



## Financial institutions' perspective on financing agriculture: experiences and challenges

**Mireille Bombeld**, Director Food System Transition, Rabobank, The Netherlands

**Carlos Seara**, Business Development Director, AgroBank, Spain

**Cristina Mobiglia**, Retail Sales and Marketing Manager, Banca di Asti, Italy

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# Rabobank at a Glance

Our mission: Growing a better world together

# Rabobank



**14**

Regions

**8.3 million**

Private Customers

**2.3 million**

Members

**0.8 million**

Business Customers

**International**  
36 Countries



> EUR 625bn  
Total BS

>EUR 270bn  
Direct lending to F&A

**NL**  
All-sectors, all clients (private clients, SME's, corporates)

**Global**  
Focus on F&A and RE for Corporates & Leasing





# Agrofood vision 2040 NL & Food System Transition (global)

Promoting sustainability and collaboration to create a thriving future for farmers and nature

Agrofood vision 2040 for NL to provide the Dutch sector with a long-term perspective towards the 'True Value' of food, with an outcome-based approach and a holistic approach towards climate and nature



Food System Transition (Global) a future proof food system that provides sufficient nutritious foods for the global population respecting the planetary boundaries. Focus is on regenerative agriculture, alternative protein, protecting and restoring nature, food loss & waste and rural livelihoods



Vision, Partnerships  
& initiatives



Rabobank strategic offering

- EUR 3bn Transition Fund
- IDL backed sustainable loans (Dutch govt.)
- Agri3 blended finance for sustainable land use
- Acorn and Carbon bank: supporting smallholder farmers, agroforestry and transition to regenerative agriculture



Existing commercial EIB programs

- EUR 1.9bn EIB backed impact loans
- EUR 220mIn EIF backed innovation loans
- EUR 300mIn programme with DLL (leasing)



Network

Knowledge

Finance



Rabobank



# Future Fit Dairy initiative – industry leaders driving the transition to a resilient dairy sector

EIB support could significantly strengthen this by facilitating access to transition finance & derisking solutions

## Vision

A future-fit dairy sector that nourishes communities and empowers farmers to thrive within planetary boundaries, by strengthening economic resilience and enabling diverse

transition perspectives

## Mission

To demonstrate and scale regenerative agriculture in Northwest Europe to inspire action globally

## Ambition (for 2027)

Deliver impact by at least 1,000 farmers in 9 European countries meeting science-based thresholds on soil health, biodiversity, water and climate securing the knowledge needed to scale further (and 4 more)

## Foundation of FFDI

1. Science-Based
2. Farmer-Centric
3. Identifying the business case for farmers
4. Resilient farming system





**Thank you!**

Contact: [Mireille.Bombeld@rabobank.com](mailto:Mireille.Bombeld@rabobank.com)

