



Agricultural Credit Advisory Committee (ACAC) Meeting

**Review of FY 2015-16 &
July-December 2016**

February 03, 2017

State Bank of Pakistan

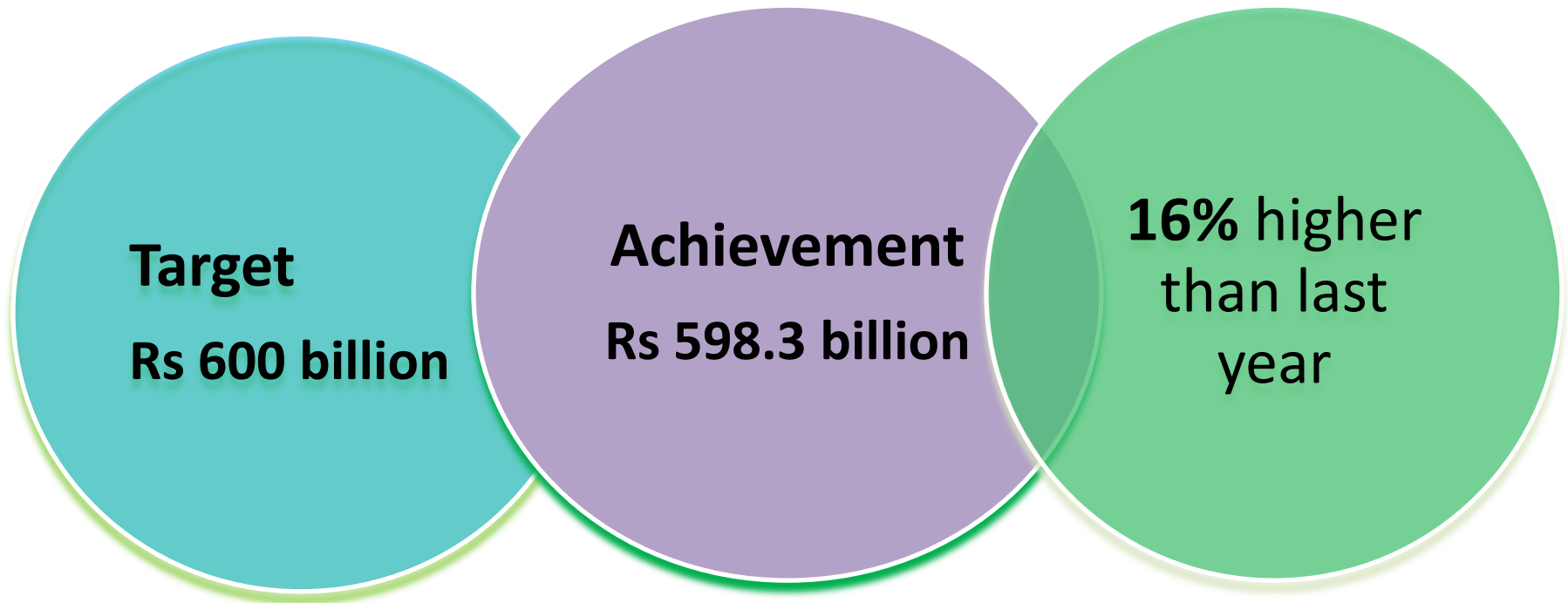
AGENDA

1. Agricultural credit performance for FY 2015-16
2. Agricultural credit indicative targets for FY 2016-17 and half yearly performance (Jul-Dec 2016)
3. Initiatives for improving the access to marginalized farmers
4. Key decision to be taken for credit enhancement in the underserved provinces/regions

