



# **Agricultural Credit Advisory Committee (ACAC) Meeting**

**FY 2019-20**

November 19, 2019

**State Bank of Pakistan**



# **Agricultural Credit Performance**

## **FY 2018-19**

# Headline Performance Indicators (FY 2018-19)



**FY 2017-18**

Target

**Rs. 1,001**

Billion

Disbursement

(July 2017 – June 2018)

**Rs. 973**

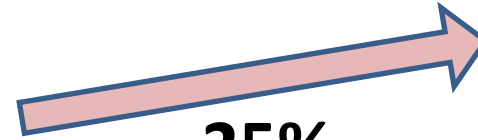
Billion

Outstanding Borrowers

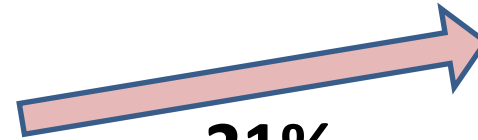
(End June, 2018)

**3.72**

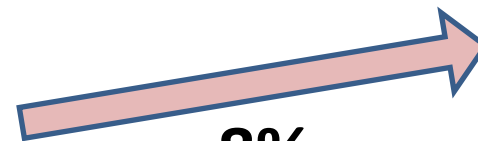
Million



**25%**  
higher



**21%**  
YoY  
Growth



**8%**  
YoY  
Growth

**FY 2018-19**

Target

**Rs. 1,250**

Billion

Disbursement

(July 2018 – June 2019)

**Rs. 1,174**

Billion

Outstanding Borrowers

(End June, 2019)

**4.01**

Million

# Target vs Achievement Against Other Indicators (FY 2018-19)



## Targets

Addition of New Borrowers (By End June 2019)

**700,000**

Addition of Fresh ACOs (By End June 2019)

**1,615**

Islamic Agri Financing Target (Rs. 100 Billion)

