How to successfully export to Germany

Vlaanderen
Federatie Voedingsindustrie

Green Seed Food Consulting
Roy G. Edleston, Managing Director

November 13th, 2012

Contents







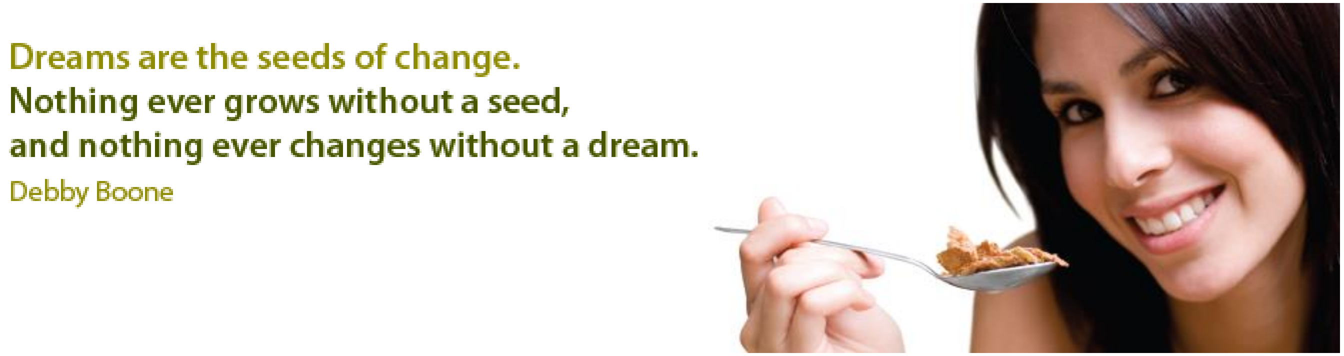

Contents

Green Seed Group

- Unique, international consulting network, specialising in the food & drink sector
- 10 offices in Europe and North America
- Over 25 years of experience

Green Seed Germany

- We advise food and drink companies or marketing boards on how to develop a sustainable and profitable position in Germany, Austria or Switzerland
- By using our in-depth knowledge of the local food and drink market and our established contacts with the trade



How the Green Seed model works

- Over the last decade, German food & drink retailers have become more and more interested in dealing directly with their suppliers. Green Seed Germany has developed its business model around this trend.
- German retailers and food service operators have appreciated our involvement and added value in the context of our common projects for over 25 years.
- We act as business facilitators, ensuring that every step of the process is managed with maximum efficiency. From a first market visit, to the launch as well as the ongoing relationship that follows.
- We offer a highly cost-effective solution of “flexible local sales and marketing management support” aimed at adding value, acting as your extended marketing and sales arm.
- You remain in control of strategic management and invoicing.

The entire fruit is already present
in the **seed.**
Tertullian

The Green Seed approach

We offer tailor-made services depending on your strategy, your current needs and your budget.

I. Green Seed Group – who we are

II. Key features and food trends in Germany

III. How to enter the German market

IV. German retail

V. Overview of the Top 5 German retailers

VI. Foodservice

VII. Case studies

VIII. 10 golden rules for success in Germany








Germany is about SIZE!

Population: 82 m

Food industry: 5,960 companies

Food retail: 41,708 outlets

Geography

16 federal states

Borders on 9 countries

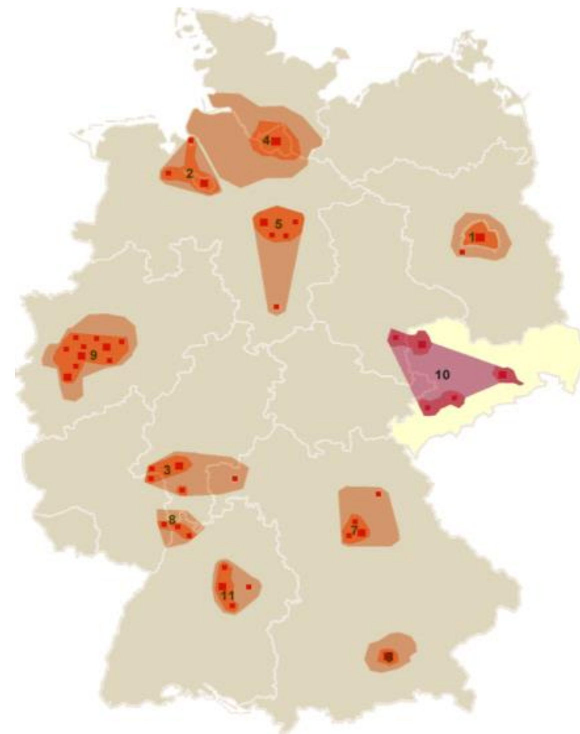
- Surface area: 357,121 sqm
- Hamburg to Munich: 775 km
- Regional differences in consumption habits

Source: Federal Statistical Office Germany

Geography

North Rhine-Westphalia:
Highest population => 18 m = 22 %

11 major conurbations



- With approx. 82 m consumers, even niche markets can be promising
- Major cities: Berlin (3.5 m), Munich (2.6 m), Hamburg (1.8 m), Cologne (1 m)

Source: Federal Statistical Office Germany

Socio-demographics Germany vs. Belgium

	Germany	Belgium
Population	82.3 m	10.4 m
Households	40.3 m	4.6 m
1-person households	36.9 %	32.6 %
Share of people aged 65+	20.1 %	18.3 %
Foreigners	7.3 %	10.2 %

