



Financial instruments for agriculture and rural development in 2014 – 2020

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Guarantees for agricultural SME's in the Netherlands

- Actual policy-context:
 - International competitive agriculture
 - More sustainable agriculture
- Now operational
 - Guarantee agriculture - 80% guarantee, loan max. € 600.000,-
 - Guarantee young agricultural starters - likewise, max. € 1.2 mln
 - Guarantee agriculture plus - likewise, max. € 2.5 mln
- Facts and figures:
 - average guaranteed € 86 mln/year
 - average losses € 4.8 mln/year; minus comm. € 2.7 mln/year

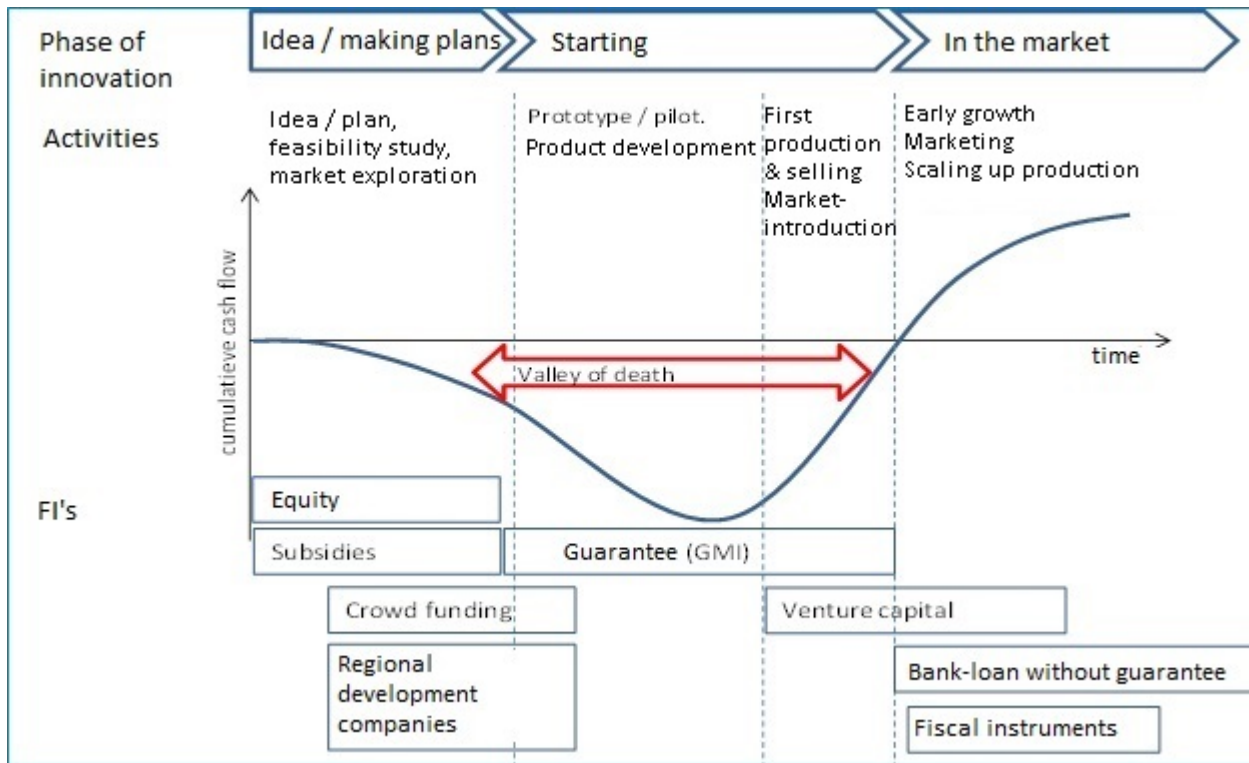


Guarantees for agricultural SME's in the Netherlands

- Traditional financing doesn't fit modern companies
 - Increasing scale, capital intensive
 - Cooperative business (manure processing, geothermal energy) needs equity
 - Innovation is capital intensive and more risky
- In preparation
 - Guarantee agriculture harmonized with BMKB
 - Guarantee for market introduction of innovations (part of Dutch program for rural development 2014 – 2020)
 - Growth Facility – guarantee for subordinated loans (self-supporting guarantee, commission paid for the guarantee is sufficient to pay all losses)



Guarantee for market introduction of innovations



- € 600.000 < needed loan < € 2.500.000
- psychological threshold : entrepreneur doesn't want risking existing agricultural enterprise



Guarantee for market introduction of innovations

Specifications:

- loan for investments
 - system-innovation
 - market-innovation (creating more added-value)

- guarantee by the State – max. loan € 2.5 mln

- joint and several liability in LLC is dispensed

- max. of 5 guarantees per innovation (estimation: 5 inn./year, +/- €37,5 mln/year)

- system-innovation will be judged and ranked by an assessment-committee





Guarantee for market introduction of innovations

Situation 27th January 2016:

- Preparations made, regulation-text 90% ready for publication, assessment-committee can be installed
- Consultation of banks not finished:
 - Requirements EC-regulations (1303-2013, 1305-2013) make it expensive
 - Expected low number of loans
- Expected date the guarantee to be operational: 1st July 2016



Thank you

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