Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Scheduled Report - public distribution

Date: 15/08/98

GAIN Report FR8055

France

reports: Poultry

Poultry Annual Report

1998

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Report Highlights:
France's poultry production is up in 1997 and in 1998. Both chicken and turkey production are expected to increase. France has a well-developed export oriented industry with very competitive prices on exports. French poultry exports to the EU are up while exports to the Middle East region are stagnant except exports to Iran. Russia is becoming a major customer of French poultry.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
FR

Executive Summary

In 1997, for the first time in France, more poultry meat (2.28 million MT (MMT)) was produced than any other type of meat. Both turkey (0.73 MMT) and chicken meat (1.21 MMT) production was up along with production of other poultry meat. The increase is expected to continue in 1998 and 1999, although at a slower pace. A growing share of French poultry production is made up of expensive free-range birds under a program called Red Label.

French poultry companies, especially DOUX, BOURGOIN and LDC are European leaders. DOUX exports mostly frozen broilers to the Middle East while BOURGOIN exports tukey meat to Eastern Europe and Russia and quality broilers to EU countries

Although poultry prices for export are not officially published, they were estimated in 1997 at 0.58 USD/lb for frozen broilers. French poultry consumption was 24 kg per person in 1997 and is expected to grow slightly in 1998. Poultry parts and value-added products are taking a growing share of total poultry meat consumption.

About 40 percent of French poultry production was exported in 1997. EU countries, especially Germany and UK, Middle East countries and, rapidly growing, Russia, are the main export markets for France. France now exports more and more without EU restitutions. French poultry exports are expected to grow in 1998 and 1999.

Sources

Data and other information in this report are gathered from both governmental and industry sources. Governmental sources include the Ministry of Agriculture, Fisheries and Food (MinAg) and the French Meat and Poultry Board (OFIVAL).

Industry sources include: the French Technical Institute for Poultry (ITAVI) and various poultry companies.

Production

PSD Table						
Country:	France					
Commodity:	Poultry, Meat, Total					
		1997		1998		1999
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1997		01/1998		01/1999
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	2280	2282	2350	2340	0	2382
Whole, Imports	22	20	24	25	0	27
Parts, Imports	112	116	118	119	0	124
Intra EC Imports	116	118	122	126	0	135
Other Imports	0	0	0	0	0	0
TOTAL Imports	134	136	142	144	0	151
TOTAL SUPPLY	2414	2418	2492	2484	0	2533
Whole, Exports	455	420	468	437	0	443
Parts, Exports	543	530	570	542	0	556
Intra EC Exports	516	511	533	524	0	540
Other Exports	0	0	0	0	0	0
TOTAL Exports	998	950	1038	979	0	999
Human Consumption	1376	1432	1402	1475	0	1504
Other Use, Losses	40	36	52	30	0	30
Total Dom. Consumption	1416	1468	1454	1505	0	1534
TOTAL Use	2414	2418	2492	2484	0	2533
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	2414	2418	2492	2484	0	2533
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

PSD Table						
Country:	France					
Commodity:	Plty, Meat, Chicken -16 wks					
		1997		1998		1999
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1997		01/1998		01/1999
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	1190	1212	1225	1240	0	1260
Whole, Imports	20	18	22	23	0	25
Parts, Imports	80	85	85	87	0	90
Intra EC Imports	90	90	95	97	0	100
Other Imports	0	0	0	0	0	0
TOTAL Imports	100	103	107	110	0	115
TOTAL SUPPLY	1290	1315	1332	1350	0	1375
Whole, Exports	390	360	400	375	0	380
Parts, Exports	180	171	190	180	0	185
Intra EC Exports	230	210	240	220	0	227
Other Exports	0	0	0	0	0	0
TOTAL Exports	570	531	590	555	0	565
Human Consumption	680	748	690	765	0	780
Other Use, Losses	40	36	52	30	0	30
Total Dom. Consumption	720	784	742	795	0	810
TOTAL Use	1290	1315	1332	1350	0	1375
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1290	1315	1332	1350	0	1375
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

