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

Includes PSD Changes: No
Includes Trade Matrix: No
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Paris [FR1]
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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.

Note: Average exchange rates used in this report are:

Calendar Year 2005: US Dollar 1 = 0.8038 Euros
Calendar Year 2006: US Dollar 1 = 0.796 Euros
Calendar Year 2007: US Dollar 1 = 0.730 Euros
(Source: Paris Stock Exchange/European Central Bank)

SECTION I. MARKET OVERVIEW

1. Macroeconomic Situation

As a member of the G-8, the European Union, the World Trade Organization and the OECD, France is a leading economic player. With a $2.5 trillion gross domestic product (GDP), France is the world's sixth largest industrialized economy. The French population of 63.7 million has a per capita income of $39,215.

France is the eighth largest trading partner of the United States, according to the U.S. Department of Commerce. U.S. trade with France, including exports and imports of goods and services, was $100 billion in 2007. The United States is the primary outlet for French foreign direct investment and is the third largest foreign investor in France.

French GDP increased 2.1 percent in 2007. As the financial markets crisis has unfolded, the government has slashed its GDP growth forecast for 2008 from an initial target of 1.7-2.0 percent to around 1.0 percent. GDP contracted 1.2 percent (annualized) in the second quarter, notably due to significant decreases in investment and exports. Businesses and consumers have faced rising inflation (3.2 percent annually in August after 3.6 percent both in June and July) and tighter credit conditions. Core inflation (inflation excluding volatile prices, notably energy and food prices) remained unchanged in July and August at 2.0 percent year over year. Joblessness is at its lowest level since 1983 as the unemployment rate decreased to 7.2 percent (7.6 percent including overseas territories) in the first quarter of 2008, staying at that level in the second quarter. The government expressed caution about any further reduction in the near term due to slowing economic growth.

The government deemed that global market turmoil has dampened growth, diminishing the effects of economic reforms pushed through by President Sarkozy, notably the tax reform targeted to benefit labor, employment and purchasing power, passed in summer 2007.

2. French Agricultural Production and Consumption

In 2007, overall French agricultural production (excluding product subsidies) increased two percent in volume and ten percent in value, compared to 2006: 15 percent in value for vegetable production and 3 percent in value for livestock production. The increase is primarily due to the rise in grain and oilseed prices. Weather in 2007 was favorable to some crops, such as corn, beets, potatoes, but unfavorable to fruits and vegetables. Rapeseed production increase benefitted from increased yields. Wine production remained stable in 2007, while champagne production increased; prices remained relatively stable. Milk production remained stable and still under the quotas allocated for France, and poultry production increased by one percent, compared to 2006. Prices for animal feed increased in

2007 by 20 percent compared to previous year due to the increase in the prices of raw materials used in their manufacture. Prices also increased for fertilizers as well as energy.

According to the French National Institute Statistics (INSEE), 2007 total French household food consumption, excluding alcoholic beverages and tobacco, increased by 1.5 percent in volume, compared to 0.4 percent in 2006. Major increases in purchases by volume in 2007, compared to 2006, are for fish and seafood (+3.0 percent), milk, cheeses and eggs (+2.8 percent), non-alcoholic beverages (+3.1 percent), and meat (+1.4 percent). Conversely, volume consumed dropped by 0.7 percent for alcoholic beverages and tobacco.

However, during the first six months of 2008, food consumption in France decreased in value by 1.4 percent, compared to the same period in 2007. Food prices went up pushed by energy and raw material price increases. Consequently, French consumers are becoming more price conscious when they purchase food.

A recent study prepared by INSEE indicates that French consumers have doubled their consumption of ready-to-eat foods over the past 45 years. The most widely consumed ready-to-eat products are canned vegetables, including potatoes, as well as meat and fish- based products.

3. Key Demographic Developments

As of January 1, 2008, preliminary estimates indicate a total population, including overseas territories, of 63.8 million. In 2007, immigration to France decreased to 71,000 persons, as compared to 91,000 persons in 2006, and remains one of the lowest rates in the European Union compared to total population. In 2007, total births in France and overseas territories amounted to 783,500, a slight decrease compared to 2006. Life expectancy is increasing: 77.5 years for men and 84.4 years for a women. France is one of the few EU member states expected to experience population growth by 2050, estimated at 70 million, based on current demographic trends.

