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France

Food Processing Ingredients

Food Processing Ingredients Sector

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Report Highlights:
With over 16,200 food processors, the French food processing sector is valued at $189 billion. Progress in food technology, marketing innovations, and exports of finished food products have all contributed to France’s increasing demand for food ingredients. Key market drivers include an increasing interest in healthy and functional foods, an aging population, and health conscious consumers that have pushed innovation in product personalization and product convenience. The major imported ingredients for processing are meat products, fish and seafood, fruits and vegetables based products, beverages, wine and alcohols, milk and dairy products, and cereal based products. Food ingredients, in general, are imported freely by the private sector into France, but some face phytosanitary and other food safety restrictions at the EU level.

Post:
Paris

Author Defined:

Note: Average exchange rates used in this report are:

Calendar Year 2014: US Dollar 1 = 0.75 Euros
Calendar Year 2015: US Dollar 1 = 0.90 Euros
January-March 2016: US Dollar 1 = 0.91 Euros
Source: International Monetary Fund

SECTION I. MARKET SUMMARY

A. Overall Market Summary

In 2015, the overall food trade surplus increased by $297 million compared to the previous year to reach $10.4 billion. While raw agricultural products trade surplus decreased in 2015 by $112 million, compared to the previous year, the processed food trade surplus increased by $409 million in 2015 compared to 2014, thanks to sales of wines and alcohol. However, during the first three months of calendar year 2016, the French processed food trade surplus decreased by 11 percent compared to the same period in 2014, to reach $1.3 billion.

During past years, French consumption of processed foods more than doubled offering U.S. food processing ingredients an excellent export market, mainly for meat, milk, bakery/pastry, fat and oils, and beverages. According to the French Ministry of Agriculture, in 2015 there were a total of 16,218 food processing companies generating a turnover of $189 billion. The value of processed food imports increased by 2 percent in 2015. Exports in the food industry sector are ahead of other leading industrial sectors, which places France's food industry among the top three in the European Union. In 2015, the French food processing represented 1.7 percent of the gross domestic product (GDP); on the decline since 1980 when it represented 2.6 percent.

B. Processed Food Industry

In 2015, and for the second year in a row, the processed food product production rose in volume by 1.5 percent, compared to the previous year. Sectors of the production in 2015 offering the most potential were grain, bakery and pastry industries, fats and oils, as well as beverage industries.

French Food Input and Product Trade

Calendar 2014 and 2015

(In Million Dollars)

Products	**Imports 2014**	**2015**	**Exports 2014**	**2015**	**Trade Balance 2014**	**Trade Balance 2015**
European Union						
• Raw Products	8,386	7,568	13,50536,861	11,428	5,119	3,860
• Processed Products	36,749	31,188	**50,366**	30,550	112	-638
TOTAL E.U	**45,135**	**38,756**		**41,978**	**5,231**	**3,222**
Third Countries						
• Raw Products	7,597	6,896	6,132	5,969	-1,465	-927
• Processed Products	12,457	10,686	20,828	18,801	8,371	8,115
TOTAL T HIRD COUNTRIES	**20,054**	**17,582**	**26,960**	**24,770**	**6,906**	**7,188**
World						
• Raw Products	15,983	14,46441,874	19,637	17,397	3,654	2,933
• Processed Products	49,206	**56,338**	57,689	49,351	8,483	7,477
TOTAL FOOD PRODUCTS	**65,189**		**77,326**	**66,748**	**12,137**	**10,410**

Source: Agreste/French Customs

French Food Processing Industries
Calendar Year 2015

Industries	**Number of Companies**	**Turnover (without tax) In Million Dollars)**
Meat and Meat Products	2526	37,117
Fish and Seafood	351	4,051
Fruits and Vegetables	1361	8,702
Fats and Oils	235	8,524
Dairy Products	1273	33,069
Grain Industry	462	8,461
Bakery Industry	1594	11,552
Miscellaneous Food Products	4864	29,539
Animal Feed	428	15,412
Beverages	3124	32,242
Total Food Processing Industries	16,218	188,669

Source: French Ministry of Agriculture

Progress in food technology, marketing innovations, and exports of finished food products have all contributed to France's increasing demand for food ingredients. Innovative products, low fat, organic, and healthy products are in high demand. The food processing industry works consistently to improve the healthiness of French food products, an example of which is a 19 percent decrease of salt content in foods between 2000 and 2014.

