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The following sections of the previous report (FR5026) were updated:

- Section I
- Section II:
- WTO: market access, export subsidies, domestic support
- Section IV: Reference Data

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SECTION I. EXECUTIVE SUMMARY

Exchange rates used in this report:

Calendar Year 2001: USD 1 = FF 7.32 /Euro 1.116

Calendar Year 2002: USD 1 = Euro 1.057

Calendar Year 2003: USD 1 = Euro 1.13

Calendar Year 2004: USD 1 = Euro 0.806

Calendar Year 2005: USD 1 = Euro 0.804

Source: Paris Stock Exchange / European Central Bank

Overview

Per Exhibit I, GTI World Trade Atlas, the primary U.S. agricultural trade interests in France, by value, in 2005 were: edible fruits and nuts at \$207 million; oilseeds, miscellaneous grains, and seeds at \$72 million; beverages, spirits and vinegar at \$64 million; prepared vegetables and fruits at \$59 million; cereals at \$47 million; meat and offals at \$47 million; tobacco and products at \$21 million; edible vegetables, roots and tubers at \$20 million; and hardwood products at \$19 million.

French policy measures having the greatest impact on these products include:

French labeling requirements as to content or origin; substantial inspection testing procedures for some products; France's strict application of the precautionary principle ; prohibition of the importation of any products made with flour enriched with vitamins and minerals, except when identified as a dietetic or health food product ; restrictions on the use of certain additives for a particular food product if the Public Health Council (Conseil Supérieur de la Santé Publique) decides that an additive may be harmful to human health ; restrictions on the market release of two types of biotech rapeseed until October 2006 and strict certificate requirements.

As to interests in third country markets of interest to the U.S., France is a competitor producing many of the same crops produced in the U.S. France has preferential trade agreements with North African countries (Algeria, Morocco and Tunisia).

Overview By Area

France supports its farmers within the Common Agricultural Policy (CAP) framework, which subsidizes grain and oilseed producers through compensatory payments. In 2006 under the reformed CAP, these payments were replaced by decoupled "Single Farm Payments". Under the CAP, France subsidizes public purchases of excess commodities (intervention purchases) to support domestic prices for grain, butter, skim milk powder, fruits, vegetables, wine and olive oil. It also subsidizes storage and exports with the help of EU restitutions. Export restitutions, at times, adversely affect U.S. export opportunities in third-country markets. France supports beef producers through various "beef premiums."

France supports its food industry with the help of food quality and origin programs on tracing and labeling, and finances agricultural investment and promotional activities. Export credits are guaranteed by the private insurance company, COFACE. However, COFACE continues to provide credit insurance for French Government Accounts (credit transactions) for strategic contracts, including those for agricultural trade.

Agreement Compliance

As a EU Member State, France follows the EU and its commitments under the WTO, and other organizations and agreements.

Trade Data

France is second only to the United States as the world's largest exporter of agricultural, fisheries and forest products. In 2005, total French exports of agricultural food products including beverages were valued at USD 50.8 billion, and imports were about USD 39.3 billion. France exports mostly beverages (wine and spirits), canned and dry foods, grains, dairy products, eggs, meat, offal, fruits and vegetables. French imports consist mainly of grocery items, fruits and vegetables, meat and offal, seafood products, dairy products and eggs, and beverages. According to French customs data, which differs from FAS/USDA BICO sources, France has a large agricultural trade surplus with the United States, which amounted to USD 1.41 billion in calendar year 2005.

SECTION II. AGREEMENTS COMPLIANCE

A. WORLD TRADE ORGANIZATION

1. Market Access

- **Tariffs**

In addition to European Union (EU) tariffs, France maintains separate tariffs on certain products; namely fresh fruits, vegetables, wines and spirits. This is partly due to preferential trade arrangements that France has with North African countries (Algeria, Morocco and Tunisia).

Wines and spirits are subject to an additional French transportation tax, which is the equivalent of an excise duty. For sparkling wine, excise duties are 8.40 euros per hectoliter (\$10.44/hectoliter), and 3.40 euros per hectoliter (\$4.23/hectoliter) for still wines. Excise duties for spirits amount to 1,450 euros (\$1,803/hectoliter for pure alcohol). For spirits containing above 25% alcohol, there is a social security tax of 1.30 Euros/liter (\$1.62/liter). In addition to these taxes, the Government of France applies a "premix tax" on wine and spirits containing over 35 grams sugar (pure or edulcorated), this tax amounts to 11 Euros/dl (\$13.7/dl) of pure alcohol. For more information, please visit Article 1613bis of the "Code General des Imports" at: www.legifrance.gouv.fr (See Also USEU Brussels Trade Policy Monitoring Report for European Union tariff rates.)

