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France

Organic Products

Organic Food Report

2005

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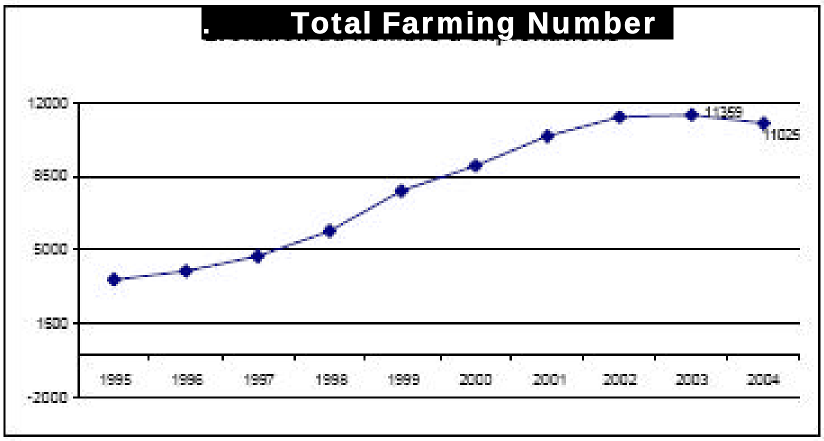
Report Highlights:
Trade in organic products in France is valued at almost $2 billion dollars and imports from non-EU countries continue to increase. The strongest demand is for animal forage, fresh fruits & vegetables, dairy products, soy-based products, processed vegetable products, muesli, oil and beverages, and food complements.

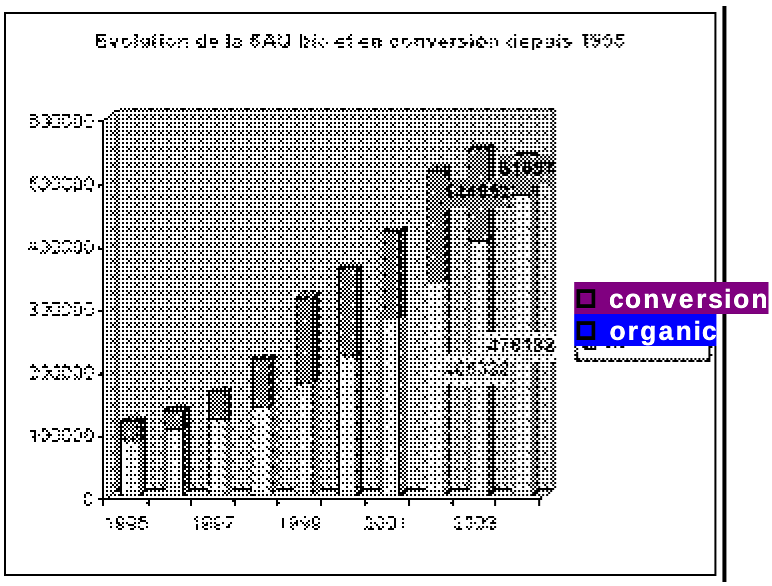
Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Paris [FR1]
[FR]

PRODUCTION

From 1994-2004, the organic farming sector in France demonstrated consistent growth. During this period, the number of organic farms increased 300% and crops under organic cultivation increased 500%. Currently, though, the growth in organic farms has stabilized in terms of both total number of farms and conversion of land into organic farming. Recent data published by Agence Bio (French Organic Federation) shows that approximately 61,000 hectares were converted to organic. In 2004 overall, organic planted area dropped by 3% compared to 2003, falling from 550,000 hectares to 540,000 hectares.



