



# Indicative Credit Limits and Eligible Items for Agriculture Financing| 2022-23

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Agricultural Credit & Microfinance Department  
**STATE BANK OF PAKISTAN**

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## **1. Introduction**

Since promulgation of Loans for Agriculture Purposes Ordinance, 1973, later replaced by Loans for Agriculture Purposes Act, 1973 (Act. No. XLII of 1973), the State Bank of Pakistan (SBP) has been striving to ensure provision of adequate credit to farmers through specialized, commercial, microfinance and Islamic banks.

In April 1973, the Agricultural Credit Advisory Committee (ACAC) set up a sub-committee of experts to assess credit requirements of agriculture sector and to develop a methodology relating to the preparation of estimates of agriculture credit requirements. This sub-committee submitted its first report on estimates of agriculture credit requirements in 1974 and subsequently the estimation report was periodically revised in 1979, 1983, 1989, 2001, 2006, 2008, 2014 and 2020.

The last revised report was published in January 2020, and since then the agriculture input prices have increased due to various factors, which has directly affected the per acre cost of production. The farming community and banks have also raised the need for enhancing the existing indicative limits to align it with the input requirements of farmers. In view of the aforementioned, SBP has revised the agriculture credit limits and list of eligible items for agriculture financing. The enhanced indicative limits will provide banks an up to date guideline to appropriately assess credit requirements of farmers and sanction sufficient credit limits for their needs.

### **1.1. Scope and Methodology**

This report provides credit estimation methodology, assessment of per acre input requirement of seeds and fertilizers for various crops, updated indicative credit limits and modified list of eligible items for agriculture financing. For the purpose of calculating input requirements, data for various crops, orchards, forestry and agriculture related infrastructure was collected on customized formats<sup>1</sup> from relevant stakeholders including PARC, PIDE, farming community, agriculture chambers, agricultural universities, provincial agriculture departments and agriculture lending banks. The collected data was analyzed and compared statistically with primary data collected directly from market and farmers. The feedback of stakeholders was also incorporated to update the list of items eligible for agriculture financing.

### **1.2. Revisions and Additions in the Report**

- Revision in per acre indicative credit limits of various crops, orchards, and forestry as per requirements of each sector
- Inclusion of following new items eligible for agriculture financing;
  - Renewable energy powered water pumping systems (turbine / tube-wells)
  - Maize Crop Cob Picker / Harvester

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<sup>1</sup> The formats prepared by SBP are attached at Annexure-A



- Maize Crop Grain Dryer
- Paddy Harvester
- Hermetic bags for storage of grains/seeds
- A clarification has been added in the list of eligible items regarding financing to government departments for procurement of commodities e.g. wheat etc. to be classified as part of government borrowing and not to be reported under agriculture credit.

## **1.3. Definitions**

### **a) Agriculture Financing**

According to the Prudential Regulations of SBP, agricultural financing includes:

#### **i. Farm Credit**

- Production Loan/Finance for inputs like seeds, fertilizers, pesticides, etc. including working capital finance to meet various expenses attributable to farming
- Farm Development Loan/Finance (including improvement of agricultural land, orchards, etc.) and construction of on-farm structures/godowns/warehouse etc. for storage of seed, raw agriculture/farm produce
- Finance for the purchase of farm machinery and equipment like tractor, trolley, harvester, thresher, cotton picker etc.
- Credit/debit card holders can use their cards for purchase of agricultural inputs/ machinery under agriculture financing schemes
- Non-fund based facility (Letter of Guarantee/Standby Letter of Credit (SBLC) & Letter of Credit etc.) for procurement/import of agricultural supplies etc. by corporate & non corporate farmers

#### **ii. Non-farm Credit**

- Financing for livestock, dairy, poultry<sup>2</sup>, fisheries, sericulture, apiculture, ostrich farming etc.

Generally, agriculture financing also covers the items published in “Indicative Credit Limits and Eligible Items for Agriculture Financing” or any other item approved by SBP/Agricultural Credit Advisory Committee (ACAC) from time to time. Agriculture financing shall not include loans to traders and intermediaries engaged in trading/processing agriculture commodities. Such lending would be categorized under Commercial or SME Financing and treated under Prudential Regulations for Corporate/Commercial Banking or SME Financing. However, agriculture financing can be extended to entities (including corporate farms, partnerships and individuals) engaged in farming activity as well as processing, packaging, and marketing subject to compliance of Prudential Regulations for Agricultural Financing, revised from time to time.

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<sup>2</sup> Poultry are domesticated avian species that can be raised for eggs, meat and/or feathers. (Source: Food and Agriculture Organization of the United Nations)

## **b) Cash/Financial Requirement Estimates**

The annual cash/financial requirement is estimated by provincial planning and development departments in collaboration with allied departments/divisions, i.e. crop reporting, agriculture extension & services, livestock/dairy, poultry, fisheries, forestry departments etc. These estimates are based on the provincial annual plan of cultivated area of field crops, input costs and developmental expenses etc. In addition to farm sector requirements the production and development requirements of non-crop sectors (livestock/dairy, poultry, fisheries etc.) are also estimated by the respective provincial departments based on the current prices.

