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France

Processed Sweet Corn

Annual

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Report Highlights:

France is the largest European producer of canned and frozen sweet corn, and has a positive trade balance for these products. U.S. products face strong price competition from Hungarian products on the French market, especially since EU enlargement to 25 member states. In MY 2003/04, shipments to France from Hungary more than tripled. In addition, U.S. exports of sweet corn to France have suffered from consumer/retailer mistrust of biotech food products and from the recent implementation of EU Regulations on traceability and labeling of biotech products. Several French importers have stopped buying U.S. sweet corn due to the demands of these new regulations.

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Includes Trade Matrix: Yes
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Executive Summary

France is the largest European producer of canned and frozen sweet corn, and has a positive trade balance for these products. U.S. products face strong price competition from Hungarian products on the French market, especially since EU enlargement to 25 member states. In MY 2003/04, shipments to France from Hungary more than tripled. In addition, U.S. exports of sweet corn to France have suffered from consumer/retailer mistrust of biotech food products and from the recent implementation of EU Regulations on traceability and labeling of biotech products. Several French importers have stopped buying U.S. sweet corn due to the demands of these new regulations.

Statistical Tables

PS&D Tables

PSD Table

Country	France				(MT)(Dec. Fraction)			
Commodity	Canned Sweet Corn							
	2002	Revised Post Estimate	2003	Estimate Post Estimate	2004	Forecast Post Estimate	UOM	
	USDA Official [Old]	[New]	USDA Official [Old]	[New]	USDA Official [Old]	[New]		
Market Year Begin		07/2002		07/2003		07/2004		MM/YYYY Y
Production Gross WT	285100	285100	230000	247700	0	280000	(MT)	
Production Net WT	171747	171747	138554	149220	0	168000	(MT)	
Conv. Rate Net/Gross	1	0,60241	1	0,602422	0	0,6	(Dec. Fraction)	

Trade Matrices

Canned Sweet Corn**Export Trade Matrix**

Country	France		
Commodity	Canned Sweet Corn		
Time Period	July-June	Units:	MT
Exports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
UK	25873	UK	22847
Germany	22653	Germany	21011
Spain	20157	Spain	20160
Italy	13364	Italy	17554
Belgium	5195	Belgium	5406
Sweden	3871	Switzerland	3249
Denmark	2670	Russia	3029
Switzerland	2559	Sweden	2367
Russia	1746	Denmark	2079
Austria	1200	Austria	1443
Total for Others	99288		99145
Others not Listed	9648		9293
Grand Total	108936		108438

Import Trade Matrix

Country	France		
Commodity	Canned Sweet Corn		
Time Period	July-June	Units:	MT
Imports for:	2003		2004
U.S.	1503	U.S.	1213
Others		Others	
Thailand	2344	Hungary	7874
Hungary	2030	Thailand	2207
Spain	916	Spain	1153
Canada	266	Canada	779
Total for Others	5556		12013
Others not Listed	1173		1539
Grand Total	8232		14765

Frozen Sweet Corn

Export Trade Matrix			
Country	France		
Commodity	Frozen Sweet Corn		
Time period	July-June	Units:	MT
Exports for:	2002/03		2003/04
U.S.	0	U.S.	0
Others		Others	
Belgium	7769	Belgium	13535
UK	4845	UK	5489
Germany	928	Germany	766
Total for Others	13542		19790
Others not Listed	1652		1748
Grand Total	15194		21538

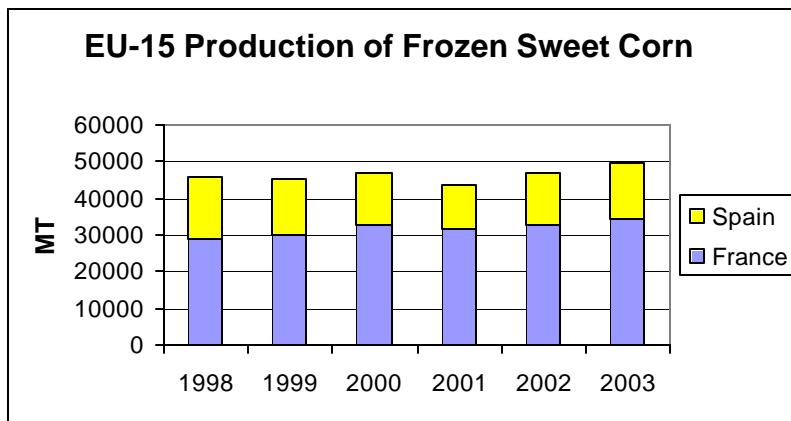
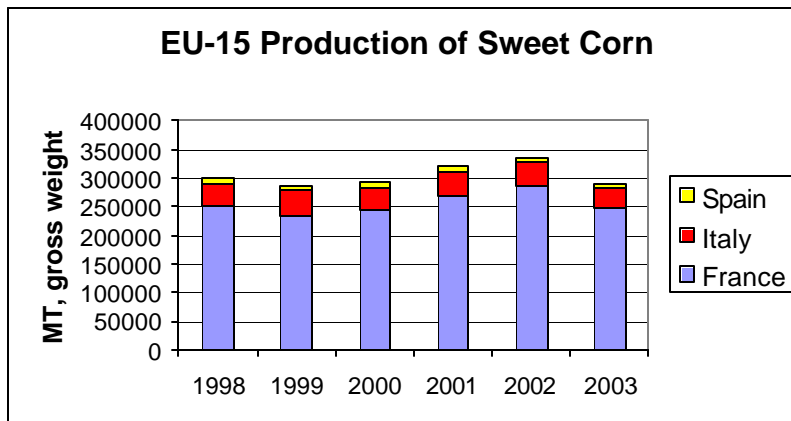
Import Trade Matrix			
Country	France		
Commodity	Frozen Sweet Corn		
Time period	July-June	Units:	MT
Imports for:	2002/03		2003/04
U.S.	0	U.S.	69
Others		Others	
Germany	1555	Belgium	2494
Belgium	1215	Spain	1396
Spain	1075	Germany	1347
Total for Others	3845		5237
Others not Listed	1172		1712
Grand Total	5017		7018

