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Report Highlights:
France offers niche market opportunities for U.S. exporters. Significant market opportunities exist 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 including nuts and meat and offals.

This report prepared by the USDA's Foreign Agricultural Service for U.S. exporters of food and agricultural products presents a comprehensive guide on France's economic situation, market structure, exporter tips and best prospects for high-value food and agricultural products.

Includes PSD Changes: No
Includes Trade Matrix: No
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Paris [FR1]
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Note: Average exchange rates used in this report are:

Calendar Year 2000: US Dollar 1 = FF 7.11 = 1.084 Euros
Calendar Year 2001: US Dollar 1 = FF 7.32 = 1.116 Euros
Calendar Year 2002: US Dollar 1 = 1.057 Euros
(Source: Paris Stock Exchange/European Central Bank)

SECTION I. MARKET OVERVIEW

1. Macroeconomic Situation

France is the world's fifth largest industrialized economy. With an annual gross domestic product (GDP) about one-fifth that of the United States, France was the United States' eighth largest trading partner in 2002, with U.S. exports of goods, services and income receipts, as per the U.S. Department of Commerce data, amounting to $37 billion. As a member of the G-8, the European Union, the World Trade Organization and the OECD, France confirms its status as a leading economic player in the world.

France's population of 61 million people has a high disposable income of $29,000 per capita. As per the French Institute for Statistics (INSEE), in 2002, the French gross domestic product (GDP) grew by 1.2 percent in real terms compared to 2.1 percent in 2001. The 2002 performance marked a slowdown for the second year in a row after three consecutive years of growth at over three percent. Several shocks (oil price increases, equity market declines, and geopolitical uncertainties) combined with a lack of dynamism in the euro zone economy, notably in Germany, slowed the economy. Household consumption was solid in the first three quarters, but failed to offset steady decreases in corporate investment, and falling exports in the fourth quarter. The impact of decelarating growth on job creation was sizeable. The unemployment rate increased from 8.8 percent in January to 9.1 percent in December 2002. After falling in the first half, the inflation rate accelerated in the second half, due to increases in the oil and health sectors, but remained under control, at 2.3 percent in December 2002 compared with December 2001.

The outlook for 2003 and 2004 is for moderate growth and inflation, still heavily dependent on global economic recovery, moderate oil prices, and the results of macro-economic policies, notably in the U.S. and Europe. GDP increased at an annual rate of 0.8 percent in the first quarter of 2003, but contracted at an annual rate of 1.2 percent in the second quarter. The Government has revised its 2003 GDP growth forecast to 0.5 percent, down from 1.3 percent. The unemployment rate is projected to increase to 9.8 percent by December. Government experts expect the unemployment rate to exceed the presumed structural rate of unemployment, estimated at 8.5 percent, absent further significant liberalization.

The French economy continues to function below its growth potential, which is currently around 2.3 percent based on current population and technoligical trends. With the introduction of the euro that increased competition reaching that potential requires further deregulation and reduction of the role of the state in the economy. The Government has been successful in implementing pension reform this year, but is currently struggling to reduce the budget deficit, reiterating its intention to reduce taxes, and implement needed reforms both to improve competitiveness and increase economic growth and employment. The political will of the government will be tested in the coming year as it contemplates the next phase of domestic economic challenges: Reforming the tax structure and health insurance system, eliminating labor market rigidities, and scaling back the role of the state in the economy.

In general, the commercial environment in France is favorable for sales of U.S. goods and services. Marketing products and services in France bears similarity to the approach in the

U.S., notwithstanding some significant differences in cultural factors, and certain legal and regulatory restrictions. But, as reflected in the continued growth of direct marketing and franchising, American sales concepts are increasingly impacting upon French marketing practices and distribution channels

2. Size and Growth Rate for Consumer-Ready Food Products

In 2002, total French food and beverage purchases amounted to $50.6 billion, with an increase in consumption of 1.9 percent in volume, compared to 2001. Sanitary measures against BSE contributed to stabilization of meat household consumption in 2002, after two years of decline. After the 2001 decline, ovine meat consumption remained stabled in 2002 as a result of price stabilization. Poultry meat consumption slightly increased as well as dairy consumption, such as yoghurts, fresh deserts and cheeses. Sugar consumption also increased for the first time within ten years. Overall food and beverage prices for 2002 increased 2.3 percent , compared to 5.5 percent in 2001. The prices for fish and seafood, dairy, fruits and sugar products increased an average of three percent. Prices for spices, condiments and snacks also increased by 3.2 percent, while prices for alcoholic and non-alcoholic beverages increaded only 1.2 percent. Meat prices remained stabled and vegetable prices decreased by 1.5 percent compared to 2001.

