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Report Highlights:

The French food processing industry mobilizes more than 19,000 companies, of which nearly 98 percent are small and medium sized enterprises (SMEs). The sector generates $230 billion in annual revenue, and it indirectly contributes to nearly 2 million jobs in France. The French agri-food industry has significant political and economic influence. However, while market demand for processed food remains strong, the French industry continues to face challenges with the rising costs of "made in France."

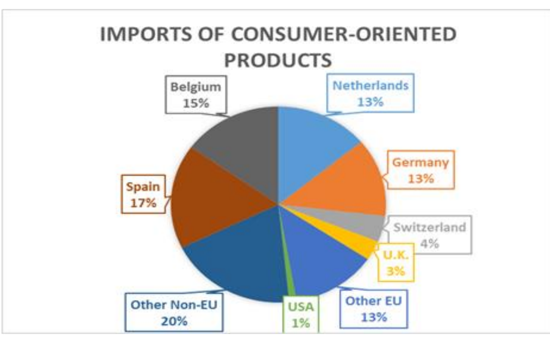
Market Fact Sheet: France

EXECUTIVE SUMMARY

In 2023, Gross domestic product (GDP) is estimated at $2.809 trillion. France is the world's seventh largest economy and the second largest in the EU. Endowed with substantial agricultural resources, France has a strong food processing sector.

IMPORTS OF CONSUMER-ORIENTED PRODUCTS

Primary imports from outside the EU include oilseeds, fruit, and distilled spirits. Imports from the EU are primarily meat, dairy, and vegetables. France has a positive trade balance in agricultural and food products, reaching $16.6 billion in 2023. French imports from the United States reached $1 billion in 2023, led by tree nuts, alcoholic beverages, and seafood.



FOOD PROCESSING INDUSTRY

France's food processing sector encompasses approximately 17,300 companies with total annual sales exceeding $211 billion. Small and medium sized enterprises (SMEs) account for almost 98 percent of the industry. It is the leading sector of the French economy with a strong reputation for quality and innovation.

FOOD RETAIL INDUSTRY

In 2023, approximately 65 percent of all retail food sales in France were in the hyper-supermarket and discount store format. Non-traditional retailers have experienced significant growth and success during the COVID pandemic. E-commerce food sales increased by more than 15 percent compared to 2021, and now represent around 14 percent of total retailer food sales.

Quick Facts CY 2023

Imports of Consumer-Oriented Products *(USD billion)* 53. This figure does not include U.S. products exported to France transshipped through other EU countries.

List of Top 10 Growth Products in Host Country

Seafood, almonds, peanuts, pistachios, grapefruit, sauces, pet food, food preparations, beer, wine, and whiskey.

Food Industry by Channels (USD billion)

Food Industry Output	211
Food and Ag. Exports	88.9
Food and Ag. Imports	72.3
Retail	394
Food Service	62

Top 10 Host Country Retailers

1. **Carrefour**
2. **Auchan**
3. **E. Leclerc**
4. **ITM Entreprises**
5. **Casino**
6. **Systeme U**
7. **Lidl**
8. **Cora**
9. **Aldi**
10. **Schiever**

GDP/Population

Population *(millions)*: 65.83
GDP *(trillions USD)*: 2.8
GDP per capita *(USD)*: 46,315

Sources: TDM, ANIA

Strengths	Weaknesses
France is one of the largest consumer markets in Europe.	U.S. exporters face competition from EU FTA partners who benefit from tariff-free market access.
Opportunities	**Challenges**
A large food-processing industry seeking a wide range of ingredients.	Non-tariff barriers including can complicate the process for exporting to France.

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I. MARKET SUMMARY

Overall Market Summary

The French food industry organization, Association nationale des industries alimentaires (ANIA), recently published a report identifying the challenges facing the food processing industry With French public policy explicitly supporting the objective of food and French industry sovereignty, and also ambitiously pursuing the goal of a greener economy, ANIA has clearly noted the difficulties, if not the impossibilities, of this trajectory.

