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Report Highlights:
France is the EU's second largest producer of biotech corn, increasing its biotech corn acreage fourfold from 2006. Spain is the principal market. Potential downsides for French biotech researchers and farmers include: lack of consumer acceptance and anti-biotech activities negatively impacting domestic demand and increased government requirements without additional regulatory support.

Includes PSD Changes: No
Includes Trade Matrix: No
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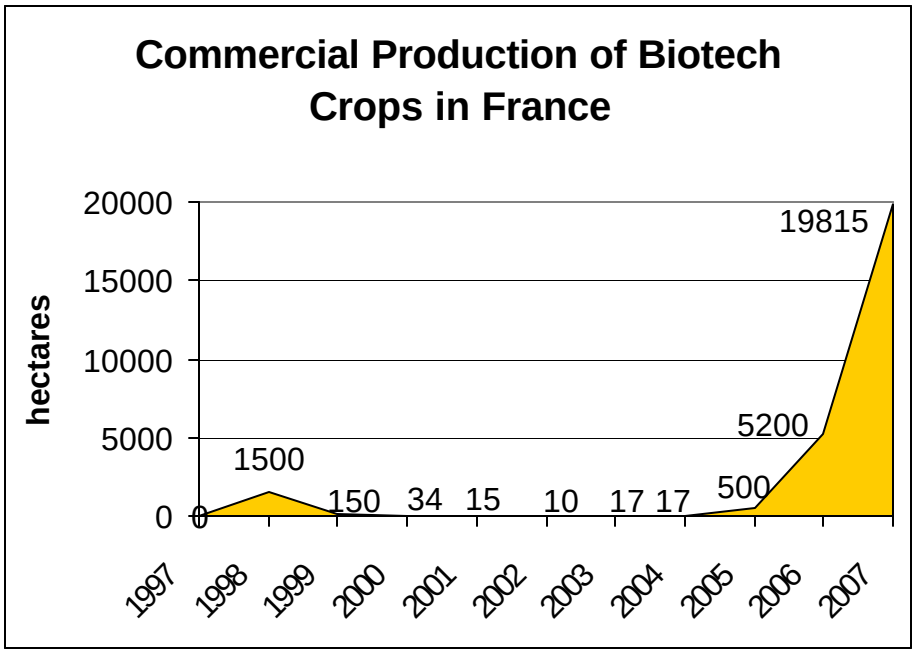
1. EXECUTIVE SUMMARY

With almost 20,000 hectares planted in 2007, France is the EU's second largest producer of Biotech corn behind Spain. This is a fourfold increase from 2006, mainly due to the favorable economic and production results of the 2006 crop, the implementation of the new EU regulation on mycotoxin levels for grains, and the market opportunities for French Bt corn in Spain and domestically for animal feed. Potential downsides for French researchers and farmers include: lack of consumer acceptance and anti-biotech activities inhibiting domestic demand and increased government requirements without additional regulatory support.

2. BIOTECHNOLOGY PRODUCTION AND TRADE

a) Commercial Production

In 2007, France enters its third year of biotech corn production. 2007 crop acreage is estimated at 19,800 ha, up from 5,200 ha in 2006, and 500 ha in 2005. Mon810 is the only biotech corn variety authorized for cultivation in France.



Actual biotech corn production is lower than initially forecast at up to 50,000 ha. Several factors may have contributed to dampening the enthusiasm following the success of the 2006 biotech crop (see FR7013): In the spring, two leading Presidential candidates favored a biotech moratorium and, at the same time, a new legislative requirement that farmers provide the MinAg with the acreage and location of biotech fields came into effect. While farmers were relieved that the notification requirements were not as location specific as they had feared, they still remain at risk for biotech crop destruction from anti-biotech activists. Over half of the biotech test plots were destroyed last year as well as one commercial harvest.

b) Research

In March 2007, the French Ministry of Agriculture authorized 13 open field trials (12 for corn and 1 for tobacco). While fewer products were authorized this year, the authorizations came earlier than in 2006 when 17 products were approved in May. For more information on the approved dossiers, see http://www.ogm.gouv.fr/experimentations/decisions/decisions.htm. Anti-biotech activists destroyed almost two-thirds of the biotech open-field test plots in 2006 and a drought-resistant corn test plot was destroyed in June 2007.

c) Trade

- **French Exports:**

In general, biotech corn, which is grown primarily in southern France, is exported to Spain for use in animal feed. In 2007, we anticipate that some biotech corn may be used domestically for on-farm feed.

