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France

Exporter Guide

Annual

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Report Highlights:

France (including its overseas territories) has 67 million consumers and is the third largest economy in the European Union after Germany and the United Kingdom. France offers good opportunities for U.S. suppliers in a number of areas such as fish and seafood, processed fruits and vegetables, fruit juices, other beverages including wine and spirits, dried fruits and nuts, confectionery, organic and health foods, as well as 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

Author Defined:
Note: Average exchange rates used in this report are:
Calendar Year 2014: US Dollar 1 = 0.74 Euros
Calendar Year 2015: US Dollar 1 = 0.90 Euros
Calendar Year 2016: US Dollar 1 = 0.90 Euros
January-August 2017: US Dollar 1 = 0.91 Euros
(Source: The Federal Reserve Bank of New York and/or the International Monetary Fund)

SECTION I. MARKET OVERVIEW

1. Macroeconomic Situation

The United States-French commercial and economic alliance is one of the United States' oldest and closest bilateral relationships. Relations between the United States and France remain active and friendly. The two countries share common values and have similar policies on many political, economic, and security issues. Trade and investment between the United States and France are strong. The United States is one of the top destinations for French foreign direct investment and the United States is the largest foreign investor in France. The United States and France have a bilateral convention on investment and a bilateral tax treaty addressing, among other things, double taxation and tax evasion.

In 2016, France was the eighth largest trading partner of the United States. According to the Department of Commerce's census data, the United States currently has a goods deficit with the European Union, with France responsible for 10.8 percent ($15.8 billion) of the deficit. In 2016, the United States had a service product surplus of $3.5 billion with France.

In May 2017, France elected a new President, former Minister of the Economy Emmanuel Macron. Macron broke from French political tradition to form his own, centrist political party: La République en Marche. After winning the presidency by a relatively large margin, Macron appointed a center-right prime minister and a diverse cabinet drawing from multiple political parties.

Emmanuel Macron ran on a pro-European Union platform and has emphasized the importance of strengthening the Franco-German partnership. President Macron pledges to make France more business friendly and lower corporate taxes, especially for small and medium sized enterprises. He has begun to implement a wide range of reforms to labor law, including maintaining the 35 hours work week but allowing employers more flexibility in negotiating real work hours for employees. He has also called for greater investment in expanding France's digital economy, that is already an important source of French economic and employment growth.

With a gross domestic product (GDP) of approximately $2.42 trillion in 2016, France is the world's sixth largest industrialized economy and the European Union's third largest economy after Germany and the United Kingdom. It has substantial agricultural resources and maintains a strong manufacturing sector, despite a recent decline. France's dynamic services sector accounts for an increasing share of economic activity and has been responsible for most job creation in recent years. France is a member of the G-8 (and initiator of the G-20), the European Union, the World Trade Organization, and the OECD, confirming its status as a leading economic player in the world.
In 2016, GDP growth remained low in France (1.1 percent), but the unemployment rate in Metropolitan France fell below 10 percent for the first time since 2012 to reach 9.9 percent at the end of the year. However, forecasts indicate that the economy is expected to accelerate in 2017 and 2018 as a result of a recovery in exports and robust domestic demand. The outcome of the spring elections has dissipated fears about the country's short-term economic future and political trajectory and generated confidence in the medium-term future for the country. Economists expect GDP growth to accelerate to 1.5 percent in 2017 and 1.6 percent in 2018. GDP per capita in France was $34,472 in 2016.

According to the Department of Commerce's Census data, in 2016, the United States had a $14 billion trade deficit with France. U.S. exports to France were $31 billion in goods and $20 billion in services. In the other direction, French exports to the United States were $47 billion in goods and $18 billion in services. Over 25 percent of the bilateral trade between the United States and France is in the aerospace industry.

2. French Agricultural Production and Consumption

In 2016, the overall value of French agricultural production decreased by 6.6 percent compared to 2015. There was a slight value increase in 2016 for fruits and vegetables, including potatoes and industrial crops such as sugar beets, linen, tobacco, and hops while the value of animal products decreased for dairy and poultry. The external trade surplus for agricultural and food products reached its lowest level since 2009 to about 7 billion in 2016, a 22 percent decrease compared to 2015, mainly due to the decrease in grain exports and increase in imports. French farmers continued to benefit from the decrease in energy prices and the growth of the tax credits for competition and employment. They received increased financial support due to drought and the ongoing livestock sector crisis.

The French National Institute for Statistics and Economic Studies (INSEE) reported that in 2016 French households raw income increased more than in 2015 and prices remained stable, not only for foods but also for manufactured products. As a result, French households consumption expenses increased by 2.3 percent compared to the previous year. The majority of French consumers preferred hyper/supermarkets private label products to branded products because they are less expensive.
In 2016, French consumers continued to be price conscious, taking advantage of promotions and changing their retail providers if it meant lower prices. Food expenses represented less than 20 percent of French households' budget compared to 34 percent in the 1960's. Since 2010, French food expenses in hyper, supermarkets and discounters have decreased by about 1.4 percent in volume but increased by 1.9 percent in value every year.

