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**Second report for LITHUANIA**

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## CONTENTS

<b>1 INTRODUCTION AND BACKGROUND.....</b>	<b>4</b>
1.1 AN OUTLINE OF RURAL CREDIT FACILITIES.....	4
1.2 MAJOR CREDIT AND RURAL POLICY DEVELOPMENTS IN 2005.....	6
1.3 ACCESS TO RURAL CREDIT – UPTAKE AND ISSUES.....	7
<b>2 AVAILABILITY AND PERFORMANCE OF RURAL CREDIT FACILITIES.....</b>	<b>9</b>
2.1 ASSESSMENT OF SHORT-TERM CREDIT SOURCES.....	9
2.2 ASSESSMENT OF MEDIUM-TERM AND LONG-TERM CREDIT SOURCES.....	9
2.3 ASSESSMENT OF THE ADEQUACY OF CREDIT SOURCES.....	11
2.4 EVIDENCE OF CREDIT MARKET FAILURE.....	11
2.5 REFERENCES.....	13

# **1 Introduction and background**

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## **1.1 An outline of rural credit facilities**

As is the case with most transitional economies, the financial sector in Lithuania has faced many difficulties and there is still much to develop. Since independence, three state-owned banks and 25 commercial banks have been established. However, of the 25 private commercial banks only about 15 were still functioning by mid-1995 and only 11 are still functioning at the present time. Credit Unions were first set up in 1994 and since then 64 unions have been established.

While initially most of the banks limited their activities to short term foreign currency loans and accounts in foreign correspondent banks (MMT – does this mean foreign banks with which formal links had been established –YES), from 1995 onwards banks started to expand their lending activities and have introduced a wider spectrum of services. Due to a lack of information, inexperience, the high transaction costs of servicing small size farm loans, uncertainties surrounding collateral and expertise in lending to agricultural activities, Lithuanian commercial banks have not been extending credit to farmers and small-scale rural enterprises. The Agricultural Bank of Lithuania has been the sole source of agricultural credit, and ABL has specialized in providing banking services to the agricultural sector.

In early 1994 the EU's technical assistance program PHARE started its support to Lithuania's rural banking system initiation (in the period until 1999 approximately 2 mln. EUR were disbursed for the establishment of a Rural Banking System). Support for this development was also obtained from the World Bank Private Agricultural Development Programme (PADP), involving a 30 million EURO credit line expected to be disbursed over the period 95-97.

Partly because the World Bank loan initially was not as successful as planned in attracting the anticipated level of demand among rural borrowers, for various reasons linked to its cost and administrative structures the focus of the project shifted to the preparation of, and support for, the establishment of the Rural Credit Guarantee Fund (RCGF) the capital of which came from Government together with a 2 mln. ECU grant from PHARE. The Fund started operations in the first quarter of 1998.

The establishment of the RCGF and later amendment of its activities has a little improved the accessibility of agricultural credit, which was formerly very difficult to obtain: interest rates for commercial bank credits were very high (12-16%); only short-term credit terms (up to 5 years); and typically collateral requirements were very tight. Consequently bank loans, especially long-term ones, used to comprise only a small part of farmers' liabilities: trade credit, on the contrary, was the main lending source.

In recent years the rural and agricultural credit situation has improved and a number of developments deserve mention here. Land ownership, for persons with legal title, has been regularised, and an agricultural credit system has been established. Taken together with the development of the land market, the range of EU support for rural businesses and increasing bank confidence in them, the situation has been improving.

Today there are four main credit sources for agricultural and other rural businesses:

- 11 commercial banks;
- 64 credit unions;
- trade credits;
- municipality SME support funds.

All these sources are for agricultural as well as for other rural businesses under the same initial conditions.

The commercial banks offer the widest spectrum of long-term credit (investment) and short-term credit (credit lines, overdraft, factoring, etc.). However, although the interest rates are low enough – about 5-6% - the application procedures and the necessary collateral, together with the multitude of necessary documents, make credit-receiving still too complex for many agricultural and other rural entrepreneurs, mainly for small ones. A major problem for them is to prove the efficiency of the business and good loan repayment perspectives.

The network of credit unions is quite well developed, nevertheless they account for less than one percent of loans in the sector. Credit unions usually issue credits faster and more easily than commercial banks, albeit with much higher interest rates – about 8% (range 6%-12%). Most of their loans are provided for SMEs.

Trade credit, although the most expensive form of loans, is sometimes the only lending source available to the smaller agricultural or rural business. Usually trade credit doesn't require collateral nor complicated document processing. Credits are issued for short as well as longer term periods. The main types of available trade credit in Lithuania are: input supply credit, farm investment financing by processing companies, direct investment in downstream company, co-signing of bank loans, credit to produce farm output for export and credit to improve product quality and safety.

Some 41 municipalities (out of 60) have set up SME Support Funds. The majority of these funds are provided in the form of preferential loans, partial or full interest-rate subsidies for commercial loans, direct financial support for small investments and subsidies for training and counselling as well as for marketing activities. They usually provide small-volume credits, the procedures for obtaining them are simple, and they are accessible for all rural trade subjects.

The RCGF, which is 100% state owned, cooperates with all of the commercial banks and, since September 2005, also with credit unions. An indication of its importance in extending the availability and use of credit in the agricultural and rural sectors is shown by the statistic that approximately 54% of total lending to farmers is covered by a guarantee from RCGF. It provides guarantees for both long and short-term credits (up to 70% and up to 80% for young farmers of the unpaid credit amount). The principal beneficiaries are agricultural as well as other rural businesses. The fund also administers state aid – compensation for guarantee fees, insurance premiums and loan interest to guaranteed credit beneficiaries (for more detail information see Annex 1) – and it also performs research, provides banks with analytical guidelines (RCGF prepares reviews on agricultural specificity which become more and more interesting to banks) on the profitability of agricultural and rural businesses, and generally modifies market processes so as to lower the risk for credit market participants.

The RCGF is also accredited to administer the licensed storages compensation fund. The documented system of licensed storages will help grain producers and processors to store grain in

these storages in return for medium-term loans from credit institutions. (grain producers and processing companies that have pledged stored grains to credit institutions, will be able to get medium-term loans to cover the operational expenses)

## **1.2 Major credit and rural policy developments in 2005**

### **Policy measures implemented in 2005**

In June 2005 the Lithuanian government approved a modification of the Rural Credit Guarantee Fund's activity rules, committing the fund to work in accordance with not only the laws governing Stock companies and Debt, but also to according to the law governing Financial Institutions. The other important change for rural business development at this time was that 'other rural activity' now includes all business activities performed in rural areas. It's also planned to change the RCGF rules modifying the order of guarantee fee payment – to differentiate it according to project risk, credit term and other factors. It should contribute to the further development of reciprocal confidence and cooperation with credit institutions.