## **c) Credit Requirement Estimates**

The credit requirements are the actual demand of the farmers or agriculture business entrepreneurs for agricultural financing. The credit requirements are calculated based on various factors like; land holding, size of farms, economic conditions and expected prices of the agriculture produce. Generally, the farmers having medium to large farm size are in a good financial position and may have relatively low credit demand while the subsistence and marginalized farmers mainly rely on credit/loans to meet their financial requirements which varies from 90 to 100%. The P&D departments of various provinces/regions including AJK & GB calculate the annual credit needs of the farming community on the basis of ratios provided in the estimation methodology report for each type of activity considering the land holding and size of farms for both farm/crop and non-farm/non-crop sectors. The credit requirement is calculated by using the following equation;

$$\text{Credit Requirement} = \text{Cash/Financial Requirement} - \text{Own Funding/Equity of Farmer}^*$$

*\*It may include factors like; own funds/ resources, adjusting rental income (in case of own land), own seed from previous harvest, farmyard manure, self/ family labor etc.*

## **d) Per Acre Credit Limit**

To facilitate banks in assessing the credit needs of farmers, per acre credit limits for production inputs are provided for crops, orchards, forestry and agriculture related infrastructure by SBP. These limits are indicative in nature and serve as guidelines for banks to assess the credit requirements of agriculture borrowers. Banks may, however, vary from these limits based on the prevailing market conditions, local prices of farm inputs, and repayment capacity of borrowers.

# **2. Credit Estimation**

Estimation of agriculture credit requirement for each province is usually done by planning & development and agriculture departments. While estimating cash requirement of farm sector activities, crop acreage is used as basis for calculating the requirements of various agriculture inputs like seeds, fertilizers, pesticides, etc. For this purpose, current market prices or government's fixed prices are used for final agriculture cash requirement. Further, SBP has developed a format which will help provincial governments in estimation of provincial agriculture credit requirement annually<sup>3</sup>. On the basis of feedback received from all stakeholders, per acre seed and fertilizer requirement have been updated.

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<sup>3</sup> The format is attached at Annexure-B

## 2.1. Seed and Fertilizer Requirement

The per acre requirement of seed and fertilizer depend on fertility and type of soil, seed variety, and geographical region. Farmers may also consult field experts and extension services to find the exact requirement of inputs to be used for cultivation. Table 2.1, 2.2, and 2.3 provide revised per acre seed/plant and fertilizer requirements for crops, orchards, and trees, respectively.

**Table 2.1: Per Acre Seed/Plant and Fertilizer Requirements for various Crops**

(In kg, unless otherwise indicated)

Sr. No.	Crops	Seed Requirement	Inorganic				Organic
			Urea	DAP	Zinc	Other Fertilizers	Farmyard Manure
1	Rice	12	75	55	8	-	2,000
2	Wheat	57	75	60	20	120	1,000
3	Cotton	10	100	75	6	40	300
4	Maize						
	a) Hybrid	12	150	100	8	100	2,000
	b) Improved varieties	20	85	80	8	90	2,000
5	Sugarcane	3,000 Setts	125	80	24	30	1,000
6	Potato	1,200	125	100	10	125	4,000
7	Onion	5	100	60	9	65	4,000
8	Peas (Mutter)	30	85	65	9	60	2,000
9	Tomato	8	90	55	9	65	3,000
10	Ladyfinger	20	100	60	9	60	4,000
11	Chilly	2	85	60	9	85	3,000
12	Garlic	200	100	60	13	65	3,000
13	Sugar beet	6	50	100	24	80	1,000
14	Vegetable (Overall)	10	90	50	12	70	3,000
15	Sorghum (Jawar)	20	100	50	12	55	2,000
16	Fodder Crops	12	150	50	17	60	2,000
17	Rapeseed & Mustard	4	40	35	22	40	2,000
18	Soya Bean	40	70	60	17	55	1,000
19	Sunflower	3	50	50	15	8	2,000
20	Canola	3	50	65	7	40	1,000
21	Olive	120 Plants	65	30	0	30	2,000
22	Coarse grain (Others)	8	100	50	1	25	1,000
23	Millet (Bajra)	15	65	55	14	55	1,000
24	Gram	20	50	40	16	55	6,000
25	Moong	11	50	48	10	50	1,000
26	Masoor	14	50	50	11	60	1,000
27	Groundnut	40	25	50	20	85	2,000
28	Melon	2	100	50	18	80	4,000
29	Water Melon	2	75	50	4	75	2,000
30	Muskmelon	1	75	50	4	80	2,000
31	Tea	5,000 Plants	100	50	21	50	3,000

Source: Indicative Credit Limits and Eligible Items for Agriculture Financing 2020

**Table 2.2: Per Acre Plant and Fertilizers Requirements for Matured Orchards**

(In kg, unless otherwise indicated)

Sr. No.	Orchards	Plant Requirement (Average No.)	Inorganic				Organic
			Urea	DAP	Zinc	Other Fertilizers	Farmyard Manure
1	Mango	70	125	125	10	150	2,000
2	Apple	100	85	60	6	100	3,000
3	Almond	90	60	50	26	50	4,000
4	Apricots	130	60	50	27	38	3,000
5	Banana	700	200	150	22	65	3,000
6	Cherry	100	75	60	29	50	4,000
7	Citrus	100	100	50	20	50	3,000
8	Dates	100	125	125	23	138	2,000
9	Grape	340 Vines	150	80	1	38	2,000
10	Lychee	80	125	100	29	75	3,000
11	Peach	150	64	53	27	50	3,000
12	Pomegranate	110	69	59	33	75	3,000
13	Sapodilla (Cheekoo)	100	100	150	29	60	4,000
14	Coconut	116	50	150	29	60	4,000
15	Guava	100	122	117	1	100	2,000
16	Loquat	120	100	50	27	60	2,000
17	Plum	70	90	90	43	50	2,000
18	Pear	100	57	60	30	50	4,000
19	Jujube	200	100	50	28	60	4,000
20	Papaya	800	100	65	29	80	4,000
21	Strawberry	50,000	150	150	37	90	5,000
22	Jatropha curcas (Fuel Crop)	800	200	175	18	70	2,000

Source: Indicative Credit Limits and Eligible Items for Agriculture Financing 2020

