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The French strategic plan: its main characteristics and its positioning in relation to the challenges and issues defined at European level

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As part of the new European regulations on the Common Agricultural Policy adopted at the end of 2021, France has implemented a National Strategic Plan for agriculture which came into force at the beginning of 2023. We present here the new features as well as its ambitions and limits. A number of the plan's limitations are highlighted, in particular its ability to respond to climate and environmental challenges, and some perverse effects of the measures adopted.

Keywords : Common Agricultural Policy. Agricultural Economics. Food policy.

Introduction

The deadline for the European Union (EU) multiannual budgetary framework, every seven years, generally provides an opportunity to redefine the various sectoral policies, such as the Common Agricultural Policy (CAP).¹ The current budgetary framework covers the period 2021-2027, but due to delays in the adoption of the CAP Regulations (at the end of 2021), the 'new' CAP was put in place with a two-year delay from 1^{er} January 2023, covering the period from the beginning of 2023 to the end of 2027.

As part of these new European regulations, France has introduced a National Strategic Plan for Agriculture, which came into force at the beginning of 2023. We present the new features, as well as the plan's ambitions and limitations.

1. Background: the 2023-27 CAP

Since the early 2000s, the Common Agricultural Policy (CAP) has been organised into two 'pillars' with different budgets. The first pillar brings together the direct aids to producers, distributed on an annual basis without much demand in return and financed entirely by the European budget. The second pillar, with a much smaller budget, includes relatively heterogeneous thematic measures under the heading of "rural development". This includes multi-annual measures on a contractual basis, such as the Agri-environmental and Climate Measures (AECMs). The characteristics of this second pillar are that it is co-financed by national budgets and is more complex to manage, particularly as agri-environmental programs fund contractual actions that need to be supervised and controlled, whereas first-pillar aid is essentially annual area-based aid.

Since the early 1960s, the CAP has been a highly centralised policy, with little latitude left to the Member States. The founding texts included provisions that made prices and aids uniform across Member States.

¹ Even if, in the past, major changes have been made outside the deadlines of the multiannual financial framework, on the initiative of the Commission: the decoupling of direct aid from the quantities produced during a "mid-term review" in 2002, or conditionalities for receiving aid during a "health check" in 2008.



Historically, national aid to farmers had always been highly regulated and limited. The Regulations of December 2013 introduced a more "à la carte" CAP, with a wide range of options: budget transfers between the two "pillars" of the CAP, the possibility of internal redistribution, direct support for certain types of production, etc., and allowed for highly variable environmental ambitions. The CAP to be introduced at the beginning of 2023 went much further in terms of subsidiarity. It is far more decentralised and far less common than previous versions of the CAP.

2. A not-so-common Common Agricultural Policy

The new CAP is based on the idea that Member States should define their agricultural policy objectives through National Strategic Plans (NSPs). These plans must respect common EU priorities (innovation and knowledge, fairer and more effective support, strengthening climate action, generational renewal and employment, addressing concerns). These plans must also meet nine common objectives, three economic ones (increasing competitiveness, ensuring a fair income for farmers, improving the functioning of the food chain), three environmental ones (action against climate change, preserving the environment, preserving the landscape and biodiversity) and three social ones (societal expectations, dynamism of rural areas, generational renewal). These major priorities and nine objectives are very general and do not really provide a framework precise enough to ensure truly common commitments across Member States.

The European Commission assessed and approved the NSPs submitted by the Member States, some after requests for amendments. The Commission also monitors the implementation of the NSPs. The annual and multi-annual monitoring of the policy implemented by each Member State includes reviews, and for the financial clearance, audits identifying potential deficiencies in governance structures and Community requirements. Nevertheless, the three categories of indicators (output, result, impact) are more global ratios (e.g. the proportion of surface area covered by a measure) than indicators that actually reflect the progress made, particularly with regard to environmental and social objectives. Reports on implementing the strategic plan are provided for, and deviations can in theory lead to the suspension of funding. Nevertheless, the indicators measuring the real impact of the measures do not seem to be very operational either and hardly reflect progress in technical results.

