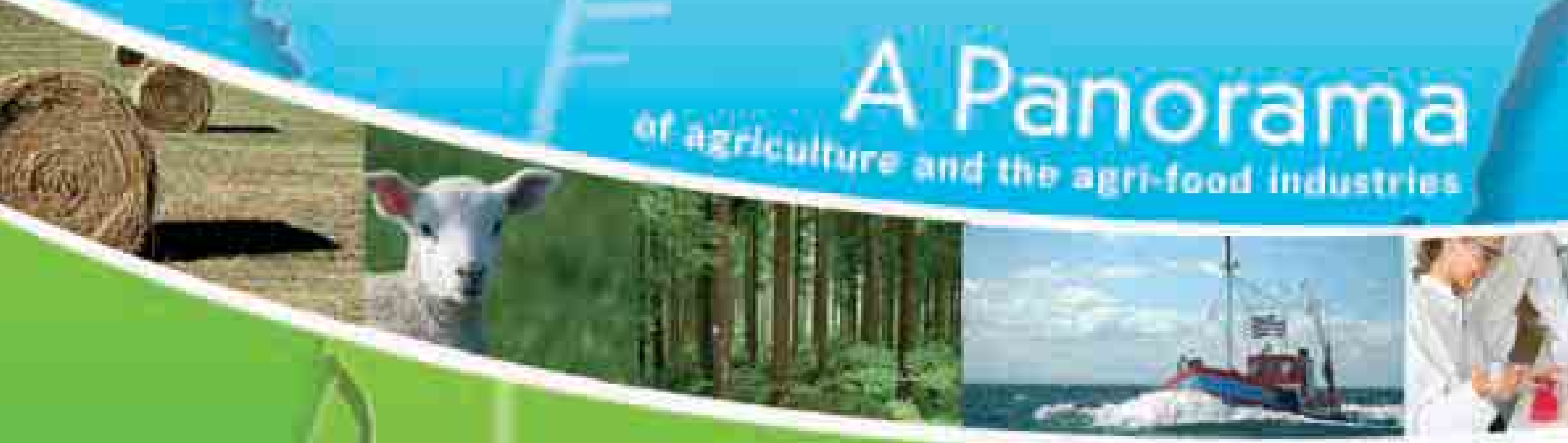
RÉPUBLIQUE FRANÇAISE

MINISTÈRE DE L'AGRICULTURE ET DE LA PÊCHE

A Panorama

of agriculture and the agri-food industries



France

agriculture

Livestock

Forests

Fishing

Agri-foods

Edition 2008






Agriculture:

France is one of the greatest producers and exporters in the agriculture and food sector in the world. It is ranked in first position in the European Union with a fifth of the added value of European agricultural and agri-food industries. Of course, the share of French agriculture in French GDP and in the country's total number of jobs is decreasing – in a similar manner as in all other developed countries. In the last 50 years, however, French agriculture has experienced – like its European neighbours – unprecedented modernisation and increases in productivity. The justified wager of the Common Agricultural Policy and accompanying national policies to feed the continent's population whilst remunerating producers at a correct level has been won. Today, the agricultural and agri-food sector is ready to take up new challenges.

The competitiveness of French agriculture is still strong – as is shown by its capacity to export within an increasingly competitive economic context. On a global level, France has been the 3rd biggest exporter of agricultural and food products for more than 10 years. It has the ability and the will to retain this position. The Ministry of Agriculture has reconfirmed France's vocation to be at the forefront of the world's agri-food exporters and to contribute, together with its European partners, to playing its role as a regulator on global markets. The recent performances of our external agri-food trade illustrates this undertaking.

Although it is modern and innovative, French agriculture is also loyal to its traditions, its land, its quality and the signs which make it stand out – such as geographical indications. Agriculture also forms the basis of a food model which is founded on diversity and the consumer's right to choose his foods. Agriculture, which is spread across the whole of France, also stabilises and preserves jobs in all of the country's regions. It is this multifaceted agriculture – which has retained its values whilst undergoing modernisation – that France defends at the WTO together with the European Union.

an asset for France

As is the case elsewhere, debates are developing in France on future evolutions and on strategic choices for the sector's future. These are all the more intense due to the large number of unknown factors in scientific or technical areas (how to conciliate productivity with sustainability in agricultural systems?); economic areas (how to meet the demand of a growing global population?); and political areas (what will be the rules for trade at the end of the Doha cycle?). In an ever-developing context, economic players must constantly adapt and innovate in order to confront increasingly stronger competition.

This work aims to present all the aspects of French agriculture and agri-food industries: the men, professions, production, trade, economic structure, research, quality policies, training and land management… a broad panorama – which is inevitably incomplete – but which will, I firmly believe, give the reader the desire to find out more.

Jean-Marie Aurand
Director-General of Economic, European
and International policies of the Ministry of Agriculture and Fisheries

A Panorama of agriculture and the agri-food industries
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The Ministry of Agriculture and Fisheries' photograph library, which is made up of more than 100,000 images of contemporary archives and photographs, has represented a true memoir of the agricultural and rural world since its creation in 1947.

To discover the photograph library go to: http://photo.agriculture.gouv.fr
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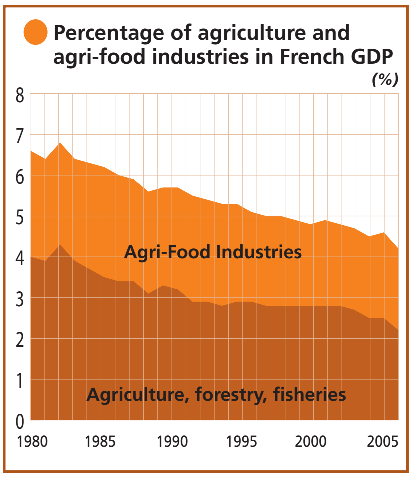
France, a great country and agri-food

in the agricultural sectors

CHAPTER I

Agriculture
in the national economy

AN IMPORTANT CONTRIBUTION TO NATIONAL INCOME



Source INSEE

The agri-food industry makes a major contribution to the health of the French economy. The whole of the agri-food industry accounted for 4.2% of the French economy in 2005. The contribution made by agriculture (with forestry and fisheries) to French GDP was 2.2%, whilst that of agri-food industries was 2.0%. Each of these sectors has virtually the same weight as the metallurgy or energy industries, and weighs about twice as much as that of the automobile industry.

The percentage of the whole of the agri-food industry in French GDP has regularly decreased in current value for over 20 years: 6.6% in 1980, 5.7% in 1990 and 4.9% in 2000.
This reduction can be explained by the decrease in price relatives of agricultural products. The percentage of agri-foods in French GDP in 2005 at constant prices only decreased by 10% in comparison with 1980 – corresponding to a growth rate in the sector's volume which was only slightly inferior to that of the whole of the national economy. However, the overall drop of 10% corresponds to a drop of almost 20% for agriculture, whereas the increase in volume of Agri-Food Industries (AFI) was, for the same period, greater by 10% than that of the national economy.
The improved performance of AFIs was the result of the sector's dynamism and considerable technological progress; it was also one of the consequences of the Common Agricultural Policy (CAP) reform in 1992 which led to an acceleration in the decrease of agricultural prices to make them competitive on global markets – a decrease which was compensated by the payment of direct and increasingly decoupled subsidies. This development had a positive effect on the added value of AFIs as it greatly reduced their supply costs for agricultural raw materials.

A SECTOR WHICH IS INTEGRATED IN THE NATIONAL ECONOMY

The intensification of agricultural production, the technological performances of the AFIs as well as the diversification in the tastes and consumption patterns of consumers – who demand increasingly elaborate products – have led to close interdependence between agriculture, industry and services. Agri-food industries absorb and process 70% of agricultural production in value.

The sustained growth of French agricultural production is mainly the result of the intensive use of numerous products of an industrial origin: modern agricultural machines, equipment and buildings which have become widespread; specific fertilisers and additives; animal foods which are not produced on the farm and energy (oil products, electricity), etc…

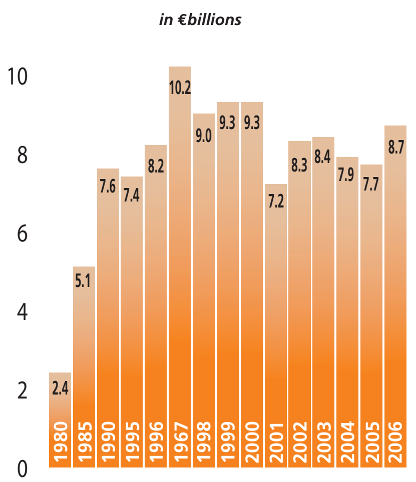
Agriculture also participates in the development of numerous tertiary sectors: transport, insurance and loans, trade, research as well as advice and services to companies…

Intermediary consumption by agriculture (excluding forestry and fisheries) represented a total of €35 billion in 2005. This was more than half of the value of agricultural production (€63 billion).

French agri-food **external trade**

A SURPLUS OF €8 BILLION

Surplus of the French agri-food trade balance



Source Douanes/CFCE–DIPMA

Agriculture and the food industries represent a major asset for the French economy and its external trade.

The French trade balance for agri-foods (agricultural and AFI products) has shown a surplus for decades. The trade surplus of agri-food industries exceeded €5 billion for the first time 20 years ago in 1985 and reached its absolute record in 1997 with €10.2 billion. Since then, the balance has oscillated between €7 and 9 billion.

Although exports have been steadily increasing for several decades, this growth has slowed down since 2002.

In 2005, total agri-food exports reached €39.3 billion – showing a 1.2% increase on the previous year. €10.6 billion were agricultural products and €28.7 billion were AFI products. In 2006, exports were close to €42 billion.

The percentage of AFI products steadily grew until the end of the last decade, increasing from 64% of the total in 1990 to 72% in 2000. Since then, this percentage has increased very slowly, reaching 72% in 2006. Agri-food imports have also increased steadily since 1980. In 2005, they reached €31.5 billion and in 2006 they stood at €33 billion.

Import – export coverage has thus stood at around 125% since the beginning of the decade after peaking at 140% in 1997.

Wines and spirits, the leading export items, amounted to €8.9 billion in 2006. Canned foods and grocery products lie in second position, followed by meats and animals, dairy products and cereals / grain mill products. Taken together, the five product groups represent more than 2/3 of agri-food exports.

Each group exceeds €4 billion. Behind them, other drinks (half of which are mineral waters), vegetables, fruit, animal feeds, sugar and fish/shellfish/molluscs each represent between €1 and 1.5 billion of sales.

As far as imports are concerned, formulated products and canned foods represent 20% of purchases, ahead of fruit and vegetables (of which 1/3 are tropical and citrus

in €billion

The French agri-food trade balance over 10 years

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
7.4	8.2	10.2	9.0	9.3	9.3	7.2	8.3	8.4	7.9	7.7	8.7

Source: Douance / INSEE / Ubifrance

fruits), meats (of which 1/3 is beef), fish/shellfish/molluscs, drinks, dairy products and tobacco. Together, these seven product groups represent ¾ of agri-food imports.

EU COUNTRIES – FRANCE'S MAIN PARTNERS

In 2006, 72% of exports – representing €30.4 billion – were earmarked for EU25 markets. Germany, Belgium, Italy, the United Kingdom, Spain and Holland absorbed €26.3 billion – representing 63% of total sales.
In this order, these countries are not only France's six biggest European clients, but also France's six biggest customers on a global scale. Each of these countries purchases between €2.5 and 5.5 billion of agri-food products from France.

With €1 billion, Switzerland is the only other major European client and the 8th client on a worldwide scale – outstripped by the United States, the leading non-European client – and followed by Japan (€1 billion). No other country accounts for more than €0.7 billion. Taken together, the 12 new Member States of the EU represent €0.6 billion.
The European Union thus purchases 97% of live bovine exports, 98% of bovine meat, 82% of pig meat, 79% of dairy products, 89% of vegetables, 86% of fruit and 85% of animal feeds exported by France. Canned foods and grocery products (78%) and sugar (76%) are closer to the average. As far as cereals are concerned (78% taken as a whole), the situation shows a contrast: the EU absorbs 98% of corn exports, 75% of barley exports and only 58% of wheat exports.
Taken as a whole, third countries account for 28% of exports, notably purchasing chicks (37% of French exports), poultry meats (32%) and wheat (42%). However, above all, third countries purchase large quantities of drinks: they absorb 40% of exported wine and mineral waters and 70% of spirits.

The United States (€2.2 billion), Switzerland and Japan (€10 billion) are the leading third country purchasers and lie in 6th, 7th and 8th position respectively as France's customers on a global scale. Besides this overall ranking, other countries can be strategic clients for certain sectors – for example, Algeria for cereals, Saudi Arabia for poultry and Singapore for spirits.

Furthermore, 73% of French purchases of agri-food products come from the EU – amounting to €24.2 billion, of which €19.4 billion (i.e. 60%) are for the same six major European countries – who are also the six leading suppliers. Holland and Spain lead the field, followed by Brazil, the United States, Ireland and Morocco.
Logically, most of the agri-food surplus is generated with the EU. This amounted to €6.2 billion in 2006, compared to €2.5 billion for third countries.

Main agri-food exports in 2006

** in €billions*	Value 2006*	2006 / 05
Wines and spirits	8,883	+11.5%
Wines	6,261	+9.9%
Spirits	2,620	+15.4%
Canned foods/grocery products	5,839	+5.6%
Cereals and grain mill products	4,629	-1.0%
Meats and animals	4,587	+0.1%
Live bovine animals	1,356	+4.3%
Bovine meat	898	+12.5%
Pig meat	814	+6.7%
Poultry meat	767	-16.8%
Dairy products	4,115	+2.7%
Fruit and vegetables	2,565	+5.1%
Other drinks	1,732	+14.9%
Animal feeds	1,608	+9.5%
Sugar	1,267	+14.3%
Fish/shellfish/molluscs	1,051	+0.5%

Main agri-food imports in 2006

** in €billions*	Value 2006*	2006 / 05
Fruit and vegetables	4,073	-2.1%
Meats and animals	3,638	+5.0%
Bovine meat	1,160	+12.6%
Pig meat	676	+14.2%
Ovine meat	542	-0.6%
Poultry meat	384	-8.8%
Fish/shellfish/molluscs	3,203	+10.4%
Drinks	2,232	+4.6%
Dairy products	2,033	+5.3%
Tobacco	1,828	+0.5%

Source: Douance / INSEE / Ubifrance

French agricultural and agri-food sectors **in Europe and the world**

FRANCE: THE EUROPEAN UNION'S LEADING PRODUCER IN THE AGRICULTURAL SECTOR

Generating almost €67 billion in 2005, France's agricultural production represents 20.2% and the added value of the agricultural sector 19.7% of that of EU25. This can be compared with the fact that France covers only 14% of the EU surface area, has only 13.5% of its population and generates 16% of its GDP.

France is the European Union's leading producer in the agricultural sector, followed by Italy, Spain and Germany, which each account for approximately 13% of European production. Holland follows with 7% and the United Kingdom generates 6%. Next comes Poland, the leading country of the New Member States (NMS), with 5%. Taken together, these 7 countries account for more than 75% of the EU's agricultural production.
The accession of the 10 NMS to the EU in 2004 added 11% to European agricultural production, with almost half being generated by Poland.
Measuring 48 ha in 2004, the average size of French farms is considerably bigger than the European average. France is only outstripped by the Czech Republic (79 ha), the United Kingdom (60 ha) and Luxembourg (53 ha). Agricultural employment represents 3.6% of the total working population, which is far less than in most New Member States.

The part played by agriculture in French GDP (2.2%) is greater than the EU average and the average of the former EU15 countries. The weight of AFIs is, however, close to the average. In 2005, the French agri-food industry represented 15% of the European industry, with almost €27 billion of added value. France lies in third position, behind Germany (20%) and the United Kingdom (16%), and just ahead of Italy (14%).

A breakdown of French trade with the European Union and third countries in 2006

Exports to:	
The European Union	Third countries
€ 30.4 billion	€ 11.5 billion

Imports from:	
The European Union	Third countries
€ 24.2 billion	€ 9.0 billion

Source: Douanes / Ubifrance

Worldwide agri-food trade
Key figures

Intra-EU trade is included for EU countries – source: Ubifrance according to COMTRADE/UNO and GTA/GTI

Major countries showing a surplus in 2005

in €billions

Balance	2000	2005
Brazil	+10.1	+22.7
Holland	+18.5	+17.2
Argentina	+11.0	+14.3
Australia	+7.9	+9.3
Canada	+8.7	+8.0
France	***+9.3***	***+7.8***
New Zealand	+5.4	+7.4
Thailand	+8.0	+6.8
Denmark	+5.9	+5.4
Chile	+3.7	+4.6
Indonesia	+2.3	+4.2
India	+3.9	+3.8
Turkey	+1.6	+3.5
China	+5.9	+3.5
Ireland	+4.1	+3.0
EU excluding intra-EU trade	-8.1	-16.7

Major countries showing a deficit in 2005

in €billions

Balance	2000	2005
Japan	-52.6	-42.5
United Kingdom	-11.3	-20.4
United States	+2.2	-10.0
Russia	-6.2	-10.0
Germany	-13.1	-9.7
Italy	-5.9	-7.0
South Korea	-5.7	-7.0
Hong Kong	-6.2	-5.2
Taiwan	-3.5	-3.6
Switzerland	-3.2	-3.2
Algeria	-2.8	-3.1
Sweden	-2.6	-3.1
Portugal	-3.2	-3.0
Egypt	-3.2	-2.1
Greece	-1.1	-2.0
EU excluding intra-EU trade	-8.1	-16.7

The 20 leading worldwide importers from 2000 to 2005

In €billions	2000	2001	2002	2003	2004	2005
EU excluding intra-EU trade	69.4	73.4	73.0	70.0	71.7	75.7
The United States	58.5	61.0	61.2	56.3	56.2	61.4
Japan	54.6	52.9	48.2	42.4	43.1	44.7
Germany	42.2	44.0	44.4	44.8	45.3	43.7
The United Kingdom	30.3	32.0	33.3	33.3	35.0	36.4
France	***28.0***	***29.6***	***30.3***	***30.4***	***30.9***	***31.5***
Italy	23.2	24.3	24.8	25.5	26.6	26.9
Holland	25.2	27.4	27.8	24.8	25.3	24.3
Canada	18.6	20.4	21.7	21.4	21.3	22.2
Spain	15.9	17.7	18.5	18.9	20.3	21.1
Belgium	16.9	17.9	18.7	18.9	19.6	20.3
China	10.3	10.9	10.9	13.7	17.5	17.9
Denmark	12.4	13.3	13.3	12.5	12.6	13.3
Russia	7.6	9.6	10.3	9.8	10.3	13.2
Mexico	9.8	11.5	11.4	10.3	10.4	11.2
South Korea	8.8	9.4	10.0	9.0	9.2	9.7
New Zealand	6.5	7.5	7.4	7.1	8.2	8.9
Hong Kong	10.5	10.2	9.5	7.8	7.4	7.4
Sweden	5.0	5.3	5.9	6.1	6.4	6.8
Austria	4.7	5.3	5.5	5.7	6.1	6.2
Switzerland	5.5	5.7	5.8	5.8	5.8	6.0

The 20 leading worldwide exporters from 2000 to 2005

In €billions	2000	2001	2002	2003	2004	2005
EU excluding intra-EU trade	61.2	62.6	63.5	55.4	55.5	59.1
United States	60.7	62.6	58.1	53.5	49.5	51.4
Holland	43.7	45.9	47.9	41.5	42.7	41.5
France	***37.3***	***36.8***	***38.6***	***38.8***	***38.8***	***39.3***
Germany	29.1	31.3	32.0	32.0	33.8	34.0
Canada	27.3	30.7	30.1	28.7	30.5	30.2
Brazil	14.2	18.2	17.9	18.7	22.4	25.4
Belgium	19.1	20.5	20.7	20.3	21.3	22.2
Spain	18.1	19.9	20.9	21.5	21.9	21.8
China	16.2	17.3	18.4	18.2	18.0	21.4
Italy	17.3	18.7	19.4	18.8	19.2	19.9
The United Kingdom	19.1	18.1	18.8	16.3	16.1	16.1
Argentina	12.5	13.3	12.5	13.0	13.4	15.0
Australia	10.6	14.1	13.8	13.5	14.4	13.9
Thailand	11.1	11.5	10.8	10.3	10.3	10.7
Mexico	9.0	9.1	8.8	8.2	8.4	9.8
Indonesia	6.0	5.6	6.9	6.1	7.0	8.0
Denmark	6.5	6.8	7.2	7.0	7.4	7.9
India	6.3	6.9	6.8	6.0	6.6	7.7
Malaysia	5.6	5.7	7.1	7.6	7.7	7.5
Ireland	7.7	7.7	7.6	7.0	7.2	7.5

France is the world's 3rd largest exporter in the agricultural and agri-food sector

Sustainable in agriculture and

CHAPTER II

management French territories

CHAPTER II

The development **of French territories**

Initially founded on support for the development of agricultural production and long-term backing for the sector's structural adaptations, the policy in favour of the rural world has gradually been integrated into the overall policy to develop French territories, and thus takes local economic development as a whole into greater consideration.