Since September 2005 the RCGF also started to provide guarantees, for those credit unions which satisfy the stated requirements (34 unions), on the same basis and conditions as for the banks (earlier guarantees were given only for banks). Also entities which have obtained credit with guarantee are subject to other state aid measures, such as partial compensation of interest paid to credit unions, of insurance payments for impawned assets and of the guarantee fee. By reducing the lending risk for credit unions (consequently encouraging them to lower interest rates), and by compensating part of the borrowing costs. these amendments should improve borrowing conditions from these institutions on the whole.

In order to satisfy the growing need for guarantees, every year the Lithuanian government has increased the limit of state guarantees. In 2006 the government certified 360 mln. LTL guarantee limit - much larger than in 2005 (280 mln. LTL) which itself was almost double the limit in 2003.

On the private bank level the new policy towards agricultural loans is being observed. For example, the Ukio bank together with the Fund organised the consultation cycle "Money for Lithuanian countryside" in various districts of Lithuania in 2005. During seminars rural entrepreneurs and farmers were provided with information about how, and under what circumstances, it is possible to get credit for business development, how to profit from RCGF services, etc. Šiaulių bank started to work out a specific methodology for providing credit for small rural and agricultural entrepreneurs. Nord LB bank has signed an agreement with the Rural Small Businessmen and Craftsmen Association of Lithuania for preferential credits on the basis of providing an assessment-reference for an applicant's business. These activities show that the commercial banks are getting more and more interested and confident in financing the agricultural sector. As the competition among them increases, so all of these factors positively influence the increasing access to credit for agricultural and other rural businesses.

### **Published research or analysis related to rural credit**

The most recent detailed research on Lithuanian rural credit facilities with detailed analyses and an evaluation of rural credit accessibility, was performed in 2004 (Meyers W.H., Kazlauskiene N., Naujokiene R., Krisciukaitiene I. *Rural Financial Constraints in the Framework of EU Accession of Lithuania*).

### **Ideas for policy development**

An agricultural and rural business register has been created and contains a great deal of information on rural businesses, including personal data of the owners/employers, information on business assets, activities, etc. These databases could be used when applying for credit, in order to simplify the procedure and reduce the number of necessary documents.

Since in Lithuania several credit unions operate which do not belong to the Lithianian Central Credit Union (LCCU), these credit unions are not covered by the LCCU's safety instruments, such as supervision, the restoration of impaired solvency or liquidity requirements. Practical experience not only of Lithuanian credit unions but also other credit union movements shows that it is not possible to fulfil the essential supervision functions properly if such supervision does not cover all credit unions. Another shortcoming of the present situation is that the LCCU does not have any real powers to apply sanctions to credit unions. If the LCCU discovers mismanagement or even fraud in those credit unions it regulates, it may only inform the central bank or terminate the membership of the credit union in question. Practical experience shows that these powers are not always enough to ensure the safety of the whole system. Therefore these above-mentioned shortcomings of the legal framework within which Lithuanian credit unions operate should be discussed and action taken to address them in the future.

### **1.3 Access to rural credit – uptake and issues**

It is clear that rural financial conditions and access to financial resources have significantly improved as compared to the end of 1990s and beginning of this decade, which was a kind of turning point in agricultural and rural conditions. Nevertheless the situation stays quite complicated. There is no general lack of credit resources in the domestic credit market, but small and medium firms have limited access to these resources. They rely far less on borrowed funds as compared with larger farms. The share of equity in the assets structure of such units has shown a tendency to decline, as has the equity per ha of agricultural land. During the 1998 – 2003 period these ratios declined respectively by 10% and 48% for farmers' farms (Annex 2). At the end of 2003 the ratio of equity to all assets was 85% and the ratio of debt to equity was only 9%, though this ratio has been increasing during recent years. The relatively low levels of debt may suggest a significant potential for increased investment and use of credit in the future.

By comparison, the ratio of debt to equity was 40% for agricultural companies – twice as much as for farmers' farms. The capital borrowed from banks constituted only 22% of total liabilities for agricultural companies and even less of the credits for farmer's farms. It implies that trade credit from suppliers and processors comprised virtually all of the farmer's farms credit and the greatest share of liabilities of agricultural companies. Unfortunately there are no statistics on the total scale of trade credit, but it could be implied that it amounts for about 10% of farmer's farms and about 30% of agricultural companies' total assets.

In the period of 2002 – 2005 agricultural loans issued by banks have increased more than three times (Annex 5). Growth was especially significant in long-term loans, while short-term loans stayed more or less stable (in 2005 loans for agricultural sector amounted 2% of all issued loans). Nevertheless the number of issued loans remains very low. According to the research, performed by RCGF, banks and credit unions together have issued loans to only 4754 agricultural businesses (out of 20000 commercial farms, and 226000 farms in total) by the end of 2005. Only 1300 of these

businesses got loans from the commercial banks. The absolute majority of issued loans were taken for long-term investment projects.

RCGF in 2005 issued only 317 guarantees, although the overall sum (167,4 mln. LTL) may seem large enough. Encouragingly, there has been a tendency for an increase in the frequency with which loans are taken from commercial banks and credit unions. According to RCGF research data, 31% of surveyed agricultural companies took credits in 2003 and already 62% in 2005 but on the other hand taking trade credits has also risen almost twice (from 35% to 70%).

Many more loans are being issued to young farmers (101 guarantees in 2005, compared with just 36 in 2004). In total, farmers got 49% of all the Fund's guarantees. However, in recent years non-agricultural businesses have been borrowing more and more (9% of all guarantees were made in respect of activities alternative to agriculture and 9% to processing companies).

Most of the credit with guarantees was given to businesses operating in crop production (60% of all agricultural producers), while among processing companies meat processors were predominant, and among other rural businesses— manufacturing was important.

Most of the credit is long-term, and taken for investment purposes (85% of all guaranteed credits). Priority was set for projects supported by EU and in 2005 they amounted 43% of all guaranteed credits for investment and in the first quarter of 2006 – only 20%. This indicates that farmers are actively taking credit for investments even without EU support and that banks get more confident in agriculture as in stable economical branch. According to bank representatives, large farms and other rural business usually have no problems to get credits as they have initial capital, collateral and experience. Small ones, on the contrary, usually ask credit having almost nothing of their own what makes credit providing too risky for the banks.

Although progress is very slow, it is evident that agricultural entities are starting to borrow from banks to increase their working capital. The other tendency is that, together with the increasing number of applicants, their submitted projects are of typically smaller scale. These findings point to a positive shift, showing the accelerating development of borrowing habits in this sector of the economy.