Above all, the Member States have a large degree of freedom when it comes to allocating funds and setting policy objectives. Under the CAP being implemented from 1^{er} January 2023, the Member States prepare the strategic plans, define the interventions, the eligibility criteria and set the objectives. And it is the Member States that manage and monitor applications for aid, provide payments to farmers and recover undue funds.

Admittedly, there are still some common elements that apply to all Member States: the two-pillar architecture, the obligation to define agricultural areas, or the definition of "real" farmers eligible for aid. The need to comply with directives and a set of "Good Agricultural and Environmental Conditions" (GAECs) in order to receive aid is also common. Member States are obliged to comply with specific types of intervention such as basic payments, payments for young farmers or provisions to support small and medium-sized farms. Member States are obliged to devote a certain percentage of the budget of the first and second pillars to actions with an environmental component. Through "ecoschemes", they are also obliged to make 25% of direct aid to farmers conditional on environmentally-friendly practices.² In practice, however, the thresholds and percentages are largely left to the discretion of the Member States, and what is left as truly "common" remains limited to a fairly general framework.

² Derogations from this 25% threshold are permitted for Member States with more ambitious environmental measures than the minimum required under the second pillar.



3. The main provisions of the French PSN

The strategic plan initially presented by France to the Commission was severely criticised by the Environmental Authority (2021). The European Commission also pointed out a number of areas of non-compliance with European objectives, particularly in terms of environment. A second version, revised only marginally, including an increase in aid for organic farming, to raise it above the level granted to less-demanding environmental certifications, was finally approved by the Commission in August 2022 and came into force on 1 January 2023. It should be noted that the approved version of the NSP comprises 975 pages plus 175 pages of annexes, making it a complex document that is difficult to understand as a whole.³

Under this NSP, the French State is the managing authority for aid under the first pillar and for area-based or similar measures under the European Agricultural Fund for Rural Development (EAFRD), i.e. "area-based" AEEM, support for organic farming, Natural Handicap Compensatory Allowances (called ICHN), crop insurance and the National Agricultural Health and Environmental Mutual Fund. The Regions are the regional management authorities for non-surface EAFRD measures (forestry, investment, installation, flat-rate AEEM, a so-called LEADER programme, etc.).

"Active" farmers are eligible for support under the first pillar, as well as for ICHN, organic farming payments and certain AEEM and crop insurance schemes. The definition of an 'active' farmer is fairly complex, but there must be a minimum level of agricultural activity, and the farmer must not be retired or over the age of 67.⁴ Only precisely defined agricultural areas (arable land, permanent crops, permanent grassland and pasture) that are used for farming or are set aside for annual maintenance are eligible for aid. Topographical features (copses, scattered trees, ponds, paths) are eligible to prevent their destruction. For permanent grassland, grassland with trees and under scrubland, the eligibility criteria include a minimum stocking rate and annual maintenance. Here too, the calculation procedures are fairly precise and complex (see annex 2 of the NSP).

4. Aid under the first pillar

This annual aid scheme, financed solely by the European budget, has several levels:

- The basic payment, which operates on the basis of premium "rights" to be activated on eligible areas. Little has changed in relation to the 2014-2022 CAP. The change compared with the previous system is simply the continuation of convergence towards a single level of aid in France (by way of illustration, the current average entitlement is €127 per hectare). Before 2013, France had an aid system based on individual references, which led to major disparities between farms. Since then, a gradual process towards a single aid per hectare is designed to cushion the impact for beneficiaries (for example, by limiting aid losses to 15% for a single farm, etc.).
- Coupled" aids (based on quantities produced) for certain sectors: in the previous CAP, France chose to encourage and support the production of plant proteins and suckler cows in particular. What's new is that cattle subsidies are targeted more strongly on grassland. Aid has also been created for small-scale market gardening. In total, coupled aid accounts for 15% of the first-pillar payments envelope in France, i.e. around €1 billion a year.
- Additional income support for young farmers, in the form of a flat-rate start-up payment.

