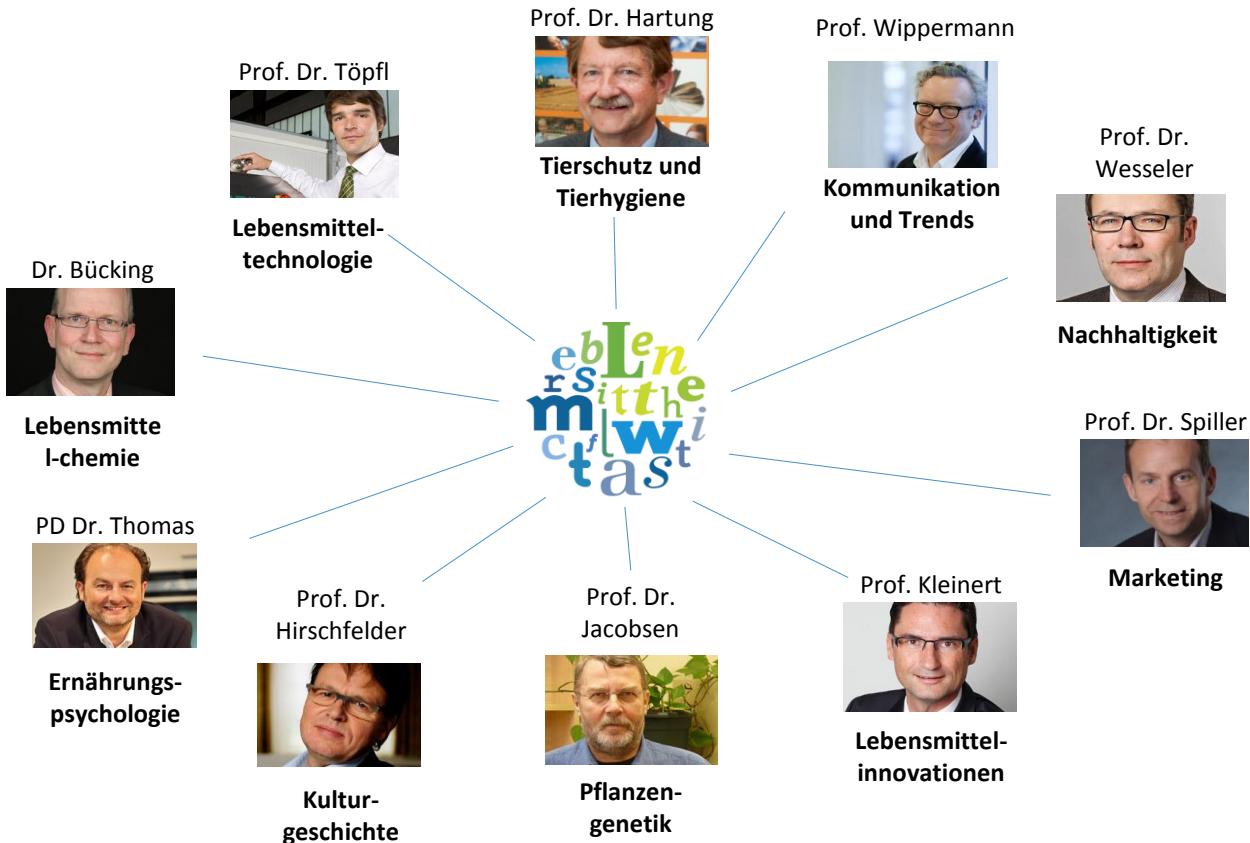
WHAT DO I NEED TO ENTER THE GERMAN MARKET

1. Highly competitive product or company
2. Which benefits health or the environment
3. Be prepared to be challenged by NGOs regarding risks and social/environmental aspects of the product / company
4. Speak up – do not leave the messaging to NGOs
5. Communicate innovations, take the audience with you

DIE LEBENSMITTEL- WIRTSCHAFT

eb
resi
mi

WE HAVE EXPERTISE



UNIQUE POSITION AS THINK TANK

- ✓ Good issue quality of topics
- ✓ High, independent design standards
- ✓ Professional agenda-setting
- ✓ Provision of research results will be further expanded
- ✓ Application orientation of research will be increased



CREDIT



Prof. Dr. Romy Fröhlich



Prof. Dr. Achim Spiller



Dr. Karin Bergmann, Isabella Pfaff



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