Although farmers no longer represent a majority in rural populations, they are still important economic players in rural areas. They are, moreover, increasingly called upon as managers of rural areas and suppliers of amenities for the quality of the environment, landscapes and living habitats – insofar as agricultural surface areas represent more than half of the French territory.

They are also closely concerned by the phenomenon of peri-urbanisation: 200,000 farms are located in peri-urban areas.

Forests, which cover 27% of the French territory and account for the employment of 500,000 persons in rural areas, are also a focal point for high expectations and contribute to the attractiveness of rural territories. The Act relating to the development of rural territories, enacted on February 23rd, 2005, embodies the undertaking of a new policy in favour of rural territories. Its objective is to restore dynamism by adapting the tools of public action to developments in the rural world.

The measures set forth by the Act meet six objectives:

- ► to develop economic activity, by working out a plan of action for rural revitalisation areas (ZRR) – (updating zoning, creating specific measures, notably in taxation) and by facilitating developments which generate jobs (promoting pluri-activity, developing provisions relating to employer groupings);
- ► to improve land administration instruments by redefining land development operations and by entrusting new tools to regions for the control of land in peri-urban territories;
- ► to ensure improved access to services;
- ► to protect and enhance the diversity of natural areas – particularly wetlands, Natura 2000 sites and pastoral areas; the act also puts forward several provisions for the enhancement of hunting in the development of territories;
- ► to create a new dynamic trend in favour of mountain regions – notably by improving the initiative-taking capacities of committees for mountain ranges;
- ► to adapt the missions of certain public establishments: chambers of agriculture; **agricultural teaching establishments; the National Centre for the Development of Organisations of Agricultural Enterprises (CNASEA); the National Forestry Office (ONF),** the public establishment for the Chambord estate.

THE NATIONAL CENTRE FOR THE DEVELOPMENT OF ORGANISATIONS OF AGRICULTURAL ENTERPRISES (CNASEA)

The CNASEA, a French public establishment regulated by the Ministry of Agriculture, was set up in 1966 to accelerate the improvement of structures of agricultural enterprises and to provide farmers with the resources to improve the profitability of their farms.

It is responsible for the payment of State and European Community subsidies to farmers within the framework of the policy for the installation and modernisation of farms, local and rural development as well as the protection of the environment. The CNASEA also gives advice in the agricultural field, leading other countries to consult it for the implementation of similar structures within their boarders.

It also coordinates a network made up of 84 Departmental Associations for the Development of Organisations of Agricultural Enterprises (ADASEA) which are responsible for implementing, on a departmental level, some of the CNASEA's agricultural missions.

2007 – 2013: the new rural **development programming**

The intervention of the EAFRD – the European Agricultural Fund for Rural Development – complements market and income support policies of the Common Agricultural Policy as well as actions implemented within the framework of policies of economic and social unity. It is accompanied by equivalent co-financing by the Member State, whether this relates to State or local government budget. Over the period 2007 – 2013, French rural areas will thus benefit from €6 billion from the Community budget – to which the national compensation shall be added.

France has defined priority challenges and the measures which will be put into action, their financing, the involvement of partners and the decision-making procedure.

A GOVERNMENTAL POLICY IN FAVOUR OF RURAL TERRITORIES

Since 2002, the French government has been involved in a dynamic process to benefit rural territories. French rurality has profoundly changed over the recent past. It has experienced a demographic revival: 39% of the metropolitan population resides in rural and peri-urban areas. This not only creates new opportunities, but also new expectations.

Although the metropolitan territory, taken as a whole, is balancing out, regional and intra-regional specificities remain strong between weaker territories which are losing residents and business, new rural zones which are looking for balance and peri-urban areas with strong residential attractiveness.

CHAPTER II

Agricultural activity continues to occupy most of the territory (almost 60%), followed by forests (27%). Agriculture, agri-foods, forestry and the wood industries taken together generate €72 billion p.a. of gross added value and employ almost 2 million persons.
Although the French agricultural and agri-food sectors remain competitive and effective, they have to adapt to maintain their competitiveness in a context of increased competition; the renewal and modernisation of agricultural enterprises, investment in human capital and innovation are all important challenges which must be encouraged in the extension of the Agricultural Orientation Act of January 5th, 2006.

Public authorities must also work towards adapting the agricultural and forestry sectors to the new demands made by society.

The EAFRD will assist the voluntary steps taken by farmers or forestry workers who wish to adopt practises which are environmentally friendly.

Deconcentration, simplification and dialogue are the main characteristics of the forthcoming programming. The aim of deconcentration is to integrate the territory's expectations in programming more effectively. Simplification involves targeting the EAFRD's intervention towards a few actions in which the community's leverage is essential in order to avoid thinly spreading its benefits over a range of actions which are poorly prioritised. Even though dialogue had to fall within a restrictive community schedule, it has taken the form of a widespread partnership with economic players, associations, administrations and, of course, the elected representatives of local governments who have been actively involved in the exercise.

TAKING TERRITORY SPECIFICITIES INTO ACCOUNT

State intervention must be differentiated depending on the challenges which territories face and in partnership with local players. This differentiation is consistent with the acknowledgment that France is a rural country with a multitude of facets, where demographic increase and residential attractiveness are different depending on the area and where economic growth and the importance of agri-food and forestry industries vary enormously between the regions.

INCREASED FINANCING TARGETED TOWARDS MAJOR OBJECTIVES

The community budget allocated to France by the EAFRD for the period 2007 – 2013 will be almost €6 billion. The objective which was laid down to raise funds from various investors has been achieved. For the French program, the State will make a contribution of €3.7 billion in return for the €5.3 billion from the EAFRD; local government will contribute a further €900 million. Additional national financing without community compensation is also planned.

CLEAR PRIORITIES, WHICH MEET THE CHALLENGES OF THE FUTURE

The European Union will provide assistance for the development of rural areas by contributing to the successful realisation of the following 4 main axes:

Axis 1 focuses on the competitiveness of agriculture and forestry.

► Training, innovation

Although the French farming population is characterised by gradual rebalancing of the age pyramid and a level of initial training which is higher than the community average (almost half have a complete basic level – GCSE level – compared to 17% in former EU15), it is still important to invest in innovation and to encourage the transfer of skills – particularly in connection with the development of social demand and community policy.

► Setting up in agriculture

The average size of agricultural enterprises has increased (70 ha for professional enterprises), as has the amount of capital required (fixed assets in the enterprise represent about €200,000). After a phase of intense restructuring, it is vital to provide assistance in transferring agricultural enterprises.

► The modernisation of agricultural enterprises

At a time when trade liberalization requires increased competitiveness, and taking into account the growing amounts of fixed assets, it is vital to work alongside enterprises in their efforts to modernise – especially with regard to modernising livestock buildings and in the area of plant life for the environment.

► Competitiveness of agri-food industries and high quality sectors

Although AFIs are one of the leading French industrial sectors (10% of industrial added value, almost €8 billion in trade surpluses, 600,000 jobs), they must meet new challenges, such as the globalisation of the economy, the emergence of biotechnologies and increasing consumer demands.

CHAPTER II

▸ The mobilisation of forestry resources

The challenge is to improve the exploitation of French forests insofar as the harvest corresponds to only 60% of annual biological growth.

Axis 2 focuses on the management of landscape and improvement of the environment.

▸ Support for mountain and under-privileged regions

The assessment at the halfway stage of the 2000 – 2006 programming showed the importance of support to agricultural enterprises located in mountainous or unfavourable areas in order to ensure that they continue to operate; that the activity is spread over the territory; that habitats are maintained; and that there is risk protection. The policy of solidarity with regard to these areas will be bolstered as Compensatory Allowance for Permanent Natural Handicaps (ICHN) will be the program's first measure.

▸ Protection of the environment, Natura 2000 and the water framework directive

Although the French territory is characterised by ecological wealth and, notably, rich biodiversity, this balance is fragile. The quality of water is still unequal between the regions and must be improved.

The challenge is to not only preserve remarkable areas (through Natura 2000) and to restore water quality in certain sensitive areas, but also to improve agricultural practises with a view to a global effect on "ordinary" environment. This objective will be achieved through general measures which are open to as many people as possible – in particular the Agro-Environmental Grassland Payment (PHAE) and through measures which are focused more closely on challenging areas.

▸ Preservation of forests

Forests represent economic, social and environmental wealth. They contribute towards maintaining biodiversity and the preservation of environmental assets such as air and soils, by storing the main greenhouse gases and certain pollutants as well as by producing renewable materials.

Axis 3 focuses on the diversification of economic activities and the quality of life in rural environments.

▸ The creation of jobs

The EAFRD will be involved as it will assist diversification activities, support the development and preservation of micro-enterprises and contribute towards the promotion of rural tourism.

▸ Quality of life in rural areas

It contributes towards assisting in the adaptation of the offer of services and the enhancement of natural and cultural heritage.

THE LEGAL FORM OF AGRICULTURAL ENTERPRISES

The range of agricultural enterprise companies is vast: it includes the Agricultural Group of Enterprises (GAEC); the Agricultural Land Group (GFA); the Agricultural Enterprise with Limited Liability (EARL), the Civil Society of Agricultural Enterprises (SCEA) and companies of a commercial form (SARL, SA, limited partnerships) and even joint-venture companies.

THE GAEC: A TYPE OF FAMILY-RUN ORGANISATION

The Agricultural Group of Joint Enterprises (the GAEC) is a civil company whose objective is to favour the accomplishment of joint work in conditions which are comparable to those which exist in family enterprises. Thus, all of the partners must participate both in the work carried out jointly and in the responsibilities of managing the enterprise. Both their numbers and the number of employees is limited. The holders of the capital carry out the work and are responsible for the decision-making.

The GAEC makes it possible to maintain a family-run operation whilst assuring that those who work will receive the ownership of the fruit of their work. The GAEC makes it easier to pass on agricultural enterprises between the generations, between fathers and sons or sometimes between brothers.

THE EARL: FAVOURING AGRICULTURAL ACTIVITY

The Agricultural Enterprise with Limited Liability (EARL) is a company with a civil form which is specific to agriculture: it enables a farmer to set up – either alone or with others (whether farmers or not) – a company to practise all or part of his agricultural activity.

More precisely, it makes it possible:

► to make the separation between private and professional assets in order to limit the partner's personal liability to the amount of contributions made in the company;

► to set up a company with a single partner and to benefit from all advantages without exceptions (two spouses can be partners);

► to set up a company between farmers working in the agricultural enterprise and non-farmers who have left or contributed capital;

► to organise the management of an agricultural enterprise between spouses;

► to facilitate the transfer of an agricultural enterprise.

There can be between one and ten partners – with at least one of them being a farmer and participating, on site, in the farming work in an effective manner. The surface area of an EARL cannot exceed a ceiling of 10 S.M.I. (minimum surface of installation), irrespective of the number of partners.

One or more managers are chosen from the farming partners – these are holders of shares which are representative of the capital.

Axis 4 is based on local development, the participation of players and the implementation of integrated and shared strategies.

► Dialogue between all the players involved in rural development

The Ministry of Agriculture and Fisheries has organised dialogue between all the players involved in rural development: agricultural trade union organisations, consular bodies (the APCA, APCM and ACFCI), representatives of the forestry sector, associations for environmental protection, players involved in development, research organisations and, of course, elected and local government representatives. This dialogue has led to the emergence of orientations which have been used to set up the national strategic plan and the draft program.

The men,

CHAPTER III

a profession

CHAPTER III

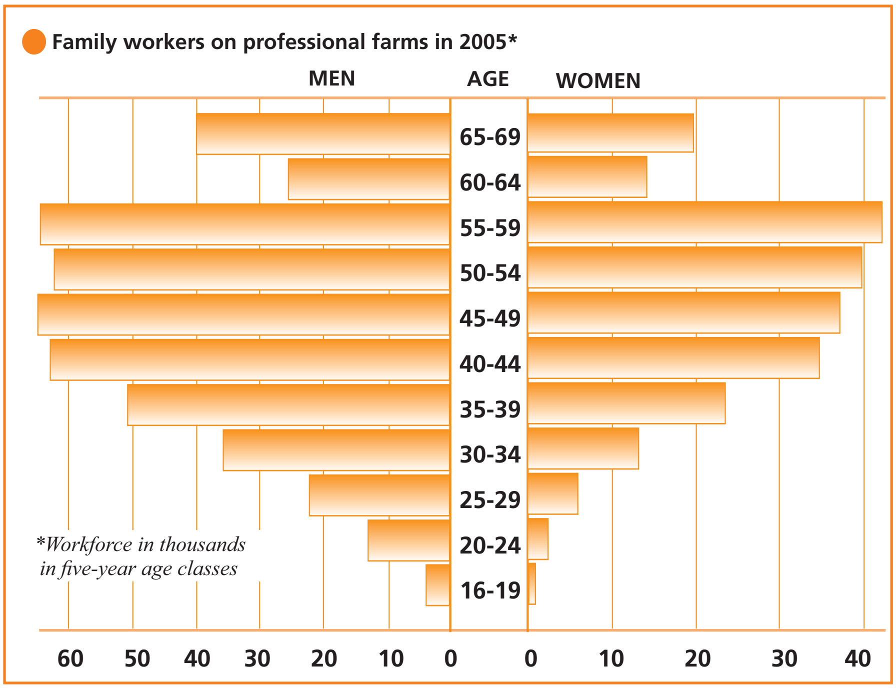
Population & employment

IN THE EARLY 20TH CENTURY, ABOUT HALF THE FRENCH POPULATION WORKED IN AGRICULTURE

Today the agricultural population is down to only 3.5% of the total working population, with 881,000 farmers or agricultural workers. This situation is set within a context of steady decreases in the number of agricultural workers over several decades (about -2.5% for salaried employees and -3.7% for non-salaried employees).

Nevertheless, France – together with Poland, Spain and Italy – is still the most agricultural country in the European Union in terms of its working population. During the 2005 survey into the organisation of agricultural enterprises, the Ministry of Agriculture and Fisheries counted 822,500 persons (excluding seasonal employees) working full or part time on professional farms. Amongst these permanent jobs, eight out of ten are family workers. Out of the actual agricultural enterprises, 751,200 persons are employed full time for the whole year, representing an average of 2.2 workers per farm – as in 2000. Non-family paid labour accounts for an increasing share in the activity of farms, with about 30% of total hours worked in 2005.

A proportion of 20% of farmers conciliate their agricultural work with an outside activity. The agricultural world, including fisheries and forestry, accounts for a total of more than 2.4 million jobs.



Source: Agreste

EMPLOYMENT

In 2005, 455,400 farm managers and co-farmers, representing more than eight professional farmers out of ten, worked full time on their farms. The large size of their farms and the work required are difficult to combine simultaneously with another activity.

The proportion of family workers per farm (farm managers and family helpers) is decreasing. This is due to lengthening periods of study on the one hand and the increasing

number of spouses exercising a non-agricultural profession on the other hand. It is also due to improvements in productivity linked to technical progress.
Pluri-activity workers who combine an agricultural with a non-agricultural activity are few in number.
When this exists, the non-agricultural profession is usually unsalaried and is carried out on a secondary basis: e.g. as a political, professional or associative representative, an entrepneur of agricultural work or a forest farmer.

EMPLOYMENT IN THE AGRI-FOOD INDUSTRIES

Agri-food companies (excluding bakeries – pastry-making and small-scale cooked meat manufacturing) employ 378,000 permanent employees and about 41,000 temporary employees. They represent the third biggest employer behind the engineering and metal transformation industries. Their contribution to employment is vital in regions such as Brittany (33% of industrial employment) and Aquitaine (18%). Industrial establishments of AFIs are still often the major businesses in some rural French departments.

SPOUSES WHO ARE NOT CO-FARMERS

Spouses of professional farmers can be split into three main groups: female farmers for whom farming is the main activity (34%), pluri-activity workers who combine their activity on the farm with work outside farming (11%) and those who do not work on the farm (51%), of which a very large majority work exclusively outside agriculture.
In 2005, 102,800 spouses who were not co-farmers worked on professional farms. Less than a third worked full time, with this proportion remaining relatively stable over time. On the other hand, part-time work of more than half the working week decreased in favour of a greatly reduced activity: almost 30% of spouses work less than 25% of the week on the farm.

SALARIED LABOUR

In 2005, 46% of farmers employed permanent or seasonal salaried labour outside the family.

Large-scale agricultural enterprises alone employ 59% of the payroll compared with 41% for individual farms. 18% are permanent employees – this represented 143,100 jobs in 2005, of which over half were in the sector of permanent crops or in market garden or horticultural enterprises.

The total number of these permanent employees has not fallen much since 2000. A third of all jobs are offered on a part-time basis.

CHAPTER III

The farmer – an entrepreneur

French agriculture has undergone huge changes during recent decades. Modernisation, linked with mechanisation, land consolidation and industrialisation, together with globalisation of markets and new consumer food habits makes the farmer of today an entrepreneur in his own right.

He has to supply wholesome and high-quality foods, preserve health and the environment and also ensure the vitality of rural territories. The farmer also has to take issues linked to the environment and the territory's development into consideration.

He has to respect the concerns of consumers who wish to access traditional products from French territories and he also has to meet the requirements of the agri-food industry. These elements confirm his multifunctional role as a producer and also as a manager of the rural world.

SETTING UP YOUNG PROFESSIONALS

French public authorities have been preoccupied with setting up young farmers for more than 30 years. It is one of the priority axes implemented by the government within the framework of the policy in favour of employment and the professional integration of young persons.

In order to encourage young applicants who are capable of taking on responsibility for a farm as part of a viable project, the Young Farmer Allocation (DJA) offers financial aid for the start-up of an agricultural activity. This is reserved for farmers who meet certain conditions, notably with regard to age and professional ability, and who present a project enabling economic feasibility of the farm, to be reached at the end of the third year following establishment. Moreover, the applicant undertakes to meet demands made in the areas of environmental protection and minimum standards of animal hygiene and well-being. The amount of the DJA which can be granted is higher in areas which present a natural disadvantage, and varies from a minimum of €8,000 in lowland areas to a maximum of €35,900 in mountainous areas. Furthermore, special medium-term loans with discounted rates are reserved for young farmers.

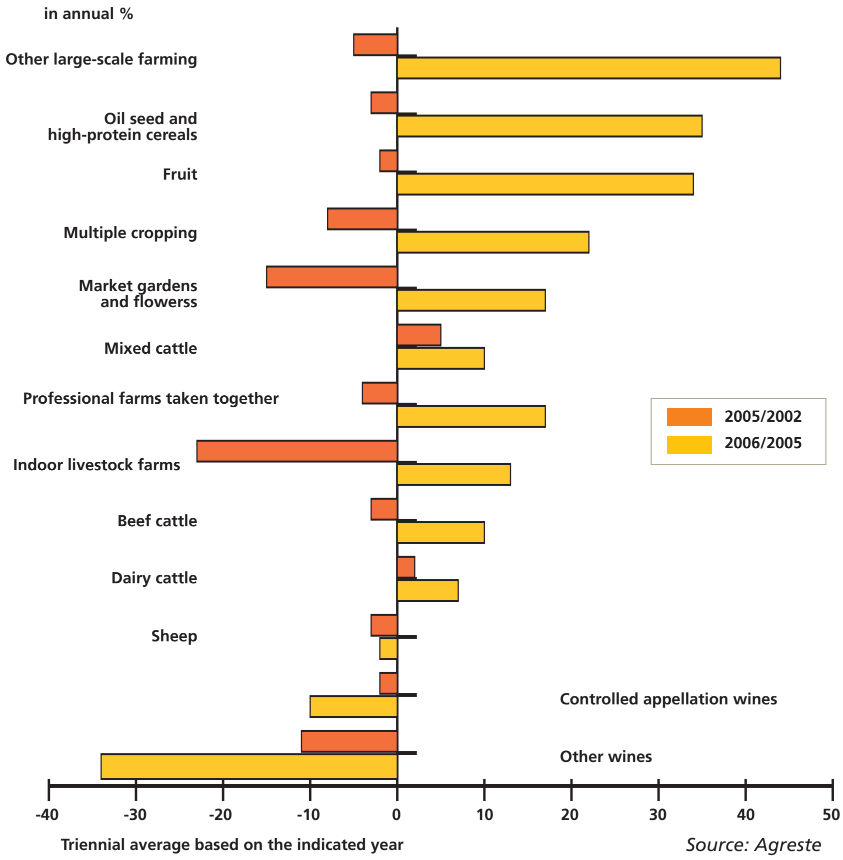
Agricultural income **and social protection**

In 2006, agricultural income per worker for the farming sector as a whole increased by 15%.
However, large category-based disparities can be observed.
Climatic conditions over the summer (heat and drought) had an impact on plant production prices. For the latter, the increase in income took place within a context of strong price increases in comparison with 2005 whereas production volumes decreased. Livestock production also decreased in terms of volume, and prices increased more moderately. Overall, production costs stabilised in value, as the lowering in volume compensated for increasing prices.
The income of large-scale farms and fruit-tree cultivators showed a strong increase: +38% and +34% respectively. Although not as strong, the increase in income of horticultural enterprises was also very marked (+18%). These sharp increases were mainly the result of the surge in cereal prices – which were driven upwards by the global market – and summer fruit and vegetables holding their prices. Livestock production showed more marked changes. With the exception of large bovines, cattle production decreased, although prices of all animals were up and sometimes showed strong growth (calves, swine). The increase in direct dairy aid contributed towards bolstering breeder income.

