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# France

# Fishery Products

# Annual

# 2006

**Approved by:**
Elizabeth B. Berry
U.S. Embassy

**Prepared by:**
Marie-Cécile Hénard

**Report Highlights:**
France is a significant market for U.S. seafood but U.S. exports face a number of challenges. In 2005 and during the first half of 2006, U.S. exports of Alaska pollack were hurt by stiff price competition with products from China and Russia. Argentine scallop exports eroded U.S. market share in the first half of 2006. Increased prices for Alaska pollack in 2005 also hurt U.S. exports of surimi base to France. (However, the U.S. remained France's largest supplier of surimi base and French consumption of surimi continued to increase, after more than ten years growth trend). The French salmon smoking industry, which is the largest in Europe, recently announced they will have to increase their final products' prices, based on the significant price increase in world prices for salmon. This is likely to negatively impact domestic consumption of the French favorite finfish.

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

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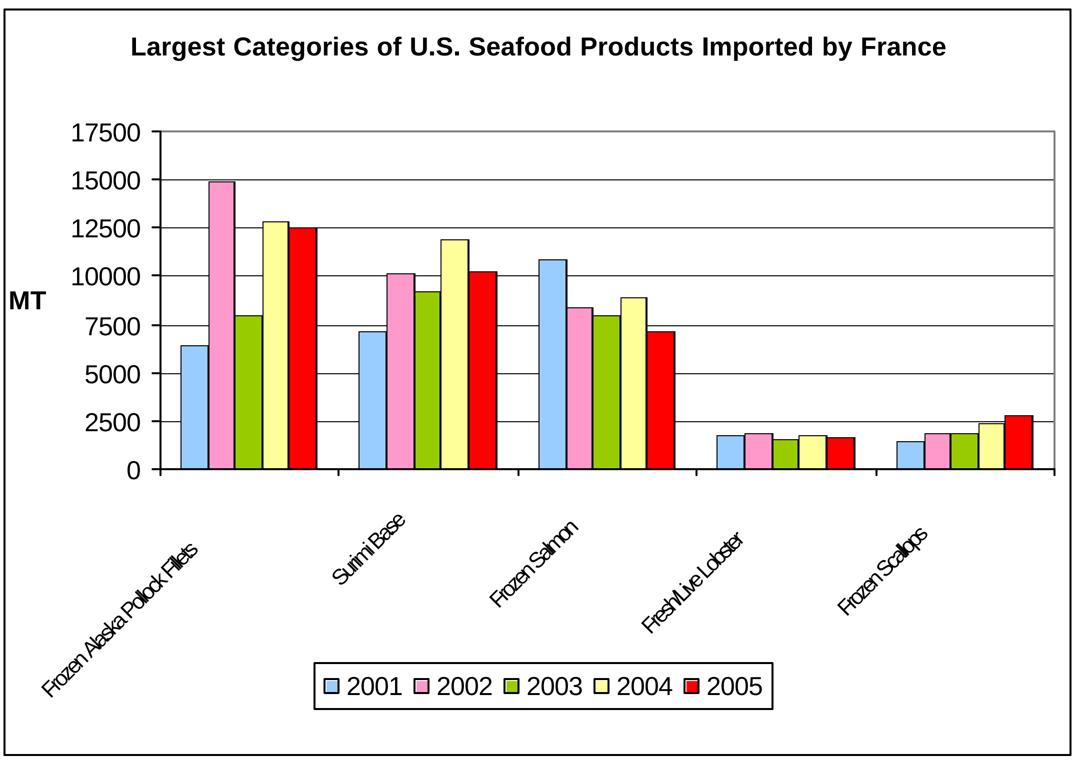
## Executive Summary

France is a significant market for U.S. seafood. In 2005, the main products France imported from the U.S. were frozen Alaska pollack (12,500 MT), frozen surimi base (10,200 MT), frozen salmon (7,100 MT), frozen scallops (3,200 MT) and live lobster (1,950 MT). In 2005 and during the first half of 2006, U.S. exports of Alaska pollack were hurt by stiff price competition with products from China and Russia. Increased prices for Alaska pollack in 2005 also hurt U.S. exports of surimi base to France. However, the U.S. remained France's largest supplier of surimi base and French consumption of surimi continued its ten year growth trend. The French salmon smoking industry, which is the largest in Europe, recently announced that it will increase final product prices due to the significant rise in world salmon prices. This may negatively impact domestic consumption of the France's favorite finfish.

