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Report Highlights:
France offers niche market opportunities for U.S. exporters. Significant market opportunities exist 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 including nuts and meat and offals.

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

Includes PSD Changes: No
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Paris [FR1]
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Note: Average exchange rates used in this report are:
Calendar Year 2001: US Dollar 1 = FF 7.32 = 1.116 Euros
Calendar Year 2002: US Dollar 1 = 1.057 Euros
Calendar Year 2003: US Dollar 1 = 0.884 Euros
(Source: Paris Stock Exchange/European Central Bank)

SECTION I. MARKET OVERVIEW

1. Macroeconomic Situation

With a GDP of $1.8 trillion, France is the world's fifth largest industrialized economy. With an annual gross domestic product (GDP) about one-fifth that of the United States, France was the United States' ninth largest trading partner in 2003, with U.S. exports of goods, services and income receipts, as per the U.S. Department of Commerce data, amounting to $85 billion. As a member of the G-8, the European Union, the World Trade Organization and the OECD, France is a leading economic player and international force.

France's population of 61.5 million people is considered high income with $28,700 per capita. As per the French Institute for Statistics and Economic Studies (INSEE), the French gross domestic product (GDP) bottomed out with 0.5 percent growth in real terms in 2003, after steadily declining from its high of 4.2 percent growth in 2000. Household consumption growth was smaller than expected in 2002, while corporate investment growth was poor and export growth slowed due to the sluggishness of the euro zone economy and the exchange rate effects of the strong euro. The inflation rate remained relatively moderate (2.2 percent in December 2003 compared to December 2002).

The outlook for 2004 is for 2.3-2.5 percent GDP growth. GDP growth recovered in the first half of 2004, essentially driven by household consumption growth. Reviving exports and corporate investment are expected to combine with household consumption growth in the second half of 2004. The inflation rate decelerated to 2.4 percent in August after accelerating in the second quarter of 2004 mainly due to increases in oil prices. Despite the economic recovery, the unemployment rate is likely to stay high, close to 9.9 percent until the end of the year, due to job cuts and low job creation.

The outlook for 2005 is still heavily dependent on global economic recovery, moderate oil prices, and the results of macro-economic policies, notably in the U.S. and Europe. The Government forecasts GDP growth of 2.5 percent, confident that the labor market will benefit from 2004's economic growth, 2004 measures to boost consumption and investment, and a five-year Social Cohesion Plan designed to tackle high unemployment, increase opportunities for the disadvantaged, and boost public housing.

The French economy functions close to its growth potential, which is currently 2.3 percent based on current population and technological trends. Coping with increased competition due to the introduction of the euro and the enlargement of the EU requires further deregulation and reduction of the role of the state in the economy. Despite significant reform and privatization over the past 18 years, the role of the state has diminished only gradually: Government spending, at 54.7 percent of GDP in 2003, is among the highest in the G-7, and the government continues to own shares in corporations in a range of sectors. On a positive note, the Government was successful in introducing pension reform in 2003, and health insurance reform in 2004, but is currently struggling to reduce the budget deficit. The next phase of domestic economic challenges includes scaling back the role of the state in the economy, reforming the tax structure, and eliminating further labor rigidities. The current administration's objective is to introduce increasing flexibility into the law, encouraging a return to the 39-hour workweek in the private sector.

2. Size and Growth Rate for Consumer-Ready Food Products

In 2003, total French food and beverage purchases amounted to $58.8 billion, reflecting an overall stable consumption compared to 2002. The hot summer of 2003 heavily influenced household consumption with a decrease in meat and poultry consumption (2.4 percent and 4.9 percent respectively); fresh fish and seafood consumption declined by 1.7 percent in volume; while the rise in consumption started in 1999 for those products continued in 2003 for canned and prepared fish showing an increase of 2.4 percent.

During calendar year 2003, late frost and dryness affected fruit and vegetable supplies pushing prices up and resulting in a decrease in consumption. However, the hot summer of 2003 contributed to a strong rise in ice cream consumption (+12.8 percent), as well as purchases of fruit juices and aromatized beverages (+8.4 percent). Wine consumption decreased 5.2 percent, alcoholic beverages including Champagne and sparkling wines declined 1.6 percent in 2003, compared to 2002; the French Government's efforts to stop drinking and driving has hurt wine consumption and benefited consumption of low alcohol beverages such as beer and cider.