Net income for agricultural enterprises thus increased for cattle farms (+10%) and indoor livestock farming (+12%).
On the other hand, net income fell for sheep breeding. The increase in income for indoor livestock farming concerned swine production. The effects of avian influenza were low on poultry prices, but led to a marked decrease in volumes produced. Although the prices of wine increased, wine-producing estates are still experiencing an unfavourable situation. Within the "production" perspective in which accounts are drawn up, they recorded a new drop in income in 2006 although this was less marked than in 2005. The volume of production was down, although stocks from previous crops are still high.
Exceptional distillation measures made it possible to stabilize the market, notably for controlled appellation wines.
With prices up slightly, the drop in agriculture enterprises' net income for controlled appellation viticulture stood at -10% and that of ordinary viticulture at -34%.

The development of agricultural enterprises' net income in 2006 per unsalaried worker in real terms

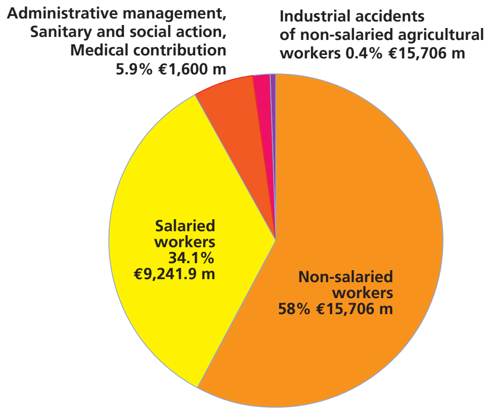
Comparison with the medium term (2005 / 2002)



Source: Agreste

CHAPTER III

Breakdown of health expenditure per category



TOTAL EXPENDITURE 2004: €27,088.8 M

Source: DGFAR

SOCIAL PROTECTION

The social security of salaried and non-salaried agricultural workers – representing more than 4 million persons – is managed by a single organisation: the Farmer's Mutual Plan *(mutualité sociale agricole, MSA).* With the demographic decrease, the *mutualité sociale agricole* is confronted with the need to adapt its organisations to meet the changes in its activity with the merging of funds – particularly the smaller ones – whilst retaining a quality service. In 2004, deep-seated reform of the entire organisation of the health system took place with, notably, the creation of the National Union of Health Insurance Funds *(l'Union Nationale des Caisses d'Assurance Maladie)*, enabling the decisions of its representatives and those of the general system for non-salaried workers to be linked.

The Finance Fund for Agricultural Social Security Benefits *(Fonds de Financement des Prestations Sociales Agricoles, FFIPSA)* which replaced the BAPSA in 2005, brings together the charges and resources of the single system of non-salaried agricultural workers.

The breakdown of expenses and income noted by the FFIPSA is closely linked to the structure of the agricultural population.

In 2005, there was 0.37 contributors for one retired person. This imbalance explains the preponderant part of old age insurance in the FFIPSA (more than 54% compared to 30% for the general system) as well as the importance of outside financing.

As in 2004, and after the implementation of the plan to adjust small pensions which has been in effect since 1994, pensions for a full career cannot be lower than the minimum old-age pension for farm managers and widows / widowers (€7,194 p.a. as of 01/01/05) and the minimum old-age pension for the second person of the household (€5,700 p.a. on 01/01/05) for family workers and spouses.

Furthermore, 2005 was marked by the continuation of the monthly payment of basic pensions and the French State taking responsibility for €145 million of the demographic imbalance of the compulsory supplemental pension plan. Overall pensions (the basic retirement plan increased by the supplemental retirement plan) of farm managers after a full career came to 75% of the annual SMIC (Guaranteed Minimum Wage), net of social deductions.

Lastly, it must be noted that the FFIPSA's account showed a €1.4 billion deficit in 2005.

The organisation
of the agricultural profession

CHAMBERS OF AGRICULTURE

Chambers of Agriculture are public establishments which play an advisory role in representing agricultural interests.
Their members are elected for six years by all agricultural socio-professional categories or categories having an interest therein.
There are 93 departmental chambers of agriculture, including the 4 overseas departments (Guadeloupe, Martinique, Reunion and Guyana) and one inter-departmental chamber for the Greater Paris Region.
Furthermore, 21 regional chambers cover the major French administrative regions. Chambers of Agriculture set up and administer advisory establishments and services for agriculture with departmental, inter-departmental or regional juris-diction; their role is to carry out duties linked with agricultural development.
The French State mainly liaises with the Permanent Assembly of Chambers of Agriculture (APCA).

AGRICULTURAL TRADE UNIONISM

Farmers are characterised by a high rate of unionisation in comparison with other professional sectors.
Their trade unions are represented in Chambers of Agriculture, joint-trade organisations and agricultural administrations.

CHAPTER III

Founded in 1946, the National Federation of Agricultural Trade Unions *(Fédération Nationale des Syndicats d'Exploitation Agricole, FNSEA)* is the leading trade union in the agricultural profession in France. It brings together departmental federations and associations which are specialised by product.

The Farming Confederation *(Confédération Paysanne)*, which was created in 1987, is currently the second biggest trade union organisation in France. The "young persons" branch of agricultural trade unionism is an independent organisation: the National Centre of Young Farmers *(Centre National des Jeunes Agriculteurs, CNJA)* brings together departmental and cantonal centres.

The National Confederation of Trade Unions for Family Farmers *(Confédération Nationale des Syndicats d'Exploitants Familiaux, COSEF-MODEF)* was created in 1959. Agricultural employees are, for their part, affiliated to representative employee trade unions.

Trade unionism and agricultural mutual plans play a significant role and have given the agricultural sector a conscience, a strength and a culture which bestow important political influence on the rural world.

Due to its diversity, trade unionism represents an important contact for the French state and for the organisations placed under its authority on a departmental, regional and national level –from both an economic and social perspective.

The agricultural mutual **benefit system**

LOW INTEREST LOANS

The Crédit Agricole, which was created at the initiative of farmers at the end of the 19th century, is a French semi-mutual banking group. Historically, it is the bank which supports the changes in French agriculture.

Initially, this banking network was exclusively focused on agriculture, although it became more diversified from the 1960s onwards – shifting towards agri-foods, rurality, local crafts, the financing of housing and then all economic sectors, with strong presence on the private market. Furthermore, over the last two decades it has bought out or acquired strategic interests in various overseas and French financial establishments (the acquisition of Crédit Lyonnais in 2003).

The 2,583 local Banks are grouped into regional Banks, which also have the status of cooperatives. Their numbers were reduced from 94 to 41 at the end of August 2005, to bolster their strength and competitiveness.

The regional Banks have a network of almost 7,200 branches, which are reinforced by over 10,000 *"points verts."* These are set up inside shops – and offer Crédit Agricole's clientele daily banking services.

On a national level, they are represented by the National Federation of the Crédit Agricole *(Fédération nationale du crédit agricole)*, which serves as a link between regional banks and the central bodies. This represents the regional Banks and the Group before public authorities, professional agricultural organisations and authorities from the cooperative and mutual benefit world. The National Bank of the Crédit Agricole *(Caisse Nationale du Crédit Agricole)* – which was a public establishment in the past – is both the controlling body of regional Banks and their central bank. Crédit Agricole, which is still the bank of reference for farmers, is now France's leading bank with 28% of market share and is Europe's second biggest bank. Until 1989, Crédit Agricole had the monopoly for the distribution of low interest loans to agriculture. Since this date, other major banking networks have had access to the distribution of these loans. 9 farmers out of 10 are currently clients of the Crédit Agricole. Crédit Maritime is its equivalent in the area of fishing.

Agricultural training, research

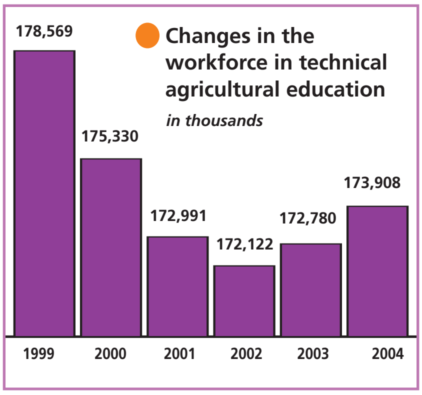
CHAPTER IV

and development

Agricultural training **and education**

CHAPTER IV

AGRICULTURAL EDUCATION AND RESEARCH HAVE MADE A MAJOR CONTRIBUTION TO FRENCH AGRICULTURAL PROGRESS



Changes in the workforce in technical agricultural education
in thousands

Developments in the farming, livestock farming, fishing and forestry professions – together with changes in the international economic context – are leading the French Ministry of Agriculture and Fisheries, in cooperation with the Ministry of Education, Higher Education and Research, to constantly adapt and modernise higher education and agronomic research in order, notably, to train the managerial staff which is necessary to maintain sustainable and competitive agriculture (including fisheries and forests). 'Training comes before development.'

Through this system, French agricultural education is currently endeavouring to take up several new and original challenges, which live up to the ambitions of this economic sector:

- to prepare people for employment and responsibilities,
- to contribute towards the quality of agriculture and the harmony of the rural world,
- to develop areas of excellence in research, and to use resources in an effective way.

Approximately 850 French establishments are committing all their resources to this – as is shown in the detailed report of student registrations for the last academic year per sector of short-term and higher technological education:

- 38.6% in the production sector,
- 37.6% in the services sector,
- 19.2% in the development sector,
- 4.6% in the processing sector.

A tool for technological training, research and agricultural and agri-food experimentation, focused on respecting the environment and natural resources:

- This involves more than 225 agricultural enterprises and technology workshops – 23 of which are focused on sustainable agriculture, 30 on biological agriculture and 27 on high-quality production (labels and origin names, etc…) representing 16,296 ha.
- More than 500 experiments are carried out during the course of each year – working with more than 600 research centres and companies.
- This makes it possible to provide services to specific companies: the analysis of training requirements,

training plans, professional training for companies, private individuals or groups.

EDUCATION AND PROFESSIONAL TRAINING

France has a system of specific agricultural training which is in direct contact with the profession. There are three major types of training:

► **Higher education** for the training of engineers, veterinaries, state qualified landscape gardeners and researchers. It also issues specialised Master's Degrees and gives doctoral level courses.

There are more than 13,000 students in higher education – spread over 26 schools (19 public and 17 private) established throughout the whole of France.

► **Technical agricultural education** (public and private) is part of the French national educational system and expresses its originality, notably, through linking the professional world with its overall operations. Numbers of students are steadily increasing: in 2006, there were 174,296 pupils.

Since 1987, apprenticeships have represented a training system in their own right (from the professional aptitude certificate *(CAP)* to engineering diplomas): training through apprenticeships (more than 29,000 persons per year), or on sandwich courses (more than 48,000 pupils).

► **Continuing professional training** represents another major system for assisting socio-economic development in the rural sector. The 16.4 million hours of lessons which are given each year are intended for adults who are in a professional position or are retraining and for young people who are integrating the world of employment. Out of the 30,000 civil servants in the Ministry of Agriculture, about half are either teachers or researchers.

TECHNICAL AGRICULTURAL COURSES

Technical agricultural education offers professional training courses through three main channels: schooling, apprenticeships and continuing training.

HIGHER EDUCATION

More than 50 research and educational institutions offer a wide range of internationally renowned higher education courses providing the best opportunities to obtain professional qualifications:

► ***internationally recognised at all levels;***

► ***in all areas for the future of agricultural sciences, agri-foods and related areas;***

- water management
- agronomy
- agro-industry
- the development of rural areas
- veterinary sciences
- horticulture
- managing agricultural and agro-industrial enterprises
- forestry
- agricultural and environmental engineering

► ***and innovations in:***

- functional relations established with companies
- methods of teaching which develop personal skills
- exchanges with the best international institutions.

THE MAIN LEVELS OF TECHNICAL AGRICULTURAL EDUCATION

CAPA, BEPA, BPA
TECHNOLOGICAL AND SCIENTIFIC PROFESSIONAL BACCALAUREATES, BP, BTSA

LEVEL V

CAPA: *CERTIFICAT D'APTITUDE PROFESSIONNEL AGRICOLE* (PROFESSIONAL AGRICULTURAL APTITUDE CERTIFICATE): PAVES THE WAY TO BECOMING A QUALIFIED PROFESSIONAL WORKER.

BEPA: *BREVET D'ETUDES PROFESSIONNEL AGRICOLE* (PROFESSIONAL AGRICULTURAL STUDIES CERTIFICATE): PAVES THE WAY TO STARTING WORKING LIFE OR TO CONTINUE TECHNICAL AND PROFESSIONAL STUDIES.

BPA: *BREVET PROFESSIONNEL AGRICOLE* (PROFESSIONAL AGRICULTURAL CERTIFICATE).

BTA: *BREVET DE TECHNICIEN AGRICOLE* (AGRICULTURAL TECHNICIAN'S CERTIFICATE). PREPARES THE STUDENT FOR THE DUTIES OF AN AGRICULTURAL TECHNICIAN, FOR THE FARMING PROFESSION OR FOR FURTHER STUDIES.

LEVEL IV

BAC PRO: THIS PREPARES THE STUDENT FOR A PROFESSION OR FOR FURTHER STUDIES.

TECHNICAL BAC AND SCIENTIFIC BAC: PREPARES THE STUDENT FOR FURTHER STUDIES

LEVEL III

BTSA: *BREVET DE TECHNICIEN SUPÉRIEUR AGRICOLE* (ADVANCED AGRICULTURAL TECHNICIAN'S CERTIFICATE).

Secondary schooling Diplomas / Baccalaureate

PHD:	8 YRS
STATE QUALIFIED VET / LANDSCAPE GARDENER	6 YRS
MASTER'S DEGREE / ENGINEER	5 YRS
PROFESSIONAL DEGREE	3 YRS

CHAPTER IV

Research

Research policy is one of the strategic areas of focus of the Ministry of Agriculture and Fisheries' actions (MAP).

In order to implement its research policy in the agricultural and agri-food sectors, the MAP has two main recourses for taking action. These are now found in two programs of the "research" and "higher education" inter-ministerial mission and in a program of the "sanitary safety" inter-ministerial mission, implemented within the framework of the commencement of the new incorporating act relating to the Finance Laws:

- its budget, within the "higher education and agricultural research" program, and relying on support from public research bodies and several types of players – notably establishments of higher agricultural education or the agri-food sector (technical institutes and centres brought together within the Association of Technical Agricultural Coordination (ACTA) and the Association of Technical Coordination for the Agri-food Industry) amounts to around €41 million.
- Public research establishments under co-supervision: the MAP ensures the co-supervision of 4 bodies which carry out research missions and cover a broad area of its fields of skills: AFSSA (the "security and sanitary quality of food" program: about €9 m of credits from the former BCRD), INRA, CEMAGREF and IFREMER (the "research in the field of managing environments and resources" program). It also participates in the proceedings of CIRAD. In 2006, the public credits allocated to these establishments amounted to more than €905 million. The MAP is involved in defining the policy of these bodies, notably through four-year contracts. These objective-setting contracts must make it possible to improve links between scientific and technical skills and the societal concerns which are notably formulated through other public policies.

Moreover, the National Agency for Research *(Agence Nationale pour la Recherche, ANR)*, which was set up in 2005, earmarks a large part of the credits it receives to call for projects which touch on the agricultural sector:

- the federating program for Agriculture and Sustainable Development (ADD)
- the National Program for Research into Food and Human Nutrition (PNRA).
- the Network of Plant Genomics GENOPLANTE 2010.

DESCRIPTION OF THE MAIN FRENCH RESEARCH BODIES WHICH TARGET THEIR ACTIONS TOWARDS FRENCH REQUIREMENTS			
Name	**Areas of activity**	**Workforce / locality**	**Observations**
INRA (National Institute for Agronomic Research)	INRA's research is based on issues related to agriculture, food, food safety, the environment and the management of territories, with special emphasis placed on sustainable development. The Institute has partnerships both in Europe and the world.	10,000 employees 21 regional research centres Head offices in Paris	INRA is a public establishment of a scientific and technological nature (EPST); it encourages the production of knowledge which stems from players in the field such as professionals and civil society.
CEMAGREF (The National Centre for Agricultural Machinery, Rural Engineering, Water and Forests)	CEMAGREF's research is based on the production of knowledge for managers, decision-makers and companies in order to answer concrete questions relating to society in the fields of managing resources and developing and using different areas. It focuses its research on surface water resources, aquatic and land ecosystems, areas which are predominantly rural, technologies for water, agro-systems and food safety.	1,350 employees including 900 permanent staff of which half are researchers and engineers. 9 regional departments which bring together 29 research units. Head offices in Antony (Paris area)	CEMAGREF is also a public establishment of a scientific and technological nature (EPST). It has an active policy of partnerships which are open to industrialists, public authorities and higher education.
AFSSA (French Agency for Food Sanitary Safety)	AFSSA is an independent public establishment which monitors, warns, assesses and carries out research into the sanitary and nutritional risks of foods intended for human and animal consumption. It contributes towards protecting and improving public health, the health and well-being of animals, and the health of plants and the environment.	950 agents. Head offices in Maisons-Alfort (Paris area)	
IFREMER (French Research Institute for Exploitation of the Sea)	Through its work and expertise, IFREMER contributes towards the discovery of the oceans and their resources, the monitoring of marine and coastal environments and the sustainable development of marine activities. To these ends, it designs and implements observation, experimentation and surveillance tools and manages the French oceano-graphic fleet for the whole of the scientific community.	1,700 agents. 7 research ships. Head offices in the Paris area.	IFREMER is a public establishment of an industrial and commercial nature (EPIC).

CHAPTER IV

► the Network of Livestock Genomics – GENANIMAL
► the National Program of Research into GMOs
► the National Program of Research into Bioenergies (PNRB)
► Research in the field of biodiversity
► Ecotechnology and Sustainable Development Program (PRECODD)

And to a lesser extent:
► the health-environment and health-work program
► the Biotechnologies Innovation Network (RIB).
► the Emergence Program and the gestation of biotechnology projects with high potential for appreciation, in addition to the call for "Biotechnology Innovation Network" projects.

The technical institutes brought together within ACTA and ACTIA (Arvalis for cereals and fodder, IFIP for pig breeding, CETIOM for oilseeds, etc…) guarantee applied research – a vital stage between fundamental research and agricultural and agri-food professionals.

From 2006 onwards, new systems (Mixed Technology Units and Mixed Thematic Networks) will strengthen partnerships between research, training and development.

Agricultural **development**

The aim of agricultural development is to contribute towards permanently adapting agriculture and the agricultural products processing sector to scientific, technological, economic and social developments.
This is carried out within the scope of objectives for sustainable development, product quality, environmental protection, development of the territory and the safeguarding of jobs in rural areas. The great diversity in farms, production systems and agricultural projects makes it impossible to produce a single development model thus, to reach as many farmers as possible, agricultural development offers diversified and complementary types of action which go beyond the transfer of know-how both in its field of activity and in its methods of intervention.

ACTIONS WHICH FALL WITHIN AGRICULTURAL DEVELOPMENT ACCORDING TO THE RURAL CODE

► the implementation of finalised and applied research actions,
► carrying out studies, experimentation and assessments,

► spreading knowledge by informing, demonstrating, training and advising,
► supporting local initiatives which fall within the scope of its mission.

The agricultural development policy is regularly assessed and is defined and implemented through consultation between the French state and professional agricultural organisations.

THE MISSION FOR AGRICULTURAL DEVELOPMENT *(the DAR mission)*

This continues the activities which were previously carried out by ADAR (the Agency for Agricultural and Rural Development) which was dissolved on December 31st, 2005. It maintains contacts with traditional operators of agricultural development by signing agreements which are based on actions selected within the scope of calls for projects. As part of the Education & Research Department of the Ministry of Agriculture, it is responsible for the management of the special appropriation account for agricultural and rural development, created by the Finance Act of 2006. A new call for agricultural and rural development projects and for innovation and partnerships has been launched for 2007.

This call for projects program aims to involve players of Agricultural and Rural Development (DAR) in actions of applied development and research in order to meet the challenges of agriculture and the rural world by making it possible, in particular, to:
► encourage innovation, by exploring new fields, developing new tools or renewing methods of work and organisation within the perspective of improving the overall performance of agriculture.
► create favourable conditions for the development of innovatory processes by bringing together, in joint projects, players from all the parties involved.
► improve the effectiveness of the system for agricultural and rural development:
• by bolstering networking within categories of players and between categories for dealing with cross-disciplinary issues and the development of systemic approaches.
• by promoting skills which agriculture will need in the future in the field of innovation.
► produce references and make the results of work available in a form which is easily communicated to farmers and providers of agricultural advisory services. Information on results must be widely published and the results must be available and open to communication at the request of any interested party.

