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Exporter Guide

Annual

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Report Highlights:
Socio-economic and demographic changes are altering food trends in France. Consumers desire food products offering better taste, increased health benefits, and more convenience. France offers market opportunities in a number of areas such as fish and seafood, processed fruits and vegetables (including fruit juices), beverages (including wine and spirits), fresh and dried fruits and nuts, but also confectionery products, wild rice, organic, kosher, and halal foods.

This report, prepared by the USDA's Foreign Agricultural Service for U.S. exporters of food products, presents a comprehensive guide to France's economic situation, market structure, exporter tips and best

prospects for high-value foods and agricultural products.

Post:
Paris

Executive Summary:
Executive Summary:

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This report, prepared by the USDA's Foreign Agricultural Service for U.S. food products exporters, presents a comprehensive guide to France's economic situation, market structure,

exporter tips, and best prospects for high-value foods and agricultural products.

Note: Average exchange rates used in this report are:

Calendar Year 2009: US Dollar 1 = 0.72 Euros
Calendar Year 2010: US Dollar 1 = 0.75 Euros
Calendar Year 2011: US Dollar 1 = 0.72 Euros
(Source: the Federal Reserve Bank of New York and/or the International Monetary Fund)

SECTION I. MARKET OVERVIEW

1. Macroeconomic Situation

As a member of the G-20, the European Union (EU), the World Trade Organization (WTO), and the Organization for Economic Cooperation and Development (OECD), France is a leading economic player. With a $2.55 trillion gross domestic product (GDP), France is the world's fifth largest industrialized economy. The French population of 65 million has a per capita income of $44,401 in 2011 according to the IMF.

France is the ninth largest trading partner of the United States, according to the U.S. Department of Commerce. U.S. trade with France, including exports and imports of goods and services, was $68 billion in 2011. The United States is the first outlet for French foreign direct investment and is the second largest foreign investor in France.

France is transitioning from an economy that has featured extensive government ownership and intervention to one that relies more on market mechanisms, while in the midst of a euro-zone crisis. The government has partially or fully privatized many large companies, banks, and insurers, and has ceded stakes in such leading firms as Air France, France Telecom, Renault, and Thales. It maintains a strong presence in some sectors, particularly power, public transport, and defense industries. With at least 75 million foreign tourists per year, France is the most visited country in the world and maintains the third largest income in the world from tourism. France's leaders remain committed to capitalism in which they maintain social equity by means of laws, tax policies, and social spending that reduce income disparity and the impact of free markets on public health and welfare. France's real GDP contracted 2.6 percent in 2009, but recovered somewhat in 2010 and 2011. The unemployment rate increased from 7.4 percent in 2008 to 9.3 percent in 2010 and 9.1 percent in 2011. Lower-than-expected growth and increased unemployment have cut government revenues and increased borrowing costs, contributing to a deterioration of France's public finances. The government budget deficit rose sharply from 3.4 percent of GDP in 2008 to 7.5 percent of GDP in 2009 before improving to 5.8 percent of GDP in 2011, while France's public debt rose from 68 percent of GDP to 86 percent over the same period. Paris is implementing austerity measures that eliminate tax credits and freeze most government spending in an effort to bring the budget deficit under the 3 percent euro-zone ceiling by 2013, and to highlight its commitment to fiscal discipline at a time of intense financial market scrutiny of euro-zone debt levels.

2. French Agricultural Production and Consumption

Two thousand-eleven was a recovery year for French agriculture but not for French farmers. This year was marked by an increase in value for both livestock and vegetable production. In total, the value of the French agricultural production rose by 6 percent and its volume increased by 2 percent from 2010. However, Farmers' charges increased 10 percent, driven by soaring energy and fertilizer prices. Consequently, the net farm income per worker fall sharply: 7 percent in real terms in 2011. On the other hand, the external trade surplus for agricultural and food products is expected to rise significantly 50 percent in 2011 to € 12 billion.

Since the beginning of calendar year 2011, French food consumption was affected by the financial slowdown; not only by volume sold, but also in price. The consumption of manufacturing products only increased by 0.9 percent during the last quarter of 2011, but fresh products declined by 2 percent. Consumers are more price conscious when purchasing food, which benefitted hard discounters and similar stores whose sales are on the rise. A study prepared by the French National Institute Statistics (INSEE) indicated that French consumers doubled their consumption of ready-to-eat foods, including frozen foods, over the past 45 years. The most widely consumed ready-to-eat products are canned vegetables, including potatoes, as well as meat and fish-based products.

3. Key Demographic Developments

On January 2012, the French population exceeded for the first time, 65 million people. The population is growing at the same pace in 2011 than in recent years (up 0.5 percent), slightly lower pace than in the early 2000s (up 0.7 percent per year between 2001 and 2006).
As in previous years, the demographic dynamism is mainly based on many births. Deaths are still relatively low. It also depends, to a lesser extent, on net migration.

In thousand / (p) Projection - *Source : Insee, estimations de population et statistiques de l'état civil*

Year	Population	Birth	Death	Natural Increase	Net Immigration
2002	61,385	792.7	545.2	+ 247.5	+ 97
2003	61,824	793.0	562.5	+ 230.6	+ 102
2004	62,251	799.4	519.5	+ 279.9	+ 105
2005	62,731	806.8	538.1	+ 268.7	+ 92
2006	63,186	829.4	526.9	+ 302.4	+ 112
2007	63,601	818.7	531.2	+ 287.5	+ 74
2008	63,962	828.4	542.6	+ 285.8	+ 57
2009	64,305	824.6	548.5	+ 276.1	+ 67 (p)
2010	64 648 (p)	832.8	551.2	+ 281.6	+ 72 (p)
2011	65 001 (p)	827,0 (p)	555,0 (p)	+ 272 (p)	+ 77 (p)
2012	65 350 (p)	.	.	.	.

