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Report Highlights:

In 2020, French food and agricultural imports from the United States reached \$1.32 billion. While exporting to France is complicated, there are many opportunities for U.S. suppliers. France is an important importer of U.S. fish and seafood, dried fruits and nuts, fruit juices, spirits and a variety of specialty foods including organic and kosher food products

Market Fact Sheet: France

EXECUTIVE SUMMARY

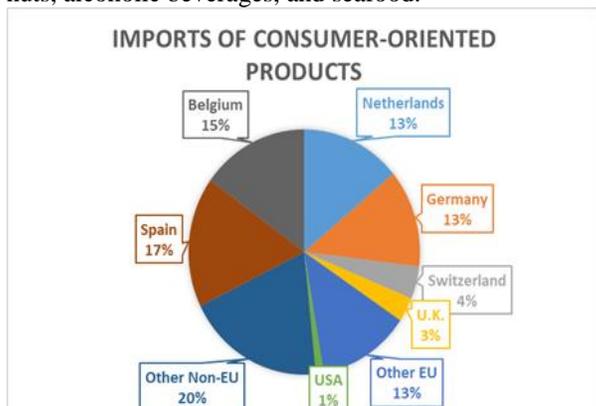
In 2020, the Covid-19 pandemic weighed heavily on the French economy. Gross domestic product (GDP) contracted 8.3 percent from 2019 to \$2.28 trillion.

Preliminary data for 2021 indicate a GDP increase of 7 percent.

France is the world's seventh largest economy and the second largest in the EU after Germany. France is also a member of the European Union, the G-8, the G-20, the World Trade Organization, and the Organization of Economic Cooperation and Development (OECD). Endowed with substantial agricultural resources, France has a strong food processing sector. Services account for an increasing share of economic activity, driving most of the job creation in recent years.

IMPORTS OF FOOD AND AGRICULTURAL PRODUCTS

Primary imports from outside the EU include oilseeds, fruit and distilled spirits. Imports from the EU are primarily meat, dairy, and vegetables. France has a positive trade balance in agricultural and food products, reaching \$14.4 billion in 2020. French imports from the United States reached \$1.3 billion in 2020, led by tree nuts, alcoholic beverages, and seafood.



FOOD PROCESSING INDUSTRY

France's food processing sector encompasses approximately 15,500 companies with total annual sales exceeding \$215 billion. Small and medium sized enterprises (SMEs) account for almost 98 percent of the industry. The sector employs more than 433,000 people, indirectly supporting nearly 2 million jobs. It is a leading sector of the French economy with a strong reputation for quality and innovation.

FOOD RETAIL INDUSTRY

In 2020, almost 75 percent of all retail food sales in France were in the hyper-supermarket and discount store format. Non-traditional retailers have experienced significant growth and success during the COVID pandemic. E-commerce food sales increased by more than 40 percent compared to 2019, and now represent almost 8

percent of total retailer food sales. The largest French retailers are continuing to invest in smaller format urban convenience stores. Total retail food sales in France are estimated at \$394 billion. This includes specialized frozen and organic food stores as well as open-air-markets that generate an estimated \$35 billion annually.

Quick Facts CY 2020

Imports of Consumer-Oriented Products (USD million) 42**

List of Top 10 Growth Products in Host Country

- 1) Almonds
- 2) Pet food
- 3) Pistachios
- 4) Grapefruit
- 5) Wine
- 6) Peanuts
- 7) Food preparations
- 8) Beer
- 9) Sweet Potatoes
- 10) Sauces and seasonings

Food Industry by Channels (USD billion)

Food Industry Output	212
Food and Ag. Exports	70.6
Food and Ag. Imports	63.4
Retail	394
Food Service	62

Top 10 Host Country Retailers

1. Carrefour	6. Systeme U
2. Auchan	7. Lidl
3. E. Leclerc	8. Cora
4. ITM Entreprises	9. Aldi
5. Casino	10. Schiever

GDP/Population

Population (millions): 67.4
 GDP (billions USD): 2.28
 GDP per capita (USD): 33,804

**This figure does not include U.S. products exported to France transhipped through other EU countries. This would double the figure.

Sources: TDM, World Bank, Linéaires

Strengths	Weaknesses
France is one of the largest consumer markets in Europe with relatively high expenditures on food.	U.S. exporters are outside the EU single market and also face competition from EU FTA partners who benefit from tariff-free market access.
Opportunities	Challenges
A large, well-developed food-processing industry seeking a wide range of ingredients, from low-value, unprocessed foods to high-value, highly processed ingredients.	Non-tariff barriers including phytosanitary restrictions and traceability requirements can complicate the process for exporting to France.