PSD Table						
Country:	France					
Commodity:	Poultry, Meat, Turkey					
		1997		1998		1999
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1997		01/1998		01/1999
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	725	731	750	745	0	760
Whole, Imports	2	2	2	2	0	2
Parts, Imports	7	9	7	10	0	11
Intra EC Imports	9	10	9	11	0	12
Other Imports	0	0	0	0	0	0
TOTAL Imports	9	11	9	12	0	13
TOTAL SUPPLY	734	742	759	757	0	773
Whole, Exports	45	42	48	43	0	44
Parts, Exports	315	345	330	347	0	355
Intra EC Exports	220	270	225	272	0	280
Other Exports	0	0	0	0	0	0
TOTAL Exports	360	387	378	390	0	399
Human Consumption	374	355	381	367	0	374
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	374	355	381	367	0	374
TOTAL Use	734	742	759	757	0	773
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	734	742	759	757	0	773
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

General

The 3 percent increase in French poultry meat production in 1997 made poultry the largest meat production in France. This hike was driven by a surge in turkey and duck meat production as well as, to a lesser extent, by an increase in chicken meat production. Poultry meat production is also expected to grow in 1998 and 1999, although at a slower pace. Despite booming exports, turkey producers have decided to self- limit production increases to 2 or 3 percent annually to prevent any over-production in the future.

Duck meat production reached 210,000 MT in 1997 (up 14 percent from 1996) while guinea-fowl production reached 60,400 MT (up 6 percent from 1996).

Free range and Red Label poultry production
Beginning in the early 1970's, France has developed a free-range poultry production under the Red Label program. This program set a wide range of production criteria such as genetics (or breed), feed, and duration of grow out. The French Ministry of Agriculture grants the Red Label to farmers' groups or cooperatives whose production matches the program's standards. Red Label poultry production is subjected to thorough controls at each stage of the process to ensure quality. In the aftermath of the "mad cow" crisis that has made consumers wary of industrially-produced meat, Red Label poultry consumption has increased sharply despite its higher price. In 1997, close to 12 percent of French chicken meat production was Red Label.

French Red Label poultry production (millions of head)

	1985	1990	1995	1996	1997
All Red Label poultry	44.0	70.9	88.0	94.0	95.4
inc. chicken	39.4	62.7	75.9	81.3	81.0
inc. guinea fowl	3.3	5.4	7.6	8.4	8.7

(Source CFA/SYNALAF)

For more detailed information about the Red Label program, contact:
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Overview of the poultry industry

General
The rapid development of the French poultry sector is linked to increased regional specialization. Close to 80 percent of French poultry meat is produced in the western quarter of the country, Brittany alone accounting for 47 percent of total French production. However, increased environmental constraints are likely to limit further production increases in these regions, to the benefit of other parts of France. Such constraints may eventually hamper French poultry's competitiveness by raising prices.

The French Ministry of Agriculture counted in 1994 (last data available) 14,400 poultry farms. Of the 774 slaughterhouses surveyed, only 96 had a slaughter capacity of over 2.5 million heads per year (or about 3,500 MT). Seventeen slaughterhouses -- 11 for chicken, 4 for turkey and 2 for mixed meat -- produce more than a third of total French poultry meat each year.

Close to 95 percent of poultry farmers have contracts with poultry companies. The company provides chicks and feed and sometimes the building; it pays the farmer according to weight and quality of the birds.

Poultry Companies
In France, seven poultry companies have sales in excess of 1 billion FF (USD 170 million). Of those, 3 major groups, DOUX, BSA-BOURGOIN and LDC account more than 67 percent of the total French poultry sales.

With sales over FF 7.7 billion (USD 1.3 billion), of which FF 4.5 billion (USD 750 million) is exported, DOUX S.A. is the largest EU poultry producer. The company employs 8,000 workers in France and has facilities in Germany, Spain, Portugal, the United States and Switzerland. DOUX is a highly integrated poultry company, owning its breeding facilities, feed compounder, slaughterhouses and shipping company. DOUX is specialized in chicken meat (70 percent of its sales) and turkey meat (25 percent). DOUX is the leading French exporter of frozen whole chicken to the Middle East region. However, the decrease in EU export subsidies mandated by the Marrakesh agreement as well as increased Brazilian competition led DOUX to focus more on the domestic market for fresh value-added poultry products. On July 27, DOUX also announced the purchase of the Brazilian poultry company FRANGOSUL S.A. AGRO AVICOLA INDUSTRIAL, the fourth largest Brazilian poultry company with USD 300 million sales, of which USD 123 million in exports. DOUX has also been rumored to be searching for possible investment in China.

