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France

Product Brief

Sauces, Condiments, and Dressing

2008

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Report Highlights:
The total French market for sauces, condiments, and dressing was valued at more than $2.2 billion in 2007. While French consumers have always demanded interesting flavors at a good value, they are now also seeking products perceived as "healthier". Recent economic conditions may influence the demand for private-label products in this sector. French imports of U.S. sauces, condiments, and dressing have seen consistent growth in sales value over the past five years, with some products finding success in niche markets.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Paris [FR1]
[FR]

Average exchange rate for calendar year 2007:
USD 1 = 0.7293 Euros
Source: Federal Reserve Bank

Market Summary

The French market for sauces, dressings and condiments was just over $2.2 billion in 2007. French consumption of sauces and condiments has been increasing in both volume and value since 2003. Nutritional value is increasingly important to French consumers, though they still seek good flavor and value from their sauces. While the French exhibit strong brand loyalty in this sector, economic considerations could positively affect demand for private-label sauces. French imports of U.S. sauces, condiments, and dressing over the last five years, have steadily increased by value, but fluctuated on an annual basis by volume.

Consumer Trends

French consumers are interested in healthy, full-flavored sauces and condiments that are easy to store and prepare. Products with reduced fat, cholesterol, sugar, or salt content, which retain interesting flavor, are performing well in the French market. Between 2002 and 2007, the sales volume of low-fat mayonnaise increased by 50% while the sales volume of full-fat mayonnaise rose by only 6.5%. Sales volumes of low-fat salad dressings doubled between 2005 and 2007 while full-fat salad dressing grew just over 7%. Manufacturers should note that French consumers avoid products marketed under the term “light.” These products are viewed as low-quality and poor-tasting. Marketing products labeled as “healthier,” “more natural,” or “nutritionally beneficial” are likely to prove more successful.

Sales of tomato pastes and purées, liquid stocks, Tabasco, mustards, vinaigrettes and pickled products have seen little to no growth in the last two years. Though soy sauces and ketchup sales volumes have also been flat, it is worth noting that the percent of this market captured by some U.S. producers has grown over the same period. While wet/cooking sauces have continued to grow in sales volume and value, sales of dry sauces and powders have declined by both volume and value in the same period. Longer work hours, more working couples, and a rising number of French consumers who live (and cook) alone is spurring demand for easy to open, use, and store products. Though traditional French cooking sauces - béchamel, creamy mushroom, creamy peppercorn and béarnaise, remain leaders in this sector, they have lost market share to non-traditional sauces and condiments, such as curry, and sweet and sour.

The continuing trend toward the pre-dinner aperitif in France is also contributing to the development of the sauce, dressing, and condiment market. Sales of dips such as tapenades, humus, tzatziki, rillette, guacamole and ktipiti consumed during the aperitif grew by more than 30% between 2002 and 2007. Manufacturers, including Amora, Heinz and Bénédicta, are offering successful new lines of sauces marketed as “sauces aperitif.”

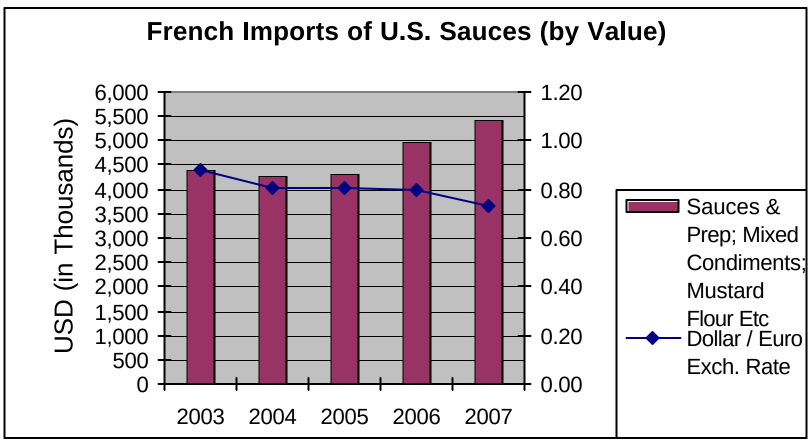
Competitive Outlook

The French have shown strong brand loyalty in this sector which has helped insulate name brands from encroachment by private-label brands. Nevertheless, French consumers are coping with declining purchasing power and rising inflation by becoming more price conscious, shopping at hard-discounters, and buying more private-label products. This could positively affect demand for private-label products in the sauce, condiment and dressing market.

