Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

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Market Brief - Sector
France : RETAIL FOOD SECTOR AND DISTRIBUTION CHANNELS

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Paris [FR1], FR

1. EXECUTIVE SUMMARY

All amounts shown in dollars are on the basis of US $1 = 5.60 FF

French retail food distribution is characterized by the importance of self-service stores which account for nearly 80 percent of food sales.

The French Government has restricted the development of hypermarkets for the last 3 years in favor of neighbourhood stores (supermarkets, superettes, small self-service and traditional stores).

Self-service shopping is characterized by a concentration of 10 groups who have organized their purchases through a number of central buying offices. These 10 deciding centers unite 500 buyers for all types of products, including food products.

French retail food sales represent around US $ 140 billion with an annual overall increase of over 1 percent.

Imported food products represent approximately US $ 22 billion and have increased by over 7.5 percent over the last 3 years. US imports have followed the same trend.

The main groups of imported foods are :
- agricultural products : fruit and vegetables, seafood products and wine
- processed food products :meat products, various grocery products, canned foods, cereal-based products, fats and milk products, alcoholic beverages.

Food distribution is included in the following types of businesses :

- Self service :
hypermarkets : areas over 2,500 m² : 1,105 stores on the outskirts of towns
supermarkets : areas over 400 m² : 6,077 stores on the outskirts, in town centers and rural zones
superettes, small self-service stores : areas less than 400 m² : 21,000 shops in town centers and rural zones
popular stores : areas over 400 m² : 318 stores exclusively in town centers
hard discount stores : areas of 300 to 1,000 m² : 2,171 stores in the outskirts, town centers or rural zones.
These sales outlets account for around 80 percent of food sales.

- Traditional stores :

non-self-service groceries : 17 000 shops
other specialized businesses : 31 000 shops (meat, fruit & vegetables, wines and alcoholic beverages)
craftsmen (bakers, delicatessens ...) : 54 425 shops open markets : 19 750 stall-holders

These sales outlets are all established in town centers.

- Cash and carry : normally reserved for businesses : 300 shops on the outskirts of towns

Food consumption increases slowly in France, over 1 percent per year in value.

The portion of the household budget spent on food has decreased by 1 percent in the last 5 years.

The decrease in French household budgets for food expenses results mainly from an important change in dietary habits. Lower consumption of high energy (high-fat) foods, pursuit of a balanced diet and reduction in the consumption of a certain number of expensive products, such as meat.

The important number of single households in large towns and childless couples linked to the important place of women in the work force has led to the development of fast foods (ready-cooked meals, fast-cooking products etc.) and individual servings.

The importance of a population of diverse origins and the preference among the younger generation for variety has intensified the development of ethnic foods (Chinese, Tex-Mex, North African, Indian etc.). There is a need for these products and recipes to be understandable and easily made.

At the same time, the popularity of rural products of high quality is increasing. Two tendencies co-exist: attention to cost for daily products and a concern for quality.

Food products must meet these expectations : economy, variety, quality, practicality and the concern with quality is showing up as growing suspicion of food additives and genetically modified products.

Finally, the euro will facilitate access of central buying offices to foreign suppliers situated in the euro zone and imports could grow. However, the arrival of the euro could slow commercial sales, in particular affecting sales of middle-of-the-range products for which the price differential will not be large enough, for either the upmarket or for the major brand products.

French **Socioeconomic facts :**

- Number of households: 23 million households and 59 million inhabitants

- Working population over 15 years old in France (1996): 25.6 million
  of which: 11.5 million are women
  Breakdown by socio-professional groups (population over 15 years old) :

farmers:	2.2 percent
craftsmen, businesses, company managers:	4.0 percent
management and professional intellectuals:	5.9 percent
intermediary professionals:	10.3 percent
employees:	15.1 percent
tradesmen:	16.6 percent
retired people:	20.1 percent
non-working population (unemployed, students etc.)	25.9 percent

- Household equipment :

refrigerators:	over 98 percent of households
freezers:	nearly 50 percent of households
microwave ovens:	nearly 50 percent of households

- Incomes/inhabitant : USD 15,268 per year an increase in purchasing power 1995/94: over 0.4 percent of which for food expenses: 18 percent expected to be only 14 percent in 2010 (inflation rate 98/97: under 1 percent)

- French urban areas with more than 500,000 inhabitants :

PARIS	9,300,000 inhabitants
LYON	1,260,000 inhabitants
MARSEILLES - AIX EN PROVENCE	1,230,000 inhabitants
LILLE, BORDEAUX, TOULOUSE, NICE, NANTES	between 500,000 and 1 million inhabitants

2. SWOT ANALYSIS

Advantages : sector strengths and market opportunities
Challenges : sector weaknesses and competitive threats

Advantages	Challenges
French high living standards : income per capita close to USA.	The percentage of income spent on food is constantly decreasing.
Imports concern specific products which are not produced or manufactured in France.	France is a strong producer of food products.
Food is important in French culture.	Critical view of new products and US image is not always good such as genetically modified products.
Stronger interest in foreign tastes and products e.g. Tex-Mex, Louisiana, Californian	Need to adapt to French tastes and habits (3 course meals).
Presence of US type meals : introduction to new products (hamburgers, sauces, desserts).	US food products are not always seen as being good quality (taste, preservatives and additives).
Importance of hyper- and supermarkets of which 10 groups and central buying offices control nearly 80 percent of food sales. A single agreement may be enough to reach a good sales volume.	Price war and strong pressure on suppliers : - entrance fee to be paid and pressure on prices; - need to adapt to the strict policies of each buying office : purchasers are pompous and not very co-operative; - heavy logistical constraints with the need to deliver directly to regional depots. Heavy penalties in case of supply disruptions; - ISO norms will become inevitable.
Development of foreign product lines in hyper and super markets.	Sales and margins must be quickly attained by the distributors.

