USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

Date: 10/1/2007

GAIN Report Number: FR7028

France

Exporter Guide

Annual

2007

Approved by:
Elizabeth B. Berry
U.S. Embassy

Prepared by:
Roselyne Gauthier

Report Highlights:
Socio-economic and demographic changes are altering food trends in France. French consumers desire food products offering better taste, increased health benefits and more convenience. France offers market opportunities in a number of areas such as fish and seafood, processed fruits and vegetables (including fruit juices), beverages (including wine and spirits), fresh and dried fruits and nuts, but also confectionery products, wild rice, kosher and halal foods.

This report, prepared by the USDA's Foreign Agricultural Service for U.S. exporters of food products, presents a comprehensive guide to France's economic situation, market structure, exporter tips and best prospects for high-value foods and agricultural products.

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

Table of Contents

Note: Average exchange rates used in this report are:

Calendar Year 2004: US Dollar 1 = 0.806 Euros
Calendar Year 2005: US Dollar 1 = 0.8038 Euros
Calendar Year 2006: US Dollar 1 = 0.796 Euros
(Source: Paris Stock Exchange/European Central Bank)

SECTION I. MARKET OVERVIEW

1. Macroeconomic Situation

As a member of the G-8, the European Union, the World Trade Organization and the OECD, France is a leading economic player. With a $2.2 trillion gross domestic product (GDP), France is the world's sixth largest industrialized economy. The French population of 63.4 million has a per capita income of $35,605.

France is the eighth largest trading partner of the United States, according to the U.S. Department of Commerce. U.S. trade with France, including exports and imports of goods and services, is $91 billion in 2006. The United States is the primary outlet for French foreign direct investment and is the third largest foreign investor in France.

French GDP increased 2.2 percent in 2006. France's economic growth is forecast to lag behind that of the Euro zone for the second consecutive year in 2007, notably due to insufficient exports. In light of the second quarter slump in the GDP growth to 1.2 percent (annualized), economists forecast GDP growth for the year of 1.8-1.9 percent (versus 2.0-2.5 percent forecast by the government). The inflation rate remains modest (1.1 percent in August 2007) in part due to the strength of the euro. The unemployment rate fell to 8.0 percent in July 2007, its lowest level in 25 years (however, data may be significantly revised upward in November due to changes in methodologies).

The Government is confident that the tax reform in "favor of labor, employment and purchasing power" passed in summer 2007 will boost the economy in 2008. In addition, recently-released economic indicators confirmed that economic growth could run at a faster pace in the second half of 2007, allowing the government to forecast GDP to increase 2.0-2.5 percent in 2008. Government forecasts are based on oil prices at 73 dollars per barrel and 1.37 euros per USD.

2. French Agricultural Production and Consumption

In France, in 2006, overall agricultural production decreased in volume 2.1 percent, compared to 2005. This decrease is attributed to a fall in production in several sectors: vegetable production (minus 2.1 percent), which suffered from dryness and warm weather in June-July 2006; grain production decreased 3.7 percent; oilseed production fell 7.2 percent. Rapeseed yields decreased, while sowing areas increased as a result of new opportunities offered by biofuels. Beet production for sugar decreased due to sugar market reform, and beets available were increasingly diverted into the biofuel processing industries. Animal production also decreased (minus 2.4 percent), as did poultry production (minus 4.8 percent), due to the fear of the avian influenza. Egg and milk production also decreased.

In 2006, total French food consumption, excluding alcoholic beverages and tobacco, increased by 0.9 percent in volume, compared to 1.2 percent in 2005. The lackluster growth was mainly due to fruits, where purchases dropped by 0.9 percent, compared to an increase of 1.6 percent in 2005. Winter 2005-2006 was rather cold with above-normal temperatures during the second quarter which adversely affected production. This resulted in price increases (+2.3 percent) and led to a consumption decrease. Hot weather in summer of 2006 stimulated cold non-alcoholic beverage consumption (+4.2 percent for 2006).

Meat consumption remained stable, while meat preparations increased 2.8 percent and compensated for a decrease in consumption of butcher's meat (minus 1.5 percent) and poultry (minus 3 percent). Seafood product consumption increased 1.1 percent, dairy products 1.9 percent, and fruits and vegetables only 0.1 percent. Tobacco purchases increased 1.5 percent in volume in 2006, with stable prices.

Food consumption for the period January-July 2007 indicated an overall increase of one percent. Prices rose by 0.3 percent in July 2007, compared to July 2006. Price increase were notable for fish and seafood, meat and poultry, bread and cereals, and fruits and vegetables. The most significant price increase was for eggs and dairy products due to high animal feed prices. Private label foods are increasing, representing 22 percent of the total food sales of the hyper/supermarket and hard discounters.

3. Key Demographic Developments

As of January 1, 2007, preliminary estimates indicate a total population, including overseas territories, of 63.4 million. In 2006, immigration to France increased compared to 2005 (93,600 persons), and remains the lowest in the European Union compared to the total population. In 2006, figures show that France and overseas territories had an increasing birth rate (+ 23,100, compared to 2005), while the death rate declined (minus 7,100). France should be one of the few EU member states to experience population growth by 2050 estimated at 70 million, based on the current demographic situation. Life expectancy is also increasing: 77 years for men and 84 years for women.

France metropole: Population by Age Group (in millions)
(As of January 1, 2007)

Year	Total	Less than 20 years	20 to 64 years	65 years or more
2001	60.9	15.6	35.6	9.7
2002	61.3	15.6	35.9	9.8
2003	61.7	15.7	36.1	9.9
2004	62.1	15.7	36.4	10.0
2005	62.5	15.7	36.7	10.1
2006	62.9	15.8	36.9	10.2
2007 (P)	63.4	15.8	37.3	10.3

P = Preliminary - Source: INSEE PREMIERE -

France: Demographic Evolution of Households (in millions)

Year	Number of Households
2000	24.4
2001	24.5
2002	24.8
2003	25.1
2004	25.4
2005	25.7
2006	N/A
2007	N/A

Source: INSEE - Enquête Budget Famille

The latest census data is for 2005, but according to current trends, the number of households should increase by an average of 228,000 per year through 2010.

