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Report Highlights:

More than 70 percent of French household food purchases are made in supermarkets, discount stores, and smaller local stores. Different types of retailers have experienced growth and success over the last eighteen months, including local neighborhood stores and some larger discount stores offering innovative services such as internet purchases. The retail sector fared well during the COVID-19 pandemic. France's retail sector offers a variety of opportunities for U.S. food and food products, provided they conform to EU regulations.

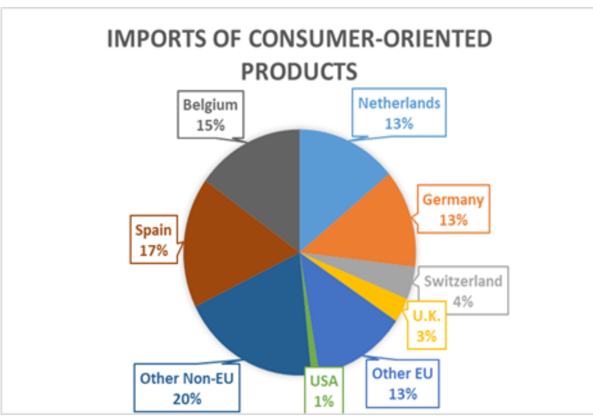
Market Fact Sheet: France

EXECUTIVE SUMMARY

With a gross domestic product (GDP) of approximately $2.71 trillion in 2019, France is the world's seventh largest industrialized economy and the Europe's third largest economy after Germany and the United Kingdom. It has substantial agricultural resources and maintains a strong manufacturing sector. France's dynamic services sector accounts for an increasing share of economic activity and has been responsible for most job creation in recent years. France is a member of the G-8 and G-20, the European Union, the World Trade Organization, and the OECD.

IMPORTS OF CONSUMER-ORIENTED PRODUCTS

Primary imports from outside the EU were oilseeds, fruits, and distilled alcohols from the United States and China. Imports from the EU were primarily dairy, meat, and vegetables. In 2018, the trade balance for France's agricultural and food products reached $18.9 billion. Not including transshipments, France's exports to the U.S. in 2019 were valued at $6.6 billion, led by wine and spirits.



FOOD PROCESSING INDUSTRY

In 2018 France had 17,650 food processing companies with sales of $212 billion. The value of processed food imports increased by 0.8 percent last year. Exports in the food industry sector are ahead of other leading industrial sectors, which places France's food industry among the top three in the world. In 2019, the French food processing sector represented 1.8 percent of its gross domestic product (GDP).

FOOD RETAIL INDUSTRY

In 2019, sales in hyper-supermarket and large discounters represented about 70 percent of the country's retail food market. Different types of retailers have experienced growth and success over the last eighteen months and the largest French retailers continued investing in smaller stores in city centers. The overall retail food sales in France were estimated at $366 billion, and specialized food stores such as frozen food stores, organics and open-air markets had sales of $28 billion.

Quick Facts CY 2019

Imports of Consumer-Oriented Products *(USD million)*
43**

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 Potatoes10) Sauces and seasonings

Food Industry by Channels (USD billion)

Food Industry Output	212
Food Exports	27.3
Food Imports	8.4
Retail	366
Food Service	66

Top 10 Host Country Retailers

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

GDP/Population

Population *(millions)*: 67.2
GDP *(billions USD)*: 2.71
GDP per capita *(USD)*: 40,381

**This figure does not include U.S. products exported to France transshipped through other EU countries. The actual exports to France are more than double the reported figure.
Sources: TDM, World Bank, Linéaires

Strengths/Weaknesses/Opportunities/Challenges	
Strengths	**Weaknesses**
France is one of the biggest markets in Europe with high-income levels.	U.S. exporters face competition from tariff-free products from other EU member states and FTA partners.
Opportunities	**Threats**
A large, well-developed food-processing industry requiring a wide range of ingredients, from low-value, unprocessed foods to high-value, highly processed ingredients.	Non-tariff barriers such as phytosanitary restrictions and traceability requirements can make exporting to France complicated.

