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France

Agricultural Situation

French Press Article Discusses Distribution of EU Farm Payments in France

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Report Highlights:

On November 3, the French daily "La Tribune" published a study by the free-trade research and think tank Groupe D'Economie Mondiale highlighting a list of 24 of the major recipients of farm aid in France. The study shows that corporate farming accounts for the bulk of direct public support to agriculture. EU farm payments are not capped per farm and most of those 24 farms receive more than 500,000 € annually. Such a study undermines French defenders of the Common Agricultural Policy at the time when WTO negotiations have sparked a debate about the need to heavily subsidize large-scale farming. Surprisingly, the Confédération Paysanne, a leftist farm union supported this study in order to push for CAP reform.

Includes PSD Changes: No
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On November 3rd, the French economic daily "La Tribune" published a study by the Groupe D'Economie Mondiale ¹ highlighting 24 major recipients of French farm subsidies. While the EU Commission is actively encouraging Member States to voluntarily publish their list of farm aid recipients, France claims that strict domestic privacy laws prevent such disclosure. Thus, it was a difficult task to compile this list, which one researchers said is as secret as "the code to launch a nuclear strike."

The study showed that corporate farming comprises the bulk of direct subsidies to agriculture in France. Most of the 24 largest recipients received more than 500,000 Euros (\$600,000 USD) annually. The average size of the largest recipients exceeds 2000 hectares (about 5,000 acres). Identification of these large landowners can be difficult in France as landowners register property under names of different family members in different areas to avoid detection.

This study contradicts the argument of French defenders of the Common Agricultural Policy (CAP) that current policy supports small farmers in impoverished areas and helps maintain France's rural culture. It also comes at a time when WTO negotiations have sparked debate on the value of heavily subsidizing large-scale farming. Nevertheless, the media have questioned the role of the German Marshall Fund (GMF), a co-sponsor of the study, and its "pro-U.S." position. A GMF spokesman acknowledged its efforts to increase transparency on farm policy in the EU and asserted the organization's independence from U.S. policy and interests.

When questioned by FAS Paris, A Ministry of Agriculture official said that the publication of this study during the ongoing trade talks was meant to discredit the CAP and thus weaken France (and the EU position) in the agricultural negotiations. While farm payments are not capped in France, he however acknowledged that France may not oppose a ceiling if proposed by Brussels.

Interestingly, several French farm unions have supported the publication of farm subsidy recipients. The Confederation Paysanne, a leftist anti-free trade union, and the FNSEA (the principal French farmers union) both expressed their support for the publication of this list in the interest of transparency. According to a paper published by the Confederation Paysanne, 182,000 French farms (40% of total French farms) received less than 5,000 Euros annually, or 5 percent of total EU farm support to France. In both cases, the motivation appears to be the desire to protect France's smaller farms in the event of further CAP reform.

Currently in Europe only Great Britain, Finland, Denmark, Sweden, the Netherlands and several provinces in Spain have published their lists of farm subsidy recipients. However, Simm Kallas, EU Commissioner for Administrative Affairs and Anti-Fraud, has announced that the EU may force Member States to publicize the recipients and the amounts of EU aid, including farm subsidies. According to MinAg, French privacy laws would supercede EU requirements.

¹ The Groupe D'Economie Mondial is a free-trade research think-tank within the prestigious Paris based Institut des Sciences Politiques (Institute of Political Studies)