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France Adds 40% Tax Super-Deduction for Farm Investment in 2027 Budget

The three-year incentive would sit alongside retained tax credits and payroll relief for seasonal workers.

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France’s Agriculture Ministry said Monday that the government’s 2027 budget package will include a new 40% tax super-deduction for farm buildings and equipment, while keeping several existing tax credits and maintaining broad payroll relief for seasonal

farm labor.

The ministry released the details as lawmakers begin reviewing the 2027 draft budget and the related social security financing bill. The measures are part of a broader package the government says is meant to support investment, farm transfers, and hiring after a difficult 2026 summer that badly affected many agricultural operations.

According to the ministry, the Agriculture and Food budget in the 2027 finance bill totals €4 billion. That figure rises to €6 billion when funding for agricultural education and higher education is included. The ministry also pointed to €9.4 billion in European Union Common Agricultural Policy support and €9 billion in social and tax measures, which it said brings the overall public support framework for agriculture to nearly €25 billion.

The government had presented the 2027 finance bill to the Council of Ministers on Oct. 1. Farm unions have already said the budget is not enough, arguing that the sector needs stronger support after weather-related damage and other pressures on farm income. In Monday’s statement, the ministry said an emergency drought plan worth more than €1 billion, which is already being rolled out, will come on top of the resources planned for 2027.

The ministry also said a separate agricultural recovery plan now being prepared is intended to feed parliamentary debate on the 2027 budget. That language suggests the current package could still change as lawmakers examine the bills in the coming weeks.

The main new tax measure outlined by the ministry is a 40% super-deduction, available for three years, on investments in buildings and installations. The government said the measure is meant to support investments needed to strengthen what it describes as France’s food sovereignty. A new seed fund for food sovereignty is also due to support early-stage projects, although the ministry’s statement did not provide detailed operating rules or sector-by-sector allocations.

Alongside that new incentive, the government said it plans to keep in place several existing support measures in the 2027 budget. Those include the tax credit for organic farming, the tax credit for farms with high environmental value certification, known in France as HVE, the precautionary savings deduction used by farmers to smooth income and manage risk, and measures intended to make farm transfers and new farm starts easier.

On the labor side, the ministry said the 2027 social security financing bill will maintain the exemption from employer social contributions for occasional agricultural workers under the TO-DE system. It estimated the cost of that measure at nearly €600 million, up by €9.4 million. The relief is a longstanding issue for farm employers, especially those that depend on short-term labor during harvest periods.

That point could matter beyond the broader farm economy. In France’s wine sector, where labor demand rises sharply during grape harvest, seasonal payroll costs can weigh heavily on producers’ margins. Any continuation of contribution relief could therefore help vineyards manage hiring costs, while the investment tax measures may also be relevant for wine-growing operations planning work on farm buildings, processing facilities, or other equipment. Similar effects could extend to growers supplying fruit and other agricultural inputs used in cider, spirits, and other beverage production, depending on the final scope of the measures.

The ministry framed the package as a way to preserve existing support while adding targeted investment tools. But many details still depend on the parliamentary process. The finance bill and the social security financing bill must both move through the National Assembly and the Senate, where opposition parties, farm groups, and regional lawmakers are expected to press for changes to funding levels, labor costs, and climate-related support.

The announcement also comes at a time when French farm policy is under pressure from several directions at once: repeated weather shocks, the cost of adapting buildings and production systems, and long-running concerns over generational renewal in agriculture. The government’s decision to maintain aid for organic farming and HVE-certified farms is likely to be closely watched by producers that have invested

in those systems and argued for longer-term visibility in tax policy.

For farm businesses considering capital spending, the new 40% super-deduction is one of the clearest signals in the package. In practical terms, such a measure can improve the tax treatment of eligible investment over a set period, lowering the after-tax cost of modernizing facilities. Whether that incentive has a broad impact will depend on the final legal text, the eligibility rules, and the ability of farms under financial strain to move ahead with major projects.

The government has not presented Monday’s package as a final settlement. By linking the announcement to the upcoming agricultural recovery plan and to the parliamentary budget debate, the ministry made clear that the current proposals are part of a broader negotiation over how much support French agriculture will receive in 2027 and how that support will be distributed across investment, labor, risk management, and environmental policy.