Sources: Federal Statistical Office Germany, www.belgium.be

Germany – International assumptions & characteristics

Punctual

Bratwurst & Sauerkraut

Beer & Lederhosen

Goethe

Neat & Tidy

Accurate

Hard-working

Loyal

Food trends

Convenience

Traditional & ethnic

Seasonality / variety

Low fat / less sugar

Snacking / food on the move

Functional food

Food Trends

~~100 g~~ 50 g

Smaller packs

Mini sizes

Free from

Sustainability

Clean label / NGM

Green packaging

Nestlé Food Study 2011

Main findings

- Daily life is becoming less structured; meals are fitted in whenever time allows
- "Snacking" and "out-of-home" meals are the trends of the future
- Family is still the biggest influence on children's diets
- Despite crisis: decreasing price sensitivity, increasing importance of quality of food & drink
- Consumers value local/regional products more than organic products
- Many consumers are overwhelmed by the concepts of sustainability and social responsibility

Source: Nestlé Food Study 2011

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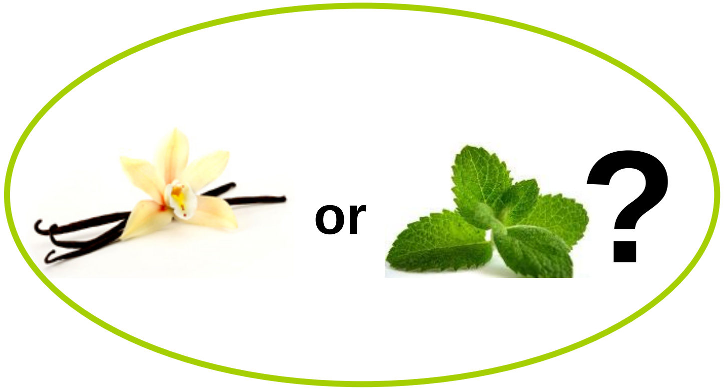
What you have to take into account for the German market

- Consumer research
- VAT 7% / 19%
- Packaging and waste disposal fees
- Labelling and legal aspects
- Packaging standards retail / discount
- Logistic routes and customer requirements
- Delivery to retailer depots
- Pallet standards
- Price calculation considerations



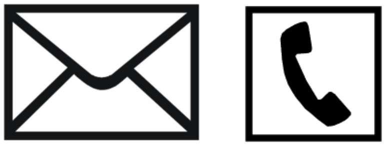
¼ Chep pallet (400 x 600 mm)

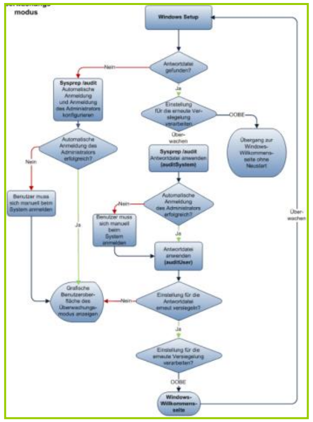
Euro pallet (800 x 1200 mm)

What you have to take into account for the German market cont.

- Mandatory accreditations and safety procedures
  - HACCP
  - E.g. IFS
- Optional accreditations
  - Organic
  - Fair trade
  - Industry-initiated (e.g. QS, DLG)
  - Test magazines (e.g. Stiftung Warentest)

- Language requirements
- Standard communication modes
- Shelf-life
- Product testing
- Risk management





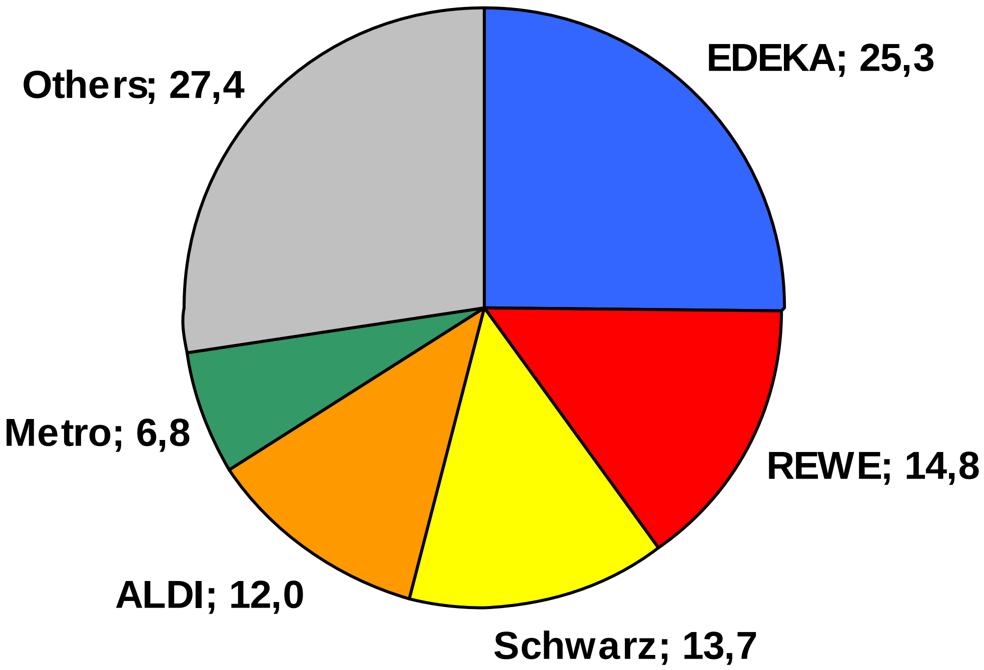
German retail structure

- German grocery retail (incl. discounters) and drugstores increased by 1.4 % to € 158 bn in 2011 (source: Nielsen July 2012)
- Top 5 German retail players account for over 65 %
- Germany is over-shopped and has been for many years
- The number of total grocery stores (incl. drugstores and discounters) is declining
- Germany's top retailers operate a variety of formats

	Number of Outlets (Jan 2012)	Turnover (€ m) 2011
Superstores		
total	**6.788**	**64.695**
large (as of 2,500 sqm)	1.972	41.220
small (1,000-2,499 sqm)	4.816	23.475
Discounters	**16.320**	**60.525**
Supermarkets		
total	**11.330**	**20.890**
large (400-999 sqm)	4.897	15.915
small (100-399 sqm)	6.433	4.975
Drugstores	**7.270**	**11.890**
TOTAL	**41.708**	**158.000**