- **French Imports:**
- **Products for Animal Feed**

Soybean meal is the primary biotech product imported by France and is used in animal feed. In MY 2005/06, France imported 4.2 million MT of soybean meal: 2.9 million MT from Brazil, 655,000 MT from Argentina, and 5,000 MT from the United States. Most of the imported soybean meal is labeled as containing biotech, while a minority consists of soft IP products (below the 0.9 percent threshold), and the remainder (less than 5 percent) is hard IP product, which is guaranteed non-biotech.

French feed manufacturers are beginning to substitute some soybean meal with rapeseed meal in dairy and swine rations. Due to the increase in rapeseed production for biodiesel, France has growing supplies of rapeseed meal (FR7009). France does not import corn gluten for use in animal feed; therefore, the presence of the Herculex genetic trait has not presented any trade issues.

In 2005, the Fraud Control Office of the French Ministry of Economy (DGCCRF) inspected 84 feed manufacturers in 33 administrative regions for analytical and document controls. The tests revealed that Roundup Ready soybeans were the primary biotech product while Mon810, Bt176, T25, NK603 corn and RF3 rapeseed were also detected. Twenty-one percent of the total samples taken had a GM presence higher than the 0.9 percent threshold; of these, only twenty-nine percent were properly labeled.
http://www.minefi.gouv.fr/DGCCRF/02_actualite/breves/brv0906f.htm?ru=02

- **Starch**

The domestic starch industry, represented by USIPA (http://www.usipa.fr), makes starch from corn, wheat and potato products. Due to the growing production of biotech corn in France, wheat is beginning to replace corn as the source product. In 2005/06, 48 percent of starch produced in France was derived from wheat, 43 percent from corn, and 9 percent from potato products.

- **Planting Seeds**

The United States is France's largest supplier of corn seeds. In MY 2004/05, French imports of U.S. corn seeds totaled $49.4 million. U.S. products face increasing competition from Hungarian products which are cheaper and do not have a biotech component.

The Food Directorate of the French Ministry of Agriculture (DGAL) conducts GM content tests on imported seeds. In 2005, 6 of 168 samples of corn seeds containing the Mon810 event were labeled in accordance with the EU biotech traceability and labeling regulation.

Of the remaining 162 samples tested, 24 percent tested positive for biotech (down from 35 percent in 2004). In 90 percent of these cases, the adventitious presence was below 0.1 percent. In the remaining 10 percent, the adventitious presence rate was reportedly below 0.25 percent.

76 of the 162 samples were U.S. origin seeds and 35 percent of these samples reportedly contained an adventitious biotech presence. The other source countries included Chile, Romania, Turkey, Croatia, Bulgaria and Australia.

In addition, the Fraud Control Office of the French Ministry of Economy, Finance and Industry (DGCCRF) conducts biotech content tests on planting seeds on the French market (at the level of importers, producers and distributors across France). A majority of these tests are conducted on seeds produced in France and a minority on imported seeds. In 2005, DGCCRF tested 106 samples of planting seeds including 39 samples of rapeseed, 52 samples of corn, and 18 samples of soybeans. The analyses reportedly revealed the presence of traces of RoundUp Ready (RR) soybean at 0.1 percent in one sample. As RR soybeans are not authorized for cultivation in France this lot was removed from the market.

3. BIOTECHNOLOGY POLICY

a) French Biotech Policy

- **Evaluation Process**

The evaluation process in France may soon see a change. Currently, three committees evaluate biotech product applications: the *Commission du Genie Genetique (CGG) (Genetic Engineering Committee)*, the *Commission du Génie Biomoléculaire (CGB) (Biomolecular Engineering Committee)*, and the *Comite de Biovigilance* (*monitoring GMOs*). Legislation currently pending would establish one Biotech Council (*Haut Conseil des Biotechnologies*) for all biotech applications.

The CGG evaluates the release of biotech products in confined environments. The CGB evaluates open field testing and commercial cultivation dossiers, and approves or disapproves the market release of GM products. The French "*Comité de Biovigilance*" monitors GMOs once they are released in the environment for experimental or commercial production, primarily to examine the environmental risks. It monitors biotech crops planted in open field test plots and those planted for commercial production.

