2. Agriculture and Agri-Food (Including Seafood Products)

Promising Areas
Beverages, grains, legumes and specialty crops, fish and seafood, berries, food ingredients, venison, and value-added items such as gourmet food products.

A. The Potential Market

France is the world's second largest producer of agricultural and agri-food products, after the United States. As the European leader, France, more than any other country, sets the pace for and influences the content of the European Union's Common Agricultural Policy (CAP). To maintain its position as the world leader in food processing, France must import large quantities of commodities -- over C$45 billion worth in 1998.

Since the agricultural and agri-food sector is subject to both French and European Union regulations, it may seem difficult, at first glance, to gain access to the French market.

France has been a key force in developing the European Commission's carefully crafted regulations (France is the largest producer, while Germany is the largest importer). It is important to bear in mind that France does import rare, exotic, typical and high-quality products.

Canadian agricultural and agri-food exports grew by 3.7% in 1998 to a total of $220 million (including seafood products).[(1)] The changes resulting from multilateral negotiations and the reform of the CAP have created attractive marketing opportunities for Canadian agricultural products, given their quality. However, the increase is largely attributable to significant growth in the export of seafood and commodities, and progress in the processed products market. Areas for strategic focus are: the close complementarity of the French and Canadian markets; the need for better mutual knowledge of institutional frameworks for production and regulation; maintaining a strategic outlook on the potential for penetrating EU and NAFTA markets by stepping up strategic alliances and investment projects in both directions; targeting the sub-sectors and Canadian products that have the best chance of success in the French market.

B. Constraints

The creation of the single EU market and the implementation of World Trade Organization (WTO) agreements have led to more extensive and stricter health and phytosanitary regulations, leading to a significant increase in the need for government intervention and official discussions. This has become a permanent state of affairs. Though a number of recent interventions have been successful, major battles loom on the horizon, notably involving genetically modified organisms (GMO), market access for hormone-treated beef, health labelling and vegetable and animal classification standards, controlled