



European Commission

THE INVESTMENT PLAN FOR EUROPE

STATE OF PLAY

13 January 2016

AGRICULTURE



The European Fund for Strategic Investments (EFSI) can **contribute to funding new rural business opportunities** related to agriculture and forestry products and by-products (circular economy and bio-economy). According to Commission estimates, the current funding gap in these areas could be up to EUR 9 billion.

ICT developments are increasingly changing the production potential in the agricultural sector. For example, agri-tech, currently big business in the EU, has a growing export potential. **Uptake of ICT at farm level is, however, lagging behind the global competitors**, especially in small and medium-sized farms. EFSI could help to fill this gap.

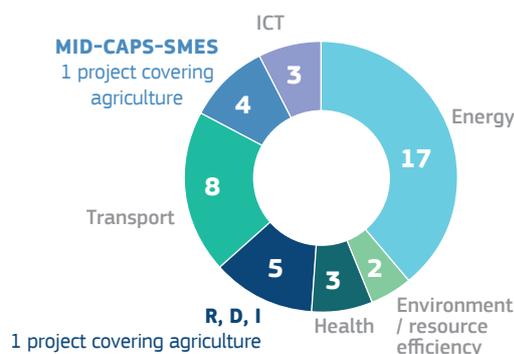
Farm-level investment projects rarely need large loans but they may get funded as part of an Investment Platform with a sectorial/geographical scope. For example, an Investment Platform on precision farming might receive an EFSI guarantee to support individual loans taken out by farmers in this field. Such opportunities should be promoted further.

Projects suitable for financing under the EFSI could also be eligible for support under the European Agricultural Fund for Rural Development (EAFRD). It may provide part of the support (in the form of a grant or a loan) while an EFSI-supported contribution may cover the remaining part of the project cost. Resources from the EAFRD may also feed into Investment Platforms with a regional, sectorial or national scope.

Technical assistance can contribute to better structure rural projects, in particular Investment Platforms grouping smaller projects for example in agri-tech. The **European Investment Advisory Hub** will play an increasingly key role in coordinating advisory services at EU level.

Higher visibility of projects in the agricultural sector could be ensured via the **European Investment Project Portal**.

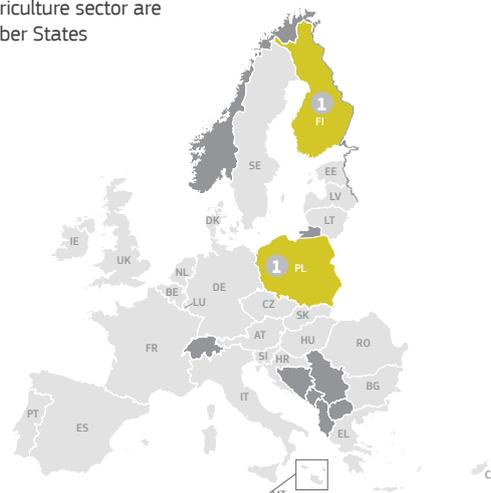
Sectoral coverage (some projects cover several sectors)



Out of the 42 projects approved by the European Investment Bank (EIB) so far, 2 projects are in the agricultural sector



Projects in the agriculture sector are located in 2 Member States



List of projects in the agricultural sector

FI Äänekoski bio-product mill (signed in June 2015)



- Construction of a new bio-product mill in Äänekoski, Finland
- EIB financing under EFSI: **EUR 75 million**
- Total investment expected: **1.2 billion**
- Expected job creation: **8500**

PL Dairy production in Poland (under assessment)



- Construction and operation of two new milk powder processing lines in an existing milk processing factory