

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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France

Food Processing Ingredients

Food Processing Ingredients Sector

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Report Highlights:

With over 13,500 food processors, the French food processing sector is valued at \$196 billion. Progress in food technology, marketing innovations, and exports of finished food products have all contributed to France's increasing demand for food ingredients. Key market drivers include an increasing interest in healthy and functional foods, an aging population, and health conscious consumers that have pushed innovation in product personalization and product convenience. The major imported ingredients for processing are meat products, fish and seafood, fruits and vegetables based products, beverages, wine and alcohols, milk and dairy products, and cereal based products. Food ingredients, in general, are imported freely by the private sector into France, but some face phytosanitary and other food safety restrictions at the EU level.

Post:
Paris

Author Defined:

Note: Average exchange rates used in this report are:

Calendar Year 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

Calendar Year 2012: US Dollar 1 = 0.78 Euros

Jan-Sept. 2013: US Dollar 1 = 0.57 Euros

SECTION I. MARKET SUMMARY

A. Overall Market Summary

In 2012, the overall French food trade surplus amounted to \$14.9 billion, an increase of \$185 million from 2011. The processed food trade surplus increased by \$1.3 billion in 2012 to \$10 billion. However, during the first half of calendar year 2013, French processed food trade surplus decreased by \$54 million to \$1.2 billion.

During past years, French consumption of processed foods more than doubled offering U.S. food processing ingredients an excellent export market, mainly for meat, milk, bakery/pastry, fat and oils, and beverages. According to the French Ministry of Agriculture, in 2012 there were a total of 13,513 food processing companies generating a turnover of \$196 billion. The value of processed food imports increased by 0.3 percent in 2012. Exports in the food industry sector are ahead of other leading industrial sectors, which places France's food industry among the top three in the European Union. In 2012, the French food processing represented 1.6 percent of the gross domestic product (GDP); however, the share has steadily decreased since 1980 when it represented 2.6 percent.

B. Processed Food Industry

In 2012, processed food product production rose by only 0.3 percent, with sectors of the production offering the most potential for fats and oils, grain, bakery and pastry industries, as well as beverage industries.

(In Million Dollars)

Products	Imports		Exports		Trade Balance 2011	Trade Balance 2012
	2011	2012	2011	2012		
European Union						
• Raw Products	8,335	7,818	15,112	13,894	6,778	6,076
• Processed Products	35,200	33,658	37,333	35,686	2,144	1,453
TOTAL E.U	43,535	41,476	52,445	49,580	8,922	7,529
Third Countries						
• Raw Products	7,486	6,764	7,069	5,467	-417	-1,296
• Processed Products	12,043	11,305	19,487	19,981	7,444	8,677
TOTAL THIRD COUNTRIES	19,529	18,069	26,556	25,448	7,027	7,381
World						
• Raw Products	15,821	14,582	22,181	19,361	6,361	4,780
• Processed Products	47,243	44,963	56,820	55,667	9,588	10,130
TOTAL FOOD PRODUCTS	63,064	59,545	79,001	75,028	15,949	14,910

Source: Agreste/French Customs

French Food Processing Industries Calendar 2012

Industries	Number of Companies	Turnover (Million Dollars)
Meat and Meat Products	2462	40,875
Fish and Seafood	312	4,189
Fruits and Vegetables	1082	10,109
Fats and Oils	209	4,496
Dairy Products	1250	33,993
Grain Industry	502	8,529
Bakery Industry	1336	13,377
Miscellaneous Food Products	3351	34,520
Animal Feed	438	14,516
Beverages	2571	31,439
Total Food Processing Industries	13,513	196,043

Source: French Ministry of Agriculture

Progress in food technology, marketing innovations, and exports of finished food products have all contributed to France's increasing demand for food ingredients. Innovative products, low fat, organic,

and healthy products are in high demand. The food processing industry works consistently to improve the healthiness of French food products, an example of which is a 19 percent decrease of salt content in foods between 2000 and 2011.

