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France

Retail Food Sector

Report

2003

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Report Highlights:
According to the French Institute for Statistics (INSEE), the French consumers spent $115 billion on food and beverages in 2002 or 15 percent of their household budget. Products with best prospects include the following: Fish and seafood, tropical fruits and nuts, beverages, including wines and spirits, innovative diet, health, and organic foods; and any prepared foods, especially ethnic or regional foods with an American image, such as Alaska seafood, Louisiana, California, Tex-Mex, etc.

In France, hyper/supermarkets and city center stores account for 75 percent of total retail food sales. Traditional and city center food stores often located in downtown areas have experienced dynamic growth in recent years and offer a wider selection of international products. These stores and their importers offer opportunities for U.S. suppliers.

Includes PSD Changes: No
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SECTION I. MARKET SUMMARY

Average exchange rate used in this report, unless otherwise specified:
Calendar Year 2002: US Dollar 1 = 1.05 Euros
January-September 2003: US Dollar 1 = 1.05 Euros

1. France Socio-Economic Facts

Total population:	*60.7 million (including overseas territories), or 16% of total European Union (15countries) population.*
Total number of households:	*23.5 million*
Income per capita:	*Approximately 14,900 Euros ($14,191)*
Part of household budget spent on food:	*15% (source: INSEE - Effective Consumption of Households)*
Inflation rate 2002/2001:	*+ 1.4%*
Cities with over 500,000 inhabitants:	*8*

In 2002, France's GDP increased 1.2 percent, compared to 2.1 percent in 2001 and 3 percent the preceding several years. A slight reduction in national income taxes boosted purchasing power and saving's rates in late 2002. This effect continued into the first half of 2003 as consumption supported overall French economic activity. However, an increase in the public deficit (4 percent of GDP) is expected to decrease purchasing power by early 2004. Food purchases are expected to remain stable as they represent only 15 percent of total French household expenditures.

2. Trends and French Food Retail Distribution Channels

Diverse and sophisticated, France's retail distribution network resembles the US network. French food retailers can be grouped into six principal formats: Hypermarkets, supermarkets, hard discounters, city-center stores, department stores and traditional outlets (including cash and carry). The first five represent 75 percent of the country's retail food market, with a total of 33,000 outlets; the sixth, which includes neighborhood and specialized food stores, represent 25 percent of the market, with 52,300 outlets.

The French retail food sector was relatively stable in 2002. Major chains expanded space of their existing outlets rather than creating new ones. The French government limits the number of store openings in hyper/supermarket category. Only the number of discount outlets increased with the opening of approximately 100 new stores.

France's major retailers are Carrefour, Intermarché, Leclerc, Systéme U, Auchan, Casino, Cora and Group Monoprix. Together, they account for 90 percent of total retail food sector sales. They are linked to four central buying offices. Note: OPERA, a central buying office ceased operations in 2002.

Retailers Sales by category, Percent change 2001-2002:

- Hard discounters: + 5 to +6 percent
- Hypermarkets: + 1.9 percent
- Supermarkets: + 4.6 percent
- Traditional stores: + 5.0 percent

Traditional store sales increased by 5 percent in 2002, compared to 2001. These stores and their buyers/importers represent an opportunity for specialty US suppliers. These stores are located in downtown areas and offer a wider selection of more sophisticated of products than those found in hyper/supermarkets.

It should also be noted that Internet sales in France decreased in 2001 and a few large supermarket chains have closed their web-based shopping sites.

French Food Retailers, Number of Stores by Type:

	2001/2002	**2002/2003 (Estimate)**
Hypermarkets	1,211	1,298
Supermarkets	5,612	5,477
Superettes, small convenience stores	21,800	N/A
Hard discount	2,783	3,133
Large and medium department stores	411	N/A
Traditional, frozen, gas marts and others	52,000	N/A

Source: Atlas/LSA
N/A: Not Available
Some definitions:
(a) Hypermarket: Stores with more than 2,500 sq.m. (25,000 sq.ft) selling a wide variety of food and non-food items.
(b) Supermarket: Stores with between 400 m2 and 2,500 m2 (4,000 to 25,000 sq ft) selling a wide variety of foods and non-food household goods
© Superette: Stores with less than 400 m2 (4,000 sq ft) selling food and basic non-food household goods.
(d) City-center stores: Inner-city stores selling a wide variety of food, specialty foods and non-food items
(e) Hard discounters: Small supermarkets with a limited range of low cost products, often private label.