Data and Information Sources:
INSEE, Trade Data Monitor, Linéaires, French Customs
Note: At an aggregate level 2019 statistics are available for trade. For production and more detailed product figures, 2018 is the most recent data available.

Contact: FAS Paris, France
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COVID-19

The statistics used in this report were reported and compiled before the COVID-19 pandemic and it does not reflect all uncertainties of the current economic situation which is still being impacted by the on-going pandemic. The strict national confinement plunged the country into recession. GDP is estimated to fall by 11 percent in2020, the worst recession since World War II. According to the French Ministry of the Economy, the public deficit will reach 7.6 percent of GDP and the public debt will grow to 112 percent of GDP in 2020. The World Trade Organization predicts a drop in world trade between 13% and 32% in 2020.

That said, **retail food** was considered an essential industry by the government and most firms continued to operate but with slightly lower capacity because of limitations on labor and new distancing precautions. Trucking increased costs for the industry as there were fewer drivers, with some choosing not to work and other foreign drivers departing the country. Some small neighborhood outlets suffered during the crises but supermarkets enjoyed seven percent growth this spring, and retail sales continue to be strong in spite of the re-opening of restaurants.

Many importers have noted that they have slowed or stopped their purchases from the United States as well as from other countries while they assess future demand. Economic recovery is not expected until late in the year or in 2021.

Food nationalism is growing since the crisis began with messages of Buy French popular among government officials and the media. French President Macron's recent speeches have highlighted the need for food sovereignty at the French and EU level. However, France relies on exports of agricultural products and enjoys a large surplus in their trade balance with exports such as wine and wheat where it is the leading EU exporter. Therefore, France will have a difficult time closing the borders to imports while continuing to promote their exports.

I. Market Summary

France's retail distribution network is diverse and sophisticated. The food retail sector is generally comprised of six types of establishments: 1) hypermarkets, 2) supermarkets, 3) hard discounters, 4) convenience stores, 5) gourmet centers in department stores, and 6) traditional outlets including neighborhood stores - bakeries and butcheries, 7) gas marts, as well as open-air markets and internet sales. In 2019, sales within the first four categories represented 75 percent of the country's retail food market. Different types of retailers have experienced growth and success over the last 18 months. In 2019, the largest French retailers continued investing in smaller stores in city centers.

In 2019, food expenditures represented about 20 percent of the overall budget, compared to 35 percent in 1960. The household food basket is now primarily composed of processed and ready-to-eat foods, while the demand for meat, fruit and beverages, bread and alcoholic beverages has decreased. The increase of household purchasing power, fluctuation in food prices and changing lifestyles have contributed to the changes in food habits. In 2019, the overall retail food sales in France were stabled, estimated to $366 billion. Hyper and supermarkets and hard discounters sell approximately $240 billion; neighborhood stores, including traditional grocers, $98 billion; and specialized food stores such as frozen food stores, organics and open-air markets, $28 billion.

Generally, hyper and supermarkets remain the most popular stores, but specialized food stores, frozen food stores, and hard discounters have increased their retail sector market share in recent years. French consumers tend to diversify their purchases through several stores: for example, buying some products locally and others from discount stores that may be farther from their residence. In addition, consumers are more price sensitive and demand high-quality products to be worth the extra investment. Since several years, the large retailers 'drive-thru service is on the rise, representing 7.6 percent of total food sales. In addition, large retailers are expanding their private labels offered, plus 1.4 percent in 2019, as well as investing in smaller stores.

Key market drivers and consumption trends:

- More time spent working and the rising number of single households are driving the demand for convenient ready-to-eat meals, desserts, and baking mixes.
- The growing population and increased health consciousness of consumers is fueling the demand for health and wellness products, as well as functional food products.
- Fair trade and organic products are becoming increasingly popular. France is second largest organic market in Europe.
- Ethnic foods, health and super foods, and *free-from* products (e.g. gluten or lactose free), and locally grown are further trends that are attracting more and more French consumers.
- Increasing share of consumers who view their purchasing decision as a political or life-style statement such as no GMOs, free-range eggs, and vegetarian or vegan diet foods.
- Consumers increasingly require traceability and information about production methods.

