



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 5/10/2005

GAIN Report Number: FR5031

France

Grain and Feed

More French Grain to be Exported to China in 2006? 2005

Approved by:

Besa L. Kotati
U.S. Embassy

Prepared by:

Xavier Audran

Report Highlights:

For the past 6 years, France has exported annually 400,000 MT of grain to China. Recently, several Memorandums Of Understanding (MOU) were signed between COFCO and France Export Céréales (FEC) for the exports of 1,300,000 MT of soft wheat in MY 2004/2005 and MY 2005/2006. FEC also reinforced its technical cooperation with Chinese wheat users such as SINOGRAIN, to audit its elevators network in order to improve conservation of grains. FEC also donated French wheat to Cantonese mills to train them to use French wheat. On a longer term, France expects to exports annually as much as 2 million MT of wheat to China. However, the political question remains important especially if and when the EU sets restrictive policies on Chinese textile exports to the EU, China would retaliate against the EU by cutting its grain purchases along with other products from the EU.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Paris [FR1]
[FR]

France Grain Export Statistics To China Calendar Year: 1999 – 2004						
Description	Quantity (MT)					
	1999	2000	2001	2002	2003	2004
All Grain	337,637	424,157	403,172	255,868	432,766	410,073
Wheat And Meslin	0	0	0	0	0	410,069
Corn (Maize)	1	36	7	10	3	5
Barley	322,169	424,121	403,166	255,849	432,763	0
Rye In The Grain	15,466	0	0	0	0	0

(Source World Trade Atlas – French customs)

For the past 6 years, France has been a steady supplier of grain to China. Annual exports were around 400,000 MT, mainly of barley. French malting barley is appreciated by Chinese brewers. More recently, France has been pushing to export soft wheat. During President Chirac's Presidential visit to Beijing in October 2004, A MOU was signed between COFCO (the Chinese Importing Agency) and France Export Céréales (the Export promotion agency of the French grain sector) for the exports of 700,000 MT of wheat. More than half of it had been already exported in the second half of CY 2004, and the remaining part was to be exported in the first half of CY 2005.

During the recent French Prime Minister visit to China in late April 2005, another MOU was signed between COFCO and France Export Céréales. COFCO will import at least 500,000 MT of bread quality wheat from France in MY 2005/2006 (July-June period). France Export Céréales (FEC) expects that actually, more than, 1 million MT of French wheat could be exported to China in MY 2005/2006.

In the meantime, FEC, which is very similar to the U.S. Wheat Associates, reinforced its technical cooperation with Chinese wheat users. FEC signed an agreement with SINOGRAIN, the Chinese State grain collector and storage. FEC will audit SINOGRAIN's elevators network in order to improve conservation of grains. In December 2004, FEC also donated 3000 T of French wheat to Cantonese mills. According to FEC, the milling yield was higher for French bread quality wheat than for Australian or U.S. hard wheat. Processing into noodle and steam bread was also successful, due to the lower protein level. On a longer term, France expects to exports annually as much as 2 million MT of wheat to China. The political question remains however important as China might retaliate should the EU sets restrictive policies against Chinese textile exports.