**IBs: Rs. 50 Billion**

**Windows: Rs. 50 Billion**

Job Fair Programs

**07**

**Demand of ACOs: 129**

## Achievement

Borrowers Added

**408,410 (58%)**

ACOs Added

**223 (14%)**

Islamic Agri Financing

**IBs: Rs. 39.4 Billion (79%)**

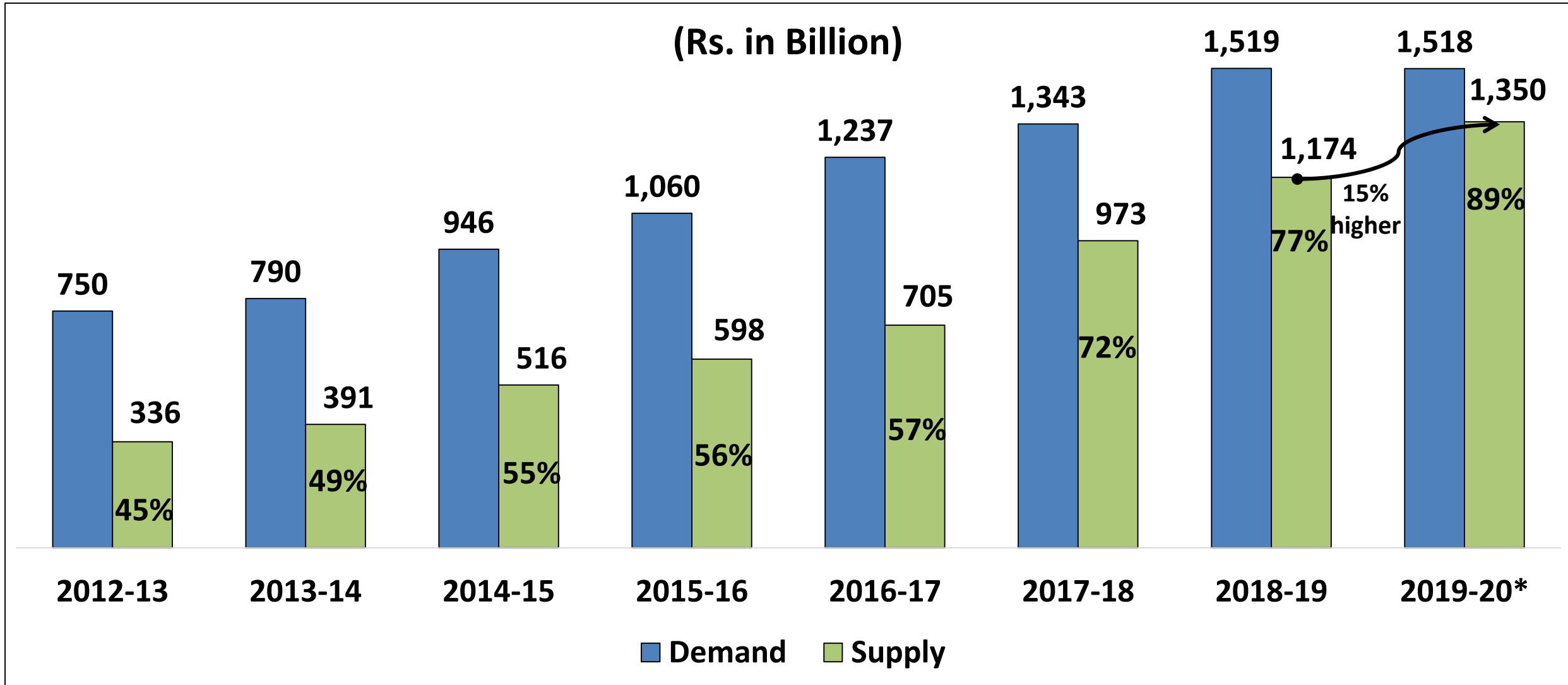
