



Farm policy statements on the future of EU Young Farmers and their financing needs

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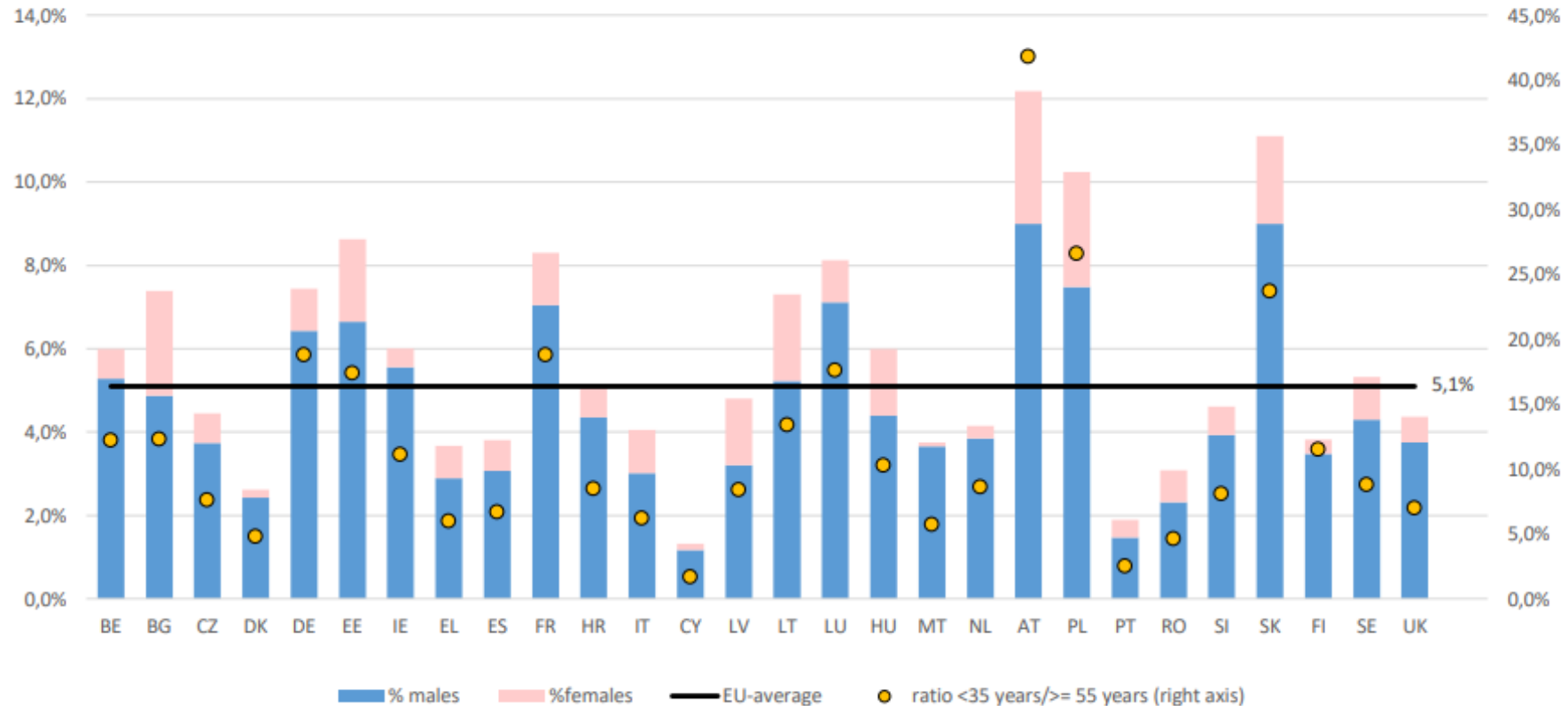
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Challenge to address at a society level



Share of farm managers below 35 years old per MS by sex in 2016



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Main challenges we face when starting our activity

- Access to land;
- **Access to credit;**
- Fair income;
- Access to skills and knowledge;
- Lengthy and uneasy administrative procedures;
- **Access to investments and technology;**
- High risks.



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Why do we need better access to credit?



Gain access to land to set up our farm, to buy out our parents, siblings or other farmers who currently own the farm



Acquire new or used machinery or other material investments for the farm, or to modernise current machinery methods of production on the farm, thus stimulate new advancements in agricultural innovation



Diversify activities on the farm or provide added value to the methods of production or marketing and selling of the farm products



Prevent the broad diversity of risks young farmers are confronted to when starting their activity

