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GAIN Global Agricultural Information Network

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Prepared By: Laurent J. Journo

Approved By: David Leishman

Report Highlights:

In 2022, the agri-food market in France was strongly impacted by inflation, recorded at 5.3 percent. This price increase has impacted the most modest strata of society and has cut into their ability to buy. Consumers are moving away from big brands to less expensive distributor brands. At the same time, the industry is also adjusting to new environmental regulations that prioritize high value, high quality food that is produced and marketed more sustainably. New packaging laws are phasing out single-use plastics in favor of more recyclable materials. The French retail network is diverse and very sophisticated, offering a wide range of opportunities for U.S. food products provided they conform to French and EU regulations.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

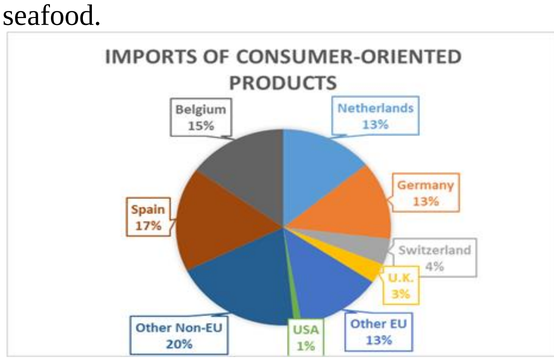
Market Fact Sheet: France

EXECUTIVE SUMMARY

In 2021, the Covid-19 pandemic weighed heavily on the French economy. Gross domestic product (GDP) increased by 12 percent from 2020 to $2.957 trillion. France is the world's seventh largest economy and the second largest in the EU. Endowed with substantial agricultural resources, France has a strong food processing sector.

IMPORTS OF CONSUMER-ORIENTED PRODUCTS

Primary imports from outside the EU include oilseeds, fruit, and distilled spirits. Imports from the EU are primarily meat, dairy, and vegetables. France has a positive trade balance in agricultural and food products, reaching $16.6 billion in 2022. French imports from the United States reached $1.3 billion in 2022, led by tree nuts, alcoholic beverages, and seafood.



FOOD PROCESSING INDUSTRY

France's food processing sector encompasses approximately 17,300 companies with total annual sales exceeding $211 billion. Small and medium sized enterprises (SMEs) account for almost 98 percent of the industry. It is the leading sector of the French economy with a strong reputation for quality and innovation.

FOOD RETAIL INDUSTRY

In 2022, circa 65 percent of all retail food sales in France were in the hyper-supermarket and discount store format. Non-traditional retailers have experienced significant growth and success during the COVID pandemic. E-commerce food sales increased by more than 15 percent compared to 2021, and now represent around 14 percent of total retailer food sales.

Quick Facts CY 2022

Imports of Consumer-Oriented Products *(USD billion)* 52.8. This figure does not include U.S. products exported to France transshipped through other EU countries.

List of Top 10 Growth Products in Host Country

Almonds, pet food, pistachios, grapefruit, wine, peanuts, food preparations, beer, sauces, and whiskey.

Food Industry by Channels (USD billion)

Food Industry Output	211
Food and Ag. Exports	88.9
Food and Ag. Imports	72.3
Retail	394
Food Service	62

Top 10 Host Country Retailers

1. **Carrefour**
2. **Auchan**
3. **E. Leclerc**
4. **ITM Entreprises**
5. **Casino**
6. **Systeme U**
7. **Lidl**
8. **Cora**
9. **Aldi**
10. **Schiever**

GDP/Population

Population *(millions)*: 67.8
GDP *(trillions USD)*: 3.0
GDP per capita *(USD)*: 38,045

Sources: TDM, ANIA

Strengths	Weaknesses
France is one of the largest consumer markets in Europe.	U.S. exporters face competition from EU FTA partners who benefit from tariff-free market access.
Opportunities	**Challenges**
A large food-processing industry seeking a wide range of ingredients.	Non-tariff barriers including can complicate the process for exporting to France.

Contact: FAS Paris, France
AgParis@fas.usda.gov

I. MARKET SUMMARY

Overall Market Summary

In 2022, the agri-food market in France was strongly impacted by inflation, recorded at 5.3, and by the rise in the price of basic food products. The purchasing power is down to - 0.3 percent in 2022 and projected at - 0.4 percent in 2023; however, the feeling of this price increase among consumers is much deeper and more important than the statistical figures can show. This price increase has impacted the most modest strata of the society and has cut into their ability to purchase. The Food expenditure reached up to 30 percent of the budget of the most disadvantaged classes.