3. Key Demographic Developments

In January 2017, the French population was estimated to be 67 million, including its overseas territories. In 2016, the French population increased slightly compared to 2015 (+ 0.4 percent). The natural increase (difference between births and deaths) decreased by 3.5 percent between 2015 and 2016. France represents 13 percent of the European Union's population. The country ranks second after Germany and before the United Kingdom and Italy.

Estimate of Population and Statistics (in thousands)

Year	**Population**	**Birth**	**Death**	**Natural Increase**	**Net Immigration**
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	+32
2010	64,613	832.8	551.2	+281.6	+39
2011	64,933	823.4	545.1	+278.3	+30
2012	65,241	821.0	569.9	+251.2	+72
2013	65,565	811.5	569.2	+242.3	+100
2014 (without Mayotte)	65,907	811.4	558.7	+252.7	+67 (p)
2014 (incl. Mayotte)	66,127	818.6	559.3	+259.3	+67 (p)
2015 (incl. Mayotte)	66,454 (p)	798.9	593.7	+205.3	+67 (p)
2016 (incl. Mayotte)	66,726 (p)	785.0(p)	587.0(p)	+198.0 (p)	+67 (p)
2017 (incl. Mayotte)	66,991 (p)	N/A	N/A	N/A	N/A

(p) = Projections at the end of 2016
N/A = Not Available
Source: INSEE

4. **Changing Food Trends**

Socio-economic and demographic changes have changed some food preferences for consumers. French consumers look for food products that are novel, offer health benefits, and are convenient in addition to their need for very high quality products. The French population between the ages of 20 and 35, represnting 26 percent of the population, enjoys trying new and innovative products. Working consumers and those living alone, about 30 percent of the French population, are spurring demand for easy-to-prepare foods, single and double portion packs, and frozen or microwavable meals. There is also strong demand for ethnic meals, halal manufactured products and, to a lesser extent, kosher certified products.

Past food safety scares have raised consumer concerns about sanitation and safety issues in some products and meat. These concerns have led to greater demand for natural and organic food products, natural fruit juices, fresh and processed health foods, fish and seafood products, and vegan food.

Advantages and Challenges for U.S. Exporters in France

Advantages	**Challenges**

• More than 75 percent of the population lives in urban areas and are sophisticated consumers, whichraise demand for international food. · French per capita income is near that of the United States. · The tourism industry increases demand for hotel and restaurant products. · U.S. fast food chains, theme restaurants, and the food processing industry occasionally demand American food ingredients. · Domestic distribution systems are efficient. · American food and food products remain quite popular. · US-EU organics equivalency agreement in place since 2012 has supposedly increased the organic trade.	• Some French consumers have irrational food fears and choose food products based on perceived rather than real food safety. · 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 labelling requirement of 0.9 percent excludes many U.S. processed products.

SECTION II. EXPORTER BUSINESS TIPS

1. Trade Barriers and Restrictions

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

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.

French regulations can limit market access for certain U.S. agricultural products including, but not limited to, the following:

- Enriched flour
- Bovine genetics
- Exotic meat (alligator)
- Flightless bird meat (ratite)
- Live crayfish

- Beef and bison meat
- Certain fruits and vegetables
- Pet foods
- Products derived from biotechnology

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).

France, as an EU member state, benefits from EU customs union agreements with Turkey and Andorra, and 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).
The new trade agreement with Canada (CETA) entered into force in September 2017. The EU is also finalizing a free trade agreement with Japan. These new trade agreements may have an impact on U.S exports to the EU and France.

2. Consumer Tastes, Preferences and Food Safety

Like United States' consumers, France's consumers like new products. Consumers also like ethnic and exotic foods with distinctive themes and flavors. The number of themed restaurants has increased dramatically. There is also a push for authentic products from accepted country of origin. For example, products that are considered typical for the United States such as barbeque, Cajun, U.S. craft beers and even Tex-Mex are in strong demand. 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 have also increased in popularity and there is a strong and unmet demand for these products.
With 5 to 7 million potential consumers of halal food products, France ranks as the leading market in Europe for halal foods with a market estimated approximately at $6 billion.
The market for halal increased over 20 percent since 2013, and 7.3 percent between 2015 and 2016.

While many consumers and distributors are receptive to new developments in food products, they want information on product contents and manufacturing processes. France has labeling requirements for both domestically-produced and imported food products containing genetically-engineered 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 meat, 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. These quality and origin marks have been well-received by French consumers.

