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France

Market Development Reports

Halal Foods

2006

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Report Highlights:

With Europe's largest population of Muslim's, France leads the European halal market by volume, estimated at 4-8 million in 2005. The halal market is worth about 150€ billion worldwide, 15€ billion in Europe, and about 1.5-3€ billion in France. No government-recognized halal certification requirements currently exist in France. The Grand Mosque of Paris plays a key role in the halal certification process, though private halal certification agencies are starting to build their reputation. Local Muslim butcher shops continue to dominate the halal meat market, although meat industries have recently entered the market. Hypermarkets and multinational food product producers are starting to reach out to Muslim consumers by offering a wider selection of halal food products. The biggest challenge is gaining consumer confidence.

Includes PSD Changes: No
Includes Trade Matrix: No
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Paris [FR1]
[FR]

Summary

The halal market is valued at approximately 150€billion worldwide, 15€billion in Europe, and about 1.5-3€billion in France. France, with the largest population of Muslims in Europe (an estimated 4 to 8 million in 2005), is a strong halal marketplace for these products. There are no government regulations on halal certification, which means that the criteria for halal among private companies and the Grand Mosques vary. Local Muslim butcher shops continue to dominate the halal meat market, although large-scale meat industries have now entered the market. Hypermarkets and multinational food product producers are starting to reach out to Muslim consumers by offering a wider selection of halal food products. The biggest challenge is gaining consumer confidence in the absence of government-recognized halal labels.

Halal Certification

Halal certification applies to meat and non-meat products. Certification requirements for halal food products can and do vary by country so it is important to establish the criteria with each customer.

There are no government-established standards, because halal is seen as a religious attestation and not a phytosanitary requirement. The government is only involved in halal certification to the extent that it has designated the three main mosques as the only distributors of permits for halal slaughterers. Otherwise, the government does not play a role in regulating halal labels.

The absence of government-recognized halal certification requirements has resulted in French consumer skepticism of products labeled as halal. According to Muslim community leaders and French experts, only an estimated 5-10% of the meat sold in France labeled as halal was, in fact, produced in accordance with the Koran's definition of halal.¹ It is widely accepted that some butchers label their meat halal because of the slaughterer or storeowner's nationality, without respecting the halal rituals. The lack of confidence in halal labels has provoked some imams to discourage their followers from buying meat from certain butcher shops. Dalil Boubakeur, the Rector of the Grand Mosque of Paris, commented, "For reasons of traceability but also for quality, only meat of French origin can be halal." The Grand Mosque of Paris oversees 70% of the distribution of halal products in France.

Halal food producers can choose to have their products certified as halal by an outside organization and if so, they can obtain certification from one of the main mosques or a private company. The criteria for halal certification vary among the three main mosques and private companies. While halal certification is not required, it allows consumers to judge better whether the product they consume meets their criteria for halal.

¹ The Koran, which defines halal food, states that it is forbidden to eat six things:

- 1) Pork, equids, camels, and hares or their derivatives, thus gelatin or animal fat
- 2) Organs containing blood
- 3) Animals that have not been sacrificed in the name of Allah
- 4) Animals that have been stunned before being slain
- 5) Animals that have not been bled after being slain
- 6) Animals offered to religious idols

Liver, spleen, seafood, and grasshoppers are exceptions, and may be consumed. Products containing pork, animal fat, artificial coloring, gelatin derived from animals, or alcohol cannot be halal certified.

Private Agencies

Private agency halal certification is rising alongside the market for halal products. Deeming inadequate the standards set out by the three main mosques, a variety of private agencies, like À Votre Service (AVS) and the Muslim Conseil International (MCI), provide halal certification for meat and non-meat food products. AVS charges 0.09€/kg for its services and made 3,000,000€ in profits in 2005, which signifies a 30% boost in profits since 2003. Private agencies guarantee that food products are halal certified by having on-the-spot inspectors, imposing strict traceability practices, or other methods.

