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MARKET ACCESS SECRETARIAT
Global Analysis Report

Health and Wellness Series

Health and Wellness Trends

In France

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Executive summary

The French health and wellness food market is flourishing. Many packaged food companies are responding to consumer push towards healthier food choices and have introduced fortified, reduced fat/carb/sugar, and organic products, as well as meal replacement and other health-oriented products.

Most notably, there has been an explosion of demand for organic products, as the health and wellness sector moves from a niche market, to mainstream. French consumers are notorious for preferring fresh and natural products and especially local products (produits du terroir).

The health and wellness trend is rooted in the French consumer eating habits. Consumers are constantly aware of the consequences of not eating healthy, causing the organic package food category to rise by 7.7% and the free-from food category to rise by 9.1% from 2012 to 2016.

However, better for you (BFY) and fortified/functional foods (FF) were in decline, as French consumers prefer to maintain an optimal total health by favouring naturally healthy, organic and free-from foods.

Private label brands are popular in the French health food market, as consumers seek competitive prices, along with the same health benefits as branded foods. In 2016, private label brands had control of almost 17.8% of the health and wellness market in France.

According to the Market Assessment of Opportunities and Challenges in the European Union (EU) report, health and wellness products in France have been identified as a promising market opportunity in the EU. Through a rigorous analysis of the market size, growth, and tariff reductions of the EU imports, France represented an ideal opportunity for Canadian exporters.

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The French consumers

The tastes and preferences of French consumers are continuously evolving. Traditional and gourmet French cuisine remains popular, as French consumers are proud of their culinary tradition. Most food advertising relies on this premise, celebrating the traditional or regional aspect of the food, which may now be available in new formats or processed through new technology. Nonetheless, consumers are still reluctant to sacrifice taste and indulgence when it comes to food. Taste is still the primary factor in purchasing decision for food and beverages in France.

While French consumers are becoming more open to new types of food and beverage products, this has not greatly affected the consumption of traditional French staple food and beverage products, which include bread and baked goods, cheese, meat, vegetables, and fruit. French consumers remained loyal to terroir (regional and often artisanal way of producing wine and food) and authentic cooking. The belief behind this movement was a strong “back to the roots” trend, with people trying to revert to a simpler lifestyle, which is considered more healthier and less stressful.

In 2016, there is growing awareness of the potential side effects of many artificial substances used in agriculture, consequently many French consumers are turning to a greener approach when it comes to the food and beverages they consume. They are looking for products which do not harm their health nor the environment or society; and products that are organic, free-from artificial additives and fair trade.

The rate of obesity and diabetes and food intolerances among the French population is rising. Sedentary lifestyles are also contributing factors to obesity and at the individual level; the main cause is over-eating which results from the ready availability of food and people making poor food choices. Urban environments are also discouraging physical activity as more and more people relying on their cars.

The French government is taking measures to fight the problem, such as food labelling requirements, restrictions on product claims and food advertising, public education, school programmes, initiatives to encourage physical activity and putting tax on so-called unhealthy products. The major food companies are working on making their products healthier by reducing sugar, salt and fat. They are exploring technologies to make healthy products taste better and are changing packaging to make portion control easier.

As a result, French consumers became increasingly aware of the dangers of obesity to health and they paid more attention to the levels of sugars and fats in beverages and packaged food. Health and wellness packaged food and beverages benefited from this health consciousness amongst French consumers.

Eating habits

The French do attach importance to their “three meals a day”. Meals are considered as pleasant as reading or listening to music. Traditionally breakfast is taken around 8 am, lunch time seems to be fixed at around 1 pm and dinner time is after 8 pm. Most French people think it is important to take their meal together with family or friends. Senior citizens and women place the most importance on eating socially.

According to the Mintel report on French consumers, in 2016, French people devoted an average of 2 hours and 22 minutes every day to eat, which is 13 minutes more than they did in early 2000. However, they spent less time cooking in 2016 than in 2010 (53 minutes in 2016 compared to one hour and 11 minutes in 2010, representing an 18 minutes drop).

