

Monthly Report on
Agriculture and Rural Finance¹



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Research Department
(Internal Economic Wing)
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¹This Report is prepared by Md. Sakhawat Hossain, Director; Rubana Hassan, Additional Director; Saila Sarmin Rapti, Joint Director, and Isha Erina, Assistant Director from Research Department of Bangladesh Bank.

Comments and suggestions are welcome, and may be sent through E-mails (sakhawat.hossain@bb.org.bd, rubana.hassan@bb.org.bd; saila.sarmin@bb.org.bd; isha.erina@bb.org.bd)

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Highlights of Agriculture and Rural Finance

- The agricultural credit disbursement target for all scheduled banks has been set at BDT 38,000 crore for FY25, marking an 8.57 percent increase from the FY24 target and a 2.28 percent rise over the actual disbursement of BDT 37,153.9 crore in FY24.
- During July-October of FY25, agricultural credit disbursement by all scheduled banks amounted to BDT 9391.36 crore, reflecting a 21.48 percent decrease from BDT 11,960.51 crore disbursed in the same period of FY24.
- The total recovery of agricultural credit by all scheduled banks reached BDT 12,322.42 crore during July-October of FY25, marking a 12.55 percent increase from BDT 11,960.51 crore recovered in the same period of FY24.
- At the end of October FY25, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 55,084.42 crore, reflecting an 0.40 percent increase from the BDT 54,862.50 crore outstanding at the end of October FY24.
- At the end of October 2024, overdue of agricultural credit for all scheduled banks reached to BDT 11,931.74 crore which is 40.02 percent higher from BDT 8521.57 crore overdue at the end of October 2023. This increase in overdue loans is not exceptional compared to the previous months because of the lower recovery of the overdue loans compared to loans with regular repayments. The increase in overdue in State Owned Commercial Banks (SoCBs) is particularly high as their recovery decreased in July-October 2024 compared to the same period of 2023.
- In October FY25, Grameen Bank and ten Large NGOs collectively disbursed BDT 16,513.11 crore as microcredit, reflecting a 1.57 percent decrease compared to October FY24. They recovered BDT 16,426.15 crore, which is 2.76 percent lower than the same period in FY24. The outstanding microcredit balance for these organizations was BDT 113,478.90 crore, with overdue loans amounting to BDT 7,473.03 crore (representing 6.59 percent of the outstanding balance).

Monthly Report on Agriculture and Rural Finance

1. Agricultural Credit

1.1 Disbursement

The agricultural credit disbursement target has been set at BDT 38,000 crore for all scheduled banks in FY25, marking an 8.57 percent increase compared to the disbursement target of BDT 35,000 crore for the previous fiscal year. The target of agricultural credit disbursement comprises of BDT 3,315.00 crore for state-owned commercial banks (SOCBs), BDT 9,300.00 crore for state-owned specialized banks (SOSBs), BDT 24,121.00 crore for private commercial banks (PCBs), and BDT 1,264.00 crore for foreign commercial banks (FCBs) for FY25.

During July- October of FY25, all scheduled banks disbursed BDT 9391.36 crore as agricultural credit which was 21.48 percent lower than the disbursement of BDT 11,960.51 crore during the same period in FY24. This significant downturn can be attributed to less disbursement in FCBs (76.54 percent), PCBs (29.18 percent), SOCBs (12.60 percent) during July- October of FY25 as compared to July- October of FY24. Although the disbursement of SOSB increased by 11.97 percent during July- October of FY25 as compared to July- October of FY24 which has no significant impact in the overall decrease in disbursement.

Table 1: Agricultural Credit by Scheduled Banks

(BDT in Crore)

