



Main findings from *fi-compass* ‘Study on financial needs in the agriculture and agri-food sectors in Austria’

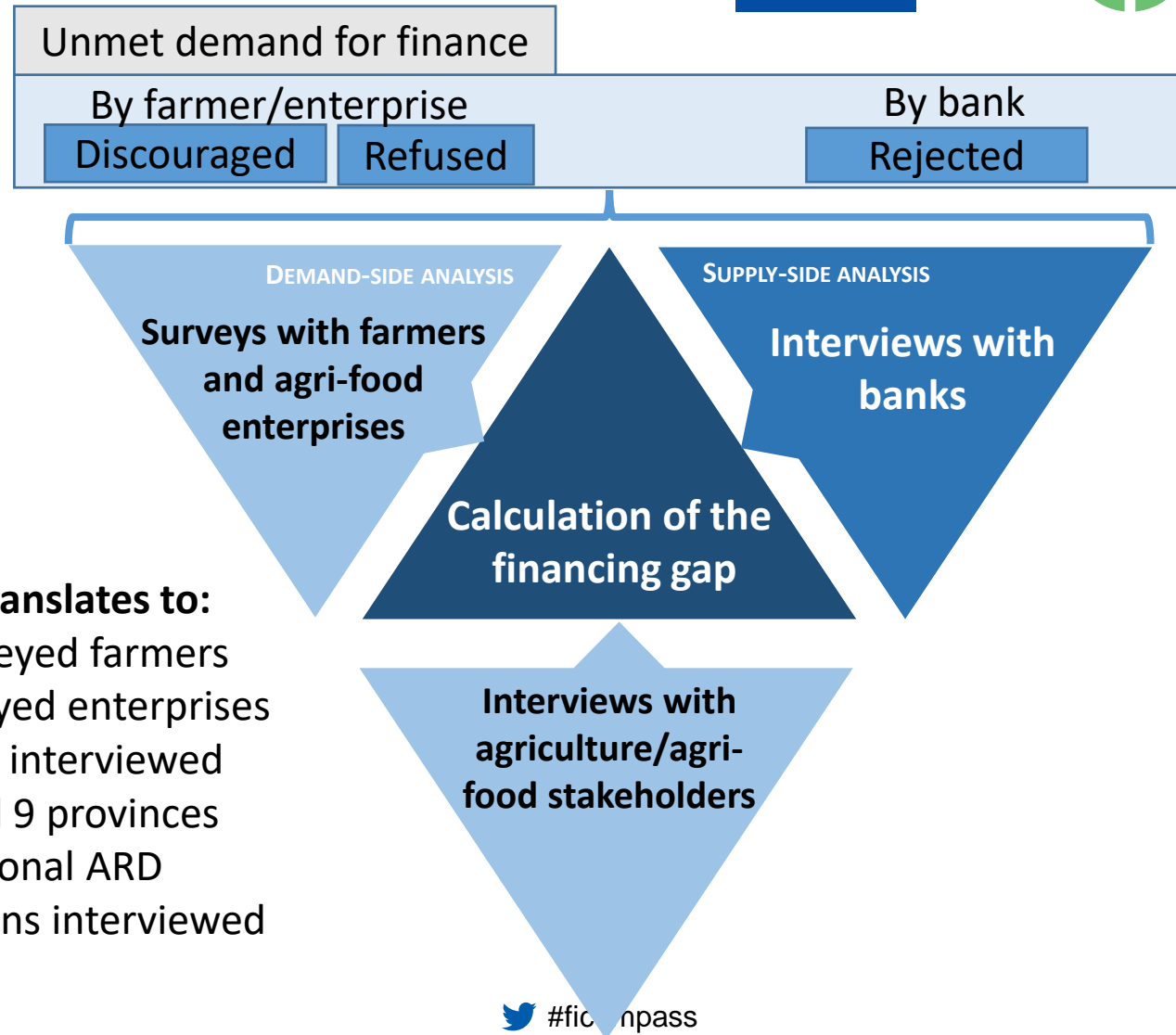
Hans Kordik, Research Expert, Ecorys



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Methodology



In AT, this translates to:

