Financial needs in agriculture, fishing sector and food industry

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Summary

• Financial need in the agricultural, fishing and food industry sectors in Normandy
  • Ex-ante assessment & complementary study
  • Conclusion
• Working team
• Different steps since the ex-ante assessment
  • Legal decision of the Normandy region
  • Modification and adaptation of the budget
  • Contact with the EIF
Financial needs in the agricultural, fishing and food industry sectors in Normandy
Ex-ante assessment & Complementary study

• Degraded financing conditions were reported in the ex-ante assessment (EAA)

• A lack of credit approval has been highlighted by the EAA on the following part:
  • Working capital
  • Adaptation investment: modernisation, ecological transition
  • Project with added value improvement (economic way): new production or raw agricultural product processing

• The creation of 3 financial instruments for the agricultural sector was proposed by the evaluation
  • Guarantee fund, in order to facilitate credit access
  • Loan funds, in order to improve farmer’s working capital
  • Refundable advance
Financial needs in the agricultural, fishing and food industry sectors in Normandy
Ex-ante assessment & Complementary study

• In order to have a better understandings of the needs, the target and the amount necessary, a complementary study was done in 2021

• 4 measures will be covered by the financial instruments in the new CAP Strategic Plan:
  • Young farmer
  • New agricultural company
  • ON FARM investment
  • OFF FARM investment

• The main goal is to be able to support the farm at different stages: creation, development, new business, with complementary tools

• Possible combination of grants and financial instrument for the same project
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Conclusion

• **A EUR 35 million guarantee fund** in order to support a portfolio of EUR 210-250 million of loans in the agricultural, and food industry sector

• **A loan fund** for young farmer and young fisherman: with EUR 1 million budget annually, in order to support **45 / 50 project every year**

• Already existing guarantee fund will be used for the fish industry (without use of European funds) in order to increase and ease the creation of companies in the sector
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Conclusion

National Strategic plan

ON FARM investment

OFF FARM investment

Grant

Guarantee fund

Loan

Young Farmers
Financial needs in the agricultural, fishing and food industry sectors in Normandy

Main goal

Increase credit approval
A lack of working capital, guarantee, a long periods of repayment can affect the bank decision

Improve credit access and financing conditions
By providing funds or complementary guarantee

Promote risky projects
Especially when it comes to new business, new product or new “farmer”

Target structuring projects
Projects which will level up the company: economically, ecologically
Financial needs in the agricultural, fishing and food industry sectors in Normandy

Working team

1. Financing department
   Budget implementation

2. Farming department
   Financial instrument implementation process

3. Legal department
   Legal support with the European rules

4. Market department
   Legal support with the French law
Financial needs in the agricultural, fishing and food industry sectors in Normandy

1. Political decision
   March 2022
   - In order to go forward it was necessary to get a vote from our regional assembly

2. Budget adaptation
   March / April 2022
   - Work with the finance department to adapt the budget and the disbursements necessary

3. Comfort letter
   July 2022
   - Send a comfort letter to the EIF to formalise our request

4. Call for tender
   October 2022
   - Start of the process, in order to find a loan fund manager(s).
   - First loan signed expected in March 2023