

COUNTRY PROGRESS REPORT

Country: France

Product: Grapefruit and Grapefruit Juice

I. Market Assessment Update – September 2022

In 2021-22, France was the largest market in Europe for fresh Florida Grapefruit, with exports topping 5,186 MT valued at \$7.15 million. This represented a decrease of 12.4% in value and 21.2% in volume compared to the 2020-21 program year. This decreased value of Florida Grapefruit exports was in line with changes to the total value of grapefruit imports to the French market, which declined 8.7% in value during the same time. Since consumer demand for fresh grapefruit has remained well above French domestic production, the market is dependent on imports to satisfy demand. The decrease in overall import value points to waning demand for grapefruit among French consumers.

As in other export markets, the effects of citrus greening disease and hurricanes on the Florida Grapefruit industry has led to a reduced supply of Florida Grapefruit for the French market. The decreased volume of available Florida Grapefruit has presented an opportunity for grapefruit from competing origins in the market. In particular, grapefruit originating from Spain, Israel, Italy, and Turkey presented the most direct competition to Florida Grapefruit. Of those, Spain was the top competitor in the French market. The origin exported 16,297 MT of fresh grapefruit valued at \$19.9 million and accounted for 33% of the market by value. Given the proximity of production, a relative lack of trade barriers, and trends among French consumers to “buy local,” Spain’s sizeable presence in the market is expected to continue. Spain benefits from the “buy local” trend due to shipments from the origin creating a relatively smaller carbon footprint compared to other international origins, such as the United States.

South Africa is another important exporter of grapefruit to France; however, due to its counter seasonal harvest compared to Florida, it is not in direct competition with Florida Grapefruit. Changes in cold storage regulations for South African grapefruit were announced by the EU in July 2022. The new requirements have threatened to severely limit the amount of available South African grapefruit in both France and across the EU. In the French market, South Africa is the leading origin of grapefruit exports from the southern hemisphere by a large margin. A continued shortage may create greater demand during the grapefruit season in the Northern hemisphere. However, since these changes went into effect in July 2022, data on the new regulation’s impact is not yet available.

Positively for Florida Grapefruit, a series of retaliatory tariffs (related to the Boeing-Airbus trade dispute) imposed on U.S. agricultural products by the EU in late 2020 were suspended at the beginning of 2021-22. U.S. fresh grapefruit was a commodity directly targeted during the dispute. The resolution between the U.S. and EU included an agreement to cease all tariffs related to the dispute for a period of 5 years. The tariffs’ removal will allow U.S. grapefruit exports to continue without an undue or unexpected competitive disadvantage over the next few years.

These positive developments for fresh Florida Grapefruit have not translated to Florida Grapefruit Juice exports. Florida Grapefruit Juice exports are usually processed through ports in Rotterdam and Antwerp, making it difficult to calculate specific export value or volume data for France. The available export data for all U.S. grapefruit juice exports to the EU, showed a decrease in terms of both volume and value during the reviewed period. The value of U.S. grapefruit juice exports decreased by 13%

while volume decreased more than 28% compared to the year prior. Decreased production within the U.S. along with decreased buying power among European consumers contributed to decreased exports.

Due to the continued economic effects of the COVID-19 pandemic and the war in Ukraine, the purchasing power of French consumers has decreased to historic levels. Resultingly, these changes have made Florida Grapefruit an increasingly expensive product. While the reputation of Florida Grapefruit remains strong, which has mitigated a more drastic decline in exports, FDOC's in-market representative reports that consumers who buy Florida Grapefruit tend to be existing consumers. There are fewer new consumers purchasing Florida Grapefruit out of curiosity, which may pose a problem in the long term if left unaddressed. Nevertheless, with the removal of retaliatory tariffs in the French market, Florida Grapefruit is poised to capitalize on its stellar reputation once domestic production rebounds and the price point is lowered.

II. Financial allocations and resources

MAP - \$367,274

FDOC - \$10,381

III. Trade Results Tables

Fresh Grapefruit

	Export Goal		Actual Exports	
	Value	Quantity (c/n)	Value	Quantity (c/n)
2019/20	\$16,118,451	598,803	\$10,716,856	503,234
2020/21	\$13,664,240	470,790	\$8,158,132	362,891
2021/22	\$11,349,065	508,221	\$7,145,382	285,821

Source: FDOC Fresh Citrus Shipment Report

Grapefruit Juice

	Export Goal		Actual Exports	
	Value	Quantity (SSE)	Value	Quantity (SSE)
2019/20	\$104,892	16,373	\$88,878	16,061
2020/21	\$5,976	\$2,748	\$99,065	17,695
2021/22	\$2,927	3,701	\$35,861	6,717

Source: US Department of Commerce

**There are no direct exports of grapefruit juice to France and transshipments of grapefruit juice into France are difficult to track.*

IV. Evaluation findings

SECTOR: CONSUMER (middle to upper income health-conscious women between the ages of 25 and 49)
CONSTRAINT: <u>Decreasing relevance in the produce category</u> – In an increasingly competitive and crowded market for fruits and vegetables, grapefruit has become less top-of-mind over the last decade. Relevance has especially declined for consumers under the age of 40. <u>Lack of awareness of grapefruit versatility</u> – Grapefruit is commonly associated with breakfast, but many consumers do not eat grapefruit at other times of the day, failing to take advantage of Florida Grapefruit's versatility in food and beverage applications.