The organic certification program certifies food and fiber crops produced under an organic farming system. The organic market in France increased at an average yearly rate of about ten percent over about 5 years leading up to 2015, and jumped by 21 percent in 2016 over 2015 to reach total sales of approximately 7.9 billion dollars. Roughly eighty percent of sales were made via retail organic and specialty stores, and twenty percent directly from producers to consumers, as well as artisanal traders. About 76 percent of organic food products consumed in France originate from the country. Half of imports of organic foods consist of grocery products, while fresh fruit and vegetables represent over one fifth of the total French imports of organic food products; imports are mainly exotic products and specialties not found in the French market. Major organic food products imported from the United States are cereals, tree nuts, dried fruits, fruit and vegetable juices, fruits and rice. Since 2012, a mutual recognition agreement between the United States and the European Union has been implemented and 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 establishes a strong foundation from which to promote organic agriculture, benefiting the growing organic industry and supporting jobs and businesses on a global scale.

3. Marketing Strategies for the French Market

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.

Promotional recommendations

- Target dual income families, singles, senior citizens, and health and environmentally-conscious consumers.
- Influence consumer choices, mostly advertising campaigns, considering holiday promotions and in-store supermarket promotions
- Focus on promoting the high quality and unique attributes of the U.S. products, and emphasize regional specialties such as Florida grapefruit, California wine, Tex-Mex or Cajun style, Alaska, and New England seafood. Invest in packaging featuring unique packaging with U.S. featured prominently.
- Trade shows remain an excellent way to introduce new products to the market and are regularly used by French retailers and distributors to identify new products

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. The contact information is available in Section V.

4. General Import and Inspection Procedures

Import and export transactions exceeding 12,500 Euros (approximately $14,000 depending on the currency exchange rate) 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:
- Commercial invoice;
- Bill of landing or air waybill;
- Certificate of origin;
- Sanitary/health certificate (for specific products);

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.
For additional information, you may also consult the Country Commercial Guide, prepared by the U.S. Department of Commerce.

5. Labeling/Packaging Requirements

Basic Labeling/Packaging Requirements:

Labels should be written in French and include the following information:
- Product definition
- Shelf life: indicate "used by" and "best before" dates and other storage requirements
- Precautionary information or usage instructions, if applicable
- 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

- Product's country of origin and name of importer or vendor within the EU
- Manufacturer's lot or batch number

Mandatory Labeling of Genetically Engineered (GE) Products:

Under the Regulations (EC) 1829/2003 and (EC) 1830/2003 on biotech traceability and labeling, the European policy sets standards for positive (sourced from biotech), but not for negative labeling (not sourced from biotech). Each Member State can, however, put in place specific national requirements for biotech-free labeling. France implemented the 1829/2003 and 1830/2003 Regulations in April 2004.

The Fraud Control Office of the Ministry of Economy, Finance and Industry (DGCCRF) is the authority enforcing compliance with the regulation. An explanation on biotech labeling regulation is available on their website (in French).

Voluntary "GMO free" Labeling Systems:

In France, the government has implemented a national voluntary "GMO free" labeling system. It only applies to food produced in France. Imported products are not impacted by this rule, but could be of interest for exporters based on the possible competition. It states that:

- Plant products can be labeled as "GMO free" if they contain less than 0.1 percent GE plants.
- For animal products, two thresholds are set and must be indicated on the label:1) under 0.1 percent is labeled as "fed without GMO plants (0.1 percent)," and 2) under 0.9 percent as "fed without GMO plants (0.9 percent)."
- Processed animal products, milk and eggs can be labeled as "sourced from animals fed without GMO plants (0.1 or 0.9 percent)."
- For apiculture products, biotech plants should be no closer than three kilometers to an apiary.

These "GMO free" labels are mainly found on animal products (meat, dairy products, and eggs), canned sweet corn and soybean products. It is forbidden to state that the products have a better nutritional, health or environmental value because they are GE free.

6. **Customs Process**

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.

The process generally consists of a visual inspection verifying that the products are accompanied by the correct shipping documents and 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 ad valorem customs duties levied under the Common External Tariff. Duties differ according to the 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 following rates:

- Standard rate of 20 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 France the food industry is the leading industrial sector both for sales and employment. In 2016, the 17,647 companies (98 percent being small to medium-size companies) of the sector generated total sales of $191 billion and employed 427,213 persons all over France. The food industry has a key role in France in the regional dynamism and development as it processes 70 percent of the French agricultural production. Up until now the French food industry has weathered the economic slowdown, but since several years, employment in the sector has declined, as a result of new taxes, price rise in raw materials and due to a rigid labor frame structure.

The food industry sector also contributes to the commercial balance of the country. It generated an $8 billion surplus in 2016 thanks to wine and spirits and fresh products. During the period January-July 2017, total French agricultural and food products exports slightly increased by 1.6 percent, while total imports increased by 6.7 percent compared to the same period in 2016.