This tendency towards increased borrowing has influenced by several factors. One of the main was the greater extent of EU and national support. However it mainly improved credit access for large farms and businesses. Due to compensational principal of EU support (farmers regain investment resources only after the investment has been made) and small turn-over of SME, the latter cannot make a viable investment project. Other factors include: the established hypothec system enabling agricultural land to be accepted as security for a mortgage in the banks; the increased income of rural subjects after EU accession; cheaper credits as compared to previous years; and, gradually, more active and bolder farmers. It should be noted that after a banking crisis of quasi-financial institutions in the middle of the last decade an overall mistrust of all banking institutions emerged and it is only quite recently that people are gradually getting over it.

An important factor influencing credit accessibility is the role played by the RCGF guarantees. The Fund not only guarantees 70% of the loan, but also compensates the major part of guarantee fee (80%), the insurance premium for mortgaged assets (50%) and interest payments (30%; for young farmers – 40%). Very favourable conditions are set up for the purchase of agricultural land (compensated 50% of interest; 60% for young farmers). On the other hand, several bankers have

complained that RCGF doesn't want to guarantee risky projects, so those that need most support are usually left out.

But even under these favourable conditions bank lending to agricultural and rural subjects remains very low. There are several main problems affecting rural credit accessibility, particularly in relation to smaller business entities:

1. Fear and reciprocal mistrust.
2. The small size of farms – banks usually don't even start negotiating with farms smaller than 50ha (which make the majority of all farms in Lithuania ineligible). A major problem is to prove the efficiency of the business and good loan repayment perspectives. These are usually not easy to justify, since they are small-scale with relatively limited turn-over and uncertain marketing conditions, high production costs due to expensive investment and operational capital. Moreover, a particular characteristic of Lithuanian farmers is a tendency to want to own all their machinery and other assets, and are reluctant to consider cooperation, although it's not worth to buying it alone. Small farms find it difficult to provide the needed collateral for a mortgage; besides, in the case of investment projects, it's necessary to have at least 10% of own assets.
3. Difficult procedures, lots of complicated documents, which are hard to fill out even for agricultural companies.

## **2 Availability and performance of rural credit facilities**

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### **2.1 Assessment of short-term credit sources**

The main source of short-term credit is trade credit given by suppliers and/or processors. Trade credit comprises virtually all of the farmers' farms credit and the biggest share of the liabilities of agricultural companies. The number of agricultural companies using trade credit has doubled since 2003 and, though the majority of these companies admit that bank credit is cheaper, they state that trade credit is much more comfortable and easy to obtain. Typically, short-term credit is repaid using the crop harvested at harvest-time.

The second most popular source of credit, though much less important, is provided by credit unions. They mainly issue low value credit (2000 – 5000 LTL) for the purchase of seeds, fertilizers or animals. Credit unions do not require collateral (they use warrantors instead) and issue credit fast.

Banks offer a wide variety of short-term credit options (short-term credits, credit lines, overdraft, factoring, etc.), but only very few rural businesses apply for them. Banks require evidence of the profitability of a business, have complicated document to be filled in and also require adequate collateral. Moreover, they usually do not accept agricultural land as suitable collateral for short-term credits (agricultural machines and facilities are preferred).

The RCGF guarantees 70% of the unpaid credit amount (80% to young farmers). Nevertheless short-term borrowing from credit institutions is very laggard.

### **2.2 Assessment of medium-term and long-term credit sources**

The main sources for long-term borrowing are suppliers/processors and banks. Almost all companies trading agricultural and machines provide leasing services. Processors' support schemes are not very popular in sectors having an excess supply of stock (e.g. the grain sector). Suppliers/processors issuing trade credits demand an interest rate of 8-9%. The source of their own funding is banks from which they get loans with much less interest (5-6%; though according to bank forecasts, these rates will increase). Farmers have to pay twice, but as it's very difficult, especially for small farms, to get a credit from the bank, they do nevertheless apply for trade credit.

However, big investment projects, especially those co-financed by EU funds, are mainly credit-funded by banks. These credit institutions have a great deal of money which could be lent to agricultural and rural businesses and their interest rates are low enough (4,9% – 5,5%), although the loans at least in the meantime are available only for big farms. Banks do not have confidence in small farms and, if the applicant's farm is smaller than 50ha, most banks probably won't even consider their application. In these circumstances the potential guarantee from the RCGF is never accessed, because the procedure of guarantee issuing requires agricultural and rural businesses to first apply for credit to the bank; only if the bank is interested can the bank itself apply to the RCGF. Apart from the general mistrust of banks, small farmers would anyway find it difficult to save up the necessary 10% of his own assets which is typically required for all long-term investment projects.

On the other hand, banks are getting more and more interested in agricultural and other rural business credit, and they have started cooperating and communicating with various rural associations. For example, the Rural Small Businessmen and Craftsmen Association of Lithuania has signed a cooperation agreement with Nord LB Bank for providing the bank with valuation-reference in relation to the issuing of credit; the Šiaulių Bank is preparing a specific methodology for providing credit to small rural and agricultural entrepreneurs; and they have begun to participate in RCGF courses about particularity of agricultural sector, etc.

The filling out of necessary documents and the preparation of business plans are two of the most problematic factors discouraging farmers and small rural entrepreneurs from applying for to a bank for credit. An absolute majority of farmers and the majority of agricultural companies have to use the services of an expensive consultant for filling out the documents (and even then there's no guarantee that this consultant will be qualified enough). Further, the issuing of bank credit can take up to several months.

The State plays an important role in credit accessibility both through RCGF and through municipality funds. The RCGF guarantees 70% of the unpaid credit amount (80% to young farmers). While in the early years of the Fund's operation, the largest share of guaranteed loans were granted for the procurement of inexpensive agricultural equipment, in the last few years there were an increasing number of larger and more sophisticated investment projects. On the other hand, it's observed that RCGF doesn't want to guarantee risky projects, so those that need most support are usually left out. The municipality funds provide reversionary and irretrievable credits. While the maximum amounts of these credits are small at 2000 – 30000 LTL, they are available for everyone and are especially popular among small farms because of the uncomplicated procedures (only a very simple activity plan is required) and the minimal formal requirements.

Credit unions issue very few long-term credits, mostly because their portfolios usually are too little to provide large investment loans.

### **2.3 Assessment of the adequacy of credit sources**

Farmers' views about the adequacy of rural credit provision was evident during interviews with specialists from RCGF and representatives of various professional organisations (see references). According to them farmers find it very difficult to obtain credit from the banks, and for small farmers it's almost impossible. The main accessibility problems of bank credit are the collateral requirements and the very complicated document filling (involving both many documents and very detailed and complex business plans). But the banks are the cheapest source of borrowing with interest rates currently varying from 5% to 6%.