France: Population by Age Group (in millions)(*)
(As of January 1, 2008)

Year	Total	Less than 20 years	20 to 64 years	65 years or more
2002	61.4	15.7	35.9	9.8
2003	61.8	15.7	36.2	9.9
2004	62.3	15.8	36.5	10.0
2005	62.6	15.8	36.7	10.1
2006	63.0	15.8	37.0	10.2
2007	63.4	15.8	37.3	10.3
2008 (P)	63.8	15.8	37.6	10.4

(*) Excluding overseas territories

P = Preliminary - Source: INSEE PREMIERE -

France: Demographic Evolution of Households (in millions)

Year	Number of Households
2002	24.8
2003	25.1
2004	25.4
2005	25.7
2006	N/A
2007	N/A

Source: INSEE - Enquête Budget Famille

The latest census data is for 2005, but current trends indicate that the number of households should increase by an average of 228,000 per year through 2010.

4. Changing Food Trends

Socio-economic and demographic changes have resulted in significantly altered food trends in France. Trends show that French consumers desire food products offering better taste, increased health benefits and more convenience:

- The "younger" generation, between age 20 and 35, (26 percent) appreciates trying new products. This generation values products with an appealing image along with good taste.
- Food safety scares have raised consumer concerns about sanitation and safety issues. In turn, these concerns have led to greater demand for natural and organic food products--fruit juices, fresh and processed dietetic foods, organic produce, fish and seafood products, ethnic foods and food supplements.
- Working consumers or those living alone (30 percent) have less time to prepare meals. These consumers are spurring the demand for easy-to-prepare foods, single and double portion packs, and frozen or microwavable meals.

Advantages and Challenges for U.S. Exporters in France

Advantages	**Challenges**
▪ The population's continuing rapid shift from rural to urban regions is boosting demand for international food. ▪ French per capita income is near that of the United States. ▪ The tourist industry increases the demand for hotel/restaurant and institutional products. ▪ U.S. fast food chains, theme restaurants, and the food processing industry occasionally demand American food ingredients. ▪ Domestic distribution systems are efficient.	▪ Food scares and other food safety issues cause concern among French consumers. ▪ French consumers are exacting when it comes to quality and innovation. ▪ Price competition is fierce. ▪ Certain food ingredients are banned or restricted in the French market. ▪ Marketing costs to increase consumer awareness are high. ▪ Mandatory customs duties, sanitary inspections and labeling requirements can be onerous.
▪ The euro eases problems with entry	▪ The EU biotech labeling requirement

and dealings with EU member states. ▪ American food and food products remain quite popular.	of 0.9 percent excludes many U.S. processed products. ▪ Lack of a US-EU organics equivalency agreement hinders this trade.

SECTION II. EXPORTER BUSINESS TIPS

1. Trade Barriers and Restrictions

Food products entering the EU and France are subject to customs duties, which vary depending on the type of product. Most processed products are subject to additional import charges based on the product contents of sugar, milk fat, milk protein and starch.

While product safety and sanitary standards affecting French imports are increasingly established at the EU level, additional French regulations affect some imports as well. Efforts to harmonize EU import regulations and to implement commitments under the World Trade Organization (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
- Co-products derived from genetic modification

For more information on these product trade restrictions, food standards and regulations, please refer to the EU and FAS/Paris Food and Agricultural Import Regulations and Standards Report (FAIRS) available on Internet website: http://www.fas.usda.gov

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

2. Consumer Tastes, Preferences and Food Safety

Like U.S. consumers, French consumers desire innovative foods. French consumers like ethnic and exotic foods with distinctive themes and flavors. In 2007, 85 percent of French people consumed an exotic or ethnic meal at least once. The European market for specialty and ethnic products is growing annually at 15 percent. This market is currently valued at $265 million (excluding fresh products), 2 percent above 2006. Theme restaurants have dramatically increased. In Paris, one of every two new restaurants is based on a "world food" concept, and all major supermarket chains offer ethnic foods under their private labels. In the ethnic segment, consumers seek new products, and look for quality and innovation. The trends in France currently favor Thai, Japanese, Northern and Southern African and Indian cuisine. However, Tex-Mex, Cajun or California-style cuisine, sports drinks and vitamin enriched snacks have potential, as do ready-to-eat products such as frozen foods, seafood (particularly salmon), wild rice, innovative dietetic/health products, organic products, frozen desserts. Kosher and halal foods are also increasing in popularity. Recently, finger foods are also becoming popular in Paris. Finger food also represents opportunities for ethnic foods.

