



USDA Foreign Agricultural Service

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France

Agricultural Situation

French MinAg Budget Stable in 2007

2006

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Report Highlights:

The French agricultural budget for CY 2007 shows little change in direction from 2006 with the exceptions of a 20 percent increase for crop insurance funding, a 21 percent increase for overseas promotions as well as increase to programs for phytosanitary monitoring.

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

The French Agricultural budget for CY 2007 was disclosed in early October. Total public spendings on agriculture will amount to 30.4 billion € of which 10.5 billion € will come from the EU budget for the CAP expenditures in France (9.5 billion for production and export supports and 1 billion for the rural development and environment). French domestic spending on agricultural social security and public health care system for the agricultural sector will be 13 billion €. Spending for domestic farm policy (which includes the MinAg working budget) will reach 5.1 billion € of which 42 million € are earmarked for promotion of French agricultural and food products abroad and 30 million € for crop insurance programs

The largest French farmers union, FNSEA, criticized the 2007 farm budget as not being ambitious enough in certain programs, highlighting the small, albeit growing, funding for crop insurance programs.

The 2007 budget law provided funding in line with to the Ministry's four major missions:

- 1) agriculture, fisheries and rural affairs;
- 2) agricultural education;
- 3) research and agricultural higher education; and
- 4) sanitary safety.

A special account, funded by a tax on farm sales, was created in 2006 to administer rural and agricultural development programs for technical innovations in agriculture.

Mission	Programs	Budget for 2007 (million €)
Agriculture, Fisheries and Rural Affairs		2,953
	Sustainable management of agriculture, fisheries and rural development	50%
	Agricultural marketing	24%
	Forestry	11%
	Support for policy implementation	15%
Agricultural Education	Technical agricultural education	1,280
Research and Higher Agricultural Education		277
Sanitary Safety		555
Rural & Agricultural Development	<i>(Special account)</i>	98

Within the agriculture, fisheries and rural affairs mission, the bulk of the funding is dedicated to supporting sustainable management, with the major goals of 1) attracting farmers to difficult farming areas with subsidies and installment loans, 2) modernizing farms and 3) doubling the funding for improving the sustainable development of fisheries and aquaculture (from CY 2006 levels). Within the agricultural marketing mission area the budgetary funding emphasizes several programs: development and promotion of farm production associated with quality programs, such as Geographic Indication or organic; strengthening economic organization of the farm and food sectors, including 30 million € (an increase of 20 percent over 2006) to fund crop insurance programs; improving foreign market shares; and implementing EU and domestic farm policies more efficiently by consolidating institutions.

Budgetary aims for forestry programs are to use subsidies to increase the use of wood, in either energy or construction sectors, to increase sustainable management of forests, and to improve resistance to natural disasters. The remainder of the budget within this mission area encompasses the working general budget of the Ministry. About 400 full time positions will be cut through attrition, reduced contract staff or transfer to local authorities. At the same time, IT efforts will be increased to reduce bureaucracy.

The funding within the sanitary safety mission will be applied to programs to monitor plant diseases and crop inputs, fight against animal diseases, (the budget reflects a sharp increase from 2006 due to extended monitoring of avian influenza), increase food safety measures and continue elimination of stocks of animal meat and bone meals.