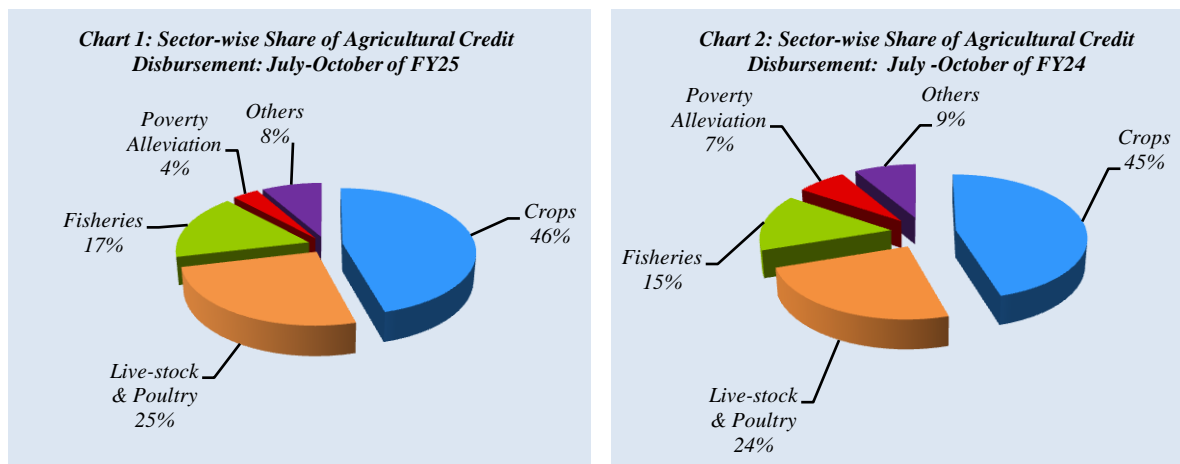
Month	Disbursement		Recovery	
	FY24	FY23	FY24	FY23
July-June	37153.9	32829.89	35571.62	33010.09
	FY25	FY24	FY25	FY24
July	1790.71	1991.27	2553.79	2710.32
August	2080.20	3316.99	2891.67	2540.26
September	2587.27	3516.38	3764.51	2763.73
October	2933.18	3135.87	3112.45	2934.14
Total	9391.36	11960.51	12322.42	10948.45

Source: Agricultural Credit Department, Bangladesh Bank.

1.2 Sector-wise disbursement

During July-October of FY25, the sector-wise allocation of agricultural credit disbursement by all scheduled banks is depicted in Chart-1. During July-October

2024, the crops sub-sector continued to dominate, claiming 46 percent of the total share which was 45 percent during July-October 2023. Livestock and poultry sector increased its share from 24 percent during July-October of 2023 to 25 percent during July-October of 2024. The fisheries sector also saw an increase, rising from 15 percent during July-October 2023 to 17 percent during July-October 2024. On the other hand, the share of poverty alleviation decreased from 7 percent during July-October of FY24 to 4 percent during July-October of FY25, while the disbursement in others category decreased to 8 percent during July-October of FY24 from 9 percent during the same period of previous fiscal year. These changes indicate a growing focus on crops, livestock & poultry and fisheries, with a corresponding reduction in the emphasis on poverty alleviation sector.



Source: Agricultural Credit Department, Bangladesh Bank.

1.3 Recovery

During July-October 2024, the recovery of agricultural credit recovery by all scheduled banks increased by 12.55 percent to BDT 12,322.42 crore compared to BDT 10,948.45 crore during July-October 2023, driven mainly by 23.45 percent increase in recovery from Private Commercial Banks (PCBs) and 12.37 percent increase in recovery from State-Owned Specialized Banks (SOSBs) which outweighed the decrease in State-Owned Commercial Banks (SOCBs) and Foreign Commercial Banks (FCBs) compared to the same period of 2023 (Table 1).

1.4 Outstanding and Overdue

The outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 55,084.42 crore at the end of October of 2024, which was 0.40 percent higher than outstanding of BDT 54,862.50 crore at the end of October 2023. Additionally, the overdue amount of agricultural credit by the end of October 2024 reached at BDT 11,931.74 crore experiencing a significant 40.42 percent rise compared to the end of October 2023, due to higher overdue positions in SOCBs (74.44 percent), PCBs (23.75 percent) and SOSBs (11.21 percent), Notably, the overdue position for FCBs remained zero in both October 2024 and October 2023. In October of FY25, the overdue amount as a percentage of the outstanding agricultural credit balance was 21.66 percent, up from 15.53 percent recorded in October of FY24. This increase indicates a growing proportion of agricultural credit that has not been repaid on time, reflecting potential challenges in the sector's credit recovery efforts.

1.5 Bangladesh Rural Development Board (BRDB)

The disbursement target for the Bangladesh Rural Development Board (BRDB) in FY25 has been set at BDT 1,523.18 crore. However, during July-October of FY25, disbursement and recovery by BRDB were BDT 415.81 crore and BDT 362.98 crore, reflecting 27.96 percent and 21.65 percent decrease respectively, as compared to July-October of FY24. In October of FY25, disbursement and recovery by BRDB were BDT 136.25 crore and BDT 97.31 crore, reflecting 12.19 percent and 19.43 percent decrease respectively as compared to October of FY24 (Table 2).

