

Monthly Report on Agricultural and Rural Financing¹



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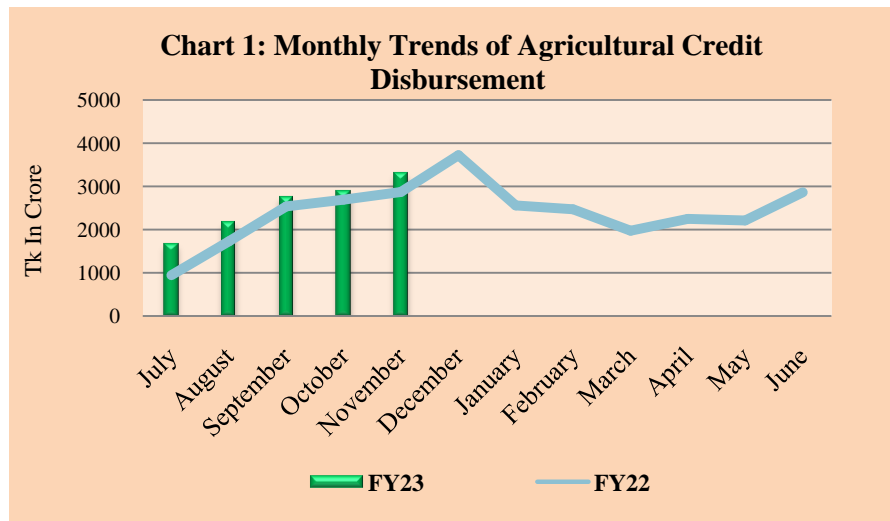
Highlights

- Agricultural credit disbursement target has been fixed at TK 30911.00 crores for FY23, which is 8.88 percent higher than TK 28391.00 crores targeted in FY22. During July-November 2022, disbursement of agriculture credit was TK 12777.68 crores or 41.34 percent of the total disbursement target of FY23. In November 2022, actual credit disbursement stood at 3308.34 crores which was 15.34 percent higher than the disbursement of the same month of the preceding year. Total recovery position of agricultural credit recorded at TK 12871.11 crores during July-November 2022, which was 24.49 percent higher than the recovery for the same period of the preceding year.
- Outstanding balance (including interest) of agricultural credit registered at TK 50206.69 crores at the end of November 2022, which was 7.92 percent higher than the outstanding balance of TK 46523.25 crores at the end of November 2021. Overdue of agricultural credit stood at TK 7387.28 crores at the end of November 2022, which was 6.42 percent higher than the overdue of TK 6941.92 crores at the end of November 2021. Overdue of agricultural credit as percentage of outstanding was 14.71 percent at the end of November 2022 which was 14.92 percent at the end of November 2021.
- In November 2022, Grameen Bank and ten large NGOs disbursed TK 17624.72 crores as microcredit and recovered TK 15028.46 crores. Total outstanding balance of microcredit of these organizations stood at TK 103888.70 crores at the end of November 2022. Overdue of microcredit stood at TK 4655.08 crores, around 4.48 percent of outstanding at the end of November 2022.

Disbursement, Recovery and Outstanding Balance of Agricultural Credit

Disbursement target of agricultural credit by all scheduled banks has been fixed at TK 30911.00 crores for FY23, which is 8.88 percent higher than the target of TK 28391.00 crores for FY22 and 7.20 percent higher than actual disbursement in FY22. The disbursement targets of all State-Owned Commercial Banks (SOCBs) and State-Owned Specialized Banks (SOSBs) together set at TK 11758.00 crores and Private Commercial Banks (PCBs) and Foreign Commercial Banks (FCBs) together have been fixed at TK 19153.00 crores. These disbursement targets are 38.04 percent and 61.96 percent of the total agricultural credit disbursement target of FY23 respectively.