³ National Strategic Plan for French Agriculture 2023-27. <https://agriculture.gouv.fr/telecharger/131861>

⁴ Institutions such as agricultural colleges, local authorities, agricultural associations under the 1901 law and foundations are also eligible.



- Redistributive aid targeting the first 52 eligible hectares to give priority to small family farms (aid of €48/ha). This aid already existed in the 2014-22 CAP in France, which had already chosen this option in the previous CAP regulation.
- Sectoral programmes: these include national aid programmes for wine, fruit and vegetables, olive oil and beekeeping.
- Ecoschemes. This is one of the main new features of the CAP introduced at the beginning of 2023.

5. *Ecoschemes in the French NSP.*

The ecoschemes, for which the Member States have very wide margins for manoeuvre, replace the "green payment" of the 2014-22 CAP. Their introduction is compulsory for Member States, but farmers subscribe to them on a voluntary basis. In the French NSP, a flat-rate approach that takes account of all the land on the farm has been adopted, with two levels of aid: a "basic" level and a "higher" level.⁵ There are three possible routes to ecoschemes, which cannot be combined.

- The "practices route" requires compliance with certain farming practices. For arable land, there is a requirement for crop diversity; for grassland, there is a requirement to maintain a percentage of unploughed permanent grassland compared with the previous year; for perennial crops, there is a requirement to maintain a certain level of inter-row grass cover. An additional aid, the "hedgerow bonus", remunerates the presence of hedgerows and their sustainable management. Exemptions from the obligations to benefit from these ecoschemes are provided for in the case of low thresholds of arable crops or permanent grassland.
- The "certification route". Depending on their certification, farmers are eligible for the "basic" level or a higher level, for example for farms with "High Environmental Value" certification. A third level for organic farms. The hedgerow bonus is also available for this route.
- The "ecological infrastructure route" also gives access to ecoschemes aid. The farm must have non-productive features (hedges, copses, etc.). The basic level is reached if these non-productive areas represent 7% of the total area of the farm, and the higher level with 10%.

6. *Conditionality of aid*

Since 2008, all CAP aid has been conditional on compliance with statutory regulatory requirements (compliance with Community directives) and with GAECs. What's new with the CAP coming into force in 2023 is that certain rules that were a condition of the green payment under the previous CAP have been incorporated into GAECs. They are therefore now part of the set of rules that must be complied with in order to receive any CAP aid. The Commission has presented this as a major environmental progress in the new CAP. It is true that conditions which only applied to 30% of first-pillar aid (the green payment, which has now disappeared) now apply to all aid. Environmental organisations, however, are less positive, arguing that a number of thresholds and criteria in these GAECs are left to the Member States, which limits the scope of this "greening" and considerably attenuates the effects of the new GAECs.

France has adopted the following provisions in its NSP:

- GAEC 1: Obligation to maintain permanent grassland. The annual ratio of permanent grassland to Utilised Agricultural Area (UAA) must not be less than 5% of the reference ratio. However, it should be noted that environmental organisations have criticised the changes made, since

⁵ These payments amounted to €60^e /ha and €82/ha respectively, but a circular dated November 2023 reduced them to €45/ha and €62/ha respectively.



derogation authorisations are provided for and the calculation reference year has been postponed from 2012 to 2018, which has allowed some of these grasslands to be destroyed in anticipation of future constraints.

