

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. 23,690.75 crore during July-February of FY24, which was 67.69 percent of the total disbursement target for FY24 and 12.46 percent higher than the disbursement of Tk. 21,066.51 crore for the same period of the last fiscal year.
- Total recovery of agricultural credit recorded at Tk. 22,661.71 crore during July-February of FY24, which was 7.99 percent higher than that of the same period of the preceding year.
- Outstanding balance (including interest) of agricultural credit stood at Tk. 55,860.89 crore at the end of February 2024, which was 9.03 percent higher than outstanding of Tk. 51,234.84 crore at the end of February 2023.
- Overdue of agricultural credit stood at Tk. 9,334.39 crore at the end of February 2024, which was 31.10 percent higher than overdue of Tk. 7,119.82 at the end of February 2023.
- In February 2024, Grameen Bank and ten large NGOs disbursed Tk. 16,611.89 crore as microcredit and recovered Tk. 16,192.38 crore. Outstanding balance of microcredit of these organizations stood at Tk. 117,655.89 crore as of end of February 2024. Overdue of microcredit of these organizations stood at Tk. 5,544.87 crore (4.71 percent of outstanding balance) at the end of February 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 eight months of FY24, all scheduled banks disbursed agricultural credit amounting to Tk. 23,690.75 crore, covering 67.69 percent of the total disbursement target for the fiscal year. Agricultural credit disbursement in February 2024 experienced a decent increase of 6.49 percent compared to February 2023, on account of a surge in PCBs (52.15 percent), despite witnessing downturn in credit disbursement of SOSBs, SOCBs and FCBs.

Table 1: Agricultural Credit by Scheduled Banks

Taka in Crore

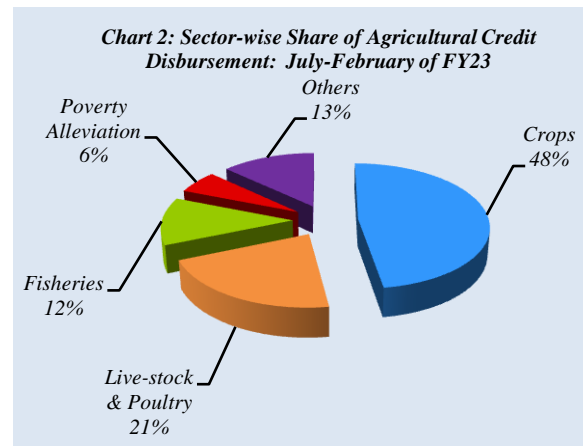
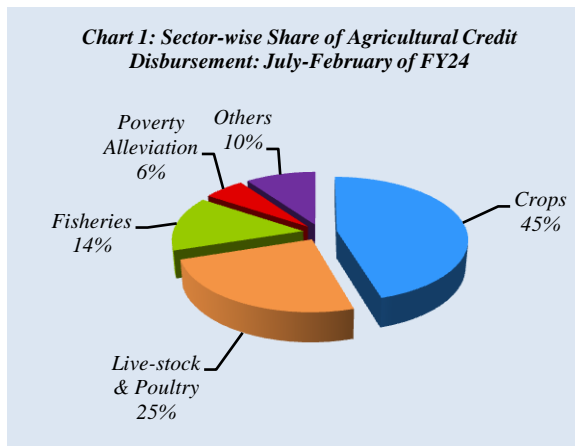
Month	Disbursement		Recovery	
	FY24	FY23	FY24	FY23
July	1991.27	1664.77	2710.32	2045.80
August	3316.99	2172.53	2540.26	2077.33
September	3516.38	2747.07	2763.73	2953.24
October	3135.87	2884.97	2934.14	2703.95
November	3319.61	3308.34	3470.00	3090.79
December	3046.05	3892.42	3361.09	3558.65
January	2827.68	2014.22	2531.05	2016.74
February	2536.90	2382.19	2351.12	2539.03

Source: Agricultural Credit Department, Bangladesh Bank.

2.2 Sector-wise disbursement

During the July-February 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 45.0 percent of the total, followed by live-stock & poultry at 25.0 percent, fisheries at 14.0 percent, others at 10.0 percent, and poverty alleviation at 6.0 percent.

In comparison, during the July-February period of FY23, Chart-2 illustrates a similar trend with the crops sub-sector leading with a share of 48.0 percent. This was followed by livestock & poultry at 21.0 percent, fisheries at 12.0 percent, others at 13.0 percent, and poverty alleviation at 6.0 percent.



Source: Agricultural Credit Department, Bangladesh Bank.

