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France

Processed Sweet Corn

French Sweet Corn Jeopardized by Biotech and Hungarian Sweet Corn 2002

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Report Highlights:

In 2001, triggered by export demand from Russia and EU member states, French sweet corn production increased to 302,000 MT, including 270,000 MT of canned and 32,000 MT of frozen product. A further increase is expected in 2002. In MY 2000/01, the market share of U.S. sweet corn was 26 percent, on the decline, facing price competition with French and Hungarian sweet corn. Hungarian exports to France are likely to increase in the near future, as EU tariffs for Hungarian farm products will decline. The French sweet corn industry remains concerned by biotech issues, fearing a drop in consumption as corn products are more and more associated with biotechnology.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

In 2001, triggered by export demand from Russia and EU member states, French sweet corn production increased to 302,000 MT, including 270,000 MT of canned and 32,000 MT of frozen product. A further increase is expected in 2002. In MY 2000/01, the market share of U.S. sweet corn was 26 percent, on the decline, facing price competition with French and Hungarian sweet corn. Hungarian exports to France are likely to increase in the near future, as EU tariffs for Hungarian farm products will decline. The French sweet corn industry remains concerned by biotech issues, fearing a drop in consumption as corn products are more and more associated with biotechnology.

Section I: Situation and Outlook

France remained the leading EU producer of sweet corn (mainly canned) in 2001, with 80 percent of European Union production. French sweet corn production is growing, boosted by export demand from Russia, Germany, the UK, Spain and Italy. In contrast, French domestic demand is stagnating.

The market share of U.S. canned sweet corn in France is on the decline, and represented 26 percent of total imports in 2001. On the French market, U.S. products principally compete with French sweet corn, Hungarian sweet corn and Thai sweet corn. The market share of Hungarian sweet corn is likely to grow in France and other European markets in the near future, with Hungary's accession to the European Union.

Section II: Statistical Tables

Canned Sweet Corn:

PSD Table						
Country	France					
Commodity	Canned Sweet Corn					(MT)(Dec. Fraction)
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Production Gross WT	234700	234700	243800	243800	243000	270000
Production Net WT	141385	141385	146867	146867	146386	162651
Conv. Rate Net/Gross	1	1	1	1	1	1

Export Trade Matrix			
Country	France		
Commodity	Canned Sweet Corn		
Time period	July-June	Units:	MT
Exports for:	1999		2000
U.S.	803	U.S.	0
Others		Others	
Germany	30085	Germany	33935
UK	18062	UK	21790
Spain	14757	Spain	17550
Italy	9502	Italy	11429
Belgium	6101	Russia	8657
Switzerland	2551	Belgium	6397
Sweden	2035	Sweden	3564
Denmark	1490	Switzerland	2802
Russia	1202	Denmark	2090
Argentina	1124	Israel	1482
Total for Others	86909		109696
Others not Listed	8302		9468
Grand Total	96014		119164

Source: French Customs

Import Trade Matrix			
Country	France		
Commodity	Canned Sweet Corn		
Time period	July-June	Units:	MT
Imports for:	1999		2000
U.S.	2874	U.S.	1926
Others		Others	
Hungary	2322	Hungary	1824
Thailand	1708	Thailand	1716
Italy	989	Italy	824
Total for Others	5019		4364
Others not Listed	1095		959

Grand Total	8988		7249
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Frozen Sweet Corn:

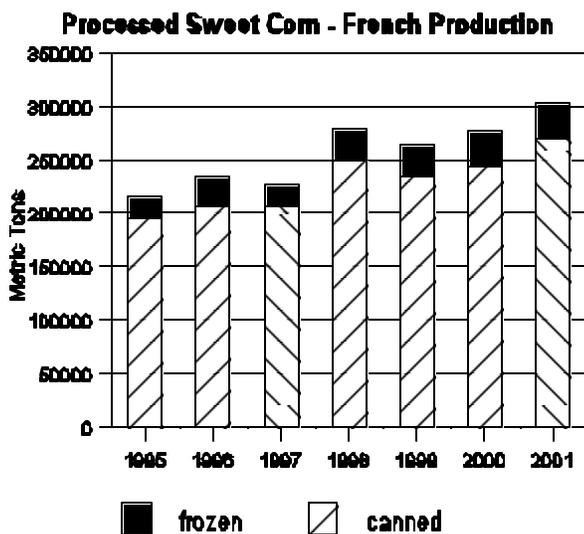
Export Trade Matrix			
Country	France		
Commodity	Frozen Sweet Corn		
Time period	July-June	Units:	MT
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
UK	6285	UK	9948
Belgium	4099	Belgium	5795
Germany	1610	Germany	1258
Total for Others	11994		17001
Others not Listed	1287		1058
Grand Total	13281		18059

