USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 12/23/2008

GAIN Report Number: FR8027

France

Product Brief

Sweet and Savory Snacks in France

2008

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Report Highlights:
The most successful snack food products in this $1.3 billion market have featured new, exotic flavors (olive oil, chili, sweet & sour), healthier content, or a combination of the two. The strongest performers in 2007 were chips/crisps (both volume and value growth of 5%), followed by extruded puffs and nuts. Nuts, chips/crisps, and puffed snacks offer the greatest market potential in the sweet and savory snack category. Private-label branded products represent an increasing portion of the sector. U.S. snack exports to France have been increasing since 2005.

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

1. Market Overview

The French market for sweet and savory snacks ($1.3 billion in 2007) posted very moderate growth, both in volume and value, in 2007, continuing a five year positive trend. After a steep decline in imports of U.S. snack foods in 2004, U.S. exports to France have been trending up since 2005.

The most successful snack food products during 2007 were those featuring new, exotic flavors (olive oil, chili, sweet & sour), healthier content (reduced sodium, reduced fat, etc.), or a combination of the two. The strongest performers in 2007 were chips/crisps (both volume and value growth of 5%), followed by extruded puffs and nuts. Nuts, chips/crisps, and puffed snacks offer the greatest market potential in the sweet and savory snack category. Private-label branded products represent an increasing portion of the sector and are contributing to declining average unit prices.

2. Consumer Trends

According to Euromonitor International, the return of the aperitif as a popular practice in France has raised the demand for sweet and savory snacks. In addition, busier lifestyles, longer work hours, and a high percentage of working women continues to fuel demand for snack foods with good nutritional value. French consumers favor practical, easy-to-eat and prepare, single-serving packages. To this end, microwave popcorn emerged in 2007 as a popular product with good growth potential. Mixes of seeds, nuts and dried fruits with innovative flavors are performing well with French consumers since they are perceived as wholesome snacks.

French consumers will pay a premium for nutritious, high quality ingredient snacks, and/or artisanal production methods and favor products from ethical, organic and fair trade sources. Snack foods labeled “light” are not popular as this term is synonymous for French consumers with industrial, poor-tasting products, or junk food.

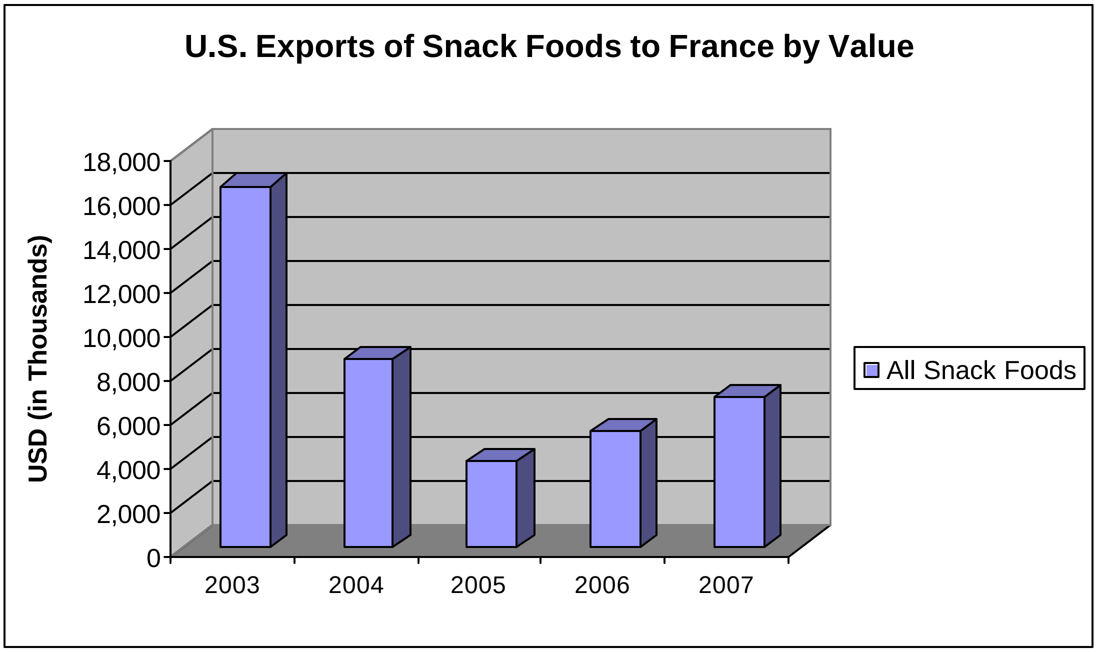
In response to rising inflation, French shoppers are becoming more price conscious, looking for items on sale, shopping at hard-discounters, and buying more private-label products. As price conscious shoppers look for ways to decrease food costs, the snack food industry may find avenues for growth by positioning snacks as viable options to more formal meals.