Projects should fall within one of the four following fields:

► Sustainable management of the farm

The objective is the development of innovative operating systems

whose aim is to jointly improve economic, environmental and social performances.
This involves, in particular:
• organising and improving work conditions,
• creating added value,
• using input and material sparingly,
• controlling water and adapting cultural and breeding practises to situations of water shortage or deficit,
• maintaining soil fertility,
• managing sanitary risks,
• energy consumption,
• improving the quality of products,
• identifying production combinations which make it possible to control risks linked with weather uncertainties,
• respecting animal well-being,
• adapting to developments in public policies.

It may be useful for projects to integrate the development of technical itineraries.

► New perennial opportunities

This involves encouraging the organisation and structuring of new sectors for:
• food productions (biomaterials, bioenergies and all new uses, including the enhancement of co-products in animal sectors),

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AGRICULTURAL TECHNICAL CENTRES (CETA)

CETAs are small development groups (of about 20 persons) which are incorporated as associations under the 1901 Act. There are approximately one thousand on the French territory.

They bring together farmers (men and women) who work on all subjects which are related to agricultural exploitation and the profession of company manager, particularly with relation to technico-economic management of the agricultural enterprise and experimentation. In recent years, they have also worked on new themes such as the environment, employment and service activities, etc...

• the production of new services.

It may be useful for projects to integrate the development of technical itineraries and the presentation of energetic and economic reports which correspond to the studied practises.

► **Agriculture's contribution to the sustainable development of rural territories**

The development of new activities is particularly targeted within a territory as this is a source of diversification in agricultural activity. The complementary nature between the different forms of agriculture, the interrelations between the sectors' strategies and the territories' projects, the different methods of marketing and sales, the networking of the players (groups of farmers, sector operators, local government, skilled workers, services and other residents…) must enable agriculture to be integrated more effectively within the territory.

► **Organisation and new development practises**

The projects will endeavour to experiment with new practises for the organisation of players and the creation and transfer of innovation on themes which are common to several players, sectors or territories.

The projects should enable the acquisition of references in the area of economic, environmental and social effectiveness as well as proposals in terms of transfer and enhancement which are directed towards farms and agricultural advisors.

FINANCING TERMS FOR AGRICULTURAL DEVELOPMENTS

The new Special Appropriation Account *(Compte d'Affectation Spéciale, CAS)* entitled "Agricultural and Rural Development" finances the pluriannual program for agricultural and rural development. It is mainly made up of:

► regional programs for agricultural development which are implemented by the network of chambers of agriculture, coordinated by the permanent assembly of chambers of agriculture; and the programs of the network of agricultural technical centres and institutes, which are coordinated by the Agricultural Technical Association.

These programs are worked out within the framework of objective-setting contracts which are signed by each network with the Ministry of Agriculture.

► he call for projects program which is mainly intended to finance partnership projects (Mixed Technology Units and Mixed Thematic Networks).

This account is financed by a fraction which is equal to 85% of the revenue generated from tax on agricultural enterprise turnover. This represented €98 m in 2007, compared with €96 m in 2006.

Agricultural Technical Centres and Institutes (ICTA) are at the heart of the French system of Applied Research.
They follow and anticipate developments, by acting as an interface between farmers' needs and agro-supply and agri-food industrialists in liaison with research carried out upstream.

AGRICULTURAL TECHNICAL INSTITUTES

ACTA: Association for Technical Agricultural Coordination
AGPH: General Association for French Producers of Hops
ANIFELT: National Interprofessional Association for Processed Fruits and Vegetables
ANITA: National Interprofessional and Technical Association for Tobacco
ARTB: Technical Research Association for Beet Industries
ARVALIS: Plant Institute
ASTREDHOR: National Association for Organisations of Experimentation and Demonstration in Horticulture
CETIOM: Interprofessional Technical Centre for French Oilseed Producers
CNDA: National Centre for Beekeeping Development
CTIFL: Interprofessional Technical Centre for Fruit and Vegetables
CTPC: Technical Centre for Cider Production
ENTAV: National Technical Establishment for the Improvement of Viticulture
IDF: Institute for Forestry Development
IFIP: Institute for the Pork Sector
The Breeding Institute
ITAB: Technical Institute for Organic Agriculture
ITAVI: Technical Institute for Poultry Breeding
ITB: French Technical Institute for Beet Industries
ITEIPMAI: Interprofessional Institute for Fragrant, Medicinal and Aromatic Plants
ITL: Technical Institute for Linen
ITPT: Technical Institute for Potatoes
ITV: Interprofessional Technical Centre for Vines and Wines
UNIP: Interprofessional National Union for Protein-rich Plants

Plant and Animal

CHAPTER V

Production

Large-scale **crops**

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FRANCE IS THE LEADING EUROPEAN PRODUCER OF CEREALS, OILSEEDS, SUGAR, WINE, BEEF AND POULTRY

Total cereal production reached 61.2 million tons, representing 25% of EU production. In 2006, harvests fell by 5% in comparison with the previous year and by 4% in comparison with the average level of the last 5 years. Production is made up of 4 main cereals: soft wheat, hard wheat, barley and corn. The total surface area taken up by large-scale crops has been stable for 6 years – accounting for 13.4 million hectares, which includes 9 million for cereals.

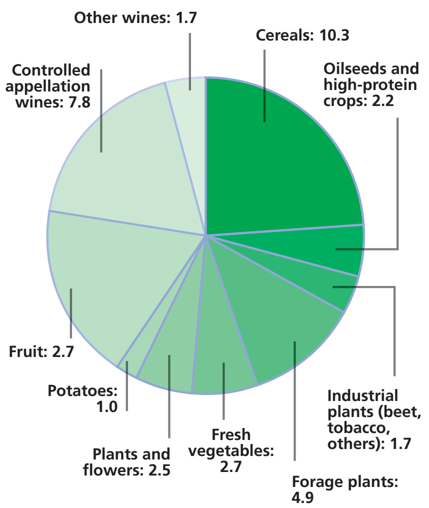
In 2006, however, crop rotation was significantly modified. Fears of a new summer drought led to a marked reduction in grain-corn surface areas (-10%) as these use large amounts of water. On the other hand, plots of winter barley and oilseed rape increased by 11 and 13% respectively. Surface areas of oilseed rape have increased by 21% since 2004, boosted by the development of biofuels over the last two years.

The strong heat during the early summer of 2006 and the dry conditions penalised the yields of most crops. Yields dropped by:

- 3% for straw cereals.
- 1% for corn – for which yields had already dropped by 7% in 2005 (18% less than average production from 2001-2005),
- oilseed harvests dropped significantly,
- as for oilseed rape, loss of yield was very marked: -20% in comparison with the record of 2005 and -10% in comparison with the average five-year yield. Production was down 10% with a slight drop in surface areas and a drop in yields of 7%.
- Sunflower harvests decreased by 9%
- Surfaces and production for high-protein crops decreased by 22%
- Beet and potato harvests also decreased due to the effects of the drop in yields.

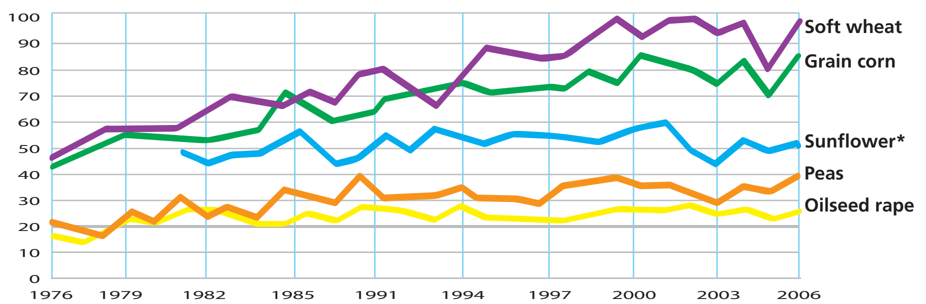
Main plant productions in 2004

in €billions, including subsidies on products



Source: INSEE

Yields of main large-scale crops in quintals per hectare - * estimation



Source: Agreste

SUGAR PRODUCTION

In 2005/2006, France produced 6 million tons of sugar, of which approximately 4.1 million tons were produced on the French mainland and 1.9 million tons in French overseas territories. Despite a decrease in surface areas and yields, France is still the leading producer of sugar in Europe – ahead of Germany, the 8th leading producer in the world (cane and beet sugar) – and the second biggest producer of beet sugar in the world.
Excluding French overseas territories, planted surface areas are concentrated in the north of the country. There are currently 35,000 producers of beet accounting for a surface area of 380,000 hectares.
France is characterised by beet yields of 80 tons / ha and sugar yields of 15 tons / ha. This is the highest rate in Europe, where average yield is 11 tons / ha. Decreases in sugar consumption have forced industrialists in the sector to carry out restructuring which, in turn, has led to a concentration of French operators. The French sugar industry has 30 sugar-making plants, most of which are located in the north of the country near to areas of production. Plant production capacities have shown strong increases over recent years due to technical progress and the requirement to constantly improve the economic efficiency of the plants.

France also has two cane sugar refineries and one production unit in its overseas departments.

TOBACCO PRODUCTION

In 2005, France produced 25,600 tons of tobacco, representing about 6% of EU production. France is the fifth biggest European producer behind Italy, Greece, Spain and Poland.

Fruit and vegetables, horticulture, **viticulture and viniculture**

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FRUIT AND VEGETABLES

In 2006, France produced €7.6 billion of fruit and vegetables – with vegetables accounting for €4.7 billion (1.4 for potatoes and 3.3 for vegetables) and fruit accounting for €2.9 billion.
The sector's turnover amounted to 13% of the total turnover for agriculture and 22% of the total for plant products.

It is estimated that France produces 5.9 million tons of fresh vegetables, excluding potatoes.
Potatoes represent a further 6.7 million tons and fruit represents 3.7 million tons.
Excluding potatoes, France is the third biggest producer of fruit and vegetables in the European Union with about 270,000 hectares of vegetable crops and 180,000 hectares of orchards.
Production is characterised by a very diversified geographical breakdown and very numerous and very seasonal productions. There are about 140,000 very labour-intensive farms in the French fruit and vegetable sector.

Vegetable farms present particularly varied production structures (open country, market gardens or greenhouses). They implement very diverse resources and techniques, and call upon increasing use of mechanisation.

The production of fresh vegetables during 2006 was disrupted by exceptional weather conditions (a long and cold winter and a period of scorching heat during the summer). Although most vegetables were affected by decreases, asparagus, new potatoes and carrots were harder hit than the others due to the continued reduction of surface areas. During the same year, overall conditions for marketing and selling vegetables were favourable. The persistent cold at the beginning of the year boosted consumption of cauliflowers, carrots, endives and lettuces within a context of marked decreases in offer. The summer's contrasting weather conditions also encouraged the consumption of summer vegetables, except courgettes. Overall, producers' prices were fairly high. Commercially speaking, 2006 was a good year for tomatoes, melons, cauliflowers, carrots and new potatoes, as opposed to courgettes, asparagus and endives which had to contend with marked decreases in production and rather low price levels.

Decreases in dessert fruit orchards continued between 2005 and 2006, notably for surface areas planted with peaches and plums (-7%), apples (-6%), pears (-5%) and table grape vines (-2%). This decrease is often part of a trend: in ten years, surface areas of pears, peaches and table grapes have all decreased by almost a third, and surface areas of apples have decreased by 20%. On the other hand, surface areas of cherry trees have remained virtually stable over the last five years. Apples, which are still the leading species to be cultivated, represent almost a quarter of fruit crops.

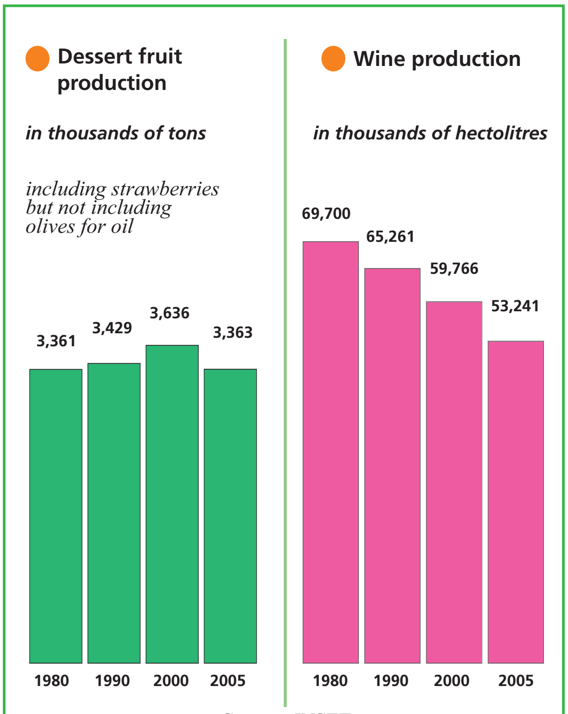
In 2006, total production of dessert fruit was estimated at 3.2 million tons – 3% less than the harvest in 2005 and 3% less than the average for the last five campaigns. Pear production, which was up 6% in one year and up 4% in comparison with the average, benefited from milder weather conditions in 2006 – especially in Rhône-Alpes where yields were much higher due to this factor. The harvest of apples – the most popular species in fruit production – was down 10% compared with 2005 and the five-year average. Production is also down by 4% in one year for cherries and down by 1% for peaches and plums, but stable for apricots and up by 6% for grapes.

VITICULTURE AND VINICULTURE

Over recent years the reduction in surface areas and the shift towards higher quality vineyards has had a significant influence on harvests. In terms of production volume, in 2006 France was in second position worldwide behind Italy with 53.7 million hectolitres (24.0 controlled appellation wines, 14.9 *vin de pays* wines, 8.9 wines suitable for making Brandy and 6.0 other wines, juices and musts). This represented 30% of EU production. About one third of this production is marketed and sold abroad; some French wines and spirits are known around the world, such as Champagne, Bordeaux, Burgundy and Brandy. These exportations make a huge contribution to the positive balance of French external trade.

A strong traditional trend of importation also exists, although this particularly involves table wines of a lesser quality, with quality wines from new producers (Australia and the United States, etc…) still remaining marginalized on the French market.

The 2006 harvest was 1% higher than the five-year average. The production of controlled appellation wines was stable in comparison with 2005. In 2006, a hard hitting water shortage influenced harvested volumes and deteriorated the sanitary state of some vineyards. Nevertheless, numerous vineyards continued to maintain high quality.



Source: INSEE

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HORTICULTURE

Ornamental horticulture is comprised of four specialised areas of business: cut flowers and foliage, potted plants and shrubbery plants, nurseries and bulbs. With 10,000 production companies earmarking 25,000 ha for horticultural products, ornamental horticulture employs 35,000 people, including 25,000 employees, and generates €2.5 billion in turnover (plants, work, garden supplies and equipment). Domestic consumption of €3.6 billion is healthy although only 2/3 of this is assured by national production.
The value of output represents 4% of the value of agricultural output and 7% of the value of French plant output. This places France in fourth position for European countries, behind Holland, Italy and Germany.

8,000 companies produce flowers and plants on 9,000 ha, of which 2,200 are under cover.

Slightly over 3,000 companies, dedicated to the production of ornamental fruit and forestry trees for nurseries, cover 15,000 hectares. Most of these companies are family-run, versatile and small-sized businesses – and exist alongside large industrial-type companies. They are loosely scattered across the country and use short distribution circuits more than in other sectors – in which sales to private indi-viduals represent 20% of turnover.
Their manpower requirements are high as ornamental horticulture employs five time more manpower per hectare than the rest of the agricultural sector.

The sector is characterised by high fragmentation both with regard to production and distribution. There are about 600 wholesalers and more than 25,000 retail businesses: florists, garden centres, seed shops, super and hypermarket departments, DIY and agricultural self-service stores. Specialised stores represent 2/3 of the market in value.

Production in Overseas Departments **and fragrant plants parfum**

French Overseas Departments cover a total area of 9 million hectares, of which 140,000 ha is agricultural land. Their total agricultural production reaches €1.1 billion in value.

50,000 very small-sized farms are responsible for this production (3 ha on average, from 1 ha on Martinique to 7 ha on Reunion). 120,000 persons (6% of the total population) live on these farms and 40,000 of them are workers (5% of the working population). On the whole, production is predominantly based on plants (80% of total production). Most of this production is made up of three products: vegetables – most of which are grown for local fresh food consumption; bananas – 80% of which are exported; and sugarcane which is transformed into sugar and rum – also for export markets. With a very low rate of self-sufficiency (20%), animal production is intended for local consumption.

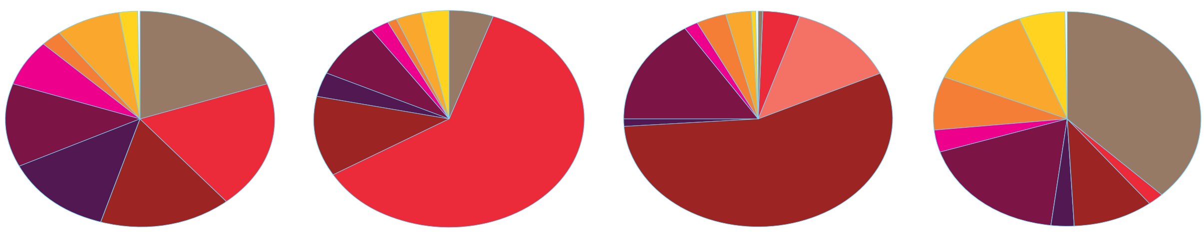
FRAGRANT, AROMATIC AND MEDICINAL PLANTS

1,200 species are recorded in the French pharmacopoeia – out of which 120 have medicinal uses. French production only represents 20 to 30% of national requirements. Production can be divided into two main categories:

- ► plants consumed in their natural state: thyme, laurel, tarragon, parsley, cumin, juniper, etc…
- ► plants used or transformed either by the pharmaceutical, perfumery or cosmetic industries, excluding fragrant plants (almonds, olives, jojobas, birch, saint john's wort) or by the agri-food industries (aniseed, liquorice, gentian and vanilla, with the latter representing the greatest production with 2,500 tons).

The production of fragrant, aromatic and medicinal plants is frequently carried out in difficult or under-privileged areas (the south-east of France) where they contribute towards maintaining the population. Other regions are, however, involved in certain areas of production – for example, the Greater Paris Area for the cultivation of spice plants, Auvergne for the harvesting of gentian and fragrant plants and Pays de Loire for the production of medicinal plants.

The breakdown of value of agricultural production in 2004



GUADELOUPE
Plant production 80.4%
Animal production 19.6%

- Sugarcane 19.8%
- Banana 19.2%
- Vegetables and tubers 15.6%
- Flowers and plants 13.2%
- Other plants 12.5%
- Large bovines 6.9%
- Swine 2.5%
- Poultry products 7.7%
- Other animals 2.5%

MARTINIQUE
Plant production 89.8%
Animal production 10.2%

- Sugarcane 5.4%
- Banana 62.1%
- Vegetables and tubers 12.1%
- Flowers and plants 3.6%
- Other plants 6.5%
- Large bovines 2.7%
- Swine 1.2%
- Poultry products 3%
- Other animals 3.3%

GUYANA
Plant production 91%
Animal production 9%

- Sugarcane 0.7%
- Banana 4.4%
- Rice 13.2
- Vegetables and tubers 56%
- Flowers and plants 1.1%
- Other plants 15.7%
- Large bovines 1.8%
- Swine 3.5%
- Poultry products 3.1%
- Other animals 0.7%

REUNION
Plant production 70.3%
Animal production 29.7

- Sugarcane 37.2%
- Banana 2.9%
- Vegetables and tubers 9.6%
- Flowers and plants 2.7%
- Other plants 17.9%
- Large bovines 3.4%
- Swine 8.0%
- Poultry products 12.7%
- Other animals 5.6%

Source: INSEE

Animal **production**

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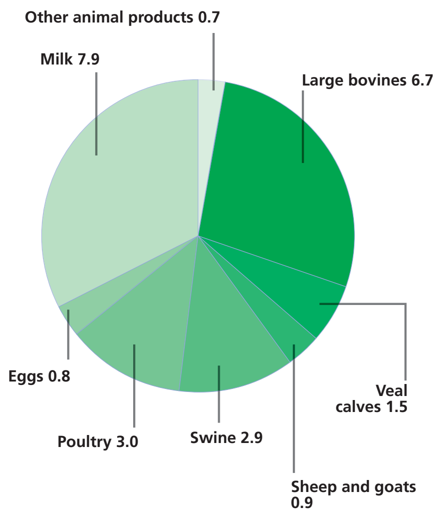
Main animal productions in 2004

in €billions, including subsidies on products



Source: INSEE

BREEDING FOR THE PRODUCTION OF BEEF

In 2005, the French bovine population stood at 19 million heads – with 3.9 million dairy cows and 4 million suckling cows. French cow herds (dairy and suckling) represented 22% of all the cows in the EU25, thus positioning France as the European leader. Suckling cows alone represented 33% of the European population. The coexistence of very large dairy and suckling herds is a French specificity.

During the last 15 years, the number of dairy cows has decreased from 5.3 million to 3.9 million. On the other hand, the number of suckling cows has increased over the same period, increasing from 3.7 million to 4 million heads.

