



Market and Trade Data

France Still Offers Opportunities for U.S. Food and Agricultural Products

By Roselyne Gauthier

As a member of the EU (European Union), the WTO (World Trade Organization), and the Organization for Economic Cooperation and Development, France is a leading economic player and international force. With a GDP (gross domestic product) of \$2.3 trillion, France is the world's fifth largest industrialized economy.

France is also the fifth largest trading partner of the United States, with two-way trade totaling \$77 billion in 2006. The United States is the primary recipient of French foreign direct investment, and is the third largest foreign investor in France.

However, France's economy has flagged under the weight of high oil prices and the fall of the euro relative to the dollar, and grew 2 percent in 2006. During the first quarter of 2007, GDP

grew 0.5 percent and is forecast to grow 2 - 2.4 percent by the end of year 2007. The unemployment rate is currently at 8.3 percent.

The food industry is the largest industrial sector in France, which leads the world in processed food exports, with 2006 sales of \$32.8 billion, approximately 10 percent of global processed food trade. In sales, the French food processing industry ranks No. 1 in Europe and No. 2 worldwide, following the United States. France currently has 30 major food processors and more than 10,800 food companies.

Consumers Looking for Quality and New Taste Sensations

France has a total population of 63 million, including 1.8 million in its overseas territories, a birth rate increasing by 2.8 percent, and a slightly declining death rate. The French population could reach 70 million by 2050, one of the few EU members expected to have population growth.

The French population has a per capita income of \$35,628, near that of the United States. Socioeconomic and demographic changes have significantly altered food trends in France. The younger generation (26 percent of the population) appreciates trying new products, and values products that combine an attractive image with good taste. Working consumers and those living alone (30 percent) have less time to prepare meals, and are pushing demand for easy-to-prepare foods, single- and double- portion packs, and frozen or microwaveable meals.



Organic retail store

Photo courtesy of the FAS Office of Agricultural Affairs, Paris, France

e-Sources**FAS Paris:
Source of Market Assistance and Information**

The FAS Office of Agricultural Affairs in Paris, France, can help U.S. suppliers interested in this market. For assistance, contact the office at: E-mail: agparis@usda.gov

For information on the French market for U.S. food and agricultural products, visit the office's website: <http://www.amb-usa.fr/fas/fas.htm>

For information on French trade restrictions, food standards, and regulations, go to:

<http://www.fas.usda.gov/gainfiles/200607/146208520.pdf>

French Information Sources

For more details on France's biotechnology policy, see the French Ministry of Agriculture website:

http://ogm.agriculture.gouv.fr/savoir_plus/fiches/fiche6.htm

The French decree implementing EU biotech regulations can be found at:

<http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=ECO0400078D>

**Trade Shows: Key to Marketing
Food and Agricultural Products**

The FAS Office of Agricultural Affairs in Paris, France, recommends the SIAL and SIRHA trade shows, where U.S. companies participating in USDA's MAP (Market Access Program) can be reimbursed up to 50 percent of expenses if they join the U.S. pavilion.

SIAL (Salon International de l'Alimentation - International Food Show), held biannually in Paris, France. Information on SIAL is located at: <http://www.sial.fr>

For information on the USA pavilion at SIAL, contact:

kellyw@imexmgt.com or francoisq@imexmgt.com

SIRHA (the International Food Service and Gastronomic Trade Exhibition), a biennial show for the HRI sector. Information on SIRHA is available at: <http://www.sirha.com>

For a full list of trade shows and promotional opportunities endorsed or otherwise sponsored by FAS, go to:

<http://www.fas.usda.gov/info/fasworldwide/2007/01-2007/tradeshows.htm>

The French food market is mature, sophisticated, and well-served by suppliers from around the world. French consumers want food products offering greater taste, health benefits, and convenience. They want innovative foods, such as ethnic and exotic foods with distinctive themes and flavors. The number of theme restaurants has increased dramatically; in Paris, one of every two new restaurants is based on a "world food" concept, and all major supermarket chains offer ethnic foods under their private labels. Popular trends include Thai, Northern and Southern African and Indian cuisine, but Tex-Mex, Cajun, and California-style cuisine still have potential. Increasing interest in American culture, younger consumers, and changing lifestyles are boosting demand for U.S. food products. Generally, high quality food products with a regional American image can find a niche in the French market, particularly if they are distributed through stores and supermarkets that specialize in U.S. or foreign foods.

