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France

Product Brief

Nuts

2006

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Report Highlights:

The U.S. is France number one trading partner for tree nuts. Tree nuts imported from the United States include: Almonds, cashews, hazelnuts, walnuts, pecans, macadamia, pine nuts and other nuts.

Currently, the French market is valued at \$330 million. Nuts are mostly consumed in France as snacks for the aperitif. Major U.S. competitors are Spain, Germany but also North Africa countries and Iran depending on the tree nut category.

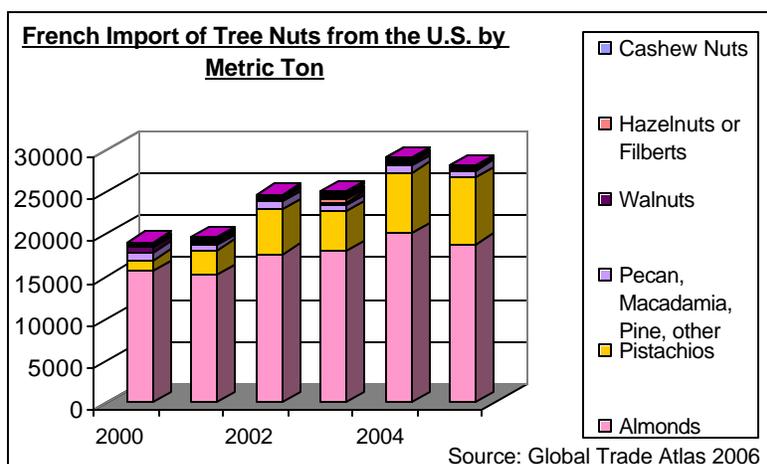
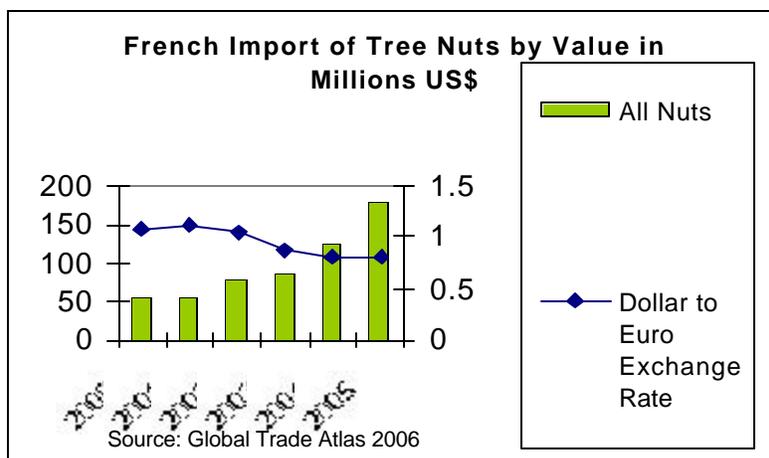
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Executive Summary

The U.S. is France's number one trading partner for tree nuts. Almonds made up the bulk of France's nut imports from the U.S. in 2005. U.S. nut exports to France also included cashews, hazelnuts, walnuts, pecans, macadamia, pine nuts, and other nuts. France's market for tree nuts totaled \$330 million in 2005 and has been steadily increasing in value, but decreasing by volume since 2001. Nuts are France's second-best selling snack food after extruded puffs, but these sales are expected to decline as alternative snacks, such as meats, chips and dips, and open-faced sandwiches, become more popular. Global brand owners have introduced new nut mixes to stay ahead of private labels, or store brands.



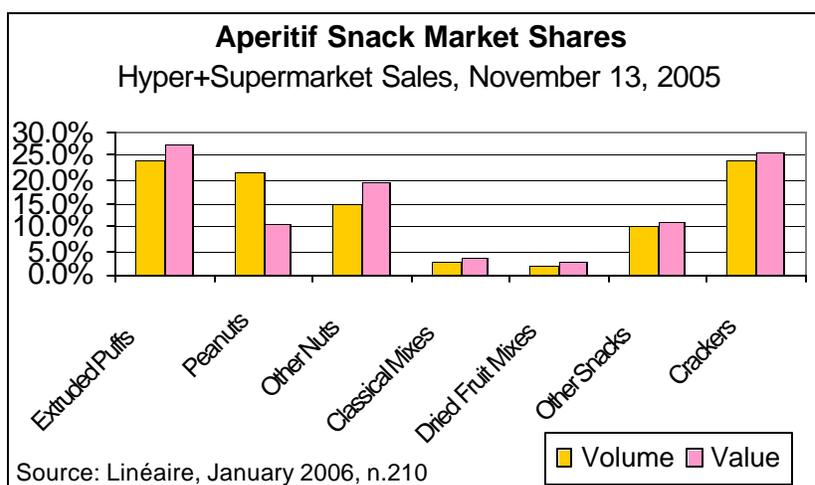
Consumer Trends

Nuts are France's second-best selling savory snack food served during the aperitif after extruded puffs. Around 90% of the French population has an aperitif once a week. The classical salted peanuts have become less popular (-3.8%), while demand for higher-valued nuts increased 6% from March 2005 to March 2006. Nuts have benefited from the health trend, as nutritionists laud their high fiber, anti-oxidant, calcium, protein, and omega 3 content.

