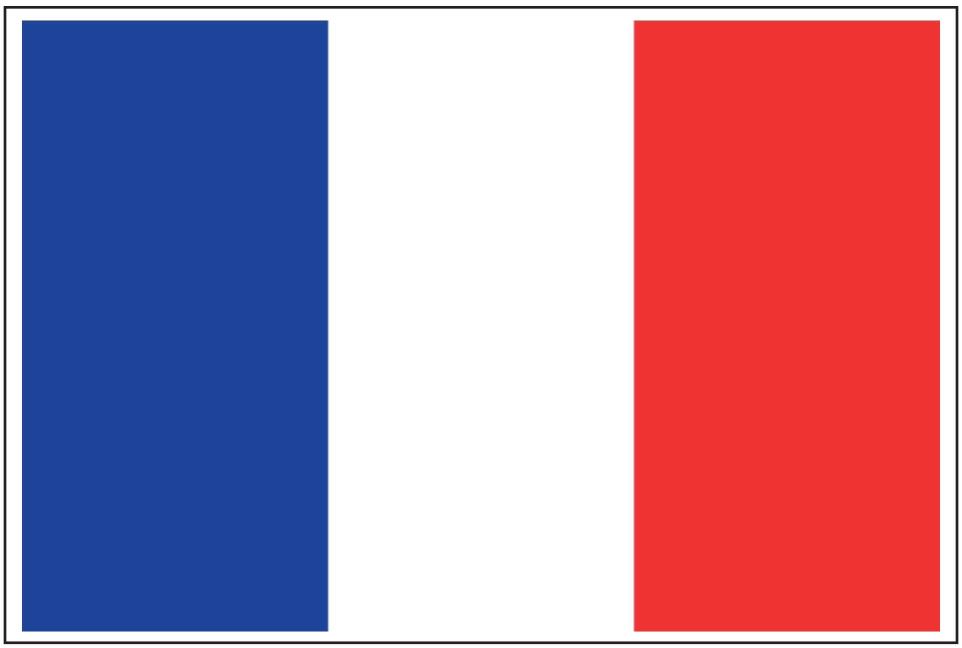
GO TO MARKET REPORT:
France



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Introduction

France is the major agricultural producer in Europe, and is self-sufficent in food production. Nevertheless, France does import food and other agricultural products.

The organic food market in France was valued at approximately US$5.014 billion (€3.91 billion) in 2012, and was approximately 2 percent of the total food market in 2011. Important categories include organic fruits and vegetables at 16 percent of the market and the wine sector at nearly 10 percent of the organic market. The food service sector is worth 158 million euros. By 2014, a market value of almost US$5.127 billion (€4 billion) is expected, and by 2016 US$7.8 billion (€6.085 billion), as the rate of growth in the organic category slows from a combined annual growth rate of 16.3 percent to 8.5 percent. Within the organic market, imported products fell to below 30 percent by value in 2012, compared to 32 percent by value in 2011.

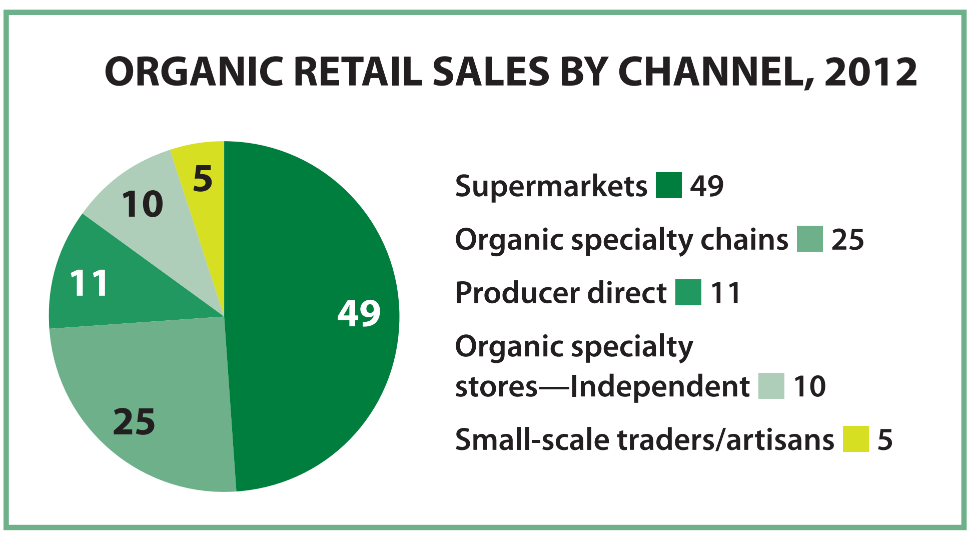
Market conditions by sector

RETAIL

Overall retail food sales in France were $323.6 billion in 2011. In the organic sector in 2011, conventional supermarkets and discounters sold 49 percent of the organic products, up three percent from 2010. Sales of organic products are increasing in all categories.

