

Monthly Report on
Agriculture and Rural Finance¹



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Research Department
(Internal Economic Wing)
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Contents

1. Highlights of Agriculture and Rural Finance.....	1
2. Agricultural Credit	2
2.1 Disbursement.....	2
2.2 Sector-wise disbursement	2
2.3 Recovery.....	3
2.4 Outstanding and Overdue	4
2.5 Bangladesh Rural Development Board (BRDB).....	3
2.6 Bangladesh Samabaya Bank Limited (BSBL)	4
3. Refinance Facility	5
4. Rural Finance	5
4.1 Palli Karma-Sahayak Foundation.....	5
4.2 Microcredit Operations by Grameen Bank and Ten Large NGOs	6
5. Recent Measures by BB for Agriculture and Rural Finance:	8

Tables

Table 1: Agricultural Credit by Scheduled Banks.....	2
Table 2: Agricultural Credit by BRDB and BSBL.....	4
Table 3: Rural Credit by PKSF	6
Table 4: Microcredit Operation by NGOs in September 2024.....	7

Charts

Chart 1: Sector-wise Share of Agricultural Credit Disbursement: July-September of FY25.....	3
Chart 2: Sector-wise Share of Agricultural Credit Disbursement: July-September of FY24.....	3

Annexure

Annexure-1: Monthly Position of Agricultural Credit Performance by Scheduled Banks..	9
Annexure-2: Agricultural Credit Performance.....	10
Annexure-3: Monthly Loan Performance of PKSF to Partner Organizations	11
Annexure-4: Microcredit Operations by Grameen Bank and Ten Large NGOs	12

1. 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-September of FY25, agricultural credit disbursement by all scheduled banks amounted to BDT 6,458.18 crore, reflecting a 26.82 percent decrease from the BDT 8,824.64 crore disbursed in the same period of FY24.
- The total recovery of agricultural credit by all scheduled banks reached BDT 9,209.97 crore during July-September of FY25, marking a 14.92 percent increase from the BDT 8,014.31 crore recovered in the same period of FY24.
- At the end of September FY25, the outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 54,927.74 crore, reflecting a 1.41 percent increase from the BDT 54,164.17 crore outstanding at the end of September FY24.
- At the end September of FY25, overdue agricultural credit for all scheduled banks reached BDT 11,754.32 crore, representing a 35.64 percent increase from the BDT 8,666.13 crore overdue at the end September of FY24.
- In September of FY25, Grameen Bank and ten large NGOs disbursed BDT 15,710.88 crore as microcredit which was 0.62 percent higher as compared to September of FY24 and recovered BDT 16,164.69 crore which was 4.97 percent higher as compared to September of FY24. Outstanding balance of microcredit of these organizations stood at BDT 112,609.54 crore at the end of September FY25. Overdue of microcredit of these organizations stood at BDT 7,073.29 crore (6.28 percent of outstanding balance) at the end of September of FY25.

2. Agricultural Credit

2.1 Disbursement

The agricultural credit disbursement target has been set at BDT 38,000.00 crore for all scheduled banks in FY25, marking an 8.57 percent increase compared to the disbursement target of BDT 35,000.00 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- September of FY25, all scheduled banks disbursed BDT 6,458.18 crore as agricultural credit which was 26.82 percent lower than the disbursement of BDT 8,824.64 crore during the same period in FY24. This significant downturn can be attributed to less disbursement in all bank groups such as FCBs (70.91 percent), PCBs (31.11 percent), SOCBs (16.12 percent) and SOSBs (4.93 percent) during July- September of FY25 as compared to July- September of FY24.

Table 1: Agricultural Credit by Scheduled Banks

(BDT in Crore)