## Situation and Outlook

France is a major import market for seafood because domestic production is significantly lower than demand. In 2005, France's seafood trade deficit was 2.4 billion euros, an increase of 11 percent from 2004. The United States, with a 3.5 percent market share, was France's seventh largest supplier after the United Kingdom, Norway, Spain, Denmark, the Netherlands and Madagascar.

Frozen fillets of Alaska Pollack led U.S seafood exports (by volume) to France in 2005, followed by surimi base and frozen salmon, with a smaller amount of lobster and scallops. During the past five-year period, U.S. Alaska Pollack, surimi base and scallops have increased their penetration into the French market. Over the same period, U.S. live lobster exports to France remained stable and U.S. salmon exports declined.



# I. Total Fishery Product

### Production

The most complete data available on French seafood and aquaculture production from the French Ministry of Agriculture and Fisheries (MinAg) and the French Seafood Board (OFIMER) is for 2004. It includes the following:

| | 2003 | | 2004 | |
|---|---|---|---|---|
| | Quantity (MT) | Value (million Euros) | Quantity (MT) | Value (million Euros) |
| Fresh Wild Catch | 378,143 | 979 | 347,140 | 890 |
| Frozen Wild Catch | 240,339 | 173 | 236,452 | 160 |
| Continental Catch | 2,000 | 15 | 2,000 | 15 |
| Aquaculture | 239,615 | 516 | 243,879 | 531 |
| TOTAL | 860,097 | 1,683 | 829,471 | 1,596 |

*Sources: OFIMER, MinAg*

To date, only sales at auction markets are available for 2005. They included the following:

| | 2004 | | | 2005 | | |
|---|---|---|---|---|---|---|
| | Quantity (MT) | Value (million Euros) | Average Price (Euro per kg) | Quantity (MT) | Value (million Euros) | Average Price (Euro per kg) |
| Finfish | 187,782 | 503 | 2.68 | 169,326 | 480 | 2.84 |
| Crustaceans | 9,771 | 62 | 6.37 | 9,945 | 65 | 6.50 |
| Shellfish | 29,106 | 54 | 1.86 | 31,111 | 55 | 1,78 |
| Cephalopods | 26,484 | 72 | 2.71 | 18,705 | 56 | 3.01 |

*Source: OFIMER*

During the first half of 2006, 112,442 MT of seafood, valued at 332 million euros, was sold at French auction markets marking a 2% increase in quantity and 4% increase in value from the first half of 2005.

Canned Fishery Products:

France is a major producer of canned fishery products. As indicated in the following table, the major species canned in France are tuna, sardines and mackerel.

| | 2004 | 2005 |
|---|---|---|

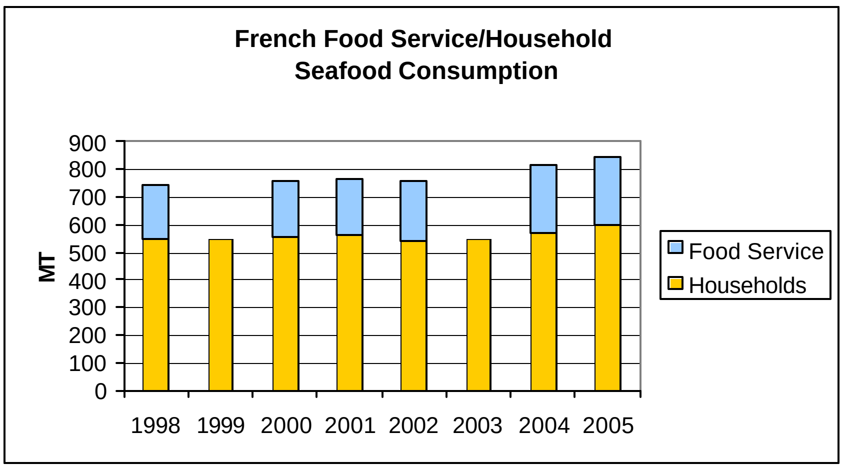
| | Raw material used (whole fish equivalent, MT) | Processed Products (net weight, MT) | Raw material used (whole fish equivalent, MT) | Processed Products (net weight, MT) |
|---|---|---|---|---|
| Sardines | 15,093 | 7,698 | 14,937 | 6,542 |
| Tuna | 38,856 | 45,065 | 37,985 | 43,014 |
| Mackerel | 23,341 | 14,012 | 24,133 | 14,459 |
| Other | 4,132 | 8,663 | 4597 | 10,061 |
| Total | 81,422 | 75,438 | 81,652 | 74,076 |

