



The fi-compass survey on the financial needs of farmers and agri-food businesses

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✕ #ficompass



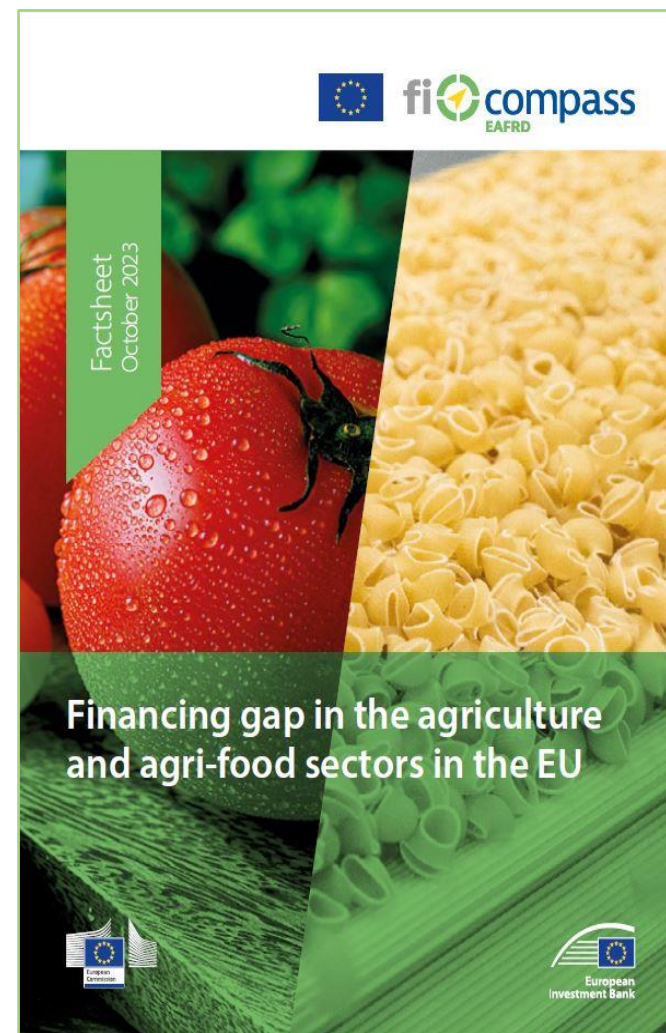
Methodology

- Computer-Assisted Telephone Interviewing survey (CATI) carried out in the first half of 2023 on a representative sample of:
 - ❑ 6,550 farmers
 - ❑ 2,359 agri-food SMEs
- Referring to agriculture and agri-food enterprises financial data from 2022
- Covering 24 EU Member States: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden
- Update of financing gap estimate published by fi-compass in 2020 based on organizations financing data from 2022