European households composition by type in 2016

% households	Single person	Couple	Couple with children	Single-parent family	Other
Sweden	47.1	30.1	16.5	4.2	2.1
Norway	40.1	21.2	27.7	8.3	2.7
Denmark	39.8	33.6	14.3	5.1	7.3
Germany	38.8	29.9	24.6	5.5	1.2
Netherlands	36.6	27.5	29.4	6.2	0.3
Austria	36.5	19.8	25.2	9.2	9.4
France	34.5	26.5	26.4	8.0	4.6
UK	34.4	26.3	19.4	7.7	12.1
Belgium	33.4	21.1	25.3	13.3	6.9
Poland	30.8	18.3	35.1	10.9	4.9
Italy	29.6	22.0	37.1	9.2	2.1
Canada	*27.5*	*29.7*	*28.2*	*5.8*	*8.7*

Source: Euromonitor 2017

However, many factors, including population characteristics such as ethnicity, age, affluence, and location, influence consumer preferences in France. In general, French consumers want products that are gourmet, healthy, entertaining, or innovative. They also look for convenient and great tasting food. In addition, busier lives, irregular working hours, more single and multigenerational households and more working mothers have led to less structured meal times.

General health and wellness trends in France

Health, especially weight loss is a top resolution for the French consumers and will see a renewed interest in health and wellness for many age group, according to Euromonitor. Consumers are less attentive to the promise of a silver bullet and more concerned with establishing long-term healthy lifestyles in an era where overweight and diabetes epedimics are rampant. New trends such as the microbiome* have emerged, are dynamic and cutting edge, while others such as “down with sugar” have evolved into larger trends around eating more simply.

One major shift in health and wellness observed in France is the inclusion of mental health. Wellness is no longer simply exercise and nutrition but also positivity, mindfulness, relaxation, and self-care. The trends around holistic consumerism and minimalism speak to this shift.

French consumers, especially young consumers, often value experiences over material goods preferring to spend their money on entertainment, dining, and exotic vacations. Mature consumers are advocating the philosophy of “buying less but buying better” whereby they purchase fewer goods including food of a higher quality.

More and more French consumers simply want to make healthier food choices in the long term. People are choosing foods that are minimally processed and natural with the belief that eating organic and whole foods in moderation is better than over processed diet foods.

French consumers want products that make them feel good “mind, body, and soul”. A number of French food processors are offering transparency around sourcing, wages, and supply chain costs in order to help consumers understand their business model.

**Microorganisms in a particular environment (including the body or a part of the body).*

Market data

Historic health and wellness market retail sales by category in France in US$ millions fixed 2016 exchange rates

Category	2012	2013	2014	2015	2016	*CAGR(%) 2012-16
Health and wellness by category	19,630.6	19,797.0	19,902.8	20,137.3	20,361.4	0.9%
HW Packaged food	12,560.8	12,676.6	12,840.8	12,917.5	13,054.7	1.0%
HW Beverages	7,069.9	7,120.4	7,062.0	7,219.8	7,306.7	0.8%

Forecast health and wellness market retail sales by category in France in US$ millions fixed 2016 exchange rates

Category	2017	2018	2019	2020	2021	*CAGR(%) 2012-16
Health and wellness by category	20,854.1	21,405.6	22,042.5	22,717.7	23,445.0	3.0%
HW Packaged food	13,349.3	13,700.6	14,114.3	14,552.1	15,047.9	3.0%
HW Beverages	7,504.8	7,705.0	7,928.2	8,165.7	8,397.1	2.8%

Historic health and wellness market retail sales by type in France in US$ millions fixed 2016 exchange rates

Category	2012	2013	2014	2015	2016	*CAGR (%) 2012-16
Health and wellness by type	19,630.6	19,797.0	19,902.8	20,137.3	20,361.4	0.9%
Naturally healthy (NH)	7,873.9	7,973.8	8,010.6	8,279.6	8,474.3	1.9%
Better for you (BFY)	4,974.7	4,889.9	4,765.1	4,580.3	4,406.8	-3.0%
Fortified/functional (FF)	4,307.8	4,283.4	4,257.6	4,175.5	4,116.0	-1.1%
Organic	1,963.7	2,118.7	2,298.6	2,466.5	2,641.8	7.7%
Free from	510.5	531.2	570.9	635.5	722.5	9.1%

