

AGRICULTURE SECTOR REPORT



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AGRICULTURE SECTOR OF FRANCE

OVERVIEW OF FRENCH AGRICULTURAL SECTOR

Agriculture is considered as backbone of the economy of any country. In addition to providing food and raw material, agriculture also provides employment opportunities to a very large percentage of the population. France is the world's seventh largest agricultural producer, fourth largest agricultural exporter and EU's leading agricultural power, accounting for about one-third of all agricultural land within EU.

2. In year 2016 the Agricultural production of France was €70.4 billion¹ which contributed to 2.1% of the total GDP of (€ 2,225,260 Million²) France. The total exports of agri-food products stood at €59 billion which accounted for 13.2 % of total French exports of € 655.96 Million. France has a share of 17.3% in the EU agricultural production, ahead of Germany's (13.4%), Italy's (12.3%) and Spain's (10.6%). France holds first place in the EU for wheat, beef, poultry, cereal, sugar beet, oil-seed and potato production. The French government provides considerable subsidies to its agricultural sector to maintain its growth and competitiveness in the European market.

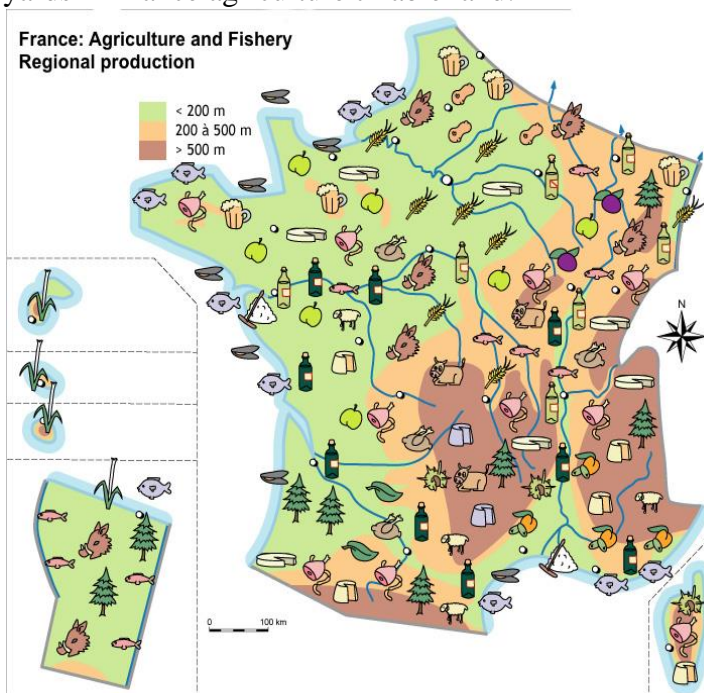
3. The contribution of the agricultural sector to the country's GDP is almost 2.1%. Some key statistics are as follow: -

- Agriculture sector employs around one million people (3.4% of the active population).
- Fifty percent of the French territory is agricultural land and:
 - 61% of the France agriculture land is used for cultivation.
 - 35% of the France agriculture land is pasture.
 - 4% constitutes the vineyards in France agriculture tillable land.
- There are about 490,000 Agricultural farms with an average size of 55 hectares.

This farm area is divided into 3 major crops:

- 55% of cropland (cereal and forage crops mainly)
- 34% of grassland
- 3% of perennial crops, vineyards and orchards

More than half of French farms are mostly devoted to animal production, which accounts for 43 % of the French total agricultural products, that is 25.7 billion euros, comprising mainly of the following:



1. Source: Eurostat, Economic Accounts for Agriculture (value at current Basic prices)

2. Sources: European Commission, Eurostat, and Directorate General for Economic and Financial Affairs. Updated: April 2016

- milk (8.9 billion),
 - beef (8 billion),
 - pork (3.2 billion),
 - Poultry (3.4 billion).
- France accounts for:
 - 17% of the total cow milk collected in the EU
 - 12% of the total meat produced (20% for cattle, 12% for sheep & goats and 9% for others) in the EU.