Food inflation over the last few years has completely disrupted French consumption habits:

- Since the beginning of 2024, demand for French processed food has declined by 4.5 percent.
- Consumers are clearly shifting their preferences to less expensive private labels.
- The decrease in consumption is creating uncertainty among food manufacturers, and this is weakening the equilibrium with food retailers.

Production costs are increasing:

- Between 2022 and 2023, the average price of agricultural commodities increased by 12 percent, and by 58 percent since 2020.

In the past year, the cost of packaging also increased by 5 percent, and 42 percent growth since 2020. Packaging costs are expected to increase even more as companies will need to comply with new circular economy regulations that mandate recycling and prohibit single use plastics.

- Transportation costs increased 7 percent over the previous year, and 34 percent since 2020. Energy costs also continue to weigh very heavily on transportation and manufacturing.
- Labor costs increased 6.5 percent last year, and by 20 percent since 2020.

Deteriorating cash flow and postponing investment prospects:
In 2023, nearly one out of every two French food manufacturers saw a deterioration in cash flow. As a result, in 2024, an estimated one-fourth of all manufacturers plan to scale back or postpone investment. As international competition intensifies, the French food processing industry is also concerned by loss of market share in export markets.

At the same time, the French food industry continues to demonstrate a strong capacity to produce. The sector mobilizes more than 19,000 companies, of which nearly 98 percent are small and medium sized enterprises (SMEs). The sector generates $230 billion in annual revenue, and it directly employs more than 463,000 people and indirectly contributes to nearly 2 million jobs in France. The French agri-food industry has tremendous political and economic influence.

Table 1: FRENCH FOOD INPUT AND PRODUCT TRADE
Calendar 2024 and 2023 (In Million Dollars)

Products	Imports	Exports	Trade	Trade

	2023	2024	2023	2024	Balance 2023	Balance 2024
European Union						
• Raw Products	725	689	1397	1266	672	577
• Processed Products	3355	3237	2635	2615	-720	-623
TOTAL	4080	3926	4032	3880	-48	-46
Non-EU Countries						
• Raw Products	829	802	560	666	-269	-137
• Processed Products	1281	1328	2104	2057	823	729
TOTAL	2110	2130	2664	2723	554	593
World						
• Raw Products	1554	1491	1957	1931	403	440
• Processed Products	4637	4565	4740	4672	103	107
TOTAL FOOD PRODUCTS	**6191**	**6056**	**6696**	**6603**	**506**	**547**

Source: Agreste/French Customs – Ending Year January

According to the data published by the French Ministry of Agriculture, in January of 2024, France's agri-food trade surplus stood at 547 million dollars. The stronger surplus in 2024 was driven by the relatively faster decrease in imports. In trade with non-EU countries, the raw product export surplus increased by 59 million dollars as sales of cereals, mainly soft wheat to China and North Africa increased. On the processed products side, sales of wines and spirits, particularly to the United States declined. On the import side, purchases of Brazilian soybean meal for animal feed continue to drive the increase.

The deficit in the French balance of trade with the rest of the European Union has improved slightly to 46 million dollars. While sales of raw products like soft wheat, rapeseed, and sunflower have declined, imports of . dairy products, beef, pork and poultry are also declining.

Table 2: FRENCH FOOD PROCESSING INDUSTRIES
Calendar Year 2023

Industries	Turnover ($ billion)
Meat and Meat Products	41.7
Fish and Seafood	5.3
Fruits and Vegetables	12.4
Fats and Oils	12.5
Dairy Products	47
Grain Industry	12.3
Bakery Industry	14.6
Miscellaneous Food Products	35.2
Animal Feed	13
Beverages	35
Total Food Processing Industries	**229.4**

