The Common Agricultural Policy (CAP) is Europe's answer to the need for a decent standard of living for 22 million farmers and agricultural workers and a stable, varied and safe food supply for its 500 million citizens. As a common policy for all 28 EU countries, the CAP strengthens the competitiveness and sustainability of EU agriculture by providing Direct Payments aimed at stabilising farm revenues and finances projects responding to country-specific needs through national (or regional) Rural Development Programmes, which also cover the wider rural economy. The CAP also provides a range of market measures, including tools to address market difficulties, and other additional elements such as quality logos, promotion for EU farm products which complete CAP action to support farmers. The CAP budget fixed for the period from 2014-2020 provides a total of EUR 408.31 billion with EUR 308.73 billion intended for direct payments and market measures (the so-called First Pillar) and EUR 99.58 billion for Rural Development (the so-called Second Pillar).

- covers an area of 632,834 km² and has the largest agricultural area in the EU (28 million ha), accounting for 16% of total EU utilised agricultural area.
- has a total population of roughly 66 million, of which 19.5 million (or 30%) live in predominantly rural areas.
- has a highly diverse agricultural sector – from temperate crops and livestock in the north & centre to "Mediterranean" products in the south.
- has a farm structure dominated by medium-sized family farms of 5–100 hectare.
- has some of the most productive crop areas (e.g. wheat), as well as many areas with natural constraints.
In the period to 2020, the new CAP will invest about **EUR 63 billion** in France’s farming sector and rural areas. Key political priorities have been defined at European level such as: jobs and growth, sustainability, modernisation, innovation and quality. At the same time, France has flexibility to adapt both Direct Payments and the Rural Development Programme to its specific needs.

**Fairer and greener direct payments**

The new Direct Payments are to be distributed in a fairer way between Member States, and between farmers within the same Member State, putting an end to allocations on the basis of "historical references". Given the difficulties of such redistribution, Member States also have more flexibility to take into account specific sectors in particular regions. In France, Direct Payments represent around **EUR 54 billion** over the 2013-2019 period (budget years 2014-2020) just over 7 billion a year including nearly EUR 1.5 billion transferred from the original Rural Development allocation (3.3 % a year from financial years 2015-2020).

A key change in the new CAP is the application of new 'Greening' rules, in order to highlight the benefits farmers provide to society as a whole on issues, such as climate change, biodiversity loss and soil quality. Under this system, 30 % of the Direct Payment envelope, paid per hectare, is linked to three environmentally-friendly farming practices: crop diversification, maintaining permanent grassland and conserving 5% of areas of ecological interest or measures considered to have at least equivalent environmental benefit.

The French authorities have decided to make use of many of the options that were included in the 2013 CAP reform. France has chosen to apply a different model for the Basic Payment Scheme (that replaced the former Single Payment Scheme) in Mainland France (where the differences in amounts of Direct Payment per hectare, previously based on historical production, are gradually reduced by 2020) from the one applied in Corsica (a flat-rate payment per hectare, as of 2015). Furthermore, France applies the redistributive payment (a boost for small to medium-sized farms by providing an additional support for the first 52 hectares) and "voluntary coupled support" in 11 sectors taking (beef & veal, cereals, fruit & vegetables, hemp, hops, milk & milk products, protein crops, cereals, seeds, sheep meat & goat meat, starch potatoes and rice).

Other changes introduced in the 2013 CAP reform include new rules on eligibility to direct payments (the active farmer requirements) and a specific payment for young farmers; in that respect, France decided to allocate a payment corresponding to 25% of the national average payment per hectare and to pay it for the first 34 hectares to young farmers, provided that they fulfil specific eligibility criteria. Other changes introduced in the 2013 CAP reform include stricter rules on active farmers eligible for Direct Payments and a new 25% aid supplement for young farmers for the first 5 years, in addition to already existing installation grants.

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1 Total allocation of Direct Payments and Rural Development for the period 2014-2020 (in current prices).
Supporting key priorities for France's rural development

With a total contribution of **more than EUR 11.4 billion** for measures benefiting its rural areas, plus additional national funding, the **2014–2020 Rural Development Programme for France** focuses on priorities such as:

- protection of the environment;
- resource efficiency and
- enhancing the competitiveness of small and medium-sized enterprises.

The rural development programme is split into 27 regional programmes (21 regions of Hexagon, five outermost regions and Corsica), a national programme for risk management in agriculture and a national rural network programme. The priorities can vary widely from one regional programme to another.

French outermost regions

In addition to CAP support for mainland France and Corsica, the **POSEI programme** provides additional funding to support agriculture in the 5 French outermost regions - Guadeloupe, French Guyana, Martinique, Réunion and Mayotte. In total, some **EUR 278.4 million** are allocated annually for measures to support agriculture. Of this amount, EUR 26.9 million is allocated to the supply of products that are essential for human consumption, for the manufacture of other products or agricultural inputs. The remaining EUR 251.5m is granted for measures to assist local production, mainly in the form of direct aid to farmers, notably for bananas (especially in Martinique and Guadeloupe) and sugar cane (which is particularly important in Réunion).
Between 2007 and 2013, the CAP invested more than **EUR 70 billion** in France's farming sector and rural areas with the objective of stabilising farmers' income, modernising and increasing the sustainability of French farms and securing the supply of safe, affordable and quality food for its citizens.

