



The Future of Agri Finance



Selim R. F. Hussain
Managing Director & CEO
BRAC Bank

A robust agricultural sector is vital to our country's food security and economic growth, which makes it important to support our farmers with financial facilities and protect them from informal lenders. We need to empower farmers through accessible agri-loans and allow them to invest in high-quality seeds, fertilizers, and modern farm machinery.

Our agri-loans have been designed to cater to various stages of the value chain of agricultural activities. Small and medium farmers can finance ventures like fish farming, poultry, crop production, and more through our working capital and fixed asset financing. Small-scale tea growers can also avail of term loans with us for their business and production. We offer smaller, digital loans for underserved communities like landless farmers (up to Tk. 50,000) to kick start income-generating activities. These loans are collateral-free with easy terms and less costly. The goal is to foster financial inclusion and growth across Bangladesh's agricultural landscape.

As we strive to empower farmers and foster financial literacy, there's always room for more to be achieved; exploring policies that allow the disbursement of larger loans through digital channels to agricultural sectors could be an area for collaboration. Besides, the availability of financial data will play a crucial role in selecting farmers by banks or financial institutions for loans. Hence, the government might formulate data hubs containing information on farmers and make those available to the banks for their financing decisions. Additionally, more refinancing schemes from Bangladesh Bank for this segment would encourage the provision of more credit in the agri sector.



Emranul Huq
Managing Director & CEO
Dhaka Bank

The financial services of Dhaka Bank are specifically designed for different farming groups to provide them with greater returns from their harvest and guard against exploitation from informal money lenders. The agricultural credit of Dhaka Bank supports families to access financial services, manage and build assets, invest in small enterprises, access employment opportunities, and cope during emergencies. Complementing this, we have built financial literacy and instituted a range of client protection measures.

The large and upper-middle farms are gradually decreasing in Bangladesh giving way to marginal, small, and sharecropping farms, dominating the agrarian structure now. The transformation of this structure indicates a growing need for agricultural credit to sustain the growth in the sector. To cope with the change, we are also changing the Agricultural Credit Policy from time to time.

The special credit program facilitates sharecropping farmers to access agricultural credit. It is expected that the program has contributed to meeting the working capital needs of the sharecropping or even the landless farmers helping them to come out of high-cost informal loans. We disbursed the amount fixed by Bangladesh Bank in 2021 - 2022 in a special agricultural credit program and to help in productivity and profitability.

The Agricultural credit policy is amended every year, and Bangladesh Bank publishes the policies that banks must follow to provide agricultural credit. The agricultural refinancing scheme needs to be continued for the betterment of small farmers, and a credit guarantee scheme may be introduced in agricultural credit for their comfort and that of the banks.



Md. Ahsan-uz Zaman
Managing Director & CEO
Midland Bank

Agriculture is considered a major source of livelihood for most people in Bangladesh. Hence the role of agricultural credit is immense to accelerate agricultural activities besides introducing modern agricultural management all over the country. Considering the importance, Midland Bank has introduced some unique "Agricultural Credit Products" suiting farmers' demands regarding timely disbursement considering seasonal impact and fixation of appropriate loan tenure considering the harvesting time. Such features have made our products highly effective for farmers' needs. Our bank is also developing a digital approval process to make the loan available faster to them.

Midland Bank, a fourth generation bank, has 58 branches/sub-branches and more than 100 Agent Banking Centers all over Bangladesh. Moreover, this bank has business relationships with some leading and reputed NGOs that have a strong footprint in every corner of the country. By utilizing our own and NGO partners' network, Midland Bank is promoting its agri loan product to various tiers of farmers including small, and medium farmers, landless and sharecroppers. Presently, we are working with four models i.e. (1) Loan through Direct/Own distribution network (2) Loan through NGO/MFI linkage (3) Loan through Parent Company of Contract Farming (4) Loan through Intermediary Scheme. Since its inception, Midland Bank disbursed Tk.798.66 crore (up to 31.03.2024) against the total disbursement target of Tk.604.00 crore given by Bangladesh Bank (132.23% achievement against target).