Total Retail Food and Beverage Sales in France, 1997-2001 (in billion US$):

	1997	**1998**	**1999**	**2000**	**2001**
Food only	84.5	86.9	87.9	83.7	89.8
Food and beverages	91	93.5	94.5	100.6	107.3

Source: INSEE - Consommation par fonction

4. Total French Household Food and Beverage Expenditures, by category:

(Annual results and yearly average growth 97/01) In US$ million

	1997	1998	1999	2000	2001	Evol. 97/01
Bread and cereals	11,769	11,896	11,943	12,347	13,214	+ 12.2%
Meat	25,160	25,734	25,596	26,452	28,304	+ 12.4%
Fish & seafood	5,827	6,161	6,490	6,655	7,155	+ 22.7%
Milk, cheese, eggs	11,404	11,774	12,017	12,551	13,367	+ 17.2%
Oils, fats	2,317	2,320	2,345	2,364	2,415	+ 4.2%
Fruits	5,484	5,584	5,540	5,816	6,409	+ 16.8%
Vegetables	8,037	8,444	8,611	8,732	9,469	+ 17.8%
Sugar, jam, honey, chocolate and confectionery	5,767	5,932	6,089	6,279	6,655	+ 15.3%
Salt, spices, sauces & other food products	2,273	2,346	2,470	2,648	2,788	+ 22.6%
Non alcoholic drinks	5,918	6,055	6,078	6,262	6,615	+ 11.7%
Alcoholic drinks	9,759	10,142	10,444	10,544	10,966	+ 12.3%

Source: INSEE - Household Consumption in 2001

The consumption of fresh meat, mainly beef, decreased to the advantage of poultry, pork and prepared meat dishes.

5. Total French Food Sales, Market Share by Type of Outlet, Comparison of 1994 & 2002:

	1994	2002
Hyper, supermarket stores	62.7 %	66.4%
Small self service + freezer centers	10.5 %	9.0%
Traditional stores	19.6 %	16.8%
Open-air market, sales by producers	3.4 %	3.8%
Other circuits (incl. catalogues, e-commerce)	3.7 %	4.0%

Source: INSEE -French Economy Charts 2002

Total food sales increased by 0.6 percent in 2002. The increase was led by strong sales of roasted meats and poultry products, fresh breads and pastry products. Also on the rise are premium quality product sales, including regional and exotic prepared foods.

6. Total French Agricultural and Food Product Imports, Imports from the U.S. from 1998-2002 (in billion $)

	1998	1999	2000	2001	2002	2003 (3)
Total French Imports of Agricultural products, seafood/fish and food products (1)	16.4	16.2	17.1	22.3 (2)	22.6	18.4
Total French Imports from the U.S. of Agricultural products, seafood/fish and food products	0.64	0.55	0.57	0.54	0.58	0.43

Source: Douanes/CFCE
(1) Not including tobacco
(2) Customs statistics only
(3) Estimates for the period January-August 2003

French imports of agricultural and food products from the United States amounted to $584 million in 2002, or 2.5 percent of total French imports. French imports of agricultural and food products from the United States for the period January-August 2003 amount to $428 million.

The table below details 2002 imports of U.S. food and beverage products by major categories

Year: 2002

Over US$ 15 million	Between US$ 3 to 15 million
Stone fruit tropical fruit and citrus, Soya beans, Fish and seafood, Animal feeds (1) Fruit juices (2) Rice, Corn, Horse-meat, Spirits, Dried vegetables, Tobacco.	Strawberries, Dried fruits, Peanuts, Canned vegetables, Canned fruits, Canned fish, Sauces, Biscuits, Wines.

(1) Animal feed imports are down 70 percent since 1998.
(2) Fruit juice imports are down 60 percent since 2000.