Evolution of the organic land and crops in conversion process since 1995



Organic Commodities

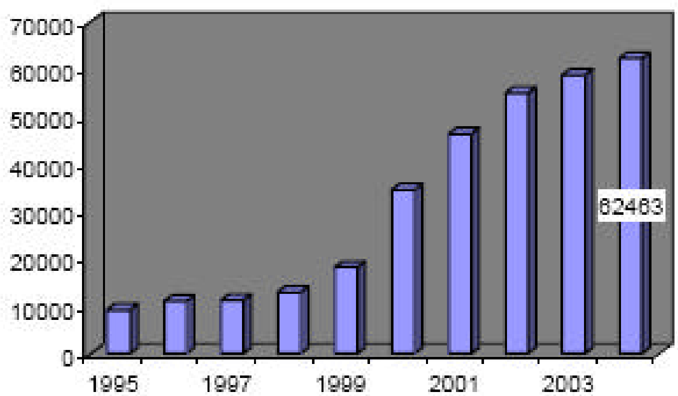
Organic Grains

Organic grains continued to be a favorite crop of organic farmers in 2004 with 87,667 hectares in organic production and conversion to organic (please refer to page 9) reflecting a rise of 7% from 2003.

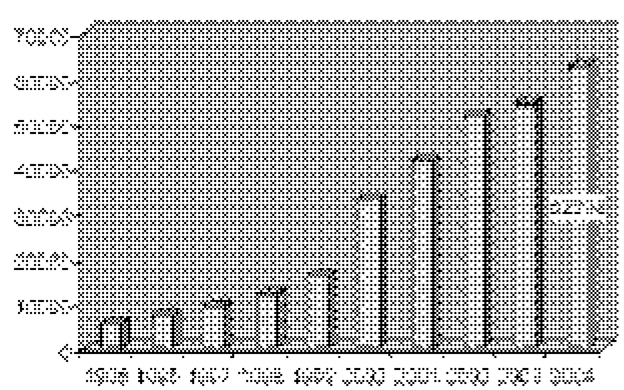
Organic Livestock

Organic production of bovine and ovine livestock continues to expand. At the end of 2004, there were over 60,000 organic dairy cows, a 50% increase from four years ago and roughly the same number of organic veal calves, a 15% increase from 2003.

Number of Organic Dairy Cows

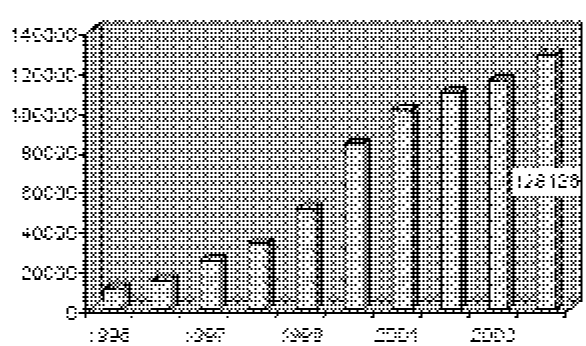


Number of Organic Cows for Veal



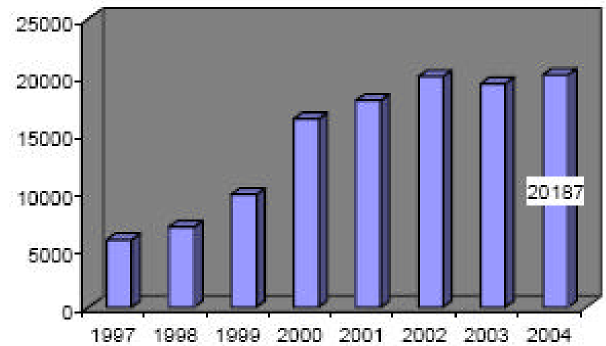
Production of organic ewes has risen 11% since 2003.

Ovine Livestock



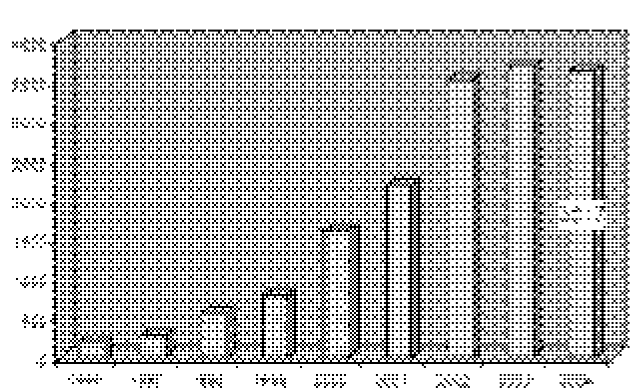
Goat breeding increased 4% in comparison with 2003, with over 20,000 organic goats.