Bangladesh Bank's current agricultural policy is very effective. However, periodic amendments are necessary to keep it aligned with the overall economy of the country.

Connecting farmers to finance



PHOTO: AMRAN HOSSAIN

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"With an enhanced banking network, farmers can be reached at their doorstep by the banks as they provide loans to farmers at a lower rate than MFIs. One such approach by our bank is agent banking through which we are trying to reach more farmers directly," says Md. Shaminoor Rahman, Senior Executive Vice President and Head of SMR at Bank Asia.

"We are focusing on leveraging our agent banking network to reach farmers in the most remote areas, pushing forward the adoption of digital or phone applications, and partnering with tech-based agri-companies to facilitate the loan application process for farmers," shares Nazem A. Choudhury, Deputy Managing Director of Consumer Banking at Prime Bank.

"We are addressing the limitations of our physical channels by implementing an embedded financing program in collaboration with various Agri Fintech companies. This initiative involves identifying Agri Clusters focusing on crops such as Onions, Maize, Turmeric, Banana,

watermelon, livestock, and others in regions including Pabna, Natore, Lalmonirhat, Rajshahi, Naogaon, and more," informs Syed Mahbubur Rahman, Managing Director and CEO at Mutual Trust Bank (MTB).

Utilizing technology can significantly ease access to agri loans for farmers. "Implementing digitization can streamline the

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entire process of reaching farmers and tracking loan distribution, ensuring significant development for agri loans," mentions Kamrul Mehedi, Head of SME at City Bank.

In Bangladesh, 90% of all farmers are marginal, grassroots-level farmers. A study titled

"Digital Insights on Agriculture in Bangladesh" (2022) showed that only 48% of smallholder farmers, have smartphones, indicating a clear digital divide

While acknowledging the decrease in the digital divide over time, Kamrul Mehedi believes that introducing more technology would benefit loan disbursement among farmers. "Our upcoming end-to-end project will feature a scoring engine that will determine who will receive what amount of loan and for what farming purpose," adds Kamrul Mehedi.

Ziaul Karim proposes, "Conducting workshops and meetings in villages and rural areas to explain the loan application processes can reach the maximum number of farmers. One-on-one interactions with farmers and their families can restore their faith in banks and build goodwill."

He also recommends organizing fairs and colorful events as part of special campaigns to make the approach more engaging and the loan application process more attractive.




এমটিবি কৃষি ঋণ

ফসল চাষ, গবাদি পশু, হাঁস-মুরগী পালন ও মাছ চাষ সহ যেকোনো কৃষি কাজের জন্য ঋণ



আবেদনের যোগ্যতা:

- ন্যূনতম ২ বছরের অভিজ্ঞতা (১০ টাকার হিসাবখারীদের জন্য প্রযোজ্য নয়)
- ২১-৬০ বছর বয়স

বৈশিষ্ট্য:

- ঋণের ধরণ: স্বল্প-মধ্যম মেয়াদি
- ঋণের মেয়াদ: ৩ মাস থেকে ৩৬ মাস
- সুদের হার: এলকো (ALCO) অনুযায়ী
- ঋণের পরিমাণ: বাংলাদেশ ব্যাংক কৃষি নীতিমালা অনুমোদিত পরিমাণ
- জামানতবিহীন ও জামানতযুক্ত ঋণ সুবিধা (ঋণের পরিমাণের উপর নির্ভরশীল)
- চায়ের সবুজ পাতা উৎপাদন পর্যায় পর্যন্ত কৃষি ঋণ সুবিধা
- স্বল্প সুদে বাংলাদেশ ব্যাংকের পুনঃঅর্থায়ন ফিমের আওতায় ঋণ সুবিধা (শর্ত সাপেক্ষ)

বিস্তারিত তথ্য ও সহযোগিতার জন্য যোগাযোগ
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