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France

Processed Sweet Corn

Processed Sweet Corn Update

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Report Highlights:

France is a major producer, processor and exporter of sweet corn in Europe. Per capita consumption, while low compared to the United States, remains one of the highest in Europe. U.S. canned sweet corn exports to the EU face competition from French, Hungarian and Thai producers. In 2006/07, a favorable exchange rate resulted in increased U.S. exports. EU biotech labeling requirements tend to disadvantage U.S. sweet corn exports to France.

Includes PSD Changes: No
Includes Trade Matrix: Yes
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Executive Summary

The U.S. was a consistent supplier of canned sweet corn to the EU-27 until 2005, when increased price competition from Thailand, France and Hungary, eroded sales. In 2007 however, U.S. exports of canned sweet corn rebounded somewhat as the favorable euro/dollar rate and a higher tariff on Thai corn increased its price-competitiveness.

Production

Production area: In 2007 and 2008, sweet corn acreage in France remained stable at 23,500 hectares, principally in the Aquitaine region (southwestern France), where the majority of feed corn is also grown. France is the world's third largest producer of sweet corn after the United States and Hungary. Within the EU-27, Hungary and France produce almost 80 percent of the sweet corn crop.

End Purpose, Canning: France utilizes most of its sweet corn crop for canning, and is the largest European producer of canned sweet corn. In 2007, France produced 250,000 MT, gross weight, of canned sweet corn and 2008 production is expected to be higher due to higher yields.

End Purpose, Frozen: France is the second largest producer in the EU-27 (after Hungary) of frozen sweet corn. 2007 production totaled 30,000 MT, net weight, which represented about half the quantity of Hungarian frozen corn production. Most frozen sweet corn in France is sold to the hotel, restaurant and institution sector, or further processed.

Consumption

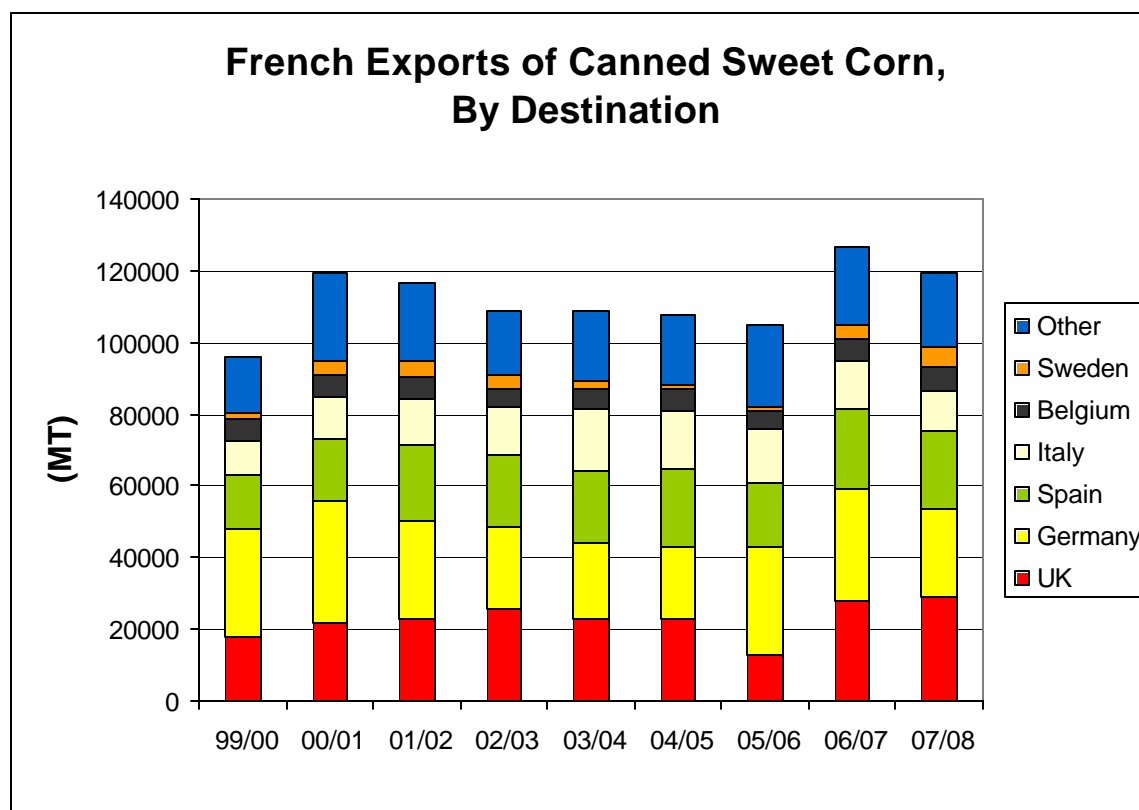
French consumption of sweet corn, either frozen or canned, is small relative to U.S. consumption. French per capita consumption of sweet corn has maintained a steady level of 1 kilogram per year, which is significantly less than the U.S. per capita consumption of 14 kilograms.

Families and young children are traditionally the largest consumers of canned sweet corn. French consumers, in general, eat sweet corn cold in salads, and mainly during summer. Sweet corn consumption tends to rise as the temperature increases and decline when temperatures fall. For example, French sweet corn consumption hit a record high in 2003, the hottest summer of the past decade, while consumption was abnormally low in 2007, when the summer was colder than usual.

Trade and Marketing

Exports

France exports more than half its sweet corn production, canned and frozen, primarily to EU markets in the UK, Germany, Spain, Italy and Belgium. Despite the loss of the Russian market to Hungary, French exports have increased over the past decade from 90,000 MT to 120,000 MT, primarily to the UK and Spain.

