

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. 18,326.17 crore during July-December of FY24, which was 52.36 percent of the total disbursement target for FY24 and 9.93 percent higher than the disbursement of Tk. 16,670.10 crore for the same period of the last fiscal year.
- Total recovery of agricultural credit recorded at Tk. 17,779.54 crore during July-December of FY24, which was 8.22 percent higher than that of the same period of the preceding year.
- Outstanding balance (including interest) of agricultural credit stood at Tk. 55,395.32 crore at the end of December 2023, which was 8.62 percent higher than outstanding of Tk. 50,997.35 crore at the end of December 2022.
- Overdue of agricultural credit stood at Tk. 8,084.15 crore at the end of December 2023, which was 12.09 percent higher than overdue at the end of December 2022.
- In December 2023, Grameen Bank and ten large NGOs disbursed Tk. 17,467.96 crore as microcredit and recovered Tk. 16,961.99 crore. Outstanding balance of microcredit of these organizations stood at Tk. 115,718.19 crore as of end of December 2023. Overdue of microcredit of these organizations stood at Tk. 5,175.94 crore (4.47 percent of outstanding balance) at the end of December 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).

During the first six months of FY24, scheduled banks disbursed agricultural credit amounting to Tk. 18,326.17 crore, covering 52.36 percent of the total disbursement target for the fiscal year. Agricultural credit disbursement in December 2023 decreased compared to December 2022 due to no agricultural credit disbursement by FCBs and less credit disbursement by BKB and some PCBs in that month.

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

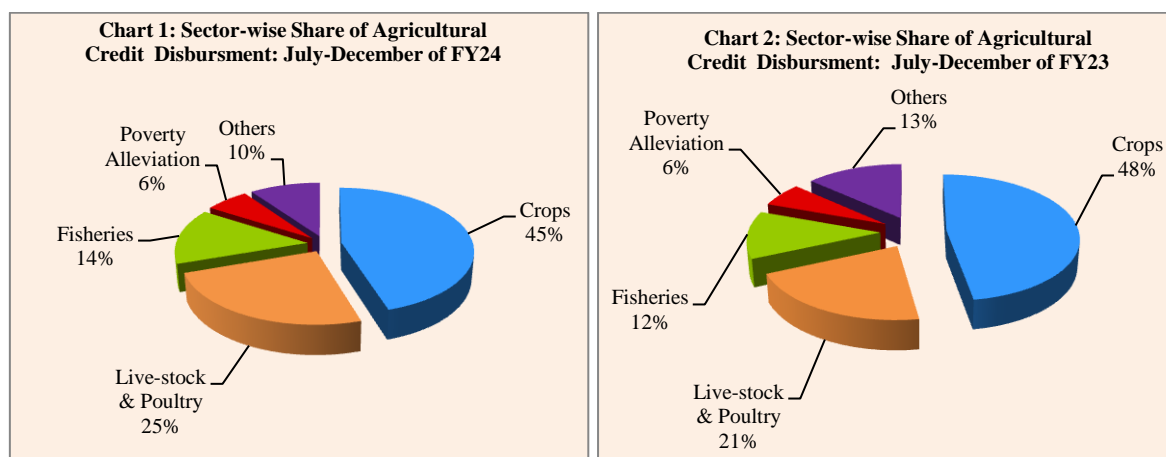
Source: Agricultural Credit Department, Bangladesh Bank.

2.2 Sector-wise disbursement

Sector-wise shares of agricultural credit disbursement during July-December of FY24 and July-December of FY23 have depicted in Chart-1 and Chart-2. During the period of July-December of FY24, the share of crops 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-December of FY23, the share of crops sub-sector was also in leading position (48.0 percent), followed

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

by live-stock & poultry (21.0 percent), fisheries (12.0 percent), others (13.0 percent) and poverty alleviation (6.0 percent).



Source: Agricultural Credit Department, Bangladesh Bank.

2.3 Recovery

In December 2023, recovery of agricultural credit by scheduled banks stood at Tk. 3,361.09 crore, which was 3.14 percent and 5.55 percent lower than November 2023 and December 2022 respectively (Table-1).

2.4 Outstanding and Overdue

At the end of December 2023, outstanding balance of agricultural credit was 8.62 percent higher than that of the balance of December 2022.