- GAEC 2: Protection of wetlands and peat bogs. This is a new provision, to be implemented from 2024.
- GAEC 3: Ban on post-harvest stubble burning, a measure that already exists in France.
- GAEC 4: Buffer strips along watercourses. This obligation to leave a 5-metre grassed strip along watercourses already existed. The definition of what constitutes a watercourse remains a point of contention with the farming profession, particularly in view of climate change, which is changing the status of watercourses.
- GAEC 5: Management of ploughing to reduce the risk of soil degradation. These provisions prohibit ploughing on waterlogged or flooded soils and restrict ploughing on sloping soils during certain periods.
- GAEC 6: Ban on bare soil during sensitive periods.
- GAEC 7: Crop rotation. This condition, which applied to green payments under the previous CAP, has been extended to all payments. It is therefore necessary, even if there are many derogations in practice, to have a main crop different from that of the previous year on at least 35% of the area under field crops (arable land excluding grassland, herbaceous forage and fallow land). However, intercrop cover, a large area of grassland or small farms are exempt, as are organic farms.
- GAEC 8: Maintenance of landscape features. The third condition, which applied to green payments, has been extended to all aids. Whereas the percentage used to be 5% minimum of areas favourable to biodiversity, the criterion is now more flexible for Member States. In the French NSP, at least 4% of the arable land on the farm must be devoted to non-productive elements. There are derogations for lower thresholds, provided that catch crops are intercropped, or that three quarters of the arable land is grassland or legumes, or that the farms are small. Another component of GAEC is the maintenance of topographical features (which existed previously), i.e. hedges, copses and ponds, with fairly complex equivalence grids. Hedgerows must also be pruned outside the bird nesting season.
- GAEC 9: Ban on converting or ploughing permanent grassland in Natura 2000 sites.

In addition to these GAECs and compliance with European directives, there are also social conditions: certain legal or administrative decisions relating to labour law can lead to a reduction in aid.

7. The second pillar

The French NSP makes relatively few changes to the conditions for granting aid under the second pillar, which was already largely distributed on the basis of criteria specific to Member States or even to regions within those States. Compensatory allowances for areas with natural handicaps (ICHN) represent just over €1 billion annually. They are distributed in eligible regions on the basis of aid per hectare or per animal. The amount varies from €70/ha up to €385/ha in high mountain areas, with adjustments based on animal density.

AECM is an aid scheme based on a voluntary environmental contract. Two types of measure are available: so-called "system" measures, with specifications covering 90% of the farm's land. There are also a number of regionalised measures, adapted to local conditions and covering very different types of contract.



Support for conversion to organic farming has been maintained, but support for maintaining organic farming, which previously existed in France, was abolished in the NSP. The NSP still aims for 18% of the UAA to be farmed organically by 2027, but this figure seems unrealistic.

Other 'rural development' aids under the second pillar have been maintained, such as the LEADER programme (which encourages inter-regional cooperation), and specific aids managed by the regions. It should be noted that the French NSP allocates €186 million a year to multi-risk climate insurance and the health and environment mutual fund.

8. Limited impact of the "new CAP" for French farmers

Overall, the French NSP should not bring about any major changes for farms compared to the previous situation. In any case, it should not disrupt production systems or farm incomes.

The most notable changes are the abolition of the green payment and the creation of ecoschemes. The green payment, which represented 30% of the first pillar budget, was presented as a major innovation by the European Commission when it was introduced in 2013. For the first time, a common set of cross-compliance conditions was imposed on all Member States under the first pillar. However, this green payment has not lived up to the challenges. It has been the subject of very negative reports by the European Court of Auditors, which has deplored the fact that it has been rendered largely ineffective by the amendments of the Council and Parliament (the possibility of counting areas of leguminous protein crops as biodiversity reserves, even if they are intensively cultivated) and also by the derogations and adjustments granted by the Member States. France, for example, counted intercrops as "different" crops, allowing monoculture farms to meet the crop "diversity" criterion, which was a clear distortion of the spirit of the green payment. In fact, the European Court of Auditors found that the vast majority of European farms had been able to receive this payment without changing their cropping system. However, the conditions for granting ecoschemes in the French NSP after 2022 also seem to allow almost all farms to benefit from this aid without changing their practices, as a recent study suggests (Lassalas et al, 2023).

The other change is the extension of the criteria that governed the granting of the green payment to all aids by integrating them into the GAECs. GAECs 7 and 8 could introduce changes in practices, particularly as the criterion is now "rotation" rather than crop diversity. Nonetheless, the national derogations that allowed the constraints associated with green payments to be significantly relaxed remain more or less the same in the French NSPs. We should therefore not expect any significant changes to the cross-compliance of aid.