4. Changing Food Trends

Socio-economic and demographic changes have significantly altered food trends in France. Trends show that French consumers desire food products offering better taste, increased health benefits and more convenience:

- The "younger" generation (26 percent) appreciates trying new products. This generation values products with an appealing image along with good taste.

- Food safety scares have raised consumer concerns about sanitation and safety issues. In turn, these concerns have led to greater demand for natural and organic food products--fruit juices, fresh and processed dietetic foods, organic produce, fish and seafood products, ethnic foods and food supplements.

- Working consumers or those living alone (30 percent) have less time to prepare meals. These consumers are pushing the demand for easy-to-prepare foods, single and double portion packs, and frozen or microwavable meals.

Advantages and Challenges for U.S. Exporters in France

Advantages	Challenges
▪ The population’s continuing rapid shift from rural to urban regions is boosting demand for international food. ▪ French per capita income is near that of the United States. ▪ The tourist industry increases the demand for hotel/restaurant and institutional products. ▪ U.S. fast food chains, theme restaurants, and the food processing industry are occasionally demanding American food ingredients. ▪ Domestic distribution systems are efficient.	▪ Food scares and other food safety issues cause concern among French consumers. ▪ French consumers are exacting when it comes to quality and innovation. ▪ Price competition is fierce. ▪ Certain food ingredients are banned or restricted in the French market. ▪ Marketing costs to increase consumer awareness are high. ▪ Mandatory customs duties, sanitary inspections and labeling requirements can be onerous.

▪ The euro eases problems with entry and dealings with EU member states. ▪ American food and food products remain quite popular.	▪ The EU biotech labeling requirement of 0.9 percent excludes many U.S. processed products. ▪ Lack of a US-EU organics equivalency agreement hinders trade.

SECTION II. EXPORTER BUSINESS TIPS

1. Trade Barriers and Restrictions

Food products entering the EU and France are subject to customs duties, which vary depending on the type of product. Most processed products are subject to additional import charges based on the product contents of sugar, milk fat, milk protein and starch.

While product safety and sanitary standards affecting French imports are increasingly established at the EU level, additional French regulations affect some imports as well. Efforts to harmonize EU import regulations and to implement commitments under the World Trade Organization (WTO) may abolish inconsistent and conflicting French and EU regulations, quota conversions, variable levies, and restrictive licensing requirements.

French regulations can limit market access for certain U.S. agricultural products including, but not limited to, the following:

- Enriched flour
- Bovine genetics
- Exotic meat (alligator)
- Flightless bird meat (ratite)
- Live crayfish
- Beef and bison meat
- Certain fruits and vegetables
- Pet foods
- Co-products derived from genetic modification

For more information on these product trade restrictions, food standards and regulations, please refer to FAS/Paris Food and Agricultural Import Regulations and Standards Report (FAIRS) available on Internet website: http://www.fas.usda.gov

France, as an EU member state, benefits from EU customs union agreements with Turkey and Andorra, 26 free trade agreements under either GATT Article XXIV or GATS Article V. The EU has other preferential trade agreements with Norway, Iceland, Switzerland, Liechtenstein, Israel, the Palestinian Authority, Tunisia, Morocco, Jordan, Egypt, Lebanon, Syria, Algeria, Mexico and South Africa. The EU provides ACP countries (African, Caribbean and Pacific developing countries) with non-reciprocal preferential access to its markets under the Cotonou Agreement, and gives other developing countries preferential access under the Generalized System of Preferences (GSP).

2. Consumer Tastes, Preferences and Food Safety

Like U.S. consumers, French consumers desire innovative foods. French consumers like ethnic and exotic foods with distinctive themes and flavors. In 2006, 80 percent of French people consumed an exotic or ethnic meal at least once. The European market for specialty and ethnic products is growing annually at 15 percent. This market is currently valued at $260 million (excluding fresh products), 8 percent above 2005. Theme restaurants have dramatically increased. In Paris, one of every two new restaurants is based on a "world food" concept, and all major supermarket chains offer ethnic foods under their private labels. In the ethnic segment, consumers seek new products, looking for quality and innovation. The trends in France currently favor Thai, Northern and Southern African and Indian cuisine. However, Tex-Mex, Cajun or California-style cuisine, sports drinks and vitamin enriched snacks still have potential. Ready-to-eat products such as frozen foods, seafood (particularly salmon), wild rice, innovative dietetic/health products, organic products, frozen desserts, kosher and halal foods are also gaining popularity.

While many consumers and distributors are receptive to new developments in food products, they want more information on product contents and manufacturing processes. France has labeling requirements for both domestically-produced and imported food products containing genetically-modified products or biotech-derived ingredients or additives harmonized at the EU level.

After the different food scares, the French Government encouraged the development of quality marks such as “Label Rouge”(Red Label) for meats, poultry and fruits and vegetables, which guarantee production under established conditions and also product origin labels which guarantee that, for instance, certain wines, milk, butter, or cheeses are sourced from a certain region. The government also overseas a certification program which guarantees that product preparation, manufacturing and packaging processes follow certain specifications. These quality and origin marks have been well received by French consumers. The organic food program certifies that agricultural and food products were manufactured without chemical fertilizers and according to special criteria. In 2004, the Government of France announced new measures to support the organic sector, including 10.8 million euros to enhance consumers’ knowledge of the organic sector and 50 million euros, over five years to support the conversion from traditional to organic farming.