4. Changing Food Trends

Socio-economic and demographic changes have significantly altered food trends. Trends show that French consumers desire food products that offered better taste, health benefits, and convenience.

1. The "younger" generation, between the ages of 20 and 35 (26 percent), appreciates trying new

and innovative products. This generation values products with an appealing image along with good taste.

1. Food safety scares have raised consumer concerns about sanitation and safety issues. In turn, these concerns have led to greater demand for natural and organic food products--fruit juices, fresh and processed dietetic foods, organic produce, fish and seafood products, and food supplements.

1. New strong and unmet demand for ethnic meals, halal manufactured products and as a lower extent kosher certified products.

1. Working consumers or those living alone (30 percent) are spurring demand for easy-to-prepare foods, single and double portion packs, and frozen or microwavable meals.

1.
2. ***Advantages and Challenges for U.S. Exporters in France***
3.

Advantages	Challenges
▪ The population's rapid shift from rural to urban regions is boosting demand for international food. ▪ French per capita income is near that of the United States. ▪ The tourism industry increases demand for hotel, restaurant, and institutional products. ▪ U.S. fast food chains, theme restaurants, and the food processing industry occasionally demand American food ingredients. ▪ Efficient domestic distribution systems. ▪ Weakness of the U.S. dollar vis a vis the Euro. ▪ American food and food products remain quite popular. ▪ US-EU organics equivalency agreement is in place in 2012 and increase the organic trade.	▪ Food scares and other food safety issues cause concern among French consumers. ▪ French consumers are exacting when it comes to quality and innovation. ▪ Price competition is fierce. ▪ Certain food ingredients are banned or restricted in the French market. ▪ Marketing costs to increase consumer awareness are high. ▪ Mandatory customs duties, sanitary inspections, and labeling requirements can be onerous. ▪ The EU biotech labeling requirement of 0.9 percent excludes many U.S. processed products.

SECTION II. EXPORTER BUSINESS TIPS

1. Trade Barriers and Restrictions

1. Most processed products are subject to additional import charges based on sugar, milk fat, milk protein, and starch content.
2.
3. 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.

4.
5. French regulations can limit market access for certain U.S. agricultural products including, but not limited to, the following:
6.
7. Enriched flour
8. Bovine genetics
9. Exotic meat (alligator)
10. Flightless bird meat (ratite)
11. Live crayfish
12. Beef and bison meat
13. Certain fruits and vegetables
14. Pet foods
15. Co-products derived from genetic modification

For more information on product trade restrictions, food standards, and regulations, please refer to the EU and FAS/Paris Food and Agricultural Import Regulations and Standards Report (FAIRS) report: http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx.

France, as an EU member state, benefits from EU customs union agreements with Turkey and Andorra, 26 free trade agreements under either GATT Article XXIV or GATS Article V. The European Union has preferential trade agreements with Norway, Iceland, Switzerland, Liechtenstein, Israel, the Palestinian Authority, Tunisia, Morocco, Jordan, Egypt, Lebanon, Syria, Algeria, Mexico and South Africa. The European Union provides African, Caribbean and Pacific developing countries (ACP) with non-reciprocal preferential access to its markets under the Cotonou Agreement, and gives other developing countries preferential access under the Generalized System of Preferences (GSP).

2. Consumer Tastes, Preferences and Food Safety

Like U.S. consumers, France's consumers desire innovative foods. Consumers like ethnic and exotic foods with distinctive themes and flavors. Theme restaurants have dramatically increased. 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. In the ethnic segment, consumers seek new products, and look for quality and innovation. The trends favor Thai, Japanese, Northern and Southern African, Indian cuisine, but also Middle Eastern fast food specialties (kebabs). Tex-Mex, Cajun, or California-style cuisine, sports drinks, and vitamin enriched snacks have potential, as do ready-to-eat products such as frozen foods, seafood (particularly salmon), wild rice, innovative dietetic/health products, organic products, frozen desserts. Kosher and halal foods are also increasing in popularity. There is a strong and unmet demand for these products. A recent survey shows that the halal market is estimated at 28 millions USD in France. Recently, finger foods are also becoming popular in Paris and represent opportunities for ethnic foods.

While many consumers and distributors are receptive to new developments in food products, they request information on product contents and manufacturing processes. France has labeling requirements for both domestically-produced and imported food products containing genetically-modified products or biotech-derived ingredients or additives harmonized at the EU level.

The French Government encouraged the development of quality marks such as “Label Rouge” (Red Label) for meats, poultry, and fruits and vegetables, which guarantees production under established conditions. Product origin labels were also established, which guarantee that certain wines, milk, butter, or cheeses were sourced from a certain region. The government also oversees 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. The organic food program certifies that agricultural and food products were manufactured without prohibited fertilizers and according to special criteria. With a growth of 11 percent in 2010 France organics' market reached 4.7 billion dollars. Eighty-three percent of sales were made via retail organic and specialty stores, 12 percent directly from producers to consumers and 5 percent by artisanal traders. According to a 2010 study, 35 percent of the organic products consumed in France are coming from a foreign country (against 38 percent in 2009). These products are essentially exotic produce, fruits and vegetables, soy and a variety of grocery products. In 2010, there are 18 French buyers of organic products in France who imports from the United States. The main imported products are dried fruits and exotic fruits, essential oil and aromatic plants. The demand for baby food, pre-packaged pastries and cheese, cereals for breakfast, ready to eat meal and canned sauces boomed last year. The French certification agency *Ecocert* has recently purchased a local U.S. certification agency. The new partnership will certainly open new opportunities for French importers and boost the trade between France and the United States.