*Source: FIAC (French Federation for the Canning Industry)*
http://www.adepale.org

**Consumption**

French annual per capita consumption of seafood is 35.1 kg, live weight equivalent.

According to OFIMER and the consumer survey agencies SECODIP and GIRA, French seafood consumption totaled 844,982 MT in 2005, comprised of 71 percent household consumption and 29 percent food service consumption (hotels, restaurants and institutions).



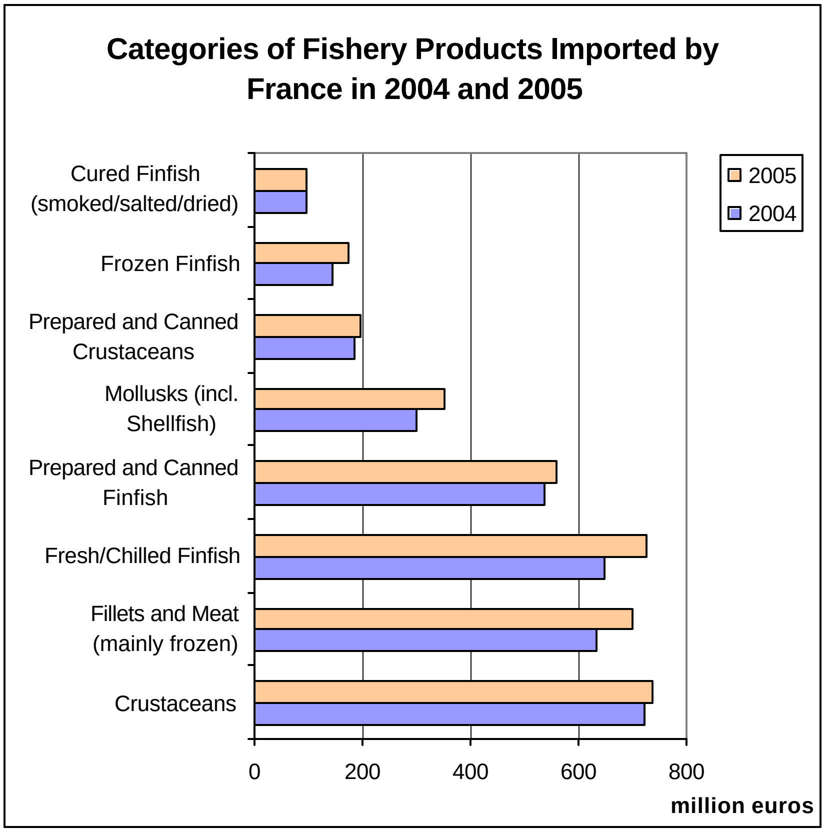

Note: Food service consumption data was not available in 1999 and 2003.