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

After the different food scares, the French Government encouraged the development of quality marks such as “Label Rouge”(Red Label) for meats, poultry and fruits and vegetables, which guarantee production under established conditions and also product origin labels which guarantee that, for instance, certain wines, milk, butter, or cheeses are sourced from a certain region. The government also oversees a certification program which guarantees that product preparation, manufacturing and packaging processes follow certain specifications. These quality and origin marks have been well received by French consumers. The organic food program certifies that agricultural and food products were manufactured without prohibited fertilizers and according to special criteria. The Government of France launched in 2004 a program called: “organic agriculture in 2012” putting in place measures to support the organic sector, including 15 million euros over a five year period, plus 2 million euros support for food industries, with a view of reaching 20 perent organic food products in the food service sector by 2012. Recently, the French Minister of Agriculture announced new support measures to farmers converting from traditional agriculture to organic, the goal being to triple organic agriculture to reach six percent of total agricultural production by 2012.

3. Marketing Strategies for the French Market

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

Market access restrictions and food laws

- Check EU and French regulations to ensure your products can enter the French market and carefully verify the list of ingredients and additives.

- Verify customs clearance requirements and any additional import charges based on percentage of sugar, milk fat, milk protein and starch in the product.

Consumer characteristics

- Target dual income families, singles, senior citizens and health and environmentally-conscious consumers.

- Influence consumer choices mostly through advertising campaigns.

Seasonal characteristics

- Holiday promotions
- In-store supermarket promotions

Unique U.S. products characteristics

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

Image appeal

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

Trade Shows and In-Store Promotions:

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

(b) Successful Export Planning for Your Products:

- Conduct basic market research and review export statistics for the last five years.

- 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.

- Adapt your product to local regulations: give the customer what they require, not what you think is needed, check your ingredients and package size requirements, research consumers' preferences and ensure your 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 with your agent, distributor/importer to determine the best promotional strategy. Be prepared to invest in the market promotion of your products (through trade shows, in-store promotions or advertising campaigns, to gain maximum exposure and make valuable market contacts). Also, be aware that promotional assistance is available for U.S. products through a variety of branded and generic promotion programs through the four state regional trade groups: FOOD EXPORT USA-NORTHEAST, SUSTA, WUSATA and FOOD EXPORT ASSOCIATION OF THE MIDWEST USA. (Addresses, telephone, fax and contact information for these four groups are listed in Section V, Appendix B, of this report).

4. General Import and Inspection Procedures

General Import Requirements

Import and export transactions exceeding 12,500 Euros (approximately $17,124) in value must be handled through an approved banking intermediary. Goods must be imported/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 World Trade Organization (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)

Note: 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.

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*

France implemented the EU Novel Food/Novel Feed and Traceability and Labeling Regulations (T&L) on April 18, 2004. According to the T&L regulation, biotech products and biotech-derived products must be identified "from the seed to the fork" at each stage of market release. A unique code will be attributed to each genetic event to facilitate communication among operators. The T&L regulation imposes the labeling of any food or feed product derived from biotech, whether biotech DNA is detectable in the final product or not. The threshold under which labeling is not compulsory is set at 0.9% for both human food and animal feed. A threshold on planting seeds has not yet been established.

For more details, see the French Ministry of Agriculture website on biotech: http://ogm.agriculture.gouv.fr/savoir_plus/fiches/fiche6.htm, as well as the French decree implementing EU Regulation which can be found at: http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=ECOC0400078D

More detailed information on labeling/packaging requirements, may be found at: http://www.fas.usda.gov/gainfiles/200808/146295368.pdf

Customs Process

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

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

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

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

- When released, the foodstuffs are subject to ad valorem customs duties levied under the Common External Tariff. Duties differ according to product. Also, in addition to customs duties, foodstuffs imported into France are subject to a Value-Added Tax (VAT). Currently the VAT is generally charged at one of the two following rates:
  - Standard rate of 19.6 percent applies to alcoholic beverages, some chocolates and candies
  - Reduced rate of 5.5 percent applies mostly to agricultural and food products.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

1. The French Food Industry

- The food industry is the largest French industrial sector (154.4 billion euros - $211.5 billion -) far ahead of the automobile, and electronic sectors. France is the world leader in processed food exports, worth 33.4 billion euros ($45.7 billion) in 2007, approximately ten percent of the global trade in processed foods.

- France currently has 30 major food processors, and over 10,500 food industry companies, 70 percent of them small to medium-size companies.

- According to the French Food Industry Association (ANIA), in 2007, food processing sector sales were 154.4 billion Euros ($211.5 billion), an increase of 7 percent from the 2006 level.

- In 2007, the French food industry continued to restructure in the face of greater competition from large multinational groups.

- Total food exports in 2007: 33.4 billion Euros ($45.7 billion), an 6.6 percent increase in value over 2006.