On February 16, 2012 a mutual recognition agreement between the United States and the European Union was announced, this agreement will be very beneficial for U.S. exports and will ease the trade between the our countries. Beginning June 1, 2012, organic products certified in Europe or in the United States may be sold as organic in either region. This partnership between the two largest organic-producers in the world will establish a strong foundation from which to promote organic agriculture, benefiting the growing organic industry and supporting jobs and businesses on a global scale.
Please refer to the News Release:
http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/02/0051.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent

3. Marketing Strategies for the French Market

(a) U.S. food product exporters should consider:

Market access restrictions and food laws

- Check EU and French regulations to ensure products are allowed to enter the French market and carefully verify 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.

Consumer characteristics

- Target dual income families, singles, senior citizens, and health and environmentally-conscious consumers.
- Influence consumer choices mostly through advertising campaigns.

Seasonal characteristics

- Holiday promotions
- In-store supermarket promotions

Unique U.S. products characteristics

- High quality
- Regional specialties (i.e., Florida grapefruit, California wine, Tex-Mex or Cajun style, New England seafood, etc.)

Image appeal

- Packaging could help a product find a niche in this market, particularly if the U.S. firm has access to stores and supermarkets that specialize in U.S. or foreign foods.

Trade Shows and In-Store Promotions:

- In-store product demonstrations can help familiarize French consumers with U.S. food products.
- Trade shows are an excellent way to introduce new products to the market.

(b) Successful Export Planning for Your Products:

- Contact the Office of Agricultural Affairs at the American Embassy in Paris to obtain up-to-date information on local government regulations, customs duties, politics, demographics, infrastructure, distribution channels, and market size.
- Conduct basic market research and review export statistics for the past five years.
- Adapt products to local regulations, by giving the customer what they require. Check ingredients and package size requirements, research consumers' preferences, and ensure that the product is price competitive.
- Identify the best distribution channel for the product, i.e., supermarkets, importer, distributor, or a foreign agent. Be prepared to send samples.
- Work an agent, distributor, or importer to determine the best promotional strategy. Be prepared to invest in the market promotion (through trade shows, in-store promotions or advertising campaigns, to gain maximum exposure and make valuable market contacts).

Note: Promotional assistance is available for U.S. products through a variety of branded and generic promotion programs through the four state regional trade groups: FOOD EXPORT USA-NORTHEAST, SUSTA, WUSATA and FOOD EXPORT ASSOCIATION OF THE MIDWEST USA. (Addresses, telephone, fax and contact information for these groups are listed in Section V., Appendix B., of this report).

4. General Import and Inspection Procedures

General Import Requirements

Import and export transactions exceeding 12,500 Euros (approximately $17,124) in value must be handled through an approved banking intermediary. Goods must be imported or exported no later than six months after all financial and customs arrangements have been completed.

For products originating in countries other than EU member states or participants in the WTO, and for a limited number of products considered to be sensitive, a specific import/export license may be required by product or by category of products. Otherwise, the following shipping documents in French are required:

1. Commercial invoice;
2. Bill of landing or air waybill;
3. Certificate of origin
4. Sanitary/health certificate (for specific products)
5.
6. U.S. exporters must make sure their products comply with French regulations and must verify customs clearance requirements with local authorities through their contacts before shipping the products to France. The Office of Agricultural Affairs of the American Embassy in Paris can provide assistance and information on these matters.
7.

For additional information, you may also consult the Country Commercial Guide http://export.gov/france/build/groups/public/@eg_fr/documents/webcontent/eg_fr_042071.pdf

1.
2.

Basic Labeling/Packaging Requirements:

1. Labels should be written in French and include the following information:
2.
3. *Product definition*
4. *Shelf life: indicate "used by" and "best before" dates and other storage requirements*
5. *Precautionary information or usage instructions, if applicable*
6. *Statement of contents: ingredients, weights, volumes, etc., in metric units. All additives, preservatives and color agents must be noted on the label with their specific group name or their "E" number*
7. *Product's country of origin and name of importer or vendor within the EU*
8. *Manufacturer's lot or batch number*

1. According to the T&L regulation, biotech products and biotech-derived products must be identified "from the seed to the fork" at each stage of market release. A unique code is attributed to each genetic event to facilitate communication among operators. The T&L regulation imposes the labeling of any food or feed product derived from biotech, whether biotech DNA is detectable in the final product or not. The threshold under which labeling is not compulsory is set at 0.9 percent for both human food and animal feed. A threshold on planting seeds has not yet been established. Traces of biotech events deregulated for commercial use in food and feed in the United States and other countries, but not yet authorized in the EU were detected in not only U.S. shipments, but also shipments from other countries to the EU. The EU's policy of zero tolerance implies that shipments containing low level presence (LLP) of EU unapproved events are not allowed into the European Union. However, the European authorities and Member States are currently working on revising their tolerance level of LLP biotech products in imported products from third countries
2.

Customs Process

1.

- A person or company can facilitate customs clearance for imports so long as they can present to the French Customs Authorities at the port of entry or at the airport, with the imported goods and the necessary accompanying documents. To ease the clearance process, the U.S. exporter should have the customs clearance done by either a forwarding agent or his importer/distributor or agent in the country of destination. More information may be obtained from the General French Customs Authorities listed in Section V, Appendix C, of this report.

- Generally, a visual inspection consists of verifying that the products are accompanied by the correct shipping documents.

- A detailed inspection may include sampling or a chemical analysis test.

- The speed of the customs clearance procedure can depend on the quality of U.S. exporters' documentation.