3. Marketing Strategies for the French Market

(a) U.S. food product exporters should consider:

Market access restrictions and food laws

- Check EU and French regulations to ensure your products can enter the French market and carefully verify the list of ingredients and additives.
- Verify customs clearance requirements and any additional import charges based on percentage of sugar, milk fat, milk protein and starch in the product.

Consumer characteristics

- Target dual income families, singles, senior citizens and health and environmentally-conscious consumers.
- Influence consumer choices mostly through advertising campaigns.

Seasonal characteristics

- Holiday promotions
- In-store supermarket promotions

Unique U.S. products characteristics

- High quality
- Regional specialties (i.e., Florida grapefruit, California wine, Tex-Mex or Cajun style, New England seafood, etc.)

Image appeal

- Packaging can help a product find a niche in this market, particularly if the U.S. firm has access to stores and supermarkets that specialize in U.S. or foreign foods.

Trade Shows and In-Store Promotions:

- In-store product demonstrations can help familiarize French consumers with U.S. food products.
- Trade shows are an excellent way to introduce new products to the market.

(b) Successful Export Planning for Your Products:

- Conduct basic market research and review export statistics for the last five years.

- Contact the Office of Agricultural Affairs at the American Embassy in Paris to obtain up-to-date information on local government regulations, customs duties, politics, demographics, infrastructure, distribution channels and market size.

- Adapt your product to local regulations: give the customer what they require, not what you think is needed, check your ingredients and package size requirements, verify consumers' preferences and ensure your product is price competitive.

- Identify the best distribution channel for the product, i.e., supermarkets, importer/distributor, or a foreign agent. Be prepared to send samples.

- Work with your agent, distributor/importer to determine the best promotional strategy. Be prepared to invest in the market promotion of your products (through trade shows, in-store promotions or advertising campaigns, to gain maximum exposure and make valuable market contacts). Also, be aware that promotional assistance is available for U.S. products through a variety of branded and generic promotion programs through the four state regional trade groups: FOOD EXPORT USA-NORTHEAST, SUSTA, WUSATA and FOOD EXPORT ASSOCIATION OF THE MIDWEST USA. (Addresses, telephone, fax and contact information for these four groups are listed in Section V, Appendix B, of this report).

4. General Import and Inspection Procedures

General Import Requirements

Import and export transactions exceeding 12,500 Euros (approximately $15,700) in value must be handled through an approved banking intermediary. Goods must be imported/exported no later than six months after all financial and customs arrangements have been completed.

For products originating in countries other than EU member states or participants in the World Trade Organization (WTO), and for a limited number of products considered to be sensitive, a specific import/export license may be required by product or by category of products. Otherwise, the following shipping documents in French are required:

- Commercial invoice;
- Bill of landing or air waybill;
- Certificate of origin
- Sanitary/health certificate (for specific products)

Note: U.S. exporters must make sure their products comply with French regulations and must verify customs clearance requirements with local authorities through their contacts before shipping the products to France. The Office of Agricultural Affairs of the American Embassy in Paris can provide assistance and information on these matters.

Basic Labeling / Packaging Requirements:

Labels should be written in French and include the following information:

- *Product definition*
- *Shelf life: Indicate "used by," and "best before" dates and other storage requirements*
- *Precautionary information or usage instructions, if applicable*
- *Statement of contents: ingredients, weights, volumes, etc., in metric units. All additives, preservatives and color agents must be noted on the label with their specific group name or their "E" number*
- *Product's country of origin and name of importer or vendor within the EU*
- *Manufacturer's lot or batch number*

France implemented the EU Novel Food/Novel Feed and Traceability and Labeling Regulations (T&L) on April 18, 2004. According to the T&L regulation, biotech products and biotech-derived products must be identified "from the seed to the fork" at each stage of market release. A unique code will be attributed to each genetic event to facilitate communication among operators. The T&L regulation imposes the labeling of any food or feed product derived from biotech, whether biotech DNA is detectable in the final product or not. The threshold under which labeling is not compulsory is set at 0.9% for both human food and animal feed. A threshold on planting seeds has not yet been established.

For more details, see the French Ministry of Agriculture website on biotech: http://ogm.agriculture.gouv.fr/savoir_plus/fiches/fiche6.htm, as well as the French decree implementing EU Regulation which can be found at: http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=ECOC0400078D

More detailed information on labeling/packaging requirements, may be found at: http://www.fas.usda.gov/gainfiles/200708/146291922.pdf

Customs Process

- A person or company can facilitate customs clearance for imports so long as they can present the French Customs Authorities at the port of entry or at the airport in France with the imported goods and the necessary accompanying documents. To ease the clearance process, the U.S. exporter should have the customs clearance done by either a forwarding agent or his importer/distributor or agent in the country of destination. More information may be obtained from the General French Customs Authorities listed in Section V, Appendix C, of this report.

- Generally, a visual inspection consists of verifying that products are accompanied by the correct shipping documents.

- A detailed inspection may include sampling or a chemical analysis test.

- The speed of the customs clearance procedure can depend on the quality of U.S. exporters' documentation.

- When released, the foodstuffs are subject to ad valorem customs duties levied under the Common External Tariff. Duties differ according to product. Also, in addition to customs duties, foodstuffs imported into France are subject to a Value-Added Tax (VAT). Currently the VAT is generally charged at one of the two following rates:
  - Standard rate of 19.6 percent applies to alcoholic beverages, some chocolates and candies
  - Reduced rate of 5.5 percent applies mostly to agricultural and food products.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

1. The French Food Industry

- The food industry is the largest French industrial sector (145 billion euros - $182 billion -) far ahead of the automobile, electric and electronic sectors. France is the world leader in processed food exports, worth 31.1 billion euros ($39.1 billion) in 2006, approximately ten percent of the global trade in processed foods.

- France currently has 30 major food processors, and over 10,500 food industry companies, 70 percent of them small to medium-size companies.