The hyper- and supermarket groups have overseas subsidiaries which have links to local suppliers.	Search for more distributor brand products : the supplier doesn't have any power in the marketing of the products. Risk of sudden loss of important volumes if it doesn't please.
Today, the decline in small businesses has stopped and allows a flexible approach by the wholesalers.	Development of groups of small independent businesses who are contractually supplied by hyper and supermarket central buying offices.
Wholesalers as well as importers are grouping together so as to be more efficient.	They are going to take fewer risks: they will buy what is already shown to sell. They create a screen between the supplier and the retailer.
Presence of wholesalers and specialized importers of frozen products, fruits and vegetables, seafood, meat and poultry, who are often essential for logistical reasons.	The large distribution groups are developing their own import and supply subsidiaries, independent from the current wholesalers and importers.
Known customs, control, tariffs, labelling requirements.	Importance of labelling in French according to current codes and practices. Necessity of labelling with information not required in the U.S.

3. CONSUMPTION OF MOST IMPORTANT PRODUCTS

This table shows the amount in USD of food consumption by main groups of products. The total amount of food purchases by French households is USD 140 billion. Increase is around + 1 percent or more per year on average. The share of imports is around USD 22 billion.

Food consumption in France - 1994 to 1997 - by large groups of products, by value

In $ million (USD 1 = 5.60 FF)

	1994	1995	1996	1997
Bread and cereals	15,778	16,075	16,649	16,937
Meat	36,478	36,986	36,891	38,151
Fish	6,871	6,990	7,110	7,321
Milk, cheese and eggs	17,116	17,400	17,702	18,138
Oils and fats	4,022	4,005	4,105	4,217
Fruit and vegetables (except potatoes)	16,124	16,403	16,673	16,766
Potatoes and other root crops	1,561	1,806	1,528	1,524
Sugar	650	660	654	644
Coffee, tea	2,298	2,816	2,904	3,006
Other food products including sweets	12,594	13,015	13,143	13,548
Non alcoholic drinks	4,568	4,898	5,039	5,263
Alcoholic drinks	15,453	15,891	16,271	16,583
TOTAL	133,513	136,945	138,669	142,098

Source : INSEE, Consommation - Modes de Vie NE 95-96 - Household Consumption 1997

Dynamic growth products, volume :

The following table indicates the average quantities consumed per person (in kg) and the increase over 25 years in products for which consumption has increased dramatically.

In kg/person

	1970	1995	percent change
Fresh vegetables	70.44	89.68	+ 27 %
Poultry	14.20	22.60	+ 59 %
Eggs	11.53	15.50	+ 34 %
Seafood	9.93	16.44	+ 65 %
Cheeses	13.81	18.44	+ 33 %
Yogurts	8.56	17.36	+ 200 %
Wines	8.03	25.48	+ 317 %
Mineral waters	39.90	108.19	+ 271 %

Source : INSEE: Table of French Economy - 1997/98

This table details the value of consumption of products which could be most interesting for US exporters.
Importance of consumption, value - 1994 to 1997

In $ million (US $1 = 5.60 FF)

	1994	1995	1996	1997
Tropical fruits	1,065	1,055	957	1,022
Non tropical fruits	5,617	5,917	5,963	6,020
Dried vegetables	177	174	180	182
Delicatessen meats and preserved meats	11 885	12,064	12,306	12,800
Poultry, game, rabbit	5,978	6,063	6,479	6,865
Seafood	4,319	4,440	4,458	4,605
Canned fruits and jams	784	781	794	820
Canned vegetables	1,907	1,925	1,940	1,888
Canned fish	2,552	2,549	2,652	2,716
Cooked meals	3,808	3,853	4,032	4,170
Condiments, vinegars, prepared sauces	1,003	1,053	1,105	1,134
Cheeses	6,845	6,975	7,088	7,244
Biscuits, dried breads, industrial pastries	3,067	3,174	3,330	3,350
Dietary foods and baby foods	995	1,063	1,105	1,120
Chocolates and confectionery	5,177	5,392	5,481	5,691
Ice cream	2,028	2,113	1,915	1,928
Fruit and vegetable juices	964	1,084	1,116	1,169
Beer	1,257	1,249	1,268	1,268
Wines	7,802	8,135	8,500	8,688
Brandies	1,762	1,785	1,828	1,824

Source : INSEE, Consommation - Modes de Vie NE 95-96 - Household Consumption 1997

4. FRENCH IMPORTS OF FOOD PRODUCTS

The following table shows the level of French imports by groups of food products and shows :

- the dominant place of imports from the European Union : nearly 68 percent (value) in 1997; the position of imports from the United States : nearly 3 percent in 1997, a slight increase compared to 1995.

FRENCH IMPORTED FOOD PRODUCTS
In $ million (US $1 = 5.60 FF)

