



The Common Agricultural Policy : Moment of Truth in France ? Pierre Boulanger¹

This brief updates the informations provided by GEM and published in the French and International press, since November 3rd, 2005 (updated November 7, 2005)

Detailed information on the distribution of agricultural subsidies by farm is already available for some OECD countries: United States, Denmark, Ireland, Spain (Castile, Extramadura and Andalusia) England and Northern Ireland. It is announced for other Member States of the European Union (EU): Netherlands, Germany, Sweden and Finland. It seems thus normal that France, the largest beneficiary (roughly one-fourth) of the EU farm subsidies, will follow the same standard of transparency in public funds distribution.

Designed forty years ago, when the vast majority of the farms were small, the Common Agricultural Policy (CAP) in France is now enforced in a very heterogeneous sector, where (very) large, medium, and (very) small farms coexist – a dimension that the CAP reforms undertaken since 1992 have not really taken into account.

The current farm subsidies are a source of amazing inefficiencies and injustices. According to the European Commission, the 2,530 largest French farms (less than one percent of all the French farms) get slightly more subsidies (in value) than the 182,270 smallest farms (almost 40 percent of all the French farms).

These global official data do not really capture the full CAP disparities in France for two reasons. First, the CAP is now so complex that it is no longer managed with appropriate transparency. In its annual reports of 2001 and 2003, the French *Cour des Comptes* has particularly aimed at ONIC-ONIOL², the largest disbursement office of farm subsidies in Europe, with 5,2 billions of euros in 2004 (60 percent of the total amount of farm subsidies paid in France) paid to 330,000 farms (but farms larger than 200 hectares represent less than 2 percent of ONIC-ONIOL beneficiaries and 12 percent of its payments). The *Cour* is very severe: “*The very large amount of money managed by ONIC-ONIOL, which has considerably increased during the last ten years, makes it indispensable that an end be put to the accounting irregularities and legal approximations that have characterized [...] its management of the national and European subsidies*” (Annual Report of the *Cour des Comptes*, 2003, page 493).

¹/Research assistant, Groupe d'Economie Mondiale de Sciences Po (GEM), pierre.boulanger@sciences-po.org.

²/Office national interprofessionnel des céréales (ONIC) and Office national interprofessionnel des oléagineux, protéagineux et cultures textiles (ONIOL).

Second, France is the only European country in Europe to micro-manage the size and viability of the farms at the level of “*départements*”. The all powerful *Sociétés d’Aménagement Foncier et d’Etablissement Rural* (SAFER) control the land market (most notably through preemption rights) and farm restructurations through narrowly designed programmes. And the *Contrôles des Structures* tightly monitor, in each “*département*”, the newcomers, reductions and increases of the existing farms, and can block them. Obviously, this micro-management tend to mirror the largest farms’ vested interests of the “*département*”, those having tight connections with other influential agricultural institutions (Chambres d’agriculture, local cooperatives, Crédit Agricole, etc.) and those skillful in building legal structure of ownership allowing them to bypass the Rural Code.

It is thus not really surprizing that the above official global data do not describe well the reality of French agriculture, most notably the main beneficiaries of CAP subsidies. The French news magazine *Capital* has just published (november 2005) the subsidies granted to eleven large French farmers – indeed, itself an illustration of the non-transparency of the CAP since the French Ministry of Agriculture, through disbursement offices under its supervision, has answered positively to a request for information made by a journalist, but not to similar requests lodged by economists and farmers during the last three months.³

Field research and other information at our disposal allow us to add thirteen additional estimates of beneficiaries to those data (cf. table). These estimates are based on support rates, estimates of crops and other productions, and of the legal structures. They include the subsidies (amounting to 148 millions euros for the whole France in 2003) given for compensating irrigation costs. After the 2005 summer drought, these irrigation subsidies underline the serious economic and environmental problems generated by the CAP. Last but not least, it is crucial to underline that these data (as well as those provided by *Capital* probably) under-estimate substantially the amount of subsidies granted to farmers for several reasons.

More complete estimates will thus be provided as and when required on the [GEM website](http://www.gem.sciences-po.fr) (<http://www.gem.sciences-po.fr>).

Challenging the current functioning of European support to agriculture does not mean abandoning French farming. Indeed, French agriculture deserves a much better CAP, both in terms of efficiency and equity.

The first step of this study has been financed on funds granted to GEM by Sciences Po, and has benefited from the voluntary help of members of Confédération Paysanne that we would like to thank, as well as Thierry Fabre from the magazine Capital who has kindly agreed to give us the data he collected.

³/Capital has received data on the 35 largest subsidies granted by ONIC/ONIOL, and on the 10 largest subsidies granted by the Office national interprofessionnel des viandes, de l’élevage et de l’aviculture (OFIVAL). In August 2005, 31 requests have been lodged by Groupe d’Economie Mondiale de Sciences Po (GEM), which has undertaken a research programme on these topics, in order to provide more transparency on public funds, a more rigorous evaluation of the CAP and concrete propositions for reforms in a nonpartisan approach.