Competition

France's tree nut imports from the U.S. have increased \$95 million in value over the last five years to \$180 million in 2005. The dollar's weakening against the euro partially explains this drastic increase in value when measured in US\$, because increases by volume between 2003 and 2005 were less sharp. Imports of almonds from California have been steadily increasing over the last 10 years, making France the third largest market for almonds in Europe after Spain and Germany.

Nuts compete with extruded puffs, chips, dips, and open-faced sandwiches as snacks that are eaten with an aperitif. The aperitif has become to evolve into an appetizer as consumers serve more sophisticated snacks during the aperitif. Euromonitor predicts that the sales of nuts and other savory snacks will decline as the popularity of appetizer-like snacks, such as meats, dips, and open-face sandwiches, increases.



Global brand owners are gaining ground against private labels in the savory snack market. Although private labels continue to lead with a share of slightly over one-third, Sara Lee Corp. and Lorenz Bahlsen Snack-World gradually increased their market shares of the savory snack market to 22.3% and 17.9% respectively in 2004.

Nut producers have been focusing on adding value to stay ahead of hard discounters and private labels. Number two in the nuts market with 17% of the market share in 2004, Lorenz Bahlsen has increased its value share by focusing on its Bénénuts line of dried fruit and unsalted nut mixes and biscuit-coated peanuts. Their single serving packages have also enhanced their product line, allowing consumers to eat nuts on the go. In April 2006, Jack Benoit, a competitor with 6% of the nut market share in 2005, launched a new line of squash nuts, spicy peanuts, and tomato-basil peanuts.

Niche Market Opportunities

U.S. almond exports to France have been very successful. Almonds are essential ingredients in a number of traditional Christmas desserts in France's mid-region. Almonds made up the bulk of France's nut imports from the U.S. totaling 18,745 metric tons or 67% in 2005, followed by pistachios at 7,921 metric tons or 28%. Almonds from California have been particularly successful thanks to the Almond Board of California's campaign launched in 2001-2002, which enhanced consumer awareness of the almond's dietary benefits. Its moderate climate, which allows it to grow all almond varieties, cultivation practices, and

reductions of pesticide use in 2004 give California a competitive advantage in almond production.

Distribution Channels

Hypermarkets are the main distribution channel for savory snacks served during the aperitif, because their prices tend to be more competitive. Nut sales made up 42% of savory snack sales in volume and 35% in value in hypermarkets between March 2005 and March 2006. Please see also our 2003 Retail Sector Report, available at:

<http://www.fas.usda.gov/gainfiles/200312/146085288.pdf>

Exporter Advice

HS Code	Description	Contractual Provisions
0801	Coconuts, Brazil nuts, cashew nuts, fresh or dried, shelled or in shell	Exempt
08021110	Bitter almonds in shell	Exempt
08021190	Other almonds in shell	5.6%
08021210	Bitter almonds shelled	Exempt
08021290	Other almonds shelled	3.5%
080221 and 080222	Hazelnuts in shell and shelled	3.2%
08023100	Common nuts in shell	4%
08023200	Common nuts shelled	5.1%
08024000	Chestnuts	5.6%
08025000	Pistachios	1.6%
08029020	Pecan, betel, cola	Exempt
08029050	Pine nuts	3.2%
08029060	Macadamia	2%
08029085	Other nuts	3.2%
08135031	Nut mixes (tropical)	4%
08135039	Other nut mixes	6.4%
08135091	Dried fruit and nut mix without prunes or figs	8%
08135099	Dried fruit and nut mix other	9.6%

Source: Official Journal of the European Union, L 286, 48th year, Oct. 28, 2005

Pricing

Brand	Company Name	Outlet	Pack Size	Price (euros)
Benenuts Cockail Salé	Douwe Egberts France SNC	Supermarkets/ Hypermarkets	150g	1.29
Benenuts Cockail de Noix Nobles	Douwe Egberts France SNC	Supermarkets/ Hypermarkets	125g	2.05
Benenuts Twinuts Paprika/Tomate/ Basilic/Salé	Douwe Egberts France SNC	Supermarkets/ Hypermarkets	125g	1.15
Jack Benoit Cacahuètes (Peanuts)	Felix the Nut Co GmbH	Supermarkets/ Hypermarkets	500g	3.58

Jack Benoit Pistaches	Felix the Nut Co Gmbh	Supermarkets/ Hypermarkets	400g	4.57
Menguy's Noix d'Amazonie	Menguy's	Supermarkets/ Hypermarkets	100g	1.40
Noix de Cajou (cashew)	Lorenz/Bahlsen France	Supermarkets/ Hypermarkets	125g	1.93
N.1 Pistaches	Carrefour	Supermarkets/ Hypermarkets	200g	1.06

Source: Euromonitor, 2006

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For a list of more nut importers, please contact us at: agparis@usda.gov