- According to the French Food Industry Association (ANIA), in 2006, food processing sector sales were 145 billion Euros ($182 billion), an increase of 3.8 percent from the 2005 level.

- In 2006, the French food industry continued to restructure in the face of greater competition from large multinational groups.

- Total food exports in 2006: 31.1 billion Euros ($39.1 billion), an 8.4 percent increase in value over 2005.

- Total food imports in 2006: 23.3 billion Euros ($29.3 billion), a 6.9 percent increase in value over 2005.

Major French Food Processing Sectors and Growth Rates

Food Processing Sectors	2006 Value (billion $) --without tax--	Percent Price Increase 2006/2005
Grains & Animal Feed	17.0	+2.3
Oilseeds & Seeds	3.3	+8.6
Canned Fruits & Vegetables & Fruit Juices	11.5	+3.7
Meat Industry	36.5	+0.3
Seafood Industry	4.3	+13.0
Milk Industry	27.1	+0.2
Beverages Industry	29.9	+1.8
Fats and Oils	3.3	+8.6
Bread and Pastry	17.3	+0.0
Sugar	3.6	-3.0
Miscellaneous (1)	15.9	+3.6

(1) Includes: Chocolate, beverage preparations, baby foods, canned deserts, and soups.
Source: INSEE - National Account

2. Infrastructure Situation

France's transportation infrastructure is among the most sophisticated in the world, benefiting from advanced technology and a high level of investment by the government. The three main entry points for air-freight are Orly and Charles de Gaulle airports in Paris and Saint-Exupéry airport in Lyon. France has twelve major seaports, many of which are equipped for container ships. There is also an extensive highway and river-transport system, and a state-owned rail network that is among the most comprehensive and technologically advanced in the world.

Communications infrastructure is similarly advanced. Telephone lines blanket the country and there is easy access to the Internet via French and foreign service providers. France is catching up rapidly to the U.S. and some other countries in the use of personal computers and the Internet. High-speed Internet access is expanding rapidly. The government promotes better use of information technologies.

3. Market Trends

The French market for food products is mature, sophisticated and well served by suppliers from around the world. Additionally, an increasing interest in American culture, younger consumers and changing lifestyles contribute to France's import demand for American food products. Generally, high quality food products with a regional American image can find a niche in the French market, particularly if they gain distribution through stores and supermarkets that specialize in U.S. or foreign foods. Niche market opportunities also exist for regional American foodstuffs (Tex-Mex, Cajun and California cuisine), candies and chocolates, wild rice, and organic and health food products, as well as kosher and halal foods.

The French food service industry is moving towards fresh consumer-ready products at the expense of frozen foods.

4. Marketing U.S. Products & Distribution Systems

The United States and France produce many of the same goods and services and export them to each other. Therefore, marketing products and services in France can bear some resemblance to marketing in the United States. French business representatives are sophisticated and knowledgeable about their respective markets. At the same time, American firms must consider certain business practices, cultural factors, and legal requirements in order to do business effectively in France. For detailed information on the distribution systems and the best market entry approach for new-to-market exporters for the retail food sector, see Post Retail Food Sector Report, on AgParis website at: www.amb-usa.fr\fas\fas.htm, or on the FAS website at: www.fas.usda.gov.

The Hotel/Restaurant Institutional (HRI) sector in France uses the services of wholesalers or processed food buyers, and the well developed distribution channels of the wholesalers/importers are often the key to getting a new food product into that sector. A report on the HRI sector in France is available at the above website.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

There are significant market opportunities for consumer food/edible fishery products in a number of areas: fruit juices and soft drinks (including flavored spring waters), dried fruits and nuts, fresh fruits and vegetables (particularly tropical and exotic), frozen foods (both ready-to-eat meals and specialty products), snack foods, tree nuts, "ethnic" products, seafood (particularly salmon & surimi), innovative dietetic and health products, organic products, soups, breakfast cereals and pet foods. In addition, niche markets exist in France for candies, chocolate bars, wild rice, kosher and halal foods. Market opportunities for U.S. exporters also exist for oilseeds, protein meals and other feeds, as well as for wood products and grains.

Listed below are six consumer-oriented food products considered by the Office of Agricultural Affairs as representing the "best prospects" for U.S. business.

Top 6 Market Opportunities for Consumer-Oriented Food Products
(USD million)

1. Name of Best Prospect: **FISH AND SEAFOOD, FRESH AND FROZEN**
   HS Code: 03

	(in million dollars) 2004	2005	2006
	---------- January / December -----		
A. Total Market Size	4,643	4,933	4,963
B. Local Production	1,985	1,950	2,259
C. Total Exports	1,501	1,599	1,320
D. Total Imports	4,159	4,582	4,024
E. Total Imports from U.S	165	191	231
F. Exchange Rate: USD 1.00=	Euros 0.806	Euros 0.8038	Euros 0.796

Source: French Customs/SCEES - French Ministry of Agriculture

Comments: France is a major consumer of seafood products and a net importer of many seafood products because domestic production is significantly lower than demand. In 2005 and during the first half of 2006, U.S. exports of Alaska Pollack were hurt by stiff price competition from Chinese and Russian products. Increased prices for Alaska Pollack in 2005 also hurt U.S. exports of surimi base to France. However, the U.S. remained France's largest supplier surimi base and French consumption of surimi has been increasing for ten years. Argentine scallop exports eroded U.S. market share in the first half of 2006. Other opportunities for U.S. seafood are frozen salmon, frozen scallops and live lobster.

For further information, please see France annual seafood report FR6054 (dated October 6, 2006) which can be found on the following website: www.fas.usda.gov (attaché reports).