Also, nutritional information is increasingly visible and detailed on product labels, and 88 percent of products sold in France have a nutritional labeling. French consumers are also very sensitive to food safety and quality, and the food processing industry is quick to remove ingredients from products that have been associated with safety issues. Food ingredients in general are imported freely by the private sector into France, but some face phytosanitary and other food safety restrictions at the EU level. Additives are subject to special authorization if they are not on the EU's list of approved additives. Tariffs and other labeling requirements may cause problems for some U.S. exporters. Please refer to the latest Post FAIRS report at the following website:

[http://www.usda-france.fr/media/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative Paris France 4-19-2013.pdf](http://www.usda-france.fr/media/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative%20Paris%20France%204-19-2013.pdf)

And to the FAS U.S. Mission to the European Union website:

<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/>

C. Key Market Drivers

Key market drivers for the food processing sector:

- Over the past decade, the deflationary economic environment pushed processors to look for lower-cost food inputs, as well as for international processing options, to remain competitive
- Increasing interest in health and functional foods with an emphasis on the growing aging population
- Increasing emphasis on convenience, ready-to-eat, and value-priced foods
- Continued diversification of the French diet
- Larger focus on the teenager demographic
- Heightened consumer and retailer food safety concerns

D. U.S. Involvement in the Industry

Due to the food processing sector's need for inputs, France has become a net importer of agricultural products. The EU remains France's most important trading partner with the top five suppliers being Spain, Belgium, Germany, The Netherlands, and Italy. Outside the EU, the United States is France's fourth largest supplier after Brazil, Switzerland, and Morocco. U.S. exports to France represented only 1.4 percent of all imported value in 2012. Major products imported from the United States are fish and seafood, including prepared, grapefruits, dried fruits and nuts, pulses, canned and prepared meat, beverages, including wine and spirits and grains.

Major Food Exporters to France

Rank	Partner Country	USD (Millions)			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
	<i>World</i>	<i>47,905</i>	<i>54,692</i>	<i>52,129</i>	<i>100.00</i>	<i>100.00</i>	<i>100.00</i>	<i>- 4.69</i>
1	Spain	6,634	6,991	7,252	13.85	12.78	13.91	3.73
2	Belgium	6,472	7,118	6,696	13.51	13.01	12.85	-5.92
3	Germany	5,724	6,739	6,546	11.95	12.32	12.56	-2.86
4	Netherlands	5,791	6,369	6,069	12.09	11.64	11.64	-4.70
5	Italy	4,127	4,662	4,438	8.61	8.52	8.51	-4.82
6	Brazil	1,665	2,035	1,988	3.48	3.72	3.81	-2.30
7	Switzerland	1,186	1,485	1,618	2.48	2.72	3.10	8.94
8	United Kingdom	1,595	1,816	1,592	3.33	3.32	3.05	-12.36
9	Ireland	1,443	1,647	1,527	3.01	3.01	2.93	-7.32
10	Morocco	890	960	863	1.86	1.76	1.66	-10.11
11	Poland	594	707	794	1.24	1.29	1.52	12.23
12	United States	759	883	724	1.58	1.61	1.39	-17.97
13	Ivory Coast	718	876	560	1.50	1.24	1.07	-17.11
14	China	494	579	523	1.03	1.06	1.00	-9.67

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

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

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

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

SECTION II. ROAD MAP FOR MARKET ENTRY

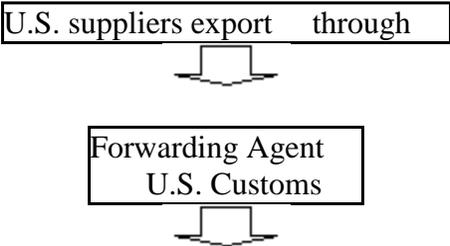
A. ENTRY STRATEGY

To enter the French market it is essential to have local and personal contacts. Local representatives provide up-to-date market information and guidance on business practices and trade laws. In general, French food processing industry players attend regional and international food ingredient trade shows. The [Health Ingredient Show](#), and the [Food Ingredient Show](#) are held periodically in Paris. The next Food Ingredient Show will be held in Paris on December 1-3, 2015.