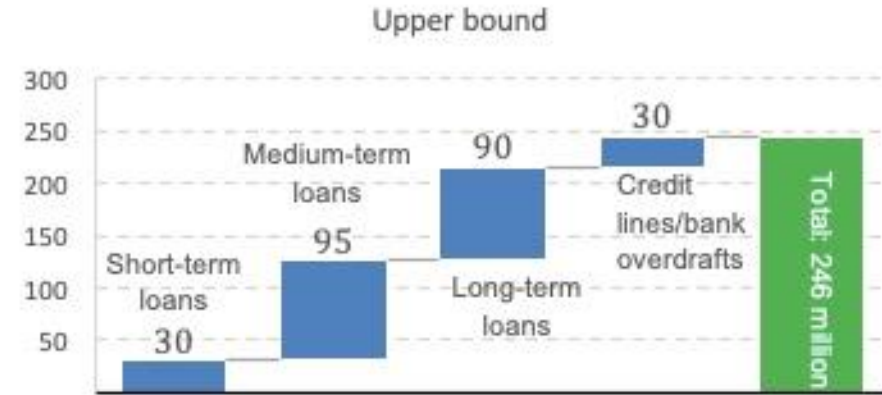
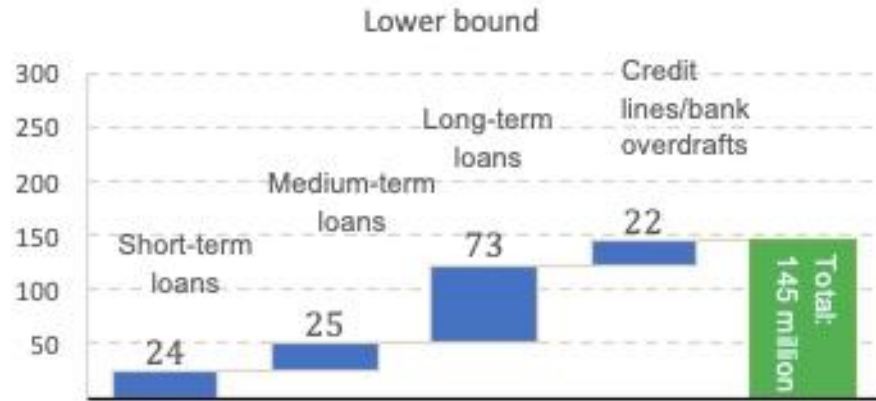
- 320 surveyed farmers
- 50 surveyed enterprises
- 12 banks interviewed across all 9 provinces
- 13 additional ARD institutions interviewed



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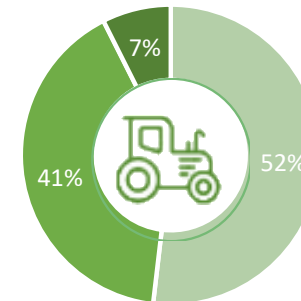


Financing gap in Austrian agriculture



Key results:

- Financing gap between EUR 145 – 246 million
- 75% of the gap affects unmet demand for medium and long-term loans
- 52% of the gap affects small-sized farms
- 38% of the gap affects young farmers