**Table 2.3: Per Acre Plant and Fertilizers Requirements for Matured Social/Forest Trees**

(In kg, unless otherwise indicated)

Sr. No.	Orchards	Plant Requirement in Numbers	Inorganic				Organic
			Urea	DAP	Zinc	Other Fertilizers	Farmyard Manure
1	Acacia	400	75	50	17	30	-
2	Dalbergia sissoo (Shesham)	200	75	50	17	40	-
3	Eucalyptus	1600	100	90	28	60	-
4	Bamboo	400	85	65	20	55	-
5	Pine Tree	500	70	50	20	25	-
6	Other Matured Forest Trees	400	85	50	10	35	-

Source: Indicative Credit Limits and Eligible Items for Agriculture Financing 2020



## 2.2. Calculating Number of Plants – Orchards

The recommended per acre quantities of fertilizers for various fruits/orchards have been calculated. To obtain an estimate for average number of plants to be sown in an acre, the following formula from the book *Horticulture* (Mahmood N. Malik, 1994: National Book Foundation) has been used:

$$\text{Total Number of Plants} = \frac{\text{Area of a hectare (100 meters x 100 meters)}}{\text{Row-to-row distance x Plant-to-plant distance (square meters)}}$$

Table 2.4 provides the average minimum and maximum row-to-row and plant-to-plant distance used for various orchards. Table 2.5 provides average use of fertilizer per plant for orchards.

**Table 2.4: Average Space for Plants in Orchards**

(In meters)

Sr. #	Orchard	Average Distance	
		Row-to-Row	Plant-to-Plant
1	Mango	10	7
2	Citrus	7	5
3	Apple	6.5	5.5
4	Banana	8	7
5	Guava	8	10
6	Coconut	4.5	7.5
7	Dates	5	7
8	Apricot	6.5	8
9	Grape	3	4
10	Pear	6.5	8
11	Falsa	2.5	2.5

Source: Ayub Agriculture Research Institute - Govt. of Punjab

**Table 2.5: Average use of Fertilizer per Acre for Orchards**

(In bags per acre, unless otherwise indicated)

Sr #	Orchard	Avg. No. of Plants (Per Acre)	Urea	DAP	Zinc	Other Inorganic	Farmyard Manure*
1	Mango	70	1.7	1.7	0.14	2.14	25.9
2	Citrus	100	1	1	0.5	0.2	27.2
3	Apple	100	0.85	0.60	0.06	0.5	27.2
4	Banana	700	0.28	0.21	0.03	0.1	3.88
5	Guava	100	1.2	1.17	-	1	18.14
6	Coconut	116	0.43	1.29	0.25	0.51	31.27
7	Dates	100	1.25	1.25	0.23	1.38	18.14
8	Apricot	130	0.46	0.38	0.20	0.29	21.0
9	Grape	340	0.4	0.23	-	0.1	5.33
10	Pear	100	0.57	0.6	0.3	0.5	36.28

\*In Tons

Source: Indicative Credit Limits and Eligible Items for Agriculture Financing 2020

## 2.3. Cost Estimation of Agriculture Related Infrastructure

Keeping in view the significance of agriculture related infrastructure like construction of tunnel farms, storage sites, installation of efficient irrigation system etc., data of estimated costs was collected from various stakeholders. The collected data was analyzed and the respective updated indicative rates have been included in this report, given in Table 2.6.

**Table 2.6: Indicative Rates for Agriculture Related Infrastructure**

Sr. No.	Items	Revised (August 2022)
1	Tunnel farming for vegetable crops (per acre)	
	a) Iron shed	1,086,000
	b) Wood/Bamboo shed	475,000
2	Tunnel farming for nursery/orchards (per acre)	
	a) Iron shed	2,578,000
	b) Wood/Bamboo shed	611,000
3	Irrigation System (per acre)	
	a) Sprinkler	373,000
	b) Drip/Trickle	360,000
4	Poultry Shed (per 1,000 birds)	
	a) Controlled Shed	1,357,000
	b) Semi controlled shed	679,000
5	Storage Sites Construction (per square yard)	
	a) Cold storage	37,000
	b) Silos construction	88,000

Source: Average of data received from agriculture lending banks and market research.

## 2.4. Estimation of Credit Requirements

### a) Farm/Crop Sector

In farm sector, farmers usually need credit for production and development activities. Production loans are used for the purchase of crop inputs like seeds, fertilizers, pesticides, water, fuel for on farm activities/cultivation of various crops, while development loans are mainly used for purchase of farm machinery like tractors, tube wells, threshers and activities like construction of on-farm infrastructure like tunnel farm, godowns/warehouses, silos etc.

The credit requirement of different groups of farmers may vary with their farm size and cropping pattern. Pakistan Bureau of Statistics, Government of Pakistan has defined province wise landholding in the agricultural census of 2010, shown in below Table 2.7.

**Table 2.7: Province-wise Land Holding/Farm Size**

Sr. No.	Province	Subsistence Holding			Economic Holding			Above Economic Holding		
		Acres	% in Total Farms	% of Total Area	Acres	% in Total Farms	% of Total Area	Acres	% in Total Farms	% of Total Area
1	Punjab	Up to 12.5	90	64	12.5 to 50	9	23	Above 50	1	13
2	KPK	Up to 12.5	95	62	12.5 to 50	4	25	Above 50	1	13
3	Sindh	Up to 16.0	85	40	16 to 64	11	50	Above 64	4	10
4	Balochistan	Up to 32.0	94	42	32 to 64	4	10	Above 64	2	48

Source: Pakistan Agricultural Census 2010, Pakistan Bureau of Statistics Government of Pakistan (GoP)

## b) Non-Farm/Non-Crop Sector

In the non-farm sector, farmers/entrepreneurs need credit for working capital and term finance for poultry, dairy, livestock, fisheries etc. Classification of farms by size is given in Table 2.8, which may be used in estimating credit requirements for non-farm/non-crop sector.

