

Monthly Report on
Agriculture and Rural Finance¹



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

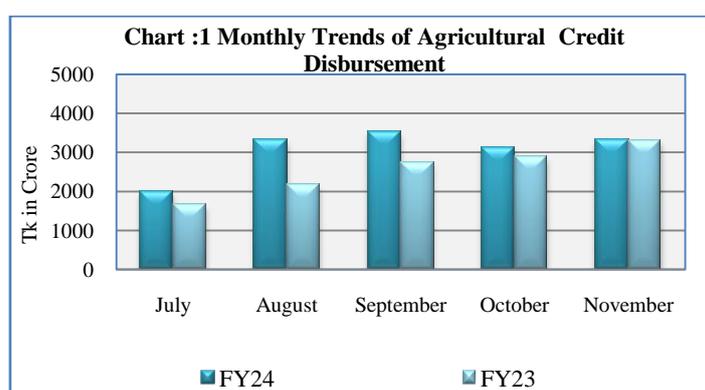
- Agricultural credit disbursement target has been set at Tk. 35,000.00 crore for FY24 which was 13.60 percent higher than that of FY23 and 6.61 percent higher than actual disbursement in FY23.
- Agricultural credit disbursement stood at Tk. 15,280.12 crore during July-November of FY24, which was 43.66 percent of the total disbursement target for FY24 and 19.58 percent higher than the disbursement of Tk. 12,777.68 crore for the same period of the last fiscal year.
- Total recovery of agricultural credit recorded at Tk. 14,418.45 crore during July-November of FY24, which was 12.02 percent higher than that of the same period of the preceding year.
- In November 2023, the total agricultural credit disbursement stood at Tk. 3,319.61 crore which was 0.34 percent higher than the disbursement of November 2022 and 5.86 percent higher than the previous month.
- Outstanding balance (including interest) of agricultural credit stood at Tk. 54,590.56 crore at the end of November 2023, which was 8.73 percent higher than outstanding of Tk. 50,206.69 crore at the end of November 2022.
- Overdue of agricultural credit stood at Tk. 8,339.30 crore at the end of November 2023, which was 12.89 percent higher than overdue at the end of November 2022.
- In November 2023, Grameen Bank and ten large NGOs disbursed Tk. 17,408.91 crore as microcredit and recovered Tk. 16,959.42 crore. Outstanding balance of microcredit of these organizations stood at Tk. 1,14,400.92 crore as of end of November 2023. Overdue of microcredit of these organizations stood at Tk. 5,156.11 crore (4.51 percent of outstanding balance) at the end of November 2023.

2. Agricultural Credit

2.1 Disbursement

Agricultural credit disbursement target has been set at Tk. 35,000.00 crore for FY24 (13.60 percent higher than that in FY23), of which Tk. 3,280.00 crore for state-owned commercial banks (SOCBs), Tk. 8,750.00 crore for state-owned specialized banks (SOSBs)², Tk. 21,923.00 crore for private commercial banks (PCBs), and Tk. 1,047.00 crore for foreign commercial banks (FCBs).

In November 2023, the total disbursement of agricultural credit by the scheduled banks stood at Tk. 3,319.61 crore, 0.34 percent higher than the November 2022. During the first five months of FY24, all scheduled banks disbursed Tk. 15,280.12 crore of agriculture credit which was 43.66 percent of the total disbursement target for FY24 (Table-1, Chart-1 and Annexure-1).



Source: Agricultural Credit Department, Bangladesh Bank.