According to the representative of Rural Small Businessmen and Craftsmen Association of Lithuania every second rural entrepreneur applies to the bank. Unfortunately, there's no exact data about the volume and number of issued credits for rural businesses. The main obstacle in this sector is related to mortgage requirements (because of property ownership issues).

Most of the credits are taken for investment purposes and very few for short-term needs.

The most readily available source of credit for agricultural subjects is supplier/processor credits – simple and quick to obtain, but also the most expensive of all (8% - 10%). They provide the vast majority of short-term credit for agriculture. The repayment of this credit is usually made at harvest time in either in kind (i.e. crop yield, for processors) or in money (for suppliers).

In terms of accessibility credit unions' loans to farmers fall between the banks and trade credit from suppliers, and the interest rates on their loans are also at an intermediate level, being more expensive (at 7% - 12%) than the banks but also more complicated to get than from the suppliers. Furthermore, they can provide only small-amount loans.

Until recently commercial banks in Lithuania didn't have specialists in agricultural/rural credit. The main reason for this was that their lending portfolio included very few agricultural loans. Only one bank, the Lithuanian Agricultural Bank, actively worked in this sector but even then only until its privatization in 2002. However, the RCGF has started organizing courses for bank specialists which focus specifically on the characteristics of the agricultural sector; the RCGF also prepares and publishes a general overview of the sector with the prospects for agricultural markets.

The Government has founded the Lithuanian Agricultural Advisory Service which provides consultancy support about the use of EU structural funds, the possibility of obtaining credit, etc. but these consultants don't help directly in the drawing up of business plans for farmers and other rural businesses.

### **2.4 Evidence of credit market failure**

According to RCGF research till the end of 2005 (in 15 years) banks have issued only 1300 agricultural loans and 3400 loans were given by credit unions. These very low numbers mainly reflect large farm borrowing which is described as relatively easy. In the meanwhile small-scale farms having less than 50 ha of land represent more than 98% of farmers and about two thirds of all agricultural land. These SME which usually have no initial capital, little turn-over, lack of experience and economical-financial knowledge cannot make a viable investment project under currently available programs. This means that a majority of Lithuanian farms and the most typical ones are not impacted by most of current financial programs or services. This leaves behind what could be a very dynamic part of agriculture and rural economy.

## 2.1 Overview and prospects

It is clear that rural financial conditions and access to financial resources have significantly improved as compared to the end of 1990s and beginning of this decade. Nevertheless the situation stays quite complicated. Although there is no general lack of credit resources in the domestic credit market, but small and medium firms have limited access to these resources. The major problem is lack of initial capital and small scale, which impedes grounding the efficiency of the business and good loan repayment perspectives. Therefore encouragement of micro crediting should be top priority right now.

The borrowing by large entities was substantially influenced by increased EU support. Since accession to EU SME have been also benefiting in the form of direct and compensational payments. These income support and other CAP rural development measures have already increased farmers' disposable incomes and over time it should significantly influence farms financial state which is crucial when applying for the credit.

The most available lending source by now was trade credits. They account for an absolute majority of short-term and a big part of long-term credits. Such lending tendency should endure for forthcoming years at least.

The amendments of RCGF rules in 2005 when it started to provide guarantees also for credit unions should improve borrowing conditions from these institutions. On the private bank level the new policy towards agricultural loans is being observed what shows that banks get more and more interested and confident in financing agricultural sector, the competition among them increases, what positively influences the increasing credit accessibility for agricultural and other rural subjects. This cooperation and communication has to be further developed.

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8. SEB Vilniaus Bank
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## RURAL CREDIT GUARANTEE FUND PRODUCTS

Rural Credit Guarantee Fund guarantees banks the repayment of up to 70 percent of the unpaid credit amount; 80 percent of the unpaid credit amount is guaranteed for loans granted to young farmers (under 40 years of age).

### Guarantee granting conditions

	Investment credit guarantees			Guarantees to credits supplementing current assets		
	Farmers	Processing companies	Rural businesses	Farmers	Processing companies	Rural businesses
Credit purpose	To implement any investment projects			To supplement current assets	To purchase agricultural produce	To supplement current assets
Credit period	No limitations			Up to 2 years		
Maximum amount per guarantee	400,000 Lt per farm 900,000 Lt per company No limitations for projects financed by EU assistance funds			300,000 Lt	No limitations	300,000 Lt
Total amount of guarantees	600,000 Lt per farm 1,200,000 Lt per company No limitations for projects financed by EU assistance funds			300,000 Lt	No limitations	300,000 Lt
Guarantee payment	1.1 percent	5.5 percent	1.1 percent	0.4 percent	2 percent	0.4 percent
Other conditions	<ul style="list-style-type: none"> <li>· Credit beneficiary shall finance at least 10 percent of the business project by personal assets.</li> <li>· Credit beneficiary shall be obliged to mortgage the property purchased by the credit funds to the bank. If the bank does not want this property, other property or property rights may be mortgaged.</li> </ul>			Credit beneficiary shall be obliged to mortgage the property purchased by the credit funds to the bank. If the bank does not want this property, other property or property rights may be mortgaged.		

### How to receive a credit guarantee

The customer shall apply to the a bank asking to grant a credit. The bank shall apply to the Rural Credit Guarantee Fund regarding guarantee issuing and furnish the Fund with the documents submitted by the customer and prepared by the bank:

- Application to obtain a credit guarantee.
- Application to receive a credit.
- Decision of the bank to grant the credit.
- Draft credit agreement.
- Registration documents.

- Business plan (explanatory note if the credit amount is less than 100,000 Lt or is being taken out to supplement current assets).
- Financial accountability documents from the two previous years, list of debtors and creditors, payables and liabilities, information on the immovable property owned by the loan beneficiary and return on agricultural areas and crops.
- Certificates from the State Tax Inspectorate and SODRA on paid taxes and arrears to the state.
- Decision of the general shareholders' meeting and the board of the company regarding the obtaining of the loan and mortgage of property.
- Contracts and other documents on assistance provided from the EU and the state.
- Contracts on the sales of production and provision of raw and other materials.
- Information on state aid gained by the credit beneficiary.
- Other documents required by the Fund Board.

Rural Credit Guarantee Fund shall make a decision on the issuance of a guarantee. Credit beneficiary shall make a guarantee payment followed by the signing of the Credit contract and Guarantee.

### **Limit of guarantee liabilities**

The liabilities undertaken by the Rural Credit Guarantee Fund are issued as a state guarantee and accounted into the state debt. Therefore each year the limit of guarantee liabilities is established by a Government resolution.

### **Administrating other support to business**

Rural Credit Guarantee Fund administers compensation of guarantee payment, insurance premiums and loan interests to guaranteed credit beneficiaries.