**Windows: Rs. 32.7 Billion (65%)**

Programs Conducted

**07 (100%)**

**74 ACOs hired (57%)**

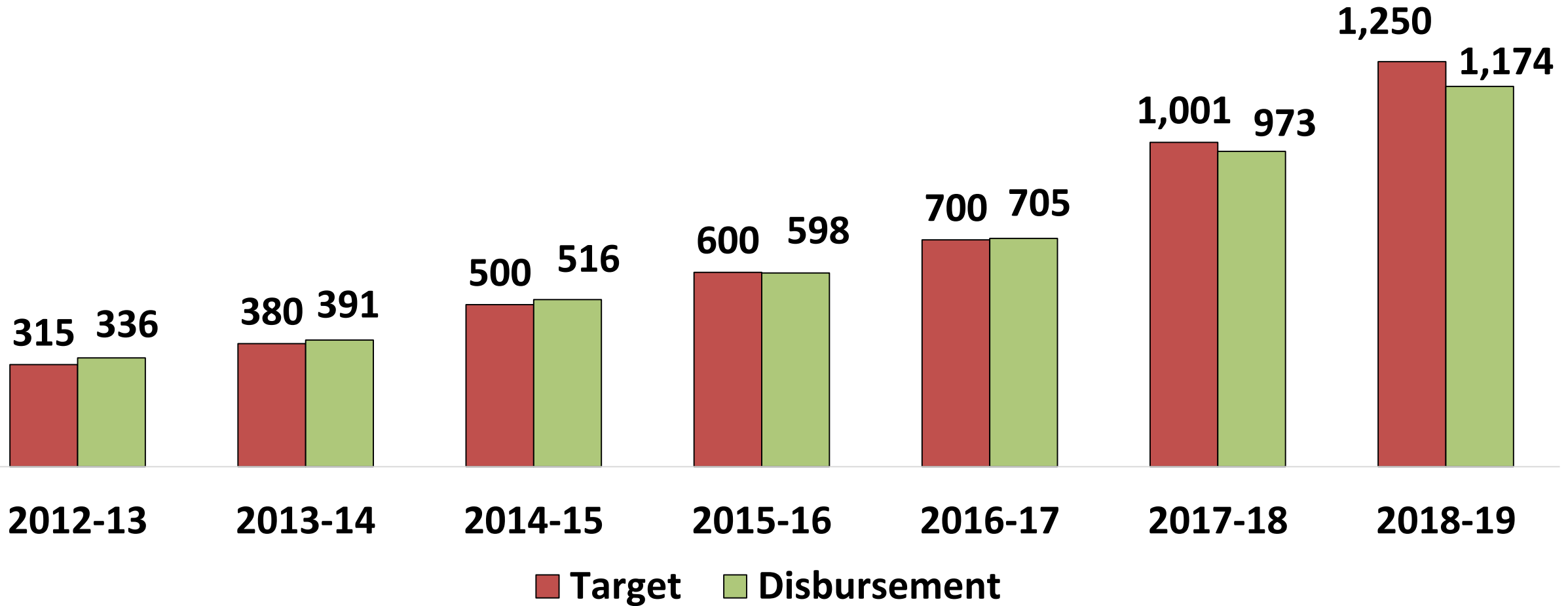
# Agri. Credit Demand vs. Supply



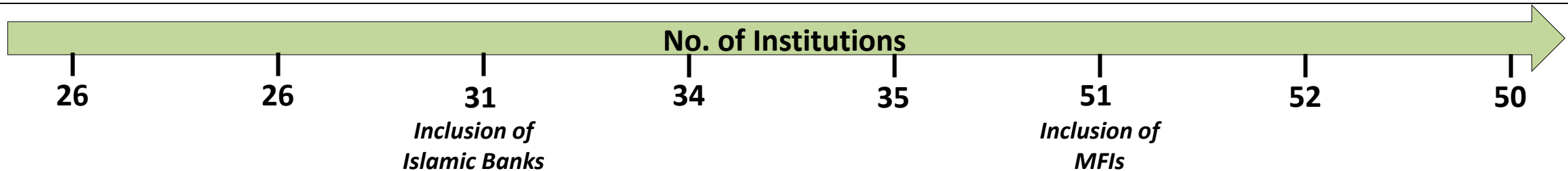
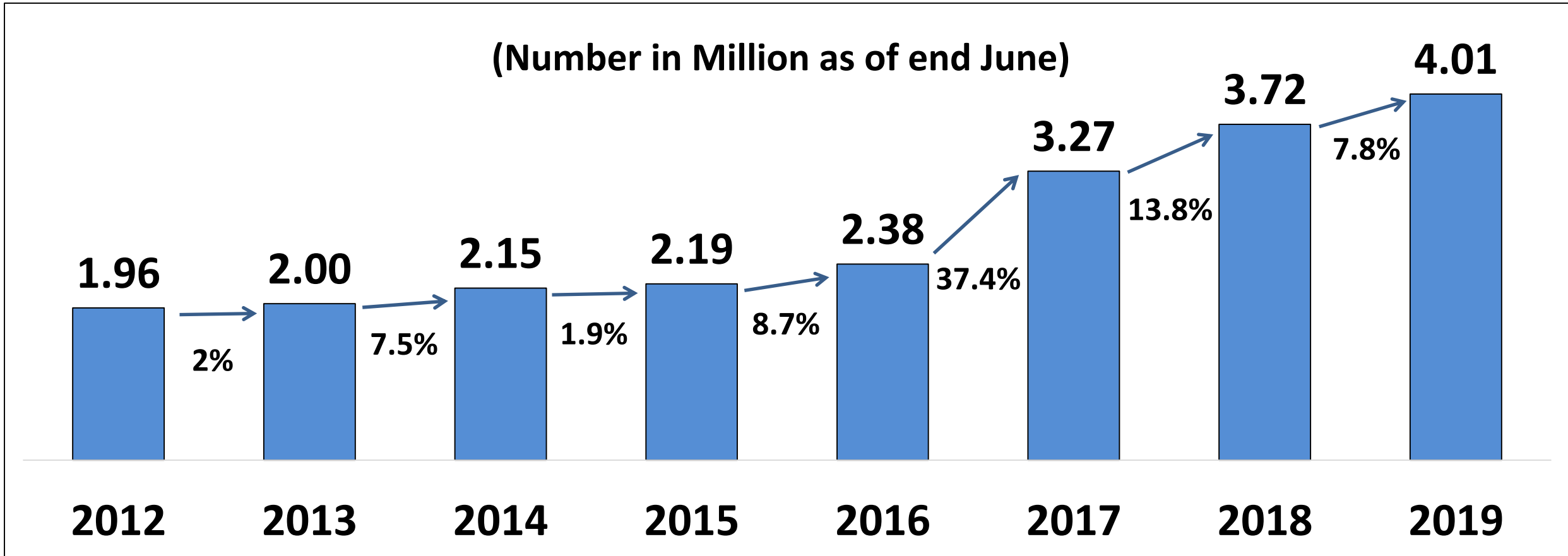
\* Target allocated for FY 2019-20