According to OFIMER, French consumption of fishery products is detailed as follows in 2005 (in MT):

<table>
<tr><th></th><th>Fresh</th><th>Chilled Catering</th><th>Frozen</th><th>Canned</th><th colspan="2">TOTAL</th></tr>
<tr><td>Supermarkets</td><td>166,453</td><td>112,157</td><td>134,870</td><td>107,842</td><td>521,322</td><td rowspan="2">600,788</td></tr>
<tr><td>Other retail outlets</td><td>71,808</td><td>5,405</td><td>814</td><td>1,439</td><td>79,466</td></tr>
<tr><td>Hotels and restaurants</td><td>106,190</td><td>9,270</td><td>37,699</td><td>5,660</td><td>158,819</td><td rowspan="2">244,194</td></tr>
<tr><td>Institutions</td><td>10,561</td><td>3,697</td><td>64,897</td><td>6,220</td><td>85,375</td></tr>
<tr><td>TOTAL</td><td>355,012</td><td>130,529</td><td>238,280</td><td>121,161</td><td>844,982</td><td></td></tr>
</table>

## Trade

France is a net importer of fishery products. In 2005, French imports totaled 3.69 billion euros, while exports were 1.29 billion euros, an 11 percent increase from the 2004 deficit.




## Marketing

### Trade Shows

- European Seafood Exposition, Brussels

The annual European Seafood Exposition in Brussels, Belgium, is the leading seafood show in Europe. (see: http://www.euroseafood.com) The next ESE will take place on April 24-26, 2007.

FAS/Paris promotes seafood products in France through trade shows and marketing activities. FAS/Paris recommends participation in the following USDA-endorsed trade shows where U.S. companies participating in USDA's Market Access Program (MAP) can be reimbursed up to 50 percent of expenses if they join the U.S. pavilion.

- SIAL (Salon de l'alimentation - International Food Show), France

The International Food Show (SIAL) takes place bi-annually in Paris, France, with the next scheduled date of October 22-26, 2006. In 2004, there were 5,300 exhibitors and 135,000 visitors from 98 countries. Information on SIAL is located at: http://www.sial.fr. For information on the USA pavilion at SIAL, please contact:

IMEX Management, Inc.
505 East Boulevard, Suite 200
Charlotte, NC 28203
Tel: 704 365 0041
Fax: 704 365 8426
Email: sial@imexmgt.com
Contact: François Gros

- SIRHA (International Food Service and Gastronomic Trade Exhibition)

SIRHA is a biennial USDA-endorsed show for the HRI food service sector and an international meeting place for chefs and food professionals. SIRHA showcases quality food and food ingredient products as well as foodservice equipment and industry innovation. This show, closely linked to Chicago's National Restaurant Association Trade Show, also hosts the renowned "Bocuse d'Or" and World Pastry Cup culinary competitions.

In 2005, SIRHA had 1,750 exhibitors, including 10 international pavilions, 164,000 visitors from 120 countries and 911 journalists. Visitors at SIRHA included hotel/restaurant managers, caterers, wholesalers, distributors and importers from supermarkets and the food service and retail sectors. To participate at SIRHA in Lyon, France, January 20-27 2007, please contact:

Maria Nemeth-Ek/Sharon Cook
Trade Show Office
USDA - FAS
1400 Independence Ave., SW - Stop 1052
Room 4939 - South Building
Washington, D.C. 20250-1052
Tel: (202) 720 3623
Fax: (202) 690 4374
Email: nemeth@usda.gov
sharon.cook@usda.gov

or:

SEPELCOM
Marie-Odile Fondeur
Avenue Louise Bleriot - BP 87
69683 Chassieu Cedex
Tel: (33-4) 72 22 3241
Fax: (33-4) 72 22 3218
Email: mofondeur@sepelcom.com
Internet: http://www.sirha.com/

**U.S. Seafood Cooperators in France**

Alaska Seafood Marketing Institute (ASMI) and Food Export USA, representing seafood from the east coast, are represented in France by MARKONSULT
58, rue Pottier
78150 Le Chesnay
Tel: (33-1) 39 23 20 07

Fax: (33-1) 39 23 20 17
NMasson@Alaskaseafood.org

East Coast Seafood France SARL (U.S. lobster)
Dominique Moreau
1, rue de la Corderie
94586 Rungis Cedex
tel: (33-1) 49 78 92 54
fax: (33-1) 46 86 35 74
dmoreau@myseafood.com

FAS/Paris and the State Regional Trade Groups (SUSTA, WUSATA, Food-Export-USA and MIATCO) conduct promotional activities and buyers missions for seafood products in France. For more information on these activities, please visit our website or contact FAS/Paris directly. For additional information on above trade shows and activities, please contact FAS/Paris at: agparis@usda.gov or visit our website at: http://www.amb-usa.fr/fas/hfas.htm

## II. Salmon

### Production

As French consumption of salmon is one of the highest in Europe, and French salmon production (in farms) is marginal, imports supply almost all the domestic consumption.