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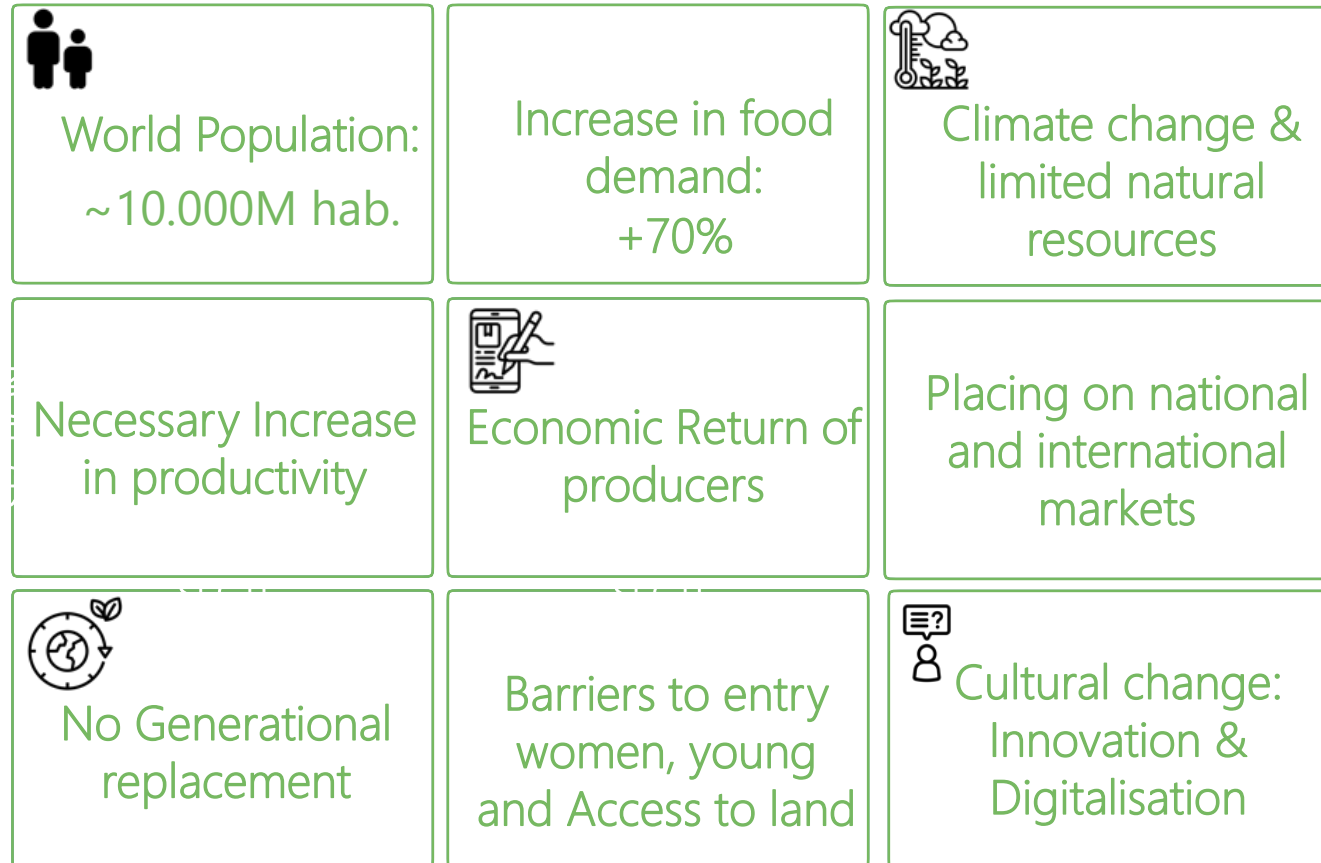
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# AgroBank/ Challenges And Opportunities In The Sector

**The agri-food sector is facing the most relevant change in recent decades.** Challenges such as the increase in world population and new forms of production are changing its status quo.







# AgroBank/ Challenges And Opportunities In The Sector

To deal with these challenges requires a **transformation based on the rejuvenation, digitisation, innovation and sustainability.**

## Some key figures...

<p><b>Average age: 61 years</b>, with 67% of people of &gt; 55 years old.</p>	<p>Less than <b>30%</b> are <b>women</b></p>	<p>6% of farmers are less <b>than 25 years old</b></p>	<p>Circa <b>49%</b> is <b>dry farming</b></p>	<p>Most of the clients only have <b>primary education</b></p>
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Change in **consumers' habits and needs**, as well as in **regulatory requirements**



To offer solution to the growing preoccupation for the **climate and environment**, as well as health and nutrition



Accelerate the transition towards a sustainable food system that has a neutral or positive environmental impact (**Green Deal**)



Adapt and implement **digitization and innovation processes** to maintain competitive position



Ensure the **generational replacement** within agricultural sector in Spain



Strengthen the **role of women** throughout the whole agricultural value chain



# AgroBank/ Challenges and Value proposition

AgroBank's Value Proposition is aiming at a double objective: facilitating the transition of the sector towards new challenges and completing our contribution with a financial and social commitment



**Value proposition based on 3 axes: #financial, #innovation & #social**



# AgroBank/ Challenges and Value proposition

From AgroBank we offer a **Value Proposition** that goes beyond financial necessities. As a reference financial entity for the agri-food sector, our commitment is to **help in its transition, addressing issues such as innovation or generational replacement.**





# AgroBank/ EIB and SAECA

AgroBank offers products supported by EIB and SAECA

1

## EIB financing lines

Dedicated to Agri sector self-employed and SMEs. Wide variety of eligibilities.

2

## SAECA

Provision of guarantees to facilitate access to financing primary sector and the improvement of rural areas.

3

## EIB-Junta de Andalucía

Guaranteed by Junta de Andalucía to finance the Agri sector in the region.

4

## IFGC

Financial support mechanism, complementary to subsidies, which aims to promote easier access to credit.