Forecast health and wellness market retail sales by type in France in US$ millions fixed 2016 exchange rates

Category	2017	2018	2019	2020	2021	*CAGR (%) 2017-21
Health and wellness by type	20,854.1	21,405.6	22,042.5	22,717.7	23,445.0	3.0%
Naturally healthy (NH)	8,776.3	9,088.1	9,414.9	9,749.0	10,080.8	3.5%
Better for you (BFY)	4,303.2	4,229.8	4,189.7	4,160.7	4,141.9	-1.0%
Fortified/functional (FF)	4,106.2	4,116.7	4,154.7	4,198.5	4,257.1	0.9%
Organic	2,851.2	3,058.5	3,272.7	3,493.4	3,724.1	6.9%
Free from	817.2	912.5	1,010.5	1,116.2	1,241.2	11.0%

Source for all: Euromonitor 2017 *CAGR= Compound Annual Growth Rate

Naturally healthy

The health concerns and the rise of diet-related conditions in France led more consumers to improve their dietary habits and to seek better quality food according to Euromonitor. The naturally healthy category benefit greatly from "clean labelling" trend (withdrawal of preservatives, colourants and other additives) which began next door in British modern grocery retailers.

The return to simpler, more natural and authentic food and home cooking as a cultural and leisure activity also encouraged French consumers to choose less processed packaged food and ingredients when they prepared their meals. This trend was further reinforced by the horsemeat scandal in 2013, which severely undermined consumer confidence in the packaged food market.

Historic naturally healthy category - market retail sales in France in US$ millions fixed 2016 exchange rates

Category	2012	2013	2014	2015	2016	*CAGR (%) 2012-16
Naturally healthy packaged food	2,578.4	2,694.5	2,822.4	2,959.8	3,102.9	4.7
NH High fibre food	1,152.3	1,220.0	1,268.5	1,311.1	1,364.8	4.3
NH Nuts, seeds and trail mixes	439.5	461.8	495.2	527.1	561.8	6.3
NH Olive oil	448.3	444.8	449.1	480.5	504.8	3.0
NH Honey	305.2	328.2	347.7	361.4	374.5	5.2
NH Fruit snacks	152.2	158.8	180.2	197.9	214.5	9.0
NH Cereal bars	47.6	47.1	46.3	46.1	46.2	-0.7
NH Dairy	18.9	19.3	20.3	20.1	20.3	1.8
NH Rice	11.0	11.1	11.6	12.0	12.4	3.0
NH Fruit and nut bars	3.3	3.4	3.4	3.5	3.6	2.2

The naturally healthy category is benefiting from a synergy with the rapidly-expanding organic packaged food often displayed side-by-side on the same shelf in supermarkets/hypermarkets. In addition, French consumers are looking to improve their diets and naturally healthy products represent an easy and affordable alternative to standard products, often with a lower price than organic products.

Forecast naturally healthy category - market retail sales in France in US$ millions fixed 2016 exchange rates

Category	2017	2018	2019	2020	2021	*CAGR (%) 2012-16
Naturally healthy packaged food	3,262.8	3,432.3	3,602.1	3,772.3	3,946.2	4.9
NH High fibre food	1,433.8	1,518.5	1,611.9	1,708.7	1,808.7	6.0
NH Nuts, seeds and trail mixes	603.0	638.8	671.0	697.4	723.0	4.6
NH Olive oil	521.5	535.0	545.2	559.2	574.6	2.5
NH Honey	387.5	402.8	417.4	431.2	445.0	3.5
NH Fruit snacks	233.4	251.9	269.0	285.8	302.5	6.7
NH Cereal bars	46.1	46.6	47.2	48.0	48.9	1.5
NH Dairy	20.9	21.7	22.7	23.8	24.6	4.2
NH Rice	12.9	13.4	13.9	14.4	14.9	3.7
NH Fruit and nut bars	3.6	3.7	3.8	3.9	4.0	2.7

Source for both: Euromonitor 2017 *CAGR= Compound Annual Growth Rate

Better for you (BFY)

Reduced fat, reduced sugar and reduced salt packaged food categories witnessed a dwindling sales in France, averaging a CAGR of -3.6% from 2012 to 2016. These food products are perceived as lacking in flavour, unnatural and inauthentic in addition to being the culprit in weight gain and blood pressure rises. As a result, reduced fat dairy, reduced fat soups and reduced sugar ice cream products suffered a sharp downward trend.