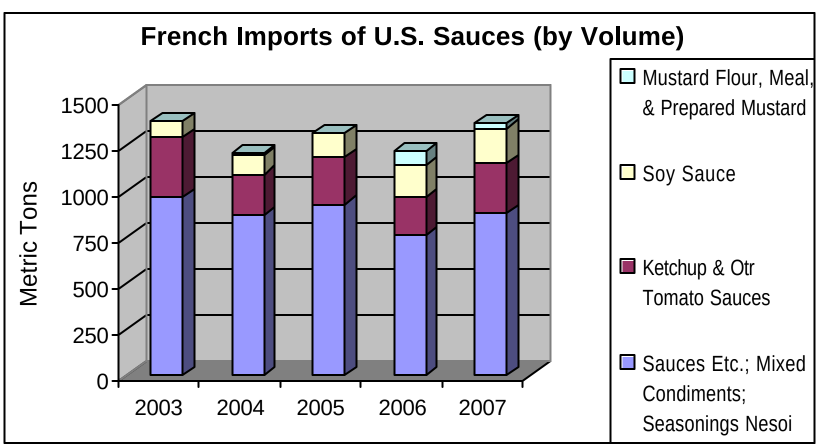
The sauce, dressing and condiment sector is dominated by multinational companies. Unilever, Nestlé, McCormick and Grupo Ebro Puleva accounted for 60% of the value of this sector in 2007. Unilever's combined brands accounted for 29% of the total market sector in 2007. Unilever's Amora brand holds 35.8% of the market share for ketchup (down 4.7% in 2007), while Heinz gained 3.1% of the market for ketchup during 2007 for a total share of 32.8%. Kikkoman, a Japanese company, is the dominant brand of soy sauce in the French market. In addition, some premium quality brands, such as Sacla and Barilla, have entered the pasta sauce market successfully in recent years.

U.S. Trade

Over the last five years, U.S. exports of sauces and condiments to France have steadily increased by value, while fluctuating on an annual basis by volume. France imported more than $415 million in sauces in 2007. Of these imports, approximately $5.4 million were from the U.S. U.S. exports of soy sauces have consistently grown over the last five years both in terms of volume and value, while U.S. exports of tomato sauces and condiments have declined. Despite this mixed performance, some brands and companies have succeeded in specific product markets, such as Heinz' recent gain in ketchup market share.