58 Major beneficiaries of farm subsidies in France, 2004
(available data as of 4 November 2005)

Subsidies received (euros, 2004)	Acreage (hectares)	Main crops and productions	“Régions”	Sources
866 290	1 733	rice	not available	ONIC/ONIOL
811 755	1 500	irrigated corn	Aquitaine	CP-GEM
733 211	1 067	not available ⁽¹⁾	not available	ONIC/ONIOL
686 056	1 897	not available ⁽¹⁾	not available	ONIC/ONIOL
634 788	1 800	cereals	Bourgogne et Centre	CP-GEM
604 422	2 000	cereals	Poitou-Charentes	CP-GEM
603 463	944	not available ⁽¹⁾	not available	ONIC/ONIOL
593 646	830	not available ⁽¹⁾	not available	ONIC/ONIOL
587 322	1 456	not available ⁽¹⁾	not available	ONIC/ONIOL
570 654	1 856	not available ⁽¹⁾	not available	ONIC/ONIOL
546 174	7 186	not available ⁽¹⁾	not available	ONIC/ONIOL
504 682	1 349	not available ⁽¹⁾	not available	ONIC/ONIOL
500 472	1 200	cereals	Picardie	CP-GEM
494 424	1 200	cereals	Picardie	CP-GEM
454 707	515	not available ⁽¹⁾	not available	ONIC/ONIOL
445 511	1 100	irrig. M&P, cereals	Poitou-Charentes	CP-GEM
431 591	496	not available ⁽¹⁾	not available	ONIC/ONIOL
424 620	6 587	not available ⁽¹⁾	not available	ONIC/ONIOL
420 116	5 528	not available ⁽¹⁾	not available	ONIC/ONIOL
404 784	n/a	bovines	not available	OFIVAL
382 795	430	not available ⁽¹⁾	not available	ONIC/ONIOL
377 107	998	not available ⁽¹⁾	not available	ONIC/ONIOL
371 144	685	not available ⁽¹⁾	not available	ONIC/ONIOL
370 254	437	not available ⁽¹⁾	not available	ONIC/ONIOL
362 791	939	not available ⁽¹⁾	not available	ONIC/ONIOL
358 085	n/a	bovines	not available	OFIVAL
352 913	1 047	not available ⁽¹⁾	not available	ONIC/ONIOL
352 860	646	not available ⁽¹⁾	not available	ONIC/ONIOL
352 776	678	not available ⁽¹⁾	not available	ONIC/ONIOL
344 397	646	not available ⁽¹⁾	not available	ONIC/ONIOL
342 611	657	not available ⁽¹⁾	not available	ONIC/ONIOL
337 103	975	not available ⁽¹⁾	not available	ONIC/ONIOL
326 956	609	not available ⁽¹⁾	not available	ONIC/ONIOL
324702	600	irrigated corn	Aquitaine	CP-GEM
323 481	618	not available ⁽¹⁾	not available	ONIC/ONIOL
318 478	574	not available ⁽¹⁾	not available	ONIC/ONIOL
314 138	581	not available ⁽¹⁾	not available	ONIC/ONIOL
313 782	597	not available ⁽¹⁾	not available	ONIC/ONIOL
313 645	574	not available ⁽¹⁾	not available	ONIC/ONIOL
311 462	831	not available ⁽¹⁾	not available	ONIC/ONIOL
301 022	593	not available ⁽¹⁾	not available	ONIC/ONIOL

297 161	600	not available ⁽¹⁾	not available	ONIC/ONIOL
287 308	700	cereals	Picardie	CP-GEM
285 828	520	not available ⁽¹⁾	not available	ONIC/ONIOL
284 960	753	not available ⁽¹⁾	not available	ONIC/ONIOL
277 746	n/a	bovines, suckling cows	not available	OFIVAL
270 585	500	irrigated corn	Aquitaine	CP-GEM
263 978	739	cereals	Centre	CP-GEM
244 173	n/a	bovines, suckling cows, E-S	not available	OFIVAL
241 765	n/a	bovines	not available	OFIVAL
230 908	n/a	bovines	not available	OFIVAL
221 916	n/a	bovines, suckling cows	not available	OFIVAL
215 676	n/a	bovines	not available	OFIVAL
206 860	550	cereals	Basse-Normandie	CP-GEM
206 205	n/a	E-S	not available	OFIVAL
202 329	400	irrig. M&P, cereals	Poitou-Charentes	CP-GEM
199 626	n/a	bovines, suckling cows, E-S	not available	OFIVAL
167 269	364	irrig. M&P, cereals	Aquitaine	CP-GEM

irrig. M&P, cereals: irrigated corn & protein plants, dry cereals.

not available (1): cereals, protein and leguminous plants, rice (inferring from the Office in charge of granting the subsidies).

E-S: ewe and/or sheep.

Sources:

ONIC/ONIOL, OFIVAL : data collected by magazine Capital (partially quoted in its November 2005 issue).

CP-GEM : estimates based on field inquiries, Confédération Paysanne and Groupe d'Economie Mondiale de Sciences Po (GEM), Author's computations subjected to copyrights⁰.