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



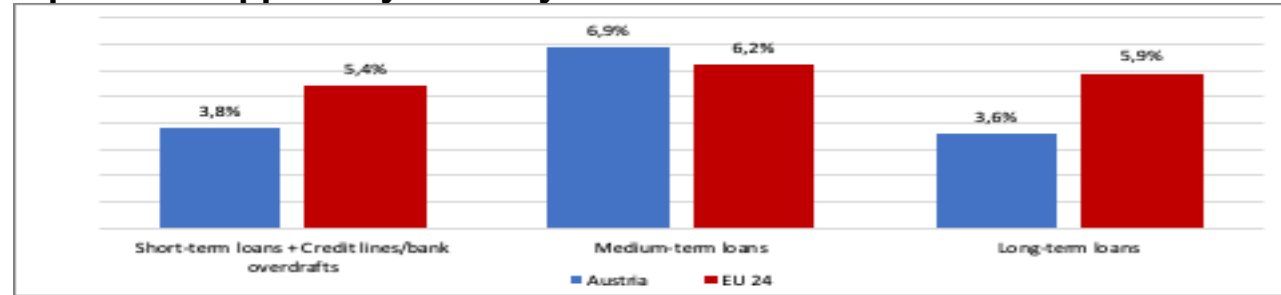
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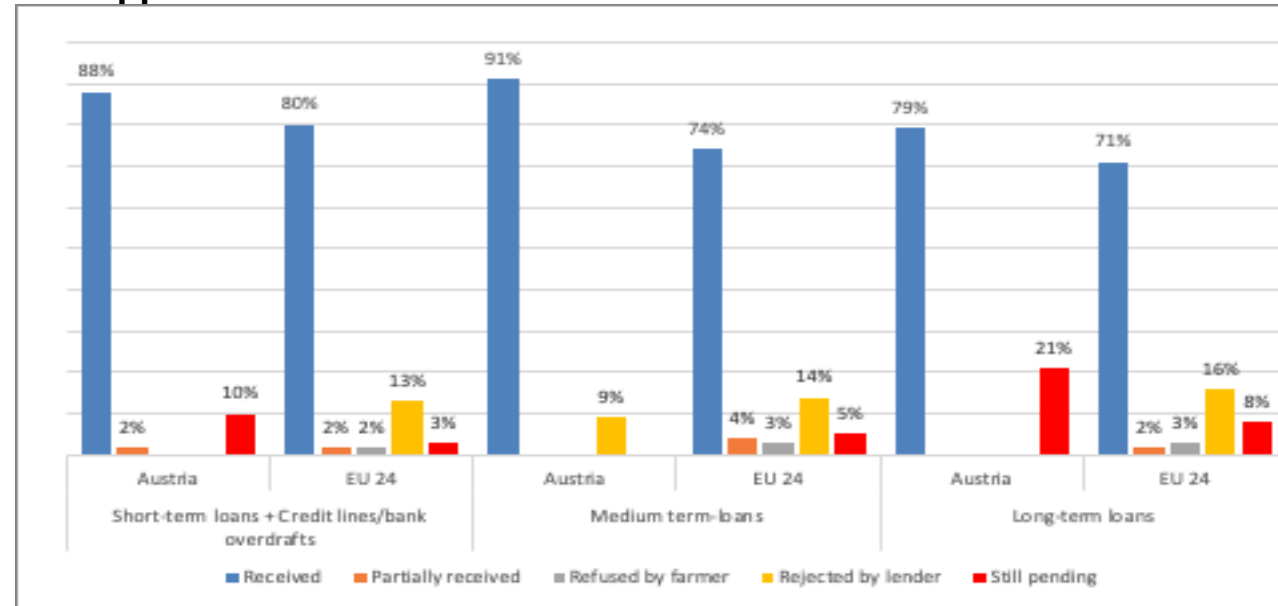
Demand and access to finance



✓ Financial products applied by maturity



✓ Results of applications



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Main gap drivers



Lack of collateral leading to loan rejections



- Represents a higher percentage of the loan value compared to EU-24 average
- Affects mainly small-sized farms, as well as young farmers & new entrants

Farmers are discouraged to apply due to lack of financial literacy



- Lack of knowledge results in fear of being rejected
- Informal discussions with banks also lead to farmers applying for finance

Recommendations



Introduce and EAFRD-funded guarantee instrument to enable more small-sized- and young farmers access to finance