3. Key Demographic Developments

Government programs to raise the country's birth rate have worked, when compared to other EU Member States. While this growth will slow down in the next few years, France will be one of the few EU member states to experience population growth by 2050. As of January 1, 2002 the preliminary estimates indicate a total of 61.4 million habitants, including 1.7 million for overseas departments. (Preliminary 2002 figures show that the number of births is slightly decreasing. Deaths increased reaching 539,700, compared to 531,485 in 2001; however, French women always retain the record of life length in Europe). Immigration in France continues to rise, but compared to the total population remain the lowest in the European Union.

France metropole: Population by Age Group (in millions)
(As of January 1)

Year	Total	Less than 20 years	20 to 64 years	65 years or more
1990	56.6	15.7	33.0	7.9
1995	57.8	15.1	34.0	8.7
1998	58.3	15.0	34.1	9.2
1999	58.5	15.1	34.2	9.3
2000	58.7	15.0	34.2	9.4
2001	59.0	15.0	34.5	9.5
2002 (P)	59.3	15.0	34.7	9.6
2003 (P)	59.6	15.0	34.9	9.7

P = Preliminary - Source: INSEE PREMIERE -

France: Demographic Evolution of Households (in millions)

Year	Number of Households
1990	21.5
1998	23.7
1999	23.9
2000	24.2
2001	24.4
2002	24.6

Source: INSEE - Enquête Budget Famille

According to current trends, the number of households should increase an average of 228,000 per year until 2010.

Socio-economic and demographic changes have significantly altered food trends in France. Trends show that French consumers want food products that offer better taste, higher quality, convenience, and more health benefits:

- Working consumers or those living alone (30 percent) have no time to prepare meals. These market segments are moving toward easy-to-prepare foods, single and double portion packs, and frozen or microwavable meals.

- The "young" generation (26 percent) tends to be curious and enjoy trying new products. This generation values products with an image along with "good" taste.

- The BSE as well as other food 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.

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 in the latter. ▪ French per capita income is near that of the United States. ▪ The burgeoning tourist industry is raising demand for Hotel/Restaurants/Institutions products. ▪ U.S. fast food chains, theme restaurants, and the food processing industry are pushing up demand for American food ingredients. ▪ Domestic distribution systems are efficient. ▪ The euro ease entry into and dealings with EU member states. ▪ American food and food products	▪ Food scares and other food safety issues are making French consumers more cautious. ▪ French consumers make exacting demands when it comes to quality and innovation. ▪ Price competition is fierce and U.S. exporters have to conform to French/European standards and regulations. ▪ Certain food ingredients are banned or restricted from the French market. ▪ Marketing costs to increase consumer awareness are high. U.S. exporters should be able to evaluate their export sales price based on fundamentals such as local demand and transportation costs.

remain quite popular in spite of recent US-France trade differences.	▪ Mandatory customs duties, sanitary inspections and labeling requirements are onerous measures for U.S. exporters.

SECTION II. EXPORTER BUSINESS TIPS

1. Trade Barriers and Restrictions

Like other members of the European Union, France imposes tariff and non-tariff barriers. Product safety and sanitary standards affecting imports into France are increasingly established at the EU level, and sometimes there are additional French regulations that impede trade. Food products entering the EU and France are subject to customs duties which vary depending on type of products. Most processed products are subject to additional import charges based on the product contents of sugar, milk fat, milk protein and starch.

Although France is not a closed market, its regulations limit market access for certain U.S. agricultural pro ducts. 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 which, overtime, will be reduced or abolished. Agricultural products subject to French trade restrictions and barriers include, but, not limited to the following:

- Poultry, meat and eggs
- Enriched flour
- Bovine genetics
- Exotic meat (alligator)
- Flightless bird meat (ratite)
- Live crayfish
- Beef and bison meat
- Fruits and vegetables
- Pet foods
- Co-products derived from genetic modification

