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France

Exporter Guide

Annual

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Report Highlights:

Socio-economic and demographic changes are altering food trends. French consumers desire food products which are convenient, offer better taste, as well as increased health benefits. France offers market opportunities for U.S. fish and seafood, processed fruits and vegetables (including fruit juices), beverages (including wine and spirits), fresh and dried fruits and nuts, and also confectionery products, wild rice, organic, kosher, and halal foods.

Post:
Paris

REPORT OUTLINE

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

Note: Average exchange rates used are the following:
Calendar Year 2007: US Dollar 1 = 0.73 Euros
Calendar Year 2008: US Dollar 1 = 0.60 Euros
Calendar Year 2009: US Dollar 1 = 0.72 Euros
(Source: Paris Stock Exchange/European Central Bank)

SECTION I. MARKET OVERVIEW

1. Macroeconomic Situation

As chair of the G8 and G20, as well as a member of the European Union (EU), the World Trade Organization (WTO), and the Organization for Economic Cooperation and Development (OECD), France is a leading economic player. With a $2.7 trillion gross domestic product (GDP), France is the world's fifth largest industrialized economy. France's population of 65 million has a per capita income of $41,130. Consumer prices increased 0.5 percent in December 2010 compared with November, and 1.8 percent year-over-year mainly reflecting a 9.4 percent rise in fresh food prices and a 12.5 percent rise in energy prices, according to the National Statistical Agency (INSEE).

The U.S. Department of Commerce ranks France as the eighth largest trading partner of the United States. U.S. trade with France, including exports and imports of goods and services, was $191 billion in 2009, up 79 percent from the previous year. The United States is the primary outlet for French foreign direct investment and is the second largest foreign investor.

Economic growth was less negative than expected in 2009 ending with a decrease of 2.5 percent. Inflation remained moderate in 2010. Core inflation, excluding food and energy prices, decreased to an annual rate of 0.7 percent. A major impact of the economic crisis was its effect on employment. Unemployment jumped to 9.3 percent in the third quarter of 2010. French leaders have highlighted the mounting pressure on imported energy and food prices, a result of growing demand in emerging economies, and have stated that the mechanisms for setting commodity prices would be a focus for international debate during France's presidency of the G20. They have played down the impact of rising prices on household purchasing power, arguing that the recovery in employment was more important.

2. Agricultural Production and Consumption

Crop year 2009 was marked by a sharp drop in prices. In total, the value of France's agricultural production decreased by 8.5 percent. Farmers' taxes decreased slightly, soaring fertilizer prices offset lower prices for other inputs and the rapid drop in consumption. Consequently, the net farm income per worker fell sharply by 19 percent in real terms. The external trade surplus in food products decreased 38 percent to $5.8 billion.

Household consumption of food, excluding alcoholic beverages and tobacco, accelerated slightly by 0.5 percent, after a 0.2 percent growth in 2008. Prices stagnated at minus 0.1 percent, after strong gains on certain products in 2008. Dairy and egg products decreased by 1.5 percent, and even more for fruit products 6.4 percent. The slight growth in volume consumed is in part due to soft drinks, at 3.1 percent growth after a decrease the previous year. Fruit juices have benefited from high temperatures during summer. Furthermore, meat consumption declined by 0.3 percent.

Due to the financial slowdown, consumers are now more price conscious when making food purchases. This has benefitted hard discounters and similar stores whose sales are on the rise. A study prepared by INSEE indicated that consumers doubled their consumption of ready-to-eat foods, including frozen foods, over the past 45 years. The most widely consumed ready-to-eat products are canned vegetables, including potatoes, as well as meat and fish-based products.

3. Changing Food Trends

Socio-economic and demographic changes have significantly altered food trends. Trends show that consumers desire food products that offer better taste, healthier benefits, and are more convenient.

- The "younger" generation, between the ages of 20 and 35, which represents 6 percent of the population, is more open to trying new and innovative products. This generation values products that offer an appealing image along with good a 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, which represents 30 percent of the population are driving 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 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 tourism industry increases demand for hotel, restaurant, and institutional products. ▪ U.S. fast food chains, theme restaurants, and the food processing industry occasionally demand American food ingredients. ▪ Efficient domestic distribution systems. ▪ Weakness of the U.S. dollar vis a vis the Euro. ▪ American food and food products remain quite popular.	▪ Food scares and other food safety issues have heighted fear among French consumers. ▪ Consumers are demanding 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 EU biotech labeling requirement of 0.9 percent excludes many U.S. processed products. ▪ Lack of a US-EU organics equivalency agreement hinders organic 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 sugar, milk fat, milk protein, and starch content.