Source: Nielsen July 2012

Market shares of Top 5 food & drink retailers 2011



Source: BVE 2012

Top 10 food Germany 2011

Rank	Group	Food Turnover*	Change (%)	Food Share (%)
1	Edeka	42.7	+6.8	90.5
2	Rewe	25.1	-7.0	70.7
3	Schwarz Group	23.2	+0.9	81.1
4	Aldi Group	20.3	+0.8	82.0
5	Metro	11.4	-2.2	38.0
6	Lekkerland	7.6	+1.3	95.0
7	dm	4.0	+10.1	90.0
~~8~~	~~Schlecker~~	~~3.7~~	~~-7.0~~	~~92.0~~
9	Rossmann	2.9	+11.8	75.5

*Gross in € bn

Source: Trade Dimensions March 2012 / Lebensmittel Zeitung.net April 2012

Discounters in Germany

Rank	Company		Gross turnover 2011 in € m	Number of outlets July 2012
1	**Aldi-Group**		24.700*	4.317
	Aldi Süd, Mülheim (S. Germany)		*13.700**	*1.805*
	Aldi Nord, Essen (N. Germany)		*11.000**	*2.512*
2	**Lidl****		15.800*	3.287
3	**Netto**		11.814	4.098
4	**Penny**		7.582	2.363
5	**Norma**		2.650	1.278

* Estimate; **incl. special offer stores Mega-Cent; ***incl. Netto Beverage Stores

Source: Trade Dimensions, July 2012

Change of destination shop

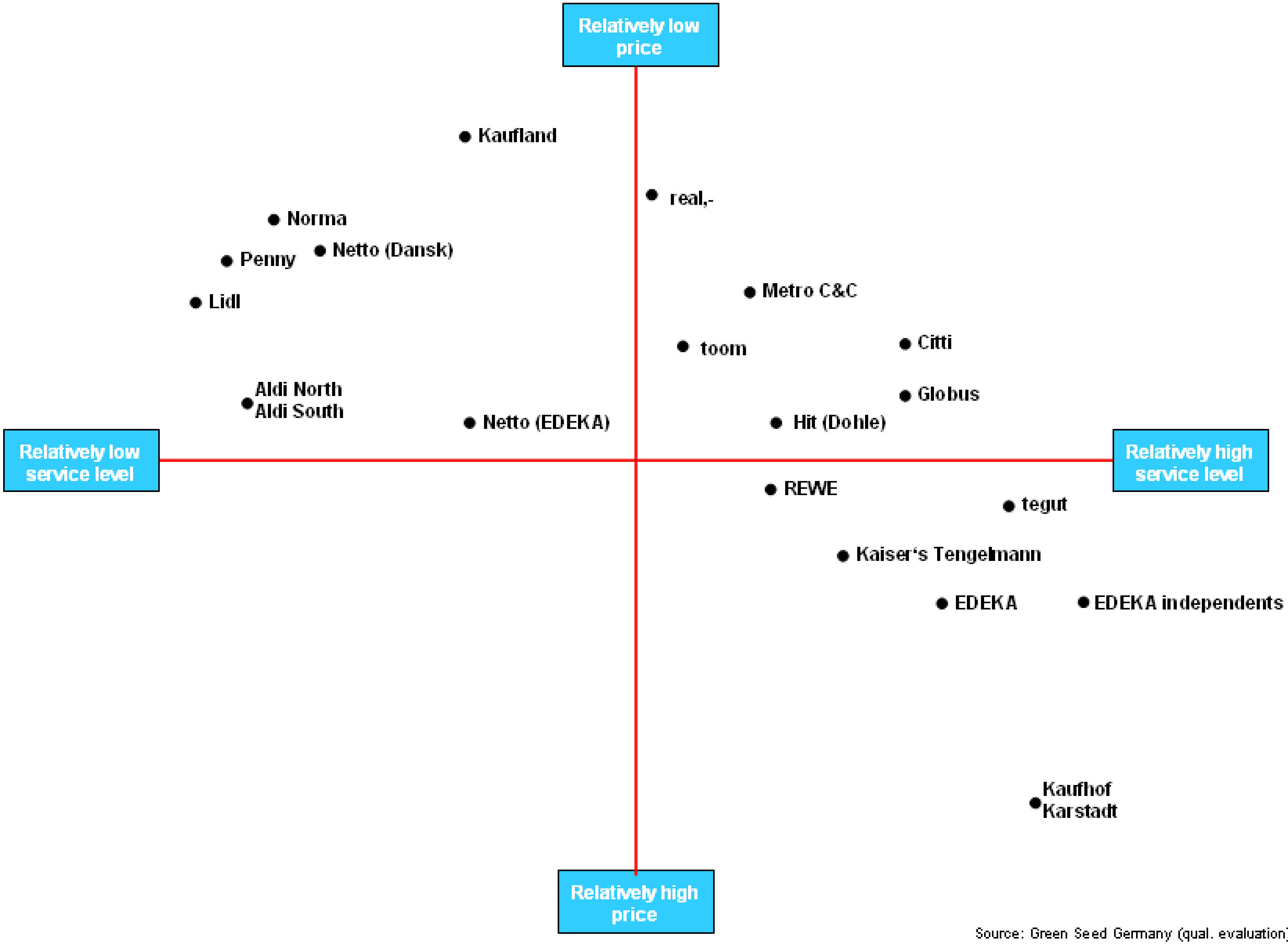
Pre approx. 2007

Destination Shop →	Supermarkets / Hypermarkets
Top-up Shop →	Aldi & Co.

Post approx. 2007

Destination Shop →	Aldi & Co. / Drugstores
Top-up Shop →	Supermarkets / Hypermarkets

Perception of mainstream retailers



Source: Green Seed Germany (qual. evaluation)

Listing fees

- **Listing fees** are extremely difficult to quantify due to the number of variables

  - e.g. product category,
  - category growth,
  - manufacturer's promotion programme,
  - consumer advertising etc.