Overall food and beverage prices for 2003 increased 2.2 percent, compared to 2.3 percent in 2002. The prices for sugar and confectionery, salt, spices and sauces, coffee, tea and cocoa increased an average of 4 percent, as well as fruits and vegetables, while prices for oils, dairy, fish and seafood and meat increased only 1.8 percent. Bread and cereals increased 2.5 percent, compared to 2002.

The outlook for food and beverage prices in 2004 suggest an overall 1.5 percent increase, coming mostly from meat, bread and fresh pastries (2.4, 3.5 and 2.5 percent respectively), compared to 2003.

3. Key Demographic Developments

Government programs to raise the country's birth rate have worked, when compared to other EU Member States. While this growth will slow down in the next few years, France will be one of the few EU member states to experience population growth by 2050. As of January 1, 2003 the preliminary estimates indicate a total of 61.5 million habitants, including 1.8 million for overseas departments. (Preliminary 2003 figures show that the number of births is slightly decreasing. Deaths increased reaching 560,300, compared to 544,148 in 2002; however, French women retain the record of life length in Europe). Immigration in France slightly decreased in 2003, vs 2002, and remains the lowest in the European Union compared to the total population.

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

Year	Total	Less than 20 years	20 to 64 years	65 years or more
1995	57.8	15.1	34.0	8.7
1999	58.5	15.0	34.2	9.3
2000	58.7	15.0	34.3	9.4
2001	59.0	15.0	34.5	9.5
2002 (P)	59.3	15.0	34.7	9.6
2003 (P)	59.6	15.0	34.9	9.7
2004 (P)	59.9	15.0	35.1	9.8

P = Preliminary - Source: INSEE PREMIERE -

France: Demographic Evolution of Households (in millions)

Year	Number of Households
1990	21.5
1998	23.7
1999	23.8
2000	24.2
2001	24.4
2002	24.6
2003	24.9

Source: INSEE - Enquête Budget Famille

According to current trends, the number of households should increase an average of 228,000 per year until 2010.

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

- Working consumers or those living alone (30 percent) have no time to prepare meals. These market segments are moving toward easy-to-prepare foods, single and double portion packs, and frozen or microwavable meals.

- The "younger" generation (26 percent) tends to be curious and enjoy trying new products. This generation values products with an image along with "good" taste.

- The BSE as well as other food 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.

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 in the latter. ▪ French per capita income is near that of the United States. ▪ The burgeoning tourist industry is raising demand for Hotel/Restaurants/Institutions products. ▪ U.S. fast food chains, theme restaurants, and the food processing industry are pushing up demand for American food ingredients. ▪ Domestic distribution systems are efficient. ▪ The euro ease entry into and dealings with EU member states.	▪ Food scares and other food safety issues are making French consumers more cautious. ▪ French consumers make exacting demands when it comes to quality and innovation. ▪ Price competition is fierce and U.S. exporters have to conform to French/European standards and regulations. ▪ Certain food ingredients are banned or restricted from the French market. ▪ Marketing costs to increase consumer awareness are high. U.S. exporters should be able to evaluate their export sales price based on fundamentals such as local demand

▪ American food and food products remain quite popular in spite of recent US-France trade differences.	and transportation costs. ▪ Mandatory customs duties, sanitary inspections and labeling requirements are onerous measures for U.S. exporters.

SECTION II. EXPORTER BUSINESS TIPS

1. Trade Barriers and Restrictions

Like other members of the European Union, France imposes tariff and non-tariff barriers. Product safety and sanitary standards affecting imports into France are increasingly established at the EU level, and sometimes there are additional French regulations that impede trade. Food products entering the EU and France are subject to customs duties which vary depending on type of products. Most processed products are subject to additional import charges based on the product contents of sugar, milk fat, milk protein and starch.

Although France is not a closed market, its regulations limit market access for certain U.S. agricultural products. 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 which, overtime, will be reduced or abolished. Agricultural products subject to French trade restrictions and barriers include, but are not limited to the following:

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

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

France like other EU member states have a network of bilateral and regional trade agreements -some with countries that are candidates for accession to the EU-- that is expanding rapidly. The EU has entered into customs union agreements (with Turkey and Andorra) and 26 free trade agreements under either GATT Article XXIV or GATS Article V. There are free trade agreements (two-way free trade without common external tariffs) and other sorts of preferential trade agreements with Norway, Iceland, Switzerland, Liechtenstein, Bulgaria, Romania, Slovenia, Israel, the Palestinian Authority, Tunisia, Morocco, Jordan, Egypt, Lebanon, Syria and Algeria. Free Trade Agreements with Mexico and South Africa were concluded in 1999. The EU provides non-reciprocal preferential access to its markets ACP to countries (African, Caribbean and Pacific developing countries) under the Cotonou Agreement, and to other developing countries under the Generalized System of Preferences (GSP).