Data and Information Sources:

INSEE, Trade Data Monitor, Linéaires, French Customs

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1. MARKET SUMMARY

In 2020, the Covid-19 pandemic weighed heavily on the French economy as Gross Domestic Product (GDP) contracted 8.3 percent from 2019 to \$2.28 trillion. Preliminary data for 2021 indicate a GDP increase of 7 percent. France is the world's seventh largest economy and the second largest in the EU after Germany. For 2022, economic growth is expected to reach 3.7 percent. France has substantial agricultural resources and a strong manufacturing sector, but it is the service sector that accounts for an increasing share of economic activity and is responsible for most of the recent job creation. In 2020, France's public deficit reached 9.2 percent of GDP, and total public debt stands at 115.7 percent of GDP. Since 2016, France has maintained a positive trade balance in food and agricultural products reaching \$7.2 billion in 2020. France is largest EU exporter of agricultural and food products to third countries. With respect to intra-EU trade, France is the third largest trading partner.

France Key Trade and Demographic Information for 2020

Ag. Imports from all Countries	\$63.4 billion
U.S. Market Share	2 percent with \$1.32 billion
Consumer Food Imports from All Countries	\$59 billion
U.S. Market Share	1.7 percent with \$1 billion
Edible Fishery Imports from All Countries	\$5 billion
U.S. Market Share	4 percent with \$204 million
Total Population/Annual Growth Rate	67.4 million – 0.2 percent annual growth
Urban Population	53 million (2017)
Number of Metropolitan Areas the Middle-Class	4: Paris, Marseille, Lyon, and Lille Size of 48 percent of total population
Per Capita Gross Domestic Product	\$33,804
Unemployed Rate, incl. Overseas Territories	8 percent
Percent of Female Population Employed	67.6 percent

Statistics from the Trade Data Monitor and INSEE.

Bilateral Trends

The Franco-American commercial and economic relationship is one of the United States' oldest and closest. Relations between the United States and France remain active and friendly. The two countries share common values and have similar objectives with respect to most political, economic, and security issues. The United States is the top destination for French investment and the United States is the largest foreign investor in France. The two countries have a bilateral convention on investment and a bilateral treaty to address issues of personal and business taxation, such as taxation of incomes and businesses. With the Covid-19 pandemic, foreign direct investment (FDI) flows to France fell by 47 percent, from USD 34 billion in 2019 to USD 21 billion in 2020. According to the World Investment Report 2021 published by the United Nations Conference on Trade and Development (UNCTAD), mergers and acquisitions also fell from USD 18 billion to USD 5 billion. Notwithstanding the pandemic, investment in certain strategic sectors, research & development, health care and renewable energy, increased. France is the 18th largest recipient of FDI in the world (a decline from the 15th position it occupied in 2019). Luxemburg, the Netherlands, the United Kingdom and Switzerland are the other main investors in France, and together with the United States, they represent more than 50 percent of total FDI.

According to Fortune Magazine Global 500 ranking, the Paris region has the largest concentration of multinational headquarters in Europe. Since Brexit, one of President Macron's goals has been to attract multinationals to relocate from London to Paris.

The World Bank Doing Business 2020 report ranks the ease of doing business in France as 32nd out of 190 countries. With the second largest economy after Germany, a strong industrial base, a highly qualified workforce, and a world class cultural heritage at the center of Europe, many U.S. companies and organizations are attracted to France.

Trade and investment between the United States and France are strong. Major U.S. exports to France include industrial chemicals, aircraft and engines, electronic components, telecommunications, computer software, computers and peripherals, analytical and scientific instrumentation, medical instruments and supplies, as well as broadcasting equipment.

According to U.S. Department of Commerce Census data, in 2020, the U.S. had a \$15.5 billion trade deficit with France. U.S. exports to France were valued at \$27.4 billion, while French exports to the United States were \$42.9 billion. During the period Jan-Sept. 2021, the U.S. trade deficit with France was \$16.4 billion with exports valued at \$21.2 billion and imports \$37.6 billion.

COVID-19 and French Consumption Trends

In 2020, the French food sector was deeply affected by the COVID pandemic. To prevent the spread of the virus, the hotel, restaurant, and institutional caterer (HRI) sector closed or significantly restricted operations, dealing a significant blow to services and employment. Many operators adapted to new online formats to generate revenue, including click and collect, drive and home delivery services. While there were many disruptions to the 2020 summer tourist season, many businesses managed to survive with the increase in French customers who did not travel internationally. Early unofficial estimates suggest that between one-fourth to one-fifth of all cafes, hotels, restaurants, and nightclubs are bankrupt or may be on the brink of bankruptcy. Over the past year, with increasing vaccination rates, the HRI sector has started to recover thanks to increasing sales in delivery and fast food outlets. However, trade sources still indicate that the food service sector will not fully recover pre-2019 levels before the end of 2022.

