



Navigating the French Agri-Food Sector

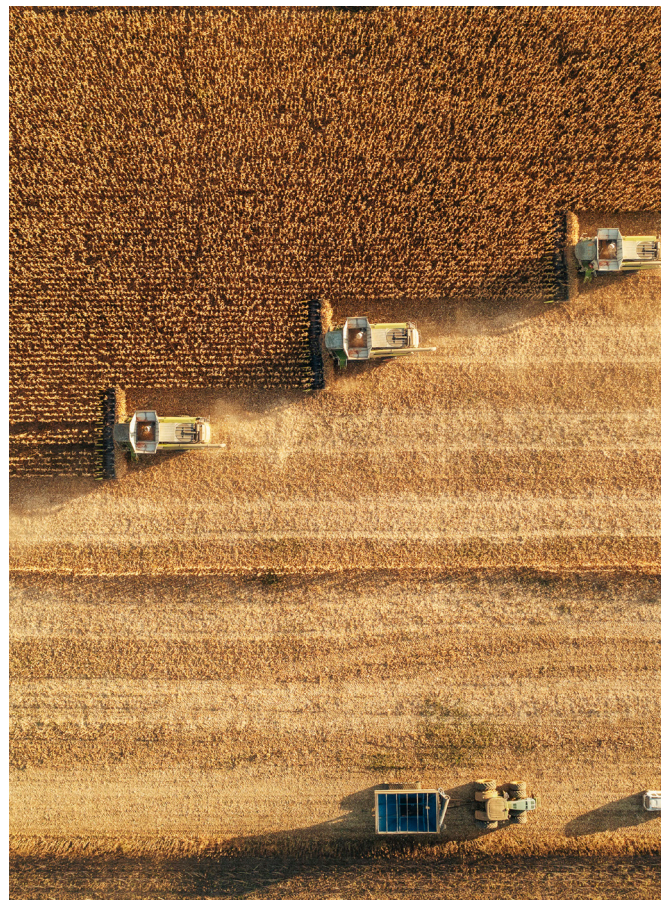
High Expectations, Conflicting Aspirations

The 2025 French Agricultural Fair will be taking place in a tense political climate, driven by significant unrest within the farming community, ongoing legislative gridlock, a new government and a new geopolitical landscape.

Unresolved issues such as stalled agricultural policies, delayed support measures and contentious trade agreements like the EU-Mercosur pact are fuelling widespread dissatisfaction.

To navigate this uncertain context, it's essential to act with caution and develop strategic measures to prepare and safeguard your business for the future. Regardless of your role in the value chain, having a well-defined stance on these pressing challenges and clearly articulating your contributions to policy discussions is imperative. Alignment at the European level remains particularly key, especially in light of the establishment of a Commissioners' Project Group on the Vision for Agriculture and Food to ensure the long-term competitiveness and sustainability of the farming and food sector.

To stay one step ahead, companies should map out their risks thoroughly and strike a balance between the conflicting aspirations of the players in their ecosystem. What are the 10 trends you need to take into account to position your business effectively and respond proactively to the challenges and opportunities ahead?



Top 10 Trends in the Agri-Food Ecosystem in France



Consumer sensitivity to food inflation remains high

Despite decades of decline in the share of household budgets spent on food, inflation is now hitting food expenses particularly hard due to the essential role of food and its symbolic weight in price perception. Faced with rising costs, households are shifting to budget products or cutting back on quantities while demanding higher quality and sustainability. This paradox forces industry players to tackle a tough challenge: delivering affordability without compromising on quality or sustainability.



Farmers' income remains a central challenge in the industry

Discussions during the 2017 États généraux de l'alimentation (Food Conference) led to measures like agricultural indicators in supplier contracts and independent attestations with automatic revision clauses. While these steps aim to protect producers, eight years on widespread adoption continues to face challenge, including conflicting interests and regulatory issues, especially for processed foods or when manufacturers buy from wholesalers. New proposals to ensure fairer rewards for agricultural work, improved stability and transparency could include a potential state-guaranteed income or tripartite contract between farmers, manufacturers and distributors.