- **Tariff-Rate Quotas (TRQs)**

France has no special tariff-rate quotas in effect. See USEU Brussels Trade Policy Monitoring Report for the European Union tariff rate quotas.

- **Sanitary and Phytosanitary Measures**

- **General**

France generally applies EU and CODEX standards, where they exist, and is an active participant in the development of international standards. However, many French standards are different (and frequently more stringent) than international standards, including some U.S. standards. Consequently, imports of some products are subject to substantial inspection testing procedures perceived as an impediment to agricultural trade.

Post is not aware of any pesticide tolerance levels established outside scientific norms for France.

- o **Transmissible Spongiform Encephalopathies (TSE) EU and French Regulations on Specified Risk Materials (SRM):**

In addition to the EU certificate, France requires an additional health certificate for products which include an SRM. All certificates must be in French. The health certificate listing SRMs (effective October 1, 2001) can be found in English on the European Union website: <http://www.europa.eu.int>

France maintains an import ban on some ruminant tissue for human consumption due to transmissible spongiform encephalopathies (TSEs). Information on this ban can be found in French at: <http://www.legifrance.gouv.fr> by selecting "les autres textes législatifs et réglementaires"/type of document: "arrêté."

Animal products containing materials from bovine, ovine and caprine origins for human consumption, animal feed (including mixed animal feed/petfood and pre-mixes containing such products) and to be used as fertilizers, must be accompanied by the health certificate required by EU or French regulations, as well as a declaration signed by the competent authority of the producing country.

**Bureau Importation Pays Tiers
Mission de Coordination Sanitaire Internationale
Direction Generale de l'Alimentation
French Ministry of Agriculture
251 rue de Vaugirard
75732 Paris Cedex 15
E-mail: import.mcsi.dgal@agriculture.gouv.fr**

To obtain French additional certificates in English, please contact:

**APHIS (Animal and Plant Health Inspection Service)
National Center for Import and Export
Technical Trade Services
Animal Products Staff Import/Export Animals Staff
Tel: (301) 734 8364
Fax: (301) 734 8226**

- French Requirements for Animal Products for Human Consumption :

The French ministerial decree dated 16 August 2004 modified the list of specified risk materials (SRMs) set by the ministerial decree dated 10 August 2001 relating to the import ban on some ruminant tissue for human consumption due to transmissible spongiform encephalopathies (TSEs) is worded as follows:

- withdrawal from consumption of the ileum of small ruminants, slaughtered after October 1, 2003, whatever their age,
- ban on gelatins derived from bones of ruminants born, raised or slaughtered in countries or regions classified in category GBR4 (the US is classified in category 4 regarding Geographical BSE Risk),
- ban on gelatins derived from bones of ruminants not submitted to alkaline processing from animals born, raised or slaughtered in countries or regions classified in category GBR2 or 3.

Animal products for human consumption must be accompanied by a declaration of compliance with EU regulation 999/2001, and by additional statements in compliance with French ministerial decree dated August 10, 2001 (article 6 and article 5) modified on 16 August 2004.

The following table summarizes the additional certificates required by French regulations to import animal products for human consumption:

Designation of Products (*)	EU and French Regulations
Bovine, ovine and caprine fresh meat	EU Directive EC/64/433 - French ministerial decree dated 17 March 92
Meat products and processed products and other animal products	EU Directive EC/94/65 and EC/77/99 French ministerial decrees dated 29 Feb 96, 22 Dec 92, 22 Jan 93
Dairy products for human consumption containing tallow or gelatin	EU Directive EC/92/46 - French ministerial decree dated 30 Dec 93
Fishery products for human consumption containing tallow or gelatin	EU Directive EC/91/493 - French ministerial decrees dated 27, 28, 29 Dec 92
Egg products for human consumption containing tallow or gelatin	EU Directive EC/89/437 - French ministerial decrees dated 15 April 92
Snails and frogs' legs for human consumption containing tallow or gelatin	EU Directive EC/92/118
Melted animal fats	EU Directive EC/77/99 - French ministerial decrees dated 22 Dec 92
Products derived from bones for human consumption and mechanically deboned meat	EU Directive EC/77/99 and EC/64/433 French ministerial decrees dated 25 Sep 95 and 23 Feb 94
Gelatin for human consumption	EU Directive EC/92/118 - French ministerial decree dated 15 April 01
(*) as defined by EU regulations. If physical inspection and documentation of the product can clearly show that it does not contain any bovine, ovine or caprine material, the certificates mentioned in articles 4, 5, and 6 are not required. For bovine, ovine and caprine not packaged as fresh meat, if physical inspection of the product can clearly show that its does not contain all or part of the head, the certificate mentioned in article 4 and 5 is not required. For bovine not packaged as fresh meat, if physical inspection of the product can clearly show that its does not contain all or part of the head, nor ovine or caprine materials, the certificate can be limited to the sentences relating to the spleen, thymus and tonsils as mentioned in article 4 and 5.	

