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German meat market update: new animal husbandry label for animal products

MARKET INTELLIGENCE REPORT

Summary

Prepared by the New Zealand Embassy in Berlin

- Germany has adopted new legislation that introduces husbandry labelling for animal products, starting with unprocessed pork. Labelling will be mandatory for domestic products and voluntary for (and open to) imported products. Beef and dairy are likely to be included later.

Report

A new Animal Husbandry Labelling Act introduces a government-owned label categorising animal products based on how the animals have been kept. Labelling will be mandatory for domestic produce but voluntary (and open to) imported products. The scope will initially be limited to unprocessed pork (i.e. excluding processed products and out-of-home consumption) and focus only on the fattening phase (ignoring piglet-keeping standards). This will be extended in future, to include other types of products, other phases of production, and eventually other products such as beef, dairy and poultry.

All products falling under the scope of the Act will be grouped into one of five categories, with the lowest standard (“Indoor” - 1) reflecting the legal minimum standards, followed by three categories intended to reflect higher animal welfare standards (“Indoor+Space”, “Indoor with Fresh Air”, and “Outdoor Runs/Pasture” - 2-4) and finally “Organic” (based on the European Union (EU)’s standard - 5). The system appears to be roughly similar to the EU’s compulsory marking of table eggs (although this ranges from 0 for organic to 3 for cage systems) and to an existing private animal husbandry label (“[Haltungsform](#)” - ranging from 1 for legal minimum to 4 for organic, colour coded).

Imported produce may be categorised and labelled on a voluntary basis. In that case, the importer – or whoever puts the product on the German market – will have to apply for permission and provide evidence that the product in question qualifies for the category to be claimed. Foreign farms keeping the animals slaughtered for these products will be required to register with the relevant German authority, provide necessary evidence and meet internal reporting requirements.

Both the Federal Ministry for Food and Agriculture (BMEL) and German retail are planning to run communication campaigns accompanying the introduction of the new label. Stakeholder reactions have been mixed, with the industry critical the label creates additional red tape, ignores existing private schemes, and won’t necessarily generate a premium for products with higher standards. Farmers and processors are warning that domestic production will decrease further as a result. Retailers have reacted more positively, whereas NGOs anticipate a limited impact on animal welfare standards. Independent experts agree that the scope needs to be expanded.

Other elements of the German Government's animal farming transformation programme

This labelling initiative represents the first pillar of Germany's broader animal farming transformation plans, which aim to raise animal welfare standards across the sector. The second pillar is a set of regulatory changes to facilitate the construction or upgrade of barns that meet the higher categories (3-5) of the labelling scheme. To this end, existing restrictions that are barriers to building new or expanded barns have now been softened. Separately, BMEL has proposed a tightening of Germany's Animal Protection Act, which if adopted would ban tethered housing (still the norm on many smaller dairy farms), extend anaesthesia requirements for dehorning and castration, and make video surveillance in slaughterhouses mandatory.

Furthermore, the German government is looking at ways to help fund the transformation of the sector to exceed legal minimum standards. An initial €1 billion has been earmarked for up to 2026 to subsidise up to 60% of the cost of upgrading pig stalls and higher running costs associated with providing livestock more space and maintenance of infrastructure. However, the sector, with the backing of science, has been arguing that in order to maintain competitiveness – absent sufficient premiums for higher animal welfare standards – subsidies will be required for longer and for other subsectors as well. A dedicated meat levy or VAT increase on meat products has been suggested (see previous [report](#) from 2021), but the Government has yet to agree on a way forward.

In a separate move, the Government has adopted new regulations that extend the existing EU-wide Country of Origin Labelling (CoOL) requirement for packed meat and unpacked beef to unpacked poultry, pork, sheep and goat meat sold at German meat counters and butcher's shops. Germany continues to lobby in Brussels for the expansion of CoOL at EU level, including for processed meat.

The context: recent consumption, production and marketing trends

Meat consumption in Germany continues to decrease. Recent statistics suggest a further drop in per capita consumption to 52kg in 2022 (-7.4% year on year, -15% over the past ten years). Beef and veal consumption dropped by nearly 10%, whereas sheep meat consumption remained stable (but low). Besides the longer-term trend of changing consumer habits, high meat price inflation (nearly 15% last year) is now another contributing factor. Consumers chose not only to eat less meat but to go for cheaper cuts and to shift away from butchers to supermarkets. At the same time, a vast majority (80%) declare an interest in animal husbandry (and related labelling) when asked in

surveys.

Meanwhile, meat production in Germany also continues to decline, especially in the pig sector, where livestock numbers have decreased by a more than a fifth over the past decade and 10% in 2022 alone (on the upside, this has stabilised prices). The self-sufficiency rate for meat has declined to 116%.

Germany's retailers are also shaping the market, with one after the other making announcements to delist over time meat products that do not meet legal minimum animal husbandry standards (‘international specialities’ are usually exempt). The “Haltungsform” label has become almost ubiquitously applied, with at least level 1 products potentially disappearing from shelves. The German agriculture minister welcomes this trend, suggesting that Germany keeps “fewer animals but better”.

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