

FICT

BRIEF :

**DESIGN AND IMPLEMENTATION OF A COLLECTIVE
INFORMATIONAL AND PROMOTIONAL CAMPAIGN
FOR QUALITY EUROPEAN CHARCUTERIE, AUTHENTIC FLAVOURS
OF FRANCE IN JAPAN 2018-2019-2020**



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Please refer to the Rules of Tendering for all candidature (administrative and submission of proposal) details.

1. Introduction of FICT

The FICT (Fédération des industriels charcutiers, traiteurs et transformateurs de viandes - Federation of the Charcuterie Industry, Delicatessens and Meat Processors) has been a trade association since 1924.

Acting as the voice of the French charcuterie industry, FICT represents 250 companies (of which 90% are small and medium-sized companies), principally located in France's rural areas. The industry employs 37,000 people directly, with 135,000 indirect jobs. It generates a turnover of 6.6bn€, with 6% of products exported. 85% of the total 1.2 million tons of charcuterie produced is pork-based, with two-thirds of French-reared pork processed.

The main remit of the FICT is to represent the interests of the industry at various levels (national and EU administration, trade organizations) and also to develop international market share.

The FICT is also keen to strengthen the implication of private companies within the association, and give them a voice on its various committees.

Members can take part in all FICT committees, which aim to implement the strategy defined by the CODIR (Executive Committee), and steer the FICT's work in the realms of social issues, economics, technology and regulations and also about raw materials. Committee meetings endeavor to establish a common standpoint for each product family or to seek solutions on matters affecting the whole sector.

Social matters and training

The FICT negotiates joint agreements and implements collective activities. It informs the member companies about the social rules.

Economy

Trade relations between suppliers and retailers within the framework of the law regulating entrepreneurship (LME or 'Loi de Modernisation de l'Economie'), market analysis (market price index and valuation, consumption etc.).

Raw materials

The aim is to analyze markets, for pork and poultry in particular, to control price trends for raw materials, and to maintain strong links with supply chains (animal food, livestock farming, slaughtering and butchering).

Quality and regulations

Best Practice codes, mandatory nutritional labelling, stating origin of ingredients, updating GBPH (Guide of Good Hygiene), review of regulations on nitrite content, etc.

Committees within the FICT are split into specialized divisions. To this end, 10 meetings are organized: 2 for charcuterie, one for charcuterie in pastry and three for cooked ham and four meetings for dried cured meats.

The FICT also runs an export club, for which three meetings are organized per year. These meetings serve to set out the export manifest, deal with lifting sanitary barriers, and agree promotional activities on target export markets (in 2017, these include China, Japan, South Korea, and the USA).

Key figures

- 250 businesses (large and small)
 - Often in existence for generations, situated in all regions of France.
- 37,000 employees
- Production: 1.2 million tons
- 6.7bn€ turnover
- Exports of pork charcuterie and dry cured meat worth 305m€

To learn more about visit www.fict.fr and www.lescharcuteries.fr

2. Scope of a European Union campaign

- (a) increase awareness of the merits of Union agricultural products and of the high standards applicable to the production methods in the Union;
- (b) increase the competitiveness and consumption of Union agricultural products and certain food products and to raise their profile both inside and outside the Union;
- (c) increase the awareness and recognition of Union quality schemes;
- (d) increase the market share of Union agricultural products and certain food products, specifically focusing on those markets in third countries that have the highest growth potential;
- (e) restore normal market conditions in the event of serious market disturbance, loss of consumer confidence or other specific problems.

3. Products and market study

In terms of charcuterie, Europe benefits from undeniable expertise and heritage.

The main charcuterie products promoted within the program and their CN codes:

021011010 – 021011020 – 02101131 - 02101981 -021012010 – 021012020 – 021019010 – 021019020
– 1601 – 160241011 – 160241019 –160242011 –160242019 –160242019 –160249210 – 160249220

JAMBON CRU/SEC (cured ham/dry cured ham) -



Making dry cured ham requires real skill and considerable patience. Following an age-old tradition, the meat is rubbed with salt several times and left to mature for varying amounts of time. Salting practices, pork breeds, pork feed, drying techniques and maturing give each ham its characteristic flavour and colour. Dry cured hams will vary according to the length of curing time.

