

COSME Support for Danish Young Farmers

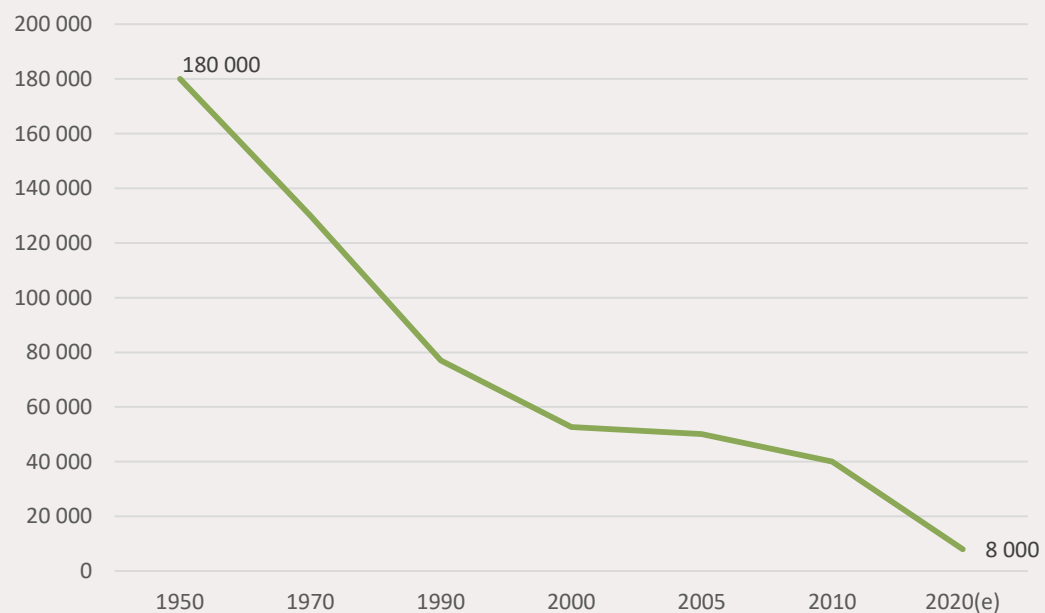
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Rolf Kjærgaard, Chief Investment Officer