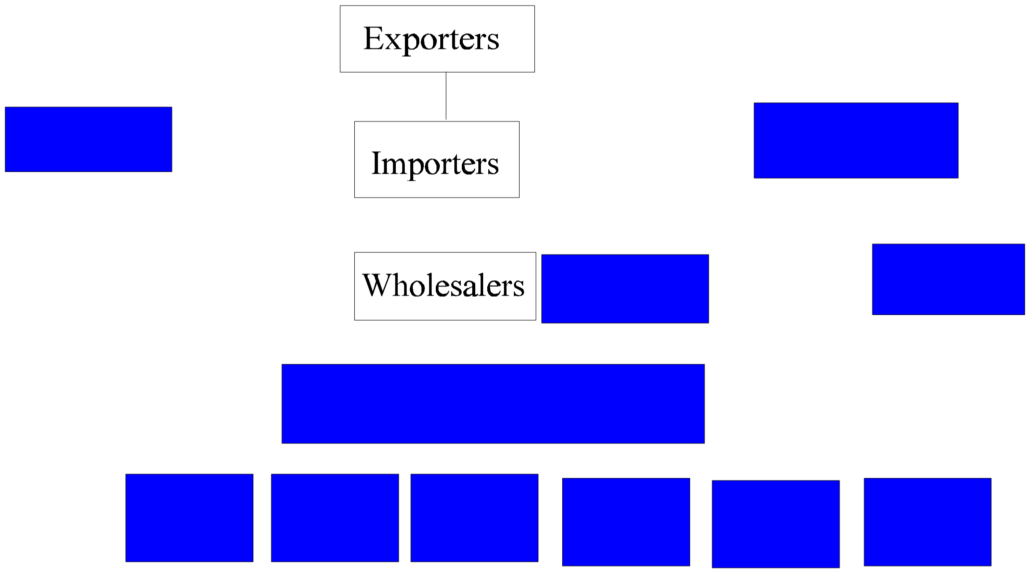
	1995			1996			1997		
	Total imports	From EU	From USA	Total imports	From EU	From USA	Total imports	From EU	From USA
Agricultural products	9,944	4,792	411	9,818	5,053	428	10,369	5,225	450
of which: Fruit and vegetables	2,826	1,876	114	2,919	1,913	148	2,988	2,029	145
Wines	447	393	3	478	442	4	518	465	7
Sea food	1,419	703	30	1,536	788	38	1,645	827	34
(fish, shellfish, crustaceans)									
Farm produce industry products	19,107	14,810	398	19,457	15,020	378	20,536	15,760	426
of which: Meats and canned	3,952	3,476	48	3,609	3,093	55	3,621	3,088	44
meats	2,091	1,954	4	2,002	1,872	3	2,096	1,946	3
Milk and milk products									
Canned foods	2,827	1,489	75	2,832	1,476	77	3,000	1,543	90
(other than meat)	2,095	1,824	119	2,281	1,960	104	2,431	2,098	95
Cereal based products	1,782	983	29	2,070	1,087	23	2,320	1,209	47
Food fats	346	85	1	266	122	2	269	139	3
Sugar									
Other food products	2,888	2,348	27	3,005	2,452	26	3,212	2,612	34
(confectionery, coffee, tea, spices,									
non alcoholic drinks, honey,	2,941	2,582	78	3 210	2,879	74	3,370	3,032	93
sauces									
Alcoholic drinks (beers, alcohols, except wines) and tobacco (1)									

Source : Ministry of the Economy : Customs Office

(1) according to the retail association, tobacco represents 50 percent of these amounts
Imports from the USA of basic products such as cereals or dairy products have decreased because these are product categories where European industries are more competitive. On the other hand, higher-value products, such as canned foods, fats and various exotic products are on the increase.

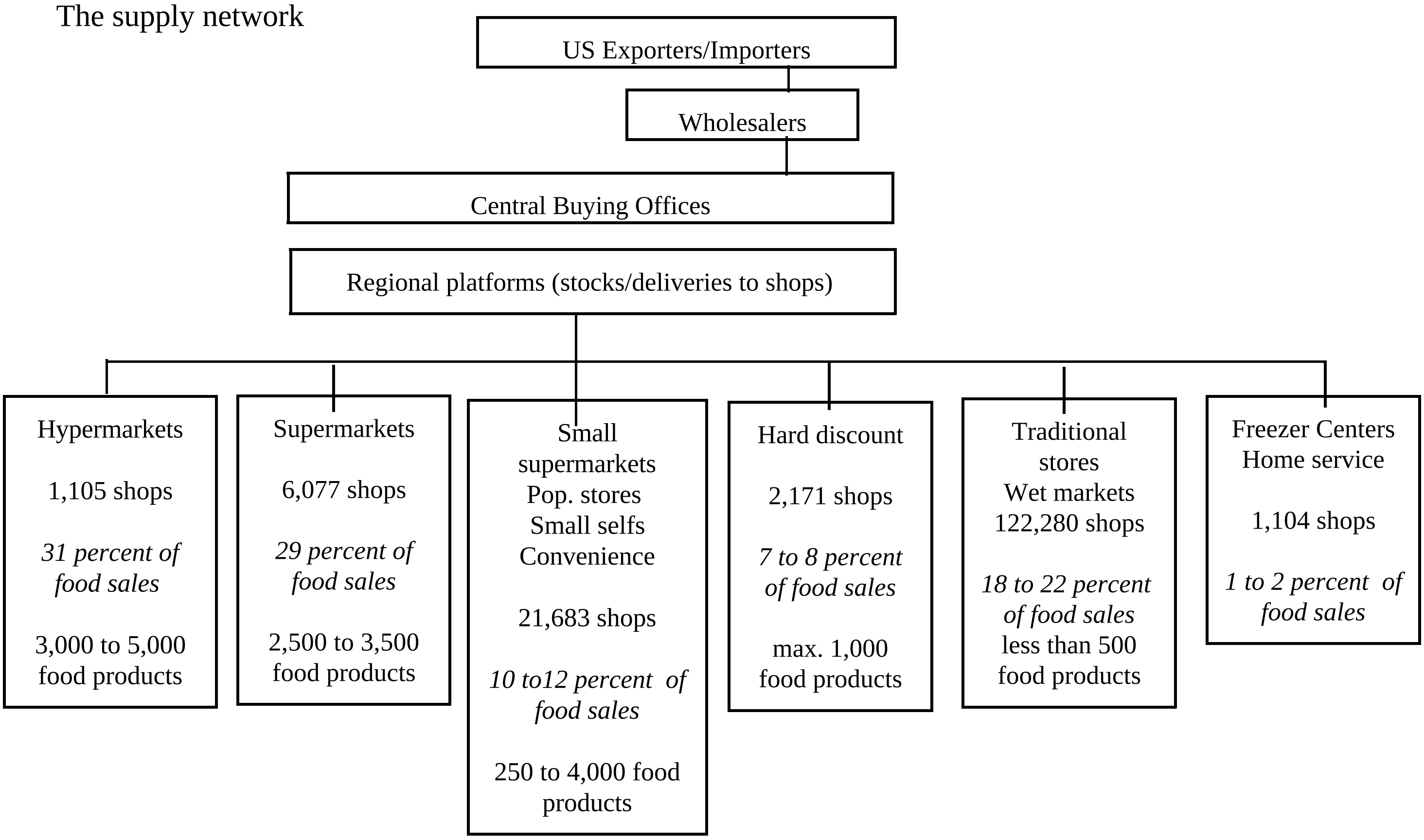
5. FOOD DISTRIBUTION

Food retail chart:



French food distribution is characterized by modern retailing (hypermarkets, supermarkets, self-service stores) and the concentration of suppliers within a group of about 10 central buying offices linked to one or more retail chains.
For imported products, the supply circuit for self-service stores differs. For general consumer products, purchases are carried out directly by the central buying offices. For rarer products or niche market products, purchases are made through a wholesaler.
These policies concern both grocery and frozen foods. Fresh food products are almost always handled by a wholesaler or MIN (Wholesale Market of National Interest).