Once cured, they may also be smoked.

JAMBON CUIT (cooked ham)



Several early manuscripts mention cooked ham. For example, in the 15th century, a home economy treaty includes a recipe for cooked ham. Four centuries later, in 1793, the “Tableau du Maximum” (an official written document which set maximum foodstuffs prices) published in Corbeil, advises that cooked hams are sold in the region of Paris. In 1869, Jules Goueffé also describes this « Jambon de Paris ». According to him, it refers to a « standard ham », salted, cooked in water, boned and set in a terrine “with the rind on the bottom”, then cooled under a weight”.

SAUCISSON SEC



This product has been in existence for over 2,000 years, with little changes to its preparation since its inception. There are two varieties of “saucisson sec” depending on the way the meat is minced: either with medium to large chunks of meat (these are the most commonly found saucisson sec in France, such as saucisson de montagne, rosette, pavé and jésus), or those made with finely minced meat (such as Danish salami). To qualify for the category of saucisson made with coarsely ground meat, the meat chunks need to be 6mm or over in diameter

SAUCISSE DE SPECIALITE (speciality sausage)



Sausages are a charcuterie specialty made according to a wealth of different recipes. The secret of their manufacture resides in specific mincing and stuffing techniques. In

fact, sausages are a charcuterie product made by filling a gut casing with minced, salted and seasoned meat. The seasoning will vary according to recipes and regions. Some use raw meat as a filling, others are cooked or simply steamed and smoked. Each region has its own sausage! The rest of their production method will vary according to their traditional specialty. Two types of mincemeat are used: coarse mince (for example, Toulouse sausages, Morteau sausages (PGI) and Montbéliard sausages (PGI); and sausages made with very finely minced meat, where no meat chunks can be seen: for example, Strasbourg and Francfort sausages.

PATE AND RILLETTES



As long ago as the Middle Ages, the method of cooking terrines differed from pâtés. Terrines were cooked in earthenware pots (hence the name « terrine », which comes from the French word « terre » meaning earth), whilst pâtés were set inside a pastry case (which, in those days was not necessarily edible), just like pâtés en croûte today. There are many ways to make pâtés as a result of the range of raw materials used, preparation methods of the meats (use of herbs and marinades) as well as the degree of mincing and cooking used. Three types of meat grinding are possible: fine, coarse and mixed.

Ready to eat and serve, rillettes can easily be spread on bread and are particularly enjoyable as a starter or sandwich. These days, less fatty and softer, easier to spread rillettes are preferred. There are many variations in the rillettes family such as « frittons », « grillons », « grattons », « chichons » or « graisserons ».

ANDOUILLE AND ANDOUILLETES



“Andouilles” are made with pork offal and “chaudins” (tube from the intestinal tract of the animal), which vary with each recipe. Other ingredients include pork fat and pork meat. Salt, herbs, spices, wine, alcohol, liqueur, condiments and aromatic seasonings can also be added. “Andouilles” are made by pushing the contents into gut casings.

The earliest written trace of “andouillette de Troyes” dates back to 1560. This speciality is made by blending or mixing raw materials made from pork and pork intestine, cooking them and pushing the mixture (by hand or by machine) into a natural gut casing made from pork intestine. The only additional ingredients allowed are salt, spices, condiments and aromatic seasonings. 6

PATES EN CROUTE / MEAT PIES AND PASTRIES



The meat pie category includes charcuterie products encased in pastry, then baked in the oven. There are chiefly two main types of meat pie, depending on whether the meat used is raw or pre-cooked before it is enclosed in pastry. This category incorporates many different classes of meat pies and pastries.