Number of Organic Goats



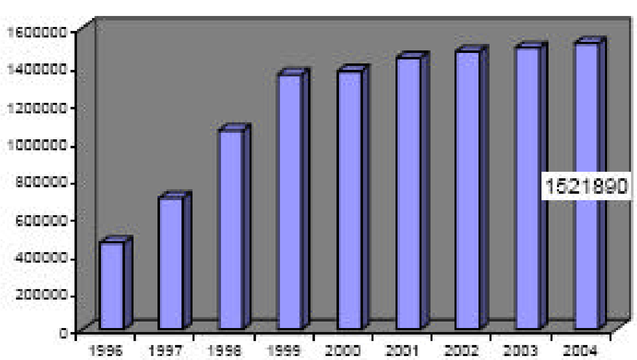
Production numbers of organic swine remained stable in 2004.

Organic Reproductive Sows

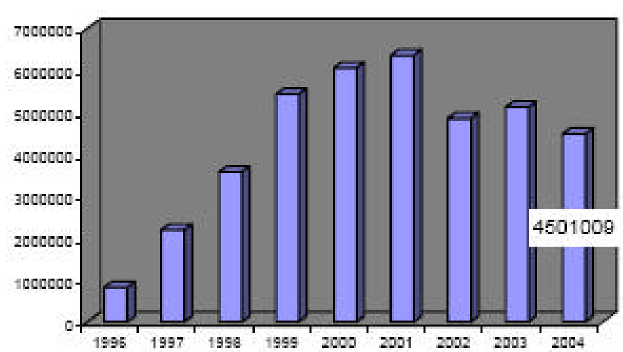


The number of laying hens was also stable in 2004 with 1.5 million in production. However, the number of birds raised for organic meat dropped 13% in 2004 due to previous over-production.

Organic Laying Hens

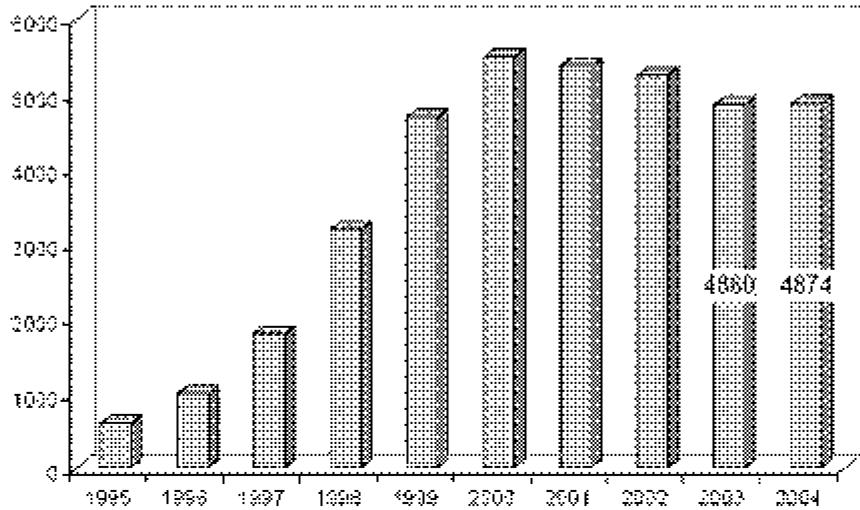


Organic Poultry



Organic Processors

In 2004, the number of organic processors was virtually the same in 2003. More than 40% of organic processors operate in the bakery area.



CONSUMPTION

Many French consumers favor organic products, finding their health and environmental benefits attractive, and that buying these products is consistent with their views on animal welfare. According to statistics published by the Agence Bio (French Organic Association) 44% of French consumers have eaten an organic product in the past year (against 37% in 2003). The best selling organic products are found within the categories of fruits, vegetables, eggs and bread.