During the period January-July 2017, the trade balance for French agricultural and food products decreased by 155 billion dollars compared to the previous year. This is the result of an eight percent increase in imports over a year for only 4 percent increase in exports. Additional imports from third countries were raw products (mainly rapeseeds, and fruits) and distilled alcohols from China and the United States. Imports from the EU were dairy, meat, and tobacco products. Globally, the trade surplus for agricultural and food products during the period Jan-July 2017, reached $484 million.

The French food industry trade association (ANIA) highlights the weakness of this French sector compared to its European partners. Even though France remains the fourth world exporter of food products, French food product exports increased an average of four percent yearly during the period 2006-2014, while The Netherlands (thanks to their commercial buying/selling platform), increased their exports by eight percent, and Germany by nine percent (mostly due to the booming of their meat and dairy sectors) during the same period of time. The trade association also pointed out the threats that emerging agricultural countries like Brazil, China, Argentina and India represent. The lower competitiveness of the French food industry is mainly due to higher labor cost, more restrictive sanitary regulations, but also the small size of French agricultural companies which represent 85 percent of the total French food industries. In line with these difficulties, the food industry should adapt to the French price-conscious consumers behavior changes.

Exports in billion dollars		Imports in billion dollars	
2013	58.1	2013	48.6
2014	59.8	2014	51.0
2015	66.7	2015	56.3
2016	65.2	2016	58.4
2017 (Jan-July)	38.2	2017 (Jan-July)	35.4

Source: Agreste/French Customs

Production of Major French Food Processing Sectors – Percentage growth
Calendar Year 2015/2016

	Production in Billion Dollars	Percentage Growth 2016/2015

Food Processing Sectors	2015 (volume)	2016 (value)	Value	Price Growth
Meat Industry	36.3	27.6	-1.7	+0.1
Seafood Industry	3.3	3.2	+3.5	+4.2
Fruits & Vegetable Industry (incl. Fruit juices)	7.2	6.4	+0.2	-2.9
Fats and Oils Industry	5.7	3.1	+0.2	-1.5
Milk Industry	31.0	21.8	-4.6	-4.2
Grain Industry	6.8	5.7	-3.9	-1.2
Bakery/Pastry industry	27.8	9.7	+4.5	-0.9
Animal Feed Industry	12.7	10.2	-5.3	-3.3
Beverage Industry	21.4	30.7	+0.9	+1.3
Other food industries	25.4	18.9	+1.1	-0.4
Total Food Industries	**178.2**	**137.2**	**-1.0**	**-1.5**

Source: Agreste/Prodcom

2. **Infrastructure Situation**

France’s transportation infrastructure is among the most sophisticated in the world. It benefits from advanced technology and a high level government’s investment. The three main entry points for air-freight are Orly and Charles de Gaulle airports (close to Paris) and Saint-Exupery 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.

Communication 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 has rapidly expanded. 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 United States 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, including food supplements, as well as kosher and halal foods. Over the past few years, there has been a renewal of interest in American food products. Many restaurants offering a U.S. theme have opened in recent years. This trend is also confirmed by the French importers of American food products where import sales have increased. Also, the French food service industry is moving towards fresh consumer-ready products at the expense of frozen foods, although they remain popular for consumers through retailers including the only frozen food retailer Picard.

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://www.usda-france.fr/market-information.htm

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 found at:
https://www.fas.usda.gov/data/france-food-service-hotel-restaurant-institutional

SECTION IV. BEST HIGH-VALUE PRODUCTS 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 and 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:

- Fish and crustaceans
- Beverages, including mineral water, beer, wine and spirits

- Fresh and dried fruits, including nuts
- Fresh and dried vegetables
- Meat and offals
- Organics

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

Best Prospect: **FISH AND CRUSTACEANS**
HS Code: 03
(USD Million)
(January-December)

	2014	2015	2016
A. Total Market Size	8,991	6,924	6,640
B. Local Production	3,951	3,294	2,987
C. Total Exports	1,872	1,419	1,353
D. Total Imports	6,912	5,049	5,006
E. Total Imports from U.S.	296	240	223

N/A = Not Available
Source: GTI – French Customs

France is the fourth seafood producer in the European Union, after Spain, the United Kingdom and Denmark. France is a net importer of seafood products as its seafood domestic production represents only twenty percent of total French consumers demand. During past years, the seafood per capita consumption increased, currently representing about 34.5 kg per year, including 68 percent fin fish and 32 percent shellfish and crustaceans.

In 2016, the United States was France's sixth largest supplier of seafood products in volume, after Norway, the United Kingdom, Spain, China, and the Netherlands. The best prospects for growth for U.S. seafood products to France are frozen pollock, cod and salmon, live lobsters, frozen rays, dogfish and scallops.