Best for you (BFY) products that promoted health claims suffered from French consumers lack of confidence in their effectiveness . Finally, the success registered by free from and organic products hampered the BFY category by attracting informed consumers towards products perceived as more efficient. With negative value retail sales of 5% in 2016 over 2015, BFY packaged food continue to decline.

Historic better for you package food category, market retail sales in France in US$ millions fixed 2016 exchange rates

Category	2012	2013	2014	2015	2016	*CAGR (%) 2012-16
Total better for you packaged food	3,965.0	3,865.6	3,763.4	3,596.7	3,429.7	-3.6
BFY reduced fat packaged food	2,847.1	2,776.7	2,705.0	2,621.2	2,531.0	-2.9
Reduced fat chilled processed meat and seafood	12.6	12.3	12.2	12.2	12.3	-0.6
Reduced fat dairy	2,346.7	2,289.5	2,202.3	2,068.7	1,939.3	-4.7
Reduced fat frozen meat, seafood, fruit and vegetables	5.8	5.8	5.8	5.7	5.6	-0.9
Reduced fat ready meals	246.1	249.9	262.9	309.9	344.5	8.8
Reduced fat sauces, dressings and condiments	60.6	61.8	64.9	67.1	69.0	3.3
Reduced fat savoury snacks excl nuts, seeds and trail mixes	118.0	119.9	121.7	124.0	128.3	2.1
Reduced fat shelf stable meat, seafood, fruit and vegetables	9.8	9.8	9.7	9.6	9.6	-0.5
Reduced fat soup	10.1	5.5	4.1	3.7	3.2	-25.0
Reduced sat spreads excl honey	3.8	3.9	3.9	3.9	3.9	0.7
Reduced fat sweet biscuits	21.4	18.5	17.6	16.5	15.3	-8.0
BFY reduced salt food	20.4	18.6	18.9	19.2	19.7	-0.9
Reduced salt margarine and spreads	14.6	15.1	15.4	15.7	16.2	2.6
Reduced salt shelf stable meat, seafood, fruit and vegetables	3.5	3.5	3.5	3.5	3.5	0.0
BFY reduced sugar packaged food	1,097.6	1,070.3	1,039.4	956.3	879.0	-5.4
Reduced sugar confectionery	499.3	486.5	477.6	435.0	398.0	-5.5
Reduced sugar dairy-based yoghurt	401.8	382.5	357.6	315.4	273.0	-9.2
Reduced sugar ice cream	39.4	32.6	28.7	26.2	24.8	-10.9
Reduced sugar shelf stable meat, seafood, fruit and vegetables	42.6	44.6	45.9	47.3	48.5	3.3
Reduced sugar spreads excl honey	96.1	102.9	106.2	108.0	109.6	3.3
Reduced sugar sweet biscuits	18.4	21.2	23.4	24.4	25.1	8.1

Source: Euromonitor 2017 *CAGR= Compound Annual Growth Rate

French consumers associate food with pleasure and this is their first purchasing motive. In addition, authorities are more likely to discriminate against soft drinks, which are already more taxed than packaged food. Despite this, BFY packaged food is set to decline in the future as consumers will continue to shift towards organic products, which are considered more natural and healthier. The growing trend is "eat less but better" based on authentic products.

Forecast better for you package food category - market retail sales in France in US$ millions fixed 2016 exchange rates