BSA-BOURGOIN Group is the second largest EU poultry group. It employs 6,500 workers in 40 industrial plants and is highly integrated. Its sales exceeded FF 6.4 billion (USD 1.1 billion) in 1996, of which 47 percent are exports. BOURGOIN has subsidiaries in Spain. The company started with turkey meat production but has now diversified into quality chicken for the domestic and EU markets (17 percent of its production), standard broilers (30 percent of production) and export broilers (20 percent) . Turkey meat still accounts for 30 percent of production. BOURGOIN is one of the major French exporters of turkey parts and mechanically deboned turkey meat (MDM) to Russia and Cuba. BOURGOIN also recently developed a value-added range of products. Its subsidiary specialized in export broiler has joined with the export arm of UNICOPA (the fourth- largest French poultry producer) in a joint venture, TILLY-SABCO, whose goal is to become more competitive in Middle-East markets.

LDC Group is the third French poultry company with sales in excess of FF 4.5 billion (USD 750 million). Not as integrated as BOURGOIN or DOUX, LDC has a very strong position on the domestic market, with a specialization in Red Label poultry. LDC has also subsidiaries in Spain, Poland and China.

Other poultry companies:

	Sales (billion FF):	Products
UNICOPA	1.6	Standard broiler, export broiler
SYNAVI	1.4	Leader in duck meat, turkey and chicken meat
ARRIVE	1.4	Red Label chicken, value added product
SOPARVOL	1.3	Red Label poultry, value added product

A list and more information on French poultry companies can also be found on this website: http://www.mhr-viandes.com/en/docu/docu/d0000384.htm

Production costs and prices

General
Due to the contractual relationships between farmers and poultry companies, assessment of production costs is difficult. However, some indexes help to estimate the price competitiveness of French poultry.

	1985	1990	1995	1996
Costs of production				
Chicken Feed (USD/lb)	0.158	0.133	0.115	0.116
Out farm chicken price (USD/lb Live bird)	0.447	0.411	0.372	0.380
Turkey Feed (USD/lb)	0.148	0.137	0.114	0.122
Out farm turkey price (USD/lb Live bird)	0.521	0.488	0.440	0.454
Wholesale price (USD/lb)				
Red Label chicken	N/A	N/A	1.262	1.426
Average Class A Broiler	0.639	0.606	0.581	0.621
Turkey Breast	2.361	2.086	1.724	1.949
Turkey legs	1.486	1.172	0.862	0.885
Retail price: standard chicken (USD/lb)	1.548	1.444	1.302	1.317

(Source CFA/ITAVI/SNM/INSEE/CIDEF)

The hike in production costs in 1996 was due to an increase in soybean prices which offset the decrease in grain prices. Fortunately, increased demand due to the "Mad Cow" crisis allowed producers to raise prices and maintain margins. Preliminary estimates for 1997 show a decrease in both production costs and wholesale prices.

Export Prices
The average wholesale price, as published by the French Ministry of Agriculture, does not represent export prices. It shows prices for broilers for domestic consumption. Birds for domestic production are heavier, take longer to grow and the farmer usually produces 5.9 flocks per year (versus the 6.7 to 7.2 flocks/year for export chickens): their price is, therefore, 2 to 4 FF per kilo (USD 0.15 to 0.30/lb) of live bird higher than export birds.

Moreover, export companies, such as DOUX, have built facilities specifically targeted for the export market, from production to slaughtering and packaging, hence reducing their costs. DOUX, which accounts for 70 to 80 percent of French frozen poultry exports to the Middle East, uses 4 chartered ships built specifically for shipping frozen poultry. Each ship carries 5,000 MT of frozen chicken in the hull and 1,200 MT in 52 containers on the deck. Each journey to Jeddah takes 15-20 days. Southern Hemisphere fruits, such as apples, kiwis, pineapples, avocados and oranges are backloaded from South Africa