# Agri. Credit Target vs. Achievement

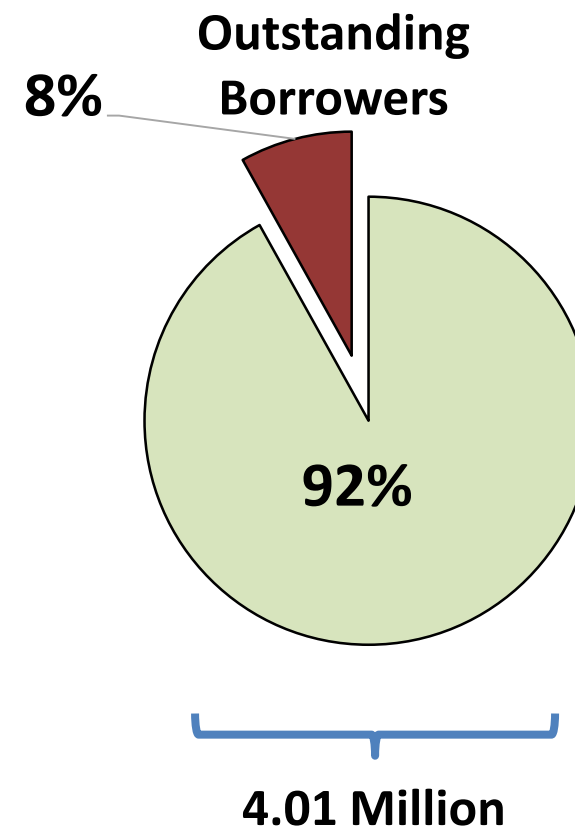
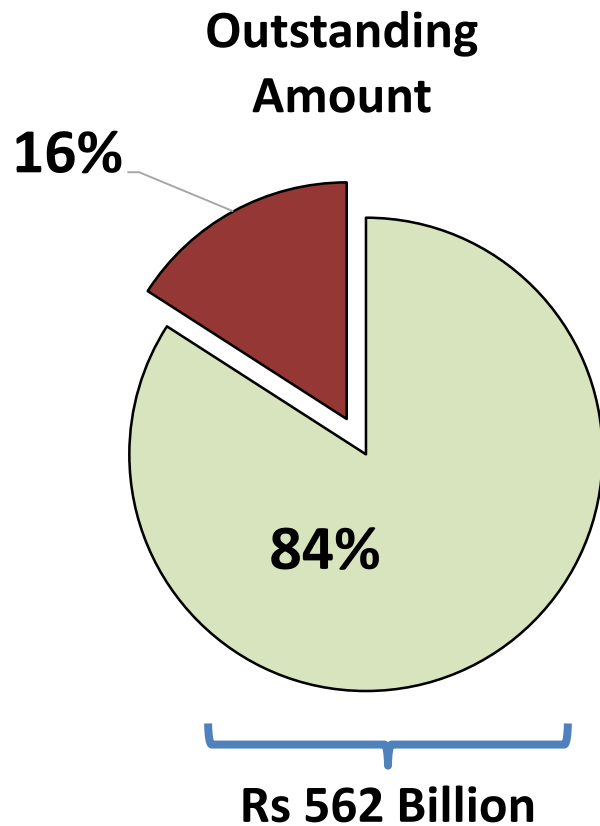
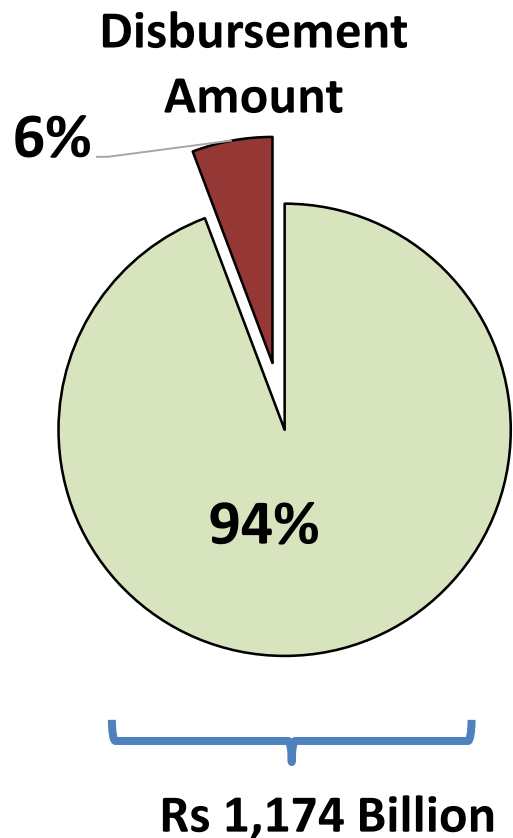
(Rs. in Billion)



# Outstanding Agri. Borrowers



# Agri. Production vs. Development Loans (FY 2018-19)



Production Loans

Development Loans

Major share of agri. credit goes to production loans.

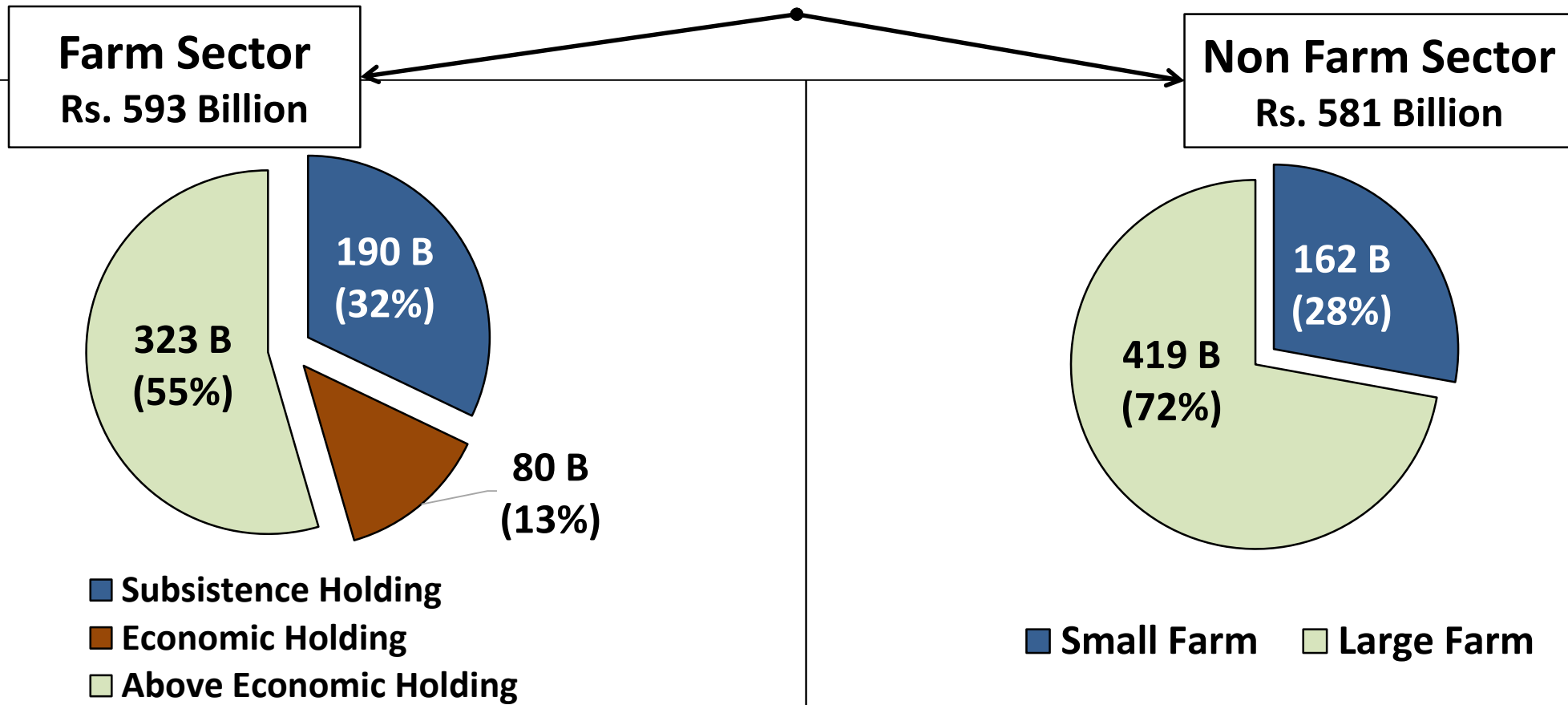
[Def. Prod & Dev Loans farm Sector](#)

