

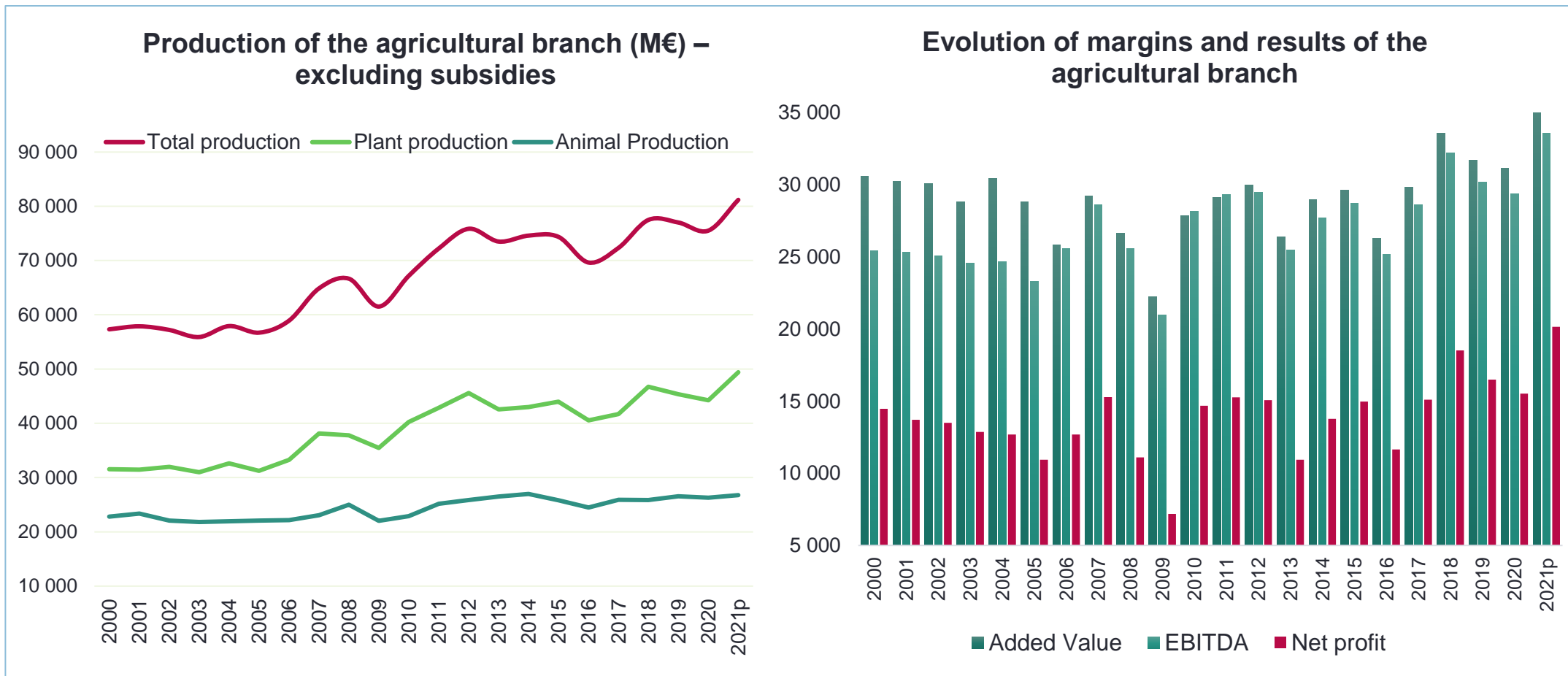


Agrievolution Economic Committee

22 juin 2022

Income and margins of farmers in France in 2021

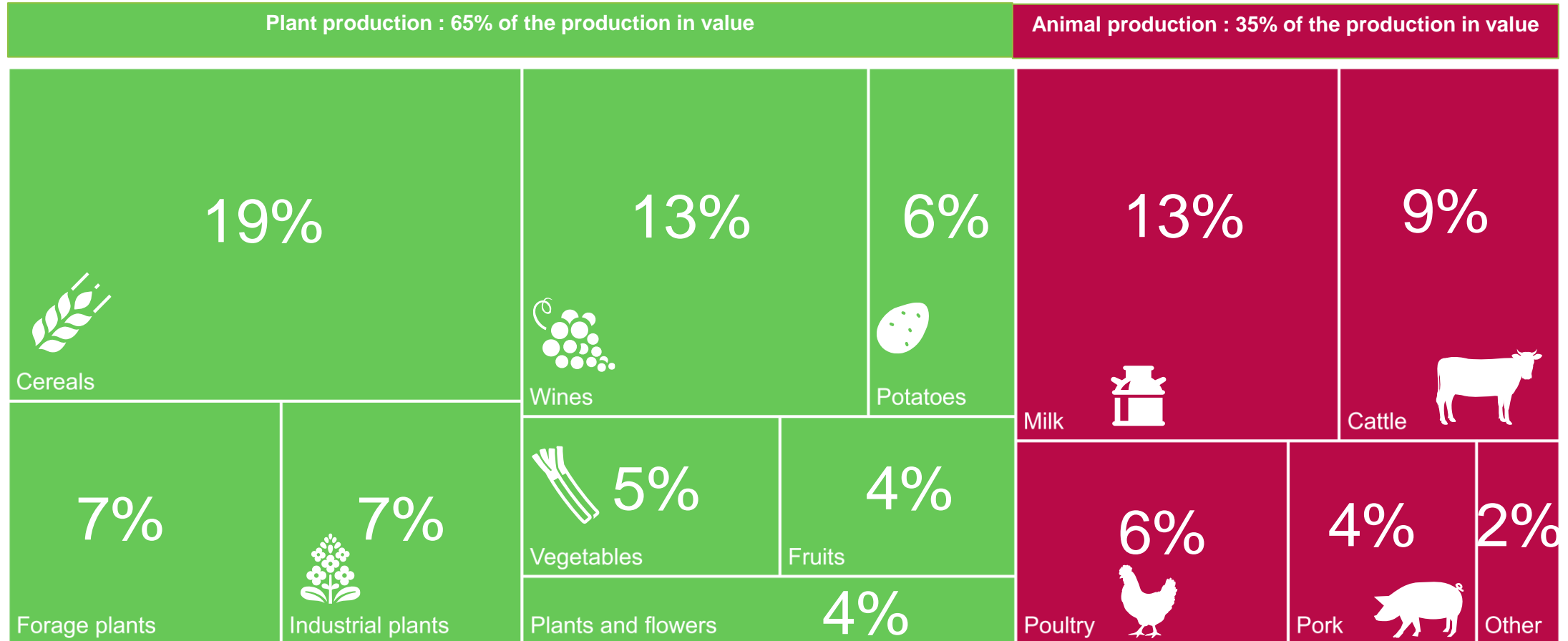
A record year for revenues and margins



Unité : million euros ; Source : INSEE ; (p) : données provisoires

The structure of French agricultural production

Cereals, wine and milk, the three main sources of income for French agriculture



Source : Insee, Compte de l'agriculture

Plant production jumps by +11.6% in 2021 and flirts with the €50 billion mark

Crop production increased thanks to higher prices, on average +12.6% for all products, and despite the decline in wine production, down -14% compared to 2020

	Growth in volume	Price growth	Growth in value
Plant production	-0,9%	12,6%	11,6%
Cereals	17,0%	24,9%	46,2%
Wine	-19,4%	7,4%	-13,4%
Industrial plants	11,7%	27,3%	42,1%
Forage plants	5,6%	-0,8%	4,2%