The French Food Safety Agency (AFSSA) (http://www.afssa.fr) is the French authority that assesses risks of GMOs to human health under the Novel Foods Directive.

- **Product Authorization**

The number of agricultural products proposed for open-field testing reviewed by the CGB has declined significantly from 100 in 1998 to only 14 in 2005 (up from 11 in 2004). The 14 corn dossiers reviewed in 2005 included:

Note: to date, the most recent activities published for the CGB are for 2005.

Company	Event/trait	CGB Notification
Biogemma	nitrogen assimilation	No objection
Pioneer	1507 herbicide and insect resistant	No objection
Pioneer	NK603 insect and herbicide tolerant	No objection
Pioneer	1507xNK603 insect and herbicide tolerant	No objection
Pioneer	NK 603 x MON 810 insect and herbicide tolerant	No objection
Meristem Therapeutics	Gastric lipase expression, medical application	No objection for 1 year
Biogemma	Lack of water stress	No objection
Biogemma	Lack of water stress	No objection
Pioneer	59122 x 1507 x NK 603 insect and herbicide tolerant	No objection for 2 years
Pioneer	59122 x NK 603 insect and herbicide tolerant	No objection for 2 years
Pioneer	herbicide tolerant	No objection for 2 years
Meristem Therapeutics	Expression of monoclonal antibodies, medical applications	No objection
Monsanto	MON 88017 insect and herbicide tolerant	No objection for 2 years
Monsanto	MON 88017 x MON 810 insect and herbicide tolerant	No objection for 2 years

Note: Biogemma is a biotech subsidiary of a large French planting seed cooperative called "Limagrain" and Meristem Therapeutics is a pharmaceutical subsidiary of Limagrain.

In 2005, the CGB reviewed the following commercial cultivation dossiers:

Event	Use	CGB Notification
NK 603 x MON 810 corn insect and herbicide tolerant	Import, processing and feed	March 2005: no objection
1507 corn herbicide and insect resistant	Cultivation, imports, processing and feed	May 2005: no objection for feed, recommendations for production (monitoring and environmental impact)
Ms8, Rf3 and Ms8 x Rf3 herbicide tolerant rapeseed	Import, processing, feed	December 2005: ask for complementary information
EH 92-527-1 potato modified starch content	Cultivation, import, processing, feed	January 2005: recommendation on accidental human food consumption
281-24-236/3006-210-23 herbicide and insect tolerant cotton	Import, processing	March 2005: no objection
Modified color carnation	Import of cut flower	May 2005: no objection

With the adoption of the 1829/2003 Regulation, most dossiers for market authorization (for feed and food) are now reviewed under a EU-centralized system, coordinated by the European Food Safety Agency (EFSA). French authorities believe this system is faster that that of the Directive 2001/18, which involves the Member State competent authorities in the first step and an EU-centralized authorization process as a second step.

The CGB reviews the environmental risks of each dossier for which the European Food Safety Agency makes the assessment and requires consultation with Members States (GMOs that may be disseminated).

In 2005, the CGB reviewed the following dossiers under Regulation 1829/2003:

Event	Use	CGB Notification
1507 x NK 603 corn insect and herbicide tolerant	Import, processing, feed and food	May 2005: no objection
MON 863 x NK 603 corn insect and herbicide tolerant	Import, processing, feed and food	April 2005: no objection
MON 863 x MON 810 x NK 603 corn insect and herbicide tolerant	Import, processing, feed and food	April 2005: no objection
MIR 604 corn insect resistant	Import, processing, feed and food	November 2005: no objection
59122 corn insect and herbicide tolerant	Import, processing, feed and food	November 2005: no objection
LLCotton25 cotton herbicide tolerant	Import, processing, feed and food	November 2005: no objection

For further information on dossiers under consideration in France, please see the French intergovernmental website (information is in French) on agricultural biotechnology: http://www.ogm.gouv.fr/

b) France and EU Biotech Policy

As of March 20, 2007, all biotech farmers must report their biotech acreage planted by canton (administrative group of cities and villages) to the MinAg. This information is made available to the public through the inter-ministerial biotech website at: http://www.ogm.gouv.fr/mise_marche/registre_cultures/registre_cultures.htm. Farmers were pleased that the government retreated from a position requiring more specific biotech crop location information, which would have made them more vulnerable to anti-biotech attacks.