- When released, the foodstuffs are subject to an ad valorem customs duties levied under the Common External Tariff. Duties differ according to product. Also, 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.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

1. The French Food Industry

In recovery since the mid-year 2009, the activity of the food industry continues to rise in the third quarter of 2011, stimulated by a buoyant foreign demand. The increase over one year of production of all products food is important 4.1 percent, after 4.8 percent in second quarter 2011, reflecting the strong recovery over one year of prepared or preserved fruit and vegetables.
Thus, the increase of the other food products is only about 2 percent. Production for meat and meat based products also increases by 1 percent and 3 percent respectively in comparison with 2010.

After a contraction at the beginning of the year 2009, the amount of trade for food products products - including tobacco - has resumed its growth and continues in third quarter 2011: the amounts of exports and imports, respectively 10.2 and 8.4 billion Euros in the third quarter of 2011, became well above the high level of 2008, reached before the economic crisis of 2009. The growth rate exchange stabilizes at plus 12 percent for exports and 9 percent for imports
The French food industry recorded 550 000 employees in 2011 and is quite stable. The food industry is the second largest industrial employer in the country behind the mechanics sector. The number of firms in the food industry reached 10,282 and shows a decline of 2.6 percent from 2006.

Exports in billion dollars		Imports in billion dollars	
2010	48.1	2010	40.5
2009	44.3	2009	37.2

2008		2008	41.8

Source: ANIA/ Ubifrance

Major French Food Processing Sectors – Percentage growth
Calendar Year 2011/2010

Food Processing Sectors	Production	Price	Sales	Exports	Imports
Grains	-0.7	23.0	17.8	23.9	15.0
Animal Feed	-0.7	18.3	13.7	1.5	11.6
Canned Fruits & Vegetables & Fruit Juices	8.5	2.4	6.6	6.3	4.8
Meat Industry	1.6	6.3	7.3	15.4	4.3
Seafood Industry	n/a	2.8	2.2	14.7	5.8
Milk Industry	2.3	4.1	5.4	8.9	8.2
Beverages Industry	-1.5	3.6	5.7	8.5	10.0
Fats and Oils	-9.2	23.3	17.8	23.9	15.0
Other food industries	8.3	4.9	8.0	13.7	12.1
Total Food Industries	**3.3**	**6.3**	**7.9**	**12.4**	**9.1**

Source: INSEE - National Account

2. Infrastructure Situation

France's transportation infrastructure is among the most sophisticated in the world, benefiting from advanced technology and a high level of investment by the government. The three main entry points for air-freight are Orly and Charles de Gaulle airports and Saint-Exupéry airport in Lyon. France has twelve major seaports, many of which are equipped for container ships. There is an extensive highway and river-transport system, and a state-owned rail network that is among the most comprehensive and technologically advanced in the world.

Communications infrastructure is similarly advanced. Telephone lines blanket the country and there is easy access to the Internet via French and foreign service providers. High-speed Internet access is expanding rapidly. The government promotes better use of information technologies.

3. Market Trends

The French market for food products is mature, sophisticated, and well served by suppliers from around the world. Additionally, an increasing interest in American culture, younger consumers, and changing lifestyles contribute to France's import demand for American food products. Generally, high quality food products with a regional American image could find a niche in the French market, particularly if they gain distribution through stores and supermarkets that specialize in U.S. or foreign foods. Niche market opportunities also exist for regional American foodstuffs (Tex-Mex, Cajun and California cuisine), candies and chocolates, wild rice, organic and health food products, as well as kosher and halal foods.

The French food service industry is moving towards fresh consumer-ready products at the expense of frozen foods.

4. Marketing U.S. Products & Distribution Systems

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 bear some resemblance to marketing in the United States. French business representatives are sophisticated and knowledgeable about their respective markets. At the same time, American firms must consider certain business practices, cultural factors, and legal requirements in order to do business effectively in France. For detailed information on the distribution systems and the best market entry approach for new-to-market exporters for the retail food sector, see Post Retail Food Sector Report:
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/RETAIL%20FOOD%20SECTOR_Paris_France_7-17-2009.pdf

The Hotel/Restaurant Institutional (HRI) sector in France uses the services of wholesalers or processed food buyers, and the well developed distribution channels of the wholesalers/importers are often the key to getting a new food product into that sector. A report on the HRI sector in France can be viewed at:
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional_Paris_France_1-6-2012.pdf

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

There are significant market opportunities for consumer food/edible fishery products in a number of areas: fruit juices and soft drinks (including flavored spring waters), dried fruits and nuts, fresh fruits and vegetables (particularly tropical and exotic), frozen foods (both ready-to-eat meals and specialty products), snack foods, tree nuts, "ethnic" products, seafood (particularly salmon & surimi), innovative dietetic and health products, organic products, soups, breakfast cereals, and pet foods. In addition, niche markets exist for candies, chocolate bars, wild rice, kosher, and halal foods. Market opportunities for U.S. exporters also exist for oilseeds, protein meals and other feeds, as well as for wood products and grains.

Listed below are six consumer-oriented food products considered by the Office of Agricultural Affairs as representing the "best prospects" for U.S. business.

Top 6 Market Opportunities for Consumer-Oriented Food Products
(USD Million)

1. Name of Best Prospect: **FISH AND CRUSTACEANS**
   HS Code: 03

(USD Million)
(January/December)

	2009	2010	2011 (projection)
A. Total Market Size	N/A	N/A	N/A

B. Local Production	N/A	N/A	N/A
C. Total Exports	**1,270**	**1,297**	**1,344**
D. Total Imports	**4,313**	**4,720**	**5,115**
E. Total Imports from U.S.	**216**	**238**	**290**

Source: GTI – French customs

Comments: France is a major consumer of seafood products and a net importer of many seafood products, because domestic production is significantly lower than demand. Seafood per capita consumption is 35 Kg per year, including 68 percent fin fish and 32 percent shellfish and crustaceans. In 2011 the United States was France's third largest supplier of seafood products after Norway and the United Kingdom. U.S. seafood products exported to France mainly consisted of frozen Alaska Pollock fillets, fresh and frozen scallops, frozen surimi base, live lobster, and frozen salmon.

