

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

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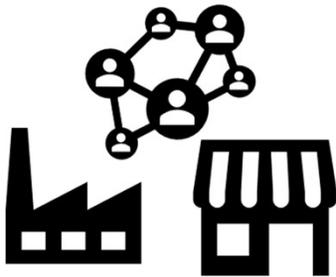
COVID-19 pandemic is disrupting food supply chains and supply of finance is expected to decline

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

Markets



- 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.