Potatoes	-0,2%	10,0%	9,8%
Vegetables	-2,9%	6,3%	3,2%
Fruits	-11,3%	10,4%	-2,1%

Unit : %, year-on-year growth ; Source : INSEE, données provisoires

Livestock production is also growing, but more modestly

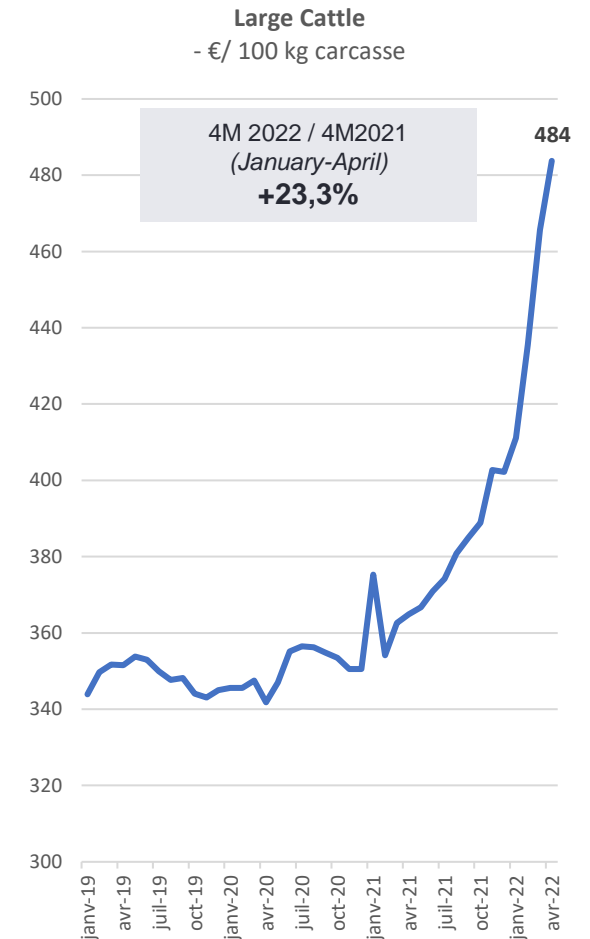
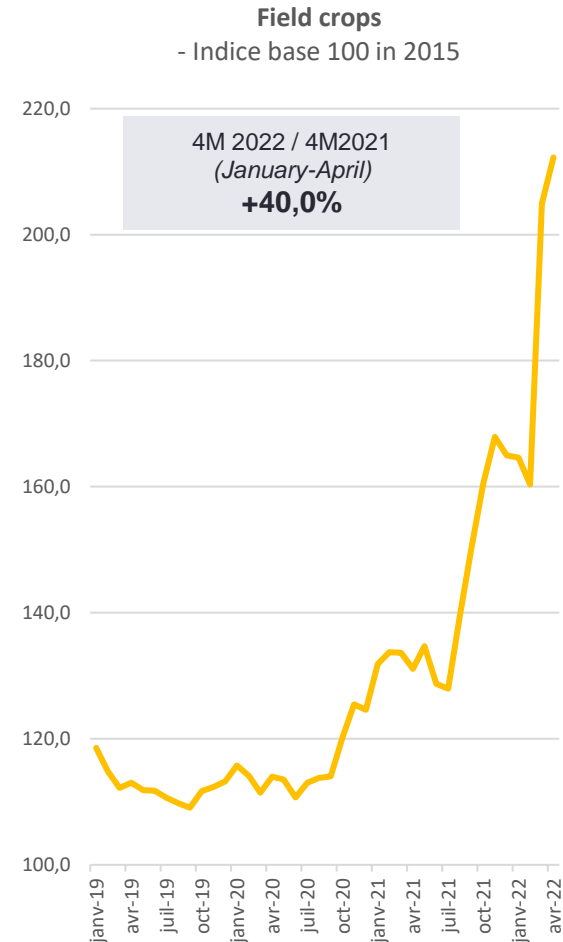
Animal production increased by 1.8% in value, as a result of a -1.6% drop in volumes produced and a +3.4% rise in prices. The balance sheet is positive for all agricultural sectors, with the exception of the pig sector

	Growth in volume	Price growth	Growth in value
Livestock production	-1,6%	3,4%	1,8%
Milk	-1,4%	3,9%	2,4%
Beef	-1,2%	5,2%	3,9%
Poultry	-2,7%	4,5%	1,7%
Pigs	-1,0%	-4,5%	-5,5%
Eggs	3,2%	4,5%	7,8%
Calves	-1,0%	7,4%	6,3%
Sheep-goats	3,0%	9,0%	12,3%

Unit : %, year-on-year growth ; Source : INSEE, données provisoires

Agricultural commodity prices: the surge continued in April (1/2)