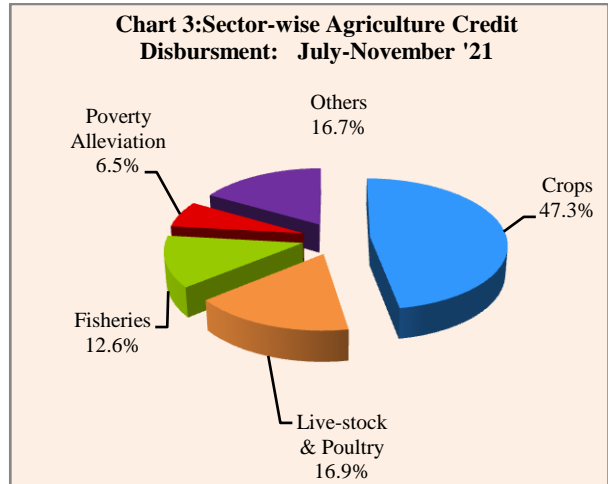
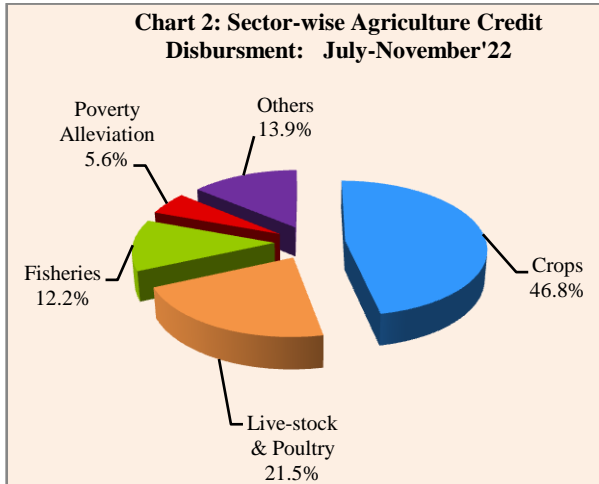
In November 2022, the actual disbursement of agricultural credit stood at TK 3308.34 crores, which was 14.68 percent higher than the disbursement of TK 2884.97 crores compared to the previous month and was 15.34 percent higher than the disbursement of TK 2868.43 crores of the same month of the preceding year. During the first five months of FY23, TK 12777.68 crores of agriculture credit was disbursed which was 41.34 percent of the total disbursement target of FY23 (Chart-1 and Table-1).



Source: Agricultural Credit Department, Bangladesh Bank.

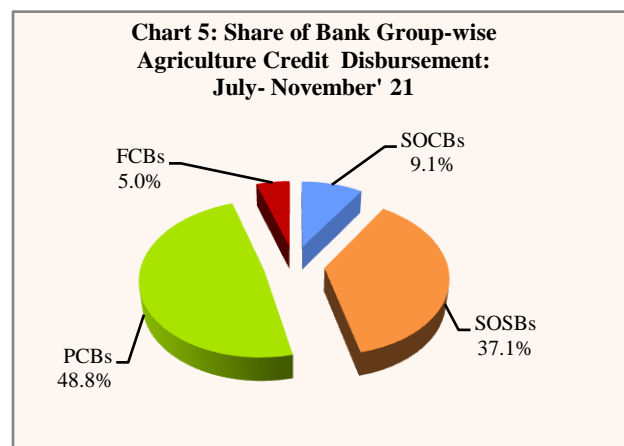
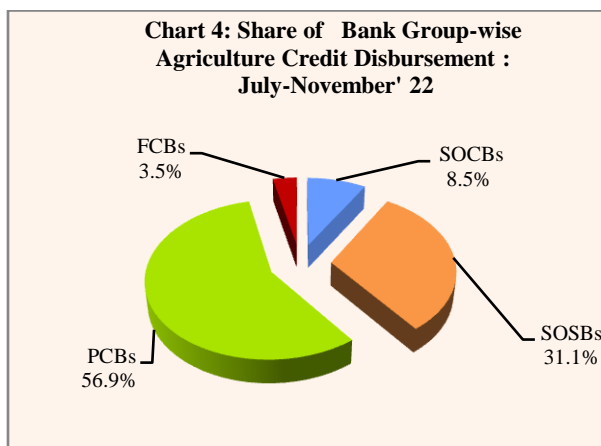
Chart-2 and Chart-3 show the sector wise agricultural credit disbursement. During July-November 2022, the share of crop sub-sector was 46.8 percent of the total agriculture credit disbursement followed by live-stock & poultry (21.5%), fisheries (12.2%), poverty alleviation (5.6%) and others (13.9%). On the other hand, the share of crop sub-sector was 47.3 percent,

followed by live-stock & poultry (16.9%), fisheries (12.6%), poverty alleviation (6.5%) and others (16.7%) during July-November 21.