2. Name of Best Prospect: **PROCESSED FRUITS AND VEGETABLES, INCLUDING FRUIT JUICES**
HS Code: 20

	(in million dollars)		
	2004	2005	2006
	------------ January / December -----		
A. Total Market Size	9,897	9,603	9,756
B. Local Production	8,078	8,087	8,562
C. Total Exports	1,467	1,135	1,226
D. Total Imports	3,286	2,651	2,420
E. Total Imports from U.S.	26	63	60
F. Exchange Rate: USD 1.00=Euros:	0.806	Euros : 0.8038	Euros: 0.796

Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Fruit juices and soft drinks in France are currently the most dynamic growth sectors among non-alcoholic beverages, with per capita consumption of fruit juices estimated at 26 liters per year. The French fruit juice market is very sophisticated due to the experience of distributors, variety of packaging, diversity of flavors and quality types, product innovation, advertising investment and promotions, as well as price ranges. According to French Customs statistics, in 2006, French imports of fruit juices totaled about 659 million Euros ($828 million). The primary imports from the United States consisted of fresh and frozen orange and grapefruit juices and totaled $20 million. Competition in the juice sector is very strong, principally from Brazil, Israel and Spain, which benefit from preferential tariffs.

3. Name of Best Prospect: **BEVERAGES, INCLUDING MINERAL WATER, BEER, WINE AND SPIRITS**
HS Codes: 22.01 to 22.06 and 22.07+22.08

	(in million dollars)		
	2004	2005	2006
	----- January / December ------		
A. Total Market Size	14,803	15,003	15,082
B. Local Production	23,676	24,038	25,584
C. Total Exports	11,411	11,645	13,306
D. Total Imports	2,538	2,610	2,804
E. Total Imports from U.S.	61	65	83

F. Exchange Rate: USD 1.00=Euros: 0.806 Euros: 0.8038 Euros: 0.796
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: In 2006, French imports of U.S. wine totaled 23 million Euros ($29 million), representing 4.7 percent of total French wine imports by value. U.S. wines in France face strong competition from Italy, Spain and Greece as well as from new world producers such as Australia, South Africa and Chile. However, market opportunities exist for U.S. wines in France thanks in part to the "exoticism" and quality of the products and the promotional efforts made by American oriented restaurants in France.

The French are also significant consumers of spirits. In 2006, U.S. spirits exports to France valued at 40 million Euros ($51 million), represented 5.8 percent of total French spirits imports of approximately 692 million Euros ($869 million).

Opportunities exist for ethnic, new and innovative U.S. beverages, particularly those linked with Tex-Mex foods. Also, sales of innovative beverages such as beer with whiskey malt are on the rise, as are sales of non-alcoholic beers and "panaches" (mixture of beer and lemonade).

France is the fifth largest European producer of beer with a total production of 16.8 million hectoliters. Ten percent of the production is exported. The French beer industry consists of six major breweries, about 150 small breweries, and produces over 300 brands. Two American brewers are present in the French market: Anheuser-Bush and Miller. The French beer market is valued at 2 billion euros ($2.5 billion), representing about 11 percent of total alcoholic and non-alcoholic beverage sales and two percent of total food and beverage sales in France. Annual per capita beer consumption in France of 33.4 liters has decreased by 25 percent during the last 25 years and is far behind that of Ireland, U.K., Denmark, Belgium, Spain and Portugal.

4. Name of Best Prospect: **FRESH AND DRIED FRUITS, INCLUDING NUTS**
HS 08

	(in million dollars)		
	2004	2005	2006
	-------- January / December ----------		
A. Total Market Size	3,949	4,104	4,028
B. Local Production	2,170	2,185	2,467
C. Total Exports	1,749	1,801	1,813
D. Total Imports	3,528	3,720	3,374
E. Total Imports from U.S.	160	180	209

F. Exchange Rate: USD 1.00=Euros: 0.806 Euros : 0.8038 Euros: 0.796
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Prime opportunities for U.S. suppliers are in off-season and extended-season sales, and years of short French fruit crops. France is one of the most important markets for U.S. grapefruit (mostly from Florida), valued at 18 million Euros ($23 million) in 2006. The U.S. market share for citrus fruits represents 25 percent of total French imports in value and 20 percent in volume.

France imports apples and pears in short crop years. There is also a niche market for berries, cherries and tangerines. In 2006, U.S. exports of berries to France doubled in quantity, compared to 2005 to reach 1,360 tons.

The snack and nut product niche market is important for U.S. exporters, who profit by promoting their products as healthy and high-quality choices. Dried fruits and nuts,

generally salted, are mainly consumed as snacks with aperitifs. Among the most popular snacks are cashews, almonds, pecans, hazelnuts and pistachios, all of which sell best when merchandised in bulk packages. French consumption of these products has doubled over the past seven years. France is a significant grower of walnuts, so French import demand is primarily determined by the size of the domestic crop. The United States remains France's leading supplier of in-shell walnuts whereas Moldova and China provided the bulk of shelled imports.
(For detailed market information, please see Post brief report on dried fruits FR6055 and nuts FR6065, which can be found on the following website: www.fas.usda.gov (attaché reports).

5. Name of Best Prospect: **FRESH AND DRIED VEGETABLES**
Hs Code: 07

	(in million dollars) 2004	2005	2006
	------- January / December		------------
A. Total Market Size	5,362	5,486	5,309
B. Local Production	4,861	4,950	4,851
C. Total Exports	1,751	1,811	1,992
D. Total Imports	2,252	2,347	2,450
E. Total Imports from U.S.	17	19	19

F. Exchange Rate: USD 1.00=Euros: 0.806 Euros : 0.8038 Euros: 0.796

Source: French Customs/SCEES - French Ministry of Agriculture

Comments: U.S. dried vegetables exports to France increased one percent in value in 2006, compared to 2005 to reach $16.9 million. In 2006, rice imports from the United States decreased 12 percent in value to $11 million, due to the detection of biotech presence in U.S. rice, competition from Spain and Italy and high U.S. prices. Significant opportunities exist for U.S. suppliers of dried beans, peas and lentils.

