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A timid recovery plan in the face of the challenges of the agro-ecological transition

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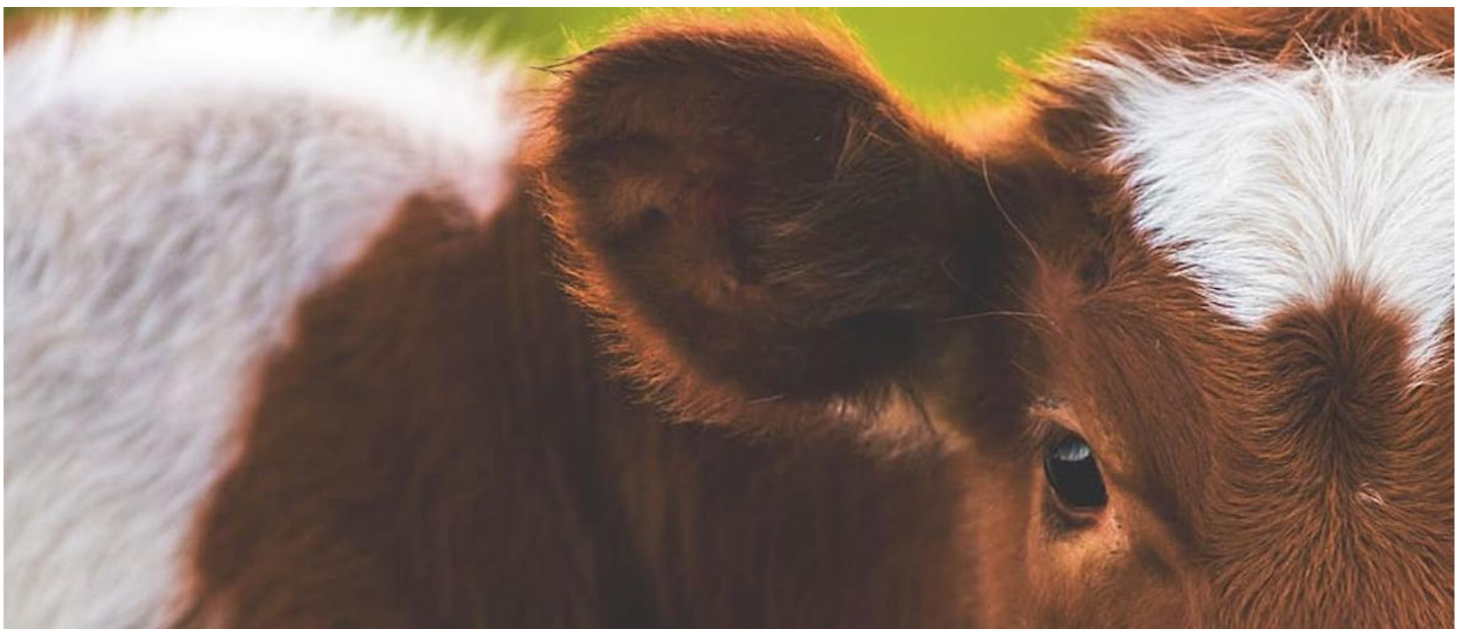

The post-Covid-19 recovery plan announced by the French government on September 3 and its various measures are underpinned by two explicit objectives: to make the French economy more independent in the production of essential goods, and to invest in the "industries of the future" and in ecological transition. While the ambition is important, and the amount of investment is unprecedented, the precise content of the aid and its implementation methods must be closely and regularly monitored.[1] This is notably the case for the agricultural sector, which is allocated one billion euros out of the 100 billion euros of the overall recovery plan. Is this amount sufficient? How could and should these sums be effectively disbursed? This blog post analyses the different envelopes provided by the recovery plan in the agricultural sector, highlighting in particular the challenge of being able to put the French food system on a pathway to complete decarbonisation by 2050.