Table 1: Advantages and Challenges

Advantages	Challenges
A significant portion of French households can afford imported food products.	Lack of brand and variety awareness of U.S. food products by consumers.
The French food retail industry is looking for new imported food products.	Although of interest, introducing new-to-market brands and products is not easy.
American food and food products are increasingly popular in France.	Complying with European and French regulations.
Efficient domestic distribution systems.	Domestic and intra-EU imports dominate the supply chain.
French consumers demand quality, innovative, healthy products.	Adapting products to French consumers' tastes and expectations.
Changing lifestyles, demographic changes and the economic crisis fuel growth in the retail sector.	Adapting U.S. products to French consumer needs regarding price, practicality, variety, quality and packaging.

II. Road Map for Market Entry

U.S. exporters can gain market entry to the retail service sectors in several ways including representation by an importer, having their products placed in a central purchasing office catalog and by selling directly to cash and carry outlets. Food buyers use central buying offices, importers and cash and carry dealers to procure their products.

The most common method of market entry is using an experienced importer to place your product in the French market. The importer will verify that your product meets EU import requirements, such as labeling and ingredient regulations and will verify your financial reliability. If interested, the importer will engage in price negotiations. Both supplier and importer need to discuss logistical requirements and the length of the contract. FAS Paris maintains a list of importers for your use.

Importers often place your product with retail stores and with central purchasing offices. In France, it is common for large retailers to participate in a central purchasing office to share the costs of purchase and distribution. The central purchasing office buys products directly as well as from importers and distributors and provides them to the retail outlets.

In order to present a product to a central buying office, a U.S. supplier should:

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

Labels should be in French with the following information:

- Product definition;
- Shelf life: indicated "used by" and "best before" dates and other storage requirements;
- Precautionary information or usage instructions, if applicable;
- Statement of contents: ingredients, weights, volumes, etc., in metric units. All additives, preservatives and color agents must be noted on the label with a specific group name or "E" number;
- Country of origin and name of importer or vendor within the EU;
- Manufacturer's lot or batch number.

You will find additional labeling rules on food allergens and nutritional products, packaging, container, food additives regulations and trade barriers at http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/

Table 2: Major Food Related Trade Shows in France

Trade Show	Description	Location
SIAL (every two years) USDA endorsed October 18-22, 2020. erich@imexmanagement.com	Leading food fair for retail trade, food service, and catering market	Paris
SIRHA	World's largest trade show for	Lyon

January 23-27, 2021. www.gl-events.com/	food service	
Europain January 2021. www.europain.com/en/show	International trade show for bakery and confectionery products	Paris
MADE September 8-9, 2020. www.madeparis.com/	Trade show for private labels	Paris
Sandwich and Snack Show September 20-22, 2020. www.sandwichshows.com	Trade show for snacks products	Paris
Vinexpo February 15-17, 2021. https://www.vinexpoparis.com/?lang=en	International trade show for wine and spirits	Paris

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 to enter overseas markets. They are funded by USDA/FAS and the private industry. They carry out promotional activities to increase exports of U.S. high-value food and agricultural products. For more information, contact the state regional trade group responsible for your state: https://www.fas.usda.gov/state-regional-trade-groups

The **U.S. Agricultural Export Development Council** is composed of U.S. commodity trade associations and other organizations, in addition to the SRTGs, with an interest in promoting U.S. agricultural exports. For an overview and additional information on the various Commodity Groups, you can go to www.usaedc.org. The Commodity Cooperator Groups regularly organize (reverse) trade missions, often organized around trade shows or other events. They also are excellent platforms for U.S. suppliers of food ingredients to meet with foreign buyers.