Table-1: Agricultural Credit by Scheduled Banks

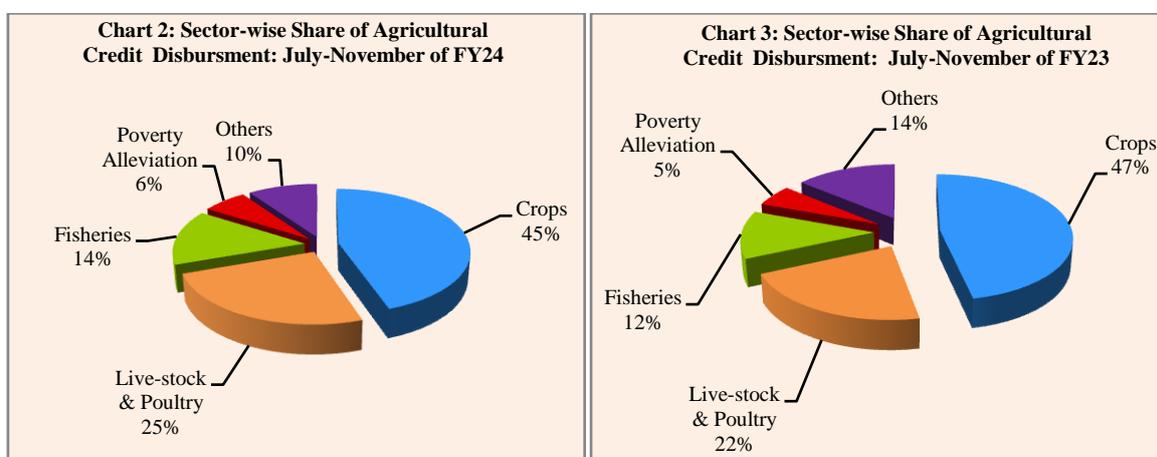
Month	Disbursement		Recovery	
	FY24	FY23	FY24	FY23
July	1991.27	1664.77	2710.32	2045.80
August	3316.99	2172.53	2540.26	2077.33
September	3516.38	2747.07	2763.73	2953.24
October	3135.87	2884.97	2934.14	2703.95
November	3319.61	3308.34	3470.00	3090.79

Source: Agricultural Credit Department, Bangladesh Bank.

² Bangladesh Krishi Bank (BKB) and Rajshahi Krishi Unnayan Bank (RAKUB)

2.2 Sector-wise disbursement

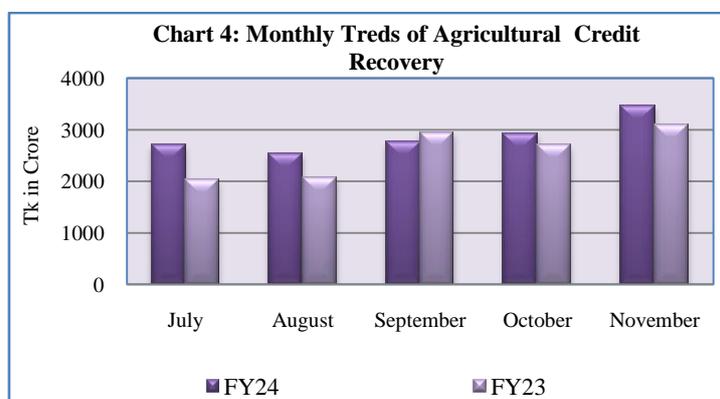
Sector-wise shares of agricultural credit disbursement during July-November of FY24 and July-November of FY23 have depicted in Chart-2 and Chart-3. During the period of July-November of FY24, the share of crop sub-sector occupied 45.0 percent of the total agricultural credit disbursement, followed by live-stock & poultry (25.0 percent), fisheries (14.0 percent), others (10.0 percent) and poverty alleviation (6.0 percent). In July-November of FY23, the share of crop sub-sector was also in leading position (47.0 percent), followed by live-stock & poultry (22.0 percent), fisheries (12.0 percent), others (14.0 percent) and poverty alleviation (5.0 percent).



Source: Agricultural Credit Department, Bangladesh Bank.

2.3 Recovery

In November 2023, recovery of agricultural credit by scheduled banks stood at Tk. 3,470.00 crore, which was 18.26 percent higher than Tk. 2,934.14 crore in October 2023 and 12.27 percent higher than Tk. 3,090.79 crore in November 2022 (Table-1, Chart-4 and Annexure-1).



Source: Agricultural Credit Department, Bangladesh Bank.

2.4 Outstanding and Overdue

At the end of November 2023, outstanding balance of agricultural credit stood at Tk. 54,590.56 crore, which was 8.73 percent higher than Tk. 50,206.69 crore at the end of November 2022.