- No fixed listing amounts.
- Depending on volume and number of stores, can be anywhere between € 10-75,000.
- Discounters require net, net, net costing with no need for the manufacturer to keep in reserve any other support money.
- Promotion investment can often offset / reduce a listing fee.

Promotions

- **Sales leaflets** (German: Handzettel)
  - Most common tool
  - Published weekly
  - Often combined with price reductions
  - Financed by the amount of advertising cost WKZ (Werbekosten-zuschuss or advertising allowance) which is discussed in the annual review meetings
  - Fees are subject to individual negotiations with the buyer
  - Often combined with product listings

- **Off-shelf placements** (German: Displays)
  - In (selected) stores
  - Often only during the promotion week
  - Stock on ¼ Chep pallets

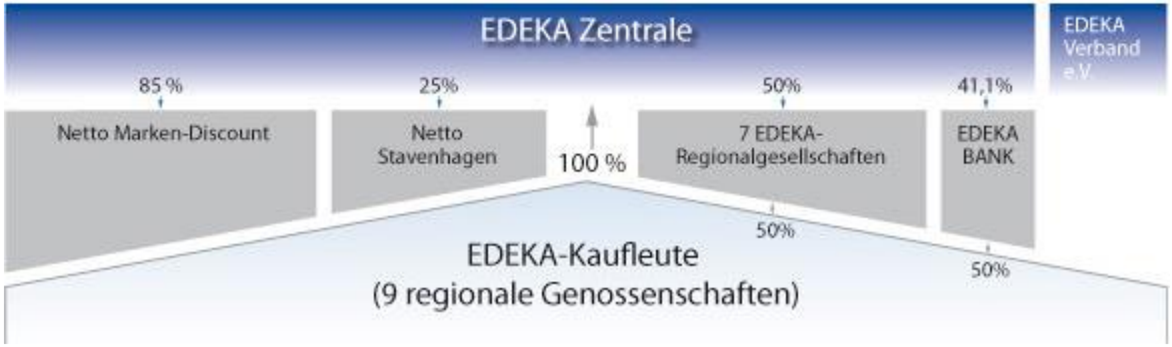
- Further promotional tools are **in-store tastings** (German: Verkostungen). EDEKA’s independents etc. are especially keen on this type of promotion as individual store sales benefit from this action.

Contents

Top retailers Germany – 1. EDEKA Group

Top retailers Germany – 1. EDEKA Group

- Co-operative
- Head office in Hamburg in charge of listing PLs and national mainstream brands / companies such as Mars, Ferrero, Marlboro and Coca-Cola.
- 7 individual regions
- Manufacturing facilities: meat, sausages, bread and bakery products
- A further characteristic is the high number of <u>independents</u>. These are individually owned stores / groups of stores (up to 25) operating under the EDEKA banner and buying primarily from EDEKA wholesale. In total 6,300 independent stores, turnover € 20 bn.
- EDEKA Group operates several formats



Top retailers Germany – 1. EDEKA Group

Strategy

- Reduced international presence ➔ focus on German market
- Consolidate the leading market position in Germany
- Medium term: Increase private label share
- Simultaneously: Emphasise on quality aspect of branded products/fresh foods
- Attach importance to regional products

Positioning

- Main shopping destination for shoppers aged 35 years + (A/B/C1/C2)
- Quality driven and trustful, loyal partner, traditional but modern
- One-stop shopping destination
- From price entry level (private label „Aldinativen") to premium brand
- About 5 % higher RSP in non-mainstream categories vs competition

Sources: Planet Retail, Green Seed Germany

Top retailers Germany – 1. EDEKA Group

Format	Fascia Names	Outlets	Banner
Hypermarkets / Superstores	Marktkauf, E-Center	400	
Supermarkets	E-neukauf, E-aktiv, EDEKA, Nah & Gut etc.	6,800	
Discounters	National format Netto and smaller regional formats	4,500	
Cash & Carry	E-C+C Großmarkt	110	

Top retailers Germany – 1. EDEKA Group

Top retailers Germany – 1. EDEKA Group

Over recent years EDEKA has run an award-winning TV and poster campaign

„Wir lieben Lebensmittel“ (We love food)

to add to the image and create awareness for the high quality and service level. “Lieben” (love) has recently been updated by a heart symbol to add more emotion and appeal also to younger target markets.

Top retailers Germany – 1. EDEKA Group

EDEKA Private Labels

- EDEKA
- EDEKA Länderlinie (country ranges)
- EDEKA Bio (organic)
- EDEKA Lust auf leicht (low fat)
- EDEKA Selection (premium)
- EDEKA zuhause (near food)
- EDEKA Gutfleisch (meat)
- Gut & Günstig (good and low priced)

Top retailers Germany – 2. REWE Group

Top retailers Germany – 2. REWE Group

- Co-operative
- Head office in Cologne
- Strong focus on business sector “travel”
- With regard to food turnover, REWE Group is the No. 2 retailer in Germany and amongst German retailers in Europe too
- Centrally organised, offers good opportunities especially for new, innovative suppliers
- Similar to EDEKA, also a high number of independents. These are individually owned stores (up to 30) operating under the REWE banner and buying primarily from REWE wholesale. Total turnover with independent stores: € 9.5 bn (vs. EDEKA € 20 bn).