France transposed the EU Directive 2001/18 (EU framework on the release of biotech products for both experimentation and commercialization) into French law on March 20, 2007, supplemented by two 'arretes' (complementary documents) relative to environmental dissemination and commercialization of biotech products as well as information gathering on biotech crop cultivation.

- **GM and Non-GM Coexistence**
  - **Policy**

There are no French regulatory rules for biotech and non-biotech coexistence. Previously, farmers utilized best management practices recommended by seed companies and grower associations (see FR5084). In the spring of 2007, the MinAg published coexistence planting recommendations. It further implemented a new requirement that biotech farmers must provide notice to their neighboring farmers. The MinAg will monitor the notice requirement but planting recommendations cannot be enforced without legislative approval. The National Assembly may also consider a proposal to establish a no-fault compensation program funded by contributions from seed companies and sales of biotech seeds to reimburse non-biotech farmers for any damages resulting from a neighboring biotech crop.

- **Research**

France is highly involved in the European coexistence research project COEXTRA (http://www.coextra.org/). The scientific coordinator is Yves Bertheau, a French researcher from the National Institute of Research in Agronomy (INRA). Other French organizations involved in the COEXTRA program include: ARVALIS-Institut du Vegetal (technical research institute on grains, potato, forage, corn, and pulses - http://www.arvalisinstitutduvegetal.fr), CETIOM (technical research institute on Oilseeds – http://www.cetiom.fr/CTMsite/index.html), and GIP-GEVES (French organization in charge of plant variety and seed testing for the registration of new varieties – http://www.geves.fr).

In addition, France is also involved in the research program on the Sustainable Introduction of GM Crops into European Agriculture, SIGMEA (http://sigmea.dyndns.org/). The scientific coordinator is French INRA researcher, Antoine Messean, and several other French organizations are involved including: INRA, CETIOM, ARVALIS-Institut du Vegetal, and the University of Paris 11.

- **Traceability and Labeling**

France implemented the EU Novel Food/Novel Feed and Traceability and Labeling Regulations on April 18, 2004, and the Fraud Control Office of the French Ministry of Economy, Finance and Industry (DGCCRF) is the enforcing authority (see FR4062).

DGCCRF website on biotech food and feed labeling (EU Regulation 1829/2003) is:
http://www.minefi.gouv.fr/DGCCRF/04_dossiers/consommation/alimentaire/ogm/ogm04b.htm
DGCCRF website on traceability of GMOs and food products (EU Regulation 1830/2003) is:
http://www.minefi.gouv.fr/DGCCRF/04_dossiers/consommation/alimentaire/ogm/ogm04a.htm?ru=04
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

- **Adventitious Presence in Planting Seeds**

As the largest European producer and exporter of corn seeds, seed companies based in France would like to have a standard adventitious presence (AP) threshold among Member States. The European Seed Association (ESA) and Europabio released a document in March 2006 titled: “Adventitious Presence, Bringing Clarity to Confusion.” http://www.europabio.be/positions/GBE/AP%20seed_260307.pdf calling for a rapid implementation of an EU-wide AP threshold in planting seeds that would be “practically and economically achievable” (i.e., certainly not 0.1 percent) and would be specie-specific for crops cultivated in Europe. The paper also calls for higher-than-zero tolerance in Europe of

planting seeds containing traces of biotech events approved in other countries but not approved in the EU.

- **Cartagena Biosafety Protocol**

The French Ministry of Ecology implements the Biosafety Protocol for France. The Ministries of Agriculture and Economy are involved in inter-ministerial discussions. Article 18.2 (imposing labeling requirements on shipments that "may contain" living modified organisms for food and feed use) of the Protocol is the main implementation obstacle encountered by France.

- **National Bans and WTO Implications**

Despite the WTO ruling that national bans were inconsistent with WTO rules, France extended its ban on two biotech rapeseed products (Topas 19/2 and MS1Bn) until April 18, 2007. However, EU authorities withdrew authorizations for the two products in April 2007, thus making a further continuation of the French product bans unnecessary.