## EIB Financing

**Working Capital Facilities and Investment Loans. Max 12,5 MM €** and up to 10 yrs. Personal Loan/Mortgages. EIB funding

Investment loan also as a leasing

- Tangible assets (2 to 8 years)
- Intangible assets ( 2- 12 years)

Purchase, renovation or extensión of **tangible assets**, financing costs during the construction phase, financing of land purchase which is technically essential for the investments for up to 10% of total Sub-Project cost.

Investments in **intangible assets**: RDI expenses, purchase of process licenses, software and other rights and assets with an inherent productive capacity, purchase of other intangible assets such as licenses for the use of non-generated public resources , patents, brands, trademarks...



## EIB – Junta de Andalucía

Personal guarantee, up to 12 years, max. 10 MM €, **Covered by “Fondo de Fondos Junta de Andalucía” up to 80%**

**Total amount: up to 100 MM €**

- **Operation 4.1.4: purchase of tangible and intangible assets**, general costs related to the eligible Investment project. Agriculture and farming activities.
- **Operation 4.2.3:** investments for the transformation and marketing of agricultural products.





## SAECA

**Investment/Working Capital up to 15 years with personal guarantee. Covered by SAECA and Funded by CaixaBank.**

- COVERED 100% SAECA, Amount up to EUR 600m Legal Entities and EUR 400m natural persons
- COVERED < 100% SAECA, Amount up to EUR 600m Legal Entities and EUR 400m natural persons

Land Purchase, machinery, livestock, Investment in the fishing sector, transformation and improvement of irrigation systems.

Agricultural or livestock buildings, Acquisition or improvement of rural housing, in general, any investment that produces an improvement in rural areas.

## IFGC

**Investment/Working Capital up to 15 years with personal guarantee. Covered by IFGC and funded by CaixaBank**

Investments, agricultural transactions contributing to the mitigation-adaptation to climate change, efficient use of natural resources and animal welfare, environmental targets in transformation, forestry investments, young farmers, new farmers, Irrigation infrastructures borne by communities of irrigators.



**Thank you!**



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# Bank of Asti: numbers overview (1/2)

- ✓ **209 branches in 5 regions of Northern Italy**
- ✓ **550,000 clients**
- ✓ **2,200 employees, 870 of whom are under 40 years old, and 164 new hires in 2023**
- ✓ **Over 80 Financial Advisors dedicated to SME clients, including 5 specialized in the agriculture and food and beverage production sectors**





## Bank of Asti: numbers overview (2/2)

Approximately **11%** of the SME clients served by Bank of Asti operate in the **agricultural and food and beverage production sectors**, of which:

- ✓ 67% operate in the **agricultural crop** sector
- ✓ 12% operate in the **animal farming** sector
- ✓ 16% operate in the **food and beverage production** sector





# Bank of Asti and EIB (1/3)

- ✓ In December 2023, EIB and Bank of Asti finalise an agreement for **EUR 50 million** (first tranche of a **total EUR 100 million**) to support the **investments** and **working capital** needs of SMEs
- ✓ 60% of the funds reserved for SMEs in **agricultural and food and beverage production** sectors
- ✓ 10% of the funds reserved for **young entrepreneurs** in the **agricultural and food and beverage production** sectors
- ✓ Terms up to **20 years** for young entrepreneurs
- ✓ **Enhanced economic terms** compared to standard market conditions





## Bank of Asti and EIB (2/3)

A **tangible financial support** for SMEs:

- ✓ **start-up** phase
- ✓ **generational transition** operations
- ✓ investments in **technological innovation** and **agriculture 4.0**
- ✓ new installation or renewal of **vineyard** and **orchard** facilities
- ✓ purchase, construction, and renovation of **buildings**