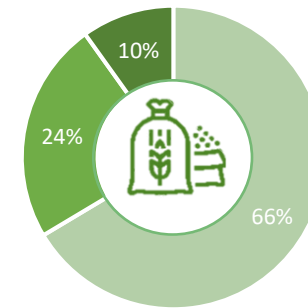
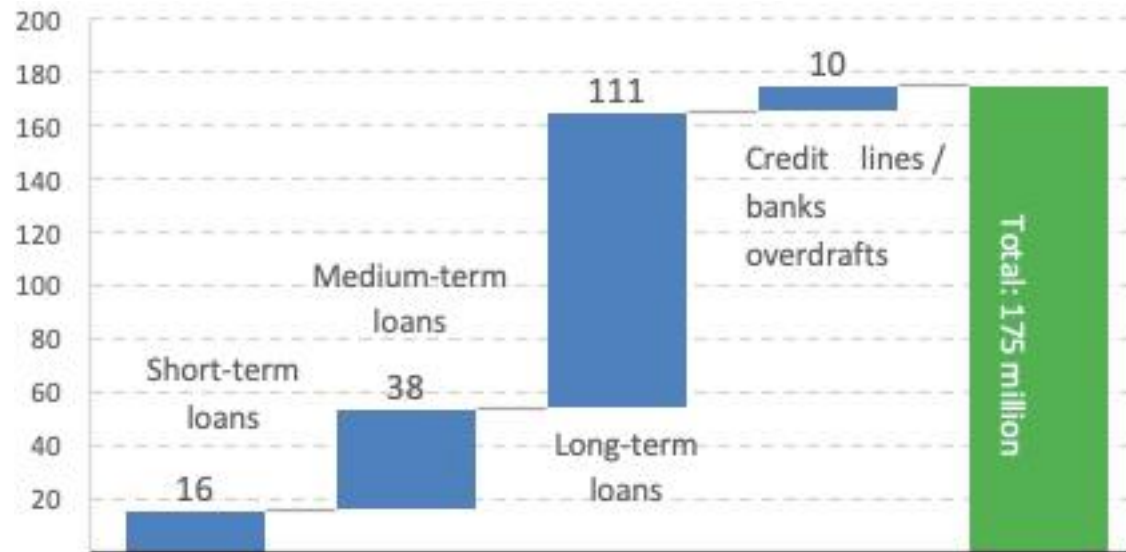
Technical support to develop business plans and improve financial literacy of farmers



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Financing gap in the Austrian agri-food sector



- Small-sized enterprises
- Medium-sized enterprises
- Large-sized enterprises

Key results:

- Financing gap estimated at EUR 175 million
- 66% of the gap affects small-scale enterprises
- 63% of the gap affects long-term loans



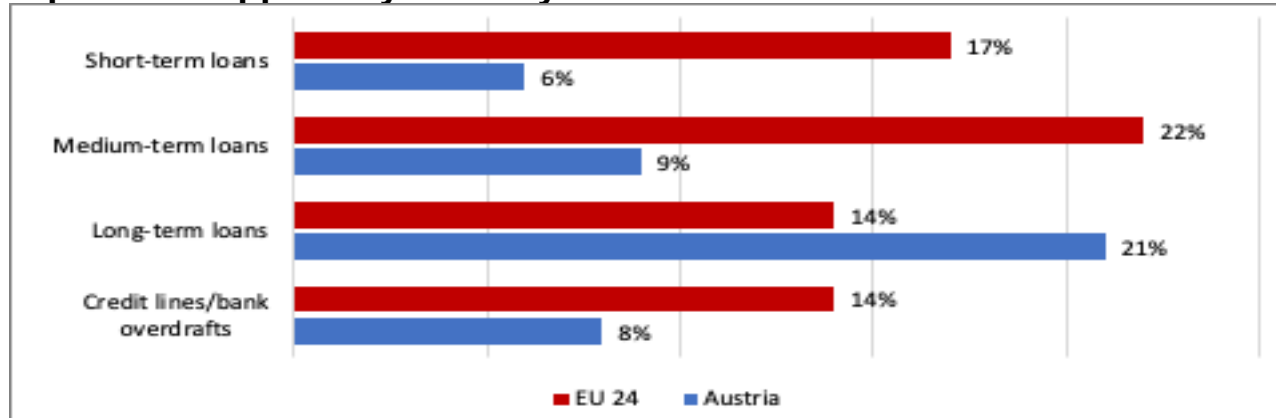
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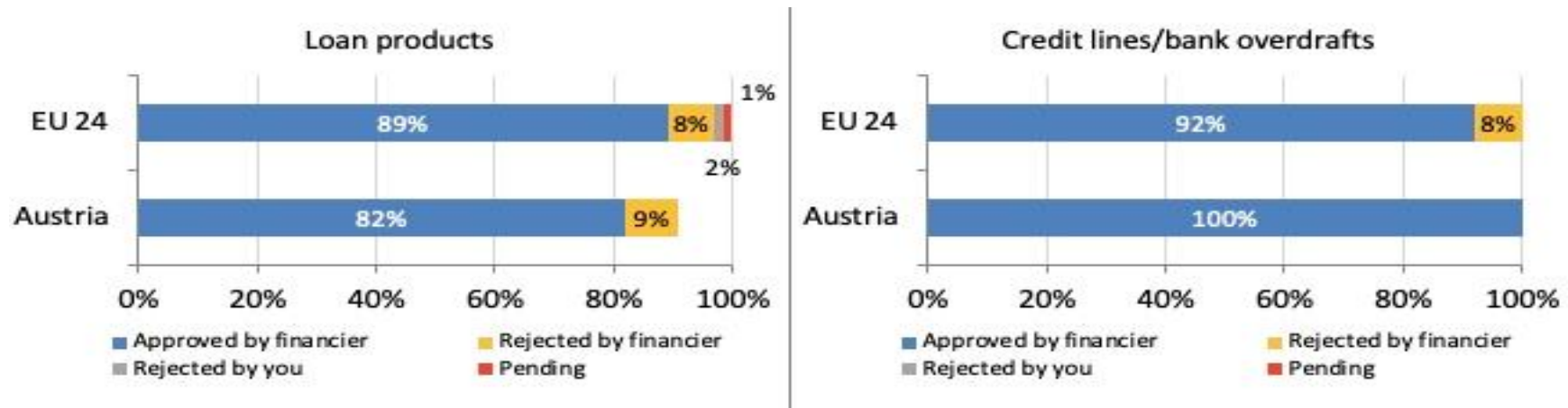
Demand and access to finance