- French Requirements for Animal Products Not for Human Consumption :

A declaration and additional French certificate are required for animal products listed in EU regulation 1774/2002 containing materials from bovine, ovine and caprine origins. France requires a declaration and additional certificate for all animal products for animal feed including mixed animal feed/petfood and pre-mixes containing animal products.

- category 3 materials (defined in article 6 of EU regulation 1774/2002),
- melted fats,
- gelatins,
- feed,
- blood products,

- animal proteins,
- bones and products derived from bones.

Animal products for feed of ruminant and non-ruminant cattle, or for fertilizers and crop substrates, must also be accompanied by a declaration of compliance with EU regulation 999/2001, and by additional statements in compliance with the following French ministerial decrees :

a) Animal products for feed of ruminant cattle : French ministerial decree dated August 5, 2005 relating to sanitary conditions applicable to the use, marketing, exchanges, imports and exports of some animal products intended for feed and processing of feed or other uses (Annex I chapter II, statement in article 3-II, Annex II statement in article 4) and French ministerial decree dated 24 July 1990 relating to the ban of some animal proteins in feed and processing of bovine feed (Article 10 and Annex I.1).

b) Animal products for feed of non-ruminant cattle : French ministerial decree dated August 5, 2005 relating to sanitary conditions applicable to the use, marketing, exchanges, imports and exports of some animal products intended for feed and processing of feed or other uses (Annex I chapter II, statement in article 3-II, Annex II statement in article 4) and French ministerial decree dated 24 July 1990 relating to the ban of some animal proteins in feed and processing of bovine feed (Article 10 and Annex I.2).

c) Animal products for fertilizers and crop substrates : French ministerial decree dated August 5, 2005 relating to sanitary conditions applicable to the use, marketing, exchanges, imports and exports of some animal products intended for feed and processing of feed or other uses (Annex I chapter II, statement in article 3-II, Annex II statement in article 4) and French ministerial decree dated 19 September 2005 suspending marketing and ordering the withdrawal of some fertilizers and crop substrates (Annex I).

French ministerial decrees can be found in French on the following website: <http://www.legifrance.gouv.fr> by selecting "les autres textes législatifs et réglementaires"/type of document: "arrêté."

The EU legislation on transmissible spongiform encephalopathies (TSEs) can be found on the US Mission to the European Union website: <http://www.useu.be/agri/srm.html>. For more information, please refer to the EU-25 Trade Policy Monitoring Report (Gain Report E35031).

- o **Biotech Crops & Genetically Modified Organisms (GMOs)**

In addition to EU Directives and regulations regulating biotech plants in France, the French national regulations are described below.

- EU Directive 2001/18 and Coexistence

France is the last country in the EU to transpose EU biotech directives. However, the French Senate will debate a biotech bill in late March and the National Assembly in May 2006. The bill includes a national framework for GM and non-GM coexistence as well as a system for dealing with farmer liability due to adventitious contamination. (For more information, see FR6008, January 2006)

- Traceability and Labeling of Food and Feed:

France implemented the EU NF/NF and T&L regulations in 2004. The Fraud Control Office of the French Ministry of Economy, Finance and Industry (DGCCRF) is the enforcing authority.

(For more information, see FR4062, dated August 11, 2004).

French DGCCRF website on biotech food and feed labeling is:

http://www.minefi.gouv.fr/DGCCRF/04_dossiers/consommation/alimentaire/ogm/ogm04b.htm. The EU decree 2004-1058 implementing the new T&L regulation was written into French law and published in the French Official Journal in October 2004 and is available at <http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=ECOC0400078D>

- GMOs and Planting Seeds:

There is a lack of EU regulation in this sector in terms of biotech traceability, labeling and thresholds, and the French seed industry recommends using the same threshold for biotech as the one set for food and feed, i.e., 0.9 percent. (Please read Paris report FR4045, dated June 22, 2005).