Financing GAP

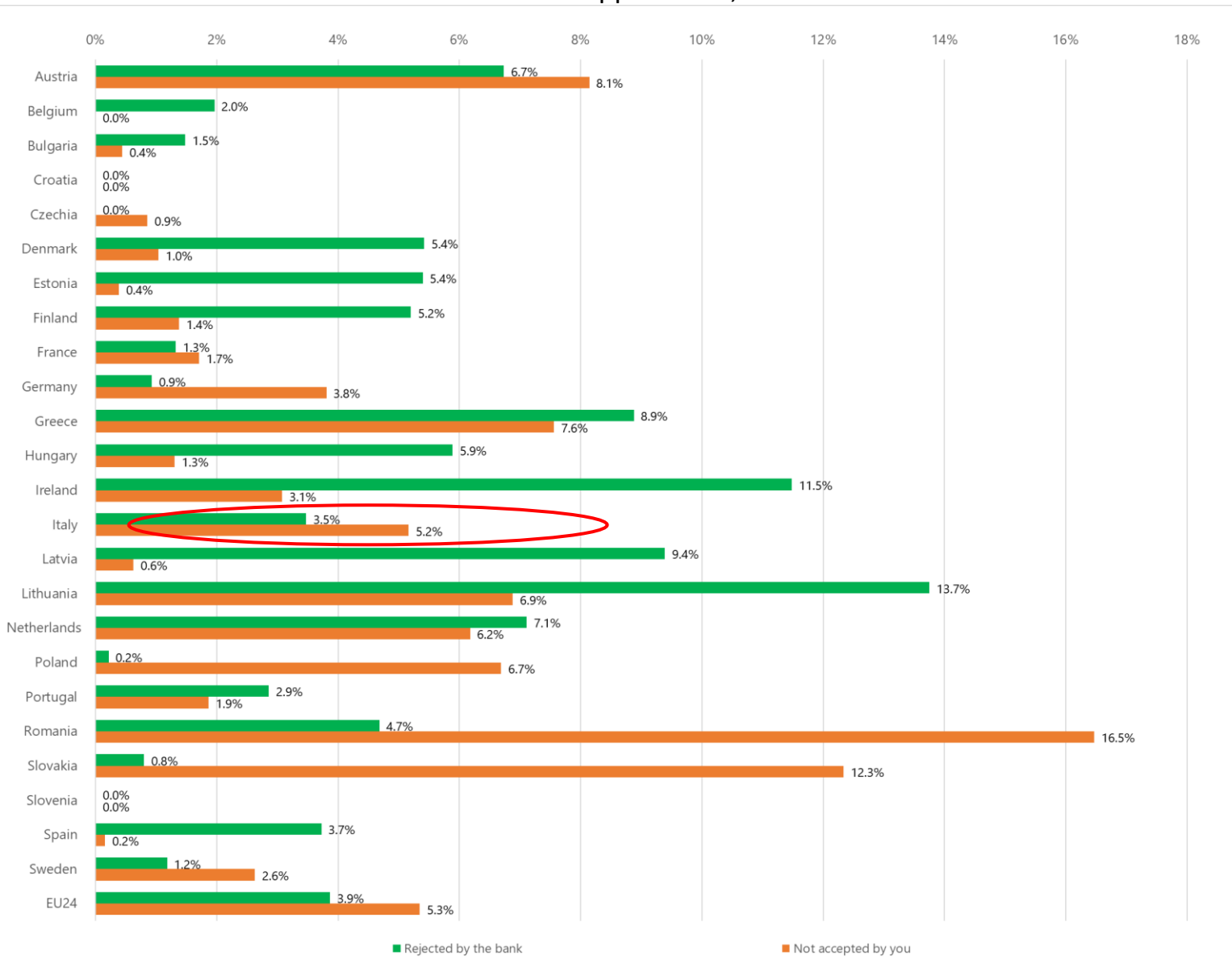
Unmet financing demand, from viable enterprises:

- ✓ *(i) borrowing applied for but not obtained*
- ✓ *(ii) lending offers refused by the potential borrower*
- ✓ *(iii) borrowing not applied for due to expected rejection*



Financing gap marketing in the EU

Unsuccessful bank applications, 2022



Financing gap in 2022 (EURM)

	2017		2022
Austria	245.5	↑	1,806.1
Belgium	193.6	↑	266.4
Bulgaria	863.0	↑	894.0
Croatia	1,422.6	↓	658.1
Czech Republic	216.9	↑	338.5
Denmark	79.5	↑	437.4
Estonia	117.2	↑	125.6
Finland	162.0	↑	571.3
France	1,746.5	↑	7,559.1
Germany	1,719.9	↑	3,633.2
Greece	14,298.6	↓	3,064.4
Hungary	992.2	↓	424.4
Ireland	1,039.1	↑	2,485.3
Italy	1,270.6	↑	8,959.2
Latvia	31.8	↑	354.3
Lithuania	2,223.5	↓	2,108.3
Netherlands	302.7	↑	816.9
Poland	6,230.0	↑	7,778.4
Portugal	382.5	↑	674.8
Romania	5,275.8	↑	11,429.6
Slovakia	315.9	↑	521.8
Slovenia	951.7	↓	228.8
Spain	6,356.7	↑	6,855.4
Sweden	148.1	↑	299.8
EU 24	46,586.0	↑	62,291.0

Access to bank finance for farmers in Italy

Financing gap estimate Italy (EUR M)