Consequently, the whole charcuterie and dry cured meat category are a living reminder of a centuries-old way of life. These products play an integral part in European food heritage, which is much admired throughout the world.

Additionally, official quality labels for charcuterie and cured meats are a guarantee of transparency and comprehensive information for the consumer, while also highlighting an approach that recognizes their terroirs and expertise.

This excellence is expressed through official quality labels such as Protected Geographic Indication (PGI).

Protected Geographic Indication (PGI)

This label refers principally to dry cured products (“Jambons” or hams from Ardèche, Auvergne, Ardennes, Bayonne and Lacaune), and sausages (Montbéliard or Morteau sausage/Jésus de Morteau, Ardèche saucisson and Lacaune Saucisse/Saucisson). To the West of France, we find Vendée ham, Rillettes de Tours and Brittany Country Pâté which also benefits from PGI recognition. In the North East, the Ardennes region is proud of its Boudin Blanc de Rethel. The production of charcuterie under PGI label has reached 16,700 tons and increasing.

Protected Designation of Origin (PDO) and AOC (Appellation d’Origine Contrôlée)

The French AOC label (Appellation d'Origine Contrôlée), corresponds to PDO (Protected Designation of Origin) at European level. It is a label pertaining to products with specific characteristics which are directly and closely linked to the « terroir ». All stages of production must take place in a designated area specific to the product in question, be described in the product's specifications guide and use local production methods.

Since May 2014, three products from Corsica have obtained PDO status: Coppa, Prisuti (dry cured ham and Lonzo/Lonzu (dried pork fillet).

In December 2015, they were joined by AOC Jambon Noir de Bigorre and in August 2016 by AOC Jambon du Kintoa.

4. Japan: a market with huge potential for the French charcuterie industry

Japan's strengths

- Second largest world economy
- Population: 128 million inhabitants, with high purchasing power
- 53.3 million households (10% of which have an annual revenue higher than 100,000€).
- Expenditure on food worth 41.7bn€
- Food accounts for 24% of household expenditure (vs 17% in France)

Japan is one of the largest potential markets in the world for French charcuterie. Japanese have high purchasing power, positive image of France and current trend of French bistros.

Japan is a food market where consumers enjoy eating and value quality food products. The Japanese have a healthy and varied diet made up of traditional food products and environmentally friendly food.

For these reasons, the FICT is involved with the « Association de la Charcuterie Française au Japon » (French Charcuterie Association in Japan), an organization created in July 2013, whose aim is to raise awareness of traditional French cooked meats and dry cured meats in Japan and to create new business opportunities for companies.

There is market share to be gained, particularly as French products benefit from good awareness and are associated with quality (Jambon de Bayonne, dry cured meats, pâtés, rillettes, Morteau and Montbéliard sausages).

Commercial prospects have already been identified by companies in this sector but non-tariff barriers are still slowing down potential exports of charcuterie and dry cured meats to Japan.

OPPORTUNITIES

Gradual relaxation measures of the France/Japan trade agreement are taking place. This development should allow more French charcuterie companies to gain easier access to this market. Products sold under quality labels are also highly sought-after and benefit from an excellent image combining tradition, authenticity and expertise.

5. Strengths and weakness of European Charcuterie

SWOT analysis

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> • Strong French expertise, which local manufacturers lack. • Some relative knowledge about certain products among consumers (rillettes) • Products able to take advantage of the European quality guarantee (sanitary aspects, traceability, standards, quality symbols) • Real regional diversity and focus on authenticity • Sector organized upstream. 	<ul style="list-style-type: none"> • Sanitary barriers • A sector lacking clearly defined image • Dry cured meats slightly too salty for Japanese tastes ? • High prices • Long value chain
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Current relaxation of non-tariff trade barriers • Limited charcuterie tradition, if any at all • Limited range of international products • High consumer purchasing power • Interest and maturity of consumers for quality products • Urban density (Kanto & Kinsai) – good ROI • Strong presence of European products (Italy & Spain) 	<ul style="list-style-type: none"> • Extensive, affordable domestic offer, yet mass-market positioning with very little cultural added value • More focused on product than charcuterie food culture • Offer from the dollar zone (USA/Canada) more focused on volume than authenticity • Sanitary issues • Exchange rate

