

**Monthly Report on**  
**Agriculture and Rural Finance<sup>1</sup>**



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**Research Department**  
**(Internal Economic Wing)**  
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## 1. Highlights of Agriculture and Rural Finance

- Agricultural credit disbursement target has been set at Tk. 35,000.00 crore for FY24 which was 13.60 percent higher than that of FY23 and 6.61 percent higher than actual disbursement in FY23.
- Agricultural credit disbursement stood at Tk. 21,153.85 crore during July-January of FY24, which was 60.44 percent of the total disbursement target for FY24 and 13.22 percent higher than the disbursement of Tk. 18,684.32 crore for the same period of the last fiscal year.
- Total recovery of agricultural credit recorded at Tk. 20,310.59 crore during July-January of FY24, which was 10.11 percent higher than that of the same period of the preceding year.
- Outstanding balance (including interest) of agricultural credit stood at Tk. 55,634.92 crore at the end of January 2024, which was 8.61 percent higher than outstanding of Tk. 51,225.71 crore at the end of January 2023.
- Overdue of agricultural credit stood at Tk. 9,031.63 crore at the end of January 2024, which was 23.70 percent higher than overdue of Tk. 7,301.45 at the end of January 2023.
- In January 2024, Grameen Bank and ten large NGOs disbursed Tk. 16,499.52 crore as microcredit and recovered Tk. 17,141.50 crore. Outstanding balance of microcredit of these organizations stood at Tk. 113,786.58 crore as of end of January 2024. Overdue of microcredit of these organizations stood at Tk. 5,391.33 crore (4.74 percent of outstanding balance) at the end of January 2024.

## 2. Agricultural Credit

### 2.1 Disbursement

The agricultural credit disbursement target has been set at Tk. 35,000.00 crore for the fiscal year 2024, marking a 13.60 percent rise from the previous fiscal year. The distribution of targeted agricultural credit disbursement comprises Tk. 3,280.00 crore for state-owned commercial banks (SOCBs), Tk. 8,750.00 crore for state-owned specialized banks (SOSBs), Tk. 21,923.00 crore for private commercial banks (PCBs), and Tk. 1,047.00 crore for foreign commercial banks (FCBs).

Throughout the first seven months of FY24, all scheduled banks disbursed agricultural credit amounting to Tk. 21,153.85 crore, covering 60.44 percent of the total disbursement target for the fiscal year. Noteworthy is the substantial increase observed in agricultural credit disbursement in January 2024, showing an increase of 40.39 percent compared to January 2023. The surge in disbursement was mainly driven by a significant increase in SOSBs (42.00 percent) and PCBs (60.88 percent), while SOCBs and FCBs witnessed a downturn in disbursement.

**Table 1: Agricultural Credit by Scheduled Banks**

Taka in Crore

Month	Disbursement		Recovery	
	FY24	FY23	FY24	FY23
July	1991.27	1664.77	2710.32	2045.80
August	3316.99	2172.53	2540.26	2077.33
September	3516.38	2747.07	2763.73	2953.24
October	3135.87	2884.97	2934.14	2703.95
November	3319.61	3308.34	3470.00	3090.79
December	3046.05	3892.42	3361.09	3558.65
January	2827.68	2014.22	2531.05	2016.74