7. Major French Imports of Agricultural and Food Products and U.S. Market Share from 1998-2002 (in million US$)

	1998		1999		2000		2001		2002	
In US $ million	Total	USA	Total	USA	Total	USA	Total	USA	Total	USA
Animal (incl. marine) products										
Meat and offal	2,146	20.4	2,108	18.9	2,305	16.7	2,228	21.3	2,138	13.9
Fish and seafood	1,971	78.9	1,996	86.4	2,071	86.4	2,228	65	2,125	118.9
Milk products, including eggs	1,560	1	1,546	1.7	1,731	3	1,809	6.9	1,638	4.2
Vegetables products										
Vegetables	0,823	20.4	0,835	19.8	909	19.9	1,340	18.4	1,435	15.5
Fruit	1,772	88.3	1,684	70.6	1,750	78	2,047	79	2,071	99.4
Coffee, tea, spices	0,860	0.7	732	0.5	718	0.6	714	0.2	689	0.1
Rice	-	-	177	25.1	190	24.2	-	19.8	186	14
Corn	-	-	64	10.1	71	7.7	-	15.7	-	-
Animal and vegetable fats	0,847	6	8,184	3.7	0,726	5.5	0,801	-	0,913	4.3
Food industry products/Canned and dry grocery products										
Canned and prepared meat and fish	773	4.8	664	6.7	733	5.7	804	3.2	853	4.3
Sugar and sweet foods	278	1.3	311	1.4	311	1.2	483	1.1	527	3.5
Sweets without chocolate	137	1	137	1	140	1	-	0.8	150	0.9
Cocoa based foods	1,011	2	1,085	0.6	1,046	0.5	1,085	0.5	1,311	0.9
Chocolates	649	1.9	668	0.5	701	0.4	706	0.4	751	0.2
Cereal based foods	0,873	7.2	0,978	3.2	1,059	4.5	1,189	3.3	1,400	3.1
Roasted cereal	137	4.3	149	0.5	150	0.6	152	0.2	174	0.3
Bakeries	598	2.8	661	2.2	720	3.5	666	2.7	813	2.5
Flour-based preparations	-	-	160	0.3	188	0.2	190	0.4	207	0.6
Vegetables and fruit based foods	923	59.2	1,068	86.1	1,134	90.4	1,464	46.1	1,545	46.7
Canned fruits, jams and pureed fruits	348	5.9	367	11	395	13.5	322	15.3	414	16.3
Canned vegetables	200	3.1	229	3.3	216	3	348	1.9	275	1.1
Vegetables and fruit juices	374	50.8	471	71.6	522	73.9	-	28.9	477	28.8
Other prepared foods	-	-	841	12.3	833	13.1	763	12.4	848	17.3
Mustards & sauces	124	5.5	154	3.6	163	4.9	-	4.7	185	3.3
Drinks, alcoholics drinks	1,335	30	1,346	35.4	1,346	36.5	864	39.6	1,559	49.6
Spirits	399	21	399	24.5	428	25.4	447	27	517	34.4
Wines	399	6.4	407	8.4	378	10	391	11.3	381	13.6
Animal feeds	301	84.5	0,977	24.6	1,263	30.1	-	16.8	1,317	22.3

Sources: CFCE / Douanes

Advantages and Challenges for U.S. Exporters in France

Advantages: sector strengths and market opportunities.
Challenges: sector weaknesses and competitive threats.

Advantages	Challenges
France's per capita income is close to that of the United States	The household budget for food is constantly shrinking
France is a strong producer and manufacturer of food products.	France imports new-to-market, innovative products not produced in France
Food is an important element of French culture and a lot of attention is paid to it.	French consumers are critical of some new products and the image of US food: genetically modified ingredients, fatty fast foods etc.
Marketing plays an important role: Innovation and new products influence purchases.	French consumers are looking variety in their new purchases and demand quality foods.
French consumers are increasingly interested in foreign or exotic foods and tastes (breakfast cereals, barbecue, Tex-Mex, Californian etc.).	U.S. suppliers need to modify their products to suit the French palate and to meet the country's stringent food regulations.
The top 9 hyper and supermarkets chains are linked to 4 central buying offices that control over 75% of total food sales. A single reference with one of these central buying offices can make a product.	Price wars and strong pressure on suppliers: norms to be respected (ISO) and logistics. Speed in putting new products on the market. Risk of sharp loss of important volumes if sales are not realized.
Hyper and supermarkets are developing foreign and premium quality product ranges.	Large retailers demand suppliers help with product promotions.
Implementation of worldwide sourcing, including the USA. The French hyper and supermarket groups have overseas subsidiaries that act as buying agents.	Retailers are looking for well known branded products with promotional backing.
Traditional retailers offer a less structured market opportunity for US suppliers working thru importers and wholesalers.	Small independent stores are contractually receiving supplies from the hyper-supermarket central purchasing offices.
Wholesalers like importers are uniting.	Importers are taking less and less risk. They are under pressure from direct suppliers.
Wholesalers and specialized importers are looking for frozen products, fruit and vegetables, seafood, meat and poultry, which are often essential for logistical reasons. Independent Picard is expanding its product range of frozen foods and prepared meals.	The large retailers are setting up and developing their own import channels and suppliers, independent from the current importers and wholesalers.

SECTION II. ROAD MAP FOR MARKET ENTRY INTO FRANCE

A. Discount Outlets, Hyper/Supermarkets, and City-Center Stores

Entry Strategy

For U.S. suppliers to succeed in France, they need a local agent or representative. Local representatives can provide up-to-date information on business practices and sat on top of trade laws, sales leads, and marketing and distribution strategies. In many instances, local representatives also serve as importers and distributors. The Office of Agricultural Affairs in Paris maintains a list of potential importers and distributors. Depending on the product, U.S. exporters can penetrate the market through:

- A central buying office or
- A specialized importer/distributor

New-to-market and niche products usually enter through importers/distributors. The U.S. supplier should:

-- Submit product descriptions and price quotations
-- Submit products for laboratory testing
-- Determine sanitary/health certification and other import documents requirements

Hypermarket and supermarket Distribution Chart

U.S. Exporter

Importer

Central Buying Offices

Regional Platforms

Shops

75% of food sales

Once a product meets all the import requirements, a Central Buying Office can include it in its product catalogue offering it to supermarket buyers who then order the product directly. Central buying offices can register and approve suppliers as well as the products, apply tariffs and ensure that products comply with French regulations. These Central Buying Offices manage delivery of products according to store instructions. The importer is responsible for the delivery of products to the their distribution centers. The trend is towards the development of a network of distribution centers.