Very few opportunities exist for U.S. fresh vegetables, except for green asparagus, and maybe some superior quality and produced off-season fresh vegetables such as eggplant, zucchini, sweet peppers and iceberg lettuce. Trends and increased consumption indicate a growing demand for fresh prepared vegetables (washed and cut) and many supermarkets have a special section for these types of products. There is also a growing demand for organic vegetables.

6. Name of Best Prospect: **MEAT AND OFFALS**
HS Code: 02

	(in million dollars) 2004	2005	2006
	------- January / December		------------
A. Total Market Size	7,890	8,315	9,761
B. Local Production	7,750	7,940	9,100
C. Total Exports	3,489	3,528	3,554
D. Total Imports	3,629	3,903	4,215
E. Total Imports from U.S.	30	45	48

F. Exchange Rate: USD 1.00=Euros:0.806 Euros : 0.8038 Euros: 0.796

Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Opportunities in this market are limited given the import quota on hormone free meat and stringent EU veterinary regulations. The most prominent meat import from the United States is horsemeat which was valued at $44 million in 2006. Pork meat imports amounted to $3 million and beef imports $418,340. Bison meat is growing in popularity in France; mostly of Canadian origin, but there might be opportunities for U.S. products. Currently, the annual EU meat import quotas are as follows:

-Beef meat (hormone-free): 11,700 tons yearly for Canada and the United States;
-Pork meat: Approximately 70,000 tons for all third countries.
For more information and the enlargment compensation agreement between the U.S. and the EU, please visit the following website: www.useu.be

SECTION V. KEY CONTACTS, AND OTHER RELEVANT REPORTS

For further information contact:
Office of Agricultural Affairs
American Embassy
2, avenue Gabriel - 75382 Paris Cedex 08
Tel: (33-1) 43 12 2264
Fax: (33-1) 43 12 2662
Email: agparis@usda.gov
homepage: http://www.amb-usa.fr/fas/fas.htm

For more information on exporting U.S. food products to France, visit our homepage.

Reports identified below are relevant and complementary information to this report:

Report Number	Name	Hot link
FR5016	Kosher Foods in France	http://www.fas.usda.gov/gainfiles/200505/146119632.pdf
FR6023	Dried Fruit Annual	http://www.fas.usda.gov/gainfiles/200604/146187422.pdf
FR6054	Fishery Products Annual	http://www.fas.usda.gov/gainfiles/200610/146249202.pdf
FR6055	Product Brief: Dried Fruits	http://www.fas.usda.gov/gainfiles/200702/146280094.pdf
FR6056	Product Brief: Sweet, Savory Snacks & Snack Bars in France	http://www.fas.usda.gov/gainfiles/200702/146280095.pdf
FR6057	Product Brief: Sauces	http://www.fas.usda.gov/gainfiles/200702/146280096.pdf
FR6058	Product Brief: French Market for Confectionary, Chocolate & Cocoa Products	http://www.fas.usda.gov/gainfiles/200702/146280097.pdf
FR6059	Product Brief: Non-Alcoholic Beverages	http://www.fas.usda.gov/gainfiles/200702/146280098.pdf
FR6060	Product Brief: Tea	http://www.fas.usda.gov/gainfiles/200610/146249284.pdf
FR6064	Retail Food Sector Annual	http://www.fas.usda.gov/gainfiles/200702/146280102.pdf
FR6065	Product Brief: Nuts	http://www.fas.usda.gov/gainfiles/200702/146280103.pdf
FR7006	Wine Annual	http://www.fas.usda.gov/gainfiles/200702/146280108.pdf
FR7012	HRI Food Service Sector Annual	http://www.fas.usda.gov/gainfiles/200703/146280654.pdf
FR7023	Food & Agricultural Import Regulations and Standards Annual	http://www.fas.usda.gov/gainfiles/200708/146291922.pdf

APPENDIX A: FOOD AND AGRICULTURAL TRADE SHOWS IN France
In Calendar Year 2008

For Trade Shows in Calendar Year 2009, please visit FAS/Paris Homepage at:
www.amb-usa.fr/fas/fas.htm

TEXWORLD — International Textile Manufacturers
February 18-21, 2008
Paris - Le Bourget
Organizer: Messe Frankfurt France SAS
Tel: (33 1) 55 26 89 89
Fax: (33 1) 40 35 09 00
Email: texworld@france.messefrankfurt.com
Internet: http://www.texworld.messefrankfurt.com/
(Twice a year, every six months)

PREMIERE VISION — International Textile and Clothing Show
February 19-22, 2008
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision Salon
Tel: (33 4) 72 60 65 00
Fax: (33 4) 72 60 65 49
Email: info@premierevision.fr
Internet: http://www.premierevision.fr/
(Twice a year, every six months)

LE CUIR A PARIS — International Leather Products February Show
19-22, 2008
Parc des Expositions - Paris Nord Villepinte
Organizer: SIC SA
Tel: (33 1) 43 59 05 69
Fax: (33 1) 43 59 30 02
Email: contactsic@sicgroup.com
Internet: http://www.lecuiraparis.com/
(Twice a year, every six months)

SALON DU VEGETAL — Horticultural Trade Show
February 20-22, 2008
Angers
Organizer: BHR - Bureau Horticole
Regional des Pays de Loire
Tel: (33 2) 41 79 14 17
Fax: (33 2) 41 45 29 05
Email: salon@bhr-vegetal.com
Internet: http://www.salon-du-vegetal.com/
(Annual Show)

SALON INTERNATIONAL DE l'AGRICULTURE — International Agricultural Show
Paris - Porte de Versailles
February 23-March 2, 2008
Organizer: Comite des Expositions de Paris
Tel: (33-1) 49 09 60 00
Fax: (33-1) 49 09 61 58
E-mail: info@comexpo-paris.com
Internet: http://www.salon-agriculture.com/
(Annual Show)