With the challenges of COVID, there has been a growing resurgence of “food nationalism.” Government officials, including President Macron, strongly encourage the “Buy French” message, highlighting the need for food sovereignty at the French and EU level.

General Consumption Trends

Over the last three decades, France has witnessed significant socio-economic and demographic changes which are fundamentally transforming food consumption trends. Traditionally, French consumers have enjoyed a very intimate cultural and historical relationship with food that often harkens to a romanticized bygone era belonging to their grandparents and great-grandparents. Within this context, regional experiences vary widely from north to south, east and west. Urbanization and especially immigration have ushered numerous changes especially as the tastes and preferences of younger generations become more defined by convenience, value, and novelty / innovation. Taste and perceived health benefits have been important drivers of food consumption. Ethnic foods from Asia, the Middle

East and Africa are very popular – especially Turkish, Japanese, Chinese, Indian and Moroccan cuisine. Halal and kosher certified foods are also in high demand, particularly in neighborhoods that are predominantly Muslim or Jewish. French consumers are generally very aware of food safety and sanitation issues. Food safety scares are widely publicized, and public perceptions tend to linger long after problems appear to have been resolved. Food safety concerns over pesticide residues, GMOs and trans fats are driving consumer demand for natural and organic food products, natural fruit juices, and organic produce. In addition, consumers are increasingly demanding Omega 3 rich foods like fish and seafood, vegan food, gluten free products, and food supplements.

In recent years, there has been a resurgent interest in American food products, especially BBQ, Cajun, and American style gourmet burgers. As the French food service industry is under pressure to move away from frozen foods, there is a lot of interest in developing menus around fresh consumer-ready / easy to prepare products.

The French food market is considered to be highly developed, sophisticated, and well supplied with quality products from around the world. France's transportation infrastructure benefits from advanced technologies and a very high-level of government investment. The food industry is considered to be a major sector of the French economy, accounting for almost 20 percent of total industry value.

To operate or sell in France, U.S. firms must navigate complicated web of national and European regulations and standards. Retail distribution chains and networks are also very concentrated, often dominated by French manufacturers and suppliers that exercise power and control over very stringent selection processes. To successfully enter the French market, foreign suppliers should be prepared to have a creative marketing approach and the flexibility to absorb high retail price mark-ups.

Advantages and Challenges in the Market Facing Exporters

Advantages	Challenges
More than 75 percent of the French population lives in urban areas, where there is a strong demand for international cuisine.	Some French consumers have irrational food fears and choose food products based on perceived rather than real food safety.
French per capita income is roughly comparable to that of the United States.	French consumers are very exacting when it comes to quality and innovation.
A flourishing tourism industry increases demand for hotel and restaurant products.	Price competition is fierce.
U.S. fast food chains, theme restaurants, and Innovative food processing can create demand for American food ingredients.	Certain food ingredients are banned or restricted in the French market.
Domestic distribution systems are very efficient.	Marketing costs to increase consumer awareness are very high.
American food and food products can be appealing.	Mandatory customs duties, sanitary and phytosanitary regulations and labelling requirements can be very onerous.
US-EU organics equivalency agreement in place since 2012 has increased the market for U.S. organics.	The EU labelling requirement of the 0.9 percent biotechnology threshold excludes many U.S. processed products.

II. EXPORTER BUSINESS TIPS

Multilateral Agreements & Business Customs

As an EU member state, France benefits from EU custom union agreements with Turkey and Andorra. The European Union also has preferential trade agreements with Norway, Iceland, Switzerland, Liechtenstein, Israel, the Palestinian Authority, Tunisia, Morocco, Jordan, Egypt, Lebanon, Syria, Algeria, Mexico, and South Africa. The EU offers African, Caribbean, and Pacific (ACP) developing countries non-reciprocal preferential access to the European market under the Cotonou Agreement and provides other developing countries preferential access under the Generalized System of Preferences (GSP). The EU trade agreement with Canada (CETA) entered into force in September 2017. The EU has also finalized a free trade agreement with Japan. Following the Brexit on January 31, 2020, the UK and EU opened negotiations for a UK-EU Trade and Cooperation Agreement which was eventually signed on December 30, 2020 and entered into force on May 1, 2021. The EU is the UK's largest and closest trading partner. For countries like the United States that do not have a preferential trade agreement with the EU, exports tend to be relatively less price competitive.