3. <u>Lack of awareness of Florida as a premium product</u> – Most consumers consider all grapefruit to be the same and do not pay attention to origin-specific distinguishing qualities. Increasing awareness of Florida’s best-in-class taste attributes is a key opportunity to increase demand for Florida Grapefruit and justify premium pricing.			
PERFORMANCE MEASURES	2020/21 BENCHMARK	2021/22 GOAL	2021/22 ACTUAL
Percentage of consumers who have purchased grapefruit in the last six months	38	42	34
Percentage of <u>grapefruit consumers</u> who purchased grapefruit at least once per month in the last six months	76	79	76
Percentage of <u>grapefruit consumers</u> who, in the last six months, have eaten grapefruit at a time other than breakfast	88	70	86
Percentage of <u>grapefruit consumers</u> who, in the last six months, have used grapefruit at home as a topping on a salad, in a recipe, or to make fresh-squeezed juice	42	43	43
Percentage of consumers who have consumed a smoothie or juice that contains fresh squeezed grapefruit in the last six months	38	30	32
Percentage of consumers who have consumed an alcoholic beverage with fresh squeezed grapefruit in the last six months	29	24	27
Percentage of <u>grapefruit consumers</u> who check origin signs or stickers at the point of sale when purchasing grapefruit	42	48	76
Percentage of consumers who are aware of Florida as a grapefruit supplier and identify Florida as their favorite origin of grapefruit	26	30	33
Percentage of consumers who are aware of Florida as a grapefruit supplier and associate superior sweetness and juiciness with Florida Grapefruit	40	40	41
Percentage of consumers who are more willing to purchase grapefruit if it is from Florida	54	55	57
Percentage of consumers who are willing to pay more for grapefruit if it is from Florida	39	39	41
Percentage of consumers who are aware of the seasonality of Florida Grapefruit	15	11	14
Percentage of consumers who are aware of the health benefits of grapefruit	25	11	84

Source: FDOC Annual Consumer Survey

Results of evaluations/impact on constraint or opportunity

In France, FDOC's consumer-focused strategy seeks to address a lack of consumer awareness and decreasing relevance of Florida Grapefruit products at retail. To this end, FDOC implemented activities such as in-store retail promotions, POS material support, consumer outreach, social media activity, paid content delivered via traditional media, and continued support of the “Opération Pamplemousses” school fundraising program. In 2021-22, FDOC's program supported strong growth in many performance measures. Notably, consumers in France showed increasing awareness of the high-quality, versatility, and unique flavor profile of Florida Grapefruit. This is good news given the rise of various competing origins for grapefruit in the market. Success in the performance measures can be attributed in part to the variety of promotional campaigns throughout the program year.

Social media activity was central to FDOC's promotional programming in 2021-22. The key theme for the program year was highlighting Florida Grapefruit's ability to “fight the gloom of winter” and to help consumers return to their “dynamic lifestyles” as COVID-19 related restrictions were gradually lifted. The promotional push launched in early 2022 to coincide with the U.S. grapefruit season. FDOC created 113 pieces of content for FDOC's French Instagram and Facebook pages and ran over 67 stories on each platform. FDOC also partnered with prominent women's lifestyle webzine *Aufeminin* to run a Florida Grapefruit Instagram contest in February where a winner was chosen from participants that both followed Florida Grapefruit's Instagram account and liked the giveaway post. FDOC also ran a digital game contest in partnership with retail stores. After registering their personal information, contestants were quizzed on basic information about Florida Grapefruit's history, availability, and nutritional benefits. Over 92% of participants answered all questions correctly. In total, the winner of the Instagram contest along with the 10 winners of the retail contest received a range of prizes including a grapefruit infused wellness treatment, branded citrus squeezers, and boxes of Florida Grapefruit. The digital contest engaged 13,731 total participants and *Aufeminin*'s contest garnered 1,884 new followers for FDOC France's Instagram account. Across all of FDOC's social media initiatives in 2021-22, FDOC garnered over 11.6 million impressions and engaged with 283,095 consumers. This wide-spread dissemination of campaign messaging, contributed in part to heightened consumer awareness for all FDOC's consumer-facing performance measures.