The supply network



5.1 - Large and medium sized stores : hyper and supermarkets

- Self-service stores, whose supplies are concentrated in around 10 central buying offices, account for nearly 80 percent of food sales in France.

Nearly 90 percent of the French regularly do their shopping in self-service stores.

Hyper and supermarkets account for 60 percent of food sales in France.

- Hard discounters are on the increase and today represent around 8 percent of food sales, either with their own brands or with sub- or foreign brands.

- Modern business is concentrated : around 10 groups supplying more than 40 chains.

- Popular stores, even though they are not very important in terms of sales volume of food products, due to their position in the town center, in particular in Paris, represent favorable opportunities for original imported products. All of these popular stores belong to the Monoprix - Prisunic group.

- Some large department stores, not included here due to their small numbers and very small proportion of food sales, have a food department often with an up-market grocery range which could present real opportunities for original products e.g. The Fine Grocery Department at Bon Marché (Paris), Lafayette Gourmet (Paris).

- Government measures to stop the development of very large stores (hypermarkets) should benefit the neighbourhood stores (traditional and self service). This law (Raffarin) has virtually frozen the opening of any new hypermarkets for the last 3 years.

- The interest of consumers, mainly the young adult generation, in original or special foreign culinary products is evolving and distributors have important lines of these specialities, some of which are linked to the North American culture : Tex-Mex, sauces and condiments, cereals, biscuits, confectionery, beers, wines.

- Note should also be made of the organic products, although sales still represent a small percent of total consumption.

- All the large and medium-sized general food stores (hypermarkets, supermarkets and popular stores) have a permanent gourmet grocery section in which regional or upmarket products are found as well as a large number of imported products.

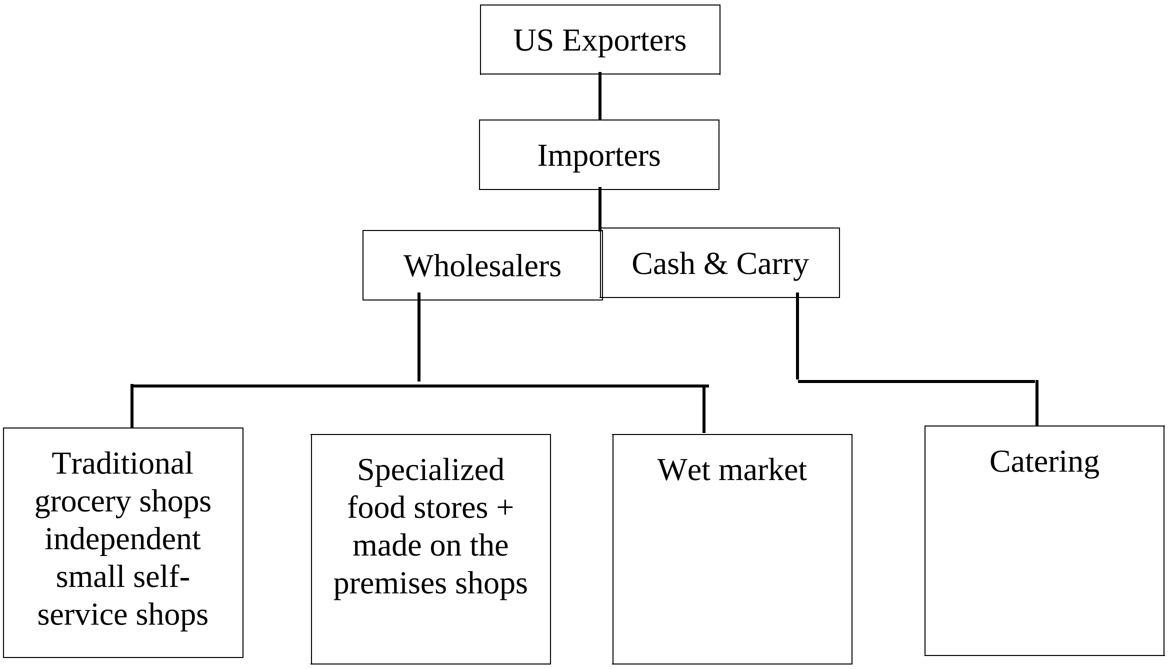
- The organization of the sales areas in hyper- and supermarkets into homogenous food sections by type of product (or time of consumption) may favor imported products by associating them directly with usual, widely-consumed products and no longer placing them in the less-active speciality sections.

- Note should be made of the large development in France of distributor home brands which represent nearly 23 percent of food sales, all products combined. For some groups of products, penetration may reach as much as 50 percent of the sales of this group.

- The development of distributor home brands handled by the big central buying offices encourages more and more distributors to look for additional foreign product sources with whom they can enter into contracts for products under the distributor brand name. This tendency concerns mass market and industrial products. Organic, fresh niche market products are still marketed by importers and wholesalers.

- The French distribution groups have subsidiaries in the principal European Union countries and in third countries in Asia, North America and South America. These establishments may serve as a relay for supplying French shops with local products. The distribution groups, thereby, act as importers. A distribution group's choice to act as an importer depends on the group's strategy or the origin of the desired products.

5.2 - Small retail shops



Small shops make up 18 to 20 percent of household food sales.

