The food industry in North Rhine-Westphalia
Quality and enjoyment from the regions
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Dear Sir or Madam,

North Rhine-Westphalia is a state with many different regional profiles and production focuses. In many areas and regions, typical local focuses in agriculture have developed which influence food production. In North Rhine-Westphalia the sales markets are on the doorstep because nowhere else in Germany is there such a dense juxtaposition of rural cultivated landscapes and heavily populated industrial regions. It therefore comes as no surprise that the demand for home-produced products in North Rhine-Westphalia is rising, especially as regional products enjoy a high degree of trust.

It is true that many of our everyday foodstuffs continue to be transported over long distances before they land on our tables. However, more and more consumers want to know where and how food is produced. Today, however, regional identity and origin are important quality criteria, as is demonstrated by the success of organic and fair trade products. New opportunities are emerging for regional products with regard to reasonable prices and new sales channels.

Many regional initiatives based in North Rhine-Westphalia have already been active in this market for some time. These include protection associations that produce regional specialities, initiatives with additional conservation and animal welfare orientation, regional advertising associations, and direct marketers. They are all committed to the promotion and marketing of regional products, thereby making a strong stand for North Rhine-Westphalia.

The subject of food is now more relevant than ever. And it affects all of us!

Yours sincerely

Johannes Remmel
Minister for Climate Protection, Environment, Agriculture, Nature Conservation and Consumer Protection of the State of North Rhine-Westphalia
1 Introduction

Agriculture and the food industry in North Rhine-Westphalia have a great deal to offer: Along with Bavaria and Lower Saxony, North Rhine-Westphalia is one of the three most important agricultural regions in Germany. Efficient agriculture thus forms the basis for a diversified and high-grossing food industry. North Rhine-Westphalia generates around one fifth of total food sales in Germany. Agriculture is therefore also a mainstay of the rural regions: Taken together, agriculture, the food industry and the food skilled crafts provide jobs for a total of approx. 400,000 people, putting them among the most important economic factors and biggest employers in the state.

The competitive position of the food industry in North Rhine-Westphalia is already outstanding: Quality, variety and sales figures are impressive. With around 30 billion euros (position as at 2010) the North Rhine-Westphalian food industry is the highest-grossing in Germany and occupies fifth place among the various economic sectors of the manufacturing industry. At the same time, the focus is also shifting to other criteria as social and ecological aspects of food production and processing are becoming increasingly important.

2 Regional diversity

The focuses of agriculture and the food industry are oriented to the diversity of the landscapes and natural regions in North Rhine-Westphalia: Münsterland has always been a strong region for animal husbandry. The Rhineland is dominated by arable farming, the growing of fruit and vegetables, as well as ornamental plants. The focus in the Lower Rhine is on dairy produce and horticulture. In the Bergisches Land, Eifel, Sauerland and Siegerland regions, the emphasis is on dairy and beef cattle, with forestry also playing an important role.
Farmers and foodstuff producers are looking for new ways of exploiting previously untapped market potential and of obtaining reasonable prices for their high-quality products. Meanwhile, numerous initiatives have been established throughout NRW for the joint processing and marketing of regional products in cooperation with other business partners. These include product and advertising associations such as Genussregion Niederrhein e. V., Spargelstraße NRW, bergisch pur e. V., Nordrhein-Westfälische Werbegemeinschaft Ei e. V., BIOlokal e. V., the traveling market "Feines vom Land", and many more besides. In addition, there are gastronomic associations such as NRW kulinarisch Marketing e. V., "Regionale Speisekarte – So schmeckt das Münsterland" and "Bergische Gastlichkeit".

Given the current production figures, North Rhine-Westphalia can therefore rightly describe itself as a major state of origin for high-quality, diverse and specialized foodstuffs. By merging to form production and marketing initiatives, agricultural enterprises are strengthening their market position vis-à-vis the trade. They are able to put a much larger and more varied range of regional products on the market than would be possible for individual producers. The accomplishments of the regional marketing initiatives go far beyond the development of market niches and securing the sales of their own products. They also serve to enhance the image of the state of North Rhine-Westphalia as a livable and highly diversified enjoyment location.

### 2.1 Regional initiatives throughout NRW

Demand for regional products is rising constantly. More and more consumers want to know how and where their food has been produced, and they take pains to ensure that only safe, high-quality products land in their shopping baskets. Regional products already enjoy a higher degree of confidence. And the producers and manufacturers in North Rhine-Westphalia want to be judged by this additional trust.