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 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 product trade restrictions, food standards, and regulations, please refer to the EU and FAS/Paris Food and Agricultural Import Regulations and Standards Report (FAIRS) report: http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx.

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 European Union has preferential trade agreements with Norway, Iceland, Switzerland, Liechtenstein, Israel, the Palestinian Authority, Tunisia, Morocco, Jordan, Egypt, Lebanon, Syria, Algeria, Mexico and South Africa. The European Union provides African, Caribbean and Pacific developing countries (ACP) 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, France’s consumers desire innovative foods. Consumers like ethnic and exotic foods with distinctive themes and flavors. 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, and look for quality and innovation. The trends favor Thai, Japanese, Indian cuisine, and also Middle Eastern fast food specialties (kebabs). Tex-Mex, Cajun, or California-style cuisine, sports drinks, and vitamin enriched snacks have potential, as do 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 increasing in popularity. Recently, finger foods are also becoming popular in Paris. Finger foods represent opportunities for ethnic foods.

While many consumers and distributors are receptive to new developments in food products, they request 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.

The French Government encouraged the development of quality marks such as “Label Rouge” (Red Label) for meats, poultry, and fruits and vegetables, which guarantees production under established conditions. Product origin labels were also established, which guarantee that certain wines, milk, butter, or cheeses were sourced from a certain region. The government also oversees 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 prohibited fertilizers and according to special criteria. In 2004, the Government of France launched the Organic Agriculture in 2012 program. This program supports the organic sector by including 15 million Euros over a five year period, plus 3 million Euros for food industries, with a view of reaching 20 percent organic food products in the food service sector by 2012. Recently, the French Minister of Agriculture announced new support measures to farmers converting from traditional agriculture to organic, the goal being to triple organic agriculture to reach six percent of total agricultural production by 2012.

3. Marketing Strategies

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

Market access restrictions and food laws

- Check EU and French regulations to ensure products are allowed to 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 could 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:

- Contact the Office of Agricultural Affairs at the U.S. Embassy, Paris, France, to obtain up-to-date information on local government regulations, customs duties, politics, demographics, infrastructure, distribution channels, and market size.
- Conduct basic market research and review export statistics for the past five years.
- Adapt products to local regulations, by giving the customer what they require. Check ingredients and package size requirements, research consumers' preferences, and ensure that the 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 an agent, distributor, or importer to determine the best promotional strategy. Be prepared to invest in the market promotion (through trade shows, in-store promotions or advertising campaigns, to gain maximum exposure and make valuable market contacts).

4. General Import and Inspection Procedures

General Import Requirements

Import and export transactions exceeding 12,500 Euros (approximately $17,124) in value must be handled through an approved banking intermediary. Goods must be imported or 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 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. For additional information, you may also consult the Country Commercial Guide, France published by the U.S. Department of Commerce http://www.buyusa.gov/france/en/doingbusinessinfrance.html

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

With the introduction of Regulation (EC) No 1829/2003 on "Genetically Modified Food and Feed," and Regulation (EC) No 1830/2003 regarding "The Traceability and Labeling of Genetically Modified Organisms," the EU sought to create greater coherence in the regulatory framework for authorization, labeling, and traceability. Regulation (EC) No 1829/2003 establishes a "one door, one key" principle, enabling a single application for authorization of release into the environment (according to the criteria set in Directive 2001/18/EC), and the authorization for use as food or feed. The authorization depends on a positive risk assessment by the European Food Safety Authority (EFSA) and a risk management process involving the European Commission and EU Member States through a regulatory committee procedure. 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 is 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 percent for both human food and animal feed. A threshold on planting seeds has not yet been established. The EU's policy of zero tolerance implies that shipments containing low level presence (LLP) of EU unapproved events are not allowed into the European Union.

Customs

- A person or company can facilitate customs clearance for imports so long as they can present to the French Customs Authorities at the port of entry or at the airport, 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 the 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 an 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.