2.3 Recovery

In February 2024, the scheduled banks' recovery of agricultural credit amounted to Tk. 2,351.12 crore. This figure reflects a decrease of 7.11 percent and 7.40 percent compared to the previous month and same month of February 2023 respectively due to less recovery by SOSBs as well as PCBs (Table-1).

2.4 Outstanding and Overdue

As of the end of February 2024, the outstanding balance of agricultural credit had increased by 9.03 percent compared to the balance at the end of February 2023. Concurrently, the overdue amount of agricultural credit by the end of February 2024 witnessed a notable rise of 31.10 percent comparing the end balance of February 2023, due mainly to larger overdue position in SOCBs and SOSBs. Overdue represented as percentage share of the outstanding balance, stood at 16.71 percent as of February 2024, a small increase from 13.90 percent recorded in February 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 February 2024, disbursement by BRDB witnessed notably lower with decrease of 48.01 percent while recovery rose up by 6.19 percent, compared to February 2023. Over the cumulative period from July to February in FY24, BRDB experienced decrease in disbursement by 0.51 percent and increase in recovery by 10.92 percent.

Table 2: Agricultural Credit by BRDB and BSBL

Taka in Crore

	Target of FY24	July-February, 2024		Feb'24	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1423.08	998.23	907.26	80.75	123.96
BSBL	26.00	0.25	0.95	0.00	0.08
Total	1449.08 (3.98%)	998.48 (4.04%)	908.21 (3.85%)	80.75 (3.08%)	124.04 (5.01%)

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 February 2024. During the same period, BSBL only succeeded in recovering Tk. 0.08 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 fund amount of this refinance scheme is BDT 5000 crore. According to the circular by the Agricultural Credit Department (ACD), BB on 17 November 2022, participating banks get refinance facility under this scheme at the interest rate of 0.50 percent from BB while farmers get the facility at the rate of maximum 4.00 percent (simple interest rate).

During July-February of FY24, BKB did not apply for any short-term agricultural refinance facility. However, for FY24 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 till February 2024.

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

In February 2024, Palli Karma-Sahayak Foundation (PKSF) disbursed Tk. 960.94 crore to 288 partner organizations (POs) and recovered Tk. 372.75 crore. These figures represent a

noticeable increase in both disbursement and recovery compared to February 2023 (Table-3). As of the end of February 2024, the outstanding balance of PKSf’s loan program amounted to Tk. 11,647.23 crore, with an overdue balance of Tk. 176.95 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
February	960.94	263.99	372.75	299.63

Source: Palli Karma-Sahayak Foundation (PKSf).

4.2 Microcredit Operations by Grameen Bank and Ten Large NGOs²

In February 2024, Grameen Bank and ten prominent NGOs disbursed Tk. 16,611.89 crore for microfinance programs aimed at fostering productive rural activities, marking an increase of 4.91 percent compared to February 2023. Approximately 34.12 million members accessed this loan facility through a total of 13,132 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 76.60 percent of the total microcredit disbursed in February 2024.

The recovery efforts of these MFIs in February 2024 amounted to Tk. 16,192.38 crore, reflecting 8.97 percent increase from February 2023. As of February 2024, the outstanding balance of these MFIs stood at Tk. 117,655.89 crore, marking a 6.90 percent rise compared to February 2023. Additionally, the overdue amount for MFIs remained at Tk. 5,544.87 crore as of February 2024, representing 4.71 percent of the outstanding balance (Table-4).

²Grameen 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 February 2024

Taka in Crore

NGOs	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2104.62	2001.48	16379.74	430.19
BRAC	6405.28	6426.65	41750.18	1657.00
ASA	4214.78	4299.21	30859.58	1976.13
Proshika	208.98	176.85	1479.53	68.12
BURO Bangladesh	1260.00	1188.00	10227.00	369.00
TMSS	866.80	710.01	5634.66	330.95
RDRS Bangladesh	196.63	179.68	1387.71	130.43
CARITAS Bangladesh	73.71	71.04	527.56	71.01
Jagorani Chakra Foundation(JCF)	424.24	368.65	3797.06	176.43
Society for Social Service (SSS)	607.41	553.46	3750.69	225.82
Shakti Foundation	249.44	217.35	1862.18	109.79
Total	16611.89	16192.38	117655.89	5544.87

Source: Grameen Bank and respective NGOs.

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

- Following BRPD Circular No. 11 notified on 29 February 2024, it was directed that Six-Month Moving Average Rate of Treasury Bill (SMART) plus a margin of up to 2.50 percent shall be applicable for interest/profit rate on agricultural and rural loans (circular link: [feb292024brpd111.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 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	2536.90	2382.19	2351.12	2539.03	55860.89	51234.84	9334.39	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
Total	23690.75	32829.89	22661.7	33010.09				

Source: Agricultural Credit Department, Bangladesh Bank.