

Poor harvests in France are expected to cost 0.2 points of annual growth in 2024

Climatic conditions in 2024 were very unfavourable for agricultural production, especially crop production. Heavy rainfall in the winter of 2023-2024 resulted in a sharp decline in cultivated areas, and following this, the lack of sunshine and excess humidity during spring 2024 led to a collapse in yields, especially cereals (wheat, barley). Wine production was also down in 2024. Thus, production in the agricultural branch as a whole is expected to fall by 3.6% in 2024. In 2025, assuming a return to normal for crop cultivation, it should increase by 2.5%.

The value added of the agricultural branch looks set to fall back more sharply than production in 2024, due to less volatile intermediate consumptions, it should then also rebound more strongly in 2025. All in all, the agricultural branch is expected to take about 0.2 points off gross domestic product growth in 2024, and make a positive contribution of 0.1 points in 2025.

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Agricultural production is expected to decline sharply in 2024

In 2024, production in the agricultural branch¹ in France is expected to fall back by 3.6% on average across the year,² after increasing for three consecutive years (► **Figure 1a**). This sharp decline is due mainly to a drop in crop production (► **Figure 1b**), which represents about 60% of agricultural production, and which is likely to decline by an average of 6.2% across the year³ (after +5.9% in 2023). Conversely, animal production,⁴ which represents about 40% of agriculture, is expected to rebound slightly (+1.0% in 2024 after -3.5% in 2023).

Cereal crops (around a quarter of crop production) look set to tumble by almost 16% in 2024, after the rebound recorded the previous year (+7.2%). Production of soft

wheat in particular is likely to be the lowest recorded in forty years due, on the one hand, to the effect of the significant reduction in cultivated surface area (-12%) after heavy rainfall in Q4 2023, and on the other hand, to the dramatic fall in yields (-17%) caused by a lack of sunshine and excess humidity during the spring. Barley production too is expected to decline by almost 20% in 2024, hampered by the significant downturn in yields and areas cultivated with winter barley.

Wine production (around a quarter of crop production) is also expected to fall sharply in 2024 (-20.5% after +2.9% in 2023), due mainly to the excess rainfall and mildew that affected several wine-growing areas (Champagne, Bourgogne, Val de Loire). Hail damage in the South-West and Bourgogne, and persistent drought in Languedoc-Roussillon have also hit production this year.⁵

¹ Here the agricultural branch includes agriculture, forestry and fishing.

² Estimates for agricultural production are based on "First estimates for the 2024 agricultural accounts – Poor harvests and falling prices", *Insee Première* n°2029 of 12 December 2024. The decline in agricultural production and value added in the first three quarters of 2024 can already be seen in the quarterly national accounts published at the end of November. However, the figures from the national accounts may differ slightly from those in the agricultural accounts, as different concepts are being considered.

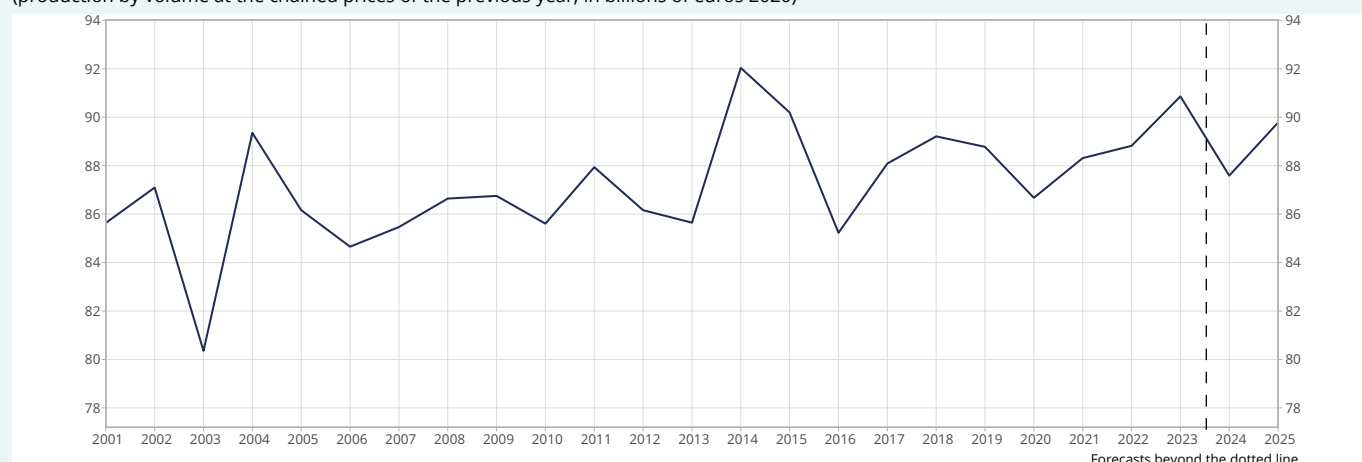
³ Data by volume at constant prices, valued at producer price.