The concerns of French consumers about ecology, respect for the Planet, sustainable agriculture have taken a back seat, not for lack of interest but because consumers are impacted by rising prices. This is confirmed by a decline in sales of organic products which were already starting to run out of steam before the inflationary crisis. Consumers prefer locally produced products with which they can forge a more direct link with producers.

Consumers are moving away from big brands to less expensive distributor brands. In addition, the less favored social strata prefer to consume products of lesser quality but less expensive. The price is the number one concern of the French. Household consumption's growth is recorded at 2.1 percent in 2022. It is down sharply compared to 2021 and is projected at - 0.2 percent in 2023 according to the French National Institute of Statistics (INSEE). The inflationary push in food prices should nevertheless slow down and fall thanks to the decline in GDP growth to 0.4%. In addition, the fall in the price of raw materials, oil, sea freight and electricity should lead to lower food prices. This will not be enough to reach food prices before the crisis. The government, concerned about its popularity, expressed through its Minister of the Economy that it would closely monitor the big brands to apply a price reduction on food products, any failure on the part of the big brands would lead to sanctions on the part of the government.

At the same time, the industry is also adjusting to new environmental regulations that prioritize high value, high quality food that is produced and marketed more sustainably. New packaging laws are phasing out single-use plastics in favor of more recyclable materials. Food nationalism is growing since the crisis began with messages of Buy French popular among government officials and the media. However, France relies on exports of agricultural products and enjoys a large surplus in their trade balance with exports such as wine and wheat where it is the leading EU exporter.

France's retail distribution network is diverse and sophisticated. The food retail sector is generally comprised of six types of establishments: 1) hypermarkets, 2) supermarkets, 3) hard discounters, 4) convenience stores, 5) gourmet centers in department stores, and 6) traditional outlets including neighborhood stores - bakeries and butcheries, 7) gas marts, as well as open-air markets and internet sales. In 2022, sales within the first four categories represented 75 percent of the country's retail food market. Over the last ten years, the largest French retailers invested in smaller stores in city centers. In 2022, food expenditures represented about 20 percent of the overall budget, compared to 35 percent in 1960. The household food basket is now primarily composed of processed and ready-to-eat foods while the demand for meat, fruits and vegetables, bread and alcoholic beverages has decreased. The increase of household purchasing power, the fluctuation in food prices, and the changing lifestyles have contributed to the changes in food habits. In 2022, the overall retail food sales in France declined by 3.4 percent according to the French national statistics. This is due to the inflation rate and raise of the cost of life which is severely impacting the French consumers. However, supermarket's total sales are higher than last year thanks to the gas sales.

Generally, hyper/supermarkets remain the most popular stores, but specialized food stores, frozen food stores, and hard discounters have increased their retail sector market share in recent years. Other trends of note are that French consumers are diversifying their purchases through several stores, for example buying some products locally and others from discount stores that may be farther from their residence. In addition, consumers are more price sensitive and demanding of high-quality products. Since the COVID sanitary crisis the large retailers' emerging "drive-thru" service is on the rise. The e-commerce keeps growing in 2022 but at a lower scale, although still significant at 15 percent representing 7.2 percent of the retail market. In addition, large retailers are expanding their private labels offered, as well as continue investing in smaller local stores. The retail sector is estimated at $390 billion. Hyper/supermarkets and hard discounters represent about $240 billion; neighborhood stores, including traditional grocers, $115 billion; and specialized food stores such as frozen food stores, organics, and open-air markets, $35 billion. The Hard discounter's alone in rise represent 11.5 percent of the total sales.

Key market drivers and consumption trends

- More time spent working and the rising number of single households are driving the demand for convenient ready-to-eat meals, desserts, and baking mixes.
- The growing population and increased health consciousness of consumers is fueling the demand for health and wellness products, as well as functional food products.
- Fair trade and organic products are becoming increasingly popular. France is second largest organic market in Europe.
- Ethnic foods, health, and super foods, and free from products (e.g., gluten or lactose free), and locally grown are further trends that are attracting more and more French consumers.
- Increasing share of consumers who view their purchasing decision as a political or life-style statements such as no GMOs, free-range eggs, and vegetarian or vegan diet foods.
- Consumers increasingly require traceability and information about production methods.

