



External Relations Department

ERD/M&PRD/PR/01/2022-24

February 21, 2022

SBP to launch Electronic Warehouse Receipt Financing for Maize Crop

The State Bank of Pakistan (SBP) will be launching Electronic Warehouse Receipt Financing (EWRF) for Maize Crop on Tuesday, February 22, 2022 at the event in Tehsil Chunian, District Kasur. At the event banks will be signing their System Usage Agreements with Naymat Collateral Management Company Ltd. (NCMCL) to commence operations under this newly developed system.

This mechanism will not only provide farmers with an adequate facility to store their produce, but also address their liquidity requirement as these receipts will be used as a collateral to avail financing from banks. The warehouse receipts will be issued by approved collateral management companies in arrangement with their accredited storage facility operators. The value of stored harvest will be assessed and marked on the electronically issued warehouse receipts, which can then be used to avail financing from banks.

Through this initiative, SBP aims to achieve multiple objectives including; enhanced availability of formal credit to farmers who otherwise do not have acceptable collateral to secure bank financing; minimize post-harvest losses through a network of accredited warehouses where standardized agricultural produce can be stored; and ensure better price discovery to increase farmers' profitability and guide them in making better farming decisions.

The system has been developed through collaborative efforts of various stakeholders including The State Bank of Pakistan, Securities & Exchange Commission of Pakistan, Federal and Provincial Governments, and banks, among others.