⁴ Here animal production includes forestry and fishing (for simplification).

⁵ Agreste, Infos Rapides N°141 – Viticulture, November 2024.

► 1a. Agricultural production

(production by volume at the chained prices of the previous year; in billions of euros 2020)



Last point: 2025 (annual forecast, assuming that crop yields return to normal).

Source: INSEE.

Economic outlook

In contrast, the other components are expected to help moderate the decline in crop production somewhat in 2024. Notably, the production of fodder crops has increased sharply (+16%), driven mainly by grassland and meadow production, with grass-growing stimulated by the many rainy spells.⁶ In addition, potato production is likely to receive a boost from the installation of several processing plants in Hauts-de-France,⁷ offering new outlets for this sector: it should therefore improve significantly this year (+10.6% after +7.3% in 2023).

A less pronounced decline in production than that recorded in 2016

In 2024, the decline in agricultural production (-3.6%) is expected to be less marked than in 2016 (-5.5%), a year that was also notable for its heavy rainfall and lack of sunshine during the spring. The fall in crop production is likely to be slightly less severe than that observed in 2016 (-6.2% against -7.9%): harvests of soft wheat (-27.0% against -32.4%) and barley (-20.0% against -20.2%) are expected to shrink to similar rates to those recorded in 2016, while the drop in wine production is likely to be significantly greater (-20.5% against -6.6%). However, the very sharp increase in the production of fodder crops and flax should help offset the downturn in plant production in 2024. Animal production too is expected to be more promising in 2024 than in 2016.

This downturn in agricultural production is reflected in foreign trade. Exports of agricultural products (in volumes at the chained prices of the previous year,

6 Meanwhile, the production of maize for fodder has changed only very moderately.

7 Agreste, Infos Rapides N°142 – Grandes cultures, November 2024.

SA-WDA) have collapsed since the summer (-12.4% in Q3 2024 compared to Q3 2023), because of the sharp drop in exports of soft wheat and maize (around 80% in Q3 compared to the beginning of the year). Over this period, export prices were fairly stable, whereas they had increased substantially in 2022, then fallen back in 2023.

Imports of agricultural products (in chained volumes, SA-WDA) increased by 7.4% between Q3 2023 and Q3 2024, during a period of falling prices: the price index for imports of agricultural products has dropped by 9% since the beginning of 2024.

Assuming normal weather conditions, agricultural production is expected to rebound slightly in 2025