4. MARKETING ISSUES

a) Weaknesses and Threats

In France, lack of consumer acceptance of agricultural biotechnology continues, certainly in relation to products for human consumption. Food products labeled as containing or derived from biotech are generally not available on the French market (labeling of animal products derived from animals fed biotech feed is not required).

Anti-biotech activists (mainly Greenpeace, ATTAC, Friends of the Earth, and Confederation Paysanne farmers union) are well organized and work consistently to discourage progress for biotech acceptance. During the summer of 2006, activists destroyed two thirds of the open-field test plots. Less visible to the public, but still very effective, is the pressure imposed by these groups on the food and feed industry and retailers. For example, the Greenpeace website has a "blacklist" containing the name of any biotech food product marketed in France. Experience has proven that the negative publicity generated by offering a biotech product in a French supermarket is usually so detrimental that the retailer or distributor takes the product off the shelf. (see report FR5037).

Examples of Recent Activists Actions - French Authorities Response:

- Mon863: In March, 2007, CRII-GEN, a French anti-biotech group, alleged that a Greenpeace-funded study showed biotech corn MON863 was not safe for human consumption due to toxic impacts on the kidneys and liver. CRII-GEN asked the European Food Safety Agency (EFSA) to reconsider its findings that the product was safe and that an immediate ban be placed on GM corn MON863. The French authority for biotech approval ("Commission du Genie Biomoleculaire, (CGB")) had reviewed the Monsanto data and approved the product in June. http://ogm.gouv.fr/experimentations/evaluation_scientifique/cgb/autres_avis/Avis_CGB_MON863_15juin2007.pdf. On July 15th, EFSA issued a statement reaffirming it's finding that there is no scientific base for doubting the safety of Mon863.

- Mon810: The French Ministers of Ecology and Agriculture refused to enact a moratorium called for by anti-biotech activists on the cultivation and harvest of MON 810 corn this year.

In June, the French CGB confirmed the absence of any new adverse information calling into question the environmental assessment of MON 810.
http://ogm.gouv.fr/experimentations/evaluation_scientifique/cgb/autres_avis/MON_810.pdf

b) Strengths and Opportunities

The economic advantages offered by biotech products relative to conventional products are compelling incentives for French producers and processors. The higher yield of Bt corn, due to its resistance to the European corn borer, increases its attractiveness among French farmers. In addition, the demand for Bt corn may further increase as it produces corn with significantly lower levels of mycotoxin than conventional products.

c) Market Losses

- **Only One Event is Authorized**

Planting seed companies are increasingly frustrated that Mon810 is the only genetic event authorized for cultivation in France. This means that all other seed companies must purchase a license from Monsanto to produce and sell a biotech seed in France. In addition, seed companies rue the lengthy EU authorization process that further retards their ability to market seeds in France. For example, Syngenta's Bt11 corn, submitted in France in 1996, and approved by the European Food Safety Agency (EFSA) in 2006, and Pioneer's 1507 corn, submitted in Spain in 2001, and approved by EFSA in 2006 are both still waiting for final approval.

- **Impact of LL601 Rice Issue on Trade**

The detection of Liberty Link Rice 601 (LLRice 601) in September 2006 significantly reduced French imports of U.S. long grain rice from the United States. Imports of U.S. rice declined 23 percent from 34,700 MT in 2005 to 26,500 MT in 2006. By value, French imports declined 11 percent from $12.6 million in 2005 to $11.2 million. During the first 4 months of 2007, French long-grain rice imports from the United States were marginal (almost 800 MT) compared to the same period in 2006 (16,000 MT).

Reference Material

E47044	Annual Agricultural Biotechnology Report	6/5/2007
FR7013	Positive 2006 Results and New Regulatory Framework Improve 2007 Prospects	4/4/2007
FR7009	Impacts on Oilseeds Industry Following Biofuel Boom	2/16/2007
FR7001	French Biofuel Production Plans	1/5/2007
FR6071	Annual Planting Seeds	11/24/2006
FR6039	Annual Biotechnology	11/21/2006
FR6040	Judicial Decisions Favorable to Biotech Cultivation	7/28/2006
FR6037	Significant Increase in GM Corn Planting in 2006	7/13/2006
FR6040	Judicial Decisions Favorable to Biotech Cultivation	07/28/06