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

France like other EU member states have a network of bilateral and regional trade agreements -some with countries that are candidates for accession to the EU-- that is expanding rapidly. The EU has entered into customs union agreements (with Turkey, Cyprus, Andorra and Malta) and 26 free trade agreements under either GATT Article XXIV or GATS Article V. There are free trade agreements (two-way free trade without common external tariffs) and other sorts of preferential trade agreements with Norway, Iceland, Switzerland, Liechtenstein, Hungary, Poland, Czech Republic, Slovakia, Bulgaria, Romania, Estonia, Latvia, Lithuania, Slovenia, Israel, the Palestinian Authority, Tunisia, Morocco, Jordan, Egypt, Lebanon, Syria and Algeria. Free Trade Agreements with Mexico and South Africa were concluded in 1999. The EU provides non-reciprocal preferential access to tis markets ACP to countries (Afric an, Caribbean and Pacific developing countries) unter the Cotonou Agreement, and to other developing countries under the Generalized System of Preferences (GSP).

2. Consumer Tastes, Preferences and Food Safety

? Like U.S. consumers, French consumers want innovative, international foods. Young consumers like ethnic products with distinctive themes and flavors, the market for ethnic foods in France amounted to $170 million in 2002 (excluding fresh products), an annual growth of 8.3 percent, compared to 20 percent some years ago. On the ethnic segment, consumers always need new products. The trends in France are currently for Thai, Black and North Africa as well as Indian cuisine. However, Tex-Mex, Cajun or California-style cuisine, sports drinks and vitamin enriched snacks still have potential. Ready-to-eat products such as frozen food products, seafood (particularly salmon), wild rice, innovative dietetic/health products, organic products, frozen desserts and kosher foods regaining popularity.

? While many consumers and distributors are receptive to new developments in food products, they want more information on product contents and manufacturing processes. Labeling requirements for both domestically-produced and imported food products containing biotech or biotech derived ingredients or additives need to be labeled.

? After the different food scares, the French Government has taken steps to improve food safety and explore product innovation through research and marketing programs; quality marks such as "Label Rouge"(Red Label) for meats, poultry and fruits and vegetables, and product origin labels which guarantee that, for instance, certain wines, milk butter, or cheeses are sourced from a certain region. The government also continues the certification program which guarantees that product preparation, manufacturing, packaging processes follow certain specifications. All these quality marks are well received by French consumers who still need to be reassured in the products they consume. The organic food program certifies that agricultural and food products were manufactured without fertilizers and according to special criteria. GOF will lauch this fall a new development program aimed at placing French organic agriculture as the European leader.

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 make sure 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:
? ? ? ? Trade shows, in-store product demonstrations and tastings 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 of 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, distributions channels and market size.
- ❖ Adapt your product to local regulations: give the customer what he wants, not what you think he needs, check your ingredients and package size requirements, verify consumers' preferences and make sure your product is price competitive

- ❖ Identify the best distribution channel for the product, i.e., supermarkets, an 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, SUSTA, WUSATA and MIATCO. (Addresses, telephone, fax and contact information for these four groups is 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 ($11,826) in value must be conducted 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 if need be (depending on the 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*

For biotech labeling and traceability (T&L) and on Novel Feed/Novel Food, two new EU Regulations are expected to be published in the next few days or weeks in the Official Journal of the European Communities. According to the T&L Regulation, biotech products and biotech-derived products will have to be identified "from the seed to the fork" at each stage of their market release. A unique code will be attributed to each genetic event to facilitate communication among operators. The T&L Regulation will impose 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 won't be compulsory is set at 0.9% for both human food and animal feed.

For more details, see the French Ministry of Agriculture website on biotech: http://ogm.agriculture.gouv.fr/savoir_plus/fiches/fiche6.htm.

Inspection Process

- Customs clearance can be done by a person or a company able to present Customs Authorities at the port of entry or at the airport in France the imported goods as well as the necessary accompanying documents for these products. To facilitate the clearance process, it is recommended that the U.S. exporter 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 thoroughness 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 chocolate and candies
  - Reduced rate of 5.5 percent applies mostly to agricultural and food products.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Key Figures for the French Food Industry and Growth Rates

? The food industry is the largest French industrial sector, accounting for 32 percent of the total economy's added value. It is also the world's largest player accounting for 10 percent of the world's value-added food trade.

? France has currently 23 major food processors, and over 4,150 food industry companies.

? According to the French Food Industry Association (ANIA), in 2002 the food processing sector's turnover was 134 billion Euros ($126.8 billion), an increase of 2.1 percent from the 2001 level. The French food processing industry is number one in Europe before Germany and world number two after the United States.

? In 2002, the French food industry continued to restructure in the face of greater competition from large multinational groups and of the globalizing effects of the Euro.