Name of Best Prospect: **BEVERAGES, INCLUDING MINERAL WATER, BEER, WINE AND SPIRITS**

HS Codes: 22

(USD Million)
(January/December)

	2009	2010	2011 Projection
A. Total Market Size	n/a	n/a	n/a
B. Local Production	n/a	n/a	n/a
C. Total Exports	**13,717**	**15,104**	**17,740**
D. Total Imports	**3,924**	**3,625**	**4,208**
E. Total Imports from the U.S.	**124**	**156**	**200**

Source: French Customs - GTI

Comments: In 2010, French retail sales of U.S. wine were $36 million and projected at $46 million in 2011. This is a 15 percent increase in comparison with 2010, and represents a 6 percent of the total French imports (4 percent in 2009). The U.S. ranks fourth after Spain, Portugal and Italy, ahead of Chile, South Africa or Australia. California wines face strong competition from Spain, Portugal, Italy and as well as from new world producers such as Australia, South Africa, and Chile. However, market opportunities do exist for U.S. wines thanks in part to the "exoticism" and quality of the products and the promotional efforts made by American themed restaurants in France.

U.S. whiskey exports are projected to reach $4 million in 2011, a 20 percent increase over the previous year, thanks to the penetration of new bourbon brands like Jim Beam, Maker's Mark, Stepson, in addition to Jack Daniel's, and Wild Turkey. In 2011, U.S. beer exports to France are projected at $380,000, a significant increase of sales, mainly due to Samuel Adams' recent introduction to France.

Opportunities exist for ethnic, new, and innovative U.S. beverages, particularly those linked with Tex-Mex foods. Sales of innovative beverages such as beer with whiskey malt are on the rise, as are sales of non-alcoholic beers and "panaches" (mixture of beer and lemonade).

3. Name of Best Prospect: **FRESH AND DRIED FRUITS, INCLUDING NUTS**
HS 08

(USD Million)
(January/December)

	2009	2010	2011 Projection
A. Total Market Size	n/a	n/a	n/a
B. Local Production	n/a	n/a	n/a
C. Total Exports	**1,867**	**1,971**	**2,037**
D. Total Imports	**4,280**	**4,430**	**4,491**
E. Total Imports from the U.S.	**95**	**100**	**195**

Source: French Customs - GTI

Comments: Prime opportunities for U.S. suppliers are in off-season and extended-season sales and years of short French fruit crops. France is one of the most important markets for U.S. grapefruit, valued at $28 million for marketing year 2010/11. The U.S. market share for citrus fruits represents 25 percent of total French imports in value and 20 percent in volume.

France imports apples and pears in short crop years. There is also a niche market for berries, cherries, and tangerines. Imports of fresh and dried cranberry has been successful.

The snack and nut product niche market is important for U.S. exporters, who profit by promoting their products as healthy and high-quality choices. Dried fruits and nuts, generally salted, are mainly consumed as snacks with aperitifs. Among the most popular snacks are almonds, cashews, pecans, hazelnuts, and pistachios, all of which sell best when merchandised in bulk packages. Consumption of these products has doubled over the past seven years. France is a significant grower of walnuts, so French import demand is primarily determined by the size of the domestic crop. The United States remains France's leading supplier of in-shell walnuts whereas Moldova and China provided the bulk of shelled imports.
(For detailed market information, please see Post brief reports FR8028 and FR8019 on dried fruits and nuts, which can be found on the following websites:
http://www.fas.usda.gov/gainfiles/200812/146306964.pdf
http://www.fas.usda.gov/gainfiles/200812/146306812.pdf

4. Name of Best Prospect: **FRESH AND DRIED VEGETABLES**
Hs Code: 07

(USD Million)
(January/December)

	2009	2010	2011 Projection
A. Total Market Size			
B. Local Production			
C. Total Exports	**2,191**	**2,458**	**2,581**

D. Total Imports	**2,926**	**3,193**	**3,088**
E. Total Imports from the U.S.	**25**	**24**	**27**

Source: French Customs - GTI

Comments: U.S. dried vegetables exports to France are projected to decline by 15 percent in value in 2011, compared to the previous year, to $14 million. France with $5 million in sales is the top worldwide market for Great Northern beans. Significant opportunities exist for U.S. suppliers of dried beans, peas, and lentils. Imports of U.S. rice grew 6 percent from 2009 to 2010.

Very few opportunities exist for U.S. fresh vegetables, except for green asparagus, and perhaps superior quality and off-season produced fresh vegetables, such as eggplant, zucchini, sweet peppers, and iceberg lettuce. Trends and increased consumption indicate a growing demand for fresh prepared vegetables (washed and cut) and many supermarkets have a special section for these types of products. There is also demand for organic vegetables; the new US/EU organic agreement will open doors for U.S. suppliers.

5. Name of Best Prospect: **MEAT AND OFFALS**
   HS Code: 02

(USD Million)

	2009	2010	2011 Projection
A. Total Market Size			
B. Local Production			
C. Total Exports	**4,204**	**4,154**	**4,837**
D. Total Imports	**5,293**	**5,226**	**5,736**
E. Total Imports from the U.S.	**0.8**	**0.4**	**0.7**

Source: French Customs - GTI

Comments: Opportunities in this market are limited given the import quota on hormone free meat and stringent EU veterinary regulations. However, as a result of the enlargement compensation agreement between the United States and the European Union, the EU Regulations 617/2009 and 620/2009 set a new quota of 20,000 tons hormone-free high quality beef granted for import from the US to the EU with zero import duties. This quota runs from July 1 through June 30, 2010 and was in place for three years. After three years the quota is to be brought to 45,000 tons. Additionally, bison meat is growing in popularity.