The salmon smoking industry in France is the largest in Europe and processed 25,500 MT of smoked salmon in 2005. According to industry sources, because unprocessed salmon prices account for 55 to 60 percent of smoked salmon prices, any major change in salmon prices impacts smoked salmon prices. In 2006, world prices for salmon increased significantly from 2005 (increases recorded were as high as 40 percent). French salmon smokers recently announced that they, in turn, will increase smoked salmon prices, which may hurt consumption.

According to salmon industry sources, the significant increase in world salmon prices results from the growing gap between salmon supply and demand, as production fails to keep pace with the booming demand, which is coming mainly from Russia, China, Japan, and the Middle East. The increasing concentration of the salmon industry in Norway is also blamed for contributing to rising prices. Finally, the minimum import price set by the EU authorities on Norwegian salmon in January 2006, which followed an import tax set in April 2005, has fueled the increase in salmon price.

### Consumption

Salmon is French consumers' favorite finfish and is consumed fresh, frozen and smoked. According to OFIMER, salmon accounted for 9 percent, in volume, of total French finfish consumption in 2004. This represents 2 kilograms, whole fish equivalent, per capita consumption.

In 2005, according to OFIMER, French household and food service consumption included the following (in MT):

| | Household | | Food Service | |
|---|---|---|---|---|
| | 2004 | 2005 | 2004 | 2005 |
| Fresh whole | | 19,967 | 9,104 | 9,324 |
| Fresh cut | | | 6,661 | 5,886 |
| Chilled smoked | | +14 percent | 3,724 | 3,799 |
| Frozen Smoked | | | 856 | 949 |
| Frozen whole | N/A | N/A | 779 | 2,506 |
| Frozen cuts | N/A | N/A | 6,024 | 5,814 |

*Sources: GIRA, OFIMER*

**Trade**

France's largest suppliers of salmon are Norway (52 percent market share in 2005) and the United Kingdom (15 percent). The United States' market share was 5.8 percent. Most of U.S. exports to France consisted of frozen fillets (030319 Customs code) for the food service sector.

| **Import Trade Matrix** | | | |
|---|---|---|---|
| **Country** | France | | |
| **Commodity** | Salmon, Whole/Eviscerated/ Fillets | | |
| Time period | Jan-Dec | Units: | MT |
| Imports for: | 2004 | | **2005** |
| U.S. | 8877 | U.S. | 7149 |
| Others | | Others | |
| Norway | 47982 | Norway | 64135 |
| UK | 26450 | UK | 18962 |
| Ireland | 8978 | Chile | 8477 |
| Denmark | 6213 | Denmark | 7461 |
| Chile | 5435 | Ireland | 7156 |
| Faroe | 3318 | Faroe | 2448 |
| China | 2258 | China | 2657 |
| Sweden | 1186 | | |
| Total of others | 101820 | Total of others | 111296 |
| Others not listed | 4609 | Others not listed | 4741 |
| Grand total | 115306 | Grand total | 123186 |

*Source: GTA based on French customs*

In the first half of 2006, French imports of salmon fell almost 6 percent to 1,710 MT, although imports from Chile and Norway increased, respectively, 39 and 13 percent, and imports from the U.S. were down 6 percent.

Alaska salmon imported by France is sold primarily in the food service sector. However, in 2005, grocery outlets sold approximately 1,000 MT of frozen cuts of coho and small quantities of smoked sockeye.