? Total Exports in 2002: 27.4 billion Euros ($25.9 billion), 3.8 percent decrease in value over 2001. The French food industry is the world's largest exporter of processed products with about 10 percent of the global market.

? Total Imports in 2002: 19.6 billion Euros ($18.5 billion), 11.7 percent decrease in value over 2001.

Production of Major French Food Processing Sectors (1) and Growth Rates

	Volume % Growth 2002/2001	Price % Growth 2002/2001	2002 Value (In billion $) --Incl. taxes--
Grains and animal feed	+0.7	-1.1	12.5
Bread & Pastry	-0.3	+3.8	13.2
Canned foods, prepared fruit juices and vegetables	-0.1	+2.9	8.5
Meat Industry	+0.6	-5.2	29.7
Milk Industry	+1.1	-1.0	16.8
Beverages Industry	+3.8	+3.5	16.3
Fats and Oils	-0.6	+2.7	1.8
Sugar	+15.9	-0.2	2.6
Miscellaneous (2)	+0.1	+0.9	12.2
Total of Food Processing Sectors	+1.3	-0.4	115.3

(1) Wine production is not a food industry but agricultural activity.
(2) Chocolate, confectionery, pasta, tea, coffee, condiments, sauces and spices, beverage preparations, baby foods and canned desserts.
Source: INSEE - National Account

Infrastructure Situation

France's transportation infrastructure is among the most sophisticated in the world, benefitting from advanced technology and extraordinary investment by the Government.
The three main entry points for air-freight are the 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. The French "Minitel" telephone-based computer network is also widespread and provides many consumer

services. France is behind the U.S. and some other countries in the use of personal computers and the Internet, but is catching up rapidly. High-speed Internet access is still limited, but is expanding rapidly. The government is trying to promote better use of information technologies.

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 are contributing to France's import demand for food products from the United States. Generally, high quality food products with a regional American image can find a niche in the French market, particularly if they can 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 foods.

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

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 them in the United States. French business representatives are sophisticated and knowledgeable about their respective markets. At the same time, American firms must take into consideration certain business practices, cultural factors, and legal requirements in order to do business effectively in France. A basic assumption should be that everything will not always be as it is in the U.S. 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.amb-usa.fr\fas\fas.htm, or on the FAS website at: www.fas.usda.gov.

The Hotel/Restaurant Institutions (HRI) sector in France usually uses the services of wholesalers or processed food buyers, and the well developped 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 on the above website.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

Significant market opportunities for consumer food/edible fishery products exist 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 and kosher foods which have seen growing demand. 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 which the Office of Agricultural Affairs considers "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**
Commodity Code Number: HS Code: 03 (in million dollars)

	2000	2001 (Jan-Dec)	2002
A. Total Market Size	3,109	3,275	3,151 (E)
B. Local Production	1,241	1,240	1,240 (E)
C. Total Exports	1,075	996	1,053
D. Total Imports	2,943	3.031	3,151
E. Total Imports from U.S	105	113	141
F. Exchange Rate: USD 1.00 =	Euros 1.084	Euros 1.116	Euros 1.057

Source: French Customs/SCEES - French Ministry of Agriculture
(E): Estimated

Comments: France is a net importer and growing market for seafood and the United States is one of the top ten leading suppliers to France. U.S. seafood shipped to France consists mainly of dogfish, monkfish, lobster, salmon, and surimi base. Fish and seafood products selling the best in France are fish fillets and ready-to-eat seafood products. French demand for surimi, lobster, scallops and fresh packed fish is increasing and offers potential niche market opportunities.

In 2001, France produced 402,983 MT of seafood (latest data available) (wild catch plus aquaculture), the domestic supply cannot keep up with the growing demand. Despite tough competition from EU countries, China and Chile, the U.S. seafood sector is in an excellent position to export to the French market; however, only seafood processed in an EU-certified establishment is allowed to enter the EU market and France. Fish exports to France must be free of a prohibited additive called sodium tri-phosphate.