Source: Agricultural Credit Department, Bangladesh Bank.

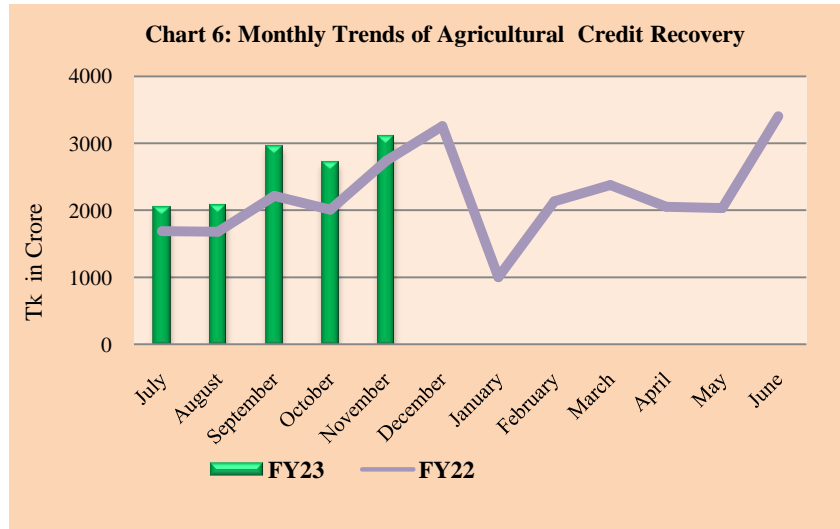
Chart-4 and Chart-5 show the bank group-wise share of agriculture credit disbursement. Among the cluster of banks, PCBs' share of agriculture credit disbursement was 56.9 percent followed by SOSBs (31.1%), SOCBs (8.5%) and FCBs (3.5%) during July-November 2022 whereas PCBs' share of agriculture credit disbursement was 48.8 percent, followed by SOSBs (37.1%), SOCBs (9.1%) and FCBs (5.0%) during July-November 2021.



Source: Agricultural Credit Department, Bangladesh Bank.

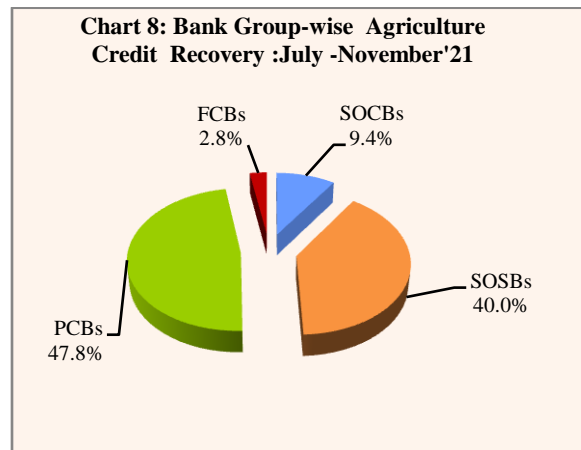
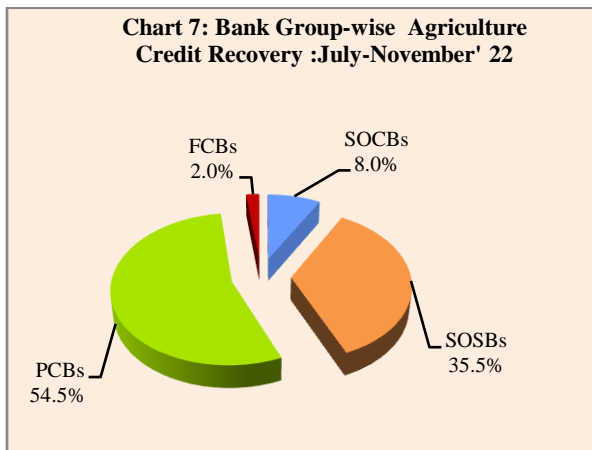
Recovery

In November 2022, recovery of agricultural credit amounted at TK 3090.79 crores. The recovery position was 14.31 percent higher than TK 2703.95 crores compared to the recovery of the previous month. Moreover, it was 12.73 percent higher than the recovery of TK 2741.69 crores compared to the same month of the preceding year (Chart-6 and Table-1).