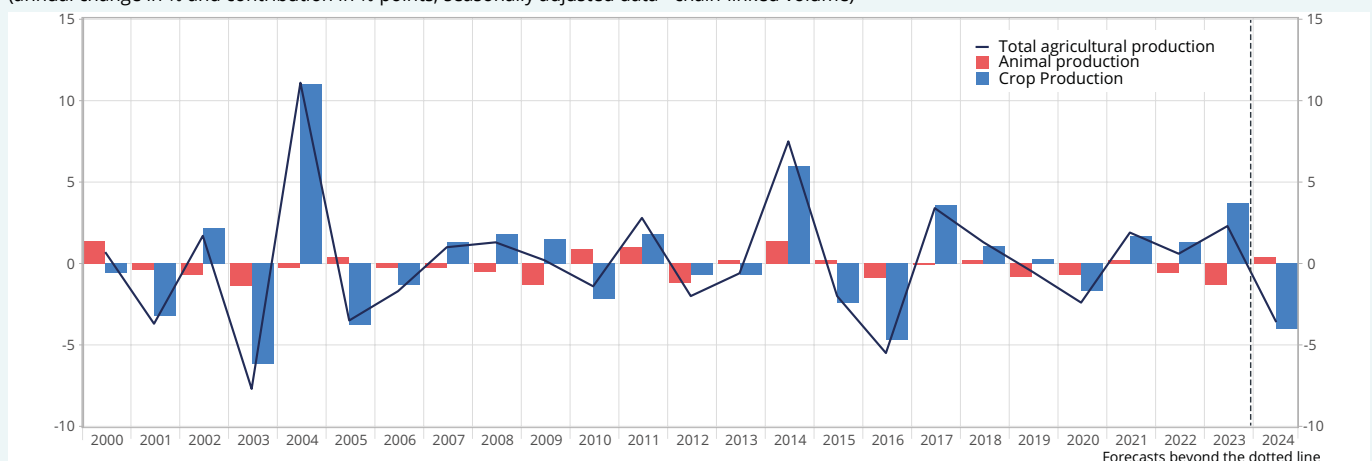
After a sharp decline in 2024, following on from a relatively favourable 2023 (► Figure 1a), production in the agricultural branch has limited potential for a rebound in 2025: assuming a return to normal in crop yields, production in the agricultural branch as a whole would increase by 2.5% (► Figure 1a). For comparison, it rebounded in 2017 (+3.4% after -5.5% in 2016), due to the strong recovery in crop production (+6.2%, ► Figure 1b).

The rebound in value added in the agricultural branch should be more pronounced

Intermediate consumptions in the agricultural branch are, by their very nature, less volatile than production, where variations depend to a large extent on exogenous factors (climate conditions, diseases, parasites). Fluctuations in its added value are therefore generally

► 1b. Change in total agricultural production, contribution of productions

(annual change in % and contribution in % points; seasonally adjusted data - chain-linked volume)



Last point: 2024.

How to read it: in 2021, agricultural production increased by +1.9%. The contribution of crop production to this increase was 1.7 points, while that of animal production was 0.2 points

Source: INSEE

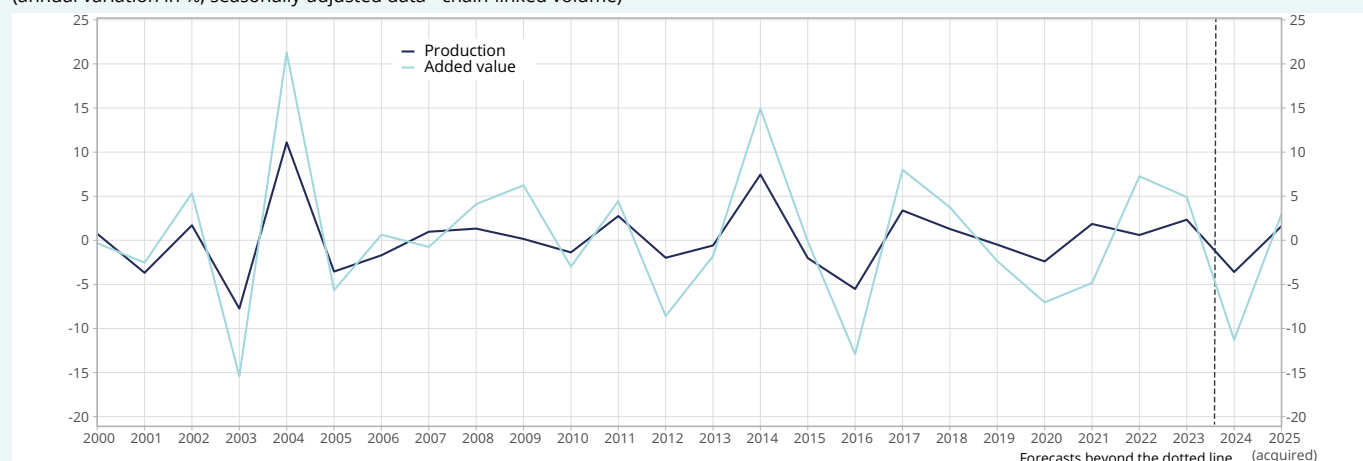
more pronounced (► **Figure 2**). Thus in 2016, when agricultural production had fallen by 5.5%, agricultural value added plummeted by 12.9%; in 2017 the rebound in value added (+8.0%) was again more than twice that in production (+3.4%). In 2024, value added in the agricultural branch is expected to contract by around 11%, before rebounding sharply in 2025.