4. France is known for a large variety of cheese and cheese related products. It has been metaphorically stated that France is a country with as many varieties of cheeses as there are days in a year. Cattle are raised mainly in the north and west, whereas sheep and goats primarily in the south and east, which is drier and more mountainous. The Paris basin area is the source of wheat while some rice comes from irrigated fields of the Rhone delta.



5. The strength of French agriculture has long been based on innovation and agronomic research. France uses world's best state of the art farming techniques, tailored for each and every individual crop according to the requirement of the land. These carefully designed farm equipment's and technologies results in maximized outputs, reduce cost and provides a competitive edge to French in agri-food trade.



EXPORTS:

6. The value of exported agri-food products amounts to €59 billion in year 2016 accounting for 13.2 % of total French exports. Demand is strong in the United States and the United Kingdom. Sale of sugar, dairy produce, animal feed and pre-cooked dishes are rising.

Source: Eurostat, Economic Accounts for Agriculture

Category of product	Total trade	Trade with EU countries		Trade with non-EU countries	
	Million €	Million €	% change 2016/2015	Million €	% change 2016/2015
Total agricultural products	59047.0	37553.6	-2.0%	22255.4	-3.0%
as % of total exports	13.5%	14.0%	-	12.1%	-

IMPORTS:

7. Imports of agri-food products amounted to €48 billion in the year 2016. The import increased by €1.3 billion (+3.0%), of which €1.1 billion came from processed products and €210 million from raw agricultural produce. Meat and offal imports have increased by €261 million, as have cattle-cake imports (+€260 million), as a result of the rise in prices.

Source: Eurostat, Economic Accounts for Agriculture

Category of product	Total trade	Trade with EU countries		Trade with non-EU countries	
	Million €	Million €	% change 2014/2013	Million €	% change 2014/2013
Total agricultural products	45159.5	35939.1	-0.9%	9220.4	-0.4%
as % of total imports	8.9%	10.4%	-	5.6%	-

PAKISTAN-FRANCE TRADE OF AGRICULTURAL PRODUCTS:

8. In a meeting held between the French delegation led by MEDEF International, France in Islamabad in April last year, Pakistan and France agreed to enhance and strengthen co-operation in the field of agriculture, with particular focus on seed and dairy sectors.

9. The two sides highlighted the development potential in a number of fields in which technical, professional, industrial and commercial co-operation could suitably be developed between the enterprises of both countries. The Federal Minister for National Food Security & Research appreciated the technical support from France to agricultural scientists and farmers in Pakistan.

PAKISTANI AGRICULTURE EXPORTS TO FRANCE:

(In Million US \$ by French Customs)

SH Code	Description	2016
10	Rice	25.59
07	Vegetables, Plants	6.93
08	Edible fruit	2.17
05	Other products of animal origin, not elsewhere specified or included	1.09
17	Sugars and sweets	0.21
19	Preparations of cereals, flour, starch or milk; pastries	0.45
12	Oleaginous seeds and fruits; Seeds, seeds and miscellaneous fruit; Industrial or medicinal plants	0.14
21	Miscellaneous food preparations	0.14
	Total	36.72

PAKISTANI AGRICULTURE IMPORTS FROM FRANCE:

(In Million US \$ by French Customs)

SH Code	Description	2016
07	Vegetables, Plants	1.17
17	Sugars and sweets	4.63
19	Preparations of cereals, flour, starch or milk; pastries	2.08
12	Oleaginous seeds and fruits; Seeds, seeds and miscellaneous fruit; Industrial or medicinal plants	0.90
21	Miscellaneous food preparations	8.52
	Total	17.3

FRENCH COMPANIES DOING BUSINESS WITH AGRICULTURAL SECTOR:

10. Following French companies are doing business with Pakistan:

- ASTIER DEMAREST (fruit juices importer)
- OLMIX (plant and animal health care products French exporter)
- SUD FRUITS (fruits & fruit juices importer)
- Coopérative Apicole du Jura (honey and Bee keeping equipment importer)

FUTURE COOPERATION:

11. Similarly, Pakistan needs cooperation in other areas including;

- Pakistan needs to have access to new technologies developed/employed in agriculture in France.
- Work with French Agriculture Sector to develop new technologies to match up with the “BUYING POWER” of farmers in villages.
- Seek assistance from in preservation, storage and transportation of agri based products to increase the shelf life.
- Start joint research & development projects.

