vinetur

Aid Strengthened for French Vineyards

Ministry responds to industry concerns with concrete and accessible financial assistance

Tuesday, November 19, 2024



Annie Genevard

The Minister of Agriculture, Annie Genevard, has announced the strengthening of two key financial aid mechanisms aimed at supporting struggling vineyards. The initial presentation took place on November 5 in Fabrezan, Aude, but concerns arose within the industry over the vague details of the initial proposals. This Friday, November 15, the Ministry clarified these measures following further meetings with banking institutions, offering more concrete and accessible financial assistance.

The first mechanism is a short-term loan with a cap of 50,000 euros per vineyard, designed for winegrowers facing temporary difficulties caused by events such as extreme weather or health crises. These loans will have a duration of 2 to 3 years, with subsidized interest rates set at a maximum of 1.75% for 24 months and 2.35% for 36 months. For young winegrowers who have been established for less than five years, the interest rates will be further reduced to a maximum of 1.5% for 24 months and 2.15% for 36 months. To qualify for this support, vineyards must have experienced a revenue loss of at least 20% in 2024 compared to their historical average and must have used at least 60% of any precautionary savings they may have.

The second measure involves a consolidation loan, with a maximum amount of 200,000 euros and a term of up to 12 years, becoming available in early 2025. This support is intended for winegrowers dealing with structural issues, such as the effects of climate change. Bpifrance will oversee the deployment of this guarantee, covering 70% of the loan's value, with the cost of the guarantee covered by the State. This loan will be available only to vineyards with a debt level exceeding 50% or an operating margin (EBITDA) of less than 25% of their revenue. Additionally, banks will be required to improve loan conditions for growers, reducing the financial burden.

Jean-Marie Fabre, president of the Vignerons Indépendants, has welcomed the extension of consolidation loans to 12 years, emphasizing that a shorter term would have been inadequate. He pointed out that the average debt duration in the wine sector is between 7 and 9 years, making a longer repayment period essential to ease annual payment pressures. Fabre, who advocated for this measure during the last harvest, said that the extension would give wine businesses much-needed financial "breathing space," especially as banking pressure remains high.

The Ministry's statement underscores that these measures aim to prevent financial crises from becoming unmanageable, enabling winegrowers to enter the 2025 season in better shape and adapt to climate change. However, tensions remain high, and agricultural protests continue to call for additional measures, such as further tax reductions and a review of the Egalim law. Minister Genevard has promised that the government will keep working "tirelessly" to support French agriculture in the public interest.