Name of Best Prospect: **ORGANICS**

With a growth of 2 percent in 2010, the organics market reached $5 billion dollars. 83 percent of sales were made via retail organic and specialty stores, 12 percent directly from producers to consumers and 5 percent by artisan traders. According to a 2010 study lead by the French organic association Agence Bio, 35 percent of the organic products consumed in France are coming from a foreign country. These products are essentially exotic produce, fruits and vegetables, soy, and a variety of grocery products. In

2010, there were 18 buyers of organic products in France who imported from the United States. The main imported products were dried and exotic fruits, essential oils, and aromatic plants. The demand for baby food, pre-packaged pastries and cheese, breakfast cereals, ready to eat meals, and canned sauces rose last year. The French certification agency Ecocert has recently purchased a local U.S. certification agency. The new equivalence agreement between the United States and the European Union will certainly open new opportunities for U.S. suppliers and boost trade between France and the United States.

SECTION V. KEY CONTACTS, AND OTHER RELEVANT REPORTS

For further information contact:
Office of Agricultural Affairs
American Embassy
2, avenue Gabriel - 75382 Paris Cedex 08
Tel: (33-1) 43 12 2245
Fax: (33-1) 43 12 2662
Email: agparis@usda.gov
Homepage: http://www.usda-france.fr

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

Reports identified below are relevant and complementary information to this report and can be found at the following hot link: http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx

Report Number	Name
FR9013	HRI Food Service Sector Annual
FR9015	French Kosher Report
FR9016	Retail Food Sector Annual
FR9020	Fast Food Sandwich & Snack Sector
FR9021	Food & Agricultural Import Regulations and Standards Annual Country Report
FR9048	Fishery Products
E48058	EU-27 Food & Agricultural Import Regulations and Standards
E49021	EU-27 Wine Annual
E48029	Fishery Products EU Policy and Statistics

APPENDIX A : FOOD AND AGRICULTURAL TRADE SHOWS IN France
In Calendar Year 2012

(Biennal Show)

TEXWORLD
February 13-16, 2012
Paris - Le Bourget

International Textile Manufacturers

Organizer: Messe Frankfurt France SAS
Tel: (33 1) 55 26 89 89
Fax: (33 1) 40 35 09 00
Email: texworld@france.messefrankfurt.com
Internet: http://www.texworld.messefrankfurt.com/

(Twice a year, every six months)

PREMIERE VISION International Textile and Clothing Show
February 14-16, 2012
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision Salon
Tel: (33 4) 72 60 65 00
Fax: (33 4) 72 60 65 49
Email: info@premierevision.fr
Internet: http://www.premierevision.fr/

(Twice a year, every six months)

LE CUIR A PARIS International Leather Products February February Show
14-16, 2012
Parc des Expositions - Paris Nord Villepinte
Organizer: SIC SA
Tel: (33 1) 43 59 05 69
Fax: (33 1) 43 59 30 02
Email: contactsic@sicgroup.com
Internet: http://www.lecuiraparis.com/

(Twice a year, every six months)

EUROPEAN SANDWICH & SNACK SHOW
Paris – Palais des Congres
February 15-16, 2012
Porte de versailles – Paris
Organizer: Reed Exposition
Contact: Jean-Baptiste Honore
Email: jean.baptiste-honore@reedexpo.fr
Internet: http://www.sandwichshows.com

(Annual Show)

SALON DU VEGETAL Horticultural Trade Show
February 21-23, 2012
Angers
Organizer: BHR - Bureau Horticole
Regional des Pays de Loire

Tel: (33 2) 41 79 14 17
Fax: (33 2) 41 45 29 05
Email: salon@bhr-vegetal.com
Internet: http://www.salon-du-vegetal.com/

(Annual Show)

SALON INTERNATIONAL DE l'AGRICULTURE — International Agricultural Show
Paris - Porte de Versailles
February 25 – March 4, 2012
Organizer: Comexposium
Tel: (33-1) 76 77 11 11
Contact: Emilie Rodriguez
Email: Emilie.rodriguez@comexposium.com
Internet: http://www.salon-agriculture.com/

(Annual Show)

SALON MONDIAL DE LA BOULANGERIE, PATISSERIE, GLACERIE, CHOCOLATERIE ET CONFISERIE — International Chocolate, Sugar,Confectionery & Bakery Trade Show
Parc des Expositions - Paris-Nord Villepinte
March 3-7, 2012
Organizer: Europain Developpement/Comexposium
Tel: (33 1) 76 77 14 07
Fax: (33 1) 53 39 51 20
Email: europain@comexposium.com
Internet: http://www.europain.com

(Every two years for Europain and when not Europain:
The Annual Salon National de la Boulangerie/Patisserie/
Chocolate/Intersuc takes place)

(Biennal Show)

CFIA — Retail Food Trade Show
Carrefour des Fournisseurs de l'Industrie agroalimentaire
Parc des Expositions - Rennes Aeroport
June 6-8, 2012
Organizer: Agor/GL Events
Tel: (33 5) 53 36 78 78
Fax: (33 5) 53 36 78 79
Contact: Sebastien Gillet
Email: sebastien.gillet@gl-events.com
Internet: http://www.cfiaexpo.com/

(Annual Show)

SALON DES MARQUES DE DISTRIBUTEURS ALIMENTAIRES - MDD RENCONTRES
April 3-4, 2012
Paris - Parc des Expositions/ Porte de Versailles
Organizer: Agor – GL-Events
Tel: (33-5) 53 36 78 78
Fax: (33-5) 53 36 78 79
Contact: Gilles Ferrod
Email: gilles.ferrod@gl-events.com
Internet: http://www.mdd-expo.com/