Authorization for Halal Ritual Slaughterers

Only the three Grand Mosques of Paris, Evry, and Lyon can grant permits to slaughterers who carry out the ritual of halal sacrifices, according to the French Interior Ministry and the French Agricultural and Fisheries Ministry. Halal slaughterers, operating under agreement with the Grand Mosque of Paris, pay the Grand Mosque an undisclosed fee.

Consumption

The market for halal products is an expanding niche market with the demand for halal products growing along with the increase in new varieties being offered. The consumption of halal products has been increasing at an estimated 7-15% per year since 1998.

Halal meat consumption accounts for 10-15% of the French meat market. Halal consumers make up an estimated 10-15% of hypermarket clients and they spend about 30% of their household budgets on food, in contrast to the average French household's 14%, according to a World Food Market study. An estimated 200,000- 500,000 metric tons of halal meat are consumed in France each year, of which 350,000 metric tons are beef or goat meat.

Halal consumption appeals particularly to the younger generation of immigrant origin. Consumers under 30 years old comprise approximately 80% of France's halal consumers. Within this group, about two million consumers are between 20-40 years old with immigrant parents or grandparents. The consumers who buy halal products the most frequently and who spend the most per month on halal products (at 150-250€/per month) are consumers of Arab and Berber origin. The principle areas of halal consumption are located east of an imaginary line between Lille and Marseille (see Appendix I). While most halal consumers in France tend to be Muslim, a few halal butcher shops in Toulon reported that 85-90% of their clients were non-Muslims attracted by the halal butcher shops' competitive pricing.

Off-trade demand for fresh meat is high, because consumers prefer fresh, rather than frozen, meat. On-trade demand is high for frozen meat, however, and is driven mainly by Turkish restaurants.

According to a survey of 576 Muslims at the Union of French Islamic Organizations meeting, 85.9% reported eating Halal exclusively.² The survey cited that the respondents preferred eating halal primarily for religious reasons, and because it is better tasting, healthier, and more humane.

² See http://oumma.com/imprimer.php3?id_article=1858 for the full article.

Market Trends

Processed and Non-Meat Products: For halal consumers, consuming halal products has not interfered with their cultivation of multi-ethnic tastes. Multinationals have entered the French halal market offering a wider variety of halal processed foods and non-meat halal products, which include halal foie gras, Chinese spring rolls, chicken nuggets, raviolis, and pizzas. Nestlé offers halal soups under the brand name, Maggi, which are produced in its Moroccan factories, and is currently studying ways in which it can expand its gamut of ethnic products. Haribo is offering a new line of gelatin-free gummy candies to increase its sales in Europe and the Middle East.

Arab-Cola, which offers a range of halal certified colas, juices, and mint tea, was launched in France in 2005 and sold 12-15 million half-liter and 1.5-liter bottles in its first year. They intend to launch a large-scale advertising campaign on French channels geared towards North African and Middle East audiences, Beur TV and Berbère TV.

Distribution

Off-Trade

Muslim butcher shops continue to play an important role in the off-trade distribution of halal meat and poultry. Roughly 3,000 Muslim butcher shops and traditional convenience stores in France control 80% of the halal market. Of the 3,000 Muslim butcher shops throughout France, 700 are in Paris and 200 in Lyon. In the region of Paris, 41.6% of the local butcher shops are Muslim.

Nevertheless, supermarket and hypermarket chains are trying to increase their market share of halal distribution. Throughout France, chain stores are establishing halal food sections to make them more accessible for their halal customers who make up 15% of their base for hypermarkets and 9% for supermarkets. According to *La Revue de l'Industrie Agroalimentaire*, creating a halal section could boost profits 15% or more for stores in areas with a high concentration of Muslims.

About a dozen Carrefour hypermarkets are testing halal sections of 200-300 square meters where they display a hundred or so different halal products. Once customers are aware of the halal product selection, Carrefour plans to reintegrate these products into their respective sections.

Carrefour in Stains, a suburb north of Paris, was the first Carrefour to section off halal products about three years ago. In their grocery section, they offer about a hundred different products, mainly carrying the French Haudecoeur brand. The halal grocery section's sales have grown roughly 20-30% since the beginning of 2006. The meat section now sells about 40 different kinds of halal meat and poultry. The main brands are Defial for beef, Chaplain for poultry, and Mondial Viande Service (MVS) for lamb. Halal consumers make up 20% of their meat and poultry section clients. Halal meat sales represent 11% of total meat sales and have been increasing by 4% each year.