The top brands in France are:

	Line of products		
	Fresh	Dry	Non-Food
Top Brands	Biogram, Bioverde, lima, Euronat Biochamp, Soy promavel	Celnat, Lima, Markal, Bonneterre, Priméal, La Vie Claire, Soy, Rapunzel, Danival	Annemarie Börlind, Dr. Hauschka, Melvita, Logona, Weleda, Bional, Super Diet, Vogel, Salus[1]

Outlook for Organic Market in France

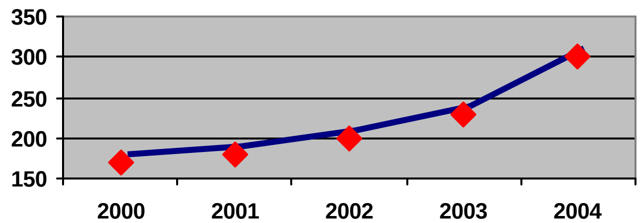
Distributors of organic products in France are optimistic about the possibilities in this market. Shop owners believe that dry products, frozen foods and prepared meals have good market potential. Organic biscuits, introduced as a new product in 2004, are showing strong sales. Food complements, a new sector of in-store products, are also rising in consumption and many stores have begun integrating these products into their inventory. Dairy products, one of the best selling products in the organic sector are, however, starting to show signs of saturation. Organic meat and delicatessen products have failed to produce robust sales, while organic animal forage products are experiencing strong demand.

[1] Also includes cosmetic products and cleaning products.

TRADE

Organic imports from third countries (any non-EU country), are not allowed entry to France without authorization from the French Ministry of Agriculture. In 2004, 104 third-country companies requested authorization to export organic products to France. The number of requests from non-EU countries has doubled in six years: 170 requests in 2000 and 300 in 2004. Morocco, Madagascar, Turkey, Sri Lanka, Brazil and Tunisia applied for fifty percent of these import permits. The United States, from a high of 8.1 percent in 2001, applied for 2.8 percent of the total import authorizations in 2004. Some third countries, including Argentina, Australia, Costa Rica, Israel, New Zealand and Switzerland, have bilateral agreements with France that allow importation without specific authorization. Unfortunately there is no official records for the value of the imports.

Growth of Request to Import from Third Countries



POLICY

Importing from third countries (including from the U.S.A.)

Third country products are deemed organic when the European Commission approves the country of origin as maintaining an equivalent system of rules governing organic production and processing. Imported products must also come with an original control certificate from the appropriate service of the third country.

Organic plant products from an unapproved third country must obtain approval for import by providing to the competent Ministry in the country of origin proof of equivalent production rules and methods and effectiveness of the controls. The certifying Ministry will transmit the file for decision to the French Ministry of Agriculture and Fisheries and to the French Ministry for Economic Affairs and Finance.

An imported organic product authorized in an EU member country may freely circulate in the European Union. However, the European Union can demand product withdrawal after reviewing the product file or after a reasoned request from a Member State.

Importers must be controlled by an approved certifying organization and must notify the DDAF (Department Division of Agriculture and Forestry) of their importing business.

Identification - How are organic products identified?

The labeling and advertising of organic products is subject to detailed rules governed by the percentage of organic ingredients in the products.

(1) Over 95 Percent Organic: Unprocessed organic plant or animal agricultural products and processed products containing more than 95 percent organic ingredients.

These products can mention "organic production" as the farming method and may display the terms customary to each Member State in the European Union.

Controlled organic agricultural products whose raw materials were harvested and processed in the European Union may display the following compliant label: "Organic farming – EEC Control System" and/or the European organic logo. This labeling is optional but, if used, the label must be printed as follows:

"Organic Farming-
EEC Control System"
Name of the certifying organization
Name/or company name
Of the producer,
Processor, or seller

(2) Over 70 Percent Organic: Processed products with at least 70 percent of organically grown agricultural ingredients.

These products cannot use "organic farming" in their trade name. However, the sentence "X percent of the agricultural ingredients were grown in compliance with organic farming methods" must appear within the same visual field as the trade name but in a separate part. The entries referring to organic farming must be on the list of ingredients and clearly pertain only to the relevant ingredients.

(3)Less than 70 Percent Organic: Processed products containing less than 70 percent of organic agricultural ingredients may not use the description "organic" on the label.

(4) Products Under Conversion to Organic Farming: Controlled products whose raw materials are from farms converting to organic farming for at least one year before the harvest.

Unprocessed agricultural plant products and foodstuffs with a single agricultural ingredient may display labeling with 'product under conversion to organic farming', at time of sale. Converted products may not be used as ingredients in processed products with several organically grown ingredients.