**Table 2.8: Classification of Small, Medium and Large Farms**

Sr. No.	Purpose	Non Crop Classification		
		Small	Medium	Large
1	Goat & Sheep	Up to 30 Animals	31-150 Animals	Above 150 Animals
2	Cow/Bufaloes	Up to 15 Animals	16-50 Animals	Above 50 Animals
3	Meat Cattle	Up to 30 Animals	31-100 Animals	Above 100 Animals
<b>Conventional Poultry Farming</b>				
4	Poultry Farm (Broiler)	Up to 5,000 Birds	5,001 – 12,000 Birds	Above 12,000 Birds
5	Poultry Farm (Layers)	Up to 2500 Birds	2,501 – 7,500 Birds	Above 7,500 Birds
<b>Mechanized Poultry Farming in Controlled Sheds/Semi Controlled shed</b>				
6	Poultry Farm (Broiler)	NA	Up to 60,000 Birds	Above 60,000 Birds
7	Poultry Farm (Layers)	NA	Up to 50,000 Birds	Above 50,000 Birds
8	Fisheries Inland	Ponds up to 2 Acres	Ponds 3 - 6 Acres	Ponds above 6 Acres
9	Fisheries Marine	1 Boat up to 4 gross ton capacity	1 – 3 Boats between 5 - 10 gross ton capacity	Above 3 Boats exceeding 10 gross ton capacity

Source: SBP report on indicative credit limits & list of eligible items for agriculture financing (2020)

### 3. Indicative Credit Limits for Agriculture Financing

The per acre indicative credit limits for crops, orchards, forest trees and agriculture related infrastructure based on technical data received from leading agricultural research institutes and other stakeholders. These limits may be used by the banks for assessment of the credit requirements of farmers. Moreover, these limits are indicative in nature and banks are allowed to provide financing for the crops as per given indicative limits in Table 3.2 or Banks/DFIs may extend financing on the basis of actual/justified cost of production in any particular region/area. Further, agriculture financing may also be extended for crops other than the crops mentioned in Table 3.2.

To facilitate banks and field officers in assessing cost of production for different crops, a separate working table and formats<sup>4</sup> have been developed and annexed. A sample working table for wheat crop is given in Table 3.1.

**Table 3.1: Specimen for Working to Assess Per Acre Credit Requirement (Wheat)**

Sr. No.	Input Items/ Head of Account	Average Quantity Per Acre	Average Value of Inputs Kg/Bag/Liter (in Rs.)
1	Seed	57 Kg	3,000
2	Urea	75 Kg	2,800
3	DAP	60 Kg	4,400
4	Other Fertilizer (s)	Zinc 20 Kg Farmyard Manure 1 Ton Other Fertilizers 120 Kg	1,000 4,000 2,800
5	Pesticides	5 Liters	2,000
6	Tractor Rent/Fuel	6.5 Hrs.	5,000
7	Labor	-	9,000
8	Water & Miscellaneous	-	6,000
<b>Total</b>			<b>40,000</b>

#### 3.1 Crops

The per acre indicative credit limits for five major and other minor crops have been calculated using the estimation methodology. These indicative limits are shown in Table 3.2 which banks may use to estimate credit requirements of each borrower/customer. Further, banks may use these indicative limits for the premium claims of Crop Loan Insurance Scheme (CLIS) and variation from these limits will be justified in the CLIS premium claim formats accordingly.

<sup>4</sup> SBP's formats Annexure-A & B

**Table 3.2. Per Acre Indicative Agriculture Credit Limits for Crops**

(Rs./Acre)			
Sr. No.	Crops	Existing (January 2022)	Revised (August 2022)
<b>Major Crops</b>			
1	Wheat	60,000	100,000
2	Rice	70,000	95,000
3	Cotton	75,000	102,000
4	Sugarcane	105,000	142,000
5	Maize (Hybrid)	78,000	106,000
6	Maize	65,000	88,000
<b>Minor Crops</b>			
1	Potato	120,000	162,840
2	Onion	65,000	88,000
3	Peas (Mutter)	55,000	75,000
4	Tomato	80,000	109,000
5	Ladyfinger	75,000	102,000
6	Chilly	75,000	102,000
7	Garlic	65,000	88,000
8	Ginger	50,000	68,000
9	Turmeric	52,000	71,000
10	Sorghum (Jawar)	39,000	53,000
11	Sugar beet	50,000	68,000
12	Other Vegetable	52,000	71,000
13	Tobacco	50,000	68,000
14	Fodder Crops	40,000	54,000
15	Rapeseed and Mustard	35,000	47,000
16	Soya Bean	42,000	57,000
17	Sunflower	47,000	64,000
18	Canola	37,000	50,000
19	Olive	195,000	265,000
20	Coarse grain (Others)	35,000	47,000
21	Millet (Bajra)	38,000	52,000
22	Gram	42,000	57,000
23	Moong	35,000	47,000
24	Masoor	34,000	46,000
25	Groundnut	45,000	61,000
26	Melon	70,000	95,000
27	Water Melon	63,000	85,000
28	Muskmelon	61,000	83,000
29	Flowers	112,000	152,000
30	Nurseries for flowers/plants	60,000	81,000
31	Capsicum (Shimla Mirch)	57,000	77,000
32	Tea	55,000	75,000
33	Other Crops	Actual	Actual

Source: Average of data received from agriculture lending banks and market research.



### 3.2 Orchards

The indicative credit limits per acre for various matured orchards are given in Table 3.3.