For more information about the seafood sector please see France Fish and Seafood Report.

Best Prospect: **BEVERAGES, INCLUDING MINERAL WATER, BEER, WINE AND SPIRITS**
HS Code: 22
(USD Million)
(January-December)

	2014	2015	2016
A. Total Market Size	11,729	7,578	14,919
B. Local Production	25,600	21,693	27,600
C. Total Exports	18,040	18,195	16,570
D. Total Imports	4,169	4,080	3,889
E. Total Imports from the U.S.	207	206	197

N/A = Not Available
Source: GTI - French Customs

In 2016, volume imports of U.S. wine and spirits represented approximately six percent of total French imports. U.S. wine and spirits imports in France in volume rank seventh after EU countries including Spain, Portugal, and Italy, ahead of Chile, Australia, and South Africa. In France, California wines face strong competition 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.

France is world leader for whiskey consumption with 142 million liters, or two bottles a year per capita. As per French Customs, French imports of U.S. whiskey amounted to $1.01 billion in 2016, a 15 percent increase compared to 2015, mainly due to the dollar fluctuation. Nevertheless, the penetration of new bourbon brands like Jim Beam, Maker's Mark, Stepson, in addition to Jack Daniel's, and Wild Turkey. The United States remain France's second supplier after the United Kingdom.

In 2016, U.S. beer exports to France were valued at $3.7 million, representing a 61 percent increase in volume over 2015. Although France's leading beer suppliers are Belgium, Germany, the Netherlands, and to a lesser extent the United Kingdom, there is a booming demand for American craft beer. The craft beer market in France is relatively new and in the trend. Young and urban consumers looking for different and tasty products are driving the market. There is a real opportunity for U.S craft beer in France. Please see the following link for more information http://www.usda-france.fr/brewer-s-association-held-a-beer-pairing-dinner-in-paris.htm

Opportunities exist for ethnic, new, and innovative U.S. beverages, particularly those linked with Tex-Mex foods. Sales of innovative beverages are on the rise.

Best Prospect: **FRESH AND DRIED FRUITS, INCLUDING NUTS**
HS Code: 08
(USD Million)
(January-December)

	2014	**2015**	**2016**
A. Total Market Size	14,606	11,494	12,753
B. Local Production	9,139	7,168	8,650
C. Total Exports	1,632	1,344	1,318
D. Total Imports	7,099	5,670	5,421
E. Total Imports from the U.S.	353	295	255

N/A = Not Available
Source: GTI – French Customs

Under the "fresh and dried fruits" category, dried nuts represent the majority of U.S. exports to France. In 2016, the United States exports of dried nuts to France accounted for 28 percent in volume of total French imports or an increase of 17 percent over the previous year, for a value of $228 million. Other major competitors in the French market are Spain, Italy and Turkey. In the dried fruits and nuts category, almonds are the leading U.S. product exported to France, valued at $145 million in 2016.

Shelled and in shell pistachios are the second-ranked product exported to France, and France also imports significant quantities of U.S. macadamia nuts.
France is a producer of walnuts and U.S. exports to France are primarily determined by the size of the domestic crop from year to year.

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 ten years.

Prime opportunities for U.S. fresh fruit and vegetable suppliers are in off-season and extended-season sales, as well as during years of short French fruit crops. France is the leading European market for U.S. grapefruits, and number three in the world after Japan and Canada with almost 76,000 tons imported in calendar year 2016, valued at $79 million. The U.S. market share for citrus fruits represents 16 percent of total French imports in volume and 20 percent in value. The United States is France's leading supplier for grapefruits before South Africa and Israel.

During short crop years, France may import apples and pears from the United States. There is also a niche market for berries, Medjool dates, dried prunes, frozen fruits and nuts, cashew nuts, apples and other fresh citrus. After successful years from 2000 to 2014, the import volume of fresh and dried cranberries from the United States dropped to reach minus 17 percent in 2016 versus 2015, for a value of $200,000.

Best Prospect: **FRESH AND DRIED VEGETABLES**
HS Code: 07
(USD Million)
(January-December)

	2014	**2015**	**2016**
A. Total Market Size	N/A	9,237	N/A
B. Local Production	N/A	8,100	N/A
C. Total Exports	2,359	2,310	2,288
D. Total Imports	3,396	3,447	3,286
E. Total Imports from the U.S.	48	46	33

N/A = Not Available
Source: GTI – French Customs

France is one of the top worldwide markets for U.S. Great Northern Beans. Significant opportunities exist for U.S. suppliers of dried beans, peas and lentils. In France, in 2016, dry legumes reached a total import value of $220 million. The United States is one of the top sources for the French market, followed by Canada and China. Statistics show a growth of U.S. exports to France for fresh and chilled roots since 2011. FAS Paris initiated contact with French buyers and the American Sweet Potatoes Commission to actively promote this product among the food service industry.