French DGCCRF conducts tests on planting seeds for biotech content. The most recent results available are for 2003/2004, where DGCCRF tested 103 samples of rapeseed, corn and soybean planting seeds (taken from seed companies, importers, and distributors across France) and detected GM content in 4 samples with content levels of 0.1 percent.

The Food Directorate of the French Ministry of Agriculture (DGAL) conducts GM content tests on plantings seeds as they are imported into France. In 2004 and 2005, DGAL tested 160 samples of planting seeds each year. These tests showed that 24 percent of the planting seeds had adventitious GM content in 2005 and 35 percent in 2004, all below 0.1 percent.

- Cartagena Biosafety Protocol

The EU is a signatory to the Biosafety Protocol, and, thus the Protocol is followed by the French Ministry of Ecology, together with the Ministry of Foreign Affairs, Agriculture and Economy. Article 18.2 (imposing labeling requirements on shipments that may contain LMOs for food and feed use) of the Protocol is the main obstacle to implementation encountered by French importers.

- Biotech Rapeseed Banned in France

Two decrees restricting the market release of biotech rapeseed until October 2006 were published in the French Official Journal on August 21, 2004 : one postpones the authorization of the herbicide tolerant spring rapeseed created by Agrevo UK Crop Protection Ltd, and the other postpones the authorization of herbicide tolerant rapeseed presented by Plant Genetic Systems. These decrees are available at:

<http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=AGRG0401576A>

<http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=AGRG0401577A>

- **Planting Seeds Requirements**

(See also GAIN report FR5068, October 2005)

- Seed Certification and Variety Approval

The French and EU seed registration systems are fully integrated, therefore, seeds registered in any EU member state are also registered in France, and vice versa.

The French seed sector is regulated by three main organizations. The "Permanent Technical Committee for Seed Selection" (in French: "Comite Technique Permanent de la Selection," or CTPS) is a technical committee answering to the French Minister of Agriculture (MinAg). CTPS sets the technical rules for registering seed varieties in the French Seed Catalogue.

To get into the French Seed Catalogue, a new variety has to pass several tests to control varieties and measure their stability and homogeneity. The Study and Control Group for Varieties and Seeds (in French: "Groupe d'Etudes et de Controle des Varietes et des Semences," or GEVES) conducts these studies on 100,000 test plots across France. Please see GEVES website for more information: <http://www.geves.fr> (in French)

If a new variety passes its tests, it is listed in the French Official Seed Catalogue and is thus also registered for the entire EU. Varieties registered in the European seed catalogue are listed on the GNIS website, which also contains information in French and in English on seed certification: <http://www.gnis.fr>

Certified seed production is controlled by the "Service Officiel de Controle et de Certification" (SOC), which is the joint responsibility of the French seed industry organization (GNIS: in French "Groupement National Interprofessionnel des Semences") and MinAg. The SOC has the power to levy administrative and economic penalties, including fines and plant closures.

Phytosanitary certificates are required for certain planting seed species. For example, U.S. exports of corn seeds to France have to be certified free of *Erwinia Stewartii* bacteria. Random tests are conducted and any contaminated shipments are banned from entry. U.S. soybean seeds no longer face phytosanitary restrictions when entering France. There are no other French phytosanitary restrictions on imported planting seeds which affect U.S. seed exports to France.

To be sold in France, all imported seeds must be listed in the official seed catalogue of at least one EU country. The technical descriptions must follow EU regulations, which conform to the International Seed Trade Association (ISTA) regulations. The registration process in the country of origin also has to follow ISTA regulations.

- Intellectual Property Rights

In France, the framework protecting new seed varieties is the 1961 UPOV (Union pour la Protection des Obtentions Vegetales) Convention, which was strengthened by the 1991 Act (UPOV 1991). In contrast to the patent process used in the United States, these Conventions allow the use of a Plant Variety Protection (PVP) to develop another variety without having to pay a fee. The UPOV system is designed to protect the work of breeders, to accommodate users' needs, and to specifically reserve rights for further variety development. The production and sale of a protected variety is subject to the approval of the variety breeder.