In another attempt to increase their role in halal product distribution, Carrefour, in the Department of Essonne, offered whole slaughtered sheep at a bargain price of 150€ for an animal weighing 20 kg for Aid el Kebir in 2006. During Aid el Kebir, the most important festival on the Islamic

calendar, celebrating Abraham's sacrifice of a sheep in place of Isaac, 150,000 to 180,000 sheep were ritually slaughtered and consumed over a few days. This high demand over a short period exceeded the French halal slaughterhouses capacity, so slaughtered sheep were imported from Great Britain and Poland. The Grande Mosquée d'Evry and the Regional Council for the Muslim Cult (Conseil Français du Culte Musulman - CFCM) both played an active role in advising the director of Carrefour for the Department of Essonne on the proper requirements for halal slaughter in accordance with the rituals specific to Aid el Kebir.

On-Trade

In terms of on-trade, finding halal products explicitly offered on restaurant menus is still limited to ethnic restaurants that specialize in North African or Middle Eastern cuisine and Muslim-oriented fast-food chains. The magazine, *France Pizza*, reported that halal pizzas make up and estimated 40% of pizza deliveries. In 2005, Beurger King Muslim (no relation to the American Burger King) opened in a Parisian suburb and became France's first fast-food restaurant to serve exclusively halal products. The fast-food restaurant has been a huge success, except during Ramadan (when Muslims fast during the day for three weeks), during which its profits plunged 40-50%. Halal alternatives to Kentucky Fried Chicken (KFC), like Euro Fried Chicken and Halal Fried Chicken, have also sprung up around France with great success.

Some fast-food chains that target the general population also offer halal certified meat without advertising it. KFC and cafeteria-style restaurant Flunch have both quietly switched over to selling only halal meat in all their 23 and 170 French outlets respectively.

Production

The halal sector has growth potential. Halal meat production is growing at about 80,000 metric tons per year. The cost premium for halal certification is about 6% of the normal cost of production, which is passed onto the buyer. Thus, a tray of halal poultry has a price 30-50% higher than a tray of non-halal poultry. Consumers are generally willing to pay the extra cost for halal products, because of the products' perceived higher quality and added value.

Industrial meat producers entered the halal market three years ago. The third largest meat producer in France, Soviba, produces 2,000 metric tons of frozen halal meat patties per year. Meat importer, Ovimpex, sells 200 metric tons of fresh halal meat per week to butcher shops (30%), wholesalers (30%), and large specialty stores (40%). Ovimpex estimates that its sales of halal meat have grown 7-10% per year.

To become a halal poultry producer, Duc, modified its slaughtering chain to face Mecca. Only approved Muslim halal slaughterers carry out the ritual. A private halal certification company, which has been approved by Grand Mosque of Paris, oversees the slaughtering process at the plant. The labels are in French and Arabic and include a halal traceability number.

Duc's halal sales represented 8% of its fresh poultry volumes and profits in 2005 and have risen 5% since the beginning of 2006, despite the discovery of avian influenza in Europe. (Duc's sales of non-halal poultry have fallen 15% since the beginning of 2006). Its halal production in Saint-Bauzély, Languedoc-Roussillon is 2,000 metric tons out of 25,000 metric tons of its fresh chicken

production. Duc intends to expand its halal production to its main slaughterhouse in Chailley, Burgundy.

In an effort to double its halal sales, Duc aims to increase its sales to hypermarkets from 50% to 66% in 2006. Duc's primary distribution channels for halal poultry are Auchan, Carrefour, Monoprix, and Leclerc, mostly in the region of Paris and in the southeast of France. In response to the growing demand for a wider variety of halal products, Duc offers pre-marinated halal poultry and Label Rouge halal, which means that the poultry was raised outdoors. Label Rouge makes up 30% of the French poultry market. Duc plans on exporting its poultry and is particularly interested in Algeria's market.