French Authorities

- Agency responsible for 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
      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
      Internet: http://www.agriculture.gouv.fr

- For information on dutiess, taxes, and documentation:
    - Centre de Renseignements Douaniers
      Internet: http://www.douane-minefi.gouv.fr

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

1. The Food Industry

Valued at $193 billion dollars in 2009, the French food industry fell 7.9 percent compared to the previous year, due to the following three reasons:

1. The large drop of production prices estimated at 8.2 percent due mainly to falling prices of many commodities.
2. The steep decline in exports of 9.2 percent, partly explained by the contraction of exports of wines and champagne from 15 percent in total.
3. The impact of the Modernization of Economy Act, which entered into force on January 1, 2009.

The French food industry recorded 399,251 employees in 2009 and resulted with a decrease of 0.9 percent over 2008. This industry is the second largest industrial employer in the country behind the mechanics sector. The number of firms reached 10,282.

In 2009, France reached a trade surplus of 5 billion Euros ($6.9 billion), a drop of 30.4 percent compared to 2008, due to the economic crisis. France is the fourth world largest exporter of food products.

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 and Saint-Exupéry airport in Lyon. France has twelve major seaports, many of which are equipped for container ships. There is 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. 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 U.S. food products. Generally, high quality food products with a regional American image could 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, organic and health food products, as well as kosher and halal foods. The food service industry is moving towards fresh consumer-ready products at the expense of frozen foods.

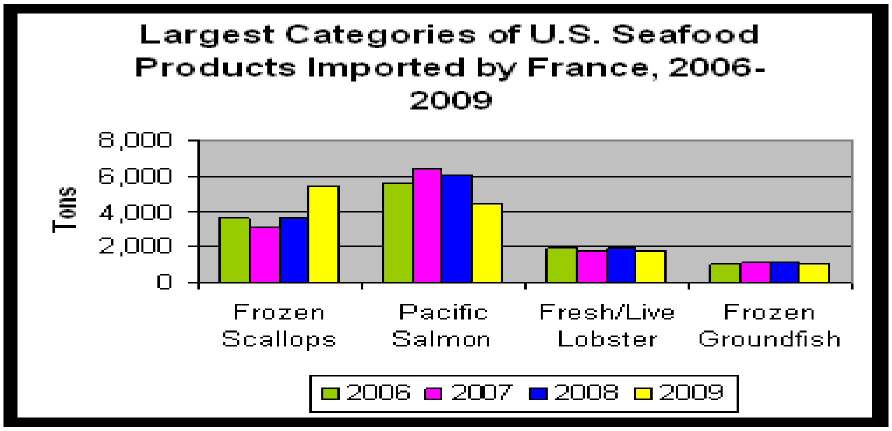
4. Marketing U.S. Products & Distribution Systems

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.

Fishery Products

France is a major seafood importer, as its domestic production is significantly lower than its total demand. Educating the public about U.S. seafood is very important. Consumers are not aware of the origin of some products. U.S. marketers are aware of consumers' misconception, due to various retailers and store managers mislabeling Maine lobster and Alaskan salmon as Canadian origin. In-store promotions help to deter this misunderstanding; however, it continues to be problematic.

The United States has a strong presence in France's seafood market, yet there are ways in which the U.S. presence can be made stronger. The French market is increasing its demand for products that are MSC certified. Continuing to certify U.S. seafood will help U.S. products permeate the French market. Also, the United States needs better availability of products throughout the year. Continuing to build in production capacity will help the United States' ability to export to France. This will also help provide seafood buyers with access to products from the U.S. market when desired.



Source: Fisheries and Aquaculture Sector in France, April 2010

Food Processing Sector

France's food processing sector offers U.S. food processing ingredients an excellent export market, as there is strong growth in consumption of processed food products. In 2008, there were 3,076 food processing companies. Their products ranged from processed meats and fish, canned foods, bakery and cereals, dairy, confectionery, animal feed, ingredients, and beverages. These food processors' end-use channels are the retail sector, as well as the hotel, restaurant, and industrial (HRI)/food service.

France's Food Processing Industries, 2008

Industry	**Number of Companies**	**Turnover (M$)**
Meat and Meat Products	811	46,260
Fish and Seafood	106	4,330
Fruits and Vegetables	185	11,461
Fats and Oils	30	5,188
Dairy Products	305	37,747
Mill Industry	109	9,475
Bakery Products	358	14,961

Source: French Ministry of Agriculture

Progress in food technology, marketing innovations, and exports of finished food products have all contributed to France's increasing demand for food ingredients. Innovative products, low fat, organic, and healthy products are in high demand. Food ingredients in general are imported freely by the private sector into France, but some face phytosanitary and other food safety restrictions at the EU level. Additives are subject to special authorization if they are not on the EU's list of approved additives. Tariffs and other labeling requirements may cause problems for some U.S. exporters.