How to obtain Organic Status?

Farmers must notify the Department Division of Agriculture and Forestry (DDAF) of their activity before they are allowed to use 'organic' in reference to their production method (on labels, advertising, and invoices). This provision also applies to all operators who process, pack, preserve, or import organic products from third countries (outside the European Union). Notification is submitted with an official form, circulated yearly.
All products seeking 'organic product' approval must be inspected and certified by an officially approved organization in France before being marketed. Presently, six private organizations, Ecocert, Qualite France, Ulase, Agrocert, Certipaq and Aclave, are officially approved to inspect organic products and deliver "agriculture biologique" (organic farming) certification. These organizations must comply with standards of independence, impartiality, efficiency, and proficiency as defined in Community regulations and in the provisions of European standard EN 45011 pertaining to organizations in charge of product certification. Organic products inspected in European Union countries by an appointed authority or by an

approved inspection organization are deemed compliant with regulations. Accordingly, they may be marketed as such. Alternatively, they can be used as raw materials.

Distribution – How should organic products be packed and transported?

Agricultural products and foodstuffs from organic farming must travel in sealed packaging and/or containers to prevent content substitution during transportation. Packaging must be labeled with the following information:

The name and address
Of the producer,
Processor, or importer (*)
The name of the product
Organic product

(*) Where appropriate the name of the seller. In this case, a statement clearly identifying the producer, processor or importer must also be included. Sealed packaging or containers must be used for transportation from third countries. The packages and containers must bear labels identifying the exporter, and display any stamps and numbers for batch identification so it can be matched against the inspection certificate. Upon delivery, the consignee must check the packaging seals, the prescribed information on the label, and enter the result of the check in the bookkeeping documents of the delivered products. Notwithstanding the above requirements, packaging or containers do not have to be sealed when transportation is between a producer and an operator who are both subject to inspection procedures. The products contain a document providing the above-mentioned information.

Regulations:

Main Community texts governing organic farming
1.(EEC) Council Amended regulation no. 2092/9, June 24, 1991 (EEC OJ, July 22,1991)
Governing organic farming methods for agricultural products and the presentation of agricultural products and foodstuffs.

2. (EEC) Council Regulation no. 1804/1999, July 19, 1999 (EEC OJ, August 24, 2000)
Amending (EEC) regulation no. 2092/91, to include animal products.

3. (EEC) Commission Regulation no. 1788/2001 of September 7, 2001 (EEC OJ, September 9, 2001)
Detailing the implementing rules of the provisions pertaining to the control certificate for imports from third countries.

In addition you can get the latest information on the legislation and on the import regulations on the following website: http://www.useu.be/agri/organic.html

Government Support:

France was one of the first European countries to introduce and develop organic agriculture, and in February 2004, the French Ministry of Agriculture announced new measures to support the organic sector: Each agricultural sector must create an "organic agriculture" section in order to convert conventional farmers to the organic sector. The government will spend 4.5 million euros over the next three years to enhance consumers' knowledge of the organic sector and 50 million euros over five years to support the conversion from traditional to organic farming.

MARKETING

Distribution channels:

Although supermarkets have served as the primary distribution outlet for organic products, French consumers are increasingly interested in buying their products in specialized outlets. (21% in 2003 to 28% in 2004) Organic outlets are somewhat new in France and their numbers increased 8 percent in 2004 alone. These outlets may sell as many as 4,000 to 8,000 products compared to supermarkets, which sell an average of 150 to 200 organic products. Despite a less than robust economic situation in France almost 65% of the outlets had sales increases of 13% in 2004.

According to a 2004 study, there were approximately 2,500 outlets selling organic products in France with an estimated annual sales value of 1.8 billion USD, employing 5,480 workers. More than half of these stores are 'organic outlets', approximately 20% are 'organic mini-markets' and one outlet in six specializes in health-dietetic products. In the category 'others' are farmers who sell direct to the consumers and provide a comparable choice of products as an organic outlet, itinerant salesmen and producers' associations.