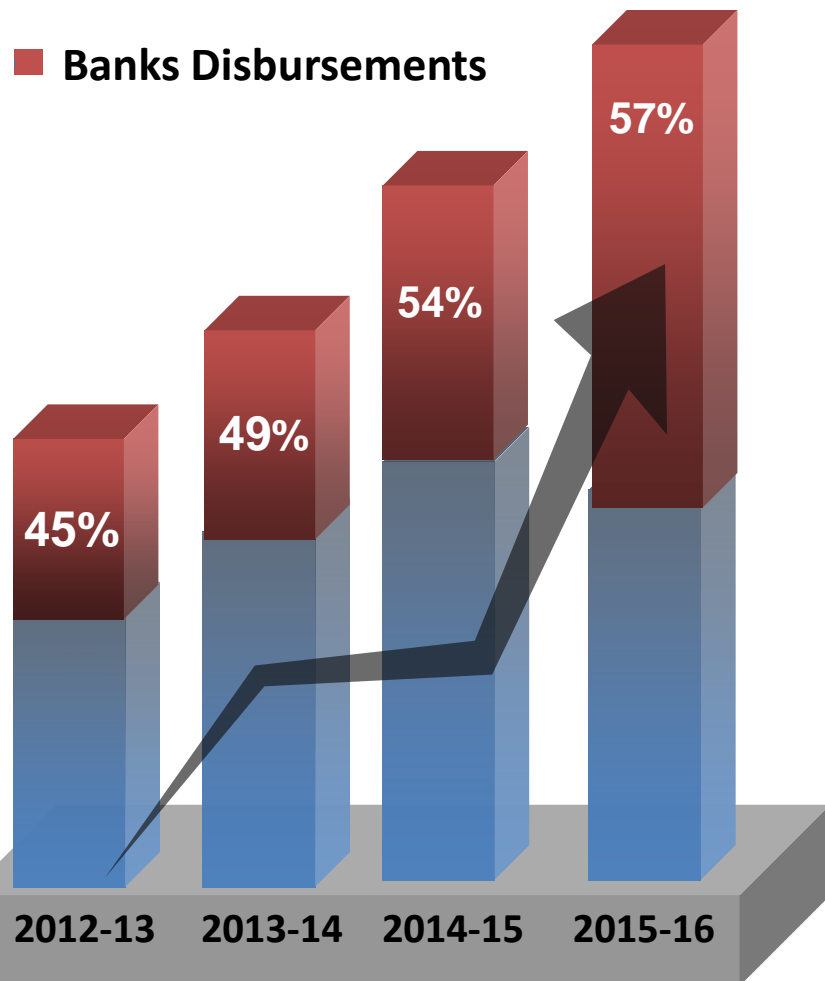
Agenda No. 1

Targets and Achievements FY 2015-16

Target Achieved 2015-16



Agri-Credit Demand vs. Supply FY 2015-16



- ❖ Demand for agri-credit is increasingly being served by formal institutions
- ❖ RS 598.3 billion provided by banks against the demand of Rs 1060 Billion (57%)

Year	Demand	Supply	Req. Met
2012-13	750	336	45%
2013-14	790	391	49%
2014-15	946	516	54%
2015-16	1060	598	57%