French Halal Exports

France exports 200,000 metric tons of halal meat and 200,000 metric tons of halal poultry to North Africa and the Middle East each year.

The Grand Mosque of Paris is responsible for certifying halal products exported to the Middle East and North Africa. McDonald's in France imports chicken nuggets from Brazil, which are then certified by the Grand Mosque of Paris and re-exported to McDonald's in the Middle East.

Promotion

The Grande Mosque of Paris has proposed forming a partnership with US exporters, with an interest in importing frozen chicken thighs and filets in 10 kg cartons for Turkish restaurants. However, US authorities cannot currently sign export certificates certifying compliance with EU Directive 97/79/EC which banned the use of microbial treatments for decontaminating poultry carcasses.

Contacts and Further Information

Trade Shows in France

World Food Market
The International Halal Exhibition
June 6-7, 2007
Parc des Expositions
Porte de Versailles
Paris

Register online at : www.ethnicfoodshow.com

Contact :
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Halal Certification

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Grande Mosquée de Paris
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2, bis Place du Puits de l'Ermite
75005 Paris
Tel : +33 1.45.35.97.33
Fax : +33 1.45.35.16.23
Cell: +33 6.03.70.77.60
Send them an email via : <http://www.mosquee-de-paris.net/contacts.html>

Grand Mosquée de Lyon
146 Boulevard Pinel
69008 Lyon
Tel : +33 4.78.76.00.23
Fax : +33 4.78.75.77.42
- Contact: M'hamed Abdou Benmaamar
- Tel: +33 6.18.00.49.76

Mosquée d'Evry
9 rue Georges Brassens
91080 Courcouronnes
Tel : +33 1.60.77.14.19

A Votre Service
70, Boulevard Anatole France
93200 Saint-Denis
Tel : +33 1.49.22.09.70
Fax : +33 1.49.22.09.71
info@halal-avs.com

Muslim Conseil International
8, rue Pierre Curie
93300 Aubervilliers
Tel : +33 6.85.24.85.81

Halal Importers

Pomona (halal cheese, meat, and prepared meat distributor)
2-4, Place du Général de Gaulle
92164 Antony Cedex
tel: +33 1.55.59.65.00
Fax: +33 1.55.59.63.50
Email: dir.com@pomona.fr
<http://www.pomona.fr>

Deville SA (halal meat distributor)
ZI de Beauregard Avenue Chandelais
49150 Bauge
Tel: +33 2.41.84.41.41
Fax: +33 2.41.84.41.40
Email: info@devillesa.fr