CFIA — Retail Food Trade Show
Carrefour des Fournisseurs de l'Industrie agroalimentaire
Parc des Expositions - Rennes Aeroport
March 11-13, 2008
Organizer: Jangil
Tel: (33 5) 53 36 78 78
Fax: (33 5) 53 36 78 79
Email: cfia@jangil.net
Internet: http://www.cfiaexpo.com/
(Annual Show)

SALON DES MARQUES DE DISTRIBUTEURS ALIMENTAIRES - MDD RENCONTRES — International Private Label Show for Foods, including Ethnic and Halal foods
March 26-27, 2008
Paris - Parc des Expositions/ Porte de Versailles
Organizer: JANGIL
Tel: (33-5) 53 36 78 78
Fax: (33-5) 53 36 78 79
Email: mddexpo@jangil.net
Internet: http://www.mdd-expo.com/
(Annual Show)

EUROPAIN — International Chocolate, Sugar & Bakery Trade Show
Parc des Expositions - Paris-Nord Villepinte
March 29-April 2, 2008
Organizer: Exposium
Tel: (33 1) 49 68 52 26
Fax: (33 1) 49 68 56 30
Email: jalquier@exposium.fr
Internet: http://www.salonboulangerie.com/
(Every two years for Europain and when not Europain: The Annual Salon National de la Boulangerie/Patisserie/ Chocolate/Intersuc takes place)

FOIRE INTERNATIONALE DE PARIS — International Food, Beverages & Tourism Fair
Paris - Porte de Versailles
April 30-May 12, 2008
Organizer: Comite des Expositions de Paris
Tel: (33-1) 49 09 60 00
Fax: (33-1) 49 09 60 03
E-Mail: info@comexpo-paris.com
Internet: http//: www.foiredeparis.fr
(Annual Fair)

CARREFOUR INTERNATIONAL DU BOIS — International Timber Show
Parc de la Beaujoire - Nantes
May 28-30, 2008
Organizer: Carrefour International du Bois
Tel: (33 2) 40 73 60 64
Email: sam@timbershow.com
Internet: http//www.timbershow.com

SALON INTERNATIONAL DE L'ELEVAGE (SPACE 2007) — International Trade Fair for Livestock
Rennes - Carrefour Europeen
September 9-12, 2008
Organizer: SPACE
Tel: (33-2) 23 48 28 80
Fax: (33-2) 23 48 28 81
Email: info@space.fr
Internet: http://www.space.fr/
(Annual Show)

PREMIERE VISION — International Textile & Clothing Show
September 23-26, 2008
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision le Salon
Tel: (33-4) 72 60 65 00
Fax: (33-4) 72 60 65 49
Email: info@premierevision.fr
Internet: http://www.premierevision.fr/
(Held twice a year – every six months)

LE CUIR A PARIS — International Leather Products
Paris - Porte de Versailles
September 23-26, 2008
Organizer: Sic SA
Tel: (33-1) 43 59 05 69
Fax: (33-1) 43 59 30 02
Email: contactsic@sicgroup.com
Internet: http://www.lecuiraparis.com/
(Held twice a year - every six months)

TEXWORLD — International Textile Manufacturers
September 2008
Paris - Le Bourget
Organizer: Messe Frankfrut France S.A.S.
Tel: (33-1) 55 26 89 89
Fax: (33-1) 40 35 09 00
Email: texworld@france.messefrankfurt.com
Internet: http://www.texworld.messefrankfurt.com/
(Held twice a year – every six months)

SALON INTERNATIONAL DE L'ALIMENTATION
(SIAL 2008) - USDA Endorsed
Parc des Expositions - Paris-Nord, Villepinte
October 19-23, 2008
Organizer: IMEX Management, Inc.
Tel: (704) 365 0041
Fax: (704) 365 8426
Email: kellyw@imexmgt.com
Internet: http://www.imexmgt.com/shows/sialparis2008
(Biennal Show)

International Food and Beverage Trade Show - including In-Food and Organic Sections

HEALTH INGREDIENTS EUROPE
(HI Europe 2008) - USDA Endorsed
Parc des Expositions - Paris Nord Villepinte
November 4-6, 2008
Organizer: Expoconsult B.V.
CMP Information
Tel: 31 346 559 444
Fax: 31 346 573 811
Email: MBos@CMPI.biz
Internet: http://www.hi-europe.cmp-info.com/
(Show turning in Europe)

Health Ingredients Trade Show

APPENDIX B : U.S. BASED STATE REGIONAL TRADE GROUPS

FOOD EXPORT USA - NORTHEAST
150 S. Independence Mall West
Philadelphia, PA 19106-3410
Tel: (215) 829 9111/Fax: (215) 829 9777
E-Mail: info@foodexportusa.org
Web: http://www.foodexportusa.org
Contacts: Tim Hamilton, Executive Director
Amy Austin, Branded Program Manager
Joy Canono, Generic Program Manager

FOOD EXPORT ASSOCIATION OF THE MIDWEST USA
309 W Washington Street, Suite 600
Chicago, Illinois 60606
Tel: (312) 334 9200/Fax: (312) 334 9230
E-Mail: info@foodexport.org
Web: http://www.foodexport.org
Contacts: Tim Hamilton, Executive Director
Michelle Rogowski, Deputy Director and Branded Program Manager
Teresa Miller, Generic Program Manager

SOUTHERN U.S. TRADE ASSOCIATION (SUSTA)
World Trade Center
2 Canal Street, Suite 2515
New Orleans, LA 70130-1408
Tel: (504) 568-5986/Fax: (504) 568-6010
E-Mail: Susta@Susta.Org
Web: http://www.susta.org
Contacts: Jerry Hingle, Executive Director
Deneen Wiltz, Branded Program Manager
Bernadette Wiltz, Deputy Director & Generic Program Manager