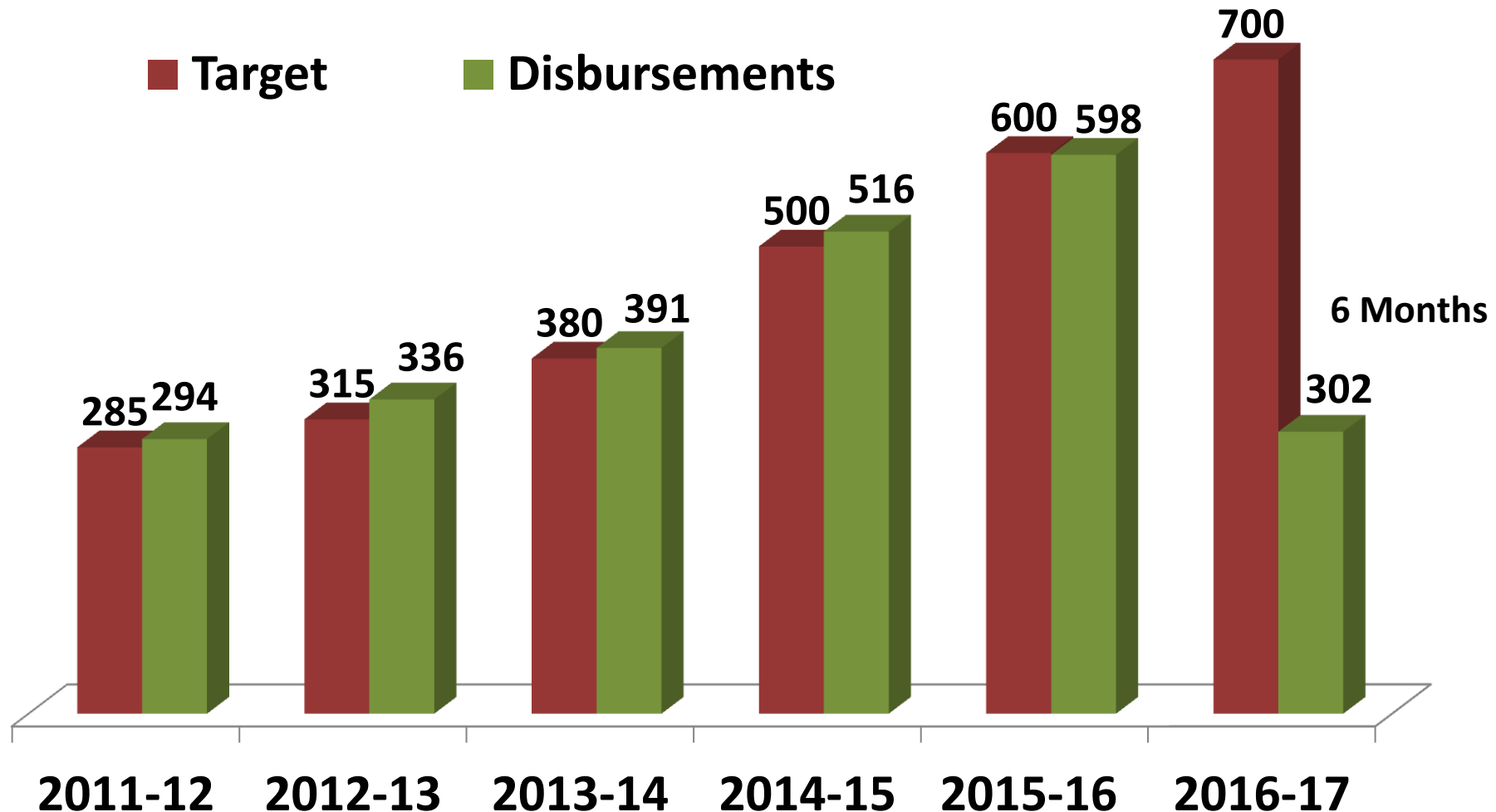
Targets Vs. Disbursement for 2015-16 (Rs. in Billion)

Name of Bank	TARGET	DISBURSEMENT	TARGET ACHIEVED (%)
Top 5 Commercial Banks	305.7	311.4	101.9
2 Specialized Banks	114.5	101.3	88.5
15 Domestic Private Banks	131.8	123.1	93.4
9 Microfinance Banks	40.1	53.9	134.4
5 Islamic Banks	7.9	8.6	108.9
Total	600	598.3	99.7