3. Challenges and Opportunities

Sweet and salty snacks face increasing competition from chilled dairy items, meats, and dips intended for consumption during the aperitif. However, this may also be an opportunity for snack foods to be marketed as complements to these products. Given French consumers' increased preference for lower-priced in private-label products, U.S. exporters of snack foods for private-label may have the opportunity to increase their exports.

4. U.S. Exports to France

U.S. exports of snack foods to France in 2007 totaled approximately $16.5 million. After a steep decline in imports of U.S. snack foods in 2004/05, U.S. exports to France have been trending up since 2006.



Source: BICO Report, http://www.fas.usda.gov

5. Market Data

Sweet & Savory Snacks Company Shares 2002-2006 (% Retail Value)

Company	2002	2003	2004	2005	2006
PepsiCo France SNC	12.4	14.2	14.5	15.6	16.0
Lorenz Bahlsen Snacks France SARL	18.3	16.7	17.0	16.5	15.8
Douwe Egberts France SA	7.6	7.7	7.6	7.1	6.3
Vico SA	5.3	4.8	4.4	5.0	5.0
Procter & Gamble France SNC	3.0	4.6	4.8	4.8	4.4
LU SA	4.5	4.4	4.2	4.2	4.1
Flodor SA	3.7	3.0	3.1	3.0	3.0
Dr Oetker Ancel SAS	2.5	2.4	2.3	2.3	2.3
Menguy's	2.0	2.0	1.9	2.0	2.0
Benoit SNC	3.4	1.7	1.7	1.6	1.7
General Mills France SAS	1.8	1.8	1.7	1.6	1.6
SDV SA	1.4	1.4	1.6	1.6	1.3
Altho SAS	-	-	-	1.0	1.1
Private Label	26.3	26.1	25.7	26.4	27.6
Others	7.6	9.2	9.5	7.3	7.8
Total	100.0	100.0	100.0	100.0	100.0

Source: Sweet and Savory Snacks – France, Euromonitor International: Country Sector Briefing January 2008.

Sweet & Savory Snacks Brand Shares 2003-2006 (% Retail Value)