1996 Cost estimates for frozen whole broilers (70 percent with offals) exported to Saudi Arabia

	FF per Kg	USD per pound (1 USD = 6 FF)
Chick costs (1,40 FF per chick)	1.00	0.076
Feed cost	+2.59	+0.196
Farmer's revenue	+0.92	+0.076
Total: Price of Live Chicken	**4.51**	**0.341**
Price after slaughtering (78 percent slaughtering yield)	5.78	0.436
Price after losses (2 percent)	5.90	0.445
Industrial costs (trucking, slaughtering, freezing, etc...)	+2.50	+0.189
Price before shipping	**8.40**	**0.634**
Shipping costs (Brest to Jeddah)	+0.90	+0.068
Price Chicken CIF Jeddah	**9.30**	**0.702**

(*Sources: Centre d'Economie Rurale du Finistère, ITAVI*)

Shipping costs: Frozen poultry from Brest (France) to Jeddah (data from 1996)

Total:	**180 USD** per metric ton
inc. loading of the ship:	35 USD per metric ton
inc. freight and insurance:	15 USD per metric ton
Supplement for loading at Dammam (Eastern coast of Saudi Arabia)	50 USD per metric ton

(Sources: Centre d'Economie Rurale du Finistère, ITAVI)

The table below shows export prices calculated by dividing the export value by the export volume. It gives an idea of the FOB price and does include restitutions. The difference between the EU-15 price and the third country price is also explained by different classes of products. Frozen whole chickens exported from France to the EU-15 are generally Class A broilers (minimum 41 days before slaughtering, average weight live bird 1.89 kilo) versus a standard export chicken (usually 35 to 38 days before slaughtering, average weight live bird 1.40 to 1.43 kilo)

Whole frozen chicken export prices for selected destinations, calculated with customs data

USD/lb	Total Frozen Chicken		Chicken 70% with offal		Chicken 65% without offal	
	1996	1997	1996	1997	1996	1997
Angola	0.532	0.572	0.536	0.572	0.526	0.57
Lebanon		0.667		0.686		0.634
Iran	0.511	0.505	0.352	0.55	0.518	0.504
Jordan	0.447	0.552			0.447	0.552
Saudi Arabia	0.496	0.545	0.506	0.542	0.498	0.548
Kuwait	0.47	0.553	0.483	0.537	0.465	0.558
Bahrein	0.485	0.568	0.461	0.553	0.488	0.568
Qatar	0.472	0.573	0.482	0.559	0.467	0.581
U.A.E.	0.487	0.553	0.474	0.539	0.493	0.557
Oman	0.477	0.549	0.481	0.527	0.477	0.549
Yemen	0.445	0.554	0.448	0.553	0.445	0.554
Avg. Middle East	**0.485**	**0.55**	**0.49**	**0.547**	**0.485**	0.55
Russia	0.508	0.608	0.516	0.606	0.5	0.616
Azerbaijan	0.521	0.539	0.521	0.483	0.52	0.595
EU-15	0.651	0.692	0.641	0.691	0.689	0.695
Third Countries	0.503	0.559	0.513	0.572	0.501	0.555
World	**0.524**	**0.578**	**0.562**	**0.615**	**0.508**	**0.564**

(Source OFIVAL, French customs)

Other poultry products export prices in 1997 (USD/lb)

	Chicken parts (with bones)	**Turkey parts (with bones)**	**frozen MDM chicken**	**frozen MDM turkey**
Germany	1.340	0.383	1.222	1.116
United Kingdom	2.083	0.928	0.989	1.219
Hong Kong	0.441	0.302	no export	no export
Benin	0.442	0.437	no export	0.385
Russia	0.510	0.435	0.369	0.397

(Source French Customs)

Consumption

General

French poultry meat production was 24 kg per person in 1997. In the last 25 years, poultry meat consumption has almost doubled. However, poultry meat still ranks third, after pork meat (35.2 kg/person/year) and beef meat (26.7 kg/person/year).