### Primary production of key agricultural products in North Rhine-Westphalia 2010

<table>
<thead>
<tr>
<th>Product</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals</td>
<td>3.8 million t</td>
</tr>
<tr>
<td>Wheat</td>
<td>2.2 million t</td>
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<tr>
<td>Barley</td>
<td>1.1 million t</td>
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<tr>
<td>Potatoes</td>
<td>1.5 million t</td>
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<tr>
<td>Sugar beet</td>
<td>3.7 million t</td>
</tr>
<tr>
<td>Milk</td>
<td>2.9 million t</td>
</tr>
<tr>
<td>Beef</td>
<td>0.2 million t</td>
</tr>
<tr>
<td>Pork</td>
<td>1.9 million t</td>
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</tbody>
</table>
At the Internet portal www.landservice.de the Chamber of Agriculture presents regional suppliers to draw the attention of consumers and tourists to their extensive product ranges. Farm shops and farm cafés are to be found here, as well as the dates of farmers' markets and farmyard parties, and recommendations for excursions. The regional initiatives in North Rhine-Westphalia are also presented at this portal.

2.3 Highly diversified food industry with strong skilled crafts

The food industry in North Rhine-Westphalia is characterized by small and medium-sized enterprises. The food producers score particularly high points in Germany and abroad with meat and meat products, baked goods, confectionery, milk and dairy products, as well as processed fruit and vegetables. North Rhine-Westphalia is also a major beer producer.

Meat and sausage products – appreciated beyond the state's borders

Meat and sausage products from Westphalia or the Rhenish regions are very popular far beyond the borders of the state. Ham on the bone, smoked meat, bratwurst and mettwurst from these areas are very popular outside the state and efforts are even currently underway to obtain recognition from the European Union for Westphalian ham as a regional specialty. The subsector "butchering and meat processing" is by far the highest-grossing segment in the North Rhine-Westphalian food industry. At 9.7 billion euros in 2010, it generated almost one third of total sales in the NRW food sector.

2.2 Direct marketing

In order to market their products jointly in the region and to further strengthen the trust of their customers, numerous producers in North Rhine-Westphalia have teamed up to form direct marketing initiatives. For example, farmers and horticulturalists in the Rhineland have founded the association "Rheinische Bauernmärkte e.V.". Farmers' markets are held in different towns and cities on the Lower Rhine – in Hamminkeln, Krefeld, Neukirchen-Vluyn, Düsseldorf and its surroundings. The farmers and horticulturalists in the association offer an extensive and fresh range of regional products. The high quality on offer is guaranteed continuously by neutral inspectors.

The Vereinigung der Direktvermarkter NRW (VDNRW) supports its members in their marketing activities and negotiates with the trade as a single body. As the point of contact for producers and the trade, the association makes sure that suppliers and buyers find each other. Both sides benefit from the negotiated conditions because – unlike central listing – the delivery terms are oriented to the production conditions of the mostly small producers. The formation of an association of direct marketers has enabled around 50 agricultural businesses from North Rhine-Westphalia to offer a range of different products jointly and all year round which are aimed at the customers "directly from farms in your region" – with success.
When it comes to the milling of grain – a key raw material for producers of baked goods – North Rhine-Westphalia occupies first place in Germany. In 2009, the state's 26 mills accounted for an almost 20 percent share of total German production. The city of Neuss and its surroundings are regarded as a competence region for milling.

Milk and dairy products from the milk state of NRW
In many rural regions of North Rhine-Westphalia, dairy farmers contribute to retaining the biodiversity of our landscapes. Keeping dairy cattle facilitates the comprehensive agricultural land use of our grassland regions. Diversified cultural landscapes resulting from centuries of development have survived thanks to agricultural cultivation.

North Rhine-Westphalia is the third-largest "milk state" in Germany. In 2010, some 3 million tons of milk were produced here. Only Bavaria and Lower Saxony produced more. At the same time, milk processing including the production of ice-cream is the fifth-strongest segment of the food industry in North Rhine-Westphalia in terms of sales, which amounted to approx. 2.1 billion euros in 2010.

Münsterland, the Cologne area and the Lower Rhine have a relatively high regional concentration of milk processing. Besides small and medium-sized firms, international industry giants are also represented here. In addition, there are over 100 farm-based cheese dairies in North Rhine-Westphalia offering a remarkable assortment of tasty cheeses. The cheese specialities can be tried and purchased on the producers' premises: 25 qualified farm-based cheese dairies have joined forces along the "Cheese Route NRW", where typical regional specialities such as "Der Schwatte" (black cheese) from Sauerland

The export share of the meat industry in North Rhine-Westphalia has increased to more than 16 percent. With nearly 20,000 employees, the meat sector is the second-biggest employer in the North Rhine-Westphalian food industry. The sometimes very large production facilities are an expression of the increasing concentration which is also taking place in North Rhine-Westphalia. The butcher's trade in the state has also asserted itself successfully in the face of large processors and foreign competition. Many specialty shops are now outfitted as modern food and service providers.