Market Strategy

To successfully export to France, companies should carefully verify compliance with French and EU food law, customs requirements, market restrictions, as well as specific market characteristics like seasonal demand. High quality and geographically distinct products like Florida grapefruit, California wine, Tex-Mex or Cajun style, Alaska and New England seafood are widely recognized and appreciated. Product image, including innovative packaging, is very important. Companies are strongly encouraged to participate in trade shows, and eventually in-store promotions to introduce new products. Many processed products are subject to additional import charges based on sugar, milk, fat, milk protein, and starch content. French regulations can limit market access for U.S. agricultural products that include but are not limited to enriched flour, bovine genetics, exotic meat (alligator), bird meat (ratite), live crayfish, beef and bison meat, certain fruits and vegetables, pet food and products derived from biotechnology.

When released from customs, foods are subject to ad valorem customs duties levied under the Common External Tariff. Duties differ according to product. In addition, foods that are imported into France are also subject to a Value-Added Tax (VAT). Currently, the VAT is generally charged at one of the following rates:

- A standard rate of 20 percent applies to alcoholic beverages, some chocolates, and candies.
- A reduced rate of 5.5 percent applies to most other agricultural and food products.

For additional information on restrictions, standards, and regulations, please refer to the EU and FAS/Paris Food and Agricultural Import Regulations and Standards Reports (FAIRS)

U.S. suppliers may also contact the following organizations for additional support:

- State **Regional Trade Groups (SRTG)** are non-profit trade development organizations that help U.S. food producers and processors connect to markets overseas. These groups receive USDA and private industry funding to carry out research and promotional activities to increase exports. For more information, please contact your local state regional trade group representative office: <https://www.fas.usda.gov/state-regional-trade-groups>

■ The **U.S. Agricultural Export Development Council (USADEC)** is the umbrella organization representing U.S. trade associations and other organizations, including the SRTGs. The mission of USAEDC is to help coordinate and develop synergies across different sectors. For an overview and additional information on various USDA cooperator groups, please refer to the www.usaedc.org website. [Commodity Cooperator Groups](#) regularly organize trade missions (and reverse trade missions), bringing U.S. exporters to the market, as well as foreign buyers to the U.S. Many initiatives are organized around trade shows or other events.

III. IMPORT FOOD STANDARD AND REGULATIONS/IMPORT PROCEDURES

Once all financial and customs arrangements are complete, goods must be imported within or six months. For certain goods originating outside the European Union, products originating in countries other than EU member states or participants in the WTO, a specific import or export license may be required by product or by category of products.

Additionally, the following shipping documents must be submitted in French: Commercial invoice, bill of lading or air waybill, certificate of origin, sanitary/health certificate for specific products. Exporters must ensure that their products comply with French regulations verifying customs clearance procedures with local authorities **before** shipping the products to France. Exporters can obtain information from their French importer or distributor. For additional information, please consult the [Country Commercial Guide](#) prepared by the U.S. Department of Commerce.

Labeling/Packaging Requirements:

All labels must be written in French and should include the following information: Product definition; shelf life; precautionary information or usage instructions; a statement of contents (ingredients, weights, volumes, etc. in metric units. All additives, preservatives and color agents must be noted on the label with their specific group name or their 'E' number; the product's country of origin and name of importer or vendor within the EU; the manufacturer's lot or batch number.

Mandatory Labeling of Genetically Engineered (GE) Products:

Regulations [\(EC\) 1829/2003](#) and [\(EC\) 1830/2003](#) set European policy standards on biotech traceability and labelling. Each EU Member State can put in place specific national requirements for biotech-free labelling. In April 2004, France implemented EC 1829/2003 and 1830/2003 Regulations. The Fraud Control Office of the Ministry of Economy, Finance, and Industry (DGCCRF) is the designated authority ensuring compliance with the regulation. A detailed explanation on France's biotech labelling regulation is available [on the DGCCRF website \(in French\)](#).

Voluntary "GMO free" Labelling Systems:

In France, the government has implemented a national voluntary "GMO free" labelling system. This system only applies to food produced in France (i.e., it does not apply to imports):

- Plant products can be labelled as "GMO free" if they contain less than 0.1 percent GE plants.
- For animal products, two thresholds are set which are indicated on the label: 1) under 0.1 percent is labelled as "fed without GMO plants (0.1 percent)," and 2) under 0.9 percent as "fed without GMO plants (0.9 percent)."
- For processed animal products, milk and eggs included, labels can note as "sourced from animals fed without GMO plants (0.1 or 0.9 percent)."