Also, nutritional information is increasingly visible and detailed on product labels. Per EU Regulation, all food products sold in France will need to have a nutritional labeling by December 2016. French consumers are also very sensitive to food safety and quality, and the food processing industry is quick to remove ingredients from products that have been associated with safety issues. Food ingredients in general are imported freely by the private sector into France, but some face phytosanitary and other food safety restrictions at the EU level. Additives are subject to special authorization if they are not on the EU's list of approved additives. Tariffs and other labeling requirements may cause problems for some U.S. exporters. Please refer to the latest Post FAIRS report at the following website:
http://www.fas.usda.gov/data/france-fairs-country-report

And to the FAS U.S. Mission to the European Union website:
http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/

C. Key Market Drivers

Key market drivers for the food processing sector:

- Over the past decade, the deflationary economic environment pushed processors to look for lower-cost food inputs, as well as for international processing options, to remain competitive

- Increasing interest in health and functional foods with an emphasis on the growing aging population

- Increasing emphasis on convenience, ready-to-eat, and value-priced foods

- Continued diversification of the French diet

- Larger focus on the teenager demographic

- Heightened consumer and retailer food safety concerns

D. U.S. Involvement in the Industry

Due to the food processing sector's need for inputs, France has become a net importer of agricultural products. The EU remains France's most important trading partner with the top five suppliers being Spain, Belgium, Germany, The Netherlands, and Italy. Outside the EU, the United States is France's fourth largest supplier after Switzerlnd, Brazil, and Morocco. U.S. exports to France represented only 1.8 percent of all imported value in 2015. Major products imported from the United States are fish and seafood, including prepared, grapefruits, dried fruits and nuts, pulses, canned and prepared meat, beverages, including wine and spirits and grains.

Major Food Exporters to France

Rank	Partner Country	USD (Millions) 2013	2014	2015	% Share 2013	2014	2015	% Change 2015/2014
	World	***56,720***	***56,810***	***49,207***	***100.00***	***100.00***	***100.00***	***- 13.38***
1	Spain	7,919	*7,754*	6,955	13.96	13.65	14.13	-10.30
2	Belgium	7,430	7,458	6,281	13.10	13.13	12.76	-15.78
3	Germany	6,879	6,870	5,728	12.13	12.09	11.64	-16.62
4	Netherlands	6,891	6,623	5,481	12.15	11.66	11.14	-17.24
5	Italy	4,661	4,666	3,968	8.22	8.21	8.06	-14.96
6	Switzerland	2,096	2,123	1,902	3.69	3.74	3.87	-10.41
7	United Kingdom	1,778	1,814	1,579	3.13	3.19	3.21	-12.95
8	Ireland	1,676	1,661	1,448	2.95	2.92	2.94	-12.82
9	Brazil	1,648	1,643	1,501	2.91	2.89	3.05	-8.64
10	Morocco	927	1,050	956	1.63	1.85	1.94	-8.95
11	United States	922	1,063	907	1.62	1.87	1.84	-14.67
12	France	908	905	641	1.60	1.59	1.30	-29.17
13	Poland	900	940	928	1.59	1.65	1.89	-1.28
14	Ivory Coast	658	700	694	1.16	1.23	1.41	-0.86

Source: Global Trade Atlas (Agricultural Total, Group 2)

E. Key Advantages and Challenges facing U.S. Products in France

The tourism industry increased demand for hotel, restaurant, and institutional products, as well as the popularity for American food and food products are beneficial to U.S. ingredients. Products from the U.S. are also recognized by the French industry for quality and healthy aspects. Some of the key advantages and challenges for U.S. food products are:

Advantages	Challenges
Consumers demand for innovative, low fat, healthy, and organic products	Food safety and phytosanitary restrictions affect imports of fresh produce and certain food ingredients
France is a major producer and exporter of finished processed food products driving ingredient demand	Certain food ingredients (such as enriched flour) are banned or restricted from the French market
Food technology developments and marketing innovations spur higher demand for food ingredients	Germany, the United Kingdom, as well as French manufacturers are main competitors to U.S. products
Growing popularity of theme restaurants gives rise to higher demand for U.S. food ingredients	Government subsidies help competitiveness and innovation.