**Table 3.3. Per Acre Indicative Agriculture Credit Limits for Orchards**

Sr. No.	Orchards	(Rs./Acre)	
		Existing (January 2022)	Revised (August 2022)
1	Mango	100,000	136,000
2	Apple	110,000	149,000
3	Almond	75,000	102,000
4	Apricots	102,000	138,000
5	Banana	120,000	163,000
6	Cherry	87,000	118,000
7	Citrus	100,000	136,000
8	Dates	120,000	163,000
9	Grape	105,000	142,000
10	Lychee	73,000	99,000
11	Peach	74,000	100,000
12	Pomegranate	69,000	94,000
13	Cheeko	65,000	88,000
14	Coconut	70,000	95,000
15	Guava	80,000	109,000
16	Loquat	68,000	92,000
17	Plum	64,000	87,000
18	Pear	67,000	91,000
19	Jujuba	56,000	76,000
20	Papaya	65,000	88,000
21	Strawberry	140,000	190,000
22	Jatropha Curcas (Fuel Crop)	83,000	113,000
23	Other Orchards	Actual	Actual

Source: Average of data received from agriculture lending banks and market research.

### 3.3 Forestry

Globally, forests cover approximately 30% of total land area and around 1.6 billion people (25% of world's population) are dependent on forests for food, energy and livelihood. Forests are source of timber, food, fuel, fodder, non-wood products, shelter, soil and water conservation and oxygen. Forests play an essential role in ecosystems to prevent land degradation, desertification and reduce the risk of natural calamities including soil erosion, floods, droughts, etc. Keeping in view the increasing demand of forests, farmers need to diversify their cropping pattern accordingly. In order to encourage banks to promote financing in this sector, SBP has revised the per acre credit limits for matured trees as shown in Table 3.4.

**Table 3.4. Per Acre Indicative Agriculture Credit Limits for Forestry**

Sr. No.	Trees	(Rs/Acre)	
		Existing (January 2022)	Revised (August 2022)
1	Acacia	50,000	68,000
2	Shesham	45,000	61,000
3	Samaha Malbarian and Eucalyptus	48,000	65,000
4	Liner Plantation Comprising 1000 Trees	65,000	88,000
5	Bamboo	57,000	77,000
6	Sumble	45,000	61,000
7	Pine Tree	45,000	61,000
8	Diyar	45,000	61,000
9	Other Matured Forestry Trees	Actual	Actual

Source: Average of data received from agriculture lending banks and market research.

## 4. Eligible Items for Agriculture Financing

The eligible items have been updated after incorporating additional items/activities through feedback from stakeholders, and in light of SBP guidelines on livestock, fisheries, poultry, efficient agriculture water management and horticulture financing. However, the list is indicative and banks are allowed to finance any other agriculture related activity as per SBP's regulations, their own policy, and the requirements of the farming community. The updated list is appended.

**Agricultural Credit  
List of Eligible Items**

**A. Farm Credit**

**1. Production/Short-term**

**i Inputs Financing**

- 1) Purchase of seeds
- 2) Purchase of fertilizers
- 3) Purchase of pesticides including herbicides and weedicides
- 4) Orchards, olives and nurseries etc.
- 5) Minor crops like fruits, vegetables, pulses, oilseeds, onions & floriculture including mentha arvensis (mint), asparagus (safed musli) etc.
- 6) Cultivation of mushroom
- 7) Off season vegetables grown in green houses and tunnels
- 8) Medicinal crops/herbs/roots production etc.
- 9) Farm yard manure for all crops etc.

**ii Services**

- 10) Charges for laser leveling
- 11) Labor charges for sugarcane stripping, cotton picking, rice sowing/transplantation of nursery, red chillies picking etc.
- 12) Charges for purchase of diesel & oil for tractor and tube-well operation
- 13) Electric charges for tube-well operation
- 14) Charges for purchase of tube-well water
- 15) Charges for transplantation expenses of crops etc.
- 16) Charges for inter culturing expenses of crops etc.
- 17) Charges for transportation, marketing, grading, packing, packing material cost and processing
- 18) Charges for farm management services, technological & mechanical services/extension services which are undertaking farm work for famers on contract basis
- 19) Installation charges for drip/sprinkler and pivot irrigation systems

**iii Rentals/Leasing**

- 20) Hiring charges for farm machinery, implements, farm labor and storage etc.
- 21) Land lease/contract charges for fodder cultivation and for other crops

**iv Others**

- 22) Working capital for storage of raw agricultural/farm produce
- 23) Expenses for polishing & grading of fruits
- 24) Working capital for effective microbes technology (EMT) expenses
- 25) Working Capital for high quality seed processing units
- 26) Working capital requirements of godowns/silos/cold storage
- 27) Cost of contamination free cloth for cotton picking
- 28) Grower finance to farmers against the guarantee of agriculture produce processors
- 29) Working capital for processing of crops other than four major crops (e.g. wheat flour mills, cotton ginning factories, sugar mills, rice husking mills)

- 30) Wholesale lending to microfinance banks, microfinance institutions, NGOs, agriculture produce processors etc. for onward lending to the farming community to meet their short term agriculture credit requirements
- 31) Fuel wood for curing of tobacco
- 32) Any other item related to production expenses

## **2. Medium and Long-term Farm Credit**

### **i Land & Infrastructure Development**

- 34) Clearance of jungle, leveling, layout, terracing, soil improvement, embankment, land formation, bund construction, reclamation of land and construction of mini dams/check karez/water reservoirs/water catchments for rain-fed (barani) areas
- 35) Purchase of agricultural land for marginal farmers/tenants (land acquisition loans)
- 36) Cost of construction/installation etc. of structures involved in tunnel & greenhouse technology for growth of horticultural produce
- 37) Construction of cold storages and hot storages (ethylene chambers) for early ripening of stored fruits
- 38) Cost for protective works to prevent lands from natural hazards
- 39) Fencing
- 40) Construction of godowns, bins, silos and other structure for storage
- 41) Agriculture business centers for agriculture graduates

