



The view of the European Farmers and agri-cooperatives on the access to finance and its importance for EU agriculture

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Dear Commissioner, Ladies and gentlemen, Dear colleagues

- It is a great honour for me to be with you today for the seventh annual EU conference on EAFRD financial instruments.
- I would like to thank the European Commission and the EIB for giving the opportunity to European farmers, forest owners and their cooperatives to contribute to this event. They are the ones who work every single day to ensure food and biomass security to both EU and world citizens and businesses and contribute to maintain the viability of rural areas and enhance environmental sustainability even in these difficult times;
- We support the objectives of the European Green Deal and we agree that the future CAP should include concrete measures to address more environmental sustainability, climate change mitigation and adaptation. The future CAP must seriously facilitate and enable future investments in agriculture and forestry and the innovations that we need to continue feeding Europe's future whilst transitioning towards more sustainable production systems and a biobased economy.
- However, this must not be done at the expense of the economic and social sustainability and competitiveness of the EU farming sector.
- The ability to attract investment, like in any sector, is crucial for the future of our farming sector and of our cooperatives. This means supporting investments through grants, facilitating and enabling access to credit and helping out in providing guarantees for loans.
- All these require coherent, stable and long-term policies and tools to adequately manage risks. In addition, synergies between various funds and tools (such as CAP, Horizon Europe, EUinvest, and private financing, including the sustainable finance) are key elements for us to unlock investment opportunities. Beneficiaries need legal certainty and, a clear picture of what is available. Simplification and less administrative burden are also crucial.
- The CAP is the main policy to help our farmers and plays a crucial role in maintaining vibrant rural areas and ensuring an economically, environmentally and socially sustainable sector. The three pillars of sustainability are at the core of any farming

business, they are interdependent and mutually strengthen one another.

- The EU has the highest sustainability standards in agriculture and forestry in the world mainly due to the important investments that were made. We have some concerns on the recent developments on the work of the Commission on sustainable finance. We cannot reinvent the wheel by proposing new sustainability requirements for future investments and completely ignore the current rules implemented and the efforts made (and being made) by the agri-food and forestry sector. This will put these sectors in an unfair position compared to others and will discourage future investments when we have to move forward to more sustainable practices. We need criteria that boost the transition rather than focusing on unrealistic practices that in many Member States are not even implementable. There is a serious risk to allocate sustainable finance to a very limited number of beneficiaries and therefore hindering the key policies objectives of the EGD.
- Rules governing the eligibility and access to investments must be simpler and above all less-bureaucratic and not represent non-proportionate red-tape for beneficiaries.
- While farms and cooperatives are investing to boost their long-term competitiveness and sustainable growth as well as contributing to the creation of a low-carbon, climate resilient and circular economy, they clearly perceive that some shortcomings could impact on their future investments and increase red tape. Even the future non-financial reporting requirements must consider that in our sector most business operators are micro, small and medium enterprises.
- The agri-food and forestry sector, now more than ever, needs to count on the support and investments towards more sustainable technologies, production methods and businesses. Ensuring access to finance and investments for farms and agri-food and forestry cooperatives is of paramount importance. This has become imperative, especially under the new circumstance created by the COVID19 pandemic where agriculture and forestry need to recover from the current crisis while continuing their transition towards greener and more sustainable production methods.

- Let me also highlight the important role of cooperatives. Their key investments allow the implementation of innovative and sustainable actions that create employment in depopulated rural areas, and benefit farmers, consumers and the overall functioning of the value chain. Leading in sustainability is not only one of agri-coops core strategies, but it also represents a cooperative view that encompasses every aspect of their business development.
- The Long -Term Vision for Rural Areas (LTVRA) another of the European Green Deal initiatives is a key element in this broad and encompassing approach.
- Since a decade, one of the biggest innovations we are experiencing in the EU agricultural and forestry sectors is linked to the implementation of digital tools and the use of big data. Agriculture and forestry have moved forward into an era of digitally enhanced activity and we need to be able to continue this.
- The digital transformation of EU agriculture is an opportunity for the EU farming and forestry community, as long as the digital transition works for all, putting people first and opening new business opportunities. Productivity gains in all production methods positively contribute to sustainability, the environment, and the climate. Access to high tech technologies, proved crucial to maintain food supply during Covid-19. It is also crucial for the competitiveness of the EU agri-food and to deliver on the EU objectives and the Paris Climate agreement.
- Farmers and their cooperatives must be encouraged to invest in technologies that reduce GHG emissions and increase carbon capture and recycling, that make economic sense. Agri-cooperatives need to be considered as tool that, with sound and long-term business planning, play a critical role in mainstreaming innovative solution to achieve these goals.
- Smart villages – communities in rural areas that use innovative solutions to improve their resilience, building up on their strengths and opportunities – are fundamental to secure the development of rural areas. As such they must be at the core of the LTVRA.
- European farmers and agri-cooperatives should be equipped with the right toolbox developed hand in hand with cutting-edge scientific progress. Therefore, European farmers and agri-cooperatives must be given available, safe, effective and affordable tools and the means to use them. Increased investment into

research and innovation at EU level may allow the agriculture and forestry sector to go further with the environmental sustainability of their production and should be always encouraged.

- Innovation uptake can only be secured through their involvement in R&I activities alongside adequate investment in affordable/cost-effective technologies, investment in broadband (including reliability), interoperability, digital skills and advisory, digital innovation hubs, new business and governance models (e.g. Code of conduct on data sharing). Access to up-to-date technologies is a key factor in keeping European agriculture competitive on a global market and maintain our high standards. We cannot afford to lose time by refraining from using cutting-edge technologies such as new plant breeding techniques, artificial intelligence (AI) and digital technologies.

 - When I think about tomorrow's agriculture, my mind focuses on the fact that only 11% of all farmers are younger than 40. Simple demographics tell us that we will need to work harder to attract even younger people to farming and keep them active in the sector.

 - The ability to attract and support investments, like in any sector, is crucial for the future of our farming sector and of our cooperatives. Without an adequate set of tools for the next generation of farmers, I fear we will witness a real shortage of active farmers. Therefore, we will not be able to deliver on Green Deal objectives and on food security.

 - I am quite confident that financial instruments will continue to play an important role in the future CAP in providing the right tools to our sector to increase its resilience and sustainability.

 - Thank you for your attention and should you have any questions, I will be happy to answer them.
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