SECTION II. ROAD MAP FOR MARKET ENTRY

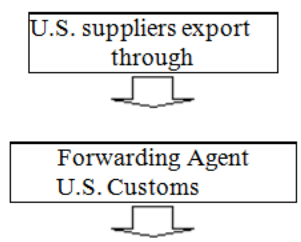
A. ENTRY STRATEGY

To enter the French market it is essential to have local and personal contacts. Local representatives provide up-to-date market information and guidance on business practices and trade laws. In general, French food processing industry players attend regional and international food ingredient trade shows. The Health Ingredient Show, and the Food Ingredient Show are held periodically in Paris. The next Food Ingredient Show will be held 29 Nov – 01Dec 2016.

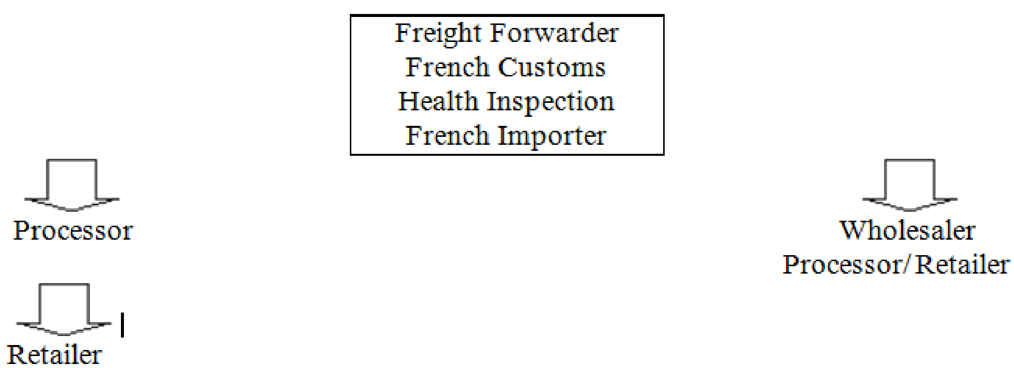
B. MARKET STRUCTURE

Most French processors buy their food ingredients through brokers and local wholesalers. Some of the larger companies have direct relationships with larger foreign suppliers. Food processors supply France's retail and food service industries, which account for roughly 70 and 30 percent, respectively, of the sector's overall sales. The most common entry strategy for small- and medium-sized U.S. companies is dealing either directly with a local wholesaler or broker or indirectly through an export agent or consolidator. The following illustration is a basic flowchart showing how U.S. products would enter and move through the French distribution system. The traditional system looks like this:

In the United States:



In France:



C. COMPANY PROFILE

In 2015, there were 16,218 food processing companies in France. The products ranged from processed meats, fish, fruits and vegetables, canned foods, bakery and cereals, dairy, confectionery, animal feed, ingredients, and beverages. These food processor end-use channels are the retail sector, as well as the hotel, restaurant, and institutional (HRI) food service, buying directly or through wholesalers. The table below also includes U.S. food companies that have foreign direct investments in France.