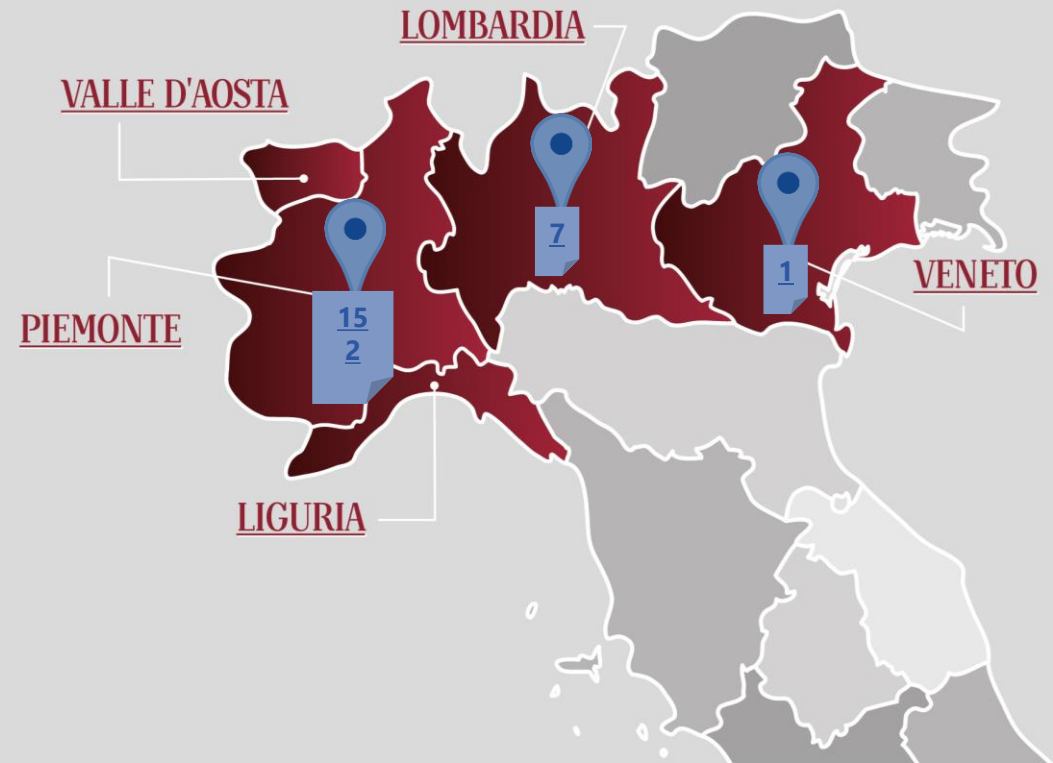




## Bank of Asti and EIB (3/3)

By November 2024, the **first EUR 50m tranche** is almost fully disbursed, and the commercial rollout of the **second tranche** is starting with the same conditions as the first.

So far, thanks to the collaboration with the EIB, we have financed the projects and investments of **over approximately 160 Italian SMEs**, with a strong focus on the provinces of Piedmont.