Table 1: Advantages and Challenges

Advantages	Challenges
A significant portion of French households can afford imported food products.	Lack of brand and variety awareness of U.S. food products by consumers.
The French food retail industry is looking for new imported food products.	Although of interest, introducing new-to-market brands and products is not easy.
American food and food products are increasingly popular in France.	Complying with European and French regulations.
Efficient domestic distribution systems.	Domestic and intra-EU imports dominate the supply chain.
French consumers demand quality, innovative, healthy products.	Adapting products to French consumers' tastes and expectations.
Changing lifestyles, demographic changes, and the economic crisis fuel growth in the retail sector.	Adapting U.S. products to French consumer needs regarding price, practicality, variety,

	quality, and packaging.

II. Road Map for Market Entry

U.S. exporters can gain market entry to the retail service sectors in several ways including representation by an importer, having their products placed in a central purchasing office catalog and by selling to cash and carry outlets. Food buyers use central buying offices, importers and cash and carry dealers to procure their products. The most common method of market entry is by using an experienced importer to place your product in the French market. The importer will verify that your product meets EU import requirements, such as labeling and ingredient regulations and will verify your financial reliability. If interested, the importer will engage in price negotiations. Both supplier and importer need to discuss logistical requirements and the length of the contract. FAS Paris maintains a list of importers, please email agparis@usda.gov and designate your company, state of production and sector of interest for more information. Importers often place your product with retail stores and with central purchasing offices. In France, it is common for large retailers to participate in a central purchasing office to share the costs of purchase and distributors. The central purchasing office buys products directly as well as from importers and distributors and provides them to the retail outlets. You will find additional labeling rules on food allergens and nutritional products, packaging, container, food additives regulations and trade barriers at http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/

Table 2: Major Food Related Trade Shows in France

Trade Show	Description	Location
SIAL (every two years) USDA endorsed October 19-23, 2024 erich@imexmanagement.com	Leading food fair for retail trade, food service, and catering market	Paris
SIRHA January 23-27, 2025 https://www.sirha.com/en/	World's largest trade show for food service	Lyon
Sandwich and Snack Show March 13-14, 2025 **Error! Hyperlink reference not valid.**	Trade show for snacks products	Paris
Wine Paris - Vinexpo February 12-14, 2024 https://www.vinexposium.com/en/wineparis-vinexpo/	International trade show for wine and spirits	Paris

U.S. suppliers may also contact the following organizations for additional support:

State Regional Trade Groups (SRTG) are non-profit trade development organizations that help U.S. food producers and processors to enter overseas markets. They are funded by USDA/FAS and the private industry. They carry out promotional activities to increase exports of U.S. high-value food and agricultural products. For more information, contact the state regional trade group responsible for your state: https://www.fas.usda.gov/state-regional-trade-groups

The **U.S. Agricultural Export Development Council** is composed of U.S. commodity trade associations and other organizations, in addition to the SRTGs, with an interest in promoting U.S. agricultural exports. For an overview and additional information on the various Commodity Groups, you can go to www.usaedc.org. The Commodity Cooperator Groups regularly organize (reverse) trade missions, often organized around trade shows or other events. They also are excellent platforms for U.S. suppliers of food ingredients to meet with foreign buyers.

Table 3: Profiles of Top Food Retailers

Retailer Name and Outlet Type	Ownership	World Sales in 2022 (billion USD)	Location	No. of Outlets (world)	Purchasing Agent Type
Carrefour (Hyper/Supermarkets, convenience stores)	French	90.81	France and foreign countries	12,225	Importers
E. Leclerc (Hyper/supermarkets, convenience stores)	French	55	France and Europe	3,345	Central Buying office
Inrermarche/Les Mousquetaires (Supermarkets, hard discounter, and convenience stores)	French	44.13	France and foreign countries	4,000	Central Buying Office
Systeme U (Hyper/supermarkets and convenience stores)	French	30.0	France	2,398	Direct
Groupe Casino (Hyper/supermarkets, hard discount + convenience stores)	French	31.99	France and foreign countries	11,100	Central Buying Office
Groupe Auchan (hyper/supermarkets, + convenience stores)	French	32.89	France and foreign countries	1,446	Direct
Lidl (Hard discounter)	German	15 (France)	France and Europe	10,500	Central Buying Office
Cora (Groupe Louis Delhaize) (Hyper/supermarkets)	French and Belgian	7.7	France and Europe	103	Importers
Aldi (Hard discounter)	German	4.4 (France)	France and foreign countries	8,078	Central Buying Office

Source : Lineaires/Panorama Trade Dimensions 2022

Major Retailers:

1. **Carrefour**: After having been the world second largest retailer after Walmart, and the largest in Europe for several years, since 2016 the French group now ranks seventh. Created in 1959 in southeast France, Carrefour grew rapidly into international markets with stores in 30 countries (Europe, Asia, South America, and North Africa). It is the second supermarket in France with 20 percent of the market share.
2. **E. Leclerc**: Since 2016, the company has remained the top retailer in France with over 21 percent of the market share. Most of its stores are hypermarkets. Leclerc is present in Europe and sources food products through its central buying office.