International Private Label Show for Foods, including Ethnic and Halal foods

(Annual Show)

FOIRE INTERNATIONALE DE PARIS
Paris - Porte de Versailles
April 27-May 8, 2012
Organizer: Comexposium
Tel: (33-1) 76 77 11 11
E-Mail: exposant.fdp@comexposium.com
Internet: http//:www.foiredeparis.fr

International Food, Beverages & Tourism Fair

(Annual Fair)
CARREFOUR INTERNATIONAL DU BOIS
Parc de la Beaujoire - Nantes
June 6-8, 2012
Organizer: Carrefour International du Bois
Tel: (33 2) 40 73 60 64
Email: sam@timbershow.com
Internet: http//www.timbershow.com

International Timber Show

(Biennal Show)

TEXWORLD
September 2012
Paris - Le Bourget
Organizer: Messe Frankfrut France S.A.S.
Tel: (33-1) 55 26 89 89
Fax: (33-1) 40 35 09 00
Email: texworld@france.messefrankfurt.com
Internet: http://www.texworld.messefrankfurt.com/

International Textile Manufacturers

(Held twice a year – every six months)

SALON INTERNATIONAL DE L'ELEVAGE

International Trade Fair for

(SPACE 2012) Livestock
Rennes - Carrefour Europeen
September 11-14, 2012
Organizer: SPACE
Tel: (33-2) 23 48 28 80
Fax: (33-2) 23 48 28 81
Contact: Valerie Lancelot
Email: v.lancelot@space.fr
Internet: http://www.space.fr/

(Annual Show)

PREMIERE VISION International Textile & Clothing Show
September 2012
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision le Salon
Tel: (33-4) 72 60 65 00
Fax: (33-4) 72 60 65 49
Email: info@premierevision.fr
Internet: http://www.premierevision.fr/

(Held twice a year – every six months)

LE CUIR A PARIS International Leather Products
Paris - Porte de Versailles
September 2012
Organizer: Sic SA
Tel: (33-1) 43 59 05 69
Fax: (33-1) 43 59 30 02
Email: contactsic@sicgroup.com
Internet: http://www.lecuiraparis.com/

(Held twice a year - every six months)

SALON INTERNATIONAL DE L'ALIMENTATION International Food and Beverage Trade Show - including In-Food and Organic Sections

APPENDIX B : U.S. BASED STATE REGIONAL TRADE GROUPS

FOOD EXPORT USA - NORTHEAST
One Penn Center
1617 JFK Boulevard, Suite 420
Philadelphia, PA 19103
Tel: (215) 829 9111/Fax: (215) 829 9777
E-Mail: info@foodexportusa.org
Web: http://www.foodexportusa.org
Contacts: Tim Hamilton, Executive Director
Antoniya Gospodinova, Branded Program Manager
Joy Canono, Generic Program Manager

FOOD EXPORT ASSOCIATION OF THE MIDWEST USA
309 W Washington Street, Suite 600
Chicago, Illinois 60606-3217
Tel: (312) 334 9200/Fax: (312) 334 9230
E-Mail: info@foodexport.org
Web: http://www.foodexport.org
Contacts: Tim Hamilton, Executive Director
Michelle Rogowski, Deputy Director and Branded Program Manager
Teresa Miller, Generic Program Manager

SOUTHERN U.S. TRADE ASSOCIATION (SUSTA)
World Trade Center
2 Canal Street, Suite 2515
New Orleans, LA 70130
Tel: (504) 568-5986/Fax: (504) 568-6010
E-Mail: Susta@Susta.Org
Web: http://www.susta.org
Contacts: Jerry Hingle, Executive Director
Penney Lawrence, Branded Program Manager
Deneen Wiltz, Branded Program Director
Bernadette Wiltz, Deputy Director & International Marketing Director, Generic Program

WESTERN U.S. AGRICULTURAL TRADE ASSOCIATION (WUSATA)
4601 NE 77th Avenue, Suite 200
Vancouver, WA 98662
Tel: (360) 693 3373/Fax: (360) 693 3464
E-Mail: export@wusata.org
Web: http:/www/wusata.org
Contacts: Andy Anderson, Executive Director
Ann Buczkowski, Branded Program Manager
Janet Kenefsky, Generic Program Manager

APPENDIX C : FRENCH GOVERNMENT AGENCIES

Agency responsible for French label/product ingredient regulations:

Direction Générale de la Concurrence, de la Consommation
et de la Répression des Fraudes (DGCCRF)
Ministère de l'Economie, des Finances et de l'Industrie
59, boulevard Vincent Auriol
75703 Paris Cedex 13
Tel: (33-1) 44 87 1717/Fax: (33-1) 44 97 3031
Internet: http://www.finance.gouv.fr

Agency responsible for promotion and control of food quality:

Direction Générale de l'Alimentation (DGAL)
Ministére de l'Agriculture et de la Pêche
251, rue de Vaugirard - 75015 Paris
Tel: (33-1) 49 55 4955
Fax: (33-1) 49 55 4850
Internet: http://www.agriculture.gouv.fr

For information on duties, taxes, and documentation:

Centre de Renseignements Douaniers
84, rue d'Hauteville
75010 Paris
Tel: (33-1) 825 30 82 63/Fax: (33-1) 53 24 6830
Email: crd-ile-de-france@douane.finances.gouv.fr
Internet: http://www.douane-minefi.gouv.fr

STATISTICS

TABLE A. KEY TRADE AND DEMOGRAPHIC INFORMATION FOR 2011

Ag. Imports from All Countries (1)	$66 billion
U.S. Market Share (1)	1.9 percent with $1.2 billion
Consumer Food Imports from All Countries (1)	$37.2 billion