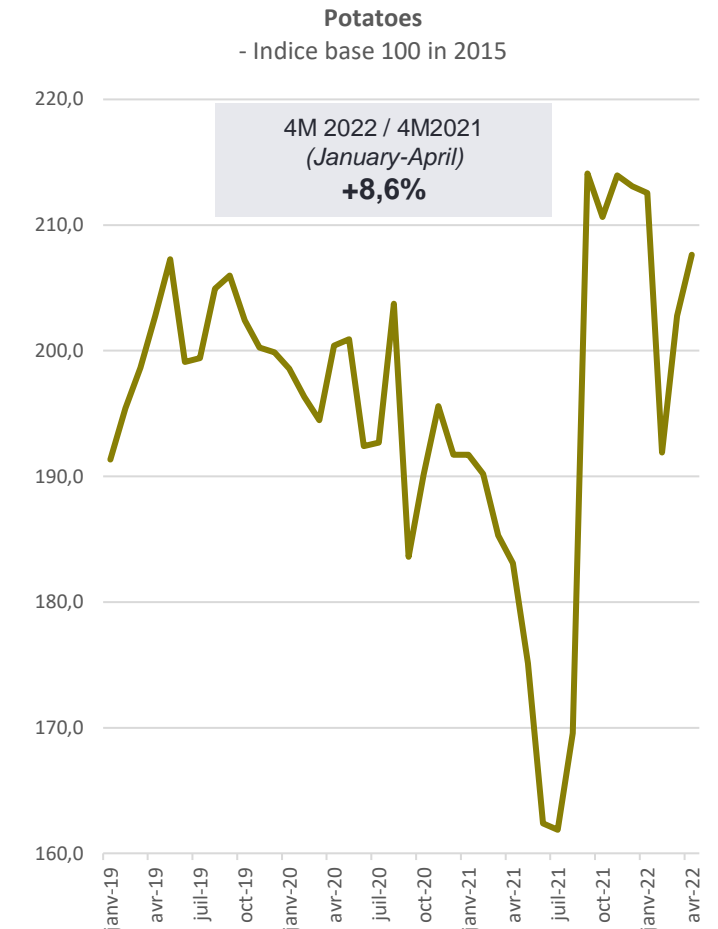
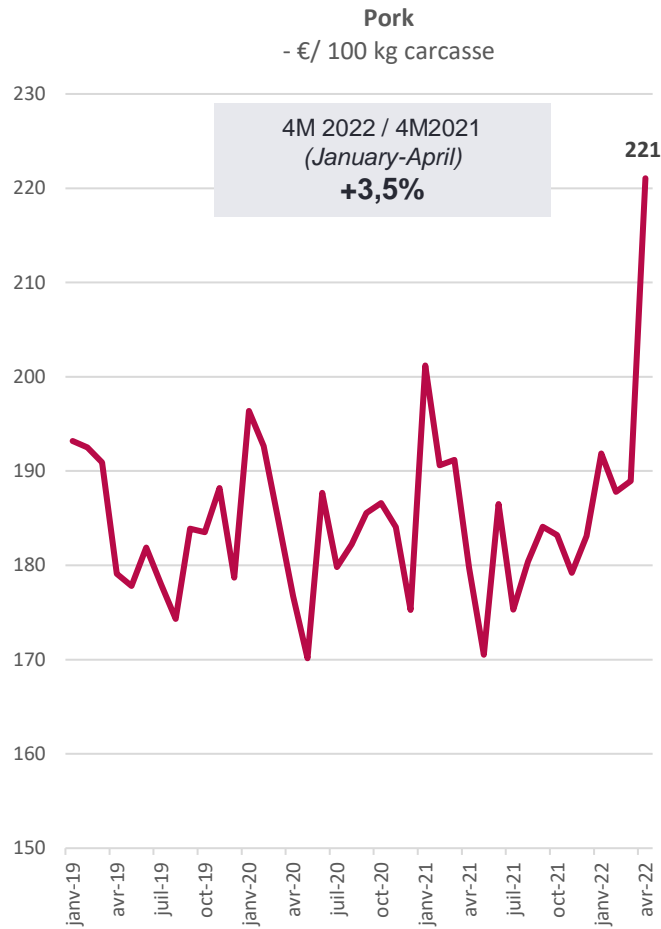
On average, agricultural prices, driven by field crops, are up 22% in the first quarter of 2022



Source : Agreste

Agricultural commodity prices: the surge continued in April (2/2)

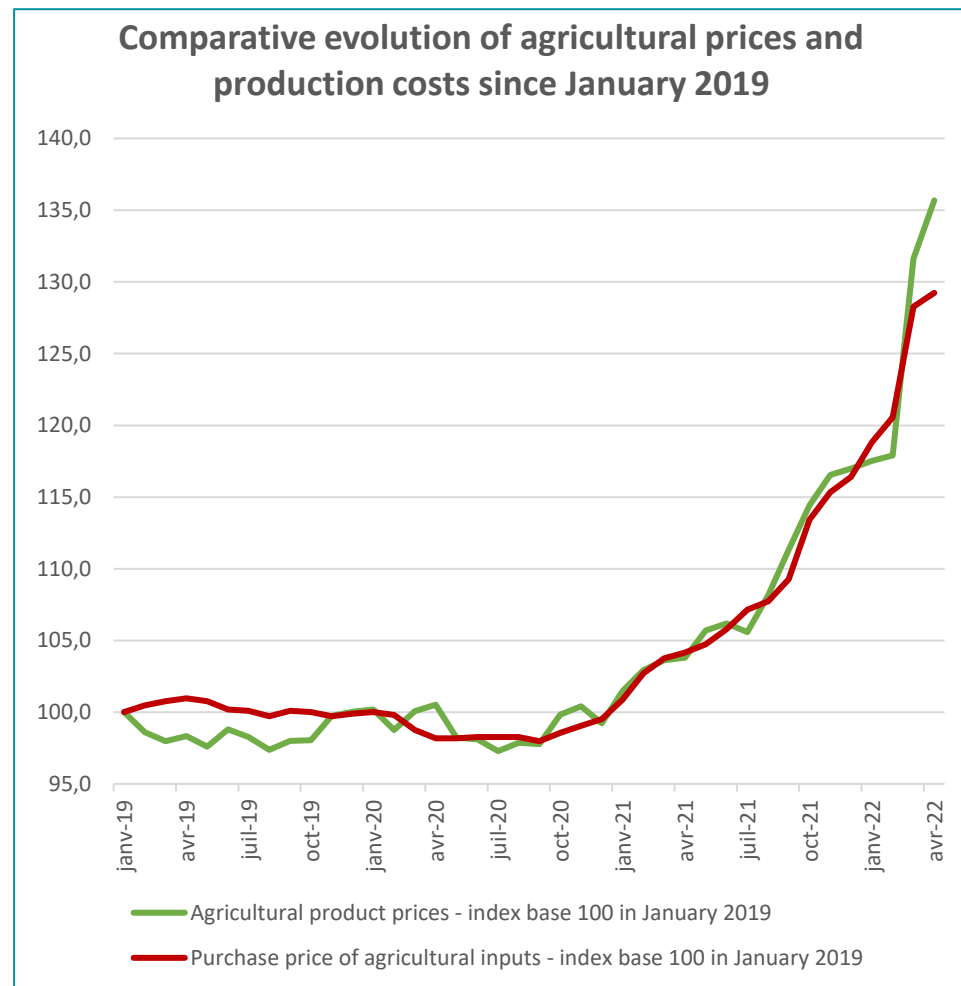
The price of pork recovered significantly in April, but on average the increase was only +3.5% over the first four months of the year. Potatoes also showed a limited increase (+8.6%) over the same period