Source: Global Trade Statistics, 2008



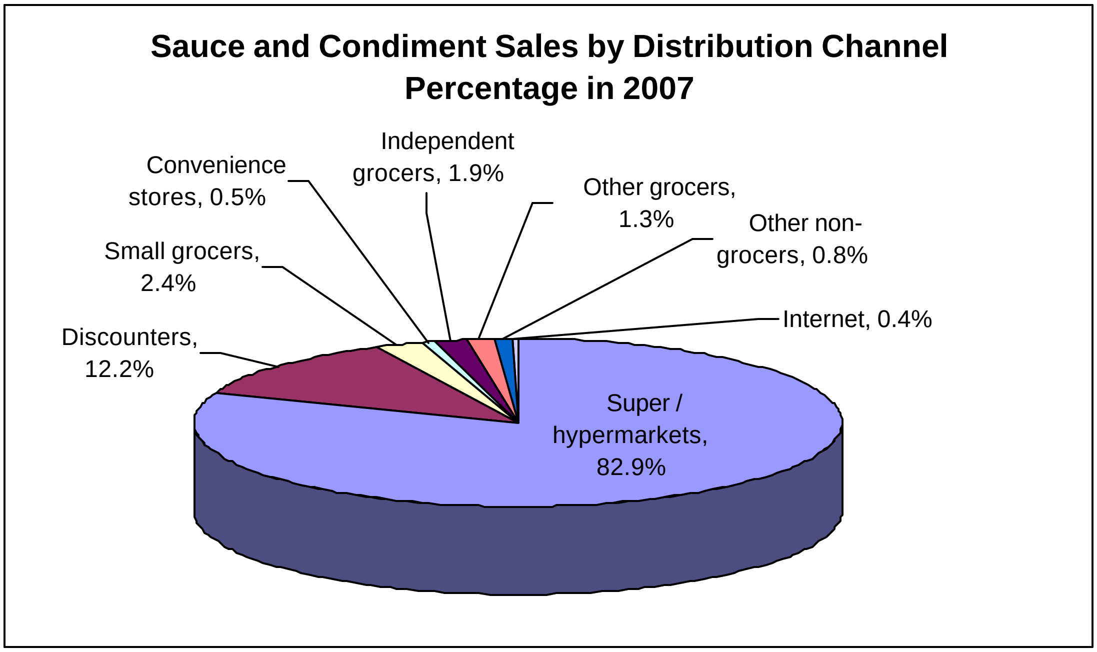
Source: Global Trade Statistics, 2008

Sector Data

Sales in France of Sauces, Dressings and Condiments by Subsector: Volume 2002-2007 (in '000 tons)						
	2002	2003	2004	2005	2006	2007
Tomato pastes and purées	43.4	44.8	45.4	45.1	45.3	45.9
Bouillon/stock cubes	9.7	10.0	10.3	10.5	10.8	11.1
- Stock cubes	8.8	9.1	9.4	9.5	9.8	10.1
- Gravy granules	-	-	-	-	-	-
- Liquid stocks and fonds	0.9	0.9	1.0	1.0	1.0	1.0
Herbs and spices	7.6	7.7	7.8	7.9	8.1	8.3
Table sauces	1.7	1.8	1.8	1.8	1.9	1.9
- Tabasco	0.5	0.5	0.5	0.6	0.6	0.6
- Other table sauces	1.2	1.2	1.3	1.3	1.3	1.4
Soy based sauces	0.5	0.5	0.6	0.6	0.6	0.6
Pasta sauces	48.8	49.6	50.3	50.6	50.9	52.7
Wet/cooking sauces	10.7	11.3	11.9	12.3	12.8	12.8
Dry sauces/powder mixes	6.1	5.9	5.8	5.7	5.5	5.3
Ketchup	22.3	22.5	22.3	22.8	23.2	23.4
Mayonnaise	22.9	23.2	23.2	24.0	24.5	25.6
- Regular mayonnaise	19.6	19.9	19.6	20.1	20.4	20.9
- Low fat mayonnaise	3.2	3.3	3.5	3.8	4.2	4.8
Mustard	40.3	40.0	39.6	39.7	39.0	38.7
Salad dressings	3.5	3.8	3.8	4.1	4.3	4.6
- Regular salad dressings	3.5	3.7	3.7	3.9	4.1	4.2
- Low fat salad dressings	-	0.1	0.2	0.2	0.3	0.4
Vinaigrettes	16.9	17.5	16.6	16.2	15.8	15.7
Dips	4.5	4.9	5.1	5.3	5.6	5.9
Pickled products	40.2	40.2	40.3	40.0	39.7	39.5
Other sauces, dressings and condiments	8.7	8.8	9.0	9.3	9.5	9.7
Sauces, dressings and condiments	287.8	292.5	293.8	296.0	297.5	301.7
Source: Euromonitor International. "Sauces, Dressings and Condiments – France." Country Sector Briefing, January 2008.						

Distribution Channels

In France, the most common distribution channel for sales of sauces and condiments is the supermarket or hypermarket, which account for more than 80% of the sales in this sector. Though supermarkets and hypermarkets largely sell the same types of products, supermarkets are generally smaller than hypermarkets. Both sell a wide variety of food and non-food items. France's discounters typically carry a limited range of products at lower cost than super or hypermarkets. Of note in retail sales for the sauce, condiment and dressing sector is that internet sales in France have gone from zero in 2003 to 0.4% of the sales in 2007. Other distribution channels for this sector have been relatively stable over the last five years. For additional information on the French retail market and entry strategies for U.S. exporters to France, please see the **GAIN FR7018**, Retail Food Sector, 2008 and **GAIN FR7028**, Exporter Guide, 2008. Links to these reports are provided at the end of this document.



Source: Euromonitor International, Distribution Sauces, Condiments, and Dressings, Retail Value Percent Breakdown, 2008.

Information for U.S. Exporters

Tariff Information

2007 6-Digit Harmonized Codes		
HS Code	**Description**	**Tariff Rate**
210310	Soy Sauce	7.7%
210320	Ketchup & Other Tomato Sauces	10.2%
210330	Prepared Mustard	9.0%

Source: Official Journal of the European Union, L 286, Oct. 31, 2007

French Importers

ALIMENTATION FINE DE FRANCE (AFF)
ZI-Rue Denis Papin
F-24100 Bergerac
FRANCE
Phone: 011 (33) 5.53.74.40.80
Fax: 011 (33) 5.53.58.14.83

BUR Distribution
Z1 des Garennes
8, rue Denis Papin
78130 Les Mureaux
France
Email : info#ericbur.fr
Internet : www.ericbur.fr

When released from customs, the foodstuffs are subject to ad valorem duties levied under the Common External Tariff. Duties differ according to product. In addition to customs duties, foodstuffs imported into France are subject to a Value-Added Tax (VAT). Currently the VAT is generally charged at one of the two following rates:

--Standard rate of 19.6 percent applies to alcoholic beverages, some chocolates and candies

--Reduced rate of 5.5 percent applies mostly to agricultural and food products.

Note that custom duties given in this report are for informational purposes only. We caution you that the final custom classification (HS code) is determined by the French customs authorities.

Other Relevant Reports

Report Number	**Report Name and Web Link**
FR7028	Exporter Guide http://www.fas.usda.gov/gainfiles/200710/146292590.pdf
FR7018	Retail Food Sector http://www.fas.usda.gov/gainfiles/200801/146293433.pdf
FR8013	HRI/Food Service Sector http://www.fas.usda.gov/gainfiles/200807/146295320.pdf
FR8014	FAIRS Country Report (Food and Agricultural Import Regulations) http://www.fas.usda.gov/gainfiles/200808/146295368.pdf
E48078	FAIRS European Union Report http://www.fas.usda.gov/gainfiles/200808/146295548.pdf

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