U.S. Market Share (1)	1.2 percent with $436 million
Edible Fishery Imports from All Countries (1)	$6.4 billion
U.S. Market Share (1)	4.8 percent
Total Population/Annual Growth Rate (2)	65 million - Growth rate annual: 0.6%
Urban Population /Annual Growth Rate	49.5 million - Annual Growth rate: N/A
Number of Metropolitan Areas (3)	4
Size of the Middle Class (4)	85 percent of total population
Per Capita Gross Domestic Product	$41,130
Unemployment Rate, incl. overseas territories	9.7 percent (*)
Percent of Female Population Employed (5)	47.3 percent
Exchange Rate: US$1 = EURO 0.719	

Footnotes:
(1) Statistics from the Global Trade Atlas from the Global Trade Information Services
(2) Preliminary figures
(3) Population in excess of 1,000,000
(4) Defining the middle class by excluding the poorest and the wealthiest, the middle class represents 85 percent of the population
(5) Percent against total number of women (15 years old or above)

(*) Unemployment rate for France only: 9.3 percent

TABLE B. CONSUMER FOOD & SEAFOOD PRODUCTS IMPORTS
(In millions of United States Dollars, rounded to the nearest million)

Commodity	France Import Statistics from the World			France Import Statistics from the U.S.			U.S. Market Share		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
Consumer Oriented Agric. Total	33,503	33,736	37,289	371	350	436	1.1	1.0	1.2
Fish & Seafood Products	5,545	5,852	6,472	223	248	312	4.0	4.2	4.8
Agricultural Total	47,191	47,701	54,353	684	758	875	1.4	1.6	1.6
Agricultural, Fish & Forestry	57,425	58,543	66,069	952	1,056	1,239	1.6	1.8	1.9

Source: Bico Report / Global Trade Atlas

TABLE C. TOP 15 SUPPLIERS OF CONSUMER FOODS & SEAFOOD PRODUCTS

FRANCE IMPORT STATISTICS
(In millions of United States Dollars)

France (Customs) Import Statistics
Commodity: Consumer Oriented Agric. Total, Group 32 (2007)
Year To Date: January - December

Partner Country	United States Dollars			% Share			% Change
	2,009	2,010	2,011	2,009	2,010	2,011	2011/2010
World	33,503,482,439	33,736,562,349	37,289,308,353	100.00	100.00	100.00	10.53
Spain	5,317,918,075	5,514,155,866	5,697,937,613	15.87	16.34	15.28	3.33
Germany	4,724,433,974	4,590,106,755	5,324,365,090	14.10	13.61	14.28	16.00
Belgium	4,894,777,212	4,899,382,844	5,323,320,001	14.61	14.52	14.28	8.65
Netherlands	4,724,513,853	4,627,180,876	4,931,191,041	14.10	13.72	13.22	6.57
Italy	3,438,764,379	3,415,346,108	3,771,785,438	10.26	10.12	10.11	10.44
United Kingdom	1,227,145,841	1,175,121,236	1,385,837,542	3.66	3.48	3.72	17.93
Switzerland	842,718,855	925,941,173	1,191,592,093	2.52	2.74	3.20	28.69
Morocco	778,630,341	795,360,689	843,496,970	2.32	2.36	2.26	6.05
Ireland	669,938,250	674,852,509	781,217,629	2.00	2.00	2.10	15.76
France	531,890,275	567,001,836	644,794,062	1.59	1.68	1.73	13.72
Poland	425,160,217	498,277,188	604,198,897	1.27	1.48	1.62	21.26
Portugal	386,576,547	384,511,289	454,823,285	1.15	1.14	1.22	18.29
United States	370,620,585	350,035,570	435,869,501	1.11	1.04	1.17	24.52
Turkey	360,554,708	398,786,741	414,646,140	1.08	1.18	1.11	3.98
Denmark	337,124,163	328,043,727	396,957,267	1.01	0.97	1.06	21.01

Source: Global Trade Atlas from the Global Trade Information Services.

France (Customs) Import Statistics
Commodity: 03, Fish And Crustaceans, Molluscs And Other Aquatic Invertebrates
Year To Date: January - December

Partner Country	United States Dollars			% Share			% Change
	2,009	2,010	2,011	2,009	2,010	2,011	2011/2010
World	4,313,691,474	4,722,813,508	5,178,531,958	100.00	100.00	100.00	9.65
Norway	636,550,987	778,654,573	754,397,159	14.76	16.49	14.57	- 3.12
United Kingdom	505,096,606	527,907,938	578,017,470	11.71	11.18	11.16	9.49
United States	215,890,776	238,583,623	300,148,512	5.00	5.05	5.80	25.80
Spain	244,506,003	259,217,959	275,797,899	5.67	5.49	5.33	6.40
China	189,882,221	205,654,014	272,300,926	4.40	4.35	5.26	32.41
Netherlands	191,617,550	201,655,109	222,910,990	4.44	4.27	4.30	10.54
Denmark	161,333,068	166,180,639	210,998,133	3.74	3.52	4.07	26.97
Ecuador	101,317,415	151,344,655	179,104,219	2.35	3.20	3.46	18.34
Ireland	120,023,239	139,885,236	159,799,257	2.78	2.96	3.09	14.24
Poland	101,461,854	140,925,994	156,179,508	2.35	2.98	3.02	10.82
India	96,768,111	102,110,840	136,414,135	2.24	2.16	2.63	33.59

Vietnam	86,237,379	112,357,657	127,861,810	2.00	2.38	2.47	13.80
Iceland	88,734,688	99,714,388	125,010,321	2.06	2.11	2.41	25.37
Madagascar	111,395,171	102,939,486	114,481,875	2.58	2.18	2.21	11.21
Peru	53,773,310	94,180,597	113,461,320	1.25	1.99	2.19	20.47

Source: Global Trade Atlas from the Global Trade Information Services.