BREAKDOWNS OF ORGANIC PRODUCTS SALES BY CHANNEL IN 2011:

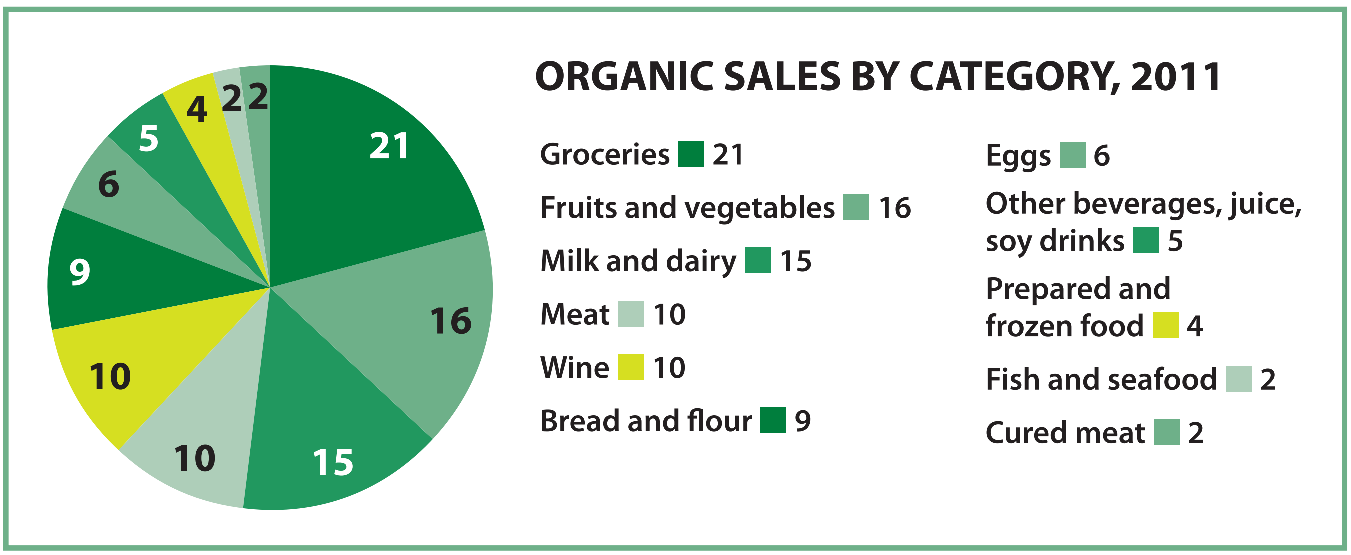
GSA—hypermarkets, supermarkets, hard discount and stores selling frozen food: 49%
Organic specialty stores—chain: 25%
Producer direct: 11%
Organic specialty stores—independent: 10%
Small-scale traders/artisans: 5%



More than half of organic product sales in France are fresh products, but with revenues of $1.3 billion in 2011 and representing approximately 24 percent of the organic retail food market, the prepared food segment, is among the most lucrative.

BREAKDOWN OF SALES BY CATEGORY IN 2011, ACCORDING TO ESTIMATES FROM AGENCE BIO AND AND-I:

Dairy (including eggs): 22% (15% milk and dairy products 6% and eggs)
Groceries: 21% groceries (almost evenly divided between sweet and savory)
Fruits and vegetables: 16%
Bread and flour: 9%
Wine from organic grapes: 10%
Other beverages, fruit juices and vegetable drinks, including soy beverages: 5%
Meat: 10%
Cured meats: 2%
Prepared and frozen foods: 4%
Fish and seafood: 2%



TOP SELLING PRODUCT CATEGORIES VARY BY CHANNEL:

In organic specialty stores, the leaders are

- groceries
- dairy
- fruit and vegetables
- bread.

In conventional supermarkets and discounters, top sellers are:

- dairy (including eggs),
- groceries,
- fruit and vegetables
- bread.

Direct sales from producers to consumers are mainly fruits and vegetables and wine.

Artisanal products are bread and flour, and wine.