France put its national law into compliance with Directive 98/44 (regulating intellectual property rights on plant varieties) in the law 2004-1338 of December 8, 2004 regulating the protection of biotech inventions, and available at <http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=ECOx0100118L>. The French law allows plant breeders making varietal selections to freely use (copyrighted) plant varieties to create new varieties.

In addition, the French Parliament is currently examining a bill relative to plant variety protection and intellectual property rights. Both legislative Chambers (the National Assembly and the Senate) reviewed the bill and a compromised bill is expected in the near

future. The dossier is available at: <http://www.assemblee-nationale.fr/12/dossiers/9601459697.asp>

The law 2006-236 of March 1, 2006 was published in the French Official Journal of March 2 available at <http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=AGR0609079L>
This law lengthens by five years the duration of the protection of French PVPs from 20 to 25 years for most species, and from 25 to 30 years for others, including trees, vine, and potatoes.

o **Animal By-Products Legislation :**

France follows the [European Parliament and Council regulation 1774/2002](#) which establishes the health rules concerning animal by-products not intended for human consumption and replaces Directive 90/667/EEC. EC regulation nr 1774/2002 of the European Parliament and Council dated 3 October 2002 can be found in English on: <http://europa.eu.int>.
The EU animal by-products legislation can be found on the US Mission to the European Union website: <http://www.useu.be/agri/by-products.html>

o **Pet food:**

According to EU regulation 1774/2002 of the European Parliament and Council dated 3 October 2002 applicable since 1st May 2004, pet food should come from and be produced in plants certified by the French Ministry of Agriculture according to specific instructions of the present regulation, and be accompanied by a health certificate complying with samples contained in:

- annex X, Chapter 3 A in the case of canned pet food,
- annex X, Chapter 3 B in the case of processed pet food other than canned,
- annex X, Chapter 3 in the case of dog chews.

Pet food should also be accompanied by a declaration of compliance with EU regulation 999/2001, and by an additional statement in compliance with French ministerial decree dated August 4, 2005 relating to sanitary conditions applicable to marketing, exchanges, imports and exports of some animal products intended for pet food and pet food processing (Annex I chapter II, statement in article 5, and if the product contains or is derived from animal fats : Annex II, statement in article 6).

French authorities require that these additional statements be included on the existing health certificates accompanying US exports of pet food to France. Export certificates need to be obtained prior to the shipment of the product. All certificates should be in French.

To obtain certificates in French, please contact :

**Bureau Importation Pays Tiers
Mission de Coordination Sanitaire Internationale
Direction Generale de l'Alimentation
French Ministry of Agriculture
251 rue de Vaugirard
75732 Paris Cedex 15
E-mail: import.mcsi.dgal@agriculture.gouv.fr**

To obtain certificates in English, please contact:
**Animal Plant Health Inspection Service (APHIS)
Joyce Bowling-Heyward
Senior Staff Veterinarian**

**National Center for Import and Export
Veterinary Services
Phone 301-734-3277
Fax 301-734-8226
E-mail: joyce.w.bowling@aphis.usda.gov**

EU regulation 1774/2002 of the European Parliament and Council dated 3 October 2002 and EU regulation 999/2001 of the European Parliament and of the Council of 22 May 2001 laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies can be found in English on <http://europa.eu.int>

French ministerial decrees can be found in French on the following website : <http://www.legifrance.gouv.fr> by selecting « les autres textes législatifs et réglementaires »/type of document: « arrêté».

The EU petfood legislation can be found on the US Mission to the European Union website : <http://www.useu.be/agri/petfood.html>

- **Policy**
 - **Precautionary Principle**

France is the EU's strongest proponent of codifying the so-called "Precautionary Principle" in domestic, EU, and international law. This principle allows a country to ban production or import of products for which the absence of a health risk cannot be proven. France introduced the "Precautionary Principle" into its Constitution as part of the Charter of Environment adopted by both French Senate and National Assembly in early March 2005.

- **Specific-to-France - Terms and Conditions**
 - **Enriched Flour:**

EU legislation does not cover added vitamins and minerals, which are regulated under Member States' legislation. French regulation prohibits the import of any products made with flour enriched with vitamins and minerals, except when identified as a dietetic or health food product. This is a constraint for U.S. exporters targeting the French market since many U.S. products are made from enriched flour.

- **Certain Food Additives**

Even though the EU has a positive list of authorized additives, France may restrict the use of certain additives for a particular food product if the Public Health Council (Conseil Supérieur de la Santé Publique) decides that an additive may be harmful to human health. This can be a trade barrier since U.S. companies use a wide range of FDA approved additives, principally in bakery and confectionery products.