Head Office, Cologne

Top retailers Germany – 2. REWE Group

National Full-Range Stores:	International Full-Range Stores:	Nat. & Internat. Discount Stores:	Specialist Stores & Co-operations:	Other:	Travel and Tourism:		
REWE	BILLA	PENNY MARKT	toom DER BAUMARKT	FÜRSIE wir handeln.	ITS	ATLASREISEN	MEIER'S WELTREISEN
toom markt	MERKUR	PENNY MARKT	B1 DISCOUNT BAUMARKT	kressner	JAHN REISEN	DER Reisebüro	ADAC Reisen
toom getränkemarkt	ADEG	XXL Mega Discount	ProMarkt GESUCHT. GEFUNDEN.	PETZ	TJAEREBORG	DERPART	Dr. Holiday
nahkauf	BIPA			GLOCKEN BÄCKEREI	ITS BILLA TRAVEL	DERPART TRAVEL SERVICE	clevertours.com
vierlinden BIO SUPERMARKT				Wilhelm Brandenburg	ITS coop TRAVEL	FCm TRAVEL SOLUTIONS	
akzenta lecker, günstig, nett				iki	DERTOUR	RSG	

KARSTADT

Top retailers Germany – 2. REWE Group

Strategy

- Strengthen market position, focus on retail brand REWE
- Boost private label sales to 30 % of t/o in 2012
- Be better than competition and focussing on consumer needs
  ➔ consumer takes centre stage. New claim: Besser leben. (live better)
- Sort out discount business, expand organic business

Positioning

- Innovative ranges and store concepts, modern, clearly structured, service provider
- One-stop shopping destination
- From price entry level (“Ja!“) to premium brand (“REWE Feine Welt”)
- Average RSP on non-mainstream ranges

Sources: Planet Retail, Green Seed Germany

Top retailers Germany – 2. REWE Group

Format	Fascia Names	Outlets	Banner
Supermarkets	REWE	3,300	
Discounters	Penny	2,420	
Hypermarkets / Superstores	Toom	60	
Food Halls	Karstadt	50	

Top retailers Germany – 2. REWE Group

Top retailers Germany – 2. REWE Group

REWE Concepts

REWE City – the small supermarket around the corner

- 500–1,000 sqm
- Approx. 8,000 SKUs
- Focus on freshness and convenience
- City locations and longer opening hours

REWE – full range grocer in your area

- 1,000–3,000 sqm
- Approx. 10–25,000 SKUs
- Focus on freshness and full range product portfolio

REWE Center – large stores

- 3,000–5,000 sqm
- Over 45,000 SKUs
- Focus on fruit & veg, service counters, product choices incl. non food
- Easy access by car

Top retailers Germany – 2. REWE Group

REWE Private Labels

- ja! (value)
- REWE Beste Wahl (regular)
- REWE Feine Welt (premium)
- REWE Bio (organic)
- REWE frei von (free from)
- W. Brandenburg (meat)

Top retailers Germany – 2. REWE Group

REWE Promotional Tools

Sales Leaflet

- Published weekly
- Distributed in store or via dailies

Laviva Magazine

Coupon in Laviva

- Coupon “buy one, get one free” in REWE’s monthly lifestyle magazine for women “Laviva”
- Coupons are valid for approx. 6 weeks and can be redeemed in REWE and toom stores

Top retailers Germany – 3. Schwarz Group

Top retailers Germany – 3. Schwarz Group

- Privately owned by D. Schwarz and his foundation
- Based in Neckarsulm, North of Stuttgart
- Operates two store formats:
  - “discount” hypermarkets (Kaufland/Kaufmarkt)
  - discounters (Lidl)
- Kaufland and Lidl buy independently
- Lidl
  - ALDI’s strongest competitor (with higher share of brands)
  - Positioning is focussed on everyday groceries at the best price
  - Innovative and quickly adapts to trends
  - In the process of introducing in-store bakeries
- Kaufland = No. 1 hypermarket group operating formerly only in the Southern and Eastern parts of Germany but now nationally

Top retailers Germany – 3. Schwarz Group

Format	Fascia Names	Outlets	Banner
Hypermarkets	Kaufland, Kaufmarkt	600	
Discounters	Lidl	3,260	

Top retailers Germany – 3. Schwarz Group

Lidl

- Aggressive price policy
- A ratio of own labels vs. branded products (approx. 70/30)
- Strong national presence
- International presence in approx. 20 countries
- Offers good quality, i.e. everyday groceries at the best price
- Innovative discounter (quick adaption of trends)
- Strongest competitor for Aldi

Kaufland

- Positioned as price-focussed
- Offers a wide range of products at a fair price
- Compared to other hypermarkets such as toom (REWE Group) and Hit (Dohle Group), Kaufland could be categorised as “discount hypermarket”
- Extremely successful in its expansion

Sources: Planet Retail, Green Seed Germany

Top retailers Germany – 3. Schwarz Group



Top retailers Germany – 4. ALDI Group

<u>Nord (North)</u>
Essen/Kray
approx. 2,512 outlets

<u>Süd (South)</u>
Mülheim
approx. 1,805 outlets

Top retailers Germany – 4. ALDI Group

- Established in 1960
- ALDI North and South are both private companies
- Founded by the two brothers Karl and Theo Albrecht († 2010)
- Market leader in discount
- Strong national and international presence.
- Just as Germany is split into ALDI North and ALDI South, in other countries there are either subsidiaries of ALDI North <u>or</u> ALDI South
- Core range of approx. 800 SKUs
- Mainly exclusive labels but more and more brands again since 2006 (added Coca Cola in October 2012)
- Perceived as trendsetter and innovation driver (e.g. chilled ready meals), focussing on consumers' confidence
- Shopping at ALDI has become "socially acceptable"
- Sophisticated work force as well as non-existing old structures enable ALDI to react quickly to new market trends
- Has in some product categories (e.g. canned vegetables) over 50 % market share

Top retailers Germany – 4. ALDI Group

Top retailers Germany – 4. ALDI Group

Strategy
- Market leader in discount
- Core range of approx. 800 items
- Set standards in discount channel (e.g. customer satisfaction)
- Strong national presence
- Strong international presence but less than Lidl
- Each operating division has approx. 30 depots

Positioning
- Offer high quality at a low price
- Mainly exclusive labels but some brands again as of 2006
- Innovative discounter
  (quick adaption of trends/often trendsetter/innovation driver)
- Focus on consumers' confidence
- Change from pure price-led retailer to "quality discount store"

➔ **ALDI is in Germany's Top 10 of "strongest corporate brands"**

Sources: Planet Retail, www.aldi-sued.de, Green Seed Germany

Top retailers Germany – 4. ALDI Group

ALDI South has its own coffee roasting facilities and has recently started a form of in-store bakery.