3. **Intermarché**: This is a group of independents retailers with stores in Europe and foreign countries. Most of Intermarché's outlets are supermarkets; there are a few city center stores and only 94 hypermarkets. It accounts for 16 percent of the market share.
4. **Groupe Auchan**: This is a family company owned by the Mulliez family and the Schiever Group. Auchan is present in 12 countries. It represents 9 percent of the market share.
5. **Systeme U:** This is the fourth largest retailer in France in terms of sales with 12 percent of the market share. U brand private label expansion is a priority for the products such as wine, fruit juices, frozen ready-to-eat foods, ethnic foods, and seafood.
6. **Casino Group**: is present in France with 6 percent of the market share, and in South America. Casino has Monoprix, Franprix, Petit Casino, Casino Shop, Vival, Spar, and Chez Jean.
7. **Cora**: The retailer is part of the Belgium group Louis Delhaize and has hypermarket/supermarket stores in France (2 percent of the market share) and Europe.
8. **Grand Frais**: this is a network of 278 small to medium stores valued at $2.5 billion sales. Created in the 1990s to offer consumers the best quality at moderate prices for fruits and vegetables, fish, world food groceries, butcher-delicatessen, and dairy products. Grand Frais works directly with importers.
9. **Costco:** In June 2017, the U.S. retailer inaugurated the first warehouse club in France, in Paris' suburb; a membership-fee discount concept was new to France. Given the success of this first French store that opened near Paris, a second store opened West of Paris mid-November 2021.

Convenience Stores:
They fall under the category of small supermarkets (superettes), are generally located in small cities, and frequently opened every day (including Sunday). Within ten years, proxy/convenience stores increased by 40 percent, and in 2022, there were approximately 8,500 outlets affiliated with large retailers such as Carrefour, Casino and Intermarché. Their number is expected to continue rising in coming years with more new concept stores.

Other Type of Retailers:
The number of smaller and independent stores has slightly increased since 2002. Most of them are specialized food outlets (bakeries, butchers and fish shops, groceries), and they are located both in urban and rural areas. While neighborhood stores in rural areas tended to decrease in number, they have increased in urban areas. INSEE most recent census indicated 78,000 stores. Their sales represent about 20 percent of the French food sales and their products are sourced from wholesalers and wholesale markets. Customers of neighborhood stores are generally medium to high-class consumers.
Traditional grocers include gourmet sores, such as Fauchon, La Grande Epicerie, and Galerie Gourmande, which carry a wide range of imported products. They are in large and medium-sized cities and attract high-income consumers. The approximately 200 outlets in France offer U.S. exporters easier market entry for products; their drawback is a tendency to purchase smaller quantities and they work directly with importers.

- Picard Surgelés is the leading frozen food retailer in France for home consumption, with a 30 percent market share, 1100 outlets throughout France and sales in 2022 valued at $1.7 billion. Picard sells high-end frozen products and offers opportunities for U.S. suppliers of fish and seafood, frozen fruits and vegetables, fruit juices, and prepared specialty meals for their private label. Picard works directly with importers.

III. Competition

Most exporters within the EU conduct market promotion activities in France. Products such as fresh or preserved fruits and vegetables, wine, beer, fish, and meat are commonly promoted in trade shows, advertisements, and supermarkets. Third countries promoting food products in France include Norway, Israel, Morocco, South Africa, Argentina, Brazil, and Canada.