Source: Agricultural Credit Department, Bangladesh Bank.

Among the type of banks, the share of recovery of PCBs' was 54.5 percent followed by SOSBs (35.5%), SOCBs (8.0%) and FCBs (2.0%) during July-November 2022, while the share of PCBs recovery was 47.8 percent, followed by SOSBs (40.0%), SOCBs (9.4%) and FCBs (2.8%), during July-November 2021. Chart-7 and chart-8 show the bank group-wise agricultural credit recovery.



Source: Agricultural Credit Department, Bangladesh Bank.

Outstanding Balance and Overdue

At the end of November 2022, outstanding balance of agricultural credit reached at TK 50206.69 crores, which was 7.92 percent higher than the outstanding balance of TK 46523.25 crores at the end of November 2021.

Overdue of agricultural credit stood at TK 7387.28 crores at the end of November 2022, and it was 6.42 percent higher than the overdue of TK 6941.92 crores at the end of November 2021. Overdue of agricultural credit as percentage of outstanding balance was 14.71 percent at the end of November 2022 which was 14.92 percent at the end of November 2021.

Monthly position of disbursement, recovery and outstanding of agricultural credit for FY23 and FY22 are shown in Annexure (Table-1).

Refinance Facility from Bangladesh Bank under Government Guarantee

With a view to enhance the country's agricultural development and food security, BB has been continuously supporting BKB and RAKUB by providing refinance facilities under government guarantee. The rate of interest of the participating financial institutions (PFI) level and the end borrower level is 4.0 percent and 8.0 percent respectively and loan tenure is maximum one year.

It may be noted that BKB and RAKUB didn't submit any application for the short-term refinance loan from Bangladesh Bank up to November of FY23. Total outstanding balance of refinance stood at TK 3170.71 crores at the end of November 2022 which was TK 2982.55 crores at the end of November 2021. BKB and RAKUB don't have any repayable amount of refinance loan in November 2022.

Bangladesh Rural Development Board (BRDB)

The disbursement target of Bangladesh Rural Development Board (BRDB) has been fixed at TK 1332.50 crores for FY23. In November 2022, it disbursed TK 135.03 crores and recovered TK 105.52 crores. In November 2021, the amount was TK 142.95 crores and TK 91.16 crores respectively. During July- November 2022, BRDB disbursed TK 574.95 crores and

recovered TK 470.33 crores, which were TK 436.88 crores and TK 385.24 crores respectively during the same period of the preceding year (Annexure Table-3).

Bangladesh Shomobay Bank Limited (BSBL)

The disbursement target of BSBL a non-scheduled bank has been set at TK 25.00 crores for FY23. In November 2022 and November 2021, it didn't disburse any amount but in the same period it recovered Tk 0.24 crores and Tk 0.28 crores respectively. In addition, during the first 5 months of FY23 and FY22, BSBL didn't disburse any amount but it recovered Tk 1.56 crores and Tk 1.00 crores respectively (Annexure Table-3).

Palli Karma Shahayak Foundation

Palli Karma Shahayak Foundation (PKSF) disbursed TK 564.21 crores to its 281 POs (Partner Organizations) and recovered TK 298.66 crores in November 2022. During July-November 22, disbursement and recovery amount were TK 2426.40 crores and TK 1807.47 crores respectively. At the end November 2022 outstanding balance and overdue stood at TK 9292.98 crores and TK 217.27 crores respectively (Annexure Table-4).

Microcredit Operations by Grameen Bank and Large ten NGOs²

In November 2022, Grameen Bank and large ten NGOs disbursed TK 17624.72 crores in productive and income generating activities in the rural areas under their microcredit program, which was TK 14410.19 crores in the same month of the preceding year. Under this program, about 33.32 million members availed loan facility through 12739 branches of Grameen Bank and ten NGOs. It is noteworthy that Grameen Bank, BRAC and ASA disbursed 78.97 percent of the total microcredit among the top 11 Microfinance Institutions (MFIs) in November 2022. However, in November 2022, total recovery of the microcredit by these 11 MFIs stood at TK 15028.46 crores, which was TK 11906.98 crores in the same month of the preceding year. At the end of November 2022, outstanding balance of these MFIs stood at TK 103888.70 crores, which