### **ii Water & Irrigation**

- 42) Water course improvement alignment, lining, silt clearance, construction of modules and culverts, (where directorate of water management is not functioning), construction of lined water-course
- 43) Installation & repair of tube-wells/peter engines, open wells, persian wheels, lift pumps, deep turbines/pumps, electrical installation including cost of power lines and transformer
- 44) High pressure pump
- 45) Steel/Iron tanks for water supply/storage at farm
- 46) Renewable energy powered water pumping systems (Turbines/Tube-wells)

### **iii Purchase/Lease Finance for Farm Machinery, Implements & Transportation**

- 47) Purchase of bullocks with cart, camels with cart and donkey with cart for agricultural/transportation use
- 48) Purchase of trucks, transport machinery, country boats, forklifts, pick-up, mobile olive oil extraction unit (van), refrigerator van and mini trucks etc. for agricultural use
- 49) Tractors, trailers and implements
- 50) Repair of tractors and replacement of tractors tyres
- 51) Thrashers & thrashing machine for all agricultural crops
- 52) Tobacco curing equipment
- 53) Other agricultural equipment including power tillers, mould board ploughs, disc ploughs, chisel ploughs, disc harrows, border discs, rotary cultivators, ridgers cum bed shaper, laser leveler, bulldozer for land leveling, sunflower harvester, seed & fertilizer drills, rotavators, cotton pickers, maize cob picker/harvester, on farm maize grain dryer, paddy harvester, groundnut diggers, potato diggers, hole diggers & reapers/cutters, binder, trolley, cane crusher, combined harvester, tractor pulled combined harvester, bed sowing drills for wheat, oats etc., bed planter for cotton, maize, sunflower etc. mechanical planters/pneumatic planters for cotton, maize, sunflower etc. potato planter, sugarcane planter, high capacity paddy thresher, sunflower &

- soyabean thresher, olive oil extraction unit groundnut thresher, wheat straw chopper cum-blower, flail mover, stubble shaver, self-propelled reaper for harvesting wheat and rice crops, fertilizer spreader, fertilizer spreader for broadcasting chemical fertilizers evenly/uniformly, rice transplanter, sprayers, back pack sprayers, boom sprayer (tractor mounted sprayer), other farm machinery & equipment for agricultural purposes including purchase of second hand tractor, threshers, combined harvester and other old farm machinery free from all encumbrances
- 54) Purchase of local/traditional implements viz. yoke, wooden/iron plough, clod crusher, wooden leveler and any other locally manufactured implements/stroke machine
  - 55) Lease financing for tube wells, tractors, harvesters, jeeps, pickups, motorcycles and other machinery used for agricultural purpose
  - 56) Straw/dry fodder pressing machine
  - 57) Wood working machinery
  - 58) Hay baler and Silage baler
  - 59) Saw machine for crate making for fruit
  - 60) Kino/mango/fruit polishing machines/Waxing machine
  - 61) Equipment for sprinkle trickle/drip irrigation system
  - 62) Equipment for pivot irrigation system
  - 63) Processing machinery including seed dryers, vegetable dryers & fruit dryers for use at farms
  - 64) Packing and weighing machinery
  - 65) Solar energy plants/windmills including installation cost
  - 66) Green house equipment/technology
  - 67) Personal computer for agricultural purpose

#### **iv Others**

- 68) Development loan for tea plantation/palm oil
- 69) Tomato paste making units
- 70) Mini juice extraction plants for citrus, mangoes and other fruits
- 71) Arboriculture (wind breaker, shelter belts, hedges)
- 72) Orchards, olives and nurseries
- 73) Greenhouse equipment/technology
- 74) Fixed capital for storage of raw agricultural farm produce
- 75) Purchase of hermetic bags for storage of grains/seeds

## **B. Non-Farm Credit**

### **1. Working Capital/Short-term Credit**

#### **i Livestock**

- 1) Feed Lots
- 2) Feeds, raising and veterinary expenses
- 3) Purchase and plantation of animal fodder and feeds
- 4) Concentrate feed stuff like cotton seed, cotton seed cake and other additional expenditure
- 5) Artificial insemination unit services
- 6) Packing material for meat, milk and other livestock products
- 7) Working capital for milk collection center & milk processing
- 8) Purchase of feed grinders, tokas, feed mixing machines and feed or milk containers
- 9) Vaccinations, vitamins and other medications for animals.
- 10) Expenses of labor, electricity, fuel, etc.



- 11) Utensils for animal feeding, calf feeders, bangles, rope/iron chains, etc.
- 12) Distribution cost, transportation charges on farm-milk processing, pasteurization and standardization
- 13) Financing against deferred payment vouchers of milk processors, sweetshops, meat processors etc.
- 14) Wholesale lending to microfinance banks, microfinance institutions, NGOs, etc. for onward lending to the farming community to meet their short term livestock credit requirements
- 15) Working capital for compound feed making industry
- 16) Working capital requirements of livestock meat processing units<sup>5</sup>
- 17) Any other item related to livestock day to day expenses