9. The ambitions and limitations of the French PSN

The ambiguities of the PSN

The French NSP seems to be trying to navigate between several objectives. One of the stated ambitions is to increase protection of the environment affected by agricultural activity, particularly in terms of nitrogen pollution, chemical pollution from plant protection products, methane emissions, water abstraction and the destruction of biodiversity. Nevertheless, the economic objectives of maintaining competitive agriculture clearly prevailed in the trade-offs that led to the current NSP.

France will transfer €3 billion from the first to the second pillar over the period 2023-27, while other European countries are moving in the opposite direction, reducing the resources available for environmental programmes in favour of much more generic aid. Nevertheless, France is only allocating the minimum authorised in the budget to ecoschemes (around €8.4 billion over the period).



France respects (and even exceeds) the expenditure allocated to the environment in the second pillar, but only because it counts the ICHN as expenditure in favour of the environment, which is questionable. ICHNs have an ambiguous effect: they help maintain grasslands and their positive externalities (opening up of the landscape, management of water flows, biodiversity, carbon) but encourage the rearing of methanogenic ruminants. Coupled aid for cattle does have a ceiling, but the exemption from density constraints for the first 40 Cattle Unit Equivalent could in practice encourage the intensification of livestock farming on small farms.

Support for organic farming through conversion aid and eligibility for ecoschemes is significant, but with the abolition of maintenance aid, the incentives to remain 'organic' are likely to be insufficient. This abolition seems particularly incongruous in view of the fall in demand observed in France since 2022 and the crisis facing organic farmers in 2023.

Basic payments, which are subject to relatively unrestrictive GAEC, represent a budget double that of payments under the ecoschemes. Moreover, these schemes are not very demanding. The environmental impact of the certifications that make farmers eligible for ecoschemes-s, for example, seems particularly low. What's more, French ecoschemes have an ambiguous status by their very nature: they are income supplements, granted without any real attempt being made to remunerate an additional effort in relation to fairly "standard" practices.

Little ambition in the face of the major challenges facing agriculture

Agriculture is facing a number of challenges: it has been emphasised how much it is contributing to the fact that the 'planetary limits', beyond which the planet's resilience capacity has been exceeded, in the areas of climate, soil, water, biogeochemical pollution (nitrogen and phosphorus), toxic molecules (pesticides) and biodiversity (Sutton 2011; Steffen et al, 2015; Richardson et al, 2023). Compared to these challenges, the amounts allocated to directly address these issues in the French NSP seem somewhat derisory. Overall, the answers to environmental challenges could be found in the second pillar, but in the French NSP, the 500 million euros a year allocated to the AECMs seem very meagre compared with the 14 billion euros in annual public aid to agriculture.

In terms of climate and nitrogen pollution, it is hard to see how ambitious the French NSP is. The coupled payment for legumes can reduce the consumption of synthetic nitrogen fertilisers and deforestation in third countries by reducing soya imports. But industrial crops that pollute are also benefiting. Climate related AECMs are very few in number and involve a very small budget, so their impact on greenhouse gas emissions is probably negligible. This is to be feared in the case of AECM 70.27 "transition of practices", which is aimed in particular at reducing the carbon footprint. Measures to support carbon storage (the "organic" ecoscheme, AECM 70.08 on soils, support for permanent grassland through GAEC 1 and 9, the "practices" ecoscheme) are also very limited in scope.

On water, AECMs (70.06 on water quality in field crops and 70.09 in perennial crops, 70.25 protection of water resources in Corsica) are available, but here too the budget allocated seems minimal in the face of the challenges. For soils, a proposed AECM has ambitious objectives (70.90) but the funding is less than 0.05% of the budget... here again it is difficult to believe that it will halt the degradation of arable soils, from which almost a fifth of French soils are suffering. GAEC 5 (ploughing practices on erosive soils) and 6 (cover) could nevertheless have a favourable impact in limiting compaction and erosion.