Most French processors buy their ingredients through brokers and local wholesalers. Some of the larger companies have direct relationships with larger foreign suppliers. Food processors supply to France's retail and food service industries, which account for roughly 70 and 30 percent, respectively, of the sector's overall sales. The most common entry strategy for small and medium-sized U.S. companies is dealing either directly with a local wholesaler or broker, or indirectly through an export agent or consolidator.

For new food trends, we note a strong growth in consumption of processed products. Consumer expectations are increasingly oriented to health, fad diets, and nutrition. The food model, as we have seen, is in evolution. In recent years, there have been a sharp decrease in time spent preparing the meals, a significant decrease in the duration of meals for lunch, and a growing amount of television watching during meal time.

The main competition for U.S. suppliers are lower priced products from Iran and Turkey for nuts and North African countries for other dried fruits. Processed food products, such as confectionery, sauces and dressings, and soft drinks are developing at a fast rate and the U.S. presence for these products is well developed.

Products present in the market which have good sales potential
According to industry sources, despite the growth in the use of soybeans, wheat maintains its wide preference, particularly in catering products. Gluten and wheat proteins remain among the most widely used vegetable proteins. Best product prospects are almonds, pistachios and dried fruits (dates, apricots, prunes), which are primarily used for industrial baking by the major food processors.

Products not present in significant quantities but which have good sales potential
There is less use of other types of vegetable protein products, such as peas. Proteins are used in the lupine diet (43 percent), bakery products (32 percent) and meat (25 percent). As for the pea protein, it is mainly used with meat products.

Processed food manufacturers will find sales potential in such food additives as thickeners, stabilizers, food supplements, and spices. French consumers' growing interest in products health beneficial products, as well as diet approved products are putting pressure on manufacturers to come up with new products. Functional foods and their ingredients will hold significant growth potential.

Products not present because they face significant barriers
The French government has banned or restricted the concentrations of certain food additives. Three European directives apply in all member states, which establish a list of food additives (dyes, sweeteners and other additives) that can be used for human consumption. To determine if an additive can be included in this list, three criteria are taken into account: the technological need, the consumer utility, and safety of the substance in question.

Halal
France has the largest Muslim population in Europe, estimated between 5-7 million. The most rapidly-growing segment of the French food market, since 1998, halal sales have risen by 7 to 15 percent. Supermarkets, hypermarkets and food distribution chains are increasing their share of halal distribution, capitalizing on young halal consumers' interests in having the same choices as non-halal consumers. Best prospects for U.S. exporters are sodas and juices, sauces, condiments, confectionary products, ready-to-eat products, frozen meals, vegetarian products ,and snack food.

The biggest challenge is gaining consumer confidence in the absence of government-recognized halal labels. There are no government regulations on halal certification, which means that the criteria for halal certification among private companies and the Grand Mosques tend to vary. Certification of grocery products is not as critical as meat products are.

Traditional stores continue to dominate the halal market, although supermarkets and multinational food product producers are starting to reach out to Muslim consumers by offering a wider selection of halal food products. The bulk of halal products sold in France are meat and deli products, but the demand for grocery products is rising. This demand remains, to a great extent, unmet. The availability of grocery products is still very basic (dry fruits and vegetables, oil, spices, olives, sauces). Recently, processed foods (e.g., canned ravioli) and frozen food (pizzas, kebab) have entered the market. There is significant opportunity for the U.S. companies offering beverages, grocery and frozen products.

Hotel, Restaurant, and Institution Sector

Best prospects for U.S. suppliers targeting the hotel, restaurant and institution (HRI) sector are fish and seafood, hormone-free high quality beef, frozen foods including desserts, fruit juices and sodas, quality wines, salad dressings, sauces, spices, brown rice and dried peas, beans and lentils.

The HRI sector consists of two sub-sectors, commercial and institutional catering.
Commercial catering includes traditional restaurants, hotels and resorts, leisure parks, cafeterias, cafes, brasseries, and fast food outlets, including street vendors. Institutional catering includes education, healthcare, business catering, schools, hospitals, factory restaurants, and air and sea catering.

Most large restaurant businesses, including chains, offer local cuisine and use imported products only if local alternatives cannot be found. However, niche opportunities for U.S. suppliers exist for a range of diverse products such as fish/seafood, exotic meats, sauces (prepared sauces or dehydrated sauce bases) and salad dressings, a variety of food ingredients, wine, and frozen ethnic/regional food service meals in any outlet where the clientele is looking for "ethnic and/or regional" cuisine or non-traditional options.