## ii Poultry

- 18) Purchase of feed, birds/day old chicks, including ostrich birds/chicks, feed raw material etc.
- 19) Feeds and raising charges
- 20) Working capital requirements for poultry feed mills
- 21) Poultry medicines, vaccination, vitamin and other medication for poultry birds, saw dust, wood, coal, medicines, water filter cartages
- 22) Packing and storage material
- 23) Expenses of labor, utility bills, fuel for generators & vehicles, transportation/shipment etc.
- 24) Purchase of poultry utensils/equipment (brooders, drum heaters, drinkers, one/two pan type feeder, small/large feeder, feed trays, laying nests, shifting box, fumigants, water filter cartages, water nipples, PVC pipes, crates, fogger nozzles, chick guards, spray pumps, weighing machines, tubs, etc.)
- 25) Wholesale lending to microfinance banks, microfinance institutions, NGOs, etc. for onward lending to the farming community to meet their short term poultry credit requirements
- 26) Any other item required to meet day to day expenses for running poultry farm
- 27) Working capital requirements of chicken de-feathering & chicken waste processing/rendering
- 28) Working capital requirements of chicken meat processing units

## iii Fisheries (Inland and marine)

### a) Inland

- 29) Fish seed
- 30) Fish feed
- 31) Manuring
- 32) Purchase of fingerlings fish/seed/feed/shrimp post larvae
- 33) Purchase of inputs like oil cake/rice bran/composite fertilizers, poultry droppings and other feed materials
- 34) Purchase of medicines and vitamins
- 35) Consumable items for curing and drying
- 36) Purchase of diesel for tube well/payment of electricity bills of tube wells/running expenses of tube wells/pumping sets
- 37) Packing and storage material
- 38) Purchase of nets, boxes, baskets, ropes, shovels, hooks and other accessories etc.
- 39) Cost of excavation and rehabilitation of ponds
- 40) Renting/leasing of ponds and tanks
- 41) Working capital requirements for meat processing units<sup>5</sup>

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<sup>5</sup> As per the definition at Sr. No. 1(iv) of prudential regulations of agriculture financing

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42) Wholesale lending to Microfinance Banks, Microfinance Institutions, NGOs, etc. for onward lending to the farming community to meet their short term inland fisheries credit requirements.

43) Any other items related to inland fisheries day to day expenses

**b) Marine**

44) Fuel, ration and ice for marine fisheries

45) Processing and canning charges

46) Fish waste disposal/management charges

47) Overhead expenses including labor etc.

48) Packing/freezing/processing/cleaning items required for fish processing

49) Consumable items for curing and drying

50) Procurement of insulated boxes, purchase of plastic fish crates and plastic baskets

51) Wholesale lending to microfinance banks, microfinance institutions, NGOs, etc. for onward lending to the farming community to meet their short term marine fisheries credit requirements

52) Any other items, such as mooring charges, other marine fisheries day to day expenses etc.

**iv Forestry including Agro Forestry**

53) Apiculture

54) Sericulture

55) Laciculture

## **2. Medium and Long-term Non- Farm Credit**

**i Livestock**

56) Fattening station structure and equipment

57) Purchase of fattening animals, goat, sheep, milch animals and male animals for breeding

58) Purchase of young animal or female heifers

59) Purchase of mature milk yielding buffaloes or cows

60) Yak farming

61) Replacement of existing buffaloes or cows.

62) Purchase of young buffaloes, cows, sheep and goats for rearing for meat production

63) Chilling vehicles/storage equipment to enhance shelf life of livestock products

64) Purchase of motor cycle and van for milkmen

65) Milk chilling & processing plants

66) Milk storage chilling tanks, refrigeration plants and milk carrying containers

67) Livestock farm structures and equipment

68) Cost of construction of building for Milk Chillers

69) Construction of cold Storages by livestock producers

70) Farm construction (Sheds for animal equipment and other farm requisites) including thrashing yards, green house and plastic sheds

71) Opening of private veterinary clinics/veterinary medical stores (veterinary equipment, purchase of medicines vaccines and allied hospital facilities and other allied items)

72) Opening of veterinary diagnostic laboratories in private sector (purchase of media and regents, equipment and allied items)

73) Opening of private artificial insemination centers (purchase of artificial insemination equipment and other related items)

74) Research based farming needs

75) Construction or procurement of permanent sheds, water tanks, water pumps, tube wells and generators

- 76) Fencing and enclosures
- 77) Compound feed making industry
- 78) Establishment of slaughter houses (abattoirs)/slaughter house equipment
- 79) Blood/bones processing units
- 80) Butter/cheese/ice cream/lassi etc. production units
- 81) Dairy equipment and animal feed plants
- 82) Cheese making equipment/machines
- 83) Skimmed milk machinery and abattoir
- 84) Refrigerated meat storages and refrigerated containers
- 85) Distribution vehicles such as motorcycles, pickups, refrigerated vans, etc.
- 86) Solar energy plants including installation cost
- 87) Any other item related to livestock development sector

#### **ii Poultry**

- 88) Construction of cold storages by poultry producers
- 89) Compound feed making industry for poultry
- 90) Construction of broiler, layer, breeder & hatchery farms and feed mills
- 91) Purchase of machinery/equipment for poultry farm/hatchery/feed mill
- 92) Slaughtering & de-feathering machine
- 93) Purchase of poultry feathering machine
- 94) Purchase of distribution vehicles such as motorcycles, pickups/trucks/air conditioned vans for marketing/transportation of eggs/chicken from farm to market
- 95) Control sheds automatic drinkers/tube feeders, generators, ventilators, deep freezers table/breeder eggs storage refrigeration plants etc.
- 96) Any other item required for the establishment of poultry industry
- 97) Construction & machinery of de-feathering & chicken waste processing/rendering units
- 98) Chicken meat processing units
- 99) Solar energy plants including installation cost

#### **iii Forestry including Agro Forestry**

- 100) Tree plantation including bamboo/sumbal/pine tree/diyar cultivation & nurseries for growing plants including ornamental/genetically modified ornamental/decorative plants