Category	2017	2018	2019	2020	2021	*CAGR (%) 2017-21
Total better for you packaged food	3,323.6	3,246.3	3,196.3	3,153.2	3,119.9	-1.6
BFY reduced fat packaged food	2,476.9	2,429.0	2,392.9	2,358.6	2,335.5	-1.5
Reduced fat chilled processed meat and seafood	12.4	12.6	12.7	13.0	13.2	1.6
Reduced fat dairy	1,852.1	1,775.4	1,715.5	1,657.1	1,607.4	-3.5
Reduced fat frozen meat, seafood, fruit and vegetables	5.6	5.7	5.8	5.8	5.9	1.3
Reduced fat ready meals	370.3	391.8	406.4	420.3	436.0	4.2
Reduced fat sauces, dressings and condiments	71.6	73.9	76.9	79.8	83.0	3.8
Reduced fat savoury snacks excl nuts, seeds and trail mixes	134.0	139.7	146.2	153.7	161.3	4.7
Reduced fat shelf stable meat, seafood, fruit and vegetables	9.6	9.7	9.7	9.9	10.0	1.0
Reduced fat soup	3.0	2.9	2.9	2.9	2.9	-0.8
Reduced sat spreads excl honey	3.9	3.9	3.9	3.9	3.9	0.0
Reduced fat sweet biscuits	14.3	13.5	12.8	12.3	11.9	-4.5
BFY reduced salt food	20.4	21.0	21.7	22.4	22.9	2.9
Reduced salt margarine and spreads	16.9	17.5	18.2	18.8	19.2	3.2
Reduced salt shelf stable meat, seafood, fruit and vegetables	3.5	3.5	3.5	3.6	3.6	0.7
BFY reduced sugar packaged food	826.4	796.2	781.7	772.2	761.5	-2.0
Reduced sugar confectionery	377.5	367.5	365.2	365.5	369.0	-0.6
Reduced sugar dairy-based yoghurt	238.2	214.7	198.6	184.8	166.5	-8.6
Reduced sugar ice cream	23.8	23.0	22.4	21.9	21.4	-2.6
Reduced sugar shelf stable meat, seafood, fruit and vegetables	49.9	51.5	53.2	55.2	57.3	3.5
Reduced sugar spreads excl honey	111.3	113.0	115.0	117.0	118.8	1.6
Reduced sugar sweet biscuits	25.9	26.5	27.2	27.9	28.5	2.4

Source: Euromonitor 2017 *CAGR= Compound Annual Growth Rate

According to Euromonitor, diet products were out of favour and are not expected to recover for several reasons: French consumers increasingly favour more authentic products, even fat products which are perceived as natural. Diet products (fat free and sugar free) are perceived as being not good because of a lack of taste.

Fortified/Functional (FF)

The regulatory framework in the EU around health claims evolved in the last 10 years to become stricter for food processors that intend to promote fortified/functional benefits. Since 2006 they have been obliged to provide scientific evidence to be allowed to communicate health claims These new regulations contributed to higher production costs through the implementation of clinical experiments. In 2016, the number of health claims authorised by the EU under tight control negatively affected the development of FF packaged food, which declined by 1.8% in value retail terms.

Historic fortified/functional package food category - market retail sales in France in US$ millions fixed 2016 exchange rates

Category	2012	2013	2014	2015	2016	*CAGR (%) 2012-16
Total fortified/functional packaged food	3,831.6	3,788.8	3,740.2	3,642.1	3,566.4	-1.8%
FF Dairy	2,064.0	2,023.7	1,986.4	1,900.6	1,833.0	-2.9%
FF Baby food	636.3	641.7	645.7	642.4	648.3	0.5%
FF Breakfast cereals	609.6	595.4	584.3	565.9	545.1	-2.8%
FF Confectionery	335.6	341.9	337.6	345.8	351.2	1.1%
FF Vegetable and seed oil	124.0	121.9	120.3	119.6	119.0	-1.0%
FF Sweet biscuits, snack bars and fruit snacks	43.9	45.1	46.2	47.6	49.1	2.8%
FF Bread	18.3	19.0	19.7	20.2	20.7	3.1%

Source: Euromonitor 2017

According to Euromonitor, French consumers are seeking to lengthen life expectancy, therefore; the aging population is more demanding in terms of health, which resulted in the development of fortified/functional (FF) food.

As consumers became more interested in preventing diseases, manufacturers developed FF packaged food, in which additional ingredients claim to provide health benefits or have disease preventative properties. However, some consumers became more suspicious over time, others struggled to understand the health claims promoted by manufacturers. Consequently, retail value sales of FF packaged food started to decline.