Building a Relationship with a Hyper/Supermarket's Central Buying Office or Purchasing Department

Stages / goal	Action	Follow up
Stage 1 – Create interest in your product. The goal is to be listed or referenced in a buyer's catalogue.	- Send a product promotion kit to the appropriate buyer ? who transmits it to the marketing department ? who may ask for samples ? shows interest or not: if interested, meeting with supplier requested	- with additional information on company and its factories . sanitary certificates, ISO, HACCP certificates ** **Prices are not necessary at this stage**
Tips: - To keep your file moving, follow-up with the Purchasing Department's decisions, call them on a regular basis. – Do not discuss price with the Purchasing Department at Stage 1.		
Stage 2 - First meeting - Show the competitive advantage of the product. Give a simple indication of price level	- Meeting with well supported presentation.	- demonstrate a knowledge of the competition, products, prices and target consumers. Focus on the innovative aspects of the product
Stages / goal	**Action**	**Follow up**
Stage 3 - Discussion and commercial offer. - Define the contractual terms, commercial delivery and logistics.	- Prepare a price offer, taking into account all «deductions» imposed by French retailers, such as: Slotting fees, product referencing fees, retailer's expenses for shelf stacking, and contribution towards promotional budget.	- Detailed and precise letter outlining all agreed points
Note - This is a complex phase. French buyers often try to renegotiate points at this stage. If this is the case, the buyer should stick to his/her original proposals. A buyer has to ensure a global level of profit achieved through upfront margins, slotting fees or deductions. - First referencing of a product is generally for one year. If the retailer wants to extend the relationship, the whole process of commercial and price discussions will have to start over. - Payment terms are never cash, but are set for 30 or 45 days or more.		

Building a Relationship with an Importer

For a U.S. supplier with little knowledge of the French market, an importer offers several advantages: He knows the market, competitors, and has business connection established with retailers.

Stages / goal	Action / means
Stage 1 - Establish a contact	- A presentation file as the one described for the central buying office with indication of price and samples
Note: - The price needs to be included with the file when building a relationship with an importer, while it is not necessary in building a relationship with a hyper/supermarket.	
Stage 2 - Check the supplier's reliability	- The importer will check the manufacturing plants to make sure they meet standards and regulations, as well as the financial reliability of the supplier.
Stage 3 - Commercial offer	- Price negotiations and discounts for large quantity purchases. Define logistic requirements. An exclusive contract is usually for three years.

Major French Hyper/Supermarkets and Hard Discounters by Number of Stores in Calendar Year 2002

Since September 1999, Carrefour and Promodes merged creating the world's second largest retail chain after Wal-Mart, Inc. Also, since May 2000, Casino took a 50% stake in Monoprix.

Year: 2002

Hypermarkets		Supermarkets		Hard discount	
Outlet name	N° shops	Outlet name	N° shops	Outlet name	N° shops
E. LECLERC	425	INTERMARCHE	1,519	LIDL	1,017
CARREFOUR	215	CHAMPION	998	ALDI	499
AUCHAN	122	SUPER U	556	ED	479
INTERMARCHE	123	SHOPI	428	LEADER PRICE	335
GEANT	115	CASINO	433	LE MUTANT	211
CORA	57	ATAC	361	NETTO	206
HYPER U	40	FRANPRIX	284	NORMA	107
SUPER U	53	ECOMARCHE	330	PENNY PRIX BAS	83
HYPER CHAMPION	36	MARCHE U	184	TREFF MARCHE	38
SUPER CHAMPION	32	SUPERMARCHE MATCH	151	CDM	4

Source: LSA Atlas 2003 / Central buying list

Note: Monoprix city-center stores: 257 stores

Major French Hyper/Supermarkets/Hard Discounters by Sales Amount in 2001

In billion dollars

Groups	*T/O 2001*	*Groups*	*T/O 2001*
CARREFOUR GROUP LECLERC INTERMARCHE AUCHAN GROUP CASINO FRANCE SYSTEME U	*28.2* 20.5 30.6* 21.5 15.3* 9.6*	*CORA GROUP MONOPRIX ATAC (Auchan) LIDL ALDI*	*4.1 2.9 2.7 app. 2 app. 1*

Sources: various / annual reports

- Carrefour worldwide: $64.6 billion
- Intermarche Group worldwide
- Casino worldwide: $18 billion