Sources : Les Industries Agroalimentaires/Agreste/Insee

Over the past decade, French industry demand for food ingredients has steadily increased, keeping pace with developments in food technologies that fuel exports. Growing demand for convenient, healthy, organic, and low-fat products is driving the food processing industry to develop new products with high nutritional value. Since December 2016, EU Regulation requires detailed nutritional information on product labels. French consumers are generally very sensitive to food safety and quality. The French food processing industry has accordingly been very proactive in selecting healthy ingredients, even if when health characteristics are only based on very general perceptions. French food companies can generally import food ingredients without too many problems, provided they conform with French and EU sanitary and phytosanitary regulations. When additives are not on the official EU list of approved additives, they are subject to special authorization. For more information on tariffs and other export requirements, please refer to the latest Post FAIRS reports available at the following website, and the FAS U.S. Mission to the European Union website.

Key Market Drivers

Key market drivers for the French food processing sector include:

- Lower production costs while maintaining quality standards to remain competitive in global markets.
- Increased interest in health and functional foods with a strong focus on aging consumers.
- Increased emphasis on convenience, ready-to-eat, and value-priced foods.
- Constant development and expansion of French food options.
- Focus on young urban consumers.
- Address environmental and food safety concerns that preoccupy consumers and retailers.

U.S. Involvement in the Industry

To support the growth of its food processing sector, France has become a net importer of food ingredients. The EU remains France's most important trading partner with Belgium, Spain, Netherlands, Germany, Italy, Poland, and Ireland as the top suppliers. Outside of the EU, the United States is France's twelfth largest supplier after the United Kingdom, Switzerland, Brazil, and Morocco but before China. U.S. exports to France represented more than 1 percent of the total value of imports over the last two years. However, the U.S. market share decreased by 1.74 percent in 2023. Major products imported from the United States include fish and seafood, dried fruits and nuts, spirits, wine, grains and petfood.

Table 3: MAJOR FOOD EXPORTERS TO FRANCE
France (Customs) Import Statistics
Commodity Agricultural & Related Total
Year to Date: January-December 2023

Partner Country	USD (Millions)		% Share		% Change
	2022	2023	2022	2023	2023/2022
World	90,389	93,567	100	99.99	3.52
Belgium	11,393	12,496	12.61	13.36	9.68
Spain	11,007	12,069	12.18	12.9	9.64
Netherlands	10,263	10,205	11.36	10.91	-0.57
Germany	8,889	9,236	9.84	9.87	3.91

Italy	6,676	7,393	7.39	7.9	10.74
United Kingdom	5,137	5,410	5.68	5.78	5.33
Poland	3,449	3,667	3.82	3.92	6.32
Ireland	2,185	2,253	2.42	2.41	3.1
Switzerland	2,164	2,187	2.4	2.34	1.04
Brazil	1,962	1,942	2.17	2.08	-1
Morocco	1,712	1,930	1.89	2.06	12.74
United States	**1,313**	**1,290**	**1.45**	**1.38**	**-1.74**

Source: Trade Data Monitor/French Customs (Agricultural Total, Group 2)

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

In 2023, the agri-food market in France was strongly impacted by inflation, recorded at 5 percent. Price increases had an impact on budget conscious consumers that have limited purchasing power. French consumers are moving away from big brands to less expensive distributor brands. At the same time, the industry is also adjusting to new environmental regulations that prioritize high value, high quality food that is produced and marketed more sustainably. New packaging laws are phasing out single-use plastics in favor of more recyclable materials. The French retail network is diverse and very sophisticated, offering a wide range of opportunities for U.S. food products provided they conform to French and EU regulations. Key advantages and challenges for U.S. food products are:

Advantages	Challenges
Consumers demand for innovative, low fat, healthy, and organic products favor introduction of new products.	French and EU food safety, sanitary and phytosanitary regulations often affect the import of fresh produce and certain food ingredients
Demand for quality ingredients is growing as France is a major producer and exporter of finished processed food products	Certain food ingredients (such as enriched flour) are banned or restricted from the French market
Food technology and marketing innovations are driving demand for food ingredients	The U.S. faces strong competition from German, British and French manufacturers.
Growing popularity of specialty and regional theme restaurants, including Cajun and U.S. barbeque is increasing demand for U.S. food ingredients	Government policies tend to discourage imports to favor French domestic food suppliers.

