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France facing most severe drought in 50 years

Report Categories:

Agricultural Situation

Grain and Feed

Agriculture in the News

Approved By:

Lashonda McLeod

Prepared By:

Xavier Audran and Lashonda McLeod

Report Highlights:

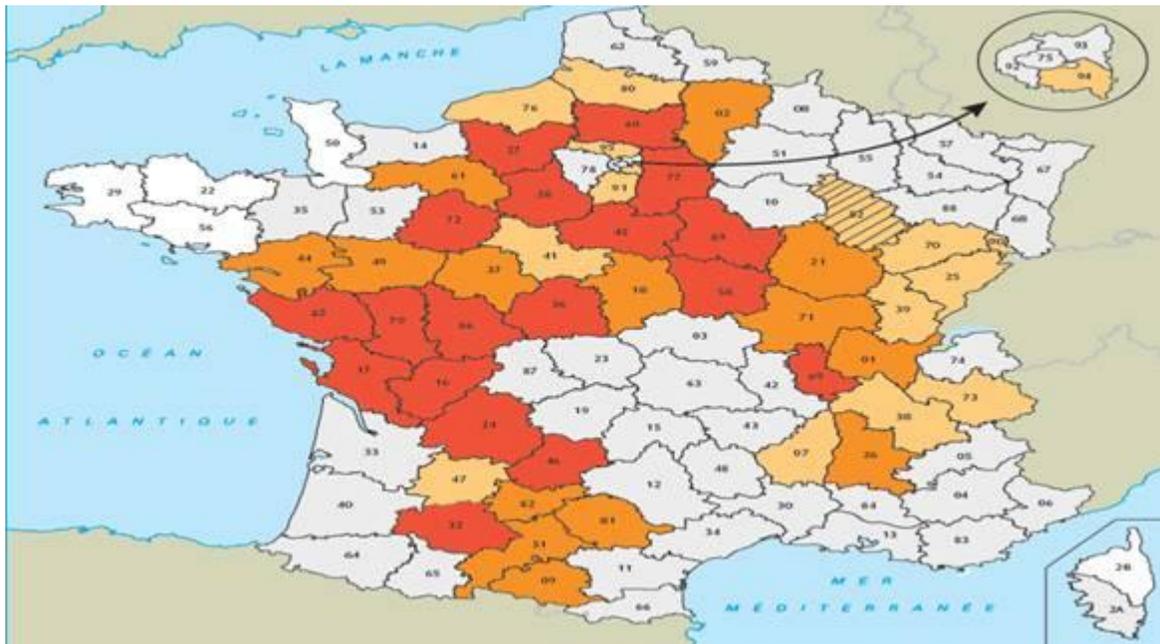
The March – May period was exceptionally dry and warm for most regions. According to Météo France, the current pattern is reminiscent of the 1976 and 2003 situations where droughts drastically affected agriculture. Some analysts are forecasting 2011 as both the driest and warmest year in the past 50 years. The situation has led authorities to restrict the use of water, including irrigation for agriculture. Despite higher acreage, the total wheat crop is now estimated down 12 percent, if normal weather is to resume. There could be a shortage of malt, due to the planting of spring barley in February and March. Livestock farming is also at risk. Some ranchers are likely to reduce their herd by selling their older or less profitable animals. The GOF announced May 31, 2011, that Credit Agricole, historically the farmers' bank, would provide 700 million euros in loans at reduced rates to assist ranchers. France will tap the agricultural disaster fund to aid farmers. The government is also drafting measures to limit prices for straw and other food items for livestock.

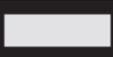
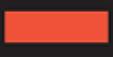
General Information:

Since the beginning of 2011, rainfall in the north-western two-thirds of France has been dramatically below average. The March – May period was exceptionally dry for most regions, except Corsica and the French Riviera, and also warmer than usual. Rains were limited (less than 1 millimeter (mm) in Paris against 65 mm on average). With more than 68 percent underground water reserves well below average, reserves were depleted. The limited rains from thunderstorms did not help as those rains did not penetrate into the soil. The average soil moisture level recorded in May is similar to what can normally be found at the end of July. According to Météo France, the French government weather agency, the current pattern is reminiscent of the 1976 and 2003 situations where droughts drastically affected agriculture. Some analysts are forecasting 2011 as both the driest and warmest year in the past 50 years.

The situation has led authorities to restrict the use of water, including irrigation for agriculture, filling swimming pools, and washing cars.

Departments Affected by Water Use Restrictions



	No restrictions
	Planned restrictions but not yet implemented
	Limited restriction (at least 1 day a week)
	Medium restrictions (between 1 and 5 days a week)
	Significant restrictions (between 5 and 7 days a week)
	New area added since 23 May 2011

A growing threat to crops...

The drought is threatening the volume and quality of wheat and barley crops. Despite higher acreage, the total wheat crop is now estimated down 12 percent, if normal weather is to resume. If the drought continues, the final yield and crop volume could be even lower than current estimates. Spring barley, which was planted in February and March, is also expected to be severely hit, which may cause a shortage of malt in 2011/2012.

It is too early to assess the impact of the drought on the corn crop. Severe irrigation restrictions will definitely hurt the plant's growth, which could result in reduced yields. In contrast, the rapeseed plant has deeper roots that can withstand extended period of dryness limiting, thus far, the effect on the rapeseed crop. An extension of the dry period, however, will distress the rapeseed harvest.

The unusually high temperatures this spring have hastened the arrival of French cherries, apricots, peaches, and nectarines by 2 to 3 weeks. These products are competing with products from Spain, therefore leading to a price collapse. Vine grapes are expected to be harvested as early as mid-August (against a mid-September average). While dry weather is usually beneficial for grape quality and leads to great wine vintage (as was the case in 1976 and 2003), some experts warn that an early harvest could harm the vines.

On the grain side, France will finish the 2010/2011 marketing year (MY) on a tight situation, with record low stocks. The next grain crop is expected to be low and would not replenish stocks. This would negatively impact France's ability to export grain in MY 2011/2012. But despite higher prices, lower production volumes could mean lower income (or stable in the best alternative) for arable farmers in 2011.

...Cattlemen and ranchers also bear the toll

Livestock farming is also at risk. The drought limited the growth of hay and ranchers have a shortage of forage. The Ministry of Agriculture has authorized pasturing on set aside lands. European subsidies to ranchers will also be paid earlier in order to provide cash flow to purchase feed. Reportedly, some farmers will cut their wheat or barley crops while still green for forage, and others will harvest their corn originally grown for grain as silage in the fall. Some ranchers are likely to reduce their herd by selling their older or less profitable animals. This could lead to surplus and a price decrease in the livestock sector while also reducing France's livestock stocks. It also has been recommended that straw from wheat, barley, and other grain crops should not be grinded in the field, but baled. To express solidarity between grain and livestock farmers, French farmers unions are planning to donate thousands of straw bales to ranchers in need of forage.

Compensation for drought-hit farmers

Less than 30 percent of the crops were insured against drought and new crop insurance schemes have been suspended since April 21 by the insurance group, GROUPAMA, as the drought was imminent.

French Agriculture Minister Le Maire announced May 31, 2011, that Credit Agricole, historically the farmers' bank, would provide 700 million euros in loans at reduced rates to assist ranchers. France will tap the agricultural disaster fund, worth about 100 million euros, to aid farmers. The government is also working out other aid measures to limit prices for straw and other food items for livestock.