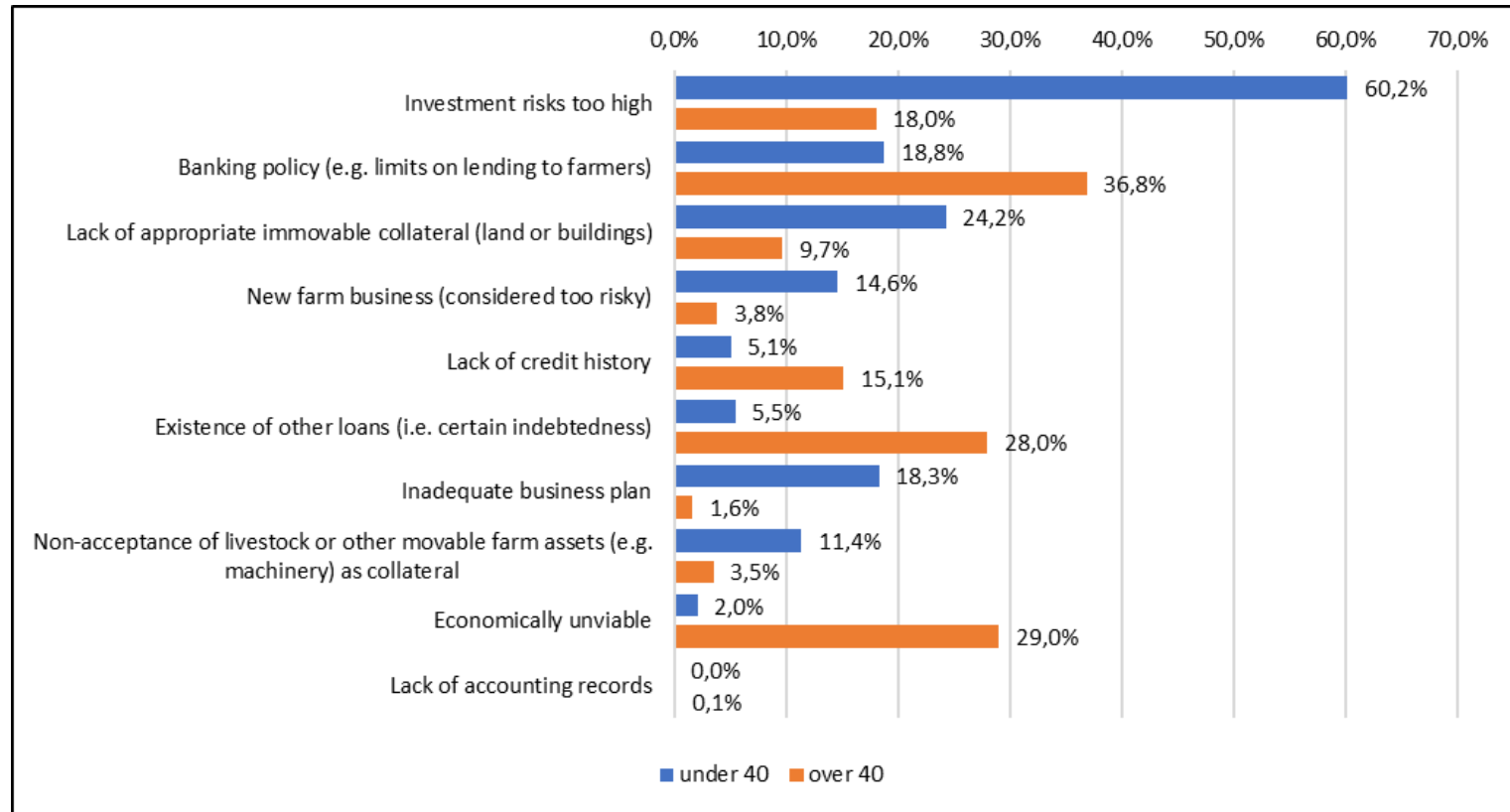


What are the barriers to credit?



Main reasons why banks refuse loan applications by young farmers:

- Investment risks too high;
- Lack of appropriate immovable collateral (land, buildings);
- **Inadequate business plan.**
→ *CEJA is advocating for a mandatory business plan to access policy instruments.*



What are the constraints financial instruments have to deal with?



Simplification

The financial instruments must avoid long and uneasy procedures and be as simple as possible in their implementation.

Risks

Young people starting their activity are confronted with higher risks that can undermine the sustainability of their investments.

Knowledge

One of the main challenges remains the knowledge linked to financial instruments; it has to be reinforced through training.



What CEJA is advocating for



- Improved **cooperation with the European Investment Bank (EIB)** and the European Investment Fund (EIF);
- Young farmers to be able to **avail of public guarantees without the risk of facing disallowances** when applying for other measures in the CAP;
- Encouragement of commercial banks to offer **preferential services and preferential credit rates for young farmers** through potential incentives provided by the State;
- Increased **availability of both short and long term loans with low interest rates** for young farmers;
- Innovative and flexible **financial tools to help farmers in times of volatility.**



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Prospects for the future



Within the new CAP Strategic Plans, Member States will have to make full use of the economic objectives package under the EAFRD (30% of the budget available) to provide young farmers with:

- financial instruments;
- investments support;
- risk management tools;
- cooperation measures;
- knowledge transfer.