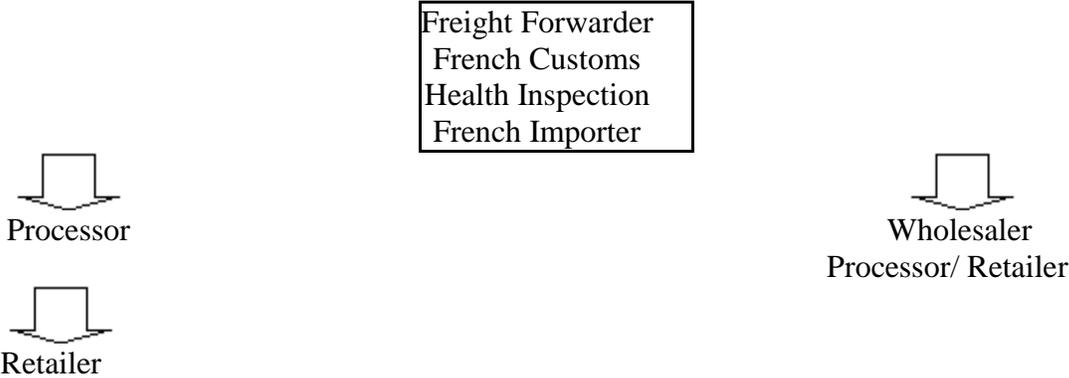
B. MARKET STRUCTURE

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

In the United States:



In France:



C. COMPANY PROFILE

In 2012, there were 13,513 food processing companies in France. The products ranged from processed meats, fish, fruits and vegetables, canned foods, bakery and cereals, dairy, confectionery, animal feed, ingredients, and beverages. These food processor end-use channels are the retail sector, as well as the

hotel, restaurant, and institutional (HRI) food service, buying directly or through wholesalers. The table below also includes U.S. food companies that have foreign direct investments in France.

France's Major Food Processing Companies, 2012

Company Name and Type of Food Processor	Sales (million \$)	Number of Employees	End-Use Channels	Production Location	Procurement Channels
Danone (production, processing and marketing of fresh dairy products, packaged water, baby food and clinical nutrition)	26,755	102,401	Retail and HRI	France & Europe (56 total) North America (38) Asia/Middle East & Africa (100)	Importers; Direct
Lactalis (dairy products)	20,128	55,000	Retail and HRI	France, Europe, North, Central and South America, Asia, Africa (192 total)	Importers; Direct, Distributors
Pernod Ricard (manufacturing and distribution of wines and spirits)	10,532	18,777	Retail and HRI	France & Europe And USA (96)	Importers; Distributors; Direct
Tereos (sugar manufacturer, process raw materials in sugar, alcohol and starch)	6,458	26,000	Food and non-food industry and retail	France & Europe (34) South America 10) Africa (7) Asia (2)	Importers; Direct
Nestle France (products and beverages for human consumption and animal feed)	6,250	16,000	Retail and HRI	France (29) 468 production locations total all over world	Importers; Direct
Terrena (distribution, agricultural supply, animal and plant production)	5,741	12,046	Retail, HRI (own plant production supply chain)	France & Europe (63 total)	Importers ; Direct
Bigard (meat processor)	5,641	16,000	Retail, HRI	France (59)	Direct
Sodiaal (milk production)	5,590	7,250	Retail and HRI	France (49) China (1) (JV) Switzerland (1) (JV)	Direct Importers
Moet Hennessy (luxury industry, wine, spirits)	5,304	N/A	Retail, and HRI	France Switzerland USA	Direct
Bongrain S.A. (milk processor)	5,236	18,870	Retail and HRI	France Subsidiaries in Europe, North and South America, Middle East, Africa and Asia	Direct Importers
Soufflet (grain processor)	5,129	3,895	Industry and Retail	42 total in France, Europe, Asia and	Direct importers

				South America	
Vivescia (producer, grain and vegetable processor)	5,106	8,322	Industry	France (16)	Direct
Mondelez International (Kraft Foods France coffee and chocolate)	5,000	5,000	Retail and HRI	France (5) snacking, chocolate and coffee brands Branch of Kraft Foods created for the French and European market	Importers; Direct
Agrial (food and agricultural cooperative group)	4,626	10,000	Retail and HRI	France	Importers; Direct
Pole Industriel des Mousquetaires (French retailer)	4,538	9,650	Retail	France (60)	Direct
Axereal (agricultural and food cooperative group)	4,359	3,225	Retail, HRI and Industry	Over 100 France/Europe and Algeria	Direct; Importers
Cargill France (food, agricultural, financial, industrial and services)	4,458 (*)	N/A	Industry, Retail and HRI	21 in France and also internationally across Europe, North and South America, and Asia (U.S. Group)	Direct; Importers
Roullier (plant fertilizers, animal feed and nutrition)	3,974	6,400	Industry, Retail and HRI	France (79) Brazil, Poland, Austria, Uruguay, Paraguay, Mexico, Ukraine, Egypt	Direct; Importers
Roquette Freres (starch and starch based products manufacturer)	3,974	7,800	Industry, Retail and HRI	France (5) 18 total North America, Europe and Asia	Direct Importers
LDC (poultry producer and processor)	3,747	16,072	Retail and HRI	France, Poland and Spain (62 total)	Direct Importers
Fromageries Bel (cheeses baked or half-cooked)	3,396	10,600	Retail and HRI	France, Europe, Americas, Asia, Africa, Middle East (27 total)	Direct
Unilever France (hygiene, personal care and nutrition)	3,333	2,800	Retail and HRI	U.K. – The Netherlands – Over 400 brands -	Direct Importers
Triskalia (cooperative agrosupply, food and special distribution)	2,949	5,000	Retail and HRI	France (300 including chains)	Direct Importers
Coca-Cola Enterprise (soft drinks)	2,692 (*)	N/A	Retail and HRI	USA – France	Direct
Cooperl Arc Atlantique (production and slaughter pigs)	2,670	4,400	Retail and HRI	France	Direct
Cecab (agricultural cooperative)	2,624 (*)	N/A	Retail, HRI, freezing centers, hard	France (51 total) including Eastern and Western Europe,	Direct; Importers