- **Medicinal or Herbal Plants**

France authorizes at least 34 varieties of plants for use in herbal teas, and restricts the import of certain herbs used in medicine. Considering the large number of authorized plant varieties, this regulation is unlikely to be a constraint on U.S. exports. However, any non-authorized plant may receive a special authorization from French Authorities on a case-by-case basis.

- **French Geographic Appellation System (GIS)**

France is among the first countries in the world, dating as far back as 1919, to put into place a system to protect the use of geographic indications (appellations) for food products. In 1992, it was extended at the European level through the Directives 2081/92 and 2082/92. These directives set up three systems/labels: Traditional Specialty Guaranteed (TSG), Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI). More information can be found at:

http://www.europa.eu.int/comm/agriculture/qual/en/index_en.htm

Note that in France, no agricultural or food product is protected under the TSG system. For products with a geographic name not protected under PGO/PGI scheme, including products from third countries, the Fraud Office insures the accuracy of the label. For example, if a product is labeled as coming from Florida, the seller must prove, with proper documentation, that the product is truly from Florida. When a registered brand includes a geographic name (such as California Cola), and the product does not come from the region named in the brand, the label must indicate clearly the origin of the product.

Third countries can have their geographic names recognized and protected at the EU level through bilateral agreements with the EU, which will then be valid in France. In recent EU proposals, third countries may also gain the right to oppose the registration of a PGO/PGI.

- **Organic Foods and the “AB” Logo:**
(See 2005 report FR5090)



The “AB” logo is a French logo identifying products grown or raised organically, that is, the product and all ingredients are produced in conformity with EU Regulation No. 2092/91, as modified. Products imported from the United States need to be certified and exporters must work through individual Member States to obtain clearances to import certified organic products on a case-by-case basis. EU regulation requires that organic product certifiers meet criteria as certification bodies defined by EN 45011/ISO Guide 65. Member States, including France, are implementing this requirement. USDA’s Agricultural

Marketing Service (AMS) has developed a program to accredit U.S. organic certifiers to the ISO Guide 65 requirement. To date, France and other EU countries have said that they will accept AMS accreditation of certifiers, but U.S. exporters must continue to satisfy Member State requirements. For more information on the AB logo, please visit:

<http://www.agriculture.gouv.fr/spip/IMG/pdf/biofr2002-1.pdf>

- **Compulsory Labeling of Beef Products:**

France follows the EU requirement requiring that all beef meat sold in France must be identified by the country(ies) where the animal was born, raised, and slaughtered. Since January 1st 2003, France has required that restaurants provide the origin of meat served to its customers.



In April 1996, France implemented the VBF (Viande Bovine Française) logo which producers may use on a voluntary basis. The VBF logo was created as an incentive to consume domestically produced beef. It may also create a minor barrier to imports of U.S. beef as it does for beef produced in other EU Member States.

2. EXPORT SUBSIDIES

- **Direct Export Subsidies**

France does not have an export subsidy program. All exports subsidies are funded by the EU and conducted through EU programs.

- **Other Assistance to Exporters**

The French Ministry of Agriculture, Food and Fisheries (MinAg), French Trade Associations and the "Société pour l'Expansion des Ventes des Produits Agricoles et Alimentaires" (SOPEXA), France's major promotion organization, conduct programs and draft legislation to promote French agricultural products for both domestic and overseas markets. SOPEXA acts as an advisor to the French Government in terms of promotions. Its total budget for supporting overseas branded and generic promotions was USD 69 million in Calendar Year 2004, of which the promotional budget for the United States was \$10 million mainly devoted to the promotion of French wine, spirits and gourmet foods. SOPEXA's website is <http://www.frenchfoods.com>

COFACE: (French Company for External Trade) was created in 1946, as France's export credit insurance agency. It became a public company in 2000. COFACE insures exporters against payment defaults by customers and provides guarantees for government export credits and state accounts. COFACE's website is <http://www.coface.com>

3. DOMESTIC SUPPORT

- **Organic Products**

(See 2005 Report FR5090)

France was one of the first European countries to introduce and develop organic agriculture, and in February 2004, the French Ministry of Agriculture announced that the government will spend \$5.6 million over the next three years to enhance consumers' knowledge of the organic sector and \$62 million over five years to support the conversion from traditional to organic farming.