Poultry meat consumption in France (kg/person/year)

	1990	1995	1996	1997	average annual growth rate 90-97 (%)
Total Poultry	**21.3**	**22.9**	**23.7**	**23.4**	**+1.4**
Chicken	11.3	11.2	12.3	12.1	+0.9
Turkey	5.5	6.4	6.1	5.8	+0.8
Duck	1.8	2.6	2.6	2.8	+6.8
Guinea Fowl	0.9	0.9	0.9	0.9	0

(Source Ministry of Agriculture)

On average, it is estimated that every year, each French person eats 9 chickens (including 1.5 free range Red Label), 1 turkey, 1 duck, 1 guinea fowl and 2 kg of other poultry such as hen, goose, quail and pigeon. An increasing part of poultry meat is consumed either as parts or as value-added products.

Household poultry purchases in 1997

	market share 1997 (%)	annual growth (1996-97)
Chicken	**50**	**+2.2**
Whole	20	-5.7
free range	12	-0.4
standard broiler	8	-15.1
parts and value added products	18	+6.0
Turkey	**27**	**=**
parts	22	+0.9
breast	10	-0.7
legs	6	-5.6
Duck	**6**	**+1.2**
Guinea fowl	**4**	**-6.9**

(Source SECODIP)

About 55 percent of poultry meat is sold in super- or hypermarkets. Traditional butchers account for 23 percent and catering and restaurants for 22 percent. Catering purchases of poultry meat grew by 4 percent in 1996.

Consumption trends
According to various research institutes, poultry meat consumption in France is likely to increase further, with larger sales of poultry parts and value added products. Although the proposed CAP reform should lower beef prices, the high rate of unemployment and stagnant incomes in France are likely to sustain cheap poultry meat consumption. On the other hand, consumers will also be looking for luxury poultry products (such as capon, free range whole turkey and goose) for holidays seasons. Finally, analysts expect consumers to pay more attention to environmental and ethical criteria such as animal welfare. Growing sales of Red Label products reflect such concerns.

Trade

Export Trade Matrix			
Country:		Units:	MT
Commodity:			
Time period:	Jan-Dec		
Exports for	1997		1998
U.S.	22	U.S.	
Others		Others	
Germany	132844		
United Kingdom	123954		
Saudi Arabia	108660		
Russia	100541		
Belgium/Lux	92503		
Spain	68012		
Netherlands	37570		
United Arab Emirates	37556		
Yemen	33121		
Cuba	16563		
Total for Others	751324		0
Others not listed	199309		
Grand Total	950655		0

Import Trade Matrix			
Country:		Units:	MT
Commodity:			
Time period:	Jan-Dec		
Imports for	1997		1998
U.S.		U.S.	
Others		Others	
Belgium/Lux	43122		
Spain	22922		
Netherlands	20128		
United Kingdom	12202		
Germany	8906		
Italy	5404		
Hungary	3956		
Thailand	3381		
Ireland	1869		
Sweden	1239		
Total for Others	123129		0
Others not listed	3587		
Grand Total	126716		0

Chicken Meat trade matrices

Export Trade Matrix			
Country:		Units:	
Commodity:			
Time period:			
Exports for	1997		1998
U.S.	21	U.S.	0
Others		Others	
Saudi Arabia	122864		
United Kingdom	86309		
Germany	47344		
Russia	38229		
United Arab Emirates	37442		
Yemen	33116		
Spain	20828		
Belgium/Lux	20627		
Oman	19732		
Netherlands	13175		
Total for Others	439666		0
Others not listed	105789		
Grand Total	545476		0

Import Trade Matrix			
Country:		Units:	
Commodity:			
Time period:			
Imports for	1997		1998
U.S.		U.S.	
Others		Others	
Belgium/Lux	39773		
Netherlands	17257		
Spain	16969		
United Kingdom	9523		
Germany	7447		
Hungary	3590		
Thailand	3381		
Italy	2285		
Ireland	1676		
Total for Others	101901		0
Others not listed	1915		
Grand Total	103816		0

Turkey Meat trade matrices

Export Trade Matrix			
Country:		Units:	
Commodity:			
Time period:	Jan-Dec		
Exports for	1997		1998
U.S.		U.S.	
Others		Others	
Germany	83563		
Russia	62210		
Belgium/Lux	53084		
Spain	43743		
United Kingdom	36678		
Netherlands	19597		
Cuba	11546		
Austria	10722		
Benin	9200		
Greece	7581		
Total for Others	337924		0
Others not listed	49284		
Grand Total	387208		0