Table 2: Agricultural Credit by BRDB and BSBL

	Target of FY25	(BDT in Crore)			
		October'24		October'23	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1523.18	136.25	97.31	155.16	120.78
BSBL	25.00	0.00	0.08	0.00	0.11
Total (Percent)	1548.18 (3.91)	136.25 (4.31)	97.39 (4.44)	155.16 (4.71)	120.89 (3.96)

Source: Agricultural Credit Department, Bangladesh Bank.

Note: figure in the parenthesis shows % share of total agriculture credit arrangement of BRDB and BSBL in total amount of all group of Banks, BRDB and BSBL.

1.6 Bangladesh Samabaya Bank Limited (BSBL)

BSBL, a non-scheduled bank, has a disbursement target of BDT 25.00 crore for FY25. During July-October of FY25, BSBL refrained from disbursing funds and exercised caution due to the high overdue amount. However, BSBL recovered BDT 0.28 crore during July-October of FY25 which was 44.00 percent lower as compared to the recovery of BDT 0.50 crore during July-October of FY24 (Table-2).

2. Refinance Facility

Facility from Bangladesh Bank under Government Guarantee

To promote agricultural development and ensure food security, Bangladesh Bank (BB) provides consistent support to Bangladesh Krishi Bank (BKB) and Rajshahi Krishi Unnayan Bank (RAKUB) through a BDT 5000 crore short-term agricultural refinance facility backed by government guarantee. According to the circular of Agricultural Credit Department (ACD), BB on 17 November 2022, participating banks receive a refinance facility under this scheme at an interest rate of 0.50 percent from BB, while farmers benefit from a maximum rate of 4.00 percent (simple interest).

During July-October of FY25, BKB and RAKUB did not apply for any short-term agricultural refinance facility. However, RAKUB paid BDT 500.00 crore as principal amount and BDT 2.17 crore as interest payments to BB of the short-term refinance credit in October 2024. The outstanding balance of refinance credit for BKB and RAKUB was BDT 2,234.14 crore as of October 2024, compared to BDT 1,930.54 crore till October 2023.

3. Rural Finance

3.1 Palli Karma-Sahayak Foundation²

In October of 2024, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 709.52 crore to 285 partner organizations (POs) and recovered BDT 432.03 crore. These figures represent 121.63 percent increase in disbursement and 20.84 percent increase in recovery compared to October of 2023. During July-October of FY25, total

² Data for September of FY25 were not provided by PKSF.

disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 2225.11 crore which was 25.51 percent higher as compared to the disbursement amount of BDT 1772.85 crore during July-October of FY24. The recovery amount was BDT 2040.81 crore during July-October of FY25 which was 9.41 percent higher as compared to the recovery of BDT 1865.24 crore during the same period of FY24. At the end of October 2024, the outstanding balance of PKSF's loan program amounted to BDT 12,004.96 crore, with an overdue balance of BDT 171.34 crore. The outstanding balance increased by 16.39 percent in October 2024 compared to October 2023. Meanwhile, the overdue balance decreased by 6.84 percent in October 2024, compared to the same month of previous fiscal year (Table-3).

Table 3: Rural Credit by PKSF

(BDT in Crore)

Month	Disbursement		Recovery	
	FY24	FY23	FY24	FY23
July-June	7553.11	6719.72	6139.10	4988.21
	FY25	FY24	FY25	FY24
July	32.00	60.47	439.56	421.63
August	433.32	490.06	475.77	419.87
September	1050.27	902.18	693.45	666.21
October	709.52	320.14	432.03	357.53
Total	2225.11	1772.85	2040.81	1865.24

Source: Palli Karma-Sahayak Foundation (PKSF).

3.2 Microcredit Operations by Grameen Bank and Ten Large NGOs³

In October 2024, Grameen Bank and ten prominent NGOs disbursed BDT 16,513.11 crore for microfinance programs aimed at fostering productive rural activities, marking a decrease of 1.57 percent compared to October 2023. Approximately 34.71 million members accessed this loan facility through a total of 13,460 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 75.18 percent of the total microcredit disbursed in October 2024.

³Grameen Bank, BRAC, ASA, Proshika, BURO Bangladesh, TMSS, RDRS Bangladesh, CARITAS Bangladesh, Jagorani Chakra Foundation (JCF), Society for Social Service (SSS), Shakti Foundation.