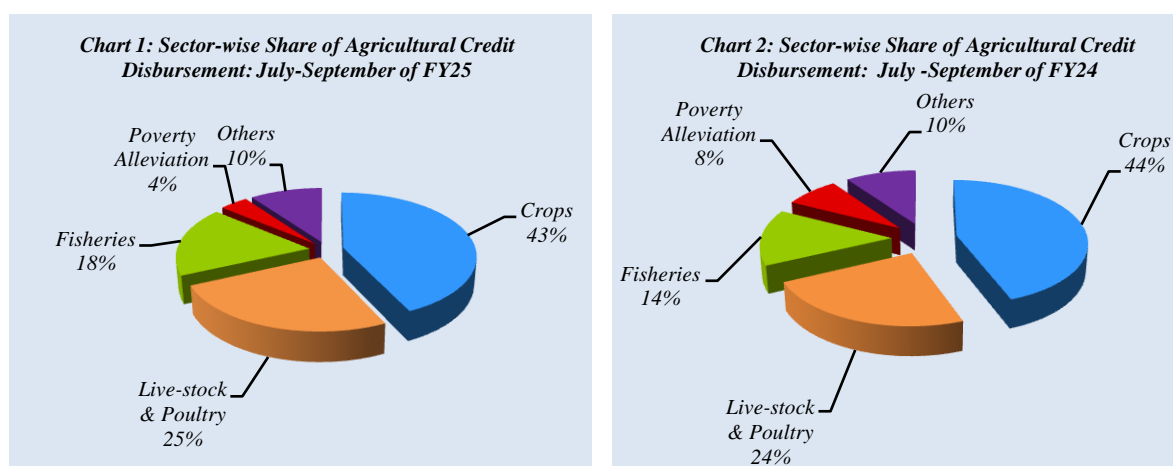
Month	Disbursement		Recovery	
	FY24	FY23	FY24	FY23
July-June	37153.9	32829.89	35571.62	33010.09
	FY25	FY24	FY25	FY24
July	1790.71	1991.27	2553.79	2710.32
August	2080.20	3316.99	2891.67	2540.26
September	2587.27	3516.38	3764.51	2763.73
Total	6458.18	8824.64	9209.97	8014.31

Source: Agricultural Credit Department, Bangladesh Bank.

2.2 Sector-wise disbursement

During July-September of FY25, the sector-wise allocation of agricultural credit disbursement by all scheduled banks is depicted in Chart-1. During July-September 2024, the crops sub-sector continued to dominate, claiming 43 percent of the total share which was 44 percent during July-September 2023. Livestock and poultry sector increased its share from 24 percent during July-September of FY24 to 25 percent during July-September of FY25. The fisheries sector also saw an increase, rising from

14 percent during July-September 2023 to 18 percent during July-September 2024. On the other hand, the share of poverty alleviation decreased from 8 percent during July-September of FY24 to 4 percent during July-September of FY25, while the disbursement in others category remained around 10 percent during July-September of FY24 like the same period of previous fiscal year. These changes indicate a growing focus on livestock & poultry, and fisheries, with a corresponding reduction in the emphasis on crops and poverty alleviation sectors.



Source: Agricultural Credit Department, Bangladesh Bank.

2.3 Recovery

During July-September 2024, the recovery of agricultural credit by all scheduled banks increased by 14.92 percent to BDT 9,209.97 crore compared to BDT 8014.31 crore during July-September 2023, driven mainly by 34.14 percent increase in recovery from Private Commercial Banks (PCBs), which outweighed the decrease in State-Owned Commercial Banks (SOCBs) and Foreign Commercial Banks (FCBs) compared to the same period of 2023 (Table 1).

2.4 Outstanding and Overdue

The outstanding balance (including interest) of agricultural credit for all scheduled banks stood at BDT 54,927.74 crore at the end of September of 2024, which was 1.41 percent higher than outstanding of BDT 54,164.17 crore at the end of September 2023. Additionally, the overdue amount of agricultural credit by the end of September 2024 reached at BDT 11,754.32 crore experiencing a significant 35.64 percent rise compared to the end of September 2023, due to higher overdue positions in SOCBs

(57.37 percent), PCBs (32.60 percent), and SOSBs (15.61 percent). Notably, the overdue position for FCBs remained zero in both September 2024 and September 2023. In September of FY25, the overdue amount as a percentage of the outstanding agricultural credit balance was 21.40 percent, up from 16.00 percent recorded in September 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.

2.5 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-September of FY25, disbursement and recovery by BRDB were BDT 279.56 crore and BDT 265.67 crore, reflecting 33.76 percent and 22.44 percent decrease respectively, as compared to July-September of FY24. In September of FY25, disbursement and recovery by BRDB were BDT 116.54 crore and BDT 88.15 crore, reflecting 24.90 percent decrease and 1.00 percent increase respectively as compared to September of FY24 (Table 2).

Table 2: Agricultural Credit by BRDB and BSBL

	Target of FY25	(BDT in Crore)			
		September'24		September'23	
		Disbursement	Recovery	Disbursement	Recovery
BRDB	1523.18	116.54	88.15	155.18	87.28
BSBL	25.00	0.00	0.07	0.00	0.13
Total	1548.18	116.54	88.22	155.18	87.41
(Percent)	(3.91)	(4.31)	(2.29)	(4.23)	(3.07)

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.

