

Agri-cards helping farmers buy inputs



Analysts attend a roundtable on “Bank's Farm Loan Expansion for Smallholder Farmers” organised by Bangla daily Prothom Alo in cooperation with CARE at the newspaper's office in the capital yesterday. Photo: Star
Star Business Report

A specially designed debit card is now helping farmers avoid bank queues for loans and the hassles of carrying cash to buy agro-inputs, such as seeds, fertilisers, pesticides and equipment, experts said yesterday.

Bangla daily Prothom Alo in cooperation with CARE organised the roundtable on “Bank's Farm Loan Expansion for Smallholder Farmers” at the newspaper's office in the capital.

Farmers owning at least 50 decimals of land or two dairy cows or one bull are eligible for using the card, solely being issued by Bank Asia, availing a maximum of Tk 20,000 as loan for an interest rate of 9 percent, they said.

Some 3,100 farmers have already availed the facility using the “A-card” or agriculture-card. Bank Asia in association with the USAID, Dhaka Ahsania Mission (DAM), CARE Bangladesh and mPower initiated the move, the first in the world.

The debit card has been introduced under a project named “AESA” with funds from USAID.

Such initiatives will bring unbanked farmers into the formal financial sector, making the farm sector more vibrant, experts said.

Shamsul Alam, senior secretary and also a member of Planning Commission, said use of A-card should be widely increased so that farmers can easily get farm loans.

Bank Asia should continue issuing the debit card even after the project tenure ends in February next year, Alam said.

“The government is now disbursing Tk 55,000 crore to people from different walks of life under its social safety net programmes. The card can be used to disburse the funds,” he said.

Qazi Kholiquzzaman Ahmad, chairman of Palli Karma-Sahayak Foundation (PKSF), said the credit ceiling should be increased as the present amount was not adequate for many farmers.

The PKSF will, if required, extend support to widen the use of the card, he said.

He said, “Farmers should be trained to use the loan effectively. Besides, the NGOs involved in the programme should connect with farmers at retail and wholesale market, helping them sell their produce with ease.”

Anowarul Haq, director of Extreme Rural Poverty Program under CARE Bangladesh, said the debit card is now helping to expedite the country's financial inclusion.

“Of the total farmers, 58 percent are smallholders and the farm loan is very important for them to promote their livelihoods,” he said.

CARE is giving technical support to farmers under the project to ensure that they use the loans efficiently, Haq said.

M Ehsanur Rahman, DAM executive director, said banks should take up drives to popularise the use of the A-cards, in the same way they do for credit cards.

Farmers of three districts -- Jessore, Bhola and Khulna -- are now getting the scope to use the newly innovated card, he said.

Bidyuth Mahalder, DAM official of Agriculture Extension Support Project, came up with the idea of the A-card.

Md Arfan Ali, managing director of Bank Asia, said farmers were allowed to use the debit cards using their fingerprints and a PIN code on a near field communication (NFC)-enabled mobile phone.

The technology allows a user to wave a smartphone over a NFC compatible device to send information without needing to touch the devices together or go through multiple steps to set up a connection.

The banks and other organisations concerned have selected retailers who are eligible to sell agriculture equipment to cardholders, he said.

From loan disbursement to payment made by farmers, all are happening through the online system, he said.

Mohammad Sayed Sibly, project management consultant of USAID Bangladesh, said the project was started on an experimental basis five years back.

“Only Bangladesh, across the globe, introduced such a product two years ago and subsequently it has benefited farmers significantly,” he said.

Khaleda Begum, a user of the A-card, said she was able to purchase seeds from retailers on time.

“I earlier faced fund crisis but now I have solved the problem through the debit card. My economic activities have recently doubled,” she said.