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Sauces, Dressings, and Condiments

Report Categories:
Retail Foods

Approved By:
Lashonda McLeod

Prepared By:
Laurent J. Journo

Report Highlights:
Sauces, dressings, and condiments retail sales were valued at $2.8 billion in 2011, up 3 percent from the previous year. The sector benefited from the growing interest in home cooking and key innovations. Consumers will continue to demand interesting flavors and healthier products at affordable prices in 2012.

General Information:
Average exchange rate for calendar year 2011:
USD 1 = 0.72 Euros
Source: The International Monetary Fund

SECTION I. MARKET OVERVIEW

The return of traditional cooking sustained the sales of sauces, dressings, and condiments in 2011. Manufacturers took advantage of the ongoing demand for convenience and boosted the use of culinary aids at home through key innovations and big advertising and promotional campaigns, particularly for sauces. In addition, the unseasonably warm spring in 2011 contributed to the success of salad dressings, ketchup, and barbecue sauces.

With a 3 percent jump in value growth in 2011 over the previous year, retail sales of sauces, dressings, and condiments reached $2.8 billion. Tartar sauce remains popular. It recorded the highest value rate growth of 10 percent. Ketchup and barbecue sauces were up 7 percent. They benefitted from investments by HJ Heinz Frozen SARL HJ who leads the subsector with a 37 percent share of retail value sales for ketchup and 45 percent share for barbecue sauces. Salad dressings were also popular with retail value sales growth of 6 percent. Benedicta (HJ Heinz Frozen) launched innovations in 2011, such as pasta salad sauce, rice and potato sauce, and salad and raw vegetables sauce. A very small and dynamic subsector is the bouillon/stocks cubes, which registered 8 percent increase in sales. Knorr and Maggi compete in this sub-sector. Kinjurushi and Kikoman remained strong leaders in horseradish sauces and soy based sauces.

According to new health concerns, brands are progressively renewing the way that they promote and sell sauces by introducing “light” products that are low in salt and sugar and creating “advice interface” on their websites to help consumers find products that are suitable for dieting.

SECTION II. MARKET ENTRY

In 2011, the value growth of sauces, dressings and condiments increased slightly over the previous year. Manufacturers continued to improve the quality, taste, and packaging of products. Extra-light variants were introduced for salad dressings and low fat mayonnaise. Some manufacturers responded to French consumers’ concerns about obesity and continued to focus on developing healthier versions of their products. The focus on healthier products was not limited to leading companies, but also to small companies and new entrants.

SECTION III. COMPETITION

Multinationals dominated sauces, dressings, and condiments and the competition was fiercest among international manufacturers. Unilever France SA was the leading company for sauces, dressings and condiments with 24 percent share of retail value sales in 2011. The leader's strong position is mainly due to its two iconic brands- Amora and Maille. Unilever heavily invested in promoting these two brands by highlighting the quality and origin of its products. Unilever's innovations with the launching of premium and sophisticated mustards also contributed to the leading position of the group.

Ducros SA and HJ Heinz Frozen continued to perform well, thanks to massive investments in new products and promotional campaigns. The constantly changing environment in sauces forced brands to diversify. For instance, in 2011, HJ Heinz merged with Benedicta SA to diversify its brand portfolio. Campbell France provided one of the most significant packaging developments for its new Lesieur tartar sauce. The new packaging incorporated the colors and design of the original 1924 Lesieur peanut oil bottle. Simple and completely white, the product is attractive and was well accepted by consumers. Combined private labels recorded a 21 percent value market share, as retailers extended their ranges to meet consumers' expectations wider varieties of sauces. Private labels are also present in niche markets, such as organic products.

SECTION IV. BEST PRODUCT PROSPECT

The home cooking trend is expected to maintain its influence on sauces, dressings, and condiments in 2012. Consumers are likely to continue buying cooking bases and tomato pastes and purees to make their own dishes from scratch. The overall sauces, dressings, and condiments sector is predicted to grow by 2 percent in sales value in 2012. Manufacturers are offering more healthy attributes to the consumer, and creating new uses to increase frequency of purchases. More cross-promotional activities are likely to be developed by manufacturers in an attempt to drive retail volume sales. For U.S. suppliers who want to introduce their sauces, dressings, and condiments it is recommended to approach the food service sector.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Internet Home Pages

Internet home pages of potential interest to U.S. food and beverage exporters are listed below:

USDA/Foreign Agricultural Service	http://www.fas.usda.gov
U.S. Mission to the European Union	http://useu.usmission.gov/agri/usda/html
European Importer Directory	http://www.american-foods.org
FAS/Paris	http://www.usda-france.fr
Website for Professional Trade Shows and Events	http://www.salons-online.com

Questions/Comments and Assistance

If you have any questions or comments regarding this report, need assistance exporting to France or desire French buyers contact lists, please get in touch with the U.S. Agricultural Affairs Office in Paris at:

Foreign Agricultural Service

U.S. Department of Agriculture
Embassy of the United States of America
2, avenue Gabriel
75382 Paris Cedex 08, France
Phone : (33-1) 43 12 2245
Fax : (331) 43 12 2662
Email : agparis@fas.usda.gov
Home page : http://www.usda-France.fr

Please view our Home Page for more information on exporting U.S. food and beverage and find list of French market sector/briefs and other detailed reports.