

Innovation, tradition and dynamism: the basis of French agri-food expertise

Paris, October 1st, 2008 - How do you feed a world population which is soon to reach 8 billion people?

How do you deal with rising prices in food commodities? How do you face the challenge of unequally distributed resources?

These are a few of the questions facing the agrifood business today. This industry includes not only the manufacture of agricultural equipment, production of consumables (such as fertilizers, seed and animal feed), but also the preparation and processing of both plant and animal products (including their storage, packaging, processing, preservation and distribution) and the utilisation, processing and recycling of by-products and waste.

French expertise in food production is acknowledged and prized by foreign producers; those established in France gain a distinct competitive advantage from their location. In particular, they can rely on a well-trained, adaptable and highly-productive workforce. The sector's turnover in France is around €214 billion, of which €154 billion relates to food processing. Income is growing between 5 and 7% annually. Second in the world after the United States, the sector employs 600,000 agricultural workers and 415,000 food-industry employees. Exports valued at €45.1 billion, including €33.4 billion relating solely to processed products, contribute to the French agri-food sector's overall trade surplus (€9.1 billion in 2007).

According to Philippe Favre, Chairman of the **Invest in France Agency**, "because agri-food and gastronomy have such a long and rich tradition here, France is the premier European agricultural producer and remains a recognized benchmark for world agriculture".

Alongside national groups such as Danone, Lactalis, Bongrain, LVMH and Pernod Ricard, leading foreign firms such as **Nestlé, Unilever, Coca Cola, Heineken, General Mills and Haribo**, among many others, have chosen France as their production and logistics platform for the European market, and the base for their global expansion. More recently, they have been joined by **Cinquième Saison** (salad and fresh products), a subsidiary of the Icelandic group **Bakkavör**; **Danisco**, with an R&D centre specializing in fermentation products, **Sakata Seeds** (seed), **Moy Park** (poultry-based intermediate products), **Ebly /Masterfoods** (cereals) and **McCormick** (condiments).

The French agri-food industry is an environment that favours innovation transfer. It has 10,000 highly-skilled engineers, researchers and technicians, and an R&D budget exceeding €400 million. The interface between private businesses and public or private research bodies is provided by fifteen international-facing competitiveness clusters:

Agrimip Innovation at Toulouse, **Filière Equine**, at Mondeville **Industries et Agroresources**, at Laon, **Nutrition, Santé, Longévité**, at Lille, **Valorial** (foodstuff innovation) at Rennes, **Pôle Filière Produits Aquatiques** at Boulogne sur Mer, **Cereals Valley** at Chappes, **Innovation Fruits et Légumes** at Avignon, **Vitagora** (condiments) at Dijon, **Qualitropic** in Réunion, **Végépolys** (seed, arboriculture/horticulture) at Angers, **Prod'innov** (manufacturing processes, nutraceuticals) at Bordeaux, **Q@li-méditerranée** (sustainable agri-food systems and Mediterranean quality of life) at Montpellier, **Innoviandes** at Clermont-Ferrand, **Parfums, Arômes, Senteurs, Saveurs** (PASS) at Grasse.

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