France's Major Food Processing Companies, 2015

Company Name and Type of Food Processor	Sales in France (million $)	Number of Employees	End-Use Channels	Production Location	Procurement Channels
Danone (production, processing and marketing of fresh dairy products, packaged water, baby food and clinical nutrition)	24,902	102,401	Retail and HRI	France & Europe North America Asia/Middle East & Africa	Importers; Direct
Lactalis (dairy products)	22,360	32,000	Retail and HRI	France, Europe, North, Central and South America, Asia, Africa	Importers; Direct, Distributors
Pernod Ricard (manufacturing and distribution of wines and spirits)	9,509	18421	Retail and HRI	France & Europe and USA	Importers; Distributors; Direct
Sodiaal (milk production)	6,100	9,400	Retail and HRI	France, China and Switzerland	Direct Importers
Nestle France (products and beverages for human consumption and animal feed)	5,718	13,000	Retail and HRI	France and Locations all over the world	Importers; Direct
Terrena (distribution, agricultural supply, animal and plant production)	5,604	13,998	Retail, HRI (own plant production supply chain)	France & Europe	Importers ; Direct
Soufflet (grain processor)	5,455	3,895	Industry and Retail	France, Europe, Asia and South America	Direct Importers
Vivescia (producer, grain and vegetable processor)	5,450	8,322	Industry	France and Europe	Direct
Mondelez International (Kraft Foods France coffee and chocolate)	5,380	5,000	Retail and HRI	France (snacking, chocolate and coffee brands) Branch of Kraft Foods created for the French and European markets	Importers, Direct
Agrial (food and agricultural cooperative group)	5,307	12,000	Retail and HRI	France	Importers; Direct
Moet Hennessy (luxury industry, wine, spirits)	5,114	N/A	Retail and HRI	France, Switzerland, USA	Direct
Bongrain SA (milk processor)	4,934	19,246	Retail and HRI	France. Subsidiaries in Europe, North and South America	Direct; Importers
Bigard	4,778	14,000	Retail, HRI	France	Direct

(meat processor)					
Tereos (sugar manufacturer, process raw materials in sugar)	4,778	24,000	Food and non-food industry and retail	France and Europe, South America, Africa	Importers; Direct
Pole Industriel des Mousquetaires (French retailer)	4,411	9,650	Retail	France	Direct
Axereal (agricultural and food cooperative group)	4,359	3,218	Retail, HRI and Industry	France, Europe and Algeria	Direct; Importers
Cargill France (food, agricultural, financial, industrial and services)	3,531	199	Industry, Retail and HRI	France and internationally across Europe, North and South America, and Asia (U.S. Group)	Direct; Importers
Roullier (plant fertilizers, animal feed and nutrition)	3,445	7,300	Industry, Retail and HRI	France , Brazil, Poland, Austria, Uruguay, Paraguay, Mexico, Ukraine, Egypt	Direct; Importers
LDC (poultry producer and processor)	3,363	15,500	Retail and HRI	France, Poland and Spain	Direct; Importers
Fromageries Bel (cheeses baked or half-cooked)	3,277	10,600	Retail and HRI	France, Europe, Americas, Asia, Africa, Middle East	Direct
Unilever France (hygiene, personal care and nutrition)	2,973	2,000	Retail and HRI	U.K., The Netherlands	Direct; Importers
Coca Cola Enterprise (soft drinks)	2,667	N/A	Retail and HRI	USA – France	Direct; Importers
Limagrain (vegetable and grain seeds)	2,667	9,600	Retail, HRI and Industry	France and Europe – Subsidiaries in North America, Asia and Australia	Direct; Importers
Triskalia (cooperative, agrosupply, food and special distribution)	2,333	48,000	Retail and HRI	France	Direct; Importers
Roquette Freres (starch and starch based products manufacturer)	2,241	3,000	Industry, Retail and HRI	France, North America, Europe and Asia	Direct Importers
Cooperl Arc Atlantique (production and Slaughter pigs)	1,887	1,700	Retail and HRI	France	Direct

N/A = Not Available
Source: RIA Magazine

D. SECTOR TRENDS

Continuing efforts to reduce costs resulted in an increasing number of French food processors going off-shore to source processed food items. Examples include Danone, a world leader for dairy products, number two for water and baby food, and number one in Europe for clinical nutrition has over 140 overseas manufacturing plants. Another is Sodiaal, French leader in milk production and number four in Europe, which has joint ventures in Switzerland and more recently in China. Some French companies invest in Asia to produce dairy, sugar, and sugar-based products, beverages and grains. Some companies such as Moet Hennessy and Pernod Ricard have developed activities and strong presence in the United States.

It has becoming a common practice to invest in research and development for new agricultural resources and ingredients. Also, quality, food safety, and health concerns of French consumers have pushed the French food processing industry to continue their actions toward innovation. Environment and sustainable development, sorting and recycling packaging waste, campaign against wasting food and energy efficiency are major aspects in the competitive French food industry.

France is a major exporter of processed foods mainly wine, spirits, and dairy products. In 2015, the total French exports of processed foods were valued at $49 billion, a decrease of 15 percent from 2014.