Compensation of guarantee payment – 80% of the guarantee fee.

Compensation of insurance premiums – 50% of insurance premium, paid for insurance of mortgaged assets

Compensation of loan interests:

- 40% of paid interests for young farmers;
- 30% of paid interests for other credit beneficiaries.

If credit is issued for agricultural land purchase:

- 60% of paid interests for young farmers;
- 50% of paid interests for other credit beneficiaries.

### Licensed warehouses

According to the Resolution No. 1523 of October 1st, 2002 of the Government of the Republic of Lithuania, Rural Credit Guarantee Fund is empowered to administer the Indemnity Fund of Licensed Warehouses. By implementing licensed warehouses and storage documentation system, grain producers and processing companies that have pledged stored grains to credit institutions, will be able to get medium-term loans to cover the operational expenses. The Fund is entitled:

- to accumulate reserves for ensuring commercial banks' and other credit institutions rights of claim and compensating any stored goods owners' loss that is not covered by warehouse or insurance;
- to compensate loss of warehouse receipt holders.

**BALANCE INDICATORS OF AGRICULTURAL COMPANIES AND FARMERS FARMS****Capital of Agricultural Companies in Cash in 1998 – 2003 (Balance Indicators), in Thou. LTL (at the End of the Year)**

Indicators	1998	1999	2000	2001	2002	2003
<b>TOTAL ASSETS</b>	<b>1836933</b>	<b>1470095</b>	<b>1228411</b>	<b>1125235</b>	<b>1150005</b>	<b>1237163</b>
of which:						
long-term assets	807527	681648	563080	477748	494712	550826
short-term assets	1026990	785877	662785	645101	652763	683797
<b>EQUITY AND LIABILITIES</b>	<b>1836933</b>	<b>1470095</b>	<b>1228411</b>	<b>1125235</b>	<b>1150005</b>	<b>1237163</b>
1. Equity	1412842	1110737	905489	843237	851551	879762
2. Borrowed capital	424091	359358	322922	281998	298454	357401
2.1. Long-term credits (>1 year)	94287	73335	73945	90632,4	106058	124771
of which: bank credits	35233	25316	21170	24395	30247	61308
2.2. Short-term loans	329455	284293	247091	184037	187976	227456
of which:						
bank credits	52344	31744	20750	11884	14548	19115
trade credits (debts for suppliers)	142643	118215	106413	86994	107533	130915
clients imprest	6235	6344	6598	8179	8253	8198

Source: Consolidated financial reports of agricultural companies according to official statistical forms

**Capital of Farmers Farms in Cash in 1998 – 2003 (Balance Indicators, Average of Respondent Farmers Farms), In Thou. LTL (the End of the Year)**

Indicators	1998	1999	2000	2001	2002	2003
<b>TOTAL ASSETS</b>	<b>322759</b>	<b>319519</b>	<b>336672</b>	<b>274253</b>	<b>278974</b>	<b>331794</b>
<b>EQUITY AND LIABILITIES</b>	<b>322759</b>	<b>319519</b>	<b>336672</b>	<b>274253</b>	<b>278974</b>	<b>331794</b>
of which:						
long-term loans	12102	21152	19566	17462	16923	24834
short-term loans	8490	4804	4883	9071	10781	25501
Equity	302167	293563	312223	247820	251270	281459
Equity, in LTL per 1 ha of UAA	4943	4059	4027	2935	2709	2551

Source: Data from farmers farms-respondents in 1998-2003. – Lithuanian Institute of Agrarian Economics

**Capital of Farmers Farms in Cash in 2003-2004 (Balance Indicators, Weighted Average of Respondent Farmers Farms), in LTL (at the End of the Year)**

	<b>2003</b>	<b>2004</b>
<b>TOTAL ASSETS</b>	<b>150446</b>	<b>186290</b>
of which own agricultural assets	129942	154860
<b>EQUITY AND LIABILITIES</b>	<b>150446</b>	<b>186290</b>
Total liabilities	8876	15343
of which:		
long-term loans	3952	6837
short-term loans	4924	8506
Equity	141570	170947

**Capital of Agricultural Companies in Cash in 2003-2004 (Balance Indicators, Weighted Average of Respondent Agricultural Companies), in LTL (at the End of the Year)**

	<b>2003</b>	<b>2004</b>
<b>TOTAL ASSETS</b>	<b>2555291</b>	<b>3480431</b>
of which agricultural assets	1588977	2399556
<b>EQUITY AND LIABILITIES</b>	<b>2555291</b>	<b>3480431</b>
Total liabilities	76199	409617
of which:		
long-term loans	28515	128826
short-term loans	47684	280791
Equity	2479092	3070814

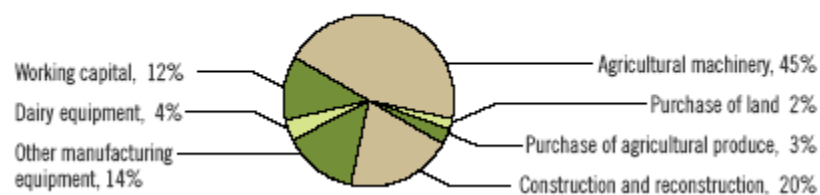
Source: Data from farmers farms-respondents in 2003-2004. – Lithuanian Institute of Agrarian Economics

## RURAL CREDIT GUARANTEE FUND ACTIVITY RESULTS, 2004

## Guarantees issued to banks in 1998-2004

	1998-2004		2003	2004
	Total:	Annual Average		
<b>TOTAL GUARANTEES ISSUED:</b>				
number	945	135	123	163
amount, mln. LTL	1.150,6	164	179,2	99,96
of which				
<b>To agricultural entities, rural entrepreneurs, processing companies</b>				
number	914	131	118	162
amount, mln. LTL	178,6	26	63,8	57,5
of which				
Long-term guarantees				
number	849	121	95	131
amount, mln. LTL	151,5	22	51,0	51,4
Short-term guarantees				
number	65	9	23	31
amount, mln. LTL	27,2	4	12,8	6,2
<b>To the Lithuanian Agricultural and Food Products Market Regulation Agency</b>				
number	31	4	5	1
amount, mln. LTL	972,0	139	115,3	42,5