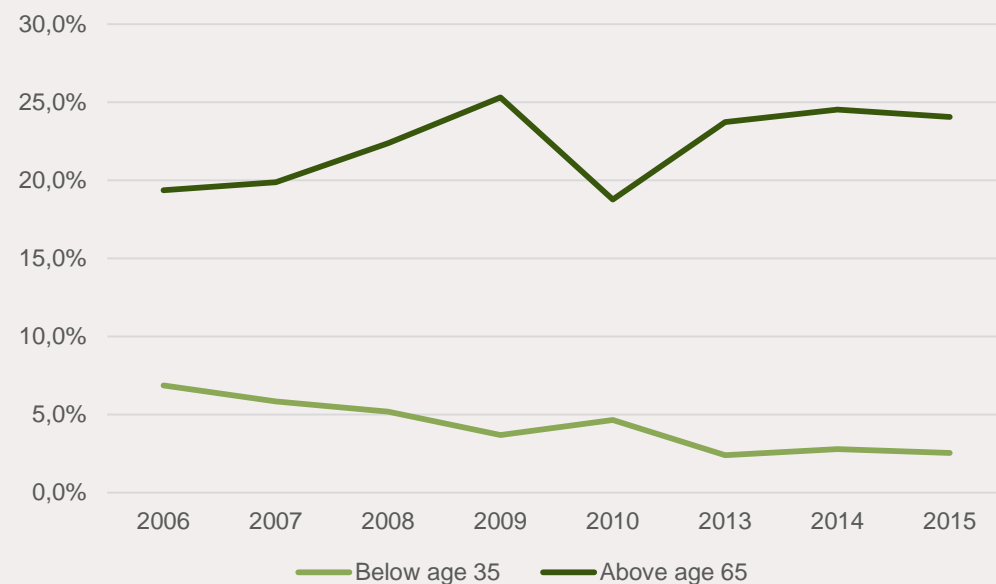


Structural Challenge: Average Age of Danish Farmers is Rising

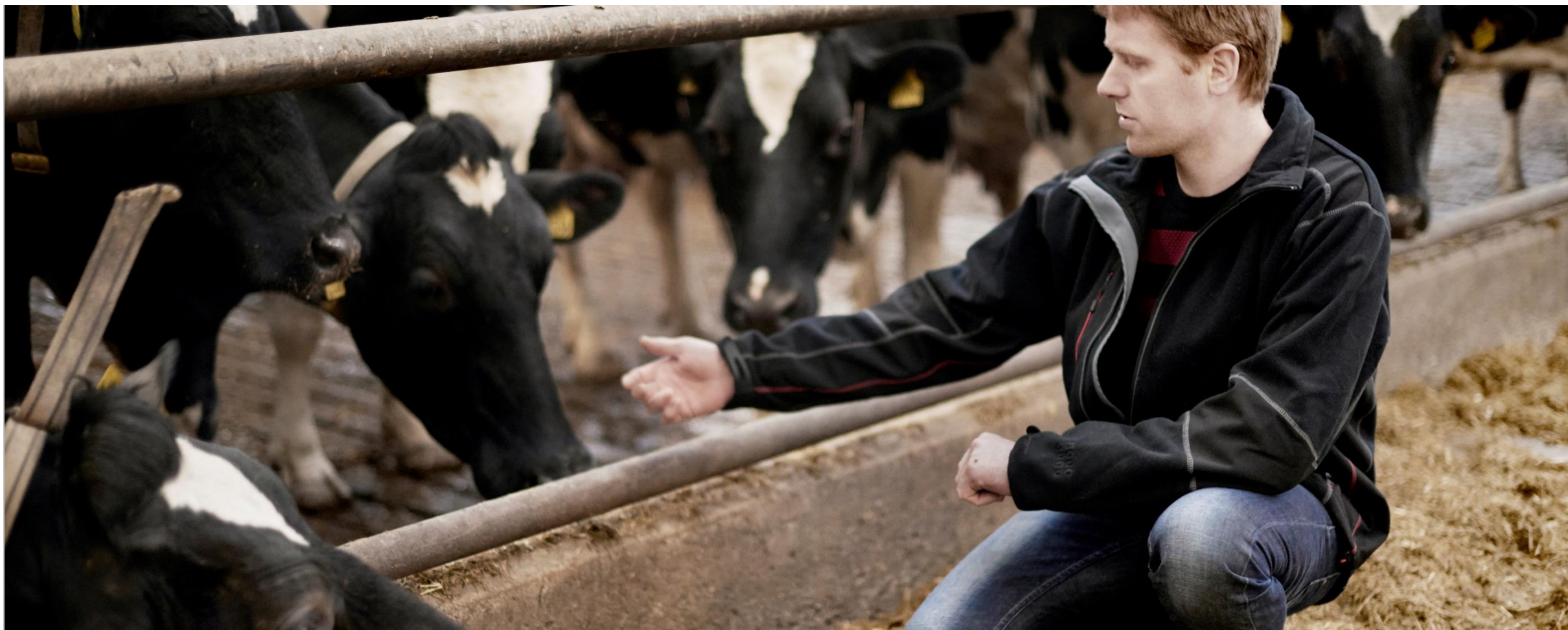
Number of farms in Denmark



Proportion of Danish farmers age 65+ and below 35



Young Farmers Lack Access to (Quasi)Equity



Farm Acquisition Loans

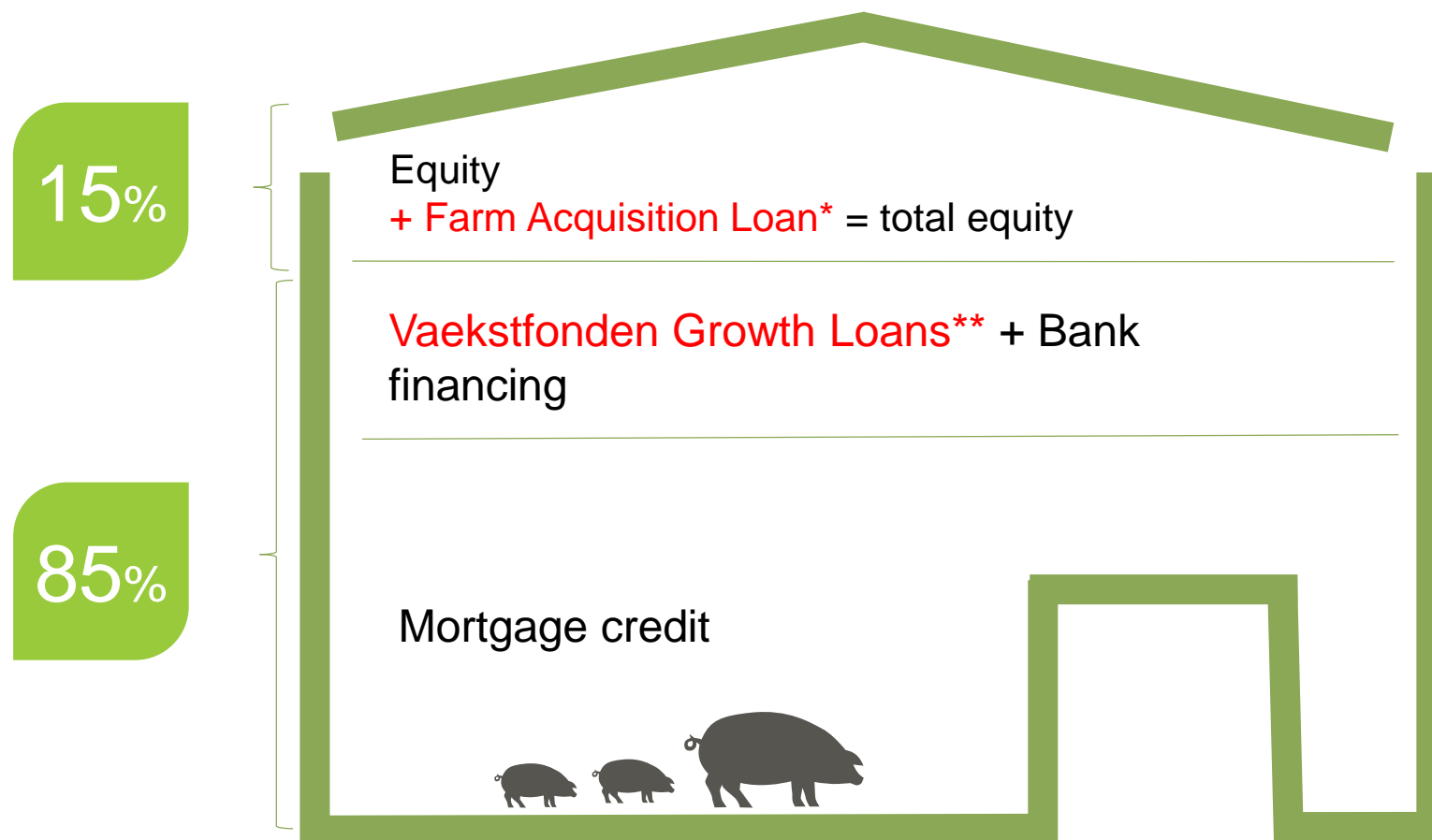
Target group

- First time buyers of farm property and production

Loan features

- Supplementing bank and mortgage institution loans
- Non-dilutive subordinated debt status
- Counts as equity in banks' borrower ratings
- Funding for investments exceeding 85 % of total asset value
- Interest rate typically 2-3 %-points higher than bank senior debt