With regard to biodiversity, given the catastrophic figures for the main indicators (common birds, butterflies, insects), several aspects of the NSP address the problem, but only marginally. The ecoschemes on practices will not lead to the re-establishment of a plot mosaic, which is one of the conditions for biodiversity. The practical measures to promote this mosaic are the GAEC on crop rotation and the "hedgerow bonus" in the ecoscheme. The "agro-ecological infrastructure" ecoscheme goes beyond GAEC 8 (with 7% of land rather than 4%) but is voluntary, and many farmers would do better to



access ecoscheme payments through practices, which are not very restrictive. GAEC1 (permanent grassland) and the "practices" ecoscheme on grassland can play a role in maintaining grassland, which is also a reservoir of biodiversity if farmed extensively. The AECM "transition des pratiques" (70.27) is based on a reduction in the Treatment Frequency Index, but it would be unrealistic to think that it could achieve the objectives mentioned in the European Green Deal in this area, which provides for a very significant reduction in the use of plant protection products, of the order of 50%.

Coupled aids and ICHN can help maintain extensive livestock farming, which is rather favourable to biodiversity, but with the risks of perverse effects observed in the past.⁶ The AECMs (70.27 "transition of practices"; 70.11 "pollinators" and 70.29 "bees") aim to reduce the use of plant protection products, but here too the budget is very small. The increase in the budget for aid for conversion to organic farming is one of the few positive measures that risk being wiped out by the abolition of maintenance aid, which should encourage "deconversion".

Some AECMs have a "results" orientation. This is typically the case for the AECM 70.27 ("transition of practices") and 70.10 (on specific habitats, which provides for inventories), which are undoubtedly interesting pilot operations, which if successful could give a new direction to future second-pillar aid, more in line with paying for ecosystem or environmental services. The "soil quality" AECM (70.08) has interesting technical indicators that point in this direction. Nevertheless, the move towards remuneration for practices based on results remains very limited, in particular because of the difficulty of obtaining reliable indicators of such results.

10. Is the French PSN an exception?

The German NSP seems less lax when it comes to ecoschemes. There is also the possibility of access through crop diversification (presence of legumes) but with very low levels of payment. The higher payments are reserved for genuine 'positive' actions (no plant protection products, programmes with an obligation to achieve results on grassland, agroforestry, etc.). There is a clearer focus on biodiversity in the German ecoschemes, but the take-up by farmers is still uncertain at this stage. However, there are few provisions for climate protection in the German NSP. The ecoschemes budget appears to be lower than the standard 25%, due to additional measures in the second pillar. Agri-environmental payments are managed at regional level and are fairly heterogeneous. The GAEC on soil cover seems more demanding than the French measure (80% cover instead of 72%, not limited to sensitive areas, etc.). More emphasis is placed on organic farming in Germany's second-pillar budget. Overall, the environmental ambitions of Pillar 2 are stronger in Germany, with 60% of the P2 budget actually targeted at the environment, compared with 23% in France if we exclude ICHN. Overall, however, it is difficult to conclude that the German NSP is a clearer break with the CAP of the past than that of France.

Nor does the Spanish NSP stand out for a greater break with past policies. The proportion of the budget devoted to the first pillar, and the fact that a significant proportion of the second pillar is devoted to investment, limit the ecological ambition of the NSP, even though a significant proportion (48%) of the second pillar targets environmental actions. More emphasis is placed on ammonia emissions and biodiversity than in France. The ecoschemes-regimes in France place greater emphasis on agro-forestry and carbon storage. The rotation constraints in GAEC 8 nevertheless appear to be slightly less demanding than in France.

⁶ Coupled aid for suckler cattle under Minister S. Le Foll aimed to halt the gradual disappearance of grassland by helping the livestock farmers who used it. This aid, targeted more on animals than on grassland, would in some cases have encouraged the intensification of production in order to free up land.



Ongoing work by the Institute for European Environmental Policy assessing the environmental ambitions of NSPs in various European countries suggests that France is no exception in that it has favoured continuity in its aid, and relatively unrestrictive conditions with regard to the environment (Midler et al, 2023).

Conclusion

Currently, if we add up all the 'public support' available to French farmers, including the budgets of the first pillar (over €8 billion a year), the second pillar (over €2 billion), exemptions from charges (around €4 billion, excluding social charges) and purely national aid, French farmers receive more than €14 billion a year in support from the French or European taxpayer.