2. Consumer Tastes, Preferences and Food Safety

- Like U.S. consumers, French consumers want innovative and international foods. Young consumers like ethnic products with distinctive themes and flavors, in 2003, 75 percent of French consumers eat ethnic foods representing a market of $170 million (excluding fresh products) in 2002, an annual growth of 8.3 percent. In Paris, one out of two new restaurants is based on a "world food" concept, and all supermarket chains offer ethnic foods under their private labels. On the ethnic segment, consumers always need new products. The trends in France are currently for Thai, Northern and Southern African as well as 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 food products, seafood (particularly salmon), wild rice, innovative dietetic/health products, organic products, frozen desserts and kosher foods are 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. There are labeling requirements for both domestically-produced and imported food products containing biotechnology or biotech derived ingredients or additives.

- After the different food scares, the French Government has taken steps to improve food safety and explore product innovation through research and marketing programs; quality marks such as “Label Rouge”(Red Label) for meats, poultry and fruits and vegetables, and product origin labels which guarantee that, for instance, certain wines, milk butter, or cheeses are sourced from a certain region. The government also continues the certification program which guarantees that product preparation, manufacturing, packaging processes follow certain specifications. All these quality marks are well received by French consumers who still need to be reassured in the products they consume. The organic food program certifies that agricultural and food products were manufactured without fertilizers and according to special criteria. GOF recently launched a new development program hoping to make France an European leader in organic agriculture.

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 make sure 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:

- Trade shows, in-store product demonstrations and tastings 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 of 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, distributions channels and market size.

- Adapt your product to local regulations: give the customer what he wants, not what you think he needs, check your ingredients and package size requirements, verify consumers' preferences and make sure your product is price competitive

- Identify the best distribution channel for the product, i.e., supermarkets, an 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, SUSTA, WUSATA and MIATCO. (Addresses, telephone, fax and contact information for these four groups is 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 ($14,150) in value must be conducted 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 if need be (depending on the 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*

For biotech labeling and traceability (T&L) and on Novel Feed/Novel Food, two new EU Regulations have recently been published. According to the T&L Regulation, biotech products and biotech-derived products need to be identified "from the seed to the fork" at each stage of their market release. A unique code will be attributed to each genetic event to facilitate communication among operators. The T&L Regulation impose 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 won't be compulsory is set at 0.9% for both human food and animal feed.

For more details, see the French Ministry of Agriculture website on biotech: http://ogm.agriculture.gouv.fr/savoir_plus/fiches/fiche6.htm.

Inspection Process

- Customs clearance can be done by a person or a company able to present Customs Authorities at the port of entry or at the airport in France the imported goods as well as the necessary accompanying documents for these products. To facilitate the clearance process, it is recommended that the U.S. exporter 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 thoroughness 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 chocolate and candies
  - Reduced rate of 5.5 percent applies mostly to agricultural and food products.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Key Figures for the French Food Industry and Growth Rates

- The food industry is the largest French industrial sector, accounting for 25 percent of the total economy's added value. It is also the world's largest player accounting for 10 percent of the world's value-added food trade.

- France has currently 30 major food processors, and over 3,100 food industry companies.

- According to the French Food Industry Association (ANIA), in 2003 the food processing sector' s turnover was 136 billion Euros ($153.8 billion), an increase of 1.5 percent from the 2002 level. The French food processing industry is number one in Europe before Germany and world number two after the United States.

- In 2003, the French food industry continued to restructure in the face of greater competition from large multinational groups and of the globalizing effects of the Euro.

- Total Exports in 2003: 28.6 billion Euros ($32.4 billion), 0.4 percent decrease in value over 2002. The French food industry is the world's largest exporter of processed products with about 10 percent of the global market.

- Total Imports in 2003: 20.4 billion Euros ($23.1 billion), 0.5 percent decrease in value over 2002.