## Breakdown of guarantees issued to banks by type of loan in 1998-2004, %



Breakdown of issued guarantees by types of activities, '000 LTL

	1998-2004	2003	2004
Guarantees issued in respect of loans:			
<b>TOTAL:</b>	<b>178.597</b>	<b>63.816</b>	<b>57.507</b>
<b>FOR AGRICULTURAL ACTIVITIES</b>	<b>120.467</b>	<b>27.229</b>	<b>46.932</b>
Crop production	62.396	10.404	25.802
Gardening	2.287	210	1.190
Livestock farming	21.697	8.410	7.518
Mixed farming	24.289	1.101	9.794
Poultry farming	5.650	3.770	1.840
Horticulture	4.148	3.333	788
<b>FOR PROCESSING</b>	<b>36.401</b>	<b>25.351</b>	<b>3.010</b>
Crop processing	6.100	6.100	0
Meat processing	13.560	8.910	3.010
Milk processing	6.941	5.441	0
Fruit and vegetable processing	9.800	4.900	0
<b>FOR ACTIVITIES ALTERNATIVE TO AGRICULTURE</b>	<b>21.729</b>	<b>11.235</b>	<b>7.566</b>
Manufacturing	14.516	7.269	6.916
Services	2.124	1.204	0
Rural tourism	747	345	0
Mixed activities	4.342	2.418	650

Risk assessment of all guarantees issued by the Company					
Risk group	Grades	Guarantee liabilities of the Company by risk group		Rate of provisions, %	Amount of provisions, LTL
		LTL	%		
Risk-free guarantees	60-49	16,230,051	13.95	0	0
Low-risk guarantees	48-37	88,060,769	75.67	20	17,612,154
High-risk guarantees	36-25	11,435,047	9.83	40	4,574,019
Bad guarantees	24-13	641,273	0.55	100	641,273
<b>TOTAL:</b>		<b>116,367,140</b>	<b>100</b>		<b>22,827,446</b>
				<b>Risk percentage</b>	<b>19.62</b>

Source: Rural Credit Guarantee Fund <http://www.garfondas.lt/index.php?-1255990785>

**Balance Sheet of Credit Unions, Thou. LTL**  
**07/01/2005**

	Item	Nacional currency	Foreign currency	Total
	ASSETS			
1.	CASH	3,398.45	51.14	3,449.59
1.1.	Bank-notes and coins	3,398.45	51.14	3,449.59
1.2.	Other payment instruments			
2.	CLAIMS ON BANKS	4,581.95	101.44	4,683.39
2.1.	DEPOSITS	4,581.95	101.44	4,683.39
2.1.1.	Demand	4,211.95	97.99	4,309.94
2.1.2.	Time	370.00	3.45	373.45
3.	CLAIMS WITH FOREIGN BANKS			
4.	CLAIMS WITH CENTRAL CREDIT UNION	46,075.68		46,075.68
4.1.	DEPOSITS	44,000.91		44,000.91
4.1.1.	Demand	27,790.91		27,790.91
4.1.2.	Time	16,210.00		16,210.00
4.2.	Special-purpose funds	2,074.77		2,074.77
5.	FUNDS WITH CREDIT UNIONS	893.00		893.00
5.1.	DEPOSITS	893.00		893.00
5.1.1.	Demand			
5.1.2.	Time	893.00		893.00
5.2.	LOANS			
5.2.1.	Short-term			
5.2.2.	Long-term			
6.	LOANS GRANTED	166,656.88	624.96	167,281.84
6.1.	SHORT-TERM	17,121.52	48.20	17,169.72
6.1.1.	TO CREDIT UNION MEMBERS	14,876.89	39.62	14,916.51
6.1.1.1.	To public and trade union organizations, religious communities and associations	58.50		58.50
6.1.1.2.	To agricultural co-operatives			
6.1.1.3.	To natural persons	14,818.39	39.62	14,858.01
6.1.2.	TO ASSOCIATED MEMBERS OF CTEDIT UNION	2,244.63	8.58	2,253.21
6.1.2.1.	To individual (personal) enterprises, partnerships	233.45		233.45
6.1.2.2.	To agricultural co-operatives, private companies	766.82		766.82
6.1.2.3.	To natural persons	1,244.36	8.58	1,252.94
6.1.3.	To credit union associations*			
6.2.	LONG-TERM	149,535.36	576.76	150,112.12
6.2.1.	TO CREDIT UNION MEMBERS	128,368.19	376.40	128,744.59
6.2.1.1.	To public and trade union organizations, religious	195.00		195.00

	communities and associations			
6.2.1.2.	To agricultural co-operatives			
6.2.1.3.	To natural persons	128,173.19	376.40	128,549.59
6.2.2.	TO ASSOCIATED MEMBERS OF CTEDIT UNION	21,167.17	200.36	21,367.53
6.2.2.1.	To individual (personal) enterprises, partnerships	271.95		271.95
6.2.2.2.	To agricultural co-operatives, private companies	2,821.78	184.42	3,006.20
6.2.2.3.	To natural persons	18,073.44	15.94	18,089.38
6.2.3.	To credit union associations*			
7.	BILLS DISCOUNTED	142.53	50.04	192.57
8.	INVESTMENTS IN GOVERNMENT SECURITIES	2,757.23		2,757.23
8.1.	Short-term (up to 1 year)	130.11		130.11
8.2.	Long-term (over 1 year)	2,627.12		2,627.12
9.	INVESTMENTS IN THE CENTRAL CREDIT UNION CAPITAL	2,300.00		2,300.00
10.	FIXED ASSETS (residual value)	4,590.84		4,590.84
10.1.	Tangible assets	4,544.65		4,544.65
10.2.	Intangible assets	46.19		46.19
11.	ASSETS TAKEN OVER FOR DEBTS			
12.	OTHER ASSETS	3,967.43	4.74	3,972.17
12.1.	Accrued income	1,812.83	4.74	1,817.57
12.2.	Deferred expenses	91.20		91.20
12.3.	Other assets	2,063.40		2,063.40
13.	SPECIFIC PROVISIONS (with minus sign)	-1,067.55	-0.61	-1,068.16
13.1.	For loans	-789.85	-0.61	-790.46
13.2.	For accrued income	-56.43		-56.43
13.3.	For other assets	-221.27		-221.27
	TOTAL	234,296.44	831.71	235,128.15
	LIABILITIES, OWNERSHIP			
14.	LIABILITIES TO BANKS			
14.1.	Short-term loans			
14.2.	Long-term loans			
15.	LIABILITIES TO FOREIGN BANKS			
16.	LIABILITIES TO CENTRAL CREDIT UNION	14,941.92		14,941.92
16.1.	Loans for maintaining liquidity	100.00		100.00
16.2.	Other loans	14,841.92		14,841.92
17.	LIABILITIES TO CREDIT UNIONS	893.00		893.00
17.1.	DEPOSITS	583.00		583.00
17.1.1.	Demand			
17.1.2.	Time	583.00		583.00
17.2.	LOANS	310.00		310.00
17.2.1.	Short-term	310.00		310.00