Forecast fortified/functional package food category - market retail sales in France in US$ millions fixed 2016 exchange rates

Category	2017	2018	2019	2020	2021	*CAGR (%) 2017-21
Total fortified/functional packaged food	3,531.4	3,515.1	3,524.9	3,539.4	3,569.0	0.3
FF Dairy	1,791.9	1,756.5	1,737.0	1,719.0	1,707.1	-1.2
FF Baby food	653.8	666.9	684.9	704.9	730.1	2.8
FF Breakfast cereals	535.5	531.0	530.2	530.3	534.0	-0.1
FF Confectionery	359.9	369.4	379.6	389.3	399.1	2.6
FF Vegetable and seed oil	118.1	116.8	116.2	116.2	116.6	-0.3
FF Sweet biscuits, snack bars and fruit snacks	50.9	52.6	54.4	56.2	57.7	3.2
FF Bread	21.3	22.0	22.7	23.5	24.3	3.3

Source: Euromonitor 2017 *CAGR= Compound Annual Growth Rate

Organic

The French government launched in 2013 a plan to foster organic agriculture and double the area of organic land by 2017. This plan consisted of a significant aid programme to ptovide incentives farmers to shift towards organic production.

The regulatory framework for organic packaged food is shaped by the EU in order to achieve harmonisation between member countries. The main point of this legislation concerns the prohibition of the use of chemical fertilisers, pesticides, GMOs and antibiotics for animals across the entire production process.

According to Euromonitor, the consumption of organic packaged food is on a rising trend, retailers played a central role in expanding the availability of organic products. Organic products were initially available in organic shops. In 2016, these products were democratised and widely available in mainstream retailing outlets. Modern grocery retailers such as hypermarkets and supermarkets were attracted to organic packaged food as it offered important sources of margin. In addition, with the enlargement of the offer, prices of organic products became more competitive in relation to non-organic products.

Historic organic package food category - market retail sales in France in US$ millions fixed 2016 exchange rates

Category	2012	2013	2014	2015	2016	*CAGR (%) 2012-16
Total organic packaged food	1,675.2	1,796.5	1,943.9	2,083.5	2,233.2	7.5
Organic dairy	550.6	589.8	631.5	673.7	724.4	7.1
Organic bread	346.0	368.5	393.9	411.3	430.0	5.6
Organic chilled processed meat and seafood	162.4	173.2	188.4	200.7	213.0	7.0
Organic spreads	88.8	101.5	114.3	124.6	135.0	11.0
Organic baby food	89.3	97.6	104.5	111.5	119.7	7.6
Organic edible oil	64.0	73.5	81.7	91.9	101.8	12.3
Organic sweet biscuits, snack bars and fruit snacks	75.7	77.7	83.1	90.0	97.9	6.6
Organic shelf stable meat, seafood, fruit and vegetables	53.8	55.2	61.0	66.2	71.2	7.3
Organic rice, pasta and noodles	49.2	50.2	53.9	58.5	63.4	6.5
Organic breakfast cereals	36.9	39.9	44.1	49.8	55.5	10.7
Organic ready meals	35.9	38.9	42.8	47.4	51.8	9.6
Organic savoury snacks	24.2	26.1	32.8	39.0	44.6	16.5
Organic frozen meat, seafood, fruit and vegetables	33.6	35.6	36.7	37.4	38.1	3.2
Organic soup	27.0	28.9	31.8	34.5	36.1	7.5
Organic sauces, dressings and condiments	19.7	20.6	22.8	24.9	27.3	8.5
Organic confectionery	16.2	17.2	18.5	19.7	20.9	6.6
Organic ice cream	2.0	2.1	2.2	2.4	2.5	5.7

Source: Euromonitor 2017 *CAGR= Compound Annual Growth Rate

Euromonitor predicts that the demand for organic products is set for a fast growth in the future and there is room for growth. Consumers tend to buy more organic products including dairy products because production is perceived to be more ethical, and the products are considered healthier and better tasting.

Organic packaged food registered a retail value CAGR of 7.5% from 2012 to 2016, and Euromonitor projects that the category will reach US$ 3.1 billion in 2021, or CAGR of 7.1% from 2017 to 2021.