[Def. Prod & Dev Loans Non farm Sector](#)



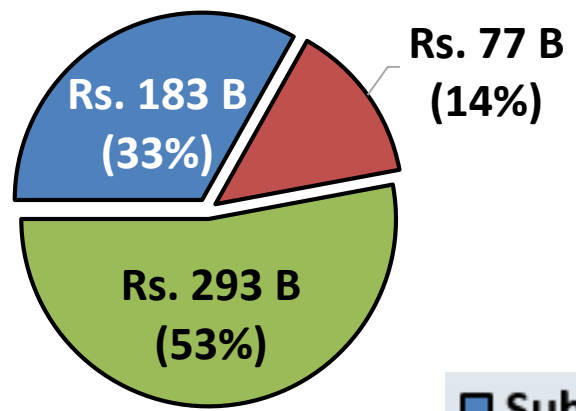
# Distribution of Agri. Credit (Disbursement) by Sector and Farm Holding/Size (FY 2018-19)

**Rs. 1,174 Billion**



# Distribution of Production & Development Loans (Disbursement) by Farm Holding (FY 2018-19)

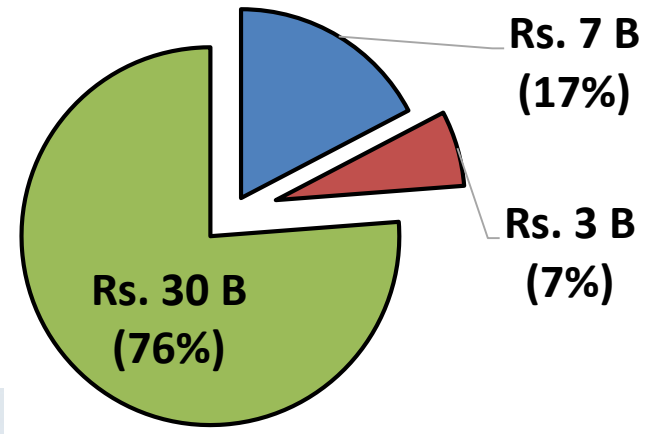
**Production Loans**



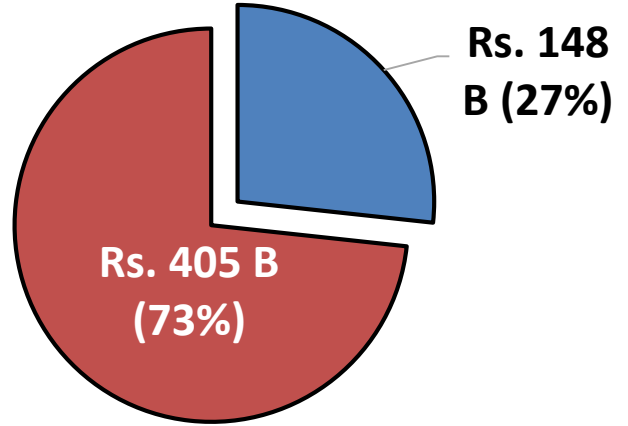
**Farm Sector**  
Rs. 593 Billion

■ Subsistence ■ Economic ■ Above Economic

**Development Loans**



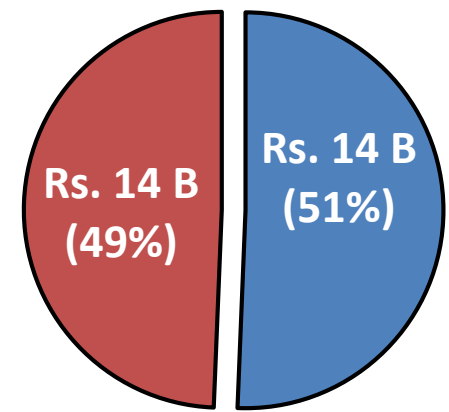
**Working Capital Loans**



**Non-Farm Sector**  
Rs. 581 Billion

■ Small Farm ■ Large Farm

**Fixed Investment Loans**



# Group Wise Target vs. Disbursement (FY 2018-19)



(Rs. in Billion)