Market structure: Food buyers use central buying offices, importers, and cash and carry dealers to procure their products. Large retailers typically use a central buying office, which buys direct from manufacturers or importers. Importers can place products with retail stores and central purchasing offices, as well as provide other services such as price negotiations. For tips on working with central buying offices and specialized importers/distributors see: GAIN Report - Retail Food Sector 9/13/2012, report number FR9608. Expect to provide product samples which will undergo testing to ensure all EU regulations have been met. In addition, importers will want prices and a product promotion kit.

HOTEL, RESTAURANT, INSTITUTION

Economic conditions since 2008 have greatly influenced the food service sector, and it has not yet recovered. Shoppers have shifted to lower cost options, including fast food, coffee shops and chains, often at the expense of traditional and independent small restaurants and cafes. Most large restaurant businesses favor local products, but will use other products if local goods are not availble. Meanwhile, the relatively strong euro against the dollar has given US companies an opprotunity in the sector. Prospects to consider are high quality beef, frozen foods and desserts, fruit juices and sodas, quality wines, condiments, tex-mex products, rice and dried vegetables.

There is increasing interest in organic foods for this sector. In 2012, nearly six in ten canteens offered organic products, if only from time to time. Organic products are most likely to be in educational institutions, with 73 percent stating they offer organic products, up from 61 percent in 2011.

Market structure: In general, most restaurants buy through cash and carry wholesalers or specialized distributors, although some restaurant chains use central buying offices. Metro (French subsidiary of Metro Germany) and Procash (a subsidiary of Carrefour) together have three-fourths of the wholesale market. Specialized distributors/wholesalers buy from processors, foreign exporters or importers, and focus on distribution of food products, including refridgerated and frozen foods. The catering sector relies on specialized distributors.

FOOD INGREDIENTS

In 2010, the French food processing sector was valued at $207 billion dollars. Approximately 70 percent of the market is destined for retail, and 30 percent for the food service sector. The main imported ingredients for processing are meat products, fish and seafood, fruits and vegetables based products, beverages, wine and alcohols, milk and dairy products, and cereal based products.

Market structure: Most processors buy food ingredients from brokers and local wholesalers, although some larger companies work directly with larger foreign suppliers. Local representation and personal contacts are essential to enter the market in France.

Typical imports

Non-organic: A a major exporter of agricultural products, and a country that is self-sufficient in food production, principal agricultural imports to France are tropical commodities, cotton, tobacco, and vegetable oils. The leading imports of food and agricultural products to France from around the world, by US dollar value, in 2011 include:

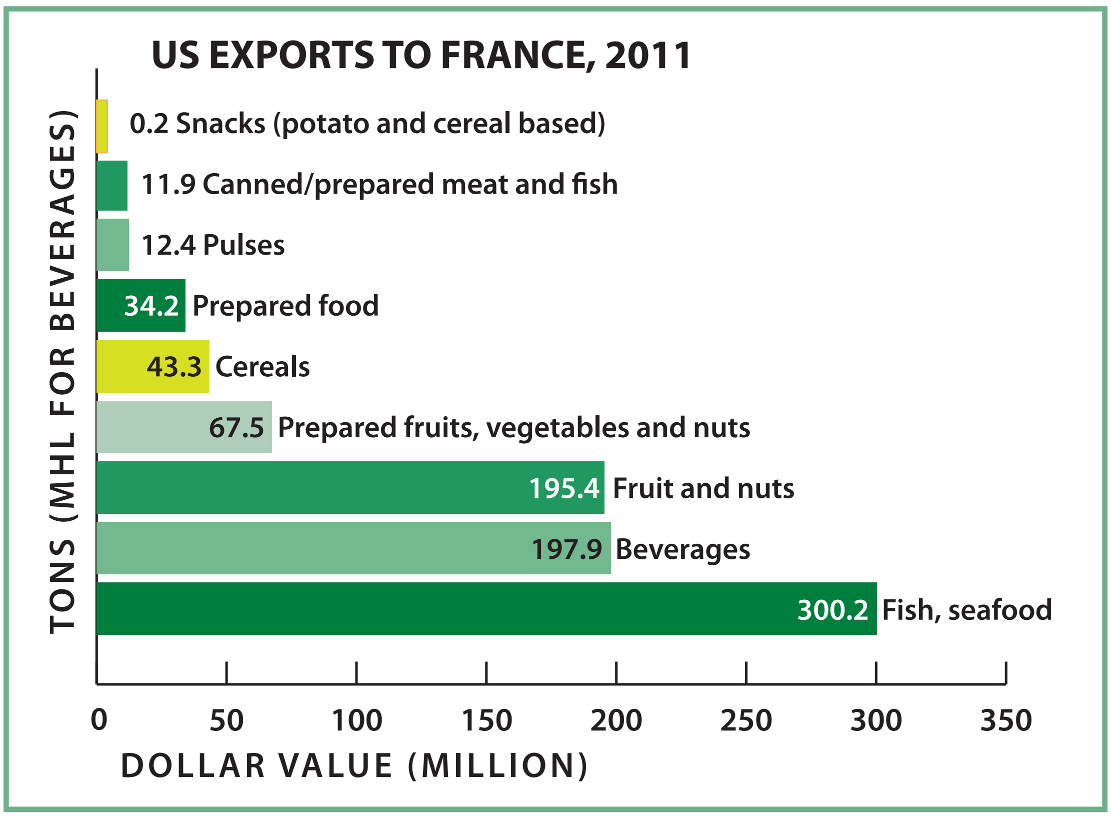
- Meat and offal ($5.781 billion);
- Fish and seafood ($5.186 billion);
- Fruit ($4.537 billion);
- Preparations of fruits, vegetables, nuts and other parts of plants, including jams, fruit purees and fruit juices ($4.237 billion);
- Beverages, including wines, spirits, alcohols and vinegar ($4.212 billion) and
- Milk products, including eggs ($4.14 billion).