After reducing growth by 0.2 points in 2024, the agricultural branch could contribute to an increase in GDP in 2025

In 2024, the decline in agricultural production is expected to take about 0.2 points off GDP growth (► **Figure 3**). In 2025, assuming a return to average yields in plant crops, the agricultural branch should contribute to the annual rise in GDP, accounting for 0.1 percentage points. ●

► 2. Change in production and value added in the agricultural branch

(annual variation in %; seasonally-adjusted data - chain-linked volume)



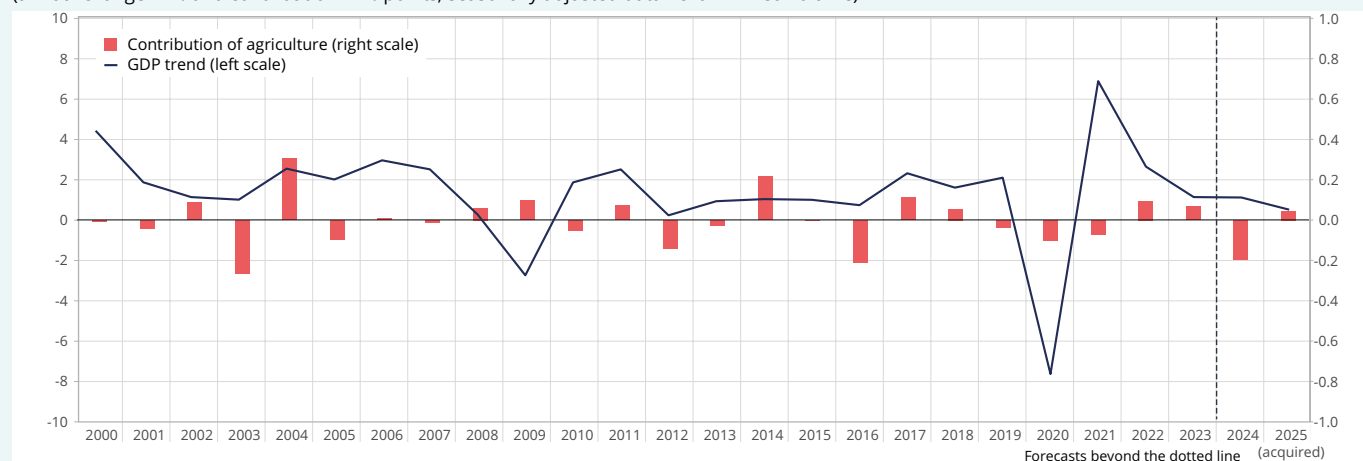
Last point: 2025 (ovhg in Q2).

How to read it: in 2023, agricultural production increased by +2.3%, while value added increased by 4.9%.

Source: INSEE.

► 3. Change in GDP, contribution of the agricultural branch

(annual change in % and contribution in % points; seasonally adjusted data - chain-linked volume)



Last point: 2025 (ovhg in Q2)

How to read it: in 2023, GDP increased by 1.1%, agriculture contributed 0.1 points to this increase.

Source: INSEE.