17.2.2.	Long-term			
18.	LIABILITIES TO CREDIT UNION ASSOCIATIONS*			
19.	DEPOSITS	186,367.16	919.57	187,286.73
19.1.	DEMAND	51,054.00	54.74	51,108.74
19.1.1.	OF CREDIT UNION MEMBERS	46,064.22	54.41	46,118.63
19.1.1.1.	Of public and trade union organizations, religious communities and associations	182.71		182.71
19.1.1.2.	Of agricultural co-operatives	10.03		10.03
19.1.1.3.	Of natural persons	45,871.48	54.41	45,925.89
19.1.2.	OF ASSOCIATED MEMBERS OF CTEDIT UNION	3,696.56	0.33	3,696.89
19.1.2.1.	Of individual (personal) enterprises, partnerships	148.11		148.11
19.1.2.2.	Of agricultural co-operatives, private companies	526.93		526.93
19.1.2.3.	Of natural persons	3,021.52	0.33	3,021.85
19.1.3.	Of credit union associations*	0.04		0.04
19.1.4.	Of public organizations	444.86		444.86
19.1.5.	Of religious communities	529.99		529.99
19.1.6.	Of trade union organizations	9.00		9.00
19.1.7.	Of the Republic of Lithuania, international and foreign charity and sponsorship funds			
19.1.8.	Of bodies authorized by the Government and municipalities	309.33		309.33
19.2.	TIME	135,313.16	864.83	136,177.99
19.2.1.	OF CREDIT UNION MEMBERS	105,685.94	706.50	106,392.44
19.2.1.1.	Of public and trade union organizations, religious communities and associations	457.76		457.76
19.2.1.2.	Of agricultural co-operatives			
19.2.1.3.	Of natural persons	105,228.18	706.50	105,934.68
19.2.2.	OF ASSOCIATED MEMBERS OF CTEDIT UNION	28,378.68	158.33	28,537.01
19.2.2.1.	Of individual (personal) enterprises, partnerships	50.20		50.20
19.2.2.2.	Of agricultural co-operatives, private companies	1,157.63		1,157.63
19.2.2.3.	Of natural persons	27,170.85	158.33	27,329.18
19.2.3.	Of credit union associations*			
19.2.4.	Of public organizations	380.18		380.18
19.2.5.	Of religious communities	271.31		271.31
19.2.6.	Of trade union organizations	6.43		6.43
19.2.7.	Of the Republic of Lithuania, international and foreign charity and sponsorship funds	67.65		67.65
19.2.8.	Of bodies authorized by the Government and municipalities	522.97		522.97
20.	BILLS COLLECTED			
21.	OTHER LIABILITIES	3,917.51	16.10	3,933.61

21.1.	Accrued expenses	3,428.68	14.75	3,443.43
21.2.	Deferred income	168.14	1.35	169.49
21.3.	Other liabilities	320.69		320.69
22.	SPECIAL AND OTHER RESERVES			
22.1.	Specific provisions for off-balance sheet items			
22.2.	Other reserves			
23.	CREDIT UNION CAPITAL	28,072.89		28,072.89
23.1.	Share	25,443.19		25,443.19
23.2.	Reserve	2,229.54		2,229.54
23.3.	Supplementary capital	400.16		400.16
23.3.1.	Retained profit (loss) of the past year	-152.76		-152.76
23.3.2.	Fixed assets revaluation reserve			
23.3.3.	Other supplementary capitals and reserves	46.89		46.89
23.3.4.	Profit (loss) of the current year	506.03		506.03
	TOTAL	234,192.48	935.67	235,128.15

\* - *Until a credit union joins the Central Credit Union.*

Source: Bank of Lithuania [http://www.lb.lt/eng/institutions/1ku\\_balans5\\_2.htm](http://www.lb.lt/eng/institutions/1ku_balans5_2.htm)

**Structure of Loans by Economic Activities**

2004 Q1 - 2005 Q4

*percentage of total*

	<b>2004 Q4</b>	<b>2005 Q1</b>	<b>2005 Q2</b>	<b>2005 Q3</b>	<b>2005 Q4</b>
Agriculture, hunting, forestry	2.03	1.85	2.12	2.45	2.03
Fishing	0.13	0.12	0.12	0.22	0.09
Mining and quarrying	0.22	0.22	0.23	0.21	0.15
Manufacturing	18.68	18.62	18.03	16.83	15.18
Electricity, gas and water supply	6.37	6.06	5.22	4.68	4.16
Construction	3.09	3.34	4.09	4.40	3.92
Wholesale and retail trade; repair of motor vehicles, motorcycles; personal and household goods appliances	17.53	17.27	16.31	15.27	12.97
Hotels and restaurants	1.64	1.64	1.68	1.64	1.53
Transport, storage and communication	2.60	2.61	2.62	2.95	2.56
Financial intermediation	11.05	11.43	11.05	10.28	14.61
Real estate, renting and other business activities	10.46	11.05	11.07	12.38	12.47
Public administration and defence; compulsory social security	4.47	2.25	2.06	1.68	3.31
Education	0.09	0.07	0.07	0.06	0.05
Health and social work	0.78	0.77	0.65	0.61	0.49
Other utilities, social and personal services	0.93	0.90	0.92	0.91	0.74
Other types of economic activities	0.00	0.00	0.05	0.05	0.00
Loans not attributed to economic activities	19.93	21.78	23.72	25.38	25.75

Source: Bank of Lithuania

<http://www.lb.lt/statistics/statbrowser.aspx?group=7260&lang=en&orient=vert>

**Loans for agriculture, hunting, forestry, fishing, LTL million**  
1998 - 2004 (end-of-the year)

	Short-term loans					Long-term loans					Total loans				
	in Litas	in foreign currencies	in USD	in Euro*	in all currencies	in Litas	in foreign currencies	in USD	in Euro*	in all currencies	in Litas	in foreign currencies	in USD	in Euro*	in all currencies
<b>Agriculture, hunting, forestry</b>															
1999	65.1	46.5	44.2	2.3	111.6	84.1	23.1	16.6	6.5	107.2	149.2	69.7	60.8	8.8	218.9
2000	29.4	14.2	13.2	0.9	43.5	39.1	30.1	19.2	10.8	69.1	68.4	44.2	32.5	11.8	112.7
2001	35.1	6.6	4.2	2.4	41.7	39.4	20.8	9.8	11.0	60.1	74.5	27.4	13.9	13.4	101.8
2002	20.4	45.6	0.3	45.4	66.0	64.0	36.9	6.3	30.6	100.9	84.4	82.5	6.6	76.0	166.9
2003	22.8	28.4	0.1	28.4	51.3	125.0	65.1	2.2	62.9	190.1	147.8	93.5	2.3	91.3	241.4
2004	41.1	22.1	0.0	22.0	63.1	238.7	64.0	1.8	59.4	302.7	279.7	86.1	1.8	81.4	365.8
<b>Fishing</b>															
1999	0.9	0.4	0.4	-	1.3	0.9	5.6	5.6	-	6.5	1.8	6.0	6.0	-	7.8
2000	0.3	0.3	0.3	-	0.6	0.0	0.2	0.2	-	0.2	0.3	0.5	0.5	-	0.8
2001	0.3	0.2	0.2	-	0.4	0.0	8.2	8.0	0.2	8.3	0.3	8.4	8.2	0.2	8.7
2002	0.2	-	-	-	0.2	0.4	15.2	14.5	0.7	15.6	0.6	15.2	14.5	0.7	15.8
2003	1.2	0.1	0.1	-	1.3	1.2	8.0	4.4	3.7	9.2	2.4	8.1	4.4	3.7	10.5
2004	0.5	-	-	-	0.5	2.4	19.2	2.8	16.4	21.6	3.0	19.2	2.8	16.4	22.1