The recovery efforts of these MFIs in October of FY25 amounted to BDT 16,426.15 crore, reflecting 2.76 percent decrease from October of FY24. As on October of FY25, the outstanding balance of these MFIs stood at BDT 113,478.90 crore, marking a 0.27 percent rise compared to October of FY24. Additionally, the overdue amount for MFIs remained at BDT 7,473.03 crore as on October of FY25, representing a 68.11 percent increase as compared to the overdue amount of October of FY24 (Table-4). This significant rise in overdue balances is primarily due to decreased loan recovery in October, which can be attributed to borrowers' erratic behavior of unwillingness to pay because of crop damage in some regions caused by natural calamities like floods and cyclones, borrowers' financial difficulties due to the rising cost of living for increased price level, and inefficiencies at the branch level.

Table 4: Microcredit Operation by NGOs in October 2024

NGOs	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2171.79	2245.38	16245.78	428.07
BRAC	5917.10	6333.89	38747.85	2104.99
ASA	4325.33	4202.61	28965.36	2920.71
Proshika	215.78	213.51	1695.17	121.40
BURO Bangladesh	1417.62	1190.88	9779.57	515.87
TMSS	835.32	772.95	5990.99	505.59
RDRS Bangladesh	202.07	192.40	1475.56	184.86
CARITAS Bangladesh	69.72	69.48	515.02	95.32
Jagorani Chakra Foundation(JCF)	514.50	422.41	4431.01	231.32
Society for Social Service (SSS)	603.44	548.32	3868.41	270.97
Shakti Foundation	240.44	234.32	1764.18	93.93
Total	16513.11	16426.15	113478.90	7473.03

Source: Grameen Bank and respective NGOs.

4. Conclusion

The agricultural and rural finance sector in FY25 presents both progress and challenges. While credit targets have increased, disbursements during July-October FY25 declined significantly, driven by reduced contributions from most bank groups except State-Owned Specialized Banks. A stronger focus on crops, livestock, and fisheries is evident, but the reduced emphasis on poverty alleviation programs signals

the need for a balanced approach. Credit recovery improved overall, but the sharp rise in overdue loans, particularly in SOCBs, highlights challenges in repayment and recovery. Microfinance disbursement and recovery saw marginal declines, with overdue balances rising due to external shocks and operational inefficiencies. However, support from Bangladesh Bank's refinance facilities and PKSF's programs remains vital.

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

- Through BRPD Circular No. 39 issued on 01 September 2024, loan repayment/adjustment of borrowers affected by recent floods was facilitated (circular link: [sep012024brpd139.pdf \(bb.org.bd\)](#)).
- Through ACD Circular No. 01 issued on 29 August 2024, Agricultural and Rural Credit Policy and Program for FY25 was published (circular link: [aug292024acd01.pdf \(bb.org.bd\)](#)).
- As per ACD Circular No. 03 issued on 21 November 2023, facilitating most of the actual/marginal farmers under BDT 5000.00 crore refinance scheme, ceiling of new loan/investment in favor of single customer from livestock sector shall be BDT 20 lakh (circular link: [nov212023acd103.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 BDT 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 BDT 5000.00 crore for agriculture sector to ensure food security of the country (circular link: [nov172022acd07.pdf \(bb.org.bd\)](#)).

Monthly Position of Agricultural Credit Performance by Scheduled Banks

(BDT 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	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	2976.88	3056.02	2749.03	3234.52	56565.61	51277.37	10175.78	7066.54
April	3436.54	2807.06	3538.44	2668.16	56487.15	51659.19	9994.89	6949.30
May	3191.92	2368.21	3426.43	3212.52	56331.17	51063.85	9937.85	6668.79
June	3857.81	3532.09	3196.01	2909.36	58119.59	52704.45	9368.20	6541.39
Total	37153.90	32829.89	35571.62	33010.09				
	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24
July	1790.71	1991.27	2553.79	2710.32	56894.54	52361.91	12131.73	8627.61
August	2080.20	3316.99	2891.67	2540.26	55822.75	53230.38	11844.20	8804.06
September	2587.27	3516.38	3764.51	2763.73	54927.74	54164.17	11754.32	8666.13
October	2933.18	3135.87	3112.45	2934.14	55084.42	54862.50	11931.74	8521.57
Total	9391.36	11960.51	12322.42	10948.45				

Source: Agricultural Credit Department, Bangladesh Bank.