II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

U.S. suppliers are strongly encouraged to work with French partners to develop a strategy for market entry. Local representatives can provide a useful perspective on the market in and offer guidance on business practices and trade law. In general, French food processing companies attend regional and international food ingredient trade shows. The European Food Ingredient Show is held every other year. The next Paris edition will be December 2025.

Market Structure

Most French food processors buy their ingredients through brokers and local wholesalers. Some larger companies have direct relationships with foreign suppliers. Food processors supply France's retail and food service (HRI) industries, which account for roughly 70 and 30 percent, respectively, of the sector's overall sales. The common entry strategy for U.S. SMEs is to work directly with a local wholesaler or broker, or indirectly through an export agent or consolidator. The following is a basic flowchart describing how U.S. products enter and move through the French distribution system:

In the United States:

U.S. suppliers export through

↓

Forwarding Agent
U.S. Customs

↓

In France:

Freight Forwarder
French Customs
Health Inspection
French Importer

↓ Processor ↓ Retailer

↓ Wholesaler
Processor/ Retailer

Company Profile
In 2024, there were more than **19,000** food processing companies in France. Processed product categories include meat, fish, fruit and vegetables, canned foods, bakery and cereals, dairy, confectionery, animal feed, ingredients, and beverages. Table 4 below is a list of food processing companies that have investments in France and the United States.

Table 4: FRANCE'S MAJOR FOOD PROCESSING COMPANIES, 2023

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)	30	96,000	Retail and HRI	France & Europe North America Asia/Middle East & Africa	Importers; Direct
Lactalis (dairy products)	30.7	85,500	Retail and HRI	France, Europe, North, Central and South America, Asia, Africa	Importers; Direct, Distributors
Pernod Ricard (manufacturing and distribution of wines and	11.6	18,900	Retail and HRI	France & Europe USA	Importers; Distributors;

spirits)					Direct
Groupe Avril	10.8	7,400	Food and non-food	18 countries worlwide	
Agrial (food and agricultural cooperative group)	7.8	12,000	Retail and HRI	France	Importers: Direct
Moet-Hennessy (luxury industry, wine, spirits)	7.2	1,000	Retail and HRI	France, Switzerland, USA	Direct
Savencia Fromage & Dairy (formerly Bongrain SA) (milk processor)	7.1	19,300	Retail and HRI	France, Subsidiaries in Europe, North and South America	Direct; Importers
Tereos (sugar manufacturer, process raw materials in sugar, alcohol, and starch)	7.1	19,800	Food and non-food industry and retail	France and Europe South America Africa Asia	Importers; Direct
Bigard (meat processor)	5.9	14,000	Retail, HRI	France	Direct
LDC (poultry producer and processor)	5.5	23,000	Retail and HRI	France, Poland and Spain	Direct Importers
Terrena (distribution, agricultural supply, animal and plant production)	5.4	13,300	Retail, HRI (own plant production supply chain)	France & Europe	Importers ; Direct
Sodiaal	5	16,900	Cooperative	France	Direct
Soufflet Group (grain processor)	5	9,500	Industry and Retail	France, Europe, Asia and South America	Direct; Importers
Nestle France (products and beverages for human consumption and animal feed)	3.4	13,000	Retail and HRI	France and all over the world	Importers; Direct

Source: Internet website for each of the companies above/ RIA

Sector Trends

France is a global exporter of processed foods. In 2023, French exports of processed foods totalled $58 billion, a slow increase of 5 percent in comparison with 2022. While wine exports are relatively stable, exports of distilled spirits fell by 8 percent. However, cheese and pastry exports increased by 13 and 18 percent respectively.