Very few opportunities exist for U.S. fresh vegetables. Trends and increased consumption indicate a growing demand for dried and prepared vegetables (washed and cut) and many supermarkets have a special section for these types of products. There may also be demand for organic vegetables, as the recent US/EU organic agreement should open doors for U.S. suppliers.

Best Prospect: **MEAT AND OFFALS**
HS Code: 02
(USD Million)
(January-December)

	2014	2015	2016
A. Total Market Size	46,568	37,710	28,793
B. Local Production	44,117	36,327	27,550
C. Total Exports	5,639	3,838	3,293
D. Total Imports	8,090	5,321	4,536
E. Total Imports from the U.S.	13	12	11

N/A = Not Available
Source: GTI – French Customs

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 a new quota of 48.200 tons of hormone-free high quality beef was voted by the European Parliament in 2012 for import from the United States to the EU with zero import duties. Additionally, bison meat is growing in popularity. Post has organized a series of activities these recent years to promote American beef among French chefs and food service industry. Please click here to read more.

Best Prospect**: ORGANICS**
Since 2013, the organic market in France increased over $500 million to reach about $7.9 billion dollars in 2016. In 2016, 82 percent of sales were made via the retail organic and specialty stores, 13 percent directly from producers to consumers and 5 percent by artisan traders. As per the latest report from the French Organic Association (Agence Bio), only 29 percent of organic products consumed in France are imported. These products are mainly exotic produce, fruits and vegetables, soy, and a variety of grocery products, as well as fruit juices and seafood. In 2016, there were approximately 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 during the past years. Also, the fact that the French certification agency Ecocert recently purchased a local U.S. certification agency, as well as the new equivalence agreement between the United States and the European Union may 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.

APPENDIX A: FOOD AND AGRICULTURAL TRADE SHOWS IN FRANCE
In Calendar Year 2018

MAISON ET OBJET
January 19-23, 2018
September 7-11, 2018
Paris Nord Villepinte
Organizer: Philippe Bazin
pbazin@promosalonsusa.com
Internet: http://www.maison-objet.com/
(Bi-annual Show)

International Home Fashion Manufacturers

SALON INTERNATIONAL DE LA RESTAURATION, DE L'HOTELLERIE ET DE L'ALIMENTATION
(SIRHA 2019)
January 26-30, 2019
Eurexpo – Lyon
Organizer: GL Events Exhibitions
Tel: (33 4) 78 176 176
Fax: (33 4) 78 176 177
Contact :
Email :
Internet: http://www.gl-events.com/
(Biennal Show)

International Event for Hospitality, Restaurant, Catering and Food Service Industries

EUROPAIN / INTERSUC
Parc des Expositions – Paris-Nord Villepinte
February 3-6, 2018
Organizer: Philippe Bazin
Tel: +1 (212) 564 0404
Email: pbazin@promosalonsusa.com
Internet: http://www.europain.com
(biennal Show)

International Chocolate, Sugar Confectionery & Bakery Trade Show

TEXWORLD

International Textile Manufacturers

February 11-14, 2018
September, 2018
Paris – Le Bourget
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/
(Bi-annual Show)

PREMIERE VISION

International Textile and Clothing

February 13-15, 2018
September 18-19, 2018
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/
(Bi-annual Show)

LE CUIR A PARIS

International Leather Products

February 13-15, 2018
September 18-19, 2018
Parc des Expositions – Paris-Nord Villepinte
Organizer : SIC SA
Tel : (33 1) 43 59 05 69
Fax : (33 1) 43 59 30 02
Email : lpasquier@sicgroup.com
Internet : http://www.cuiraparis.com
(Bi-annual Show)

SALON DU VEGETAL

Horticultural Trade Show

June 19-21, 2018
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.salonduvegetal.com/
(Annual Show)

SALON INTERNATIONAL DE L’AGRICULTURE

Paris- Porte de Versailles — International Agricultural Show
February 24 – March 4, 2018
Organizer : Comexposium
Tel: (33 1) 76 77 11 11
Email: contact.exposantsSIA@compexposium.com
Internet: http://www.salon-agriculture.com/
(Annual Show)

CFIA — Retail Food Trade Show
Carrefour des Fournisseurs de l'Industrie Agroalimentaire
March 13-15, 2018
Parc des Expositions – Rennes Aeroport
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)

EUROPEAN SANDWICH & SNACK SHOW
April 4-5, 2018
Paris – Porte de Versailles
Organizer : Reed Exposition
Contact : Sandrine Barat
Email: sandrine.barat@reedexpo.fr
Internet: http://www.sandwichshows.com
(Annual Show)