Epigram (halal meat distributor)
Tel: +33 2.41.21.04.44

SA Gilles Paepegaey (halal meat distributor)
Tel: +33 3.27.46.46.00

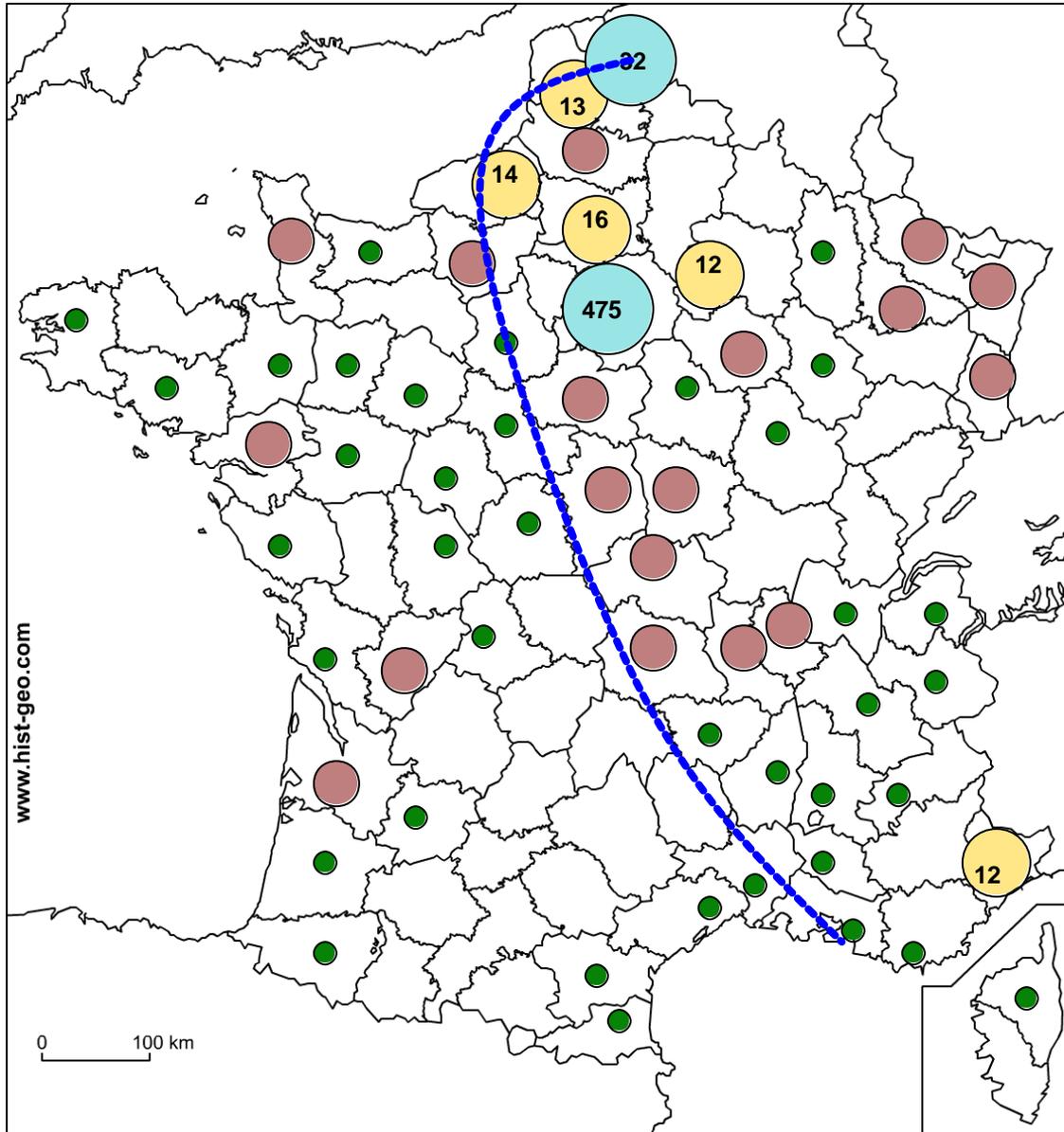
Zaphir (prepared halal meat distributor)
12, Rue Rossignol Dubost
92230 Gennevilliers
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Fax: +33 1.47.33.23.76

Other Contacts

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270, rue Lecourbe
75075 Paris
Tel: +33 1.45.58.05.73
Fax: +33 1.45.58.24.06

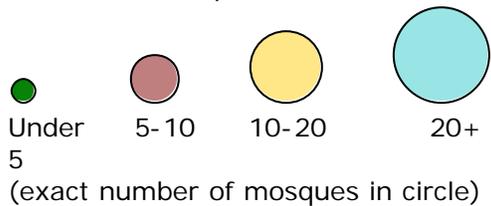
The Conseil Français du Culte Musulman (CFCM), which represents all Muslims throughout France, plays a secondary role to the Grand Mosques. It provides advice in the certification process, but has no official power over actors in the halal sector.

Appendix I: Map of Mosques in France by Region



----- Imaginary line from Lille to Marseille

Number of Mosques:



Total mosque count: 876

Principle Cities and Number of Mosques		
Paris- 75	Bordeaux- 6	Nancy- 10
Dunkerque- 5	Cherbourg- 6	Roubaix- 5
Lille- 8	Le Havre- 5	Amiens- 5
Saint Etienne- 5	Rouen- 7	Creil- 5
Lyon- 6	Mulhouse- 6	Reims- 7
Strasbourg- 6		

Source: Guide des Mosquées en France, <http://mosquee.free.fr/RegionsdeFrance.html>
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