- Total food imports in 2007: 25.4 billion Euros ($34.8 billion), a 7.6 percent increase in value over 2006.

Major French Food Processing Sectors and Growth Rates

Food Processing Sectors	2007 Value (billion $) --without tax--	Percent Price Increase 2007/2006
Grains & Animal Feed	15.2	+13.8
Oilseeds & Seeds	3.0	+3.0
Canned Fruits & Vegetables & Fruit Juices	10.7	+6.2
Meat Industry	39.6	-0.3
Seafood Industry	3.8	+13.0
Milk Industry	35.3	+3.5
Beverages Industry	29.3	+7.5
Fats and Oils	3.3	+8.6
Bread and Pastry	12.6	+2.6
Sugar	4.4	+2.6
Miscellaneous (1)	30.9	+3.7

(1) Includes: Chocolate, beverage preparations, baby foods, canned deserts, and soups.
Source: INSEE - National Account

2. Infrastructure Situation

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

Communications infrastructure is similarly advanced. Telephone lines blanket the country and there is easy access to the Internet via French and foreign service providers. France is catching up rapidly to the U.S. and some other countries in the use of personal computers and the Internet. High-speed Internet access is expanding rapidly. The government promotes better use of information technologies.

3. Market Trends

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

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

4. Marketing U.S. Products & Distribution Systems

The United States and France produce many of the same goods and services and export them to each other. Therefore, marketing products and services in France can bear some resemblance to marketing in the United States. French business representatives are sophisticated and knowledgeable about their respective markets. At the same time, American firms must consider certain business practices, cultural factors, and legal requirements in order to do business effectively in France. For detailed information on the distribution systems and the best market entry approach for new-to-market exporters for the retail food sector, see Post Retail Food Sector Report, on AgParis website at: www.usda-france.fr, or on the FAS website at: www.fas.usda.gov.

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 is available at the above website.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

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

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

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

1. Name of Best Prospect: **FISH AND SEAFOOD, FRESH AND FROZEN**
   HS Code: 03

	(in million dollars)		
	2005	2006	2007
	---------- January / December -----		
A. Total Market Size	4,922	5,596	5,827
B. Local Production	1,950	2,170	2,370
C. Total Exports	1,562	1,626	1,891
D. Total Imports	4,534	5,052	5,348
E. Total Imports from U.S	190	237	229

F. Exchange Rate: USD 1.00= Euros 0.8038 Euros 0.796 Euros 0.730
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: France is a major consumer of seafood products and a net importer of many seafood products because domestic production is significantly lower than demand. In 2007, the United States was France's fifth largest supplier of seafood products after Norway, the U.K., Spain and the Netherlands, representing 4.3 percent of total imports. U.S. seafood products exported to France mainly consist of frozen fillets and frozen scallop, live lobster and frozen salmon.

2. Name of Best Prospect: **PROCESSED FRUITS AND VEGETABLES, INCLUDING FRUIT JUICES**

HS Code: 20

	2005	2006	2007
	(in million dollars)		
	------------ January / December -----		
A. Total Market Size	9,603	9,756	12,059
B. Local Production	8,087	8,562	10,705
C. Total Exports	1,135	1,226	1,025
D. Total Imports	2,651	2,420	2,379
E. Total Imports from U.S.	63	60	54
F. Exchange Rate: USD 1.00=Euros :	0.8038	Euros: 0.796	Euros: 0.730

Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Fruit juices and soft drinks in France are currently the most dynamic growth sectors among non-alcoholic beverages, with per capita consumption of fruit juices estimated at 28 liters per year. The French fruit juice market is very sophisticated due to the experience of distributors, variety of packaging, diversity of flavors and quality types, product innovation, advertising investment and promotions, as well as price ranges. According to French Customs statistics, in 2007, French imports of fruit juices totaled about 735 million Euros ($1,007 million). The primary imports from the United States consisted of fresh and frozen orange and grapefruit juices and totaled $24.4 million. Competition in the juice sector is very strong, principally from Brazil, Israel and Spain, which benefit from preferential tariffs.

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

HS Codes: 22.01 to 22.06 and 22.07+22.08

	2005	2006	2007
	(in million dollars)		
	----- January / December ------		
A. Total Market Size	15,003	15,082	17,323
B. Local Production	24,038	25,584	29,338
C. Total Exports	11,645	13,306	15,370
D. Total Imports	2,610	2,804	3,355
E. Total Imports from U.S.	65	83	99

F. Exchange Rate: USD 1.00=Euros : 0.8038 Euros: 0.796 Euros: 0.730
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: In 2007, French imports of U.S. wine totaled 24 million Euros ($33 million), representing 4.3 percent of total French wine imports by value. U.S. wines in France face strong competition from Italy, Spain and Greece as well as from new world producers such as Australia, South Africa and Chile. However, market opportunities exist for U.S. wines in

France thanks in part to the "exoticism" and quality of the products and the promotional efforts made by American oriented restaurants in France.