U.S. exporters should consider the financial strength, number and location of outlets, menu diversification, and purchasing policy of the business when targeting major restaurants or chains.
Some restaurant chains have their own central buying offices, but most, including traditional restaurants, as well as hotels and resorts, buy through cash & carry channels or specialized wholesalers.

Kosher

The kosher market is currently estimated at about $550 million. France is an international trading center for kosher products. Both imported and domestic products are distributed not only in specialized retail and kosher stores, but also in kosher sections of the largest supermarkets. The annual growth of this sector is estimated at 16 percent continuing a ten-year growth trend. The best prospects for U.S. kosher food products are gourmet-style products including wines, sauces, condiments, snacks, soups, cookies, confectionery, ready-to-eat meals and Passover products.

Kosher consumers are more likely looking for conventional food than for traditional food products. The food service industry is very dynamic. More than 300 kosher restaurants, bakeries, and other eating establishments have opened in Paris alone in the last fifteen years. Imported and domestic kosher products are distributed not only by specialized retailers and kosher shops, but can also be found in special kosher sections of major supermarkets throughout France. The best prospects for U.S. kosher food products in France are gourmet-style products including wines, sauces, condiments, snacks, soups, cookies, confectionery, ready-to-eat meals and Passover products.

To be recognized as kosher, products must be certified by an organization with a rabbinical affiliation. In France, there are several certification agencies handling kosher supervision and certification. U.S. kosher certifiers such as the OU, OK, Star K or Kof-K are also recognized. Wholesalers are vital to the kosher sector. They buy directly in large quantities from producers and manufacturers and then resell to a wide variety of distributors, supermarket chains, other retail stores, specialty stores and small outlets in neighborhoods with large Jewish populations. The limited number of wholesalers in the kosher food sector has effectively made them gatekeepers. Most distributors must work with wholesalers in order to offer a full array of certified products. In terms of sales, wholesalers account for 31 percent of the market, supermarket chains and retail stores, 49 percent; and the food service sector around 20 percent.

Organic

With strong consumer interest in the environmental impact of food purchases, demand is expected to continue to grow. U.S. exports of dried fruits, almonds, aromatic plants and grapefruits remain in high demand. Baby food, food complements, and essential oils show strong growth prospects. An increase in organic retail outlets (specialty stores and supermarkets) is expected to encourage sales across a broader base. A growth in retail outlets for organic products is expected to continue as consumers seek additional access to organic products in restaurants, cafeterias and school lunches. A recent study showed that French consumers are interested in having organic products in restaurants, company cafeterias and school lunches. The Government of France is encouraging the incorporation of 20 percent of organic foods in school menus by 2012.

The environmental impact of food choices is a key purchasing consideration for French consumers. Thus, organic, local, seasonal and sustainably produced products receive strong consideration by shoppers. Consumers overwhelmingly share a common belief that organic products are more natural, healthier, maintain more nutrients and help preserve the environment. Consumers who purchase organic products are primarily educated, working women in the Paris region and in southwest France.

While importers have consistently bought organic fruits and plants to produce beverages, aromatic and medicinal plants are also in demand by importers due to rising orders from the cosmetic and aromatherapy industries. Research indicates that importers are unfamiliar with the Organic Trade Association as a possible tool to identify new suppliers and partnerships in the United States. The best way for a U.S. exporter to penetrate the French market is to work through an importer or distributor. U.S. companies with branded organic foods may promote them through trade shows and specialized magazines. All non-EU exporters of organic products must register with the Agence Bio and request an import permit from the Ministry of Agriculture.

Food and Agricultural Trade Shows, 2011 and 2012

U.S. exporters who are looking to sell to the French Market should consider participating in the following trade shows:

SIRHA (International Hotel Catering and Food Trade Exhibition), France

SIRHA is the global hotel and food service trade show. It is the premier international forum for Hotel, Restaurant, and Institution Food Service Sector. It is also the international meeting place for chefs and other food professionals.
USA Pavilion organizer, B-For International, email: b-for@exhibitpro.com