			discounters, and industry	Africa, Japan.	
Even (agricultural and food cooperative)	2,551	5,240	Retail, HRI,	France (approximately 60)	Direct; Importers
Glou (meat and vegetable processor)	2,324	4,163	Retail, HRI and industry	France, Europe, North America, Africa (42 total)	Direct; Importers
Limagrain (vegetable and grain seeds)	2,287	7,800	Retail, HRI and industry	France & Europe (total 68) Subsidiaries in North America (20), Asia (6) and Australia (2)	Direct; Importers

(*) Food sales 2011 – 2012 sales not available

JV = Joint Venture

N/A = Not Available

Source: RIA Magazine

D. SECTOR TRENDS

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

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

France is a major exporter of processed foods mainly wine, spirits, and dairy products. In 2012, the total French exports of processed foods were valued at \$55 billion, an increase of five percent from 2011.

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

III. COMPETITION

Generally, most exporters within the EU conduct market promotion activities in France. Products, such as fresh or preserved fruits and vegetables, wine, beer, fish and seafood, and meat, are commonly promoted in trade shows, advertisements, and supermarkets. Third countries promoting food and

processed food products in France include Norway, Israel, Morocco, South Africa, Argentina, Brazil, Canada, and the United States.

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

Overall Competitive Situation Facing U.S. Suppliers, CY 2012

Product Category and volume/value imports from the U.S.	Major Supply Sources in 2012 & percentage of total French Imports in Volume	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Fish and Seafood Net import: 49,485 tons US\$ 262.6 million	A – Norway (13%) B – Spain (9 %) C – U.K. (7%) USA is a major supplier (5% share)	A &B, Norway dominates the market with 128,448 tons imported, Spain is price competitive for the canning industry. C. U.K. is also a strong supplier to France, mainly for the food service market.	Local resources in fish and seafood do not satisfy increasing demand. USA is a major supplier to France, especially for salmon, and frozen scallops.
Fruits and nuts, including tropical fruit and citrus Net import: 49,524 tons US\$195.4 million	A. Spain (41%) B. Italy (8%) C. Cameroon (5%) USA – Minor supplier (1.6% share)	A & B: Spain and Italy are EU countries and price competitive as well as geographically close. Italy mainly supplies grapes, while Spain has a wider range of fruits to offer including citrus. South Africa and Israel also supply citrus to France C. Cameroon is a supplier of fruits and bananas and has a lot of French subsidiary companies. However, Morocco, Ivory Coast and South Africa are also France’s key suppliers, and have a market share close to Cameroon.	Locally, there are very marginal production for nuts and citrus and none for tropical fruits. France is only a producer of walnuts and mainly for national consumption. Nuts imported from the USA represent 2 percent of total nut imports. France is an attractive market for the USA but the competition is tough.
Canned and prepared meat and fish Net import: 322 tons	A. Germany (19%) B. Spain (10%) C. Belgium (7 %) USA minor supplier	A, B & C: Germany, Spain and Belgium are price competitive, geographically close and part of the European Union.	Local companies are strong in prepared meat and fish although their number declined over years. They also are affected by rising production costs.