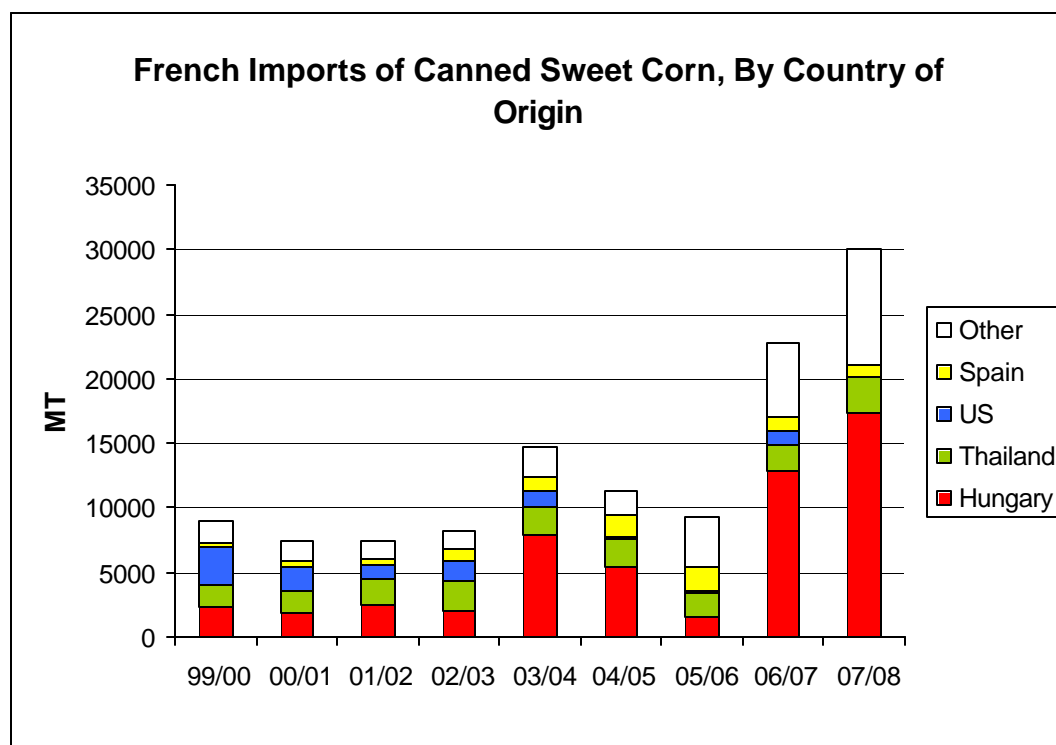


Imports

French imports of canned sweet corn from Hungary have grown over the past decade. The United States, once a consistent supplier of sweet corn to France, almost completely lost its market in 2004 and 2005 due to stiff price competition from Thailand and biotech labeling constraints imposed by EU and French authorities. However, U.S. exports of canned sweet corn recently become more price-competitive; a favorable Euro/dollar exchange rate and increased import taxes on Thai products helped U.S. imports grow to 1,152 MT in 2006/07 from 96 MT in 2005/06. In 2007/08, U.S. exports to France fell in favor of exports to the UK and the Netherlands where competition with sweet corn from Hungary is weaker than in France.

Biotech labeling for genetically engineered products has been a marketing problem for U.S. sweet corn exports in France. French suppliers have been wary of receiving sweet corn imports from the US which may contain biotech content above 0.9 percent (the EU threshold above which a product must be identified as containing biotech content). In addition, US imports may experience difficulty in meeting French requirements for adventitious presence lower than 0.01 percent which would enable them to label their products as non-biotech. Domestically-produced sweet corn is sold on the French market with a non-biotech label, (despite the fact that there is no biotech sweet corn grown in France). Consumers, and therefore retailers, remain resistant to genetically engineered food products giving non-biotech labeled products an advantage in the French market.

French importers of sweet corn can be provided to U.S. exporters on request.



Trade Matrices

French Imports of Canned Sweet Corn (HS 2005 80)

	July 05-June 06	July 06-June 07	July 07-June 08
U.S.	96	1,152	85
Hungary	1,522	12,866	17,406
Thailand	1,953	1,996	2,706
Belgium	2,970	3,223	2,218
Spain	1,801	1,016	917
Others	952	2,485	6,688
Total	9,294	22,738	30,020

French Imports of Frozen Sweet Corn (HS 0710 40)

	July 05-June 06	July 06-June 07	July 07-June 08
U.S.	16	16	132
Belgium	1,161	1,898	2,032
Italy	7	603	1,897
Germany	993	1,356	1,711
Others	1,605	2,110	4,558
Total	3,782	5,983	10,330

French Exports of Canned Sweet Corn (HS 2005 80)

	July 05-June 06	July 06-June 07	July 07-June 08
U.S.	0	0	0
UK	13,085	27,946	29,142
Germany	29,900	31,133	24,320
Spain	17,997	22,316	21,907
Italy	15,040	13,701	11,231
Belgium	4,652	5,874	6,379
Sweden	1,499	4,088	5,641
South Korea	2,236	2,338	3,123
Denmark	2,629	2,439	2,272
Switzerland	2,518	2,721	1,894
Taiwan	2,682	1,781	1,735
Portugal	2,113	1,487	1,700
Others	10,392	10,876	10,279
Total	104,743	126,697	119,623

French **Exports** of **Frozen Sweet Corn** (HS 0710 40)

	July 05-June 06	July 06-June 07	July 07-June 08
U.S.	0	0	0
Belgium	12,679	2,346	5,740
UK	1,386	1,004	3,493
Others	2,485	2,708	4,718
Total	16,550	6,058	13,951