ALDI South premium private label range.

Top retailers Germany – 5. Metro Group

Top retailers Germany – 5. Metro Group

- Head office in Düsseldorf
- Food business downsized by selling 245 “extra” hypermarkets to REWE Group (July 2008)
- One of the most important international retailers
- Over 2,100 locations in 34 countries in Europe, Africa and Asia
- In Germany, food buying was dealt with centrally by METRO Group Buying. Since 2010 buying responsibilities are now organised separately for each fascia.
- Runs different formats
- Innovation of retail practises and technology play an important role
- Kaufhof and real rumoured to be for sale
- Also focus on improving profitability of Metro C&C and returning loss making real,-superstores to profitability

Top retailers Germany – 5. Metro Group

Strategy
- Run diverse formats
- Innovation of retail practises and technology (e.g. RFID)
- Improve profitability of real,- and Metro C&C
- Strong internationalisation, also with regard to buying
- Presence in over 30 countries (incl. India, China and Japan)

Positioning
- No innovation driver in product ranges
- Mass-market oriented
- RSP somewhat below average

Sources: Planet Retail, Green Seed Germany

Top retailers Germany – 5. Metro Group

Format	Fascia Names	Outlets	Banner
Hypermarkets	real	320	
Cash & Carry	Metro incl. Schaper	120	
Food Halls	Kaufhof	25	

Top retailers Germany – 5. Metro Group

real,- Private Labels

- TiP (value)
- real,- Quality (regular)
- real,- Selection (premium)
- real,- Bio (organic)

Top retailers Germany – 5. Metro Group

Metro C&C Private Labels

Select HORECA
(for professional chefs)

H-Linie
(solutions for hotels for a fair price)

RIOBA
(premium for bars and cafés)

Aro
(value)

Fine Food
(top quality for a top price; regular)

Top retailers Germany – 5. Metro Group

real,-

Metro C&C

Kaufhof

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Foodservice – Introduction and structure

Overall, the German foodservice market is not clearly structured

- Often regional structures
- Many independent players
- Exception: fast food chains / systems

Segmentation foodservice market by leading foodservice publishing house

Non-Commercial	Commercial	
	Catering	Accommodation
Business	Fast food	Hotels
Care	Man on the move	Inns
Education	Leisure	Hotel garnis
	Retail	Guest houses
	Full Service	
	Events / Trade Fairs / Sport	

Source: www.dfv.de

Foodservice – Non-Commercial

Non-Commercial
Business
Care
Education

Business → Most important with € 14.8 bn



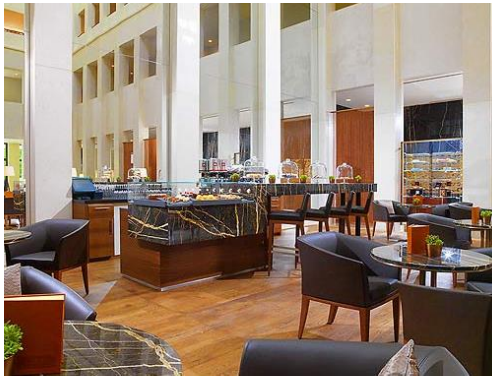
Source: www.dfv.de

Foodservice – Commercial

Commercial	
Catering	**Accommodation**
Fast food	Hotels
Man on the move	Inns
Leisure	Hotel garnis
Retail	Guest houses
Full Service	
Events / Trade Fairs / Sport	

Highest turnover (Fast food, Man on the move):
€ 5.8 bn + € 2.6 bn

Hotels: Most important with € 11.2 bn



Source: www.dfv.de

Foodservice – Market development 2011 and outlook 2012

2011

- Germany's largest foodservice companies – Top 100 – turned over € 11.2 bn (+5.1 %) in over 17,217 outlets
- 15% of the Top companies are global players and generated 57% of turnover

2012

- Positive outlook
- Expectations: higher turnover, higher profits, more guests, higher average sales slips
- Highest growth rates are forecasted for Take Away and Home Delivery
- Challenges: recruitment, labour costs, purchase prices

2011: Top 10

R	Vj.	Name	Umsatz Mio. €	Units 31.12.
1	1	McDonald's	3.195,0	1.415
2	2	Burger King*	790,0	696
3	3	LSG	714,0	19
4	4	Tank & Rast*	597,0	393
5	5	Nordsee	301,0	345
6	7	SSP	185,0	284
7	10	Yum!	177,6	139
8	9	Aral/Petit B.	175,1	1.076
9	8	Ikea	175,0	46
10	6	Subway*	175,0	612
		Total	6.484,7	5.025

*estimated

Source: foodservice March 2012

green seed
International Food Consulting

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Case study Germany: Jordans

Objectives

- GS Germany was approached by the leading UK cereals manufacturer Jordans (owned by ABF) to expand the existing limited listing for two muesli products in REWE supermarkets, Germany’s No. 2 retailer.

Action Green Seed Germany

- GS Germany analysed the current business and evaluated further business opportunities. A strategic and promotional plan to expand distribution within REWE and win several new key accounts was then developed and carried out.

Results

- Listing within REWE was expanded to 100% (all 3,300 stores). In addition, listings were achieved in other fascia such as Karstadt, toom and Kaiser’s Tengelmann. Also the launch of a third line extension.

- GS Germany continues to handle the key account management in Germany including all promotion activity.

Case study Germany: Ryvita

Objectives

- Following satisfaction of handling the Jordans business, GS Germany was requested by the Ryvita subsidiary (also owned by ABF) to explore the possibility of a promotional crispbread listing in Aldi.