WESTERN U.S. AGRICULTURAL TRADE ASSOCIATION (WUSATA)
4601 NE 77th Avenue, Suite 200
Vancouver, WA 98662
Tel: (360) 693 3373/Fax: (360) 693 3464
E-Mail: export@wusata.org
Web: http://www/wusata.org
Contacts: Andy Anderson, Executive Director
Ann Buczkowski, Branded Program Manager
Janet Kenefsky, Generic Program Manager

APPENDIX C : FRENCH GOVERNMENT AGENCIES

Agency responsible for French label/product ingredient regulations:

Direction Générale de la Concurrence, de la Consommation
et de la Répression des Fraudes (DGCCRF)
Ministère de l'Economie, des Finances et de l'Industrie
59, boulevard Vincent Auriol
75703 Paris Cedex 13
Tel: (33-1) 44 87 1717/Fax: (33-1) 44 97 3031
Internet: http://www.finance.gouv.fr

Agency responsible for promotion and control of food quality:

Direction Générale de l'Alimentation (DGAL)
Ministére de l'Agriculture et de la Pêche
251, rue de Vaugirard - 75015 Paris
Tel: (33-1) 49 55 4955
Fax: (33-1) 49 55 4850
Internet: http://www.agriculture.gouv.fr

For information on duties, taxes, and documentation:

Centre de Renseignements Douaniers
84, rue d'Hauteville
75010 Paris
Tel: (33-1) 825 30 82 63/Fax: (33-1) 53 24 6830
Email: crd-ile-de-france@douane.finances.gouv.fr
Internet: http://www.douane-minefi.gouv.fr

STATISTICS

TABLE A. KEY TRADE AND DEMOGRAPHIC INFORMATION FOR 2006

Ag. Imports from All Countries (1)	$44.9 billion
U.S. Market Share (1)	1.64 percent
Consumer Food Imports from All Countries (1)	$26.2 billion
U.S. Market Share (1)	0.91 percent
Edible Fishery Imports from All Countries (1)	$5.0 billion
U.S. Market Share (1)	4.12 percent
Total Population/Annual Growth Rate (2)	63.4 million - Growth rate annual: 0.5%
Urban Population /Annual Growth Rate	47 million - Annual Growth rate: N/A
Number of Metropolitan Areas (3)	4
Size of the Middle Class (4)	85 percent of total population
Per Capita Gross Domestic Product	$35,605
Unemployment Rate	8.6 percent (*)
Percent of Female Population Employed (5)	46.7 percent
Exchange Rate: US$1 = EURO 0.7964	

Footnotes:
(1) Statistics from the Global Trade Atlas from the Global Trade Information Services
(2) Preliminary figures
(3) Population in excess of 1,000,000
(4) Defining the middle class by excluding the poorest and the wealthiest, the middle class represents 85% of the population
(5) Percent against total number of women (15 years old or above)

(*) Subject to minor revisions in November 2007

TABLE B. CONSUMER FOOD & EDIBLE FISHERY PRODUCTS IMPORTS

(In millions of United States Dollars, rounded to the nearest million)

Commodity	**France Import Statistics from the World**			**France Import Statistics from the U.S.**			**U.S. Market Share**		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
Consumer Oriented Agric. Total	24,422	25,129	26,244	221	245	240	0.90	0.98	0.91
Fish & Seafood Products	4,178	4,540	5,018	142	160	207	3.40	3.53	4.12
Agricultural Total	33,453	34,232	35,845	479	506	486	1.43	1.48	1.36
Agricultural, Fish & Forestry	41,140	42,705	44,995	674	713	740	1.64	1.67	1.64

Source: Global Trade Atlas from the Global Trade Information Services.

TABLE C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

(In millions of United States Dollars, rounded to the nearest million)
(France Import Statistics)

Consumer Oriented Agriculture						
Partner Country	United States Dollars			% Share		
	2004	2005	2006	2004	2005	2006
Spain	4,165	4,294	4,509	17.05	17.09	17.18
Belgium	4,106	4,202	4,415	16.81	16.72	16.82
Netherlands	3,857	3,888	4,172	15.79	15.47	15.90
Germany	3,679	3,680	3,910	15.06	14.64	14.90
Italy	2,443	2,571	2,632	10.00	10.23	10.03
United Kingdom	1,015	1,019	1,038	4.16	4.06	3.96
Ireland	505	583	654	2.07	2.32	2.49
Morocco	527	620	556	2.16	2.47	2.12
Switzerland	360	400	430	1.47	1.59	1.64
Denmark	406	359	382	1.66	1.43	1.46
Portugal	264	275	309	1.08	1.09	1.18
Israel	253	315	264	1.04	1.25	1.01
Poland	126	187	243	0.52	0.75	0.93
United States	221	245	240	0.90	0.98	0.91
Turkey	168	184	193	0.69	0.73	0.74

Fish & Seafood Products						
Partner Country	United States Dollars			% Share		
	2004	2005	2006	2004	2005	2006
United Kingdom	466	476	474	11.16	10.49	9.46
Denmark	403	464	464	9.64	10.22	9.24
Netherlands	452	453	431	10.82	9.98	8.58
Spain	312	345	349	7.46	7.59	6.95
Belgium	242	279	333	5.80	6.14	6.64
Sweden	201	220	290	4.82	4.84	5.78
Germany	215	234	269	5.13	5.16	5.37
United States	142	160	207	3.40	3.53	4.12
Madagascar	168	153	166	4.03	3.38	3.30
Chile	80	96	123	1.90	2.11	2.44
Ireland	123	120	119	2.95	2.64	2.36
China	54	73	115	1.29	1.60	2.29
Thailand	49	72	90	1.18	1.58	1.80
Morocco	79	81	88	1.90	1.78	1.74
Brazil	82	94	87	1.96	2.07	1.73