SALON DES MARQUES DE DISTRIBUTEURS ALIMENTAIRES – MDD RENCONTRES — International Private Label Show for Foods
March 20-21, 2018
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: Veronique Fantin
Email : veronique.fantin@gl-events.com
Internet : http://www.mdd-expo.com/
(Annual Show)

CARREFOUR INTERNATIONAL DU BOIS — International Timber Show
May 30-31 – June 1, 2018
Parc de la Beaujoire – Nantes
Organizer : Carrefour International du Bois

Tel : (33 2) 40 73 60 64
Email : sam@timbershow.com
Internet : http://www.timber.show.com
(Biennal Show)

SALON INTERNATIONAL DE L'ELEVAGE (SPACE 2017) — International Trade Fair for Livestock
September 11-14, 2018
Rennes – Carrefour Europeen
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)

SALON INTERNATIONAL DE L'ALIMENTATION (SIAL 2018) – USDA ENDORSED — International Food and Beverage Trade Show
October 21-25, 2018
Organizer: IMEX Management, Inc.
Tel: (704) 365 0041
Fax: (704) 365 8426
Email: erich@imexmanagement.com
Internet: http://www.imexmgt.com/
(Biennal Show)

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
Email: info@foodexportusa.org
Web: http://www.foodexportusa.org
Contacts: Tim Hamilton, Executive Director

FOOD EXPORT ASSOCIATION OF THE MIDWEST USA
399 W Washington Street, Suite 600
Chicago, Illinois 60606-3217
Tel: (312) 334 9200/Fax: (312) 334 9230
Email: info@foodexport.org
Web: http://www.foodexport.org

Contacts: Tim Hamilton, Executive Director

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
Email: Susta@Susta.org
Web: http://www.susta.org
Contacts: Bernadette Wiltz, Executive Director

WESTERN U.S. AGRICULTURAL TRADE ASSOCIATION (WUSATA)
4601 NE 77th Avenue, Suite 200
Vancouver, WA 98662
Tel : (360) 693-3373/Fax : (360) 693-3464
Email : export@wusata.org
Web : http://www.wusata.org
Contacts: Andy Anderson, Executive Director

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) 33 97 3031
Internet : http://www.finance.gouv.fr

Agency responsible for promotion and control of food quality:

Direction Générale de l'Alimentation (DGAL)
Ministère 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. FRANCE KEY TRADE AND DEMOGRAPHIC INFORMATION FOR 2016

Ag. Imports from All Countries (1)	$51 billion
U.S. Market Share (1)	1.9 percent with $942 million
Consumer Food Imports from All Countries (1)	$37 billion
U.S. Market Share (1)	1.4 percent with $533 million
Edible Fishery Imports from All Countries (1)	$6 billion
U.S. Market Share (1)	3.6 percent
Total Population/Annual Growth Rate (2)	66.9 million - Growth rate annual: 0.4%
Urban Population/Annual Growth Rate	53 million – Annual Growth Rate: N/A
Number of Metropolitan Areas (3)	4
Size of the Middle Class (4)	50 percent of total population
Per Capita Gross Domestic Product	Between $38,302 and $40,950 (6)
Unemployment Rate, incl. Overseas territories	10.1 percent (*)
Percent of Female Population Employed (5)	67.6 percent
Exchange Rate	US$1 = EURO 0.90

Footnotes:

1. (1) Statistics from the Global Trade Atlas from the Global Trade Information Services
2. (2) Preliminary figures as of January 1, 2017, including overseas and department territories, 64.9 million for metropolitan France only
3. (3) Population in excess of 1,000,000
4. (4) Defining the middle class by excluding the poorest and the wealthiest, the middle class is about under 50 percent of the population
5. (5) Percent against total number of women (15 years old or above)
6. (6) This amount varies according to source and exchange rate utilized by the different sources

(*) Unemployment rate for France and overseas territories as of first quarter of 2016 as per INSEE

TABLE B. CONSUMER FOOD & SEAFOOD PRODUCTS IMPORTS

(In millions of United States Dollars, rounded to the nearest million)

	France Import Statistics from the World	**France Import Statistics from the U.S.**	**U.S. Market Share**

Commodity	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016
Consumer Oriented Agric. Total	40,181	40,567	35,572	36,832	470	533	525	533	1.2	1.3	1.5	1.4
Fish & Seafood Products	6,471	6,506	5,681	6,007	248	219	215	222	3.8	3.4	3.8	3.6
Agricultural Total	56,277	56,858	49,285	50,562	910	1,064	907	942	1.6	1.9	1.8	1.9
Agricultural, Fish & Forestry	67,454	68,312	59,054	60,927	1,197	1,324	1,169	1,230	1.8	1.9	2.0	2.0

Source: Bico Report / Global Trade Atlas

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

FRANCE IMPORT STATISTICS
(In United States Dollars)