Category	Target	Disbursement	Target Achieved (%)
5 Big Commercial Banks	651	653.5	100.4
2 Specialized Banks	113	81.2	71.8
14 DPBs	245	211.9	86.5
11 Microfinance Banks	156	154.0	98.7
13 MFIs/RSPs	35	34.0	97.1
5 Islamic Banks	50	39.4	78.8
<b>Total</b>	<b>1,250</b>	<b>1,174.0</b>	<b>93.9</b>

# Performance of Islamic Windows & Branches (FY 2018-19)



(Rs. in Billion)

Category	Disbursement (Jul-Jun 2019)			Outstanding (End June, 2019)		
	Target	Disbursed	Target Achieved (%)	Target	Outstanding	Target Achieved (%)
4 Big Commercial Banks	20	17.04	85.2	7.05	6.24	88.6
8 DPBs	30	15.68	52.3	10.95	3.15	28.7
<b>Total</b>	<b>50</b>	<b>32.72</b>	<b>65.4</b>	<b>25.05</b>	<b>15.64</b>	<b>52.2</b>

# Group Wise Performance Against Other Indicators (FY 2018-19)



(Rs. in Billion)

Category	Target/Ach.	Disbursement	Outstanding	Outstanding Borrowers	No. of Small Farmers	Addition of ACOs
Commercial Banks	Target	651	217	504,000	302,400	1,260
	Achievement	100%	73%	56%	80%	13%
Specialized Banks	Target	113	158	970,000	672,000	18
	Achievement	72%	94%	87%	104%	22%
DPBs	Target	245	94	61,500	36,900	250
	Achievement	87%	79%	57%	49%	29%
Islamic Banks	Target	50	17	13,000	7,800	87
	Achievement	79%	103%	18%	21%	15%
MFBs	Target	156	125	2,037,000	2,037,000	-
	Achievement	99%	114%	104%	104%	-
MFIs	Target	35	23	835,870	835,870	-
	Achievement	97%	92%	87%	87%	-
Total	Target	1,250	635	4,421,370	3,891,970	1,615
	Achievement	94%	89%	91%	98%	15%

# Province Wise Target vs. Achievement (FY 2018-19)



(Rs. in Billion)

Category	Targets	Disbursement	Target Achieved (%)
Punjab	890.0	997.4	112.1
Sindh	261.5	155.2	59.3
KPK	43.0	16.1	37.5
Balochistan	50.0	1.0	2.0
AJK	2.4	3.6	154.9
GB	3.2	0.7	22.4
<b>Total</b>	<b>1,250.0</b>	<b>1,174.0</b>	<b>93.9</b>

**Trend:** Balochistan and GB remained the most untapped regions in terms of agri. credit

# Province Wise Agri. Credit Performance (FY 2018-19)



(Rs. in Billion)

Province	Disbursement		(% ) Growth
	Jul-Jun 2018	Jul-Jun 2019	
Punjab	845.9	997.4	18%
Sindh	108.6	155.2	43%
KPK	14.5	16.1	11%
Balochistan	0.86	0.98	14%
AJK	2.17	3.64	68%
GB	0.63	0.72	14%
<b>Total</b>	<b>972.6</b>	<b>1,174.0</b>	<b>21%</b>

# Group Wise Agri. Credit Infrastructure (as on 30 June 2019)



Category	Total Branches	Agri. Branches	ACOs	ACOs Per Branch
5 Big Commercial Banks	6,971	3,018	1,087	0.36
Z.T.B.L	502	478	1,317	2.76
P.P.C.B.L	151	151	127	0.84
DPBs	4,333	1,112	693	0.62
Islamic Banks	1,557	201	26	0.13
MFBs	1,245	1,121	8,635	7.70
<b>Total</b>	<b>14,759</b>	<b>6,081</b>	<b>11,885</b>	<b>1.95</b>

5 big comm. Banks, Islamic banks and DPBs need to increase their agri. field force.