- **Poultry Producers**

In the aftermath of the Avian Influenza outbreak in France in February 2006, the French poultry industry benefited from \$61 million in policy measures offered by the GOF to cushion drops in poultry meat exports and domestic consumption.

- **Fruits, Vegetables and Wine Products**

(see FR3008, dated March 3, 2003, and FR6005 dated February 15, 2006)

In France, the Fruits and Vegetable Marketing Board (ONIFLHOR-VINIFLHOR) manages and disburses all EU and French financial support (subsidies) to the fruit and vegetable industry. The Wine Marketing Board (ONIVINS-VINIFLHOR) manages and disburses all financial support (subsidies) to French producers.

ONIFLHOR-VINIFLHOR (<http://www.oniflor.fr>) provides financial support under the European Agricultural Guidance and Guarantee Funds of the Common Agricultural Policy (CAP) for fruits and vegetables. French Government support to the fruit and vegetable sector is relatively small compared to support provided under the CAP. However, ONIFLHOR-VINIFLHOR, working with French industry organizations, prepares and organizes national initiatives to

reinforce the efficiency and competitiveness of the fruit and vegetable sector. From 2001-2006 ONIFLHOR-VINIFLHOR's focus has been on programs to improve the quality of fruits and vegetables.

Since 1980, at the producer level, ONIFLHOR-VINIFLHOR has helped to renovate orchards in order to improve productivity and to adapt to market demands. Moreover, ONIFLHOR-VINIFLHOR provides support to build and modernize equipment, such as greenhouses. Finally, subsidies are provided for storage facilities for potatoes and endives, which, in turn, enhance product quality and flow to the market.

ONIFLHOR-VINIFLHOR uses EU, GOF and industry funds to carry out domestic and international promotional activities and extension services.

Finally, the French government provides emergency funding to fruit and vegetable growers in case of disasters caused by poor weather conditions.

- o **Wine Sector**

The French Wine Board (ONIVINS-VINIFLHOR) is in charge of implementing the CAP on wine to French wine producers. ONIVINS' website is <http://www.onivins.fr>. Three types of measures are managed by ONIVINS-VINIFLHOR: wine production potential management and market regulation, which are under EU regulation, and investments and promotions, which is under a domestic regulation.

The following actions are part of the French National-Regional Programs (Contacts de Plan Etat-Région) for 2000-2006. They include:

- Production and Processing Incentives: investments in wine grape nurseries, modernization of wine production equipment and storing, and technical support to companies.
- Studies, audits and advisory services to wine companies.

SECTION III. TRADE BARRIER CATALOG

Index of French Trade Practices and Restrictions that Affect U.S. Agricultural Exports

Additives, Vitamins and Minerals:

- Flour
- Bakery products
- Confectionery products

Limited Number of Authorized plants:

- Herbal teas
- Organic products
- Meat products

Beef:

- French beef labels

Biotechnology:

- EU traceability and labeling regulation
- French restrictive labeling for non-GMO labeling
- French ban of biotech rapeseed

- Absence of French legislation on biotech and non-biotech coexistence

Pet food

- Strict certificate requirements

SECTION IV. REFERENCE DATA

EXHIBITS A to E

See 2005 EU Trade Policy Monitoring Report

EXHIBIT F: TOP 10 FRENCH AGRICULTURAL IMPORTS FROM THE U.S.

TOP 10 FRENCH AGRICULTURAL IMPORTS FROM THE U.S.
In Million U.S. Dollars

	Value of Imports In 2004	Value of Imports In 2005	% Change 04/05
Edible fruits and nuts	161	207	(+ 29)
Oilseeds, misc grain, seeds, etc.	47	72	(+ 51)
Beverages, spirits & vinegar	61	64	(+ 6)
Prepared vegetables & fruits (incl.juices)	63	59	(- 7)
Cereals, inc cereals seeds	63	47	(- 25)
Meat and offals	29	45	(+ 52)
Tobacco and products	20	21	(+ 2)
Edible vegetables, roots & tuber	18	20	(+ 12)
Hardwood	22	19	(- 13)
TOTAL FRENCH AGRICULTURAL IMPORTS FROM THE U.S.	661	728	(10)

Source: GTI World Trade Atlas / French Customs

Note that these data differ significantly from BICO trade data calculated using U.S. Customs Trade data. See report FR 1052 for more details