2. Name of Best Prospect: **PROCESSED FRUITS AND VEGETABLES, INCLUDING FRUIT JUICES**
Commodity Code Number: HS Code: 20 (in million dollars)

	2000	2001 (Jan-Dec)	2002
A. Total Market Size	6,146	8,308	6,083
B. Local Production	5,262	7,706	5,345
C. Total Exports	790	784	808
D. Total Imports	1,674	1,386	1,546
E. Total Imports from U.S.	102	33	33
F. Exchange Rate: USD 1.00 =	Euros 1.084	Euros: 1.116	Euros: 1.057

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 a per capita consumption for fruit juices estimated to
20 liters a 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. As per French Customs statistics, in 2002, French imports of fruit juices totaled about 580 million Euros ($549 million). Imports from the United States mostly consist of fresh and frozen orange and grapefruit juices and amounted to 35 million Euros ($33 million) in 2002. Competition 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**
Commodity Code Number: HS Codes: 22.01 to 22.06 and 22.07+22.08 (in million dollars)

	2000	2001 (Jan-Dec)	2002
A. Total Market Size	8,326	7,554	9,233
B. Local Production	14,897	13,799	16,215
C. Total Exports	8,090	7,857	8,776
D. Total Imports	1,519	1,612	1,794
E. Total Imports from U.S.	41	43	57

F. Exchange Rate: USD 1.00 = Euros 1.084 Euros: 1.116 Euros: 1.057
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: In 2002. French imports of U.S. wine totaled 16 million Euros ($15 million), representing 3.4 percent of total French wine imports in value. Most American wines sold in France are bulk wines. U.S. wines in France face strong competition from France's leading suppliers (Italy, Spain, Greece), as well as from new world countries 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 restaurants in France.

The French are also significant consumers of spirits. In 2002, U.S. spirits imports in France were valued at 42 million Euros ($40 million) representing seven percent of total French spirits imports estimated at 628 million Euros ($594 million).

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

Currently, the French beer industry consists of 24 breweries with two American brewers present in the French market: Anheuser-Bush and Miller. The French beer market is valued at 1,215 million Euros ($1,149 million), representing about 16 percent of total alcoholic and non-alcoholic beverage sales and two percent of total food and beverage sales in France. Annual per capita consumption of beer in France is estimated at 39 liters.

4. Name of Best Prospect: **FRESH AND DRIED FRUITS, INCLUDING NUTS**
Commodity Code Number: HS 08 (in million dollars)

	2000	2001 (Jan-Dec)	2002
A. Total Market Size	3,262	3,307	3,281
B. Local Production	2,430	2,380	2,404
C. Total Exports	1,141	1,307	1,506
D. Total Imports	1,973	2,234	2,383
E. Total Imports from U.S.	88	87	115

F. Exchange Rate: USD 1.00 = Euros 1.084 Euros: 1.116 Euros: 1.057
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Off-season and extended-season sales, as well as years of short French fruit crops, represent the best opportunities for U.S. suppliers. France is one of the most important markets for U.S. grapefruit (mostly from Florida), valued at 35 million Euros ($33 million) in 2002, representing 29 percent of total French imports. France also imports apples and pears (in short crops). There is also a niche market for berries, cherries and tangerines. In 2002, U.S. fresh fruit exports to France were valued at 37 million Euros ($35 million).

The snack and nut product niche market is important for U.S. exporters, who can profit from promoting their products as healthy and high-quality. 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 as the French now snack between meals. Although France is a significant grower of walnuts, French import demand is primarily determined by the size of the domestic production. The United States remains France's leading supplier of in-shell walnuts whereas Moldova and China provided the bulk of shelled imports.

5. Name of Best Prospect: **FRESH AND DRIED VEGETABLES**
Commodity Code Number: Hs Code: 07 (in million dollars)

	2000	2001 (Jan-Dec)	2002
A. Total Market Size	5,845	5,880	5,940
B. Local Production	5,570	5,590	5,646
C. Total Exports	749	1,174	1,358
D. Total Imports	1,024	1,464	1,652
E. Total Imports from U.S.	23	20	18
F. Exchange Rate: USD 1.00 =	Euros: 1.084	Euros: 1.116	Euros: 1.057

Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Opportunities in this market are for U.S. fresh vegetables of superior quality and produced off-season (i.e., from November through February, depending on the Spanish crops and U.S. prices). There are niche market opportunities for asparagus, eggplant, zucchini, sweet peppers and iceberg lettuce. Opportunities for U.S. exports of carrots (March/April), cucumbers (November/December), and celery in various months are dependent on the availability of EU supplies.