The economic crisis and the decrease in the French household purchasing power, did not impact the French consumer demand for quality, innovative, and healthy products. Also, the change in lifestyles and demographic changes resulted in a strong growth consumption of processed products.

III. COMPETITION

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

Iran, Turkey and North Africa, which can supply lower-priced dried fruits and nuts, have competitive advantage over U.S. products, even though high U.S. quality is recognized by French consumers. Norway, The United Kingdom and China are major competitors for U.S. fish and seafood products. Processed food products, such as confectionery, sauces and dressings, and soft drinks, are developing at a fast rate, and the U.S. presence for these products is well developed. Familiarity with French consumer tastes and texture preferences, as well as proximity to the market give Belgium, the United Kingdom, and Germany competitive advantage for these products.

Overall Competitive Situation Facing U.S. Suppliers, CY 2015

Product Category and	Major Supply Sources in 2015 & percentage of total French Imports in	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers

volume/value imports from the U.S.	**Volume**		
Fish and Seafood Net import: 46,101 tons US$ 215.6 million	A – Norway (11%) B – Spain (9%) C – U.K. (8%) USA is a major supplier (4.5% share)	A &B, Norway dominates the market with 215,922 tons imported, Spain is price competitive for the canning industry. C. U.K. is also a strong supplier to France, mainly for the food service market.	Local resources in fish and seafood do not satisfy increasing demand. USA is a major supplier to France, especially for salmon, and frozen scallops.
Fruits and nuts, including tropical fruit and citrus Net import: 41,055 tons US$266.5 million	A. Spain (40%) B. Italy (7%) C. Ivory Coast (5%) D. Cameroon (4%) USA – Minor supplier (1.2% share)	A & B: Spain and Italy are EU countries and price competitive as well as geographically close. Italy mainly supplies grapes, while Spain has a wider range of fruits to offer including citrus. South Africa and Israel also supply citrus to France C & D: Cameroon is a supplier of fruits and bananas and has a lot of French subsidiary companies. However, Morocco, Ivory Coast and South Africa are also France’s key suppliers, and have a market share close to Cameroon.	Locally, there are very marginal production for nuts and citrus and none for tropical fruits. France is only a producer of walnuts and mainly for national consumption. Nuts imported from the USA represent less than 2 percent of total nut imports. France is an attractive market for the USA but the competition is tough.
Canned and prepared meat and fish Net import: 416 tons US$ 11 million	A. Germany (23%) B. Spain (13%) C. Belgium (7 %) USA minor supplier (0.09%)	A, B & C: Germany, Spain and Belgium are price competitive, geographically close and part of the European Union.	Local companies are strong in prepared meat and fish although their number declined over years. They also are affected by rising production costs.
Preparations of fruits, vegetables, nuts, including jams, fruit purees and fruit juices. Net import: 16,083 tons US$ 56 million	A. Belgium (22%) B. Spain (18%) C. Netherlands (16%) USA – Minor supplier (0.5% share)	A: Belgium dominates the market with preparation of vegetables other than tomatoes (Italy and Spain) B&C: Spain supplies France with prepared fruits, fruit juices, and nuts; and the Netherlands with mushrooms, as well as fruit juices. Fruit juices are also imported by Spain and Brazil, the United States represent less than one percent market share. USA market share for nuts imports is close to 1%.	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-made products Fruit juices are an attractive market to U.S. suppliers, although competition is tough.
Prepared	A. Germany (20%)	Germany, Belgium and Spain	Demand for interesting natural or