	Sales (2004, in $)	Sales per sqm? from outlet area ($)	Number of people working in the outlet
Organic Store	632,500	7,200	1.9
Dietetic Store	732,500	10,000	1.6
Organic Mini-Market	988,750	7,500	3.4
Others	191,200	2,500	2.4
Total	705,000	7,500	2.2

	Type of outlet (in %)	Size (average, in m?)
Organic Outlet	55	105
Dietetic Outlet	17	77
Organic Mini-market	20	184
Others	8	77
Total	100	114

The comparison between the French market and the German one is not very different as shown in the table below. U.S. companies should not only focus on the German market in Europe but also the French market.

Characteristics	France	Germany
Number of organic outlets	2,500	2,100
Outlet Average Size	113 m?	126 m?
Turnover/Outlets	$ 664,000	$ 580,000
Growth 2003/2004	+ 12%	+ 8%
Employee/Outlets	1.2 employees	2.1 employees
Outlets whose turnover grew in 2004	65%	57%
Outlets with growth >10%	41%	32%
Total turnover for the Organic Market in 2003	2.1 billion USD	3.8 billion USD
Market share for organic product inside the food market	1.3%	2.4%

Processors are an important player in the organic sector as they buy both organic ingredients and finished products. Wholesalers are in a weak position because of the high margins they must maintain in order to procure goods from a large number of small producers and distribute these goods to small retail outlets. Some wholesalers import directly from supply retail outlets.

In France, 42 specialized importers sell only through processors or wholesalers because they do not have the marketing capacity to reach retailers. To avoid this situation, growers and retailers form their own delivery groups. Similarly, retailers form their own buying groups. Many individual growers are limited by their small sizes from meeting wholesaler requirements.

The best way for a U.S. exporter to penetrate the French market is to deal through an importer or distributor. U.S. companies with branded organic foods may advertise through trade shows and specialized magazines. They may contact FAS/Paris for a list of specialized trade shows and magazines.

Retailer Name & Outlet Type	Total Sales (in $)	Number of Outlets	Locations	Purchasing Agent Type
Carrefour *supermarket*	112.4 B	6587 (1527 in France)	France, Europe, South America, Asia	Direct
Auchan *supermarket*	47.8 B	939	France, Europe, Asia	Direct
Casino *supermarket*	43.4 B	9062	Europe, Asia, America	Importer/broker
Cora *supermarket*	12.4 B	513	Europe	Importer/broker
Leclerc *supermarket*	33.8 B	533	Europe	Importer/broker
Monoprix/Prisunic *supermarket*	4.6 B	261	France	Importer/broker
Dame Nature/ La Vie Claire *Specialized store*				Direct/importer/broker
Biocoop *Specialized store*	210 M	237	France, Spain, Portugal	Direct/wholesalers
Naturalia *Specialized store*	N/A	26	Paris area	Direct/importer/broker

Most of the supermarket chains have their own organic food label, carrying an array of products from dry foods to dairy products to meat and to fresh produce. Some retail outlets have positioned themselves as exclusive sellers of organic products.

Food ingredients

Processors buy food ingredients directly from the manufacturers. The best way for a U.S. exporter to penetrate the French market is to deal through local importer/distributors, as local representation and personal contacts are essential entry factors. Also of importance is the U.S. manufacturers/suppliers of organic food ingredients participation at trade food shows such as the Food Ingredient Show (FIE), Health Ingredient Show (HIE), the dietetic/organic trade show (NATEXPO), and the International Food Show (SIAL). French food processing industry players attend these shows. For information on trade shows contact FAS/Paris.

The organic food-processing sector has traditionally consisted of small and medium-sized artisan enterprises with one to two specialty products that sell locally. Large agri-food companies are investing in organic foods under their own label and launching these brands nationwide.