France (Customs) Import Statistics
Commodity: Consumer Oriented Agric. Total, Group 32 (2012)
Year to Date: January-December

Partner Country	2013	2014	2015	2016	% Share 2013	% Share 2014	% Share 2015	% Share 2016	% Change 2016/2013
World	39,896,687,476	40,662,662,833	35.571,986,003	36,831,549,078	100.00	100.0	100.0	100.00	- 7.68
Spain	6,585,604,038	6,529,222,004	5,821,614,485	5,943,838,107	16.51	16.06	16.36	16.14	- 9.75
Germany	5,448,013,865	5,475,897,915	4,617,563,507	4,612,006,252	13.65	13.46	12.98	12.52	-15.34
Belgium	5,599,827,411	5,830,487,273	4,928,961,760	5,290,044,448	14.04	14.34	13.86	14.36	- 5.54
Netherlands	4,966,882,113	4,985,794,551	4,196,833,033	4,395,593,745	12.45	12.26	11.80	11.93	-11.50
Italy	3,922,280,241	4,003,533,455	3,392,520,300	3,553,794,185	9.83	9.84	9.53	9.64	-10.97
Switzerland	1,820,746,520	1,858,501,368	1,662,893,417	1,644,954,532	4.56	4.57	4.68	4.46	- 9.67
United Kingdom	1,402,431,4	1,468,494,0	1,288,357,8	1,260,704,4	3.51	3.61	3.62	3.42	-10.06

	64	52	66	79					
Morocco	803,533,877	927,879,298	849,755,301	897,279,238	2.01	2.28	2.39	2.43	- 3.35
Ireland	788,264,100	777,861,060	708,684,888	704,890,774	1.97	1.91	1.99	1.91	- 9.38
Poland	770,737,599	827,767,370	815,933,604	937,237,029	1.93	2.03	2.29	2.54	+12.73
France	669,998,505	696,859,618	491,135,198	512,217,929	1.68	1.71	1.38	1.39	-23.55
Portugal	455,711,976	449,179,577	401,924,526	402,046,024	1.14	1.10	1.13	1.09	-11.78
United States	470,161,709	532,944,209	525,236,416	532,697,064	1.18	1.31	1.47	1.45	+13.30
Turkey	394,422,860	442,040,017	479,194,775	424,417,466	0.99	1.09	1.35	1.15	+ 7.60
Denmark	408,090,279	410,818,624	302,828,392	305,358,097	1.02	1.01	0.85	0.83	-25.17

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	**2013**	**2014**	**2015**	**2016**	**% Share 2013**	**% Share 2014**	**% Share 2015**	**% Share 2016**	**% Change 2016/2013**
World	5,050,690,675	6,506,119,065	5,680,778,551	5,007,123,492	100.00	100.0	100.0	100.0	- 0.86
Norway	861,569,478	798,985,687	675,553,562	866,695,139	17.06	12.28	11.90	17.32	+ 0.58
United Kingdom	593,001,056	615,498,498	557,786,553	626,579,476	11.74	9.45	9.82	12.52	+ 5.73
Spain	265,355,780	441,437,383	410,979,453	291,593,775	5.25	6.78	7.23	5.83	+ 10.19
United States	241,081,350	218,882,460	214,691,220	222,110,566	4.77	3.37	3.78	4.43	- 7.88
Netherlands	228,838,062	278,886,996	244,578,011	224,370,051	4.53	4.29	4.31	4.47	- 2.18
China	186,773,355	197,376,887	191,033,807	207,323,481	3.70	3.03	3.36	4.13	+ 10.69
Ecuador	231,476,277	343,152,371	294,103,690	235,045,574	4.58	5.27	5.17	4.69	+ 1.73
Ireland	151,000,826	162,650,532	147,601,233	155,773,888	2.99	2.51	2.60	3.12	+ 3.31
Denmark	170,522,824	213,037,199	172,548,179	157,445,446	3.38	3.27	3.05	3.14	- 8.19
Poland	180,179,431	164,746,426	143,369,709	136,480,822	3.57	2.54	2.52	2.72	- 24.44
India	137,117,576	191,556,037	156,970,977	131,647,598	2.71	2.95	2.76	2.64	- 3.65
Iceland	133,217,39	176,247,63	180,810,40	204,063,68	2.64	2.71	3.19	4.07	+ 53.38

	0	6	8	3					
Vietnam	102,296,765	179,081,159	155,048,958	108,982,423	2.02	2.75	2.73	2.18	+ 6.86
Madagascar	103,264,743	124,506,762	80,880,901	85,405,633	2.04	1.92	1.43	1.70	- 17.48
Germany	72,190,879	188,785,713	184,734,758	83,887,023	1.43	2.91	3.26	1.68	+ 16.67

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