The 480,000 specialized, traditional shops include butcher, fruit and vegetable, dairy products, with fish shops as well as drink and grocery stores.

Today, there are around 17,000 independent grocers.
The number is on the decline although there is a slight increase in small shops in town centers.

Made-on-premises businesses include bakers and delicatessens who manufacture and sell a large part of their products, playing the role of grocer to complement their other activities.

Wet markets sell mostly fresh products.

Supplies for small shops are bought through the wholesalers and even through central buying offices (e.g. Promodès). To a lesser extent, they are bought through cash and carry stores. Fresh products (vegetable, fruit, fish, meat, cheeses) are supplied by wholesalers within the MIN (Market for National Interest), direct sales from the farms are rare.

It is in this section that two luxury grocery brands are found i.e. Fauchon and Hédiard. These two specialty gourmet stores in downtown Paris offer a large variety of food products from all countries.

6 - COMPETITION

An analysis of the situation and the potential for food imports into France must be placed in the French context, which is virtually unique in Europe :

- France is a major producer of a wide range of agricultural and food products. It meets nearly 90 percent of its own needs and is a major exporter.
- The major part of its imports, more than 65 percent, comes from EU countries.
- Distribution is concentrated around 10 groups, with a very heavy concentration of hypermarkets. The 1,100 hypermarkets account for 30 percent of French food sales, a small number of buyers have significant power over markets and suppliers.
- Development of distributor home brands, a phenomenon whose importance is relatively new in France and which changes the relation supplier/distributor.

Export strategies should be different for mass-market products and for original or niche-market products.

For the mass-market consumption products, factors favoring imports would be :

- tropical products : fruits, rice, exotic nuts, lychees, grapefruit, ostrich meat, and tropical products;
- out-of-season products, i.e. normal fruits and vegetables but out of season in France : fruits (strawberries, cherries, grapes), green vegetables;
- enlarging the classical range of products by foreign recipes or products : wines (from California), fruit juices (from Florida), ice creams, cheeses, cold meats, breakfast cereals, biscuits;
- products for which French production is insufficient : fish, shellfish, oils.

For these products, distributors focus their attention on :

- the reliability of supply : quantities and availability, quality;
- the reliability of foreign suppliers as well as importers, financial guarantees and respect of eventual terms and conditions;
- competitiveness of prices, taking into account customs levies for third parties.

For original or niche products, favorable factors are :

- consumer demand for typical or different products : US ice creams, maple syrup, sauces and seasonings, sweet and savoury biscuits (tacos, cookies), alcohols and cocktails;
- the strategies of major distributors, who may want to build their image as food specialists by enlarging the range of products available, and increasing their margins by avoiding products for which sales competition is intense.

Original or niche products must justify their viability in the relatively short term, and their capacity to generate minimum sales volumes. Otherwise, contracts will not be renewed. This implies that the supplier/importer must ensure product marketing and promotion through advertizing, press relations, consumer sampling.

At this stage, the choice of local partners (importers, agents, brokers) is fundamental, distributors expect follow through and reliability.

Concerning the seriousness of suppliers, US companies benefit from this, compared to less-developed country suppliers.

7- ORGANIZATION OF THE LARGE DISTRIBUTION GROUPS

AUCHAN GROUP : 1997 turnover USD 30 billion

National Central Buying Office bought for :

AUCHAN hypermarkets :	120 stores
ATAC Supermarkets :	303 stores
ECO SERVICE Superettes :	591 stores

CARREFOUR GROUP : 1997 turnover USD 36 billion
3 Buying Offices :

CARREFOUR FRANCE bought for :

CARREFOUR hypermarkets: 131 stores

ERTECO bought for :

ED MARCHE DISCOUNT: 234 stores
(hard discount supermarkets)
ED L'EPICIER superettes: 138 stores

PICARD FROZEN FOODS: 321 stores

COMETCA - best price referencing centre for:

CARREFOUR FRANCE and ERTECO (see following information)

CASINO GROUP: 1997 turnover USD 16 billion

National Central Buying Office bought for :

CASINO stores :

GEANT hypermarkets :	108 stores
CASINO supermarkets :	432 stores
PETIT CASINO :	2 233 stores
SPAR superettes :	470 stores

BAUD/LEADER PRICE DISTRIBUTION:

LEADER PRICE : 288 stores
FRANPRIX supermarkets : 383 stores

FRANCAP Central Buying Office :

COCCINELLE supermarkets : 400 stores
COCCIMARKET superettes : 200 stores

MONOPRIX/PRISUNIC : 301 stores

COOPERATEURS DE NORMANDIE PICARDIE :

LE MUTANT hard discount supermarkets : 179 stores

COMETCA Central Referencing Office for best price products

Acts for :

CARREFOUR FRANCE
ERTECO — see previous information
PICARD FROZEN FOODS
METRO FRANCE
COMPTOIRS MODERNES
- STOCK supermarkets : 449 stores
- COMOD superettes : 242 stores
- MARCHE PLUS superettes : 57 stores

CORA GROUP :

LOCEDA National Buying Office bought for :

- CORA hypermarkets : 57 stores
- MATCH supermarkets : 140 stores

GALEC 1997 turnover USD 30 billion

National Central Buying Office for LECLERC Group bought for :

- CENTRE LECLERC hypermarkets : 376 stores
- CENTRE LECLERC supermarkets : 132 stores

ITM ENTERPRISES 1997 turnover USD 30.5 billion

National Central Buying Office for INTERMARCHE Group bought for :

INTERMARCHE hypermarkets : 85 stores
INTERMARCHE supermarkets : 1,573 stores
ECOMARCHE supermarkets : 297 stores

RELAIS DES MOUSQUETAIRES superettes	:635 stores
CDM hard discount superettes :	165 stores
PROCOMARCHE cash and carry :	23 stores

PROMODES GROUP 1997 Turnover USD 30.6 billion

CAP National Central Buying Office with 3 branches :

LOGIDIS for :

CONTINENT hypermarkets	86 stores
CHAMPION supermarkets :	535 stores

PRODIS for :

SHOPI supermarkets :	624 stores
CODEC supermarkets :	98 stores
8 à HUIT superettes :	769 stores
PROXI SERVICE superettes:	1,016 stores

GENEDIS for :

PROMOCASH cash and carry :	130 stores
PRODIREST cash and carry :	40 stores

SYSTEME U 1997 turnover USD 11 billion

National Central Buying Office bought for :

HYPER U hypermarkets :	34 stores
SUPER U supermarkets :	546 stores
MARCHE U supermarkets :	196 stores

8 - RETAIL CHAINS

8.1 - Hypermarkets, Supermarkets and popular stores

On average food sales represent :

- 56 percent of turnover of hypermarkets
- 73 percent of turnover of supermarkets
- 55 percent of turnover of popular stores

For the classification by order type of shops, please contact:

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When requesting these lists please make reference to this report.