The French are also significant consumers of spirits. In 2007, U.S. spirits exports to France valued at 46 million Euros ($63 million), represented 6.6 percent of total French spirits imports of approximately 744 million Euros ($1,019 million).

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

France is the fifth largest European producer of beer with a total production of 16.8 million hectoliters. Ten percent of the production is exported. The French beer industry consists of six major breweries, about 150 small breweries, and produces over 300 brands. Two American brewers are present in the French market: Anheuser-Bush and Miller. The French beer market is valued at 2 billion euros ($2.7 billion), representing about 11 percent of total alcoholic and non-alcoholic beverage sales and one percent of total food and beverage sales in France. Annual per capita beer consumption in France of 30 liters has decreased by 25 percent during the last 25 years and is far behind that of Ireland, U.K., Denmark, Belgium, Spain and Portugal.

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

	(in million dollars) 2005	2006	2007
	-------- January / December ----------		
A. Total Market Size	4,104	4,028	4,671
B. Local Production	2,185	2,467	2,740
C. Total Exports	1,801	1,813	2,011
D. Total Imports	3,720	3,374	3,942
E. Total Imports from U.S.	180	209	186

F. Exchange Rate: USD 1.00=Euros:0.8038 Euros: 0.796 Euros : 0.730
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Prime opportunities for U.S. suppliers are in off-season and extended-season sales, and years of short French fruit crops. France is one of the most important markets for U.S. grapefruit (mostly from Florida), valued at 22 million Euros ($30 million) in 2007. The U.S. market share for citrus fruits represents 25 percent of total French imports in value and 20 percent in volume.

France imports apples and pears in short crop years. There is also a niche market for berries, cherries and tangerines. In 2007, U.S. exports of berries to France doubled in quantity, compared to 2006 to reach 1,360 tons.

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 cashews, almonds, pecans, hazelnuts and pistachios, all of which sell best when merchandised in bulk packages. French consumption of these products has doubled over the past seven years. France is a significant grower of walnuts, so French import demand is

primarily determined by the size of the domestic crop. The United States remains France's leading supplier of in-shell walnuts whereas Moldova and China provided the bulk of shelled imports.
(For detailed market information, please see Post brief report on dried fruits FR6055 and nuts FR8019, which can be found on the following website: www.fas.usda.gov (attaché reports).

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

	2005	2006	2007
	(in million dollars)		
	------- January / December ------------		
A. Total Market Size	5,486	5,309	5,525
B. Local Production	4,950	4,851	4,935
C. Total Exports	1,811	1,992	2,426
D. Total Imports	2,347	2,450	3,016
E. Total Imports from U.S.	19	19	27

F. Exchange Rate: USD 1.00=Euros: 0.8038 Euros: 0.796 Euros : 0.730

Source: French Customs/SCEES - French Ministry of Agriculture

Comments: U.S. dried vegetables exports to France increased one percent in value in 2007, compared to 2006 to reach $20 million. In 2007, rice imports from the United States decreased 12 percent in value to $11 million, due to previous detection of biotech presence in U.S. rice, competition from Spain and Italy and high U.S. prices. Significant opportunities exist for U.S. suppliers of dried beans, peas and lentils.

Very few opportunities exist for U.S. fresh vegetables, except for green asparagus, and maybe some superior quality and produced off-season fresh vegetables such as eggplant, zucchini, sweet peppers and iceberg lettuce. Trends and increased consumption indicate a growing demand for fresh prepared vegetables (washed and cut) and many supermarkets have a special section for these types of products. There is also a growing demand for organic vegetables.