Profiles of Top Food Retailers

Retailer Name and Outlet Type	Ownership	Sales in 2019 (billion USD)	Location	# of Outlets	Purchasing Agent Type
Carrefour (Hyper/Supermarkets, convenience stores)	French	91	France and foreign countries	12,225	Importers
E. Leclerc (Hyper/supermarkets, convenience stores)	French	54.5	France and Europe	4,035	Central Buying office
Inrermarche/Les Mousquetaires (Supermarkets, hard discounter, and convenience stores)	French	51.2	France and foreign countries	3,186	Central Buying Office
Systeme U (Hyper/supermarkets and	French	29.5	France	2,392	Direct

convenience stores)					
Groupe Casino (Hyper/supermarkets, hard discount + convenience stores)	French	39.1	France and foreign countries	7,946	Central Buying Office
Groupe Auchan (hyper/supermarkets, + convenience stores)	French	25.7	France and foreign countries	963	Direct
Lidl (Hard discounter)	German	11.8 (France) 118 (world)	France and Europe	1,486 (France) 10,000 (world)	Central Buying Office
Aldi (Hard discounter)	German	5.8	France and foreign countries	886	Central Buying Office
Cora (Groupe Louis Delhaize) (Hyper/supermarkets)	French and Belgian	5.2	France and Europe	61 (France)	Importers

Source: Lineaires/Panorama Trade Dimensions 2018

Major Retailers:

1. **Carrefour**: After having been the world's second largest retailer, after WalMart, and the largest in Europe for several years, since 2016 the French group Carrefour dropped to sixth in the world, and in 2018, as per Deloitte Consultant, it now ranks ninth after Amazon, Lidl, and Aldi Group. Created in 1959 in southeast France, Carrefour grew rapidly into international markets with stores in 30 countries (Europe, Asia, South America, and North Africa). Worldwide sales in 2018 amounted to 76 billion euros ($89.7 billion). Carrefour has supermarkets, convenience and city center stores, all under the name of Carrefour (Carrefour Market, Carrefour Express, Carrefour City, etc.) depending on their location.

2. **E. Leclerc**: Since 2016, the company remains the top retailer in France beating out Carrefour. Most of its stores are hypermarkets. Leclerc is present in Europe and sources food products through its central buying office.

3. **Intermarché**: This is a group of independents retailers with stores in Europe and foreign countries: Canada, South Africa, Switzerland, Australia and China. Most of Intermarché's outlets are supermarkets; there are a few city center stores and only 89 hypermarkets.

4. **Groupe Auchan**: This is a family company owned by the Mulliez family and the Schiever Group. Auchan is present in 12 countries.

5. **Systeme U:** This is the fourth largest retailer in France in terms of sales and the fifth largest retailer in terms of stores. U brand private label expansion is a priority for the products such as wine, fruit juices, frozen ready-to-eat foods, ethnic foods and seafood. Note that Systeme U is a good client for Alaska sustainable seafood.

6. **Casino**: is present in France and a few in South America. Casino has Monoprix, Franprix, Petit Casino, Leader Price Express, Casino Shop, Vival, Spar, and Chez Jean. In addition, Casino's hard discounters Leader Price represent 20 percent of the total hard discounters in France.

7. **Cora**: The retailer is part of the Belgium group Louis Delhaize and has hypermarket/supermarket stores in France and Europe. Cora buys products through Provera their Central Buying Office that sources food products from importers.

8. **Grand Frais**: this is a network of 221small to medium stores. Created in the 1980s to offer consumers the best quality at moderate prices for fruits and vegetables, fish, world food groceries, butcher-delicatessen and dairy products, Grand Frais' total sales in 2018 were $2.2 million. Grand Frais works directly with importers and is open to new and U.S. products.

9. **Costco:** In June 2017, the U.S. retailer inaugurated the first warehouse club in France, in Paris' suburb; a membership-fee discount concept was new to France. Given the success of this first French store that opened in June 2017 near Paris, the American brand has said it plans expansion in France.