Source: Bank of Lithuania <http://www.lb.lt/loan/default.asp?lang=e>

## Loan Interest Rates in Credit Unions, by percent 2005-04-21

#	Credit Union	%
1	Achemos KU (Jovava)	6,00
2	Akademinė KU (Kaunas)	6,00
3	Alytaus KU	9,50
4	Anyškčių KU	8,50
5	Biržų KU Ekraniečių	6,00
6	KU (Panevėžys) Gargždų	8,00
7	taupa (Klaipėdos r.)	11,00
8	Germanto lobis (Telšiai)	4,00
9	Giminėlė (Kaunas) Grinkiškio	9,00
10	KU (Radviliškio r.)	12,00
11	Ignalinos KU	10,00
12	Jonavos žemė	8,00
13	Joniškio KU	9,00
14	Jurbarko KU	9,00
15	Kaišiadorių vyskupijos KU Kauno	7,50
16	arkivyskupijos KU Kauno	7,00
17	technologijos u-to KU	6,50
18	Kelmės taupa	6,00

#	Credit Union	%
19	Klausučių KU (Jurbarko r.)	11,00
20	Kretingos KU	12,00
21	Kupiškėnų taupa	6,00
22	Kvėdarnos KU (Šilalės r.)	10,00
23	Mažeikių KU Mėmelio	12,00
24	taupomoji kasa (Klaipėda)	10,00
25	Moterų taupa (Kaunas)	6,50
26	Naftininkų KU	7,00
27	Pagėgių KU	8,00
28	Pakruojo ūkininkų KU	5,00
29	Palangos KU	8,50
30	Pasvalio KU	8,00
31	Prienų taupa	7,00
32	Radviliškio KU	10,00
33	Raseinių KU	9,00
34	Rokiškio KU	9,00
35	Savas rūpestis (Šiauliai)	10,00
36	Sedos KU (Mažeikių r.)	10,00
37	Skuodo bankelis	8,50
38	Sūduvos parama	6,00

(Marijampolė)		
#	Credit Union	%
39	Šilalės KU	7,99
40	Šilutės KU	7,00
41	Tauragės KU Tikroji viltis	8,90
42	(Naujoji Akmenė)	6,00
43	Trakų KU Ūkininkų	9,30
44	taupa (Širvintos) Ūkininkų	5,00
45	viltis (Panevėžys)	7,00
46	Ukmergės ūkininkų KU	10,00
47	Utenos	5,80
48	Verslo gija (Vilnius)	6,00
49	Vievio taupa Zanavykų	10,00
50	bankelis (Šakiai) Žemaitijos	7,00
51	valstiečių KU (Plungė) Žemdirbio	5,00
52	gerovė (Šiauliai) Žemdirbio	9,00
53	parama (Vilkaviškis)	12,00
Average		8,16

Source: Lithuanian Credit Unions

<http://www.lku.lt/content/category/5/73/29/>

## ANNEX 7

## Average Annual Interest Rates on Loans in Litas

December, 2000 - December, 2004

*Per cent; monthly average*

Date	up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	over 5 years	total
December, 2000	12,32	11,51	11,06	11,28	10,68	10,68	11
December, 2001	7,4	8,24	10,81	8,21	8,22	7,82	8,13
December, 2002	6,03	6,28	5,35	6,47	6,19	5,88	6,08
December, 2003	5,5	5,94	4,49	5,29	5,58	4,49	5,07
December, 2004	5,23	5,25	5,07	5,68	6,11	4,8	5,64
<b>During selected period:</b>	up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	over 5 years	total
minimum	3,48	4,26	4,49	5,17	5,29	4,49	5,07
maximum	14	12,02	13,26	11,44	11,05	11,11	11,2
average	6,91	7,17	6,32	6,89	6,91	5,53	6,52
change	-7,09	-6,26	-5,99	-5,6	-4,57	-5,88	-5,39
difference in maximum and minimum	10,52	7,76	8,77	6,27	5,76	6,62	6,11

Source: Bank of Lithuania <http://www.lb.lt/int/default.asp?lang=E&pid=1>

## Structural Funds Support – Statistics 2005-10-14

No.	MEASURE	Number of applications submitted 2004-2005		Total public cost available, thou. LTL 2004-2006	Number of signed contracts	Amount of contracts, thou. LTL
		units	amount, thou. LTL			
1	Investment in Agricultural Holdings	824	404.734	212.644	198	98.647
2	Setting up of Young Farmers	753	65.963	56.396	313	24.819
3	Improving processing and marketing of agricultural products	25	61.432	103.978	10	29.352
4.	Promoting the adaptation and development of rural areas	154	173823	190209	29	34035
4.1	Water management in agriculture	39	54.961	50.952	9	13.790
4.2	Redistribution of plots of land	0	0	7.683	0	0
4.3	Consultations to agricultural holdings	24	37.209	25.410	7	6.320
4.4	Development and diversification of agricultural and adjacent economic activity sectors for the multiple activities and alternative income	21	18.532	33.682	1	1.095
4.5	Promoting rural tourism and crafts	70	63.121	72.482	12	12.830
5	Forestry	40	13.069	21.828	23	4.707
6	Leader + type measure	92	2.040	9.373	46	754
7	Training	99	12.819	9.182	23	1.011
8	The activities, related with the fishery fleet	25	50.298	32.434	20	21.773
9	Development and security of water resources, aquaculture, fishery port equipment, processing and marketing and fishery in inner waters	7	8.408	21.732	3	1.358
10	Other fishery related activities	56	1.840	5.180	0	0
<b>TOTAL</b>		<b>2.075</b>	<b>794.427</b>	<b>662.956</b>	<b>665</b>	<b>216.456</b>

Source: National Payment Agency under the Ministry of Agriculture  
<http://parama.nma.lt/index.php?1806906469>