8.2 - Superettes, small self-service and convenience stores

Food sales represent nearly 90 percent of turnover of superettes and small self-service stores.

Classification according to size of shop in descending order T/O : In billions of $ - US $ 1 = 5,60 FF

Name and type of store	Owners	Chain Turnover 97	Number of shops	Zone covered and establishment	Purchases

PETIT CASINO superette	French CASINO Group	1.1	2,233	All of France - Town center - Rural	National Central Buying Office of CASINO Group
PROXI SERVICE superette	French PROMODES Group	n/a	1,016	All of France - Rural	National Central Buying Office of PROMODES Group (CAP)
8 A HUIT superette	French PROMODES Group	0.6	769	All of France - Town center - Rural	National Central Buying Office of PROMODES Group (CAP)
RELAIS DES MOUSQUETAIRES superette	French Group of independents (ITM Enterprises)	n/a	635	All of France - Town center - Rural	National Central Buying Office (ITM Enterprises)
ECO SERVICE superette	French AUCHAN Group	n/a	591	All of France - Town center - Rural	National Central Buying Office of AUCHAN Group
SPAR superette	French SPAR FRANCE (65 percent CASINO)	0.3	470	All of France - Town center - Rural	National Central Buying Office of CASINO Group
COMOD superette	French COMPTOIRS MODERNES Group (CARREFOUR 23 percent)	0.5	242	All of France - Town center - Rural	National Central Buying Office (COMPTOIRS MODERNES), linked to COMETCA
COCCIMARKET superette	French FRANCAP DISTRIBUTION	n/a	200	All of France - Town center - Rural	National Central Buying Office (FRANCAP DISTRIBUTION) subsidiary of CASINO
MARCHE PLUS superette	French COMPTOIRS MODERNES Group (CARREFOUR 23 percent)	0.1	57	All of France - Town center - Rural	National Central Buying Office (COMPTOIRS MODERNES), linked to COMETCA

Source : Panorama - Points de Vente 1999 , Atlas - LSA 1998

* Convenience stores are not yet an important phenomenon in France. The 8 à HUIT chain (PROMODES) will be established in 100 BP/MOBIL petrol stations over the next 3 years in urban zones with small food self-service stores.

  The number of convenience stores in 1998 : 367 with an estimated 1997 turnover of US $ 180 million

8.3 - Hard discount stores

Food sales represent around 80 percent of turnover in hard discount stores.

Classification according to total number of shops in descending order T/O : In billions of $ - US $ 1 = 5,60 FF

Name and type of store	Owners	Chain TO 97	# of shops	Zone covered and establishment	Purchases
LIDL supermarket	German LIDL UND SCHWARTZ Group	n/a	643	All of France - Outskirts of towns	National Central Buying Office
ALDI supermarket	German ALDI Group	n/a	356	North, East, Paris area, south-east - Outskirts of towns	National Central Buying Office
LEADER PRICE supermarket	French BAUD CASINO Group	n/a	288	All of France - Town center - Outskirts of town	National Central Buying Office (BAUD) linked to CASINO
ED LE MARCHE DISCOUNT supermarket	French ERTECO CARREFOUR Group	n/a	234	Paris area, South, Rhône Alpes - Outskirts of town	National Central Buying Office (ERTECO) linked to COMETCA
LE MUTANT supermarket	French LE MUTANT SA (COOPERATEURS NORMANDIE PICARDIE 95 pct)	n/a	179	All of France - Outskirts of towns	National Central Buying Office (LE MUTANT SA), subsidiary of CASINO
CDM superette	French Group of independents (ITM Enterprises)	n/a	165	All of France - Town center - Rural	National Central Buying Office (ITM Enterprises)
ED L'EPICIER superette	French ERTECO CARREFOUR Group	n/a	138	Paris area, South, Rhône Alpes - Town center	National Central Buying Office (ERTECO), linked to COMETCA

Source : Panorama - Points de Vente 1999 , Atlas - LSA 1998

Today, around 18 percent of supermarkets in France are hard discount stores. The 1997 turnover is estimated at around US $ 9.3 billion, which is more than combined turnover of superettes and small self service stores (US $ 8 billion), turnover is rising by nearly 8 percent per year. Opportunities may exist for cheap imported products such as orange juice, corn, cereals, peanuts and certain alcohols (Bourbon).

The clientele, contrary to what one might think, consists not only of the economically poor, but is from all socio-economical classes, according to the economic profile of the area where the store is established. One out of two households uses this type of shop today.

8.4 - Cash and Carry stores

Classification according to total number of shops in descending order
T/O : In billions of $ - US $ 1 = 5,60 FF

Name and type of store	Owners	Chain TO 97	# of shops	Zone covered and establishment	Purchases
PROMOCASH food cash and carry	French PROMODES Group	1	130	All of France - Outskirts of towns	National Central Buying Office of PROMODES Group (CAP)
METRO cash and carry	German METRO FRANCE (CARREFOUR 20 percent)	3.2	63	All of France - Outskirts of towns	National Central Buying Office (METRO FRANCE) linked to COMETCA
PRODIREST food cash & carry	French PROMDES Group	0.7	40	All of France - Outskirts of towns	National Central Buying Office PROMODES Group (CAP)
PROCOMARCHE cash and carry	French Group of independents (ITM Enterprises)	n/a	23	All of France - Outskirts of towns	National Central Buying Office (ITM Enterprises)

Source : Panorama - Points de Vente 1999 , Atlas - LSA 1998

Cash and carry stores are wholesalers who sell to shop owners, caterers and restaurants. There are around 300 in France, located close to towns.