In addition to social media, FDOC also utilized existing partnerships with several in-market advertisers and public relations agencies to drive consumer awareness of Florida Citrus. Press kits, including recipes and key messaging on Florida Grapefruit's health benefits, were distributed to over 400 journalists. As a direct result, Florida Grapefruit was mentioned in 108 articles in print publications, online and via the radio. The total number of impressions for the campaign is estimated to be 317.1 million, a 37.8% increase over the 2020-21 program year. Florida Citrus was also featured in two paid articles published in January on *Doctissimo* (a leading health and lifestyle website) and *Aufeminin* (a leading women's lifestyle webzine). Both articles highlighted the campaign's main themes and included a call for further engagement. This call to action was a success and the articles generated over 10,000 clicks to the official FDOC website in France, reaching 101% of the established goal.

With the lifting of multiple COVID-19 related safety measures throughout the program year, FDOC was able to gradually resume in-store samplings at major food retailers across the country. Throughout February and March, two retail chains Monoprix and Système U participated. There were tastings at 49 Monoprix locations and 30 Systeme U locations. All sampling events were supplied with a variety of POS materials including an informational leaflet and FDOC branded signage. Across both retailers, approximately 8,000 leaflets were distributed, and 12,600 consumers participated in the tastings. POS materials were also distributed to and displayed at an additional 30 Système U locations that did not

host in-person samplings. Système U reported selling out of Florida Grapefruit soon after the samplings concluded in March. To boost engagement further with retail consumers, the displayed POS materials directed consumers to participate in the aforementioned Florida Grapefruit trivia game. FDOC's presence at retailers continues to be one of the most effective strategies for convincing curious consumers to purchase Florida Grapefruit despite the price increase over the last few years. The effectiveness of in-store sampling events was corroborated by increased consumer willingness to purchase Florida Grapefruit based on its origin and increased consumer willingness to pay a premium for Florida Grapefruit. Each of these performance measures surpassed the results of prior years as well as the established goals for the 2021-22 program year.

The final promotional strategy FDOC employed in 2021-22 was its innovative partnership with "Operation Pamplemousses." The company provides Florida Grapefruit to participating schools around France. Students then sell the grapefruits to members of their community and all proceeds benefit their school's selected fundraising effort. To aid the fundraising activities, FDOC provided branded bags, spoons, order books and recipe cards to 35,000 students in 65 schools around France. Fewer schools participated in the program during the reviewed period than in years past. Most cited the continued threat of COVID-19 in their decision to not take part. That development, in combination with higher prices for Florida Grapefruit, led to a reported 3.8% decrease in the total volume of product sold through the program compared to the prior year. Despite the decrease in volume, the program engaged 25,000 French families with recipe cards, eclipsing the previous year by over 10,000 families. The higher number of families and students engaged despite the decreased number of participating schools is an encouraging sign for the future of the partnership, as concerns over COVID-19 subside and more schools rejoin the program.

Conclusion

FDOC continued to adapt and refine its strategy for France's post-COVID-19 environment through the 2021-22 program year. The lessons and strategies learned in the 2020-21 program year continued to yield greater engagement with customers digitally. With the return of in-store sampling, FDOC's promotional programming reached French consumers in more ways than ever before. The impact of the publicity was documented in the growth of all performance measures focused on consumer awareness and perception of Florida Grapefruit.

As the French grapefruit market becomes increasingly crowded with grapefruit from other origins, and the "buy local" trend among consumers remains prevalent, FDOC's marketing strategies will become more vital. By emphasizing the versatility, premium quality, and unique attributes of Florida Citrus, those products can remain top of mind for French consumers. Maintaining Florida Citrus's reputation is a crucial step to growing its market share long term. FDOC's performance measures for France capture that information well and will not be changed or updated in the immediate future. Goals for individual performance measures may be updated to reflect progress achieved in 2021-22.

V. Overall Market Recommendations

FDOC's programming in France can best be described as a multi-pronged approach which has allowed FDOC to engage with a range of consumers, including school children and their families, consumers of influential print and digital media outlets, online shoppers, and consumers at point-of-sale in retail stores. Going forward, FDOC will look to expand the frequency of messaging to these targeted demographics. The first planned change for the upcoming year is to participate in the Le Food Market

event, where samples of fresh Florida Grapefruit will be provided to French consumers. Secondly, after the success of the Florida Grapefruit digital retail trivia contest in 2021-22, FDOC plans to continue the contest as well as implement similar contests in 2022-23 on its own French-language Instagram account to engage with new audiences. Finally, FDOC plans to develop more grapefruit recipes that integrate key messaging about Florida Grapefruit's origin and health benefits. Since recipes make up the core of content for both social and paid media these changes are expected to expand the chance of French consumers encountering Florida Grapefruit's key selling points. Strategic expansion, along with the maintenance of existing partnerships (support of Opération Pamplemousses for example), will allow FDOC to engage with loyal Florida Citrus consumers while expanding the solid reputation of its products to new consumers. When the supply of Florida Citrus increases, FDOC products will have a prime opportunity to capitalize on their hard-won reputation—solidifying Florida Citrus as the preferred consumer choice in France going forward.