Source : Agreste

Production costs increase at the same rate as agricultural prices

The situation does not benefit farmers, who are facing a sharp increase in their supply costs, particularly fertilizers, energy and animal feed. Conditions are even very unfavorable in the livestock, fruit and vegetable sectors



Unit : Index, base 100 in January 2019
Source : Agreste

Sectors	Agricultural price growth January-April 2022 vs January-April 2021	Growth in farm production costs January-April 2022 vs January-April 2021	Différential
Field crops	+40%	+34%	++
Viticulture	+19%	+20%	=
Milk	+15%	+24%	--
Large Cattle	+23%	+28%	-
Pork	+4%	+18%	---
Poultry	+10%	+18%	--
Vegetables	-8%	+19%	----
All	+22%	+21%	=

Unité : %, year-on-year growth
Source : Agreste – Calculs Axema

Drought concerns: poor growing conditions for the moment

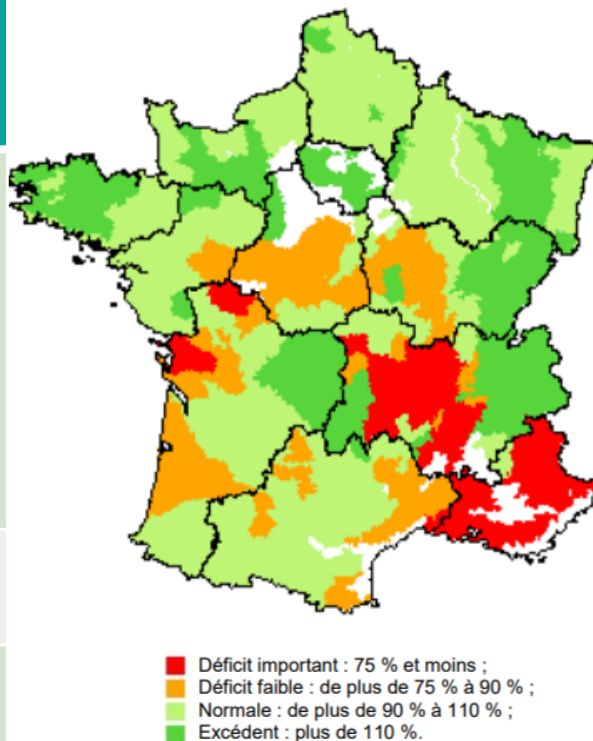
The water table is low and there are fears of water use restrictions during the summer. On the positive side, grass growth is considered normal overall, thanks to the climatic conditions at the end of the winter

CéréObs : the observatory of growing conditions in cereals (week 23)

	Good to very good conditions in % of the area at the beginning of June 2022	Good to very good conditions in % of the area at the beginning of June 2021	Comments
Common Wheat	65% ↓	81%	Growing conditions are worse than in 2021, 2019 and 2018, but better than in 2020
Winter Barley	64% ↓	76%	
Durum Wheat	61% ↓	70%	
Spring Barley	54% →	86%	Epiation stage
Maize	87% ↓	90%	Stade of emergence

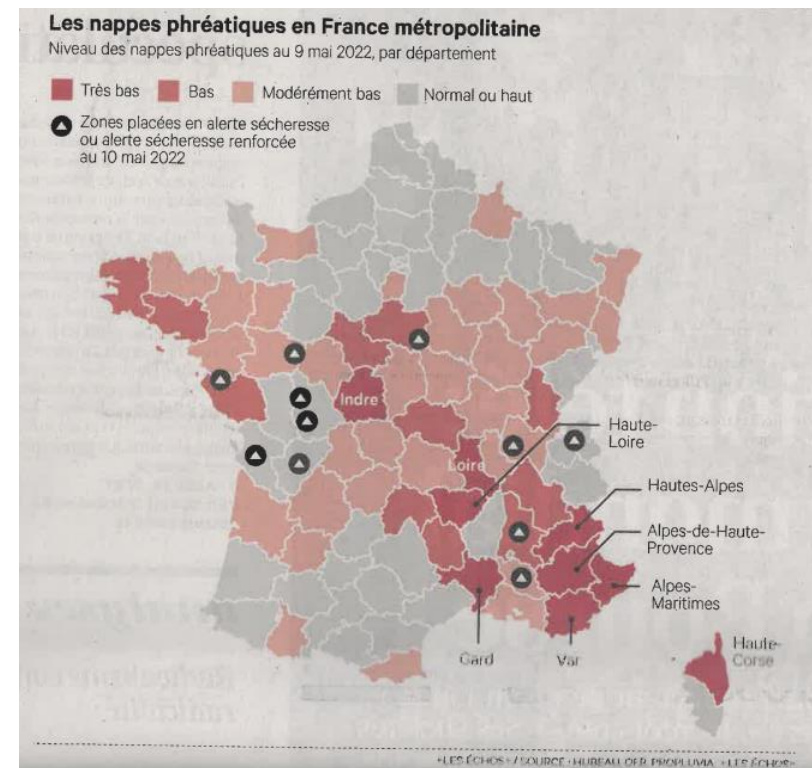
Source: France Agrimer, based on field observations made by the assessors of the departmental chambers of agriculture