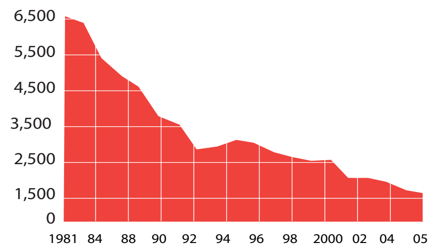
With 1.8 million tons-carcass-equivalent (TCE), French production of beef has been steadily decreasing since 2002 (-3.7 in 2004, -1.9 in 2005).

Consumption of beef (large bovines and veal) was relatively sustained in 2005, with 1.68 million tons-carcass-equivalent. Although this increased by 0.8% in comparison with 2004, it did not reach the high level of 2002 – with a steadier domestic demand and a decreasing offer. Exports fell by 6.9% in comparison with 2004, whereas imports increased by 13.7, continuing the trends observed since 2003. As France's main client for live animals, Italy was a preponderant destination for meat in 2005 – as was Greece.

In 2006, the French bovine population stabilised, although production once again decreased by 1.5% in comparison with 2005, as did consumption (-1.9%).

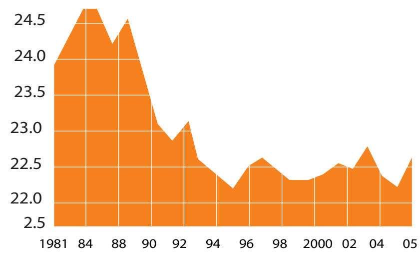
Trends in the number of dairy cows

in thousands of heads



Annual milk production

in billions of litres



Source: Agreste

Although "fattening" activities for young bovines and veal calves showed good results in 2005, this was not enough to compensate for the lowering of production in other kinds of animals – a decrease which was consecutive to the overall drop in the population. The production of veal amounted to 300,000 TCE in 2005, representing 17% of beef production. France is the leading European producer of veal with 30% of production.

DAIRY FARMING

In 2005, France accounted for almost 17% of the population of dairy cows in EU25.

This population has dropped by 40% at a European level (EU15) and by 45% in France, since milk quotas were implemented in 1984 to enable control over milk production. At the end of 2005, the population of dairy cows stood at 3.9 million heads – the second largest herd in the European Union behind Germany. Three main breeds make up 95% of the dairy cow population: Prim' Holstein (71%), Montbéliarde (14%) and Normande (10%). In 2005, French milk production stood at 23.4 million tons of milk – representing an increase of 1.9% in comparison with 2004; this compared to EU25 production of 131.5 million tons – representing an increase of 1.2%. The average content of milk fat is 41.84 g/l and that of proteinic matter 33.25 g/l. Germany and France account for 45% of cheese production in EU25. French cheese production using cow's milk dropped by 1.7% in 2005 in comparison with 2004. Developments, however, show a contrast: on the one hand, soft cheeses and hard cheeses made with high scald, for which emmental is the most important representative, are declining due to low demand. On the other hand, however, uncooked pressed cheeses, kneaded paste cheese and, to a lesser extent, blue-veined cheese, are showing an increase. Following the drop in consumption and exportation, production of process cheese has dropped by 3.9%.

Production of cheeses using goat's milk continues to grow, showing a 6.3% increase, whereas production of ewe's cheese has fallen by 2.8%.

The production of milk products (yoghurts as well as milk desserts which are particularly appreciated by consumers) continues to increase, whereas butter production has been

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steadily decreasing for a decade and production of powdered milk is stagnating.

Today, France holds a very strong position in the global trade of most dairy products: it is the leading exporter of whey and the second biggest exporter of cheeses (behind Holland).

The external trade balance for dairy products (more than €2 billion) is still broadly positive, thanks notably to cheeses which represent more than half of France's exports. Germany is still France's leading partner for trade – followed by Belgium, Spain and the United Kingdom. The trade of cheese with Holland and Italy still shows a deficit.

GENETIC IMPROVEMENT

The collective organisation of the French action plan for genetics – which was implemented by the 1966 Livestock Act *(loi sur l'élévage)*, placed French genetics at one of the most competitive levels from a global perspective, by maintaining a broad diversity of breeds and by providing breeders throughout the country with a service for improved genetics.

This service remains a national priority as the diversity of French territories and breeds is a national resource. However, the Livestock Act has had to evolve due to technical and structural changes which affect this sector of production.

The reforms carried out within the framework of the Agricultural Orientation Act *(loi d'orientation agricole)* – which came into force at the end of December 2005 – contribute towards modernising and opening up the action plan, whilst preserving the major benefits of the Livestock Act: efficiency of selection; reliability of genetic information; sanitary traceability; enhancing the diversity of breeds; giving all breeders access to an "overall genetic service."

The universal public service for insemination guarantees that services cover the whole territory, whilst taking concerns for the quality of the service and the preservation of diversity of breeds into account; at the same time, opening up to competition for the implementation of semen enables each breeder to freely choose his service provider.

The creation of a joint trade organisation for genetics has given players in French selection the capacity to take on the operational management of the collective action plan for genetic improvement.

Strict requirements in terms of sanitary guarantees will be pursued through the implementation of a new system of traceability, based on increasing player responsibility.

Restructuring will be encouraged in order to provide quality services to breeders at a lower cost and the procedures which are inherent to the current action plan will be simplified: authorisation, accreditation and licences will be abolished. Organisations for the selection of breeds will be set up in order to legitimise selection objectives and bolster financial independence. They will be supported by selection companies (insemination centres, breeding stations and centres, etc…) The reliability of the zootechnical information which is disseminated to breeders will still be guaranteed by INRA. The latter has also undertaken to work on the project for the Analysis of the Genome of Breeding Animals (AGENALE) in collaboration with the Profession – this is an ambitious program for genome exploitation.

Some of these provisions came into force in January 2007 – such as the ones relating to selection organisations and the universal public service of insemination. Other measures will be implemented in 2008.

The drafting of protocols and technical and methodological control will be ensured by the Breeding Institute (l'Institut de l'élevage) with scientific support from INRA.

Artificial Insemination

The organisation of artificial insemination is a major part of the action plan for the genetic improvement of breeds. In France, 1,000 dairy bulls and 300 beef bulls are assessed every year as part of selection programs; only a low percentage of these animals will be accredited for distribution through artificial insemination: good bulls can produce more than 100,000 descendants.

CHAPTER V

SHEEP AND GOAT BREEDING

With 8.8 million sheep, France has the fourth biggest ovine population in the European Union. Numbers are continuing their downward trend, affecting production for 2006, which decreased by 2% in comparison with 2005. In 2006, the total number of ewes stood at 5.8 million, compared with 0.85 million goats.
This downward trend in the population has led to a fall in production of sheep and goat meat – which currently stands at around 130,000 tons-carcass-equivalent (TCE).
In 2005, consumption of mutton dropped by 1.6% in comparison with 2004.

This trend continued in 2006. Due to insufficient internal supplies, the French market complements its procurement from three main meat suppliers (the United Kingdom, Ireland and New Zealand).

THE HORSE SECTOR

The number of horses – which has remained constant over recent years – is in the region of 420,000 heads for a total number of 450,000 equidaes.
A decrease in the number of agricultural horses – which have lost ground to saddle and race horses can, however, be noted and there is wide scale dynamism in French horse genetics.

PRODUCTION OF INDOOR LIVESTOCK FARMING

Swine production has registered a slight decrease since 2000. The French swine population, with 15.4 million heads, is the 4th biggest in the European Union (about 10% of numbers) behind Germany, Spain and Poland.

The average number of sows per cattle farm is around 170, using the "breeder-fattener" system. After a crisis which affected the sector in 2002 and 2003, the situation has improved – notably due to lowering food costs and greater dynamism in exports – particularly to countries within the European Union.

This favourable economic situation enabled pork prices to reach levels in 2006 which had not been attained since 2001. European swine production registered a slight decrease in 2005 – a trend which should be confirmed in 2006.

POULTRY PRODUCTION

After a period of strong growth, French poultry production has been decreasing since 1999. It mainly suffers due to competition from breeders outside the European Union. However, France is still the biggest European producer of poultry meat (18% of EU25 volumes). The sector is characterised by strong integration – a factor which makes major industrial groups the main players. French production is also characterised by its great production diversity in terms of species and its segmentation through quality (24% of poultry slaughtered has a quality label). The decrease in poultry meat consumption both in France and internationally and the closure of part of the export market following several sanitary crises (Newcastle, avian influenza) have affected a sector which has been undergoing profound changes for several years.

Growth in poultry meat exports came to an end in 1998, with exports for 2004 showing a 24% drop in comparison with 1998's maximum. This decline in France's external trade corresponds to increasing production from Brazil and Thailand, and the terms of the GATT agreement reducing export refunds.

The external trade balance for poultry – which increased until 1998 – represented 35% of domestic production as of this date. In 2004, it only represented 26% of this production, and production itself was also down. Imports of poultry meat increased and rose from 127,000 tons-carcass-equivalent (TCE) in 1996 to 239,000 in 2004.

In 1996, French poultry production ensured supplies to the domestic market and contributed towards supplying the international market. Less than 10 years later, the position of this production on the domestic market has become weaker and imports are penetrating the domestic market.

Swine	2001	2002	2003	2004	2005
Production (in thousands of TCE*)	2,320	2,366	2,343	2,329	2,313
Rate of self-sufficiency	104.4	106	105.2	106.5	107.3
Poultry					
Production (in thousands of TCE*)	2,269	2,153	2,022	1,973	1,932
Rate of self-sufficiency	143	142	140	136	132
EGGS					
Production (in thousands of SEE**)	1,029	1,000	996	1,021	1,001

Source: Graph-Agri

** tons-carcass-equivalent - ** shell-egg-equivalent*

Forests and forestry **production**

CHAPTER V

Mainland France has 15.3 million hectares of forests, with a further 7.5 million hectares of forests in Guyana.

Excluding Guyana, French forests represent 15% of woodland in the European Union and cover 28% of the country. A further 3% of other wooded areas can be added to this (poplar plantations, groves, scattered trees and wooded hedges). Woodland is unequally spread over the country, with 20 departments accounting for more than a third of wooded areas on the mainland.

Private woodland in mainland France, covering a total of 11.3 million hectares, belongs to 3.8 million owners. Although the majority of these are private individuals, there are also 3,600 forestry units (accounting for about 900,000 hectares) and corporate investors (banks and insurance companies). Fifty percent of French farms have wooded plots, representing a total of 2.02 million hectares.

Public land owned by the French state covers 1.5 million hectares and a further 2.4 million hectares are owned by 11,000 parishes. State and communal forests both on the mainland and in French overseas territories are managed and maintained by the National Forestry Office (ONF). These represent 25.4% of forestry areas.

Logging operations and sawmills are mainly made up of small and medium-sized companies. There are about 100,000 of these companies, which create around 500,000 direct or indirect jobs in rural areas. The February 2005 Act relating to the development of rural territories encourages the acquisition of forests enabling owners of woodland to set up more effective management units.

French forests not only play a role in the production of wood, but are also important as they protect the environment, prevent natural risks and provide areas for leisure. The Forest Outline Act of July 9th, 2001 acknowledged their irreplaceable role in the sustainable development of the French territory.

The trees which populate French forests are very varied, with 136 different species present. Amongst these species, 24 cover more than 50,000 hectares – a good indicator of biological diversity. These species can be divided into two main groups: deciduous trees and conifers.

► Deciduous trees are widely predominant, covering 63% of woodlands.

► Conifers cover 27% and mixed woodland covers a further 10%.

The effects of the storms of December 1999 are now behind us. With an exceptional peak of 48.5 million m3 in 2000 followed by 42.2 million m^3 in 2001, the harvest of commercial timber has dropped since 2003 to levels below the pre-storm years. In 2005, this amounted to 37.2 million m^3 (35.4 m^3 in 2004). This harvest was up 5% in comparison with the previous year – with energy wood and logs mainly accounting for this increase. Timber production increased by 6% with the most marked developments concerning maritime pines (+21%), beeches (+16%) and oaks (+8%). Pulpwood production is stable. Harvests of energy wood have increased by 23% – showing the importance of demand for this form of renewable energy. The harvesting of wood which is certified as originating from sus-tainably managed forests has increased by 49% reaching 30% of the total harvest.

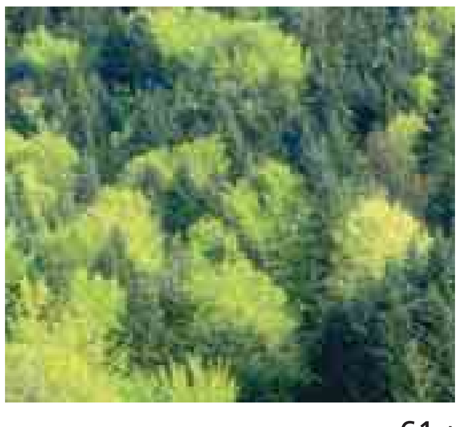
In 2005, the production of sawn timber dropped slightly to 9.9 million m^3. Deciduous trees continued their sharp decline (-5%), whereas conifers recovered (+1%). Amongst deciduous trees, the most marked developments once again concerned beeches (-9%), which experienced serious problems, and poplars (-9%). Amongst conifers, the increase of the fir-spruce (+4%) and the Scots Pine (+4%) made up for the poor health of the maritime pine (-7%) whose growth was checked by the difficult position in the *Landes* forests*. The production of certified sawn timber doubled and reached 17% of the volume produced.

The external trade balance for the whole of the French wood sector showed a negative result of €4.8 billion in 2005. This was down very slightly in comparison with the previous year (-€4.5 billion). Imports (+3.7%) increased slightly faster than exports (+2.2%). These developments, however, mask the persisting contrasts between growth sectors (pulps, paper and panels) and other sectors which continue to grow weaker (veneer sheets, wooden strips for parquets, joinery work, sawn timber and, in particular, wooden furniture and seats).

Forests contribute towards the fight against climate change thanks to their ability to sequestrate atmospheric carbon. They export this atmospheric carbon outside forests in the form of wooden matter.

Forests also reduce emissions of CO^2 by substituting energy wood for fossil fuels and by using wood instead of products which are costly to manufacture in terms of energy. On average, forests store 150 tons of carbon per hectare – half of which is stored in wood biomass and the rest in leaf litter and the ground. The net production stored in the above-ground biomass of trees represents a carbon well of 11 million tons per year or 41 million tons of carbon dioxide equivalent. This represents 7% of the total of French greenhouse gas emissions.

* *Les Landes – a region in south western France.*



CHAPTER V

Biomass – a new dynamic trend **for French agriculture**

Biomass – in the form of organic matter from agriculture, agri-foods or forestry (e.g. wood or straw, etc) – is one of France's assets. Effectively developed, it may provide the answer to a threefold challenge: energetic, environmental and economic.

BIOFUELS

► **Two types of biofuel** have been developed in France since the early 1990s:

• Biodiesel or vegetable oil methyl ester produced using oil seeds (mainly oilseed rape and sunflower), added to diesel oil and distributed as standardised at the pump at the maximum rate of 5% or in captive fleets at 30%.

• Bioethanol produced using beet, cereals (wheat and, in the near future, a little corn) and, to a lesser extent, alcohol from wines, used as a blend with petrol (in the form of ETBE or directly).

► **On a community level,** this production is particularly encouraged by two key directives:

• Directive 2003/30/CE on the promotion of biofuels and other renewable fuels in transport, which sets Member State objectives for indicative blending targets (2% in 2005 and 5.75% in 2010).

• Directive 2003/96/CE restructuring the community scope for taxing energy products – which defines a fiscal framework which is favourable for renewable fuels.

An action plan to support the biofuel sector has been implemented using 2 instruments:

► partial exemption from the Domestic Consumption Tax *(Taxe Intérieure de Consommation, TIC)* which is applicable to fuels. This exemption is adjustable, depending on price fluctuations of agricultural raw materials and fossil energies as well as the productivity of the agro-

industrial sectors concerned. This led to fiscal losses of almost €193 million in 2005.

► Since 2005, a supplement under the General Tax on Polluting Activities *(Taxe Générale sur les Activités Polluantes, TGAP)* has to be paid by fuel distributors who do not reach the blending targets laid down by the Act. The tax break is granted to approved production units at the end of a European Community call for candidates. The blending targets which have been laid down within the framework of the biofuel plan, as decided by public authorities, are as follows: 5.75% in 2008, 7% in 2010 and 10% in 2015.

In order to reach this target, two calls for candidates were made – in February and November 2005 – for the construction of 16 new plants representing €2 billion in investments.

The targets for 2008 correspond to 3 million tons of biofuels; 2 million hectares of land under cultivation, including 1.5 million hectares for oilseeds; 25,000 jobs created or safeguarded; 7.5 million tons of CO^2 equivalent economised; and 2.5 million tons of unconsumed fossil energy equivalent.

French production of biofuels in 2005:

484,000 tons (370,000 tons of bio-diesel and 114,500 tons of ethanol) representing 0.84% of petrol and 1.01% of diesel oil consumed in France.

► **Issues in the biofuel sectors:** the structure of the fuel market in France is closely focused on diesel oil (in 2005, 30 million tons of diesel oil were consumed compared with 10 million tons of petrol). In order to facilitate the development of the ethanol sector, several initiatives have been taken: the development of directly blending ethanol in petrol and the 2006 experiments of “flex-fuel” captive fleets which run using E85 (a mixture of 85% ethanol and 15% petrol).

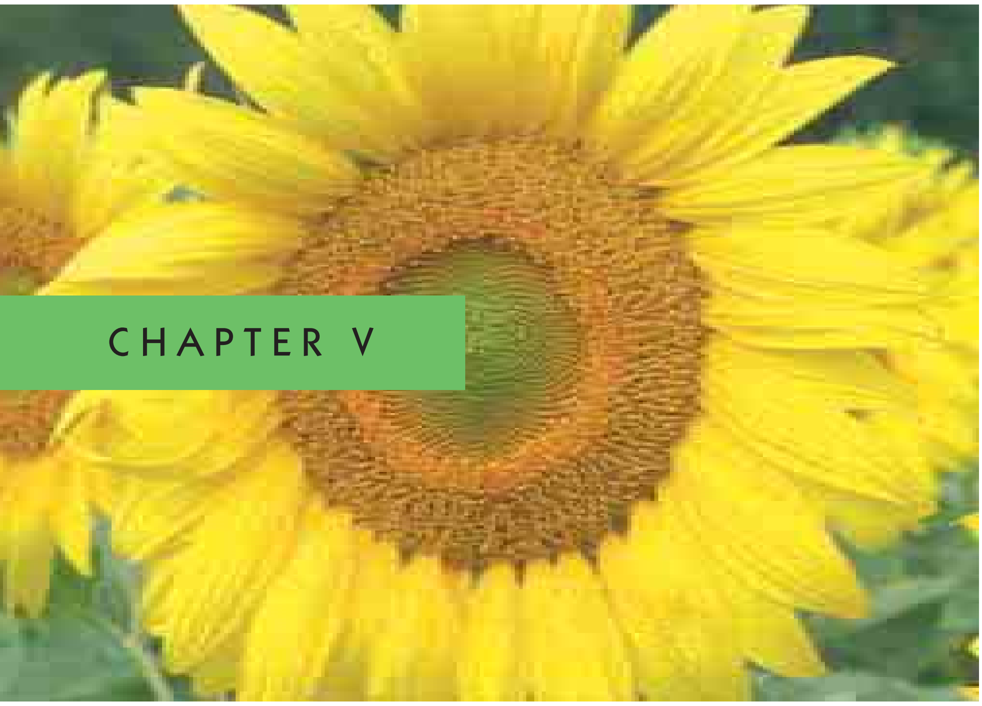
APPLICATION OF THE AGRICULTURAL ORIENTATION ACT

(loi d’orientation Agricole, LOA)

Articles 44, 47 and 49 create new outlets for agricultural products.

► Article 44 forbids – from January 1st, 2008 onwards – non-biodegradable lubricants or lubricants which cannot be eco-labelled in sensitive natural areas for specific uses.

► Article 47 provides for measures in favour of plastics which are bio-degradable and / or of plant origin.



This article provides for two decrees. The first will forbid single-use checkout bags made of non-biodegradable plastic from January 1st, 2010 onwards. The second decree provides for the blending of vegetable matter in certain uses of plastic.

► Article 49 provides for the use of Pure Vegetable Oils (PVOs) as fuel for agriculture and fishing.
Moreover, many local elected representatives have expressed the wish to carry out experiments into the use of PVOs, within an appropriate regulatory framework.

ELECTRICITY USING BIOMASS FROM AN AGRICULTURAL, AGRI-FOOD OR FORESTRY ORIGIN

The February 10th, 2000 Act relating to the public electricity service and the July 13th, 2005 Framework Act relating to energy policy set the objectives to be reached in terms of renewable energy (21% of the electricity produced in France in 2010) as well as the two main instruments implemented by the Ministry of Industry:

► **Calls for tender organised within the framework of the Pluriannual Investment Program *(Programmation Pluriannuelle des Investissements, PPI)* for electricity production.**
The PPI brings together the objectives which the French state sets itself in each renewable sector (wind energy, solar energy, biomass and biogas, etc…). As far as biomass is concerned, the objective of the PPI 2003-2007 was 200 to 400 Mwe. The objective of the next PPI – implemented by the year 2010 – should be 1,000 Mwe.
In order to reach these objectives, the Ministry of Industry has recourse to the call for tenders procedure. This is how two calls for tenders have been organised so far:
• A first call for tenders launched in December 2003 and concluded in January 2005 for 200 Mwe from biomass and 50 Mwe using biogas: 15 projects were selected out of the 23 presented (14 for biomass and one for biogas).