REQUIREMENTS AND REGULATIONS FOR AGRICULTURAL EXPORT TO FRANCE:

12. France has a very stringent Sanitary-Phyto-Sanitary regime for imports of fruits, vegetables and animal related products. Agricultural products before reaching France must comply with the EU requirements to protect human and animal health. Similarly, it should meet the environment and consumer’s rights requirements at all stages of food/feed production and distribution, governed by EU food directive (Regulation (EC) No 178/2002 – Section 4) and minimum export requirement for fresh fruits and vegetables plant health (phyto-sanitary) certificate if the crop is listed in the phyto-sanitary directive (2000/29/EC). Moreover, the basic information on country of origin, supplier name and address and product identity for vertical traceability requirements (EC/178/2002) is also mandatory. Import duty on food industry products is on average 17.3%.

13. Similarly, for import of animals and animal related products, France has strict policies and procedures. Imports of animals and animal products must meet the applicable health standards and international obligations, including the EU Council Directive 2002/99/EC, the legal basis for all animal health rules governing the production, processing, distribution and introduction of products of animal origin for human consumption, Regulation (EC) No 178/2002, Regulation (EC) No 852/2004, Regulation (EC) No 853/2004, Regulation (EC) No 854/2004 and Regulation (EC) 882/2004 form the legal base for the public health rules for trade and introduction into the EU.

14. If exporting wild flora or products thereof, the EU requirements on certain species (also known as CITES requirements) should also be taken into account. Some species are prohibited to be imported into the EU, whereas there are others that must be accompanied by specific export and/or import certificates.

EFFORTS FOR INCREASING TRADE IN AGRICULTURAL SECTOR:

15. The mission has been making endeavours to market Pakistani mango and other fruits and vegetables. In this regard, contact has been established with France largest fresh fruit and vegetable market “Rungis” located in suburbs of Paris. The management has been requested to assist in identifying potential importers of fruits and vegetables especially of importing mangoes and citrus, and also to assist in organizing a delegation to Pakistan to visit mango cultivation, commercial varieties available for exports, processes and systems in place, certification etc. This visit will help disseminate information about the fruits, cultivars, exports facilities and major certifications like MOODY³, UKAS⁴, Global GAP⁵, HACCP⁶, FDA⁷ etc., complied with by the Pakistani facilities.

16. It has been observed that despite France being an important trading partner, very few trade delegations from the Agriculture sector have visited through TDAP and other chambers. It is, therefore, suggested that at least 2 to 3 trade delegations should visit France every year. During these visits, meetings can be arranged with their French counterparts to explore possibilities of trade between them. Individual businessmen do visit France, a trade delegation would have greater impact.

17. A cursory look at the French market reveals that despite being a developed country, the local buying houses and chain stores prefer to do business with the local trading houses and brokers and avoid importing directly. This situation provides leverage to the middle men and subsequently the profits of Pakistani exporters are limited. With this in view, business communities from China and India made best use of this arrangement by opening up ware houses and multiple trade offices in France. Pakistani exporters should also consider opening ware houses and buying houses in France.