Yield indicator of permanent grasslands by forage region, as of May 20, 2022



Source: Agreste – Isop – Météo France, INRAE

The situation of groundwater in mainland France on May 9, 2022



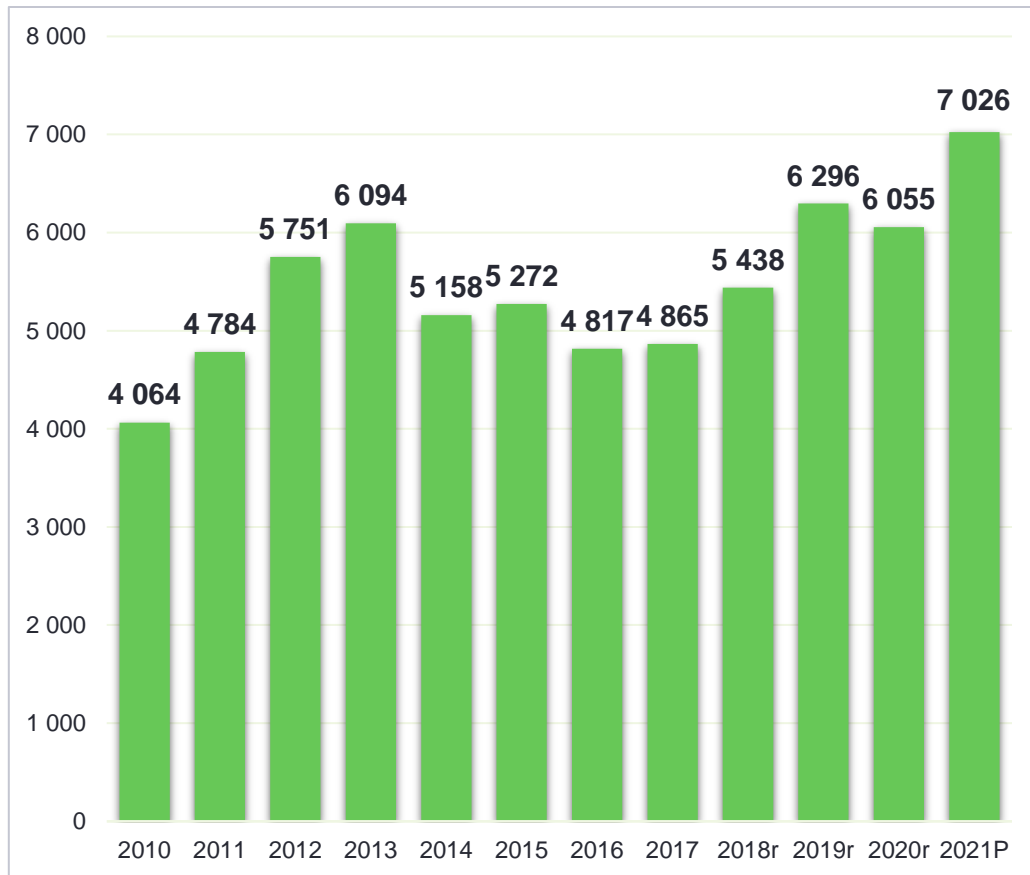
Source : Les Echos

The French agricultural equipment market broke a record in 2021 !

Wholesale sales exceeded the €7 billion mark, representing growth of +16% compared to 2020

The French market for new agricultural equipment

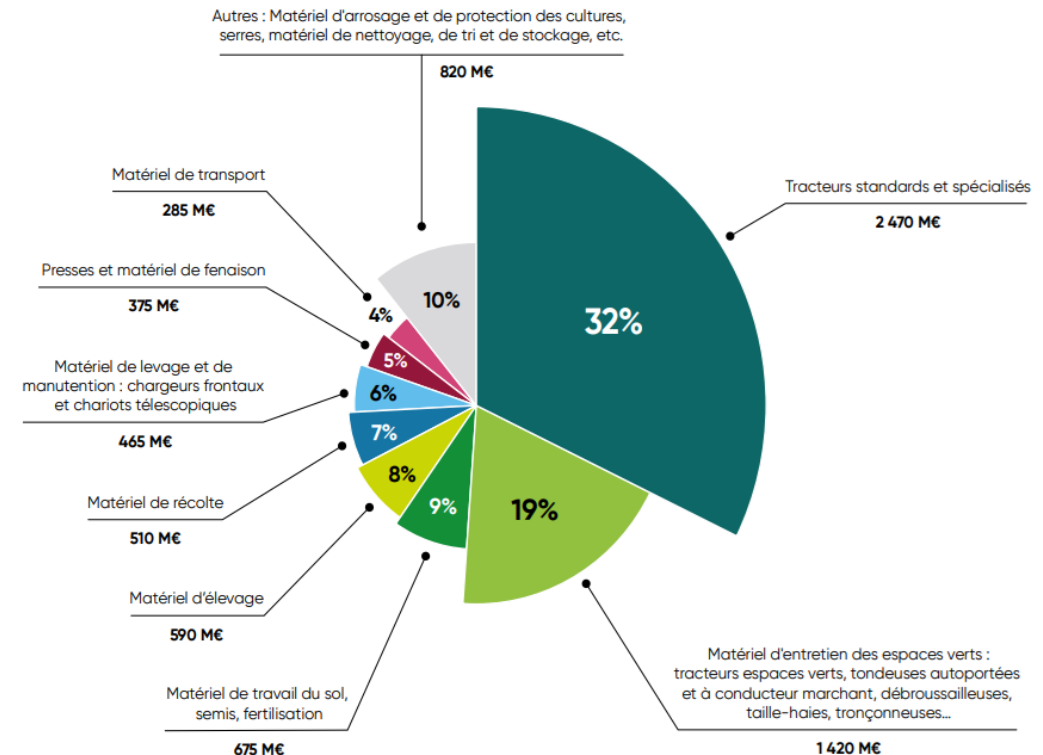
Unit : million euros



Unité : million d'euros - Sources : INSEE, douanes – P : donnée provisoire – r : données révisées

