Financial needs in the Croatian agriculture and the role of financial instruments

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Setting up RDP FIs – 1st things 1st

Ex-ante analysis / Financing gap per sector

**AGRI**
> EUR 464.78 million/year

**FOOD**
> EUR 768.28 million/year

**FOREST**
> EUR 51.79 million/year
Setting up RDP Fis – 1st things 1st

Ex-ante analysis / Demand and supply

1. SHORT TERM
   - Working capital
   - Limited supply

2. MEDIUM AND LONG TERM
   - Machinery, land purchase, plant extensions, new technology,..
General RDP 2014-2020 FI settings
Types of investments, final recipients and allocation

RDP Measures / Sub-measures

Potential final recipients

- In line with relevant RDP Measure conditions and Micro/Small/Medium in size
- Family farms, Crafts, Enterprises, Producer Groups, Cooperatives

Financial allocation for Micro/Small loans under RDP (implemented by HAMAG BICRO)

- M4 – 4.1, 4.2 (Agri-food, Manure, RES)
- M6 – 6.4 (Diversification)
- M8 – 8.6 (Forestry)

+ 389 %

17.6 MEUR (15 MEUR EAFRD) in 2018
86.1 MEUR (73.2 MEUR EAFRD) in 2022
Micro/Small Loans Trends
FI implementation period 2018 onwards

Micro / Small Loans

EUR

% of paid out allocation

Allocation (EUR)  Paid out to FB (EUR)  Paid out %

2nd half 2018  4.75%  1st half 2019  54.21%  2nd half 2019  41.43%  1st half 2020  63.18%  2nd half 2020  74.89%  1st half 2021  65.30%  2nd half 2021  74.20%  1st half 2022  56.47%
Fl attractiveness = in line with the needs
Constant adaptation to the needs from „the field”

- Introduction of Micro loans for Standalone Working Capital due to COVID-19 implications
- Increase of ceiling for Small loans from EUR 50 000 to EUR 100 000
- Increase of allocation in several occasions
- Extended Maturity period for rural tourism projects in less developed regions
  - from 5 up to 7 years - Micro investment loans
  - from 10 up to 12 years - Small loans
- Extended Maturity period for perennial orchards
  - from 12 up to 60 months – Small loans
Future plans – ask them and then decide
Survey – existing and potential final recipients

1/3 previously submitted for RDP FIs
mostly primary agricultural producers

64% required amounts up to EUR 100 000

TOP 3 INVESTMENT PRIORITIES:
1. purchase of machinery/equipment
2. construction of facilities
3. purchase of land
Analysis of RDP FIs implementation
Internal MA analysis

Second hand mechanisation and live animals
Access to land
Working Capital
Young farmers

FIs 2023-2027
Proposed CAP SP FI Interventions

1. **AGRI**
   - Support for investments in primary agricultural production

2. **FOOD**
   - Support for investments in the processing of agricultural products

3. **DIVERSIFICATION**
   - Business development in rural areas
Thank you!

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