New eating habits challenge classical nutrition narratives

Plant proteins and meat alternatives like soy, legumes and plant-based products are gaining popularity, driven by both environmental and health concerns. Traditional players are trying to adapt with a “less but better” approach in sectors such as meat. These shifts are reshaping company strategies to address diverse consumer demands, while access to nutritious food remains a challenge for many households. Companies are expected to respond to new consumer aspirations while contributing to accessible nutrition policies.



Mercosur reshuffles the deck

French farmers face pressure to remain competitive while adhering to strict EU standards on quality, sustainability and animal welfare. There are also concerns that cheaper imports could undermine France's commitment to ethical and sustainable farming, creating a tension between economic viability and environmental values. Reconciling competitiveness with these standards is a critical challenge for the sector and companies are expected to strike the right balance.



Resilient farming practices seek long-term support

As extreme weather events become more frequent, there is a growing push toward adopting resilient agricultural practices, such as drought-resistant crops, water conservation technologies and diversified farming systems. Similarly, the shift toward sustainability is driving farmers to explore renewable energy solutions, including solar panels, biogas production and wind farms. These not only reduce environmental impact but also offer farmers additional revenue streams. For example, agrivoltaics, using land for both solar energy production and agriculture, which was introduced via the law to accelerate the production of renewable energies ('APER') in 2023, is a real opportunity to revitalise rural areas and create local jobs. Policy discussions around the long-term vision, subsidies and investments for climate-smart agriculture will be key in 2025.



Innovation remains a key driver of the sector's development

Yet, the entrepreneurial landscape remains fragile with some promising technological start-ups facing critical financial difficulties. While large agri-food groups invest in internal innovation, start-ups often struggle to overcome the barriers associated with funding, regulation and market maturity. This raises the question of long-term support for these start-ups to maintain an innovative ecosystem, including from large corporates.



Food distribution is becoming increasingly segmented

With the emergence of alternative channels such as direct sales, e-commerce platforms and specialist organic shops, supermarkets – while still dominant – are having to adapt to these new consumer expectations by diversifying their offerings and focusing on local or responsible products. As a consequence, the market is splitting into a premium segment emphasising quality, local produce and innovation, and a budget-friendly segment meeting cost constraints. In addition, dark stores and fast delivery services are reshaping access to food, increasing competition between the different distribution channels.



New methods of cultivation are gaining ground

Urban agriculture, such as rooftop and vertical farms, aims to reduce food production's ecological footprint and reconnect consumers with producers. By fostering short supply chains and integrating farming into cities, these initiatives highlight the value of sustainable, local food. While their production volumes are limited and require significant investment, their symbolic and educational impact remains a key interest for public authorities and consumers.



Increasing use of digital tools for supply chain efficiency and transparency

Digital innovation is transforming the agri-food sector. E-commerce platforms connect producers directly with consumers, supporting local markets and shorter supply chains. Precision agriculture leverages data to optimise resources and boost productivity, aligning with France's focus on sustainability and efficiency. These advanced tools allow agri-food companies to enhance supply chain traceability, meeting consumer demands for transparency and ethical practices.



Higher standards and transparency

Stricter regulations from EU and French regulation on food labelling, animal welfare and sustainability are reshaping the agri-food landscape, ensuring higher standards and transparency. Consumers are increasingly scrutinising ethical practices, prioritising fair trade, worker welfare and environmentally responsible production, pushing businesses to align with these evolving expectations. Companies are expected not only to disclose more information but to also to explain it.

RENAUD DUTREIL

Senior Advisor and Former Minister
for SMEs, Trade, Craft Trades and the
Liberal Professions

LOUISON LÉREIN

Director, Head of Industrials
and Sustainability
louison.lerein@fticonsulting.com

DANA EL BATAL

Consultant, Expert in Sustainability
and Energy
dana.elbatal@fticonsulting.com

The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc., its management, its subsidiaries, its affiliates, or its other professionals. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. © 2025 FTI Consulting, Inc. All rights reserved. fticonsulting.com