To reduce costs and retain competitiveness, French food processors are increasingly looking to global suppliers to import quality food ingredients. For example, Danone, the world's leading dairy processor and second largest producer of packaged water and baby food, maintains more than 140 facilities around the world. Danone's ingredients are sourced globally. Sodiaal, another French leader in the dairy sector is managing joint ventures in Switzerland and China. Several French companies are investing in Asia to produce dairy, sugar products, beverages, and grains. Companies like Moët Hennessy and Pernod Ricard have also developed a substantial presence outside of France.

French companies continue to invest significantly in research and development. As French consumers are increasing demand for healthy and quality food, the French food processing industry is expanding product development in organic and healthy functional food product categories. Environment and sustainable development, including recyclable packaging, reduced food waste and energy efficiency, are important selling points. Even as household purchasing power remains stagnant, consumer's demand for quality, innovative, and healthy products is increasing. The question on everyone's mind is whether less affluent consumers will be able to maintain purchase levels as prices increase.

III. COMPETITION

Many countries conduct market promotion activities in France. Third countries promoting food and processed food products in France include Norway, Israel, Morocco, South Africa, Argentina, Brazil, Canada, and the United States.

Even though French consumers recognize that U.S. dried fruit and nuts have a superior quality, countries across north Africa, along with Iran and Turkey generally have a competitive advantage that enables them to supply at lower prices. Norway, the United Kingdom, and China are major competitors for fish and seafood products. Even though the EU-Canada free trade agreement (CETA) has run into some significant political opposition, Canada continues to enjoy a privileged relationship with Europe, and with France in particular. Even though U.S. processed food products tend be quite expensive (especially higher quality products), there is demand for products like snacks, confectionary, sauces and dressings. For more information on competition, please refer to the Retail Food Report.

IV. BEST PRODUCT PROSPECTS

Tables 5 and 6 provide details of products that have strong sales potential in the market.

Table 5: PRODUCTS IN THE MARKET WITH STRONG SALES POTENTIAL

Product Category	2023Total Imports (in million dollars)	Average Percentage Market Share Change (2023-2022)	Key Constraints over Market Development	Market Attractiveness for USA
HS 03. Fish and Seafood	$151.3	Minus 28%	Competition from other suppliers	The United States ranks 10th far behind the U.K. and Norway; however, health benefits and quality of US products offer opportunities for US suppliers primarily for frozen Alaska Pollock fillets, fresh and frozen scallops, frozen surimi base, live lobster, and frozen salmon.
HS 08. Fruits and nuts	$164	Minus 6.14%	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; however, sales are impacted by high price. Most popular nuts sold in France are almonds and pistachios. Most sales from the US are bulk and for the processing industry.
Whiskies	$94.6	Minus 22%	Competition from local production and imports from European countries. High Tariffs on hard alcohol.	U.S. whisky and bourbon are considered as quality products, opportunities exist but high tariff have a negative impact on sales.
Reptile Skins	$40.2	Minus 18%		
Wine	$97.7	Minus 17.7%	Competition from	The market remains a niche for US

			domestic production and imports from European countries	suppliers, but opportunities exist to compete with other countries origin present in the market for quality wine.

Source: TDM – Trade Data Monitor

Table 6: PRODUCTS WITH OPPORTUNITIES FOR SIGNIFICANT GROWTH

Product Category	2023 Total Imports (in Million Dollars)	Average Percentage Import (2023/2022)	Key Constraints Over Market Development	Market Attractiveness for USA
Vanilla	1.8	Plus 52%		
Wood pellets	86.9	Plus 184%		
Lentils	2.2	Plus 9.2%		
Organic foods	0.04	-53%	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. Organic carrots, lettuce and lime are the bulks of the exports.
Kosher foods	N/A	N/A	Competition from local wholesalers and key suppliers. Products to be certified Kosher by religious authorities.	Religious and health concerns boost sales of kosher products beyond the community offering opportunities for US suppliers.
Halal foods	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.

Source: INSEE/TDM – Trade Data Monitor

V. POST CONTACT AND FURTHER INFORMATION

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

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

Attachments:

No Attachments