Leading French Hyper/Supermarket Retailers By Market Share for CY 2002

Groups	*In value*
LECLERC	*16.9%*
CARREFOUR	*15.9%*
INTERMARCHE	*13.3%*
AUCHAN	*10.3%*
SYSTEME U	*6.9%*
GEANT (CASINO)	*3.5%*
CORA	*3.4%*
Other groups	*29.8%*

Source: Secodip Referenseigne 12 months 2002

Note: Hard discount (in total): 9.4%
Popular store / Monoprix: 2.3%

Major French Retailers
Ranked by Number of Stores
CY 2002

Name and type of store	***Owner***	N° of shops	Zone covered and implantation	***Central Buying Office***
INTERMARCHE Hyper + super	*French* Group of independents (ITM Enterprises)	1,642	All of France Outskirts of towns	ITM Enterprises
LIDL Hard discount	*German* LIDL UND SCHWARTZ GROUP	1,017		1 national buying office
CHAMPION (+ STOC) Super	*French* Carrefour Group	958	All of France Town centres Rural	CARREFOUR Group
FRANPRIX + LEADER PRICE (Hard discount)	*French* BAUD (CASINO Group) FRANPRIX + LEADER PRICE	703	All of France Town centres	BAUD attached to CASINO
HYPER U SUPER U	*French* Group of Independent cooperatives (SYSTEME U)	649	All of France Outskirts of towns	SYSTEME U / LUCIE Buying office
CASINO Géant : hyper Casino : super	*French* CASINO Group	509	All of France Town centres Rural	National buying office OPERA No more in operation (2002)
SHOPI Super Small super	*French* Carrefour Group	552	All of France Town centres	CARREFOUR Group
LECLERC Hyper + super	*French* Independent groups	500	All of France Outskirts of towns	LUCIE buying office
ALDI Hard discount	*German* ALDI GROUP	499	North, East, Parisian Area, South East	ALDI 6 regional buying offices
ED Hard discount	*French* CARREFOUR GROUP	479	Paris area, center, East, South East	7 regional buying offices
ATAC Super	*French* AUCHAN Group + SCHIEVER Group	376	All of France Town centres Outskirts of towns	National buying office AUCHAN Group
ECOMARCHE Small self-service	*French* Group of independents (ITM Enterprises/Intermarche)	305	All of France Town centres Outskirts of towns	ITM Enterprises
MONOPRIX PRISUNIC Super	*French* MONOPRIX SA (Galeries Lafayette: 50 % and CASINO: 50 %)	251	All of France Town centres	National buying office (MONOPRIX SA), affiliated to CASINO for food
CARREFOUR Hyper	*French* CARREFOUR Group	215	All of France Outskirts of towns	CARREFOUR FRANCE
CORA Hyper + super Match	*French* CORA Group	208	North, East, Parisian Area Outskirts of towns	OPERA buying office No more in operation (2002)
MARCHE U Small super	*French* Group of independent cooperatives (SYSTEME U)	167	All of France Town centres	LUCIE buying office
AUCHAN Hyper	*French* AUCHAN Group	122	All of France Outskirts of towns	National buying office of AUCHAN Group

Source: Atlas LSA 2003/Stores names

Note: Due to retailers mergers, some figures concerning the number of stores may differ slightly.

French Central Buying Offices

Ranked by Market Share

Year: 2001

Groups/Buying offices	Market share (value)
CARREFOUR	**26.2%**
LUCIE LECLERC SYSTEME U	**23.8%**
INTERMARCHE	**14.4%**
AUCHAN	**12.9%**
OPERA (1) CASINO CORA - MATCH MONOPRIX - PRISUNIC	**15.7%**
Others	**7.0%**
TOTAL HYPER AND SUPERMARKET FOOD SALES	**100%**

Source: Secodip Referenseigne 2001

(1) In 2002, Opera has ceased all its activities

B. Convenience Stores, Gas-Marts, Kiosks

Gas Station-Marts

-- These outlets are mostly places for stop-gap purchases and account for less than 1% of total food sales. However, gas-mart sales are increasing.

-- These outlets are often affiliated with large distribution groups or with companies formed by the gasoline companies and distribution groups. They operate like convenience stores: central buying offices reference their products which are then supplied through warehouse and distribution centers.

-- Gasoline companies, who have lost about 60 percent of their gas sales to hypermarkets, have equipped their gas-stations with small self-service food stores: there are around 400 of them throughout France.

Convenience stores

-- Convenience stores represent between 1 and 3 percent of total food sales in France with about 1,500 stores. They fall under the category of small supermarkets (superettes) generally located downtown in small cities.

-- Convenience stores are mostly affiliated to large distribution groups and depend on the same central buying offices.

-- They operate are supplied like supermarkets from distribution centers several times a week.