Overdue of agricultural credit stood at Tk. 8,339.30 crore at the end of November 2023, which was 12.89 percent higher than Tk. 7,387.28 crore at the end of November 2022. Overdue of agricultural credit, as percentage of outstanding balance was 15.28 percent at the end of November 2023, and the same was 14.71 percent at the end of November 2022.

2.5 Bangladesh Rural Development Board (BRDB)

The disbursement target of Bangladesh Rural Development Board (BRDB) has been fixed at Tk. 1,423.08 crore for FY24. In November 2023, BRDB disbursed Tk. 156.42 crore and recovered Tk. 145.24 crore compared to the disbursement of Tk. 135.03 crore and recovery of Tk. 105.52 crore in November 2022. During the period of July-November of FY24, BRDB disbursed Tk. 733.63 crore and recovered Tk. 608.54 crore compared to the disbursement of Tk. 574.95 crore and recovery of Tk. 470.33 crore during the same period of the preceding year (Table-2).

Table-2: Agricultural Credit by BRDB and BSBL

	Target of FY24	Taka in Crore			
		July-Nov, 2023		Nov'23	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1423.08	733.63	608.54	156.42	145.24
BSBL	26.00	0.25	0.59	0.00	0.09
Total	1449.08	733.88	609.13	156.42	145.33

Source: Agricultural Credit Department, Bangladesh Bank.

2.6 Bangladesh Samabaya Bank Limited (BSBL)

The disbursement target of BSBL, a non-scheduled bank has been set at Tk. 26.00 crore for FY24. However, BSBL didn't disburse any amount but it recovered Tk. 0.09 crore in November 2023. Without any disbursement, BSBL's recovery was Tk. 0.24 crore in November 2022. During the period of July-November of FY24, disbursement by BSBL stood at Tk. 0.25 crore and the recovery was Tk. 0.59 crore. However, BSBL recovered Tk. 1.56 crore during July-November of FY22 without any disbursement (Table-2).

3. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

In order to ensure agricultural development and food security, Bangladesh Bank (BB) has continuously supporting Bangladesh Krishi Bank (BKB) and Rajshahi Krishi Unnayan Bank (RAKUB) by allowing short-term agricultural refinance facilities under government guarantee. Applicable rate of interest on this refinance loans for the participating financial institutions (PFIs) is 4.0 percent, whereas at end borrower level the rate is SMART³ plus a margin of up to 2.75 percent.

During July-November of FY24, BKB did not applied for any short-term agricultural refinance facility, while BB had approved a refinance loan facility of Tk. 1000.00 crore under government guarantee against the loan application of RAKUB. However, the approved loan facility did not withdrawn yet.

4. Rural Finance

4.1 Palli Karma-Sahayak Foundation

Palli Karma-Sahayak Foundation (PKSF) disbursed Tk. 765.11 crore to 287 partner organizations (POs) and recovered Tk. 391.83 crore in November 2023. Total disbursement and recovery by PKSF was Tk. 564.21 crore and Tk. 298.66 crore respectively in November 2022. As of end November 2023, outstanding and overdue balance of PKSF loan program stood at Tk. 10,687.55 crore and Tk. 181.64 crore respectively (Table-3).

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

Source: Palli Karma-Sahayak Foundation (PKSF).

³ Six-Month Moving Average Rate of Treasury Bill

4.2 Microcredit Operations by Grameen Bank and Ten Large NGOs⁴

In November 2023, Grameen Bank and ten large NGOs disbursed Tk. 17,408.91 crore to productive activities in rural areas under their microcredit program, which was Tk. 17,624.72 crore in November 2022. Under microcredit program, about 34.08 million members availed the loan facility through total 13,097 branches of Grameen Bank and large ten NGOs. It was noteworthy that Grameen Bank, BRAC and ASA together disbursed 78.19 percent of the total microcredit among the listed top 11 Microfinance Institutions (MFIs) in November 2023. Total recovery by these 11 MFIs stood at Tk. 16,959.42 crore in November 2023, which was Tk. 15,028.46 crore in the same month of the previous year. As of end November 2023, outstanding balance of these MFIs stood at Tk. 1,14,400.92 crore, which was 10.12 percent higher than outstanding balance Tk. 1,03,888.70 crore at the end of November 2022. Overdue of these MFIs stood at Tk. 5,156.11 crore at the end of November 2023, which was 10.76 percent higher than that of at the end November 2022. Overdue as percentage of outstanding balance was 4.51 percent at the end of November 2023 (Table-4).