Baked goods especially for the domestic market
In terms of the number of jobs, the manufacture of baked goods with around 30,000 employees is the most important subsector in North Rhine-Westphalia, ahead of the meat segment. In 2010, the companies generated sales of approx. 4.5 billion euros with baked goods – primarily in the domestic market.
Particularly in the climatically favored Rhine regions, carrots, spinach, French beans, garden peas and white cabbage are grown outdoors. In 2010, the area used for cultivating vegetables totaled approx. 20,000 hectares. Greenhouses serve mainly to grow cucumbers and tomatoes.

Asparagus is also grown in many parts of North Rhine-Westphalia. The so-called "white gold" can also be savored and purchased directly on the producer's premises along the North Rhine-Westphalian "Asparagus Road". The history of asparagus cultivation in our state, which has a long tradition, is depicted in the "Vestisch Asparagus Museum" in Herten. In 2010, around 500 farms grew asparagus on a total of more than 3,000 hectares.

Potatoes also play an important role in a national comparison. In terms of cultivation area, North Rhine-Westphalia (32,000 hectares in 2010) is the third-largest potato-growing state following Lower Saxony and Bavaria. This is attributable not least to a doubling of the cultivation area since the middle of the 1990s.

Due to the mild climate, fruit growing is widespread in the Cologne-Bonn region – especially Meckenheim – and on the Lower Rhine. There is an extensive range of fruits and berries on offer here. The juice producers in North Rhine-Westphalia also play an important role: In the production of fruit juice, the state is one of the top three in Germany.

NRW – the heartland of beer and mineral water
The North Rhine-Westphalian brewery landscape produces many different types of beer and beer specialities: Kölsch from Cologne, Altbier from the lower Rhine, Pils and Export from Dortmund and the numerous Münsterland beers are only the highest-grossing varie-
ties. With an output of around 23 million hectoliters, North Rhine-Westphalia can rightly be described as Germany's beer heartland – ahead of Bavaria. About one third of the beer produced in Germany comes from the 130 breweries in North Rhine-Westphalia.

Also with regard to mineral water and soft drinks, North Rhine-Westphalia is the leading state in Germany with a sales share of more than a quarter of the nation's total. Approx. 3.8 billion liters of mineral water and soft drinks were produced here in 2009. The mineral waters differ, for example, in terms of their mineral and trace element content. Each mineral water, whether from the Eifel or East Westphalia-Lippe, thus reflects the region of origin and its geological conditions. North Rhine-Westphalia is therefore a first-class mineral spring.

**Food skilled crafts with a long tradition**
According to the figures released by the chambers of skilled crafts, there were around 5,200 skilled crafts businesses in the food sector in 2010. With a total of approx. 116,000 employees they generated total sales of some 9.6 billion euros. Butchers and confectioners/bakers each accounted for almost half of this figure. As a local supplier of fresh, high-quality foodstuffs, the food skilled crafts also offer many products which are typical of the region.

An understanding of the great importance of the artisan production of bread, ham, cheese and beer for everyday and cultural history can be gained, for example, by visiting the four "participation museums" (cheese museum, bread museum, ham museum, beer museum) of the "Westfalen Culinarium" in Nieheim, East Westphalia.

Old rural and artisan traditions such as pasture pig husbandry, pumpernickel cooking, sour milk curdling, ham salting and smoking and "hand-brewing" are cultivated here.

**2.4 Strong location for high-quality food products**

With the "Landesehrenpreis für Lebensmittel NRW" (NRW food prize) the state of North Westphalia honors the commitment of companies to exceptional quality. The prize is awarded to food producers from the state which succeeded in winning a gold medal in the most recent quality evaluation conducted by the DLG (German Agricultural Society). The criteria include the careful choice of raw materials, optimal processing and preparation, and outstanding flavor. In 2010, over 200 award winners received the state prize in the categories "Baked Goods and Confectionery", "Organic Products", "Beer", "Fish", "Fresh Meat", "Fruit Drinks", "Dairy Products", "Spirits", and "Water".
3 Quality communities

The market is becoming more and more differentiated. Besides the price, other criteria are increasingly influencing purchasing decisions: Consumers are paying greater attention to foodstuffs of exceptional quality. This quality is provided in particular by regional specialities, products of protected origin, organic products and products certified by quality assurance systems such as the QS system. The offerings of the agricultural and food industry in North Rhine-Westphalia are oriented to the high standards of the consumers and thus satisfy various quality requirements.