US\$ 8.9 million	(0.09%)		
Preparations of fruits, vegetables, nuts, including jams, fruit purees and fruit juices. Net import: 15,856 tons US\$ 57 million	A. Belgium (17%) B. Spain (13%) C. Netherlands (12%) USA – Minor supplier (2% share)	A. Belgium dominates the market with preparation of vegetables other than tomatoes (Italy and Spain) B&C: Spain supplies France with prepared fruits, fruit juices, and nuts; and the Netherlands with mushrooms, as well as fruit juices. Fruit juices are also imported by Spain and Brazil, the United States represent a 2% market share. USA market share for nuts imports is close to 2%.	There are approximately 1,100 local companies in the sector of canned fruits and vegetables, including a few major groups and regional canners. France is not a producer of fruit juices except for a few home-made products Fruit juices are an attractive market to U.S. suppliers, although competition is tough.
Prepared foods including sauces, condiments, seasonings, mustards and ice creams Net import: 4,641 tons US\$ 37.8 million	A. Germany (20%) B. Belgium (14%) C. Spain (11%) D. Italy (11%) USA – Minor supplier (1.3% share)	Germany, Belgium and Spain dominate the market with sauces/condiments/seasonings and mustards. Italy supplies soups, and ice creams. Most of the imports from the United States are sauces, condiments and dressings.	Demand for interesting natural or exotic flavors as well as health and wellness products should provide opportunities for U.S. suppliers of sauces/condiments/seasonings, provided they are able to compete with A, B, C & D.
Snacks (potato and cereal based) Net import: 64 tons US\$ 329,807	A. Germany (34%) B. United Kingdom (15%) C. Spain (12%) USA – minor supplier (0.05%)	A & B: Dominates the market with branded products. C. Offers exotic flavors.	A few local companies and some multinational firms operate in the market. Demand is for new exotic flavors (olive oil, chili), healthier content or a combination of both. Popcorn is still on the rise, and the U.S. may offer a variety of new innovative products in the sector.
Beverages, including wines, spirits and alcohols Net import: 359 MHL US\$ 178.9 million	A. Belgium (24%) B. Spain (10%) C. Germany (8%) D. Italy (7%) USA – Medium supplier (5% share)	A, C dominate the market with branded spirits. B, D supply wine to France.	France is the world's largest wine producer. A market exists for third country wines, which have recorded increases during the past years. The United States is a net supplier of California wines and its market share has increased over years.
Pulses	A. China (23%) B. Canada (12%)	China dominates the market with all varieties of pulses.	France production of pulses represents 25% of total needs.

Net import: 8,967 tons US\$ 14.3 million	C. USA (9%) USA is a major supplier (9% share)	USA supplies mainly beans and lentils, so does Canada.	The United States is a major supplier in the market but has to compete with China in this segment that offers better prices, although quality is lower.
Grains and milling industry products Net import: 66,602 tons US\$ 85.9 million	Grains: A. Brazil (27%) B. Canada (15%) C. Ukraine (11%) USA – Major supplier (4% share) Milling Industry: A. Germany (35%) B. Belgium (19%) C. Spain (13%) USA minor supplier (0.4% share)	A & B: Dominates the market with corn and processed products C dominates the market with rice and processed products USA is 4 th largest supplier for corn and 16 th for rice.	Very small rice production in southern France. Corn is second largest grain production in France after wheat and represents 10% of the total agricultural production area. US corn and products supplies are limited in France due to GE concerns.

I. BEST PRODUCT PROSPECTS

The United States is third largest supplier of soybeans to France after Brazil and Canada. Most of the soybeans imported into France enter as soybean meal for animal feed use. Listed below are U.S. products present in the market that have good sales potential.

A. Products Present in the Market with Good Sales Potential

Product Category	2012 Average Market Size (in Volume)	2012 Total Imports (in million dollars)	Average Percentage Import Change (2012-2010)	Key Constraints over Market Development	Market Attractiveness for USA
Fish and Seafood	2.3 million tons	\$5,924	0.8 %	Competition from other suppliers	Demand for seafood products will continue to rise because domestic production is significantly lower than demand. Health benefits and quality of US products offer opportunities for US suppliers mainly for frozen Alaska Pollock fillets, fresh and frozen scallops, frozen surimi base, live lobster and frozen salmon.
Citrus fruits and nuts	N/A	\$4,730	6.6%	Competition from key established suppliers	U.S. products are considered as quality and safety products. France is the leading European market for U.S. grapefruits. Most popular nuts sold in France