foods including sauces, condiments, seasonings, mustards and ice creams Net import: 6,545 tons US$ 46.5 million	B. Belgium (14%) C. Spain (11%) D. Italy (11%) USA – Minor supplier (1.3% share)	dominate the market with sauces/condiments/seasonings and mustards. Italy supplies soups, and ice creams. Most of the imports from the United States are sauces, condiments and dressings.	exotic flavors as well as health and wellness products should provide opportunities for U.S. suppliers of sauces/condiments/seasonings, provided they are able to compete with A, B, C & D.
Snacks (potato and cereal based) Net import: 2 tons US$ 9.9 million	A. Italy (23%) B. Germany (21%) C. Belgium (16%) D. Spain (11%) USA – minor supplier (0.02%)	A, B &C: Dominates the market with branded products. D. Offers exotic flavors.	A few local companies and some multinational firms operate in the market. Demand is for new exotic flavors (olive oil, chili), healthier content or a combination of both. Popcorn is still on the rise, and the U.S. may offer a variety of new products with innovative packaging in the sector.
Beverages, including wines, spirits and alcohols Net import: 475 MHL US$ 184.7 million	A. Belgium (24%) B. Spain (10%) C. Germany (8%) D. Italy (7%) USA – Medium supplier (5% share)	A, C dominate the market with branded spirits. B, D supply wine to France.	France is second world's largest wine producer, after Italy. A market exists for third country wines, which have recorded increases during the past years. The United States is a net supplier of California wines and its market share has steadily increased over years.
Pulses Net import: 20,864 tons US$ 41.3 million	A. Spain (28%) B. Belgium (26%) C. Morocco (14%) D. China (2%) E. USA (0.7%)	A, B & C dominates the market with all varieties of pulses (mainly originating from the USA). USA supplies mainly beans and lentils.	France production of pulses represents 25% of total needs. The import volume of beans and lentils from the United States to France steadily increased since 2012.
Grains and milling industry products Net import: 11,663 tons US$ 35.3 million	**Grains:** A. Germany (25%) B. Italy (8%) C. Thailand (5%) USA – Minor supplier (0.6% share) **Milling Industry:** A. Germany (42%) B. Belgium (16%) C. Spain (10%) USA minor supplier (0.3% share)	A & B: Dominates the market with corn and processed products, mainly originating from Brazil and Canada; C: Thailand becomes a major supplier. C dominates the market with rice and processed products USA is 11th largest supplier for corn and 16th for rice.	Very small rice production in southern France. Corn is second largest grain production in France after wheat and represents 10% of the total agricultural production area. US corn and products supplies are limited in France due to GE concerns.

I. BEST PRODUCT PROSPECTS

The United States is fourth largest supplier of soybeans to France after Brazil, Paraguay and Canada. Most of the soybeans imported into France enter as soybean meal for animal feed use. Listed below are U.S. products present in the market that have good sales potential. To be noted that in 2015 there were significant price decrease on imports of major food products compared to 2014.

A. Products Present in the Market with Good Sales Potential

Product Category	2015 Average Market Size (in Volume)	2015 Total Imports (in million dollars)	Average Percentage Import Change (2015-2014)	Key Constraints over Market Development	Market Attractiveness for USA
Fish and Seafood	2.7 million tons	$4,529	-11.4%	Competition from other suppliers	Demand for seafood products will continue to rise because domestic production is significantly lower than demand. Health benefits and quality of US products offer opportunities for US suppliers mainly for frozen Alaska Pollock fillets, fresh and frozen scallops, frozen surimi base, live lobster and frozen salmon.
Citrus fruits and nuts	N/A	$5,102	-2.8%	Competition from key established suppliers	U.S. products are considered as quality and safety products. France is the leading European market for U.S. grapefruits. Most popular nuts sold in France are almonds, cashews, pecans, hazelnuts and pistachios. Most sales from the US are bulk and for the processing industry.
Coffee, tea and spices	N/A	$2,858	-7.9%	Lack of awareness for US products	The market remains a niche for US suppliers but opportunities exist to compete with other countries origin present in the market for coffee and teas.
Sauces, condiments and seasonings	N/A	$623	-13.0%	Competition from key established multinational suppliers. Products to be GMOs free.	U.S. suppliers to provide new exotic and natural flavors and attractive packaging.
Salted and sweet snacks	N/A	$342	-5.0%	High tariff and competition from large multinational.	Snacking is on the rise, and demand is for new flavors, healthy content and easy to