Agenda No. 2

Half Yearly - Performance July-December 2016-17

Agri. Credit Targets and Disbursement





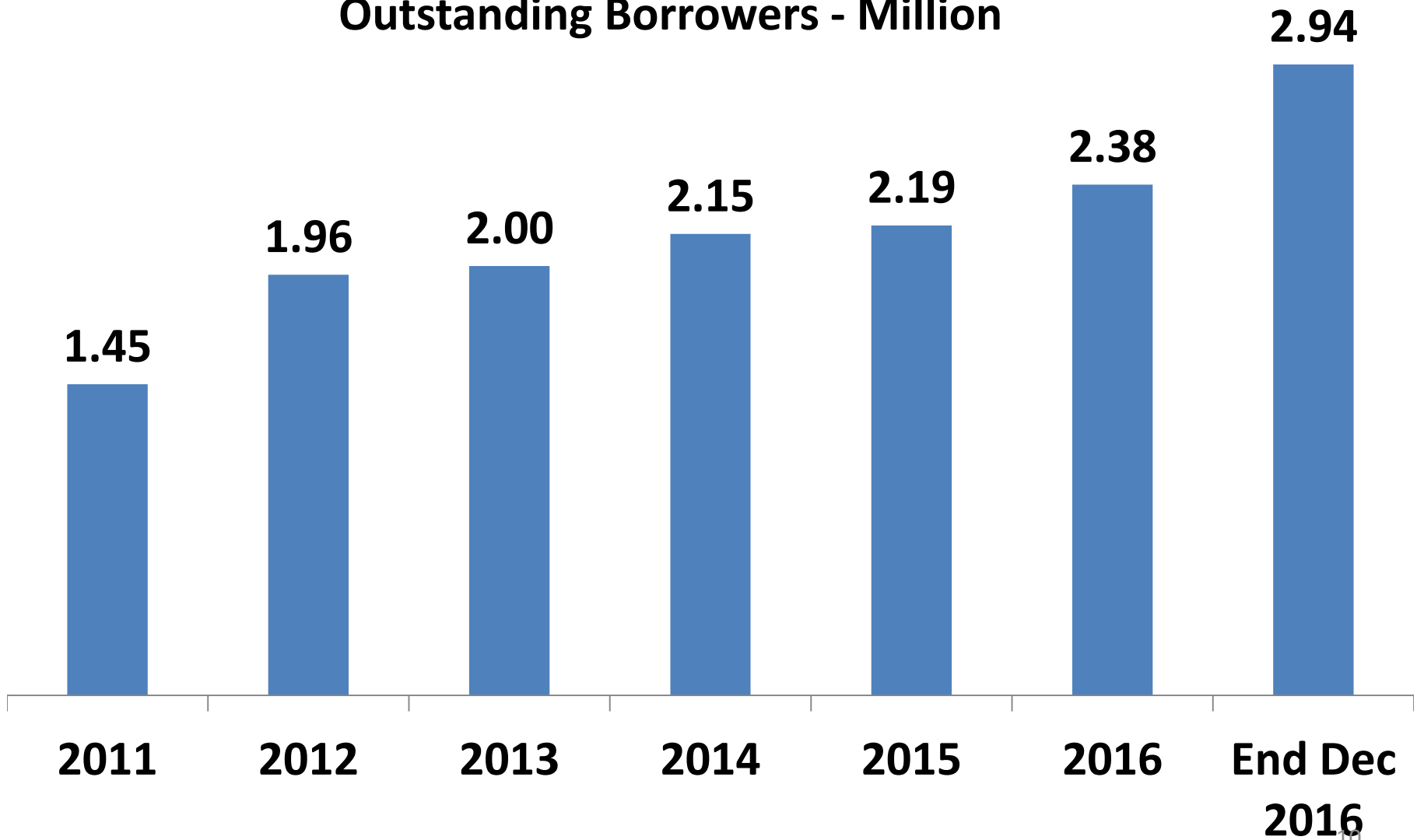
Half Year Performance Review for 2016-17

(Rs. in Billion)

Name of Bank	TARGET	DISBURSEMENT	TARGET ACHIEVED (%)
Top 5 Commercial Banks	340.0	156.4	46
2 Specialized Banks	115.0	34.1	30
15 Domestic Private banks	139.6	57.3	41
10 Microfinance Banks	60.1	42.2	84
4 Islamic Banks	11.0	4.5	42
16 MFIs	34.3	7.2	21
TOTAL	700.0	301.7	43

