



BEST LENDING INITIATIVE

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Winner

Oxbury
The Agricultural Bank

Oxbury Bank Plc

The winner was selected because it solves unique pain points for an otherwise underserved sector in the UK, agriculture.

Oxbury Bank is the UK's only bank 100% dedicated to serving British farmers: offering innovative new funding and technology options for farm businesses that provide sustainable food production. Founded by farmers, bankers, and technologists, Oxbury has combined the worlds of financial services, technology and agriculture to help British farmers thrive during a time of uncertainty and change.

All farm businesses purchase seeds, chemicals, fertilisers, animal feed and fuels as the raw materials for their farming operations. These products are called farm inputs, and today they are typically purchased from agricultural distributors, fuel distributors and animal feed merchants. As is normal in most businesses, a farmer needs to acquire and pay for these inputs before they can grow and sell the outputs.

The difference with farming is that the period between input purchase and output sale is typically significantly longer than most industry segments. For example, autumn sown arable crops can take up to 22 months to become ready for harvest and livestock, potentially

Having a credit initiative that is transparent, open and flexible, and drives sensible, responsible credit adoption has to be a good thing in a market that has struggled over the past 18 months. PPS



over 2 years. Farmers in the UK today typically fund these inputs in a variety of ways, but bank overdraft and credit from their suppliers has become standard.

A difficult time for the UK's farms

UK farming profits fell by 16% in 2020 according to Defra. This of course decimated many farms' cashflow, leading to farms being unable to pay suppliers and having to reduce operations or cut staff.

As with many businesses, cashflow is vital, but since the 2008 financial crisis short-term lending to farms has shrunk from £2.98bn to £2.17bn. High Street banks are ill-equipped to solve the specific problems of the agricultural industry, which created a niche for Oxbury Farm Credit.

In addition to offering competitive interest rates, Oxbury Farm Credit provides farm businesses complete control over their invoice management and repayment

profile. Oxbury has fully integrated with the systems of the input suppliers, allowing automatic and secure uploads of invoices onto our online platform. Customers can review their account at any time in real time, and query or pay invoices, make repayments to suit their cashflow, and monitor monthly outgoings all in one place. They are currently bringing on board integrations with leading accountancy packages and farm management software so that farmers can spend far less time on administration and financial management.

Lending with a social mission

Oxbury are also working towards helping their customers minimise their carbon emissions through Oxbury Forest Saver, which allows interest from payments to be put towards planting trees on British farm sites.

Their Oxbury Flexi Credit – Milk Cheque scheme is a highly flexible facility created for dairy farmers which is simple to set up and offers additional credit to their existing banking arrangements. The product enables farmers to ease cashflow pressures at key times of the year when milk prices are low or cash outflows are high on feed and fertilisers, to take advantage of competitive prices or offers as they arise. A credit limit is agreed, based on a multiple of the farmer's average monthly milk cheque over twelve months and money can be immediately transferred out of the account to make purchases.

The company is on track to meet its first-year targets after only nine months, showing that there is a real need for their services within the UK's agricultural industry. They will be announcing projects to expand the product

across the supply chain, working in partnerships with suppliers and farmers to strengthen the supply chain as they continue to grow and develop their offering.

More about the company:

www.oxbury.com

press@oxbury.com

www.linkedin.com/company/oxbury-bank

twitter.com/OxburyBank

Congratulations to the other finalists