- For apiculture products, there can be no biotech cultivation within three kilometres of an apiary. “GMO free” labels are most frequently found on animal products (meat, dairy products, and eggs), canned sweet corn and soybean products. It is forbidden to claim that GMO free products have a better nutritional, health, or environmental value.

Transport of goods to and from France

French transportation infrastructure is among the most sophisticated in the world. It benefits from advanced technology and a high-level of government investment. The three main entry points for air freight are Orly and Charles de Gaulle airports (which are close to Paris) and Saint-Exupery airport in Lyon. France has twelve major seaports equipped for container ships. There is an extensive highway and river-transport system. The state-owned rail network that is among the most comprehensive and technologically advanced in the world. Communications infrastructure is similarly advanced. Many U.S. products entering France are transshipped through other EU markets, particularly the Netherlands, Belgium, Germany, and the UK. For transshipments through the United Kingdom, please verify any new regulatory requirements due to Brexit.

IV. MARKET SECTOR STRUCTURE AND TRENDS

Business practices in France are similar to those in the United States. Transactions tend to be direct and straightforward. The United States and France produce many of the same goods and services which often compete in both markets. Marketing products and services in France generally resembles marketing in the United States. French business representatives are generally sophisticated, cultured and very knowledgeable. Successful partnerships often take time and effort to develop as each side adapts to different cultural factors and legal norms. For more information on French distribution and retail market entry strategies, please review the FAS Paris [Food Retail Sector Report](#).

The hotel, restaurant, and institutional catering (HRI) sector in France relies on the services of wholesalers and processed food buyers. A well-developed distribution channels is often the key to introducing new food product into this market. For more information, please refer to the FAS Paris [HRI](#) report.

Exporters to France are highly encouraged to research and develop a detailed marketing plan **prior** to entering the market. Mistakes tend to be very expensive. We highly recommended working with an experienced local agent, distributor, or importer. Local companies will not only know the market to help formulate a good marketing strategy, but they will also know how to best navigate the distribution channel and assist with customs and labeling requirements. New exporters should also be prepared to invest in promotional activities, including trade shows, point of sale promotions and advertising campaigns, to gain exposure and develop market contacts.

V. BEST CONSUMER ORIENTED PRODUCT PROSPECTS

For U.S. exporters, the French market offers attractive opportunities for regionally distinct high-quality products. With growing recognition and consumer demand for U.S. seafood, particularly salmon, cod, scallops and lobsters, products from Alaska and New England are gaining popularity. U.S. craft beer and distilled spirits that can combine quality with a distinct story and identity are also in demand. Other

products that have market potential include fruit juices, soft drinks, flavored spring waters, dried fruit and nuts, fresh fruits and vegetables (particularly tropical), frozen foods (both ready-to-eat meals and specialty products), snack foods, tree nuts, “ethnic” products, innovative dietetic and health products, organic products, soups, breakfast cereals, and pet food. There are also some niche markets for U.S. beef, wild rice, candies, chocolate kosher, and halal foods. Demand for traditional bulk commodities including oilseeds, protein meals, feeds and grains, can be strong depending on price and prevailing market conditions.

France's Consumer Oriented Best Prospects

Products	Imports from the U.S. In 2020 (US \$ Million)	Description	Type of Outlets
Fish and Seafood	203.7	Frozen pollock, cod and salmon, live and frozen lobsters, frozen rays, dogfish, and scallops	Retail and Food Service
Alcoholic beverages	203.7	Wine and spirits and beer	Retail and Food Service
Fresh and dried fruits including nuts	223.7	Almonds, pistachios, macadamia, cashews, pecans, and walnuts. For fresh fruits mainly grapefruits and off-season and extended season sales such as for apples and pears. Niche market also for berries, Medjool dates, dried prunes, and other fresh citrus.	Retail and Food Service
Fresh and dried vegetables	34.6	U.S. great northern beans, dried beans, peas and lentils, sweet potatoes	Retail and Food Service
Meat and Offal	6.2	Limited opportunities due to the import quota on hormone-free meat and stringent EU regulations	Food Service
Food preparations including sauces	53.2	Frozen ready-to-eat meals and sauces	Retail and Food Service

VI. TRADE ASSISTANCE FOR EXPORTERS

Additional information is posted regularly on our website below. For any questions or comments regarding this report, U.S. companies looking for assistance in exporting to France are welcome to contact the U.S. Agricultural Affairs Office in Paris:

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Attachments:

No Attachments