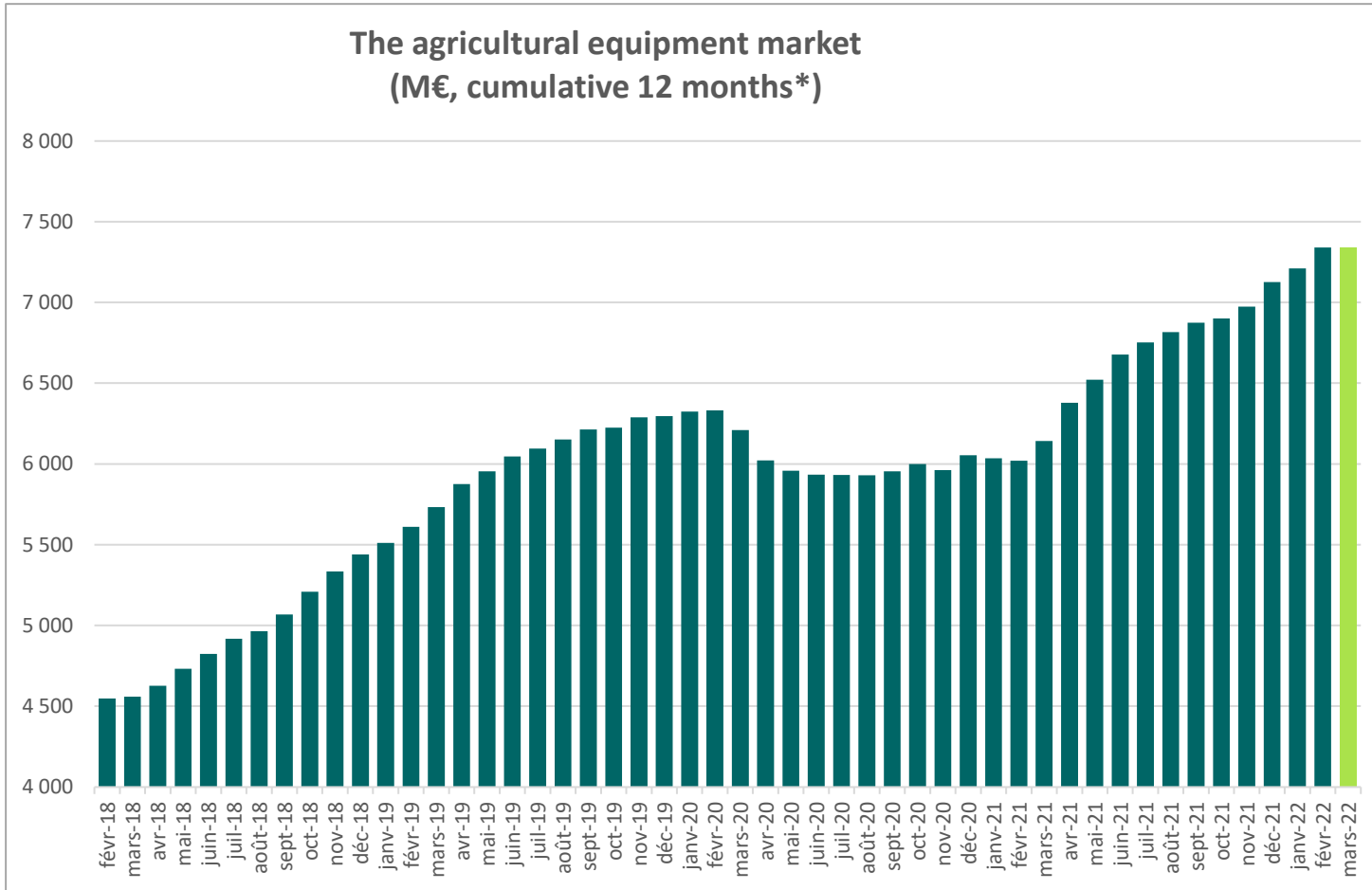
Breakdown of the French agricultural equipment market by product family in 2021

Unité : million d'euros



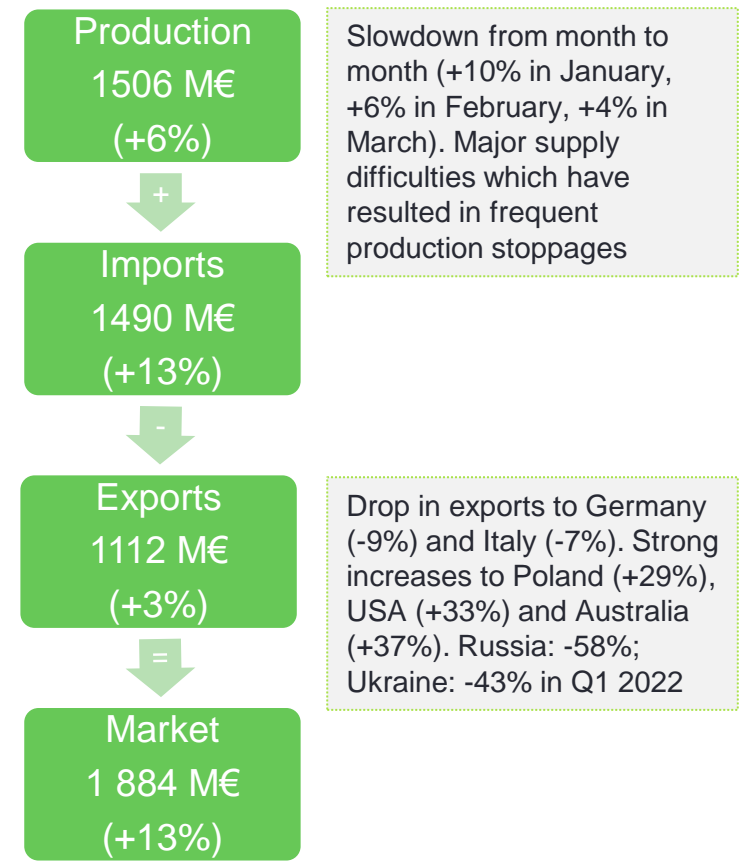
Agricultural equipment market up 13% in Q1

Driven by the value effect of price increases, the agricultural equipment market is still growing strongly, despite a clear slowdown in March (+0.1% compared to March 2021)



(*) In March 2022, the data correspond to sales over the last 12 months, i.e. from April 2021 to March 2022
Unit: million euros; Axema based on INSEE and Customs