SALON DU VEGETAL February 15-17, 2011 Internet: http://www.salon-du-vegetal.com/	Horticultural Trade Show
EUROPEAN SANDWICH & SNACK SHOW Paris – Palais des Congres March 2-3, 2011 Internet: http://www.sandwichshows.com	
CFIA Carrefour des Fournisseurs de l'Industrie agroalimentaire Parc des Expositions - Rennes Aeroport March 16-17, 2011 Internet: http://www.cfiaexpo.com/	Retail Food Trade Show
SALON DES MARQUES DE DISTRIBUTEURS ALIMENTAIRES - MDD RENCONTRES March 29-30, 2011 Internet: http://www.mdd-expo.com/	International Private Label Show for Foods, including Ethnic and Halal foods
FOIRE INTERNATIONALE DE PARIS April 28-May 8, 2011 Internet: http//:www.foiredeparis.fr	Food, Beverages & Tourism
SALON INTERNATIONAL DE L'ELEVAGE (SPACE 2010) Rennes - Carrefour European September 13-16, 2011 Internet: http://www.space.fr/	International Trade Fair for Livestock
PREMIERE VISION September 20-22, 2011 Internet: http://www.premierevision.fr/	International Textile & Clothing Show
SIREST IDEAS – Forum de l'Innovation Hoteliere March 2012 Internet: http://www.sirest.com	Food Service Trade Show
CARREFOUR INTERNATIONAL DU BOIS Parc de la Beaujoire - Nantes June 6-8, 2012 Internet: http//www.timbershow.com	International Timber Show
SALON INTERNATIONAL DE L'ALIMENTATION Parc des Expositions - Paris-Nord, Villepinte	International Food and Beverage Trade Show

October 21-25, 2012
Internet: http://www.imexmgt.com

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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 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

1. **FISH AND SEAFOOD, FRESH AND FROZEN**
HS Code: 03
(USD Million)
(January/December)

	2008	2009	2010 Projection
A. Total Market Size	6,096	N/A	N/A
B. Local Production	2,285	N/A	N/A
C. Total Exports	2,068	1,246	1,139
D. Total Imports	5,879	4,246	4,384
E. Total Imports from U.S.	244	183	195
F. Exchange Rate: USD 1 = Euros	0.680	0.719	0.754

Source: French Customs – Ubifrance – France Agrimer

Comment: France is a major consumer of seafood products and a net importer of many seafood products, because domestic production is significantly lower than demand. French seafood per capita consumption amounts to 35 Kg per year, including 68 percent finfish and 32 percent shellfish and crustaceans. According to the Global Trade Atlas, in 2009 the United States was France’s eighth largest supplier of seafood products. U.S. seafood products exported to France mainly consisted of frozen Alaska Pollock fillets, fresh and frozen scallops, frozen surimi base, live lobster, and frozen salmon.

2. **BEVERAGES, INCLUDING MINERAL WATER, BEER, WINE AND SPIRITS**
HS Codes: 22.01 to 22.06 and 22.07+22.08
(USD Million)

(January/December)

	2008	2009	2010 Projection
A. Total Market Size	17,034	n/a	n/a
B. Local Production	29,778	n/a	n/a
C. Total Exports	16,697	13,573	14,048
D. Total Imports	3,901	3,587	3,456
E. Total Imports from the U.S.	114	88	113
F. Exchange Rate: USD 1 = Euros	0.680	0.719	0.754

Source: French Customs - Ubifrance

Comments: U.S. wines face strong competition from Spain, Portugal, Italy and as well as from new world producers such as Australia, South Africa, and Chile. However, market opportunities exist for U.S. wines 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. Opportunities exist for ethnic, new, and innovative U.S. beverages, particularly those linked with Tex-Mex foods. 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 17.8 million hectoliters. Ten percent of that production is exported. The beer industry consists of six major breweries, 200 small breweries, and produces over 300 brands. Two American brewers are present in the French market, which are Anheuser-Bush and Miller. The French beer market is valued over two billion Euros ($2.9 billion), representing about 12 percent of total alcoholic and non-alcoholic beverage sales and one percent of total food and beverage sales. Annual per capita beer consumption of 33 liters has declined by 26 percent during the last 25 years.

3. **FRESH AND DRIED FRUITS, INCLUDING NUTS**
HS 08
(USD Million)
(January/December)

	2008	2009	2010 Projection
A. Total Market Size	4,700	n/a	n/a
B. Local Production	2,810	n/a	n/a
C. Total Exports	2,147	1,795	1,798
D. Total Imports	4,922	3,919	4,000
E. Total Imports from the U.S.	140	133	148
F. Exchange Rate: USD 1 = Euros	0.680	0.719	0.754

Source: French Customs - Ubifrance

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 the United States. France imports apples and pears in short crop years. There is also a niche market for berries, cherries and tangerines. Imports of fresh and dried cranberry have been a success. 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.