Opportunities for U.S. tomatoes and cauliflowers are very limited due to strong competition from Morocco and EU countries, mostly Belgium and Spain. Also, trends and increased consumption indicate 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**
Commodity Code Number: HS Code: 02 (in million dollars)

	2000	2001 (Jan-Dec)	2002
A. Total Market Size	6,266	6,476	7,812
B. Local Production	6,550	6,590	7,938
C. Total Exports	2,876	2,534	2,586
D. Total Imports	2,592	2,420	2,460

E. Total Imports from U.S.	19	24	16

F. Exchange Rate: USD 1.00 =Euros: 1.084 Euros: 1.116 Euros: 1.057
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Opportunities in this market are rather limited given the import quota on meat and stringent EU regulations in regard to hormone free beef. Most meat imports from the United States are horsemeat which were valued at $12 million in 2002, while beef imports amounted to $400,000. Bison meat is getting more and more popular in France; most of French imports originate from Canada, but there might be opportunities there for U.S. products.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

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.amb-usa.fr/fas/fas.htm

For more information on exporting U.S. food products to France, visit our homepage. The OAA homepage includes information on the HRI and Retail food sector, Food and Agricultural Import Regulations and Standards, product briefs on the market potential for U.S. products, upcoming promotional trade shows and fairs in France. Importer lists are available from our office to exporters of U.S. food products.

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service home page: http://www.fas.usda.gov

APPENDIX A
FOOD AND AGRICULTURAL TRADE SHOWS IN FRANCE
In Calendar Year 2004

For Trade Shows in Calendar Year 2005, please visit FAS/Paris Homepage at: www.amb-usa.fr/fas/fas.htm

INTERSUC & SALON DE LA BOULANGERIE — International Chocolate, Sugar & Bakery Trade Show
February 1-4, 2004
Paris- Porte de Versailles
Organizer: Lafayette Developpement - Alain Urbain
Tel: (33-1) 42 85 1820
Fax: (33-1) 40 16 0145
Email: intersuc@aol.com
Annual Show

TEXWORLD — International Textile Manufacturers
February 24-27, 2004
CNIT - Paris La Défense
Organizer: Messe Frankfrut France S.A.S.
Tel: (33-1) 55 26 8989
Fax: (33-1) 40 35 0900
Email: texworld@france.messefrankfurt.com
Internet: www.texworld.messefrankfurt.com

PREMIERE VISION — International Textile & Clothing Show
February 25-28, 2004
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision le Salon
Tel: (33-4) 72 60 6500
Fax: (33-4) 72 60 6500
Email: info@premierevision.fr
Internet: www.premierevision.fr

SALON INTERNATIONAL DE L'AGRICULTURE — International Agricultural Show
Paris Porte de Versailles
February 28-March 7, 2004
Organizer: Comite des Expositions de Paris
Tel: (33-1) 49 09 6000
Fax: (33-1) 49 09 6158
E-mail: agriculture@comite-expo-paris.asso.fr
Internet: http://www.comite-expo-paris-asso.fr
Annual Show

SIREST 2004 — International Restaurant & Catering
Paris - Porte de Versailles
March 14-17, 2004
Organizer: SEPELCOM
Tel: (33-4) 72 22 3241
Fax: (33-4) 72 22 3218
Email: svbenchaboune@sepelcom.com
Internet: www.sirest.com
Biennial Show

SALON DES MARQUES DE DISTRIBUTEURS
ALIMENTAIRES - MDD RENCONTRES — International Private Label Show for foods
March 30-31, 2004
Parc des Expositions Pte de Versailles/Paris
Organizer: JANGIL
Tel: (33-5) 53 36 7878
Fax: (33-5) 53 36 7879
Email: jangil@wanadoo.fr
Internet: www.jangil.fr

FOIRE INTERNATIONALE DE PARIS — International Food, Beverages & Tourism Fair
Paris Porte de Versailles
April 29-May 9, 2004
Organizer: Comite des Expositions de Paris
Tel: (33-1) 49 09 6000
Fax: (33-1) 49 09 6003
E-Mail: info@comite.expo.paris.asso.fr
Internet: www.foiredeparis.fr
Annual Fair

LE CUIR A PARIS — International Leather Products Show
Paris/Porte de Versailles
April 15-16, 2004
Organizer: Sic SA
Tel: (33-1) 43 59 0569
Fax: (33-1) 43 59 3002
Email: contactsic@sicgroup.com
Internet: www.lecuiraparis.com
Held twice a year (every six months)

CARREFOUR INTERNATIONAL DU BOIS — International Timber Show

Parc des Expositions - Nantes
June 2-4, 2004
Organizer: Carrefour International du Bois
Tel: (33-2) 40 73 0168
Fax: (33-2) 40 73 0301
Email: info@timbershow.com
Internet: www.timbershow.com
Biennual Trade Show