3.1 Protection associations for regional specialities

Various regional specialities are offered in North Rhine-Westphalia – from Aachener Printen to asparagus from Walbeck. This has led to the establishment of numerous protection associations which have recognized the value of their local produce and seek to have it protected by the

Regional specialities and protection associations seeking EU protection

- Rhenish sugar beet molasses
- Westphalian ham on the bone
- Märkische Hotte cheese
- Walbeck asparagus
- Bornheim asparagus
- Aachen Karls wurst sausage
- Meat from the Bunter Bentheimer (pork)
- Lower Rhenish goose egg
- Stromberg plum
- Westphalian pumpernickel
- Kölsche Flönz (blood sausage)
Protected Designation of Origin (PDO):
The requirements for this category are higher than for PGI. The entire manufacture of the product (production, processing and preparation) must take place in the defined region according to a determined procedure.

Traditional Specialty Guaranteed (TSG):
This category does not refer to a specific geographical area, but highlights the traditional composition of the product or a traditional manufacturing and/or processing method.

By means of the protection system of the special agricultural products and foodstuffs with geographical indications the European Commission wants to promote the diversification of agricultural produce, protect product descriptions from misuse and imitation, and provide consumers with an instantly recognizable sign of quality.

EU. Six products have already received protected: The two beers Kölsch and Dortmunder, as well as Aachener Printen and, just recently, Nieheim cheese, rhenish apple Kraut and Düsseldorf mustard.

The approval procedure is still pending for twelve further North Rhine-Westphalian specialities. And many more specialities from the state have earned this protection.

For a regional foodstuff to be protected by the EU, both its ingredients and its manufacturing process must be precisely defined. This ensures that consumers can be sure of receiving consistently high quality. The system provides for three protection categories with different standards:

Protected Geographical Indication (PGI):
This registration provides information on the special properties of the product. At least one specializing manufacturing step (production, processing or preparation) must take place in the determined area of origin. However, this does not mean that all of the ingredients must come from this area.
When buying organically produced foods, people expect verifiable information and confirmation by a trustworthy control system. The Demeter, Bioland, Naturland and Biokreis associations organize a number of events jointly with the Chamber of Agriculture to provide information on organic farming and organically produced products.

3.3 More consumer confidence through quality assurance

One of the strengths of foodstuffs from North Rhine Westphalia is that they meet the highest quality standards and are distinguished by the use of high-quality raw materials which are processed in an ecologically sound and gentle way using state-of-the-art technology. The strict statutory provisions for production, processing and marketing as well as corresponding inspections strengthen the confidence of consumers in the safety and quality of local produce.

3.2 Organic products in great demand

The market for organically produced foods has grown significantly in NRW. The main reason for this is the substantial increase in sales areas for organic foods. The demand for some products exceeded production capacity, causing imports to rise as a consequence. In the meantime, supply and demand have come back in line with each other. For the future, market experts expect further continuous, demand-oriented growth.

In North Rhine-Westphalia there are now 67,756 hectares of organically farmed land. This corresponds to 4.6 percent of NRW’s agricultural area. Nearly 3,300 enterprises produce, process and trade organic foods (position as 2010). These include 1,800 agricultural enterprises of which about 250 process their own produce to create a variety of products. In addition, there are approx. 1,000 specialized producers. These include bakers, butchers, mills and dairies, as well as breweries and confectioners.
4 Creating synergies with industry networks

4.1 Cluster Ernährung.NRW

Cluster Ernährung.NRW is an economic initiative of the federal state government of North Rhine-Westphalia and one of the state’s currently 16 industry-specific clusters. In regional and transregional networks, various actors from different industries, production and marketing stages cooperate along the value added chain of the food sector. The scientific community is also involved.

4.2 An association beyond industries and production stages

An important milestone in cluster policy was the foundation of the new state association Ernährung.NRW e. V. 70 companies, organizations and associations from all areas of the North Rhine-Westphalian agricultural and food industry have joined forces under the umbrella of this organization.
4.3 Advantage through science

Particularly for the small and medium-sized enterprises in the agricultural and food industry, the wide-ranging science and research environment in North Rhine-Westphalia is advantageous. This provides them with an outstanding basis from which to extend their quality lead in international competition. The state offers a dense and dynamic research and education landscape: Around 70 universities, more than 50 non-university research institutes and about 100 university-affiliated research institutes work in a close scientific exchange with the companies' research and development departments.

The research areas agricultural sciences, nutrition and food sciences are covered widely by the universities in North Rhine-Westphalia. This is where the groundwork is done for products and processes with which the state's agricultural and food industry can continue to remain competitive in the future. The following universities in North Rhine-Westphalia provide corresponding study focuses:

- University of Bonn
- South Westphalia University of Applied Sciences in Soest
- University of Münster
- University of Applied Sciences East Westphalia-Lippe in Lemgo
- Rhine-Waal University of Applied Sciences in Cleves
- University of Applied Sciences Lower Rhine in Mönchengladbach