**French farmers benefit from the CAP**

During recent years, Direct Payments have been a key safety net. In 2014 some 360,000 French farm businesses received around **EUR 7.8 billion** in Direct Payments, with only 29.3% receiving a payment of less than EUR 5,000 (relative to the EU average of nearly 80%). Moreover, in 2015, the EU spent more than EUR 525 million on market measures in France, targeting a variety of sectors such as wines, olive oils, fruits and vegetables and much more.

**Fostering growth and jobs in France's rural areas**

In the period from 2007 to 2013, the rural development programme invested **more than EUR 7.5 billion** of EU funds (in addition to national funding) in a whole range of different activities supporting agricultural production and benefitting France's rural areas by preserving its diversity and enhancing its economic strength, cultural richness and social cohesion. In concrete terms, Rural Development funds:

- supported more than **22,000 young farmers**;
- **modernised** over **30,000** agricultural holdings;
- supported more than **109,000 agricultural holdings in less favoured areas** (in mountain areas or with other natural constrains);
- supported more than **95,000 holdings under the agri-environmental measures**.

**Example of a Rural Development project supported by the CAP**

**French region boosts economic activities thanks to local brand**

Rural areas need support to exploit their distinct advantages and create new possibilities for economic and territorial development. The main economic activities in the territory of Asses, Verdon, Vaire and Var in the south of France are agriculture and tourism, but few restaurants in the area were using local produce, despite the quality and diversity of products. Created with support of EU funds, the label 'Pays Gourmand' fosters cooperation between restaurants and producers, thanks to trainings for professionals and consumers and the creation of a dedicated website and brochures. [More information](https://example.com).

Total costs: EUR 126,000 (EU contribution: EUR 69,754)
Adding value with Quality schemes

Through the Quality Policy of the CAP, the EU provides a number of measures to help producers build on the high quality reputation of European products to sustain competitiveness and profitability. A key tool in this is the register of more than 1,300 protected food names which are classified as a Protected Designation of Origin (PDO), a Protected Geographical Indication (PGI) or a Traditional Speciality Guaranteed (TSG). The production of these registered quality products contributes to diversity, development and growth in the rural areas where they are produced and protects local knowledge, skills and jobs.

At present, France has 233 food products registered, of which 98 as PDO (such as Roquefort or Beurre d’Isigny), 134 as PGI (such as Saint-Marcellin, Sel de Guérande Fleur de sel de Guérande or Melon de Guadeloupe) and one as TSG (Moules de Bouchot).

Responding to new market difficulties

Following the prolongation of the Russian ban on the EU agricultural imports and the specific market conditions of the summer 2015, the European Commission adopted in October 2015 a support package worth EUR 500 million. Following the prolongation of the Russian ban on the EU agricultural imports and the specific market conditions of the summer 2015, the European Commission adopted in October 2015 a support package worth EUR 500 million to help those farmers affected most by the difficulties. A total budget of EUR 420 million was made available for national envelopes to support especially the dairy and livestock sectors, with flexibility to Member States to decide how to target this support. The remainder was earmarked for other short and medium term measures such as the provision of private storage aid for certain products and to promote the expansion of export markets. Under this package, France was allocated nearly EUR 63 million, which the French authorities have chosen to allocate to farmers in cross-sectorial livestock sectors.

In July 2016, the European Commission announced a further solidarity package aid worth EUR 500 million including adjustment aid worth EUR 350 million aimed at the dairy sector in particular, with nearly EUR 50 million earmarked for France.

In spite of the Russian ban, global EU agri-food exports to third countries have performed well, increasing by EUR 6.8 billion in the first 12 months since the ban, relative to the EUR 5.2 billion drop in trade with Russia compared to the same period of the previous year. Major gains have been achieved in exports to the USA, China, Switzerland and other key Asian markets such as Hong Kong and South Korea.

According to the most recent Eurobarometer survey, published in January 2016, French consider “supplying the population with a diversity of quality products” (44 % compared to 42 % in EU-28) and “protecting in the environment” (40 % compared to 30 % in EU-28) as the two main responsibilities of farmers in our society. As regards the main objectives of the EU’s agriculture and rural development policy, French consider “ensuring that agricultural products are of good quality, healthy and safe” (72 % compared to 56 % in EU-28) and “ensuring a fair standard of living for farmers” (63 % compared to 49 % in EU-28) as most important.

The Eurobarometer survey 440 “Europeans, Agriculture and the CAP” can be consulted here.
French agriculture is characterised by:

- an important share of large farms: 18.3% of holdings have more than 100 hectares compared to 2.7% in EU-28.
- young farmers: 8.8% are under 35 years old (EU-28: 5.9%), while only 12.4% are older than 64 (30.6% in EU-28)
- a high contribution to the country’s economy, but lower in employment: the primary sector accounts for 1.8% of the country’s economy (total GVA) compared to 1.6% EU-28) and for 2.8% of employment compared to 4.7% in EU-28.

Very diversified production

Agricultural trade with EU Member States is highly important for France (2014 data)

Farmer’s income continues to be more volatile than wages and salaries in other sectors