9 - RUNGIS INTERNATIONAL MARKET

The wholesale market at Rungis just outside of Paris groups together the traditional trade between suppliers and clients and complementary services : meat and cheese cutting, ripening, storage, packaging, health controls, logistics etc.

The market covers 5 product sectors : fruit and vegetables, meat products and preparation, seafood products, dairy and catering products (delicatessen, wines etc.), horticultural products.

Next to the product sectors, the business center groups together the service companies to meet all business needs.

The wholesale international market at Rungis is the most important fresh product market in the world. The annual turnover is around US$12 billion. Its coverage area supplies around 12 million consumers.

10 - FROZEN FOOD CHANNELS

Frozen food channels are organized as follows :

Production/Import		100 percent
Multi-specialist Groups :	29 percent	
SME Specialist Groups :	34 percent	
Importers :	37 percent	
Wholesalers and logistical interface		100 percent
Integrated platforms :	30 percent	
Logistic's providers :	28 percent	
Direct producers :	4 percent	
Frozen food wholesalers :	29 percent	
Multi-specialist wholesalers :	7 percent	
Cash and carry :	2 percent	
Retail distribution		100 percent
Self-service distribution :	38 percent	
Freezer centres :	6 percent	
Home sales :	9 percent	
Others :	<1 percent	
Away from home catering :	47 percent	
(commercial caters : 19 percent)		
(collective : 27 percent)		
(Open air : 1 percent)		

Sources : Stratega

Shops specializing in frozen foods

Food sales represent 97 percent of turnover of shops specializing in frozen foods.
The main chains are :

Classification according to the total number of shops in descending order :in US $ billions, US $1 = 5,60 FF

Name and type of store	Owners	Chain TO 97	# of shops	Zone covered and establishment	Purchases
PICARD SURGELES	French (CARREFOUR 79 %)	0.4	321	All of France - Town center	Central Buying Office COMETCA
GEL 2000	French	0.2	311	All of France - Town center - Outskirts of towns - Shopping centers	
FRIO SURGELES	French MEIJAC (ODIAL 99 %)	n/a	75	North, Paris and Paris area, South, South-East - Town Center - Outskirts of towns	

Source : Panorama - Points de Vente 1999 , Atlas - LSA 1998

Shops specializing in frozen foods account for around 12 percent of retail sales of frozen foods (71 percent of sales take place in large general food stores, the remaining 17 percent through Home Service sales).
Nearly 95 percent of French households buy frozen foods and 85 percent buy ice creams.

11 - CONTACTS

11.1 - Central Buying Offices, hyper, supermarkets, superettes and self-service stores

To obtain the contact lists for Central Buying Offices, Hyper and Supermarkets, Superettes and Self-service Stores, please 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
E-Mail: fasparis@compuserve.com

When requesting these lists please make reference to this report.

11.2 - Department Stores

11.3 - Importers of Sweet and Savoury Canned Foods

To obtain the list of contacts for Department Stores and Importers, please 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
E-mail: fasparis@compuserve.com

When requesting these lists please make reference to this report.

11.4 - Fresh Products

Wholesale National Interest Markets (M.I.N.)

PARIS :	Marché d'Intérêt National, 1 rue de la Tour - 94150 RUNGIS Complexe Tel. 33.1.41.80.80.81 Internet : www.rungisinternational.com
AGEN :	Sté Lot et Garonne d'Exploitation du marché d'Intérêt National (SO.LO.GE.MIN) Marché Gare - 47000 AGEN Tel 33.5.53.96.44.67 Fax 33.5.53.68.36.81
ANGERS :	Marché d'Intérêt National, Avenue Jean Joxé - 49000 ANGERS Tel 33.2.41.31.1919
BORDEAUX :	Marché d'Intérêt National, Quai Paludate - 33800 BORDEAUX Tel 33.5.56.85.52.75 Fax 33.5.46.49.66.65
CAVAILLON :	Marché d'Intérêt National, 84300 CAVAILLON Tel 33.4.90.78.75.00 Fax 33.4.90.78.75.09
GRENOBLE :	Marché d'Intérêt National 117 rue des Alliés - 38100 GRENOBLE Tel 33.4.76.09.58.45
LILLE :	Marché d'Intérêt National, 1 rue des Fusillés - 59160 LOMME Tel 33.3.20.92.45.15 Fax 33.3.20.93.00.32
LYON :	Société de Gestion du Marché d'Intérêt National de Lyon (SO.GE.LY) 34-36 rue Casimir -PERIER - 69297 LYON Cedex 02 Tel 33.4.78.42.58.67 Fax 33.4.78.42.53.99
MONTPELLIER :	Sté du marché d'Intérêt National de Montpellier, 281 avenue du Marché de la Gare 34047 MONTPELLIER Cedex 01 Tel 33.4.67.9229.60
NANTES :	Marché d'Intérêt National, 58 boulevard Gustave Roch - 44000 NANTES Tel 33.2.51.72.90.50 Fax 33.2.51.72.90.51
NICE :	Marché d'Intérêt National, Saint Augustin, 1 route de Grenoble - 06296 NICE Cedex 3 Tel 33.4.92.29.75.75 Fax 33.4.92.29.75.99
ROUEN :	Marché d'Intérêt National, avenue du Commandant Bicheray - 76000 ROUEN Tel 33.2.35.89.30.89 Fax 33.2.35.07.52.14

STRASBOURG : Marché d'Intérêt National (S.A.M.I.N.S., rue Marché Gare - 67200 STRASBOURG
Tel 33.3.88.27.09.09 Fax 33.3.88.26.00.42