✓ Financial products applied by maturity



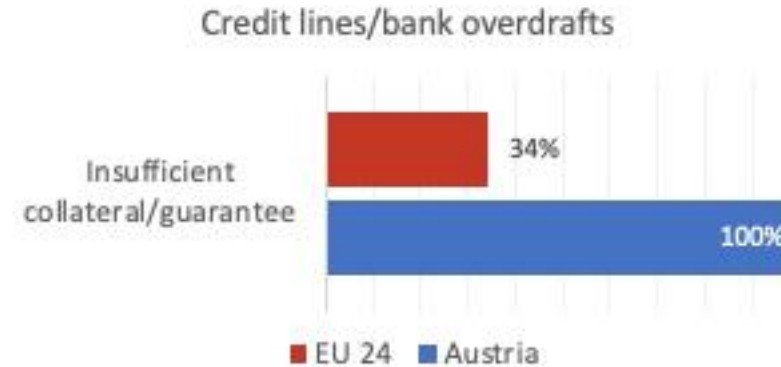
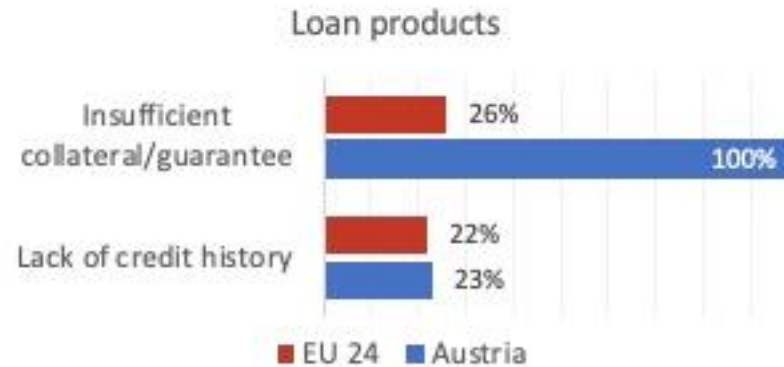
✓ result of loan applications



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Main gap drivers



Low equity ratios leads to bank rejections



- Significant constraint for small-sized enterprises and start-ups
- Impacts the level of collateral

Bank requirements leading to discouragement



- Request for collateral is the biggest obstacle

Recommendations



Bolster the current guarantee offer, in order to address the issue of collateral

Consider improving equity financial instruments to support small-scale enterprises and start-ups



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