Company (Product type)	Turnover In $	End-Use Channels	Brands	Production location
Nutrition et Santé (Cereals products, crisp, breads, biscuits, slimming products, sport & energy drinks, and soy foods)	236,000	Retail & food service	Gerblé, Nergisport, Milical, Isostar, Céréal, Wasa, Ovomaltine, Buribel, Vitaflor	France (part of Novartis)
Distriborg (bread, biscuits, cereal bars, muesli, dried beans, prepared dishes and vegburgers)	323,000	Retail & food service	Bjorg, Bonneterre, Evernat	France (Also in U.K., Belgium, Spain and Italy)
Danone (Dairy products, cookies, cereals, baby food)	2,250,000	Retail & food service	Gaylord Hauser & Biovivre	France
Le Goût de la Vie (Frozen, dry and refrigerated organic products, cereal products, fruit preserves & vegetable ready-meals)	50,000	Retail & food service	Le Goût de la Vie, Favrichon, Drosain, Liora	France (Subsidiaries in Belgium, Italy, U.K. and Spain)

Food Service Products

The organic food service sector remains underdeveloped in France. Concerns about pesticides/additives and other food safety issues in France have not converted diners to organic food restaurants. There were about 130 organic food restaurants in France in 2001, located primarily in large cities. Many restaurants are beginning to develop organic dishes to accompany traditional menus. Some municipalities are also beginning to include organic food in the school cafeteria menus.

POST CONTACTS AND FURTHER INFORMATION

Governmental Regulatory Agencies

Labeling and Certification for Organic Products
Direction des Politiques Economique et Internationale (DPEI)
MINISTERE DE L'AGRICULTURE ET DE LA PECHE
251, rue de Vaugirard
75732 Paris Cedex 15
Tel : (33-1) 49 55 49 55/ 80 03
Fax : (33-1) 49 55 59 48
Email : marianne.monod@agriculture.gouv.fr

Bureau C3 – Loyauté
Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes (DGCCRF)
MINISTERE DE L ECONOMIE DES FINANCES ET DE L'INDUSTRIE
59, boulevard Vincent Auriol
75783 Paris Cedex 13
Tel : (33-1) 44 97 33 10
Fax : (33-1) 44 97 30 43

DGAL (Direction Générale de l'Alimentation)
251, rue de Vaugirard
75232 PARIS Cedex 15
Tél : 01 49 55 58 11
Fax : 01 49 55 59 48
Internet : www.agriculture.gouv.fr

Government Offices in charge of organic agriculture and its certification.

Organic Certifying Agencies

ECOCERT
Dr. William Vidal
BP47
32600 L'Isle-Jourdain
Tel: (33-5) 62 07 34 24
Fax : (33-5) 62 07 11 67
Email : info@ecocert.fr
Internet : http://www.ecocert.fr

QUALITE France
Dr. Xavier Douenel
18 rue Volney
75002 Paris
Tel : (33-1) 42 61 58 23
Fax : (33-1) 42 60 51 61
Email : xdouenel@qualite-France.com

ULASE
Place du Champ de Mars
26270 Loriol sur Drome
Tel : (33-4) 75 61 13 00

Fax : (33-4) 75 85 62 12
Email : ulase@free.fr

AGROCERT
4 rue Albert Gary
47200 Marmande
Tel: (33-5) 53 20 93 04
Fax: (33-5) 53 20 92 41
Email : agrocert@wanadoo.fr

CERTIPAQ
Mr. Gallois
9 avenue George V
75008 Paris
Tel : (33-1) 53 57 48 60
Fax : (33-1) 53 57 48 65

ACLAVE
Maison de l'Agriculture
Boulevard Réaumur
85013 La Roche sur Yon
Tel : (33-2) 51 36 83 93
Fax : (33-2) 51 36 84 63
Email : aclave@wanadoo.fr

Organic Trade Association

Agence BIO
Agence Française pour le Développement et la Promotion de l'Agriculture Biologique
6 rue Lavoisier
93100 Montreuil
Tel : (33-1) 48 70 48 30
Fax : (33-1) 48 70 48 45
E-mail : contact@agencebio.org
www.agencebio.org
www.printempsbio.com

SYNADIS (Syndicat National des Distributeurs Spécialisés de Produits Biologiques)
62 rue Fonneuve
35500 Libourne
Tel : (33-5) 57 25 38 14
Fax : (33-5) 57 51 38 14
Email : synadis@wanadoo.fr

FNAB (Fédération Nationale d'Agriculture Biologique)
Vincent Perrot
Email : vperrot@fnab.fr
40, Rue de Malte
75011 PARIS
Tél : 01 43 38 38 69
Fax : 01 43 38 39 70
Email : fnab@fnab.org

http://www.agriculturebio.org/fnab/

GDAB (Groupement de Développement de l'AB)