Action Green Seed Germany

- GS Germany selected the ideal range for the German discount business and approached Aldi Nord to introduce company and its products.

Results

- Following a meeting and further discussion, Ryvita was invited to tender and won.
- GS Germany handled all details and formalities (packaging, photos, testing etc.) acting as Ryvita's extended marketing and sales arm for the yearly promotions in January in Aldi Nord Germany, Denmark, France and Portugal.

Case study Switzerland : Quorn Foods

Objectives

- Quorn Foods is the world's No. 1 manufacturer of meat-free products and was approached by Migros, the leading Swiss retailer regarding a launch into the Swiss market. GS Germany was asked to lead the response.

Action Green Seed Germany

- GS Germany handled all preparations and launch details and listed an initial range under Migros' meat-free brand Cornatur.

Results

- Quorn became the lead brand within the Cornatur range which developed over the years to be the No. 1 meat-free brand in Switzerland with over two-thirds market share.
- GS Germany has handled the key account management since the launch in 1995 including all NPD, promotions and PR.

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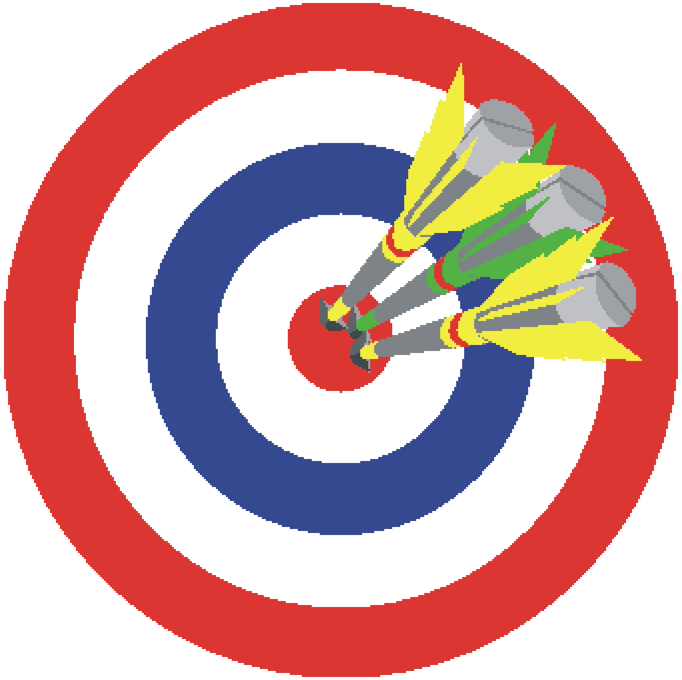
10 golden rules for success on the German market

1. Define Your Objectives



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2. Do Your Homework

3. Check Legality

REGULATION (EC) No 178/2002 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 28 January 2002

laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 37, 95, 133 and Article 152(4)(b) thereof,

Having regard to the proposal from the Commission (¹),

Having regard to the opinion of the Economic and Social Committee (²),

Having regard to the opinion of the Committee of the Regions (³),

Acting in accordance with the procedure laid down in Article 251 of the Treaty (⁴),

Whereas:

(1) The free movement of safe and wholesome food is an essential aspect of the internal market and contributes significantly to the health and well-being of citizens, and to their social and economic interests.

(2) A high level of protection of human life and health should be assured in the pursuit of Community policies.

(3) The free movement of food and feed within the Community can be achieved only if food and feed safety requirements do not differ significantly from Member State to Member State.

(4) There are important differences in relation to concepts, principles and procedures between the food laws of the Member States. When Member States adopt measures governing food, these differences may impede the free movement of food, create unequal conditions of competition, and may thereby directly affect the functioning of the internal market.

(5) Accordingly, it is necessary to approximate these concepts, principles and procedures so as to form a common basis for measures governing food and feed taken in the Member States and at Community level. It is however necessary to provide for sufficient time for the adaptation of any conflicting provisions in existing legislation, both at national and Community level, and to provide that, pending such adaptation, the relevant legislation be applied in the light of the principles set out in the present Regulation.

(6) Water is ingested directly or indirectly like other foods, thereby contributing to the overall exposure of a consumer to ingested substances, including chemical and microbiological contaminants. However, as the quality of water intended for human consumption is already controlled by Council Directives 80/778/EEC (⁵) and 98/83/EC (⁶), it suffices to consider water after the point of compliance referred to in Article 6 of Directive 98/83/EC.

(7) Within the context of food law it is appropriate to include requirements for feed, including its production and use where that feed is intended for food-producing animals. This is without prejudice to the similar requirements which have been applied so far and which will be applied in the future in feed legislation applicable to all animals, including pets.

(8) The Community has chosen a high level of health protection as appropriate in the development of food law, which it applies in a non-discriminatory manner whether food or feed is traded on the internal market or internationally.

(¹) OJ C 96 E, 27.3.2001, p. 247.
(²) OJ C 155, 29.5.2001, p. 32.
(³) Opinion delivered on 14 June 2001 (not yet published in the Official Journal).
(⁴) Opinion of the European Parliament of 12 June 2001 (not yet published in the Official Journal), Council Common Position of 17 September 2001 (not yet published in the Official Journal) and Decision of the European Parliament of 11 December 2001 (not yet published in the Official Journal). Council Decision of 21 January 2002.

(⁵) OJ L 229, 30.8.1980, p. 11. Directive repealed by Directive 98/83/EC.
(⁶) OJ L 330, 5.12.1998, p. 32.