Production, Supply and Demand

Production

France is by far the largest producer of sweet corn in the European Union. In 2003, French production accounted for 85 percent of EU-15 canned sweet corn production and 69 percent of EU-15 frozen sweet corn production. Most of the French production is canned, to meet domestic consumption and export demand, while the frozen market is limited. Fresh sweet corn production is marginal, as consumption is almost non-existent in France.

The graphs below indicate that France has had a leading position in the sweet corn market for a number of years:



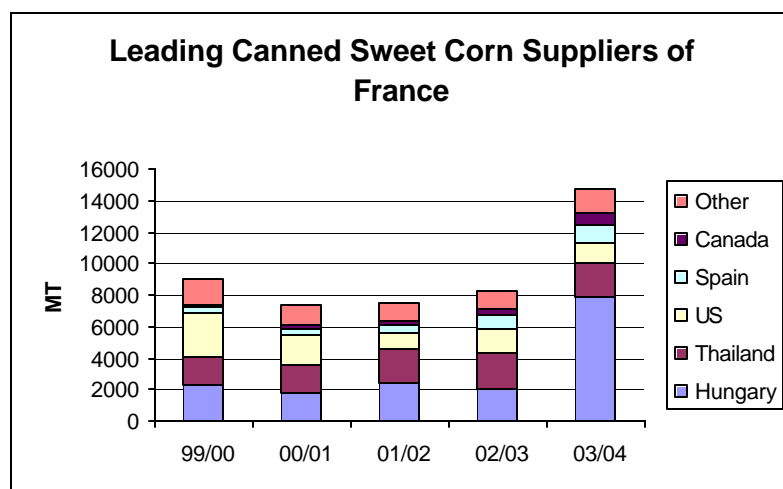
In 2003, the French harvest was severely affected by drought and the corn ear worm, and decreased by 13 percent from 2002. In 2004, French production is estimated to be back at 2002 levels.

Consumption

In 2003, 55 percent of French households purchased canned sweet corn at least once. On average, they purchase this product four times a year. In 2003, almost 30 percent of canned sweet corn consumers were under 35 years old, well above consumption by older consumers. Only 2 percent of French households purchased fresh sweet corn.

Trade

France is a net exporter of canned sweet corn. However, French trade balance decreased from 100,700 MT in MY 2002/2003 to 93,700 MT in MY 2003/2004. This resulted principally from increased imports from Hungary, as indicated in the graph below.



French trade balance for frozen sweet corn is also positive, and increased to 14,500 MT in 2003/2004 from 10,200 MT in 2002/2003. This was due to increased exports, mainly to the United Kingdom and Belgium.

Policy

Biotechnology and Consumer Attitudes

In 2004, the European Union left the *de facto* moratorium on biotech products through the authorization to import Bt-11 sweet corn. French corn growers are the French farmers the most open to the use of biotechnology to fight against new pests, such as the corn root worm. However, there is currently no biotech sweet corn domestically grown in France, as the industry fears that this recent decision by EU authorities would reduce French sweet corn consumption.

According to a poll recently conducted by the BVA institute, French people spontaneously indicate brand (36 percent), price (31 percent), and non-biotech label (14 percent) as the major factors influencing their purchases of sweet corn. Also, 81 percent say they are ready to pay a premium for canned sweet corn produced in France.

Implementation of the New EU Regulations on Biotech Traceability and Labeling

The EU regulations on traceability and labeling of biotech products (1830/2003 Regulation) and Novel Food/Novel Feed (1829/2003) were implemented for the first time in 2004. As they impose strict rules for labeling and tracing products derived from biotech, French distributors of sweet corn are asking for non-GM guarantees that U.S. suppliers have difficulties to meet. Consequently, several French importers of sweet corn from the United States have stopped buying this product in 2004.

Marketing

The leading French importers of U.S. sweet corn are the following:

Canned sweet corn: TRIOMPHE/SNAT
105, rue Paul Vaillant Couturier
92300 Levallois-Perret
monarch@club-internet.fr
Tel: (33-1) 41 27 21 30
Fax: (33-1) 41 27 21 35

Fresh sweet corn: Unicorn Provence
Campagne Les Aubettes
84120 Pertuis
Unicorn-provence@wanadoo.fr
Tel: (33-4) 42 61 92 26
Fax: (33-4) 42 61 99 64