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## **SBP Enhances Per Acre Indicative Credit Limits for Crops**

The Governor, State Bank of Pakistan, Dr Shamshad Akhtar today announced that the SBP has enhanced the indicative per acre credit limits for major & minor crops, orchards and forestry by an average seventy per cent. The enhancement in credit limits has been made on the basis of current prices of agriculture inputs like seed, fertilizer, pesticides, fuel, electricity, etc.

The decision has been taken in line with the Government's priority to develop agriculture sector and to ensure availability of adequate and timely banks' credit to the farming community. As per the announcement, the farmers will get production loans for major crops viz. rice, wheat, cotton and sugarcane at a rate of Rs 19,000, Rs 16,000, Rs 21,000 and Rs 30,000 per acre against the previous limits of Rs 9,000, Rs 8,000, Rs 11,000 and Rs 18,000 respectively. The limits of other crops like potato, maize, sugar beat, tomato, chilly, rape seed, sunflower, canola, gram, mong, masoor, groundnut, flowers, etc. have also been enhanced from a minimum of Rs 3,000 to Rs 16,000 per acre depending upon the cost of inputs.

With a view to facilitate the farmers in obtaining loans for growing-orchards and agro forestry, the year wise per acre indicative credit limits for growing-orchards viz. mango, citrus, apple, banana, coconut, dates, guava, etc. and agro forestry viz. acacia, shesham, bamboo, etc. have also been provided.

The State Bank issues per acre indicative credit limits to banks for major & minor crops, orchards and forestry. The pervious such limits were issued in 2006. Since then, the economy has undergone major transformation and the prices of agricultural inputs, particularly of fuel, fertilizer, pesticides, seeds, gas, labor, etc. have increased manifold affecting the production cost of the farmers.

The enhanced per acre credit limits are indicative in nature and banks can finance lower or higher than the limits based on actual credit requirements of farmers, market conditions and prices of farm inputs. The banks have been advised to circulate these instructions to their branches immediately for compliance.

It may be recalled that in order to meet financial needs of the farming community, the SBP Governor had constituted of committee of experts, which reviewed all necessary information including current market prices of inputs for various crops, orchards, etc. and recommended for upward revision of the credit limits for meeting the high input cost as well as achieving the national agriculture growth targets.

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