Production of Major French Food Processing Sectors (1) and Growth Rates

	Volume % Growth 2003/2002	Price % Growth 2003/2002	2003 Value (In billion $) --Incl. Taxes--
Grains and animal feed	-1.1	-2.0	14.4
Canned fruits and vegetables and fruit juices	+1.8	+0.8	10.6
Bread & Pastry	-1.4	+3.1	16.1
Meat Industry	-0.2	+0.3	35.7
Milk Industry	+0.2	+0.3	20.7
Beverages Industry	+4.9	+0.3	20.2
Fats and Oils	-1.1	+2.7	1.8
Sugar	-6.7	+0.4	4.1
Miscellaneous (2)	+0.6	+3.3	15.8
Total of Food Processing Sectors	+0.4	+0.7	139.4

(1) Wine production is not a food industry but agricultural activity.
(2) Chocolate, confectionery, pasta, tea, coffee, condiments, sauces and spices, beverage preparations, baby foods and canned desserts.
Source: INSEE - National Account

Infrastructure Situation

France's transportation infrastructure is among the most sophisticated in the world, benefiting from advanced technology and extraordinary investment by the Government. The three main entry points for air-freight are the 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. The French "Minitel" telephone-based computer network is also widespread and provides many consumer services. France is behind the U.S. and some other countries in the use of personal computers and the Internet, but is catching up rapidly. High-speed Internet access is expanding rapidly. The government continues promoting better use of information technologies.

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 are contributing to France's import demand for food products from the United States. Generally, high quality food products with a regional American image can find a niche in the French market, particularly if they can 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 foods.

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

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 them in the United States. French business representatives are sophisticated and knowledgeable about their respective markets. At the same time, American firms must take into consideration certain business practices, cultural factors, and legal requirements in order to do business effectively in France. A basic assumption should be that everything will not always be as it is in the U.S. 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 Institutions (HRI) sector in France usually uses the services of wholesalers or processed food buyers, and the well developped 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 on the above website.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

Significant market opportunities for consumer food/edible fishery products exist 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 and kosher foods which have seen growing demand. 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 which the Office of Agricultural Affairs considers "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**
   Commodity Code Number: HS Code: 03 (in million dollars)

	2001	2002 (Jan-Dec)	2003
A. Total Market Size	3,430	3,676	4,080
B. Local Production	1,391	1,544	1,600
C. Total Exports	987	1,086	1,305
D. Total Imports	3.026	3,218	3,785
E. Total Imports from U.S	113	141	137
F. Exchange Rate: USD 1.00 =	Euros 1.116	Euros 1.057	Euros 0.884

Source: French Customs/SCEES - French Ministry of Agriculture

Comments: France is a net importer and growing market for seafood and the United States is one of the top ten suppliers to France. U.S. seafood shipped to France consists mainly of dogfish, monkfish, lobster, salmon, and surimi base. Fish and seafood products selling the best in France are fish fillets and ready-to-eat seafood products. French demand for surimi, lobster, scallops and fresh packed fish is increasing and offers potential niche market opportunities.

In 2002, France produced 868,738 MT of seafood (latest data available) (wild catch plus aquaculture), for a value of 1,632 million Euros. The domestic supply cannot keep up with the growing demand. Despite tough competition from EU countries, China and Chile, the U.S. seafood sector is in an excellent position to export to the French market; however, only seafood processed in an EU-certified establishment is allowed to enter the EU market and France. Fish exports to France must be free of a prohibited additive called sodium tri-phosphate.

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

Commodity Code Number: HS Code: 20 (in million dollars)

	2001	2002 (Jan-Dec)	2003
A. Total Market Size	8,308	6,083	8,164
B. Local Production	7,706	5,345	7,188
C. Total Exports	784	808	1,235
D. Total Imports	1,386	1,546	2,211
E. Total Imports from U.S.	33	33	60
F. Exchange Rate: USD 1.00 =	Euros: 1.116	Euros: 1.057	Euros: 0.884

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 a per capita consumption for fruit juices estimated to 20 liters a 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. As per French Customs statistics, in 2003, French imports of fruit juices totaled about 629 million Euros ($711 million). Imports from the United States mostly consist of fresh and frozen orange and grapefruit juices and amounted to 32 million Euros ($36 million) in 2003. Competition 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**

Commodity Code Number: HS Codes: 22.01 to 22.06 and 22.07+22.08 (in million dollars)

	2001	2002 (Jan-Dec)	2003
A. Total Market Size	7,554	9,233	13,097
B. Local Production	13,799	16,215	21,589
C. Total Exports	7,857	8,776	10,627
D. Total Imports	1,612	1,794	2,135
E. Total Imports from U.S.	43	57	54

F. Exchange Rate: USD 1.00 = Euros 1.116 Euros: 1.057 Euros: 0.884
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: In 2003. French imports of U.S. wine totaled 14 million Euros ($16 million), representing 3 percent of total French wine imports in value. Most American wines sold in France are bulk wines. U.S. wines in France face strong competition from France's leading suppliers (Italy, Spain, Greece), as well as from new world countries 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 themed restaurants in France.