• A second call for tenders which will be launched in the summer of 2006 for a total of 300 Mwe (biomass and biogas). The specifications were arbitrated between the MAP and the Ministry of Industry.

► **the obligation to purchase renewable electricity for installations of less than 12 MWe in power.**

Electricity distributors are obliged to purchase this electricity at a repurchase rate which is fixed by Ministerial Order. There is a specific rate for each sector of renewable energy.

As far as biogas is concerned (notably of agricultural origin), the rate will be increased by 50% in July 2006.

As far as biomass is concerned, the current rate was set in 2003 and is insufficient to enable projects to emerge. Adjustments to this rate are currently being made by the Ministry of Industry. The Ministry of Agriculture has already put forward a certain number of proposals.

THE STRATEGIC COMMITTEE FOR PLANT CHEMISTRY

This committee, which was announced in April 2006 by the Interdepartmental Delegate to Agrifood Industries and the Agro-industry, brings together the representatives of the industrialists involved, professional agricultural organisations, research and development bodies and administrations.

Its aims are to identify the industrial challenges in plant chemistry, define joint objectives and build a concrete strategy in this sector.

Fishing
and ocean **farming**

CHAPTER V

France has more than 4,000 kilometres of coastline. Fishing and ocean farming therefore play an important role in the economic and social structure of the coast.

A VERY DIVERSIFIED FLEET

Fishing and ocean farming represent an active economic sector which directly or indirectly accounts for 100,000 jobs, including 20,000 sailors who embark for more than three months on around 6,000 ships. France's overseas territories account for a further 2,500 ships and 20,000 persons employed in 3,500 shellfish companies.

As a country with a long fishing tradition, France has a very diversified fleet of ships of all sizes – which

exploit the sea world on different levels, from coastal fishing to high-sea fishing on ocean-going vessels.

Since the end of the 1980s, the depletion of resources and the increasing opening up of the domestic market have imposed very significant adjustments on overall catch capacities, bringing about profound restructuring of the French fleet. This has been carried out within the framework of national and Community action plans for fishing policy.

Although the total capacity of the French fleet is steadily falling, in accordance with the objectives set by the EU pluriannual framework program, French catches amounted to 631,000 tons in 2005, generating a turnover of almost €1.3 billion. This places France in third position amongst European countries.

SALES

In comparison with 2004, sales in mainland France have increased by 1.7% in value. The leading commercial species in value are: tuna, monkfish, sole, scallop, whiting and langoustine. A quarter of France's sales were made overseas, with Brittany accounting for a third of these.
From 1995 onwards, sales of fresh fish from France's ships which were increasing at an average of 2.9% per year in constant euros, levelled out in 2005.

Turnover of frozen and processed fish fell by 3.9% (5.6% in constant euros) in the same year.

Policy relating to

CHAPTER VI

quality and origins

Quality – a vital factor **in the agri-food chain**

CHAPTER VI

FOR MANY YEARS, THE CONSUMER'S CHOICE HAS TENDED TO SHIFT TOWARDS HEALTHIER, MORE NUTRITIOUS AND TASTIER FOODS, PRODUCED USING ENVIRONMENTALLY FRIENDLY METHODS. THE MAIN THEME BEHIND THESE CHANGES IS QUALITY.

The first element of quality is, of course, food safety. The same applies to complying with legal standards in the areas of environment and animal well-being as, going beyond product characteristics, these standards relate to the protection of natural resources or demands of an ethical nature.
Although subject to labelling regulations, the nutritional value of food is of a more relative nature, as it is linked to eating habits. Lastly, some products present extra value because they are produced in a given region or according to a given traditional method (quality labels) or because special attention is paid to the environment and animal well-being in production methods (notably organic agriculture).

IDENTIFICATION SIGNS OF THE QUALITY AND ORIGIN OF PRODUCTS

The system of identification signs for the quality and origin of products is regularly adapted – guaranteeing its development Signs of Identification for the Quality and Origin of products (SIQO) represents a guarantee to consumers and a powerful commercial lever for economic operators. Due to the difficult economic situation for some agri-food sectors, they must set themselves the objective of renewing – with total transparency – the relationship of trust which links operators, public authorities and consumers.

Signs have proved to be commercial levers of the greatest importance for economic operators, particularly in periods of food crisis. These crises have first and foremost highlighted social expectations in terms of quality for all commodity products – which still represent eight tenths of the value of household food consumption.

Furthermore, they have played a significant role in encouraging the development of labels – especially Certifications of Conformity for Products (CCP) and for organic agriculture; these were able to anticipate demands which were hitherto implicit (safety, traceability) by applying measures which were more restrictive than general regulations. For consumers, SIQOs represent a pledge of quality, as the procedure is guaranteed by the French state. According to producer associations, SIQOs make it possible to protect traditional areas of production and promote company knowhow: about 200,000 farmers and more than 13,000 agri-food companies (skilled workers, small & medium-sized companies or industrialists), together with suppliers (hatcheries and food firms, etc…) are currently involved in quality policy. As such, SIQOs also represent tools for improving and developing the French territory.

This policy represents a voluntary procedure by professionals, which the French State supports through its involvement, by monitoring the relations between the different partners. Furthermore, the French state entrusted the management of appellation proposals to the *Institut national des Appellations d'Origine,* which became the *Institut national de l'Origine et de la Qualité* in 2006, whilst retaining the acronym INAO. INAO is responsible for inspecting specifications and revising them in the case of AOCs (controlled appellations).

The National Commission for Labels and Certifications (CNLC) deals with requests for labels, certifications and organic production. The French state is the owner of the Label Rouge logo and the AB brand, and authorises their use by producers.

THE FIGHT AGAINST THE USURPATION OF IDENTIFICATION

Since 1992, the European scheme has made a distinction between two notions of geographical identification: the Protected Label of Origin *(Appellation d'Origine Protégée, AOP)* and the Protected Geographical Indication *(Indication Géographique Protégée, IGP)*. In the case of an AOP, the typicality is essentially due to its origin, whereas for an IGP the link between typicality and origin is not as strong.

The European action plan, which was greatly inspired by the system in France has, in turn, influenced the French national system. In fact, any national sign of identification of origin must be registered as an AOP or an IGP. All AOCs (controlled appellations) other than in wine producing (the latter fall within the community regulations relating to Quality Wines Produced in Specified Regions, QWPSR), have a Protected Label of Origin (AOP). Labels and CCP (Certifications of Conformity for Products) containing a geographical indication in their name are registered as IGPs.

Lastly, Guaranteed Traditional Specialties (STG) – another European sign – guarantee that a food product has been manufactured in accordance with processes which are considered to be traditional. They thus sanction a "recipe". This sign, however, has met with little success in Europe for the moment.

In a world in which the private brand is the main identifier of quality, reservations of names which certify as to the specific quality of a product are confronted with the principles of free trade. The European Union wants increased recognition of the legal pro-tec-tion of AOP and IGP products on international markets – and hopes to achieve this within the framework of negotiations underway within the World Trade Organisation. To this effect, the European Union is negotiating the strengthening of the agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which came into force in 1996.

The TRIPS agreement sanctions the European and French conception of protecting Geographical Indications. It confirms geographical indication as an intellectual

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property right in the same way as a brand. The Doha negotiations made it possible to establish the principle of a worldwide register for wines and spirits, but until now there has been no consensus as to its implementation.

Talks came up against the stumbling block of extending the additional protection of geographical indications to products other than wines – a subject which interests certain developing countries.
At the same time as the discussions within the TRIPS Council, the European Commission – through directive 2004/481 of April 29th, 2004, which is currently being adapted to French law – organised the fight against the most frequent usurpations of identification.

However, successive developments of the action plan, both by France and by Europe, place signs linked to product origin which are also bearers of quality alongside those linked to quality but without geographical reference. This leads to a lack of readability for consumers and represents a curb on economic development.

This confusion is all the more compounded by the increase in the number of labelled products with which commodity products are sometimes mistaken. Changes to the entire action plan have been initiated and have been put into concrete form through the new provisions contained in the Agricultural Orientation Act of January 5th, 2006.

AN ACTION PLAN WHICH REQUIRES ADAPTATION: THE AGRICULTURAL ORIENTATION ACT OF JANUARY 5TH, 2006

Article 73 of Act 2006-11 of January 5th, 2006 for agricultural orientation laid down the principles of reorganising the French action plan for the promotion of agricultural, forestry or food products.

In particular, the Act divides the official methods for promoting these products into three distinct categories:

- identification signs of quality and origin (label rouge, label of origin, protected geographical indication, guaranteed traditional specialty, organic agriculture).
- Promoting references ("mountain produce," "country style produce," "local products" for overseas departments, "local wines")
- The procedure for product certification.

The Act also implements a new administrative public establishment – the *Institut national de l'Origine et de la Qualité (INAO)*, which is responsible for managing all identification signs of quality and origin.

GUARANTEES PROVIDED BY SIGNS OF QUALITY

It is compulsory for the quality of a product with an identification sign for quality and origin to be defined by specifications, which are validated by public authorities. These specifications outline rules of production and processing, including the area of production for AOC, AOP and IGP; the breeding or growing technique for products from organic agriculture and the overall process for product manufacture for *Label Rouge*.

Quality linked with origin

AOC AOP IGP STG

1. Controlled Appellation (AOC): the guarantee of the product's quality resulting from a strong connection with the area.
2. Protected Label of Origin (AOP): the European equivalent of the AOC guarantee.
3. Protected Geographical Indication (IGP): the guarantee of the quality of a product whose specificities stem from a geographical origin.
4. Guaranteed Traditional Specialties (STG): the guarantee of a product's traditional aspect.

On what kinds of products?

For AOC: on numerous wines and cheeses *(Comté, Chabichou du Poitou, Brie de Meaux, etc…)* and other products, including, for example, Espelette pepper, Corsican honey, Île de Ré potatoes, Le Puy green lentils and Isigny butter, etc…
For IGP: for example, on Savoie emmental, Bayonne ham, Corsican clementines, Camargue rice, the Ancenis yellow pullet, the Tarbes bean and the Lorraine mirabelle, etc…

AOCs: *there are more than 500 AOCs. The AOC involves 118,000 producers who generate €16 billion in turnover from sales. There are 24 AOP (the European equivalent of the AOC) registered in Brussels in the fruit and vegetables, olive and olive oils, meats, honey and hay sectors; there are 45 AOP registered in Brussels in the dairy sector (cheeses, butters and cream).*
IGPs: *in France, almost 80 products are already registered as IGPs, involving almost 25,000 producers which generate production turnover estimated at €1 billion.*

Superior quality

***Label Rouge* (Red Label):**
the guarantee of superior quality linked to production techniques (breeding, growing, etc…) and product manufacture.

On what kinds of products?

On numerous poultry products such as yellow pullets and eggs from free-range chickens, and other products such as tinned sardines, chocolate mousse, scallops, churned butter and smoked salmon, etc…

There are about 350 label rouge products in France, representing production turnover of €1.4 billion.

Environmental quality

***AB Agriculture Biologique* (Organic Agriculture):**
the guarantee of quality related to a production technique which respects the environment.

On what kinds of products?

Fruits and vegetables, meats, milk and dairy products, eggs, cereals, etc…

This involves almost 11,500 farms in France. The surface area of land earmarked for techniques of organic production amounts to 560,838 ha, representing 2% of Utilisable Agricultural Land in France.

CHAPTER VI

The INAO provides for the bolstering of inspection and sanction mechanisms in order to guarantee product quality to consumers.

An Order proceeds to develop the rules of procedure and organisation which are necessary for the implementation and functioning of the new Institute for origin and quality. Notably, it provides for the creation of specialised national committees per sector and/or per sign and for that of an *ad hoc* Council which is responsible for examining inspection plans for the specifications of products bearing signs and for the accreditation of inspection bodies. It defines the new procedure which is applicable to the product certification action plan.

Furthermore, due to concerns for credibility in the eyes of consumers, the Order establishes the separation of bodies responsible for defending and managing signs from those responsible for inspecting the specifications of products bearing signs. Henceforth, the latter will be subject to accreditation according to standard EN 45011 or ISO 17020 or they will comply with the principles and specifications of these standards.

TRACEABILITY

Food safety has become one of the constant concerns of consumers and of all of the players involved in the food chain.

Professionals, producers, processors and distributors must identify all the stages of the production, processing and distribution processes for products, resolve critical issues, comply with regulations and carry out internal inspections. This is the challenge of traceability. Public services must establish regulations relating to the control of hygiene and ensure they are complied with. Moreover, consumers must be informed, through labelling, of the nature of the products they purchase and of their preservation.

If one takes the example of an exporter, the traceability system will enable him to determine the product's origin - i.e. the producer, or even the parcel of land where it was produced. Elements such as the date of harvest or packaging and any phytosanitary treatment also represent important information which should be taken into account.

THE OBJECTIVES OF TRACEABILITY

- TO IDENTIFY THE ORIGIN OF FOOD PRODUCT COMPONENTS
- TO DETERMINE THE PRODUCTION AND DISTRIBUTION CONDITIONS OF PRODUCTS
- TO FACILITATE THE WITHDRAWAL FROM THE MARKET OF PRODUCTS LIKELY TO PRESENT A RISK
- TO REPRESENT A LEVER FOR THE IMPROVEMENT OF THE PRODUCT'S SANITARY QUALITY (DLC...) AND TASTE QUALITY (AOC, LABELS, ORGANIC AGRICULTURE, ETC...)
- TO PROVIDE AS MANY GUARANTEES AND AS MUCH ASSURANCE TO CONSUMERS AS POSSIBLE.

Organic **agriculture**

Consumers are increasingly interested in issues relating to food safety and environmental concerns, and this has contributed towards the development of organic agriculture over recent years.
Organic agriculture represents a production method which owes its originality to its recourse to cultural practises and breeding which are concerned with respecting natural balances. It therefore excludes the use of synthetic chemical products and GMOs and limits the use of input.

This method of production has many benefits in terms of business and job creation and in preserving the quality of soils, biodiversity, air and water. It is also a method of production which enables experimentation with innovatory practices which respect the environment and are likely to be developed on a broader scale in agriculture. Its processing methods favour the enhancement of the natural characteristics of products.

Two regulations – passed in 1991 and 1992 – provide the basis for European policy in the area of organic agriculture. They conferred a twofold status on organic products by linking a production method which respects the environment with a principle for commercial enhancement through signs of quality.

From the outset, European policy was strictly implemented in France as far as regulating the method of organic production was concerned; this was achieved within the French policy of "official signs of quality."
In 2005, the market for food products from organic agriculture was estimated at €1.6 billion. This market is steadily growing: average increases of +9.5% have been registered every year since 1999, compared with the whole of the food market which only increased by 3.6% per year.

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At the end of 2005, 11,402 agricultural enterprises were committed to methods of organic production – representing a 3% increase from 2004.

Furthermore, 560,838 ha (representing 2% of the agricultural surface area used in France) were earmarked for organic production methods, representing a 5% increase from 2004. The choice of practising organic agriculture can imply profound changes for an agricultural enterprise – with regard to production choices, implemented techniques and the organisation of sales and marketing circuits.

The changeover from conventional agriculture to organic agriculture requires a period of transition. During this period of conversion (2 or 3 years depending on the crop), the producer implements production methods which are identical to and conform with rules of organic production.
During this period, no product can be marketed or sold by making reference to organic agriculture production methods.
However, the conversion period can be adjusted by the Certification Committees of inspection bodies – depending on the former use of the parcels of land. Any operator – whether in the conversion stage or the organic agriculture production stage – must entrust the inspection of his activity to an authorised body. There are currently three of these bodies in France: *Ecocert, Qualité* France and *Ascert-International*.
Any farmer wishing to convert all or part of his farm to organic agriculture can ask to benefit from the French state conversion aid, half of which is financed by the European Union.

THE AB (ORGANIC AGRICULTURE) BRAND

The AB brand, which is owned by the French Ministry of Agriculture, enables professionals to publicise their organic production and processing methods if they so wish, and enables consumers to identify organic products more easily.

THE EUROPEAN COMMUNITY LOGO

Since April 2000, the EU logo can be affixed to products and ingredients which are composed of at least 95% of ingredients from organic production methods which have been obtained in accordance with European regulations.

THE IMPORTATION OF ORGANIC PLANT PRODUCTS FROM THIRD COUNTRIES

Organic plant products, whether they have been processed or not, are recognised as being organic. They come from third countries which are included on the list drawn up by the Commission after checking that the rules applied in these countries in the areas of production and inspection are equivalent to the ones in Europe. They are accompanied by an original inspection certificate, which is issued by the relevant service in the third country. Any operator who wishes to import organic plant products originating from a third country which is not yet included on the list must firstly supply the certifying body or the relevant Ministry with proof that the production regulations and modalities are equivalent to the ones in Europe, and that inspections are effective. The certifying body studies the case file and then sends it – together with its opinion – to the Ministry of Agriculture, Fisheries and Food and to the Ministry of Economics, Finance and Planning. An imported product which is authorised in a Member State can move freely within the European Union. However, after examination of the case file or upon a justified request by a Member State, the European Union can request its withdrawal.

The economic
of producers and

CHAPTER VII

structure market management

The sector: **its structural basis**

CHAPTER VII

All of the activities linked with processing agricultural products into food products make up the food sector. This sector not only integrates agriculture and the agri-food industries, but also all of the activities which are related thereto, such as packaging, transport, storage and distribution. This approach has an operational scope, as it leads to considering problems of organising and regulating offers and facilitating inspection throughout the food chain. Like other economic sectors, this sector is subject to the demands of competitiveness which, in turn, depend on market practices, although it must also take into account a certain number of societal and French consumer expectations.

Plant and animal production sectors must also take into account a broad range of aspects, including the farm's integration into its environment; food safety and origins; sensorial qualities; dietetic, nutritional or technological values of products; and even the ethics of production and processing technologies (products from organic agriculture, fair trade, etc…).
The adaptation of production systems and products themselves to consumer expectations has required huge investments. French food products are now characterised, traced and internally controlled. They are also characterised by increasingly broad segmentation.

THE ECONOMIC STRUCTURE OF PRODUCERS AND MARKET MANAGEMENT

The economic structure of producers has been a permanent feature of French agricultural policy since the Orientation Acts of 1960 and 1962. The Agricultural Orientation Act of January 5th, 2006, reasserted the necessity to bolster the economic structure of markets, producers and sectors whilst complying with competition law and European measures.

THE RESPONSIBILITY OF ALL THE PARTIES INVOLVED IN THE CHAIN: ORGANISATION BY SECTOR

The sector involves all agents (companies and administrations) and all operations (production, processing, distribution and financing) which contribute towards the creation and transport of a product or a group of products through until the final stage of use – as well as the mechanisms for adjusting product flows and production factors. This definition brings to light two components of the sector's analysis:

- its identification (products, itineraries, agents, operations)
- regulation mechanisms (the structure and functioning of markets, eventual intervention by the State, planning).

PRODUCER ORGANISATIONS

Within the scope of the law, producer organisations aim to encourage producers, through voluntary and personal decisions, to unite in order to carry out joint actions more effectively, enabling them to market and sell their products, using:

- production discipline and technical assistance which promote, in particular, methods of production which respect the environment, in order to improve product quality,
- the fixing of marketing rules for quality products, in compliance with standardisation regulations, with regular supplies – in order to improve their commercial negotiating power.
- the establishment of transparency in commercial transactions.

Producer organisations can benefit from European Community aids, particularly when they are set up within the framework of a Common Market Organisation (CMO for fruit and vegetables, bananas, viticulture). Producers can, moreover, benefit from priorities in the allocation of aid that the State provides for the structuring of production and markets.

PROFESSIONAL STRUCTURING

Sectors are made up of different economic players: individual producers, producer organisations, shippers, processors, wholesalers, major distributors and retailers – without forgetting consumers. The Acts of 1975 and 1999 created joint-trade organisations in agriculture.

Only one single professional organisation per product, recognised by French agricultural and financial authorities, may exist – except for products from organic agriculture, products bearing the official sign of quality and origin (AOC, IGP, labels, certifications of quality) and products bearing the "mountain" appellation.

Professional organisations provide forums for dialogue; they express themselves through interprofessional agreements which are unanimously adopted by the organisation's different players and which are then, where necessary, extended by public authorities. They are independent and are not under the supervision of the French state. Interprofessional agreements are concerned with rules of production, defining areas of production (e.g. wine) and implementing subscriptions.