#### **iv Fisheries (Inland and Marine)**

##### **a) Inland**

- 101) Excavators for silt cleaning & digging of ponds for fish farming etc.
- 102) Cost of construction, expansion, lining, repairing and renovation of ponds and tanks
- 103) Excavation/expansion/rehabilitation of water channels
- 104) Cost of installation of tube wells/pumping sets/ancillary structure
- 105) Construction of cold storages/fish yards/fencing by fishermen
- 106) Fishing boats (trawlers, sail boats)
- 107) Replacement of engines and spare parts
- 108) Nets, twines and ropes
- 109) Purchase of chilling/freezing plants
- 110) Purchase of allied equipment
- 111) Purchase of air conditioned vans for marketing
- 112) Solar energy plants including installation cost
- 113) Any other items related to Inland Fisheries

**b) Marine**

- 114) Marine engines and spare parts/purchase of marine engines (outboard and inboard)
- 115) Replacement of engines and spare parts
- 116) New boats, trawlers, imported engines and other equipment
- 117) Fishing boat and engine
- 118) Other boat equipment (floats, lifebuoys, life jackets, navigational lights, compasses, insulation materials) etc.
- 119) Purchase of other deck equipment like winch, wire rope, gallows, net handler, communication equipment, radar, life boats, anchors, direction finders, echo sounder (fish finders) etc.
- 120) Cold storage facilities/construction of cold storage by fishermen with the use of insulation material/sheets for walls/roof
- 121) Cost of plants (chilling/freezing) including installation cost
- 122) Purchase of nets – trawlers net/purse-seine/grill nets
- 123) Fish storage centre (distribution centre)
- 124) Fish/shrimp hatcheries
- 125) Purchase of mobile insulated, pickups/vehicles etc.
- 126) Jetties
- 127) Solar energy plants including installation cost
- 128) Any other items related to marine fisheries

**v Others**

- 129) Biogas plant & Biogas generators
- 130) Sulphuric acid generators
- 131) Charges for management services/technological & mechanical service

***Note 1: The list mentioned above is indicative and banks are allowed to finance any other agriculture related activity as per SBP's regulations, their own policies, and the requirements of the farming community. Further, duplication in reporting of data to SBP is not permissible.***

***Note 2: The financing to Provincial Food Departments and PASSCO/TCP for procurement of wheat etc., which is backed by the government guarantee shall be considered as 'Commodity Operation Financing (COF)' and shall be classified as part of government borrowing. Therefore, such credit facilities shall not be reported under agriculture credit.***

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Annexure A (ii)

Development loans for Agri. related Infrastructure (2022)						
Sr. #	Items	Existing Indicative Credit Limit (Rs.) as of 2019	Amount in Rs.			
			Cost per square feet (For Sr. # 1,2,& 3)	Cost per acre (For Sr. # 1,2,& 3)	Cost per 1,000 birds (For Sr. # 4)	Cost per square yard (For Sr. # 5 & 6)
1	Tunnel farming for vegetable crops (per acre)					
	a) Iron shed	600,000				
	b) Wood/Bamboo shed	250,000				
2	Tunnel farming for nursery/orchards (per acre)					
	a) Iron shed	1,500,000				
	b) Wood/Bamboo shed	350,000				
3	Irrigation System (per acre)					
	a) Sprinkler	200,000				
	b) Drip/Trickle	200,000				
4	Poultry Shed (per 1,000 birds)					
	a) Controlled Shed	600,000				
	b) Semi controlled shed	250,000				
5	Storage Sites Construction (per square yard)					
	a) Cold storage	20,000				
	b) Silos construction	50,000				
6	Others (Please indicate)					

Annexure B

Sector Wise Provincial Agricultural Credit Requirements / Estimates for FY-----						
Sectors/Items	Financial/ Cash Requirement			Credit Requirement		
	Production/Short Term	Development/ Medium/Long Term	Total	Production/Short Term	Development/ Medium/Long Term	Total
	(Rs in million)					
<b>A. Farm Sector (a to o)</b>						
a) Seed						
b) Fertilizers						
c) Pesticides/Chemicals etc						
d) Fuel/Oil for Tractor/Tubewell/Generators etc						
e) Electricity Charges						
f) Orchards/Nurseries						
g) Land Development						
h) Trickle/ Drip/Sprinkler Irrigation system						
i) Construction of Tunnel Farms						
j) Farm Machinery						
k) Tractors						
l) Tubewells/Turbines/Solar Tubewells						
m) Harvestors/Cultivators						
n) Cold Storage/Silos/Warehouse						
o) Others						
<b>B. Non-Farm Sector:</b>						
<b>1. Livestock &amp; Dairy Development</b>						
a) Goat & Sheep						
b) Meat Cattles						
c) Milch Animals						
d) Livestock Machinery						
e) Cold Storage/Cold Chain						
f) Others						
<b>Sub-Total:</b>						
<b>2. Poultry Farm:</b>						
a) Hatcheri (i+ii)						
i) Broiler						
ii) Layer						
b) Broiler Farm						
c) Layer Farm						
d) Broiler Farm Controlled Shed						
e) Layer Farms Controlled Shed						
f) Others						
<b>Sub-Total: (a to f)</b>						
<b>4. Fisheries</b>						
a) Marine						
b) Inland						
<b>Sub-Total: (a+b)</b>						
<b>5. Forestry</b>						
<b>6. Apiculture (Honey Bee Farming)</b>						
<b>7. Sericulture ( Silk Worm Farming)</b>						
<b>8. Others</b>						
<b>Total Non Farm(1 to 8)</b>						
<b>G.Total Farm (A) + Non-Farm (B)</b>						

Note : Provincial Department/(s) may provide detailed data/information in support of above referred agri. estimates