The French are also significant consumers of spirits. In 2003, U.S. spirits imports in France were valued at 31 million Euros ($35 million) representing five percent of total French spirits imports estimated at 654 million Euros ($740 million).

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

Currently, the French beer industry consists of 24 breweries with two American brewers present in the French market: Anheuser-Bush and Miller. The French beer market is valued at 2,035 million Euros ($2,302 million), 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 consumption of beer in France is estimated at 39 liters.

4. Name of Best Prospect: **FRESH AND DRIED FRUITS, INCLUDING NUTS**
Commodity Code Number: HS 08 (in million dollars)

	2001	2002 (Jan-Dec)	2003
A. Total Market Size	3,307	3,281	3,518
B. Local Production	2,380	2,404	2,145
C. Total Exports	1,307	1,506	1,714
D. Total Imports	2,234	2,383	3,087
E. Total Imports from U.S.	87	115	132

F. Exchange Rate: USD 1.00 = Euros: 1.116 Euros: 1.057 Euros: 0.884
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Off-season and extended-season sales, as well as years of short French fruit crops, represent the best opportunities for U.S. suppliers. France is one of the most important markets for U.S. grapefruit (mostly from Florida), valued at 31 million Euros ($35 million) in 2003, representing a commanding 43 percent of total French imports. France also imports apples and pears (in short crops times). There is also a niche market for berries, cherries and tangerines. In 2003, U.S. fresh fruit exports to France were valued at 117 million Euros ($132 million).

The snack and nut product niche market is important for U.S. exporters, who can profit from promoting their products as healthy and high-quality. 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 as the French now snack between meals. Although France is a significant grower of walnuts, French import demand is primarily determined by the size of the domestic production. The United States remains France's leading supplier of in-shell walnuts whereas Moldova and China provided the bulk of shelled imports.

5. Name of Best Prospect: **FRESH AND DRIED VEGETABLES**
Commodity Code Number: Hs Code: 07 (in million dollars)

	2001	2002 (Jan-Dec)	2003
A. Total Market Size	5,880	5,940	4,988
B. Local Production	5,590	5,646	4,550
C. Total Exports	1,174	1,358	1,630
D. Total Imports	1,464	1,652	2,068
E. Total Imports from U.S.	20	18	24

F. Exchange Rate: USD 1.00 = Euros: 1.116 Euros: 1.057 Euros: 0,884

Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Very few opportunities exist in this market for U.S. fresh vegetables, except for green asparagus, and may be some superior quality and produced off-season fresh vegetables such as eggplant, zucchini, sweet peppers and iceberg lettuce. However, trends and increased consumption indicate 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.

U.S. rice exports to France decreased 32 percent in value during 2003, compared to 2002 to reach $13 million; while dried beans imports from the United States increased 17 percent valued at $9.6 million, and lentil imports remained stagnant to reach $424,208. However, these products offer large opportunities for U.S. suppliers.

6. Name of Best Prospect: **MEAT AND OFFALS**
Commodity Code Number: HS Code: 02 (in million dollars)

	2001	2002 (Jan-Dec)	2003
A. Total Market Size	6,476	7,812	7,640
B. Local Production	6,590	7,938	7,820
C. Total Exports	2,534	2,586	3,156
D. Total Imports	2,420	2,460	2,976
E. Total Imports from U.S.	24	16	20

F. Exchange Rate: USD 1.00 =Euros: 1.116 Euros: 1.057 Euros: 0.884
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Opportunities in this market are limited given the import quota on meat and stringent EU regulations in regard to hormone treated beef. Most meat imports from the United States are horsemeat which were valued at $16 million in 2003, while beef imports amounted to $786,200. Bison meat is getting more and more popular in France; most of French imports originate from Canada, but there might be opportunities there for U.S. products.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

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. The OAA homepage includes information on the HRI and Retail food sector, Food and Agricultural Import Regulations and Standards, product briefs on the market potential for U.S. products, upcoming promotional trade shows and fairs in France. Importer lists are available from our office to exporters of U.S. food products.