Forecast organic package food category - market retail sales in France in US$ millions fixed 2016 exchange rates

Category	2017	2018	2019	2020	2021	*CAGR (%) 2012-16
Total organic packaged food	2,414.2	2,594.3	2,780.6	2,970.9	3,171.6	7.1
Organic dairy	790.8	858.3	932.0	1,010.0	1,097.4	8.5
Organic bread	459.2	488.3	518.2	549.1	579.9	6.0
Organic chilled processed meat and seafood	225.6	237.2	249.0	260.8	272.8	4.9
Organic spreads	145.8	155.9	165.3	174.8	185.2	6.2
Organic baby food	130.4	141.5	153.9	168.2	183.3	8.9
Organic edible oil	112.1	123.3	134.8	145.0	157.3	8.8
Organic sweet biscuits, snack bars and fruit snacks	108.1	118.2	126.8	133.0	137.7	6.2
Organic shelf stable meat, seafood, fruit and vegetables	74.6	77.4	81.0	84.6	88.3	4.3
Organic rice, pasta and noodles	68.2	73.1	77.9	83.0	88.1	6.6
Organic breakfast cereals	61.8	67.3	72.9	78.8	84.4	8.1
Organic ready meals	56.0	59.6	62.1	65.1	67.8	4.9
Organic savoury snacks	50.6	56.9	62.9	68.9	73.6	9.8
Organic frozen meat, seafood, fruit and vegetables	38.8	39.8	41.0	42.0	43.0	2.6
Organic soup	37.8	39.3	40.7	42.1	43.8	3.8
Organic sauces, dressings and condiments	29.5	31.8	34.1	36.4	38.6	7.0
Organic confectionery	22.3	23.7	25.0	26.1	27.1	5.0
Organic ice cream	2.7	2.8	3.0	3.1	3.3	5.1

Source: Euromonitor 2017 *CAGR= Compound Annual Growth Rate

To further promote organic packaged food production in the EU, farmers will be allowed to produce conventional and organic food together, mixing their production process. The aim is to incentivise hesitant farmers to shift towards organic agriculture by relaxing regulations. The EU is a net importer of organic food and while consumption is constantly growing, political leaders opted for food independence regarding organic products.

https://ec.europa.eu/agriculture/organic/sites/orgfarming/files/docs/body/organic-farming-infographic5.pdf

http://agriculture.gouv.fr/programme-ambition-bio-2017

Free From

Gluten and lactose-free products stand apart as they target coeliacs or those with lactose intolerance, both genuine and increasingly common medical conditions. Although gluten-free and lactose-free continue to have adepts who practice the “Atkins” or “Dukan Diet”.

“Free-from” packaged food in France registered current value retail growth of 13.7% from 2015 to 2016. This reflected France consumers’ growing interest in free from products but also successful strategies by manufacturers to launch understandable innovations.

In France, where gluten avoidance is being promoted as a lifestyle choice and part of a more holistic approach to overall wellbeing, gluten-free food is set to witness absolute growth of US$424 million over 2017-2021. Euromonitor notes that, France registered a healthy compounded annual growth rate of 9.1% from 2012 to 2016, and project that the category will see a CAGR of 11.0% from 2017 to 2021.

Historic free from package food category, market retail sales in France in US$ millions fixed 2016 exchange rates

Category	2012	2013	2014	2015	2016	*CAGR (%) 2012-16
Total free from	510.5	531.2	570.9	635.5	722.5	9.1%
Free from dairy	288.5	292.7	299.3	322.3	349.4	4.9%
Free from lactose	150.6	158.9	181.6	204.8	233.2	11.6%
Free from gluten	22.9	28.6	35.9	50.2	66.6	30.6%
Free from meat	26.9	29.2	31.9	35.8	50.4	17.0%
Free from allergens	21.6	21.9	22.1	22.4	23.0	1.6%

Forecast free from package food category, market retail sales in France in US$ millions fixed 2016 exchange rates

Category	2017	2018	2019	2020	2021	*CAGR (%) 2012-16
Total free from	817.2	912.5	1,010.5	1,116.2	1,241.2	11.0%
Free from dairy	383.5	416.6	451.2	486.1	529.0	8.4%
Free from lactose	264.0	297.4	331.2	371.1	418.2	12.2%
Free from gluten	85.2	104.4	125.0	147.4	171.7	19.1%
Free from meat	61.2	70.0	78.2	85.9	95.9	11.9%
Free from allergens	23.4	24.1	24.8	25.6	26.4	3.1%

Source for both: Euromonitor 2017 *CAGR= Compound Annual Growth Rate

Dristibution channels

The growth of products geared towards consumers with dietary restrictions is attributed to the rising number of French consumers with diabetes and food sensitivities. In this category, consumers are interested in purchasing specialized products from well-known brands as well as private labels with the major players investing in these categories . Some food intolerance products have become trendy, such as lactose-free dairy or gluten free are appealing more and more to consumers without these allergies.