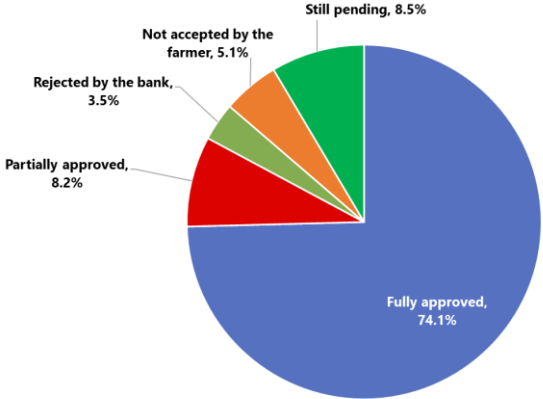


1



More farmers not applying due to fear of rejection (from 2% in 2017 to 8% in 2022)

2



Less rejections from banks (from 13% in 2017 to 3.5% in 2022)



More farmers refusing loan offers due to unsatisfactory conditions (from 4% in 2017 to 5% in 2022)

3



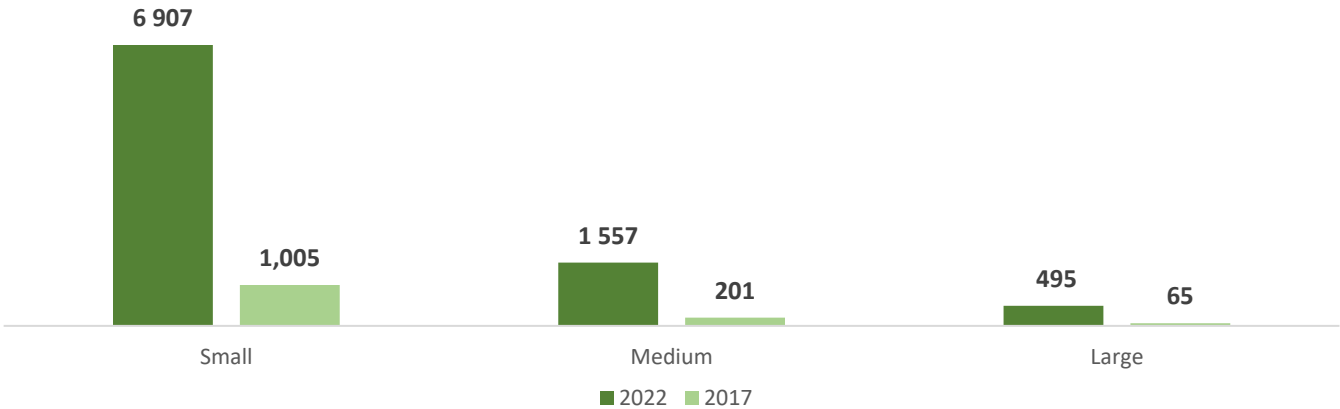
More farmers applying for finance (from 6.6% in 2017 to 18.1% in 2022)