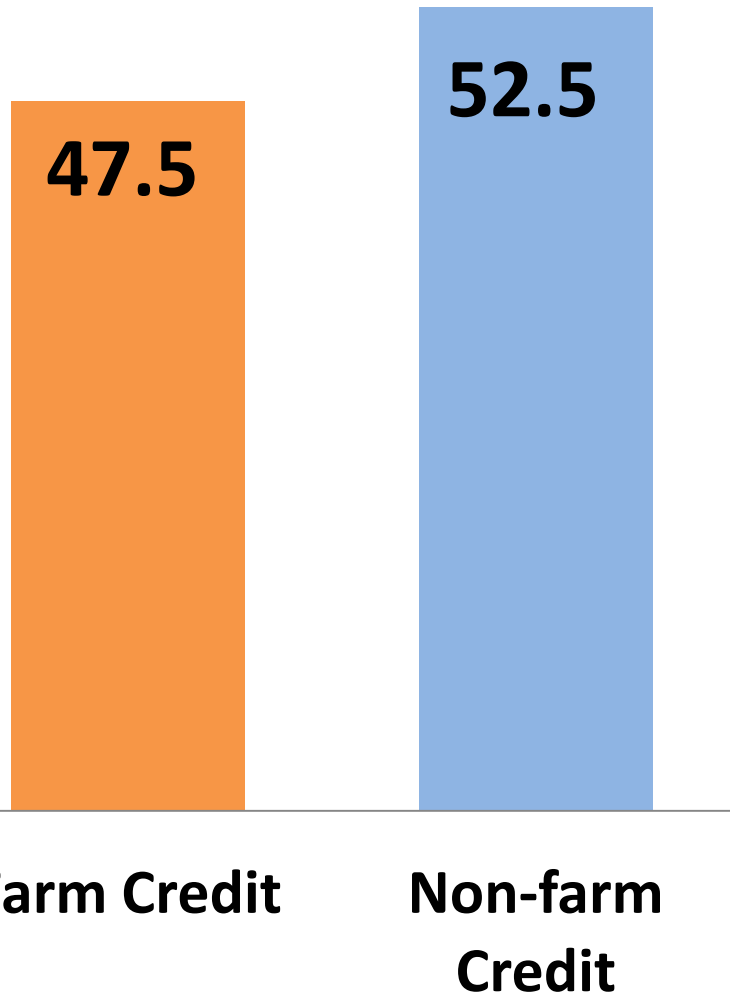
Trend of Agri. Borrowers

Outstanding Borrowers - Million

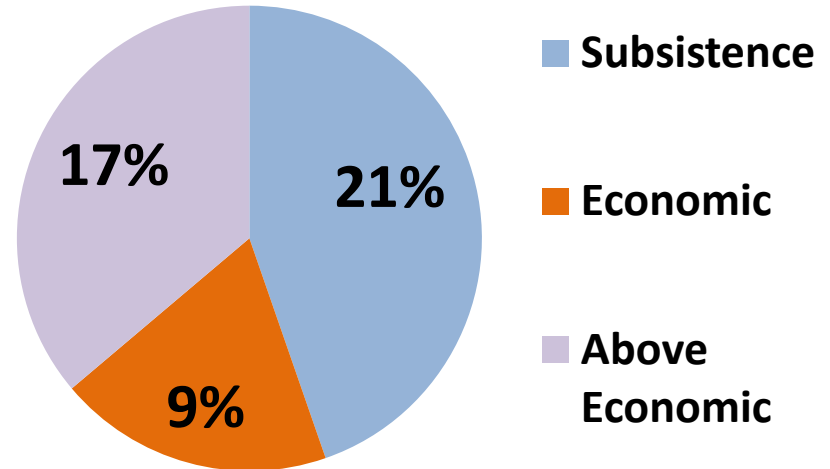


Sector and Holding wise Agri. Credit Distribution

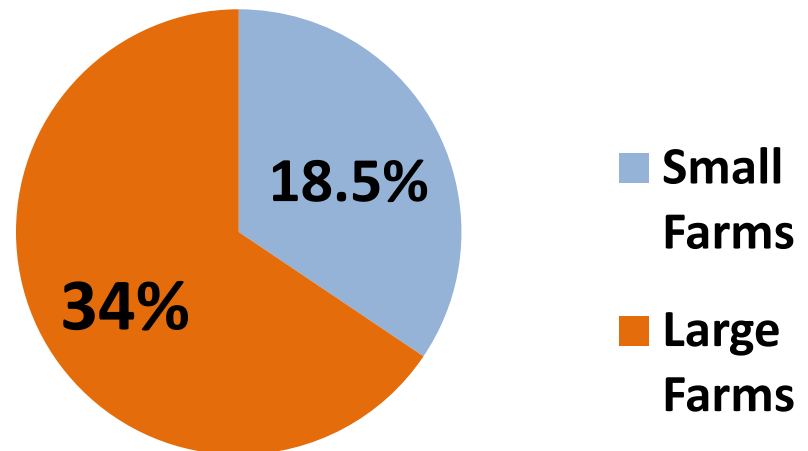
Sectoral Distribution %



Holding wise Farm Credit

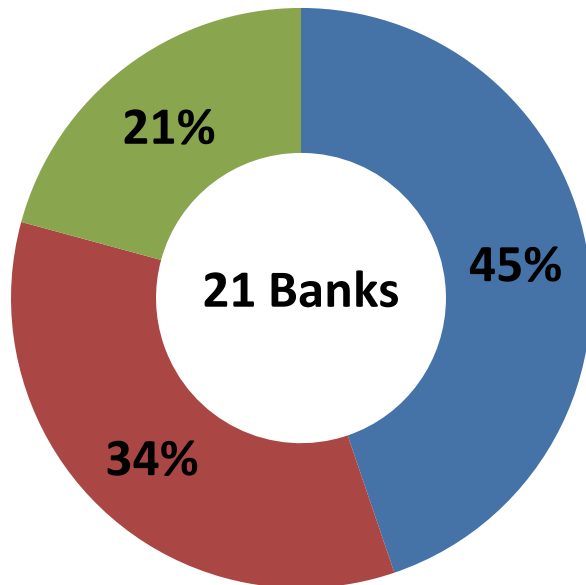


Size wise Non Farm Credit

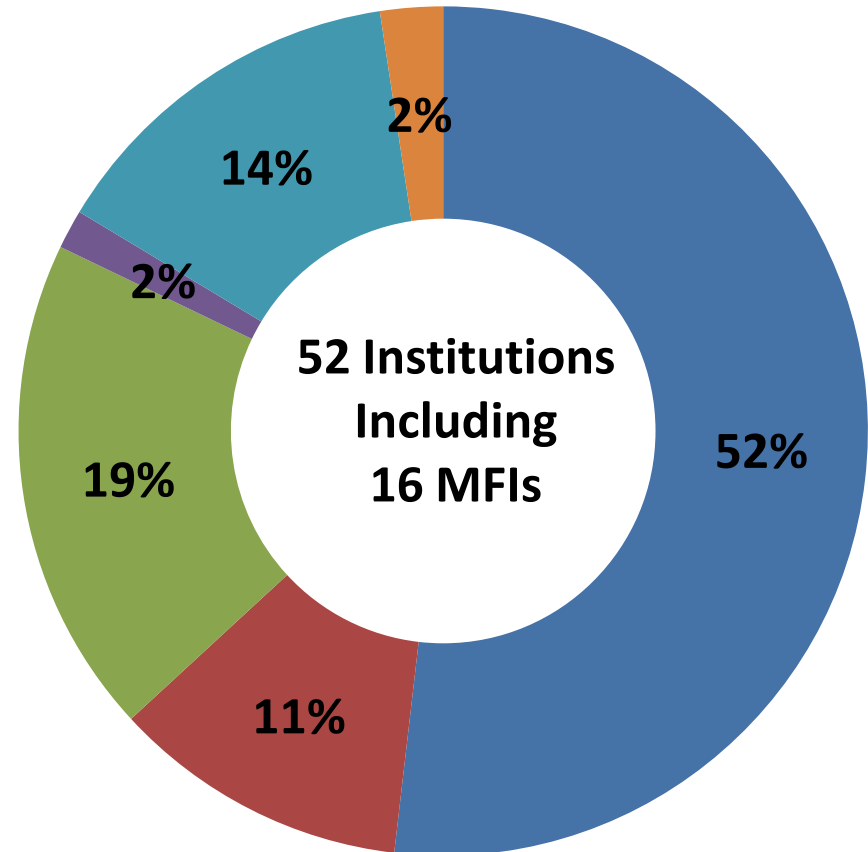


Increasing Diversity in Agri. Financing

FY 2007-08



FY 2016-17 (Jul-Dec)



Agenda No. 3

Major Initiatives for improving access to finance to marginalized farmers

SBP's Interventions for Agri-Finance



Risk Sharing

- CGS for Small Farmers - loans disbursed to 24,237 fresh borrowers
- Enhanced Scope of CLIS -12.5 Acres to 25 Acres
- Simplified SOPs for speedy reimbursement of Crop and Livestock Insurance Premium Claims

Market Development

- Facilitated GoPb in implementing E-Credit Scheme
- Collaboration with University of Agriculture Faisalabad for Precision agriculture
- Adoption of automation of land records
- Development of Warehouse Receipt Financing Mechanism