18. France in general and Paris in particular is one of Europe’s trading hubs. Each year many exhibitions in the field of Agriculture are organized in Paris, some events on a bi-annual basis, some on annual and others held once in two years: Not only local buyers participate in

3. ISO/ Quality Control Certification Body,

4. The United Kingdom Accreditation Service (UKAS) is the *sole* national accreditation body for the United Kingdom.

5. GLOBAL G.A.P Certification body for Crops, Livestock, Aquaculture

6. Food safety management system that analyse and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished products

7. The Food and Drug Administration (FDA or USFDA) is a federal agency of the United States Department of Health and Human Services which examines, tests, and approves a wide range of items for medical use, including drugs and medical Appliances.

these exhibitions but buyers from across Europe attend these exhibitions. Pakistan only participates in SIAL which is held biennially: It is necessary that Pakistan should increase its presence in French agriculture shows to explore the potential of goods and services that

Pakistan can offer in the field of agriculture. The Commercial Section from time to time recommends participation of Pakistani businessmen in various trade fairs where Pakistan can participate at an official level, however, if the same is not feasible through TDAP, exporters should participate on their own. For this year the Commercial Section has recommended for participation in “International Agriculture Show Paris” one of France’s largest agriculture show, proposal along with budget estimates have already been forwarded to TDAP. Agriculture shows held in France are as follow;



Sival

Plant Production Trade Show

16.Jan - 18. Jan, 2018, Angers, France



SIA / Salon International de l'Agriculture

Int'l Agricultural Show

24.Feb - 04.Mar, 2018, Paris, France



Salon du Végétal

Plants Exhibition

19.Jun - 21.Jun, 2018, Nantes, France



Euroforest

Int'l Forestry Exhibition

21.Jun - 23.Jun, 2018, Saint-Bonnet-de-Joux, France



Space

Int'l Trade Fair for Livestock

11.Sep - 14.Sep, 2018, Rennes, France



Sima

Int'l Agri Business Show

24.Feb - 28.Feb, 2019, Paris, France

Mountain Planet

Int'l Exhibition of Mountain Regions Planning and Development

18.Apr - 20.Apr, 2018, Grenoble, France

19. The Mission in Paris is working on participation of Pakistan in one of the France largest and Europe’s 2nd largest generalised exhibition “Foire de Paris” to promote and market “Made in Pakistan” goods and services to French people and businesses. The concept is to showcase a wide variety goods and services, including agricultural sector, to potential importers under one roof.

20. The undersigned recently had a meeting with Ministry of Agriculture France to explore the possibility of a partnership between the Ministry of Agriculture and Food, France and the National Food and Security Division, Pakistan, in order to improve the capacity of Pakistani farmers.

21. While discussing details of the prospective partnership between France and Pakistan, it was intimated that short trainings could be given to relevant people from different agriculture sectors of Pakistan, including experts and farmers, in French technical institutes. This could be

coupled with visits to some prominent agricultural projects to enable the participants to observe practical implementation. These trainings would be in English and the training and logistical costs would be borne by the French government while the travel arrangements would be made by the partnership country. Similarly, French experts could visit Pakistan and provide training to relevant Pakistanis. It was iterated that selection of participants for such trainings should be made in consultation with the French side so that the training was imparted only to relevant people in order to avoid the waste of time and resources.

22. It was further intimated that such partnerships were usually for a period of three years, extendable in certain cases. The Pakistani side was urged to approach the French side at the earliest in this regard since decisions were usually taken by the end of December. If, however, that was too close, then at least by the May, 2018.

23. In the referred meeting it was emphasized that cooperation with the Ministry of Agriculture would per force be on a small scale and on loan basis since funding was limited in this regard. At the same time, however, it was informed that for more extensive funding, “Agence Française de Développement” (French Development Agency) “AFD” should be approached which “inter alia” funded larger agriculture capacity enhancement projects as well.

CONCLUSION:

24. There is a lot of scope of enhancing trade relations with France in the Agriculture sector. There should be active participation in trade delegations comprising of businessmen from Agriculture sector. Similarly, there should be more active and robust presence from Pakistan side in the agricultural Expos held in France.

25. Moreover, there is need to have more active collaboration with France as it has a very robust and advanced agricultural sector. France is already working in close collaboration with other countries including Sri-lanka, Philippine and Indonesia in Agriculture sector. While the scope and nature of cooperation varies, it is usually based on partnership model. Pakistan can, therefore, also benefit from the same.



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