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

	2005	2006	2007
	(in million dollars)		
	------- January / December ------------		
A. Total Market Size	8,315	9,761	10,966
B. Local Production	7,940	9,100	10,140
C. Total Exports	3,528	3,554	3,974
D. Total Imports	3,903	4,215	4,800
E. Total Imports from U.S.	45	48	31

F. Exchange Rate: USD 1.00=Euros:0.8038 Euros: 0.796 Euros : 0.730
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Opportunities in this market are limited given the import quota on hormone free meat and stringent EU veterinary regulations. The most prominent meat import from the United States is horsemeat which was valued at $18 million in 2007. Pork meat imports amounted to $13 million and beef imports $165,753. Bison meat is growing in popularity in France; mostly of Canadian origin, but there might be opportunities for U.S. products. Currently, the annual EU meat import quotas are as follows:

-Beef meat (hormone-free): 11,700 tons yearly for Canada and the United States;
-Pork meat: Approximately 70,000 tons for all third countries.
For more information and the enlargment compensation agreement between the U.S. and the EU, please visit the following website: http://www.useu.be

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 2264
Fax: (33-1) 43 12 2662
Email: agparis@usda.gov
homepage: http://www.usda-france.fr

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

Reports identified below are relevant and complementary information to this report:

Report Number	Name	Hot link
FR5016	Kosher Foods in France	http://www.fas.usda.gov/gainfiles/200505/146119632.pdf
FR6023	Dried Fruit Annual	http://www.fas.usda.gov/gainfiles/200604/146187422.pdf
FR6055	Product Brief: Dried Fruits	http://www.fas.usda.gov/gainfiles/200702/146280094.pdf
FR6056	Product Brief: Sweet, Savory Snacks & Snack Bars in France	http://www.fas.usda.gov/gainfiles/200702/146280095.pdf
FR6057	Product Brief: Sauces	http://www.fas.usda.gov/gainfiles/200702/146280096.pdf
FR6058	Product Brief: French Market for Confectionary, Chocolate & Cocoa Products	http://www.fas.usda.gov/gainfiles/200702/146280097.pdf
FR6059	Product Brief: Non-Alcoholic Beverages	http://www.fas.usda.gov/gainfiles/200702/146280098.pdf
FR6060	Product Brief: Tea	http://www.fas.usda.gov/gainfiles/200610/146249284.pdf
FR6064	Retail Food Sector Annual	http://www.fas.usda.gov/gainfiles/200702/146280102.pdf
FR6065	Product Brief: Nuts	http://www.fas.usda.gov/gainfiles/200702/146280103.pdf
FR7006	Wine Annual	http://www.fas.usda.gov/gainfiles/200702/146280108.pdf
FR7041	Opportunities for Snacks, Ready-to-Eat Products	http://www.fas.usda.gov/gainfiles/200712/146293360.pdf
FR8013	HRI Food Service Sector Annual	http://www.fas.usda.gov/gainfiles/200807/146295320.pdf
FR8014	Food & Agricultural Import Regulations and Standards Annual	http://www.fas.usda.gov/gainfiles/200808/146295368.pdf
E47006	Fishery Products EU Policy and Statistics	http://www.fas.usda.gov/gainfiles/200701/146280014.pdf

APPENDIX A : FOOD AND AGRICULTURAL TRADE SHOWS IN France In Calendar Year 2008

For Trade Shows in Calendar Year 2009,please visit FAS/Paris Homepage at:
www usda-france.fr

TEXWORLD — International Textile Manufacturers
February 18-21, 2008
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/
(Twice a year, every six months)

PREMIERE VISION — International Textile and Clothing Show
February 19-22, 2008
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision Salon
Tel: (33 4) 72 60 65 00
Fax: (33 4) 72 60 65 49
Email: info@premierevision.fr
Internet: http://www.premierevision.fr/
(Twice a year, every six months)

LE CUIR A PARIS — International Leather Products February Show
19-22, 2008
Parc des Expositions - Paris Nord Villepinte
Organizer: SIC SA
Tel: (33 1) 43 59 05 69
Fax: (33 1) 43 59 30 02
Email: contactsic@sicgroup.com
Internet: http://www.lecuiraparis.com/
(Twice a year, every six months)

SALON DU VEGETAL — Horticultural Trade Show
February 20-22, 2008
Angers
Organizer: BHR - Bureau Horticole
Regional des Pays de Loire
Tel: (33 2) 41 79 14 17
Fax: (33 2) 41 45 29 05
Email: salon@bhr-vegetal.com
Internet: http://www.salon-du-vegetal.com/
(Annual Show)