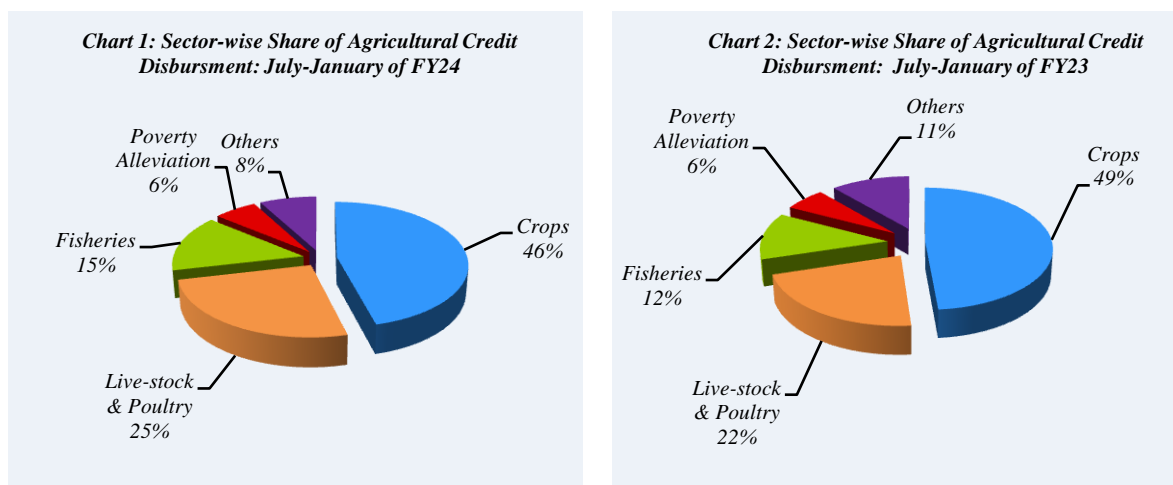
Source: Agricultural Credit Department, Bangladesh Bank.

### 2.2 Sector-wise disbursement

During the July-January period of FY24, the sector-wise allocation of agricultural credit disbursement is depicted in Chart-1. Crops sub-sector claimed the largest share, accounting for 46.0 percent of the total, followed by live-stock & poultry at 25.0 percent, fisheries at 15.0 percent, others at 8.0 percent, and poverty alleviation at 6.0 percent.

In comparison, during the July-January period of FY23, Chart-2 illustrates a similar trend with the crops sub-sector leading with a share of 49.0 percent. This was followed by livestock

& poultry at 22.0 percent, fisheries at 12.0 percent, others at 11.0 percent, and poverty alleviation at 6.0 percent.



Source: Agricultural Credit Department, Bangladesh Bank.

### 2.3 Recovery

In January 2024, the scheduled banks' recovery of agricultural credit amounted to Tk. 2,531.05 crore. This figure reflects a decrease of 24.70 percent compared to the previous month but marks a notable increase of 25.50 percent compared to January 2023 (Table-1).

### 2.4 Outstanding and Overdue

As of the end of January 2024, the outstanding balance of agricultural credit had increased by 8.61 percent compared to the balance at the end of January 2023. Concurrently, the overdue amount of agricultural credit by the end of January 2024 increased by 23.70 percent compared to the balance at the end of January 2023 due to higher overdue of state-owned commercial banks and state-owned specialized banks (BKB and RAKUB). The overdue of agricultural credit, represented as a percentage of the outstanding balance, stood at 16.23 percent as of January 2024, a slight increase from 14.25 percent recorded in January 2023.

### 2.5 Bangladesh Rural Development Board (BRDB)

The disbursement target for the Bangladesh Rural Development Board (BRDB) in fiscal year 2024 has been set at Tk. 1,423.08 crore. However, in January 2024, both disbursement and recovery by BRDB witnessed notably lower, with decreases of 77.74 percent and 68.92 percent, respectively, compared to January 2023. Over the cumulative period from July to January in FY24, BRDB experienced increases in both disbursement and recovery, rising by 8.20 percent and 11.71 percent, respectively, when contrasted with the corresponding period in the preceding fiscal year.

**Table 2: Agricultural Credit by BRDB and BSBL**

Taka in Crore

	Target of FY24	July-January, 2024		Jan'24	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1423.08	917.48	783.30	30.66	38.15
BSBL	26.00	0.25	0.87	0.00	0.11
Total	1449.08 (3.98%)	917.73 (4.16%)	784.17 (3.72%)	30.66 (1.07%)	38.26 (1.49%)

Source: Agricultural Credit Department, Bangladesh Bank.

Note: figure in the parenthesis shows % of total (Banks+BRDB+BSBL) agriculture credit arrangement

**2.6 Bangladesh Samabaya Bank Limited (BSBL)**

BSBL, a non-scheduled bank, has a disbursement target of Tk. 26.00 crore for the fiscal year 2024. Due to the presence of a considerable recoverable amount, BSBL exercised caution and refrained from disbursing any funds in January 2024. During the same period, BSBL only succeeded in recovering Tk. 0.11 crore (Table-2).