					eat packaging. U.S. products are to be considered to be sold for private labels.
Sugar, chocolate, and confectionery	N/A	$912	-21%	High tariff, adapt to European and French regulations. Also, competition with key established multinationals.	Niche opportunities for sugar-free, low-carb and functional value-added products.
Quality wines	47 MHL	$760	-8.8%	Competition from third country wine producers and high tariffs.	Demand for quality wines should continue boosting U.S. sales with market driven approach to business.
Fruit juices	N/A	$1,054	-14.4%	Competition from large groups	U.S. suppliers offer high quality juices and concentrates. Health benefits are appreciated from customers and should benefit U.S. products.
Carbonated drinks	N/A	N/A	N/A	High tariffs and fierce competition from multinationals.	U.S. suppliers should offer sugar-free and low-calorie carbonates. Attractive packaging is a plus to these drinks directed to young population.
Canned and prepared meat and fish	35.1 million tons	$1,956	-16.8%	EU certification required for meat and fish products	U.S. suppliers with required certification for their product and offering innovative products can find a niche.
Pulses	N/A	$105	-22.8%	Competition from key established suppliers.	U.S. suppliers carry high quality products and should continue valorizing the nutritional aspect of their pulses.

N/A = Not Available
Source: INSEE/GTIS – World Trade Atlas

B. Products Not Present in Significant Quantities but with Good Sales Potential

Product Category	**2015 Average Market Size (in Volume)**	**2015 Total Imports (In Million Dollars)**	**Average Percentage Import Change (2015/2014)**	**Key Constraints Over Market Development**	**Market Attractiveness for USA**
Tropical fruits	N/A	$617	-1.9%	Competition with French overseas department and territories producers (banana and pineapple) High transportation costs	French consumers are open to different flavors. U.S. suppliers may find a niche to offer tropical fruits and sale to specialized gourmet stores.

Sweet potatoes	N/A	$23	15%	Knowledge of this product is increasing.	This market is likely to become more dynamic as consumers gain product understanding. Opportunities will exist for development by U.S. sweet potato suppliers and relevant trade associations.
Dietary products including nutraceuticals	N/A	N/A	N/A	Strict EU and French regulations apply to these products.	This is a fast growing and lucrative market attractive for the numerous US suppliers
Energy drinks	N/A	N/A	N/A	Fierce competition from 3 giants of the soft drink market and Red Bull and strict ingredient regulations apply to these products.	Although it is difficult to find reliable figures for these products, it is certain that it remains a fast growing market attractive to US suppliers carrying good taste and innovative products provided they are ready to compete with the sector leaders.
Soups	N/A	$151	16%	Competition from local manufacturers.	Return to tradition and innovative quality products may attract U.S. suppliers.
Pet foods	333 million units	$578	8.2%	Competition from multinational groups. Pet plants require certification.	Growing number of pets stimulates demand for conventional and organic pet foods.
Organic foods	N/A	N/A	N/A	Strict EU regulations on production and countries equivalency apply for imported products from third countries. The U.S. has an equivalence arrangement with the EU.	Increasing health-concern and various food crisis boosted this market segment. Approximately 74 percent of organic foods sold in France are produced in the country. Importers have decreased since 2010 and France only imports products that are not produced locally, such as organic dried fruits, teas, and tropical products, where opportunities may exist for U.S. suppliers with innovative products.
Kosher foods	N/A	N/A	N/A	Competition from local wholesalers and key suppliers. Products to be certified Kosher by religious authorities.	Religious and health concerns boost sales of kosher products beyond the community. In France the kosher market is estimated to increase at a yearly rate between 10-15% , offering opportunities for US suppliers.
Halal foods	N/A	N/A	N/A	Competition from multinational groups and key suppliers.	A large Muslim population in France generates approximately 10% annual

				Products to be certified Halal by religious authorities.	increase in Halal foods offering opportunities for US suppliers.
Ice creams	344 million liters	$238	-14.7%	A seasonal product. Competition from large groups. EU regulations and certification	US suppliers with high quality innovative products may find a niche in this market.

N/A = Not Available

Source: INSEE/GTIS World Trade Atlas

C. Products not Present Because They Face Significant Trade Barriers

- Vitamin-enriched flour
- Meat and Poultry products

IV. POST CONTACT AND FURTHER INFORMATION

For further information regarding exporting U.S. food products to France, please contact the Office of Agricultural Affairs:

Office of Agricultural Affairs
American Embassy
2, avenue Gabriel
75382 Paris Cedex 08
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Homepage: http://www.usda-france.fr

For information on exporting U.S. food products to France, visit our homepage.

Complementary information to this report and can be found at the following hot link:
http://www.usda-fr ance.fr/market-information-and-opportunities-en.htm