EXHIBIT G: TOP 10 FRENCH AGRICULTURAL IMPORTS FROM ALL COUNTRIES

TOP 10 FRENCH AGRICULTURAL IMPORTS FROM ALL COUNTRIES
In Million U.S. Dollars

	Value of Imports in 2004	Value of Imports in 2005	% Change 04/05
Meat and offals	3,636	3,901	(+ 7)
Fresh fruits	3,538	3,611	(+ 2)
Beverages, including mineral water, beer, wines and spirits	2,556	2,604	(+ 2)
Prepared vegetables & fruits, incl. juices	2,563	2,566	(0)
Dairy products	2,580	2,430	(- 5)
Edible vegetables, roots & tuber	2,258	2,374	(+ 5)
Tobacco and products	2,148	2,259	(+ 5)
Prepared grains incl.flours, starch	2,257	2,239	(- 1)
Food industry residues incl. Animal feed	1,950	1,924	(- 1)
Cocoa and preparations	2,079	1,903	(- 8)
Animal or vegetables fats, oils and waxes	1,359	1,537	(+ 13)
TOTAL FRENCH AGRICULTURAL IMPORTS FROM ALL COUNTRIES	38,526	39,280	(+ 2)

Source: GTI World Trade Atlas / French Customs

Note that these data differ significantly from BICO trade data calculated using U.S. Customs Trade data. See report FR 1052 for more details

EXHIBIT H: TOP 10 FRENCH AGRICULTURAL EXPORTS TO THE U.S.

TOP 10 FRENCH AGRICULTURAL EXPORTS TO THE U.S.
In Million US Dollars

	Value Exports in 2004	Value Exports in 2005	% Change 04/05
Beverages, including mineral water, beer wines and spirits	2,061	2,183	(+ 6)
Dairy products and eggs	149	137	(- 8)
Gums, resins and other vegetable sap extracts	51	56	(+ 10)
Miscellaneous edible preparations	54	52	(- 4)
Cocoa and cocoa preparations	46	47	(+ 2)
Essentials oils	41	38	(- 9)
Prepared vegetables	34	34	(0)
Prepared cereals inc. flour & starch	33	32	(- 2)
Particle board	35	30	(- 15)
Coffee tea and spices	34	29	(- 13)
Live animals	34	28	(- 18)
TOTAL FRENCH EXPORTS OF AGRICULTURAL PRODUCTS TO THE U.S.	2,727	2,830	(+ 4)

Source: GTI World Trade Atlas / French Customs

Note that these data differ significantly from BICO trade data calculated using U.S. Customs Trade data. See report FR 1052 for more details

EXHIBIT I: TOP 10 FRENCH AGRICULTURAL EXPORTS TO ALL COUNTRIES

TOP 10 FRENCH AGRICULTURAL EXPORTS TO ALL COUNTRIES
In Million US Dollars

	Value Exports 2004	Value Exports 2005	% Change 04/05
Beverages, including mineral water, beer, wine and spirits	11,454	11,588	(+ 1)
Dairy products	5,063	5,170	(+ 2)
Grains	4,961	4,840	(- 2)
Meat and offals	3,502	3,521	(0)
Prepared grains incl. flour & starch	2,463	2,636	(+ 7)
Sugars and confectionary	2,110	2,184	(+ 4)
Miscellaneous edible preparations	1,872	1,939	(+ 4)
Edible vegetables, roots & tubers	1,762	1,829	(+ 4)
Food industries residues incl. animal feed	1,701	1,807	(+ 6)
Edible fruits and nuts	1,765	1,787	(+ 1)
TOTAL FRENCH AGRICULTURAL EXPORTS TO ALL SOURCES	49,950	50,485	(+ 1)

Source: GTI World Trade Atlas / French Customs

Note that these data differ significantly from BICO trade data calculated using U.S. Customs Trade data. See report FR 1052 for more details

EXHIBIT J: TOTAL FRENCH PUBLIC EXPENDITURES ON PRODUCTIVE AGRICULTURE

**TOTAL PUBLIC EXPENDITURES IN FRANCE ON PRODUCTIVE AGRICULTURE
(Million Euros)**

	2004		
	French Budget	EU Budget	Total
Total	2,518	9,994	12,513
Of which :			
Installment of new farmers and low interest rates	3,53	141	494
Production support and orientation	832	9,008	9,840
Expenditures for natural handicap compensation	244	244	489
Environmental policies	288	253	541
Agricultural disasters expenditures	255	0	255
Prevention of diseases	400	32	432

(Source French Ministry of Agriculture)