Overdue of agricultural credit at end of December 2023 was 12.09 percent higher than that of balance of December 2022. Overdue of agricultural credit, as percentage of outstanding remained 14.59 percent as on December 2023, and the same was 14.14 percent as on December 2022.

2.5 Bangladesh Rural Development Board (BRDB)

Disbursement target of Bangladesh Rural Development Board (BRDB) has been fixed at Tk. 1,423.08 crore for FY24. In December 2023, disbursement and recovery by BRDB were 13.25 and 26.34 percent higher than that of December 2022 respectively. During the period of July-December of FY24, cumulative disbursement and cumulative recovery by BRDB were 24.87 and 28.82 percent higher than that of the same period of the preceding year.

Table-2: Agricultural Credit by BRDB and BSBL

Taka in Crore					
	Target of FY24	July-Dec, 2023		Dec'23	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1423.08	886.82	745.15	153.19	136.61
BSBL	26.00	0.25	0.76	0.00	0.17
Total	1449.08 (3.98%)	887.07 (4.62%)	745.91 (4.03%)	153.19 (4.79%)	136.78 (3.91%)

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)

Disbursement target of BSBL, a non-scheduled bank has been set at Tk. 26.00 crore for FY24. Due to having large recoverable amount, BSBL hadn't disbursed any amount but recovered only Tk. 0.17 crore in December 2023 (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) through 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-December 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. Of this Tk. 1000.00 crore loan facility, RAKUB withdrew Tk. 663.65 crore in December 2023.

4. Rural Finance

4.1 Palli Karma-Sahayak Foundation

Palli Karma-Sahayak Foundation (PKSF) disbursed Tk. 480.56 crore to 288 partner organizations (POs) and recovered Tk. 623.16 crore in December 2023. Total disbursement and recovery by PKSF was Tk. 832.11 crore and Tk. 503.98 crore respectively in December

³ Six-Month Moving Average Rate of Treasury Bill

2022. As of end December 2023, outstanding and overdue balance of PKSf loan program stood at Tk. 10,544.95 crore and Tk. 182.75 crore respectively (Table-3).

Table-3: Rural Credit by PKSf

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

Source: Palli Karma-Sahayak Foundation (PKSf).

4.2 Microcredit Operations by Grameen Bank and Ten Large NGOs⁴

In December 2023, Grameen Bank and ten large NGOs disbursed Tk. 17,467.96 crore against microfinance program to productive rural activities, and that was 0.77 percent higher than that of December 2022. Under microcredit program, about 33.88 million members availed this loan facility through total 13,088 branches of these listed top 11 Microfinance Institutions (MFIs). Among these MFIs, Grameen Bank, BRAC and ASA together disbursed 78.53 percent of the total microcredit in December 2023. Recovery of these MFIs in December 2023 was Tk. 16,961.99 crore, which was 14.05 percent higher than that of December 2022. As on December 2023, Outstanding balance of these MFIs stood at Tk. 115,718.19 crore, which was 8.88 percent higher compared to the outstanding of December 2022. Overdue of MFIs remained at Tk. 5,175.94 crore as on December 2023 and overdue as percentage of outstanding was 4.47 percent at the end of December 2023 (Table-4).

⁴Grameen 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 December 2023

Taka in Crore

NGOs	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2272.48	2100.91	16245.43	414.23
BRAC	6639.06	6519.00	40835.84	1511.15
ASA	4806.09	4728.86	30756.24	1712.72
Proshika	206.53	228.94	1424.29	57.79
BURO Bangladesh	1246.13	1175.36	10023.52	540.77
TMSS	795.69	764.81	5353.73	310.44
RDRS Bangladesh	192.82	182.69	1363.17	112.44
CARITAS Bangladesh	77.71	75.12	526.28	64.22
Jagorani Chakra Foundation(JCF)	383.58	353.45	3710.58	164.61
Society for Social Service (SSS)	610.79	622.35	3669.20	197.04
Shakti Foundation	237.08	210.50	1809.91	90.53
Total	17467.96	16961.99	115718.19	5175.94

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	2045.80	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	3046.05	3892.42	3361.09	3558.65	55395.32	50997.35	8084.15	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	18326.17	32829.89	17779.50	33010.09				

Source: Agricultural Credit Department, Bangladesh Bank.