Key Component in Total Financing Solution for Young Farmers



*Farm Acquisition Loans for farmers” is to be considered as subordinated debt

**”Growth Loans” are to be considered as ordinary debt financing

Investment Criteria

First time buyers with:

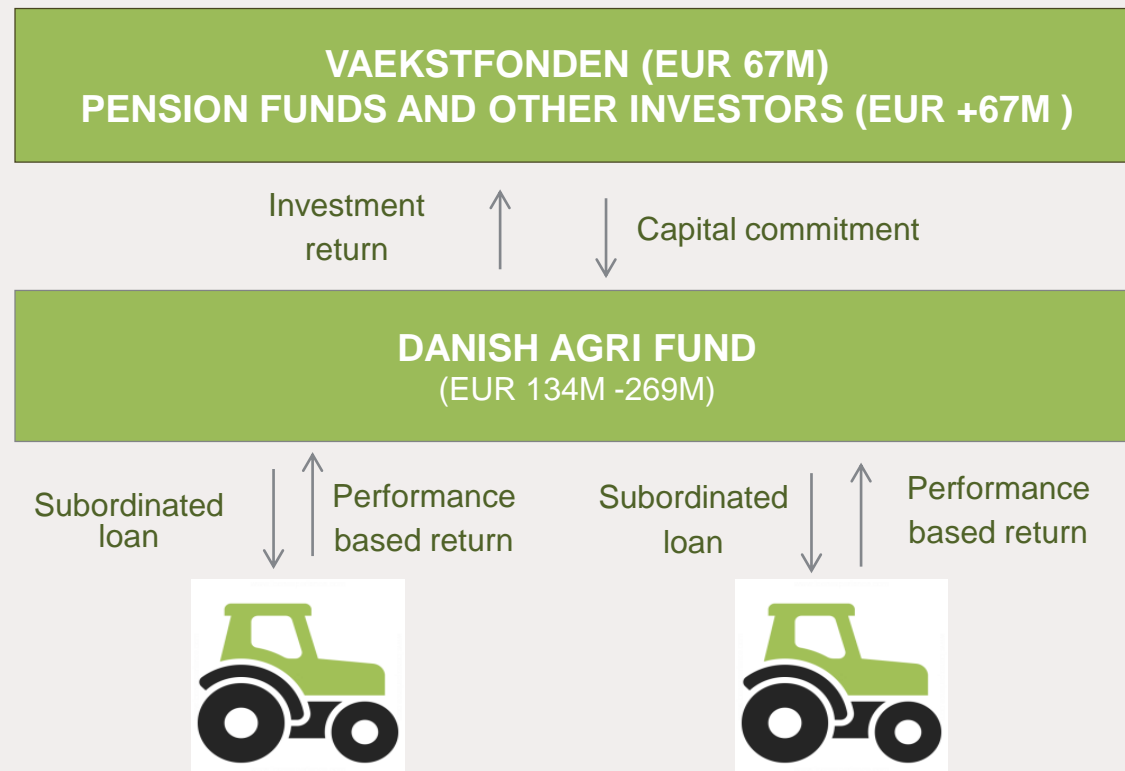
- Adequate experience and training
- Comprehensive business plan
- Budget forecasts demonstrating sufficient debt service capacity
- Personal equity to invest
- Complete financing solution



COSME Augments Total Funding Capacity for New Farms

- COSME agreement signed by European Investment Fund and Vaekstfonden as part of European Fund for Strategic Investments (EFSI).
- Enabling Vaekstfonden to provide **EUR 24m** in loans for new, independent Danish farmers over three year period
- Around 75 new farms expected to receive funding under Farm Acquisition Loan Program

New Initiative For Danish Farms: Danish Agri Fund



Contact



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