Convenience Stores:
They fall under the category of small supermarkets (superettes), are generally located in small cities, and frequently opened every day (including Sunday). Within ten years, proxy/convenience stores increased by 40 percent and in 2018, there were approximately 8,600 outlets affiliated with large retailers such as Carrefour, Casino and Intermarché. Their number is expected to continue rising in coming years with more new concept stores.

Other Type of Retailers:
The number of smaller and independent stores has slightly increased since 2002. Most of them are specialized food outlets (bakeries, butchers and fish shops, groceries), and they are located both in urban and rural areas. While neighborhood stores in rural areas tended to decrease in number, they have increased in urban areas. The French National Economic Statistics (INSEE) most recent census indicated 78,000 stores. Their sales represent about 20 percent of the French food sales and their products are sourced from wholesalers and wholesale markets. Customers of neighborhood stores are generally medium to high-class consumers.

Traditional grocers include gourmet sores, such as Fauchon, Hediard, La Grande Epicerie, and Galerie Gourmande, which carry a wide range of imported products. They are located in large and medium-sized cities and attract high-income consumers. The approximately 200 outlets in France offer U.S. exporters easier market entry for products; their drawback is a tendency to purchase smaller quantities and they work directly with importers.

- Picard Surgeles is the leading frozen food retailer in France for home consumption, with a 30 percent market share, 1004 outlets throughout France and sales in 2018 valued at $1.7 billion. Picard sells high-end frozen products and offers opportunities for U.S. suppliers of fish and seafood, frozen fruits and vegetables, fruit juices, and prepared specialty meals for their private label. Picard works directly with importers.

- Toupargel is the second largest frozen food retailer in France, after Picard, and the leader for frozen food home deliveries, before Thiriet, Maximo and Argel. In 2018, Toupargel sales were $288 million. Toupargel offers opportunities primarily for U.S. suppliers of fish and seafood.
- Biocoop is a network of specialized organic, fair trade and ecological products including food and non-food products. Biocoop has 560 stores throughout France and total sales in 2018 amounted to $1.4 billion. Biocoop sources its products through different buying offices.

III. Competition

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

Overall Competitive Situation facing U.S. Suppliers, Calendar Year 2019

Product Category and Imports from the United States	Main Suppliers in Percentage	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
HS08. Fruit and Nuts, 28,895 tons $ 151.3 million	Spain (35%) Netherlands (15%) Belgium (10%) USA – (3% share)	Spain, Netherlands and Belgium are EU countries and price competitive as well as geographically close. Italy mainly supplies grapes, while Spain has a wider range of fruits to offer including citrus. Turkey and Israel also supply citrus to France. The US ranks 8th and exports were growing by 11 percent over last year.	Locally, there are very marginal local production for nuts and citrus and none for tropical fruits. France is only a producer of walnuts mainly for national consumption. France is an attractive market for US dried fruit and nuts but the competition is tough for citrus products.
HS22. Beverages, including wines, spirits and alcohols 36.8 ML $143.6 million	Belgium (18%) UK (15%) Italy (13%) USA – (3% share)	Belgium, the UK and Italy dominate the market with beer, branded spirits, and wine respectively. US sales of bourbon and wine are dropping impacted by the retaliatory tariffs.	France is world's largest whiskey consumer and also wine producer with Italy. However, a niche market exists in France for third country wines.
HS03. Fish and Seafood $136,5 million 34,730 tons	Norway (13 %) Sweden (12%) UK (12%) USA – (2% share)	Norway and Sweden dominate the market but export share is shrinking. UK is becoming a major player. The US ranks 14th and exports have been pretty stable these past three years.	Local resources in fish and seafood do not satisfy increasing demand. The United States is a major supplier to France, especially for frozen pollock, cod and salmon, live lobsters, frozen rays,