6. Objectives of the campaign and proposals

The campaign objectives are directly linked to the goals set out in regulation No 1144/2014, with reference to articles 2 and 3. In particular, these articles aim to reach specific target groups and **reinforce the awareness and understanding of all European production standards, including European quality labels guaranteeing country of origin and production methods**. The campaign programme will have a direct impact on increasing sales of European charcuterie products in Japan, therefore increasing the competitiveness of European producers.

The previous market analysis indicates that several challenges remain, including how to differentiate between imported products from the Dollar Zone or those produced in Japan. The main challenge is the level of knowledge and understanding of charcuterie in Japan: apart from a few trade specialists or well-informed consumers, awareness is extremely low. For example, the word 'charcuterie' does not exist in the Japanese language, and similarly, there is only one word to describe sausages, with no distinction between one type or another. Lacking the vocabulary, the majority of the population have only a very slight grasp and understanding of the charcuterie category, and no conception of the variety on offer within the category. This slows down product penetration of European charcuterie on a market which is nevertheless promising, with high demand and a strong affinity for gourmet food.

The situation, however, represents a very attractive opportunity for huge development potential. In fact, with a large and educated population who are generally high earners, consumers who are both curious and foodies, and increasingly receptive to imported products (particularly when they are high added value products in terms of culture and authenticity and inspire confidence in terms of food safety), this is a highly favourable sector.

For these reasons, the key objectives on this market appear clear:

1. **To increase awareness of traditional European charcuterie**, focusing on products with high production standards as well as European quality labels (PDO, PGI for example). The goal here is to **increase** spontaneous awareness of charcuterie amongst the chosen targets, including raising awareness of PGI Jambon de Bayonne by 30% over the 3-year period, an average increase of 10% per annum.

2. **Increase awareness** in the **trade sector** (essentially importers and retailers) by at least 30% over three years, or an average increase of 10% per year of campaign.
Whilst there has been a number of campaigns promoting specific European charcuterie products in the past, there has not been a promotional program focusing specifically on the entire charcuterie industry and products which pertain to European gastronomic food culture. The bedrock of awareness of charcuterie as a whole – which would benefit the whole category - is therefore lacking. This is why promoting this component of European gastronomy as a specific and coherent asset of both France and other European countries is paramount. Gaining the trust of the trade sector will depend upon deepening their understanding of production standard, of the quality and the range of charcuterie products available.
3. **To increase understanding** amongst targeted Japanese **consumers** (urban foodies, AB/ABC1) **by at least 30% after three years**, or **an average increase of 10%** for each year of the campaign.
In this instance, the objective is the same for consumers and the trade. The only difference is that the focus for consumers is on education and popularization, whilst technical training is key at trade level.

The following consumer benefits will be systematically highlighted throughout the activities in the campaign, for the trade and for consumers:

- The profession « chair-cuitiers »: the guarantee of a centuries-old European tradition
- Guaranteed provenance and authentic taste through European quality labels and 'Savoir Faire charcutier' (label denoting traditional expertise)
- A food safety pledge with guaranteed production standards and European controls (traceability, checks etc.)
- Products well suited to use in everyday cooking, including hot or cooked food

An educational program to highlight the tasting attributes of the products will also help differentiate their quality from other charcuterie produced locally in Japan or imported (Dollar Zone).

Additionally, as charcuterie products are mainly processed meat, we can reasonably estimate that the campaign will have a domino effect, leading to a positive impact on employment among European producers, not only for charcuterie producers but also livestock farmers, in particular pork breeders who supply raw materials to the industry.