Import Trade Matrix			
Country:		Units:	
Commodity:			
Time period:			
Imports for	1997		1998
U.S.		U.S.	
Others		Others	
Spain	3312		
Italy	1826		
Belgium/Lux	1772		
United Kingdom	1253		
Israel	701		
Netherlands	682		
Germany	629		
Total for Others	10175		0
Others not listed	942		
Grand Total	11117		0

General

Close to 40 percent of French poultry production was exported in 1997 (2 birds out of 5). Net exports reached FF 7.15 billion (USD 1.2 billion). The EU remained the largest customer for French poultry. Between 1991 and 1996, French poultry exports to the EU grew by 150,000 MT. More than half of French exports (of which 60 percent were parts) to UK and Germany, the leading French export markets, were fresh or chilled.

Since 1993, French poultry exports to the Middle East have remained stagnant. The decrease in EU export restitutions as well as intense Brazilian competition lowered French competitiveness in this region. French export gains to United Arab Emirates, Oman, Yemen and Bahrein compensated for market share losses in Saudi Arabia (down 25,000 MT since 1994) and Kuwait.

The Former Soviet Union (FSU) and, to a lesser extent, Central and Eastern European (CEE) countries are buoyant markets for French poultry. France exports mostly low price poultry meat such as MDM turkey (52 percent of French exports to Russia), frozen broilers (35 percent) and chicken parts (8 percent). More than 60 percent of French poultry exports to the FSU region in 1997 did not benefit from any EU export restitution.

French poultry imports are rising steadily, with an annual growth rate of 13 percent for the past 10 years. Imports from third countries (less than 10 percent of total poultry imports) are essentially made up of low-price chicken or duck cuts for processing.

Preliminary data for the Jan-May period of 1998 show a 13 percent decrease in French poultry meat exports to the EU, a 17 percent increase in poultry meat exports to Russia and a 24 percent hike in poultry meat exports to the Middle East. This last figure is due to a surge in chicken meat exports to Iran (24,000 MT during the Jan-May 1998 period, from nil during the same period of 1997). Total poultry meat exports are down 1 percent from the same period in 1997, chicken meat exports are up by 1 percent and turkey meat exports are down by 8 percent.

Export Subsidies
French poultry exports benefit from EU restitutions. Such restitutions have been declining since 1993, as mandated by the Marrakesh Agreement. In 2001, only 286,000 MT of EU poultry exports will benefit from EU restitutions. While there are no direct French national subsidies for poultry exports, exporters can benefit from Credit Insurance provided by COFACE, which is decided on a case-by-case basis.

More info on COFACE on this website: http://www.coface.com/anglais/indexe.htm

Export strategy
France has a very competitive and export-oriented poultry industry and has built strong commercial ties with buyers in the Middle East region. For example, DOUX employs several Arabic staff, both in France and in the region. Such commercial ties can offset higher prices, as DOUX is often considered a trusted partner. French products meet the market`s demand for a small chicken (less than 1 kilo per bird); in fact, even if the price per kilo of French poultry is higher than Brazil’s, the price per chicken is lower.

French exporters also choose to diversify their products lines: instead of focusing solely on frozen whole broilers, they now export more and more MDM as well as processed products such as poultry sausages or offal. In fact, French poultry companies are now imitating the U.S. trend toward selling value-added products at a premium price within France and the EU while discounting legs, wings and offals on export markets. Such a policy lowers the need for export restitutions.

Marketing

Non-Tariff Barriers
Following a decree of 1961, France currently prohibits imports of US poultry for human consumption due to veterinary regulations banning imports from countries which include arsenic in poultry feed.

