

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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President Macron's Roadmap for French Agriculture

Report Categories:

Policy and Program Announcements

Agriculture in the News

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Report Highlights:

At the end of January 2018, French President Emmanuel Macron presented a roadmap for future French agricultural policy and has proposed a new law to forward this vision. The law is expected to be considered by the French Parliament this fall. It could have implications for inter and intra-EU agricultural trade. The law addresses farmers' incomes, trade and the environment. Although France generally operates as a free market and within EU rules, the announcement shows it considers free-market competition in the farming sector to be a "race to the bottom" rather than a way to increase market efficiencies.

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The draft law contains three areas of focus: farm income, agricultural trade, and sustainability.

INCREASE FARM INCOME:

- Determine food prices based on production costs to provide a countervailing power to the four retailers that represent more than 90 percent of retail food purchases. According to the draft law, farm organizations would estimate minimum prices that match average production costs in each region. Farmers would propose a price to the industry and then negotiations would occur with government observers. This is only applicable for products bought under a contract, such as dairy, fruits and vegetables.
- Severely limit discounts or sales on food products. According to the draft law, supermarkets would have to sell food products at a minimum price equal to the purchase price plus 10 percent. It would be forbidden to have two for one promotions, but possible to have three for two promotions.
- Implement strategic plans proposed by the various agricultural sectors. President Macron put the impetus of its implementation on farmers over the next five years.

TRADE PROTECTIONS FOR FRENCH FARMERS:

- Address social and environmental constraints of French farmers in trade agreements. President Macron specifically noted that future Mercosur and Turkey agreements would be a challenge for the French beef sector.
- Reach self-sufficiency in plant proteins. This goal was initiated in 2014 and although it has increased domestic production of soy and other plant proteins, production only provides a fraction of the demand and soybean imports have not decreased.

INCREASED FOCUS ON SUSTAINABILITY:

- Ban glyphosate as quickly as possible, but not without an alternative.
- Release a legislated national pesticide reduction plan and organic plan at the Paris International Agricultural Show at the end of February 2018.
- Requirements for 50 percent organic, locally grown or quality labelled food in all French government food purchases such as school meals by 2022.