The array of European tools certifying quality and origin (European standards, certified country of origin, quality labels, controlled production methods, authenticity of traditional products) will both **explain and justify** to the Japanese consumer why **the retail price is higher** than that of local products or those imported from the Dollar Zone.

Essentially, this is a foundation campaign which aims to increase understanding of European charcuterie as a cultural benefit, and to increase in the long term the penetration of a wide range of charcuterie products. This approach will increase opportunities for European producers of hams, cooked or dry cured meats, pâtés and other culinary specialties.

The European message put forward in the campaign is a strong advantage for promoting FICT's products. At the same time, the FICT proposes a unique programme within the framework of European subsidies: this is the only programme in Japan which is 100% charcuterie-focused and includes groundwork activities benefiting all European businesses both directly and indirectly.

This approach underpins our current application for co-financing.

Last, but not least, the campaign objectives are all measurable according to the SMART matrix.

Firstly, all information, training and tasting based activities will systematically include ad hoc questionnaires to measure if the objectives have been achieved among the selected targets, and to what extent. These key performance indicators, gathered by the executing agency for each target, will be verified through an external study conducted by an independent and reputable agency.

Increase and evaluation of knowledge levels among target audiences

Questionnaires completed following various activities (seminars etc.) will monitor the increased knowledge of the target audience. This questionnaire will follow a recommended methodology (cf. section 7 of this document).

When questionnaires cannot be used (for activities including leaflets, website and videos etc), a specific calculation method has been devised (see tables in Section 7).

Overall, over the 3-year period, we estimate that 35,000 professionals and foodies will increase their knowledge of charcuterie as a result of the campaign (including more than 2,000 importers, retailers, restaurants and trade journalists). This relates to the number of respondents answering at least 2/3rds of the questions correctly. We can then estimate the average cost of increased knowledge to 30€ per trade representative. Japan is a market where recommendations and key influencers play a determining role. To maintain this role with credibility, trade professionals must be informed and knowledgeable with regards to the products.

Finally, we can estimate the total exposure of the campaign over 3 years to be 30,000,000 contacts, or an average cost per contact of 0.036€ (3.6 centimes).

Without this campaign, the level of knowledge regarding charcuterie traditions and products will stand still and allow products from the dollar zone (and indeed local production) to hold the lead.

Recommended actions/tools:

Working in tandem with the producers and their importers, we would like to have a campaign with a strong focus on distributors, retailers and restaurants the first year while the distribution is building as well as consumers in targeted market (based on distribution and promotional planning by importers).

The action could be but are not limited to:

- Defining the visual identity of the campaign (**indicative budget : 8 000 €**)
- Website, social media (**indicative budget : 28 000 €**)
 - Website
- Advertising (**indicative budget : 283 000 €**)
 - Print media
 - Internet
- Communications (**indicative budget : 192 000 €**)
 - Educational leaflet
 - Vertical banners
 - Promotional videos
- Events (**indicative budget : 358 000 €**)
 - Professionals and Consumers seminars
 - Trade Trip
- Point of sales promotion (**indicative budget : 130 000 €**)

Throughout the 2 following years, we'll expect more consumers/press/media actions.

A communication reinforcement targeted on the web (bloggers and their followers...) can be implemented the last year in 2020.

We are open to other suggestions from candidates as long as they are eligible with the European Union and detailed.

The candidates must establish the efficiency of all proposed action as well as the expected results, cost per contact must be reasonable. For instance, trade publications with too few distribution and actual readership should not be included.

Candidates should visit existing communication and promotional tools and assess their use in a Japan campaign:

- www.fict.fr
- www.lescharcuteries.fr

Budget 2018-2019-2020: a total of 1,000,525 Euros excluding tax maximum

A budget of **338 595 Euros excluding tax** maximum the first year,
330,965 Euros excluding tax maximum the second year,
330,965 Euros excluding tax maximum the third year.

These yearly budgets must include all expenses and agency fees. The candidates can propose the actions fitted to reach the goal of the campaign and the budget split they recommend as long as they provide convincing arguments.