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service home page: http://www.fas.usda.gov

APPENDIX A
FOOD AND AGRICULTURAL TRADE SHOWS IN FRANCE
In Calendar Year 2005
For Trade Shows in Calendar Year 2006, please visit FAS/Paris Homepage at: www.amb-usa.fr/fas/fas.htm

SIRHA (International Food Service and Gastronomic Trade Exhibition)
USDA-endorsed
January 22-26, 2005
Lyon - Eurexpo
Biennial Show
Organizer: Sepelcom
Marie-Odile Fondeur
Tel: (33-4) 72 22 32 68
Fax: (33-4) 72 22 32 18
Email: mofondeur@sepelcom.com
Internet: www.sirha.com

SALON INTERNATIONAL DE L'AGRICULTURE — International Agricultural Show
Paris Porte de Versailles
February 26-March 6, 2005
Organizer: Comite des Expositions de Paris
Tel: (33-1) 49 09 6000
Fax: (33-1) 49 09 6158
E-mail: agriculture@comite-expo-paris.asso.fr
Internet: http://www.comite-expo-paris-asso.fr
Annual Show

TEXWORLD — International Textile Manufacturers
March 8-11, 2005
CNIT - Paris La Défense
Organizer: Messe Frankfrut France S.A.S.
Tel: (33-1) 55 26 8989
Fax: (33-1) 40 35 0900
Email: texworld@france.messefrankfurt.com
Internet: www.texworld.messefrankfurt.com

LE CUIR A PARIS — International Leather Products Show
Paris/Porte de Versailles
March 9-10, 2005
Organizer: Sic SA
Tel: (33-1) 43 59 0569
Fax: (33-1) 43 59 3002
Email: contactsic@sicgroup.com
Internet: www.lecuiraparis.com
Held twice a year (every six months)

PREMIERE VISION — International Textile & Clothing Show
March 9-12, 2005
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision le Salon
Tel: (33-4) 72 60 6500
Fax: (33-4) 72 60 6500
Email: info@premierevision.fr
Internet: www.premierevision.fr

EXPO ZOO — Pet food & pet products Trade Show
March 20-22, 2005
Paris, Parc des Expositions Paris-Nord Villepinte
Biennial Show
Organizer: Prodaf
Tel: (33-1) 53 57 62 44
Email: veronique.eury@europ.expo.com
Internet: www.expozoo.com

SALON DES MARQUES DE DISTRIBUTEURS
ALIMENTAIRES - MDD RENCONTRES — International Private Label Show for foods
April 5-6, 2005
Parc des Expositions Pte de Versailles/Paris
Organizer: JANGIL
Tel: (33-5) 53 36 7878
Fax: (33-5) 53 36 7879
Email: jangil@wanadoo.fr
Internet: www.jangil.fr

INTERSUC & SALON DE LA BOULANGERIE — International Chocolate, Sugar & Bakery Trade Show
April 20-24, 2005
Paris- Porte de Versailles
Organizer: Lafayette Developpement - Alain Urbain
Tel: (33-1) 42 85 1820
Fax: (33-1) 40 16 0145
Email: intersuc@aol.com
Annual Show

FOIRE INTERNATIONALE DE PARIS — International Food, Beverages & Tourism Fair
Paris Porte de Versailles
May 12-22, 2005
Organizer: Comite des Expositions de Paris
Tel: (33-1) 49 09 6000
Fax: (33-1) 49 09 6003
E-Mail: info@comite.expo.paris.asso.fr
Internet: www.foiredeparis.fr
Annual Fair

WORLD ETHNIC FOOD & SPECIALTY SHOW,
KOSHER AND HALAL PRODUCTS
Porte de Versailles, Paris
June 7-8, 2005
Organizer: Algodoal
Tel: (33-1) 45 23 8111
Fax: (33-1) 45 23 8120
E-mail: ethnicfoodmail@aol.com
Internet: www.ethnicfoodshow.com
Annual Show

International Ethnic & Specialty Foods (including Kosher and Halal Sections)

VINEXPO
June 19-23, 2005
Bordeaux, Bordeaux-Lac
Biennial Show
Organizer: Vinexpo
Contact: Philippe Dufau
Tel: (33-5) 56 56 0022
Fax: (33-5) 56 56 0000
Email: info@vinexpo.fr
Internet: www.vinexpo.fr

International Wine and Spirits Show

SALON DE LA PRODUCTION ANIMALE
Carrefour Europeen - Rennes
September 13-16, 2005
Organizer: SPACE
Tel: (33-2) 99 67 1020
Fax: (33-2) 99 67 7845
Email: info@space.fr
Internet: www.space.fr
Annual Show