					are almonds, cashews, pecans, hazelnuts and pistachios. Most sales from the US are bulk and for the processing industry.
Coffee, tea and spices	N/A	\$2,711	33%	Lack of awareness for US products	The market remains a niche for US suppliers but opportunities exist to compete with other countries origin present in the market for coffee and teas.
Sauces, condiments and seasonings	N/A	\$606.5	4.5%	Competition from key established multinational suppliers. Products to be GMOs free.	U.S. suppliers to provide new exotic and natural flavors and attractive packaging.
Salted and sweet snacks	N/A	\$4,730	6.6%	High tariff and competition from large multinational.	Snacking is on the rise, and demand is for new flavors, healthy content and easy to eat packaging. U.S. products are to be considered to be sold for private labels.
Sugar, chocolate, and confectionery	556,000 tons	\$4,041	0.1%	High tariff, adapt to European and French regulations. Also, competition with key established multinationals.	Niche opportunities for sugar-free, low-carb and functional value-added products.
Quality wines	42 MHL	\$812	13%	Competition from third country wine producers and high tariffs.	Demand for quality wines should boost U.S. sales with market driven approach to business.
Fruit juices	16 MHL	\$1,261	14%	Competition from large groups	U.S. suppliers offer high quality juices and concentrates. Health benefits are appreciated from customers and should benefit U.S. products.
Carbonated drinks	N/A	N/A	N/A	High tariffs and fierce competition from multinationals.	U.S. suppliers should offer sugar-free and low-calorie carbonates. Attractive packaging is a plus to these drinks directed to young population.
Canned and prepared meat and fish	N/A	\$2,061	9.6%	EU certification required for meat and fish products	U.S. suppliers with required certification for their product and offering innovative products can find a niche.
Pulses	N/A	\$119	12%	Competition from key established suppliers.	U.S. suppliers carry high quality products and should continue valorizing the nutritional aspect of their pulses.

N/A = Not Available

Source: INSEE/GTIS – World Trade Atlas

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

Product Category	2012 Average Market Size (in Volume)	2012 Total Imports (In Dollars)	Average Percentage Import Change (2012/2010)	Key Constraints Over Market Development	Market Attractiveness for USA
Tropical fruits	N/A	N/A	N/A	Competition with French overseas department and territories producers (banana and pineapple) High transportation costs	French consumers are open to different flavors. U.S. suppliers may find a niche to offer tropical fruits and sale to specialized gourmet stores.
Sweet potatoes	N/A	\$16,609	N/A	Knowledge of this product is increasing.	This market is likely to become more dynamic as consumers gain product understanding. Opportunities will exist for development by U.S. sweet potato suppliers and relevant trade associations.
Dietary products including nutraceuticals	N/A	N/A	N/A	Strict EU and French regulations apply to these products.	This is a fast growing and lucrative market attractive for the numerous US suppliers
Energy drinks	36.5 million liters	N/A	N/A	Fierce competition from 3 giants of the soft drink market and Red Bull and strict ingredient regulations apply to these products.	Fast growing market attractive to US suppliers carrying good taste and innovative products provided they are ready to compete with the sector leaders.
Soups	311 Million liters	\$116	0.9%	Competition from local manufacturers.	Return to tradition and innovative quality products may attract U.S. suppliers.
Pet foods	N/A	N/A	N/A	Competition from multinational groups. Pet plants require certification.	Growing number of pets stimulates demand for conventional and organic pet foods.
Organic foods	N/A	N/A	N/A	Strict EU regulations on production and countries equivalency apply for imported products from third countries. The U.S. has an equivalence arrangement with the EU.	Increasing health-concern and various food crisis boosted this market segment. Attractiveness for US organic food suppliers with innovative products.
Kosher foods	N/A	N/A	N/A	Competition from local wholesalers and	Religious and health concerns boost sales of

				key suppliers. Products to be certified Kosher by religious authorities.	kosher products beyond the community offering opportunities for US suppliers.
Halal foods	N/A	N/A	N/A	Competition from multinational groups and key suppliers. Products to be certified Halal by religious authorities.	A large Muslim population in France generates a 10% annual increase in Halal foods offering opportunities for US suppliers.
Ice creams	360 million liters	\$283.4	-2%	A seasonal product. Competition from large groups. EU regulations and certification	US suppliers with high quality innovative products may find a niche in this market.

N/A = Not Available

Source: INSEE/GTIS World Trade Atlas

C. Products not Present Because They Face Significant Trade Barriers

- Vitamin-enriched flour
- Meat and Poultry products
- Alligator meat

IV. POST CONTACT AND FURTHER INFORMATION

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

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

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

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