²Grameen Bank, BRAC, ASA, Proshika, TMSS, RDRS Bangladesh, CARITAS Bangladesh, Jagoroni Chakra Foundation, SSS, Shakti Foundation, BURO Bangladesh.

was 25.41 percent higher than the outstanding balance at the end of same month of the preceding year. Overdue of microcredit of these MFIs stood at TK 4655.08 crores at the end of November 2022, which was 0.04 percent lower than the overdue at the end of the same month of the preceding year. At the end of November 2022, the overdue as percentage of outstanding stood at 4.48 percent.

Recent Measures Taken by Bangladesh Bank to Facilitate Agriculture and Rural Financing:

- According to the ACD Circular No. 01: 03 January 2022, Bangladesh Bank announced refinance scheme of Taka 500 crore to create employment and to eliminate poverty for the people who have returned home from their respective jobs due to Covid 19 pandemic and other reasons. Information is available in the link:
<https://www.bb.org.bd/mediaroom/circulars/acd/jan032022acd01.pdf>
- According to the ACD Circular No. 02: 22 May 2022, Bangladesh Bank announced disbursement of agricultural credit at 4% concessional interest rate for cultivating import substitute crops (pulses, oilseeds, spices and maize). Information is available in the link:
<https://intranet.bb.org.bd/openpdf.php>
- According to the ACD Circular No. 02: 27 June 2022, Bangladesh Bank announced disbursement of minimum 40% unused outstanding amount of TK 3,000 crore as refinance scheme previously issued through ACD circular 14 September 2021 to the flood affected farmers. Information is available in the link:
<https://intranet.bb.org.bd/openpdf.php>
- According to the ACD Circular No. 01: 27 June 2022, Bangladesh Bank announced refinance scheme on Milk Production at 5 percent concessional loan. Information is available in the link: **<https://intranet.bb.org.bd/openpdf.php>**
- According to the ACD Circular No. 04: 28 July 2022, Bangladesh Bank published Agricultural and Rural Credit Policy and Program for FY23. Information is available in the link : **<https://intranet.bb.org.bd/openpdf.php>**
- According to the ACD Circular No. 05: 25 August 2022 Bangladesh Bank announced a refinance scheme of Taka 1000.00 crore for increasing production of wheat and maize. Information is available in the link : **<https://intranet.bb.org.bd/openpdf.php>**

- According to the ACD Circular No. 06: 18 September 2022 Bangladesh Bank declared a scheme for disbursing agriculture credit for salt cultivation at 4% concessional interest rate. Information is available in the link : <https://intranet.bb.org.bd/openpdf.php>
- According to the ACD Circular No. 07: 17 November 2022 Bangladesh Bank declared a refinance scheme of Taka 5000 Crore for agriculture sector to ensure food security of the country. Information is available in the link : <https://intranet.bb.org.bd/openpdf.php>

Annexure

Table-1: Monthly Position of Agricultural Credit by the Scheduled Banks

(In Crore Taka)

Month	Disbursement		Recovery		Outstanding (at the end of Month)		Overdue (at the end of Month)	
	FY23	FY22	FY23	FY22	FY23	FY22	FY23	FY22
July	1664.77	942.11	2045.8	1687.71	50757.4	45195.8	7500.15	7033.46
August	2172.53	1732.67	2077.33	1681.71	50235.4	45260.9	7945.27	7314.46
September	2747.07	2535.72	2953.24	2216.69	50246.25	45689.74	7803.71	7169.32
October	2884.97	2694.62	2703.95	2011.22	50468.00	46353.79	7693.51	7178.69
November	3308.34	2868.43	3090.79	2741.69	50206.69	46523.25	7387.28	6941.92
December		3723.49		3254.78		47659.51		
January		2558.56		1870.83		48355.34		
February		2474.65		2133.05		48834.80		
March		1973.95		2378.56		48891.14		
April		2252.52		2051.26		49263.90		
May		2210.01		2033.76		49551.28		
June		2867.48		3402.15		49802.28		
Total	12777.68	28834.21	12871.11	27463.41				

Source: Agricultural Credit Department, Bangladesh Bank.