2.6 Bangladesh Samabaya Bank Limited (BSBL)

BSBL, a non-scheduled bank, has a disbursement target of BDT 25.00 crore for FY25. During July-September of FY25, BSBL refrained from disbursing funds and exercised caution due to the high overdue amount. However, BSBL recovered BDT 0.20 crore during July-September of FY25 which was 48.72 percent lower as compared to the recovery of BDT 0.39 crore during July-September of FY24 (Table-2).

3. 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-September of FY25, BKB and RAKUB did not apply for any short-term agricultural refinance facility. However, RAKUB paid BDT 3.33 crore to BB as interest payment of the short-term refinance credit in September 2024. The outstanding balance of refinance credit for BKB and RAKUB was BDT 2,717.03 crore as of September 2024, compared to BDT 1,930.54 crore till September 2023.

4. Rural Finance

4.1 Palli Karma-Sahayak Foundation²

During July-August of FY25 total disbursement of Palli Karma-Sahayak Foundation (PKSF) was BDT 465.32 crore which was 15.48 percent lower as compared to the disbursement amount of BDT 550.53 crore during July-August of FY24. The recovery amount was BDT 915.33 crore during July-August of FY25 which was 8.78 percent higher as compare to the recovery of BDT 841.50 crore during the same period of FY24. In August of FY25, Palli Karma-Sahayak Foundation (PKSF) disbursed BDT 433.32 crore to 285 partner organizations (POs) and recovered BDT 475.77 crore. These figures represent 11.58 percent decrease in disbursement and 13.31 percent increase in recovery compared to August of FY24 (Table-3). At the end of August 2024, the outstanding balance of PKSF's loan program amounted to BDT 11,370.65 crore, with an overdue balance of BDT 169.95 crore. The outstanding balance increased by 12.41 percent in August 2024 compared to August 2023. Meanwhile, the

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

overdue balance decreased by 17.93 percent in August 2024, compared to the same month of FY24.

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
Total	465.32	550.53	915.33	841.50

Source: Palli Karma-Sahayak Foundation (PKSF).

4.2 Microcredit Operations by Grameen Bank and Ten Large NGOs³

In September 2024, Grameen Bank and ten prominent NGOs disbursed BDT 15,710.88 crore for microfinance programs aimed at fostering productive rural activities, marking an increase of 0.62 percent compared to September 2023. Approximately 34.56 million members accessed this loan facility through a total of 13,428 branches operated by the top 11 Microfinance Institutions (MFIs). Notably, Grameen Bank, BRAC, and ASA collectively accounted for 75.92 percent of the total microcredit disbursed in September 2024.

The recovery efforts of these MFIs in September of FY25 amounted to BDT 16,164.69 crore, reflecting 4.97 percent increase from September of FY24. As on September of FY25, the outstanding balance of these MFIs stood at BDT 112,609.54 crore, marking a 0.09 percent rise compared to September of FY24. Additionally, the overdue amount for MFIs remained at BDT 7,073.29 crore as on September of FY25, representing a 68.09 percent growth as compared to the overdue amount of September of FY24 (Table-4). This significant rise in overdue balances is primarily due to decreased loan recovery in August, 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.

³Grameen 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 September 2024

(BDT in Crore)

NGOs	Disbursement	Recovery	Outstanding	Overdue
Grameen Bank	2032.41	2173.60	16319.37	426.96
BRAC	5841.28	6184.18	38421.17	1971.26
ASA	4053.64	4257.67	28842.58	2782.81
Proshika	210.58	212.22	1669.58	112.27
BURO Bangladesh	1256.00	1152.00	9553.00	467.00
TMSS	818.62	768.04	5928.84	478.86
RDRS Bangladesh	198.47	189.32	1465.88	179.82
CARITAS Bangladesh	68.85	70.69	514.79	89.71
Jagorani Chakra Foundation(JCF)	468.02	414.91	4338.92	224.74
Society for Social Service (SSS)	568.03	529.49	3797.35	256.61
Shakti Foundation	194.98	212.57	1758.06	83.25
Total	15710.88	16164.69	112609.54	7073.29

Source: Grameen Bank and respective NGOs.

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 \(bb.org.bd\)](#)).

Annexure- 1:

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
Total	6458.18	8824.64	9209.97	8014.31				

Source: Agricultural Credit Department, Bangladesh Bank.