Evolution of the agricultural equipment market in Q1 2022



The slowdown is already noticeable in the volumes ordered, sold or registered

Change in volumes ordered, sold or registered in Q1 2022 (vs Q1-2021)

Decrease < -10%	Decrease]-2 à -10%]	Stability]-2 à +2%]	Familles de produits	Growth]+2 à +10%]	Growth]+10 à +20%]	Growth > +20%
			Specialized and standard tractors (Orders)		■	
■			Telehandlers (Orders)			
			Landscape tractors (Registrations)	■		
	■		Front Loaders (Orders)			
			Combine harvester (Sales in vol.)			■
			Forage harvesters (Sales in vol.)			■
		■	Balers (Orders)			
■			Haymaking equipment (Orders)			
			Grape harvesting machines (Sales in vol.)	■		
	■		Tillage equipment (Sales in vol.)			
		■	Sowing equipment (Sales in vol.)			
			Fertilizer distributors (Deliveries)	■		
			Field Spayers (Orders)		■	
			Transport Equipment (Registrations)	■		

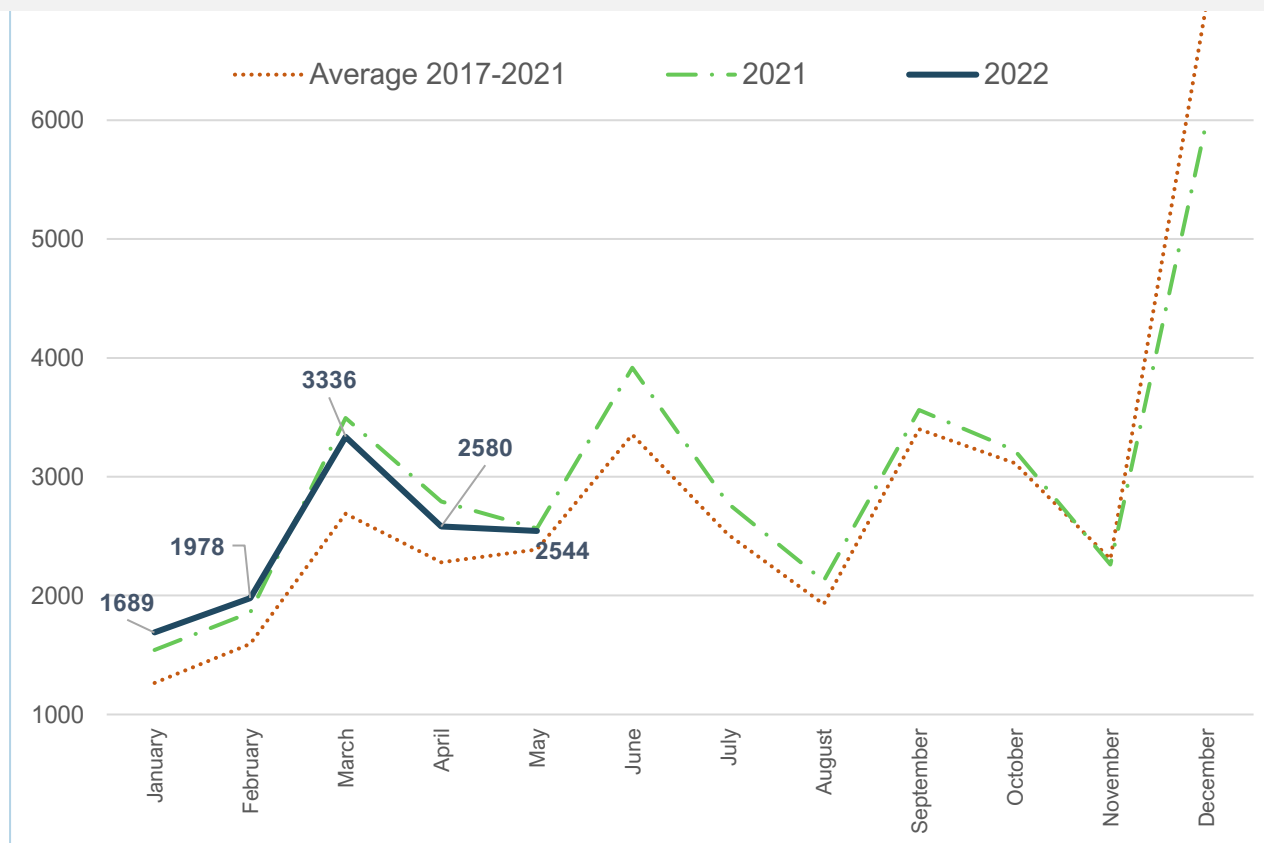
Source : Axema

In France, tractor registrations down slightly at the end of the 5 first months

Delivery difficulties - 30 weeks on average - explain the slight decline in the first five months of the year