# Province Wise Agri. Credit Infrastructure

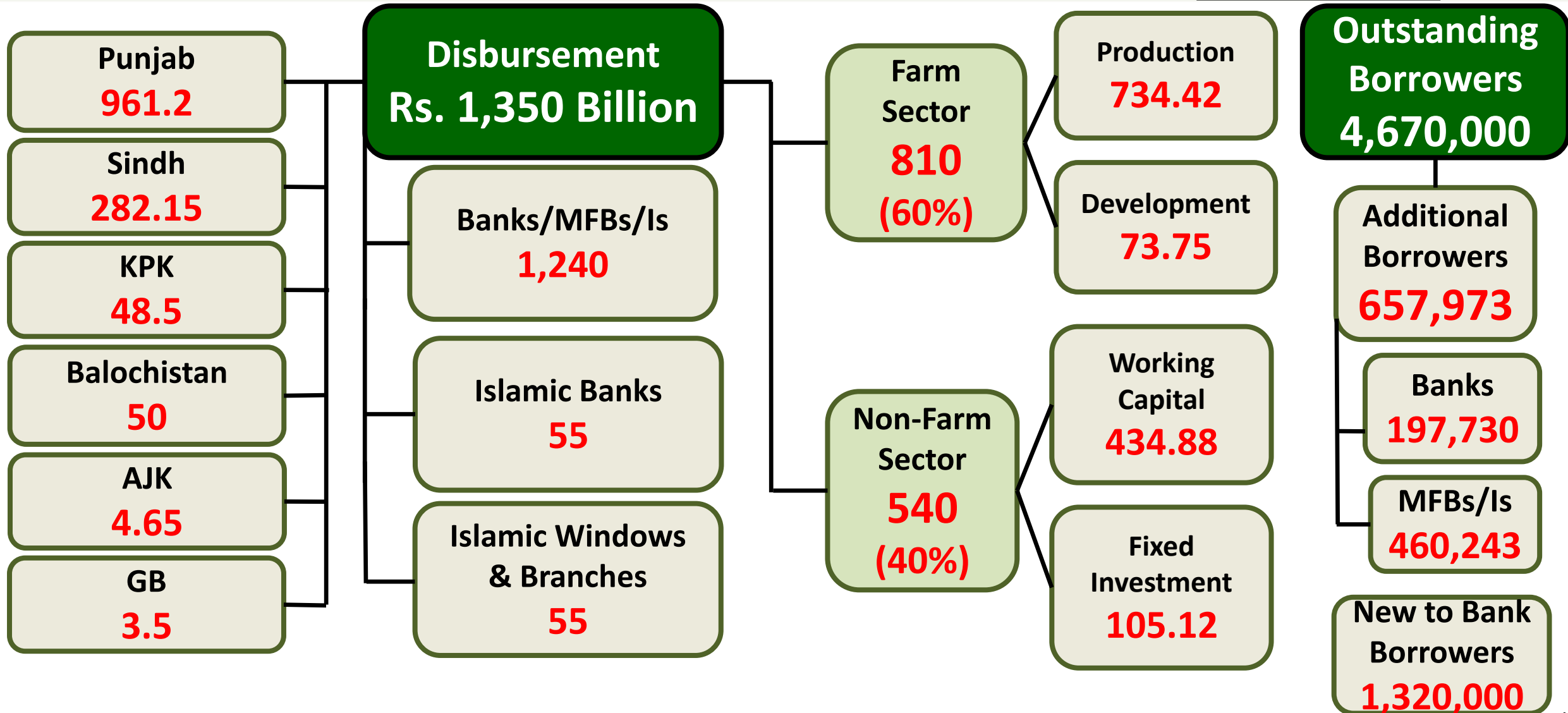
Province	End June 2019	
	Agri. Branches	No. of ACOs
Punjab	3,967	9,033
Sindh	1,158	1,928
KPK	606	605
Balochistan	155	110
AJK	115	103
GB	80	106
<b>Total</b>	<b>6,081</b>	<b>11,885</b>

# **Agri. Credit Targets**

## **FY 2019-20**

# Agri. Credit Targets for 2019-20

(Rs. in Billion)



# Agri. Credit Targets for 2019-20

(Rs. in Billion)

Category	Disbursement	Outstanding Portfolio	Outstanding Borrowers	New to Bank	Small Farmers	New ACOs
5 Big Com. Banks	705	207	404,000	79,500	242,400	1,255
2 Special. Banks	113	152	925,000	78,000	555,000	16
14 DPBs	253.6	101	60,000	35,100	36,000	273
11 MFBs	184	154	2,435,000	810,600	2,435,000	-
12 MFIs/RSPs	39.4	25	831,600	312,000	831,600	-
5 Islamic Banks	55	21	14,400	4,800	8,640	114
<b>Grand Total</b>	<b>1,350</b>	<b>660</b>	<b>4,670,000</b>	<b>1,320,000</b>	<b>4,108,640</b>	<b>1,658</b>

Commercial banks - 60% of the outstanding borrowers will be small farmers

MFBs/Is 100% outstanding borrowers will be small farmers

# Province wise Targets for FY 2019-20



(Rs. in Billion)

Province/Region	FY 2018-19		FY 2019-20
	Targets	Achievement	Targets
Punjab	890.0	997.4	961.2
Sindh	261.5	155.2	282.15
KPK	43.0	16.1	48.5
Balochistan	50.0	1.0	50.0
Azad Jammu & Kashmir	2.3	3.6	4.65
Gilgit Baltistan	3.2	0.7	3.5
<b>Total</b>	<b>1,250</b>	<b>1,174</b>	<b>1,350</b>