4. **FRESH AND DRIED VEGETABLES**
HS Code: 07
(USD Million)
(January/December)

	2008	2009	2010 Projection
A. Total Market Size	5,900		
B. Local Production	5,103		
C. Total Exports	2,463	2,174	2,213
D. Total Imports	3,259	2,920	3,151
E. Total Imports from the U.S.	28	25	23
F. Exchange Rate: USD 1 = Euros	0.680	0.719	0.754

Source: French Customs - Ubifrance

Comments: 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 perhaps superior quality and off-season produced 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.

5. **MEAT AND OFFALS**
HS Code: 02
(USD Million)
(January/December)

	2008	**2009**	**2010 Projection**
A. Total Market Size	11,325		
B. Local Production	10,566		
C. Total Exports	4,771	4,170	3,858
D. Total Imports	5,495	5,208	5,080
E. Total Imports from the U.S.	33	6	13
F. Exchange Rate: USD 1 = Euros	0.6803	0.719	0.754

Source: French Customs - Ubifrance

Comment: Opportunities in this market are limited given the import quota on hormone free meat and stringent EU veterinary regulations. However, as a result of the enlargement compensation agreement between the United States and the European Union, the EU Regulations 617/2009 and 620/2009 set a new quota of 20,000 tons hormone-free high quality beef granted for import from the US to the EU with zero import duties. This quota runs from July 1 thru June 30 2010 and should be in place for three years. After three years the quota is to be brought to 45,000 tons. Bison meat is growing in popularity, mostly of Canadian origin, but there might be opportunities for U.S. products.

6. **PROCESSED FRUITS AND VEGETABLES, INCLUDING FRUIT JUICES**
HS Code: 20
(USD Million)
(January/December)

	2008	2009	2010 Projection
A. Total Market Size	12,742	N/A	N/A
B. Local Production	10,877	N/A	N/A
C. Total Exports	1,201	1,101	1,149
D. Total Imports	3,216	2,992	2,893
E. Total Imports from the U.S.	51	16	11
F. Exchange Rate: USD 1 = Euros	0.680	0.719	0.754

Source: French Customs - Ubifrance

Comment: The per capita consumption of fruit juices estimated at 28 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. The primary imports from the United States consisted of fresh and frozen orange and grapefruit juices. Competition in the juice sector is very strong, principally from Brazil, Israel, and Spain.

SECTION V. KEY CONTACTS AND OTHER RELEVANT REPORTS

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For more information on exporting U.S. food products to France, visit our homepage: http://www.usda-france.fr.

Reports identified below are complementary information to this report and can be found at the following link: http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx

Report Number	Name
FR	Organic Report
FR9013	HRI Food Service Sector Annual
FR9015	French Kosher Report
FR9016	Retail Food Sector Annual
FR9020	Fast Food Sandwich & Snack Sector
FR9021	Food & Agricultural Import Regulations and Standards Annual Country Report
FR9048	Fishery Products
E48058	EU-27 Food & Agricultural Import Regulations and Standards
E49021	EU-27 Wine Annual
E48029	Fishery Products EU Policy and Statistics

U.S. BASED STATE REGIONAL TRADE GROUPS

- **FOOD EXPORT USA - NORTHEAST**

Web: http://www.foodexportusa.org

- **FOOD EXPORT ASSOCIATION OF THE MIDWEST USA**

Web: http://www.foodexport.org

- **SOUTHERN U.S. TRADE ASSOCIATION (SUSTA)**

Web: http://www.susta.org

- **WESTERN U.S. AGRICULTURAL TRADE ASSOCIATION (WUSATA)**

Web: http:/www/wusata.org

APPENDIX A:

TABLE A. KEY TRADE AND DEMOGRAPHIC INFORMATION FOR 2009

Ag. Imports from All Countries (1)	$54 billion
U.S. Market Share (1)	1.2 percent with $647 million
Consumer Food Imports from All Countries (1)	$27.0 billion

U.S. Market Share (1)	1.7 percent
Edible Fishery Imports from All Countries (1)	$4.3 billion
U.S. Market Share (1)	4.3 percent
Total Population/Annual Growth Rate (2)	65 million - Growth rate annual: 0.6%
Urban Population /Annual Growth Rate	49.5 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	$41,130
Unemployment Rate, incl. overseas territories	9.7 percent (*)
Percentage of Female Population Employed (5)	47.3 percent
Exchange Rate: US$1 = EURO 0.719	