International Livestock Production Show

PREMIERE VISION
September 20-23, 2005
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision le Salon
Tel: (33-4) 72 60 6500
Fax: (33-4) 72 60 6500
Email: info@premierevision.fr
Internet: www.premierevision.fr

International Textile & Clothing Show

LE CUIR A PARIS
Paris/Porte de Versailles
September 21-23, 2005
Organizer: Sic SA
Contact: Beatrice Rousseau
Tel: (33-1) 43 59 0569
Fax: (33-1) 43 59 3002
Email: contactsic@sicgroup.com
Internet: www.lecuiraparis.com
Held twice a year (every six months)

International Leather Products Show

TEXWORLD
September, 2005
CNIT - Paris La Défense
Organizer: Messe Frankfrut France S.A.S.
Tel: (33-1) 55 26 8989
Fax: (33-1) 40 35 0900
Email: texworld@france.messefrankfurt.com
Internet: www.texworld.messefrankfurt.com

International Textile Manufacturers

NATEXPO
October 15-17, 2005
Paris, Porte de Versailles
Biennial Show
Organizer: Comexpo
Contact: David Puget
Tel: (33-1) 49 09 60 68
Fax: (33-1) 49 09 60 03
Email: info@comexpo-paris.com
Internet: www.comexpo-paris.com

Organic, Natural Food and Food Supplements Trade Show

BATIMAT
Paris, Porte de Versailles
November 7-12, 2005
Biennial Show
Organizer: Reed Exposition France
Contact: Christine Lacaze
Tel: (33-1) 47 56 51 02
Fax: (33-1) 47 56 08 18
Email: christine_lacaze@reedexpo.fr
Internet: www.batimat.com

Building & Construction Show

FOOD INGREDIENTS EUROPE (FIE)
(USDA endorsed)
November 29-December 1, 2005
Parc des Expositions – Paris-Nord Villepinte
Organizer: Expoconsult B.V.
trading as CMP Information
Tel: 31 346 559 444
Fax: 31 346 573 811
Email: FI@cmpinformation.com
Internet: www.fi-events.com

International Food Ingredients Show

APPENDIX B

U.S. BASED STATE REGIONAL TRADE GROUPS

FOOD EXPORT USA - NORTHEAST
Public Ledger Building, Suite 1036
150 South Independence Mall West
Philadelphia, PA 19106-3410
Tel: (215) 829 9111/Fax: (215) 829 9777
E-Mail: Eusafec@foodexportusa.org
Web: www.foodexportusa.org
Contact: Tim Hamilton, Executive Director

MID-AMERICA INTERNATIONAL AGRI-TRADE COUNCIL (MIATCO)
400 West Etrie Street, Suite 100
Chicago, Illinois 60610
Tel: (312) 944-3030/Fax: (312) 944-1144
E-Mail: info@miatco.org
Web: www.miatco.org
Contact: Tim Hamilton, Executive Director

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: www.susta.org
Contact: James Ake, Executive Director

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
Contact: Andy Anderson, Executive Director

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: 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: www.agriculture.gouv.fr

For information on duties, taxes, and documentation:

Centre de Renseignements Douaniers
84, rue d'Hauteville
75010 Paris
Tel: (33-1) 53 24 6818/Fax: (33-1) 53 24 6830
Email: dgdddicrt01@calva.net

STATISTICS

TABLE A. KEY TRADE AND DEMOGRAPHIC INFORMATION FOR 2003

Ag. Imports from All Countries (1)	$35,042million
U.S. Market Share (1)	2.4 percent
Consumer Food Imports from All Countries (1)	$20,215 million
U.S. Market Share (1)	1.8 percent
Edible Fishery Imports from All Countries (1)	$3,632 million
U.S. Market Share (1)	3.7 percent
Total Population/Annual Growth Rate (2)	61.5 million - Growth rate annual: 0.5%
Urban Population /Annual Growth Rate (3)	48 million - Annual Growth rate: N/A
Nmber of Metropolitan Areas (4)	4
Size of the Middle Class (5)	85 percent of total population
Per Capita Gross Domestic Product	$28,625.00
Unemployment Rate	9.8 percent
Percent of Female Population Employed (6)	49 percent
Exchange Rate: US$1 = EURO 0.884	

Footnotes:
(1) United Nations Statistical Data
(2) Preliminary figures
(3) 1999 Population census
(4) Population in excess of 1,000,000
(5) This notion doesn't exist as such in France. However, if you define the middle class by excluding the poorest and the wealthiest, the middle class represent 85% of the population
(6) Percent against total number of women (15 years old or above)