# **Agricultural Credit Performance**

## **FY 2019-20**

### **(July - September)**

# Group Wise Target vs. Disbursement FY 2019-20 (Jul-Sep)



(Rs. in Billion)

Category	Disbursement (Jul-Sep 2018)			Disbursement (Jul-Sep 2019)		
	Target	Disbursed	(%) Target Achieved	Target	Disbursed	(%) Target Achieved
5 Big Commercial Banks	651	117.3	18.0	705	145.5	20.6
2 Specialized Banks	113	13.9	12.3	113	16.0	14.2
14 DPBs	245	43.8	17.9	253.6	53.9	21.3
11 Microfinance Banks	156	26.3	16.9	184	28.6	15.5
13/12 MFIs/RSPs	35	7.1	20.2	39.4	6.7	17.0
5 Islamic Banks	50	3.8	7.6	55	12.6	22.8
<b>Total</b>	<b>1,250</b>	<b>212.1</b>	<b>17.0</b>	<b>1,350</b>	<b>263.3</b>	<b>19.5</b>

# Performance of Islamic Windows & Branches FY 2019-20 (Jul-Sep)



(Rs. in Billion)

Category	Disbursement (Jul-Sep 2018)			Disbursement (Jul-Sep 2019)		
	Target	Disbursed	Target Achieved (%)	Target	Disbursed	Target Achieved (%)
4 Big Commercial Banks	20	1.32	6.6	25.5	7.92	31.1
8 DPBs	30	4.62	15.4	29.5	1.86	6.3
<b>Total</b>	<b>50</b>	<b>5.93</b>	<b>11.9</b>	<b>55.0</b>	<b>9.78</b>	<b>17.8</b>



# Presentations by Banks and Other Stakeholders



- 1) Olive Value Chain Development – PARC
- 2) Dairy Value Chain Model – Bank of Khyber
- 3) Farmland development and efficient water management system – Dr. Aman Nawaz Khan
- 4) Rural Lending Digitalization – Habib Bank Limited
- 5) New Initiatives – Khushhali Bank Limited
- 6) Agriculture & National Food Security – MNFSR

# Thanks



# Production & Development Loans for Farm Sector



## Production loans:

- Loans for inputs like seeds, fertilizers, pesticides, labor and day to day farming expenses.

## Development Loans:

- Loans for the improvement of agricultural land, orchards, forests, etc.
- Loans for construction of godowns and storage facilities for seed or raw agriculture/farm produce.
- Loans for purchase of agricultural machinery and equipment like tractors, threshers, harvesters, levelers and other farm implements etc.



# Working Capital & Fixed Investment Loans for Non Farm Sector

## Working Capital (Production loans):

- Short term loans for inputs like feed, medicines, packing, utility bills, Labor and day to day expenses for poultry, livestock, fisheries and forestry.

## Fixed Investments/Term Finance (Development Loans):

- Loans for purchase of equipments, fattening animals, vehicles for transportation, construction of cold storages, construction of building for milk chillers, purchase of machinery/equipment for poultry farm/ hatchery/ feed mill, purchasing of excavators for silt cleaning & digging of ponds for fish farming, cost of construction, expansion, lining, repairing and renovation of ponds and tanks, etc.



# Classification of Farm Sector Farmers

Sr. No.	Province	Subsistence	Economic	Above Economic
1.	Punjab	Up to 12.5 Acres	Above 12.5 to 50 Acres	Above 50 Acres
2.	Khyber Pakhtunkhwa	Up to 12.5 Acres	Above 12.5 to 50 Acres	Above 50 Acres
3.	Sindh	Up to 16 Acres	Above 16 to 64 Acres	Above 64 Acres
4.	Balochistan	Up to 32 Acres	Above 32 to 64 Acres	Above 64 Acres

Classification for AJK & GB may be treated same as for Punjab & KPK



# Classification of Non Farm Sector Farmers

Purpose	Non Crop Classifications		
	Small	Medium	Large
Goat & Sheep	Up to 30 Animals	31-150 Animals	Above 150 Animals
Cow/Buffaloes	Up to 15 Animals	16-50 Animals	Above 50 Animals
Meat Cattle	Up to 30 Animals	31-100 Animals	Above 100 Animals
<b>Conventional Poultry</b>			
Poultry Farm (Broiler)	Up to 5,000 Birds	5,001 - 12,000 Birds	Above 12,000 Birds
Poultry Farm (Layers)	Up to 2,500 Birds	2,501 - 7,500 Birds	Above 7,500 Birds
<b>Poultry in Controlled Sheds</b>			
Poultry Farm (Broiler)	NA	Up to 60,000 Birds	Above 60,000 Birds
Poultry Farm (Layers)	NA	Up to 50,000 Birds	Above 50,000 Birds
Fisheries Inland	Ponds up to 2 Acres	Ponds 3 - 6 Acres	Ponds above 6 Acres
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
<i>Source: Feedback of Committee</i>			