-- These outlets are often family operated. Most of them are independent operators.

Company profiles

Year: 2002

Retailer's name	Ownership and / or buying office	N° of shops	Type of purchasing agents
8 à Huit/Proxi/Marché Plus/Shopi	Carrefour	1,145	Central buying office
Eco Service/Eco Marché	Auchan/Casino	422	Central buying office
Coccinelle	Local: different owners	263	Francap buying offices

Source: Atlas LSA 2003/Stores names

C. Traditional Outlets (neighborhood, specialized food stores and open air markets)

- These outlets are supplied through wholesalers who specialize in certain product categories or retailer types. Some wholesalers are subsidaries of large retailers such as Carrefour, or of independent groups such as Aldis, Francap, Sugro, Magex, Patisfance, Prodirest and Pro xiservice.
- These outlets represent 20 percent of total food sales with about 50,000 outlets throughout France.

-- Traditional grocers include gourmet stores (Fauchon, Hediard, Benois-Guyard in Lyon). Gourmet food stores carry a wide range of imported products and are located in large and medium-sized cities and attract high-income consumers. Approximately 200 outlets in France offer U.S. exporters easy market access at lower rates. The drawback is their tendency to buy in smaller quantities than supermarkets.

Traditional retailing distribution chart

US Exporter

Importer

Wholesaler/Cash and carry

Traditional grocery shops	Specialized and made-on-premises food stores	Open-air markets

D. Internet Sales of Food Products and Beverages

Internet sales are progressing slowly in the large metropolitan areas. Sector sales reached approximately $25 million in 2002. Sales are expected to increase marginally in 2003.

SECTION III. COMPETITION

With its highly developed food sector, France, is the European Union's most competitive producer, processor and exporter of agricultural and other food products. In 2002, France's top suppliers of food and agricultural products were the Netherlands, Belgium/Luxemburg, Germany, Spain, the United Kingdom and Italy with 68 percent total imports. These countries are the US's main competitors. Outside of the EU, Brazil is the largest supplier to France, mainly of bulk products, including soy and soy protein, orange juice and orange juice concentrates.

Most exporters from within the EU conduct some form of market promotion in France. Products such as fresh or preserved fruits and vegetables, wine, beer, fish and meats are commonly promoted in trade shows, advertisements and supermarkets. Non EU-countries promoting food products in France include Norway, Israel, Morocco, South Africa, Argentina, Brazil and Canada.

SECTION IV. BEST PRODUCT PROSPECTS

Large U.S. and other multinational companies have been in the European and French market for a long time. Their products have been adapted to the French market. U.S. exporters will find existing and new market opportunities for high value products in France.

A. Products Identified as Offering Opportunities for U.S. Suppliers

Home food consumption

2002 - Sales in billion dollars

Products	**Market sales in France**	**Comments**
Tropical fruits	0.9	French tastes are opening to different flavours
Fish and seafood	2.7	Health benefits highlighted
Beef, horse-meat, pork, poultry	16.7	EU and French Regulations restrict imports of meat products and prohibits poultry products from the U.S.
Meat based products	11.6	Via time-saving prepared foods
Quality wines	3.1	Change in habits: less consumption of poor quality wines to the advantage of good quality.
Grape and fruit brandies	1.5	
Fruit juices	1.0	Health benefits highlighted
Canned fruits, jams and marmalades	1.2	Sweetened product consumption is on the rise
Biscuits, pastries	2.9	-same as above-
Chocolate and confectionery	4.4	-same as above-
Tea and coffee	2.0	Change in breakfast habits to tea and herb tea.

Other opportunities

Products	Comments
Baby foods	Slight increase in births
Dietary products	Health concerns
Soups	Return to tradition
Smoked fishes	Increase in consumption
Pet foods	Increase in pets: French are dog-lovers
Kosher foods	Health concerns

The largest and fastest growing categories of imported retail products are exotic/tropical/passion fruits (including citrus), fish and seafood (domestic production cannot meet demand), horse meat and pork, frozen foods (both ready-to-eat meals and specialty products such as pizza and ice cream), wines, fruit juices and soft drinks, canned fruits, biscuits/cookies and chocolates, teas, coffee and sauces. Health concerns and constant tax increases on alcoholic beverages have decreased French consumption of alcoholic beverages while increasing demand for non-alcoholic beverages such as mineral water and fruit juices.

Demand is rising for organic, health, and diet foods among the increasingly health-conscious French consumers. A desire to return to tradition is drumming up demand for soups. The growing number of domestic animals has stimulated demand for conventional and organic pet foods. In addition, niche markets exist in France for candies, chocolate bars, wild rice and kosher foods for which demand has been rising for several years.