**3. Refinance Facility****Facility from Bangladesh Bank under Government Guarantee**

In order to foster agricultural development and ensure food security, Bangladesh Bank (BB) consistently supports Bangladesh Krishi Bank (BKB) and Rajshahi Krishi Unnayan Bank (RAKUB) through short-term agricultural refinance facilities under government guarantee. The applicable interest rate on these refinance loans for participating financial institutions (PFIs) stands at 4.0 percent, while at the end borrower level, it is determined by the SMART rate plus a margin of up to 2.75 percent.

During July-January of FY24, BKB did not apply for any short-term agricultural refinance facility. However, BB approved a refinance loan facility of Tk. 1000.00 crore under government guarantee in response to RAKUB's loan application. Out of this sanctioned amount, RAKUB withdrew Tk. 663.65 crore in January 2024.

**4. Rural Finance****4.1 Palli Karma-Sahayak Foundation**

In January 2024, Palli Karma-Sahayak Foundation (PKSF) disbursed Tk. 872.05 crore to 288 partner organizations (POs) and recovered Tk. 357.96 crore. These figures represent a 35.07 percent increase in disbursement and a 17.79 percent increase in recovery compared to

January 2023 (Table-3). As of the end of January 2024, the outstanding balance of PKSF's loan program amounted to Tk. 11,059.04 crore, with an overdue balance of Tk. 176.39 crore.

**Table 3: Rural Credit by PKSF**

Taka in Crore

Month	Disbursement		Recovery	
	FY24	FY23	FY24	FY23
July	60.47	58.88	421.63	310.60
August	490.06	643.00	419.87	371.35
September	902.18	755.12	666.21	535.81
October	320.14	405.19	357.53	291.05
November	765.11	564.21	391.83	298.66
December	480.56	832.11	623.16	503.98
January	872.05	645.62	357.96	303.90

Source: Palli Karma-Sahayak Foundation (PKSF).

#### **4.2 Microcredit Operations by Grameen Bank and Ten Large NGOs<sup>2</sup>**

In January 2024, Grameen Bank and ten prominent NGOs disbursed Tk. 16,499.52 crore for microfinance programs aimed at fostering productive rural activities, marking a decrease of 7.69 percent compared to January 2023. Approximately 34.06 million members accessed this loan facility through a total of 13,110 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 75.48 percent of the total microcredit disbursed in January 2024.

The recovery efforts of these MFIs in January 2024 amounted to Tk. 17,141.50 crore, reflecting a 7.52 percent increase from January 2023. As of January 2024, the outstanding balance of these MFIs stood at Tk. 113,786.58 crore, marking a 4.99 percent rise compared to January 2023. Additionally, the overdue amount for MFIs remained at Tk. 5,391.33 crore as of January 2024, representing 4.74 percent of the outstanding balance (Table-4).

<sup>2</sup>Grameen Bank, BRAC, ASA, Proshika, BURO Bangladesh, TMSS, RDRS Bangladesh, CARITAS Bangladesh, Jagorani Chakra Foundation (JCF), Society for Social Service (SSS), Shakti Foundation.

**Table 4: Microcredit Operation by NGOs in January 2024**

Taka in Crore

NGOs	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2331.99	2300.64	16276.79	544.56
BRAC	5813.94	6420.71	41018.84	1581.77
ASA	4307.36	4708.85	28255.84	1842.62
Proshika	216.07	237.56	1444.53	62.36
BURO Bangladesh	1372.36	1241.10	10154.78	378.33
TMSS	869.82	745.89	5477.87	320.14
RDRS Bangladesh	193.52	185.92	1370.77	122.41
CARITAS Bangladesh	78.24	79.62	524.90	64.22
Jagorani Chakra Foundation(JCF)	394.85	363.97	3741.46	170.57
Society for Social Service (SSS)	685.11	641.15	3690.72	204.20
Shakti Foundation	236.26	216.09	1830.08	100.15
<b>Total</b>	<b>16499.52</b>	<b>17141.50</b>	<b>113786.58</b>	<b>5391.33</b>

Source: Grameen Bank and respective NGOs.