## III. Groundfish Fillets

### Production

| | 2003 | | 2004 | | 2005 | |
|---|---|---|---|---|---|---|
| | Quantities Produced (MT) | Sales Value (1,000 Euros) | Quantities Produced (MT) | Sales Value (1,000 Euros) | Quantities Produced (MT) | Sales Value (1,000 Euros) |
| Cod | 11,049 | 28,421 | 7,395 | 18,231 | 5,876 | 18,205 |
| Haddock | 7,880 | 8,629 | 7,450 | 9,377 | 5,391 | 9,137 |
| Pollack | 23,531 | 19,110 | 17,855 | 15,039 | 16,793 | 15,950 |
| Whiting | 33,796 | 29,995 | 33,135 | 27,960 | 20,490 | 22,196 |
| Hake | 13,299 | 48,763 | 12,025 | 47,415 | 13,815 | 53,364 |
| TOTAL | 89,558 | 134,918 | 63,015 | 118,022 | 62,365 | 118,852 |

*Source: French Ministry of Agriculture and Fisheries*

### Consumption

According to OFIMER, French household consumption of fresh groundfish declined in 2005. Total consumption included 13, 284 MT of fresh cod, 5,948 MT of whiting, and 10,318 MT of Alaska pollack. Reductions varied from 4 to 12 percent, depending on the species. French household consumption of frozen cod also declined 1 percent by volume.

In 2005 and 2005, French consumption of groundfish by the food service sector included the following (in MT):

| | 2004 | 2005 | Change (%) |
|---|---|---|---|
| Whole, Fresh | 6,223 | 6,474 | -4 |
| Cuts, Fresh | 7,131 | 6,370 | -1 |
| Whole, Frozen | 2,946 | 5,177 | +75 |
| Cuts, Frozen | 38,047 | 38,305 | +0.6 |
| Breaded, Frozen | 14,145 | 13,728 | -3 |

*Sources: OFIMER and GIRA*

Note: the frozen whole item for 2005 seems abnormally high and may be a typo in source data

### Trade

In 2005, China replaced the United States as France's largest supplier of frozen fillets of Alaska Pollack. However, imports declined as a result of increasing prices on world markets.

| | | | |
|---|---|---|---|
| **Import Trade Matrix** | | | |
| **Country** | France | | |
| **Commodity** | Frozen Alaska | | |

| | pollack fillets | | |
|---|---|---|---|
| Time Period | Jan-Dec | Units: | MT |
| Imports for: | 2004 | | 2005 |
| U.S. | 12,845 | U.S. | 12,490 |
| Others | | Others | |
| China | 16,126 | China | 14,255 |
| Germany | 5,973 | Germany | 2,074 |
| Russia | 4,562 | Russia | 5,832 |
| UK | 1,143 | UK | 918 |
| Total for Others | 27,804 | Total for Others | 23,079 |
| Others not Listed | 722 | Others not Listed | 484 |
| Grand Total | 41,371 | Grand Total | 36,053 |

*Source: GTA based on French Customs*

During the first half of 2006, French imports of frozen fillets of Alaska pollack recovered to their level of 2004 from their decline in 2005. China and Russia benefited from this increase more than the United States, mainly due to price-competitiveness differentials.

## IV. Lobster

### Production

According to the French MinAg, French production of lobster was the following for 2004 and 2005:

| | 2004 (revised) | | 2005 (preliminary) | |
|---|---|---|---|---|
| | Quantities Produced (MT) | Sales Value (1,000 Euros) | Quantities Produced (MT) | Sales Value (1,000 Euros) |
| Lobster | 290 | 5,670 | 282 | 5,500 |
| Rock Lobster | 37 | 1,439 | 27 | 1,082 |
| TOTAL | 327 | 7106 | 309 | 6,582 |

### Consumption

Lobster is primarily consumed in the French food service sector as it is a luxury product not often prepared at home. It is principally consumed in December during the holiday season. Canadian and American lobsters compete for the French market. U.S. lobster is mainly imported fresh, while Canadian lobster is mainly imported frozen.