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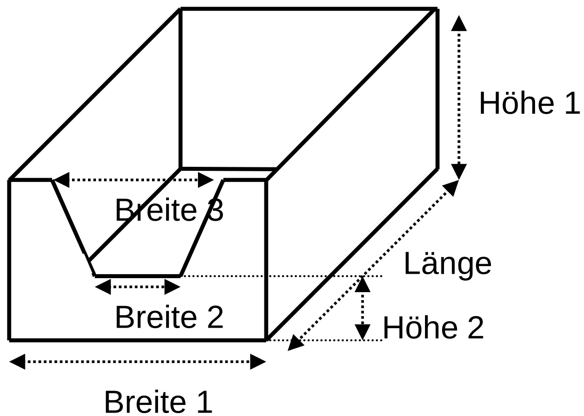
4. Check Packaging



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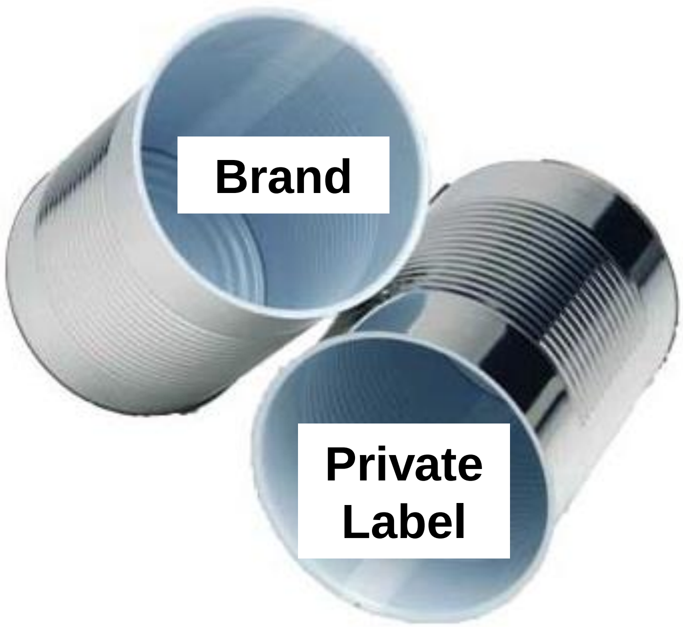
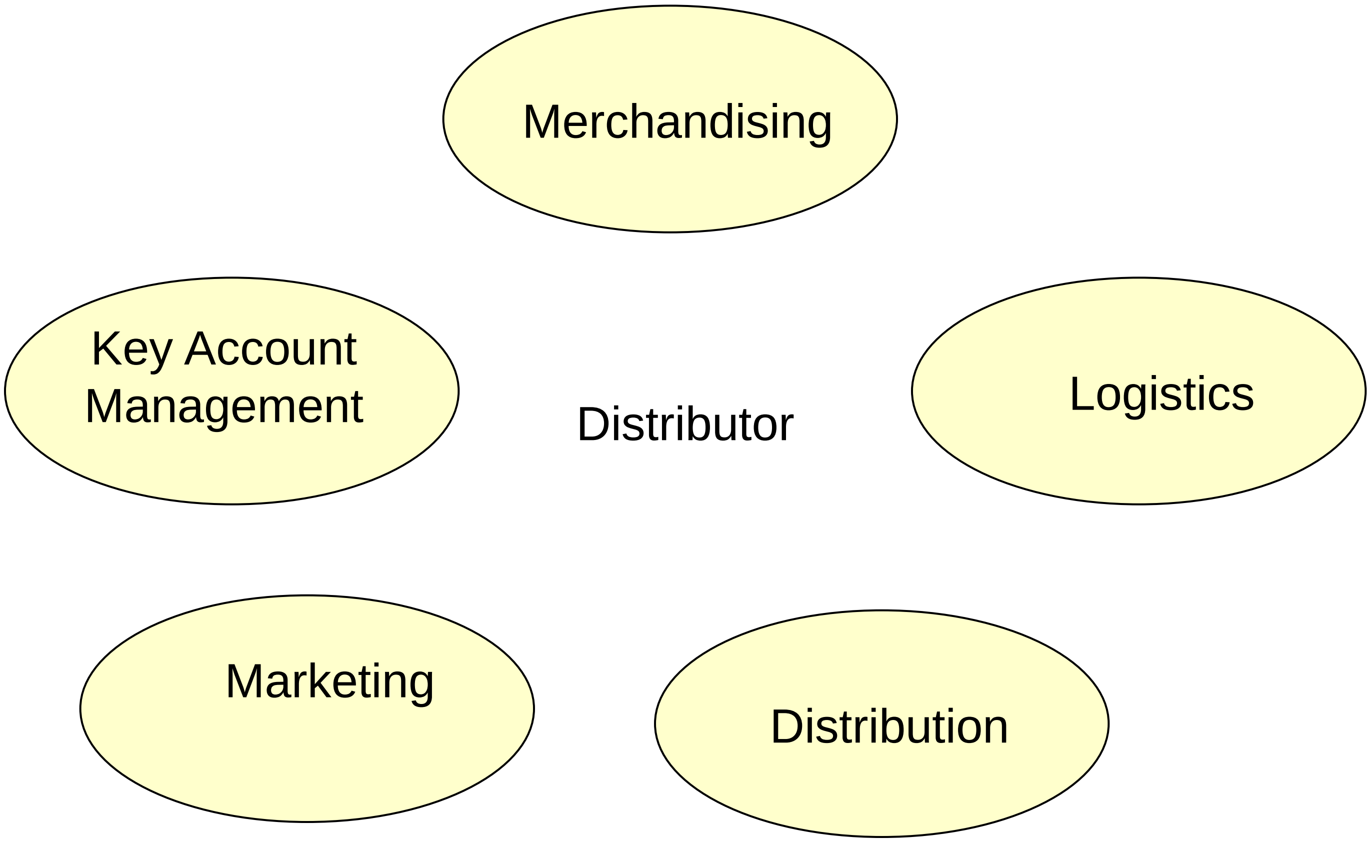
5. Brand or Private Label?



6. Sales via Distributor?



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7. Have an Annual Marketing Budget if Brand

8. Develop Relationship with Distributor / Trade

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9. Think German!

On time

Accurate

Loyal

10. Be Patient and Realistic

Thank you und viel Erfolg!

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