The Agricultural Orientation Act of January 5th, 2006, provides for an increase in the scope of intervention by joint-trade organisations. Their intervention is extended to many new areas, whether this involves the knowledge of markets and anticipating their development, or whether it involves their contribution towards the implementation of joint procedures whose aim is to fight against risks and uncertainties. This represents a major challenge for France and the country is particularly active in this area on a European Community level. The Act, moreover, authorises joint-trade organisations to draft standard contracts.

These will be used as *"good practice guides"* in the implementation of action plans aiming – through contractual relations – to secure, over time, outlets for producers and supplies for their purchasers.

National
Interprofessional Offices

CHAPTER VII

As the measures taken for product orientation were financed both by national and European Community channels, it was necessary to set up bodies of public law to manage these credits – by involving the representatives of the relevant professionals. This duty is entrusted to Product Offices – public establishments placed under state supervision, which were created by the Act of October 6th, 1982. Their mission involves improving the knowledge and functioning of markets; shifting production towards better adaptation to offer and demand; and implementing mainstay community measures of the Common Agricultural Policy (CAP), for which they are authorised as paying bodies.

The structuring of these offices was reformed by the Agricultural Orientation Act of January 5th, 2006. There are currently six offices: the ONIGC *(large-scale farming)*, the Breeding Office *(office de l'Elevage)*, VINIFLHOR *(fruit and vegetables, wine and horticulture)*, ONIPPAM *(aromatic plants)*, ODEADOM (products from overseas Departments) and OFIMER (sea products).

The same Act also created the Single Payment Agency (AUP). This agency is responsible for the payment of all the direct aids which the producers of these different sectors are entitled to within the framework of the CAP.

Lastly, to make agricultural policy as consistent as possible, in accordance with community regulations, a Superior Orientation Council for Agricultural and Food Economy was set up by the Act of December 30th, 1986. This is presided over by the Ministry of Agriculture and includes representatives of producers, trade and cooperative and private processing companies, as well as the Ministry of Economy and Finances.

True management of the markets can function through permanent discussions between national and community public authorities and professional organisations.

Marketing, sales
and distribution

From the producer to the consumer, the marketing, sales and distribution circuits of agriculture and food products are diverse and evolutionary.

THE TRADITIONAL SALES CIRCUIT

Wholesalers are present on this circuit, which involves the transit of products on the wholesale market. These wholesalers are supplied by shippers (or slaughterers or fishmongers, etc…) who, in turn, are supplied by producers or producer groups. In the early 1960s, the public authorities created a network of twenty or so National Interest Markets *(Marché d'Intérêt National, MIN)* – both in production areas (fruit and vegetables in Châteaurenard, Cavaillon, Agen, etc…) and in large centres of consumption (Paris-Rungis, Toulouse, Lille, etc…). The main customers of wholesalers are traditional retailers or stallholders, restaurant owners and institutions (hospitals, school groups, etc…)
Today, the development of direct circuits (mass distribution) has weakened traditional commerce. However, *MIN* wholesalers have developed (market wholesalers, full-service wholesalers, warehouse wholesalers, etc…) and their activity is now relatively stable.
If quality wholesale commerce is to be maintained – as is still the case in a large number of countries – it must be possible to offer both producers and consumers a serious alternative to direct circuits – despite these representing a large majority.

DIRECT CIRCUITS

These are made up of powerful buying groups which are directly supplied by producers or producer groups – and which supply a limited number of major corporate names. These market and sell their products in Medium and Large Supermarkets (GMS): small supermarkets, supermarkets and hypermarkets, which are often located on the outskirts of large urban centres.
The development of mass distribution – which has been very rapid over the last two decades in France – has been stable over the last two years.

The turnover generated by supermarkets which sell general foodstuffs represented €166.5 billion in 2005. Distributors control 94% of sales of food products to households through their five buying groups, although their market share was fairly variable from one sector of products to another.

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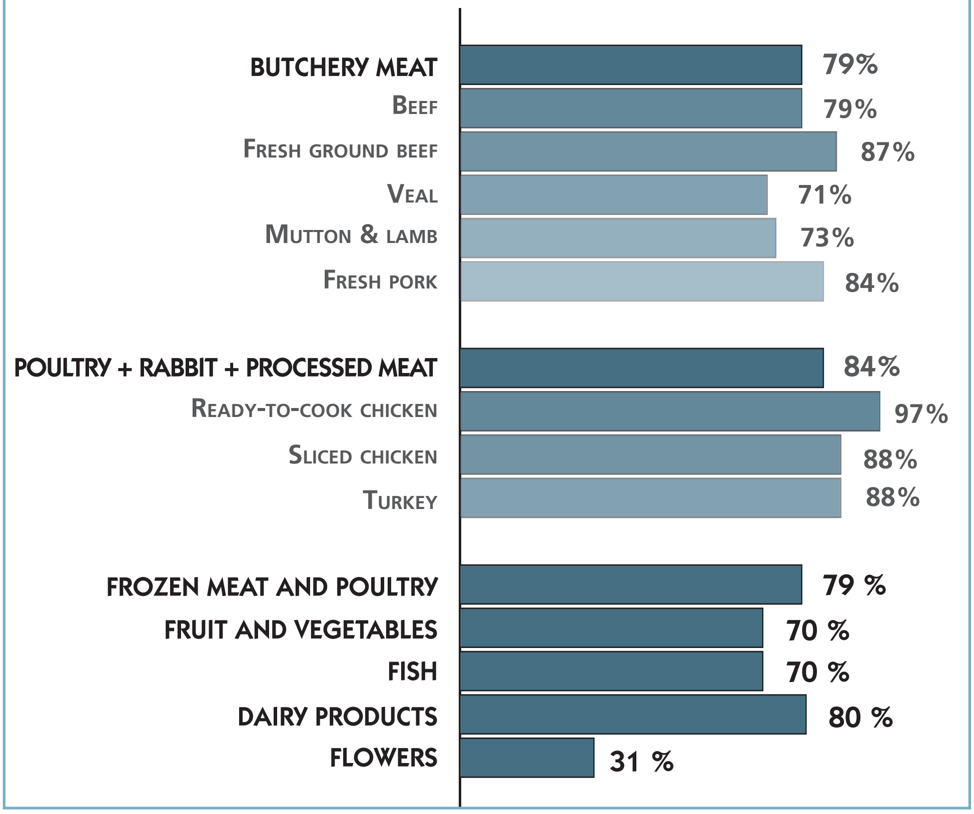
Amount in volume of purchases of primary agriculture commodities in Medium and Large Supermarkets (GMS) for 2005



A new concept of direct circuits has developed over recent years. Known as hard discount, it makes the argument of "price" the driving force behind its development.

The modern distributor is now production's leading and virtually unavoidable contact. However, the power of buying groups, faced with dispersion of upstream industries which is still too great, has exacerbated conflicts of interests and the balance of power between both upstream and downstream partners. Negotiating prices and sales conditions is often difficult, or even a cause of conflict.

In any case, a balance between the different sales circuits is sought after, and the joint-trade organisations clearly have a role to play (interprofessional agreements, codes of good conduct, standard contracts, etc…).

THE MARKET NEWS SERVICE *(LE SERVICE DES NOUVELLES DES MARCHÉS)*

The market news service *(le service des nouvelles des marchés, SNM*), which has nationwide scope, is attached to the Ministry of Agriculture and Fisheries' General Department of Economic, European and International Policies. It is a public service which produces and disseminates information on a daily basis relating to the prices of agricultural and food products and the economic situation of the markets. It thus contributes towards transparency and the economic security of transactions.

This information, which relates to the economic situation, is gathered by a network of professional researchers and mainly concerns the following markets: fruit and vegetables, flowers and plants, livestock products and sea products.

The information takes all transaction stages into account, from the producer through to the consumer: production, shipping, wholesaling, retailing, etc…

It aims to fulfil the requirements of national and community public authorities. However, it is also used as a reference and as a decision-making aid for producers and their organisations, shippers, wholesalers, retailers and local government purchasers, etc…

The information is mainly conveyed through market prices, price records, quantitative and qualitative analyses of economic trends, and also through campaign reports

The information is disseminated in real time, through the different channels managed by the service:

- **telephone server** 08 92 68 67 82
- **minitel:** 3617 code SNM
- **e-mail:** contact@snm-agriculture.gouv.fr
- **website:** http://www.snm.agriculture.gouv.fr

The trade press also serves as a medium in disseminating some of this information.

The expertise of the SNM is widely recognised: it regularly participates in technical cooperation operations in areas of price monitoring (collecting, processing and updating data, dissemination) and in the structuring of agricultural markets. Its more recent interventions have included numerous countries in Central and Eastern Europe (the Czech Republic, Poland, Hungary, Slovenia, Romania) and the Mediterranean basin (Morocco).

The SNM has also developed a quality policy whose aim is to increase customer satisfaction, improve the reliability of data collection and develop the know-how of agents. It was awarded ISO 9001 certification (version 2000) in March 2005 for all of its activities and all of its geographical establishments (a central level and 19 other premises placed under the DRAF's * authority and functioning as a network).

* *Direction Régionale de l'Agriculture et de la Forêt – Regional Department for Agriculture and Forestry*

The agri-food
a key sector for the

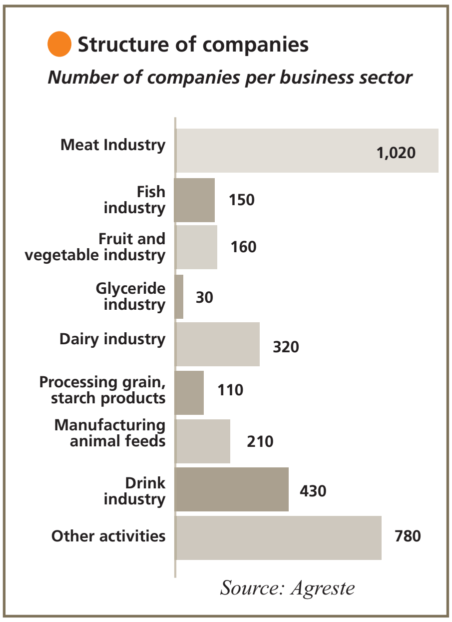
CHAPTER VIII

industries French economy

The leading business sector **in French industry**

AGRI-FOOD COMPANIES WITH 20 EMPLOYEES OR MORE GENERATED TURNOVER OF €126 BILLION IN 2005

CHAPTER VIII



Source: Agreste

Agri-food industries account for almost 17% of the turnover of the French manufacturing industry. They are ranked ahead of the automobile industry (10%). The French food industries are ranked in second position in Europe – behind Germany, but in front of the United Kingdom and Italy.

THE 3RD BIGGEST INDUSTRIAL EMPLOYER

With almost 420,000 employees, the agri-food sector is the third biggest sector in terms of employment after the engineering and metal transformation industries. With 10,624 enterprises which are made up of numerous small and medium-sized companies – of which 70% have less than 20 employees and 95% less than 250 employees – industrial establishments are scattered across the whole of France, and are often located near to sources of production.

They play a vital role in rural development and regional economies.

Many of them, however, belong to one of the 141 French groups and 187 foreign groups with more than 500 employees. These groups account for 71% of employees. Independent companies account for a further 13% of employees. The five French regions of Brittany (over 33% of employees in Brittany), Aquitaine (19%), Rhône-Alpes, Nord-pas-de-Calais and Ile-de-France account for 54% of the jobs in the French agri-food sector. However, the downward trend is worrying, even though this decrease is far more moderate than in the rest of the industrial sector (-2.1%).

AGRICULTURE'S LEADING CUSTOMER

The food industry processes 70% of agricultural production. It also represents an important partner for road haulage, packaging and advertising companies, and is the leading supplier of retail and catering businesses.

Since 1993, the added value of food industries has tended to shift closer to that of agriculture. It amounts to €37 billion – representing 16% of the added value of the whole of French industry.

THE WEIGHT OF EXPORTS

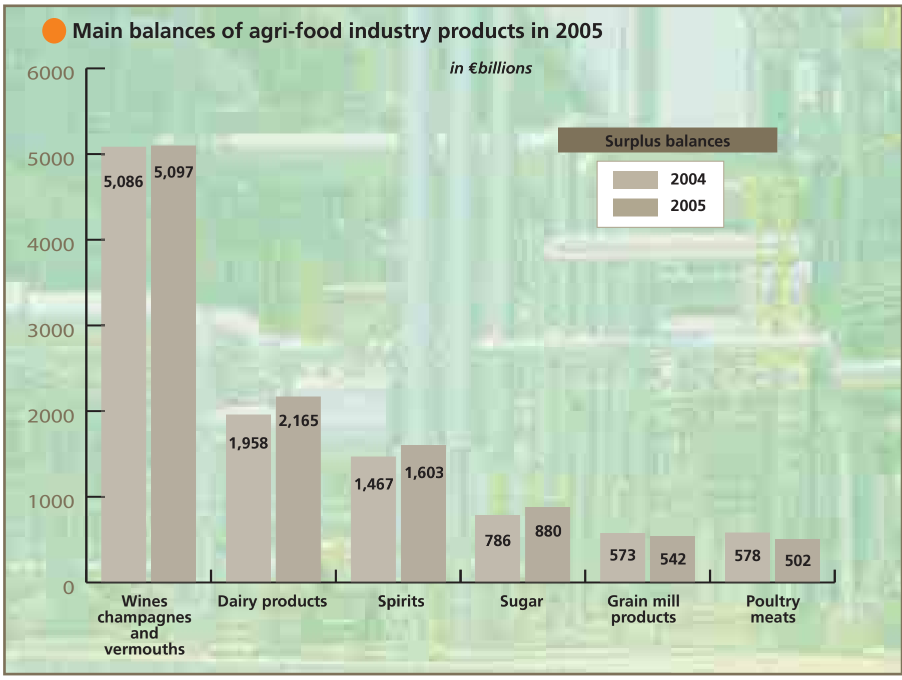
The contribution of AFIs to France's external trade balance has been of vital importance for many years. In 2005, France was still the leading worldwide exporter in the agri-food industry with products worth €28.7 billion – in front of Holland, Germany and the United States. The trade balance, which amounted to €6.9 billion, was ranked behind that of the automobile industry. EU25 absorbs 73% of French sales and accounts for 72% of purchases. Lastly, almost 78% of France's agri-food balance is achieved with the European Union. Its main clients, excluding the EU, are the United States, Japan and Switzerland. France is still the leading worldwide exporter of processed products – a level which it has maintained for the last 3 years.

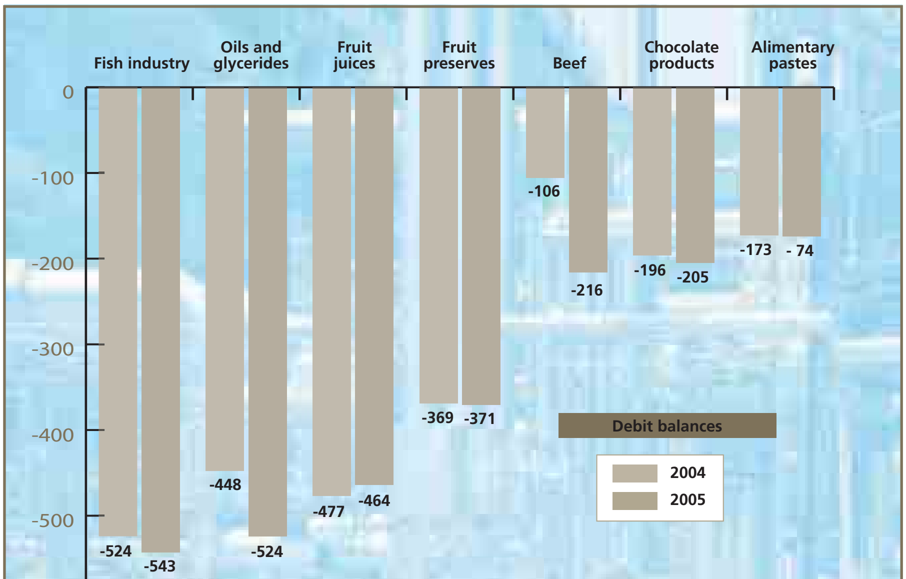
France's positions within European Union countries are confronted with strong intra-community competition. Moreover, market share in strongly developing third countries is stable or increasing slowly.

New and competitive exporting countries are entering the global market and this is affecting all the major countries which are traditionally exporters – such as the United States or France.

Germany, Belgium, Italy, the United Kingdom, Spain and Holland are still the leading clients of the French food industries.

Sales to the United States are increasing (wines and spirits). The main export sectors of French AFIs are: wines and spirits, tinned foods and grocery products, dairy products and sugar.





Source: Ubifrance

CHAPTER VIII

DYNAMIC SMALL AND MEDIUM-SIZED COMPANIES

Agri-food enterprises with less than 250 employees represent 95% of all companies, whilst enterprises with less than 500 employees make up 97% of the total amount.
Enterprises employing more than 500 employees account for almost 57% of exports, whilst small and medium-sized companies generate almost 29%.
Out of the 100 leading agri-food groups around the world, leading French enterprises include: Danone, Lactalis, Bongrain, Pernod Ricard and Terrena.

Development of sales of processed products from 2000 to 2004
in millions of tons

	2000	2002	2003	2004
Butchery meats				
Large cows and swine (TCE*)	3.65	3.79	3.77	3.67
Poultry meats (TCE*)	2.05	2.01	1.92	1.89
Cooked meats	1.09	1.10	1.13	1.14
Butter	0.37	0.37	0.35	0.34
Cow cheese	1.61	1.65	1.67	1.70
Skimmed milk powder	0.28	0.31	0.27	0.23
Vegetable preserves	1.30	1.41	1.30	1.33
Flour	6.37	6.29	6.29	6.34
Biscuits, rusks	0.65	0.63	0.59	0.59
Sugar	4.23	4.70	3.93	4.14

** Tons-carcass-equivalent*

Source: Agreste

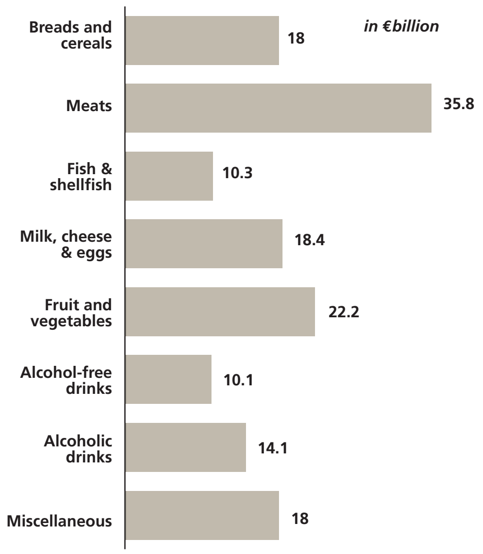
FOOD CONSUMPTION IN FRANCE

The percentage earmarked for food at home in household budgets has steadily decreased over the last twenty-five years. According to INSEE, it fell from 20% in 1980 to 14.8% in 2005. The consumption of food products, excluding alcoholic drinks, amounted to €132.8 billion in 2005. Expenditure for alcoholic drinks amounted to €14.1 billion. Food products, including alcohol-free and alcoholic drinks, are ranked in second position for household expenditure – behind housing and ahead of transport.

In the last 50 years, eating behaviour and consumption have changed: unprocessed products and products which are rich in fats have decreased in favour of prepared or dietetic products. Preserves and preparations have also increased to the detriment of fresh products. Lastly, frozen products have met with success.

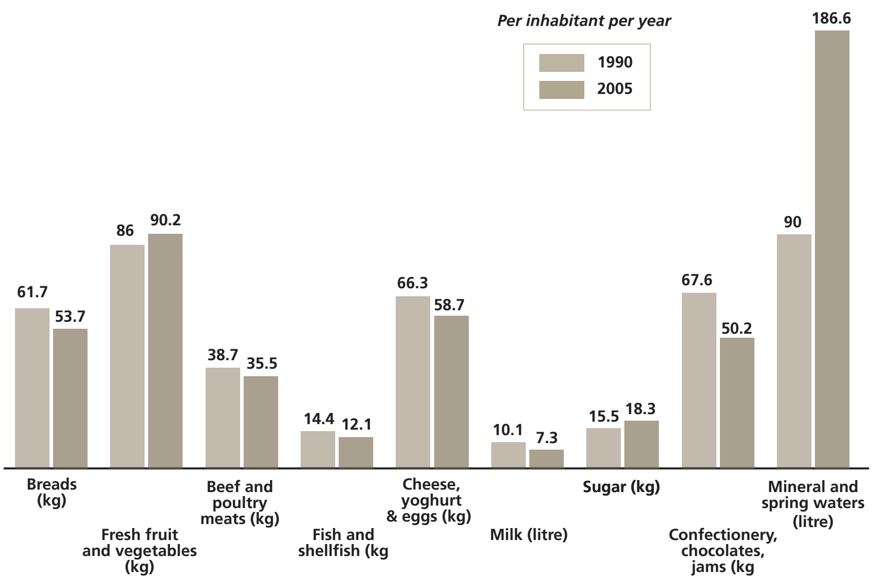
Health is taken into account more when choosing foods. Recently, consumers have taken full advantage of hard discount prices.