WORLD ETHNIC FOOD & SPECIALTY SHOW — International Ethnic & Specialty Foods

Porte de Versailles, Paris
June 15-16, 2004
Organizer: Algodoal
Tel: (33-1) 45 23 8111
Fax: (33-1) 45 23 8120
E-mail: ethnicfoodmail@aol.com
Internet: www.ethnicfoodshow.com
Annual Show

LE CUIR A PARIS — International Leather Products Show

Paris/Porte de Versailles
September 13-15, 2004
Organizer: Sic SA
Tel: (33-1) 43 59 0569
Fax: (33-1) 43 59 3002
Email: contactsic@sicgroup.com
Internet: www.lecuiraparis.com
Held twice a year (every six months)

SALON DE LA PRODUCTION ANIMALE — International Livestock Production Show

Carrefour Europeen - Rennes
September 14-17, 2004
Organizer: SPACE
Tel: (33-2) 99 67 1020
Fax: (33-2) 99 67 7845
Internet: www.space.fr
Annual Show

TEXWORLD
International Textile Manufacturers
September, 2004
CNIT - Paris La Défense
Organizer: Messe Frankfrut France S.A.S.
Tel: (33-1) 55 26 8989
Fax: (33-1) 40 35 0900
Email: texworld@france.messefrankfurt.com
Internet: www.texworld.messefrankfurt.com

PREMIERE VISION
International Textile & Clothing Show
September 21-24, 2004
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision le Salon
Tel: (33-4) 72 60 6500
Fax: (33-4) 72 60 6500
Email: info@premierevision.fr
Internet: www.premierevision.fr

SIAL 2004
International Food Products Show
Paris-Nord Villepinte
October 17-21, 2004
(FAS/Washington sponsorizes an American Food Pavilion)
Organizer: IMEX Management Inc.
Tel: (704) 365 0041
Fax: (704) 365 8426
Internet: http://www.sial.fr - Biennial Show
Email: exposium@imexmg.com

APPENDIX B

U.S. BASED STATE REGIONAL TRADE GROUPS

FOOD EXPORT USA - NORTHEAST
Public Ledger Building, Suite 1036
150 South Independence Mall West
Philadelphia, PA 19106-3410
Tel: (215) 829 9111/Fax: (215) 829 9777
E-Mail: Eusafec@foodexportusa.org
Contact: Tim Hamilton, Executive Director

MID-AMERICA INTERNATIONAL AGRI-TRADE COUNCIL (MIATCO)
309 W. Washington Suite 600
Chicago, Illinois 60606-3217
Tel: (312) 944-3030/Fax: (312) 944-1144
E-Mail: thamilton@miatco.org
Contact: Tim Hamilton, Executive Director

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
Contact: James Ake, Executive Director

WESTERN U.S. AGRICULTURAL TRADE ASSOCIATION (WUSATA)
2500 Main Street, Suite 110
Vancouver, WA 98660-2967
Tel: (360) 693 3373/Fax: (360) 693 3464
E-Mail: export@wusata.org
Contact: Andy Anderson, Executive Director

APPENDIX C

FRENCH GOVERNMENT AGENCIES

Agency responsible for French label/product ingredient regulations:

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

For information on duties, taxes, and documentation:

Centre de Renseignements Douaniers
84, rue d'Hauteville
75010 Paris
Tel: (33-1) 53 24 6818/Fax: (33-1) 53 24 6830
Email: dgdddicrt01@calva.net

STATISTICS

A. KEY TRADE AND DEMOGRAPHIC INFORMATION FOR 2002

_AgImports from All Countries (1)	$29,393 million
U.S. Market Share (1)	3.0 percent
Consumer Food Imports from All Countries (1)	$16,814 million
U.S. Market Share (1)	2.0 percent
Edible Fishery Imports from All Countries (1)	$3,154 million
U.S. Market Share (1)	4.0 percent
Total Population/Annual Growth Rate (2)	61.4 million - Growth rate annual: 0.5%
Urban Population /Annual Growth Rate (3)	48 million - Annual Growth rate: N/A
Number of Metropolitan Areas (4)	4
Size of the Middle Class (5)	85 percent of total population
Per Capita Gross Domestic Product	$23,496
Unemployment Rate	9.0 percent
Percent of Female Population Employed (6)	49 percent
Exchange Rate: US$1 = EURO 1.057	