Source: French Customs

Import Trade Matrix			
Country	France		
Commodity	Frozen Sweet Corn		
Time period	July-June	Units:	MT
Imports for:	1999		2000
U.S.	616	U.S.	311
Others		Others	
Spain	2057	Spain	1809
Belgium	1192	Belgium	888
Netherlands	874	Italy	668
Total for Others	4123		3365
Others not Listed	1543		569
Grand Total	6282		4245

Section III: Production, Supply and Demand

Production



France is the leading producer of processed sweet corn in Europe, with 80 percent of the EU production in 2001. French production included 270,000 MT of canned sweet corn and 32,000 MT of frozen sweet corn in 2001. Italy (40,000 MT canned sweet corn) and Spain (22,000 MT frozen sweet corn) are the other EU producers.

While French production was stable from 1998 to 2000, it increased by 9 percent from 2000 to 2001. This resulted from an increase in export demand, mainly from Russia and EU member states, where consumption is growing.

Consequently, the area planted to sweet corn is expected to continue to grow in 2002.

In 2001, canned sweet corn was the leading canned vegetable produced in France, with 28 percent of total canned vegetable production, ahead of canned green beans (24 percent).

Consumption

In CY 2001, canned sweet corn was the second largest canned vegetable category consumed in France, with 9 percent, following green beans (23 percent), and at the same level as mixed carrots and peas (9 percent).

French consumption of canned sweet corn remains relatively stable and jeopardized by French consumers' fear of biotech products. There are currently no biotech sweet corns on the European market, and the French sweet corn industry has worked with the French Frauds Office (DGCCRF) of the French Ministry of Economy, Finance and Industry to label their products with a "non-GMO" statement. While French sweet corn declined in 1998 because of consumer concerns over biotechnology, consumption has stabilized since then.

On May 6, 2002, the European Scientific Committee for Food released a positive statement on the commercialization of the Novartis Bt11 biotech sweet corn for human food. The French sweet corn sector fears that this decision will confuse French and European consumers, and reduce sweet corn sales. This biotech sweet corn would have to be labeled as containing biotech products if it was marketed in the EU, according to the European regulation.

Trade

France is a net exporter of canned sweet corn, as production is significantly higher than consumption. French and U.S. canned sweet corn compete for European markets. In MY 2000/01, French canned sweet corn exports were favored by lower U.S. exports, especially to the United Kingdom, resulting from a reduced harvest in the United States. In addition, Spanish and Italian consumption of canned sweet corn are growing.

French exports of canned sweet corn jumped 24 percent from 96,014 MT in MY 99/00 to 119,164 MT in MY 00/01. This was due mainly to booming shipments to Russia and growing shipments to leading EU markets for French canned sweet corn, i.e., Germany, the UK, Spain and Italy. At the same time, French exports of frozen sweet corn also increased significantly (36 percent), mainly due to increased shipments to the UK.

On both the domestic and export markets, French sweet corn faces stiff price-competition from sweet corn produced in Hungary. The area planted to sweet corn in Hungary is higher than in France (35,000 ha compared to 25,000 ha), and production costs are lower in Hungary than in France. In addition, the pre-accession agreement between the EU and Hungary is expected to reduce tariffs for Hungarian farm products exported into the EU, which will further increase the competitiveness of Hungarian sweet corn on the EU market.

French imports of canned sweet corn from the United States declined by 950 MT to 1,926 MT in MY 00/01, while French imports from all origins decreased, due to flat domestic consumption. France's leading suppliers of canned sweet corn are the United States, Hungary and Thailand, while France's leading supplier of frozen sweet corn is Spain (the second largest EU producer of frozen sweet corn after France).

Marketing

The leading French importer of canned sweet corn from the United States is:

TRIOMPHE / SNAT

14, rue Lucien Barbier – BP 142

Phone: (33-1) 39 82 98 78

Fax: (33-1) 39 82 22 93

Contact: Mr. Raphael Dahan

This company sells U.S. canned sweet corn under the brand name Monarch.