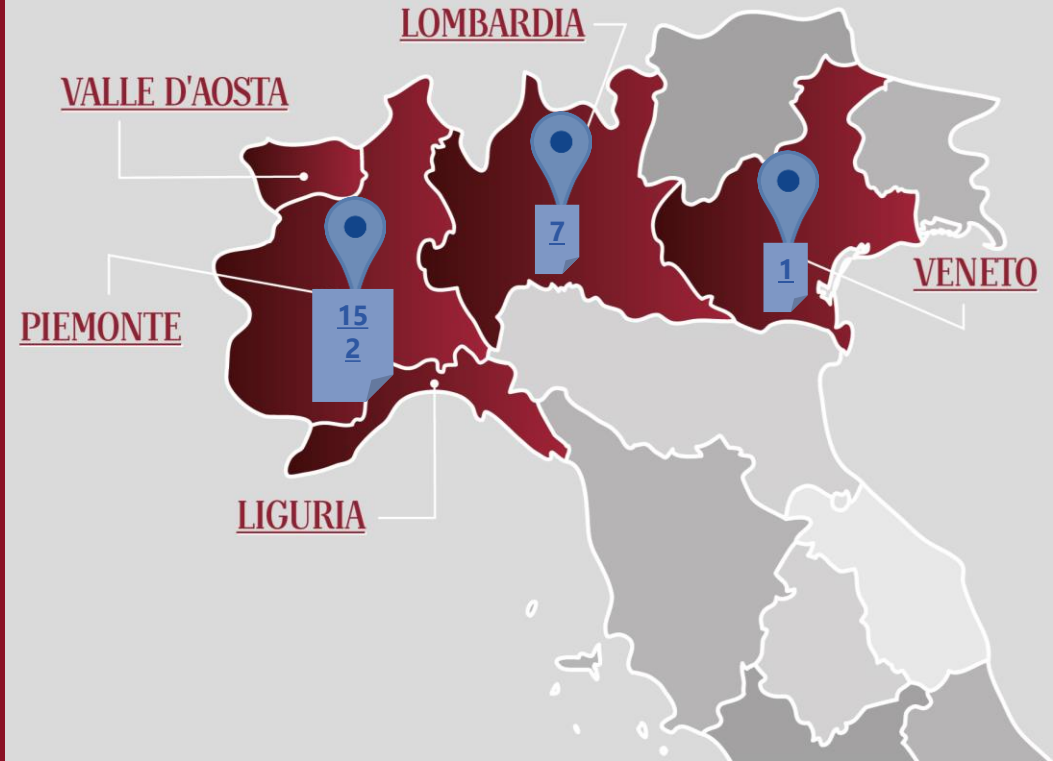




# Bank of Asti and EIB – Statistics (1/2)

Here are some **statistics** related to the SMEs financed thanks to the collaboration between Bank of Asti and the EIB:

- Out of 160, **131** of the financed SMEs are **agri-businesses**, **61** of which are owned by **young farmers**;
- 41% of the financed SMEs are **sole proprietorships**, 24% are **partnerships**, and 35% are **corporations**;
- 54% of the financing is aimed at supporting SMEs' **investments**; the remaining 46% is aimed at supporting SME's **working capital**.

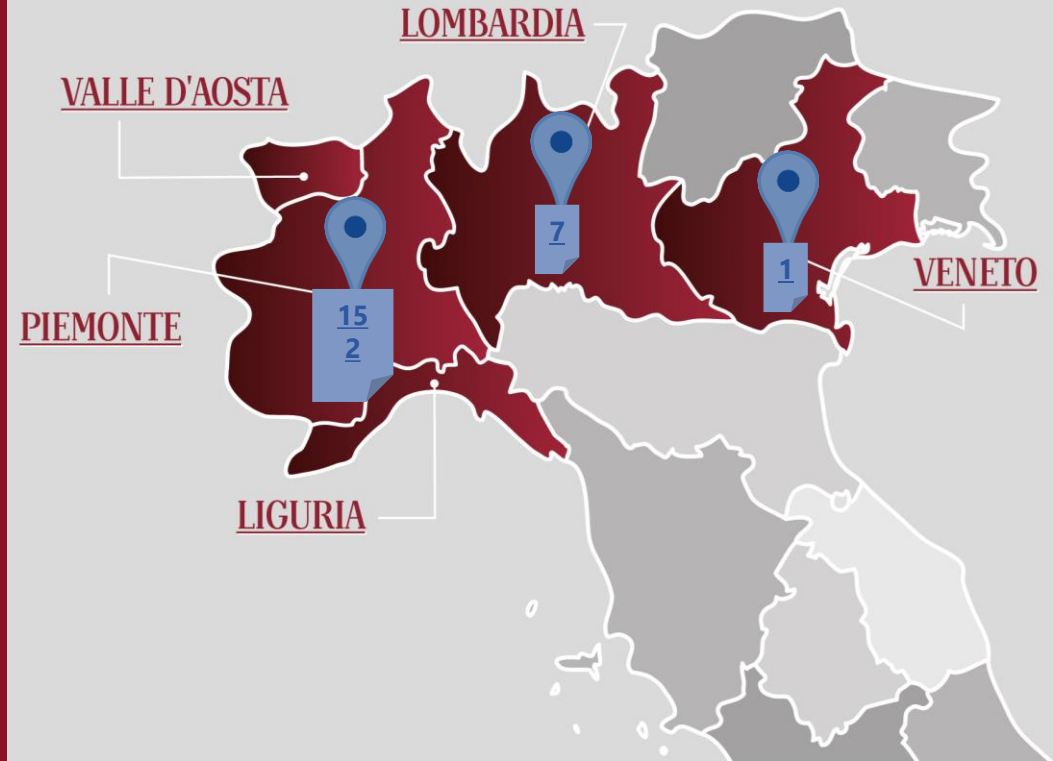




## Bank of Asti and EIB – Statistics (2/2)

Here are some **statistics** related to the SMEs financed thanks to the collaboration between Bank of Asti and the EIB:

- The **smallest operation** is €10,000, the **average operation** amount is around €263,000;
- 48% of the financing is **below €100,000**, 29% **between €100,000 and €500,000**, and the remaining 23% **exceeds €500,000** (including only 5 operations above €1 million).





Thank you!

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