Structure of household food consumption in value in 2005



Source: comptes nationaux / INSEE

Changes in food consumption in volume between 1990 and 2004



Source: INSEEE

Agri-food enterprise **investment**

CHAPTER VIII

IN ALL SECTORS TAKEN TOGETHER, FRENCH AGRI-FOOD ENTERPRISES HAVE ALLOCATED AN AVERAGE OF ABOUT 15% OF THEIR ADDED VALUE TO THEIR TANGIBLE INVESTMENTS EVERY YEAR SINCE 1995

INVESTMENT IN FRANCE

In 2005, these investments for companies with more than 20 employees became stabilised at €3.6 billion. This result ended the decrease observed since 2002. From 1998 to 2005, the increase in value of the sector's tangible investments – excluding asset transfers – amounted to +16%.
The strongest increases during this period involved the manufacture of animal feeds (+45.8%), the drinks industry (+39.6%) and other food industries (+15.8%). As well as renewing equipment, extending production capital and modernising and rationalising the production tool, company managers allocated their investments to security or protection of the environment in order to comply with European regulations. AFI establishments with more than 100 employees have invested an average of €118 million per year on environmental protection since 2000.

The immaterial expenditure of AFIs (research & development, advertising, training and software) remains, broadly speaking, at a high level. Expenditure on advertising and commercial cooperation is close to €10 billion, representing almost three times as much as the amount spent on tangible investment. The AFI sector is the industrial sector which spends the most on advertising – with this representing about half of the total for manufacturing industries.

Investments by agri-food enterprises in R&D were estimated at €462 million in 2003. This remains modest (about 1% of the sector's turnover), in comparison with the amounts spent by the whole industry (3%), despite the fact that this has increased by 32% in two years. Four agri-food enterprises out of ten innovate, and three quarters of them are companies which employ between 500 and 1,000 employees.

All of the major enterprises (with more than 1,000 employees) also innovate.

In 2004, French agri-food industries invested €768 million overseas. In terms of stock these investments – which amounted to €5.3 billion at the end of 2004 – broke down into 3 billion of corporate capital and 3.3 billion in loans.
The AFI sector was ranked in third position for manufacturing sectors which invest overseas – after the chemical and automobile industries. The establishment of subsidiaries overseas involves French groups which have from 2,000 to 10,000 employees. This is also the case for 40% of groups which have between 500 and 2,000 employees.
In total, more than one group in four is established in Spain, one in six in the United States and one in six in Eastern Europe – mainly in Poland. Moreover, eight establishments in ten involve companies of Member Countries of the EU and the United States.

Trading between French international industrial groups and their subsidiaries located abroad is a vital element for creating the trade surplus. Intra-group flows, which represent a strategy to become established overseas, are particularly high in exports of dairy products, starch products or grain processing – as well as for animal feed products. These flows, which go a long way towards explaining the trade surplus for dairy products, also play an important role in the drinks sector.

Moreover, there are 187 foreign groups with 500 employees or more on the French territory. They are made up of 334 companies and control about 22% of the jobs for all of the groups. Their presence is particularly strong in sectors of chocolate making – confectionery and biscuit-making – preserved pastry products, condiments and seasoning, tea, coffee and drinks.

Useful addresses

MINISTRIES
MINISTÈRE DE L'AGRICULTURE ET DE LA PÊCHE
www.agriculture.gouv.fr

Direction Générale des Politiques Economique, Européenne et Internationale*
3, rue Barbet de Jouy
75349 PARIS 07 SP
Tel: +33 (0)1 49 55 45 50
Fax: +33 (0)1 49 55 50 75

Direction Générale de l'Alimentation
251, rue Vaugirard
75732 PARIS cedex 15
Tel: +33 (0)1 49 55 58 11
Fax: +33 (0)1 49 55 81 82

Direction Générale de la Forêt et des Affaires Rurales*
78 rue de Varenne
75349 PARIS 07 SP
Tel: +33 (0)1 49 55 44 36
Fax: +33 (0)1 49 55 80 22

Direction Générale de l'Enseignement et de la Recherche
1ter avenue de Lowendal
75700 PARIS 07 SP
Tel: +33 (0)1 49 55 42 40
Fax: +33 (0)1 49 55 46 36

Direction des Pêches Maritimes et de l'Aquaculture
3, place Fontenoy
75001 PARIS
Tel: +33 (0)1 49 55 82 01
Fax: +33 (0)1 49 55 82 00

Délégation à l'Information et à la Communication
78 rue de Varenne
75349 PARIS 07 SP
Tel: +33 (0)1 49 55 48 78
Fax: +33 (0)1 49 55 48 47

INTERPROFESSIONAL OFFICES

ODEADOM
Office de Développement de l'Economie Agricole des Départements d'Outre-Mer
12, rue Henri Rol-Tanguy
TSA 60006
93555 Montreuil sous Bois Cedex
Tel: +33 (0)1 41 63 19 70
Fax; +33 (0)1 41 63 19 45
www.odeadom.fr

OFIMER
Office National Interprofessionnel des produits de la Mer et de l'aquaculture
12, rue Henri Rol-Tanguy
TSA 50005
93555 Montreuil sous Bois Cedex
Tel: +33 (0)1 73 30 37 00
www.ofimer.fr

ONIEP
Office National Interprofessionnel de l'Elevage et de ses Productions
12, rue Henri Rol-Tanguy
93100 Montreuil sous Bois
Tel: +33 (0)1 73 30 30 00
Fax: +33 (0)1 73 30 30 30
www.office-elevage.fr

ONIGC
Office National Interprofessionnel des Grandes Cultures
12, rue Henri Rol-Tanguy
TSA 20002
93100 Montreuil sous Bois
Tel: +33 (0)1 73 30 20 00
www.onigc.fr

ONIPPAM
Office National Interprofessionel des Plantes à Parfum, Aromatiques et Médicinales,
BP 8 - 04130 VOLX
Tel: +33 (0)4 92 79 34 46
Fax: +33 (0)4 92 79 33 22
www.onippam.fr

VINIFLHOR
Office National Interprofessionnel des Fruits, des Légumes, des Vins et de l'Horticulture
12, rue Henri Rol-Tanguy
TSA 40004
93100 Montreuil sous Bois
Tel: +33 (0)1 73 30 33 00
www.viniflhor.fr

PUBLIC ESTABLISHMENTS

AFNOR
Association Française de Normalisation
11, rue Francis de Pressensé
93571 LA PLAINE SAINT-DENIS Cedex
Tel: +33 (0)1 41 62 80 00
Fax: +33 (0)1 49 17 90 00
www.afnor.org

NB: the DGPEI (the General Direction for Economic, European and International Policies) and the DGFAR (the General Direction for Forests and Rural Affairs) are due to merge in 2008 to form the DGET (the General Direction for the Economy and Territories).

AFSSA
Agence Française
de Sécurité Sanitaire des Aliments
23, avenue du Général de Gaulle
B.P. 19 - 94701
MAISONS ALFORT CEDEX
Tel: +33 (0)1 49 77 13 00
Fax: +33 (0)1 49 77 90 05
www.afssa.fr

APCA
Assemblée Permanente
des Chambres d'Agriculture
9, avenue Georges V
75008 PARIS
Tel: +33 (0)1 53 57 10 10
Fax: +33 (0)1 53 57 10 05
www.apca.chambagri.fr

CEMAGREF
Centre National du Machinisme Agricole, du Génie Rural,
des Eaux et Forêts
Parc de Tourvoie, BP 44
92163 ANTONY Cedex
Tel: +33 (0)1 40 96 61 21
Fax: +33 (0)1 40 96 62 25
www.cemagref.fr

CIRAD
Centre de Coopération Internationale en Recherche Agronomique pour le Développement
Avenue Agropolis
34398 MONTPELLIER Cedex 5
Tel: +33 (0)4 67 61 58 00
Fax: +33 (0)4 67 61 59 86
www.cirad.fr

IFREMER
Institut Français de Recherche
pour l'Exploitation de la Mer
155, rue Jean-Jacques Rousseau
92138 ISSY LES MOULINEAUX Cedex
Tel: +33 (0)1 46 48 21 00
Fax: +33 (0)1 46 48 21 21
www.ifremer.fr

INAO
Institut National de l'Origine
et de la Qualité
51, rue d'Anjou
75008 PARIS
Tel: +33 (0)1 53 89 80 00
Fax: +33 (0)1 42 25 57 97
www.inao.gouv.fr

INRA
Institut National
de la Recherche Agronomique
147 rue de l'université
75338 PARIS Cedex 07
Tel: +33 (0)1 42 75 90 00
Fax: +33 (0)1 47 05 99 66
www.inra.fr

IRD
Institut de Recherche
et de Développement
213, rue La Fayette
75480 PARIS Cedex 10
Tel: +33 (0)1 48 03 77 77
Fax: +33 (0)1 48 03 08 29
www.ird.fr

UBIFRANCE
Agence française pour le développement international des entreprises
77 Boulevard Saint-Jacques
75998 PARIS cedex 14
Tel: +33 (0)1 40 73 30 00
Fax: +33 (0)1 40 73 30 03
www.ubifrance.fr

PROFESSIONAL BODIES, COOPERATIVES AND MUTUAL BENEFIT SOCIETIES, PROFESSIONAL UNIONS

ACMA
Association des Constructeurs
de Matériel Alimentaire
Maison de la Mécanique
92039 PARIS LA DEFENSE cedex
Tel: +33 (0)1 47 17 60 00

ACTA
Association de Coordination
Technique Agricole
149, rue de Bercy
75595 PARIS CEDEX 12
Tel: +33 (0)1 40 04 50 00
Fax: +33 (0)1 40 04 50 11
www.acta.asso.fr

ACTIA
Association de Coordination
Technique pour l'Industrie
Agro-alimentaire
16, rue Claude Bernard
75005 Paris

ADEPTA
Association pour le Développement
des Echanges internationaux
de Produits et Techniques
Agro-alimentaires
41, rue de Bourgogne
75007 PARIS
Tel: +33 (0)1 44 18 08 88
Fax: +33 (0)1 44 18 08 89
www.adepta.com

AFEID
Association Française pour l'Etude
des Irrigations et du Drainage
361 rue Jean François Breton
34090 MONTPELLIER
Tel: +33 (0)4 67 04 63 16
Fax: +33 (0)4 67 63 57 95
www.cemagref.fr

Useful addresses

AGPB
Association Générale des Producteurs de Blé et autres Céréales
23 – 25 avenue de Neuilly
75116 PARIS
Tel: +33 (0)1 44 31 10 00
Fax: +33 (0)1 47 20 44 03
www.agpb.fr

AGPM
Association Générale des Producteurs de Maïs
21, chemin de Pau
64121 MONTARDON
Tel: +33 (0) 5 59 12 67 00
Fax: +33 (0) 5 59 12 67 10
www.agpm.com

ANDAR
Association Nationale pour le Développement Agricole
Rue Saint-Charles
75015 PARIS
Tel: +33 (0)1 56 79 21 21
Fax: +33 (0)1 42 27 32

ANIA
Association Nationale des Industries Agro-alimentaires
155 Bd Hausmann - 75008 PARIS
Tel: +33 (0)1 53 83 86 00
Fax: +33 (0)1 45 61 96 64
www.ania.net

ATLA
Association de la Transformation Laitière Française
42, rue de Châteaudun
75314 Paris cedex 09
Tel: +33 (0)1 49 70 72 72
Fax: +33 (0)1 42 80 63 62
www.maison-du-lait.com

CCVF
Confédération des Coopératives Vinicoles de France
53, rue de Rome - 75008 PARIS
Tel: +33 (0)1 45 22 37 00
Fax: +33 (0)1 45 22 86 21
www.vignerons-cooperateurs.coop

CETIOM
Centre Technique Interprofessionnel des Oléagineux Métropolitains
12, avenue Georges V
75008 PARIS
Tel: +33 (0)1 40 96 61 21
Fax: +33 (0)1 40 96 62 25
www.cetiom.fr

CGB
Confédération Générale des Planteurs de Betteraves
43, rue de Naples
75008 PARIS
www.cgb-france.fr

CNASEA
Centre National pour l'Aménagement des Structures des Exploitations Agricoles
2 rue du Maupas
87040 LIMOGES Cedex 1
Tel: +33 (0)5 55 12 00 00
www.cnasea.fr

CNIEL
Centre National interprofessionnel de l'Economie Laitière
42, rue de Châteaudun
75314 PARIS cedex 09
Tel: +33 (0)1 49 70 71 11
Fax: +33 (0)1 42 80 63 45
www.cniel.com

CNMCCA
Confédération Nationale de la Mutualité, de la Coopération et du Crédit Agricole
129, boulevard Saint-Germain
75279 PARIS cedex 06
Tel: +33 (0)1 43 29 93 31
Fax: +33 (0)1 43 25 15 16
cnmcca@wanadoo.fr

CONFEDERATION PAYSANNE
81, avenue de la République
93100 BAGNOLET
Tel: +33 (0)1 43 62 04 04
Fax: +33 (0)1 43 62 80 03
contact@confederationpaysanne.fr

COOP DE FRANCE
49, avenue de la Grande Armée
75116 PARIS
Tel: +33 (0)1 44 17 57 00
Fax: +33 (0)1 44 17 57 01
www.cooperation-agricole.coop

CTBA
Centre Technique du Bois et de l'Aménagement
10, avenue de Saint-Mandé
75012 PARIS
Tel: +33 (0)1 40 19 49 19
Fax: +33 (0)1 43 40 85 65
www.ctba.fr

CTIFL
Centre Technique Interprofessionnel des Fruits et Légumes
22, rue Bergère - 75009 PARIS
Tel: +33 (0)1 47 70 16 93
Fax: +33 (0)1 42 46 21 13
www.ctifl.fr

FEVS
Fédération Nationale
des Exportateurs de Vins
et Spiritueux de France
7 rue de Madrid - 75008 PARIS
Tel: +33 (0)1 45 22 75 73
Fax: +33 (0)1 45 22 94 16
contact@fevs.com

FNB
Fédération Nationale Bovine
149, rue de Bercy - 75012 PARIS
Tel: +33 (0)1 40 04 51 07
Fax: +33 (0)1 40 04 51 22
fnb@f-n-b.com.fr

FNB
Fédération Nationale des Boissons
49 rue Glacière - 75013 PARIS
Tel: +33 (0)1 45 87 21 41
Fax: +33 (0)1 45 87 11 69

FNCA
Fédération Nationale
du Crédit Agricole
48, rue La Boétie - 75008 Paris
Tel: +33 (0)1 49 53 43 23

FNIL
Fédération Nationale
des Industries Laitières
42, rue de Châteaudun
75314 PARIS cedex 09
Tel: +33 (0)1 49 70 72 86
Fax: +33 (0)1 42 80 63 94
fnil@atla.asso.fr

FNO
Fédération Nationale Ovine
149, rue de Bercy
75012 PARIS
Tel: +33 (0)1 40 04 51 31
Fax: +33 (0)1 40 04 51 33

FNP
Fédération Nationale Porcine
149, rue de Bercy
75595 PARIS cedex 12
Tel: +33 (0)1 40 04 51 17
Fax: +33 (0)1 40 04 53 01

FNPL
Fédération Nationale
des Producteurs de Lait
Maison du Lait 42, rue Chateaudun
75 314 PARIS
Tel: +33 (0)1 49 70 71 90
Fax: +33 (0)1 42 80 63 80
fnpl@fnpl.fr

FNPL
Fédération Nationale des Producteurs de Légumes
60, rue du Faubourg Poissonnière
75010 PARIS
Tel: +33 (0)1 49 49 15 35
Fax: +33 (0)1 49 49 15 39
www.fnplegumes.org

FNSAFER
Fédération Nationale des Sociétés d'Aménagement Foncier
et d'Etablissement Rural
91 Rue du Faubourg St-Honoré
75008 PARIS
Tel: +33 (0)1 44 69 86 00
Fax: +33 (0)1 43 87 96 56
www.safer.fr

FNSEA
Fédération Nationale des Syndicats d'Exploitants Agricoles
11 rue de la Baume
75008 PARIS
Tel: +33 (0)1 53 83 47 47
Fax: +33 (0)1 53 83 48 30
www.fnsea.fr

GNIS
Groupement National Interprofessionnel des Semences
44 rue du Louvre - 75001 PARIS
Tel: +33 (0)1 42 33 51 12
Fax: +33 (0)1 40 28 40 16
gniscontact@gnis.fr

IDF
Institut pour
le Développement Forestier
23, avenue Bosquet
75007 PARIS
Tel: +33 (0)1 40 62 22 80
Fax: +33 (0)1 45 55 98 54
www.cnppf.fr

INBP
Institut National
de la Boulangerie-Pâtisserie
150 boulevard de l'Europe
BP 1032
76171 ROUEN cedex 1
Tel: +33 (0)2 35 58 17 77
Fax: +33 (0)2 35 58 17 86
www.inbp.com

INSTITUT DE L'ELEVAGE
149, rue de Bercy
75595 PARIS cedex 12
Tel: +33 (0)1 40 04 51 50
Fax: +33 (0)1 40 04 52 75
www.inst-elevage.asso.fr

ITAVI
Institut Technique de l'Aviculture
et des Elevages des Petits Animaux
28, rue du Rocher
75008 PARIS
Tel: +33 (0)1.45.22.62.40
Fax: +33 (0)1.43.87.46.13
www.itavi.asso.fr

ITB
Institut Technique de la Betterave
45 rue de Naples - 75008 PARIS
Tel: +33 (0)1 42 93 13 38
www.institut-betterave.asso.fr

Useful addresses

IFIP
Institut de la Filière Porcine Porc
149, rue de Bercy
75595 PARIS cedex 12
Tel: +33 (0)1 40 04 53 55
Fax: +33 (0)1 40 04 53 77
www.itp.asso.fr

ITV
L'Institut Technique
de la Vigne et du Vin
12 rue Sainte Anne
75001 PARIS
Tel: +33 (0)1 44 69 97 97
Fax: +33 (0)1 44 69 97 99
www.itvfrance.com

JEUNES AGRICULTEURS
14, rue La Boétie
75008 Paris
Tel: +33 (0)1 42 65 17 51
Fax: +33 (0)1 47 42 62 84
www.cnja.com

LNE
Laboratoire National
de métrologie et d'Essais
1, rue Gaston Boissier
75724 PARIS Cedex 15
Tel: +33 (0)1 40 43 37 00
Fax: +33 (0)1 40 43 37 37
www.lne.fr

ONIDOL
Organisation Nationale
Interprofessionnelle des Graines
et Fruits Oléagineux
12, avenue George V
75008 PARIS
Tel: +33 (0)1 40 69 49 50
Fax: +33 (0)1 47 23 73 26
onidol@prolea.com

SCIPAG EMBALCO
Syndicat des Constructeurs machines pour les
industries papier, carton,
des arts graphiques, de l'emballage
et conditionnement
Maison de la Mécanique
92039 PARIS LA DEFENSE cedex
Tel: +33 (0)1 47 17 63 50
Fax: +33 (0)1 47 17 63 49
www.scipag-embalco.com

SNFS
Syndicat National des Fabricants
de Sucre de France
23, avenue d'Iena - 75116 PARIS
Tel: +33 (0)1.49.52.66.66
Fax: +33 (0)1.40.70.10.79

SNIAA
Syndicat National des Industries Aromatiques
Alimentaires
89 rue Fbg St Honoré - 75008 PARIS
Tel: +33 (0)1 42 65 09 65
Fax: +33 (0)1 47 42 44 64
www.sniaa.org

SOPEXA
Marketing
et communication alimentaire
11 bis rue Torricelli - 75017 PARIS
Tel: +33 (0)1 55 37 50 00
Fax: +33 (0)1 55 37 51 00
www.sopexa.com

SYGMA
Syndicat Général des Constructeurs
de Tracteurs et Machines Agricoles
19, rue Jacques Bingen
75017 PARIS
Tel: +33 (0)1 42 12 85 90
Fax: +33 (0)1 40 54 95 60
www.sygma.org

UCCMA
Union des Caisses Centrales
de la Mutualité Agricole
8/10, rue d'Astorg
75413 PARIS cedex 08
Tel: +33 (0)1 44 56 77 77
Fax: +33 (0)1 44 56 72 61
www.msa.fr

UFFEB
Union des Fabricants Français d'Equipements pour la
Boulangerie
et la Pâtisserie
64, rue de Caumartin
75009 PARIS
Tel: +33 (0)1 55 07 82 22
Fax: +33 (0)1 42 85 29 00
www.uffeb.com

UNIC
Union Nationale Interprofessionelle
du Cheval
104 rue Réaumur - 75004 PARIS
Tel: +33 (0)1 45 08 88 60
www.chevalunic.fr

UNIFA
Union Nationale
des Industries de Fertilisation
Le Diamant A
92909 PARIS LA DEFENSE CEDEX
Tel: +33 (0)1 46 53 10 30
Fax: +33 (0)1 46 53 10 35
www.unifa.fr

UNIP
Union Nationale Interprofessionnelle des Plantes Riches
en Protéines
12, Avenue George V - 75008 PARIS
Tel: +33 (0)1 40 69 48 00
Fax: +33 (0)1 47 23 02 88

DGPEI – Service des Relations Internationales
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www.agriculture.gouv.fr