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 percent of the population
(5) Percentage against total number of women (15 years old or above)
(*) Unemployment rate for France: 9.3 percent

France is the second most populous country in the European Union (EU). It is estimated that 65.8 million people live in metropolitan France and its overseas departments. The number of births in 2010, at 828,000, is well above the average for the past ten years. In 2010, net migration in France is estimated at approximately 75,000. This modest contribution of migration, in comparison with the natural balance is a characteristic of the French population and does not occur with the European neighbors. Twenty-four percent of the population is under 20 years. Although this share is decreasing, the number of young people continues to increase due to the rise in births in recent years. As the first of the baby boom after the war have reached or surpassed the 60 years since 2007, the number of people 20 to 59 years old has been declining since then. The proportion of people 60 years or older continues to increase. Life expectancy is increasing and in 2010, it is estimated at 78.1 years for men and 84.8 years for women. France is one of the few EU member states expected to experience population growth by 2050, estimated at 70 million, based on current demographic trends. The French demographic situation is characterized by a high birth rate.

APPENDIX B:

TABLE B. CONSUMER FOOD & SEAFOOD PRODUCTS IMPORTS (millions $USD)

Commodity	France Import Statistics from the World	France Import Statistics from the U.S.	U.S. Market Share

	2008	2009	2010	2008	2009	2010	2008	2009	2010
Consumer Oriented Agric. Total	36,036	33,415	n/a	249	194	222	0.7	0.6	n/a
Fish & Seafood Products	4,462	4,312	n/a	183	160	168	4.5	4.3	n/a
Agricultural Total	29,581	27,284	n/a	641	373	522	2.1	1.7	n/a
Agricultural, Fish & Forestry	59,309	54,022	n/a	865	563	724	1.4	1.2	n/a

Source: Bico Report / Global Trade Atlas

TABLE C. TOP SUPPLIERS OF CONSUMER FOODS & SEAFOOD PRODUCTS

FRANCE IMPORT STATISTICS
(millions $USD)

CONSUMER ORIENTED AGRICULTURE						
Partner Country	***$USD***			***% Share***		
	2007	***2008***	***2009***	***2007***	***2008***	***2009***
Belgium	5,435	6,032	5,622	16.97	16.48	16.82
Netherlands	5,140	5,873	5,349	16.05	16.04	16.01
Spain	5,144	5,919	5,345	16.07	16.17	16.00
Germany	4,778	5,519	5,149	14.92	15.08	15.41
Italy	3,244	3,920	3,578	10.13	10.71	10.71
United Kingdom	1,306	1,472	1,351	4.08	4.02	4.04
Switzerland	542	707	779	1.69	1.93	2.33
Morocco	740	814	749	2.31	2.23	2.24
Ireland	720	708	661	2.25	1.93	1.98
Portugal	389	415	384	1.22	1.14	1.15
Poland	382	427	383	1.19	1.17	1.15
Denmark	421	405	338	1.32	1.11	1.01
Turkey	232	345	320	0.73	0.94	0.96
Austria	177	255	229	0.55	0.70	0.69
Cote d Ivoire	121	192	215	0.38	0.53	0.64
United States	234	253	190	0.73	0.69	0.57

Source: Global Trade Atlas from the Global Trade Information Services

France Import Statistics Commodity: 03, Fish And Crustaceans, Molluscs And Other Aquatic Invertebrates			
Calendar Year: 2007 - 2009			
Partner Country	**$USD**	**% Share**	**% Change**

	2007	2008	2009	2007	2008	2009	2009/2008
World	4,223	4,462	4,312	100.00	100.00	100.00	-3.37
United Kingdom	481	493	544	11.41	11.07	12.62	10.22
Denmark	389	440	418	9.21	9.88	9.70	-5.14
Netherlands	387	398	355	9.17	8.93	8.25	-10.72
Sweden	296	308	336	7.02	6.92	7.79	8.84
Spain	292	262	284	6.92	5.87	6.59	8.44
Belgium	238	298	281	5.65	6.68	6.53	-5.64
Germany	203	231	216	4.81	5.18	5.03	-6.09
United States	195	204	185	4.64	4.57	4.30	-9.02
China	116	139	145	2.76	3.13	3.38	4.23

Source: Global Trade Atlas from the Global Trade Information Services