



## External Relations Department

---

ERD/M&PRD/PR/01/2022-21

February 16, 2022

### **SBP enhances agriculture credit limits to meet farmers input requirements**

State Bank of Pakistan (SBP) has enhanced the indicative credit limits for agriculture financing by banks to farmers to align the amount of financing with agriculture input requirements. The enhanced indicative credit limits for production and development loans of farm and non-farm sector will directly benefit agriculture borrowers, who will now be able to obtain more credit from banks and in turn enhance agriculture productivity through adequate use of inputs. This will also enable banks to align the loan amounts with the actual requirements of farmers and resultantly enhance flow of agriculture credit.

It is important to note that the indicative credit limits serve as a guideline for banks to assess the credit requirements of agriculture borrowers while sanctioning credit limits. Banks may, however, make adjustments on the basis of prevailing market conditions, local prices of inputs, and repayment capacity of borrowers.

The revised indicative credit limits will also facilitate provincial planning departments in estimating the total financial and credit requirements of respective provinces/regions for farm and non-farm sectors.

For more details, please visit SBP website: <https://www.sbp.org.pk/acd/2022/C1.htm>

\*\*\*\*\*