TOULOUSE : Marche d'Intérêt National , 146 avenue des Etats-Unis - 31200 TOULOUSE
Tel 33.5.61.47.68.48 Fax 33.5.61.57.39.54

M.I.N. Rungis : Importers/exporters (examples)

FRUIT AND VEGETABLES : AGRUPRIM, 8 avenue de Bourgogne - 94150 RUNGIS Complexe
Tel 33.1.56.30.10.10 Fax 33.1.45.60.09.22 Telex : 265.084

COMPAGNIE FRUITIERE DE RUNGIS, 1 cours d'Alsace - 94150 RUNGIS Complexe Tel 33.1.41.80.35.35 Fax 33.1.45.60.99.51

SEA FOOD PRODUCTS : DEMARNE FRERES, 5 rue des Claires - 94150 RUNGIS Complexe
Tel 33.1.45.60.80.80 Fax 33.1.45.60.96.99

MEAT PRODUCTS : STE L.A.G. (LEMAIRE AUDOIRE GUIRAUDOU) 2 rue Salers 94150 RUNGIS Complexe
Tel 33.1.41.73.29.00 Fax 33.1.46.87.30.08

STE POMMIER TREPIN, 29 rue des Déchargeurs - 94150 RUNGIS Complexe
Tel 33.1.46.86.63.00 Fax 33.1.45.60.01.72 Telex : 265.786

11.5 - Importers and wholesalers of frozen products

DAVIGEL - B.P. 41 - 76200 Dieppe Tel 33.2.35.04.76.00 Fax 33.2.35.40.14.31
Buying Officer : Mr MEURIC

POMONA - 21 rue du Pont neuf - 75039 PARIS Cedex 01 Tel 33.1.40.28.30.00 Fax 33.1.42.33.58.16/29
Buying officer : - seafood products : Mr Simon, - meats, offal, game : Mr ESNAUT
- industrial products (poultry, meat, fruit and vegetable based industrial products) : Mr SOUMIREU
- cooked dishes, pastry based products, cakes : MR DUBOST

CARIGEL : 52 allée des Hêtres - 69760 LIMONEST Tel 33.4.78.66.38.00
Buying Officer : -seafood products : Mr PRUNE - meats : Mr BIZEL, -poultry : Mr QUINET
- cooked dishes, pastries, fruit and vegetables : Mr BARRIOL

11.6 - Where to go for information ?

REGULATIONS :
Ministère de l'Economie et des Finances - Direction du Commerce Extérieur - 139 rue de Bercy, 75012 PARIS Tel : 33.1.40.04.04.04

STATISTICS, CUSTOMS AND EXCISES :
Ministère de l'Economie et des Finances - Direction Générale des Douanes- 23 bis rue de l'Université - 75700 PARIS SP Tel : 33.1.40.24.65.20

ECONOMIC AND MARKETING DATA/PROFESSIONAL DIRECTORIES :
Chambre de Commerce et d'Industrie de Paris - 2 rue de Viarmes - 75001 PARIS Tel : 33.1.42.89.70.00

Fédération des Entreprises du Commerce et de la Distribution (FCD) - 8 place d'Iéna, 75008 PARIS Tel : 33.1.44.34.69.50 Internet : www.fcd.asso.fr

WHOLESALE MARKETS - FRESH PRODUCTS/DOCUMENTATION AND LISTS OF WHOLESALERS :
Marche d'Intérêt National de Rungis (M.I.N.)- 1 rue de la Tour - 94150 RUNGIS Complexe Tel : 33.1.41.80.80.81 Internet : www.rungisinternational.com

PUBLIC ORGANIZATIONS BY MARKET SECTOR :
Cereals : Office National Interprofessionnel des Céréales (ONIC) - 21 avenue Bosquet - 75007 PARIS Tel 33.1.44.18.20.00 Fax 33.1.45.51.90.99

Fruit & Vegetables : Office National Interprofessionnel des Fruits et Légumes et de l'Horticulture (ONIFLHOR) - 164 rue de Javel, - 75739 PARIS Cedex 15 - Tel 33.1.44.25.36.36 Fax 33.1.45.54.31.69

Milk and Milk Products : Office National Interprofessionnel du Lait et des Produits Laitiers (ONILAIT) - 2 rue Saint Charles - 75740 PARIS Cedex 15 - Tel 33.1.40.58.70.00 Fax 33.1.40.59.04.58

Meat, Rearing and Poultry Farming : Office National Interprofessionnel des Viandes, de l'élevage et de l'Aviculture (OFIVAL) - 80 avenue des Terroirs de France - 75607 PARIS Cedex 12 Tel 33.1.44.68.50.00 Fax 33.1.44.68.52.33

Wines : Office National Interprofessionnel des Vins (ONIVINS) - 232 rue de Rivoli - 75001 PARIS Tel 33.1.42.86.32.00 Fax 33.1.40.15.06.96

Sea Fishing and Culture Products : Office d'Intervention et d'Organisation des Marchés des Produits de la Pêche Maritime et des Cultures Marines (FIOM) - 11 boulevard de Sébastopol - 75001 PARIS Tel 33.1.53.00.96.96 Fax 33.1.53.00.56.99

BUSINESS CONTACTS :
Bercy Expo : Centre d'Affaires International de l'Alimentaire et de la Table - 40 avenue des Terroirs de France - 75012 PARIS Cedex Tel 33.1.44.74.50.00 Fax 33.1.44.74.50.01

PPY International - Operational Development and Coaching for Exporters to France - Bercy Expo - 4139B - 40 avenue des Terroirs de France - 75012 PARIS Tel 33.1.44.74.59.49 e-mail : ppy.int@worldnet.fr - Contact: Mr Yvan Vache, Manager

Etrie International Food market researches and marketing consultancies - 25 years of activities - 13 rue Chapon - 75003 PARIS Tel 33.1.42.74.71.71 Fax 33.1.42.74.41.88 Contact : Hervé de Charry, Managing Director