Eggs

PSD Table						
Country:	France					
Commodity:	Poultry, Eggs					
		1997		1998		1999
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1997		01/1998		01/1998
Layers	48	50	48	50	0	0
Beginning Stocks	213	213	213	0	213	0
Production	16350	16084	16450	16250	0	16400
Hatch Eggs, Imports	7	7	7	7	0	7
Shell Eggs, Imports	900	794	920	780	0	790
Other Imports	450	688	460	690	0	700
Intra EC Imports	1270	1274	1290	1265	0	1285
TOTAL Imports	1357	1489	1387	1477	0	1497
TOTAL SUPPLY	17920	17786	18050	17727	213	17897
Hatch Eggs, Exports	100	100	100	100	0	100
Shell Eggs, Exports	450	426	460	430	0	440
Other Exports	820	994	850	1020	0	1040
Intra EC Exports	1310	1180	1340	1210	0	1230
TOTAL Exports	1370	1520	1410	1550	0	1580
Hatch Eggs,Consumption	1380	1368	1400	1410	0	1450
Shell Eggs, Human	14810	14535	14880	14610	0	14710
Shell Eggs,OT.Use/Loss	7	212	7	7	0	7
Other Dom. Consumption	140	151	140	150	0	150
Total Dom. Consumption	16337	16266	16427	16177	0	16317
TOTAL Use	17707	17786	17837	17727	0	17897
Ending Stocks	213	0	213	0	213	0
TOTAL DISTRIBUTION	17920	17786	18050	17727	213	17897
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

Production
France is the largest EU egg producer with close to 19 percent of total EU egg production. Since 1980, French egg production has gone up and down, with an average annual growth of 1.2 percent during the period. After production decreases in 1996 and 1997, the increased number of laying hens at the beginning of 1998 foretold an increase in egg production in 1998.

Consumption
Consumption of French eggs reached a peak in 1988, with 269 eggs per person per year, and has been declining slowly (decreasing about 2 percent per year) to about 250 eggs per person per year in 1997, still making the French the largest consumers of eggs in the EU.

The production of egg products uses about 3,100 million shell eggs (20 percent of total domestic egg consumption). This figure has doubled in the last 10 years. About 70 to 75 percent of egg products are sold to the catering sector and 25 percent to the food industry. Only a negligible share of egg products are sold to households.

Household shell egg consumption is estimated at 7,500 million eggs annually, 70 percent through supermarkets sales. The food industry also accounts for approximately 1,000 million shell eggs yearly.

Free range and organic eggs account for 6 to 7 percent of total household purchases of shell eggs.

(Note: The difference between this figure and the above PS&D domestic consumption figures is due to losses, unaccounted uses and unavailable stock estimates)

Eggs Producing Companies
In 1996, three large companies produced and sold eggs on the domestic market: MATINES SA, GIE APPRO LUSTUCRU and L'OEUF DE NOS VILLAGES. Each of these companies had 3 to 5 million laying hens in production facilities nationwide.

There are three main French companies that specialize in egg products: GLON SA, EPI BRETAGNE and IGRECA. These companies have subsidiaries in other EU countries.

Trade
(Note: The trade matrices are on a MT, shell equivalent basis.)

Import Trade Matrix			
Country:		Units:	MT,Shell Egg equivalent
Commodity:			
Time period:	Jan-Dec		
Imports for	1997		1998
U.S.		U.S.	
Others		Others	
Belgium/Lux	15736		
Netherlands	14479		
Germany	13579		
Spain	9122		
Italy	9023		
United Kingdom	2487		
Portugal	1602		
Total for Others	66028		0
Others not listed	621		
Grand Total	66649		0

Export Trade Matrix			
Country:		Units:	MT, egg equivalent
Commodity:			
Time period:	Jan-Dec		
Exports for	1997		1998
U.S.	507	U.S.	
Others		Others	
Germany	14669		
Belgium/Lux	7944		
Switzerland	4776		
Japan	4281		
Netherlands	3674		
United Kingdom	3546		
Italy	1713		
South Korea	1151		
Spain	1060		
Total for Others	42814		0
Others not listed	1879		
Grand Total	45200		0

French egg trade is only a minor share of total French egg production. In 1996, for the first time since 1993, imports exceeded exports. This trend was repeated in 1997.

As in the previous year, the largest share of the trade is within the EU. Germany is the primary customer for French shell eggs, while the Netherlands and Belgium are France's primary shell egg suppliers. France imports mostly small size eggs for breaking.

French egg products trade was in net surplus in 1997. According to ITAVI, France purchases low cost products, such as liquid or frozen eggs, and exports high value products, such as dried yolk and albumin to EU countries as well as to other industrialized countries, such as Japan.

Despite GATT import quotas, France does not import from the U.S., due to high prices for U.S. eggs. There have been rumors of imports of U.S. eggs for breaking and processing through the inward processing and re-export regime. However, such practice has not been confirmed.