B. Products Not Commonly Found on the French Market Offering Opportunities to US Suppliers

Products	Comments
Specialty seafood, lobsters, scallops	High demand for quality products
Tropical fruits	Receptiveness to new tastes and textures
Nuts	Health concerns
Prepared ethnic foods and meals	Opportunities for ethnic prepared-foods such as Cajun or California-style cuisine.

C. Products Not Imported Because They Face Significant Barriers

A 1962 French law prohibits poultry and egg products from countries that use arsenic, antimony, and estrogen in poultry feed compounds. French regulations prohibit also imported products made with vitamin-enriched flour, since vitamins may not be added in food products, except for dietetic/health foods. Currently, a topic of on-going debate between the United States and the French veterinary services, alligator is prohibited in France. For more information on product trade restrictions, please refer to Post Food and Agricultural Import Regulation and Standards Report (FAIRS) available on Internet website: <http://www.fas.usda.gov>

SECTION V. FROZEN FOOD PRODUCTS

Total French frozen food sales amounted to $4.5 billion (excluding ice creams) in calendar year 2002. From that amount, caterers/restaurants represent 55 percent of total purchases and French consumers 45 percent.

Percentage of Frozen Food Sales, per Retail Outlets

Type of Outlet	Percentage of Sales
Hyper and Supermarkets	75
Freezing centers	15
Home delivery service	10

Frozen food centers and independent stores face tough competition from hyper/supermarkets and are either merging or disappearing. At the end of calendar year 2002, Toupargel bought Agrigel from Unilever bringing the group sales to $309 million. The leading frozen food retailer in France is Picard Surgeles with 468 outlets throughout France and total sales of $571 million. Picard sells high-end frozen products including foreign recipes dinner. Picard Surgeles offer opportunities for US suppliers of fruit juices, fish and seafood and specialty prepared meals.

The major distributors of frozen food for the food service sector are:

- Promona
- Brake
- Davigel
- Mikogel
- Aviko

There are approximately 100 wholesalers/distributors of frozen food products in France. The top products imported in this category are vegetables, fish and seafood products.

Quantity of Frozen Foods Sold in Hyper/Supermarkets in 2002

Products	Quantity
Vegetables	130,000 tons
Fish and seafood	77,000 tons
Prepared Meals	76,000 tons
Pizzas and quiches	57,000 tons
Pastries	4,500 tons
Ice creams	195 million liters

Products selling the best in the food service sector are frozen fish and seafood, vegetables, pizzas and quiches, accounting for 60 percent of the frozen food segment.

SECTION VI. CONTACTS

Note: For the names of buyers, please get in touch with:

Office of Agricultural Affairs at the American Embassy in Paris
Fax: (33-1) 43 12 2662
Email: agparis@usda.gov
/

Central Buying Offices, hyper, supermarkets, superettes and self-service stores
Source : Atlas LSA 2003

ALDI

Head office: Parc d'activité de la Goële
13 rue Clément Ader
77230 DAMMARTIN EN GOELE
Tel. 33.1.60.03.68.01 - Fax 33.1.60.03.77.84
Central buying: same address
Tel. 33.1.60.03.68.21 - Fax 33.1.60.03.78.23
Internet: <http://www.aldi.fr>

AUCHAN

Purchases, logistics France:
200 rue de la Recherche
59650 VILLENEUVE D'ASCQ
Tel. 33.3.28.37.67.00 - Fax 33.3.28.37.64.00
Internet: <http://www.auchan.com>

BAUD FRANPRIX (CASINO Group)
Head office: 2 route du Plessis
94430 CHENNEVIERES SUR MARNE
Tel. 33.1.45.93.70.00 - Fax 33.1.45.93.70.69

LEADER PRICE DISTRIBUTION
2 route de Presles - Zone Industrielle
77220 Gretz ARMAINVILLIERS
Tel. 33.1.64.42.51.52 - Fax 33.1.64.42.51.59

CORA (Cora Revillon Group)
Head office:
Domaine de Beaubourg
Croissy Beaubourg - BP 81
77423 MARNE LA VALLEE CEDEX 2
Tel. 33.1.64.62.65.00 - Fax 33.1.64.80.40.51
Telex: 691.198
Internet: <http://www.cora.fr>

ITM ENTREPRISES (Group of independents)
Parc de Tréville
1 allée des Mousquetaires
91070 BONDOUFLE
Tel. 33.1.69.64.10.72 - Fax 33.1.69.64.11.32
Telex: 200.469
Internet: <http://www.groupedesmousquetaires.com>

LIDL (German Group LIDL UND SCHWARTZ)
Head office:
35 rue Charles Péguy
67200 STRASBOURG
Tel. 33.3.88.30.94.00 - Fax 33.3.88.29.00.29

LUCIE
Same address as LECLERC
Central buying Tel. 33.1.55.92.30.10 - Fax 33.1.55. 92.30.20

