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Factsheet for case **NL-2020-12/753**

Temporary guarantees for companies active in agriculture and horticulture

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| | |
|--------------|---|
| Country | Netherlands, applies nationwide |
| Time period | Temporary, started on 17 March 2020 |
| Type | Legislation or other statutory regulation |
| Category | Supporting businesses to stay afloat – Access to finance |
| Case created | 21 April 2020 (updated 23 April 2020) |

Background Information

This measure is part of the package of emergency measures to deal with the corona virus. This was a package of several measures which have been taken to combat the corona virus and its effects announced on March 17th, 2020.

This measure aims to help small farms and farmers to keep their businesses afloat. It targets enterprises in the horti- and agricultural sectors as a whole because this sector was one of the first to feel a marked hit from the crisis. This includes the provision of food and other grown products, not just for domestic consumption but also for trade. The seasonality of work in this sector and the timing of the corona crisis seems to have led to this group of enterprises receiving specific support.

Content of measure

The sectors covered here by this measure include the agriculture and horticulture sector, the fisheries sector, and the aquaculture sector. These sectors are all confronted by an international and domestic decrease in demand for their produce.

The Ministry of Agriculture, Nature and Food Quality (ministerie van Landbouw, Natuur en Voedselkwaliteit (LNV)), will therefore temporarily underwrite working capital granted to farms and horticultural companies under the the Guarantee for Agricultural SME Credit, (Borgstelling MKB-Landbouwkredieten), which is part of the Guarantee SME Loans scheme for small and medium-sized farms and enterprises.

In this way, the government will act as a guarantor for loans granted to farms. The government seeks to ensure that the scope of this scheme will be broadened in the short term. Enterprises can seek credit to bridge their troubled times of up to 15 million euro, for which the Ministry of LNV will act as guarantor for upto 70%. This measure was set to last for 3 months initially, but the timing for corona measures is constantly evolving and this may change.

Use of measure

No information available at this time

Actors, target groups and funding

| Actors | Target groups | Funding |
|---------------------|----------------------------------|----------------|
| National government | Sector specific set of companies | National funds |

Social partners

| | |
|-------------------------|---------------------|
| Role of social partners | Consulted |
| Form of involvement | Direct consultation |

(Though not discussed in great detail, the social partners (national level trade unions and employer organisations), have come together to discuss with the government how best to tackle the effects of the corona virus on workers and employers so as to keep the Dutch economy going. In the Netherlands relevant, national sectoral social partners are often involved in national policy making in a consultational capacity so that partners may reflect on regulatory plans and their intended impacts. This happens in a direct consultation fashion or through tripartite meetings (facilitated by the National Labour Foundation). The social partners were consulted for the whole package of measures introduced by the Dutch cabinet on March 17th 2020.)

Sectors and occupations

This case is sector-specific.

| Economic area | Sector (NACE level 2) |
|---------------------------------------|---|
| A - Agriculture, Forestry And Fishing | A1 Crop and animal production, hunting and related service activities |
| | A2 Forestry and logging |

| | |
|--|----------------------------|
| | A3 Fishing and aquaculture |
|--|----------------------------|

This case is not occupation-specific.

Sources

- 17 March 2020: Coronavirus: kabinet neemt pakket nieuwe maatregelen voor banen en economie (www.rijksoverheid.nl)
- 20 March 2020: Vragen over de Borgstelling MKB-Landbouwkredieten voor tijdelijke kredietfaciliteiten (BL-C) (www.rijksoverheid.nl)