This support is granted with relatively few conditions, with the exception of second-pillar aid. Overall, these transfers are difficult to justify as they stand: they have many perverse effects. And they offer few concrete incentives for the provision of public goods. Food production is obviously a crucial point, but it should not be the only one in the definition of a strategic plan, given the environmental damage caused by agriculture, whether in terms of greenhouse gas emissions, nitrogen pollution, the dissemination of potentially toxic molecules or the erosion of biodiversity.

If we were to sum up the situation that led to the French NSP, and more generally to the CAP introduced in 2023, farm incomes are so dependent on direct aid that it seems impossible to reform them. Today, entire sectors of French agriculture derive most of their income from direct aid. In some sectors, this aid exceeds current income before tax, which is paradoxical (Bureau et al, 2015). The French NSP could hardly significantly reshuffle the cards without making painful redistributions. French decision-makers chose not to take the risk.

The 2023-27 CAP gives Member States the opportunity to make ambitious reforms if they so wish. But it has to be said that, like France, the Member States have not taken the plunge. Even those who had opted for ambitious changes, such as Germany, which had undertaken to replace direct aid under the first pillar with aid geared more towards remuneration for environmental services, have not really realised this ambition.

The perverse effects of the current CAP are well known (Bureau and Mahé, 2008; Peer et al, 2017). Income support, which is mainly distributed per hectare, results in aid 'leaks' to unintended beneficiaries by capitalising on the price of eligible land. All in all, part of the support escapes the farmer and goes to the landowner, or even to non-farming co-heirs in the case of inheritance, having influenced the value of the farm. By increasing the price of land, subsidies also become barriers to entry for young farmers. Measures to encourage young people to set up in farming are an attempt to correct the effects of other CAP measures. The French NSP provides aid without addressing the root causes of the problem.

Another example of the CAP's inconsistencies is that direct aid reduces incentives to diversify by reducing income risk (Bureau et al, 2015). Farmers are risk averse and do not put all their 'eggs in one basket', diversifying their crop rotation and even their activities. The 'certain income' from direct aid alters this aversion and indirectly encourages specialisation. This specialisation increases exposure to harvest and price risks, and results in greater phytosanitary treatments than with long crop rotations and diversified crop rotation. The introduction of ecoschemes and GAEC to encourage crop diversification therefore responds to a problem largely created by the policy implemented. "Income stabilisation instruments" and insurance are also subsidised to minimise the effects of this specialisation on the exposure to risk to which direct payments contribute. However, insurance also encourages specialisation and greater exposure to risk.... We could go on and on with examples of measures taken to resolve a problem that was at least partly caused by a previous measure.



The CAP is a source of very substantial transfers, in France as in the other countries of the European Union. However, these transfers do not attempt to meet a social objective, or if they do, it is in a very questionable way. Aid per hectare is hardly redistributive, or even anti-redistributive. What's more, CAP subsidies are concentrated on a small proportion of beneficiaries who are not the most modest: 130,000 of the 7 million European farmers receiving subsidies receive a third of the total subsidy budget. Above all, the current CAP aids, which depend on surface area, help the largest farms to have additional resources to buy out neighbouring farms and contribute to the increasing concentration of production. The French NSP, which claims to defend the family farm model, is no exception to this paradox.

With a much less common CAP, one might have hoped that the Member States would have attempted to address these now well-known shortcomings of the CAP in much greater depth. The French NSP does not do this, and postpones the necessary overhaul of agricultural support until a later date.

Declaration on the availability of data and models

The data supporting the results presented in this article are available on request from the author of the article.

Declaration on Generative Artificial Intelligence and Artificial Intelligence Assisted Technologies in the Drafting Process.

The authors have used artificial intelligence-assisted technologies to translate from French to English.

Declaration of interest

The authors declare that they do not work for, advise, own shares in, or receive funds from any organisation that could benefit from this article, and declare no affiliation other than those listed at the beginning of the article.

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