Table 4: Overall Competitive Situation facing U.S. Suppliers, Calendar Year 2022

Product Category and Imports from the United States	Main Suppliers in Percentage	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
HS08. Fruit and Nuts, 29,174 tons $ 174.5 million	Spain (31%) Morocco (7%) Italy (6%) USA -- (3% share)	Spain, Netherlands, and Belgium are EU countries and price competitive as well as geographically close. Italy mainly supplies grapes, while Spain has a wider range of fruits to offer including citrus. Turkey and Israel also supply citrus to France. U.S. exports to France increased 21 percent over last year.	There is marginal local production at nuts and citrus and no tropical fruits. France does produce walnut primarily for domestic production. France is an attractive market for U.S. dried fruits and nuts, but the competition is tough for citrus products.
HS03. Fish and Seafood 40,732 tons $210.6 million	UK (18 %) Norway (16%) Spain. (6%) USA – (3% share)	UK and Norway dominate the market. The U.S. exports increased by 5% in value over previous year. France is the first destination of U.S. exports in Europe.	Local resources for fish and seafood do not satisfy increasing demand. The United States is a major supplier to France, especially for frozen pollock, cod and salmon, live lobsters, frozen rays, dogfish, and scallops.
HS20. Preparations of fruits, vegetables, nuts, including jams, fruit purees and fruit juices. 3,180 tons $17 million	Belgium (18%) Netherlands (18%) Spain (14%) USA – (0.4%) market share	Belgium & Netherlands dominates the market with preparation of vegetables and other than tomatoes. Spain supplies France with prepared fruits, fruit juices, and nuts. Spain and Brazil also export fruit juices to France.	There are approximately 1,100 local companies in the sector of canned fruits and vegetables, including a few major groups and regional canners. France is not a producer of fruit juices except for a few home-products.
HS21. Prepared foods 214,335 L $31.7 million	UK (39%) Switzerland (17%) Thailand (11%) USA – (5.6% share)	UK, Switzerland, and Thailand dominate the market with sauces/condiments/seasonings and mustards. Most of the imports from the United States are food preparations, sauces, dressings, and ice cream.	Demand for interesting natural or exotic flavors as well as health and wellness products should provide opportunities for U.S. suppliers of sauces/ condiments/seasonings.
HS10. Cereals 3,023 tons $10.3 million	Cambodia (28%) Thailand (42%) Pakistan (13%) USA – (5% share)	Cambodia dominates the market with rice, followed by Thailand and Pakistan. The United States ranks five among cereal suppliers to France, mainly for corn and rice.	U.S. exports are mainly corn and rice.
HS22. Beverages, including wines,	U.K. (52%) Switzerland (12%)	The UK, Switzerland and the USA dominate the market with beer, branded	France is world’s largest whiskey consumer and wine

spirits and alcohols 39.4 PFL $145.5 million	USA – 9.4% share)	spirits, and wine respectively. U.S. sales of bourbon and wine dropped, impacted by the retaliatory tariffs.	producer with Italy. However, a niche market exists in France for third country wines.
HS07. Edible vegetables, Pulses 5,374 tons $13.61 million	Morocco (69%) China (6%) UK (4%) USA - (1.4% share)	Morocco supplies vegetables, while China supplies with all varieties of pulses. The United States supplies mainly beans and lentils.	France's production of pulses represents 25% of total domestic need.
HS12. Oilseeds and Oleaginous Fruits 12,182 Tons $70.3 million	Australia (50%) Canada (14%) Ukraine (8%) USA – (5% share)	Australia sales in value increased by 195% over a year while US soybeans and seeds sales decreased by 13% in volume.	France is a net soybean importer. The United States has traditionally been one of its major suppliers but CETA, the new EU/Canada trade agreement is challenging for US sales.

Source: Global Trade Atlas /French Customs

IV. Best Product Prospects

Products identified as opportunities for U.S. Suppliers

- Fish and seafood: salmon, cod, lobster, scallops. Please see report for more information
- Citrus fruits and Nuts: grapefruit, almonds, pistachios, and other nuts
- Salted and sweet snacks, confectionary products
- Spices, sauces, seasoning
- Wine and other alcoholic beverages
- Carbonated drinks, juices
- Pulses
- Canned fruit/vegetables, marmalade

.

Products not present in significant quantities but that have good sales potential

- Energy drinks, 14 percent estimated annual growth and market estimated at USD 281 million
- Organic foods, 13 percent growth and market valued at USD 13.6 billion
- Kosher foods, 14 percent estimated annual growth and market estimated at USD 0.6 billion
- Halal foods, 6 percent estimated annual growth and market estimated at USD 8.5 million

Products not present because they face significant trade barriers

- Vitamin-enriched flour.
- Meat products with hormones and poultry products.
- Biotech-derived products that are not approved in the EU.

For more information on product trade restrictions within the European Union, please refer to U.S./EU Mission Food and Agricultural Import Regulation and Standards Report (FAIRS).

V. Post Contact and Further Information

If you have any questions or comments regarding this report, need assistance exporting to France or desire French buyers contact lists, please get in touch with the U.S. Agricultural Affairs Office in Paris:

U.S. Department of Agriculture, Foreign Agricultural Service
Embassy of the United States of America
2, avenue Gabriel 75382 Paris Cedex 08, France
Phone : +33-1 4312 2245
Email: agparis@fas.usda.gov / Home page: http://www.usda-France.fr

Attachments:

No Attachments