First tractor registrations in France month by month



Unité : number of first registrations - Source : SIV-DIVA

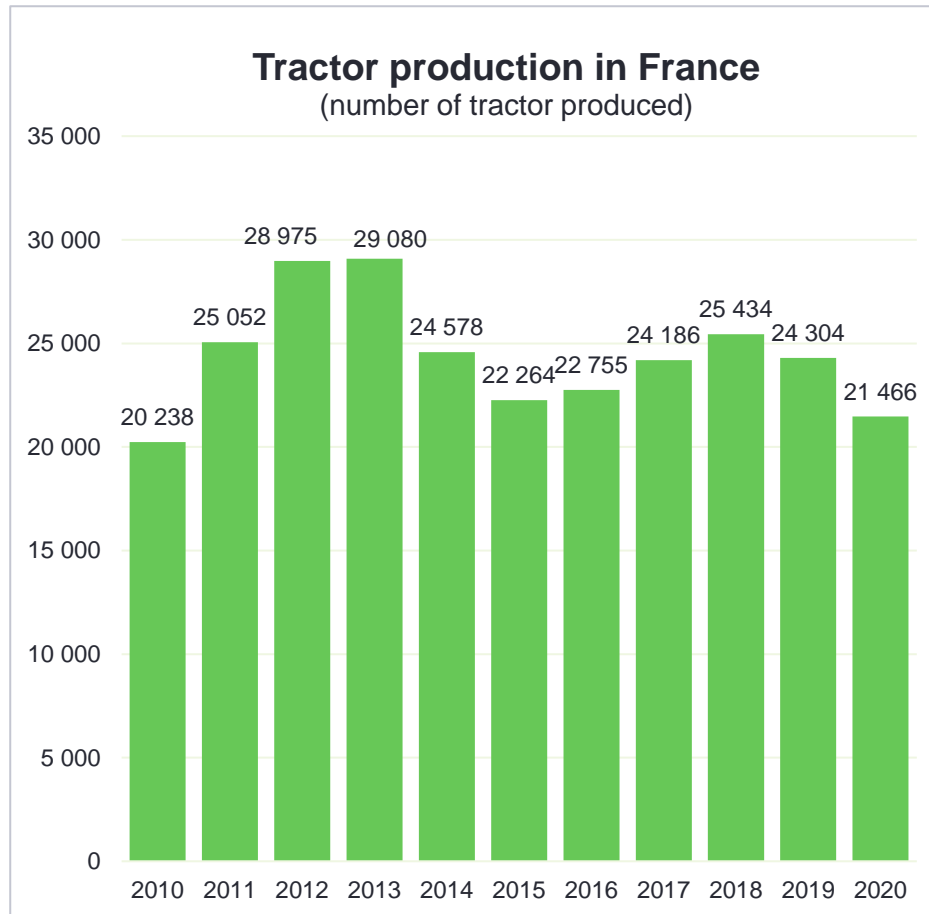


5 months 2022 vs 5 months 2021
(vs MOY 2017-2021)

Total :	12 127 (-1,0% →) (+18,8% ↑)
Of which standard tractors :	7 632 (-3,0% ↓) (+9,7% ↑)
Of which landscape tractors:	2 656 (+4,9% ↑) (+62,6% ↑)
Of which specialized tractors:	1 523 (-3,2% ↓) (+16,0% ↑)
Of which straddle tractors :	208 (+32,5% ↑) (+9,5% ↑)

Export tractor sales : +18% in 2021

French exports of tractors - new and used - increased by +17,7% in 2021, from 29,318 to 34,510 units. The share of new tractors is approximately 60%



Source : INSEE

Tractor exports from France in 2021
(number of exported tractors)

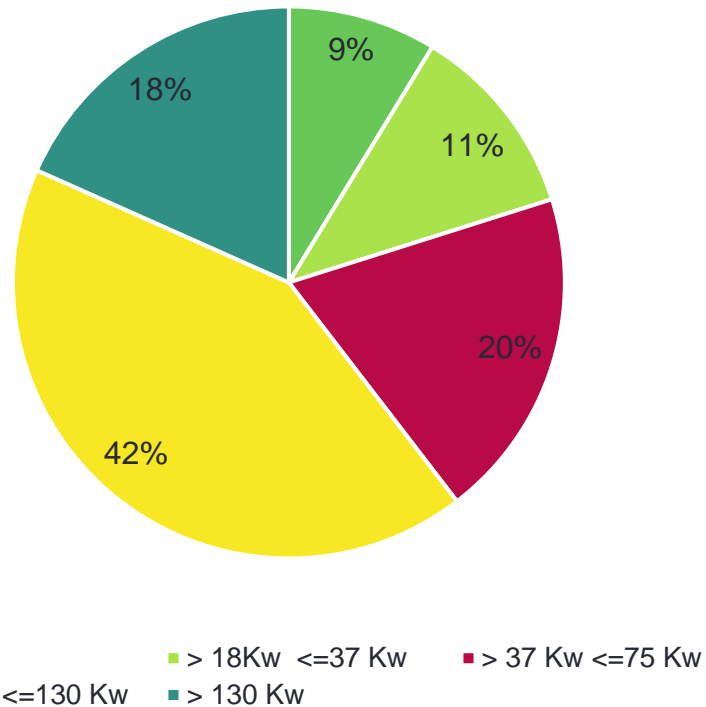
Export in volume	2020	2021	Croiss.
87019110 - Agricultural and forestry tractors, wheeled, of an engine power <= 18 kW	2 380	2 468	+4%
87019210 - Agricultural and forestry tractors, wheeled, of an engine power > 18 kW but <= 37 kW	3 447	3 941	+14%
87019310 - Agricultural and forestry tractors, wheeled, of an engine power > 37 kW but <= 75 kW	4 803	5 249	+9%
87019410 - Agricultural and forestry tractors, wheeled, of an engine power > 75 kW but <= 130 kW	12 884	15 536	+21%
87019510 - Agricultural and forestry tractors, wheeled, with engine power > 130 kW	5 804	7 316	+26%
TOTAL	29 318	34 510	+18%

Source : Douanes

Export tractor sales Q1 2022 : +7%

Strong growth for the tractors under 75 Kw

Structure of tractor exports by power range



Source : Douanes

Tractor exports from France in Q1-2022

(number of exported tractors)

Export in volume	Q1-2021	Q1-2022	Croiss.
87019110 - Agricultural and forestry tractors, wheeled, of an engine power <= 18 kW	572	780	+36%
87019210 - Agricultural and forestry tractors, wheeled, of an engine power > 18 kW but <= 37 kW	835	1 022	+22%
87019310 - Agricultural and forestry tractors, wheeled, of an engine power > 37 kW but <= 75 kW	1 372	1 742	+27%
87019410 - Agricultural and forestry tractors, wheeled, of an engine power > 75 kW but <= 130 kW	3 562	3 769	+6%
87019510 - Agricultural and forestry tractors, wheeled, with engine power > 130 kW	2 027	1 642	-19%
TOTAL	8 368	8 955	+7%

Source : Douanes

Key factors and conclusions

- **The French agricultural equipment market is slowing down, after a record year in 2021**
- **Price increases in 2021 and 2022 (between +25% and +30% in two years) in response to raw material prices are slowing demand**
- **Supply difficulties are lengthening delivery times, on average 11 weeks longer than normal**
- **Weather conditions are not favorable, with frosts in April and drought in May : harvests could be poor in 2022 in France**
- **Manufacturers fear a sudden turnaround in the market by the end of the year**

Reminder: key figures for the agricultural equipment sector in France

Manufacturers

- 450 companies
- 550 production units
- 23,600 employees
- 6,8 billion euros

Importers

- 60 companies
- 3,900 employees
- 5,9 billion euros

Agricultural equipment sector in France

- 510 companies
- 27,500 employees
- 12,7 billion euros



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