- National Roll out of VC Financing, disbursed Rs. 4 bln to 4,500 borrowers

SBP's Interventions for Agri-Finance



Capacity Building

- **ToT Programs, leadership seminars and Exchange Learning Programs - 300 senior bankers in Warehouse Receipt and Value Chain Financing**
- **Conducted Farmers Financial Literacy Programs benefiting 200,000 farmers**

Agenda No. 3

Proposed Action Plan for Credit Enhancement in the underserved Provinces

Key Issues/Challenges

Demand Side

➤ Lower productivity and higher cost of input - ineffective extension services

➤ Lack of post harvest management and marketing

➤ Client Faith sensitivity
➤ Deficient collateral
➤ Farmers financial literacy

Supply Side

➤ In adequate Bank infrastructure, however, existing infrastructure under utilized

➤ Higher intermediation cost affecting scalability
➤ Non-Performing Loans

➤ Lack of adoption of Innovative and Digital Financial solutions

Key Decisions to be taken

Key Actions	Responsibility
Achievement of Agri. Credit Targets <ul style="list-style-type: none">• Banks to delegate regional credit target and approval processes• Monthly reporting and monitoring of regional and district/branches wise targets by DFSD/Banks	SBP/Banks
Collaboration of banks and government departments for enhancement of agri productivity <ul style="list-style-type: none">• Formation of a sub-committee to recommend possible areas of collaborations among stakeholders	SBP BSC/Banks & Govt Deptt

Key Decisions to be taken

Key Actions	Responsibility
Development of Shariah Compliant products and services <ul style="list-style-type: none">• Banks to develop innovative products for agri financing particularly for under served districts	Islamic Banks
Enhancement of Agri. Credit Infrastructure and facilitation in under served areas <ul style="list-style-type: none">• Banks to share their 3 years plan for enhancing agri. credit outreach• Adoption of Innovative and Digital Financial solutions like automation of land record, opening of digital accounts , etc	Govt., SBP & Banks
Farmer awareness and financial education	Banks /SBP

Open Floor Discussion

Thanks