## 5. Recent Measures by BB for Agriculture and Rural Finance:

- Following BRPD Circular No. 64 notified on 27 November 2023, it was instructed that Six-Month Moving Average Rate of Treasury Bill (SMART) plus a margin of up to 2.75 percent will be applicable to determine interest/profit rate on agricultural and rural loans (circular link: [nov272023brpd164.pdf \(bb.org.bd\)](#)).
- As per ACD Circular No. 03 issued on 21 November 2023, facilitating most of the actual/marginal farmers under Tk. 5000.00 crore refinance scheme, ceiling of new loan/investment in favor of single customer from livestock sector shall be Tk. 20 lakh (circular link: [nov212023acd103.pdf \(bb.org.bd\)](#)).
- Through ACD Circular No. 02 issued on 06 August 2023, Agricultural and Rural Credit Policy and Program for FY24 was published (circular link: [aug062023acd02.pdf \(bb.org.bd\)](#)).
- According to ACD Circular No 01 issued on 22 June 2023, banks were directed to recruit experienced people from NGOs/MFIs on temporary contractual basis for the post of ‘Agri Credit Supervisor (Contractual)’ following manpower requirement need for ensuring proper uses of agricultural credit (circular link: [jun222023acd01.pdf \(bb.org.bd\)](#)).
- According to ACD Circular No 02 issued on 21 March 2023, beef fattening sector was included into the refinance scheme of Tk. 5000.00 crore (circular link: [mar212023acd102.pdf \(bb.org.bd\)](#)).
- Following ACD Circular No: 01 of January 2023, agricultural credit on priority basis shall be disbursed to new farmers, and to more than one member of the same family based on rational consideration (circular link: [jan012023acd101.pdf \(bb.org.bd\)](#)).
- As per ACD Circular No. 08 of 19 December 2022, fund titled ‘Bangladesh Bank Agricultural Development Common Fund (BBADCF)’ had been formed with the unattainable portion of banks annual agriculture and rural credit disbursement target (circular link: [dec192022acd08.pdf \(bb.org.bd\)](#)).
- According to ACD Circular No. 07 of 17 November 2022, BB formed a refinance scheme of Tk. 5000.00 crore for agriculture sector to ensure food security of the country (circular link: [nov172022acd07.pdf \(bb.org.bd\)](#)).

**Annexure- 1:**

**Monthly Position of Agricultural Credit Performance by the Scheduled Banks**

(Taka in Crore)

Month	Disbursement		Recovery		Outstanding (at the end of Month)		Overdue (at the end of Month)	
	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
July	1991.27	1664.77	2710.32	2045.8	52361.91	50757.43	8627.61	7500.15
August	3316.99	2172.53	2540.26	2077.33	53230.38	50235.4	8804.06	7945.27
September	3516.38	2747.07	2763.73	2953.24	54164.17	50246.25	8666.13	7803.71
October	3135.87	2884.97	2934.14	2703.95	54862.5	50468	8521.57	7693.51
November	3319.61	3308.34	3470.00	3090.79	54590.56	50206.69	8339.30	7387.28
December	3046.05	3892.42	3361.09	3558.65	55395.32	50997.35	8084.15	7212.15
January	2827.68	2014.22	2531.05	2016.74	55634.92	51225.71	9031.63	7301.45
February		2382.19		2539.03		51234.84		7119.82
March		3056.02		3234.52		51277.37		7066.54
April		2807.06		2668.16		51659.19		6949.3
May		2368.21		3212.52		51063.85		6668.79
June		3532.09		2909.36		52704.45		6541.39
<b>Total</b>	<b>21153.85</b>	<b>32829.89</b>	<b>20310.6</b>	<b>33010.09</b>				

Source: Agricultural Credit Department, Bangladesh Bank.