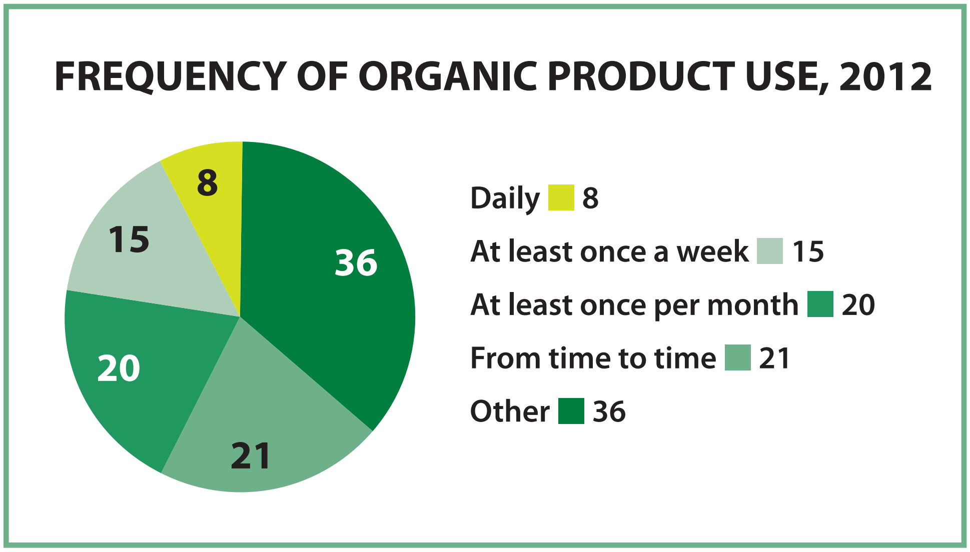
Organic: As with the non-organic imports to France, imported organic commodities are primarily products not grown in France, such as teas, spices, coffee, cocoa and tropical fruits.

What US products are typically exported to France?

IMPORTS FROM THE UNITED STATES IN 2011 INCLUDE:

Fruit and nuts, including tropical fruit and citrus: Net imports: 49,524 tons; $195.4 million
Fish and seafood: net imports 52,294 tons; $300.2 million
Canned and prepared meat and fish: net imports 590 tons; $11.9 million
Preparations of fruits, vegetables, nuts including jams, fruits purees and fruit juices: 17,771 tons; $67.5 million
Prepared food including sauces, condiments, seasonings, mustards and ice creams: 5,864 tons; $34.2 million
Snacks (potato and cereal based): net import: 39 tons; $217,022
Beverages, including wines, spirits and alcohols: net import: 343 MHL; $197.9 million
Pulses: Net import: 9,544 tons; $12.4 million
Cereals: Net import 101,389 tons; $43.3 million





WHO BUYS ORGANIC PRODUCTS?