METRO FRANCE
Head office:
ZA du Petit Nanterre
5 rue des Grands Prés
92000 NANTERRE
Tel. 33.1.47.86.63.00 - Fax 33.1.47.86.63.56
Internet: <http://www.metro.fr>

MONOPRIX / PRISUNIC
Head office :
Tour Vendôme
204 rond point du Pont de Sèvres
92516 BOULOGNE BILLANCOURT CEDEX
Tel. 33.1.55.20.70.00 - Fax 33.1.55.20.70.01
Internet: <http://www.monoprix.fr>

SYSTEME U
Head office: Immeuble Créteil Expansion
9-11 rue Georges Enesco
94008 CRETEIL CEDEX
Tel. 33.1.45.17.92.00 - Fax 33.1.45.17.92.20

GEIMEX 15, rue du Louvre
75001 PARIS
Tel. 01.45.08.85.60
Franprix and Leaderprice

EMC DISTRIBUTION
28, rue des Vieille Vignes
77316 CROISSY BEAUBOURG
Tel. 01.61.44.70.00 - Fax 01.61.44.70.01

PROVERA 1, rue du Chenil
Domaine de Beaubourg
77183 CROISSY BEAUBOURG

Tel. 01.64.62.79.00 - Fax 01.64.62.79.01

Cash and carry

- METRO:
- BP 205 - *92002 NANTERRE CEDEX*

Tel: 01.47.86.60.00

- PROMOCASH :
- 14 avenue Sommer - *92160 ANTHONY*

Tel: 01.46.74.55.00

- PROCOMARCHE:
- 3 rue Benjamin Delessert - *77550 MOISSY CRAMAYEL*

Tel: 01.64.88.31.30

Wholesalers in dry grocery products:

- PRODIREST :
- 10 boulevard Arago - *91320 WISSOUS*
  26 quai Michelet
  92693 LEVALLOIS CEDEX
  Tel: 01.60.13.82.00

- ALDIS :
- 1/11 rue du Puits Dixme - Senia 524
  94577 ORLY CEDEX
  Tel: 01.41.80.49.27

Wholesalers in spirits, wines and beverages

- PRODIREST : 10 boulevard Arago - *91320 WISSOUS*
  26 quai Michelet
  92693 LEVALLOIS CEDEX
  Tel: 01.60.13.82.00

- ALDIS : 1/11 rue du Puits Dixme - Senia 524
  94577 ORLY CEDEX
  Tel: 01.41.80.49.27

- FRANCE BOISSONS : 19 rue des Deux Gares
  92565 RUEIL MALMAISON CEDEX
  Tel: 01.47.14.37.50

Wholesalers in frozen products

- CARIGEL (SA) : 5 allée des Hêtres - 69760 LIMONEST
  Tel: 04.78.66.38.00

- DAVIGEL : BP 41- 76201 DIEPPE CEDEX
  Tel: 02.35.04.76.00

- PROMOCASH: 14 avenue Sommer - 92160 ANTHONY
  Tel: 01.46.74.55.00

- POMONA: Route Wissous - 91380 CHILLY MAZARIN
  Tel: 01.64.54.20.20

  Food buyer : M. Raphaël WEISS

- AVIKO: 9 bis rue Clément Ader - 60200 COMPIEGNE
  Tel: 03.44.23.30.12
  : Tel: 00 31 575 458 200 (The Netherlands)

- BRAKE FRANCE SERVICE : Route Nationale de Mons
  80200 ESTREES MONS
  Tel: 03.22.85.77.77
  Fax: 03.22.85.77.55
  Food buyer: See CARIGEL

This report was prepared by the Office of Agricultural Affairs in Paris in cooperation with the following consultant:

ETRIE INTERNATIONAL
5, rue Saint Sauveur - 75002 Paris
Phone: (33-1) 40.26.8822
Fax: (33-1) 40.26.8821
Email: etrieinter@wanadoo.fr <mailto:etrieinter@wanadoo.fr>

More complete lists of majors supermarket chains with buyers names per sector are available from the Office of Agricultural Affairs. For additional information, please contact:

Office of Agricultural Affairs
American Embassy
2, avenue Gabriel
75382 Paris, Cedex 08, France
Phone: (33-1).43.12.2264
Fax: (33-1).43.12.2662
Email: agparis@usda.gov <mailto:agparis@usda.gov>
Home page: <http://www.amb-usa.fr/fas/fas.htm>

Please visit our home page for more information on exporting U.S. food products to France, including « The Exporter Guide », « The HRI Food Service Sector Report », « Food Agricultural Import Regulations and Standards Report», product briefs on the market potential for U.S. products, including organic and functional foods, and a complete listing of upcoming trade shows and activities designed to promote your product in France. Importer and supermarket buyer 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/>