Table-4: Microcredit Operation by NGOs in November 2023

NGOs	Taka in Crore			
	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2418.76	2311.94	16073.85	441.54
BRAC	6353.68	6220.97	39933.56	1486.59
ASA	4840.12	4787.00	30676.55	1784.62
Proshika	210.30	229.78	1421.36	54.65
BURO Bangladesh	1351.49	1222.46	9952.76	480.69
TMSS	756.57	749.18	5322.85	319.24
RDRS Bangladesh	194.83	184.71	1353.04	104.82
CARITAS Bangladesh	81.46	80.29	522.40	58.43
Jagorani Chakra Foundation(JCF)	391.16	355.57	3680.45	159.17
Society for Social Service (SSS)	582.14	606.93	3680.76	185.64
Shakti Foundation	228.40	210.59	1783.34	80.72
Total	17408.91	16959.42	114400.92	5156.11

Source: Grameen Bank and respective NGOs.

⁴Grameen Bank, BRAC, ASA, Proshika, BURO Bangladesh, TMSS, RDRS Bangladesh, CARITAS Bangladesh, Jagorani Chakra Foundation (JCF), Society for Social Service (SSS), Shakti Foundation.

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

- Following the 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: [nov272023brpdl64.pdf \(bb.org.bd\)](#)).
- Through the ACD Circular No. 02 issued on 06 August 2023, Agricultural and Rural Credit Policy and Program for FY24 had been published (circular link: [aug062023acd02.pdf \(bb.org.bd\)](#)).
- According to the ACD Circular No 01 issued on 22 June 2023, scheduled banks were directed to recruit experienced people from NGOs/MFIs on temporary contractual basis for the post of ‘Agri Credit Supervisor (Contractual)’ as per manpower need for facilitating disbursement, recovery and verification of the proper uses of agricultural credit (circular link: [jun222023acd01.pdf \(bb.org.bd\)](#)).
- According to ACD Circular No 02 issued on 21 March 2023 (with reference of ACD Circular No. 07: 17 November 2022), BB included beef fattening sector into the refinance scheme of TK 5000.00 crore for agriculture sector to ensure food security of the country (circular link: [mar212023acd02.pdf \(bb.org.bd\)](#)).
- Following the ACD Circular No: 01 of January 2023, instruction had been provided that on priority basis agricultural credit shall be disbursed to new farmers, and to more than one member of the same family based on rational consideration (circular link: [jan012023acd01.pdf \(bb.org.bd\)](#)).
- As per the ACD Circular No. 08 of 19 December 2022, a fund named ‘Bangladesh Bank Agricultural Development Common Fund (BBADCF)’ had been formed with the unattainable portion of banks annual agriculture and rural credit disbursement target to raise the agricultural production (circular link: [dec192022acd08.pdf \(bb.org.bd\)](#)).
- According to the 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	2045.80	52361.91	50757.43	8627.61	7500.15
August	3316.99	2172.53	2540.26	2077.33	53230.38	50235.40	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	54862.50	50468.00	8521.57	7693.51
November	3319.61	3308.34	3470.00	3090.79	54590.56	50206.69	8339.30	7387.28
December		3892.42		3558.65		50997.35		7212.15
January		2014.22		2016.74		51225.71		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		6949.30
May		2368.21		3212.52		51063.85		6668.79
June		3532.09		2909.36		52704.45		6541.39
Total	15280.12	32829.89	14418.45	33010.09				

Source: Agricultural Credit Department, Bangladesh Bank.