In 2012, 64 percent of French consumers used organic products:

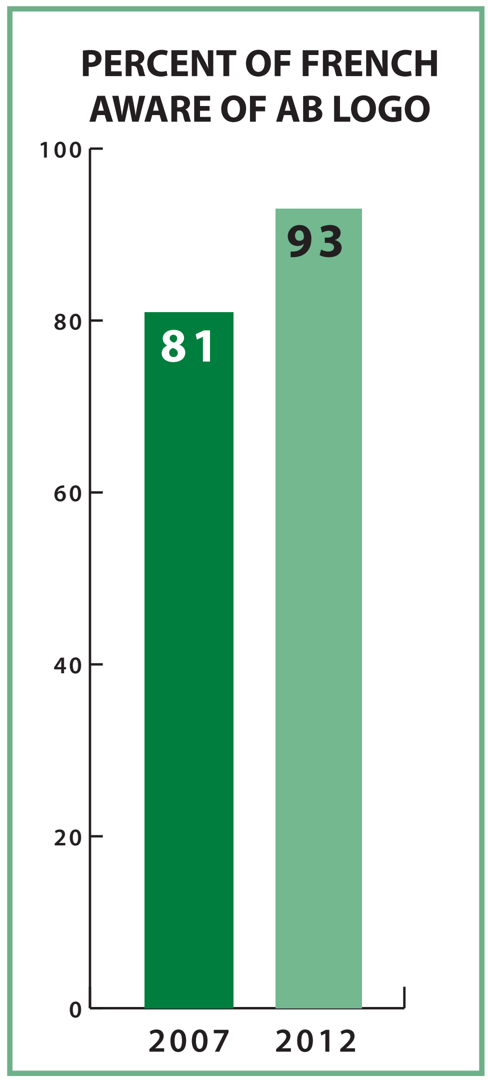
- 8 percent use organic products daily;
- 15 percent use organic products at least once per week;
- 20 percent use organic products at least once per month;
- 21 percent use organic products from time to time.

Despite a difficult economy, interest in organic products is increasing somewhat. In making buying decisions, shoppers want reassurance about the naturalness and health benefits of the products, but also the controls and guarantees the product represents. For those who purchase less frequently, price remains the primary obstacle for purchasing organic products.

Although 54 percent consider themselves very well informed about organic, more casual users of organic products also want additional information about organic products and the organic sector. In addition, information on the origin and mode of production for products is increasingly important for French consumers, for example 59 percent of French say they want more information on the origin of organic products. Furthermore, 86 percent believe that organic products help preserve the environment, soil quality, and water resources.

The primary way people recognize organic products in France is the Agriculture Biologique - AB - symbol, with 93 percent aware of the AB logo in 2012, vs. 81 percent in 2007.

In comparison, 42 percent knew the EU organic logo in 2012, up from 38 percent in 2011. Learn more about requirements for using the AB logo at http://www.agencebio.org/la-marque-ab.



WHAT ARE SOME RECENT ORGANIC MARKET TRENDS?

- People are increasingly interested in eating organic food away from home. In 2012, 75 percent would like their children to be offered organic food at school, and 59 percent would like organic products offered in their workplace, up from 53 percent in 2011.
- More people are also purchasing non-food organic products: 44 percent reported purchasing these in 2011 vs. 49 percent in 2012.
- Shoppers in France buy approximately US$448.613 million (€350 million) of natural cosmetics, and that number is expected to increase to US$640.875 million (€500 million) in the next three to five years. Although whole foods stores were the primary venue for natural cosmetics in 2005, the conventional channel is now at 30 percent. Along with whole foods channel, pharmacies and institutes have lost market share in natural cosmetics.

How to find potential business partners

IN FRANCE:

USDA Foreign Agriculture Service-France
http://www.usda-france.fr/foreign-buyers-list-172066.htm
FAS/Paris maintains a Foreign Buyers List of French companies. Contact agparis@usda.gov for more information.

National Federation of Grocery (FNDE)
http://www.fnde.com/
The National Federation of Grocery (FNDE) is the professional organization representing all grocers, retailers and wine merchants specializing in organic products in France, covering 37,100 shops.

Le Syndicat National des Distributeurs Spécialisés de Produits Biologiques et Diététiques (Synadis)
http://www.synadis.org/
Synadis represents retail organic products. It has within it both brands (Biocoop Naturalia, The New Robinson, Healthy Living, La Vie Claire, Green Horizon, L'Eau Vive, etc.) and many independent retailers. Wholesale and distributor partners are listed on the Web site.

Le Syndicat National des Entreprises Bio (Synabio)
http://www.synabio.com/
Synabio is a professional association for the organic processing and distribution sector. Member lists are available online.

American Foods in Europe Directory—Guide to European Importers of U.S. Food and Beverage Products
http://www.american-foods.org/
This free directory is presented by Food Export USA-Northeast and the Food Export Association of the Midwest USA together with the Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture

Organic-market.info
http://www.organic-market.info/web/Organic_Links/Importers-Exporters/166/4/0/0.html
List of importers/exporters searchable by country

IN THE UNITED STATES:

Visit http://www.usorganicproducts.com/ and http://www.theorganicpages.com/topo/index.html to search for organic businesses that may be able to assist US exporters.

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