TABLE B. CONSUMER FOOD & EDIBLE FISHERY PRODUCTS IMPORTS

France Imports	Imports from the World			Imports from the U.S.			U.S. Market Share		
n Millions of Dollars)	2001	2002	2003	2001	2002	2003	2001	2002	2003
ONSUMER-ORIENTED AGRICULTURAL TOTAL	18,611	16,814	20,215	336	312	372	2	2	2
Snack Foods (Excl. Nuts)	1,576	1,489	1,866	3	3	8	0	0	0
Breakfast Cereals & Pancake Mix	212	199	232	1	1	1	0	0	0
Red Meats, Fresh/Chilled/Frozen	2,229	1,927	2,258	28	15	19	1	1	1
Red Meats, Prepared/Preserved	551	474	592	1	1	1	0	0	0
Poultry Meat	351	274	355	1	1	0	0	0	0
Dairy Products (Excl. Cheese)	1,676	1,284	1,519	2	1	1	0	0	0
Cheese	787	678	823	1	0	0	0	0	0
Eggs & Products	111	102	142	9	5	6	8	5	4
Fresh Fruit	2,188	1,934	2,495	34	35	41	2	2	2
Fresh Vegetables	1,303	1,240	1,540	2	2	3	0	0	0
Processed Fruit & Vegetables	1,883	1,779	2,095	33	29	33	2	2	2
Fruit & Vegetable Juices	560	548	711	38	33	37	7	6	5
Tree Nuts	280	257	304	68	78	88	24	31	29
Wine & Beer	844	731	888	15	16	16	2	2	2
Nursery Products & Cut Flowers	952	909	1,119	2	1	1	0	0	0
Pet Foods (Dog & Cat Food)	160	159	230	5	5	2	3	3	1
Other Consumer-Oriented Products	2,947	2,830	3,049	96	88	116	3	3	4
SH & SEAFOOD PRODUCTS	3,618	3,154	3,632	136	141	136	4	4	4
Salmon	378	327	377	19	11	11	5	3	3
Surimi	58	54	58	18	23	22	31	43	38
Crustaceans	998	856	934	32	26	26	3	3	3
Groundfish & Flatfish	899	736	912	42	52	45	5	7	5
Molluscs	339	283	348	14	15	20	4	5	6
Other Fishery Products	946	898	1,004	11	14	12	1	2	1
GRICULTURAL PRODUCTS TOTAL	26,372	23,857	28,469	683	621	659	3	3	2
GRICULTURAL, FISH & FORESTRY TOTAL	32,827	29,393	35,042	904	821	848	3	3	2

ource: FAS'Global Agricultural Trade System using
ata from the United Nations Statistical Office

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

FRANCE
IMPORTS

CONSUMER-ORIENTED AG TOTAL ($1,000)

	2001	2002	2003
United States	**336,116**	**311,641**	**372,186**
Belgium	2,714,099	2,380,865	2,888,263
Netherlands	2,576,193	2,444,441	2,754,777
Germany	2,540,969	2,284,032	2,735,628
Italy	1,749,866	1,662,425	1,950,679
United Kingdom	761,893	722,049	815,082
Morocco	413,133	426,457	472,656
Denmark	402,468	316,154	363,642
Switzerland	262,861	265,312	336,664
New Zealand	214,294	233,716	264,237
Portugal	217,417	188,896	235,230
Cote d'Ivoire	251,187	188,360	235,162
Israel	209,789	162,771	194,131
Other	2,541,407	2,139,974	2,653,139
World	**18,611,155**	**16,814,278**	**20,215,316**

FISH & SEAFOOD PRODUCTS ($1,000)

	2001	2002	2003
United States	**135,753**	**140,909**	**135,531**
United Kingdom	420,666	347,160	409,177
Norway	278,388	239,356	295,497
Spain	237,425	215,796	234,776
Netherlands	204,865	185,281	192,732
Madagascar	127,149	130,905	177,679
Denmark	190,924	156,801	173,083
Ireland	124,513	108,631	111,532
Iceland	96,327	91,220	111,517
Belgium	108,525	98,699	99,236
Cote d'Ivoire	97,109	114,369	93,335
Brazil	49,483	51,468	88,108
Morocco	66,885	59,748	77,156
Seychelles	51,573	55,627	72,614
Other	1,325,493	1,050,046	1,246,298
World	**3,617,623**	**3,154,103**	**3,632,432**

Source: United Nations Statistics Division