			dogfish and scallops.
HS12. Oil Seeds & Oleaginous Fruits $117,6 million 149,227 tons	Canada (16%) Netherlands (13%) Ukraine (10%) USA. – (7%)	Canada sales have increased by 110% over a year thanks to the new trade agreement while US soybeans and seeds sales have declined last year.	France is a net soybean importer. The United States has traditionally been one of its major supplier but CETA, the new EU/Canada trade agreement is challenging for US sales.
HS21. Prepared foods including sauces, condiments, seasonings, mustards and ice creams 5,025 tons $23.9 million	Germany (21%) Belgium (14%) Netherlands (12%) USA – (1.1% share)	Germany, Belgium and the Netherlands dominate the market with sauces/condiments/seasonings and mustards. Italy supplies soups, and ice creams. Most of the imports from the United States are food preparations, sauces, dressings and ice cream.	Demand for interesting natural or exotic flavors as well as health and wellness products should provide opportunities for U.S. suppliers of sauces/ condiments/seasonings.
HS10. Cereals 5,434 tons $16.3 million	Italy (19%) Belgium (13%) Netherlands (10%) USA – (2% share)	Italy dominates the market with rice, followed by Belgium and Netherlands reshipping corn and rice. The United States is 14th French supplier for cereals.	US exports are mainly corn and rice. Wild rice sales were growing by 17 percent over last year.
HS20. Preparations of fruits, vegetables, nuts, including jams, fruit purees and fruit juices. 3,077 tons $13 million	Belgium (22%) and Netherlands (20%) Spain (15%) USA – (0.3% share)	Belgium & Netherlands dominate the market with preparation of vegetables other than tomatoes Spain supplies France with prepared fruits, fruit juices, and nuts. Spain and Brazil also export fruit juices to France.	There are approximately 1,100 local companies in the sector of canned fruits and vegetables, including a few major groups and regional canners. France is not a producer of fruit juices except for a few home-style/small-scale production products.
HS07. Edible vegetables ; Pulses 7,816 tons $11.3 million	Spain (35%) Belgium(17%) Morocco (11%) USA - (0.3% share)	China supplies with all varieties of pulses, while Canada supplies mainly beans and lentils. The United States supplies mainly beans and lentils.	France's production of pulses represents 25% of total domestic need.

Source: Trade Data Monitor /French Customs

IV. Best Product Prospects

Products identified as opportunities for U.S. Suppliers

- Fish and seafood: salmon, cod, lobster, scallops. Please see report for more information
- Citrus fruits and Nuts: grapefruit, almonds, pistachios, and other nuts
- Salted and sweet snacks, confectionary products
- Spices, sauces, seasoning
- Wine and other alcoholic beverages
- Carbonated drinks, juices
- Pulses
- Canned fruit/vegetables, marmalade.

Products not present in significant quantities but that have good sales potential

- Energy drinks, 7 percent growth and market valued at USD 1.6 billion
- Organic foods, 15 percent growth and market valued at USD 11.4 billion
- Kosher foods, 14 percent growth and market estimated at USD 0.6 billion
- Halal foods, 6 percent growth and market estimated at USD 8.5 million

Products not present because they face significant trade barriers

- Vitamin-enriched flour
- Meat products with hormones and poultry products
- Biotech-derived products that are not approved in the EU
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For more information on product trade restrictions within the European Union, please refer to U.S./EU Mission Food and Agricultural Import Regulation and Standards Report (FAIRS).

V. Post Contact and Further Information

If you have any questions or comments regarding this report, need assistance exporting to France or desire French buyers contact lists, please get in touch with the U.S. Agricultural Affairs Office in Paris:

U.S. Department of Agriculture, Foreign Agricultural Service
Embassy of the United States of America
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Phone: +33-1 4312 2245
Email: agparis@fas.usda.gov
Home page: http://www.usda-France.fr

Please view our Home Page for more information on exporting U.S. food and beverage and to find list of French market sector/briefs and other detailed reports.

Attachments:

No Attachments