Significant market opportunities exist for a number of U.S. products: fruit juices and soft drinks (including flavored spring waters); dried fruits and tree nuts; fresh fruits and vegetables (particularly tropical and exotic items); frozen foods (both ready-to-eat meals and specialty products); snack foods; ethnic products, seafood (particularly salmon and surimi); innovative dietetic and health products; organic products; soups; breakfast cereals; and pet foods. Niche markets exist in France for candies, chocolate bars, wild rice, kosher, and halal foods.

**Trade Requirements (Some
Restrictions Apply)**

Product safety and sanitary standards on imports into France are increasingly established at the EU level; however, additional French regulations affect imports as well. Efforts to harmonize EU import regulations and to implement commitments under the WTO may abolish inconsistent and conflicting French and EU regulations, quota conversions, variable levies, and restrictive licensing requirements.

Food products entering the EU and France are subject to customs duties which vary by product. Most processed products are

subject to additional import charges based on their contents of sugar, milk fat, milk protein and starch.

French regulations can limit market access for certain U.S. agricultural products including, but not limited to, the following: poultry (including flightless bird meats such as ratite); meats (such as beef, bison, and alligator); eggs; live crayfish; enriched flour; bovine genetics; fruits and vegetables; and pet foods.

Import and export transactions exceeding 12,500 euros (approximately \$15,700) must be conducted through an approved banking intermediary. Goods must be imported and exported no later than 6 months after all financial and customs arrangements have been completed.

The following shipping documents, in French, are required: commercial invoice; bill of lading or air waybill; certificate of origin; sanitary or health certificate, if applicable. For products originating in countries other than EU or WTO members, and for a limited number of products considered to be sensitive, a specific import/export license also may be required.

Labels also must be in French and include:

- product definition
- shelf life, such as "use by," or "best before" dates
- storage requirements
- precautionary information or usage instructions, if applicable
- ingredients by metric weight, volume, etc.
- additives, preservatives, and color agents by specific group name or "E" number
- product country of origin and name of the EU importer or vendor
- manufacturer's lot or batch number

In April 2004, France implemented the EU Novel Food/Novel Feed and Traceability and Labeling Regulations, which require that products derived from biotechnology be identified "from the seed to the fork. Any food or feed product derived from biotech must state that on the label, whether biotech DNA is detectable in the final product or not, unless the biotech content is less than 0.9 percent.

French consumers have exacting demands, and while many consumers and distributors are receptive to new developments in foods, they increasingly also demand more information on product contents and manufacturing processes. In the wake of food scares, the French government encouraged the use of quality marks (such as "Label Rouge," Red Label, for meats, poultry, fruits, and vegetables), which guarantee production under established conditions, and origin labels which guarantee that products (such as certain wines, milk, butter, and cheeses) come from a certain region. The government also has a certification program which guarantees that product preparation, manufacturing, and packaging processes follow certain specifications. These quality and origin marks have been well received by French consumers.

Tips for Expert Exporting

The United States and France produce many of the same goods and services and export them to each other. Therefore, marketing products and services in France can resemble that of the United States. French business representatives are sophisticated and knowledgeable about their markets. Nevertheless, U.S. firms must take into consideration certain business practices, cultural factors, and legal requirements to do business effectively in France.

To succeed in this demanding market, U.S. food product exporters should:

- Check EU and French regulations to ensure products can enter the French market.
- Verify carefully the list of ingredients and additives.
- Verify customs clearance requirements and any additional import charges based on percentage of sugar, milk fat, milk protein, and starch in the product.
- Target dual-income families, singles, senior citizens, and health- and environmentally-conscious consumers.
- Conduct advertising campaigns through magazines and other media, including TV; they have great influence on consumer choices.
- Emphasize image appeal. Attractive packaging can help a product find a niche in France, particularly if a U.S. firm has access to stores and supermarkets that specialize in foreign foods.
- Promote, promote, promote. Conduct in-store promotions, seasonal and holiday promotions, and supermarket promotions to familiarize French consumers with products.
- Participate in trade shows to connect with buyers, importers, and distributors, and to introduce new products.
- Conduct market research and review export statistics of the last five years.
- Contact the FAS (Foreign Agricultural Service) Office of Agricultural Affairs in Paris, France, to obtain up-to-date information on government

regulations, customs duties, politics, demographics, infrastructure, distribution channels, and market size.

- Identify the best distribution channel for the product, i.e., supermarkets, an importer or distributor, or a foreign agent. Be prepared to send samples. Work with the buyer, agent, distributor, or importer to determine the best promotional strategy. ■

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