Footnotes:
(1) United Nations Statistical Data
(2) Preliminary figures
(3) 1999 Population census
(4) Population in excess of 1,000,000
(5) This notion doesn't exist as such in France. However, if you define the middle class by excluding the poorest and the wealthiest, the middle class represent 85% of the population
(6) Percent against total number of women (15 years old or above)

France Imports (In Millions of Dollars)	**Imports from the World**			**Imports from the U.S.**			**U.S Market Share**		
	2000	**2001**	**2002**	**2000**	**2001**	**2002**	**2000**	**2001**	**2002**
CONSUMER-ORIENTED AGRICULTURAL TOTAL	15978	18611	16814	329	336	312	2	2	2
Snack Foods (Excl. Nuts)	1,372	1,576	1,489	3	3	3	0	0	0
Breakfast Cereals & Pancake Mix	173	212	199	1	1	1	0	0	0
Red Meats, Fresh/Chilled/Frozen	2,168	2,229	1,927	19	28	15	1	1	1
Red Meats, Prepared/Preserved	421	551	474	1	1	1	0	0	0
Poultry Meat	253	351	274	1	1	1	0	0	0
Dairy Products (Excl. Cheese)	1,428	1,676	1,284	1	2	1	0	0	0
Cheese	654	787	678	1	1	0	0	0	0
Eggs & Products	90	111	102	4	9	5	5	8	5
Fresh Fruit	1,755	2,188	1,934	28	34	35	2	2	2
Fresh Vegetables	1,047	1,303	1,240	2	2	2	0	0	0
Processed Fruit & Vegetables	1,611	1,883	1,779	28	33	29	2	2	2
Fruit & Vegetable Juices	602	560	548	85	38	33	14	7	6
Tree Nuts	233	280	257	60	68	78	26	24	31
Wine & Beer	709	844	731	12	15	16	2	2	2
Nursery Products & Cut Flowers	853	952	909	2	2	1	0	0	0
Pet Foods (Dog & Cat Food)	154	160	159	8	5	5	5	3	3
Other Consumer-Oriented Products	2,454	2,947	2,830	76	96	88	3	3	3
FISH & SEAFOOD PRODUCTS	2,994	3,618	3,154	107	136	141	4	4	4
Salmon	380	378	327	16	19	11	4	5	3
Surimi	48	58	54	15	18	23	30	31	43
Crustaceans	848	998	856	33	32	26	4	3	3
Groundfish & Flatfish	716	899	736	25	42	52	3	5	7
Molluscs	250	339	283	7	14	15	3	4	5
Other Fishery Products	752	946	898	13	11	14	2	1	2
AGRICULTURAL PRODUCTS TOTAL	22,614	26,372	23,857	645	683	621	3	3	3
AGRICULTURAL, FISH & FORESTRY TOTAL	28,096	32,827	29,393	837	904	821	3	3	3

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

C. TOP FRENCH 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY

CONSUMER-ORIENTED AGRICULTURAL TOTAL

$1,000	2000	2001	2002
United States	329079	336116	311641
Spain	2368809	2943851	2740519
Netherlands	2367729	2576193	2444441
Belgium	2276732	2714099	2380865
Germany	2077368	2540969	2284032
Italy	1501367	1749866	1662425
United Kingdom	871724	761893	722049
Morocco	349577	413133	426457
Ireland	464469	475389	346884
Denmark	325526	402468	316154
Switzerland	224891	262861	265312
New Zealand	161427	214294	233716
Portugal	177749	217417	188896
Cote d'Ivoire	180686	251187	188360
Israel	178677	209789	162771
Other	2122244	2541407	2139974
World	15978107	18611155	16814278

FISH & SEAFOOD PRODUCTS

$1,000	2000	2001	2002
United States	107443	135753	140909
United Kingdom	360628	420666	347160
Norway	298493	278388	239356
Spain	208412	237425	215796
Netherlands	161513	204865	185281
Denmark	154990	190924	156801
Madagascar	84798	127149	130905
Cote d'Ivoire	95350	97109	114369
Ireland	79525	124513	108631
Germany	84401	102476	108143
Belgium	86826	108525	98699
Iceland	87294	96327	91220
Senegal	62831	75769	68039
Chile	56537	71771	61115
Morocco	51889	66885	59748
Other	1013389	1279009	1027987
World	2994331	3617623	3154103

Source: United Nations Statistics Division