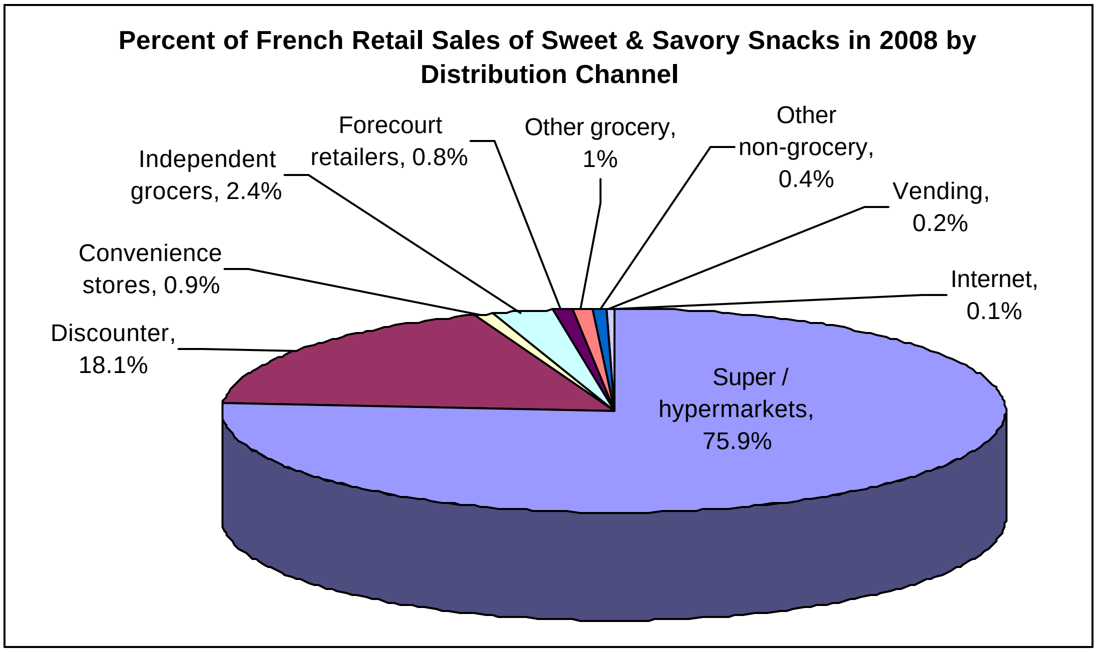
Brand	Company	2003	2004	2005	2006
Lay's	PepsiCo France SNC	7.8	8.1	9.3	9.9
Bénénuts	Douwe Egberts France SA	7.0	7.1	6.7	6.3
Lorenz Snack-World	Lorenz Bahlsen Snacks France SARL	6.0	6.6	6.2	6.0
Vico	Vico SA	4.6	4.2	4.8	4.8
Pringles	Procter & Gamble France SNC	4.6	4.8	4.8	4.4
Curly	Lorenz Bahlsen Snacks France SARL	4.2	4.0	4.0	3.9
Doritos	PepsiCo France SNC	3.5	3.6	3.5	3.4
Chipsters	LU SA	3.8	3.5	3.5	3.4
Ancel	Dr Oetker Ancel SAS	2.4	2.3	2.3	2.3
Crunchips	Lorenz Bahlsen Snacks France SARL	2.2	2.2	2.2	2.0
Menguy's		2.0	1.9	1.8	1.8
Cheetos	PepsiCo France SNC	1.5	1.4	1.4	1.8
Jack Benoit	Benoit SNC	1.7	1.7	1.6	1.7
Old El Paso	General Mills France SAS	1.8	1.7	1.6	1.6
Monster Munch	Lorenz Bahlsen Snacks France SARL	1.7	1.7	1.7	1.6
Peppies	Lorenz Bahlsen Snacks France SARL	1.7	1.6	1.5	1.5
Casa Fiesta	SDV SA	1.4	1.6	1.6	1.3
Bret's	Altho SAS	-	-	1.0	1.1
Baff	Lorenz Bahlsen Snacks France SARL	1.0	0.9	0.9	0.9
Belin	LU SA	0.6	0.7	0.7	0.7
Autentica Trattoria	Flodor SA	0.6	0.7	0.7	0.7
Blondes à Croquer	Flodor SA	0.6	0.5	0.5	0.5
Maxi Pop	Menguy's	-	-	0.1	0.3
Crousti Pom	Vico SA	0.2	0.2	0.2	0.2
Croky	PepsiCo France SNC	0.5	0.5	0.4	-
Mask	Douwe Egberts France SA	0.4	0.3	0.3	-
Woopie's	Douwe Egberts France SA	0.3	0.2	0.1	-
Pétales d'Or	Flodor SA	-	-	-	-
Private label		26.1	25.7	26.4	27.6
Others		12.1	12.3	10.1	10.4
Total		100.0	100.0	100.0	100.0

Source: Sweet and Savory Snacks – France, Euromonitor International: Country Sector Briefing January 2008.

6. Distribution Channels

In France, the most common distribution channel for sweet and savory snacks is the supermarket or hypermarket, which accounted for more than three-quarters of the sales in this sector. France's discounters sold 18% of sweet and savory snacks leaving 6% for distribution through other channels as noted below. While this distribution pattern has remained relatively stable during the last five years, there has been a gradual movement toward discounters and away from independent and non-grocery stores.

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.



7. Information for U.S. Exporters

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, 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 that the final custom classification (HS code) is determined by the French customs authorities.

8. 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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