SALON INTERNATIONAL DE l'AGRICULTURE Paris - Porte de Versailles February 23-March 2, 2008 Organizer: Comite des Expositions de Paris Tel: (33-1) 49 09 60 00 Fax: (33-1) 49 09 61 58 E-mail: info@comexpo-paris.com Internet: http://www.salon-agriculture.com/ (Annual Show)	International Agricultural Show
CFIA Carrefour des Fournisseurs de l'Industrie agroalimentaire Parc des Expositions - Rennes Aeroport March 11-13, 2008 Organizer: Jangil Tel: (33 5) 53 36 78 78 Fax: (33 5) 53 36 78 79 Email: cfia@jangil.net Internet: http://www.cfiaexpo.com/ (Annual Show)	Retail Food Trade Show
SALON DES MARQUES DE DISTRIBUTEURS ALIMENTAIRES - MDD RENCONTRES March 26-27, 2008 Paris - Parc des Expositions/ Porte de Versailles Organizer: JANGIL Tel: (33-5) 53 36 78 78 Fax: (33-5) 53 36 78 79 Email: mddexpo@jangil.net Internet: http://www.mdd-expo.com/ (Annual Show)	International Private Label Show for Foods, including Ethnic and Halal foods
EUROPAIN Parc des Expositions - Paris-Nord Villepinte March 29-April 2, 2008 Organizer: Exposium Tel: (33 1) 49 68 52 26 Fax: (33 1) 49 68 56 30 Email: jalquier@exposium.fr Internet: http://www.salonboulangerie.com/ (Every two years for Europain and when not Europain: The Annual Salon National de la Boulangerie/Patisserie/ Chocolate/Intersuc takes place)	International Chocolate, Sugar & Bakery Trade Show
FOIRE INTERNATIONALE DE PARIS Paris - Porte de Versailles April 30-May 12, 2008 Organizer: Comite des Expositions de Paris Tel: (33-1) 49 09 60 00 Fax: (33-1) 49 09 60 03 E-Mail: info@comexpo-paris.com Internet: http//: www.foiredeparis.fr (Annual Fair)	International Food, Beverages & Tourism Fair

CARREFOUR INTERNATIONAL DU BOIS
Parc de la Beaujoire - Nantes
May 28-30, 2008
Organizer: Carrefour International du Bois
Tel: (33 2) 40 73 60 64
Email: sam@timbershow.com
Internet: http//www.timbershow.com

International Timber Show

SALON INTERNATIONAL DE L'ELEVAGE
(SPACE 2007)
Rennes - Carrefour Europeen
September 9-12, 2008
Organizer: SPACE
Tel: (33-2) 23 48 28 80
Fax: (33-2) 23 48 28 81
Email: info@space.fr
Internet: http://www.space.fr/
(Annual Show)

International Trade Fair for Livestock

PREMIERE VISION
September 23-26, 2008
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision le Salon
Tel: (33-4) 72 60 65 00
Fax: (33-4) 72 60 65 49
Email: info@premierevision.fr
Internet: http://www.premierevision.fr/
(Held twice a year – every six months)

International Textile & Clothing Show

LE CUIR A PARIS
Paris - Porte de Versailles
September 23-26, 2008
Organizer: Sic SA
Tel: (33-1) 43 59 05 69
Fax: (33-1) 43 59 30 02
Email: contactsic@sicgroup.com
Internet: http://www.lecuiraparis.com/
(Held twice a year - every six months)

International Leather Products

TEXWORLD
September 2008
Paris - Le Bourget
Organizer: Messe Frankfrut France S.A.S.
Tel: (33-1) 55 26 89 89
Fax: (33-1) 40 35 09 00
Email: texworld@france.messefrankfurt.com
Internet: http://www.texworld.messefrankfurt.com/
(Held twice a year – every six months)

International Textile Manufacturers

SALON INTERNATIONAL DE L'ALIMENTATION
(SIAL 2008) - USDA Endorsed
Parc des Expositions - Paris-Nord, Villepinte
October 19-23, 2008
Organizer: IMEX Management, Inc.
Tel: (704) 365 0041
Fax: (704) 365 8426
Email: kellyw@imexmgt.com
Internet: http://www.imexmgt.com/shows/sialparis2008
(Biennal Show)

International Food and Beverage Trade Show - including In-Food and Organic Sections

HEALTH INGREDIENTS EUROPE
(HI Europe 2008) - USDA Endorsed
Parc des Expositions - Paris Nord Villepinte
November 4-6, 2008
Organizer: Expoconsult B.V.
CMP Information
Tel: 31 346 559 444
Fax: 31 346 573 811
Email: MBos@CMPI.biz
Internet: http://www.hi-europe.cmp-info.com/
(Show turning in Europe)

Health Ingredients Trade Show

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

FOOD EXPORT USA - NORTHEAST
150 S. Independence Mall West
Philadelphia, PA 19106-3410
Tel: (215) 829 9111/Fax: (215) 829 9777
E-Mail: info@foodexportusa.org
Web: http://www.foodexportusa.org
Contacts: Tim Hamilton, Executive Director
Amy Austin, Branded Program Manager
Joy Canono, Generic Program Manager