**Trade**

The United States is France's largest supplier of lobster.

| **Import Trade Matrix** | | | |
|---|---|---|---|
| **Country** | France | | |
| **Commodity** | Lobster | | |
| Time Period | Jan-Dec | Units: | MT |
| Imports for: | **2004** | | **2005** |
| U.S. | 2033 | U.S. | 1954 |
| Others | | Others | |
| Canada | 1553 | Canada | 1468 |
| Bahamas | 1023 | Bahamas | 1265 |
| UK | 814 | UK | 885 |
| Cuba | 582 | Cuba | 816 |
| Spain | 578 | Spain | 494 |
| Ireland | 323 | Ireland | 264 |
| Total for Others | 4873 | Total for Others | 5192 |
| Others not Listed | 1455 | Others not Listed | 1438 |
| Grand Total | 8361 | Grand Total | 8584 |

*Source: French Customs*

In 2005, 87 percent of U.S. shipments consisted of live lobster while the remainder were frozen rock lobster (crawfish).

## V. Scallops

**Production**

According to the MinAg, French scallop production was the following for 2004 and 2005:

| Scallops | 2004 | | 2005 | |
|---|---|---|---|---|
| | Quantities Produced (MT) | Sales Value (1,000 Euros) | Quantities Produced (MT) | Sales Value (1,000 Euros) |
| in-shell scallops | 23,337 | 54,832 | 27,469 | 66,101 |
| shelled equivalent | 3,432 | | 4,040 | |

Note: the conversion factor used to convert in-shell scallop production into shelled scallop production is 6.8. The shelled-equivalent production data was used in the PS&D table, so that all the data in the PS&D table is on a shelled basis.

**Consumption**

France is the largest market for scallops in Europe. Although scallops are traditionally a festive product principally consumed in December, the increasing availability of frozen products on the French market makes scallop consumption more consistent throughout the year. The market is segmented into the following segments: small grade outlets, grade products for processing, frozen products with or without roe for food service, the retail sector (mainly supermarkets and freezer centers), and fresh products for restaurants and vendors at open street markets or specialized seafood shops.

In 2005, French household consumption of fresh scallops was 7,801 MT. The food service sector utilized 3,038 MT of fresh scallops (stable from 2004) and 1,762 MT of frozen scallops (up 32 percent).

**Trade**

During the past five years, the United States has risen to one of the largest suppliers of scallops to France. In 2005, the U.S. market share was the highest recorded at almost 14 percent (see table below). The bulk of U.S. scallops exports to France are frozen, but quantities of fresh scallops, although minor, have increased in the past few years.

| **Import Trade Matrix** | | | |
|---|---|---|---|
| **Country** | France | | |
| **Commodity** | Scallops | | |
| Time Period | Jan-Dec | Units: | MT |
| Imports for: | 2004 | | **2005** |
| U.S. | 2774 | U.S. | 3216 |
| Others | | Others | |
| UK | 4378 | UK | 3763 |
| Argentina | 3683 | Argentina | 3272 |
| Chile | 3987 | Chile | 3349 |
| Canada | 2163 | Peru | 2556 |
| Peru | 1596 | Canada | 1850 |
| | | Vietnam | 1342 |
| Total of Others | 15807 | Total of Others | 16132 |
| Others Not Listed | 3393 | Others Not Listed | 3983 |
| Grand Total | 21974 | Grand Total | 23331 |

*Source: GTA based on French Customs*

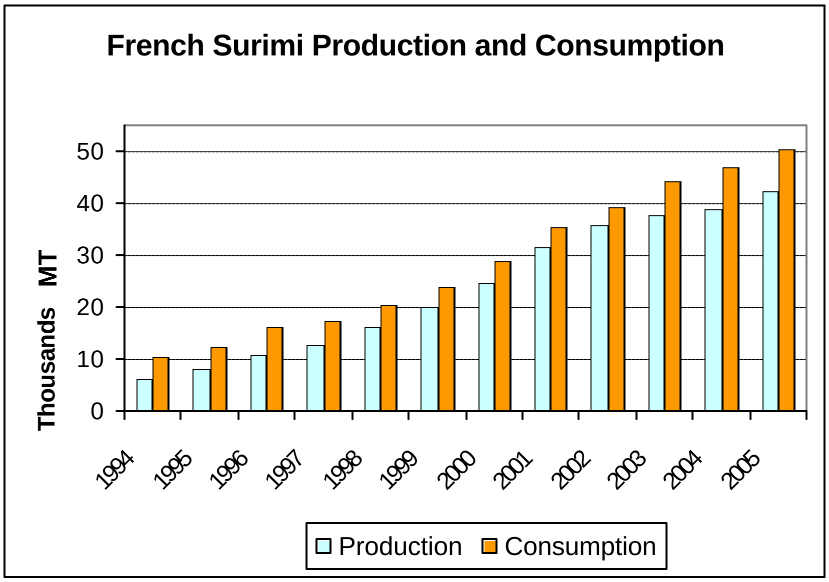
During the first half of 2006, French scallop imports rose by 8 percent, as a result of sharply increased shipments from Argentina (90 percent increase) at the expense of UK, U.S., and Chilean products. However, the U.S. market share continued to be significant.