In spite of the announced disruptive ambitions, the measures of the agricultural chapter of the French recovery plan remain limited in scope. One billion euros have been announced (1.2 billion if forestry is taken into account), i.e. 1% of the total budget earmarked to revitalise the French economy, and just over 10% of the annual Common Agricultural Policy envelope for France (9.1 billion euros). These are small orders of magnitude when compared to what the sector represents in environmental and social terms: 20% of direct GHG emissions;[2] nearly 30% of the remarkable environments protected under the Convention on Biological Diversity depend on agricultural practices;[3] and 5.2% of the French working population is directly employed in the agricultural and agri-food sectors (not counting the indirect jobs generated by farms and the agri-food industries).[4]

In addition, the methods of management and disbursement of the amounts announced will need to be specified in detail. The relative "atomisation" of the sector between sectors and at the farm level implies high transaction costs for each financing file - for both recipients and intermediaries, which must be carefully considered. The public agencies in charge of agriculture have seen their staffing levels significantly reduced in recent years, making the management of day-to-day business sometimes delicate, and it may be difficult to add to this the management of the recovery plan envelopes. As far as farmers are concerned, the "call for projects" approach could sideline smaller structures with less capacity to free up time to respond.

In detail, a large part of the measures may not go in the declared direction of an ecological transition. Two envelopes of 250 million each, i.e. a total of half of the amount dedicated to agriculture, are earmarked, one for the development of agro-equipment, the other for the improvement of biosecurity and the competitiveness of animal sectors. In both cases, the desire to create economies of scale in order to strengthen the price competitiveness of French sectors takes precedence over the challenges of agro-ecological transition. The actions that will be supported could thus prove unfavorable to biodiversity and the preservation of employment in the sector. Given the nature of the investments that will be supported, there is a significant risk that the large farms will absorb all the aid, thus contributing to a further concentration of livestock farming or to the simplification of cropping systems. The recovery plan focuses on a technical treatment of isolated problems (pesticide and nitrate residues in water and soil, agricultural emissions, zoonoses, etc.), where a more systemic change seems necessary (radical reduction of dependence on pesticides and mineral fertilizers, regional de-specialisation of livestock farming to promote fertility transfers, redeployment of grasslands, etc.). However, if the competitiveness of French industries is indeed a legitimate concern, improving it must be a means and not an end in itself, within the framework of a fairer market organisation.

A second component of the agricultural recovery plan is designed to accelerate the agro-ecological transition. To this end, 400 million euros are planned to support organic farming, local supply chains, urban agriculture and catering systems offering healthy, safe, sustainable and local food. The implementation of this aid is interesting from a theoretical point of view, but the risk of dispersing the amounts in several small projects without significant impact on the productive apparatus is very present. In this envelope, the amounts intended for each objective are not specified, nor are the conditions for obtaining aid.

The last component of the recovery plan concerns the national strategy on plant proteins. 100 million euros are planned to reduce the dependence of French livestock farming on imported soybeans and support the transition to a diet richer in plant proteins and less animal proteins. The announced objective is to double the area under legumes by 2030. While the various elements of this component are relevant, the amounts at stake are probably insufficient to guarantee the transformation of a productive system that has been strongly consolidated since the post-war period. The (re)development of leguminous seeds presupposes changes in all the components of the plant sector, from varietal selection to the design of food products, including storage and processing. While the public authorities cannot be asked to finance all the investments involved, an evaluation of the costs linked to industrial tools (storage, processing), not to mention the research and development part, points to financing needs of around 4 to 6 billion euros per year, far from the 100 million announced.

Generally speaking, the implementation and management of the recovery plan for the agricultural sector cannot be disconnected from a quantification of the necessary investments and the impact on employment of what we consider to be the pillar of agro-ecological transformation in France, i.e. the protein transition. Identifying the fixed assets and employment levels of a sector that is struggling to develop seems to us to be a fundamental step in drawing a credible trajectory for the evolution of the agricultural and agri-food sector in France by 2030 towards the objective of an agro-ecological transition that is both socially just and environmentally sustainable.

1 https://www.iddri.org/en/publications-and-events/blog-post/green-and-social-recovery-european-union-and-its-member-states

2 MTES (2020). Stratégie nationale bas-carbone. Paris, Ministère de la Transition écologique et solidaire.

3 Halada L., Evans D., Romão C., et al. (2011). Which habitats of European importance depend on agricultural practices? Biodiversity and Conservation, 20 (11), 2365-2378.

4 INSEE, Comptes de la Nation.

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