



Financial needs in the agriculture and agri-food sectors in Italy

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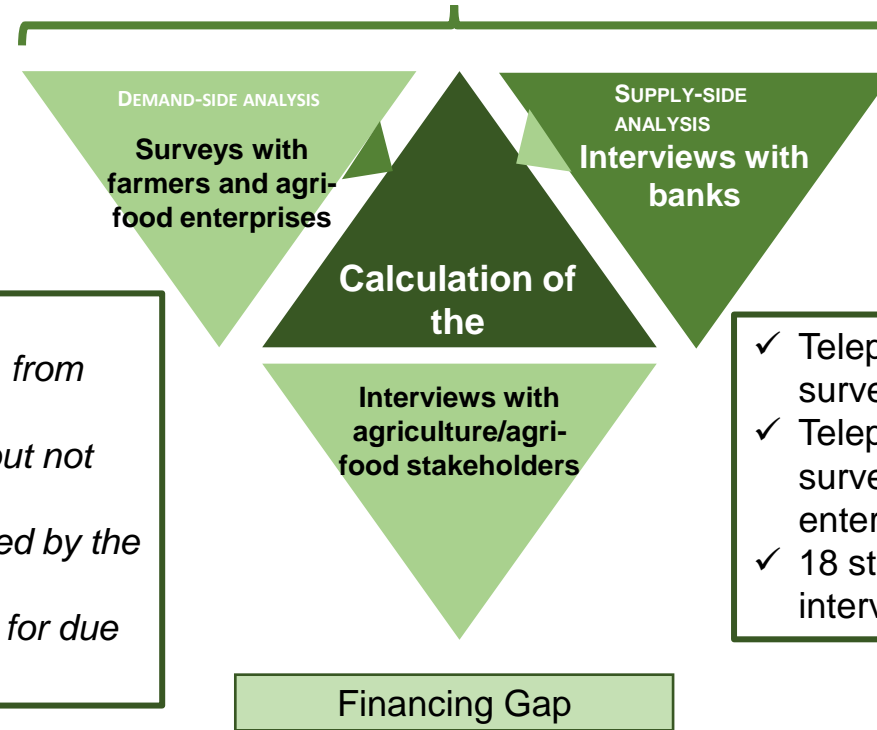


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Methodology

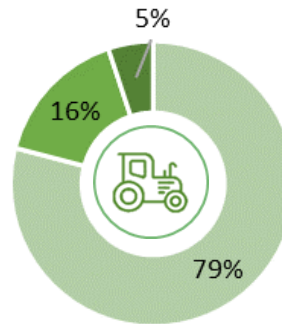
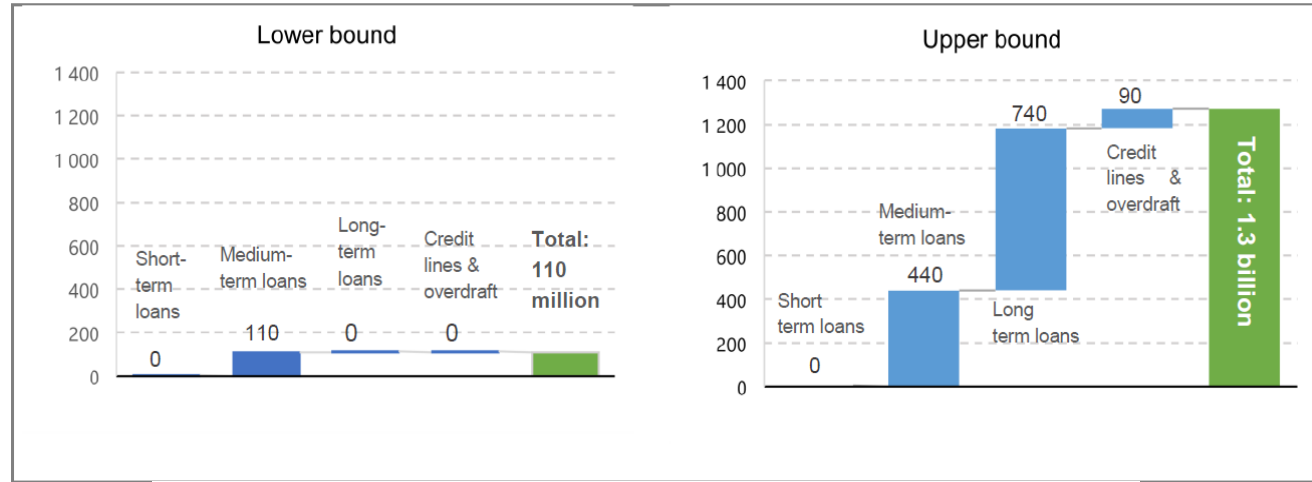


Financing GAP
Unmet financing demand, from viable enterprises:

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

- ✓ Telephone (CATI) survey 351 farmers
- ✓ Telephone (CATI) survey 200 agri-food enterprises
- ✓ 18 stakeholders interviewed

Financing gap - Agriculture



■ Small-sized Farms ■ Medium-sized Farms ■ Large-sized Farms



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Main obstacles



Lack of collateral

- Small size, low capitalisation. New entrants and young farmers particularly disadvantaged

Lack of financial accounting, credit history, Business Plan quality

- Small enterprises and new entrants

Limited financial education

- Discourages farmers from applying for finance, or makes more likely the rejection of their loan application

Lack of agricultural expertise within the banking sector

- Absence of specific rating models and most banks' generally low competencies in agriculture financing also drive the gap (farmers tend to be placed in the highest risk category and requested to pledge substantial personal collateral to secure loans)

Recommendations - Agriculture



1

A larger share of RDP funds in future programming periods to be allocated to financial instruments as opposed to grant-based investment support

2

Support from financial instruments could be coupled with technical support to enhance farmers' financial, managerial and technical skills, and to support generational renewal in agriculture

3

Financial instruments could also support the offer of flexible financial products for agriculture.

4

Procedures to access, manage and use financial instruments need to be streamlined and simplified



financial instruments capacity building Farming
 Rural development funding agreement EU guidance
 added technical support co-financing ex-ante assessment final
 value seminars governance intermediaries recipients
 leverage EAFRD fi-compass investments
 Agriculture thematic objectives Targeted coaching case studies
 business plan Thank you equity
 advisory services private investors
 RDP guarantees life cycle combination of support
 conferences banks revolving
 fund of funds loans microfinance CAP
 manuals managing authorities factsheets
 DG AGRI Agricultural products investment strategy EIB Group