Agricultural Finance during the COVID-19 crisis and recovery: instruments and elements for a strategy

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COVID-19 pandemic is disrupting food supply chains and supply of finance is expected to decline

Agri production
- Reduced availability and affordability of inputs
- Shortage of labor

Aggregation, trading, processing, retailing
- Disrupted transportation
- Reduced supply of agricultural produce and raw materials
- Shortage of labor
- Reduced demand for high value food products
- Demand shifting from restaurants to home consumption
- Increasing importance of platforms to organize markets

Reduced supply of finance
Agriculture finance instruments and strategies

• **Rapid assessment of the impact and support requirements**
  • May vary by commodities widely
  • Utilize existing programs and instruments
  • International experience and building local capacity

• **Financing tools**
  • Matching grants, loan-rescheduling, partial credit guarantees, and lines of credit etc.

• **Key considerations**
  • Cooperative financial institutions and MFIs
  • Increased relevance of digital finance: payments, KYC, customer interphase in general, etc.