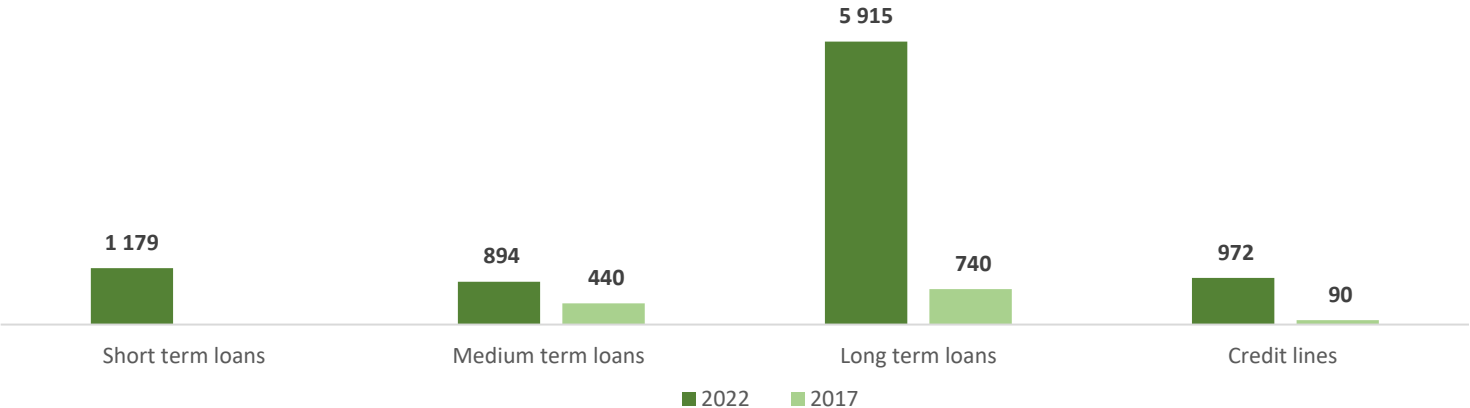
Increase in average loan size

Main gap areas in Italy

Financing gap by farm size, EUR M



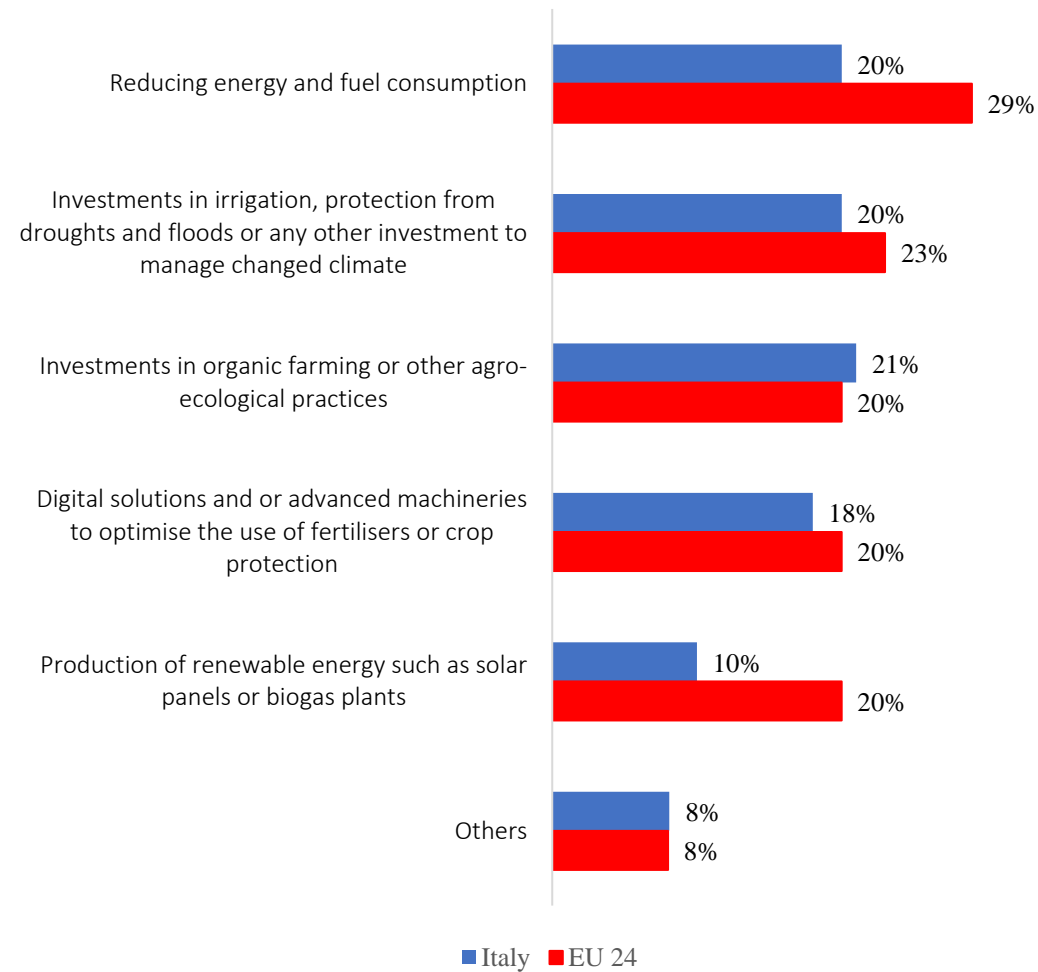
Financing gap by financial product, EUR M