GDAB Midi-Pyrénées
Le Chateau
31150 BRUGUIERES
Tél : 05 61 82 36 75
Fax : 05 61 82 22 43
Email : gdab_mp@club-internet.fr

FNCIVAM

39 rue de Bretagne
75 003 PARIS
Tél : 01 44 54 27 70
Fax : 01 44 54 27 72
Email : fncivam@globenet.org

Groupe de coordination des CIVAM Bio.
www.civam.org

CIVAM-BIO

FD CIVAM ARIEGE / Midi Pyrénées
Cottes
09240 LA BASTIDE DE SEROU
Tél : 05 61 64 01 60
Fax : 05 61 64 01 60
Email : civambio09@free.fr
Responsables associatifs : WYON Eric
Animateurs : GEORGE Estelle

NATURE ET PROGRES

Siège administratif (France) :
Nature & Progrès
68 Boulevard Gambetta
30700 UZES
tél: 04 66 03 23 40
Fax : 04 66 03 23 41
Email : nature.et.progres@wanadoo.fr

MOUVEMENT DE CULTURE BIO-DYNAMIQUE

5 place de la gare
68000 COLMAR
Tél : 03 89 24 36 41
Fax : 03 89 24 27 41
Email : info@bio-dynamie.org
Association agriculture biodynamique.
www.biodynamie.fr.st

DEMETER

Demeter France
5 place de la gare
F-68000 Colmar
Tél. : 03 89 41 43 95

Fax 03 89 41 49 51

La marque des produits issus de l'agriculture bio-dynamique.
www.biodynamie.fr.st

APCA (Chambres d'Agriculture)

Jacques Pior
9, avenue Georges V
75008 PARIS
Tél : 01 53 57 10 77
Fax : 01 53 57 10 05
Email : accueil@apca.chambagri.fr
paris.apca.chambagri.fr/apca

GRAB (Groupe de Recherche en AB)

Site Agroparc - BP 1222
84911 AVIGNON Cedex 9
Tél : (0033)4 90 84 01 70
Fax : (0033)4 90 84 00 37
Email : secretariat.grab@tiscali.fr
SITE : http://grab.agriculturebio.org

CNRAB (Le Centre National de Ressources en Agriculture Biologique)

ENITA de Clermont-Ferrand
Marmilhat
63370 LEMPDESEPLEA
Tél : 04 73 98 13 15
Fax : 04 73 98 13 98
Email : cnrab@educagri.fr
www.agribio.com

ITAB (Institut Technique de l'Agriculture Biologique)

149, rue de Bercy
75595 PARIS Cedex
Tél. : 01 40 04 50 64
Fax : 01 40 04 50 66
Email : itab@itab.asso.fr

Recherche en agrobiologie.
SITE : www.itab.asso.fr

SETRABIO/BIOCONVERGENCE (syndicat de transformateurs et distributeurs de produits biologiques)

36, rue de Picpus
Bât Les Erables
75012 PARIS
Tél : 01 53 44 79 65
Fax : 01 53 44 79 66

Email : setrab@setrabio.com

Syndicat Européen des Transformateurs et Distributeurs de l'Agriculture Biologique.
SITE : www.setrabio.com

UNADIET (syndicat national des détaillants spécialisés en produits diététiques produits biologiques)
50 rue Pierre Brunier
69300 CALLUIRE
Tél : +33 4 72 07 85 26
Fax : +33 4 72 07 85 14

SNHMD (syndicat national des magasins d'herboristerie / plantes et de diététique)
15 Rue Alsace Lorraine
69001 LYON
Tél : +33 4 78 30 84 35
Fax : +33 4 72 00 89 03

IFOAM (International Federation of Organic Farming)
Structure fédératrice des mouvements d'Agriculture Biologique internationale.
Email : HeadOffice@ifoam.org
SITE : www.ifoam.org

Major Directory of French Organic Food Business

OECP Editions
Publisher of l'Annuaire Vert (Major French directory for the organic sector)
11 rue Saint Amboise
75011 Paris
Tel: (33-1) 47 00 46 46
Fax: (33-1) 47 00 24 91
info@vert-world.com