## VI. Surimi

### Production

One Brittany-based French company, Compeche, provides all surimi-based production in France and has an annual production capacity of 3,000–4,500 MT, processed from blue whiting. Compeche's processes 10,000 MT of processed surimi products annually, prepared with domestically-produced surimi base and imported Alaska pollack. A large share of Comaboko products is sold fresh under supermarket brands and a minor share is sold frozen to freezer centers.

In 2005, French production of processed surimi products increased to 42,200 MT (an 8 percent increase from 2004), triggered by rising consumption, which reached 50,500 MT (7 percent increase).




### Consumption

In 2005, French surimi consumption was 97 percent fresh products and 3 percent frozen products. Surimi sticks continued to hold 80 percent of the market, but the snacking market segment had the highest increase in terms of value:

| | Quantity (MT) | Change (%) | Value (1,000 euros) | Change (%) |
|---|---|---|---|---|
| Sticks | 25,470 | +7.5 | 156,780 | -0.1 |
| Snacking | 3,320 | +4 | 33,890 | +3.2 |
| Other | 3,010 | -7 | 32,100 | -11 |
| Total | 31,810 | +5.5 | 223,780 | -1.6 |

The French surimi market can be divided into four product categories: 28 percent low-cost products, 25 percent products sold by the company Protimer under the brand name Coraya, 25 percent standard products sold under supermarket brands, and 22 percent sold by the Fleury Michon processor.

**Trade**

As indicated in the table below, the United States remained, by far, France's largest supplier of surimi base in 2005, with 55 percent of the market. However, U.S. exports to France declined due to higher prices of Alaska Pollock making U.S. surimi base less price competitive relative to Chilean products.

French imports of prepared surimi from Lithuania consisted of products prepared by the processing company Viciunai. In France, these products are sold under supermarket-brand names and at discount prices. The market share of Viciunai products in French supermarkets is estimated at 16 percent. Trade data indicate that the large quantities of prepared surimi products imported from China were re-exported to Spain.

| French Imports of Surimi | Surimi Base 03049005 | | Prepared Surimi 16042005 | | Total | |
|---|---|---|---|---|---|---|
| | CY 2004 | CY 2005 | CY 2004 | CY 2005 | CY 2004 | CY 2005 |
| United States | 11,914 | 10,237 | 0 | 0 | 11,914 | 10,237 |
| Lithuania | 0 | 0 | 6,153 | 6,913 | 6,153 | 6,913 |
| Chile | 4,508 | 5,949 | 0 | 0 | 4,508 | 5,949 |
| China | 1 | 25 | 678 | 2,458 | 679 | 2,483 |
| Thailand | 495 | 207 | 1,573 | 1,431 | 2,068 | 1,638 |
| Canada | 0 | 551 | 0 | 0 | 0 | 551 |
| Netherlands | 70 | 1,110 | 0 | 0 | 70 | 1,110 |
| Others | 1,217 | 425 | 973 | 959 | 2,190 | 17,205 |
| Total | 18,205 | 18,504 | 9,377 | 11,761 | 27,582 | 46,086 |

*Source: GTA based on French Customs*

During the first half of 2006, total French imports of surimi base decreased by 5 percent, despite a 4 percent increase in imports from the United States, and with a slight decline in imports from Chile. At the same time, French imports of prepared surimi products from China continued to be high, again likely to be re-exported to Spain.