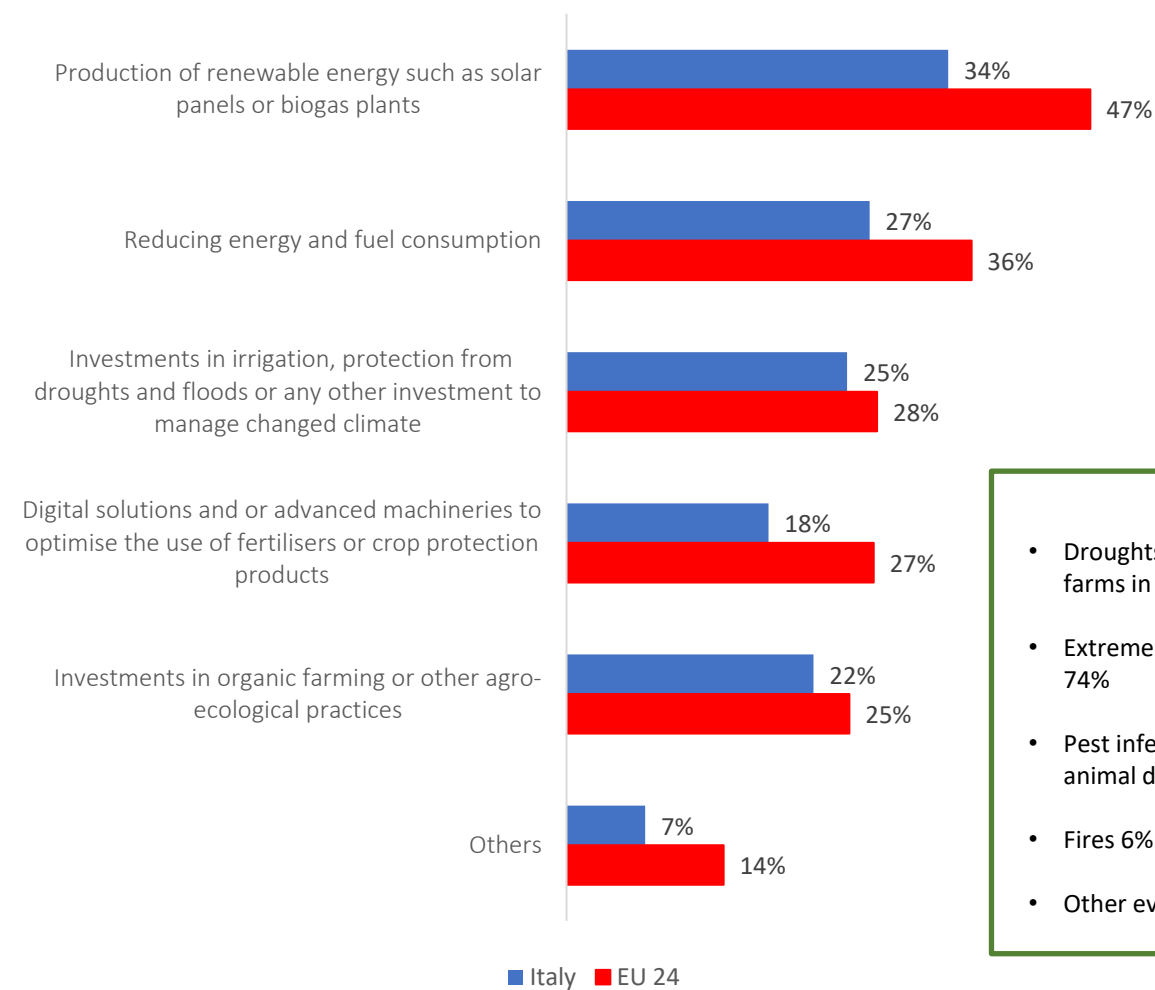
Source: fi-compass 2023

Green investment in Italy

Distribution of green investment categories in the last 3 years



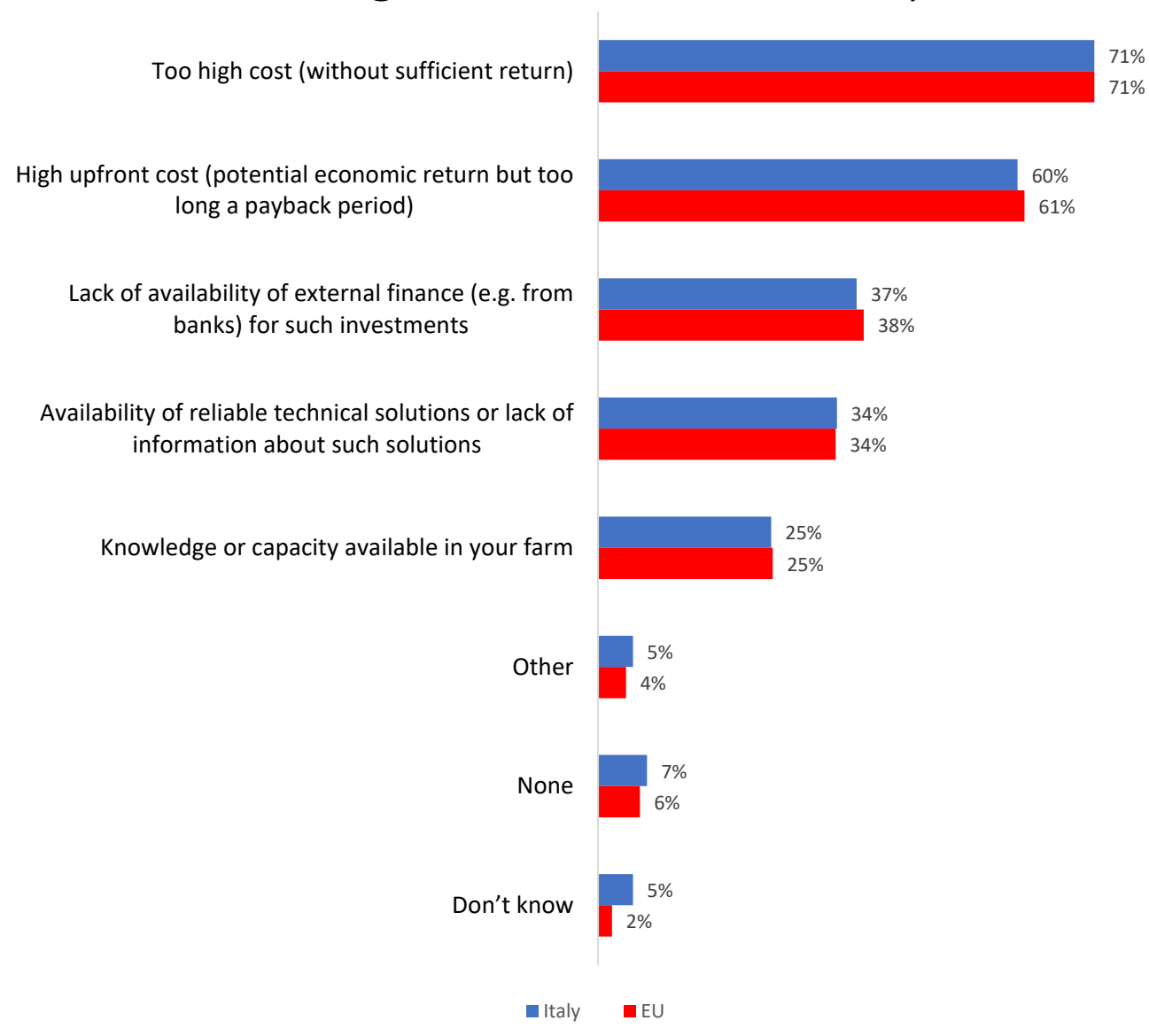
Distribution of green investment categories planned in the next 3 years



- Droughts impacted 87% of farms in Italy
- Extreme weather events 74%
- Pest infestations and animal diseases 36%
- Fires 6%
- Other events 2%

Source: fi-compass 2023

Agriculture enterprises: obstacles to green investment in Italy



Source: *fi-compass 2023*

Recap

- Banking sector responding better to farmers' needs in Italy
- Despite a more favourable financial environment, the **financing gap has increased** in the last 5 years
- **Increased share of farmers relying on bank finance, and for larger amounts, offers more opportunities to use financial instruments** to provide support for strategic investment areas
- **Small farms are still disadvantaged** in accessing bank products
- Climate change has already a widespread impact across farmers in Italy
- **Farmers show increasing interest in green investments**, in particular for **renewable energy and energy efficiency**.
- Obstacles to green investments such as high cost and long payback periods, lack of knowledge and data to assess innovative investments, make public support necessary. **Financial instruments, combined with grants and technical support could be effective in accelerating the green transition of the sector**



Thank you!



Thank you!

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