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

SOUTHERN U.S. TRADE ASSOCIATION (SUSTA)
World Trade Center
2 Canal Street, Suite 2515
New Orleans, LA 70130-1408
Tel: (504) 568-5986/Fax: (504) 568-6010
E-Mail: Susta@Susta.Org
Web: http://www.susta.org
Contacts: Jerry Hingle, Executive Director
Deneen Wiltz, Branded Program Manager
Bernadette Wiltz, Deputy Director & Generic Program Manager

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

APPENDIX C : FRENCH GOVERNMENT AGENCIES

Agency responsible for French label/product ingredient regulations:

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

Agency responsible for promotion and control of food quality:

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

For information on duties, taxes, and documentation:

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

STATISTICS

TABLE A. KEY TRADE AND DEMOGRAPHIC INFORMATION FOR 2007

Ag. Imports from All Countries (1)	$43.3 billion
U.S. Market Share (1)	1.3 percent
Consumer Food Imports from All Countries (1)	$31.4 billion
U.S. Market Share (1)	0.7 percent
Edible Fishery Imports from All Countries (1)	$5.3 billion
U.S. Market Share (1)	3.8 percent
Total Population/Annual Growth Rate (2)	63.7 million - Growth rate annual: 0.5%
Urban Population /Annual Growth Rate	49 million - Annual Growth rate: N/A
Number of Metropolitan Areas (3)	4
Size of the Middle Class (4)	85 percent of total population
Per Capita Gross Domestic Product	$39,215
Unemployment Rate, incl. overseas territories	8.4 percent (*)
Percent of Female Population Employed (5)	47.2 percent
Exchange Rate: US$1 = EURO 0.7403	

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

(*) Unemployment rate for France only: 8 percent

TABLE B. CONSUMER FOOD & EDIBLE FISHERY PRODUCTS IMPORTS

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

Commodity	**France Import Statistics from the World**			**France Import Statistics from the U.S.**			**U.S. Market Share**		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
Consumer Oriented Agric. Total	25,129	26,624	31,383	245	239	232	1.0	0.9	0.7
Fish & Seafood Products	4,540	5,045	5,308	160	207	202	3.5	4.1	3.8
Agricultural Total	34,242	36,331	43,291	506	485	548	1.5	1.3	1.3
Agricultural, Fish & Forestry	42,715	45,627	54,041	713	740	797	1.7	1.6	1.5

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

TABLE C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

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

Consumer Oriented Agriculture						
Partner Country	United States Dollars			% Share		
	2005	2006	2007	2005	2006	2007
Spain	4,294	4,556	5,068	17.08	17.11	16.15
Belgium	4,202	4,507	5,309	16.72	16.93	16.92
Netherlands	3,888	4,253	5,009	15,47	15.97	15.96
Germany	3,680	3,979	4,693	14.64	14.94	14.95
Italy	2,571	2,685	3,152	10.23	10.08	10.04
United Kingdom	1,019	1,057	1,264	4.05	3.97	4.03
Ireland	583	657	712	2.32	2.47	2.27
Morocco	620	556	737	2.47	2.09	2.35
Switzerland	400	429	536	1.59	1.61	1.71
Denmark	359	387	410	1.43	1.45	1.31
Portugal	275	318	384	1.09	1.19	1.22
Israel	315	264	358	1.25	0.99	1.14
Poland	187	246	376	0.74	0.92	1.20
United States	245	239	232	0.97	0.90	0.74
Turkey	184	193	232	0.73	0.72	0.74

Fish & Seafood Products						
Partner Country	United States Dollars			% Share		
	2005	2006	2007	2005	2006	2007
United Kingdom	476	478	488	10.48	9.47	9.19
Denmark	464	464	437	10.22	9.19	8.23
Netherlands	453	434	492	9.98	8.60	9.27
Spain	345	354	403	7.60	7.02	7.59
Belgium	279	345	322	6.14	6.84	6.06
Sweden	220	289	317	4.84	5.73	5.97
Germany	234	270	286	5.15	5.36	5.39
United States	160	207	202	3.52	4.11	3.80
Madagascar	153	165	161	3.37	3.27	3.03
Chile	96	123	136	2.11	2.44	2.56
Ireland	120	119	127	2.64	2.36	2.39
China	73	115	123	1.61	2.28	2.32
Thailand	72	90	100	1.58	1.78	1.88
Morocco	81	87	92	1.78	1.72	1.73
Brazil	94	87	69	2.07	1.72	1.30