Private label products were traditionally limited to certain categories, including chilled food. However, they have successfully moved into other categories including organics, luxury snack products, and chocolate confectionery, among others. This is largely due to increased innovation regarding flavour and recipe. By making existing products healthier, private labels have been able to compete on many levels with branded products. Private labels have also been able to address consumer concerns regarding environmental sustainability

Distribution channels of health and wellness products in France retail value % breakdown

Outlets	2012	2013	2014	2015	2016
Store-based retailing	93.6	93.4	93.2	93.1	92.9
Grocery retailers	92.7	92.5	92.3	92.1	92.0
Modern grocery retailers	76.2	75.7	75.0	74.6	73.9
Convenience stores	2.1	2.1	2.2	2.3	2.3
Discounters	9.2	9.0	8.8	8.6	8.3
Forecourt retailers	2.0	1.9	1.8	1.7	1.7
Hypermarkets	35.2	35.1	34.9	34.9	34.8
Supermarkets	27.8	27.6	27.3	27.1	26.7
Traditional grocery retailers	16.4	16.8	17.3	17.6	18.1
Food/drink/tobacco specialists	0.7	0.7	0.8	0.8	0.8
Independent small grocers	2.7	2.6	2.6	2.6	2.6
Other grocery retailers	13.0	13.5	13.9	14.2	14.7
Non-grocery specialists	0.9	0.9	0.9	0.9	0.9
Non-Store Retailing	6.4	6.6	6.8	6.9	7.1
Vending	1.4	1.3	1.3	1.2	1.2
Internet Retailing	5.1	5.3	5.5	5.7	5.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source for both: Euromonitor 2017

Euromonitor notes that Internet retailing is a growing business in France. Most notably, sales of health and wellness products over the Internet have grown from 5.1% of the market in 2012, to 5.9% of the distribution breakdown 2016.

The strong growth of health and wellness products has encouraged grocery retailers to invest in specific outlets and private label references. Meanwhile, the specialist retailers channel continues to grow, despite the strong competition it faces from the much larger players present in the market.

Conclusion

Overall, France's aging population and increasing awareness of rising obesity and diabetes rates have caused the French government and French consumers to be concerned with health and wellness. This has led to increased value sales in organic products, as well as food intolerance, fortified/functional, and naturally healthy products.

French consumers seek fresh, natural and minimally processed foods. Beneficial ingredients that help fight disease and promote good health are also important.

Younger and demanding consumers are most willing to pay a premium for health attributes. Organic categories are growing faster than any other category

Environmental and socioeconomic concerns also factor into purchase decisions of French consumers. Over one-third think sustainably sourced and organic ingredients are very important in their purchasing decisions, and more than one-quarter say local herbs/ingredients are very desirable.

For more information

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in France**
  http://tradecommissioner.gc.ca/france/index.aspx?lang=eng
    - france-td@international.gc.ca http://www.france.gc.ca
- **Find a Trade Commissioner**
  www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

For additional intelligence on this and other markets, the complete library of Global Analysis reports can be found under *Statistics and Market Information* at the following link, arranged by sector and region of interest:

- ats-sea.agr.gc.ca

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RESOURCES

Organic farming in France:
https://ec.europa.eu/agriculture/organic/sites/orgfarming/files/docs/body/organic-farming-infographic5.pdf

http://agriculture.gouv.fr/programme-ambition-bio-2017

http://www.mangerbouger.fr/

Euromonitor- Health and Wellness in France 2016.

Euromonitor- New Approches to Wellness and Global Market Impact 2016

Euromonitor- Better For You Packaged Food in France 2016

Euromonitor- Naturally Healthy Packaged Food in France 2016

Health and Wellness Series: *Heath and wellness trends in France*
Global Analysis Report

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